
The Main Areas of Development of Small Business and Private Entrepreneurship in Ensuring Economic Activity

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Abstract: In our article, today it is impossible to imagine a modern economy that has developed widely without small businesses, in this regard, small businesses and private entrepreneurship help to structurally rebuild the economy, and the role of small businesses and private entrepreneurship in ensuring economic activity is studied. It follows that proposals and recommendations for the development of small business and private entrepreneurship are made in ensuring economic activity.

Key words: Economic activity, small business, private entrepreneurship, socio-economic reforms, small business entities, the share of entrepreneurship in export-imports, the share of business and private entrepreneurship in the field of services.

Introduction. In the context of the global economic crisis observed in the world community and the transformation of the economy, the implementation of the leading fiscal policy of the state in the further strengthening of the modern market economy and baratarafing emerging economic problems in the Republic of Uzbekistan is relevant today. In the modern world economy, small business and private entrepreneurship play an important role in the economic development of countries, without which a modern market economy cannot operate and develop. Therefore, the support of small business and private entrepreneurship in the conditions of the formation of a modern market economy and an innovative economy, the creation of conditions are one of the priorities of the state economic policy.

In the context of the market economy, the so-called “Year of active entrepreneurship, innovative ideas and technology development” of 2018 in our country also served as the basis for the development of entrepreneurial activity. After All, The President Of The Republic Of Uzbekistan Sh.M. As described by Mirziyoyev: “active entrepreneurship, renewal of business activity, modern roads, “advanced techniques and management methods” are the main established economy. By active entrepreneur, we need to understand the business people who feed the pensioner and oil, are able to produce competitive products, most importantly create new jobs and give pleasure to the whole society, feed the pensioner and oil, bring equipment and equipment based on” the latest achievements of high technologies, science” to our mamalakat, including bringing the pensioner and his family¹”.

¹ Address of the president of the Republic of Uzbekistan Shavkat Mirziyoyev to the Supreme Assembly// “People's word”. December 21, 2022

Main part. As a result of measures aimed at the development of small business and private entrepreneurship, the development and implementation of powerful and effective mechanisms for supporting this sector, the role of small business and private business entities in the economy in our country in the following years has grown significantly, becoming one of the most important tools in the stable and consistent of development.

As a result of the practical support of small business and private entrepreneurial activity in our country by the state, it has led to the rapid development of this industry to this day.

