

**OPPORTUNITIES FOR BUSINESS AND ENTREPRENEURIAL ENTITIES IN OUR  
COUNTRY TO UTILIZE FOREIGN EXPERIENCE IN EXPORT ACTIVITIES***Gulistan State University**Mukhtabar Nurmuxamidova – Senior Lecturer,**Hikmatillo Rixsiboyev – Student*

Entrepreneurial activity results in the creation of new products. Today, fostering a competitive economic environment, enabling new entrepreneurs to achieve high commercial profits, and meeting the growing needs of society are crucial. Globally, innovative entrepreneurship is characterized by the creation of high-tech products and advanced technologies. In developed countries, firms engaged in innovation account for more than 30% of national exports.

According to the classical English economic school, an entrepreneur takes risks to gain profit. This school outlines the conditions under which entrepreneurship becomes beneficial to society. Entrepreneurs are driven to produce goods and services that align with societal needs, adapt to market competition, and comply with established norms due to their profit motive.

As per F. Wieser's conclusions from the Austrian economic school, an entrepreneur's leadership begins with the conception of a business idea: they not only provide capital but also propose new ideas, refine plans, and attract specialists. Once the enterprise is established, the entrepreneur takes on the role of managing both theoretical and commercial aspects of the business.

J. Schumpeter, in his concept of entrepreneurship, emphasizes that the primary task of an entrepreneur is to identify new raw material sources, discover new markets, reorganize production, and improve manufacturing through innovation. The essence of entrepreneurship lies in the use of production and market factors to create "various new innovative combinations." Schumpeter identifies five key aspects of entrepreneurship: introducing new goods unknown to consumers, ensuring marketability through new technologies, adopting new production methods, utilizing alternative raw materials, and improving industry operations. He also states, "An entrepreneur does not necessarily have to be an owner; they can also be an employee. An entrepreneur is someone who implements new innovative combinations."

As the President of Uzbekistan has stated: "To continue financial support for entrepreneurship, 6 trillion UZS in preferential loans will be allocated next year under family entrepreneurship programs. Additionally, the government, in cooperation with the World Bank, will allocate an additional \$100 million to expand the rural entrepreneurship development program."

In 2020-2021, the government implemented comprehensive measures worth a total of 82 trillion UZS. Specifically, an Anti-Crisis Fund was established, and over 16 trillion UZS from the budget was allocated to combat COVID-19 and support the population and businesses. Furthermore, state-owned enterprises, over 500,000 business entities, and nearly 8 million citizens benefited from 66 trillion UZS in tax incentives, extended loan repayment periods, and financial support programs.

Referring to the Law of the Republic of Uzbekistan “On Guarantees of Freedom of Entrepreneurial Activity,” entrepreneurship is defined as “an initiative activity carried out by subjects of entrepreneurial activity in accordance with legal regulations, undertaken at their own risk and under their property liability, aimed at generating income (profit).”

S. G‘ulomov, based on the Law “On Entrepreneurship,” defines it as follows: “Entrepreneurship is an independent, initiative activity of citizens directed at making a profit or personal income, carried out in their own name, at their own risk, and based on their own or a legal entity’s property liability.” In the modern development of economic science, entrepreneurship is evaluated in connection with the macro-environment and as a semi-functional type of activity. The concept of entrepreneurship is studied from two main perspectives:

1. The first perspective considers entrepreneurship and its activities as objective and unchanging within specific external environmental conditions, with an emphasis on its functioning.
2. The second approach focuses more on the internal environment of entrepreneurial activity. The superiority of one approach over the other depends on the goals and objectives set for the research.

A significant portion of the products exported by small businesses and private entrepreneurs consists of raw materials that are unprocessed and have low added value. This situation necessitates the development of strict measures to direct the country’s exports toward high-tech products. Currently, there are various approaches to defining the category of “export potential.” By export potential, we understand the possibility of exporting available resources or produced goods.

Modern methods allow us to analyze and classify export potential. In our opinion, it can be divided into two categories:

1. Structural – based on studying the structural elements of export potential and analyzing the obtained results.
2. Comparative – based on evaluating the performance of enterprises producing competitive products and comparing their export potential.

The level of export potential of small businesses and private entrepreneurs varies depending on the specific characteristics of each sector. Global experience confirms that in developed market economies, small businesses play a crucial role in addressing socio-economic problems, creating new jobs, adapting quickly to market changes, and forming a class of property owners. In many countries, special attention is given to the role of small businesses in economic development, enhancing entrepreneurship, and shaping market mechanisms. From this perspective, thoroughly studying the experiences of developed market economies in financing small businesses and implementing effective methods tailored to national economic characteristics is a priority. This, in turn, contributes to improving the financing of small business projects in Uzbekistan.

In the U.S. system, unlike large corporations, small business entities rely more on their own funds rather than borrowed capital. However, rapidly growing firms often feel the need for partial financing through external funds. In such cases, credit cards serve as an important source of financing. In 1993, 29% of small firms used them. Nevertheless, banks also played a role in

financing. In the same year, 26% of small businesses used credit lines, 9% used financial leasing, 6% used mortgage credit, 14% took out loans for equipment, and 24% used loans for transportation. By June 1996, until early 1998, 37% of such businesses utilized commercial banking services, with the total amount of bank loans granted reaching \$172 billion.

