



## SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN UZBEKISTAN: DEVELOPMENT AND ACTIVITY ANALYSIS

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### Abstract:

This article describes the formation of professional motivation among future educators-teachers. The article deals with the organization of research works for students of the Faculty of Preschool Education, provides recommendations for the development of improved mechanisms and manuals based on a methodological approach to the development of professional motivation of students of higher educational institutions in teaching activities and suggests an organizational structure for the development of professional qualities.

**Keywords:** educator, formation, motive, professional motivation, activity, process, attitude, justified, future.

In global practice, small business activity plays an important role in solving social and economic problems in the countries of the world. According to the report of the International Monetary Fund, "Today, 90.0 percent of enterprises in the world belong to small and medium-sized businesses, which provide employment to 63.0 percent of the world's population. At the level of the European Union, the total weight of small and medium-sized businesses in non-financial enterprises is 99.8 percent, providing employment to two-thirds of the labor force".[6]

"Our task in this regard is to strictly implement our model of development and renewal, relying on the accumulated experience and advanced international practice. In this regard, we need to work hard to achieve the goals set for the near and medium term..." [1]

The results of creating new jobs in Uzbekistan, as an important factor in increasing the income and well-being of the population, are becoming significant. Ensuring the development of the national economy at a stable pace in market conditions and the participation of all elements of the mechanism for supporting the activities of enterprises is of great

importance. Effective use of the economic mechanism for supporting small business and entrepreneurship affects entrepreneurial activity as an internal driving force and becomes a component of it. Economic mechanism is an integrated system consisting of levers such as tax, public procurement, customs tariff, license, subsidy, credit, price control, investment and export. [5]

At the same time, we will seriously change the procedures for issuing licenses and permits in the area that causes a lot of trouble for entrepreneurs. It should be noted that among the existing 280 licenses and permits, there are also those introduced to keep records of activities, collect funds or simply control. This is causing legitimate objections from entrepreneurs. Therefore, the Ministry of Justice, the Chamber of Commerce and Industry, and the Business Ombudsman should thoroughly revise the basis for issuing licenses and permits by March 1, 2020, and make a clear proposal to reduce their number by at least 2 times", the proposal is currently working.[2] .

In 2020, more than 28,289 new jobs were created, of which 9,938 were contributed by small business and private entrepreneurship (SBPE) entities (Table 1).

**Table 1**  
**Small business in creating new jobs in Uzbekistan and the share of private business entities [10]**

Indicator name	2010 year	2015 yaer	2020 year
A new job places, together	15 164	24 389	28 289
Including:			
Small business and private in business, together	8 643	10 170	9 938
As a percentage	57,0	41,7	35,0
In relation to the number of people employed in the total economy share, as a percentage	72,7	74,2	74,3

As a result of the state's great attention and support to the SBPE sector, its share in the gross domestic product of our country is increasing year by year. In particular, in 2010, about 60.8% of the GDP

was the share of this sector of the economy, which is actively developing, in 2016, this figure was 66.8%, in 2019, 56%, and in 2020, 55.7% (Fig. 1) ).



Figure 1. The share of small business and private entrepreneurship in the gross domestic product, as a percentage.

In 2020, the share of KBXT in industry was 27.8%, in agriculture 97.0%, in investment 49.7%, in construction 72.4%, in trade 82.2%, in services 51.5%, in export 20 51.8% in imports, and 74.3% of employment was accounted for by small businesses and private enterprises.

If we look at the main economic indicators of the Republic of Kazakhstan in 2020 by region, the largest share in GNP is Jizzakh (82.7%), Surkhondaryo (77.1%), Khorezm (75.3%), Bukhara (74.7%) and Namangan (73 .7 %) correspond to the regions. The share of KBXT in the total industrial output is 27.8%. If we look at this indicator regionally, 64.2% of the

total industrial output in Jizzakh region and 50.0% in Namangan region were accounted for by small businesses and private enterprises (Table 2).[12]

In 2020, the share of SBPE entities in the total export volume of the country was 20.5 percent. If you look at the share of small businesses and private enterprises in the total export by region, the largest share is Tashkent city (51.7%), Tashkent (40.9%), Fergana (35.4%), Andijan (32.7%) and Namangan. (25.8%) regions, and the lowest share was in the Republic of Karakalpakstan (6.5%), Kashkadarya (8.3%), Jizzakh (8.4%) and Navoi (8.7%) regions

