



THE PROCESS OF STATE REGULATION OF BUSINESS

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Received: 1 st August 2022	This article analyzes the necessity, directions, levers, and methods of state regulation of business activities in the national economy, as well as the process of improving state regulation.
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INTRODUCTION

Economic growth occurs based on certain laws. Sometimes the driving force is cyclical in importance, at other times it depends on extensive and intensive factors. Undoubtedly, the state's policies have an indirect effect on economic processes, either directly or indirectly through the influence of society on social and economic institutions. It is observed that economic growth occurs at a high rate or slows down in some cases, not due to cyclical features, but the implementation of the state policy, including the mechanism of regulation of business activities.

Coincides with the period of structural changes in the economy. As the President of the Republic of Uzbekistan Sh. Mirziyoev noted, "... in the next year, the ultimate goal of economic reforms will be to reduce poverty and increase the well-being of the population. These strategic goals are achieved through high economic growth that creates equal opportunities for all. In the last 4 years, serious steps have been taken to introduce market mechanisms to all aspects of our economy. The task now is to create a foundation for long-term sustainable growth through deep structural reforms." [2].

The importance of the composition of the country's economy is seen in ensuring the balance between economic sectors, increasing their efficiency, and achieving sustainable economic growth. And the role and importance of entrepreneurship in this process are very great. Many difficulties and shortcomings observed in entrepreneurial activity confirm the need for serious support for the development of all forms of entrepreneurship. First of all, these are the difficulties related to the entrepreneurial activity itself, the levers and methods of its regulation by the state, and the difficulties arising from the essence of the proper organization of

the incentive system. In many small and medium-sized enterprises, entrepreneurs themselves are engaged in all management functions of supply, trade, production organization, economy, accounting, and so on.

LITERATURE ANALYSIS

Even though the concept of entrepreneurship has been used in theory and practice for almost three centuries, its evolution continues even today. Among economists, there are different opinions on the problems of entrepreneurship and its regulation by the state. In particular, Samoukin A.M., Shishkov A.L. "business is the income-generating activity of citizens who own property... and represents the relations between its participants" [3] or "business is not simple, it is business relations between people". Also, the problems of development of entrepreneurship and its regulation by the state were discussed abroad by economists A. Smith, R. Cantillon, J. B. Say, A. Hoskin, Y. Schumpeter, R. Khizrich, M. Peters, Studied by A.G. Granberg, V.G. Gutman, A. Rodionova, A.V. Busygin, V.M. Vlasova, A.M. Samozkin, S.F. Borisov. The problem of systematic development of entrepreneurship in our country and its regulation by the state Abdusalyamov M., T.M. Akhmedov, A.M., Sodikov, A.S. Soliev, U.V. Gafurov, A.A. Qayumov, F.T. Egamberdiev, Sh.Sh. Shodmonov, T.T. Joraev, K. Muftaydinov, D.S. Alimatova, A.A. Researched by Kulmatov, N.K. Muradova and other scientists. In the context of the current pandemic, the issues of small business development and state support are of great interest among economists. Urmonov J., Fayziev F., Abduvokhidov A., and Abdullaeva Sh.

The scientific work of these authors is limited to the coverage of the theoretical foundations and content of the regulation of business activities and some aspects of its implementation. However, they did

not fully analyze its theoretical foundations and specific features in the new economic conditions, i.e., the process of modernization, structural change, and diversification of the economy, and the program for mitigating the effects of the global pandemic.

RESEARCH METHODOLOGY

In the development of scientifically based conclusions and recommendations based on the detailed analysis of the problem raised in the scientific article, systematization of the analysis results, such methods as scientific abstraction, dialectical research, induction and deduction, targeted development, monographic observation, systematic and comparative analysis, graphic representation, expert evaluation, and economic statistics are used. widely used.

ANALYSIS AND RESULTS

As a result of gradual reforms in the Republic of Uzbekistan, the share of entrepreneurship in the economy is constantly increasing. Development of entrepreneurship in our country, comprehensive measures to create new jobs, increase the volume of gross domestic product and increase tax revenues to the budget are being implemented step by step. Initially, a regulatory framework was created to improve business activities. Among them are the Laws of Uzbekistan, Presidential Decrees, decisions of the Cabinet of Ministers of the Republic of Uzbekistan, and similar legal documents. Special committees and councils have been established that directly help and support the development of entrepreneurship.