In the United Kingdom, personal savings and bank loans serve as the primary sources of small business financing. More than 20% of all small businesses obtain loans from the Trade and Industry Finance Corporation. The main government support programs for small entrepreneurship include the Loan Guarantee Scheme. This scheme allows commercial banks to provide loans to businesses that cannot independently secure credit. The government guarantees up to 70% of the amount, and in high-risk cases, up to 85%. The interest rate under this guarantee is 2.5% annually, and in high-risk areas, it is 2%.

Thus, 70-80% of the loans granted to small businesses by banks are guaranteed by the government. To support these guarantees, approximately £50 million is allocated from the budget annually. Another program, the "Credit Guarantee Program," provides insurance bonuses to entrepreneurs who have successfully operated for three years. Since the early 1990s, the British Confederation of Industry has been implementing the "Entrepreneurship Expansion Program." This program considers contributions from legal and natural persons interested in supporting small business development as an additional source of financing. Additionally, local governments provide financial support for small business development, assisting young entrepreneurs in setting up or expanding their businesses. Through its network of branches, the small business sector controls 90% of the operational space for entrepreneurs. In Germany, a state program for supporting small businesses has been developed and implemented. According to this program, entrepreneurs receive interest-free loans for the first two years of their operations. In subsequent years, interest is charged at very low rates. This ensures that entrepreneurs are almost entirely provided with initial capital. The benefits are granted based on a business plan developed and approved by a government agency. Later, this agency strictly monitors the targeted use of the loan and requires all expenses to be documented with appropriate financial statements. Small enterprises operating in the production sector can lease land plots for construction at reduced prices.

In Japan, government incentives for small businesses are implemented at all stages of development. A variety of economic support measures are applied, including preferential loans and credits, tax incentives, technical and advisory assistance, information and computer services, workforce training, and more. Currently, small enterprises account for 99% of all businesses in Japan, with a total of 6.5 million such businesses. They employ 54 million people, making up 80% of the total workforce in the country.

Small enterprises account for 55% of GDP. In Japan, an essential element of the system supporting small and medium-sized businesses is the legislative framework. It consists of a comprehensive set of laws adopted gradually rather than simultaneously, including laws such as "On the Establishment of the State Administration for Supporting Small Innovative Enterprises" and "On the Establishment of a State Corporation for Financing Small Innovative Enterprises." A key feature of Japanese legislation is the clear definition of the law's scope and structure, the development of mechanisms for implementation, the interaction schemes of executors, and a list of measures for enforcement. The Japanese government takes care of the renewal of the entrepreneurial sector and facilitates the establishment of new enterprises.

In 2003, amendments to the legislation allowed the creation of small enterprises with an initial capital of just 1 yen. As a result, over 32,000 enterprises were established in this manner. In South Korea, the government provides preferential conditions for small enterprises to replace outdated equipment and install new ones. Large enterprises can receive credit lines of up to 1.5 billion won, while small enterprises can obtain up to 3 billion won. Small enterprises pay an intermediary fee of up to 1% per year, while large enterprises pay up to 1.5%. In addition, up to 70% of bank loans allocated to fixed assets for small enterprises (up to 1.5 billion won) are insured.

A comparative analysis of financial support for small businesses in developed market economies is of particular interest. The volume of credit allocated to small businesses is highest in Japan (39.9 billion USD), Germany (61.9 billion USD), and Canada (22.8 billion USD). The UK and France stand out for providing the most significant guarantees. These high figures indicate that developed countries have well-established and effective systems for financially supporting small enterprises.

Experience in developed market economies confirms that measures to support small businesses financially often share similarities, though there are some differences. The formation and operation of private entrepreneurship in Uzbekistan have unique characteristics. There are several challenges hindering the development of private enterprises:

1. Lack of Adaptation to Changing Market Relations – Many small businesses struggle to adjust to evolving market conditions. Insufficient financial incentives for employees, limited opportunities for selecting and training qualified personnel, and restricted funds for purchasing raw materials and materials are significant obstacles.
2. Shortage of Modern Marketing and Management Technologies – Many small enterprises lack effective business strategies and innovative management approaches.
3. Unfavorable Ratio Between Own and Borrowed Resources – The financial structure of small enterprises is often imbalanced. High levels of accounts payable and receivable, as well as the poor solvency of enterprises undergoing bankruptcy procedures, weaken the sector.
4. Business Closures and Capital Withdrawal – Some entrepreneurs shut down enterprises and reinvest capital into financial assets, reducing the reinvestment of profits into business development.
5. Reinvestment of Capital from Closed Enterprises – Some new businesses are established using the capital and income generated from previously closed enterprises, but this process is not always efficient.

One of the key indicators of private enterprises is their efficiency. Many researchers analyze the efficiency of private enterprises by focusing on foreign experience. A crucial feature of small businesses and private entrepreneurship is their relative resilience during economic downturns.

Small private enterprises have lower financial indicators but a high demand for external credit resources. Their resource efficiency indicators do not allow them to rely solely on private funding sources.

As part of the Anti-Crisis Program, the following measures are recommended to develop private entrepreneurship in Uzbekistan:

- Implementing standardized procedures that reduce the cost of banking credit operations;
- Increasing short-term bank liabilities to enhance liquidity in bank assets and liabilities;
- Developing various guarantee mechanisms at national and regional levels to reduce credit risk for small enterprises.

The development and sustainability of small businesses largely depend on their interaction with large businesses and access to financial resources.

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