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HISTORY OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP DEVELOPMENT IN THE CITY OF TASHKENT

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ANNOTATION

Today, in the context of globalization, small businesses and private entrepreneurship play a vital role in the socioeconomic development of all countries. In this period of rapid change, business and entrepreneurship are considered a crucial, strategically important, and priority area of economic reform. The research utilized methods such as historical comparison, systematization, and an interdisciplinary approach. The scientific novelty of the study lies in the following: It has been determined that the small business and private entrepreneurship sector was restored and developed in four important historical periods: firstly, the period of revival of the small business and private entrepreneurship sector and formation of the regulatory framework (1991-1995); secondly, the period of creation of the necessary conditions for the development of small business and private entrepreneurship (1996-2000); thirdly, the period of growth of small business and private entrepreneurship in comparison with previous periods (2001-2016); fourthly, the period of comprehensive support for entrepreneurs in the new Uzbekistan, creation of the necessary conditions for the further development of the sector and the establishment of a new mechanism for working with entrepreneurs' requests (2017-2021).

ABSTRACT

In the context of globalization occurring in the modern world, small business and private entrepreneurship play a vital role in the socioeconomic development of all countries. In this period of rapid change, attention is being paid to the sphere of business and entrepreneurship as one of the decisive, strategically important, and priority areas of economic reform. The research methods used such as historical comparison, systematization, and an interdisciplinary approach. The scientific novelty of the study lies in the following: The small business and private entrepreneurship sector is divided into four historically significant periods: first, the period of the revival of the small business and private entrepreneurship sector and the formation of the regulatory framework (1991-1995); second, the period of creating the necessary conditions for the development of small business and private entrepreneurship (1996-2000); third, the period of growth of small business and private entrepreneurship compared to previous periods (2001-2016). Fourthly, it was determined that in New Uzbekistan during the period (2017-2021) comprehensive support for entrepreneurs was restored and developed, the necessary conditions for the further development of the sector were created, and a new mechanism for working with

entrepreneurs' requests was established. **Key words:** entrepreneurship , small business , risk , license, market mechanism, consumer, financial crisis , profit.

INTRODUCTION

Relevance and necessity of the study . Today, in the context of globalization, small businesses and private entrepreneurship play a vital role in the socio -economic development of all countries . In the current period of rapid change, attention is being paid to the business and entrepreneurship sector as one of the decisive, strategically important, and priority areas of economic reform. This is because this sector is capable of quickly adapting to the demands and changes in global and regional markets and can quickly counter the threats and negative consequences of the global financial and economic crisis. In Uzbekistan , particularly in Tashkent, numerous

reforms are being implemented aimed at further developing small businesses and private entrepreneurship and creating a favorable business environment for entrepreneurs. In particular, an important regulatory framework for the sector has been created, providing entrepreneurs with wide opportunities. As President Shavat Mirziyoyev noted: "We must all stand shoulder to shoulder with entrepreneurs and always support them. In this regard, the rights of entrepreneurs "Ensuring the rights of citizens, especially the inviolability of private property, should be the main task of government agencies at all levels." [1] Large-scale work carried out to develop entrepreneurship, create a favorable environment for doing business, and protect the legitimate interests of entrepreneurs is one of the main factors in solving the problem of entrepreneurship among the population, especially employment. This necessitates scientific research into the stages of formation and development of small business and private entrepreneurship in Tashkent from a historical perspective.

Today, 90% of businesses in developing countries are small and medium-sized enterprises, and by 2030 they are expected to create more than 50% of jobs. The World Bank estimates that 600 million jobs will be needed by 2030 to meet the growing population. This will require rapid development and institutional modernization of small businesses and private entrepreneurship. [2]

The countries of Central Asia are fundamentally different from the situation of 20-25 years ago, both socioeconomically and politically. During this period, the countries of the region have undertaken extensive work to develop private enterprise, implemented structural changes in the national economy, and are continuing to modernize it. The globalization of the global economy, the strengthening of integration processes, and the rapid development of innovation pose the challenge for national economies to achieve international competitiveness and establish a strong position in the global marketplace.[3]

The aim of the study is a scientific study of the history of the development of small business and private entrepreneurship in Tashkent in 1991-2021.

Research objectives: to analyze the essence of small business and private entrepreneurship, its theoretical foundations and in Tashkent.

