

The role of social mobility in shaping "Middle class" in Uzbekistan

Nodir Ahmedov

Independent researcher at National University of Uzbekistan

Abstract : *This article is devoted to the issues of development of main tendencies of social mobility in Uzbekistan, main directions of replenishment of entrepreneurs as well as key aspects of such discipline as sociology of entrepreneurship. The author considers entrepreneurship to be the activity of individuals aimed at the production of material and spiritual goods and services for the systematic generation of profit. At the same time, the importance of diluting the concepts of "business" and "entrepreneurship" has been proven.*

The term "middle class", which has actively entered the public consciousness and scientific turnover in the last two decades, still does not have a clear definition and unified methodology of research. The fact is that the middle classes cannot be described by one integral criterion. This is a social totality characterized by a chain of attributes, which include material and non-material resource attributes (level of income, education, business legitimacy, investment preferences, etc.) Nevertheless, today there is already a common understanding of some characteristic features of this social layer.

The "middle class", like any other unit in the social structure of society, is recruited from a variety of backgrounds. Social mobility has played a major role in its replenishment, as the history of the middle class is closely linked to the expansion and acceleration of social mobility flows in modern society. The creation of a mobile and simultaneously stable society was possible only when the middle class became an important element of the social structure.

Keywords: *social mobility, bickering, middle class, business subject and object, support of innovative ideas and technologies.*

With the launch of the Action Strategy¹ private enterprise and small business have started to develop at an unprecedented pace. In his address to the Oliy Majlis, President Shavkat Mirziyoyev emphasized the need to expand the social base of the "middle class" and involve millions of masses, especially young people and women, in the business sphere. For this purpose, it is necessary to develop business skills, "However, as we know, not everyone has entrepreneurial skills. Therefore, we must pay special attention to such people and provide them with decent work through professional retraining. We will allocate 700 million dollars for this purpose.

We must fully support entrepreneurs who create jobs"², - said the head of state.

Recently, a lot of publications about the middle class in Uzbekistan have appeared on the Internet, which assess the condition and structure, size and prospects of this group in different ways, but they all agree that such a class exists. We do not need to take a historical tour, to analyze the emergence and evolution of the middle class. We will only give a definition of this concept: The middle class is a social group of people with stable income sufficient to satisfy a wide range of material and social needs. The welfare of the middle class is sufficient to ensure a "decent" quality of life. The middle class is therefore more socially sustainable.

¹ См.: Указ Президента Республики Узбекистан №4947 «О Стратегии действий...»

² Послание Президента Олий Мажлису ... 24 января 2020г.

According to the results of the research on "Development of public participation in Uzbekistan in conditions of formation of a new model of public administration" (October 2018), it became clear that by 2030, according to experts' calculations, 60% of the population of Uzbekistan will be middle class³. Meanwhile, according to the Center for Economic Research, the share of the middle class in Uzbekistan is about 28-30%. About 45-48% of the population now makes up the "middle class reserve" - people who, under certain conditions, can join the middle class or become poor. Their transition to the middle class will require the formation of a system of institutions - social lifts - which will facilitate the transition to the middle class from the reserve⁴.

According to the "Global Wealth Report 2019" of the Swiss bank Credit Suisse, in 2015 China was ranked 1st in the world by the absolute number of the middle class, overtaking the USA: 109 million in China against 92 million in the USA⁵. The criterion of belonging to the middle class in 2015 was free disposable financial resources (annual income) per 1 adult from \$10,000 to \$100,000 (varies from country to country). Thus, in Switzerland, belonging to the middle class, according to this report, was determined by an annual income per adult of \$72,900, in the U.S. - \$50,000, in China - \$28,000, in Russia - \$18,000[3], in Ukraine - \$11,258.

From the standpoint of the problem we are studying, the genesis of the middle class in Uzbekistan deserves interest. Many tend to think that only with the conquest of Independence, legalization of private property, encouragement of entrepreneurship such a middle layer emerged in the social structure of society. It seems to us that the "middle class" in our country existed in the Soviet period, there was such a layer in our society that "lived not only on one salary". Many families had a source of additional income, their own subsidiary and household. The rudiments of market relations have always existed in Uzbek society. Someone was growing herbs, sewing a dress, making icigi, baking a cake, etc. (The older generation remembers the illegal restaurant "Jar" in Tashkent, where at any time of day one could eat delicious food).

