

## **Increasing The Share Of Small Business And Private Entrepreneurship In The Economy**

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This thesis reveals information which the subjects of small business and private entrepreneurship were shown state-of-the-art conveniences, opportunities and indicators of growth of these entities and at the same time made a number of proposals for the development of this sphere.

В этом тезисе раскрывается информация о том, что субъектам малого бизнеса и частного предпринимательства были показаны новейшие удобства, возможности и показатели роста этих субъектов и одновременно внесен ряд предложений по развитию этой сферы.

Key words: enterprising, small business, private enterprising, economic enterprising, construction, service, industry, agriculture, forestry and fishery.

Ключевое слово: предпринимательство, маленький бизнес, частное предпринимательство, экономический прогресс, строительство, сервис, промышленность, сельское хозяйство, лесное и рыбное хозяйство.

Today, we can see reforms, innovations and development, regardless of what kind of country we are. Today, Uzbekistan occupies a worthy place in the global community. All developed countries in the world have a special place in their community with their economic development. For the rapid development of the economy, one of the most pressing issues of today is the development and support of small businesses and private entrepreneurship, which is one of the key priorities.

Various positive developments in the economy are largely related to small business and private entrepreneurship. The development of small business is a key focus of economic growth and economic development of any country. Therefore, support for small business and private entrepreneurship remains one of the most important and priority directions of the state.

We can see that the development of small businesses and private entrepreneurship has changed dramatically over the years. In particular, if only 25 years ago small businesses were not available in Uzbekistan, nowadays almost 90% of all business entities are in this sector. In 2000, 31 percent of the country's GDP was created in the small business sector, and in 2019 this figure was 56.5 percent.<sup>1</sup>

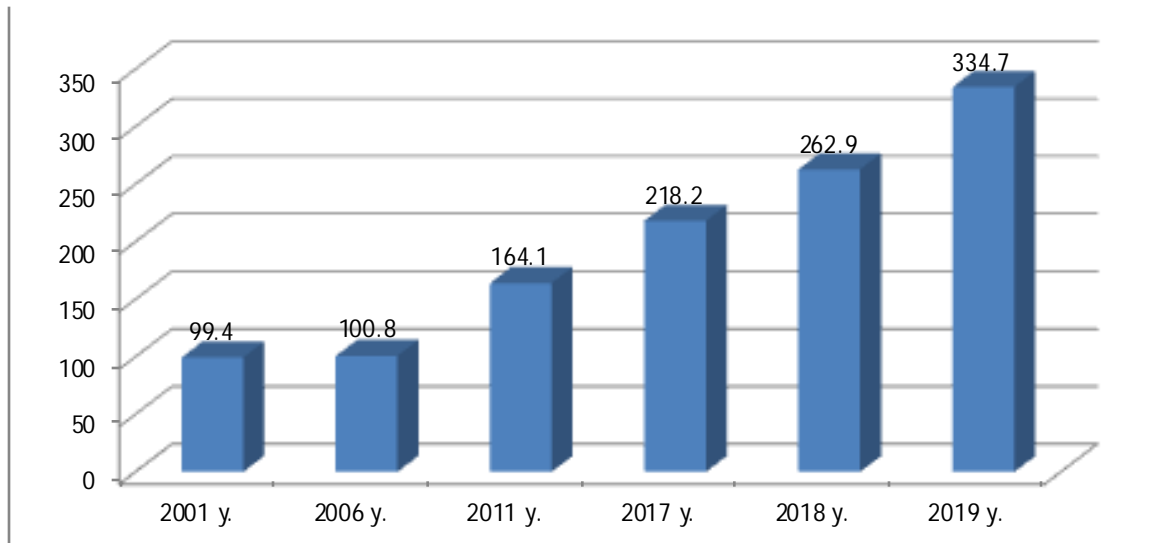
The results of complex measures on further improvement of the business environment in the country, elimination of obstacles in the way of ensuring reliable protection of small business and private entrepreneurship, their comprehensive support and accelerated development, will be implemented by January 1, 2020, the number of operating small businesses is 334767, which is 3.3 times more than in 2000. (Figure 1)

### **Figure 1. The number of active small businesses**

*(As of 01.01.2020, in thousand units)*

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<sup>1</sup> [www.mineconomy.uz](http://www.mineconomy.uz) The official website of the Ministry of Economy of the Republic of Uzbekistan



At the same time, we can develop the employment of small businesses and private entrepreneurship, increase incomes of the population, rational use of free resources and so on. It is worthy to note the high share of private entrepreneurship in the employment of the population and the growth of the income of our people. About 78% of employed people are currently working in this area.

