

## PROBLEMS OF IMPROVING REFORMS TO IMPROVE THE BUSINESS

### ENVIRONMENT IN UZBEKISTAN

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#### ABSTRACT:

**This article emphasizes the importance of structural institutional reforms in Uzbekistan to ensure sustainable economic growth and the standard of living of the population by involving the population in entrepreneurship, employment and important aspects of financial measures to support entrepreneurship.**

**KEYWORDS: family business, business projects, farming, employment, fund, state program, craft development, project financing.**

#### INTRODUCTION:

Many reforms are being carried out in Uzbekistan in order to support entrepreneurs, who are a priority of the economy, to improve the business environment, to give them ample opportunities. In recent years, in order to facilitate and stimulate entrepreneurship in Uzbekistan, a number of regulations in the field have been critically revised, and outdated, outdated bureaucratic barriers and obstacles have been removed. As a result of the measures taken, the business environment in the country has improved, and a wide range of opportunities has been created for businesses and private investors.

#### RELEVANCE OF THE RESEARCH TOPIC:

In Uzbekistan, "positive changes in the development and support of entrepreneurship are widely recognized by leading international organizations. In particular, in the Doing Business 2020 report published by the World

Bank and the International Finance Corporation, Uzbekistan ranked 69th and was among the top 20 reformers in the world in terms of scale and effectiveness of reforms [1]. The urgency of supporting entrepreneurs is growing in the context of the ongoing Covid-19 pandemic around the world, and Uzbekistan is taking a number of measures to reduce its impact on entrepreneurs. In particular, they will be provided with financial assistance from the State Fund for Entrepreneurship Support, reduction of tax rates, extension of credit obligations, calculation of income and social tax for enterprises that are forced to cease their activities. Supportive measures, such as the transfer, are being consistently pursued.

#### PROBLEM STATEMENT:

There are some shortcomings in the application of entrepreneurship in Uzbekistan, which need to be addressed and reformed:

- Enhancing entrepreneurship in rural areas, providing them with financial and advisory support to start their own businesses;
- Creation of an effective system of rapid online consideration of applications of entrepreneurs. In the context of the Covid-19 pandemic, the issue of finding effective solutions to their problems online has become even more important.
- Expansion of tax benefits;
- Establish a system of marketing advice to entrepreneurs to study the industry, region, product in which they want to operate, to organize seminars for them to share experiences;

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### **THE PURPOSE OF THE STUDY:**

Creating an institutional framework to support small business and private entrepreneurship, which employs more than 70% of the working population, which accounts for 60% of GDP, the implementation of effective measures to solve their problems, strengthening preferential forms of financing.

The system, which supports the business environment, motivates entrepreneurs and businesses to resume and improve their operations even after a pandemic.

### **SCIENTIFIC ESSENCE:**

The study examines recent legislation in Uzbekistan to support entrepreneurship, its purpose and essence, the allocation of funds for entrepreneurship, and targeted government programs. The conclusions and recommendations made in order to stimulate entrepreneurship are an important part of the scientific nature of the research.

### **RESEARCH METHODOLOGY:**

Research methods to improve the business environment in Uzbekistan have been based on research methods such as system analysis, scientific abstraction, statistical grouping, and comparison.

### **ANALYSIS OF THE RELEVANT LITERATURE:**

The mechanisms of supporting the population's entrepreneurship in the country are improving, first of all, reflected in the Decrees, Resolutions, State Programs and other legislative acts of the President of the Republic of Uzbekistan, which are developed and implemented annually. Decree of the President of the Republic of Uzbekistan No. PD-5975 of March 26, 2020 "On measures to radically update the state policy on economic development and poverty reduction" reflects the consistency of work in this area, a number

of shortcomings and remedial measures he said. In particular, shortcomings in the systematization of business training and vocational training, including the evaluation of the effectiveness of all programs, the lack of a new industrial sector and strategy to strengthen the competitiveness of the country's industry, the need to improve poverty The system of public policy measures to reduce by improving the environment is reflected [2].

Russian Candidate of Economic Sciences Rodina T.Ye. According to him, the share of small and medium-sized businesses in developing countries averages 33%. In Russia, their share is one-fifth of GDP. Due to the improving business environment in Uzbekistan, the share of small business and private entrepreneurship in GDP increased from 30% in 2000 to 59.4% in 2018 [4].

