
SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP – THE BASIS OF SOCIO-ECONOMIC DEVELOPMENT

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It is known that small business and private entrepreneurship have taken a strong place in the experience of countries around the world with their high results and successes, and in most nations their share in the gross domestic product is 60-70 percent. The development of small business serves to create favorable conditions for the dynamism and effective competition in the economy, stimulate demand by expanding the consumer sector, fill the consumer market with goods and services, protect the environment, and increase budget revenues. Accordingly, many developed countries seek to comprehensively support the activities of small business.

If we look back at the past years of Uzbekistan's independence, we see that the direction of small and medium-sized businesses in our country developed relatively slowly compared to neighboring countries, the indicators were barely noticeable, large businesses were in the hands of certain people, and the main layer of the population worked under their control. For ordinary people, entrepreneurship seemed like an insurmountable task. High customs duties, a number of obstacles in acquiring land, opening a business, work that would not be completed if you did not put money in someone's pocket, and even if you started a business, it was not easy to cope with tax collectors who knocked on the door every day. Perhaps that is why people preferred to do business on an empty stomach, but with an open year.

As is known, entrepreneurship is an economic activity carried out with responsibility and accountability, taking into account various risks that may arise in the future, based on initiative and activity. It creates a huge creative force in the combination of freedom, creativity and a competitive environment. In particular, small entrepreneurship, which is relatively compact in terms of its scope of activity, is characterized by the ability to quickly adapt to changes in the economy, understand and take into account consumer tastes and interests, fully use internal opportunities, and give impetus to the economy by strengthening the competitive environment.

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Another aspect is that small business is an important factor in creating a competitive environment in the economy and ensuring its flexibility. The competitive environment in the economy can be said to be an economic competition (struggle) between producers and consumers of various products and services in order to achieve favorable conditions and maximize the expected profit or economic benefit.

The emergence and operation of monopolies in the economy is an objective process. Their complete elimination is considered impossible. In some cases, the state's fight against monopoly may not immediately produce sufficient results. Here, small business entities come to the rescue. The level of monopoly in the market can be reduced by creating new small production entities and creating sufficient conditions for their development.

Also, this sector is one of the main aspects in restoring and ensuring the balance of supply and demand in the consumer market. Currently, there are no cases of fear of a strong shortage of any product in our country, be it food products, clothing or household goods. Because, by the nature of their activities, small entrepreneurs, who are extremely sensitive to even insignificant changes in consumption, quickly express their attitude to any shortage in the market. They try to restore the balance of supply and demand in the market by first importing the product, the price of which has increased due to the shortage, from other regions or foreign countries, and in the medium or long term by establishing its national production.

As of May 12, 2025, the number of enterprises and organizations operating in the republic amounted to 446.9 thousand, of which 377.8 thousand, or 84.5 percent, were small enterprises and microfirms.

Table 1 Information on the demographics of enterprises and organizations of the Republic of Uzbekistan ¹

Years	Enterprises and organizations	From that	
		business entities	From that
			small businesses
2019	324 896	262930	255728
2020	395 982	334767	381097
2021	501 743	439 927	436 742
2022	548 701	484 935	481 138
2023	488 761	425 958	422 282
2024	469 261	404 755	400 491
2025 12.05.2025 to the state	446 876	381 890	377 833

¹ Prepared by the author.



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By region, the largest number of operating enterprises and organizations is in Tashkent city - 22.6 percent, Tashkent - 9.6 percent, Samarkand - 8.8 percent, Fergana - 8.1 percent and Kashkadarya region - 6.5 percent. The significant share of business entities in the total number of operating enterprises and organizations was in Tashkent city - 90.1 percent, Navoi - 87.6 percent, Khorezm - 86.9 percent and Bukhara regions - 86.7 percent.

In order to create the most favorable investment climate for attracting direct investments in our country, a wide range of measures have been taken to liberalize the economy, limit interference in the activities of business entities, reduce and simplify licensing and permitting procedures, ensure free access to investments, as well as create the necessary infrastructure in the regions. As a result, the number of enterprises with foreign investment is increasing every year. Among the regions, the largest share of the total number of operating enterprises with foreign investment is in Tashkent - 64.4 percent, among the regions - Tashkent - 12.1 percent, Samarkand - 3.7 percent, and Surkhandarya - 3.4 percent.

Table 2 Information on enterprises and organizations with foreign investment as of May 12, 2025²

Regions	Total	From that	
		qo'shma korxona	xorijiy korxona
Republic of Uzbekistan	16 007	4 043	11 964
Republic of Karakalpagistan	160	67	93
regions:			
Andijan region	330	118	212
Bukhara region	335	119	216
Jizzakh region	224	97	127
Kashkadarya region	149	76	73
Navoi region	278	111	167
Namangan region	235	101	134
Samarkand region	598	254	344
Surkhandarya region	546	62	484
Syrdarya region	237	79	158
Tashkent region	1942	454	1488
Fergana region	510	208	302
Khorezm region	154	59	95
Tashkent city	10309	2238	8071

² Prepared by the author.

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Over the past five years, the total number of enterprises operating with foreign investment in Uzbekistan has increased by 1.3 times, while the share of foreign enterprises (in relation to the total) has increased from 53.2% to 74.7%. As of May 12, 2025, out of 16,007 enterprises operating with foreign investment, 4,043 were joint ventures and 11,964 were foreign enterprises. Small business and private entrepreneurship make a significant contribution to the growth and development of society. These sectors can quickly adapt to changing economic conditions, implement new technologies, and solve social problems. Through entrepreneurial activity, changes occur in society and can become an important factor in ensuring economic stability. Therefore, supporting and developing small business and private entrepreneurship is essential for the state and society.