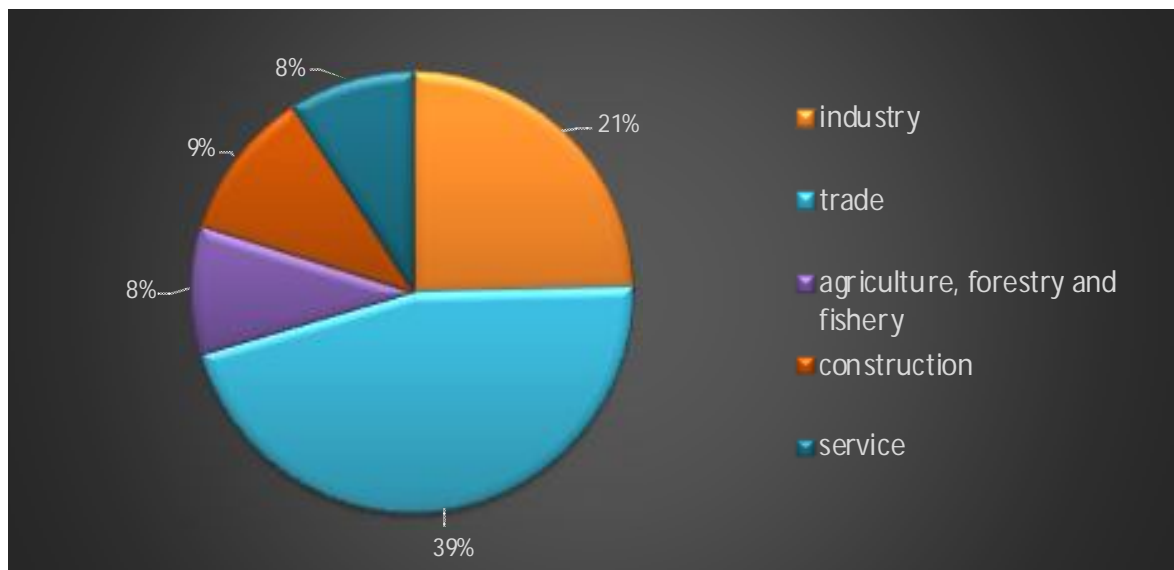
As a result, over the past five years, the share of income from entrepreneurial activity in the population's income increased from 47.1% to 52%, indicating an increase in incomes of the population, in improving the living standards and quality of life.<sup>2</sup>

As a result of the measures taken to create a business environment, support and further stimulate small business and private entrepreneurship, in January-December 2019, more than 92.9 thousand small businesses (private farmers) ), or 1.9 times to the corresponding period of 2018. The largest share of small business entities was registered in trade (39.1%), industry (21%), construction sector (9.1%) and agriculture, forestry and fishery (8% ). (Figure 2)<sup>3</sup>

<sup>2</sup> [www.mineconomy.uz](http://www.mineconomy.uz) The official website of the Ministry of Economy of the Republic of Uzbekistan

<sup>3</sup> [www.statuz](http://www.statuz) Statistical Office of the Republic of Uzbekistan

**Figure 2. The share of newly created small enterprises and micro firms in economic activity in January-December 2019**



In January-December 2019 the subjects of small business and private entrepreneurship:- Industrial output – 99 139.3 billion sums; (52.1 percent of total industrial production) or 104.8 percent compared to January-December 2018.

The strategy for further development of the Republic of Uzbekistan for 2017-2021 will cover small business and private entrepreneurship: "... small business and private entrepreneurship is the creation of a national economy, the formation of the middle class ownership that is the basis of social stability of society, ensuring a reliable protection of the rights and guarantees of private property, elimination of all types of barriers and restrictions, granting full freedom to private entrepreneurship and small business, the main idea and ideas of the President of the Republic of Uzbekistan Shavkat Mirziyoyev said: "If the people are rich, the state will be rich and strong";<sup>4</sup>

<sup>4</sup> [www.strategy.uz](http://www.strategy.uz) The official website of the Center for Development Strategy of the Republic of Uzbekistan

The Decree of the President of the Republic of Uzbekistan "On Establishment of the State Fund for Support of Entrepreneurship Development" is aimed at creating additional conditions, to expand the capacity further strengthening financial support for private entrepreneurship, primarily micro firms and small enterprises, and their rapid development. This decision was made in order to further improve the banking and financial system of the republic, to provide financial support and guarantees of business entities, to introduce new mechanisms of their state support, to increase the effective use of credit resources of business entities, as well as to increase the living standards of the population.<sup>5</sup>

In the modernization of the economy, attraction of innovative ideas into the sphere of small business and private entrepreneurship in the country, providing modern business equipment and equipment, production of competitive, competitive and export-oriented products, is a requirement. The use of modern forms of marketing, including the introduction of new technologies and technologies, plays an important role in the rapid growth and development of private entrepreneurship and small businesses.

Taking into account the role of small business and private entrepreneurship in the economic development of the country, creation of new jobs, increasing the incomes and well-being of the population, the following conclusions can be made:

- The concept of small business and private entrepreneurship is socio-economic, while the simplicity and complexity of the interaction and interactions, the principles, goals and objectives constitute the essence of the sphere of small business and private entrepreneurship.
- The economic development, economic independence of the country, the welfare of the population, the growth of the population's income, as well as

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<sup>5</sup> [www.mineconomy.uz](http://www.mineconomy.uz) The official website of the Ministry of Economy of the Republic of Uzbekistan

the level of employment of the labor force directly related to the development of small business and private entrepreneurship.

- The main and crucial role of the small business sector in the economy is to ensure the competitive environment in the economy, to provide products and services for large enterprises, to create new jobs and provide secondary employment, increase market flexibility, the factors of development, such as the acceleration of the revolution, the mobilization of resources for production and their rational and rational use, the growth of tax revenues, and the stabilization of the income of the population.

In the future, we invite you to apply for further development of small business and private entrepreneurship in our country:

- Economic modernization of outdated enterprises and firms of production facilities and equipment, reduction of taxes on enterprises and firms, exemption from customs duties;
- Expansion of crediting base and relative credit interest rates for small business entities;