To reveal the genesis and historical evolution of small business and private entrepreneurship ; the state of private property and entrepreneurship in Tashkent on the eve of Uzbekistan's independence and in the first years of its existence, the initial problems of its further expansion and liberalization, and the reforms carried out; the main obstacles to the

development of small business and private entrepreneurship , their main causes and factors, as well as their analysis by industry and region; the role of family entrepreneurship in the rapid development of the entrepreneurial sector and ensuring employment of the population. and examine the historical development path of the sector in increasing economic competitiveness ; analyze issues related to active investment policy and attracting foreign investment from a historical perspective.

Thus, the history of small business and private entrepreneurship in Tashkent reflected the general trends of Uzbekistan's economic development, but acquired certain characteristics conditioned by its status as the capital and economic center of the country. Specifically, the key stages were:

1. The Soviet period (before 1991): During this period, small and medium-sized businesses were nonexistent. The economy was centralized, with state ownership predominating. Small cooperatives and workshops existed, providing repairs, household services, and manufacturing consumer goods. These were strictly controlled by the state and had little impact on the economy. Initiatives to develop private enterprise were minimal.

2. Transition period (1991-2000): After Uzbekistan gained independence, economic reforms began aimed at forming a market economy. A number of laws aimed at supporting entrepreneurship were passed, including the Laws "On Entrepreneurship" and "On Property." The privatization of state property began, facilitating the development of the private sector. In Tashkent, the capital, this process was more active than in other regions of the country. The first small businesses emerged in trade, catering, services, and manufacturing. This period was marked by instability, high inflation, and deteriorating infrastructure.

3. Development period (2001-2016): marketing research, a poorly organized wholesale trade system, insufficient material and technical resources for full-scale production of products, a large number of cases of interference in the economic activities of enterprises by government and regulatory bodies, illegal inspections, collection of taxes and other mandatory payments, problems with the provision of patronage and charitable assistance to entrepreneurs, as well as the involvement of entrepreneurs in the improvement and landscaping of territories.

4. Strategy for the Development of Entrepreneurship in the New Uzbekistan

(2017-2021): Due to the wide opportunities created for small businesses and entrepreneurs, the rate of the single social payment, which was considered burdensome for the business community, was set at 12% instead of the previous 25%. Customs duty rates were revised, duties on about 3.5 thousand goods and excise tax rates on about 800 goods were reduced, 26 types of licensed activities and permitting documents were canceled , 45 types were canceled through unification , 23 types were canceled by introducing a notification procedure, The processing times for 14 types of products have been reduced .

Establishment of microfirms, small and medium enterprises in Tashkent in 2000

No.	Districts	Total small and medium enterprises	Small business (including micro-firms)	Medium-sized enterprises
1	Uchtepa	350	323	27
2	Bektemir	110	102	8
3	Mirzo Ulugbek	500	461	39
4	Mirabad	500	460	40
5	Almazar	350	323	27
6	Sergeli	300	277	23
7	Yashnabad	400	369	31
8	Chilanzor	650	600	50
9	Shaikhontohur	400	368	32
10	Yunusabad	450	415	35
11	Yakkasaray	450	414	36
Tashkent city		4460	4112	348

Analysis of literature on the topic: We analyzed them into the following 2 groups according to regional and industry focus:

1) Literature published by local scientists;

2) Literature published abroad.

Of particular importance is the literature created by domestic scholars on historical topics in the field of dissertation historiography, which is distinguished by

a wealth of sources , analysis of this or that aspect of the issue. The works , textbooks and teaching aids they created contain information on the historical trends in the development of small business and entrepreneurship in Uzbekistan , ensuring employment of the population in this area, protecting private property rights and further stimulation of its priority areas. The issues are described . In this regard, the research and published books of R. Abdullaev, Sh. Rakhmatullaev, M. Rakhimov, E. Nuriddinov, Sh. Ziyomov, F. Rashidova, A. Khaliev, A. Golovanov, D. Gulomava, T. Mominov, N. Oblomurodov , A. Khazratkulov, K. Usmonov, M. Sadykov, V. Ishkuvatov, K. Nurullaeva on their topics are very indicative . In the published literature, the authors, as part of their research, addressed the issues of factors in the development of small business and entrepreneurship , the development of family business and crafts, as well as the role housekeeping in the development of the state. Some academic studies have highlighted the role of women in small business and private entrepreneurship during the period of independence. In particular, women's contribution to the development of the sector, especially in ensuring their employment, issues of increasing economic activity, housekeeping, and participation in family entrepreneurship have been reflected in some works based on new interpretations.[5]

