



## SYSTEMATIZATION OF INFORMATION ABOUT THE MECHANISM FOR SUPPORTING SMALL BUSINESSES IN UZBEKISTAN

Ergashev Khudoynazar

Associate Professor, Samarkand Institute of Economics and Service,  
Uzbekistan

Xabibullayev Azizbek

Independent researcher, Uzbekistan

Azimov Bobir

Researcher, Samarkand Institute of Economics and Service, Uzbekistan

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### ABSTRACT

*Small business is a set of independent small and medium-sized enterprises acting as economic entities of the market. These enterprises are not part of monopolistic associations and occupy a subordinate or dependent position in relation to them in economic terms. The purpose of this article is to explore the system and effectiveness of supporting small businesses in Uzbekistan and its constituent entities.*

**Introduction.** State policy in recent years has been very much aimed at developing entrepreneurship and improving conditions for doing business. Our government pays great attention to the development of small businesses [2].

The factor that determines the high social significance of small business is that, by its nature, small business is based on taking into account local needs and interests. Due to their smaller scale, small businesses are more flexible to changing economic conditions and are more able to respond to fluctuations in consumer demand. Small business greatly contributes to the formation of a competitive environment, as well as the establishment of market equilibrium. Small and medium-sized enterprises, by creating new jobs and organizing new businesses, relieve social tension in society [3].

For the more successful development of small businesses, the state must create all the necessary conditions, in turn, people must be proactive and enterprising. The main reasons hindering the development and establishment of small businesses include the lack of free space to accommodate production activities; imperfection of land relations and the non-residential real estate market; lack of financial resources, their short-term nature; insufficient training of qualified personnel; lack of young specialists with the necessary qualifications [4].

**Methods.** Experts say that if the number of small and medium-sized enterprises in Uzbekistan increases by one million annually, then the national economy and social life of the country will experience prosperity, and doubling GDP will become a reality. the figure of 1 million is a program, for the implementation of which you just need to comply with a number of conditions that normalize the entrepreneurial microclimate. Among them is the presence



and active functioning of a consolidating organization, union or association capable of supporting and protecting the entrepreneur to the required extent and at the right time [5].

The place and role of small business was determined by the fact that small enterprises had already gone through a certain path of development. All these years they have learned to independently adapt to the peculiarities of the market, and in some cases managed to develop the correct competitive strategy of behavior. Small enterprises are actively diversifying their economic activities and strengthening their investment policy. Shifts can also be observed in the general business culture. Even more impressive are the employment statistics [1].

However, it is still premature to talk about the true development of entrepreneurship in Uzbekistan. The position of most manufacturers is monopoly; a truly competitive environment for the activities of small enterprises has not been formed, especially in the production sector [6]; Essentially, the role of the state in determining the guidelines and priorities of entrepreneurial activity did not change. The state is still at the level of stating the fact about the need to support and design programs to support small businesses.

**Results.** The development of small business in our country is in its third period. The formation of small business has become a period of changing priorities, industry structure and mechanisms for the development of small business [7].

At the same time, it is during this period that the state begins to experience discomfort from the strict dependence of the country's financial and economic independence on the situation in the world commodity markets - oil, gas, gold, non-ferrous metals - that is, in those industries where traditionally only large enterprises operate.

Small businesses that are least dependent on these factors recover most quickly from the financial crisis and become the main guarantor of social stability in society [8].

Support for small and medium-sized businesses means the activities of government bodies of Uzbekistan, government bodies of constituent entities of Uzbekistan, local governments and the functioning of the infrastructure for supporting small and medium-sized businesses, aimed at implementing activities provided for by governmental programs for the development of small and medium-sized businesses, regional programs for the development of small and medium-sized businesses and municipal programs for the development of small and medium-sized businesses.

The Ministry of Economic Development is ready to finance any regional project to support small businesses [9].

The first government projects aimed at developing business in the regions. Entities that won competitions for the implementation of these projects received financial assistance.

**Discussion.** State support for small businesses is provided in the following areas:

1. Creation of preferential conditions for the use of state, financial, information and material and technical resources by small businesses [10].
2. Establishment of a simplified procedure for registration, licensing of their activities, certification of their products and provision of accounting and statistical reporting.
3. Support for foreign economic activity of small businesses.
4. Organization, training and advanced training of personnel for small businesses. Forms of state support for small businesses are the provision of financial assistance on a reimbursable and gratuitous basis, financing of governmental programs for the support and



development of small businesses, the provision of tax benefits to small enterprises engaged in priority activities, preferential lending and insurance for small businesses, the provision of state funds to small businesses on a competitive basis. orders for the production and supply of certain types of products and goods (services) for government needs and other forms of support [11]. Unfortunately, due to the current economic situation, not all forms of support are implemented in practice.

Currently, the provision of effective support to small businesses is hampered by the lack or lack of effective infrastructure facilities that support the activities of small businesses.

Large enterprises create their own infrastructure: training centers, marketing and legal departments, communication infrastructure - access roads, utility networks, etc., open representative offices and stores, create their own banks and social facilities for their employees [12]. A small business cannot act like this. But the rules in the market are the same for everyone. Consequently, for successful competition of an enterprise's products, the head of a small enterprise must have the opportunity to consult with an experienced lawyer, conduct marketing research, and sell the product using a sales network.

The small business support infrastructure should provide such an opportunity, and on affordable terms [13]. Despite the fact that dozens of small business support infrastructure facilities have emerged and are operating in recent years, it is obvious that without the support of the state and local authorities, a comprehensive and effective support infrastructure cannot arise and exist. That is why one of the first tasks (the first, perhaps, is the creation of a regulatory framework that stimulates business development) is the creation of a comprehensive infrastructure to support small businesses at the regional and municipal levels [14].

Small business support infrastructure is a set of state, non-state, public, educational and commercial organizations that regulate the activities of enterprises, provide educational, consulting and other services necessary for business development and provide the environment and conditions for the production of goods and services.

To a certain extent, the tax inspectorate, the trade inspectorate, and the registration department of the mayor's office are also part of the infrastructure, but not support, but regulation of small businesses [15].

**Conclusion.** For the successful development of small business, it is necessary to outline certain short-term and long-term measures, the essence of which is to develop a regulatory and legislative framework; improving coordination of all government and non-government organizations promoting the development of small and medium-sized businesses; formation of an effective infrastructure for small and medium-sized businesses; simplification of the procedure for obtaining permits; facilitating access to finance.

The tax system and tax policy in the country are a "brake" on the development of small businesses at all stages of the life cycle of small businesses. Despite the fact that the country has a system of state support for small businesses, very little funds are allocated for these purposes from the state and local budgets. The work of the created infrastructure to support small businesses remains only on paper.



The use of a simplified system of taxation, accounting and reporting for small businesses also cannot solve the problem of economic stimulation of small businesses, since the system itself requires significant changes.

In conclusion, the role of entrepreneurship and small business in the modern economy is enormous. They stimulate competition, ensure regional economic diversification, promote innovation and expand the country's export capabilities. Small businesses also have the potential to go public in the future. Although, many of Uzbek companies currently traded on the stock exchange originated from large structures or large-scale assets, there are examples of companies that started small and quickly grew to fame and entered the stock market.

The future of small business will depend on government action to limit bureaucracy and simplify oversight procedures for small businesses; from the activity in financing promising small businesses from private investors and the flexibility of credit institutions; from the investment climate, which will open Uzbek small businesses to foreign investment.

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