

The Role Of Regional Governance In The Development Of Small Business And Private Entrepreneurship

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Abstract:*The article offers a proposal for the effective organization and management of individual small businesses and private entrepreneurship in the integrated development of the national economy for the development of industry, agro-industrial complex and services in order to ensure a strong position of the Republic of Uzbekistan in the world market and competitive advantages. recommendations are described.*

Key words:*small business and private entrepreneurship, welfare, competitiveness, export potential, share in GDP, region.*

1. INTRODUCTION

With the formation and development of market economy relations in Uzbekistan, in the process of economic reforms, regardless of the form of ownership, a new relationship between the state and society is formed, which ultimately paves the way for further development of material well-being and economic potential. Especially in the current context, the demand for quality of products and services and the crucial role of competition in this process is very important, and in recent years in Uzbekistan this process has received a lot of attention. This is due to the fact that the positive changes in the country's economy are crucial for the growth of production and increasing the competitiveness of goods and services produced in the country. Reform of economic relations, reorganization of the management mechanism of enterprises, covering all aspects of their activities. This, in turn, leads to an increase in consumer tastes and needs, which in turn increases the quality of products and the need to use the principles of competitiveness.

It is an objective necessity in a market economy that the formation and development of a competitive environment takes place between economic entities with different forms of ownership. In recent years, small business and private entrepreneurship, as a rapidly adapting

sector of the economy, play an important role in filling the domestic market with consumer goods, expanding new and modern types of services, developing export potential. Therefore, special attention was paid to the rapid development, promotion and support of small business and private entrepreneurship, which play an increasingly important role in ensuring economic growth, creating new jobs, solving the problem of employment, increasing incomes and welfare of the population.

As a result of the implementation of decisions to support small business and private entrepreneurship, the reduction of inspections, the reduction of financial and time costs for doing business, the introduction of a registration notification system, the number of registered and operating small businesses has grown rapidly. there are also positive trends in their economic performance.

2. LITERATURE REVIEW

The science of territorial governance began to take shape in the aftermath of World War II in the form of a settlement theory in western countries. One of the first to provide such analytical knowledge was the American scientist U. Ayzard (W. Isard) summed up. In his scientific work, he showed the interdisciplinary interdependence of this new field, and using the sciences of economics, geography, ecology, sociology, political science, psychology, and jurisprudence, U. Ayzard and his student T. The formation of regional economics as a new scientific direction by Rayner (T. Reiner) was completed in 1966. The book "Methods of regional analysis: introduction to the science of the region", published in 1966, has been translated into Russian and is still a classic in regional research.

They explained that "territorial governance is a new field of general sciences, using the theories and discoveries of other general sciences." In this regard, special attention is paid to the study of regional aspects of human activity. The purpose of this study and analysis is to reveal not only the territorial interdependence of man and his activities, but also their relationship to man and the natural or altered environment. In its logical sequence, it uses a wide range of mathematical models in the science of territorial administration. Here, the word "Territorial" refers to a systematic approach to the regions of human habitation, while "Science" refers to the development of theoretical schemes of general nature and the application of specific methods in research.

Classical economists have analyzed regions in terms of the availability of natural resources, population, production and consumption of goods and services, but have not studied the region in terms of the subject of economic relations and economic interests. A.G. Granberg put forward four basic concepts of region: region-state; territory-corporation; region-market and region-society.

Yu.N. Gladkiy and A.I. Based on their research, the Chistobaevs introduced the term "knotted area" in geography, which is defined by the concept of areas, ie the flow of substances, energies or data that occur or spread from one point.. Based on these considerations, socio-economic geography can include nodal areas, administrative regions, residential areas, sales areas, raw material areas of industrial enterprises, and more.

RV Obodets noted that the main elements of socio-economic development of the region are two groups of material (labor and natural resources and production and budget resources) and intangible (time, intellectual and information resources).

N.G.Chumachenkoto ensure the economic development of the regions, in the assessment of all the elements of its management in the territory of the region, a study was conducted, highlighting the possible impact of them on strategic development.

3. RESEARCH METHODOLOGY

The research used economic analysis, statistical grouping, comparative and systematic and logical, expert evaluation and other methods.

4. ANALYSIS AND RESULTS

It is no secret that in order to develop small business and private entrepreneurship in Uzbekistan and create favorable conditions for its activities, measures are being taken on a large scale every year. We all know that the most important tasks and priorities of the 2016 economic program are to provide full freedom for the rapid development of private property, entrepreneurship and small business, to protect the interests of the industry.

