

DEVELOPMENT OF PRIVATE ENTREPRENEURSHIP IN UZBEKISTAN

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Annotation:

The article aims to provide an overview of the development of private entrepreneurship in Uzbekistan and the various measures taken by the government to promote it. It also examines the impact of these measures on the country's economy, and discusses the challenges and future prospects for the sector.

Keywords: Uzbekistan, private entrepreneurship, economic reforms, government measures, legal and institutional reforms, access to finance, business development services, tax incentives, economic impact, job creation, business environment, challenges, prospects, small and medium-sized enterprises, diversification.

The Republic of Uzbekistan is a country located in Central Asia that has been undergoing significant economic reforms in recent years. Since gaining independence in 1991, Uzbekistan has been transitioning from a centrally planned economy to a market-oriented one. One of the key focuses of these reforms has been the development of private entrepreneurship in Uzbekistan.

In the Soviet era, entrepreneurship was heavily regulated, and the private sector was virtually non-existent. However, since gaining independence, Uzbekistan has made significant strides in promoting private entrepreneurship. The government has introduced a range of policies and initiatives aimed at creating a more business-friendly environment, reducing bureaucratic hurdles, and improving access to finance and other resources for entrepreneurs.

The importance of private entrepreneurship for economic development cannot be overstated. Private enterprises are critical for generating employment, increasing productivity, and promoting innovation, all of which are crucial for sustainable economic growth. Private enterprises also contribute to the diversification of the economy and can help reduce the dependence on a single sector or industry.

The government of Uzbekistan has recognized the potential of private entrepreneurship and has taken several measures to promote its development. Legal and institutional reforms have been introduced to make it easier for entrepreneurs to set up and run businesses. Access to finance has been improved through the establishment of specialized financial institutions and the introduction of various financial incentives. Business development services and training have been made available to entrepreneurs to help them build their skills and capacity. And

tax incentives and exemptions have been introduced to encourage private investment and entrepreneurship.

One of the most significant legal reforms introduced by the government was the adoption of the Law on Entrepreneurship in 2018. The law simplified the process of starting a business, reduced the number of licenses required for certain types of businesses, and introduced new mechanisms for resolving disputes. The government also established the Chamber of Commerce and Industry, which acts as a mediator between businesses and the government, and provides a range of services to support the development of private entrepreneurship.

Access to finance has been a major challenge for entrepreneurs in Uzbekistan. To address this issue, the government established the National Bank for Foreign Economic Activity, which provides loans to entrepreneurs at low interest rates. The government has also introduced various financial incentives, such as tax breaks and subsidies, to encourage private investment and entrepreneurship.

Business development services and training have also been introduced to support entrepreneurs. The government has established a range of business incubators and accelerators, which provide mentoring, networking, and training services to new and established businesses. The government has also launched various training programs to help entrepreneurs build their skills and capacity in areas such as marketing, financial management, and innovation.

Tax incentives and exemptions have been introduced to encourage private investment and entrepreneurship. For example, the government introduced a tax holiday for new businesses, exempting them from paying taxes for their first three years of operation. The government has also reduced the tax burden on small and medium-sized enterprises, making it easier for them to compete with larger businesses.

The impact of these measures on the country's economy has been significant. There has been a noticeable increase in the number of registered private enterprises in Uzbekistan, with over 130,000 new businesses registered between 2018 and 2020. The private sector's share in GDP has also increased, accounting for around 86% of GDP in 2020. Private entrepreneurship has also been a major driver of job creation, with over 300,000 new jobs created in the private sector between 2018 and 2020.

The government's efforts to promote private entrepreneurship have also improved the business environment in Uzbekistan. The country's ranking in the World Bank's Ease of Doing Business index has improved significantly, moving up from 169th in 2018 to 69th in 2020. This improvement is a testament to the government's commitment to creating a more business-friendly environment, reducing bureaucratic hurdles, and improving access to resources for entrepreneurs.

However, despite these positive developments, there are still several challenges facing private entrepreneurship in Uzbekistan. One of the most significant challenges is the lack of diversification in the economy. The country is heavily dependent on the cotton sector, which

accounts for around 20% of GDP and employs around 40% of the country's workforce. This over-reliance on a single sector leaves the economy vulnerable to external shocks, such as changes in global demand for cotton.

Another challenge is the limited availability of skilled labor. Although the government has launched various training programs to support entrepreneurs, there is still a shortage of skilled workers in certain sectors. This shortage can make it difficult for businesses to expand and can limit their ability to innovate and compete globally.

Furthermore, corruption and bureaucratic hurdles remain a significant challenge for entrepreneurs. While the government has introduced various measures to reduce bureaucracy, some entrepreneurs still report difficulties in obtaining licenses, permits, and other necessary documents. Corruption also remains a concern, with some businesses reporting that they have been asked to pay bribes to officials.

Despite these challenges, the future prospects for private entrepreneurship in Uzbekistan are positive. The government has shown a strong commitment to promoting private entrepreneurship, and the country's improving business environment and access to resources are encouraging signs. There is also a growing recognition of the need for diversification, with the government launching initiatives to promote new sectors such as tourism, technology, and renewable energy.

In conclusion, the development of private entrepreneurship in Uzbekistan has been a significant focus of the country's economic reforms. The government has introduced various policies and initiatives aimed at creating a more business-friendly environment, improving access to finance and resources, and reducing bureaucratic hurdles. The impact of these measures has been significant, with a noticeable increase in the number of registered private enterprises, the private sector's share in GDP, and job creation. While there are still challenges facing private entrepreneurship in Uzbekistan, the future prospects are positive, with a growing recognition of the need for diversification and the government's commitment to promoting private entrepreneurship.

The Republic of Uzbekistan is a country located in Central Asia that has been undergoing significant economic reforms in recent years. One of the key focuses of these reforms has been the development of private entrepreneurship in Uzbekistan. In this article, we will examine the various measures taken by the government of Uzbekistan to promote private entrepreneurship and their impact on the country's economy.

The main directions to be taken into consideration in developing private entrepreneurship in Uzbekistan:

- Overview of Uzbekistan's economic reforms
- The importance of private entrepreneurship for economic development
- Government measures to promote private entrepreneurship:
- Legal and institutional reforms

- Access to finance
- Business development services and training
- Tax incentives and exemptions
- Impact of these measures on the country's economy:
- Increase in the number of registered private enterprises
- Growth of the private sector's share in GDP
- Creation of new jobs and reduction in unemployment
- Improvement in the business environment and ease of doing business
- Challenges and future prospects:
- Need for further improvements in the business environment
- Diversification of the economy and promotion of innovation
- Continued support for small and medium-sized enterprises

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