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TERRITORIAL ISSUES OF FAMILY BUSINESS DEVELOPMENT IN ANDIJAN REGION

Abstract: The article focuses on the regional aspects of family business development. It analyzes the state of development of family business in Andijan region. The article discusses the solution of existing problems.

Keywords: small business and private entrepreneurship, family business, regional entrepreneurship, strategy, socio-economic efficiency.

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ТЕРРИТОРИАЛЬНЫЕ ПРОБЛЕМЫ РАЗВИТИЯ СЕМЕЙНОГО БИЗНЕСА В АНДИЖАНСКОЙ ОБЛАСТИ

Аннотация: В статье рассматриваются территориальные аспекты развития семейного предпринимательства. Анализируется состояние развития семейного бизнеса в Андижанской области. В статье рассматриваются существующие проблемы.

Ключевые слова: малый бизнес и частное предпринимательство, семейный бизнес, региональное предпринимательство, стратегия, социально-экономическая эффективность.

The Action Strategy for the five priority areas of development of the Republic of Uzbekistan provides full freedom for the development of small business and private entrepreneurship [1]. At the present stage, when the legal framework for family business relations has been created and is constantly being improved, in practice, family business is being developed on the basis of the principle "The richer the people, the richer and stronger the state."

At a time when the share of small business and private entrepreneurship in the country's economy is growing, the involvement of the population in

entrepreneurship poses important challenges for financial institutions, other state and public organizations.

The Law of the Republic of Uzbekistan "On Family Business", adopted on April 26, 2012, as a legal basis for family business, self-determination of the business entity in the conduct of family business, the method and procedure of work, the type of services provided justifies the possibility. The financial and economic activities of the newly established family business are free from scheduled inspections for 3 years from the date of state registration of the enterprise. In addition, all the benefits, preferences and guarantees provided by law for small businesses apply to the family business [2].

Resolution of the President of the Republic of Uzbekistan Sh.M.Mirziyoyev dated June 8, 2018 "On the implementation of the program"Every family is an entrepreneur "No. PP-3777 also promotes family entrepreneurship, handicrafts, home-based and other types of entrepreneurship , aimed at creating the conditions for every family to have a sustainable source of income and eliminating unemployment. According to the plan, the program will radically improve the material conditions of the population in remote, difficult climatic conditions, improve the quality and standard of living. It is planned to provide full support to the initiatives of the population wishing to start a business, provide them with soft loans and practical assistance in organizing and conducting business. According to the program, starting from June 10, 2018, the implementation of the regional program "Every family is an entrepreneur" in the districts and cities of Andijan region is planned [3]. In order to finance the tasks provided for in the regional program, the State Committee for Investments of the Republic of Uzbekistan will attract 200 million soums from credit lines of foreign financial institutions.

Resolution of the President of the Republic of Uzbekistan dated March 7, 2019 No PP-4231 "On additional measures for the broad involvement of the population in entrepreneurship and the development of family business in the regions" identified further directions of these systemic reforms[4]. According to the resolution, family business support centers have been established in all regions

to attract the population to family business. From now on, soft loans will be provided to the population through family business support centers under the targeted programs "Every family is an entrepreneur" and "Youth is our future." In addition, each neighborhood specializes in a specific area based on the principle of "one neighborhood - one product", depending on the specifics of the region. In addition, in accordance with the resolution, in all districts (cities) widely introduced a cluster system covering the production, processing and sale of export-oriented, market-oriented agricultural and industrial products, involving the population and needy families in productive work. It is planned to develop specific measures to address this issue.

The number of family businesses registered as legal entities as of January 1, 2019 is 592, of which 558 or 94.3% are operating [5]. It should be noted that compared to the same period last year, the total number of registered and operating increased by an average of 19.4%.

In terms of economic activities of family businesses, 45.0% or 251 of them are industrial, 23.3% or 130 are agriculture, forestry and fisheries, 11.3% or 63 are residential and catering services, 9.0% or 50 for trade, 1.6% or 9 for health and social services, 1.1% or 6 for construction, 0.9% or 5 for transportation and storage, 0, 7% or 4 account for information and communication and 7.2% or 40 for other activities.

In Andijan region, the level of adaptation of entrepreneurs to today's market is growing. For example, in January-December 2018, 864 small businesses were liquidated. This represents -3,150 fewer small businesses liquidated than last year.

The bulk of liquidated small enterprises and microfirms are 325 (37.6%) in trade, 190 (22.0%) in industry, 102 (11.8%) in construction, 102 (11.8%) in agriculture and forestry economy, 34 (3.9%) in accommodation and catering services, 27 (3.1%) in information and communication, 19 (2.2%) in transportation and storage, 10 (1.2 %) health and social services and 55 (6.4%) other activities.

Summarizing the above, it can be said that as the formation of family business relationships takes place differently in different contexts, its sectoral and

regional characteristics become more pronounced. It is necessary to study these business processes, to study the specific regional features of the formation of family business relationships. In our opinion, the disclosure of the features of the formation of family business on the basis of these conditions, the provision of guidance to enterprises to work effectively in market conditions requires special scientific research. At the same time, it is necessary to study and generalize the initial experience of starting a family business in our national economy.

The mechanism of organization, formation and regulation of family business at the regional level is a unique set of characteristics of the behavior of a particular business entity. These include the market position of the business entity, its potential, the characteristics of the services provided, etc. Accordingly, the same development strategy does not apply to everyone. At the same time, it is possible and necessary to define, implement a number of general principles in the organization of strategic development. In the current situation, the importance of finding solutions to the theoretical problems that underlie the formation of family business in the region, clearly defines the scientific theme.

In our opinion, the main purpose of the study is to establish family business in Uzbekistan, in its various regions, to reveal its environmental characteristics, as well as to improve and effectively use this mechanism through the analysis of practice. The scientific purpose of this research is to study the specifics of the introduction of family business in different regions and to develop scientific and practical recommendations.

Based on the purpose of the research, it is advisable to do the following in the research:

- Disclosure of the socio-economic nature of family business in the context of economic reforms;
- to show that the strategic concept of family business depends on regional development;
- substantiation of ways of organization and practice of family business in the region;

- study and analysis of the level of formation of family business practices;
- to determine the mechanism of effective use of family business;
- regulation of the business system at the stage of development;
- selection of priority development strategies of family businesses in the regional context and suggest ways to form entrepreneurship.

The scientific study of the regional features of the development of family business is, first of all, of theoretical and scientific importance, in which it seeks to reveal the theoretical, methodological, scientific basis of family business. Research on scientific solutions for the development of this field is being conducted in Uzbekistan. Secondly, the work has an ideological and educational significance. Because it focuses on educating people in the spirit of market relations, including entrepreneurship education and skills, and the formation of economic thinking. Thirdly, it is of practical importance, that is, the experience of enterprises and communities that have established a family business and are able to demonstrate its effectiveness in practice will be studied, summarized and suggestions will be made. The formation of a family business system in the region is directly related to the issues of socio-economic efficiency.

At the end of the research, a comprehensive systematic research on the current state and development of the national economy of the republic, in particular, the economy of Andijan region, and its effective use in the context of economic reforms will be achieved.

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