

The impact of preferential loans on private entrepreneurship, small business possibilities expansion factor

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Abstract: *Small and medium-sized enterprises (SMEs) are the backbone of economies around the world, contributing to employment, innovation and development. has a significant impact on small and medium-sized enterprises. However, financing small and medium-sized businesses remains one of the most pressing problems today, especially in developing countries. As one of the methods of financing small businesses, we can cite preferential loans. With their favorable conditions, preferential loans serve as a good tool for financing small businesses, and have emerged as a powerful tool for expanding the capabilities of small businesses and developing private entrepreneurship. This article discusses the impact of the preferential lending system on private entrepreneurship and their role in the development of small businesses.*

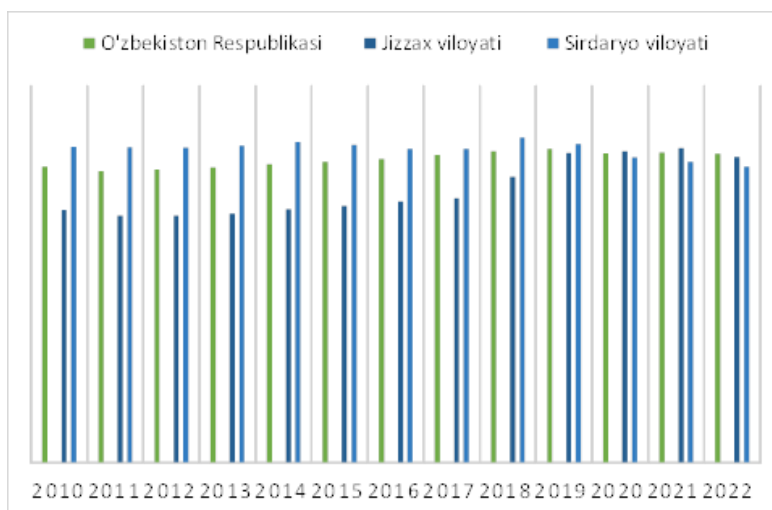
Keywords: *small business, entrepreneurial activity, soft loans, financing methods*

Uzbekistan Republic economy stabilization, comprehensive economic growth achieve, economy in particular market transition to economy One of the most optimal ways to accelerate the development of small businesses and private entrepreneurship is to develop them. Taking this into account, it is necessary to develop entrepreneurship in our country, to by the state support, private A number of laws, decrees, and resolutions have been adopted to encourage and promote entrepreneurship. The widespread development of free market relations has a significant impact on people's lives, their lifestyles, and their spiritual and vital [1-5]. Supporting small businesses and private entrepreneurship is not only important for ensuring economic stability, improving economic relations, developing competition, and filling our markets with consumer goods, adopting innovations, and also providing economic goals. In order to make small business and private entrepreneurship more sustainable in our country, additional measures have been taken to radically improve the system of organizing work to protect private property and strengthen guarantees of the rights of owners, support entrepreneurial initiatives, as well as to expand the opportunities for business entities to use financial resources and production infrastructure. expansion "On" dated August 13, 2019 PF-5780-number Decree and Uzbekistan Republic The President of Uzbekistan Republic Resolutions No. PQ-4417 of August 13, 2019 "On the organization of the activities of the Agency for the Development of Small Business and Entrepreneurship under the Ministry of Economy and Industry" were adopted.

Soft loans, also known as concessional or subsidized loans, are loans provided by governments, non-profit organizations, or development finance institutions to support targeted sectors, including small businesses. financial are tools. Traditional from loans different as, privileged Loans typically have lower interest rates, longer repayment terms, and more flexible terms, making them accessible to entrepreneurs who may be struggling to obtain financing.

