



Research Article

## DEVELOPMENT OF SMALL BUSINESS AND PRIVATE ENTREPRENEURS IN THE REPUBLIC OF UZBEKISTAN

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"Only through active entrepreneurship, hard work and aspiration we can achieve progress and a prosperous life."

President of the Republic of Uzbekistan  
Shavkat Miromonovich Mirziyoyev

### ABSTRACT

In this article, small business and private entrepreneurship in the Republic of Uzbekistan, its current issues in public life, the tax system in small business and entrepreneurship, the laws adopted in the field of this activity since independence, the opportunities created for businesses in the legislation and allocated benefits, as well as their development indicators.



## KEYWORDS

New Uzbekistan economy, small business, privatization, state benefits, rights of private owners, GDP indicator, analysis of business entities, rights of business entities.

## INTRODUCTION

Small business and entrepreneurship is an important factor in developing the economy, increasing employment, forming the middle class of owners, filling the domestic market with quality and competitive products, creating new jobs and at the same time increasing the income of the population and the country's development are the active moving force.

Creating a favorable business environment in the country, improving the legislation aimed at strengthening the priority of private property and providing reliable guarantees in this regard, giving more freedom to small business and private entrepreneurship, reducing government functions and permits, bureaucratic barriers and the removal of barriers, the introduction of market instruments and mechanisms to ensure the widespread use of financial and credit and raw material resources of small businesses, the issuance of government orders for their products,

a measure to open the way for small business and private entrepreneurship are being implemented as measures. It should be noted that the main purpose of the reforms is to ensure the broad involvement of the population in entrepreneurship, to increase the quality of the role of private business in production and services.

As the President of the Republic of Uzbekistan Mirziyoyev Shavkat Miromonovich said: "Our main task is to create the most favorable conditions to stimulate the development of entrepreneurship. Everyone who runs a business needs to be confident that they will be supported by the government. People need to be interested in doing business. The richer the entrepreneur and the richer the people, the richer the country ". [1]

President Shavkat Mirziyoyev signed a decree on additional measures to ensure the rapid

development of entrepreneurial activity, comprehensive protection of private property and improving the quality of the business environment. According to him, it is planned to ensure the rapid development of small business and private entrepreneurship, strengthen the protection of private property and guarantees of its inviolability, eliminate bureaucratic barriers to entrepreneurship, improve the investment and business environment in the country. Giving broad freedom to small business and private entrepreneurship, radically reducing government interference in their activities, ensuring crime prevention, crime prevention is an important priority of public policy in the further development of entrepreneurship and a priority task of government agencies. The document says. The decree also says that from January 1, 2017, all types of unscheduled inspections of business entities will be abolished. It was noted that the regulatory authorities no longer have the right to

conduct unscheduled inspections, which led to a sharp increase in the number of small businesses and private entrepreneurship in the country.

The wide range of opportunities created in the field of small business and private entrepreneurship today is leading to a sharp increase in the number of entities operating in this area. According to the data, the total number of registered small businesses in 2016 was 16,208, and today 91.3% of registered small businesses are operating effectively. The number of enterprises operating in the economic sectors of the country, along with the creation of new jobs, their products and their role in GDP is growing. In particular, in 2000, about 31% of GDP fell to the share of this actively developing sector of the economy, in 2005 this figure was 38.2%, in 2010 - 52.5%, in 2015 - 56.5% per cent, up from 56.9 per cent in 2016, a positive trend with a 25.9 per cent increase in GDP compared to 2000.