Russian sociologist M.F.Chernysh notes that there is no consensus in the ranks of sociologists on the question of whether there was a middle class in Soviet society; for all the disagreements, one cannot deny the fact that in the Soviet Union it was possible to distinguish a large (up to 30%) group of people, quite prosperous by the standards of that time. Like the middle class in other countries, this group was a source of prosperity with high qualifications or a high position in the system of social management. As soon as the Soviet state ceased to exist, the Soviet middle class for the most part lost its former social positions, the author believes.⁶

The totalitarian regime could not completely eradicate elements of the market economy, but this is a topic for separate historical and sociological research.

From the first days of independence, the middle class in Uzbekistan began to form intensively, reaching, by various estimates, 30 to 50 percent. According to the Center for Economic Research, the percentage of the affluent middle class in Uzbekistan in 2016 was 28-30 percent⁷, but CER does not explain the criteria by which the data was derived. The CER also claims that the majority of these people are small and medium-sized entrepreneurs, accounting for over 50 percent of the country's GDP. They are followed by farmers, officials, creative intellectuals and white-collar workers, or office workers in international companies

³ <https://kun.uz/ru/news/2019/05/09/kto-yavlyayetsya-predstavitelem-srednego-klassa-v->

⁴ Отчет Центра экономических исследований ...

⁵ *Credit Suisse*. Global Wealth Report 2015 (англ.) // отчет : pdf. — 2015.

⁶ См.: Черныш М.Ф. Социальная мобильность среднего класса.

<https://cyberleninka.ru/article/.../sotsialnaya-mobilnost-srednego-kla...>

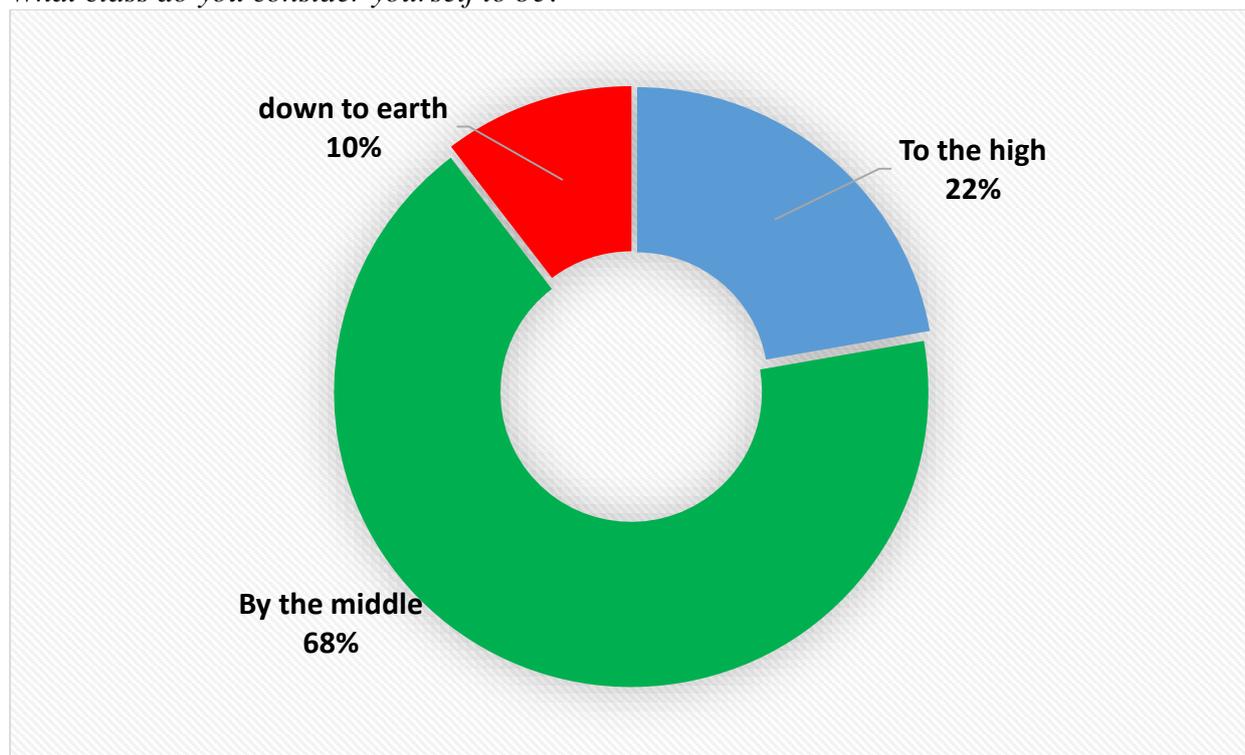
⁷ См.: <https://www.gazeta.uz/ru/2011/09/13/cer/>

who hold management positions.

