

THE SIGNIFICANCE OF SMALL BUSINESS IN THE CONDITIONS OF ECONOMIC GLOBALIZATION IN UZBEKISTAN

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Abstract:

In this article, the establishment of a socially oriented market economy in Uzbekistan. One of the main goals of the development is small business and private entrepreneurship in the country from the priority development of forms, economic to realize this goal carrying out reforms, creating large-scale institutional bases for increasing its role, organization of business activity and legal and regulatory documents guaranteeing it, organization of activities of non-governmental organizations and enterprises assisting entrepreneurs has been studied.

Keywords: Small business, private entrepreneurship, development, business entities.

INTRODUCTION

Economics likes concrete numbers, calculations, real changes in people's lifestyles, results. An economy that serves only the interests of the state will stop developing. This is the reason why attention is being paid to expanding the scope of quantitative and qualitative changes in our economy and increasing its direct impact on the life of the population before the fundamental reforms and renewals implemented in New Uzbekistan in recent years.

In January-March 2023, the share of small businesses in the total volume of industrial production in the Republic of Uzbekistan was 28.4%. Most of them were small enterprises, which made up 14.6%. In terms of regions, Namangan region took the leading place, and the share of small businesses in the production volume of industrial products was 46.1%¹

In order to make small business and private entrepreneurship more stable in our country, the President of the Republic of Uzbekistan "Fundamentally improving the system of organizing work on the protection of private property and strengthening the guarantees of the rights of owners, supporting business initiatives"

on additional measures, as well as on expanding opportunities for business entities to use financial resources and production infrastructure" Decree No. PF-5780 of August 13, 2019 and the Decree of the President of the Republic of Uzbekistan "On Resolution No. PQ-4417 of August 13, 2019 "On the organization of the activities of the Small Business and

¹ <https://stat.uz/uz/matbuot-markazi/qo-mita-yangiliklar/38284-sa-noatda-kichik-tadbirkorlik-biznes-ning-asosiy-korlatkichlari-9>

Entrepreneurship Development Agency under the Ministry of Economy and Industry of the Republic of Uzbekistan" was adopted.

One of the main goals of establishing a socially oriented market economy in Uzbekistan is the priority development of small business and private entrepreneurship in the country. To achieve this goal, economic reforms were carried out, and large institutional foundations were created to increase its role. Entrepreneurship legal-regulatory documents guaranteeing its activity, non-governmental organizations and enterprises assisting entrepreneurs are among them²

It is known that small business and private entrepreneurship has a strong place in the experience of world countries with its high results and successes, and in most countries its share in the gross domestic product is 60-70 percent. The development of small business is aimed at creating favorable conditions for economic vitality and an effective competitive environment, stimulating demand by expanding the consumer sector, filling the consumer market with goods and services, protecting the environment, and expanding budget revenues. Accordingly, many developed countries strive to provide comprehensive support to small business activities.

If we look at the past years of Uzbekistan's independence, we can see that the direction of small and medium-sized businesses in our country has developed slowly compared to neighboring countries, the indicators are at a noticeable level, and large businesses are owned by certain people. In Lida, we see that the main layer of the population worked under them. For ordinary people, entrepreneurship seemed like an impossible task. High customs fees, land acquisition, a number of obstacles in opening a business, never-ending work if you don't put money in someone's pocket, even after starting a business, it was not easy to cope with the tax collectors who knocked on the door every day. That's why people prefer to do business like "I'm hungry, I'm listening" instead of doing business.

Since 2017, as a result of attracting a large amount of foreign investment and credit funds to large industrial facilities of our country, their production volume has started to increase sharply. If large enterprises and associations are figuratively considered to be the bone (skeleton) part of the economic organism, then small business is the muscle tissue that gives this part strength and flexibility, and ensures its smooth movement. This process is supported by the establishment of new enterprises. That is, small business enterprises organize new production in response to rapidly growing demand in the economy.