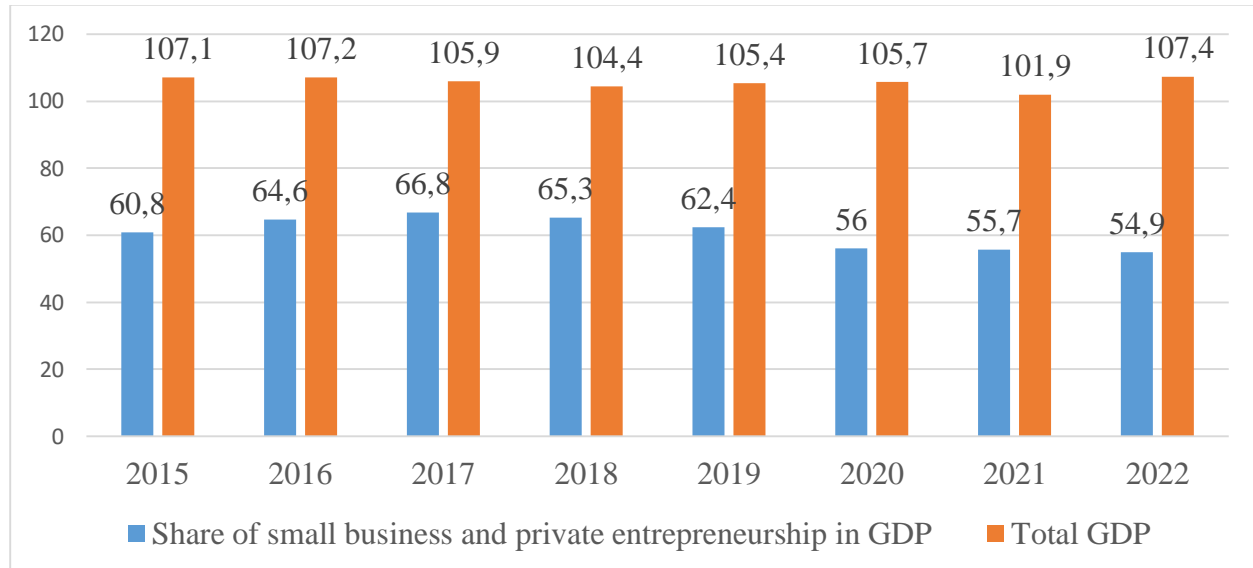


Figure 1. The share of small business and private entrepreneurship in the GDP of the country, in fine²

Figure 1 data shows that in 2015, the share of small business and private entrepreneurship in GDP was 31%, and as of 2018, the share of this sector reached 63.6% is a clear proof of our opinion.

In January 2022, the share of small entrepreneurship in GDP was 54.9%, the decrease in GDP compared to the previous year is explained by an increase in the share of large enterprises.

As a result of the socio-economic reforms carried out in our country, it is of particular importance in the rapid development of small business and private entrepreneurship in the regions. As clear evidence of this, it can be shown that the number of small businesses and private business entities that are being established and operate in our country is increasing. In January-December, 92.9 thousand new small enterprises and microfirms (without farms and farms) were organized, which is 1.9 times more than in the same period last year.

Table 1.

Small educational institutions operating in cross-sectional areas³

	2017 y.	2018 y.	2019 y.	2020 y.	2021 y.	2022 y.
Qoraqalpog`iston Respublikasi	693	537	379	373	635	1050
Andijon	1350	1289	1418	3073	4112	3058
Buxoro	979	847	895	1001	1288	1848
Jizzax	1052	759	648	758	936	1221

² Data from www.stat.uz

³ www.stat.uz – Official data of the statistical agency under the president of the Republic of Uzbekistan.

Qashqadaryo	829	622	534	617	791	1432
Navoiy	261	219	39	626	1127	788
Namangan	1388	979	969	573	783	1033
Samarqand	1408	1256	1040	1679	1908	2406
Surxondaryo	741	488	52	274	1107	1377
Sirdaryo	714	602	629	671	896	1073
Toshkent	3630	3481	3980	5404	5712	4138
Farg`ona	390	277	238	299	1082	1619
Xorazm	342	445	761	829	1302	1340
Toshkent sh.	1189	912	1725	2977	4099	3719

In January-December 2022, the largest share of the total amount of newly established small enterprises and micro - enterprises by Regions was 19.7%, Tashkent region - 10.4%, Samarkand region - 8.6%, Navoi region - 7.7%, Fergana region - 7.2%, Andijan region - 7.1%, Bukhara region - 6.6%, Namangan region - 5.9% and Kashkadarya region - 5.6% (Table 1).

If we analyze the newly established small enterprises and microfilaments in terms of types of economic activity in the cross section of 2017-2021, then there was an increase in all areas.

In both years, the most established enterprises are in the trade sector. In 2018, there were 11,713 businesses and in 2021 this number increased to 24,587 to 36,300. In conditions of increasing importance of the modern service sector in the economy, it is necessary to increase the share of small business and private entrepreneurship in this area. Because in accordance with the requirements of the time, small business is one of the most optimal tools in providing quality services.

Table 2.

The volume of the main indicators of small business and private entrepreneurship in the sectors of the economy⁴

