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Status and Prospects of Effective Use of Financial Resources by Small Business Entities in Our Country

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Annotation: ***World experience shows that small business entities can adapt to the market in a shorter period of time than other types of enterprises, play an important role in filling the domestic market with competitive products by creating new jobs, introducing modern equipment and technology into production, and building new production facilities. The increasing role of small business entities in the growth of our country's economy is the result of the measures taken in this regard.***
Keywords: small businesses, increasing, economy.

I. INTRODUCTION

Since small business entities have an important and significant place in the country's economy, the factors determining the necessity of their development can be summarized based on their following tasks. These fill the consumer markets with goods, help to ensure the smooth development of the economy, provide employment at a certain level, and lead to the development of the processing industry in agriculture, etc.

The priorities of the development of small business and private entrepreneurship require solving the following important socio-economic tasks:

1) Formation and development of market relations mentality and skills in broad population strata, to eliminate the prevailing sentiments of consumerism and consumerism in people;
2) Creation of new jobs in rural areas to provide employment to labor forces freed from agricultural production as a result of economic reforms and restructuring processes in agriculture;
3) Rapid development of market relations and infrastructure in rural areas, creation of favorable conditions for establishment of a competitive environment;
4) To increase the volume and improve the quality of banking, auditing, consulting, mediation, information and other types of services;
5) Creation of a favorable macroeconomic environment for the establishment of export-oriented production, etc.

Solving these tasks requires the development of a clear mechanism for the development of small business and private entrepreneurship. This mechanism consists of 4 sections, and Section I covers measures to be implemented at the macro level.

First of all, it envisages the improvement of the mechanism of taxation of small business and private business entities. Although many benefits are provided to small businesses and private entrepreneurs in our republic, there are also problems that need to be solved in this area. In particular, in our opinion, it is appropriate to reduce the rates of taxes and compulsory payments imposed on small businesses and private enterprises. World experience shows that revenues from small businesses to the state budget do not amount to a large amount. These enterprises cannot be an important source of budget revenues. Their main task is to create new jobs and bring innovation to the economy. In this regard, reducing the tax burden on small business and private entrepreneurship will lead to a decrease in the costs of social support for the unemployed. Also, the need for state support for the development of small business and private entrepreneurship will decrease.

Another of the measures that should be implemented at the macro level for the development of small business and private entrepreneurship is related to the improvement of relations between small business and banking institutions. Depending on the level of further liberalization of the economy, there should be new changes in the banking sector that will improve the relationship between banks and small businesses, in particular, entrepreneurs should not only have their own account, but also have the opportunity to apply for a loan to any bank.

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It is desirable to give banks the right to independently set interest rates on loans and deposits, to cancel restrictions on the amount of their commission premiums. Also, it is necessary to eliminate the existing segmentation of banks, replace them with more universal banks and create a healthy competitive environment in the financial market.

Commercial banks need to be freed from their uncharacteristic task of controlling how customers use their funds.

Another important issue is related to the absorption of foreign credit networks. Practice shows that the development of such credit networks is being implemented slowly. In many cases, this is due to the fact that work with foreign loans is not carried out properly. For example, it takes a long time from the approval of foreign financial organizations to open credit networks until the first selection of funds.

It should also be noted that manufacturers of mainly export-oriented products have the opportunity to receive loans from foreign credit networks, because the bank is interested in paying the loan in foreign currency. In this regard, entrepreneurs starting a new business almost do not have the opportunity to use credit resources.

Many entrepreneurs do not have sufficient knowledge and experience in preparing documents necessary for obtaining a loan. The business plans proposed by them are not sufficiently substantiated. Taking into account the above, it is important to introduce a system of short-term training of entrepreneurs. In this, the main attention should be focused on the preparation of documents necessary for mastering foreign credit networks, formation and development of the legal culture of entrepreneurs.

It is necessary to improve the system of incentives for small businesses and private enterprises in the field of foreign economic relations. In this, first of all, simplification of formalization of foreign trade operations has a special place. It is necessary to stop the practice of keeping funds in the amount of their full value in a special account for the goods received under the consignment contract. Instead, it is advisable to introduce a system of insurance of import contracts. Not only entrepreneurs, but also consumers will benefit from this, as it will lead to lower prices of imported goods.

It is necessary for the state to ensure strict adherence to established incentives for small businesses in terms of taxes and customs payments. Taxes should be paid only on the value of goods sold in the domestic market.

It is appropriate to revise the list of goods sold through commodity exchanges for freely exchangeable currency.

The establishment of a system of providing them with information will have a positive effect on the export of products of small businesses and private enterprises to the foreign market. In our opinion, it is necessary to establish a center for supporting the export of small enterprises in order to activate the involvement of small enterprises in foreign economic activities. It is desirable that this center has its own regional units. The main task of this center should be to provide methodological support to small enterprises in the production of export-oriented products, to adapt them to international standards, as well as to issue brochures and reference books for international markets. This center can also be tasked with conducting marketing research for small businesses, gathering information about potential partners and markets. Part II of the mechanism we propose covers micro-level measures and envisages the effective use of mutual relations and internal capabilities of enterprises.

