

PROBLEMS OF FINANCING SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP

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Abstract.

This article gives information about the importance and the recent development of small business and private entrepreneurship in the service sector of Uzbekistan. Small business and private entrepreneurship play essential role in the GDP (Gross domestic product) and socio-economic development of the countries due to the fact that it is flexible to every one of market conditions or processes. In addition to this, article analyzes current state of small business and private entrepreneurship and opportunities which have been created to enhance service sector efficiently as well as increase its share in the GDP of the country.

Keywords.

service sector, small business, private entrepreneurship, economic growth, business entity, credit, program.

INTRODUCTION

The economy of the world has been already considered as a service economy due to the fact that the share of service sector in the GDP of the countries is higher than other sectors. Because of innumerable advantages of this sector most countries focus on developing service sector efficiently so as to improve the welfare of the population and provide the employment of the population. So, in Uzbekistan some measures which are directed at the further development of the service sector have been implemented recently. Particularly, the order of President "The strategies of movements on further development of The Republic of Uzbekistan" highlights issues on "the rapid development of the service sphere, the role and contribution of services in the formation of the gross domestic product, the radical transformation

of the services provided, first and foremost, to modern high-tech ones". As a result of taken steps share of small-sized business, private entrepreneurship and manufacturing products of industry in GDP has changed from 31% to 56.9% and from 12.9% to 45% respectively starting from 2000. Nowadays, 78% of our current workforce is employed in this sector. 23 Today, taking advantages of small business and private entrepreneurship into consideration, more opportunities have been created for business entities to expand their economic activities in Uzbekistan, they are the followings: - bank loans with lower interest rates are available to start a small business in regions; - wide opportunities are available for family entrepreneurship, for example, privileged bank loans with 7 percent interest rate; - empty places are given to younger generation who are ready to run their own business and member of the Youth Union of Uzbekistan; - small grants are allocated for business entities whose activities are directed at employment of the population; - free economic zones have been created to attract foreign direct investment to rural areas. A large-scale was implemented in our country during the years of independence reforms to strengthen national statehood and sovereignty, security, law and order, inviolability of our country's borders, law in society priority, human rights and freedoms, international harmony and religious laid an important foundation for ensuring an environment of tolerance. Decent life of our people, creativity of our citizens is the basis for realizing its potential In the conditions of globalization, competition is becoming more and more intense for the more stable and rapid development of our country development and implementation of a completely new approach and principles necessary. It was implemented in our country, regardless of the field

The positive result of the reforms is the service to ensure the well-being of the people does. If everyone living in our motherland is happy with life, the dream is if he can fulfill his desires, his house is peaceful, his family is harmonious, he is material if he does not feel the need, he will definitely be grateful to the state. The global crisis and the coronavirus pandemic in the Republic of Uzbekistan development of private entrepreneurship and its export potential system of regulation and support by the state in increasing improvement is required. Also private business The development is unique in this area requires conducting scientific research.

LITERATURE REVIEW

Theoretical foundations of private entrepreneurship and its economic nature A. Smith, R. Cantilon, J. B. Say, A. Hoskin, Y. Schumpeter, Khizrich R., Peters M. and included in the works of others. Territorial features of entrepreneurship

development and ensuring its investment activity and A.G. Granberg, V.G. Gutman, among the Russian scientists in terms of perspectives, I.A.Rodionova, A.V.Busygin, V.M.Vlasova, A.M.Samozkin, S.F.Borisov, V.V.Radaev and others conducted research. Territorial features of development of entrepreneurship and investment activity in Uzbekistan and its territories and theoretical aspects of the prospects and some regional features of our economists M. Abdusalyamov, T.M. Akhmedov, A.M. Sodikov, A.S. Soliev, O. Abdullaev, A.A. Qayumov, F.T. Egamberdiev, Sh.Sh. Researched in the scientific works of Shodmonov, T.T. Joraev, K. Muftaydinov, D.S. Alimatova, A.A., Kulmatov, N.K. Muradova.

In the above-mentioned scientific works, the theoretical foundations, essence, and characteristics of private entrepreneurship during the period of economic liberalization were researched. The natural resource potential of the regions, the development characteristics of the regional production complexes and the prospects for the development of production forces in it have been extensively researched. Further development of small business and private entrepreneurship in our country the financing of the activities of this field for the implementation of the specified tasks is integral to improvement. Small in that to determine the specific features of financing the activities of business enterprises same term.

Naturally, the productive economy of small business entities, which includes small enterprises, micro-firms and individual entrepreneurs management capabilities to those of large enterprises relatively limited. A large enterprise, based on its economic and financial strength, independently creates many conditions for economic management and this to be able to solve the problems have Including:

- economic activities and development formation of necessary material and technical base for effective organization and implementation of technological processes of production;
- the enterprise is supplied with raw materials and electricity energy, water, natural gas and other resources provide with;
- highways, railways, warehouses and other production infrastructure use of facilities;
- the need for financial resources the use of internal and external sources in satisfaction;
- economic, financial, legal and other relying on the support of its own special advisory services for issues etc.³

Small business entities such organizational-economic, financial, legal and others conditions and many obstacles and problems to the use of services interferes. Firstly, in most cases, the reason for organizing their activities is the lack of

financial resources they face a problem. Often their own will not have private funds, other financial Institutions do not always lend to them they do not express goodwill.

RESEARCH METHODOLOGY

The methodological basis of the research was the use of legal and regulatory documents, presidential decrees and decisions in the field of small business and private entrepreneurship development. Also, the methods of induction and deduction were widely used in the analysis of views and opinions related to the research work. Statistical data grouping, comparative analysis, sample observation methods were used in the analysis of the data of the Statistical Committee of the Republic of Uzbekistan. Scientific abstraction and other methods were used to enrich the content of the work and give it concluding thoughts.

