

# ORGANIZATIONAL AND ECONOMIC MECHANISMS OF REGULATING BUSINESS ACTIVITY, IMPROVING THE ORGANIZATIONAL MECHANISM OF SMALL BUSINESS MANAGEMENT IN THE CONDITIONS OF ECONOMIC LIBERALIZATION

Boytorayeva Mamura Uroyimovna

Namangan Engineering-Construction Institute, Management course, 3M-MJ-22 group master's student

<https://doi.org/10.5281/zenodo.10099700>

***Abstract.** Improvement of the organizational mechanism of small business management in the conditions of economic liberalization, the current state of small business and private entrepreneurship in Uzbekistan, problems related to the organization and management system of their activities, the importance of the organizational and economic mechanism in the effective organization of their activities and their contribution to it confounding factors have been studied. Also, suggestions and recommendations on improving the organizational and economic mechanism of business management are given.*

***Keywords:** industry, economy, order, development, provision, goal, social, foundation, microcredit, investor.*

## INTRODUCTION

Large-scale reforms aimed at ensuring the unhindered implementation of business activities, creating favorable conditions for doing business and increasing the investment attractiveness of the republic are being carried out in the country.

For this purpose, all types of alternative inspections and unscheduled inspections have been canceled, a number of licensed activities in the field of business activity and authorization procedures have been shortened and simplified. These measures have a positive effect on the development of the business environment in the country and the international rating of the Republic of Uzbekistan.

At the same time, a number of systemic problems remain in the field of entrepreneurial activity, the solution of which will allow to eliminate obstacles to business development, attract foreign investments to the country, and ensure guaranteed protection of the rights and legal interests of entrepreneurs. In particular:

firstly, the adoption of the concept of improving the tax policy of the Republic of Uzbekistan, aimed at establishing reliable cooperation between supervisory bodies and honest business entities, will fundamentally change the current system of inspections, other types of state control, as well as the procedure for collecting taxes and other mandatory payments requires review;

secondly, due to the existence of certain legal mechanisms in the legislation that do not meet the requirements of the times, arrears on taxes, other mandatory payments, fines and financial penalties are artificially accumulated;

thirdly, inefficient and excessive control functions of state bodies, which lead to violations of the rights and legal interests of business entities;

fourthly, the absence of a single integrated system of comprehensive regulation of the organizational aspects and procedures of inspections conducted in the activities of business entities and monitoring of their legality does not allow to ensure the transparency of the activities of the supervisory bodies and to objectively assess the validity of the conducted inspections;

fifthly, the system of independent public control over the activities of supervisory bodies, which ensures the openness, transparency and impartiality of the investigations conducted, has not been introduced;

sixthly, deficiencies in the current mechanism of compensation for damages caused to individuals and legal entities in connection with the destruction of real estate objects and the confiscation of land plots for the needs of the state and society lead to the violation of their rights and legal interests, and undermine the trust of business entities in the state, also reducing the investment attractiveness of the country.

Currently, the economic reforms implemented in our country are aimed not only at supporting business activities, but also at the extensive development of the taxation system. Taxes are one of the most effective means of regulating the economy by the state. Accordingly, since the first years of independence in our country, a number of reforms have been implemented in the tax sector as well as in all sectors is increasing. The work in this regard is aimed not only at the collection of taxes and fees, but also at the formation of state budget revenues at the expense of reducing debt for taxes and other mandatory payments.

In the developed countries of the world, 55-67 percent of the gross domestic product is accounted for by small business enterprises. This figure is 52-55 percent in the USA, 63-67 percent in the European Union countries, and 52-57 percent in Japan. In the CIS countries, the share of small business in the gross domestic product is low compared to developed countries.

