

THE IMPORTANCE OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN THE NATIONAL ECONOMY

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Abstract. *The article deals with small business and entrepreneurship, its role in the state economy, and its development in our country. In this regard, foreign experience and information about the benefits allocated to small business entities are covered in detail.*

Key words: *small business, private entrepreneurship, economy, state, tax, income, gross domestic product.*

ЗНАЧЕНИЕ МАЛОГО БИЗНЕСА И ЧАСТНОГО ПРЕДПРИНИМАТЕЛЬСТВА В НАЦИОНАЛЬНОЙ ЭКОНОМИКЕ

Аннотация. *В статье рассматриваются малый бизнес и предпринимательство, его роль в экономике государства, его развитие в нашей стране. В связи с этим подробно освещен зарубежный опыт и информация о льготах, предоставляемых субъектам малого предпринимательства.*

Ключевые слова: *малый бизнес, частное предпринимательство, экономика, государство, налог, доход, валовой внутренний продукт.*

INTRODUCTION

Uzbekistan, relying on the experiences of foreign countries, pays great attention to the development of entrepreneurship. An example is the Law of the Republic of Uzbekistan "On Promotion of the Development of Small and Private Entrepreneurship", adopted by the Oliy Majlis on December 21, 1995, after gaining independence. This law is of great importance in terms of creating more and more opportunities for free competition, organizing economic and legal relations between market entities of different forms of ownership at the level of world standards.

These rules should clearly indicate any limits or restrictions on the implementation of business activities. In general, the legal factor is a set of all laws (taxes, real estate, labor relations) and business rules that regulate business activity and integrate the relationship of an entrepreneur with other subjects of the economic process. If we summarize the factors influencing its development, they are as follows:

- Decline in the tendency of enterprise expansion;
- Entry of women's workforce into the economy;
- Reduction of employees in large-scale production;
- Increase in the rate of opening of new enterprises, etc.

The emergence of entrepreneurship is closely related to social and economic conditions. Social conditions are close to the economic conditions of starting a business. Social conditions are primarily determined by the desire to buy goods that match the taste and fashion of customers.

This requirement may change at different stages. This is strongly influenced by the moral and religious norms of the socio-cultural environment. These standards directly affect the lifestyle of consumers, and therefore the demand for goods. Social conditions affect a person's attitude to

work, which in turn affects the level of wages offered by the company and its attitude to working conditions. The complete or incomplete implementation of the regulatory framework significantly affects the level of entrepreneurial activity. can have a negative effect.

ANALYSIS AND RESULTS

Today, in the Republic of Uzbekistan, a single legal framework has been created, which forms the basis of practical economic reforms. The concept of "legal culture" is also included in the property of the legal factor. So, the people must obey the law, that is, the people must obey the law. If all the necessary laws have been adopted, but they are not working or are not being applied in practice, such a company cannot be considered law-abiding, and the entrepreneur must take this into account in his business. determines the attitude of the state and the influence of the state on them. The extent to which the state should influence or intervene in the business activity is also included in the concept of a political factor. Such intervention may be unplanned or planned. In general, the attitude of the state to the level of entrepreneurial activity is manifested in the form of encouragement or neutrality. The development of entrepreneurship in each country is greatly influenced by the stability of its political system. If the political system is not stable, entrepreneurs will try to implement various short-term operations in order to obtain a high level of profit without attracting large investments. The stability of the political situation allows an entrepreneur to plan his activities strategically, that is, to implement long-term projects. That is why its composition consists of many elements.

If an entrepreneur ignores them, it can lead to negative results. The following are the main elements of this factor:

- state of ideology in society;
- national traditions;
- cultural and household customs of the nation;
- the attitude of the surrounding people to entrepreneurs and business activities;
- the attitude of the state to entrepreneurs and business activities.

The economic factor reflects the market competition and price situation. The price system, in turn, includes the level of prices, production factors involved in the production process by the entrepreneur, labor force, the amount of the credit rate, and taxes and mandatory payments. The conditions of competition in the market are analyzed qualitatively and quantitatively.

Entrepreneurship can be implemented only when certain conditions are created by the state.

Its formation is primarily related to the emergence of a certain situation in society, and the political and economic situation in it is directed to the formation of entrepreneurial activity.

Therefore, on the initiative of the President Sh.M. Mirziyoyev, the necessary laws, decisions, decrees and similar legal and regulatory documents were adopted in the Republic of Uzbekistan on the support of small business and private entrepreneurship, and they are implemented in life. is being done. At the same time, two funds were established for the purpose of encouraging entrepreneurship: funds for the development of entrepreneurship and support for the development of small businesses. In particular, from January 1, 2023, the rate of value added tax for entrepreneurs will be reduced from the current 15 percent to 12 percent, from July 1, 2022, the application of increased tax rates for empty buildings or unused land will be canceled, and

entrepreneurs will It was announced that the previously overestimated debts of 2 trillion soums will be waived.