Indicators	2018	2019	2020	2021	2022
Industry(billions soums).	61367,8	87962,0	83344,2	103020,8	121719,2
Construction(billions soums)	22469,4	37451,7	53960,9	63866,6	77762,0
Employment (<i>thousand people</i>)	10541,5	10128,8	10318,9	9865,7	10070,7
Ekspost(<i>million US dollars</i>)	2759,3	3810,8	4714,8	3100,9	3711,2
Import(<i>million US dollars</i>)	7511,9	10916,2	14972,2	10943,3	12389,0
Trade(billions soums)	92973,0	114896,4	138920,7	164106,1	204787,4
Agriculture, temperate and fish farming(billions soums)	152010,5	191759,2	219466,9	253238,2	307280,2
Services(billions soums)	69212,7	84433,4	103106,6	114052,7	144812,7
Shipping (million tonnes)	548,8	611,7	641,0	638,9	678,9
Shipping turnover (million-tonnes-kilometres)	10444,4	11657,7	12152,3	12304,6	13108,1
Commuter traffic (million passengers)	5037,5	5242,6	5345,0	4904,8	5237,6
Passenger turnover (million-pass kilometres)	111435,0	115335,2	117412,7	107766,7	114681,5

⁴www.stat.uz – Official data of the statistical agency under the president of the Republic of Uzbekistan.

From the table above, thanks to the strategic economic policy of the state on the development and support of small business and private entrepreneurship, a favorable macroeconomic environment has been created for the subjects of this field in our country. In particular, the processes of voluntary closure and liquidation, business registration, issuance of permits and licenses for certain types of activities were simplified, all forms and deadlines of reports submitted by business entities were sharply reduced, state intervention in business activities was limited, a market mechanism was formed that allowed the widespread use of resources with high demand through exchanges.

The creation of a favorable business environment ensures an increase in the share of small business and private entrepreneurship in the sectors of the economy. The figure below shows the share of small business and private entrepreneurship in the sectors of the economy in 2022. Providing funds for the functioning of enterprises and organizations in the conditions of moderating the economy is one of the economic problems and requires significant risk. The longer the repayment of the spent funds, the longer the repayment period, the higher this level of risk. Because during this period, both market conjuncture and prices and salary payments will exceed Zim. Therefore, under unsustainable conditions of the economy (especially if this situation is typical not only for some commodity market, but also for the whole country), it is advisable to invest in productive projects, where costs are covered faster.

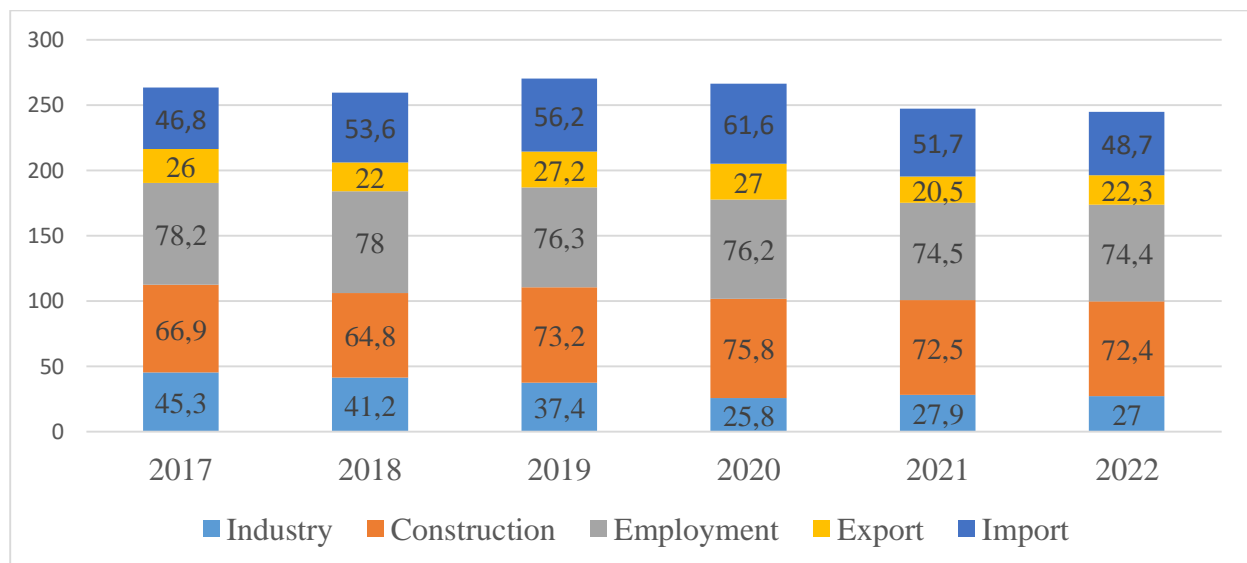


Figure 2. The share of small business and private entrepreneurship in the sectors of the economy in 2022, in percentage⁵

The figure above shows the share of small businesses in the sectors of the economy in 2022 alone. It is advisable to analyze these indicators in the cross section of years.