The system of submitting businessmen's taxation, accounting, and statistical reports has been simplified. Conditions and opportunities aimed at increasing the volume of export of entrepreneurs' products have been created. The scope of financial support for business entities is expanding by providing preferential microloans and allocating funds for the formation of initial capital. Exemptions were applied in the field of taxation. A vocational education system, and information communication system were developed for entrepreneurship. In the next period, the legal and legal framework was radically updated to improve business activities. The role of the courts in the protection of business entities has been increased, and some of the powers used by the control bodies for private business entities have been transferred to the courts. Registration and licensing have been simplified.

In our country, strong legal foundations have been created for the development of entrepreneurship, the promotion of activities in this field, and the reliable protection of the rights and interests of business entities. For example, in Article 36 of the Constitution of the Republic of Uzbekistan, it is written that "The right to inherit the right to be an individual owner is guaranteed by law." Entrepreneurial activity is related to private property, ownership of property (preserving the right of ownership in the hands of the owner of the property), use of it (using abundant wealth in economic activity, introducing it into the economic process, and obtaining results from it), disposal of it (independently deciding the fate of the wealth

belonging to the property achievement) is guaranteed by law. In the Constitution of the Republic of Uzbekistan, the basis of the economy is the organization of various forms of property. Entrepreneurship is organized as a type of economic activity, and Article 53 is stated as follows: "Taking into account the supremacy of the rights of consumers, the state guarantees economic activity, entrepreneurship, and freedom of work, equal rights of all forms of property and legal protection." [1].

"The norms of the Civil Code of the Republic of Uzbekistan have strengthened the regulation and guarantee of relations related to business activities. In particular, in Article 164 of the Code, the right to property consists of the right to own, use and dispose of one's property at one's own will and for one's interests, as well as the right to demand the elimination of any violation of one's property right by anyone. noted" [5]. In general, the norms of the Civil Code regulate property and personal non-property relations of business entities.

In the Republic of Uzbekistan, the activities of business entities are regulated and guaranteed by the following laws: "On Ownership", "On Guarantees of Freedom of Entrepreneurial Activity", "On State Control of Business Entities", "On Family Entrepreneurship", "On Enterprises". , "On Expropriation and Privatization", "On Banks and Banking Activities", "On Foreign Investments", "On Foreign Economic Activities" and other similar laws.

Decree of the President of the Republic of Uzbekistan "On measures to further improve the system of the legal protection of business entities", "On measures to further reduce the inspection of business entities and improve its system", "On liberalization of financial responsibility for violations of business entities in the economic sphere" The decrees and "On the fundamental improvement of the system of registration procedures for the organization of business activities", "On the introduction of the notification procedure for the state registration and registration of business entities" and other similar decisions, granted privileges to business entities.

Therefore, by the five priority directions of the development of the Republic of Uzbekistan in 2017 - 2021, a comprehensive institutional framework aimed at reducing the state's participation in the economy, protecting the rights of business entities, strengthening the priority of private property, and comprehensively supporting business initiatives and startups have been established in the republic. and Decree No. PF-5409 dated April 11, 2018 "On further reduction and simplification of licensing and permitting procedures in the field of business activities, as well as measures to improve the conditions of doing business" in order to implement structural reforms, doing business in our country in order to further improve the business environment, to continue the reforms started to give wide freedom to entrepreneurship, and to ensure the correct implementation of the adopted legal documents on the ground , PQ-4525 dated November 20, 2019 " Further improving the business environment in the country and a decision "On

