BUSINESS ENVIRONMENT AND SMALL BUSINESS IN UZBEKISTAN

The article reveals with the obstacles hampering the development of small business, determined measures being taken by the government to improve this field and to develop the competitiveness of small businesses. It is proposed to strengthen the work of organizations that exist to protect the interests of small businesses and reduce administrative costs of its maintenance.

Keywords: small business, competitiveness, state policy.

The competitiveness of small businesses depends on the competitive advantages of small businesses themselves and on the plurality of external factors and conditions that directly or indirectly affect the competitiveness of small businesses, that is to say, the condition of the external business environment. These include: the condition of the economy, access to finance, legal and regulatory base, government support, etc. The components of this environment may contribute to increased efficiency of small firms, reduce their costs or hinder the growth of competitiveness at the expense of additional transactions, which should cause firms to cope with an unfavorable business environment.

Goal-directed government action in terms of improving this environment can improve the competitiveness of small businesses. It is necessary to note that the components of this environment are dynamic, small businesses have to adjust their competitive strategies depending on their changes.

In addition, the state policy in relation to small businesses at different levels may contribute to improve or hinder its competitiveness. Most researchers have come to the conclusion that the very existence of small business is impossible without state support. The provision of the competitiveness for small and medium enterprises is defined as one of the main objectives of the state policy in the field of development of small and medium enterprises in Uzbekistan.

Currently, a favorable macroeconomic environment was created in Uzbekistan, because of the development of small businesses and rational economic policy.

As the president of the Republic of Uzbekistan said: "Small business and private entrepreneurship can be defined as the specific locomotive in terms of solving the problems such the population employment and the rise of their incomes, they are the country's largest labor market, a key factor in the formation of a middle class of owners, and a source of income and prosperity for millions of people ".

Clearly, therefore, the development of small business and private entrepreneurship support as well as promotion of socio-economic development are defined as one of the main priorities of our republic. [1, p. 2].

In particular, the share of small business and private entrepreneurship in the country's gross domestic product in 2015 increased to 56.7 percent, compared to 31 percent in 2000, that’s to say, it rose 1.8 times. At present, this area produces one-third of the total industrial production and 98 percent of agricultural products. A total of more than 77 percent of the population employed in this sector do not only support their families materially, but also make the wealth of the country. [2, p. 2].

As well as this, in order to protect the rights of private property and entrepreneurship, in the years 2012-1014, according to the rules, such as "On the protection of the rights and guarantees of private property and entrepreneurs", "On guarantees of freedom of Business (new edition)", "On the principles in terms of the licensing procedures in the field of business", "On the competition" "On the laws of Family business " and others, guarantees as well as opportunities were created for the citizens so that they can be involved in business activities independently, their entrepreneurial skills were improved and mechanisms were strengthened to protect subjects’ legitimate rights and interests.

As a result, business registration, going out from it voluntarily and stopping, the procedures of giving licenses and permits were simplifying, and the state intervention in business activity was limited, all forms of business subjects’ reports giving periods were significantly reduced, tax rates were unified and market mechanism was formed to allow the use of material-technical resources which are in high demand.
On May 15, 2015, the President Islam Karimov accepted the decree, "On the protection of private property, small business and private entrepreneurship, the measures to eliminate barriers in the way of their rapid development" during the report regarding this, the fulcrum of a small business to a whole new level of activity was defined as an important step in the implementation of the defined goals and objectives of the national economy, and this document can be considered as the main one. When it comes to talk about the gist and revealed challenges in this Decree, we can see that the reasons for the achievements gained so far in private property, small business and private entrepreneurship were the way chosen in the early days of independence, the defined measures and laws legitimated due to dozens of decrees and decisions made by the head of state which in turn can be seen as a solid foundation for current welfare.