Today, construction and construction work is carried out in all regions of the Republic. The importance of small business and private entrepreneurship in construction is extremely high, and representatives of the industry are passionate about construction work. The adoption of government programs for the construction of model houses in rural areas has ensured a steady increase in the volume of construction work by small business entities in our republic, including in rural areas. Along with the construction of residential areas, the construction of facilities in the areas of social

⁵www.stat.uz – Official data of the statistical agency under the president of the Republic of Uzbekistan.

infrastructure, rural medical centers, public educational institutions, services and services is carried out by small business entities.

During the years of independence in our country, deep structural reforms were carried out in agriculture, great attention was paid to solving such important issues as the transition to a non-state form of ownership, the formation of market relations in the field, privatization, the establishment of peasant and farm activities and the nationalization of property. Today, the farming movement has developed rapidly and farming is dominated by multi-sector farms operating in the fields of Agriculture, cotton farming, shoaling, fruit growing and animal husbandry, cattle breeding, sheep farming, black farming, poultry farming, beekeeping, fishing, and processing products.

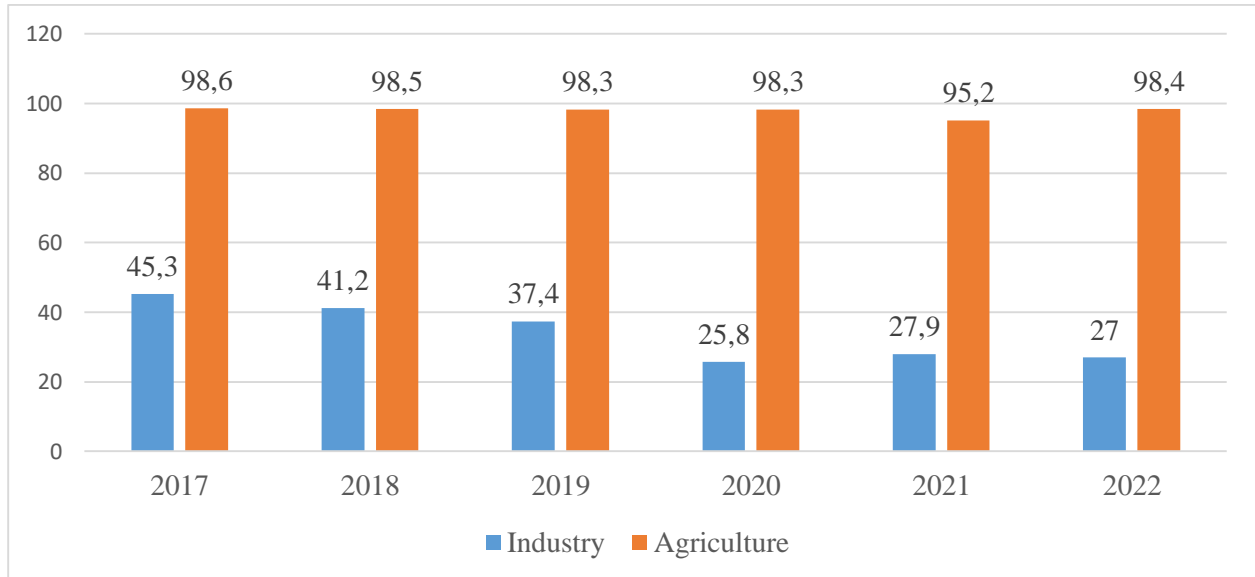


Figure 3. The share of small business and private entrepreneurship in agriculture and industry in 2016-2021, in percentage⁶

During the analyzed period, only an increase in the indicators of the share of small business and private entrepreneurship in agriculture was observed, during this period it can be seen that this indicator amounted to an amount higher than 90%. As a result of the high-speed development of farms in our republic, the share of small business and private entrepreneurship in the production of agricultural products in 2017-2022 decreased from 98.6% to 98.4%.