Specialists from the Institute of Social Research under the Cabinet of Ministers calculated the number of the approximate core of the middle class at 51% on the basis of five criteria of social standards of living developed by them.

But it is not clear why these same authors, half a page later, claim that they "developed about 20 methods for determining the middle class and calculated the average number of 49.2% (we emphasize - N.A.) for Uzbekistan. According to our forecasts, its level may reach 55.9 percent in 2020, 60.3 percent in 2025 and 65.0 percent by 2030"..⁸ The sociological study we have conducted has yielded other results (see Figure 8):

What class do you consider yourself to be?



Of course, one cannot but agree with the above-mentioned authors that the middle class is the pillar of society and the driving force. The large share of the middle class in the social stratification system is one of the essential features of society, defined as "developed", "civilized". However, they argue that "self-identification, i.e. the subjective evaluation of an individual's belonging to a group, is the only method that can be used in cross-country comparisons».⁹

Here, the authors do not take into account the peculiarities of the national psychology of the Uzbek people, their mentality, which does not allow to "get poor", even if their material situation borders on the poverty line. That is why it seems to us that it is desirable to proceed from real, material and financial indicators rather than respondents' self-assessment when objectively assessing the size of the middle class.

They are right that "The share of the middle class in the population of developed countries reaches 60-70%, which allows us to speak about the sustainability of the corresponding model of society. Comparable models of the social structure of individual

⁸ См.: Махкамова Ш., Умарова У. Стратификация общества и средний класс. 30.10.2017 | Номер: №10 (118) 2017.

⁹ Там же.

countries show that Russia has the largest inequality". But it seems to us a bit of an exaggeration to say that "The model of the social structure of Uzbekistan is close to the model of stratification of society of such a highly developed country as Germany."¹⁰

The middle class is the basis for the formation of civil society of any state and the most important factor in its stable and sustainable development. According to estimates of the American financial corporation Goldman Sachs, by 2050, the share of world GDP generated by the middle class will amount to about 40% (in 1960 this indicator was 23%, in 2007 - 30%)¹¹. Today, the middle class represents 50-70% of the population in Western countries. As a rule, this social layer includes entrepreneurs and highly professional employees.

At the current stage of Uzbekistan's social and economic development, it is entrepreneurs who have the greatest potential to become the real basis for the formation of this social group. As First President Islam Karimov emphasized, "small business and private entrepreneurship are in essence a constantly expanding base for the formation of middle class, and as is known, the middle class is the foundation of any democratic society. It is through the development of this sphere that the social stratum of society is created that is interested in socio-political, social and economic stability in the society, that is an active driving force of the country's progress and democratic transformation."¹²