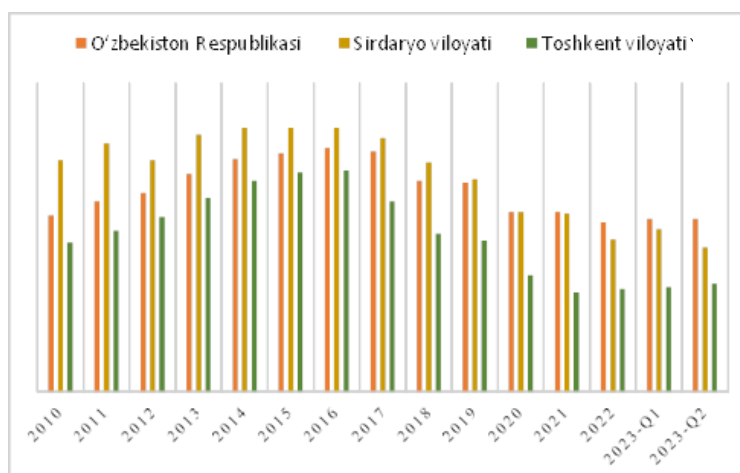
Entrepreneurship in the activity the most important from obstacles one this elementary Lack of capital. Soft loans bridge this gap by providing entrepreneurs with the necessary funds to start or expand their businesses. By offering financing with lower interest rates and relaxed collateral requirements, soft loans allow small businesses to access the capital they need to invest in equipment, inventory, marketing, and other essentials.

Soft loans are not only useful for starting a business, but also for growth. and expansion. Entrepreneurs can use these funds to upgrade technology, hire additional staff, explore new markets, or expand product offerings. their use for diversification As a result, small businesses can increase their productivity, competitiveness, and profits. can contribute to overall economic development.



1- picture. The level of activity of the population by region of the Republic of Uzbekistan. (6)

We can see that the level of population activity across the regions of the Republic of Uzbekistan has increased significantly in recent years. In 2022, in Jizzakh region The active population is 73%, and in Syrdarya region it is 70.6%. Our graph clearly shows that the population activity in Jizzakh region increased by 10.5% between 2016 and 2022. (Figure 1) Analysis deep continue if we can In our republic last five In 2019, this figure increased by 1.2% and will be 73.7% in 2022. Innovation is at the heart of entrepreneurial success. Soft loans provide entrepreneurs with financial resources to develop innovative ideas, research and development, and improve products and services. Whether it is developing advanced technologies, creating unique business models, or establishing sustainable practices, using affordable financing entrepreneurs in their fields positively changes encourages implementation.



2-picture. Small entrepreneurship of subjects total busy share. (7)

We can see the share of small businesses in total employment in the Republic of Uzbekistan by region. The Republic of Uzbekistan in 2023 The share of total employment in the region is 74.1% (percent), in Syrdarya region this figure is 72.5% (percent), in Tashkent region the share of total employment is 70.3% (percent) (Figure 2). If we continue the analysis in depth, we can see that in the last five years this indicator in our Republic, the share of employment in Syrdarya region is 2.1% (percent) higher than the share of employment in Tashkent region as shown in our graph. Small businesses are an important tool for job creation, especially in economies with high unemployment or in the informal sector. By empowering entrepreneurs through preferential credit, governments and organizations can stimulate employment opportunities, reduce poverty, and promote inclusive growth. As small businesses expand and thrive, they create jobs not only in their own enterprises, but also in their supply chains and local communities, providing socio-economic opportunities and stability.

Entrepreneurship inherently involves risks, and access to traditional financing options can exacerbate these risks due to high interest rates and rigid repayment terms. possible. Privileged loans entrepreneurs cheap It protects against financial vulnerabilities by providing capital and flexible repayment schedules. This mitigates the risk of default and bankruptcy, allowing small businesses to withstand economic uncertainties and achieve long-term sustainability.

While soft loans offer many benefits for small businesses, their effectiveness depends on various factors, including transparency of application processes, appropriate monitoring mechanisms, and sustainable sources of financing. In addition, to maximize the impact of soft loans on private entrepreneurship, it is necessary to address issues such as financial literacy, capacity building, and market access.

Conclusion and suggestions:

In conclusion, preferential loans are becoming increasingly important in expanding the capabilities of small businesses and further developing private entrepreneurship .

Soft loans provide entrepreneurs with access to affordable capital, enabling business growth and innovations incentives, employment opportunities create and contributes to building a vibrant and sustainable economy by mitigating financial risks.

Politicians, financial institutions and development agencies small business While continuing to recognize the importance of support, the widespread use of concessional loans can accelerate inclusive and sustainable economic development around the world.

In short, the development of entrepreneurship and small business in our country remains one of the top priorities of state policy today. In the words of our President, we can achieve progress and a prosperous life only through active entrepreneurship, tireless work and aspiration.

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