If we look at the numbers, during 2017-2020, more than 288 thousand enterprises were established in our country. 14,800 of them belong to large enterprises and 273,200 to small business enterprises³

For the development of small business and private entrepreneurship in our republic the following conditions are created:

² <https://oltinsoy.uz/uz/blog/tadbirlar/442>

³ <https://yuz.uz/uz/news/kichik-biznes--iqtisodiyotning-qon-tomiri>

- Registration time of small business entities is 30 minutes. Only one legal entity is required to register as an individual entrepreneur and when registering a small enterprise - two documents are required;
- Small businesses in almost all branches of small business development single tax, which is an important factor in creating favorable conditions for payment rate is 5% of the volume of goods and services sold is enough. In addition, a single social payment for small business entities the current rate is 15%;
- Production involving newly established foreign investment enterprises are given the right to apply the rate of tax and compulsory payments on the day of their registration for five years. More than 1 hectare from 2018 establishing that small enterprises with land area pay a single land tax was placed.
- Financial support of small business is carried out in the following ways increasing: granting of loans by banks at preferential rates; to the business activities of the state fund to support entrepreneurship guarantee and loans of commercial banks in the amount of 50% of the given credit funds compensation of interest expenses calculated on.
- Protection of the rights and legal interests of business entities business interests are protected by the responsible institution. in Uzbekistan unscheduled inspection of activities of small business entities was cancelled, as well as for the financial and economic offense committed for the first time business entities are exempted from all types of administrative fines.

This year at the initiative of the President of the Republic of Uzbekistan Shavkat Mirziyoyev New Uzbekistan Development for the next 5 years, adopted at the beginning. The main strategy is to sharply reduce the role and share of the state in the economy defined as one of the five directions According to plans, by 2026 through the privatization of state asset due to cancellation of exclusive rights and privatization of state-owned enterprises. Monopolies in more than 25 types of activities will be terminated in commercial banks transformation processes are continued, and the share of the private sector in bank assets. It reaches 60 percent, and the number of enterprises with state participation is at least 3 times is shortened.

Also in the New Uzbekistan Development Strategy for the next 5 years sharp reduction of the state's role and share in the economy is one of the five main directions designated as one, by 2026 through the privatization of state assets abolition of exclusive rights and state enterprises monopolies in more than 25 types of activities due to privatization will be terminated.

At the same time, it is possible to increase the competitiveness of the national economy and enter the world markets, first of all, to secure the economy, to ensure the rapid development of new enterprises and production networks based on high technologies. From the content of the term innovation, it can be said that when any discoveries, new events, services and methods are accepted for distribution, then they are recognized by the public. The products produced by small businesses and private enterprises are distinguished by the fact that they are not inferior in quality to the products produced in state enterprises, and even in some

cases are superior to them. are those who process agricultural products and so on. On the basis of private entrepreneurship, the development of small business, the creation of a class of owners, the organization of a system of relevant institutions, the expansion of credit resources in the field of small and private business activity, and the creation of favorable conditions for the introduction of foreign capital.

To sum up, the above analyzes show that in recent years in the Republic of Uzbekistan, enterprises engaged in private entrepreneurship and small business activities have been organized in all branches of the economy. At the same time, 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 can be described as follows entrepreneurship provides the necessary speed in the conditions of the market economy, creates deep specialization and networked cooperation in production, without which high efficiency cannot be ensured; able to quickly fill the gap that appears in the field can quickly recoup the capital spent using the most modern machine equipment and technology. The characteristics of small business and private entrepreneurship (small working capital, its flexibility, the possibility of rapid replacement of production means, etc.) create opportunities for it to have several advantages:

1. private entrepreneurship ensures the necessary speed in the conditions of the market economy,
2. creates deep specialization and networked cooperation in production, without which it is impossible to ensure high efficiency; able to quickly fill the growing gap in the field of production, and using the most modern machinery and technology, it can quickly recoup the investment

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