measures to improve the system of entrepreneurship support", in order to institutionally improve and develop the microcredit system aimed at supporting entrepreneurship, dated October 13, 2020 PQ-4862 "Improving the system of attracting the population to entrepreneurship and entrepreneurship "On additional measures for the development" of the President of the Republic of Uzbekistan, which was held for the first time on August 20, 2021, as part of the open dialogue with entrepreneurs, dated September 15, PF-6314 "Further reducing the administrative and tax burden for business entities, protecting the legitimate interests of business" Decree No. PQ-107 of January 29, 2022 "On measures to improve the protection system", to strengthen the role of courts, especially administrative courts, in protecting the violated rights of business entities, to turn them into real defenders of citizens and entrepreneurs The decision "On measures to ensure effective protection of the rights of citizens and business entities in relations with the authorities and to further increase the trust of the population in the courts" by providing financial support to business projects implemented in the regions, ensuring the timely implementation of business initiatives for development, the decision of April 19, 2022, No. PQ-212 "On measures to further expand the financing mechanisms of entrepreneurial projects in the regions", implementation of the development strategy of New Uzbekistan for 2022 - 2026, as well as poverty alleviation by achieving inclusive and sustainable economic growth to reduce by half, to ensure competition in the economy, to create equal conditions for business entities, to accelerate the full transition to market relations, to increase the competitiveness of the national economy, the volume of private investments to sharply increase and further strengthen the confidence of business circles, Decree No. PF-101 of April 8, 2022 "On further reforms to improve the business environment and create conditions for sustainable economic growth through the development of the private sector" comprehensively improves the entrepreneurship and business environment in our country all conditions are being created for support [5].

Based on these documents, in terms of the development of entrepreneurship, firstly, to further limit the interference of state structures in the activities of private entrepreneurship, secondly, to reduce the penalties for minor offenses that were not committed intentionally, and to refrain from applying financial penalties in cases where the damage caused by the entrepreneur is fully covered, and thirdly, private The most important tasks were to continue the work started to expand the opportunity for entrepreneurs to purchase the necessary resources and sell their products to the markets. Various inspections by the control bodies have decreased year by year, and their completion based on the schedule allowed entrepreneurs to conduct their activities freely.

In such a rapid development of entrepreneurship in our country, first of all, it is important that the tax incentives given for this sector play a sufficiently stimulating role. In particular, the

value-added tax is set at 20 percent in almost all countries today. In the project of the tax concept, this amount was reduced to 12% in Uzbekistan. The main goal is to open a wide path to the development of entrepreneurship.

This concept primarily serves to support entrepreneurs. That is, it is aimed at creating conditions for the activity, while openly showing the number of employees to the representatives of the industry without fear of paying taxes. In 2010, the single tax rate for small business entities was reduced from 8% to 7%, in 2011 to 6%, in 2012 to 5%, and in 2020 to 4% (Figure 1.1).

4 percent or 7.7 times during the period 2000-2022.

The development of small business and private entrepreneurship and state regulation of this sector is becoming more active in Uzbekistan. The increasing expansion of the business environment in the country leads to the provision of incentive-based activities for small business entities, and the number of small business entities in almost all sectors is increasing year by year.

In the decree of the President of the Republic of Uzbekistan on the development strategy of New Uzbekistan

for the years 2022-2026, with a deep analysis of the complex processes at the world level and the results of the development of our country, in the following years "From the strategy of actions - to the strategy of development"

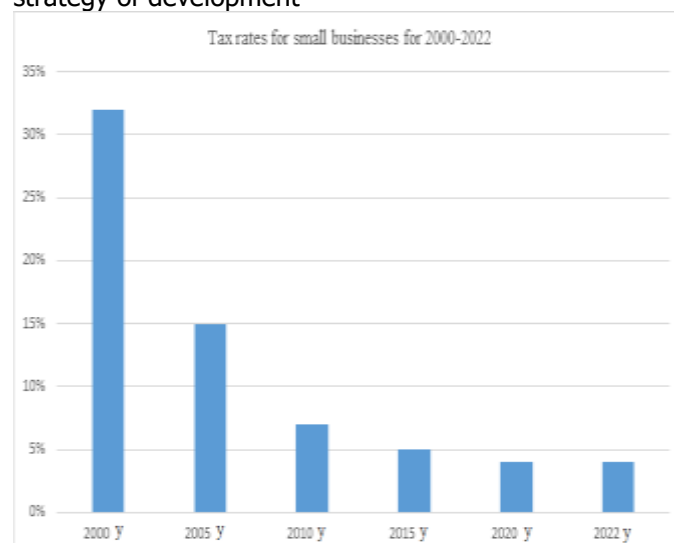


Figure 1.1. Fixed tax rates for small business entities (percentage)

