

OPPORTUNITIES TO SUPPORT ENTREPRENEURIAL ACTIVITIES IN UZBEKISTAN

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Abstract

This article discusses the state support for business entities in the process of the economy's transition to market relations and, as a result, the development of various property and The wide development of economic forms has led to the development of their financial activities. release efficiency encouragement for the purposes of Laws, Decrees and Resolutions of the President of the Republic aimed at improving the economy will be highlighted, and ultimately, the creation of a favorable macroeconomic environment for the development of small business and private entrepreneurship in the republic, as well as the provision of various state assistance to it, will be discussed.

Keywords

small business and private entrepreneurship, business entities, finance, credit, law, Decree, communication .

In our country, various property and The wide development of economic forms has led to the development of their financial activities. release efficiency encouragement for the purposes of improvement is proving to be an important, urgent problem. The future of our country is the market service networks formation together with the implementation of anti-monopoly measures, is inextricably linked to the creation of a competitive environment that fully supports market relations formation on the surface economic reforms this of duties positive The solution meets the market requirements for organizing small businesses and private entrepreneurship. giver from the situation also come comes out.

It is known that small business and private entrepreneurship are an important component of the economy and have a positive impact on its effective functioning. The development of small business largely depends on the state's policy on regulating this sector. World experience shows that in developed countries, a favorable macroeconomic environment is created for the development of small business and private entrepreneurship, as well as various forms of state assistance.

Although the world experience in state support of small business and private entrepreneurship is rich and diverse, they differ from each other in the mechanisms, methods and means of implementing this process. Studying this

experience and effectively using its positive aspects based on the specific characteristics of our country is one of the most urgent tasks today, when structural changes are being implemented in the economy.

In general, state regulation of small businesses and private entrepreneurship can be considered in two directions:

- creating general conditions for entrepreneurship, including small business and private entrepreneurship;
- support and provide benefits to small businesses and private entrepreneurship to ensure their adaptation to economic conditions.

These two areas are closely interconnected and are important for the development of small and private entrepreneurship.

The first direction includes a legislative system that guarantees economic freedom for all enterprises, protects consumer interests, and encourages competition. The state's tax and budget policies play an important role in creating general conditions.

and credit policy towards small businesses, the mechanism for ensuring a certain share for small businesses and private entrepreneurship in the state market, and other types of support for them play a key role.

In world practice, encouraging entrepreneurship is considered a necessary norm for the benefit of society and the state. Because entrepreneurship needs constant support and attention from state authorities. At the same time, the task of the state is not only to provide financial, technical and other resources to small and medium-sized businesses and support them in any way, but also to create legal and economic conditions for their survival and development in market conditions.

According to world experience, the development of small business, in particular small innovative business, not only ensures socio-economic efficiency, but also shows its importance in the political programs implemented in countries. The development of small business is an important factor in increasing the share of the middle class in society, as well as ensuring economic, social and political stability in the country. Small business plays a significant role in stabilizing the economy in developed countries such as the USA, Germany, China, France, Japan, Italy. "According to the International Council of Small Businesses (ICSB), small business entities account for more than 90% of all enterprises, 60-70% of those employed, and 50% of gross domestic product" [1]. These enterprises form the basis of the economies of developed countries of the world, play an important role in stimulating economic development, providing employment to women and young entrepreneurs, as well as low-income groups.

In the countries of the Organization for Economic Cooperation and Development (OECD), 99% of all firms are small and medium-sized enterprises (SMEs), and they are a major source of employment (from 40% to 80%) and provide 30% to 65% of GDP. In the European Union, SMEs also provide 70% of jobs and make a significant contribution to economic growth. According to the UN, SMEs

employ 50% of the world's workforce and produce between 33% and 66% of GDP in different countries [2] .

Looking at the state of state support for entrepreneurship in Uzbekistan, our country, in the process of carrying out its economic reforms, is increasingly convinced that without developing entrepreneurial activity, it is impossible to prevent a decline in production and achieve macroeconomic stability, as well as achieve economic and financial stability in the economic system and its sectors. The development of entrepreneurship can be a key factor in creating new jobs, filling the market with goods and services, and providing the budget with taxes .

In this regard, the goal of state support for entrepreneurship in Uzbekistan is to create the necessary conditions for the formation and development of an entrepreneurial environment, that is, to support and protect small business and private entrepreneurship, to give them freedom to conduct their activities, and to provide them with clear legal guarantees, as the President of the Republic Sh.M. Mirziyoyev noted , “ Our only way is to increase the number of entrepreneurs, to make people businessmen! Each khokim must seek to provide additional income to the budget, create conditions for entrepreneurs, and work shoulder to shoulder with business representatives. All avenues are open for small business and private entrepreneurship, and they must be used effectively” [3] .

Entrepreneurship received state support for its legal guarantee at the very beginning of market reforms, namely with the Law of the Republic of Uzbekistan “On Entrepreneurship”, adopted on February 15, 1991. Then , the Decree of the President of the Republic “On Initiative and its Encouragement in Private Entrepreneurship” of January 5, 1995 and the Law “On Encouraging the Development of Small Business and Private Entrepreneurship” of December 21, 1995 were adopted. The Law “On Guarantees of Freedom of Entrepreneurial Activity”, adopted on May 25, 2000 , and the subsequent new edition of the Law The adoption of the Law on Private Enterprises on May 12, 2012 also provided a great support in this work. In the context of deepening market economy reforms, it was necessary to introduce improved provisions in the legislation on small and private entrepreneurship, and on December 11, 2003, the Law “On Private Enterprises” was adopted. The adoption of these laws indicates that state support for entrepreneurship is an important direction of economic reforms, and determines the development of competition, the elimination of inefficient aspects of the economy, the filling of consumer markets with goods and services in the regions of the country, ensuring the economic independence of Uzbekistan , and solving the problems of employment.