17.1 million working in the private sector in European countries (except for the agricultural sector). 99.9 percent of enterprises are small business enterprises. They account for 50% of the total industrial volume, 67% of the service sector, almost 90% of construction and trade, and provide more than 70% of jobs. This process requires the improvement of the organizational and economic mechanism of business management. As we all know, small business and private entrepreneurship (SME) has become a very important sector in the social and economic development of our country during the historically short period of 26 years after independence. In fact, if the share of small business in GDP was 1.8 percent in 1991 and 31.0 percent in 2000, the attention paid to the sector over the years and systematic and complex support and incentives by our state as a result, by the end of 2016, the share of small business in the gross domestic product in our country was 56.9 percent. Also, as a result of the systematic and targeted reforms aimed at KBXT, according to the results of 2016, the share of employees in the sector in the total number of employed people in the economy in our country was 77.1 percent, and this sector is a stable macro-economic factor of the country's economy. A favorable business environment was formed in our republic, providing the opportunity to increase the incomes and solvency of the population due to the development of the economy and the creation of new jobs.

Analysis of literature on the subject: according to our research on the sustainable development and regulation of small business and private entrepreneurship in regions and economic sectors, specific socio-economic development, geodemographic, socio-cultural, natural and climatic conditions in a specific country or region, territory and based on other factors and characteristics, it is necessary to use specific organizational and economic mechanisms for the

development of small business and private entrepreneurship. In particular, if it is necessary to train new business representatives and entrepreneurs in the basics of entrepreneurship, help them create a business plan, provide preferential microcredit, give business advice, and provide incentives for renting buildings and structures, for developing countries and loan guarantee, covering part of the interest rate, equipment leasing, medium-term loans, debt funds are necessary. For those who have firmly established themselves in the market, issues such as the possibility of obtaining state and local orders, assistance in entering the foreign market, facilitating participation in various international and national exhibitions, contests, and attracting national and foreign investments come to the fore. In 2017-2021, the strategy of action on the five priority directions of the development of the Republic of Uzbekistan - Continue institutional and structural reforms aimed at reducing the state participation in the economy, protecting the right of private property and further strengthening its priority position, stimulating the development of small business and private entrepreneurship important tasks are defined. In order to implement the measures indicated in the third direction called "Further development and liberalization of the economy", ensuring the stability of the national currency and prices, gradually introducing modern market mechanisms of currency regulation, expanding the revenue base of local budgets, foreign economic to expand relations, introduce modern technologies for the production of products and materials intended for export, develop transport and logistics infrastructure, entrepreneurship and increase investment attractiveness for foreign investors, improve tax administration, introduce modern principles and mechanisms for regulating banking activities, the development of multi-branch farms, as well as the rapid development of the tourism industry, are envisaged. Also, this direction includes measures to protect private property, financial market, modernization of agriculture, development of craft sector, preparations for initial placement of shares (IPO) of some national enterprises on prestigious foreign stock exchanges. In 2017-2021, it is planned to implement 649 investment projects with a total value of 40 billion US dollars. As a result, in the next 5 years, the production of industrial products will increase 1.5 times, its share in the gross domestic product will increase from 33.6% to 36%, and the share of the processing network will increase from 80% to 85% [1]. Scientific research aimed at improving the organizational-economic mechanism of business management in world practice, including the introduction of an innovative system in the organizational-economic mechanism, its improvement, and the effective organization of the infrastructure for the development of entrepreneurship. Forming an organizational economic mechanism based on modern principles, developing suggestions and recommendations for improving the scientific and methodological basis of developing the use of the cluster system in the effective management of the activities of business entities is considered one of the urgent issues of today.

Analysis of the literature on the topic: Theoretical and methodological foundations of small business and private entrepreneurship development and management, as well as issues of improving their management mechanism, foreign economists L.I. Abalkin, G.S. Seyalova, Ye.Ye. Vershigora, V.F. Fillipov, A.A. Kuhlman, B.Z. Milner and D.V. It is explained in the scientific works of Khodos. In particular, L.I. According to Abalkin, the economic mechanism is a set of forms and methods of operation, including not only basic but also superstructural elements that influence each other. G.S. According to Seyalova, the economic mechanism is a system that forms production relations as a method of organizing production, a form of economic management (plan, economic regulations, price, profit, wages, finance, credit, decision-making), as well as it means