In particular, due to the introduction of electronic forms in the relationship between government, 42,800 business entities were registered in the state interactive services via the Internet portal in 2015. They are able to use 260 kinds of interactive services. While more than 102 services were provided for entrepreneurs and citizens in 2013-2014, this figure increased to 420 thousand in 2015. Today, 100 percent of the tax and statistical reports are provided in electronic form via the Internet. In all regions of the country since January 1, 2016 the only centers have started to serve business subjects on the basis of 'single window'. As well as this, new mechanism has been introduced in terms of business subjects' use of engineering and communication networks. According to it, regional companies of this enterprises being responsible for the work of these networks were given opportunities, such as taking technical conditions and the use of engineering and communication networks as well as giving them prepared to entrepreneurs.

Furthermore, in order to protect the legal rights of the private owners and entrepreneurs with the strengthening of the legal guarantees of their activities, special attention is paid to enhance the role of the judicial authorities. While the courts analyze the claim, the business subjects have now the right to suspend the execution if they are dissatisfied with the decision of the supervisory body.

If the business subjects are guilty of the violation of the tax and customs legislation, the norm of law was introduced defining that the property can only be seized by a court decision, and the time to consider a lawsuit was reduced significantly.

Now micro and small enterprises and farming activities are checked once in four year, and other economic activities are checked once in three years according to the plan, subjects in a planned manner, and these inspections are carried out only in accordance with the decision of the National Council on the coordination of the activities.

In this regard, the implementation period of the planned inspections not relating to the financial-economic activities was reduced from 30 calendar days to 10 calendar days.

In addition, the country's work to improve the business environment is reflected in international economic organizations’ positive rating. The World Bank announced its 'Doing Business' ranking in last October. In this ranking Uzbekistan ranked 87 place.

It should be noted that in terms of the principle known as “the support of new business” our country ranks 42-place in the world, while its the rank of the implementation of the signed transactions is 32, and it owns 75th place in the efficiency of bankruptcy system applied to insolvent enterprises. According to the indicator known as “The provision of credits for small businesses” the place of Uzbekistan rose from 154 to 42 in the last three years and improved its position in the ranking.

In the report of the World Bank, it is indicated that in recent years Uzbekistan has been among ten world countries which achieved the best results in terms of the improvement of the business environment for business activities. [2,p3]

However, today when the policies in deepening of economic reforms in the state, the country's modernization and comprehensive development of regions and sectors of the economy, the rise incomes and welfare are being implemented, as examples of the urgent problems faced by our country can be taken the formation of small business as a system and its development trends, defining its problems and eliminating them, and modeling and prediction of the priority areas for the development of small businesses in the regions of the republic.

Moreover, nowadays, development and innovation is the basis for the development of small businesses and the basis of their competitiveness in our country. An innovative business is particularly important for Uzbekistan, as an access to traditional markets is difficult because of the strong competition. Small innovative enterprises with significant intellectual and creative potential require expensive material and technical base for innovation. Technologies which can bring the company in the leaders cost high. In this regard, the problem of financing is particularly actual. For balanced economic development in Uzbekistan is necessary to create conditions that enhance, rather than undermine the competitiveness of the domestic business. It is important to reduce business risk, reduce costs and administrative corruption pressure on businesses and create conditions for effective cooperation of small businesses with large ones. This can not be achieved without improving the legislation regulating business activities and without changing the mentality of the officials and authorities, which have a great
impact on foreign business environment. It is necessary to take serious measures towards reducing the tax burden, especially for small innovative enterprises in order to encourage their development, improvement of the mechanisms of financial and credit support of small business, first of all, for beginners and innovative enterprises.

References:

[2] Report of the President of the Republic of Uzbekistan Islam Karimov at the meeting of the Cabinet of Ministers dedicated to the socioeconomic development in 2015 and the most important priorities of economic program for 2016 // UzA.uz

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ПРЕДПРИНИМАТЕЛЬСКАЯ СРЕДА И МАЛЫЙ БИЗНЕС В УЗБЕКИСТАНЕ

В статье рассматриваются проблемы, сдерживающие развитие малого бизнеса, целенаправленные действия правительства по совершенствованию этой среды и повышение конкурентоспособности малого бизнеса. Предлагается активизировать работу организаций, призванных защищать интересы малого бизнеса и снизить административные издержки его ведения.

Ключевые слова: малый бизнес, конкурентоспособность, государственная политика.