**Table 2**  
**Key indicators of small business and private entrepreneurship in 2020 by region [10]**

Republic and regions	Active Small Business Private Enterprise subjects		Its share in the Gross Domestic Product, in percent	Industry share, in percent	Share in services, in percent	Share of exports, in percent
	Number, in unit	Share, in percentage				
Republic of Karakalpakstan	18288	4,4	56,2	23,9	3,0	6,5
Andijan	31683	7,7	68,9	20,0	6,7	32,7
Bukhara	24809	6,0	74,7	34,8	5,8	10
Jizzakh	17725	4,3	82,7	64,2	2,7	8,4
Kashkadarya	25297	6,2	69,9	34,7	6,3	8,3
Navoi	17931	4,4	25,5	6,6	3,0	8,7
Namangan	26531	6,4	73,7	50,0	5,2	25,8
Samarkand	33114	8,1	73,9	45,5	8,8	21,5
Surkhandarya	21563	5,2	77,1	47,3	4,7	15,7
Syrdarya	13360	3,2	69,2	37,3	1,6	10,7
Tashkent region	40223	9,8	48,3	20,8	10,3	40,9
Fergana	36117	8,8	67,9	45,9	8,3	35,4
Khorezm	18875	4,6	75,3	29,5	3,6	11
Tashkent city	85687	20,8	45,8	38,7	30,0	51,7
<b>Republic of Uzbekistan</b>	<b>411203</b>	<b>100</b>	<b>55,7</b>	<b>27,8</b>	<b>51,5</b>	<b>20,5</b>

112,743.5 bln. in 2020 by SBPE entities. Soum services are provided. The share of small businesses and private enterprises in the total volume of services across the country was 51.5%. If you look at the share of KBXT entities in total services by region, the largest share is Tashkent city (30.0%), Tashkent (10.3%), Samarkand (8.8%), Andijan (6.7%) and Kashkadarya (6.3 %) regions, and the lowest share fell to Syrdarya (1.6%), Navoi (3%), Khorezm (3.6%) regions and the Republic of Karakalpakstan (3.0%).

The expansion of SBPE's activity is also

manifested by the increase in the weight of production of other sectors and sectors of the economy. In particular, the share of this sector in the production of industrial products increased from 10.0 percent in 2015 to 27.8 percent in 2020, in agriculture from 95.7 percent to 97.0 percent, in trade from 43.7 percent to 82.2 percent, in transportation from 24.6 from 40.0% to 40.0%, from 24% to 49.7% in fixed capital investments, and from 6% to 20.5% in exports (Table 3)

Table 3

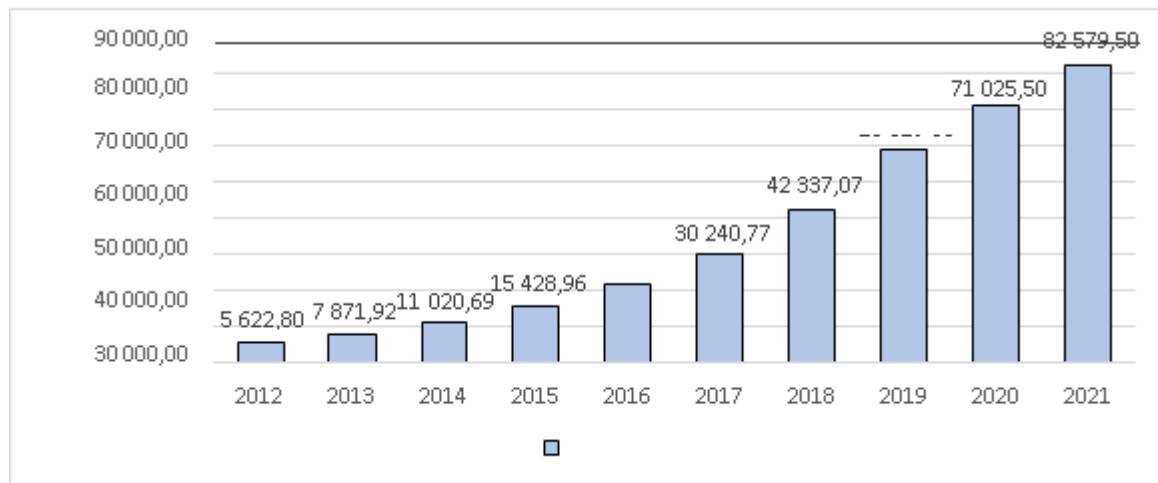
Growth dynamics of small business and private business entities by economic sectors in 2015-2020

