

State Support for Small Business to Increase the Role of the Real Sector of the Economy

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Abstract

This article discusses the leading role of the state in creating opportunities for the effective functioning of the economy. In particular, the state policy is considered to support small business as an important participant in the process of increasing the level of capitalization and increasing the financial stability of enterprises in the real sector of the economy.

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In the real sector of the economy, production, distribution, exchange and consumption are carried out, which are the four pillars of economic development and meeting the emerging needs of society.

In order to further increase the level of capitalization and increase the financial stability of enterprises in the real sector of the economy, improve the mechanisms for financial recovery and management of economically insolvent enterprises, widely attract investments, including funds from commercial banks, in the process of structural transformation of the economy, modernization, technical and technological re-equipment of production.

The real sector combines industry, agriculture, construction and transport. The state of the real sector is determined by many factors, among which one of the leading places is occupied by macroeconomic position. Thus, with low inflation and a stable exchange rate, the real sector receives opportunities for sustainable development. Institutional factors are also very important - the state of property rights, the development of financial institutions, the organizational structure of companies, etc.

Favorable macroeconomic and institutional factors ensure an influx of investment in the real sector and an increase in the competitiveness of production. In this regard, studies aimed at solving problems of improving the efficiency of the functioning of the real sector of the economy are extremely relevant.

The end of the twentieth century led to a broad rethinking of the ways of social development. The concept of economic growth, which approaches the analysis of material production from a purely economic point of view, was applicable as long as natural resources seemed inexhaustible due to the limited impact of human production activities. At present, society is coming to understand that economic activity is only a part of human activity and economic development should be considered within the framework of a broader concept of social development. Mankind is faced with a complex of problems, the solution of which depends on further socio-economic progress, the existence of civilization. These problems, due to their scale and importance for people's life, are called global, world problems.

Global problems are of a planetary nature, because touch upon vital issues of all countries and peoples. At the same time, in a number of positions they are so aggravated, they are in such a critical state that any delay in their solution threatens with the inevitable death of civilization or the degradation of people's living conditions. It should be taken into account that global problems for their solution require enormous efforts of all states, the unification of progressive forces and peoples, close interaction of political, economic, scientific and technical capabilities. The modern world economy is inevitably associated with the differentiation of incomes of the population, increased inequality, and the problem of poverty. Therefore, the question should be about creating a socially oriented economy, putting in the first place not the rate of economic growth, but the growth of the welfare of the nation, creation of equal starting opportunities for all citizens of the country. In this case, active state intervention is required, the development of an effective social policy, which consists in the redistribution of income through the state budget through differentiated taxation of various groups of income recipients and social benefits.

An important pattern of economic development throughout the world is the relationship between economic growth and the increasing role of services in the national economy, which is reflected in the increase in the share of labor, material and financial resources used in the service sector. As society develops and the productive forces grow, a certain development of this sphere takes

place. There is an increase in employment in it, an increase in the technical equipment of labor, and the introduction of more and more advanced technologies.

The service sector is a consolidated general category that includes the reproduction of various types of services provided by enterprises, organizations, and individuals. The service sector includes various activities that help improve the quality of work and increase production efficiency.

This area covers international corporations, banks, airlines, computer centers, telecommunications, insurance, legal and consulting firms, state and non-state structures, as well as non-profit organizations.

As of April 1, 2020, the share of enterprises and organizations engaged in the service sector reached 65.7%, industry - 17.7%, construction - 9.0% and, only 7.6%, operate in agriculture, forestry and fisheries.

The structure of operating enterprises and organizations related to the service sector is dominated by the share engaged in trading activities (39.8%). The number of operating enterprises and organizations providing accommodation and food services is 9.9%.

Small business entities have become an integral and important part of the national economy, transformed into a leading force for solving many economic and social issues, developing the service sector, and ensuring a prosperous life for people.

In the total number of enterprises and organizations providing services, small businesses accounted for 77.3%. As of April 1, 2020, the share of large organizations reached 22.7%, the share of the number of small enterprises and organizations involved in the service sector for the same period last year, fixed at the equivalent of 59.1%.

At present, the role of services, as one of the most important sectors of the economy, is very large and relevant.

The service sector is a complex, branched, specific socio-economic system that has a variety of properties, functions, resources, connections due to the very essence of services, their purpose, the features of the functioning of various types of activities and the characteristic features of service processes.

The volume of market services provided in January-March 2020 reached 50,365.7 billion soums, the nominal volume of which increased by 9,078.6 billion soums. In comparable terms, compared to the same period last year, the growth rate was 109.9%.

Services are the result of production activities that change the state of consumers (legal and natural persons) or facilitate the exchange of goods, services or financial assets.

The development of the service sector plays a huge role in the modern economy. In services, such key factors of economic growth as scientific knowledge, intangible forms of accumulation, information technology, as well as the integration of entrepreneurial activity are formed.

Today, the service sector is one of the most dynamically developing sectors of the economy of Uzbekistan.

To support small businesses, the state has taken proactive measures during the 2020 pandemic - for employers who have gone bankrupt or suspended their activities, sent on forced leave (or fired) through the relevant social services, wage payments (or benefits) will be issued at the expense of Anti-crisis fund.

During the quarantine period, thanks to benefits and indulgences (privileges), the funds remaining in the accounts of business entities will become the basis for maintaining stability in their activities, overcoming economic hardships, as well as for the timely payment of wages to employees. To ensure the social protection of the population, the stability of economic sectors and support for enterprises in a difficult economic situation, Presidential Decrees provide for a number of tax benefits and concessions (UP-5969 and UP-5978).

The Anti-Crisis Fund was established by decree of the President of the Republic of Uzbekistan dated March 19, 2020. The allocation of funds should primarily be directed to the development of fruit and vegetable growing, the food industry and export support. It is also planned to allocate an additional 3.6 trillion soums from it to support projects in the field of infrastructure development and public utilities.

During the pandemic, more than \$700 million was raised to support entrepreneurship, small and medium-sized businesses.

Effective support for unemployed workers and vulnerable citizens is an important task of the state in any conditions, including measures to replenish regional budgets, support the economy, business and healthcare, stimulate medical workers and help Uzbek migrants.

To support agriculture, additional lands previously withdrawn from circulation were given to farmers so that producers could double the production of vegetables, fruits and meat. Farmers are offered conditions for leasing new orchards and vineyards, greenhouses for up to seven years with a three-year grace period. Support for farming in these conditions is more than meaningful. This will stop the growth of market prices for food products, save and create new jobs - and this is doable in the foreseeable future.

The implementation of the measures taken by the state made it possible to increase the effective activity, including agricultural production, reduce risk factors and, in general, significantly increase the level of the country's food security.

The real sector of the economy is the manufacturing sector, which is the embodiment of material production: the production of assets, production assets, material services and much more. It is he who provides the benefits to society.

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