



## DEVELOPMENT OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP AS A FACTOR OF POVERTY REDUCTION

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### ABSTRACT

*In this article, the importance of small business in our national economy, the share of small business and private entrepreneurship in various sectors of the economy, the dynamics of the share of the poor population over the years, the reforms being carried out to reduce poverty, and the theoretical basis of state regulation of small business and private entrepreneurship are highlighted. At the same time, the importance of small business and private entrepreneurship, organization and reduction of poverty through it are given.*

By the present time, "... New Uzbekistan relies on a modernized economy. In order to form such an economy, it is necessary to continue institutional and structural reforms aimed at reducing the participation of the state in it, protecting private property rights and strengthening its role, encouraging the development of small business and private entrepreneurship. Therefore, in order to reduce poverty in our country, special importance is attached to solving the problems of providing employment to the population and, at the same time, to the rapid development of small business and private entrepreneurship.

In particular, by the third quarter of 2022, the share of small business and private entrepreneurship in various sectors of the national economy is taking shape. For example, the share of small business and private entrepreneurship in the volume of

GDP was 52.8 percent, reaching the same indicators of the most developed countries in a short period of time.

In particular, 2,934 new business entities were established in Namangan region in the first half of 2022, and the national economy are conducting their activities in different sectors. In particular, the share of small business and private entrepreneurship in the region's GDP was 70.0%, in industry - 44.9%, in construction - 92.6%, in employment - 80.2%. Of course, it is necessary to recognize that the principles based on the Uzbek model have been introduced in our country, and that priority tasks defined in the trends of transition from Action Strategy to Development Strategy are being implemented.

In general, in 2022, the rate of economic growth of Uzbekistan will be 5.9 percent, and the volume of GDP will be about 840



trillion. it is expected to reach soums. Foreign trade turnover is 46.3 billion. It is predicted to be USD. Moreover, the inflation rate is expected to be around 9 percent in 2022.

At this point, it should be noted that Uzbekistan's own development while establishing the basis for the development of small business and private entrepreneurship, it relies on the achievements of the advanced countries of

the world in this regard. At the same time, he puts his model into practice.

However, considering that according to the statistics of 2021, the poverty level in the country was 17 percent and the share of the poor population in 2020 increased from the situation in 2018 and 2019, the priority based on new approaches to the further development of the private sector, opening a wide path to family business, and expanding the household economy is still maintained.

Table 1

## The dynamics of the share of the poor population in Uzbekistan over the years

Indicator name	2016	2017	2018	2019	2020	2021
Proportion of poor population	12,3	11,9	11,4	11,0	11,5	-
Poverty level	-	-	-	-	-	17

"Reducing poverty and fighting hunger requires food production and investment in this sector. According to the data published by the UN, 85 percent of the world's population lives in villages. This is about 3.5 billion people. 800 million people in the world suffer from hunger. With the world's population projected to reach 8.3 billion in 2030, the sharp increase in demand for agricultural development in itself is an intensification of resource productivity challenges, a reality. Basharti indicates that it is time to start the second wave of the "green revolution" that began in the 20th century.

In particular, within the framework of the implementation of the Development Strategy for 2022-2026 in Uzbekistan, it is planned to halve the level of poverty in the country by the end of 2026. The task of ensuring macroeconomic stability and

stable economic growth at a high rate is set as the main conditions for achieving the set goals. According to the words of the Deputy Prime Minister, by 2030, the ground will be created for Uzbekistan to join the upper group of middle-income countries.

Up to now, consistent comprehensive measures have been developed for the development of small business and private entrepreneurship, to fundamentally improve the business environment, to financially support the initiatives of newly established business entities in the regions, and their implementation is being carried out step by step. Based on this, we believe that it is appropriate to implement the following by the agencies and organizations responsible for the development of small business and private entrepreneurship in the regions:



- allotment of land, natural gas in the activities of business entities, connection and use of electricity, drinking water systems, road transfer and provision of other production factors
- implementation of measures to prevent and quickly eliminate emerging problems;
- to ensure the timely implementation of the existing procedures for issuing licenses and certificates to business entities of state bodies;
- providing constant practical assistance to business entities in timely commissioning of imported technological equipment;
- entrepreneurship by supervisory and other bodies to prevent unwarranted interference in the activities of its subjects;
- with small business and private business entities in the regions

economic associations, industry between large industrial enterprises

types of entrepreneurship at the expense of establishing cooperative relations

expansion and in turn create new jobs.

Of course, such measures require state regulation of small business and private entrepreneurship, and stimulate the further development of the business environment in the country.

However, it should be noted that due to problems in the process of obtaining and repaying loans and loopholes in the legislation, the cases of filing lawsuits against entrepreneurs by commercial banks are increasing. In the analysis, a number of shortcomings in the legal relations between banks and entrepreneurs in the matter of business lending are highlighted. For example, there is no single law regulating business lending, business financing is implemented on the basis of various regulatory acts.

Another of the main problems of entrepreneurs is related to spending a lot of time and money on filling out tax reports, submitting them on time and related work. In addition, the practice of making mistakes due to insufficient knowledge of tax legislation and misinterpretation of the legislation without malicious intent is on the rise. In fact (this is the practice of the world experience) it is an effective mechanism for tax consultants to perform tax reports of business entities and all related work on the basis of a contract, and for tax consultants to work directly with tax authorities on behalf of the entrepreneur.

In order to eliminate such problems in our country, we offer the following:

- accurate monitoring and study of problems by local supervisory bodies in order to create favorable conditions for small business and private business entities;
- to fundamentally improve the activities of Information Consultancy Centers, Business Incubators in all regions, cities and districts of the country, to review the material and technical base and provide them with the necessary tools and equipment in order to establish the provision of modern services in them;
- to establish a database on the attraction of techniques and technologies necessary for small business and private business entities in the Information Consultancy Centers of all regions, cities and districts of the country and ensure its continuous operation;
- taking measures to increase the share of business entities in the regions in all sectors of the economy, in the industry. To expand the supply of necessary equipment, materials and credit resources for the



development of business entities operating in this direction;

- in order to support small business and private business entities that have the opportunity to export products (work, services) in the regions, to provide practical assistance for the export of their products and services;

- revitalization of the provision of preferential loans by commercial banks to business entities that have submitted loan projects in order to develop the production and service sectors.

Most importantly, serious measures should be taken by the leadership of the regions to solve the problems that have arisen in the development of small business and private entrepreneurship. In particular, to study the issue of establishing economic sanctions against members of commodity exchanges or their clients for violating the law "On Stock Exchanges and Stock Exchange Activities" and for misleading customers and regulatory bodies by providing competition and exchange

legislative requirements, and on-site that the recommendations of the assistant governors to the borrowers are based on accurate calculations for the implementation of the project, among these are the need to prepare a conclusion regarding the existence of sufficient conditions and the socio-economic potential and possibilities of each region.

If we manage to eliminate the obstacles to the development of small business and private entrepreneurship in our country, we will have a positive effect on the reduction of poverty in the country. Because the support of entrepreneurial approaches in order to limit poverty appears as the main factor today.

In conclusion, it is the duty of all of us to pave the way for the activities of small business entities. During the ongoing reforms, it should become our main task not to be indifferent to solving problems in the aspects of the development of small business entities and taking appropriate measures.

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