

**ECONOMIC ANALYSIS OF FINANCING SMALL BUSINESSES AND PRIVATE
ENTREPRENEURSHIP IN UZBEKISTAN***Jumanova Zilola Tuychiyevna**University of Science and technology**Department of Economics**Email: jumanovazilola9@gmail.com*

Annotatsiya: Ushbu maqolada kichik biznes va xususiy tadbirkorlikni moliyalashtirish masalalari yoritilgan. O‘zbekiston Respublikasi hududlari bo‘yicha faoliyat yuritayotgan kichik biznes va xususiy tadbirkorik sub‘ekklarini moliyalashtirishni iqtisodiy tahlil qilinib ilmiy taklif va amaliy tavsiyalar berilgan.

Tayanch so‘zlar: YaIM, YaHM, iqtisodiy tahlil, investitsiya, kichik biznes, tadbirkorlik, iqtisodiy baholash.

Аннотация: В данной статье рассматриваются вопросы финансирования малого бизнеса и частного предпринимательства. Приведен экономический анализ финансирования малого бизнеса и частных предпринимателей, действующих в регионах Республики Узбекистан, научные предложения и практические рекомендации.

Ключевые слова: ВВП, ВРП, экономический анализ, инвестиции, малый бизнес, предпринимательство, экономическая оценка.

Abstract: This article discusses issues of financing small businesses and private entrepreneurship. An economic analysis of financing small businesses and private entrepreneurs operating in the regions of the Republic of Uzbekistan, scientific proposals and practical recommendations are provided.

Key words: GDP, GRP, economic analysis, investment, small business, entrepreneurship, economic assessment.

INTRODUCTION the role of small business and private entrepreneurship in achieving high and stable economic growth and macroeconomic stability of the country's economy. The role of loans provided by commercial banks in the development of small businesses and private entrepreneurship is incomparable. Therefore, financing this field is one of the most pressing issues of our time. Therefore, based on the gradual development of the banking system, it is necessary to ensure its stability, find new solutions, increase the competitiveness of credit institutions and banking control, as well as strengthen and protect the confidence of bank depositors. and other creditors. In recent years, our country has been implementing large-scale reforms aimed at creating a favorable business environment for doing business, strengthening the rights and guarantees of business entities, developing corporate governance, actively attracting foreign investment and providing comprehensive support to investors. .

Small business and private enterprise (SBI) occupies a central place as a driving force of the economy around the world. In developed countries of the world, France, Italy, Japan, Germany, the USA, the share of GDP in GDP is about 50-60 percent, and in Uzbekistan in

2023 this figure will be 51.2 percent. The role of funding from this sector in the further development of KBXT is incomparable. It is important to economically study how the volume of loans allocated to the regions of our country is distributed.

As the President of the Republic of Uzbekistan Sh.M. Mirziyoyev noted: “World experience shows that any country pursuing an active investment policy has achieved stable growth of its economy. This is why investments are the driver of the economy; without exaggeration, we can say that this is the heart of the economy by Uzbek standards. Along with investments in various industries and sectors, regions will receive new technologies, advanced experience, highly qualified specialists, and entrepreneurship will develop rapidly”[1]. In the future, this will attract financing for the construction industry in the regions, as well as all other industries, and will lead to an improvement in the well-being of the population as a result of increased employment and cash income of the population. .

REVIEW OF LITERATURE ON THE SUBJECT

According to Mamut, microcredit operations of banks and non-bank credit organizations should not be controlled by the Central Bank in order to develop the practice of microcredit to small businesses [4].

According to the conclusion of Nobel Prize laureate M. Yunus, when lending to small businesses starting work, the main attention should be paid to the social effect of lending. After expanding the financial capabilities of business entities, they cause an increase in demand for loans at market rates [5].

F. Allen and D. Gale recognize the existence of two systems for financing the activities of small and medium-sized businesses - a system based on the activities of banks and a system based on financial markets, and emphasize that the first system is relatively important [6].

