

IMPROVEMENT OF THE INSURANCE SYSTEM OF SMALL BUSINESS AND BUSINESS ENTITIES

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Abstract: This article provides information on improving the insurance system of small business and entrepreneurship.

Key words: Entrepreneurship, insurance, insurance, business, risk, trader, legal entity.

Today, the insurance process is becoming one of the important directions reflecting mutual interest. Insurance is also important in that it serves to increase the welfare of the population. Given the role of insurance in business risk management, this is appropriate and the most effective method in the current era. First, let's look at the history of insurance. It first appeared in Italy in the 12th century, and then gradually spread to other regions. The reason for its appearance in Italy was the merger of merchants to form an insurance company due to pirate attacks on ships sailing at sea. The main activity of the insurance company is to perform the function of protection. Let's look at some simple examples to make this more clear. If we think of insurance as an 'umbrella', we think of snow or rain falling from the sky as danger or risk. In this season, you should always have an umbrella with you. Therefore, insurance always promotes the right way to people who are engaged in business. Or if we consider insurance as a "seat belt", if you have noticed, this belt is installed in every car. If you look at the insurance industry, the insurance market is expanding all over the world. This type of activity is used all over the world and is the main means of protecting people.

What does insurance provide to an entrepreneur? [1]

That is, a system of business risk insurance. We will show this process completely in words. First of all, let's talk about the concept of business risk. If an entrepreneur risks his business in his investment, how should he save or act? In such a situation, it is appropriate to determine the methods of risk management and plan the speed of time. There are 4 different ways we can handle risk, business risk, to our advantage.

- Give up;
- Skip or distribute;
- Reduce;
- Acceptance;

It will be appropriate if we explain the ways to eliminate this risk through the situations that exist in our daily life. Imagine that you go out to work in the morning and it is snowing outside. You realize that driving your car on this icy road is a big risk, the accident factor is high.[2]

In such a situation, if you use the first method, that is, if you give up, you will choose the metro option. In this case, you have waived the risk. The second method is transmission or distribution. This situation is related to insurance. That is, you have insured your car, you have no fear, even if something happens, the insurance will pay for the damage. The third way, the risk is not renewed. You saw the situation, you understood, you understood that you need help in this situation. And you will be very careful or you will have personal support that is perfect in this field. By doing this, you are considered to have reduced the risk of this happening. The last method is to accept the risk. Acknowledges a possible event, agrees to a possible event. This activity is the risk of not getting the expected income from business activity. In such a situation, we believe that the most effective and useful way is business risk insurance. In the minds of many people, there is a conclusion that there must be a negative event related to the insurance activity. Actually, it's not, you don't have to damage your business, car or health to get insurance, you did something that could happen. There is a wonderful saying in our people: "Be close to your friend, be close to your enemy." It can happen, don't be afraid of it. [3] It is only necessary to preserve it.

Effective functioning and development of small business entities in our republic depends on the conditions under their control. The company provides technical service, material and technical support, small capacity storage, processing and sales, communication, etc., the demand for a number of services such as communication, consulting and information is increasing. Because it is not enough to grant the status of a legal entity to small business entities. Their full activity can be imagined only through perfectly organized infrastructure units. Infrastructure is a part of the economic system, it creates the necessary conditions for the smooth operation of production. The word "infrastructure" is translated from Latin. means "outside the structure". [4] From an economic point of view, the following explanation is more suitable for the essence of infrastructure: "a set of unique labor processes in the creation of goods and services that provide exchange of activities in the process of human life and social production". is developing. This can be explained by a number of factors. In particular, the rate of growth of production is ahead of the development of infrastructures, and this has an impact on the development of the economy.

78.3% of the employed population in the country is engaged in small business, while in 2000 this indicator was 49.7%. The share of small business in the production of industrial products was 12.9% in 2000, and in 2017 this indicator was 39.6%, in agriculture - 99%, in construction - 65.1%, in retail turnover - 88.4%. The share of

small business in the total export of the country was 27%, in import - 50%, and in investment - 32%. According to the current legislation, the average annual number of employees in agriculture, forestry and fisheries - up to 50 people, in industry depending on the type of activity - from 100 to 270 people; in the trade and service sector - subjects with 25 to 50 employees are classified as small enterprises.[5]

The following conditions have been created for the development of small business and private entrepreneurship in our republic:

