Stages of Formation of Private Entrepreneurship in Navoi Region

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A B S T R A C T

The article analyzes the state policy aimed at the development of private entrepreneurship, as well as the features of the development of market infrastructures aimed at supporting small and medium-sized businesses.

R T I C L E I N F O

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With the issuance of the Decree of the President of the Republic of Uzbekistan dated January 21, 1994 "On measures to further deepen economic reforms, ensure the protection of private property and the development of entrepreneurship" in Uzbekistan, a favorable environment was created for the development of private entrepreneurship. The decree introduced mechanisms for the protection of private property, defined a system of benefits for private enterprises, their access to the means of production, reduced the rates of export duties, exempted goods imported into the republic from duties[1].

The development of private entrepreneurship and small business contributed to the creation of new jobs, the growth of employment of the population and freed the budget from the costs of paying unemployment benefits, providing the market with the necessary goods and services. Helped to intensify competition and improve product quality, reduce retail prices.

To provide the means of production for entrepreneurs, the government of the country used various ways. The first of them was based on the demonopolization of state property, which was carried out by breaking up factories and trusts. This process was most intensive in the sphere of services and services, in particular in the systems of "Uzbeksavdo", consumer cooperation "Uzbytsoyuz". As a result of the Navoi region, the head departments of trade of Oblpotrebsoyuz, GORPO, RAIPO [2].

were abolished. Trade objects - shops, shopping centers, warehouses were privatized. The work supply department, located in the structure of the Navoi Mining and Metallurgical Combine, was replaced by the Gornyak Trade and Production Enterprise (CCI).

The second path to the means of production for entrepreneurs was opened by the sale by competition and at auctions of unfinished construction projects, unprofitable small and medium-sized enterprises, gas stations, trade and service facilities, land plots, and vehicles.

With the adoption in December 1995 of the Law "On stimulating the development of small and private entrepreneurship", the main directions of stimulating this sector were determined, both at the state and regional levels[3]. At the state level, the regulatory and legal framework was improved, at the regional level, incentives for local taxes and fees were established, and territorial programs were developed. The creation of conditions for the development of private entrepreneurship has led to the fact that the number of commercial and industrial enterprises of a private form is growing.

In January 1995, the Decree of the President of the Republic of Uzbekistan I. Karimov "On the initiation and stimulation of private entrepreneurship" was adopted. For the first time in the practice of post-Soviet states, up to 50% of the funds received from the privatization of state property were allocated for the development of small and medium-sized businesses[4].

The state is consistently creating an integral system to support and develop small business and private entrepreneurship. Under the leadership of the khokim of the region, the Council for the Support of Small and Medium Business and Private Entrepreneurship begins to function, as well as a commission for the selection of investment projects for the development of small and private business. In 1998, in order to expand the role and activities of private entrepreneurship, by the decision of the

State Committee of the Republic of Uzbekistan on Property and Support of Entrepreneurship, a department for small and medium-sized businesses and private entrepreneurship was opened at the Navoi Territorial State Property. The main activity of the department was to support, stimulate small and medium-sized businesses. In addition, the department was engaged in the registration of SMEs, provided direct assistance in obtaining loans from commercial banks, assistance in drawing up business plans and monitored their activities.

To protect the interests of the entrepreneurial sector of the economy, accelerate the formation of a class of owners, as well as protect their rights and interests, the Chamber of Producers and Entrepreneurs of Uzbekistan with its territorial divisions was established in 1996. Among the main areas of its activity are the organization of training and retraining of personnel for entrepreneurial activities, the identification of problems that hinder the development of entrepreneurship.

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High adaptability and quick response to changes in market conditions, susceptibility to technical innovations and the ability to carry out technical modernization of the economy have become great advantages of small and medium-sized businesses over large ones. If in many developed countries several criteria were used to classify small and medium-sized enterprises, then in Uzbekistan, according to Article 5 of the Law of the Republic of Uzbekistan "On guarantees of freedom of entrepreneurial activity" since 2000, one indicator of the number of employed workers was used. Small enterprises include enterprises with an average annual number of workers employed in the industry of no more than 40 people, in construction - 20 people; in science, scientific services, retail trade and other branches of the non-production sphere - no more than 10 people[5].