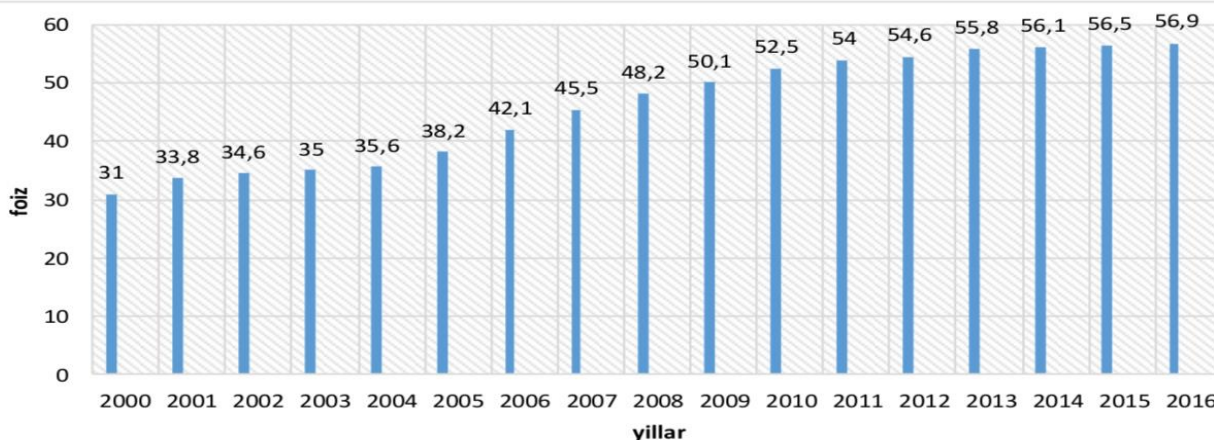


Figure 1. The share of small business and private entrepreneurship in GDP.

Today, the fund provides financial assistance in the form of guarantees and compensation to support small businesses and entrepreneurs. Last year alone, 20,258 small businesses and entrepreneurs received \$ 33.208 billion in loans from commercial banks. 6.993 billion soums in loans UZS financial liabilities were received. In turn, the analysis shows that in 2020:

- 4.172 billion soums of the Fund's loans to 5,356 small businesses and entrepreneurs on loans provided by commercial banks. UZS, as a result of which the number of small businesses and entrepreneurs using the guarantee of the Fund increased by 4.2 times compared to 2019;
- The number of small businesses and entrepreneurs that used the Fund's financial

assistance in the form of compensation to cover interest expenses on loans from commercial banks reached 14,902 and amounted to 2.821 billion soums. UZS, as a result of which the number of recipients of compensation increased by 4.4 times compared to 2019 and the amount of interest payments by 3.3 times.

Our country has created a solid legal framework that provides protection of the rights and legitimate interests of private owners, reliable legal guarantees against unwarranted interference in the activities of business entities.

There are more than 525,000 business entities in the country. The fact that it forms more than 56% of the gross domestic product and employs more than 78% of the able-bodied allows to form a

surplus of the role and place of small business and private entrepreneurship in the socio-political, socio-economic development. President Shavkat Mirziyoyev called for the implementation of production in the Action Strategy for the five sustainable areas of development of Uzbekistan in 2017-2021, the establishment of effective dialogue and mutually beneficial cooperation between the business sector and government agencies, private guaranteeing the protection of the rights and interests of property and entrepreneurship, ensuring the provision of quality public services to business entities, primarily in cities and districts. Provision requires a new effective force to support the interaction of government and business, especially in times of increasing the efficiency of business entities.

Paragraph 5 of the Decree of the President of the Republic of Uzbekistan dated October 5, 2016 "On additional measures to ensure the rapid development of entrepreneurial activity, comprehensive protection of private property and improving the quality of the business environment" special attention is paid to improving the quality and efficiency of tax administration, which will reduce the cost of

collecting taxes and other mandatory payments, the widespread introduction of remote control and increase the legal literacy of taxpayers.

Based on the reference of the State Statistics Committee of the Republic of Uzbekistan, we can say that as of February 1, 2022, the number of operating small businesses (excluding farms and peasant farms) amounted to 467,096, 2017 - increased by 2.2 times compared to the same period last year. Over the years, the number of newly established enterprises in the country in January (excluding farms and peasant farms) increased by 1.7 times compared to the same period in 2017. In terms of the number of enterprises operating in the country in terms of organizational and legal form, the third place is occupied by family businesses, which as of August 1, 2021 accounted for 10.9% of total business entities.





Years	2017	2018	2019	2020	2021	2022
Number of small businesses	213 606	232 858	274 949	341 890	417 244	467 096
Number of established enterprises	4 382	5 097	13 234	8 614	8 722	7 331
Number of family businesses	11 036	13 911	22 635	36 902	49 919	

**Table 2. Analysis of the development of small business and private entrepreneurship and business entities in the Republic of Uzbekistan (for the period 2017-2022).**

The table shows that the wide range of opportunities and benefits created in our country for small business and private entrepreneurs are bearing fruit. The growing number of enterprises, as well as the number of active business entities can be assessed as a positive economic trend.

In conclusion, small business and entrepreneurship play an important role in solving existing problems in the social and economic spheres and in the socio-economic development of society. It will play an important role in creating new jobs in manufacturing, employment, services, employment and reducing unemployment. It is necessary to provide full

support to small business and private entrepreneurship in the country, to ensure that they become a strong economic sector that can compete in the domestic and foreign markets, consistently launch the production of quality products and services. Therefore, the further development of small business and private entrepreneurship as an area of current and priority tasks in the life of the country, the ability to take full advantage of the opportunities created, to make a significant contribution to the country's development remains the main task of all economically active people.

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