

Main Directions for Increasing Investment Activity of Small Business Entities in Uzbekistan

Gopparov Maribjon Oripovich

Senior Lecturer at the Department of Accounting and Audit,
Andijan Institute of Agriculture and Agricultural Technologies

Abstract: This article has developed measures to support small businesses in Uzbekistan, create a favorable investment environment in our country, increase the investment activity of business entities and are implemented in the following main directions.

Key words: small business, investments, labor resources, investment environment, startup, integration, dollar, credit, currency, trade, economics, political management, goods, state.



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Introduction.

One of the main tasks of the socio-economic development of Uzbekistan is to ensure stable growth of the country's economy, creating favorable conditions for improving the standard of living and well-being of the population. A necessary condition for the implementation and provision of these tasks is to increase the investment potential of the regions of our country, and for the successful implementation of this process it is necessary to take into account factors such as the geographical location of the regions, the availability of natural resources, their reserves, the size of the labor force (population), age and qualifications. Also, one of the main conditions is to take into account a number of factors, such as the level of specialization that has been maintained in the region for several years, tax incentives and loans provided by the state to small businesses, as well as state-owned socio-economic infrastructure facilities.

Literature review.

Theoretical views and scientific approaches aimed at increasing the investment activity of small businesses by foreign economists P. Drucker, F. Arisala, E. Cavallo, H. Becker, K. Khan, N. Hicks, K. Hoffa, J. Stiglitz, J. Eng, J. Madsen, N. Mink, P. Howitt, S. Cesaratto, R. Solow, D. Wheeler, N. Menkiw, B. Santo, U. Schumpeter, S. Groh, J. Hauschildt, S. Salomo, J. Reenen, H. Williams and others were noticed in their scientific works. These works are mainly aimed at studying the relationship between investment and development in developed countries.

Russians E. Abramov, S. Bereznev, S. Sheveleva, N. Agurbash, L. Ya. Avrashkov, A. V. Avilova, E. G. Afanasyeva, V.Yu. Bakshinskas, E.P. Gubin, I.S. Shitkina, V.V. Bueva, A. Dynkina, A. Vilensky, V.M. Kutuzov, A.O. Blinov, V. Komarov, A.Yu. Chepureenko, O.M. Shestoperova, E.G. Yasina, V.A. Shvandar, V. Ya. Gorfinkel, Views of such scientists as I.V. Mishurova, G.I. Shepelenko, E.A. Chernysheva and Yu.V. Shlenova, were focused on the problems of the small business sector in Russia.

Methodology.

In preparing this scientific article, general methods of scientific knowledge were used, such as a logical, systematic, analytical, empirical approach, as well as methods of analysis and synthesis, induction and deduction, comparative analysis, statistical analysis and correlation-regression analysis.

Analysis and results.

Measures have been developed to support small businesses, which are considered appropriate to be recommended for Uzbekistan, to create a favorable investment environment in our country, increase the investment activity of business entities and are implemented in the following main directions.

First direction. Socio-economic stimulation of integration processes as the most important factor in the business and entrepreneurial environment, increasing the investment activity of small businesses and ensuring their development in accordance with long-term priority directions for the development of the country's economy.

Second direction. Improving public policy in the field of supporting start-up projects. In this direction, it is very important to regularly pursue government policy in the field of supporting startups. For example, in 2017, the Ministry of Small, Medium and Startups was created in South Korea, which is designed to solve five problems: creating a favorable environment for organizing companies and start-ups; creating a solid foundation for the development of small and medium-sized businesses; solving the problem of labor shortage for small and medium-sized businesses, strengthening the capacity of micro-enterprises and the self-employed, ensuring mutual cooperation between large enterprises and small and medium-sized businesses. The Gyeonggi Creative Economy and Innovation Startup Acceleration Center (GCCIE) began its work in this ministry. This center collaborates with global accelerators and innovation centers around the world. In Uzbekistan, the state is considering strategic issues of creating and developing a strong infrastructure for startups, that is, creating new development institutions in the form of accelerators, strengthening the innovative infrastructure of higher educational institutions, creating a crowdfunding system, organizing shares in exchange for startups, as in the case of Korea, should take on yourself tasks. In addition to South Korea, Israel's experience in creating startup infrastructure can be used. This country has a very successful integrated system of education, science and production.

Third direction. Creation of a system of business incubators, accelerators and integrated (coworking) mobile networks to support startup projects.

Based on the experience of South Korea, large companies should be encouraged to establish CABs throughout the country.

Based on foreign experience, it is advisable to develop measures for the formation and development of a start-up support system in accordance with the stages indicated in Table 1.

