



## Further Liberalization and Promotion of Private Entrepreneurship in Uzbekistan

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### ABSTRACT

Operates in different directions throughout human life. Among them, entrepreneurial activity is of special importance. Today, the attention to entrepreneurship in our country is growing. In this article, we talk about starting an entrepreneurship in Uzbekistan, the opportunities, problems and solutions.

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### Introduction

Entrepreneurship is the activity of creating creativity and innovation in the production of goods and services. The difference between entrepreneurship and business is: Business (English for "work and man") is a broader concept and is generally a profitable activity. Entrepreneurship is an economic activity aimed at making a profit and using it effectively, regardless of its form and field. Entrepreneurship needs conditions so that it develops, which is based on the general socio-economic conditions of commodity production. At the current stage of major economic reforms in our country, a number of tasks have been set, such as the development of entrepreneurship, creating opportunities for it, giving it freedom, studying the existing problems and finding solutions. Because, One of the main goals of building a socially oriented market economy in Uzbekistan is the priority development of private entrepreneurship in the country. The study of the nature, purpose and forms of entrepreneurial activity in a market economy, the development of private entrepreneurship are the most important factors of development in the economic policy of our state. A lot of work is currently being done on this issue, but those who are still looking to start a business are facing a number of challenges. So, what are the problems of our citizens who want to start a business or are engaged in entrepreneurial activities?

### Material and methods

We all know that the first problem for those who want to start a business is the problem of credit. Because lending to entrepreneurs in our banks is still not well developed. Customers who come to banks to get a loan face a number of challenges. In particular, according to statistics, 32.2% of those who want to start a business in the country have problems obtaining loans, due to the fact that loans are not issued on time, as well as time-consuming and paperwork and complain about spending money. In addition, 41.6% of entrepreneurs are interested in obtaining vacant buildings at "zero" value, participation in auctions, land allocation, 4.3% - connection to the communication system, registration of architectural and cadastral documents, 2.7% - corruption, acquaintanceship, and 1.6% face various problems in obtaining permits and

licenses. There is also a lack of communication between government agencies and businesses. New laws and decrees are being issued, but the old ones have not yet been digested. If you ask the authorities about any problem, the people sitting there, let alone the new document, will not be able to fully understand the essence of the old one. A few years ago, access to government offices with any issue was a difficult issue. Now, officials are coming in on their own to investigate, and a public services agency has been set up. But the staff there is not able to answer the questions of entrepreneurs. An entrepreneur with a business plan will have a lot of questions, but he will be disappointed that he will not get a clear and detailed answer. Because most of the people in such offices do not have the capacity and knowledge to explain to entrepreneurs. There is no lawyer who understands economics. No one wants to be held accountable for making a clear decision on an issue. When the businessman is still bothering to knock on the door of this representative, this specialist, he returns. As a result, it will end before another production starts for the country's economy. This, in turn, has a negative impact on economic development. Entrepreneurs also point out that incoming investors face problems with paperwork, banks do not guarantee guarantees for investments, and banks express mistrust. As mentioned above, one of the other problems is corruption and the problem of acquaintanceship. When an entrepreneur applies to a bank, there are cases when a bank employee asks for money to help him, and a bank employee is the first to solve the problem of his acquaintance. Such problems create a great opportunity for entrepreneurs to lose confidence in banks and increase corruption in the country.

This will be a huge obstacle to the development of the economy. So, is there a solution to these problems, what reforms are being implemented in our country to prevent a number of such problems?

## Results

Various measures are being taken in Uzbekistan to develop private entrepreneurship. Measures to further liberalize and encourage private entrepreneurship are being strengthened. In particular, in recent years, the laws on the protection of private entrepreneurship have been strengthened, the process of forming market infrastructure has been accelerated, business registration, voluntary liquidation, issuance of permits and licenses to engage in certain activities the process was further simplified. The tax rate has been reduced. In particular, in 2007 the single tax rate for small businesses was reduced from 13% to 10%, in 2014 this figure was 5%, and in 2019 it was 4%. Also, the Action Strategy for the Development of the Republic of Uzbekistan for 2017-2021, the Decree of the President of the Republic of Uzbekistan Shavkat Mirziyoyev dated August 17, 2017 "On the establishment of the State Fund for Entrepreneurship Development" In accordance with the decision of the President of the Republic of Uzbekistan, urgent measures are being taken to further facilitate the development of entrepreneurial activity, to give freedom to entrepreneurs, to eliminate unnecessary barriers. This creates a huge basis for the development of the industry. In addition, according to paragraph 3.4 of the Action Strategy for the Development of the Republic of Uzbekistan for 2017-2021, "Reduction of state participation in the economy, protection of private property rights and strengthening its priority position, development of small business and private entrepreneurship a number of tasks have been set, such as continuing institutional and structural reforms" <sup>1</sup> aimed at strengthening. Based on the above decisions, private entrepreneurship in Uzbekistan is rapidly developing and becoming an independent and efficient sector of the economy. For example, the table below shows that the share of private entrepreneurship in the sectors of the economy in 2019 will be higher than in 2000.<sup>2</sup>

Share of private entrepreneurship (%)	2000	2016	2018	2019
In Gross domestic product	31,0	56,9	60,4	56,9

<sup>1</sup> Decree of the President of the Republic of Uzbekistan No. PF-4947 of February 7, 2017 "On the Strategy for further development of the Republic of Uzbekistan".

<sup>2</sup> Annual publications of the State Statistics Committee of the Republic of Uzbekistan "Socio-economic situation in the Republic of Uzbekistan", January-December 2019.

In industrial products	11,3	45,0	37,4	34,9
In construction	37,0	70,7	73,2	75,4
In retail trade	45,3	89,6	79,6	77,4
In export	10,2	28,5	27,2	28,7

### **Discussion**

In order to solve the above-mentioned problems, we, as research students, propose the following:

- Establish a remote platform for lending to entrepreneurs, ie create a special platform where the entrepreneur can officially register and send his business plan online to the bank of his choice, and the bank will submit this business plan 3 to consider the business day send a reply letter to the entrepreneur online, if the answer is positive, to introduce a system of depositing the loan on the customer's bank card on the same day;
- exemption from tax payments for start-ups for at least 3 years;
- free allocation by the state of 5% of the loan to the first-time entrepreneur;
- exemption from customs duties for a period of 1 year at the first import of raw materials by an entrepreneur starting a business;
- monitor, summarize and analyze systemic problems that hinder the development of entrepreneurship and attract foreign investment;

### **Conclusion**

In short, the faster the development of entrepreneurship in our country, the greater the opportunities for it, the faster the state economy will grow if the existing problems are eliminated. Unemployment is also declining and the problem of poverty is slowly disappearing. Therefore, all the tasks to be done should be started with urgency without delay. After all, a good entrepreneur is a supporter of the people.

### **List of used literature:**

1. Decree of the President of the Republic of Uzbekistan No. PF-4947 of February 7, 2017 "On the Strategy for further development of the Republic of Uzbekistan".
2. Annual publications of the State Statistics Committee of the Republic of Uzbekistan "Socio-economic situation in the Republic of Uzbekistan", January-December 2019.
3. <https://xs.uz> - social site