

Opportunities for Small Business and Private Entrepreneurship Development in Rural Areas

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Annotation: In this article, if you follow the idea that a business in a village is not promising and the benefits it can bring are very small, you are not sufficiently aware of the issue and do not have real resources and opportunities to expand your business. . Of course, you can't get a decent level of income right away - given the information on how to implement a business idea from scratch.

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Despite ongoing urbanization and the outflow of population and capital to cities, the countryside still remains an attractive place for investment. Even someone with no entrepreneurial experience can try to start a business in a village. 78.3% of the country's employed population is engaged in small business, compared to 49.7% in 2000. The share of small business in the production of industrial products in 2000 was 12.9%, in 2017 this figure was 39.6%, in agriculture - 99%, in construction - 65, 1%, in retail trade turnover - 88.4%. The share of small business in the country's total exports was 27%, imports - 50%, and investment - 32%. According to the current legislation, the average annual number of employees in agriculture, forestry and fisheries - up to 50 people, depending on the type of activity - from 100 to 270 people; in trade and services - entities with 25 to 50 employees are classified as small enterprises.

The following conditions have been created in the country for the development of small business and private entrepreneurship:

1. The registration time for small businesses is 30 minutes. Only one document is required to register as an individual entrepreneur, and two documents are required to register a small business as a legal entity.

2. The single tax rate, which is an important factor in creating favorable conditions for the development of small business in almost all industries, is 5% of the volume of goods and services sold. At the same time, the current rate of the single social payment for small businesses is 15%.
3. Newly established manufacturing enterprises with foreign investment shall be entitled to apply the rate of taxes and mandatory payments for five years from the date of their registration. From 2018, small businesses with more than 1 hectare of land will be required to pay a single land tax.
4. Financial support for small business is provided through: the provision of loans by banks at reduced rates; Guarantee of 50% of business loans provided by the State Fund for Entrepreneurship Support and reimbursement of accrued interest on loans from commercial banks.
5. Business interests are protected by the institution responsible for protecting the rights and legitimate interests of business entities. In Uzbekistan, unscheduled inspections of small businesses have been abolished, and for the first time, businesses have been exempted from all types of administrative fines for financial and economic offenses.
6. Entrepreneurship support centers have been established in all regions of the country in the "single window" centers that provide public services to businesses. "Business incubators have been set up for start-ups to create their own business plans, provide legal and practical assistance, and obtain the information they need to operate.

Not all of the ideas listed below apply the same in different settings. Before developing a business plan, you should carefully study all the features of the rural settlement: population, its composition, and the main types of employment, purchasing power; the size and number of streets; regional distances and regional centers. It is necessary to assess not only the situation in the selected region, but also the conjuncture of the whole region.

If the work is organized in the field of agriculture, the condition of the soil and the possibility of growing certain crops will be assessed. Assessing competition in the chosen location is also an important step. In many cases, small businesses in rural areas do not have large coverage, so even if there are one or two strong competitors in the market, the route may not be profitable. The search for suppliers of raw materials and product buyers is carried out before the implementation of the plan, and not during it, because it is impossible to make money without having regular and reliable customers in any field of activity.

As of April 1, 2018, the number of small businesses operating in the country (excluding farmers) amounted to 238.5 thousand (99.4 thousand in 2001). In particular, 8.2% of them are small businesses and the remaining 91.8% are micro-firms. If we analyze this indicator by sector, 9.1% of small businesses are in agriculture, 20.9% in industry, 11% in construction, 34% in trade and catering, 5.2% in transportation and 19% . . We can see that 7 percent are operating in other areas.

In the regions, the share of small businesses in industry was 71.3% in Tashkent, 68.4% in Namangan, 61.3% in Jizzakh and 55.5% in Samarkand. The same figure was 29.6% in Tashkent region, 23.1% in Kashkadarya region, 18.8% in Navoi region and 18% in the Republic of Karakalpakstan.

At the same time, we need to highlight the problems that prevent small businesses from reaching their full potential.

1. More than 62% of small business employees are self-employed, while only 16% are small businesses and micro-firms. The lowest employment rates of small businesses are in Navoi (11.3%),

Kashkadarya (12.4%) and Tashkent region (13.2%). 34.2% of small businesses are employed in agriculture, 12.7% in industry, 11.6% in construction, 13.4% in trade and 28.1% in services.

Small business and private entrepreneurship are important factors in economic development, employment and income. Over the past two and a half years, more than 50 Presidential decrees and resolutions have been adopted to provide comprehensive support to the representatives of this sphere.

