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# The Development Process of Small Businesses Mathrmatical-Statistical Modeling

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#### Abstract

This article discusses how to further reform, further stabilize and grow small business and private entrepreneurship in the Republic of Uzbekistan, and to what extent the potential of small business has grown.

**Keywords**: business, business entities, real income, employment, GDP, agricultural relations, market economy.

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In 2017, the share of small business and private entrepreneurship in GDP amounted to 53.3% or 119,301 billion soums. (Japan - 55%, Germany - 54%, the United States - 52%, Kazakhstan - 25.6%, Russia - 20%). 78.3% of the country's employed population is engaged in small business, compared to 49.7% in 2000. The share of small business in the production of industrial products in 2000 was 12.9%, in 2017 this figure was 39.6%, in agriculture - 99%, in construction - 65, 1%, in retail trade turnover - 88.4%. The share of small business in the country's total exports was 27%, imports - 50%, and investment - 32%. According to the current legislation, the average annual number of employees in agriculture, forestry and fisheries - up to 50 people, depending on the type of activity - from 100 to 270 people; in trade and services - entities with 25 to 50 employees are classified as small enterprises.

The following conditions have been created in the country for the development of small business and private entrepreneurship:

- 1. The registration time for small businesses is 30 minutes. Only one document is required to register as a sole proprietor, and two documents are required to register a small business as a legal entity.
- 2. The single tax rate, which is an important factor in creating favorable conditions for the development of small business in almost all industries, is 5% of the volume of goods and services sold. At the same time, the current rate of the single social payment for small businesses is 15%.
- 3. Newly established manufacturing enterprises with foreign investment shall be entitled to apply the tax and mandatory payment rates for five years from the date of their registration. From 2018, small businesses with more than 1 hectare of land will be required to pay a single land tax.
- 4. Financial support for small business is provided in the following ways: lending by banks at preferential rates; guarantee of 50% of the loans provided by the State Fund for Entrepreneurship Support for business activities and reimbursement of accrued interest on loans from commercial banks \*.
- 5. Business interests are protected by the institution responsible for the protection of the rights and legitimate interests of business entities. Unscheduled inspections of small businesses have been abolished in Uzbekistan, and businesses have been exempted from all types of administrative fines for the first financial and economic offenses \*\*.
- 6. Entrepreneurship support centers have been established in all regions of the country in the centers operating under the "single window" principle, which provides public services to businesses. "Business incubators have been set up for start-ups to create their own business plans, provide legal and practical assistance, and obtain the information they need to operate.
- 7. Clusters for young entrepreneurs have been established throughout the country through training courses on entrepreneurship for entrepreneurs, implementation of projects on the basis of privatized facilities, allocation of land on a lease basis for 5 years at zero rate.

As of April 1, 2018, the number of small businesses operating in the country (excluding farmers) amounted to 238.5 thousand (99.4 thousand in 2001). In particular, 8.2% of them are small enterprises and the remaining 91.8% are micro-firms.

If we analyze this indicator by sector, 9.1% of small businesses are in agriculture, 20.9% in



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industry, 11% in construction, 34% in trade and catering, 5.2% in transportation and 19%. We can see that 7 percent are operating in other areas. In the regions, the share of small businesses in industry was 71.3% in Tashkent, 68.4% in Namangan, 61.3% in Jizzakh and 55.5% in Samarkand. The same figure was 29.6% in Tashkent region, 23.1% in Kashkadarya region, 18.8% in Navoi region and 18% in the Republic of Karakalpakstan.

At the same time, it is important to note the problems that prevent small businesses from realizing their full potential.

- 1. More than 62% of small business employees are self-employed, while only 16% are small businesses and micro-firms. The lowest employment rates for small businesses are in Navoi (11.3%), Kashkadarya (12.4%) and Tashkent region (13.2%). In small business, 34.2% are employed in agriculture, 12.7% in industry, 11.6% in construction, 13.4% in trade and 28.1% in services. An industry-wide analysis of the above items shows that we can see a relatively low level of small business in an industrial sector where job creation is more efficient than in other sectors. Maintaining the current growth rate could lead to problems in the future with the increase in wages and real incomes from entrepreneurial activities. This situation may lead to the restriction of social guarantees provided by the state to the population.
- 2. The share of the number of small businesses in trade remains high (26.7% of total small businesses or 63.7 thousand entities). In the retail trade turnover, the share of small businesses and micro-firms was 20.2%, while the share of individual entrepreneurs was 69.4%, which has a negative impact on cash inflows to the banking sector. and inconsistencies in the taxable base of small businesses.
- 3. If we look at the number of small businesses by regions, the largest number is in Tashkent (22.6%), Tashkent (9.6%), Fergana (8.8%) and Andijan (8.7%) regions are operating. About 50% of the total number of small businesses operate in these four regions. This shows that the existing potential of small businesses in other regions of the country, such as Syrdarya (3.2%), Navoi (3.3%) and Jizzakh (4.2%), is underutilized.