S.N. Sayfullaev [9, 10, 11, 12, 13, 14, 15] socio-economic aspects of the development of small businesses and private entrepreneurship, problems in the field and ways to overcome them, financial support for small businesses, support mechanisms are being studied.

RESEARCH METHODOLOGY

During the study, forms of financing of small businesses and private enterprises were comparatively and critically analyzed, special attention was paid to sources of financing and the real amount of income. The article compares the scientific and theoretical views of economists on this issue, while loans and microloans provided by banks to KBHT subjects are divided into separate groups at the regional level. The subjects of the study were KBXT.

ANALYSIS AND RESULTS

The development of KBHT is one of the necessary conditions for the sustainable development of the economy of Uzbekistan. At the same time, further development of the activities of small businesses, further increase in their role and importance in the socio-economic development of the country gives rise to the need to improve the system of financing their activities. At this point, it should be recognized that world economists have focused on improving the practice of financing the activities of small businesses in different periods. At this point, we consider it appropriate to emphasize that a system for financing the activities of KBXT has been formed in the Republic of Uzbekistan. This system includes state support for the process of financing small businesses, the structure of supporting exports of small businesses, as well as the practice of lending to the activities of these entities by banks and non-bank credit organizations.

Therefore, at present, domestic small businesses are faced with acute problems of solvency and financial stability. Increasing the efficiency of investment activities by ensuring

the quality of investment decisions is one of the supporting mechanisms that normalize the activities of any enterprise and its recovery from the crisis.

Among the stages of investment activity of a small enterprise, the following three basic rules can be distinguished: making a decision to invest, making investments and choosing a newly created object of investment activity.

By dividing KBHT subjects into micro, small, medium and large categories, and districts and cities into 5 categories, a targeted system of entrepreneurship support was created . That is why the President of our country, on September 4, 2023, “On additional measures to increase the role and share of microfinance services in the development of entrepreneurship” No. PQ-292 to support entrepreneurship, indicated that work on [2] will continue at a rapid pace.

Systemic measures are being implemented in such areas as comprehensive support for the development of the CBHT sector at the regional level, its financial support, as well as increasing its share in GDP, GNI, and creating a favorable climate. business environment. However, it cannot be said that the development processes of KBHT are steadily growing in all regions of our republic.

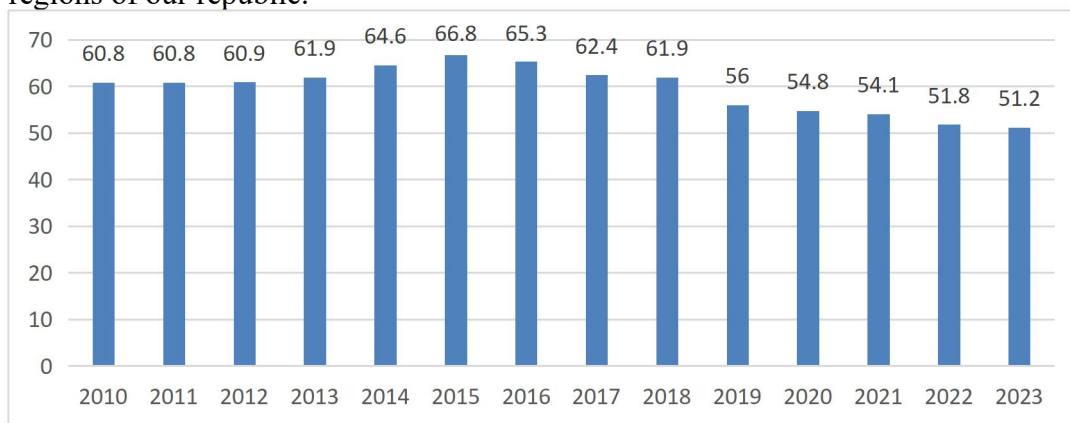


Figure 1. Share of small business and private entrepreneurship in GDP, % [17]

The increase in the share of small businesses and private entrepreneurship in GDP is the result of reforms carried out to increase the volume of products they produce. By the way, in recent years (2010 – 2023), the share of KBXT in GDP has decreased by 9.6 percent and in 2023 will be 51.2 percent (Figure 1).