There have been trends of growth, decline in the share of small business and private entrepreneurship in the production of industrial products. Including 45.3% in 2017, 37.4% in 2019, and 27% in January-December 2022. In 2022, there was a decrease compared to 2017, but a decrease in these indicators is visible. Small business entities operate effectively in industries such as food, delicacy production.

The increase in the share of small business and private business entities in the volume of total investments in the economy of our country is due to the increase in the volume of their long-term loans, which are being attracted for investment purposes aimed at mastering the production of new types of products. Therefore, the share of own funds and bank loans in the structure of investments made by small business entities in fixed capital by sources of financing is the highest balance. In January-December 2021, the investment share of small businesses is 38%, and by this period of 2022 it is 47%.

⁶www.stat.uz – Official data of the statistical agency under the president of the Republic of Uzbekistan.

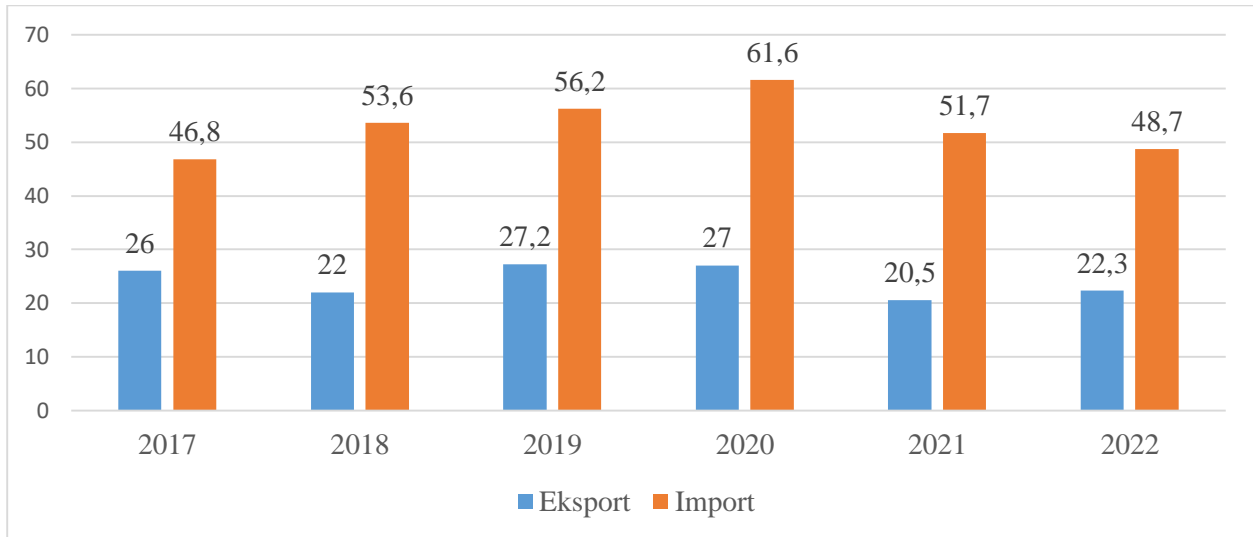


Figure 4. 2016-2021-share of small business and private entrepreneurship in exports-imports, in percentage⁷

Currently, the integration of domestic products into foreign markets, the comprehensive promotion of exports and the increase of the export potential of the private sector, especially the promotion of infrastructure development, has been identified as one of the priorities of our state.

In 2017-2022, only growth rates were observed in the share of small businesses and private entrepreneurship in imports. This figure can be seen as 48.7% in 2017, up 46.8% in 2022 and up 20.4%.

Statistics show that the share of small business and private entrepreneurship in the composition of export products was 26.0% in 2017, and by 2021 this figure has grown by 2 times. In 2017-2022, there was a decrease in the share of small business and private entrepreneurship in exports. But in 2019-2020, there was another increase in this figure, at 27.2 and 28.7%, respectively.