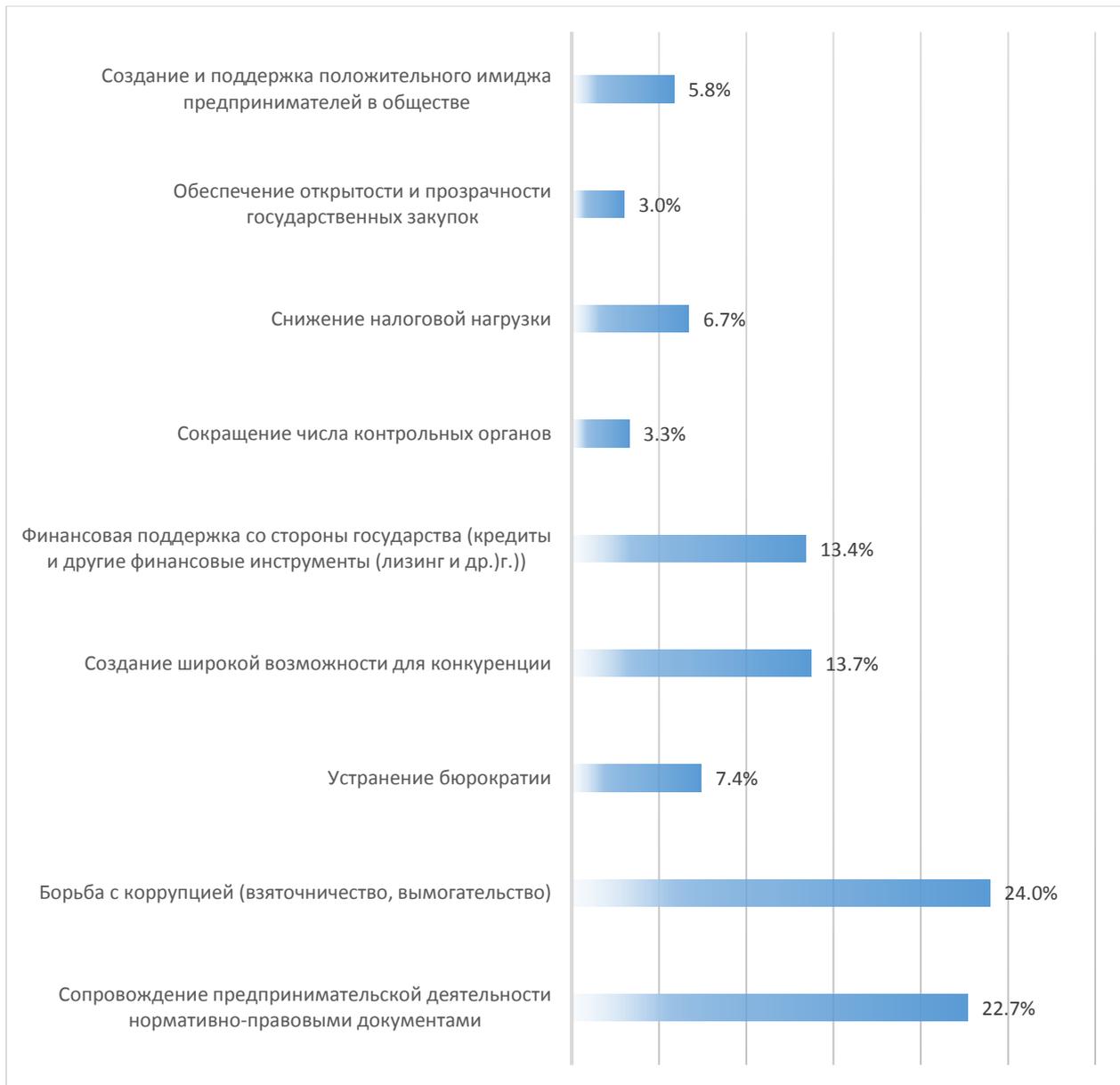
With this approach in mind, the main aspects of the lives of entrepreneurs in Uzbekistan were studied, including their behavioural characteristics and the problems arising during the social transformation.

What do you think is necessary for the effective development of small and medium-sized businesses in our republic?

¹⁰ Махкамова Ш., Умарова У. Стратификация общества и средний класс. 30.10.2017 | Номер: №10 (118) - 2017.

¹¹ <https://www.google.com/search?q=Goldman+Sachs&oq=Goldman+Sachs>

¹² Каримов И.А. Речь на открытии международной конференции «О роли и значении малого бизнеса и частного предпринимательства в реализации социально-экономической политики в Узбекистане» 14.09.2012.



The term "middle class", which has actively entered the public consciousness and scientific turnover in the last two decades, still lacks a clear definition and a unified research methodology. The fact is that the middle classes cannot be described by one integral criterion. This is a social totality characterized by a chain of attributes, which include material and non-material resource attributes (level of income, education, business legitimacy, investment preferences, etc.) Nevertheless, today there is already a common understanding of some characteristic features of this social stratum, namely:

- it is the most educated, productive and efficient labor force that concentrates the human and social capital of the nation;
- it is a class that has property and is interested in the stability of economic, financial and social institutions, including those governing property relations;
- this is the most active economic subject of the market, and the state and prospects of its development depend on its activity;
- it is the conductor of innovative forms of economic, consumer and financial behaviour; it is the first to learn best practices and to transmit them to the whole society;

- he is the main taxpayer and thus a co-investor in the social sphere¹³ In this context, the development of processes for the formation of a middle class among entrepreneurs can be considered as one of the criteria for the effectiveness of this sector, indicating the strength of the entire system of economic, social and socio-political institutions. This is due to the fact that only those entrepreneurs who meet the majority of the above attributes can become a real "locomotive" of further democratic and socio-economic transformation in the country.

