

THE NEED TO SUPPORT SMALL BUSINESSES AND PRIVATE ENTREPRENEURSHIP IN THE REGION

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Annotation: The article examines the opportunities and main directions created in the region to support small business and private entrepreneurship. Detailed information on its importance in providing employment and increasing income. Recommendations on factors of practical development of small business and private entrepreneurship are also given.

Key words: small business, entrepreneurship, forms of support, financial resources, credit support, state, private sector, digitalization, innovation, employment, income.

Small business and private entrepreneurship are now recognized as the main drivers of economic development not only in Uzbekistan, but also in the world. This sector is the most dynamic, adaptable and innovative sector of the economy. In particular, the role of small business in regional development is invaluable - it is a means not only of increasing employment, but also of effectively using local resources and ensuring social stability.

As recognized by the President of the Republic of Uzbekistan, "Entrepreneurship is the basis of social development and a guarantee of people's well-being."¹ In recent years, our country has implemented large-scale reforms to encourage small business, develop it in the regions, and liberalize legislation. In the current conditions of globalization and increasing economic competition, small business and private entrepreneurship play an important role in the socio-economic development of countries. In particular, the issue of supporting small business entities as one of the priority areas of regional development is gaining relevance. They make a significant contribution to creating new jobs, ensuring employment, rational use of local resources, and the production of export-oriented products.

In our republic, special attention is paid to the rapid development, encouragement and support of small business and private entrepreneurship, which are playing an increasingly important role in ensuring economic growth, creating new jobs, solving the problem of unemployment, and increasing the income and well-being of the population. As a result of

¹ Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis, December 20, 2023.

the implementation of the established priority areas for deepening and modernizing economic reforms in order to achieve a new qualitative stage of economic development, the role and position of small business and private entrepreneurship, which are currently recognized as the leading locomotive of our economy, are increasingly strengthening, which indicates positive changes in the structure of our economy. In particular, the growth trends of small business and private entrepreneurship, the increase in the level of employment in these entities, their increase in the share of economic sectors, and their increasing share in the total share of exports and imports in the country are considered positive changes. Of course, along with the achievements made in this area, there are also problems that hinder and hinder development, which require the adoption of clear strategic decisions. Considering that Uzbekistan has enormous untapped potential and opportunities in this area, and that small business and private entrepreneurship occupy a leading position in the volume of gross domestic product in developed countries of the world, one of the urgent issues is a deep analysis of the trends in the development of small business and private entrepreneurship in the context of economic modernization in this area and a radical improvement of the set of measures for further support of the sector by the state.

The formation of a business environment in our country, comprehensive support and encouragement of small business and private entrepreneurship, and the increase in the population's lifestyle and income are also due to the increasing role of small business and private entrepreneurship. If we compare the number of positions in small business and private entrepreneurship with the number of positions in small enterprises and microfirms, we can see the connection between them.

As noted in the Address of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev to the Senate and Legislative Chamber of the Oliy Majlis: "Both chambers of the Oliy Majlis should establish effective parliamentary control over ensuring the rights of entrepreneurs. We must consistently continue the policy of decriminalizing certain types of crimes that do not pose a significant social risk in the field of entrepreneurship." So, based on these considerations, criminal liability for acts such as fraudulent entrepreneurship and defamation of a competitor will be abolished. Also, it is emphasized in this report that the persons who committed the crime of violation of the customs legislation for the first time, but paid the fees, should be released from criminal liability, which means that it is a special support for entrepreneurs.

The Address also emphasized the need to give priority to supporting entrepreneurial initiatives aimed at solving social problems in the localities, especially youth and women's entrepreneurship, in order to expand the opportunities of entrepreneurs to further increase their production and service efficiency. To this end, it was said that micro-financial services and financial resources, as well as public procurement, will be provided to the population and entrepreneurs. As we see from the experience of developed countries, such measures will increase the desire and confidence of our people to become entrepreneurs, and they will strive to earn more.

It should be noted that in the USA, small business provides a large part of the gross domestic product, creates more than half of new jobs, and most importantly, exports products worth

350-400 billion dollars a year. In another center of world industry - Germany, more than 70 percent of the working-age population is employed in this sector. At the same time, a large number of small craft enterprises operate, covering more than 90 types of various activities.

The reforms carried out by the President of the Republic of Uzbekistan are aimed at supporting small business and private entrepreneurship, creating a favorable environment for them. Regional entrepreneurship is being developed through the adopted regulatory legal acts, state programs and financial support mechanisms in this regard.

In order to pay special attention to improving service provision through small business and private entrepreneurship, we can dwell on the following words of our President based on enthusiasm. "At the same time, not everyone can become an entrepreneur. Therefore, it is necessary to systematically work with such people and provide them with a decent job through professional retraining. \$ 700 million will be attracted for these purposes. We must comprehensively support entrepreneurs who create new jobs, so to speak, carry them on our shoulders."²

To develop small businesses at the regional level, it is necessary, first of all, to create a favorable infrastructure and legal environment for the activities of entrepreneurs. In recent years, in particular, in regions such as the Republic of Karakalpakstan, Surkhandarya, and Namangan, thousands of new projects have been supported through programs such as "Land for Every Entrepreneur" and "Youth Entrepreneurship". In addition, the simplified procedure for obtaining licenses and permits based on the "Single Window" principle and the creation of the opportunity to submit reports through electronic platforms reduce unnecessary bureaucratic obstacles for entrepreneurs.

Financial assistance is provided to business entities through bank loans, grants, and attracting investments. According to the results of 2024, more than 53 trillion soums of preferential loans were allocated to small business entities across Uzbekistan. In addition, guarantee and insurance services have been established through the "Entrepreneurship Development Company".

Of particular importance is the provision of low-interest loans for the purchase of equipment and production of products to entrepreneurs operating in rural areas through the "Every Family is an Entrepreneur" program.

Today, digital technologies are taking entrepreneurship to a new level. E-commerce, online marketing, cloud services - all this is expanding the window of opportunities for small businesses. "IT Park" branches and startup accelerators are being opened in the regions. By strengthening the partnership between the state and the private sector on the basis of Public-Private Partnership (PPP), cooperation is increasing in the areas of infrastructure projects, services and production. This model has been successfully implemented in the fields of preschool education, healthcare, and logistics.

² Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis. January 24, 2020

In conclusion, even in the context of economic modernization, state support for small business and private entrepreneurship should be carried out through factors such as building the material and technical base of these structures, assisting them, increasing foreign economic activity, providing socio-psychological guarantees, an insurance system, providing them with the necessary information, and increasing foreign economic activity. A systematic approach, legal framework, financial support, investment in digital technologies and human capital are of great importance for the development of small business and private entrepreneurship in the region. Although Uzbekistan is achieving significant achievements in this regard, it is felt that there are still problems in some regions, such as a lack of market infrastructure and specialists. In order to solve these problems, it is advisable to recommend the following proposals:

- increase the number of regional incubation centers and business accelerators;
- wider introduction of specialized training programs for entrepreneurship;
- increase tax and customs privileges for foreign investors;
- encouraging women's and youth entrepreneurship through separate programs.

Thus, if the proposals based on the above ideas are implemented, opportunities for the development of small businesses and private entrepreneurship will expand further.

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