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MAIN FORMS OF FINANCIAL SUPPORT FOR SMALL BUSINESSES

Abstract: In a market economy, small business is the main pillar of the country's socio-economic development. The article discusses the stages of development, types and models of the mechanism of state financial support for small businesses. For the sustainable development of the economy of Uzbekistan, methods of financial support for state small businesses have been developed.

Key words: small business, guarantee funds, stock market, banking and financial infrastructure

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ОСНОВНЫЕ ФОРМЫ ФИНАНСОВОЙ ПОДДЕРЖКИ СУБЪЕКТОВ МАЛОГО БИЗНЕСА

Аннотация: В условиях, рыночной экономики малый бизнес является основной опорой социально-экономического развития страны. В статье рассматриваются этапы развития, виды и модели механизма государственной финансовой поддержки малого предпринимательства. Для устойчивого развития экономики Узбекистана разработаны способы финансовой поддержки субъектов малого предпринимательства государства.

Ключевые слова: малый бизнес, гарантийные фонды, фондовый рынок, банковская и финансовая инфраструктура

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It can be seen from the practice of many transition economy countries that in this period of the national economy, small business entities face a number of problems such as shortage of working capital, low level of capitalization, slow process of modernization of fixed assets. In such cases, state financial support to small business entities is considered necessary.

At different stages of the development of the society, different views and concepts regarding the state intervention in the economic system have been formed. Based on this, various economic schools have emerged. Depending on the period of formation of these economic schools, the state's intervention in the economy was approached differently. As mentioned above, the development of small business and increasing its role in economic and social spheres, in most cases, is carried out through state support of these entities. State policy measures to support private entrepreneurship have been proven in the research of D. M. Keynes. In his opinion, "The state should influence investment and consumption activities using various management tools and methods, the function of the state will be expanded in relation to the goal of directing the increase in propensity to consumption and investment... the only practical possibility to prevent the complete destruction of existing economic forms... personal initiative is a necessary condition for successful implementation".[1]

According to world experience, there are the following models of state support for small and medium-sized businesses in the market economy [2].

The liberal model, based on the imperceptible participation of the state, is defined by the following features: reduction of state organizations, liberalism in small and medium-sized business entities, minimal state participation in the implementation of tasks in the social sphere. In this model, the government performs the task of governance with the help of macroeconomic policy through monetary policy. This model is typical for USA, France, UK.

Social-oriented model, in this model, the state's intervention in the economy is high, and the state actively participates in determining the basic rules of the

market; macroeconomic processes, small and medium business activities are managed by the state; satisfying the needs of the population for housing, culture and education, employment of the population, health services is carried out by the state.

During the Great Depression of the 20th century, which occurred in many countries based on the market economy in 1929-1938, the development of anti-crisis measures by the state to support small and medium-sized businesses can be considered as the first stage of the state's intervention in the economy in the market economy. It was at this stage that the means of indirect influence of the state on entrepreneurs were used.

The second stage of state support of small and medium-sized businesses began in the second half of the 20th century in developed countries (USA, Japan and Western Europe). It was during this period that specialized state infrastructures supporting small and medium-sized businesses were created; based on this, special state management bodies were established. Development of small and medium-sized enterprises at the state level at all levels of state administration bodies, a state management system for supporting small and medium-sized businesses has been formed.

In the third stage of the state's intervention in the economy in the conditions of the market economy, it is not only the development of a certain type of small and medium-sized business, but also the development of small and medium-sized business at the level of the national economy. Currently, at this stage, the protectionist policy aimed at supporting national producers by the state is in the form of helping them enter the world market and occupy new markets. Nowadays, great importance is attached to the innovative development of small and medium enterprises.