The average domestic entrepreneur is a man, Uzbek, with a higher education, fluent in Russian and living in the regional centre. A large proportion of those surveyed were respondents aged 45-60 (45%) with more than 15 years of entrepreneurial experience (31%). The share of youth (25-35 years) among entrepreneurs was three times less (15%),

The analysis of demographic data showed that the share of Uzbekistan's population aged 45-60 is only 13% of the total number of its citizens, and the share of the most active and able-bodied part (20-35 years old) is 27%. In other words, there is a certain imbalance in the age structure of domestic entrepreneurs and the population of the country as a whole. With what it is connected? First, today the business environment in republic is characterized by a high level of risks (because of high formal and informal transactional expenses). This situation makes the population, especially young people, afraid to engage in entrepreneurial activities. As the research has shown, the more work experience an entrepreneur has, the larger the size of the enterprise he represents.

Today, the majority of domestic entrepreneurs are those who started doing business back in the 90s. They have certain accumulated capital, experience and a wide range of connections, which helps them to be the most successful in their field. Among young entrepreneurs, mainly those who have the support of more experienced businessmen or wealthy people due to certain connections (e.g. relatives, father-son, etc.) prevail. The other part of young people, who do not have such opportunities, have rather low chances to start a "business from scratch" and make it successful. This is also due to the fact that young people, especially from low-income families, have poor professional training and have difficulties in accessing start-up capital, despite the special state program.

According to the results of the research, the main sources of capital in the first year of activity of domestic entrepreneurs were: personal/family funds - 69,7%; funds of business co-owners - 21,8%; funds of relatives/friends - 16,3%; loans of commercial banks - 22,7% (respondents indicated up to 3 answers, so the amount is more than 100%)¹⁴

The biggest concern of entrepreneurs in their relations with banks was the problem of high interest rates for commercial loans. Among the factors that complicate relations with banks, the respondents mentioned: high interest rates for commercial loans (28%); high collateral requirements in the processing of credit funds (22%); difficult access to cash (14%); lack of long-term loans (13%), etc.

Secondly, according to some studies by CER, today when entering the labor market, there is a certain gap in the chain of civil socialization of young people in Uzbekistan. The existing formal and traditional institutions of civil socialization form behavioral stereotypes among young people, which primarily reflect conservative values - patriotism, collectivity, respect for elders, etc. However, the accelerated industrialization and development of society in the era of information technologies are associated with the need to form other behavioral stereotypes that are inevitable for industrial and post-industrial societies. This situation creates a serious challenge for Uzbekistan. On the one hand, the pace of development of the IBPP sector and the new jobs created in it are insufficient given the existing demographic trends. In recent years, the specific number of IBPP enterprises per 1,000 people in the

¹³ <http://ced.uz/aktualnye-proekty/issledovaniya-ced-v-uzbekistane/>

¹⁴ Источник: Результаты социологического исследования. <http://ced.uz/aktualnye-proekty/issledovaniya-ced-v-uzbekistane/>

country has remained practically unchanged, remaining at the level of 15 with average annual fluctuations ranging from -1% to +2%³. On the other hand, the share of young people and children under 18 years of age is 34% of the population of the Republic. In 10-15 years they will be the main part of the most active citizens of the country.

Depending on what opportunities they will get in terms of self-realization, and the success of social and economic transformation of society as a whole will be formed. In this regard, one of the most important tasks of the Government at the current stage of the country's development is to create conditions for the "rejuvenation" of the middle age of domestic entrepreneurs. Already today it is necessary to take appropriate measures, which will reduce the average age of entrepreneurs by 2030 to 30-35 years.

The study has shown that the role of kinship and friendly ties, to which a great deal of importance is traditionally attached in Uzbekistan, is also reflected in entrepreneurship. Of all the interviewed respondents, 47% reported that among the employees of their enterprise there are relatives and friends of its co-owners. However, the degree of manifestation of these ties depends on the place of residence of the entrepreneur and the type of his activity. During the survey, the majority of entrepreneurs (53%) reported that the style of management and organization of their business can be compared with family relations. At the same time, the survey shows that 58% of them operate in small towns and rural areas, where the level of industrialization of the economy is relatively low. This is due, firstly, to the ethnic and cultural characteristics of Uzbekistan, where kinship relationships have traditionally been given great importance, and secondly, to the predominance of fairly simple forms of entrepreneurial activity in the IBPP sector (agriculture, trade, catering, etc.), where there is no need to use narrow specialists. In large cities, family ties may be less close and more complex types of entrepreneurial activity predominate. Therefore, business management in them is more of a "sports team" style, for which collective work, mutual understanding and professionalism of each "player" are important. 22.2% of entrepreneurs have this style of doing business. It is noteworthy that most of them (40%) live in large cities with a population of 500 thousand people and more.

