

FINANCIAL AND SUPPORT OF SMALL BUSINESSES BY COMMERCIAL BANKS OF THE REPUBLIC OF UZBEKISTAN

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Abstract

The rapid development of the country's economy is determined by the increase in the share of small businesses and private entrepreneurs in its structure, while the daily increase in the share of small businesses and private entrepreneurship, in turn, will largely depend on the business environment created in the country.

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According to the laws of the Republic of Uzbekistan, a bank is a commercial institution that performs settlement operations and other banking operations on behalf of individuals and legal entities, on the condition of payment, maturity, return. The activities of commercial banks can be likened to the activities of an enterprise in such a way that commercial banks, like Enterprises, consist in ensuring their activities to protect the interests of their founders-shareholders, and, secondly, the interests of their customers. The level of development of the economy of any country testifies to the extent to which entrepreneurship is progressive in the same country. It is no secret that the rapid development of the economy is determined by the increase in the share of small businesses and private entrepreneurs in its structure, while the increase in the share of small businesses and private businesses from day to day, it is their turn Today, the share of small business and private entrepreneurship in the country's GDP is 53.3 percent. The scope of work by the World Bank, which is considered a large financial institution in international practice, aimed at improving the lending system of small and medium-sized businesses, is increasing from year to year. As a result of these works, in world practice, excellent attention is paid to aspects related to improving the mechanisms of lending to small and medium-sized businesses, the effective use of loans. But, nevertheless, a number of problems and shortcomings are observed by banks in further increasing the culture of services to small business entities and their confidence in the banking system In particular, the fact that the over-centralization of powers in making decisions on the allocation of loans prevents the clear delimitation of liability between General banks and their branches, the complicated mechanisms for considering Credit orders limit the possibility of obtaining loans quickly, research on the pressing problems of lending to small businesses, the study of international experience and the development of proposals Much more attention to the development of small businesses around the world is being paid to the employment of the population than to the reference in US In particular, as of January 2021, " the World Bank has raised nearly 4.8 million in support of small and medium-sized businesses. The US dollar allocated loans to finance 61 projects in 47 countries around the world" despite the fact that small and medium-sized businesses are supported by international financial organizations and commercial banks, small and medium-sized businesses face

more financial obstacles than large companies. International experience has shown that commercial banks and credit unions have been using traditional lending methods in lending to small and medium-sized businesses. Research conducted by the World Bank "in 91 commercial banks of 45 countries revealed that the small and medium-sized business segment is a beneficial client for the bank, but with macroeconomic instability in developing countries and small business entities compared to small business entities of developed countries the financial support of small business and private business entities on the basis of loans by banks has been established as one of the main directions of reforms carried out in our country. In 2017-2021, the strategy of action on the five priority areas of further development of the Republic of Uzbekistan defines the important task of "further expansion of lending to small businesses and private businesses". In particular, the criteria that characterize the effectiveness of lending by banks to the activities of small business entities are the fact that banks have not found their expression in credit policy, large practical and rich experience in lending to small and medium-sized businesses has been accumulated in economically developed countries, Commercial banks are an important link of the banking system, the bulk of credit resources are collected in this bank, and these banks provide services to legal entities, individuals. In the Republic of Uzbekistan, commercial banks are the second tier of the banking system after the central bank. In the context of a market economy through the banking system, it will be as a central link in the financial sphere of management of the economy. Having a governmental position in the market economy, managing the circulation of goods, money and through it, revenue advances the problem of managing economic activities. For this reason, banks, as Centers for managing financial and credit processes, fully emphasize their importance only in the conditions of a market economy, become the central link of the financial system, the main quality of organizing money circulation, ensuring its stability. It should not be forgotten that the place where you store money through banks is not the one that distributes it or gives loans. Banks are a powerful weapon for managing the economy and implementing structural policies. It is known that such policies are created by Finance, redistribution of capital reserves, production and social objects that are in the dominant directions. Banks now redirect funds to financial resiruses in the way of loans, that is, to centers, industries, regions that provide good profit and efficiency. Poorly thought-out policies regarding lending will lead to low interest rates, air cooling of our country's funds, large deficits in the state budget, and eventual crash inflation. All this leads to the impoverishment of the country. According to the famous multi melloder Henry-Ford, "poverty is largely due to the transportation of its cargo from place to place. Like a continuous pile of snow, it is possible to move a large heap of money from place to place without any purpose and not notice that it is becoming increasingly impoverished in this". Hence, the creation of a banking system based on modern market conditions is the main direction of market reforms, economic restructuring. Because it is impossible to create an economy that works effectively without having a banking system that is functioning effectively in modern times. In addition to banks, the banking system includes some economy-oriented financial institutions.

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