An important link that provides employment and its main source of income is small business and private entrepreneurship. Indeed, the day-to-day development of small business and private entrepreneurship is having a positive impact not only on employment, but also on the well-being of the population. At the same time, it is safe to say that the social stratum, which earns money through their labor and entrepreneurship, has formed, in modern parlance, the business elite. In particular, in 2014, the share of small business and private entrepreneurship in GDP was 56%, while in 2015, this figure was 56.7%. This is a clear confirmation that the share of small business in GDP is growing from year to year. It is gratifying that more than 980,000 jobs have been created in the field of small business and private entrepreneurship, of which more than 60% are in rural areas and more than 480,000 college graduates are working in this field.

In this regard, President Islam Karimov said, "Our main goal is to move forward despite the existing difficulties, to continue the ongoing reforms, structural changes in our economy, to open the way for private ownership, small business and entrepreneurship."

In the context of the global financial and economic crisis, only the most efficient production and service entities in the current competitive environment can operate sustainably and increase their profits as a result. Productive work in the field of small business and private entrepreneurship leads to high efficiency. In addition, the location of the region and the demand for local raw materials, labor, domestic markets and other factors have a direct impact on the development of entrepreneurship and business, but also determine the future development parameters of business entities (Figure 1).

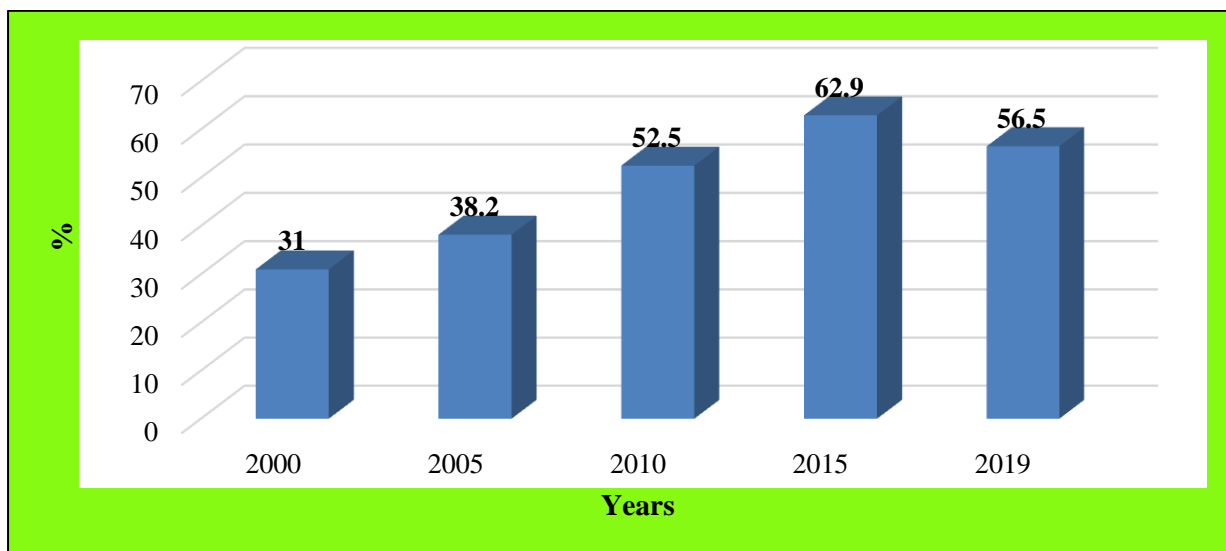


Figure 1. The share of small business and private entrepreneurship in GDP in the Republic of Uzbekistan is%

If we pay attention to the data shown in Figure 1, we can see that in 2019, compared to 2000, the share of small business and private entrepreneurship in the GDP of the Republic of Uzbekistan increased by 24.5% to 56.5%. However, this year it decreased by 6.4% compared to 2018, which in turn indicates that the existing opportunities in the regions of the Republic of Uzbekistan are not fully used, the leading sectors of the economy are developing disproportionately in the regions. The decrease in the share of small business in GDP is also explained by the increase in the share of large enterprises. In this regard, of course, it is important to provide the regions with the conditions and resources for the production of certain products or services.

In 2019, the largest number of newly established small enterprises and micro-firms in the city was in Tashkent - 18,252, Tashkent region - 9,671, Samarkand region - 7,980, Navoi region - 7,129, Fergana region - 6,712, Andijan region - 6,632. The lowest rate was in Syrdarya region - 3153.