Issues and measures to increase entrepreneurship in Uzbekistan are contained in a number of laws: President of the Republic of Uzbekistan "On additional measures for the broad involvement of the population in entrepreneurship and the development of family business in the regions" [5], "On additional measures to further develop crafts and support artisans" [6], "On the implementation of the program" Every family is an entrepreneur "[7 ]", "On measures to improve and increase the efficiency of work to ensure employment" [8], "Additional measures to improve the procedure for lending to projects implemented under state programs for the development of family business" Resolutions [9], "Strategy of actions on five priority directions of development of the Republic of Uzbekistan for 2017-2021" Development of science, enlightenment and digital economy It was strengthened by the Decree "On the State Program for the Year of Development" [10].

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## THE MAIN PART:

Uzbekistan is laying the groundwork for wide involvement of the population in entrepreneurial activities, their stable and additional source of income, further development of national handicrafts, implementation of entrepreneurial initiatives and improving the living standards of the low-income population through employment. Decree of the President of the Republic of Uzbekistan No. PD-5242 of November 17, 2017 "On measures for further development of handicrafts and comprehensive support of artisans", No. PD-5466 of June 27, 2018 "Youth - our future" Decrees of the President of the Republic of Uzbekistan dated January 17, 2019 No. PD-5635 "Strategy of actions on five priority directions of development of the Republic of Uzbekistan for 2017-2021" Active investments and social development Decree of the President of the Republic of Uzbekistan dated March 7, 2019 No PP-4231 "On the program of implementation of the Year of the President of the Republic of Uzbekistan", "Additional measures for the broad involvement of the population in entrepreneurship and the development of family business in the regions" Resolution of the President of the Republic of Uzbekistan dated November 28, 2019 No PP-4539 "On further development of handicrafts and support of artisans" Resolution "On measures" serves as a programmatic approach to the work to be done in this regard.

On March 26, 2020, the Decree of the President of the Republic of Uzbekistan PD-5975 "On measures to radically update the state policy on economic development and poverty reduction" was adopted. The decree emphasizes the need to ensure the coherence of the ministries and departments involved in the structural reform and development of the economy, the introduction of a modern and inclusive institutional system based on the

rapid identification and elimination of existing problems and obstacles.

At the same time, over the years, the country has created a wide range of benefits and conveniences for entrepreneurs, including the State Program of the President of the Republic of Uzbekistan "On measures to further develop crafts and comprehensive support for artisans", "Youth is our future". Implementation of the program "On additional measures to improve the activities of farmers, dehkan farms and landowners", "Every family is an entrepreneur" On the basis of the decisions of the Government of the Republic of Uzbekistan "On measures to improve and increase the efficiency of employment" it is planned to allocate soft loans.

In order to improve the credit system of financing, regional or district (city) Centers have studied in depth the wishes and desires of families, business entities and youth projects, the availability of sufficient conditions for this activity. The basis of the conclusion on the expediency of allocating loans for the proposed projects of each family and business entity, after the delivery of goods (services) at a contractual price (services) and the satisfaction of the project owner separation and transfer of products to the account of the supplier (service provider) [5].

Today, the development of entrepreneurship is recognized as an important direction of economic policy of the country. President Sh.M.Mirziyoyev has repeatedly stressed the need to support entrepreneurs in the country and thereby increase budget revenues.

The only way is to increase the number of entrepreneurs, to make people business, to find each governor to provide additional income to the budget, to create conditions for entrepreneurs and to work side by side with business representatives. It is quickly emphasized that almost every lecture pays

great attention to this very topic. This was announced by the President of the Republic of Uzbekistan Shavkat Mirziyoyev on January 8, 2020 at a meeting on the priorities for the development of entrepreneurship in the regions this year - "Even if one entrepreneur ceases to operate, it is a state of emergency." should be considered as, - said the President. - The basis of economic stability is to increase the number of competitive entrepreneurs.

Funding of projects and activities provided under the program "Every family is an entrepreneur" to provide additional impetus to the development of entrepreneurship, support of entrepreneurial initiatives and projects, expansion of access to financial resources for business entities It is important to implement it at the expense of the Development Fund, JSC People's Bank, JSCB "Microcreditbank", JSCB "Agrobank" and credit lines of international financial institutions.

Concessional loans are provided for a period of not more than 3 years with a grace period of 3-6 months at a rate of 8% per annum for people who want to start a family business, engage in certain income-generating activities and expand their activities. At the same time, starting from January 1, 2020, loans will be

issued through JSC People's Bank, JSCB "Microcreditbank" and JSCB "Agrobank" at the refinancing rate of the Central Bank of the Republic of Uzbekistan, from January 1, 2021 at rates set independently by commercial banks on market principles. given in [5].It should be noted that in accordance with the concept of further deepening democratic reforms and development of civil society in Uzbekistan, the protection of private property rights is improving.