According to the analysis of the historiographic materials of the dissertation, scientific research conducted on the economic topic also deserve attention. They describe the economic aspects of small business and private entrepreneurship in the years of independence, and in some places, some historical features of the industry. As examples, we can cite scientific sources and a

number of scientific studies published by N. Tukhliev, M. Sharifkhodjaev, E. Egamberdiev, H. Khodjakulov,

M. Kosimova , B. Khodiyev, A. Olmasov, A. Vakhobov , A. Kadyrov, H. Abulkosimov, A. Kulmatov, U. Kayumov, L. Lusenko, N. Madzhidov, Namatov , M. Eshov , M. Nasritdinova , O. Akhmedov, H. Sobirov, A. Fattakhov , S. Gulomov, F. Zakirov, K. Muftaydinov , O. Aripov and others .[6]

At the same time, the legal[7], socio-political[8], socio-economic, and economic-ecological[9] aspects of the development of this industry, as well as the problems of its innovative management, have been reflected in a number of scientific

studies and works by a number of Russian scholars. The authors mentioned above, A study of the works showed that a historical analysis of the topic we have chosen has shown that historical trends in the development of small business and private entrepreneurship in the years of independence have not been studied as a holistic scientific problem.

The second historiography group analyzed foreign literature. In this regard, it should be noted that issues of small business and private entrepreneurship development, as well as the creation of a favorable business environment in the industry, are being studied by foreign scholars, based on certain approaches. These include Boris Rumer , G. Curtis, Roger D. Kangas , M. Onita, A. Tabishalieva , E. Kalyuzhnova, A. Akimov , R. Hisrich, M. Peters , S.V. Zhukov, O.B. Reznikova, T.A. Fink, V.M. A. Kusainov, A.N. Levushkin The studies [10] describe the successive reforms carried out in this area in Uzbekistan, as well as in the Central Asian republics, the denationalization of property and the role of the agricultural sector in this, and also to some extent analyze the financial and economic aspects. This is a brief analysis of the scientific literature on this topic . The history and evolution of small business and private entrepreneurship since Uzbekistan's independence have remained largely unexplored in historical scholarship. Although aspects of the small business and private entrepreneurship system related to economic, sociological, legal, environmental, and demographic factors have been studied, this issue is significant because it has not been scientifically examined from a historical perspective.

Research Methodology : The research used methods such as historical comparison, systematization and interdisciplinary approach.

Main analysis and results. During the study, the development of small business and private entrepreneurship in Tashkent was analyzed into four historical stages. During the study period, problems existing at each historical stage were identified. To address the above-mentioned problems, we believe it is crucial to eliminate the administrative system by creating a market economy that directly links labor to income instead of equally distributing it, and to establish various forms of ownership instead of the monopoly of state ownership. This was particularly important in the

Tashkent economy. Important tasks were accomplished in guiding antimonopoly policy. To this end, the necessary legal framework was created to ensure the establishment and development of small and private businesses in Tashkent. Serious attention was also needed to address the issues of logistics and technical support. Given the industrial enterprises and construction complexes operating at that time, it was necessary to pay constant attention to these issues.

The above-mentioned facts, as it turns out, were lacking in the activities of entrepreneurs in Tashkent. That is, the truth is the freedom and independence of entrepreneurs. This truth lies in the fact that state independence is not only a political concept, but, above all, an economic one. If political independence is not supported by a developed, balanced, and robust economy, it will become mere empty words and a means of acquiring false prestige. That is why, from the very first days of building the new state and the new society, our government, along with the goal of achieving energy, fuel, and grain independence, set itself the task of developing a domestic market within itself, using domestic raw materials.

The task of filling the market with industrial goods and expanding the service sector was also identified as a key priority. This task required, first and foremost, the rapid development of enterprises and industries producing consumer goods. This complex task had to be accomplished within a tight timeframe. It was also crucial to ensure the production of high-quality and competitive products, which was accomplished without major investments and capital expenditures. With the establishment of a market economy, the administrative system was eliminated and equality was ensured. A direct link between labor and income, rather than

distribution, and the establishment of various forms of ownership in place of a state monopoly were crucial. This played a significant role in the Tashkent economy. Important work was carried out to combat monopoly and establish the correct direction for state entrepreneurship policy. A market economy is a true master, that is, an independent owner of production, possessing such qualities as enterprise, thrift, diligence, and purity of heart.

