



ISSUES OF EFFECTIVE DEVELOPMENT OF SMALL BUSINESS AND
ENTREPRENEURSHIP

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Abstract: The article is devoted to the issues of effective development of small business and entrepreneurship. Contains considerations regarding the economic activities of small businesses in times of crisis.

Key words: National economy, capital construction, foreign investment, construction industry, industrial products, competitiveness, economic efficiency.

It is known that measures aimed at effective development of small business and entrepreneurship are being implemented in Uzbekistan. This, in turn, forces the development of small business and private entrepreneurship. If in the 90s, the share of small business and private entrepreneurship in the country's GDP was 1.5%, in 2000 it was 31%, in 2013 it was 55.8%, and in 2022 it was 51.8%. True, the share of small business in GDP decreased by 4 points compared to 2021. But by 2023, this indicator has a tendency to increase. The main reason for this decrease is the increase in the volume of added value in large business entities.

In a very short period of time, Uzbekistan has become a country that has increased the share of small business in the structure of the gross domestic product. Emphasis was placed on effective use of labor resources in all areas. Approaches specific to the "Uzbek model" were developed in conducting the employment policy.

In addition, since 2017, the Action Strategy for economic development has been implemented in the country, and in accordance with the direction of economic development and liberalization, the main economic reforms in the last five years have been to ensure macroeconomic stability, reduce inflation, reduce and simplify the tax burden, diversify economic sectors, create a favorable environment for business, infrastructure focused on improving agriculture, economic integration and the development of the digital economy.

The reforms made it possible to achieve the 10th goal of the BRM by creating an environment of equal and free competition for all. Due to elimination of excessive fees and standardization of tax rates, the tax burden on business entities has been reduced. At the same time, property, income and social tax rates have been doubled, value added tax has been reduced from 20% to 12%.

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Since 2022, the Development Strategy has been introduced, and the economic and social development of the country has been steadily improving. International relations were further developed. Attention was paid to ensuring growth rates in almost all economic sectors of the country.

The "Development Strategy of New Uzbekistan for 2022-2026" approved on January 28, 2022 (hereinafter referred to as the Development Strategy) has been developed and is being implemented. The main goals of the development strategy are to further increase people's well-being, modernize economic sectors, rapidly develop entrepreneurship, unconditionally protect human rights and interests, and create an active civil society. The development strategy includes the following priorities:

- building a humane state by increasing the dignity and worth of a person, further developing a free civil society;
- making the principles of justice and the rule of law the main and necessary condition of the country's development;
- rapid development of the national economy and ensuring high growth rates;
- implementation of fair social policy and development of human capital;
- ensuring spiritual development and bringing this field to a new level;
- approach global problems based on national interests;
- to strengthen the security and defense potential of the country, conduct an open, pragmatic and active foreign policy.

The above main directions of the strategy cover more than 100 specific objectives.

The unique aspects of solving employment issues in the effective management of small business enterprises in our country were that small business and private business enterprises were given priority. Because at present, 75% of the employed population in the national economic sectors corresponds to the share of small businesses.

As of January 1, 2023, the number of small enterprises and micro-enterprises (excluding farms) totaled 523,556, of which 90,177 were newly established.

In January-December 2022, the number of small business entities per 1,000 inhabitants in the district and cities is the highest: 74.1 units in Yakkasaroy district, 57.7 units in Mirabad district, 55.6 units in Tomdi district, 50.9 units in Bektemir district, 50 in Qarovulbazar district. 1 unit, 50.0 units in Chilanzor district, 42.5 units in Gulistan city, 37.9 units in Mirzo-Ulugbek district.

In the last two years, more than 200,000 hectares of land have been distributed to the population. "Iron notebook", "youth notebook" and "women's notebook" will be combined into a single system, and a single digital passport will be developed for each family. It was noted that in 2022, the poverty



rate has decreased from 17% to 14%, 1 million people have been trained in professions, helped to start work, and lifted out of poverty. During this period, about 200,000 business entities were established, the activities of 10,000 enterprises were expanded, and the capacity of 11,000 enterprises was restored.

