



THE MAIN DIRECTIONS OF SMALL BUSINESS DEVELOPMENT IN UZBEKISTAN

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Abstract

The role of small business enterprises in the country's economy is mentioned in the article. Their importance in production and employment of the population is highlighted. The regulatory and legal bases of small business development are explained. The types and advantages of small enterprises according to the forms of ownership are shown.

Key words: small business, entrepreneurship, market economy, production, profit, small enterprise.

One of the main goals of establishing a socially oriented market economy in Uzbekistan is the priority development of small business forms in the country. To realize this goal, economic reforms were carried out, large institutional bases were created to increase its role. These include legal and regulatory documents for the organization of entrepreneurial activity and its guarantee, non-governmental organizations and enterprises assisting entrepreneurs. The establishment of a set of small business enterprises is being successfully carried out in Uzbekistan.

Enterprises engaged in small business activities can introduce workplaces independently of the state, that is, without large capital funds, and reduce the shortage of temporarily available goods. In our current society, it is necessary to direct the activities of small enterprises to meet the needs of some people. This is clearly visible in the fields of household service and production of consumer goods. Small enterprises are also very important in introducing technological innovations.

The number of small businesses and private enterprises in our republic and the volume of products they produce is increasing year by year. Small enterprises are subject to the laws of the Republic of Uzbekistan "On Enterprises", "On Property", "On Guarantees of Free Entrepreneurship", Presidential Decrees, Cabinet of Ministers' Decisions and other normative acts. is being developed on the basis of documents.

Small business enterprises are increasingly finding their place in the transition of leading industries to new technologies in the conditions of scientific and technical





development. They demonstrate the quality of the main connection of the whole system that provides the work process with new ideas and improvement of production, introduction of new information technologies.

To date, small business and private business entities are active in all aspects of our country's economy, in the production of machine-building products, in the production of consumer goods, agricultural and food products, and in other areas.

The products produced by small business enterprises are distinguished by the fact that they do not lag behind the products produced by state enterprises in terms of quality and, in some cases, are even higher than them. 60-70 percent of the activities of small business and private business entities in our republic are directly connected with production, they are farmers, farmers, industrialists and processors of agricultural products, etc.

In order to form a class of owners based on the rapid development of small business, establish a system of relevant institutions, attract credit resources to the field of small business activity and create optimal conditions for bringing in foreign investments, the President of the Republic of Uzbekistan dated April 9, 1998 "Private entrepreneurship, small and On August 30, 2003, the Decree of the President of the Republic of Uzbekistan No. PF3305 was adopted.

Compared to large companies, small enterprises quickly adapt to market conditions and have several advantages in ensuring the success of their products in the market. Because small enterprises quickly adapt their activities to narrow production programs, advanced technology, production of products that require little science, and quickly master the basics of the market.

According to the forms of ownership, the following types of small enterprises can be distinguished:

1. Small enterprises based on state property.
2. Small enterprises based on community property.
3. Individual small enterprises based on the property of citizens.
4. Rental companies.
5. Small joint ventures.

A consistent increase in the number of small business enterprises in our republic is observed in all sectors of the economy, including transport, communication, healthcare and other non-production sectors.





The size of the main indicators of small business in economic sectors

Indicators	2015	2016	2017	2018	2019	2020	2021
Industry (billion soums)	39643,5	50654,5	61367,8	87962,0	83344,2	103020,8	121719,2
Construction (billion soums)	16954,0	19671,0	22469,4	37451,7	53960,9	63866,6	77762,0
Employment (thousand people)	10170,4	10397,5	10541,5	10128,8	10318,9	9865,7	10070,7
Export (million USD)	3377,7	3139,2	2759,3	3810,8	4714,8	3100,9	3711,2
Import (million US dollars)	5523,1	5676,8	7511,9	10916,2	14972,2	10943,3	12389,0
Trade (billion soums)	61972,3	78935,6	92973,0	114896,4	138920,7	164106,1	204787,4
Agriculture, forestry and fisheries (billion soums)	101197,5	118011,4	152010,5	191759,2	219466,9	253238,2	307280,2
Services (billion soums)	47269,6	61346,2	69212,7	84433,4	103106,6	114052,7	144812,7

Small business and private entrepreneurship are gradually developing in the field of foreign economic activity. The main exports of small business enterprises are agricultural, textile, processing, electrotechnical production products and folk art products.

The above analyzes show that in recent years, small business enterprises have been established in all sectors of the economy in the Republic of Uzbekistan. With this, the role and importance of small enterprises in the economy is increasing. The importance of private entrepreneurship and small business in the development of the national economy is described as follows:

- Private entrepreneurship provides the necessary speed in the conditions of the market economy, creates deep specialization in production and branched cooperation, without which it is impossible to ensure high efficiency;
- Creates a competitive environment necessary for the market and is characterized by the ability to quickly change the type of production in accordance with the changing market demand;
- Is able to quickly fill the gap that occurs in the consumer sector, and can quickly compensate for the investment spent using the most modern machine equipment and technology.