Table 1. Startup creation and support system: Canvas startup development stage

Stages of startup development			Forces in motion
1. IDEAS GENERATION			
Inspiration	Education	Verification (Validation)	Verification (Validation)
News about startups and information from special media, events and meetings with successful businessmen	Organization of training programs and courses inviting successful businessmen as mentors	Team formation, initial business plan development, product classification.	Mentors are successful businessmen who started their business with startups
2. LAUNCHING STARTUP PROJECTS			
Unofficial start	Preparing for the start	Start	State
Work as a team in a flexible environment	Preparing for entry into business incubators. Preparation of a business plan for the final stage. Tips from a mentor.	Presentations of startups for seed investors. Attracting seed investments in startup accelerators and mentors	Coworking spaces, business incubators and startup accelerators in technology parks, universities, large companies and other places.
3. GROWTH			
Confession	Financing	Height	Largest investors
Meeting investors Dissemination of information about the startup in the media	Attracting seed investors - business angels Participation in crowdfunding and crowdfunding	Participation in growth accelerators. Attracting large investors and venture funds for financing Open an office Selling startups or forming them as a permanent company	Local universities, large companies, venture capital funds as founders

CABs, startup accelerators and other platforms have been created; it is important to pay more attention to financial support for startups, create conditions for them, attract experts, mentors and observers who can provide what they need. In addition, these platforms should serve as a crossroads for enthusiastic students, scientists, experienced practitioners (experts, entrepreneurs), government officials with resources to support innovative projects.

Fourth direction. Tax benefits and grants for start-up projects.

In this direction, it is necessary to take a set of measures, including preferential support with tax breaks and grants from the creation of startups to their closure.

To ensure the transition of the financial structure of small businesses from loans to investments, it is necessary to take measures to stimulate new projects by reducing the tax burden for beginning investors and providing grants on a competitive basis. For example, in South Korea, the share of investment by private companies has increased and companies investing in high-risk startups, including companies less than three years old, have begun to receive tax breaks of up to 50 million won (about 45,000 US dollars). These measures increased the interest of commercial structures and private investors in startups, the number of which was growing rapidly.

Fifth direction. Creation of funds for financial support of start-up projects, development of crowdfunding based on public-private partnerships and financing through ICO for the release of cryptocurrencies.

It is necessary to create a financial fund that will provide financial support to startups in order to accelerate the processes associated with the creation and launch of startups, the authorized capital of which is formed at the expense of the state and private companies, and to significantly increase their number. For example, in South Korea, in cooperation with government agencies (60 percent of state capital, 40 percent of private capital), 1 billion has been allocated to support startups in the field of innovation. A dollar fund has been created, part of these funds will be used to finance the intellectual property of the entrepreneur. In 2014 alone, private and public investment in tech startups totaled 2.5 trillion won (US\$2.3 billion), up 62 percent from 2013, according to government data. In 2014, the Ministry of Science and Future Planning had a budget of US\$16 billion, of which over US\$2 billion was directly invested in technology startups through various venture capital funds. According to a Tech in Asia report, startup funding in South Korea grew 40-fold between 2013 and 2015. In 2015, there were 60 accelerators operating in the country, where work was carried out to launch public-private partnerships and expand the support system.

Sixth direction. Creation of innovation clusters for small businesses.

In order to increase the investment activity of small businesses, it is recommended to further improve organizational, economic and social conditions and create innovation clusters that create a professional environment for the development of innovations necessary for business on the basis of mutually beneficial cooperation. investors. Here is the positive experience of creating the innovation cluster of Kazakhstan Tech Garden. The activities of the national innovation cluster Tech Garden are aimed at strengthening and stimulating demand for innovation, incubating scientific developments and start-ups, as well as developing high-tech companies and attracting investment in them.

Seventh direction. Attracting foreign venture companies to cooperation. In order to ensure the influx of foreign investment, it is recommended to introduce mechanisms for equalizing the share of venture capital between national and international participants. For example, Silicon Valley is home to 1.3 billion. BlueRun, a venture capital firm with US dollars, has opened a branch in Korea. Another example of this large flow of innovation is that there are now international companies such as GE that are producing several innovative products in Korea.

Conclusions and offers.

In the context of the above areas, the following is relevant.

All market participants - from entrepreneurs to investors and the state - first of all need to create conditions for training entrepreneurs interested in creating startups in cooperation, teach them not only how to make presentations, but also how to avoid mistakes. in production processes. Startups go through several stages of development and funding before becoming a business and starting to grow and scale. It may take 3-4 rounds of angel and seed funding before a startup finds product market fit. Each stage requires more money. This corresponds to the main goals of the development strategy that the startup must achieve at each stage. At the same time, investments in the next stages should be received from investors who will help them enter their market in already highly developed countries. Entering the market of developed countries should be an inevitable step in the life cycle of every startup. Therefore, it is necessary to develop a roadmap for Uzbek startups to enter the market of highly developed countries (primarily the USA, Germany, Japan, Singapore, South Korea, Finland, China).

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