Indicator name	2015 Year	2016 Year	2017 Year	2018 Year	2019 Year	2020 Year	2020 year compared to 2015 growth, %
Industry, billion sums	39 643,5	50 654,5	61 367,8	87 962,0	83 344,2	103 020,8	260
Agriculture, billion sums	101 197,5	118 011,4	152 010,5	191 759,2	219 466,9	252 485,7	249
Investment, billion sums	18 072,1	20 944,2	27 515,0	47 225,2	86 886,8	96 629,2	535
Sale, billion sums	61 972,3	78 935,6	92 973,0	114 896,4	138 920,7	164 106,1	265
Services, billion sums	47 269,6	61 346,2	69 212,7	84 433,4	103 106,5	112 743,5	239
shipping, million ton km	9 225,0	10 072,4	10 444,4	11 657,7	12 152,3	12 304,6	133
passenger transportation, a thousand people	4 486,3	4 866,5	5 037,5	5 242,6	5 345,0	4 904,8	109
Export, mln US dollars	3 377,5	3 139,1	2 759,3	3 810,8	4 714,8	3 100,9	92
Import, mln US dollars	5523,1	5676,8	7511,9	10916,2	14972,2	10943,3	198

In our country, the rapid development of SBPE is primarily due to the fact that the tax incentives set for this sector are playing a sufficient stimulating role. In particular, the reduction of the value-added tax rate from 20% to 15% in 2020 allowed 10 trillion soums to remain at the disposal of 100,000 entrepreneurs. Starting from 2023, it is planned to reduce this tax rate from 15% to 12%. In 2022, the property tax rate for small businesses will be reduced from 2 percent to

1.5 percent. From 2023, property and land taxes will be combined and a single real estate tax will be introduced.

In recent years, measures to financially support SBPE have also been strengthened. In particular, in 2012, 5,622.80 billion soums of credit were allocated for the development of small business and private entrepreneurship, and in 2021, this figure will be 82,579.50 billion. amounted to soum (Fig. 2).



**Figure 2. The amount of loans allocated to support small business and private entrepreneurship, billion soums**

From the data in Fig. 2, it can be seen that the amount of loans directed to the SBPE sector increased by almost 15 times during 2012-2021. In 2021, the volume of loans allocated by commercial banks for the development of the small business and private entrepreneurship sector of the economy increased by 1.3 times.

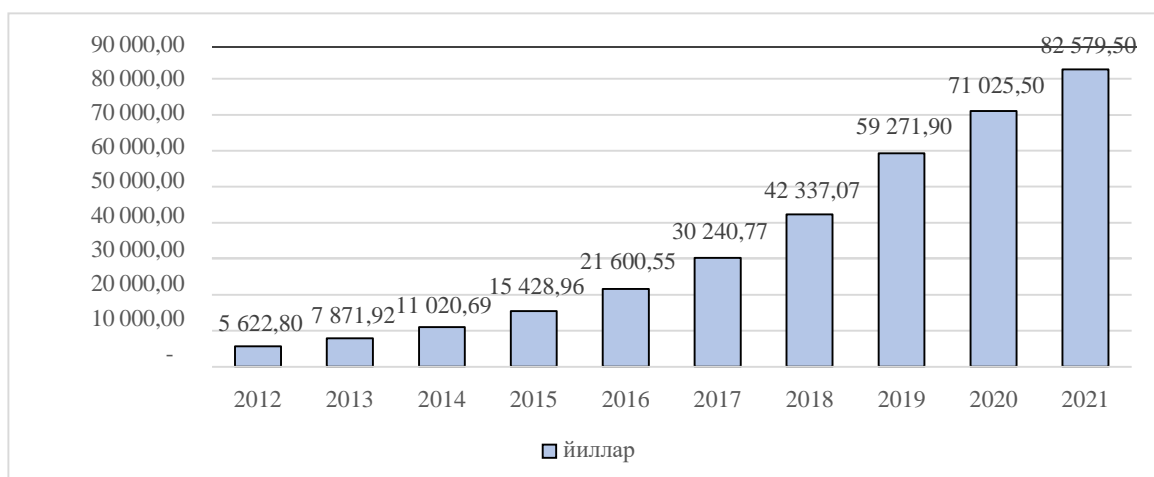
At present, the following measures are planned to provide credit to SBPE: increase the amount of grants and credit lines allocated by international financial institutions and governments of foreign countries; establishment of preferential lending funds in commercial banks, mobilization of fund funds for lending to business entities operating in remote and hard-to-reach areas, as well as in densely populated areas; increase the volume of lending to enterprises producing consumer goods; to further increase the granting of consumer loans to the population for the purchase of products produced in

our country, etc.