Source: Compiled based on the data of the State Statistics Committee.

based on the principle of further improvement of the welfare of our people, transformation of economic sectors and rapid development of entrepreneurship, unconditional provision of human rights and interests, and the formation of an active civil society, priority directions of reforms have been defined. In particular, as a result of a wide public discussion, the development strategy of New Uzbekistan for 2022-2026, consisting of seven priority directions, developed based on the principle "For human dignity", and the "roadmap" for its implementation in 2022 was developed.

In the third direction of this development strategy, a new order of working with the regions will be established within the framework of the defined tasks for the complex socio-economic development of the regions.

Based on the programs for the complex socio-economic development of the regions for the years 2022-2026, regional development programs are developed every year with a thorough study of the problems and opportunities of all districts and cities. It was decided that the governors should report to the Councils of People's Deputies, the deputies of the Prime Minister, and the heads of ministries and agencies to the Chambers of the Oliy Majlis regarding the performance of the tasks in the socio-economic development programs of the regions.

Also, important projects aimed at reforming the socio-economic sector and developing priority sectors are accepted after extensive discussion with the participation of the local community, taking into account the requirements of all regions and the proposals of local initiators.

CONCLUSIONS AND SUGGESTIONS

Implementation of the development strategy of New Uzbekistan for 2022-2026 based on the Decree of the President of the Republic of Uzbekistan dated 04.08.2022 No.

PF -101 "On further reforms to improve the business environment and create conditions for sustainable economic growth through the development of the private sector", as well as, reducing poverty by half by achieving inclusive and sustainable economic growth, ensuring competition in the economy, creating equal conditions for business entities, accelerating the full transition to market relations, increasing the competitiveness of the national economy, dramatically increasing the volume of private investments, and increasing the role of the private sector in further strengthening the confidence of business circles, to create favorable conditions for the development of the private sector in all branches and fields, it is necessary to carry out basic work in the following directions [6].

- to continue institutional and administrative reforms to guarantee the inviolability of private property and freedom of business activity, and to ensure the rule of law in this regard;

- to use the mechanisms of transparent privatization of non-agricultural land plots, first of all, as an important factor in attracting private investors, and to create infrastructure and other necessary conditions to increase the attractiveness of land for auctioning;

- liberalization of the market of goods and services in which the state participation is maintained and creation of conditions for the entry of the private sector into these areas, formation of a healthy competitive environment by strengthening the institutional capacity and authority of the anti-monopoly body;

- the cancellation of privileges, exclusive rights, and privileges by targeted application of the "regulatory guillotine" method;

- accelerating the transformation and privatization of state-owned enterprises and commercial banks, reducing the share of inefficient enterprises in the economy, stimulating the increase of qualitatively new investments and technologies with high production productivity, in particular, based on the principles of ecological, social, and corporate management;

- stimulating the development of various segments of the financial market due to the further liberalization of the money and capital markets, thereby creating conditions for the creation of alternative sources of financing for privatized and transforming enterprises;

- to accelerate the attraction of foreign investors in geological exploration, extraction, and processing, to provide the driver sectors of the economy, in particular, mining, oil and gas, chemical, building materials industry, and other industries with a guaranteed base of raw materials, mineral raw materials support for increasing base reserves;

- development of energy resources, transport and communication markets, and creation of conditions for the entry of private investments into the sector;

- a sharp increase in public-private partnership projects in the fields of drinking and wastewater supply, heat supply, beautification, road construction, and aviation infrastructure;

- to have an intolerant attitude towards any form of corruption in all spheres and sectors and to fight fiercely against it;

- prevention of corruption by ensuring the transparency of the procurement system is considered to be the most important priority task in state-owned enterprises and commercial banks.

It is planned to comprehensively improve and support entrepreneurship in Uzbekistan, to ensure that it becomes a strong economic sector that can compete in the domestic and foreign markets, and can consistently produce high-quality products and services.

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