"The main factor of reducing poverty is to provide the population with gainful employment. Therefore, within the framework of administrative reforms, 5 departments responsible for poverty reduction were integrated into a single system. The new ministry was given all organizational and financial opportunities. "Now, the management of labor resources and unemployment, as well as support for employment and local development of entrepreneurship will be in one ministry," said Shavkat Mirziyoev.

According to statistics until the beginning of 2023, the economy of the Republic has grown more than 3.5 times over 21 years. The fact that GDP per capita has increased by 2.5 times indicates that a lot of potential work has been carried out in our country. As proof of this, it can be noted that the incomes of the population have increased significantly in the following periods. For example, in 2000, each family owned an average of 20 passenger cars, but as of January 2014, this figure reached 41.4. More precisely, today more than 11% of families have more than 2 cars. If we analyze the annual GDP growth rate until 2016, it can be safely said that it was not less than 8.2 percent on average. This situation happened only in a few countries in the world.

The development of small business and private entrepreneurship in Uzbekistan has also had a positive effect on the standard of living of the population. The circle of people earning income through their own labor and entrepreneurship, in modern terms, the business-elite layer, began to expand more and more. In 2022, the income from business activities in our republic was 51 percent.

In the positive trend of the above economic indicators, small business and private entrepreneurship are particularly important. In 2022, a qualitative change of the national economy was achieved, as well as the next important period in the improvement of the living conditions of our people, and the further improvement of their well-being. In fact, "the role and position of small business and private entrepreneurship is becoming more and more strengthened, which indicates the positive changes taking place in the structure of our economy."

Measures for effective development and activation of small business and entrepreneurship became more and more comprehensive. In the development of small business and private entrepreneurship, especially the importance of the household has become great. Creating opportunities for the development of family business has become an important factor in improving the standard of living of the population. For example, in 2022, more than 200,000 people, especially women with many children, people with limited physical capabilities, and people belonging to other classes of the population will be employed in this field, anti-crisis measures have been implemented. At the beginning of 2023, it was possible to observe the consistent development of family business activity in every neighborhood of our country. In particular, dozens of such business entities are operating in each of the 10,000 citizens' assemblies in our republic.

Today, institutional structures play an important role in activating the effective development of small business enterprises and implementing market reforms. For example, non-governmental non-commercial organizations have been paying special attention to health care, environmental protection, ensuring employment of the population, especially youth, and supporting the population in need of social protection. It is necessary to note that ensuring the active participation of non-governmental non-profit organizations in the implementation of important state programs of social importance is an urgent issue.

Main results achieved in 2019-2021:

- fundamental institutional reforms were carried out, ministries and regional structures responsible for reducing poverty were established;
- the national poverty line was officially adopted based on the minimum consumption expenditure of the population;
- The strategy of social protection of the population of Uzbekistan until 2030 is being developed and implemented;
- a new national model of consideration and targeted support of low-income segments of the population was introduced at the level of local self-government bodies (neighborhoods);
- modern information and communication technologies, in particular, the "Unified Register of Social Protection" information system was introduced, which enables the digitization of the provision of social assistance by the state;
- at the neighborhood level, an objective assessment and formation of a list of the most needy families is being carried out, classified according to different strata of the population (women, youth, the elderly, disabled);
- To train members of low-income families in monocenters and to ensure their employment, special mechanisms for creating new jobs in industry, youth, entrepreneurship zones have been developed, and non-standard forms of employment (farm work, private estate) are being developed.

In conclusion, no matter how extensive the effective development of small business and entrepreneurship and promotion of the small business sector is, problems of one or another level are being gradually eliminated in economic sectors. Moreover, it is one of our important tasks today to ensure that the measures used to solve these problems are more sustainable.

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