The characteristics of small business (small amount of working capital, its rapid turnover, the possibility of quick replacement of means of production, etc.) create opportunities to have a number of advantages:

- Research, development and development of new products, their production in small associations taking into account the risk of rapid changes in demand;
- Reliability of fast technical service and establishment of strong relations with consumers;
- Flexible organization of production and sales of products in accordance with market requirements and changes in market conditions;
- Absorption of excess labor force;
- Simplicity of management, absence of a large administrative apparatus, short period of development of construction and project capacities, quick payback of capital expenditures, high speed of capital turnover;
- More complete and effective use of raw materials and labor resources, production waste.

Small business and private entrepreneurship and everything related to it is an important and structural part of the organizational structure of modern social production. Therefore, in the development of the economy of our country, an important place is allocated to small business and private entrepreneurship, and they are supported by the state.

Private entrepreneurship and small business are finding their place in the conditions of acceleration of scientific and technical development, transition to new technologies in advanced branches of industry. Such entrepreneurship is an integral part of the whole system that provides new information technologies, new ideas and work with modernization of production. In addition, small enterprises are one of the preferred forms of production in conditions of high risk.

Small enterprises are also very important in introducing technological innovations. In small business, which adopts new technological ideas faster than large enterprises, there is less risk and it is possible to start work faster than in large-scale production. This can help to develop scientific and technical progress in our conditions.

Small business and private entrepreneurship play an important role in ensuring the general development of the economy and eliminating the shortage of goods and services. The creation of a system of small enterprises in Uzbekistan in the conditions of rapid growth of labor resources and the uniqueness of the location of production creates the following opportunities:





- The introduction of free labor resources, new economic relations, the emergence of new forms of ownership, more involvement of persons released in production to social production, the emergence of new forms of ownership;
- Raising the material, moral and professional level of the population, primarily the youth;
- Taking into account the slow mobility of the population, bringing industrial production closer to the places where the population lives and fully meeting the needs of the population for consumer goods;
- Restoration of national and artistic handicrafts, as well as support for the development of small and medium-sized cities, rural settlements, and in general, increasing the efficiency of the economy, which is extremely important for each region.

Recognizing the positive importance of small business and private entrepreneurship in the development of the economy, it is not correct to overestimate its importance. Private entrepreneurship can be active only within a certain scope, therefore it is necessary to create the necessary conditions for the development of small business activities. In our opinion, financial funds should be established for this purpose. These funds should serve as a guarantor for entrepreneurs to get preferential loans in commercial banks, and serve as a source of subsidies, including non-returnable subsidies (for the development of enterprises in certain priority sectors of the economy).

The improvement of the financial support system for small enterprises in Uzbekistan should be carried out in the direction of stimulating the activities of banks, funds, investment and insurance organizations serving small business and private entrepreneurship. As in foreign countries, in the Republic of Uzbekistan, if the enterprise is participating in a priority state program (creation of new equipment, development of remote areas, etc.), it can receive preferential loans. In this case, the minimum rate of interest and the provision of a long period for breaking off the debt are the main conditions for lending.

The activities of small enterprises are greatly affected by various unforeseen dangerous situations, sudden changes in the economic situation, customers becoming unable to pay, natural disasters put them in a difficult situation. etc. For this reason, the insurance system is well established in developed countries. It is necessary to establish insurance in our country. This system should guarantee favorable conditions for the development of small enterprises (especially in areas with high commercial risks), create confidence and necessary stability for entrepreneurs who start business with their own or borrowed capital.





Deepening of economic reforms, development of small business is one of the main directions of economic reforms carried out in our republic. This requires the development of economic competition, the filling of the consumer market with goods and services, as well as the creation of a wide range of private entrepreneurs. Taking this into account, the following issues should be resolved today in the Republic:

- To introduce broad sections of the population to market activities, to eliminate the psychology of consumerism and consumerism in them, to arouse the desire of the population to actively engage in private entrepreneurship and small business activities;
- Radical renewal of economic relations in agriculture, further development of the activities of farmers and farms and increasing their number as much as possible, providing temporary unemployed people with additional jobs by establishing small enterprises in the regions;
- Acceleration of market relations and infrastructure in the region, creation of conditions for development of economic competition;
- Establishment of economic and social conditions that serve to fully satisfy the growing demands and needs of the population of the republic;
- To sharply increase the type and scale of services provided, to ensure high-level organization of banking, auditing, consulting and various mediation activities based on modern scientific and technical achievements;
- To increase the efficiency of management of enterprises, to create conditions for ensuring their economic independence;
- Introduction of small enterprises that can easily adjust the types and sizes of locally produced products according to market requirements, fill the consumer market with goods, and produce goods for export.

It is known that more than 65 percent of the working population of the republic lives in villages. This shows that there are great opportunities for the development of entrepreneurship in rural areas. In addition, it is necessary to redistribute the surplus labor force employed in agricultural production to service, processing, and similar areas. Solving organizational and economic issues related to the development of entrepreneurship and its small business forms in the village is one of the priority issues.

In order to realize these goals, the following issues should be resolved at the level of our country:

- Training of personnel to work in the conditions of the market economy and improving their qualifications;
- Creating a real business environment in the regions;





- Financial support of small business and private entrepreneurship;
- Strengthening the legal basis of small business and entrepreneurship;
- Support in providing small business and private enterprise with technological equipment;
- To communicate the results of the reforms to the general public through advertising and information services.

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