ANALYSIS AND RESULTS

Activities of small business enterprises study of financing features based on the results, the following conclusions can be advanced:

- small business and private in our country facilitation of financing processes in the field of entrepreneurship development, new, innovative financing requires the establishment of forms;

- the country of small business entities trade as a share of GDP between the share in the total amount of loans allocated to the economy by banks there is considerable disparity. Hence, small business by commercial banks the practice of crediting the activities of enterprises optimization and loans provided it is necessary to increase the size as necessary;

- various types of financing in small business entities, especially the market economy the skills of using resources that are common in foreign countries it is permissible to form;

- in addition to ensuring an increase in the volume of capital investments of small business enterprises, it is necessary to improve the technological structure.

In the financing of the activities of small business enterprises, the consideration of the above-mentioned aspects is the final result further expansion of the activities of this field and makes it possible for its weight in the economy to grow.

1-Tabel

Advantages of the main sources of financing the activities of small business enterprises

and disadvantages

| Funding | Advantages | Disadvantages |
|---------|------------|---------------|
|---------|------------|---------------|

| sources | | |
|-------------------------|--|---|
| Net profit | <ul style="list-style-type: none"> - non-availability of expenses incurred in attracting loan funds; - the owner of the enterprise retains full control over the enterprise's activities; - growth of stability and independence of enterprise activity | <ul style="list-style-type: none"> - relative to the size of the enterprise's net profit limited and subject to change; - accurate planning of the net profit of the enterprise and the difficulty of long-term forecasting; - many externals of the net profit of the enterprise depending on the factors |
| Depreciation allocation | <ul style="list-style-type: none"> - freedom and independence of involvement in the enterprise's activities within the framework established by law; - the use of accelerated depreciation to ensure self-financing causing an increase in size | <ul style="list-style-type: none"> - in advance of the arrival of funds - difficulty in forecasting; - in conditions of high inflationary expectations of the real value of depreciation allowances rapid decline |
| Bank loan | <ul style="list-style-type: none"> - the amount of money required by the entrepreneur the ability to receive at any time; - non-taxation of the funds received; - freedom to choose the type of lending; - the possibility of early repayment of the loan | <ul style="list-style-type: none"> - loan repayment and interest the need to pay; - collateral is required for obtaining a loan; - fixed term of loan payments availability; - due to non-payment of interest the existence of the risk of outgoing bankruptcy |
| Lease | <ul style="list-style-type: none"> - necessary equipment for production, machinery or real estate in the short term the possibility of receiving; - no need for a separate pledge; - formalization of the lease period for a long time | <ul style="list-style-type: none"> - a significant increase in the final value of the leased goods; - advance payments, which usually make up a significant portion of the transaction value implementation; - VAT deduction of lease payments and etc. |

Today, in the development of economic science, entrepreneurship is considered as a semi-functional type of activity in connection with the macro environment.

The concept of entrepreneurship is being researched from the perspective of two main approaches. First, it is accepted in the specific conditions of the external environment as objective and unchangeable in the time factor, and emphasis is placed on entrepreneurship and its activities. The second approach is entrepreneurial activity focuses more on the connection with the internal environment. That's two The superiority of the two approaches depends on the goals and objectives of the research. It is appropriate to use linear regression when researching the issues of maintaining and developing the enterprise. In the analysis of the development trends of the enterprise, it is linear the use of èndushuvā does not serve its purpose. According to our research, in order to fully understand the essence of entrepreneurial activity, a dialectical understanding is necessary, which expresses the interactions with the internal and external environment that affect its effectiveness.

CONCLUSION

Effective employment of the population in the Republic of Uzbekistan the main way to secure a new job in the case of creating places an important factor in creating new jobs is small business and private is entrepreneurship. Implementation of the following for the further development of small business and private entrepreneurship in our republic required:

- new work in small business and private entrepreneurship, processing of agricultural products, as well as in the service sector improving the creation of places, more family entrepreneurship development, service and development of the service sector, especially in rural areas, household to further expand their activities, to increase their forms of cooperation with large enterprises;

- protecting the interests of private property, private entrepreneurs further strengthening of the legal framework;

legal rights and guarantees of small businesses and private entrepreneurs strengthen protection standards;

- by private entrepreneurs use of raw material resources Simplify the mechanism of this

for the volume of sales of resources at the open market and fair sales expansion;

- each district to increase employment due to the development of small and private entrepreneurship local mineral raw in cities materials, material, technical and labor resources, domestic market capacity, rural areas determining the possibilities of processing farm products;

- in each regional center and leasing in the centers of large districts further increase of branches of companies, small business and private entrepreneurship by them technological tools, small machinery, machine tools and other less complicated tools, as well as provision of vehicles;

- entrepreneurs their work helping in organization and development, market situation,

about economic changes creating a large number of informative "Advice Centers";

- continuous continuation of the processes of providing private entrepreneurs with microcredits, in which commerce in the republic banks and off-budget from the funds of the funds use;

- an increase in the demand for labor and continuous development of small business and private entrepreneurship, which ensures the reduction of unemployment;

- youth to folk crafts expanding the use of "Master-student" individual teaching methods in teaching;

- to folk craftsmen and masters obtaining microloans for the expansion of workshops and the establishment of new modern ones further improvement of the process;

- new in remote rural areas job creation projects improving the attraction of preferential credit resources for financing.

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