1. Registration time of small business entities is 30 minutes. Only one document is required for registration as an individual entrepreneur, and two documents are required for registration of a small enterprise as a legal entity.
2. The single tax payment rate, which is an important factor in creating favorable conditions for the development of small businesses in almost all sectors, is 5% of the volume of goods and services sold. In addition, the current rate of the single social payment for small business entities is 15%.
3. Newly established production enterprises with foreign investment are granted the right to apply the rate of taxes and compulsory payments on the day of their registration for five years. Starting from 2018, it was decided that small enterprises with a land area of more than 1 hectare will pay a single land tax.
4. Financial support of small businesses is implemented in the following ways: granting loans by banks at preferential rates; guarantee of 50% of the loan funds of the state fund for business support and compensation of interest costs calculated on commercial bank loans.
5. Business interests are protected by the institution responsible for protecting the rights and legal interests of business entities. In Uzbekistan, the unscheduled inspection of the activities of small business entities has been canceled, and business entities have been exempted from all types of administrative fines for financial and economic offenses committed for the first time.
6. In all regions of the republic, entrepreneurship support centers have been established in centers operating under the principle of "one-stop shop" providing state services to business entities. "Business incubators" have been established for subjects who are just starting their business activities to draw up their business plans, provide legal and practical support, as well as receive the necessary information for their activities.
7. Clusters for young entrepreneurs were organized by training courses on business management for entrepreneurs across the republic, implementing projects on the basis of privatized facilities, and allocating plots of land at zero rent for a period of 5 years.

As of April 1, 2018, the number of small business entities operating in the republic (excluding farmers and farms) was 238,500 (99,400 in 2001). Among them, 8.2% are small enterprises and the remaining 91.8% are micro-firms. If we analyze this indicator by sector, 9.1 percent of small business entities are in agriculture, 20.9 percent

in industry, 11 percent in construction, 34 percent in trade and catering, 5.2 percent in freight transportation, and 19 We can see that 7 percent are operating in other fields. If we look at the share of small business entities in the industry in the regions, it is 71.3 percent in Tashkent city, 68.4 percent in Namangan region, 61.3 percent in Jizzakh region, and 61.3 percent in Samarkand region. It was 55.5 percent. The same figure was 29.6% in Tashkent region, 23.1% in Kashkadarya region, 18.8% in Navoi region and 18% in the Republic of Karakalpakstan.

At the same time, we should emphasize the problems that prevent small businesses from fully realizing their potential.

1. In small business, more than 62% of employees are employed in individual businesses, while only 16% are employed in small enterprises and micro-firms. Low levels of employment of small enterprises correspond to Navoi (11.3%), Kashkadarya (12.4%) and Tashkent region (13.2%).

In small business, 34.2% of employees are employed in agriculture, 12.7% in industry, 11.6% in construction, 13.4% in trade, and 28.1% in services. As can be seen from the analysis of the above items in the section of industries, we can see a relatively low level position of small business in the industrial industry, where the efficiency of job creation is high compared to other industries. The preservation of this indicator at the current level of growth may cause problems related to the increase of the population's wages and real income from business activities in the future. This situation may lead to the restriction of social guarantees provided by the state to the population.

3. The share of the number of small business entities in trade remains at a high level (26.7% of the total number of small business entities or 63.7 thousand entities). In the retail turnover, we can see that the share of small businesses and micro-enterprises was 20.2%, while the share of individual entrepreneurs was 69.4%, which has a negative impact on the income of the banking sector. and creates inconsistencies in the taxable base of small businesses.

4. If we look at the number of small business entities in the cross-section of regions, the largest number of entities are in the city of Tashkent (22.6%), Tashkent (9.6%), Fergana (8.8%) and Andijan (8.7%) regions are conducting their activities. About 50% of the total number of small business entities operate in these four regions. It can be seen that in other regions of our republic, such as Syrdaryo (3.2%), Navoi (3.3%) and Jizzakh (4.2%), it indicates that the existing potential of small business entities is not being used sufficiently.

Summary:

In the development of small business in our country, construction and finishing materials, tools and equipment, machinery spare parts and equipment, electrical engineering, chemistry, pharmaceutical products, production of many types of consumer goods, etc., are areas with high potential. increasing the contribution of small

industrial zones, improving the investment environment and competitive environment, expanding the volume of public procurement within the framework of public-private partnership with small businesses, strengthening mutually beneficial cooperation between large and small enterprises, involving business entities in innovation processes. It is also worth noting that financial support for successful and promising small enterprises that have sufficient export potential, but at the same time do not have enough capital for further development. These measures help to create more jobs in the field of effective small business, increase access to the world market, increase the export potential of the country and increase the income of the population.

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