SBPE'S role in foreign economic activity is gradually expanding. Its share in the export volume was 13.7 percent in 2010, and 27.2 percent in 2018. Due to the pandemic, this indicator will increase by 20.5 percent or 4634.5 million in 2020. amounted to US dollars (Table 4).

In the Republic of Uzbekistan, SBPE entities mainly export agriculture, food products, chemicals and products made from them, mineral fertilizers, sewing and knitting products, silk and silk products, leather and footwear products, construction materials, folk art products and various services.

Most of the products exported by SBPE entities are raw materials that are not deeply processed and do not have high added value. Such a situation requires the development of measures aimed at directing the sale of high-tech products to export in the country.



**Table 4**

**Export dynamics of small businesses and private enterprises by product types (in millions of US dollars)**

Types of products	Years						growth figure is in percent	
	2015 Year	2016 Year	2017 Year	2018 Year	2019 Year	2020 Year	To 2019 %	Compared to the year 2015
Sewing and knitting products	846,9	901,0	1090,5	1268,6	1596,7	1868,5	117,0	220,6
mineral fertilizers	116,7	124,2	155,1	128,2	134,5	136,0	101,1	116,5
Leather shoes products	121,4	129,1	136,0	166,2	195,7	223,9	114,4	184,4
silk and silk products	19,7	21,0	30,9	49,9	71,8	49,9	69,5	253,0
cereals and flour products	5,2	5,5	46,4	70,1	104,6	218,6	209,0	4211,6
building materials	146,2	155,5	185,0	195,0	210,0	225,0	107,1	153,9
other industrial products	503,0	535,1	568,6	473,6	636,5	650,6	102,2	129,3
fruits and vegetables	564,9	564,9	655,5	892,7	1249,8	1080,4	86,4	191,3
cotton fiber	599,0	637,3	477,1	222,1	281,6	146,9	52,1	24,5
services	7,9	8,5	9,5	13,1	23,2	34,7	149,7	436,9
<b>Total:</b>	<b>2931,0</b>	<b>3082,0</b>	<b>3354,6</b>	<b>3479,6</b>	<b>4504,5</b>	<b>4634,5</b>	<b>102,9</b>	<b>158,1</b>



It should be noted that Uzbekistan currently ranks 42nd in the world according to the so-called "support for new business" criterion. The most important aspects of supporting the industry are focused on investment, tax, credit and export in the economy, and are inextricably linked with the state policy that is consistently implemented in our country.[5]

In our opinion, the result of the analyzed cases is that there is a need to improve the economic mechanism of state support based on acquiring the skills of learning entrepreneurship to the foreign market order, implementing fiscal and monetary policy that regulates the internal environment of the enterprise, creating a self-regulation mechanism of the existing state institutional system. means, and as a result of such support, an opportunity is created for the development of medium-sized businesses in the country.[8]

The analysis of the development and operation of the SBPE in Uzbekistan shows the need to pay special attention to the following priority directions:

first, to protect the rights and interests of SBPE subjects, to review the existing regulatory legal framework from a critical point of view in order to open a wider path for the development of this field;

secondly, to create convenience and relief in terms of taxes and other payments for small business and private entrepreneurship;

thirdly, to further improve the medium- and long-term lending system for small business entities for production modernization and technological upgrading, to develop practical measures for the solution of existing problems, to enable the use of foreign investments and grants for business entities;

fourthly, to pay serious attention to solving the problem of participation of small business and private business entities in the field of foreign economic activity, increasing their export potential, expanding access to the regional and world markets, giving them subsidies and compensations for this;

fifth, in the organization of modern production networks that require high technologies in the industrial sector, in the field of innovative and nanotechnologies, pharmacology and pharmaceuticals, information communication systems, biotechnology, alternative energy types, in short, to develop small business and private entrepreneurship based on the achievements of advanced science to pave the way wide;

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