The experience of developed countries shows that one of the important factors of sustainable development of small business is related to the establishment of franchise relations. One of the characteristics of the historical development of Uzbekistan is that there are a number of streets and even districts in which people engaged in certain crafts (blacksmithing, knifemaking, baking, etc.) and their activities were coordinated by neighborhood elders. Based on this, it is possible to establish mutual economic relations between large and small enterprises in Uzbekistan with the participation of neighborhood committees.

In researching the problem of small business and private entrepreneurship development, it is important to determine its quantitative and qualitative criteria. Studies show that in different countries, indicators such as the number of employees, turnover, assets, capital and profit are used as quantitative criteria for determining the status of small and medium-sized enterprises. In the CIS countries, including Uzbekistan, a single indicator - the number of employees employed in the enterprise - is used as a quantitative criterion for small enterprises. In our opinion, it is appropriate to use two criteria for identifying small business and private business entities - the number of employees employed in the enterprise and the annual turnover of the enterprise, and the attitude of the owner of the enterprise to labor and management of the enterprise and the level of communication with employees as quality criteria.

The essence of "enterprise-neighborhood" mutual cooperation is that small enterprises in one or more neighboring neighborhoods establish long-term economic relations with a large enterprise. Such cooperation would be beneficial for both parties. The positive aspects of this type of cooperation (franchising) were discussed in detail in the previous paragraph.

As a result of the implementation of the above measures, further liberalization of the conditions for doing business will be accelerated, cases of illegal interference of state bodies in private business will be completely eliminated, all obstacles and unreasonable restrictions on this path will be eliminated, material and raw materials of small businesses through open stock market and fair trade, opportunities to use credit and financial mechanisms will expand.

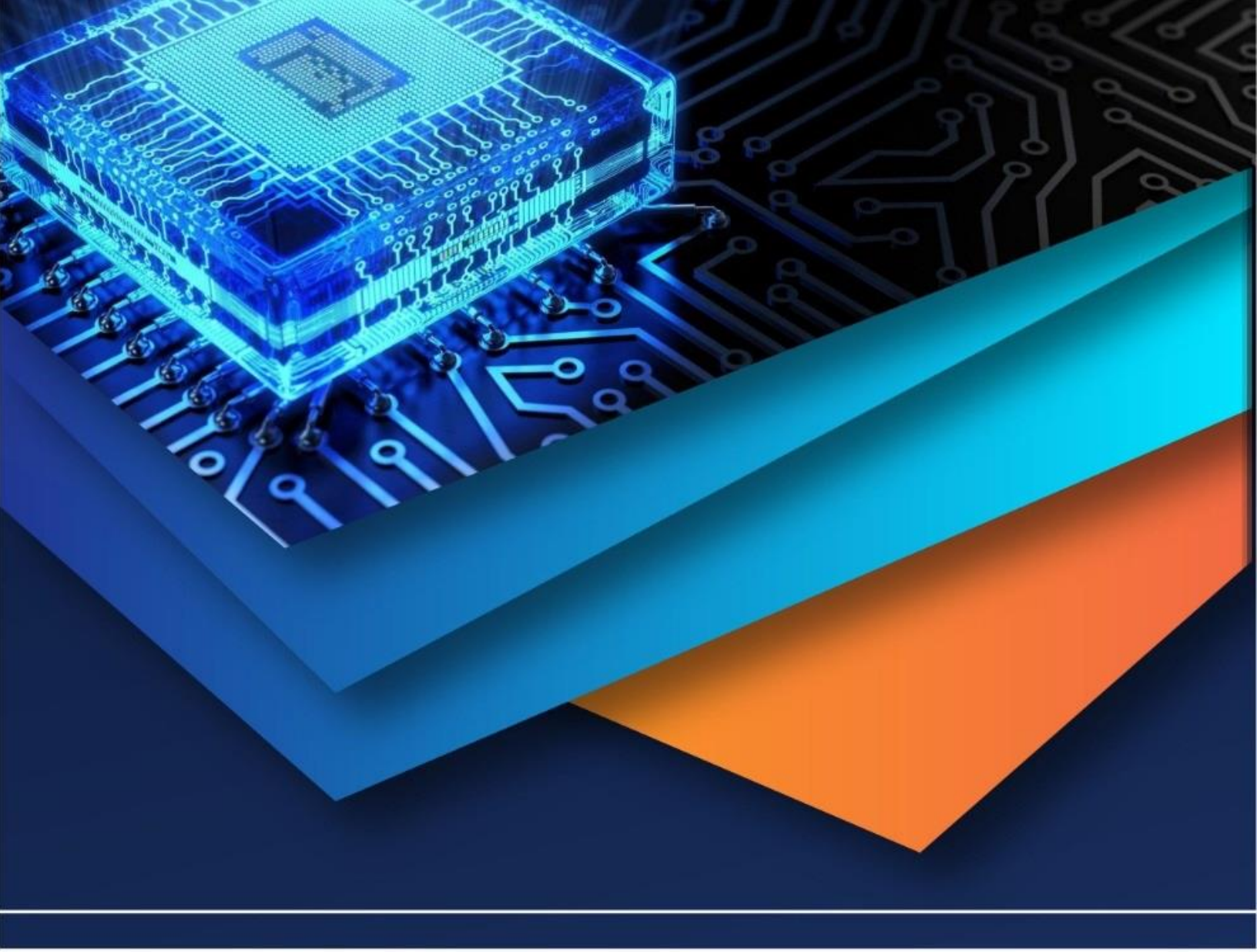
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