Denationalization and privatization processes in Tashkent continue to expand, expand, and are being dispersed throughout the city, creating a competitive and

efficient market environment in various sectors of the city's economy. The participation of the general public, legal entities, and individuals in the privatization and corporatization of state property is also underway. In this regard, particular attention was paid to the functioning of privatized assets, supporting entrepreneurship, further developing the private sector, developing a securities market, and attracting foreign investment. Despite the challenging financial situation of Tashkent's enterprises and organizations, industrial and consumer goods production volumes were maintained in the second quarter compared to the first quarter. Cargo turnover and the implementation of the investment program were ensured. However, a number of unresolved issues remain in the development of small businesses and private entrepreneurship, including obstacles such as corruption, arbitrary rule, and violence, which cannot be ignored. The most important tasks requiring immediate solutions in the sphere of small business and entrepreneurship are issues related to the development of market infrastructure, expanding entrepreneurs' access to material and technical resources, raw materials and supplies, providing them with the necessary technical equipment, and creating a network of small-scale wholesale trade and services.

Conclusion and suggestions:

1.Although small business and private entrepreneurship have a long history in Tashkent, they were forgotten and lost their essence only during the Soviet era as a result of the state's negative policies toward private property. However, since the early 1990s, that is, since the first years of Uzbekistan's independence, ample

opportunities have been created for the revival and development of this sector. A sense of belonging, characteristic of our ancestors' way of life, has begun to emerge,

owner, traditional private ownership, as well as entrepreneurial skills.

2. A historical analysis of the small business and private entrepreneurship system in Tashkent revealed that the development of a regulatory framework to support the sector is an integral part of state economic policy. That is, since the first years of independence, laws, decrees, and resolutions have been adopted guaranteeing the development of small business and private entrepreneurship , with their total number exceeding 5,000 during the study period. This confirmed that the

national legal framework for the system has been developed and that further improvement is necessary in the future .

3. The main problems hindering the development of small business and private entrepreneurship are identified as the lack of full opportunities for entrepreneurs in the privatization process , the increase in the number of illegal and excessive inspections of business entities, difficulties in obtaining bank loans, overpayments of taxes and other payments, and the frequent requirement for unnecessary documents and regulations ;

4.The distribution of financial resources by banks based on the

"Bank-to-Entrepreneur" and "Entrepreneur-to-Bank" principles has spurred the growth of entrepreneurship, and the development of a new system for handling entrepreneurs' requests has demonstrated the emergence of a new mechanism for resolving problems in the sector. Online Telegram bot channels, "Bank and Client," have been launched to obtain regulatory documents, statistical data, and other information related to the banking sector. Each of these channels has been significantly impacted by the development of commercial banks' mobile apps and the creation of opportunities for obtaining loans through them. This was facilitated by the creation of the institution of the Commissioner for the Protection of the Rights and Legitimate Interests of Entrepreneurs – the "Business Ombudsman."

5. Due to the wide opportunities created for small businesses and entrepreneurs in the new Uzbekistan, the rate of the single social payment, which was considered burdensome for the business community, was set at 12% instead of the previous

25%. Customs duty rates have been revised, duties on about 3,500 goods and excise tax rates on about 800 goods have been reduced , 26 types of licensed activities and permitting documents have been cancelled , 45 types have been cancelled through consolidation , 23 types have been cancelled by introducing a notification procedure, and the processing times for 14 types have been reduced . The study found that, within the framework of the “Every Family Entrepreneur” program, together with the relevant committee, ministry and other structures, unemployed and unorganized youth are being involved in entrepreneurship , and by 2020 Uzbekistan had risen to 69th place in the World Bank’s “Doing Business World” ranking, significantly improving its position over the past 5 years. [10]

Based on the research conducted, the following **proposals and recommendations are formulated in the dissertation:** was put forward:

In Tashkent by the state Adoption of the Law of the Republic of Uzbekistan “On Clusters” in order to support and further develop small businesses and private entrepreneurship;

6. Gradually reduce the state's share in the banking sector, including by expanding the market for stock, insurance and leasing services, and simplifying procedures for selling securities to entrepreneurs and investors;

7. Organizing a television and radio program "Business Innovations" in Tashkent to encourage and promote the interests and initiatives of businesses and entrepreneurs; organizing annual competitions "Best Agrocluster," "Best Production Cluster," and " Best Service Cluster" at the district, regional , and national levels will serve the practical development of the industry .

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