Therefore, it is necessary to further improve and increase the efficiency of the organizational and economic mechanisms for the development of the CFTS in the regions, strengthening their role in foreign economic activity, and make full use of the opportunities to increase the income of the population. population by providing employment, developing CFTS subjects at different levels in the regions. It is important to evaluate factors and trends using modern statistical methods and develop regional development strategies.

Table 1

Share of small businesses and private entrepreneurship in the volume of investments in fixed assets by region, % [17]

Regions	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Republic of Uzbekistan	28.5	31.9	35.3	32.7	35.4	40.3	40.9	38.1	38	44.3	46	45.6	47.9
Republic of Karakalpakstan	33	26.7	53.9	17.9	12.3	12.2	17.4	36	28.4	35.3	35	29.8	26.7

Andijan	45	43.9	41	47.2	52.1	58	60.9	63.9	57.7	61.7	59.8	56.1	59
Bukhara	12.8	18.3	16.7	19.4	21	24.9	17.7	11.6	28.1	50.7	39.1	35.2	45.1
Jizzakh	50.1	47.7	47.6	38.9	44	62.9	60.8	60.1	45.1	64.9	78.1	68.9	72.1
Kashkadarya	23.3	18	15.1	14.1	13.9	19	21.4	14.4	12.6	30.5	17.9	25.7	26.9
Navoi	12.7	22.6	23	24.8	27	33.2	22.2	26	14.3	16.6	31.5	39.5	42.8
Namangan	40.7	54.2	55.5	51.9	39.7	49.6	55.7	50.5	37.3	52.2	70.6	66.3	65.2
Samarkand	42.7	49.7	50.8	48.2	57.5	65.7	65.2	65.3	59.8	61	62.6	56.2	60.5
Surkhandarya	31.8	33.6	40.9	37.7	45.1	54.6	56.3	38.6	39.6	73.3	42.9	47.7	49.5
Syrdarya	31	25.6	29.9	29.1	25.7	37.4	44.9	48.5	54.2	54.5	42.8	55.3	76.5
Tashkent	25.9	28.2	38.7	29.2	36.2	36.8	42.4	45.8	39.5	41.7	38.9	48.4	36.8
Fergana	37.5	40.4	41.1	33.8	42.3	57.9	55.3	55.2	54.3	63.6	62	60.5	62
Khorezm	55.5	47.4	49.5	32.9	45.8	59.8	64.6	57.5	48.9	60.7	63.1	55.6	52.4
Tashkent highway	32.8	36.1	38.3	49.2	56.4	58.2	51.8	52.2	53.6	39.8	43.1	39.7	41.6

The results of an economic analysis of the activities of small businesses and private entrepreneurship show that investments are distributed unevenly across the regions of this sector. In 2022, the share of KBHT in the total volume of investments in fixed assets in our republic amounted to 47.9 percent, and in terms of regions, the regions below the republican indicator are the Republic of Karakalpakstan (26.7), Kashkadarya (26.9), Navoi (42.8) . , Tashkent (36.8), Tashkent city (41.6) percent. We see that other regions exceed the republican indicator (Table 1).

CONCLUSIONS AND SUGGESTIONS

Investments are of great importance in the development of the industrial sector of our country. the widespread use of international experience in regional development through investment, the implementation of state policy aimed at the wider use of internal resources for the economy, a positive solution to existing shortcomings and problems are pressing issues of our time.

In order to increase the efficiency of investment policy in the regions of our country, ensure a favorable investment environment and further increase the influx of foreign capital, it is necessary to implement the following measures in the main areas:

- In order to further increase foreign investment for the development of CBHT, it is necessary to improve the provision of the legal framework that ensures their effective operation and strengthen mutual cooperation relations;
- strengthening the possibility of free operation of small joint ventures created in our country and access to foreign markets;
- introduction of internal and external investments, evenly distributed across all regions, for the sustainable development of the regions. Also to familiarize investors with information about the potential and broad opportunities of the regions and develop a mechanism for creating greater interest and inclination towards them.

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