

Small Business and Private Entrepreneurship: Ways of Support and Effective Organization

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Abstract

The article describes the formation stages of support systems for small business and private entrepreneurship in the globalization and the economic relations development between countries and it has been developed conclusions and recommendations for its effective development.

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Rapidly carrying out reforms in our country, creating conditions, conveniences and benefits paves the way for the effective operation of small business and private entrepreneurship. In order to fully support the representatives of this industry over the past two and a half years, more than fifty Presidential decrees and resolutions of the Republic of Uzbekistan have been adopted. Procedures for state registration of business activities, obtaining various permits and many other services have been simplified. The position of representative (Business Ombudsman) for the protection of the rights and legitimate interests of business entities has been introduced.

In developed countries, there are many research structures that study the entrepreneurship development by the state. Due to the rapid adaptability of local authorities to change, the entrepreneurship supporting task in countries such as Japan, the United States, Germany, the Republic of Korea is directly assigned to them.

The Action Strategy for the five priority development areas of the Republic of Uzbekistan for 2017-2021 sets such tasks as "Encouraging the small business and private entrepreneurship development, comprehensive and balanced socio-economic development of regions, districts and cities"¹.

If we look at the world experience, the activities of special state institutions or organizations established with the state or mixed capital participation, coordinating the complex measures implementation in the small business support. Such institutions include the Small business administration (SBA) in the United States, Small and medium enterprise agency In Japan, State Corporation for small business financing in South Korea and the Czech Republic, Specialized credit institution with state capital in Germany, Agency for entrepreneurship development (PARP) in Poland, Entrepreneurship development agency under the Ministry of trade and industry (SPRING) in Singapore, Entrepreneurship development fund joint stock company (DAMU) in Kazakhstan and the "Fund for financial support of entrepreneurship" in Belarus.

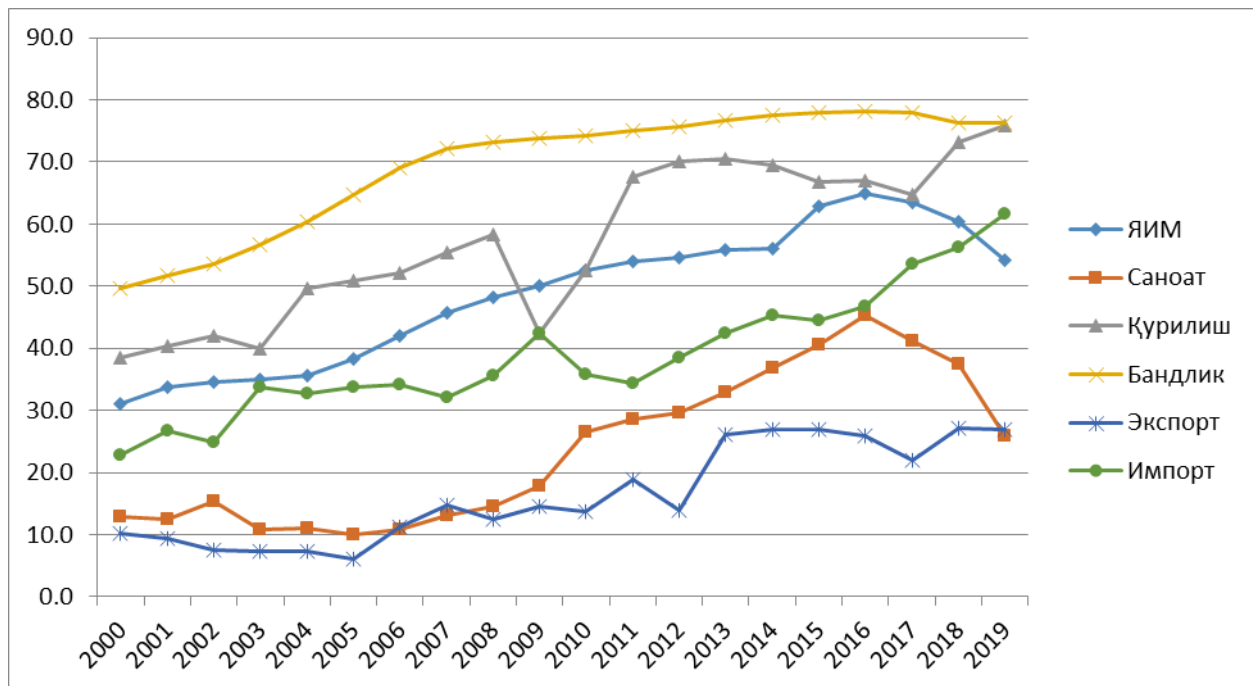
According to the Presidential Decree of the Republic of Uzbekistan on August 13, 2019 the world bank has established the agency for Small business and entrepreneurship development under the Ministry of economy and industry of the Republic of Uzbekistan as a government agency to expand the support system for business development and increase its efficiency, attracting the general public to do business and provide access to start-up capital.

As a result of the small business and private entrepreneurship importance in the country economy and its definition as one of the strategic directions, the systematic organization of work to support entrepreneurship, the industry began to develop rapidly (Diagram 1)².

¹ Presidential Decree of the Republic of Uzbekistan on February 7, 2017 PD-4947 "On the Strategy for further development of the Republic of Uzbekistan" // Collection of Legislation of the Republic of Uzbekistan, 2017, - № 6.

² www.stat.uz





According to the diagram, the share of small business and private entrepreneurship in imports and construction has increased in recent years, its share in GDP and industry has decreased, and its share in employment and exports has not changed.

Effective entrepreneurship, which provides independent activity and is a good source of income, is a difficult process and it requires from the entrepreneur, along with sufficient talent, will and perseverance, to work tirelessly, to increase sufficient experience and knowledge, to constantly work on their mistakes. These qualities encourage any entrepreneur to overcome himself and his shortcomings and lead him to success.

Sequences such as the formation of a business idea, the correct assessment of their status, develop an effective business plan, market research, selection of organizational and legal form of business and state registration, naming the enterprise, funding, advertising and public relations (PR-public relations) are important steps in the establishment of small business and private entrepreneurship.

When analyzing the surveys results conducted among small business and private entrepreneurship entities, the following recurring errors were identified by them:

- misjudgment of the business idea;
- lack of relevant knowledge, experience and skills in the field in which they operate or plan their activities;
- misidentification of the enterprise priorities;
- not knowing how to effectively manage their team and time;
- hoping to reap great benefits from the early activity stages;
- lack of desire to learn their direction and further improve;
- not knowing how to communicate with customers and clients.

In identifying effective ways to develop small business and private entrepreneurship, the following conclusions were reached:

1. Study the activity forms and methods of local authorities of developed countries aimed at small business and private entrepreneurship development, which in turn allows for effective management of entrepreneurial activity across regions.

2. In running a successful business it is expedient for entrepreneurs to have developed personal qualities such as firm character, aspiration for innovation and thinking beyond common standards, correctness, incomplete work, flexibility, quick response and ability to act in complex situations, sensitivity, a tendency not to give in to depression, and a tendency to analyze one's own behavior.

3. Before every entrepreneur starts their own business it is necessary to realize that it may lose its available funds, that running a business is inherently a complex process and that it is impossible to learn it in a short time, and to make a profit without any effort, that it is wrong to divert recent funds to business again without some experience.

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