On August 15, 1997, in accordance with the Decree of President I. Karimov "On improving the management of local industry bodies", in order to improve the competitive environment, the state enterprise "Makhaliy sanoat" was abolished and on its basis the production and trade joint-stock company "Makhaliy sanoat" was established. This decree made it possible to achieve good results in solving the food program for the region.

With the issuance of the Decree of the President of the Republic of Uzbekistan in July 2002 No. UP-3076 "On further improvement of the taxation system in the field of trade and public catering", from July 1, 2002, a single imputed income tax was established for small enterprises and microfirms in the retail trade. This was an important step in supporting the merchant service system. As a result, the quantity and quality of retail and household facilities has increased dramatically.

In 2003 small business entities were registered in the reports of statistics bodies, their share in retail trade was 35.8 percent, in 2007 12,770 entities were registered, their share in retail trade was 48.3 percent. However, the involvement of small businesses in international trade remains a significant problem.

With the adoption in February 2003 of the Resolution of the Cabinet of Ministers "On additional measures for the development of a network of retail trade, public catering and consumer services for the population in 2003-2006." consumer services.

In order to stabilize and increase the level of consumer services for the population of the republic and the accelerated development of a mixed economy based on private property, the Cabinet of Ministers adopts Resolution No. 399 on the creation of territorial associations. The number of executive staff should not have exceeded 5-7 people. This decree introduced certain benefits. Until January 1, 1997, for the enterprises of the Uzbektsoyuz system, the executive part of the proceeds from the provision of services was retained for objects for the purchase of material and raw materials for cash.

In the sphere of providing communication services, electronic information networks and telecommunications, a number of necessary measures were implemented related to the development of telegraph and telephone communications. In the 10th micro district of the city of Navoi, a telephone exchange was put into operation, serving 10,000 subscribers. Installation of telephones was carried out on the Sputnik array near the railway station. The introduction of advanced technologies into the communications system contributed to the opening of the cellular companies "Koscom", "Uzdunrobito", "Yusel", "Beeline", "MTS".

In May 2007, the Resolution of the President of the Republic of Uzbekistan No. PP-640 "On additional measures to accelerate the development of the service sector in the Republic of Uzbekistan until 2010" was issued. 2007, according to which the updated basic and target parameters for nine areas of services to the population were approved.But most importantly, until December 31, 2010, the tax incentives for microfirms and small enterprises, established by the Resolution of the President of the Republic of Uzbekistan of April 17, 2006, were extended. It was envisaged to raise the quality of the service sector to a more developed level with bringing the share of the service sector in the domestic regional product in 2010 to 30.9 percent[6].

The growth in capital investments in private enterprises has led to an increase in the repair shops for televisions, shoes, refrigerators, and electrical appliances. In 2017, the number of model houses was brought to 168, hairdressing salons - 171, shoe repair shops - 245, household appliances repair shops - 59, photo studio - 241, bathhouses - 35 and other services – 76.

In 2019, USD 15.8 million in foreign direct investment was attracted, 140 percent more than the annual plan. 70 projects were implemented for 387.5 billion soums, 1203 jobs were created and 11 billion 600 million soums were transferred to the state budget[7].

Conclusion

Thus, in addition to traditional types of services - household: hairdressing salons, sewing and repairing clothes and shoes, trade and public catering, new promising areas such as tourism, construction and repair of apartments, hotel industry have been developed in the region. A market has emerged in insurance and leasing activities, in terms of consulting and legal services. This area has expanded with the creation of technoparks, eco-parks in the region, when by the decree of the President of the Republic Shavkat Mirziyoyev, starting from 2019, conditions are created in each region for the creation of innovative parks, clusters.

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