There are different views of the state support scheme for small business by different economists. The studied literature shows that different economists have come from their point of view and the legislation of the country they live in and its

uniqueness. In particular, N.B. Zavyalov, O.V. Sigantov developed a hierarchical scheme of state support for small business in the Russian Federation, which covered federal, regional, and municipal aspects. [3]

R.B. Gamidullaev considered the state support of small innovative enterprises and studied the program-target part, organizational legal and resource use parts.[4]

O. N. Zubatikh, E. A. Kolesnichenko schematically reviewed public-private sector cooperation on the example of a small business. In particular, legal protection of small business, finance-credit, information-methodology, tax benefits and anti-monopoly policy [5] have been studied.

The issue of state support for small business is very comprehensive, and the state supports small business in different ways, so it is possible to see other aspects to this model presented above.

The system of financial support for small business can be divided into two: state and corporate. The results of research conducted on developed countries show that the higher the level of development of the country's economy, the greater the dependence of small enterprises on large enterprises. Also, the interaction of small and large organizations is integrated not only in the production process, but also in terms of providing services to the industry. In addition, the state plays a major role in the initial stage of small business in all countries.

Financial and credit support of small businesses by the state is carried out in two main directions. The first is direct budget financing of small businesses, i.e. direct grants, subsidies, loans, and guarantees for commercial bank loans to small business entities.

The second way of financial support of small business by the state is indirect influence, in which the state implements capital accumulation in entrepreneurs by creating a favorable environment for this business activity (Figure 1).

Financial support of small businesses	
State support	Corporate financial support

Providing direct grants and subsidies	Venture financing
Guarantees for commercial bank loans	Franchise system
Preferential loans	Hired production
Simplification of the system of taxation of small business entities	Leasing
Acceleration of depreciation of small enterprises	Credit cooperatives of entrepreneurs
Participation in the execution of government orders	Other types of support
Tax benefits	
Small business entities	

Figure 1. Types and methods of financial support for small business entities

These types of measures include: tax benefits for small business entities and simplification of the tax payment procedure; acceleration of the depreciation process of fixed assets of small enterprises; wide implementation of the leasing system in small business activities, etc. Currently, the state budget of many countries in transition does not have enough financial support for the development of small businesses. Currently, the state budget of many countries in transition does not have enough financial support for the development of small businesses. Financing of small enterprises by large companies of the country is widespread, including: large corporations, banks, insurance companies provide tax and other incentives for lending to new small business entities, create a normative-methodological base for regulating credit cooperatives and other specialized institutions, etc.

Both direct and indirect ways of state financial support of small business are used in our republic. A number of laws and programs have been adopted by the state to promote an entrepreneurial environment and private ownership. The process of submitting financial and statistical reports of small enterprises to state agencies is shortened and simplified. In addition, a number of tax breaks and preferences have been introduced. As a result, the share of small business and

private entrepreneurship in the country's GDP increased from 31% in 2000 to 51.2% in 2023 [6].

The share of jobs in this sector in the total economy is more than 73.8%. Based on the State Statistics Committee of the Republic of Uzbekistan, it can be said that in the period 2010-2023, a large part of the investment of small enterprises was carried out through the enterprises' own funds and bank loans, and their average share is 48.7 and 29.2%, respectively.[7] This high number of financial sources indicates that there is a possibility of financing small business through other financial institutions. Therefore, in order for small business to ensure the economic development of the country, it is appropriate to implement the following measures:

- to define the innovative product in the legislation according to the granting of a patent by the republican and international patenting offices. Based on this, giving innovative product income to small enterprises producing innovative products a tax holiday of 2-5 years;

- in the case of non-bank financial institutions providing loans to small businesses, granting tax benefits to financial institutions depending on the amount of the loan;

- creation of securities market for small business entities in the republic in order to provide small enterprises with cheap financing;

- it will be necessary to establish credit guarantee funds for the alternative distribution of risks occurring in the above-mentioned relationships.

We believe that the implementation of the measures listed above will lead to long-term economic and social development of the country. In addition, the share of enterprises actively engaged in innovative activities in small business entities will increase.

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