In particular, the procedures for state registration of business activities, obtaining various permits and many other services have been simplified. To facilitate this, the Public Service Agency and its local centers have been established. The post of Business Ombudsman was introduced to protect the rights and legitimate interests of business entities.

Prime Minister's receptions have been set up in all regions to receive and resolve business complaints. The State Fund for Entrepreneurship Development under the Cabinet of Ministers has been established and allocated 200 billion soums and \$ 50 million. The volume of loans provided by commercial banks to entrepreneurs has increased.

Such practical measures are bearing fruit. Small business provides about 60% of the country's GDP, a third of industrial output, 98% of agricultural output and half of investment. In many regions, small businesses account for 70-90 percent of exports. In the first six months of this year, the number of business entities increased by 60,000.

At the meeting, it was noted that these indicators are the first results of the reforms, and the main focus was on solving the problems that still remain. The head of our state stressed that the governors of regions, districts, cities and their first deputies should work in a completely new way and spend 70% of their time on the development of entrepreneurship in the region.

Each oblast, district, and city khokims and their first deputies were tasked with introducing a new incentive system based on the number of newly established or revived small businesses and the number of jobs created in them.

It was noted that the viability of enterprises should be one of the main criteria in the assessment. In other words, if at least 50% of the established enterprises have been operating for the last 3 years, additional financial incentives will be provided to the governor and his first deputy for entrepreneurship, heads of regional branches of the Chamber of Commerce and Industry.

An industry-wide analysis of the above items shows that we can see a relatively low level of small business in an industrial sector where job creation is more efficient than in other sectors. Maintaining the current growth rate could lead to problems in the future with rising wages and real incomes from entrepreneurship. This situation may lead to the restriction of social guarantees provided by the state to the population. In the development of small business in our country are areas with high potential for the production of construction and decoration materials, tools, machine parts and equipment, electrical engineering, chemicals, pharmaceuticals, many types of consumer goods and others.

Increasing the contribution of small business to the country's economy, creating small industrial zones, improving the investment climate and competitive environment, expanding public procurement in the framework of public-private partnerships with small businesses, strengthening mutually beneficial cooperation between large and small enterprises, innovation through the involvement of business entities in the process.

It should be noted that it is important to provide financial support to successful and promising small enterprises that have sufficient export potential, but at the same time do not have sufficient capital for

further development. These measures will help create more jobs in the effective small business sector, increase access to world markets, increase the country's export potential and increase incomes.

For example, a study of the automotive and agricultural machinery industries found that there was almost no cooperation between businesses and large industrial enterprises, resulting in the import of domestically produced products and components. Unfortunately, some industrial enterprises do not even know how to work with customer demand, let alone small manufacturers. Therefore, the Ministry of Economy and Industry has been tasked with establishing industrial cooperation between ten major industries, including agricultural machinery, electrical engineering, construction materials, chemicals, and the automotive industry. In addition, the Ministry of Information Technologies and Communications was instructed to hold cooperation fairs and establish a "Single Electronic Cooperation Exchange Portal" to find products and services.

The meeting focused on another issue that hinders the development of entrepreneurship - the allocation of land for projects. It was pointed out that the system is still not transparent. For example, 3,500 hectares of land were provided to the Earth-Electronic Information System, of which only 1,300 hectares, or 37 percent, were put up for sale.

Currently, the application of an entrepreneur seeking a loan is considered in 3 stages, ie at the district-regional-republican level. An entrepreneur cannot get a loan without the consent of the central office of the bank. As a result, the process sometimes takes months.

Therefore, it is necessary to shift the issue of lending to one- and two-tier banks, and to increase the number of compact banking services centers with 10-15 states instead of 70-100 employees. While discussing the views of entrepreneurs on interest rates, it was noted the importance of strengthening the activities of the State Fund for Entrepreneurship Development, which was established to guarantee loans and partially cover interest. The lack of a systematic approach to demolishing businesses and compensating them was criticized. Of course, it is natural that some buildings will be demolished during the construction work. However, large-scale compensation payments are being incurred as a result of the demolition of buildings in large areas, regardless of future development plans.

Availability of space. A private country house, garage and an adjoining garden plot are a great opportunity to set up any business. You can set up a small workshop in your house without fear of disturbing the neighbors, organize a warehouse for finished products in your yard, and so on. The whole area is completely at your disposal.

Availability of resources. The land itself, which can be used for growing vegetables and fruits, raising livestock and many other activities, is a scarce resource for the townspeople, and not all types of agricultural machinery can still be found in the countryside. you are wrong. There are so many opportunities in this regard today.

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