From the point of view of the processes of social and economic transformation, there is a need to develop meritocratic approaches to the selection and management of personnel that are more characteristic of the middle class and based not on the principles of kinship, but depending on the qualification of the employee. It is important to note that it is not a question of changing such forms of entrepreneurial activity as "family business", but about 47 percent of entrepreneurs reported that among the employees of their enterprise there are relatives and friends of its co-owners.

The family business style is most typical for entrepreneurs operating in small towns and rural areas. They make up the middle class reserve.

The "middle class", like any other unit in the social structure of society, is recruited from different backgrounds. Social mobility has played a major role in its replenishment, as the history of the middle class is closely linked to the expansion and acceleration of social mobility flows in modern society. The creation of a mobile and simultaneously stable society was possible only when the middle class became an important element of the social structure.

As M.F.Chernysh, Doctor of Sociological Sciences, correctly emphasizes, "The dynamic growth of productive forces combined with the formation of egalitarian political systems created the conditions under which the ascent of the social ladder was provided not only by an element of chance, a successful combination of circumstances, but also by a set of personal qualities of man - the will, intellect, the desire to master modern knowledge, and the descent down the social ladder - by laziness, unwillingness to use the opportunities provided

by society.».¹⁵

Some limitations on vertical mobility remain in modern society: proof of this is the fate of migrants or the low permeability of partitions between the so-called upper class and the rest of society. There are also obstacles due to cultural stereotypes and worldviews that either hinder mobility or give it additional impetus. In modern society, these obstacles can affect the scale of mobility, but can not deprive a citizen of the chance to improve his or her social status and enter a higher social layer.

With the adoption of the "Strategy for Action", Uzbekistan has entered a new stage in the development of market relations and strengthening the status of the "middle class". While still Acting President, Shavkat Mirziyoyev signed a decree on additional measures to ensure the accelerated development of entrepreneurial activity, comprehensive protection of private property and qualitative improvement of the business climate»¹⁶. The document approved a program of complex measures, providing for the implementation of 42 specific measures in the five most priority areas, the total outcome of which should be the strengthening of social position and legal protection of the "middle class".

In July 2018, President Shavkat Mirziyoyev signed a resolution exempting individual entrepreneurs in rural areas from taxes for five years; "Individual entrepreneurs who organize in rural areas, with the exception of settlements with a population of more than five thousand people, activities to provide hairdressing services, tailoring services on individual orders, shoe repair, as well as organizing public baths are exempt from all taxes until 1 July 2023."¹⁷

This regulation also exempts all self-employed persons from paying a fixed tax for each employee. Benefits are also granted to family entrepreneurs. Now they have the right to hire up to three permanent employees with the conclusion of an employment contract with them, as well as to attract other close relatives who have reached working age as participants in a family business without forming a legal entity. Private drivers will now pay a monthly fixed tax on services for the transportation of goods by road with a capacity exceeding three tons at a rate of twice the minimum wage. In addition, Uzbek farmers will receive preferential microcredits for the organization of greenhouses, the purchase of seeds, saplings, livestock and poultry, agricultural equipment and tools, irrigation devices (pumps, artesian wells, etc.) in order to develop production in private subsidiary and dehqan farms.

The whole set of legislation on the promotion of private enterprise and family business is aimed at expanding the social base for the middle class. Nowadays, both hairdressers, private taxi drivers, bath attendants and others can legally replenish their family budgets and become wealthy citizens without spending on taxes or extra red tape.

To increase the size of the middle class, it is necessary to expand social mobility channels and take additional measures to create social lifts. The state should invest in institutions that protect and support the middle class, which is so necessary for the country's development. And the number of middle class representatives in Uzbekistan is not as high as in developed countries of Western Europe and North America.