The state supports investment activity in every possible way, especially the entry of foreign direct investment into Uzbekistan. These investments are going to export-oriented sectors of the economy. The state comprehensively supports the increase in the share of goods and services intended for sale in foreign markets by small business entities with the help of measures established by law. Many reforms are also being implemented to ensure that these goods comply with the standards established abroad and thus improve their competitiveness in foreign markets.

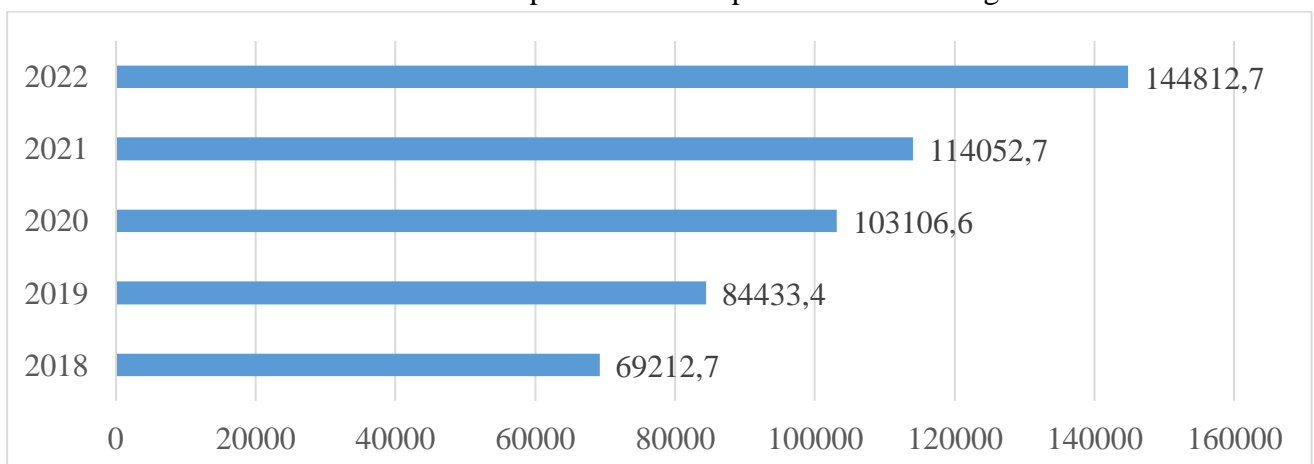


Figure 5. The share of small business and private entrepreneurship in the field of services in 2017-2022, in percentage⁸

⁷www.stat.uz – Official data of the statistical agency under the president of the Republic of Uzbekistan.

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If so, since this indicator is relatively low, it is necessary to promote their export potential in the future, ensure the exit of export products to the regional and world markets, and strictly solve the issues of obtaining information about the world market conjuncture and potential buyers of their products. The current stage of economic development is recognized as a merger of the economy of the services sector and the “knowledge-based economy”. In general, the services sector is one of the main factors in the innovative development of the economy, the formation of a digital economy.

The increase in the organization of small enterprises and business entities in the service sector contributes to the development of this sector. The share of small business and private entrepreneurship in the services sector experienced a decline during the period 2010-2016 and an increase in 2017-2022.

Conclusion. In place of the conclusion, it can be said that small business and private entrepreneurship have opportunities that ensure competitiveness and promote the national economy. Small business and private entrepreneurship are of particular importance in ensuring economic activity, macroeconomic stability in Uzbekistan and occupy a strong place in the socio-economic life of society. From the analysis of small business in macroeconomic indicators, it can be said that small business and private entrepreneurial activity in our country are stepping on the path of rapid development, but taking into account the available opportunities and potential, further development of this area is suitable for the goal.

Also, the development of small business and private entrepreneurship provides economic activity in the country. It carries out the improvement of the production process, the production of modern and competitive products, provides effective employment of the population, and ultimately serves to improve the standard of living, increasing the income of the population.

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