In recent years, the Law of the Republic of Uzbekistan "On protection of private property and guarantees of the rights of owners", "On procedures for issuing permits in the field of entrepreneurial activity", "On family business" , "On guarantees of freedom of entrepreneurial activity" (in the new edition) and more than fifteen other laws were adopted.

Adoption of the Resolution of the President of the Republic of Uzbekistan dated October 24, 2019 No PD-4498 "On additional measures to improve the procedure for lending to projects implemented under state programs for the development of family business" The right to use public financial resources and set standards.

Table 1. Financing from centralized resources in 2020 in the development of population entrepreneurship TARGET PARAMETERS (billion soums)

	Naming of social programs	Funds to be directed in 2020	Due to the state budget and repayment of previously issued loans	At the expense of the Fund for Reconstruction and Development of Uzbekistan
1.	"Every family is an entrepreneur" program	2 418,0	2 418,0	
2.	Support program for farmers, dehkan farms and landowners	75,4	75,4	
3.	Craft Development Program	589,3	119,3	470 (50 million dollars.)
4.	Programs of funds under local governments	26,1	26,1	
5.	Employment assistance program	313,6	413,	
6.	Women and Family Support Program	161,2	261,2	
7.	"Youth is our future" program	398,5	598,5	
		<b>3 982,1</b>	<b>3912,1</b>	<b>470,0</b>

According to the table, the main part of the funds, or 61.8%, is planned to be financed under the program "Every family is an entrepreneur", and the next most important is the program of development of handicrafts. In our country, in particular, the issue that is most emphasized by the head of our state is the interests of the "People and the country." Therefore, many decisions of reforms are aimed at developing entrepreneurship and improving the welfare of the people.

### CONCLUSIONS AND SUGGESTIONS:

In order to liberalize the economy, support entrepreneurship and provide financial assistance in the country, it is advisable to continue the following:

- Systematic reduction of tax burdens;
- Training in entrepreneurship, business secrets and organization of courses on organizational, economic, marketing, financial, tax, customs issues;
- Formation of a system of measures that will open the door to entrepreneurs and digital technologies;
- Creation of an online platform of courses on entrepreneurship training;
- Preferential business financing, which is especially important for starting new business projects;
- The creation of a favorable business environment depends not only on the support policy at the national level, but also on the measures taken by regional and local authorities.

The established legal norms, the effective result of the measures will serve not only the welfare of entrepreneurs, but also the development of the country.

### REFERENCES:

- 1) Resolution of the President of the Republic of Uzbekistan dated November 20, 2019 No PD-4525 "On measures to further improve
- the business environment in the country and improve the system of business support"
- 2) Decree of the President of the Republic of Uzbekistan dated March 26, 2020 PD-5975 "On measures to radically update the state policy on economic development and poverty reduction"
- 3) Rodina T.Ye. «Realizatsiya natsionalnogo proyekta» maloye i sredneye predprinimatelstvo i podderjka individualnoy predprinimatelskoy initsiativy »v Rossii» // Sbornik tezisov dokladov uchastnikov nauchno-prakticheskoy konferentsii «Innovatsionnyye napravleniya integratsii nauki, obrazovaniya i proizvodstva» - Kerch: FGBOU VO «KGMTU», 2020. - 329-331s.
- 4) Official site of the State Statistics Committee of the Republic of Uzbekistan.
- 5) Resolution of the President of the Republic of Uzbekistan dated March 7, 2019 No PP-4231 "On additional measures for the broad involvement of the population in entrepreneurship and the development of family business in the regions"
- 6) Resolution of the President of the Republic of Uzbekistan dated November 28, 2019 No PD-4539 "On additional measures for further development of crafts and support of artisans"
- 7) Resolution of the President of the Republic of Uzbekistan dated June 7, 2018 No PD-3777 "On the implementation of the program" Every family is an entrepreneur "
- 8) Resolution of the President of the Republic of Uzbekistan dated July 14, 2018 No PD-3856 "On measures to improve and increase the efficiency of work to ensure employment"
- 9) Resolution of the President of the Republic of Uzbekistan dated October 24, 2019 No PD-4498 "On additional measures to

improve the procedure for lending to projects implemented under state programs for the development of family business"

- 10) On the implementation of the Action Strategy of the President of the Republic of Uzbekistan No. PD-5953 of March 2, 2020 on the five priority areas of development of the Republic of Uzbekistan for 2017-2021 in the "Year of Science, Enlightenment and Digital Economy" Decree "On the state program".