When a conditional entrepreneur has a progressive idea but lacks the means or bureaucracy to implement it, he or she should have state support in the form of financing or legal aspects. Ultimately, the state itself and its residents will benefit.

It is important to ensure the proper operation of social elevators, in which high positions in any field should be given to worthy, promising candidates, rather than someone trusted. Moreover, the middle class does not develop on its own. Its representatives are not

¹⁵ Черныш М.Ф. Социальная мобильность среднего класса. <https://cyberleninka.ru/article/.../sotsialnaya-mobilnost-srednego-kla...>

¹⁶ <http://uza.uz/ru/documents/o-dopolnitelnykh-merakh-po-obespecheniyu-uskorenno-go-razviti-05-10-2016>

¹⁷ <https://tengrinews.kz/sng/mirzиеev-osvobodil-malyiy-biznes-ot-nalogov-na-pyat-let-350119/>

inclined to riots or coups. They always choose stability and great benefits. With more profitable areas for development, the middle class will pull the rest of the population closer to it. And it is crucial to create a favorable ground for the development of small businesses, which is the main supplier of decent middle class representatives, which will raise the economy to new heights. It is no coincidence that President Shavkat Mirziyoev in his Message to the Oliy Majlis said: "When it comes to this, the words of the famous statesman and politician Winston Churchill are involuntarily remembered:

"Somebody thinks the entrepreneur is a cow that can be milked all the time. And only a few people understand that an entrepreneur is a workhorse that drags around».¹⁸

In the study of the middle class, some specialists highlight two interrelated aspects - inter-group mobility and mobility within the middle class resulting from its internal differentiation¹⁹ Replenishing the middle class is, with few exceptions, an upward mobility - a transition to more complex, intellectually saturated types of work, a higher level of material well-being. Mobility within the middle class is a more complex phenomenon, involving both upward mobility flows and downward movement. It is important to analyze how mobility occurs: as part of a group receiving higher positions, or individually, as a result of their own efforts, increasing resource potential. While the first variant in most cases speaks about serious tectonic shifts affecting the very foundations of the group's existence, the second variant acts as the result of individual efforts against the background of a stable system of social institutions.

In addition, in the old middle class - the "entrepreneurial class" - a career is usually not seen as an element of life plans. The super task of an entrepreneur, especially in difficult Russian conditions, is not so much a career built in accordance with the principles of hierarchy, but rather the preservation of business, and under favorable circumstances - its expansion. At the same time, the position of the entrepreneur is not so much subject to changes as the market position of his company or firm.

This circumstance predetermines the necessity to analyze the role of small business and private entrepreneurship (SME) in the formation and expansion of the social composition of the middle class. The importance of considering the effectiveness of private business development through the prism of social stratification is that, as a rule, in developed countries entrepreneurs make up a significant part of the middle class. This seems to partly explain a certain convergence of life values and goals of representatives of this social stratum and business, which is expressed in the desire for self-improvement, economic independence, stability and orientation towards long-term activities. Entrepreneurial qualities such as "awareness of responsibility", including social, "strategic thinking" (aimed at the long term) and "sustainable development in implementation" are also the hallmarks of the middle class.

In order to address current challenges in this area, the project "Support to Modernisation, Acceleration of Reforms and Transformation" was prepared»²⁰. The study of characteristics of domestic entrepreneurs as the basis for the formation of the middle class, was based on the social survey "Portrait of Entrepreneur of Uzbekistan", held in February-March 2013. The main focus was made on identifying the characteristics of domestic entrepreneurs in terms of their impact on the socio-economic development of society and the expansion of the middle class of Uzbekistan, as well as the study of business environment, which forms the behavioral characteristics of business. A toolkit consisting of 271 questions was developed for the input parameters. In order to collect quantitative and qualitative data, 802 standardized interviews (with preliminary piloting and questionnaire adjustment) and 6

¹⁸ <http://uza.uz/ru/politics/poslanie-prezidenta-respubliki-uzbekistan-shavkata-mirziyeev-23-12-2017>

¹⁹ <https://varlamov.ru/3017025.html>

²⁰ См.: review.uz/ru/post/infografika/newss260

focus group discussions (FGD) with entrepreneurs from different regions and key sectors of economy were conducted. FGDs were conducted only in 5 regions of the Republic (Tashkent, Jizzak, Ferghana, Bukhara, Samarkand), in which 50 business representatives participated. The number of standardized interviews or sample size is determined by the number of pages (14 regions), the minimum required number of 14-15 enterprises in each sector. The sample of enterprises was conducted taking into account the need for equal representation of all sectors and types of enterprises. The enterprises themselves were selected at random from the general list. Thus, 13 main sectors (industry, agriculture, construction, services, trade, etc.) were selected for the survey.