In the development of small business in our country, there are areas with high potential for the production of construction and decoration materials, tools, machine parts and equipment, electrical engineering, chemicals, pharmaceuticals, many types of consumer goods and others. Increasing the contribution of small business to the country's economy, creating small industrial zones, improving the investment climate and competitive environment, expanding public procurement through public-private partnerships with small businesses, strengthening mutually beneficial cooperation between large and small enterprises, innovation through the involvement of business entities in the process.

It should be noted that it is important to provide financial support to successful and promising small enterprises that have sufficient export potential, but at the same time do not have sufficient capital for further development. These measures will help create more jobs in the effective small business sector, increase access to world markets, increase the country's export potential and increase incomes.

The key to building a socially oriented market economy in Uzbekistan One of the goals is to prioritize small business and private entrepreneurship in the country development. Economic reforms to achieve this goal major institutional frameworks have been created to enhance its role. Entrepreneurship legal and regulatory documents guaranteeing the organization and activities of entrepreneurs, entrepreneurs These include non-governmental organizations and enterprises.

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Establishment of a set of private entrepreneurship and small business in Uzbekistan is going well. Small businesses independent of the state, that is, without large capital investments to reduce the temporary shortage of goods and, even this deficiency can be completely eliminated. In our current society directing the activities of small businesses to meet the needs of individuals necessary. This includes the production of consumer services and consumer goods is evident in the production areas. Technology innovation for small businesses is also very important in the implementation. The first scientific in the field of legal regulation of entrepreneurial activity The research work was conducted by lawyer scientist B.Ibratov.

SHE IS all the actions of the entrepreneur are based on the analysis of market opportunities, their use, leading to the capitalist exploitative nature of the entrepreneur, based on the fact that it consists in the implementation of innovative ideas. Traditional class rather than a definition, it is a function of human activity in this area, explaining the need to focus on its place in society and its social significance. [13-19]. the entrepreneur also provides organizational, economic, financial, legal and other services for reproduction in certain segments of the market economy describes a set of other economic relations.

At the same time, it is an obstacle for small businesses to reach their full potential We need to highlight the problems that we face. 62 of small business bands more than 16 percent are self-employed, while only 16 percent are small enterprises and micro-firms. Low employment of small businesses levels in Navoi (11.3%), Kashkadarya (12.4%) and Tashkent region (13.2%) is correct. In small business, 34.2% are employed in agriculture and 12.7% - in industry, 11.6% in construction, 13.4% in trade and 28.1% in services band.

Analysis and results. An analysis of the above paragraphs by sector shows that it is different an industry with high efficiency of job creation relative to industries we can see the relatively low level of small business in the network. This figure is expected to remain at current levels in the future increase in wages and real incomes of the population from entrepreneurial activities can cause problems with This is the case for the people of the state may limit the social guarantees that are allocated. Optional

The share of small businesses in trade is high is preserved. In retail trade turnover, small business accounted for 20.2% the share of micro-firms, while the share of individual entrepreneurs We can see that it is 69.4%, which is negative for the banking sector and in the taxable base of small businesses causes inconsistencies. Implemented to support entrepreneurs and improve the business environment As a result of ongoing radical reforms, the World Bank's Doing Business 2020 In the report, Uzbekistan rose 7 places to 69th place in the world was among the top 20 reformist states. Ease of starting a new business For the first time, our country has risen to eighth place in the world.

But the industry is still evolving It should be noted that there is a lot of work to be done. In particular, "Doing Business - 2020" to address the shortcomings identified in the report, including land allocation, construction, and facilitate the registration of property. That's why to provide land to entrepreneurs through online auctions, to register property It is necessary to ensure inter-agency electronic information exchange. Based on foreign experience, a separate body responsible for the independent registration of property rights organization is also important.

Conclusions and suggestions. In short, small business contributes to the country's economy increase of contribution, creation of small industrial zones, investment improving the

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environment and competitive environment, public-private partnership with small business expansion of public procurement within large and small enterprises strengthening mutually beneficial cooperation, entrepreneurship in innovation processes we can see by involving subjects. That's enough which has export potential, but at the same time is sufficient for further development successful and promising small businesses with little capital financial support is important. These measures are effective to create more jobs in small business, to enter the world market to increase the country 's export potential by helping to increase its capacity and which will increase the income of the population. In short, entrepreneurship and small business in our country development is one of the priorities of public policy today remains. In the words of our President Shavkat Mirziyoyev, we are only active to achieve prosperity and a prosperous life through entrepreneurship, hard work and aspiration we can

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