Currently, a complete system of state and legal management of entrepreneurial activity and its support has been formed in the republic. Over the years of independent development, dozens of laws, presidential decrees and resolutions have been adopted for this purpose. It can be said without hesitation

that they fully reflect the organizational and legal framework of the entrepreneurial sphere.

The new Development Strategy of Uzbekistan for 2022-2026 includes the following objectives: "Creating conditions for organizing entrepreneurial activity and forming permanent sources of income, increasing the share of the private sector in GDP to 80 percent and its share in exports to 60 percent." was intended [4].

The legal and regulatory documents adopted in the country reflect measures aimed at creating broader conditions for small businesses and private entrepreneurship, ensuring their free activity, and further deepening and liberalizing the ongoing reforms [5]. The Decree of the President of the Republic of Uzbekistan dated October 5, 2016 "On additional measures to ensure the accelerated development of entrepreneurial activity, comprehensive protection of private property, and qualitative improvement of the business environment" was adopted, which, first of all, serves as the basis for further strengthening the legal protection of private property, creating favorable conditions for small businesses and private entrepreneurship and comprehensive support, increasing the share of this sector in GDP, and solving the employment problem [6].

These regulatory documents serve, first of all, as a basis for further strengthening the legal protection of private property, creating favorable conditions for small business and private entrepreneurship and providing comprehensive support, increasing the share of this sector in GDP, and solving the problem of employment.

Although, when talking about this, the work done, that is, examples showing the improvement of the business environment, as the President of the Republic of Uzbekistan mentioned in his second dialogue with businessmen on August 22, 2022, "over the past year, more than 55 thousand business buildings have been built by entrepreneurs. That is, entrepreneurs are confident in the future and are increasing investments in real estate. Also, the number of business entities with revenues exceeding \$ 1 million increased by 5 thousand, reaching 26 thousand. Another 1 thousand increased their turnover from \$ 1 million to \$ 10 million. The revenues of 220 of our entrepreneurs reached \$ 100 million. The number of exporting enterprises in our country reached 7.5 thousand, and the total export volume increased by 30 percent" [7].

In order to implement proposals and initiatives aimed at solving systemic problems raised in 15 thousand appeals received during the 2025 open dialogue of the President of the Republic of Uzbekistan with entrepreneurs and 20 meetings held within the framework of its organization, and to fulfill the priority tasks set out in the open dialogue, in accordance with the adopted Decree of the President of the Republic of Uzbekistan dated August 20, 2025 "On measures to implement the tasks set out in the V open dialogue of the President of the Republic of Uzbekistan with entrepreneurs", the following were determined:

1. In 2026–2027, a total of 270 trillion soums will be allocated to support entrepreneurial activity and create the necessary financial and infrastructural conditions, in particular:

(a) 4 trillion soums from the State budget for the development of infrastructure of free economic and small industrial zones, as well as large production projects involving foreign direct investment;

(b) within the framework of driver projects – 5 trillion soums;

(v) for accelerated development programs for selected districts and cities – 6 trillion soums;

(g) by commercial banks for small and medium-sized businesses – 250 trillion soums, including 30 trillion soums under entrepreneurship programs;

Financial support measures worth 4 trillion soums for the implementation of at least 5 thousand entrepreneurial projects by the Entrepreneurship Development Company JSC .

2. Starting from May 1, 2026, an alternative scoring system will be introduced to assess the solvency of business entities in the process of granting loans, using data available in databases formed by government agencies and representatives of the private sector, such as expenses (taxes, utility payments, transaction operations and other positive indicators), turnover, export operations, etc. [8] .

Indeed , the intensification of entrepreneurial processes in the economy leads to a rational solution to a number of socio-economic problems, the emergence of the "internal force" of development, increasing the competitiveness of the national economy, and strengthening democratic principles in development. However, entrepreneurial activity itself is an extremely complex, multifaceted process, and without a deep study of its theoretical and practical aspects, it is impossible to achieve significant results in the effective implementation of economic reforms. Also, at the same time, the development of entrepreneurship in Uzbekistan, the formation of a class of small and medium-sized owners, which is the foundation of political, economic and social stability in our country , has been defined as a strategic task at the state level, and the success of the ongoing economic reforms and the stability of society are directly related to it. Solving this task requires creating a favorable environment and further improving legal, organizational, economic, and institutional conditions, and research and studies on entrepreneurial activity play a major role in determining theoretically and methodologically important directions in this regard.

Of course, the laws of the market economy, along with their general characteristics, are manifested taking into account the characteristics of each specific country and each region, that is, this country reflects its historical, demographic, national geopolitical and other characteristics. In our opinion, in the development of small business, in addition to the general characteristics inherent in all countries, it is necessary to take into account its own territorial, demographic, geopolitical, national characteristics.

Of course , the problems that arise during the period of economic transition are also manifested in Uzbekistan in a unique way. Because our republic is in the process of further developing entrepreneurship in its economy and needs state support. In particular, there are many unresolved problems in the regulatory and legal regulation of entrepreneurial activity, material and technical support, financing, investment, the tax system, lack of own funds of enterprises, difficulties in obtaining bank loans, incentives, the use of information technologies, the establishment of a competitive environment, and the organization of production.

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