not only the relations of production, but also the organization of the forces and structure of production. Ye. Ye. Vershigora economic mechanism planning, economic stimulation, joint movement and harmony of market mechanism and organizational structure —Economy and innovative technologies| scientific electronic journal. No. 6, November-December, 2018 6/2018 (No. 00038) states that it occurs as a result. Taking into account the above, we can say that the economic mechanism is more characteristic of the macro level. to reduce state participation in the economy, to protect the right of private property and further strengthen its priority position, to continue institutional and structural reforms aimed at stimulating the development of small business and private entrepreneurship: - to ensure reliable protection of private property rights and guarantees, private entrepreneurship and to eliminate all obstacles and restrictions on the way of small business development, to give it complete freedom, to implement the principle "If the people are rich, the state will be rich and strong"; - creation of a favorable business environment for the wide development of small business and private entrepreneurship, strict prevention of illegal interference by the state, law enforcement and control agencies in the activities of business structures; - further expansion of privatization of state property and simplification of its procedures, reduction of state participation in chartered funds of economic entities, creation of favorable conditions for development of private entrepreneurship on the basis of privatized objects of state property; - improvement and simplification of procedures and mechanisms for connecting business entities to engineering networks; - these include reducing state participation in the regulation of the country's socio-economic development processes, decentralizing and democratizing the state administration system, expanding public-private partnership, and increasing the role of non-governmental, public organizations and local self-government bodies. Any control system operates under the influence of specific mechanisms. In economic dictionaries, the concept of mechanism is considered as a sequence of states and processes, which defines some kind of action, reality, as well as the sequence of system activity. According to our analysis, for the development of small business and private entrepreneurship, first of all, the state should create conditions for it (fighting against corruption, bureaucracy, optimization of the tax system, protection from various pressures, etc.) and direct support (legal, economic, financial support, giving certain benefits and preferences, etc.) is necessary.

#### **CONCLUSIONS AND SUGGESTIONS:**

In short, by gradually, systematically and continuously improving the organizational economic mechanisms for the development of small business and private entrepreneurship, the following can be achieved: provide - application of a single principle in the management of all areas of development of small business and private entrepreneurship, their design and implementation stages; - to ensure targeted and effective use of funds directed to the development and support of small business and private entrepreneurship in the region; - ensuring coordination of activities of infrastructure organizations for supporting small business and private entrepreneurship; - to increase the quality and stability of management solutions based on the creation and use of uniform scientific and methodological support; - providing targeted control in the implementation of programs. We believe that the implementation of the above-mentioned reforms will lead to the further improvement of organizational economic mechanisms for the development of small business and private entrepreneurship in our country, not only in the provision of services, but also in all sectors of the economy.

## REFERENCES

1. Islam Karimov, the first President of the Republic of Uzbekistan the results of socio-economic development of our country in 2015 and 2016 report at the meeting of the Cabinet of Ministers on the most important priorities of the intended economic program. // People's word, January 16, 2016, page 2.
2. "Regulation on small enterprises in the Republic of Uzbekistan" (Appendix No. 2 to Resolution No. 85 of February 26, 1992 of the Cabinet of Ministers).
3. Law of the Republic of Uzbekistan "On Promotion of Small and Private Entrepreneurship Development" (December 21, 1995).
4. Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On approval of the classification of enterprises and organizations belonging to small entrepreneurship (business) entities" (October 11, 2003).
5. Decision of the President of the Republic of Uzbekistan "On measures to further improve the procedure for the establishment and state registration of business entities" (May 12, 2011).
6. Decision of the Cabinet of Ministers of the Republic of Uzbekistan "On making changes to the classification of enterprises and organizations belonging to small business (business) entities" (June 14, 2013). "Economy and innovative technologies" scientific electronic magazine. No. 2, March-April, 2017 No. 2, 2017 [www.iqtisodiyot.uz](http://www.iqtisodiyot.uz) 12
7. "Small business" of the Cabinet of Ministers of the Republic of Uzbekistan to the classification of enterprises and organizations belonging to (business) subjects on making changes (to the President of the Republic of Uzbekistan "Improving the investment climate and business environment in the Republic of Uzbekistan "Decree No. PF-4609 of April 7, 2014 on additional measures for improvement" (July 3, 2014).
8. Decree of 05.05.2017 No. PF-5037 of 05.05.2017 on the establishment of the representative institute for the protection of the rights and legal interests of business entities under the President of the Republic of Uzbekistan// [lex.uz](http://lex.uz)