Small business and private entrepreneurship is an important factor in the development of the economy, increasing the employment and income of the population. More than fifty presidential decrees and decisions were adopted in the last two and a half years in order to support the representatives of this field from all sides. In particular, procedures for state registration of business activities, obtaining various permits and many other services have been simplified. In order to facilitate this, the State Services Agency and its local centers were established. The position of representative for the protection of the rights and legal interests of business entities (Business Ombudsman) has been introduced.

Reception offices of the Prime Minister were established in all regions, which receive and help resolve businessmen's appeals. Under the Cabinet of Ministers, the activity of the State Fund to Support the Development of Entrepreneurship was launched, and 200 billion soums and 50 million dollars were allocated to it. The volume of loans granted by commercial banks to entrepreneurs has increased. Such practical measures are paying off. Small business provides about 60% of the country's gross domestic product, one-third of the volume of industrial products, 98% of agricultural products, and half of investments. In many regions, 70-90 percent of exports go to small businesses. In 6 months of this year, the number of business entities increased by 60 thousand. Small business and private entrepreneurship is a source of employment and income for a significant part of the population.

Most of the time, only the population in need of social protection can find a job: women, young people who are looking for a job for the first time, have no secondary education and no work experience. Small business has become one of the important factors of economic development in our country. Changes in the economy of Uzbekistan create the necessary competitive environment for this industry, create additional jobs and increase the income of the population. Since our people have been engaged in small business for centuries, the Republic of Uzbekistan has wide opportunities for the development of small business and private entrepreneurship. It can be said that small business has been developed in our country since ancient times, because potters, jewelers, confectioners, weavers and other craftsmen have been engaged in the production of household goods, work tools, jewelry for centuries. They produced embroidery, clothes, shoes and other products individually or with their family members in their small workshops.

Most of these goods were sent for sale along the Great Silk Road. Favorable natural and climatic conditions, hard work of the people, and rich raw materials also helped the development of small business. Small business in modern Uzbekistan is made up of individual entrepreneurs, micro-firms, small enterprises, as well as farmers and farms. In order to ensure the most favorable business environment, various privileges and preferences are given to business entities, and they are supported in every way. Privatization is the basis for the formation of a mixed economy and the further development of market relations. During the years of independence, about 86,700 state enterprises and facilities were privatized. As a result, a new social stratum of society for Uzbekistan was created - a class of owners with about 6.5 million people. Along with privatization,

small business also developed rapidly, and this, in turn, became the basis for the formation of a market economy and competitive environment in Uzbekistan.

Small business has become one of the important factors of economic development in Uzbekistan. By the end of 2015, its share in the gross domestic product was 52.5%, and in 2010 it was 31%. The share of people employed in this field in the total employed population increased from 49.7 percent in 2010 to 74.6 percent in 2015-37. The conducted studies showed that during the years of independence, a solid legal framework was created in Uzbekistan, which defines the priority of private property - the basis of the market economy. A favorable business environment and reliable legal guarantees for the rapid development of small business and private entrepreneurship were formed as the most important factors for the formation of the middle class of owners, the stable development of the economy of our country, the creation of new jobs and the creation of new jobs. household income growth. The rapid development of small business is related to the liberalization of the economy and the creation of a qualitatively new business environment.

This led to a reduction in the level of expenses in the management of the economy and an increase in the efficiency of the use of material, labor and financial resources, and made it possible to spend more money on the development of production. From the first years when the foundations of the market economy were created, the leadership of Uzbekistan paid great attention to the development of the legal framework and the organization of financial support.

An urgent solution is needed to create a sustainable tax system. Until the entrepreneur has clear legal guarantees that new taxes will not appear tomorrow, he hides his income, thereby reducing the level of tax collection. But they will only have an effect at the same time as debt restructuring and tax amnesty. The measure is necessary, albeit at great expense. In addition, we must understand that a reasonable and fair tax reform will initially lead to a decrease, not an increase in the total revenue of the treasury. The lack of systematic, reliable and complete information that comprehensively describes the market situation does not make the business more difficult. Today, product manufacturers and sellers are forced to use fragmented information from advertising materials. Therefore, it is necessary to establish national and regional information-commercial networks and centers, information banks, and provide them with educational and methodological materials.

CONCLUSIONS AND SUGGESTIONS

Many favorable opportunities are being created in our country for the development of small business and entrepreneurship, and through this, it can be called both material and moral support for those who have just started entrepreneurship. At the same time, the allocation of financial resources aimed at creating a convenient financing system for entrepreneurs, for example, 20 trillion soums will be directed to small business projects, and in addition, the attraction of funds from international financial institutions to commercial banks is a clear example of this. takes.

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