The study of domestic business was carried out precisely from this perspective - how the most characteristic features of today's entrepreneurs contribute to the processes of social transformation in society. The most pressing problems of the current stage of socio-economic transformation of the Republic, including demographic trends, were taken into account. In this context, we also considered the question of what behavioral skills should be developed among domestic entrepreneurs, so that their activities contribute to the industrialization of the economy and the expansion of the middle class in society? Social engineering processes are not transient, so the phased implementation of the proposed measures will make it possible to achieve the goals set by 2030.

In recent years, Uzbekistan has adopted a wide range of measures to give greater freedom to entrepreneurship, ensure priority and strengthen the legal protection of private property and reduce interference by State and regulatory bodies in the financial and economic activities of enterprises. The procedures for State registration of business entities, lending and consideration of economic disputes have been significantly simplified and made cheaper.

"Progressive changes in the structure of our economy are evidenced by the increasing role of small business and private entrepreneurship. In 2013 alone, over 26 thousand small business entities opened their business, and the total number of operating enterprises in this sector amounted to 190 thousand by the end of this year. Today, about 55.8 percent of the gross domestic product is being created in this sphere against 31 percent in 2000. Small businesses currently account for 23 per cent of all industrial output, almost all market services, 18 per cent of exports and 75 per cent of all employment in economic sectors. As we see, in spite of its small forms, this business plays an increasing role in the sustainable development of our economy, solving problems of labor employment and increasing the welfare of our people»²¹.

Five years later, as head of state Shavkat Mirziyoyev noted with satisfaction, today more than 215 thousand small businesses operate in Uzbekistan, accounting for 27.8% to 98.4% of the volume in various sectors of the national economy. In a quarter of a century Uzbekistan has managed to restructure the national economy: a new industry - automobile industry - has emerged, textile industry is developing, and the republic began to export not only cotton but also textiles. Just 15 years ago, the figures were much more modest. For example, agriculture, which now accounts for 98.4% of the output of private entrepreneurs, accounted for only 73%. The share of private business in passenger transportation (from 30% to 87.3%), cargo transportation (from 6.7% to 53.7%), construction (from 38.4% to 66.7%) and industry (from 12.9% to 66.7%) has increased most significantly. The role of small business in exports is also increasing - while in 2000 small business accounted for only 10.2% of exports, today it accounts for 27.8%. At the same time, over 80% of jobs in the

²¹ Ислам Каримов. Доклад на заседании Кабинета Министров, посвященном итогам социально-экономического развития в 2013 году и важнейшим приоритетным направлениям экономической программы на 2014 год. – www.uza.uz

country are created by the non-governmental sector.²²

Large economic projects are also working. Thus, in early October 2016, Foreign Direct Investment Intelligence recognized the free industrial and economic zone "Navoi" the best in all of Central Asia.

In order to further improve the business environment, create the most favorable investment climate, increase transparency in the activities of government and economic management bodies, and radically improve the conditions for doing business on this basis, targeted measures are being taken and appropriate legislative acts are being adopted. Among the recently adopted legislative acts it is possible to note the Decree of the President of the Republic of Uzbekistan from April 7, 2014 № VII-4609 according to which the "Program of additional measures on the further improvement of the investment climate and business environment, increase of efficiency of stimulation of development of business activity for 2014-2015" was approved. In accordance with this program, a number of specific measures are planned to improve the efficiency and transparency of the activities of public administration and public authorities at the local level in relations with business entities, etc.

At the same time, despite the measures taken, the current state of business environment in Uzbekistan does not fully meet the requirements and principles of free market economy, generally accepted international norms. The practical implementation of developed measures to improve the business environment at the local level remains inadequate. In this regard, the tasks of raising awareness of the essence and significance of democratic market reforms being undertaken in the country, aimed at improving the conditions for doing business, are very relevant today, as before.

All the aforesaid determines the necessity of constant, systematic study and monitoring of the state of implementation, measures taken in the sphere of support of small business and private entrepreneurship, the level of political and legal culture of its subjects.

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