

## FOREIGN EXPERIENCE IN DEVELOPING SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP

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Today, the significance of small business and private entrepreneurship (SBPE) in the global economy is continually increasing. While in our republic, attention to this sector has significantly risen due to the tasks related to forming a socially oriented market economy, in other countries, the recognition of the priority importance of SBPE and the development of a comprehensive set of measures to advance it began much earlier. The attainment of such a priority position by SBPE and its evaluation as a key component in the structural-economic policies of the state is a common characteristic observed in almost all countries. It is confirmed that entrepreneurship is a primary driving force of the economy. Schumpeter criticizes the view of entrepreneurship as something that exists passively in some cases and recommends imagining an economy without entrepreneurship. He acknowledges that the energy and determination of an entrepreneur activate the investment cycle, enable reaching the peaks of technological progress, and revive and restore an economy in crisis.

The significant contribution of small business to the economies of foreign countries does not imply that there are no obstacles or problems in its development. This sector faces specific issues in its growth, including:

Often insufficient private funding required for organizing and expanding production;

High sensitivity and dependency of such enterprises on changes in market conditions;

The necessity of operating in a highly competitive environment;

The constant high-risk conditions faced by small business enterprises, especially in new areas of activity;

A range of obstacles and difficulties during the establishment phase, etc.

Accordingly, almost all countries have developed specific government policies to regulate the development of small business and private entrepreneurship (SBPE), create favorable conditions for their activities, and limit the impact of various obstacles. For example, the main objectives of government policy regarding small enterprises within the European Union can be expressed as follows:

Creating favorable market conditions for the development of small enterprises;

Supporting the equal rights of parties in market relations;

Ensuring a competitive environment and economic dynamism;

Creating new jobs, especially in regions where unemployment is acute;

Reducing social consequences and costs arising from intensified competition.

For small business and private entrepreneurship (SBPE) enterprises to fully realize their roles in shaping the competitive environment and to have a significant impact, they must have certain conditions. Specifically, the importance of market infrastructure issues for the effective operation of this sector is immense. In many foreign countries, including the United States, there is an advanced system in place: support and assistance for small business and private entrepreneurship are provided by numerous non-governmental and public organizations. These include organizations that promote the interests of SBPE, such as small business associations; foreign trade associations; trade organizations; and local organizations, clubs, and groups.

In another country, a preferential tax system for small business and private entrepreneurship (SBPE) has been implemented, which includes the following provisions:

Deduction of a conditional amount for wages paid to the business owner and their family members from the taxable income of sole proprietorships;

Lower tax rates for small enterprises; protection from taxation on a portion of small corporations' profits.

Companies participating in priority government programs may be eligible for additional tax benefits.

In Uzbekistan, the formation and development of SBPE is related to improving the standard of living of the population and the formation of a new class of property owners. SBPE entities play a crucial role in the economy by ensuring employment and healthy competition, filling the market with new products and services, and particularly contributing to social and political stability through the private sector.

When local and many international experts discuss the "Uzbek model" of development, they emphasize that the comprehensive measures supporting SBPE, which has become a leading sector in the country's economy in a relatively short period, are of great importance for its success.

Additionally, the Strategy of Actions on Five Priority Areas of Development of the Republic of Uzbekistan for 2017-2021 includes tasks aimed at:

Reducing state participation in the economy, protecting private property rights, strengthening its priority status, and continuing institutional and structural reforms to stimulate SBPE development;

Ensuring reliable protection of private property rights and guarantees, removing all obstacles and restrictions to the development of private entrepreneurship and small business, granting full freedom, and implementing the principle "If the people are wealthy, the state will also be wealthy and strong";

Creating a favorable business environment for the broad development of small business and private entrepreneurship, and ensuring strict prevention of illegal interference by state, law enforcement, and regulatory agencies in the activities of entrepreneurial structures.

Furthermore, President Sh. Mirziyoyev has emphasized the following measures to support the sector:

In 2021, 105 types of licenses and permits will be abolished, and the procedures for 115 types will be simplified. Continued support for entrepreneurs facing liquidity shortages due to the pandemic to help them "get back on their feet."

Extension of benefits for the tourism, transport, and catering sectors until the end of the coming year. Proposal to extend the deadline for paying land and property taxes for entrepreneurs by another year.

Thus, the foreign experiences in developing SBPE show that every country, including Uzbekistan, must develop and continuously improve an effective system of state regulation for SBPE, taking into account the internal characteristics of their economies.

In developing countries, creating favorable conditions for entrepreneurship and fostering a positive attitude towards small business within society are crucial. Therefore, our government has been paying serious attention to developing this sector since the early years of independence.

For this reason, we consider it appropriate to study and analyze the experiences of developed and developing countries based on various sources and apply these lessons to enhance the role of SBPE in our country's economic development.