In January-December 2019, the largest share of exports of goods (goods, services) by small businesses in the regions was in Khorezm region - 88.7%, Namangan region - 80.1%, Syrdarya region - 79.7%, Samarkand region - 76.2%, in Surkhandarya region - 73.5%, in Bukhara region - 67.7%, in Jizzakh region - 67.1% and in Andijan region - 57.8%. The lowest rate was in the Republic of Karakalpakstan - 20.8%.

According to the United Nations Development Program, Uzbekistan is among the top ten countries in the world in terms of business facilitation reforms over the past year. It is necessary to carry out the development of the sector in order to further enhance these achievements and at least keep them in such a positive position. In this regard, first of all, it is expedient to reduce the time for finding, attracting and putting financial investments into production, as well as to make effective use of the deadlines set in the work with formal and regulatory documents. This is because, as a rule, for a small business that does not have highly qualified professional financiers, the above operations create additional difficulties.

Therefore, small businesses are interested in expanding opportunities to attract tangible investment.

With the exception of intellectual resources (technology, know-how, brands, etc.), but in this area, too, in the eyes of a small business is not enough money to buy a finished product, but it is better to take the finished product itself as an investment. Leasing, franchising and tolling are widely used among various forms of attracting material investment in a number of countries implementing market reforms. In addition, these forms are given a significant place in the existing and developing policy and regulatory documents of the state support of small business.

The effectiveness of the use of various forms of material investment is largely determined by the level of development of a special regulatory framework governing the relationship that arises in such operations, the development of the relevant market infrastructure. The implementation of public policy, which provides favorable conditions for the development of private entrepreneurship and investment in this area, requires constant improvement of the institutional and legal system. Also, the effective operation of this system requires that all its elements are constantly interacting and coordinating their activities, with very little duplication of each other's functions.

On the basis of the study of the formation and development of small business and private entrepreneurship in the country's economy, the study of specific aspects of small business development, the impact of the development of this sector on the welfare of the population, the study of non-traditional forms of business in the region. and ensuring the effective operation of private entrepreneurship is one of the priorities in the development of the national economy. In particular, small business and private entrepreneurship play an important role in the transition of the economy to an import-substituting and export-oriented basis.

In this regard, the strategy of further development of the Republic of Uzbekistan Continuation of institutional and structural reforms aimed at reducing state participation in the economy, protecting the rights of private property and further strengthening its promising role, stimulating the development of small business and private entrepreneurship, identified in the third "Priorities for Economic Development and Liberalization"; creation of a favorable business environment for the broad development of small business and private entrepreneurship, strict prevention of illegal interference of state, regulatory and law enforcement agencies in the activities of business structures; It is important that further deepening and simplification of procedures for privatization of state property, reduction of state participation in the charter funds of economic entities, creation of favorable conditions for the development of private entrepreneurship on the basis of privatized state property continue.

5. CONCLUSION/RECOMMENDATIONS

We believe that the following should be done to further develop small business and private entrepreneurship in the Republic of Uzbekistan.

1. It is necessary to extend the interest rates on repayment of microcredits, further simplify the documents issued by the borrower.

2. Granting privileges to small businesses in advertising their products and services in the press and mass media.

3. Simplify the process of converting funds needed for small businesses to purchase new technologies in order to expand production.

4. Conducting seminars and trainings with the exchange of foreign experience in order to improve the activities of the "Single Window", which provides adequate advice and guidance to entrepreneurs, training and, if necessary, qualified personnel.

It is expedient to expand the business sector, to devalue existing enterprises, to improve the quality of products produced by entrepreneurs of our region, to develop their export potential, to study foreign experience, to improve the skills of personnel.

5. Establishment of innovative cooperation between small business and private entrepreneurship and higher education and research institutes.

In short, the Government of the Republic of Uzbekistan has been consistently implementing the process of liberalization of all sectors of the economy and further deepening economic reforms and prioritizing the development of small business and private entrepreneurship. , is an important factor in increasing the income and welfare of the population.

Of particular interest in Uzbekistan is the investment climate by sector for small business and private entrepreneurship. In this regard, some specific indicators of small business include:

- A regional indicator of the development of the system and infrastructure of state support of small business;

- the presence and level of development of large firms competing in the market sectors they occupy (for example, in the field of services or trade);

- The level of development of the local banking system and other factors.

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