



EVALUATION OF MANAGEMENT EFFICIENCY OF SMALL BUSINESS ENTITIES OF NAMANGAN REGION

Ganiev Botir Bakhtiyorovich

Researcher of Namangan Engineering and Construction Institute

Abstract: Entrepreneurship is a special type of economic activity of people. Therefore, entrepreneurship is an economic activity aimed at achieving economic and social results and profit. The concept of "business" is the same business, profession, economic activity aimed at making a profit. In the Republic of Uzbekistan, the concepts of "business" and "entrepreneurship" are considered synonymous words. However, the concept of "business" is broader in meaning, as business includes any one-time commercial transactions aimed at earning income in any field of activity. An entity in business is called a businessman or merchant.

Keywords: business, Entrepreneurship, economic development, market.

Entrepreneurship is an economic activity and any non-prohibited activity, the purpose of which is to make a profit. Historically, business has emerged during the formation of society. Activity as a higher form of development is unique to man, and only in terms of his activity can the essence of business be understood. The basis of the economic development of industrially powerful countries is entrepreneurship, and the market is an incentive for the development of production in them. The practice of business organization in these countries proves that its formula for survival in the market is very simple. Each economic entity is its producer and consumer. The market determines prices and output, and due to the coordination of positions between buyers and sellers, several problems are solved simultaneously.

The first of them is "what should be produced?" - determined by the amount paid by the consumer for the selected product; the second - "how to produce?" - competition between producers; the third is "how much to produce and how to distribute?" - determined by the supply and demand ratio. Such a process is characteristic of each production method, different economic systems in which the market exists, and works as a way of business management, a way of thinking, a way of life.

50 different statistical indicators are used to characterize small enterprises, in which priority is given to quantitative, in particular, the number of employees, annual turnover and other criteria. Quality criteria are widely used, including profit mass, direct personal contact of management with production staff, customers, suppliers, independence, strict dependence on the nearest markets and sources of raw materials, etc. In many countries, the legal definition of SMEs is that the maximum number of employees is often 50 for SMEs and 200-250 for medium-sized businesses. As for small enterprises, it is usually possible to distinguish micro-enterprises, which usually include small enterprises with less than 10 employees. All US firms are divided into five categories based on the number of employees and the Small Business Administration criteria: smallest (1-24 employees), small (25-99), medium (100-499), large (500-999), very large (1,000 employees or more).

According to statistics, small business is the largest sector of the economy in economically developed countries. In particular, in Germany, 97% of enterprises are small, in other EU countries their share is slightly higher: in Great Britain - 98%, in Spain, France and Italy - 99%. In the most

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developed countries of the "Big Seven" - the USA and Japan, this share reaches 99%. In 2022, the share of small business and private entrepreneurship in the total number of enterprises in the Republic of Uzbekistan was 87.5% (Figure 1).

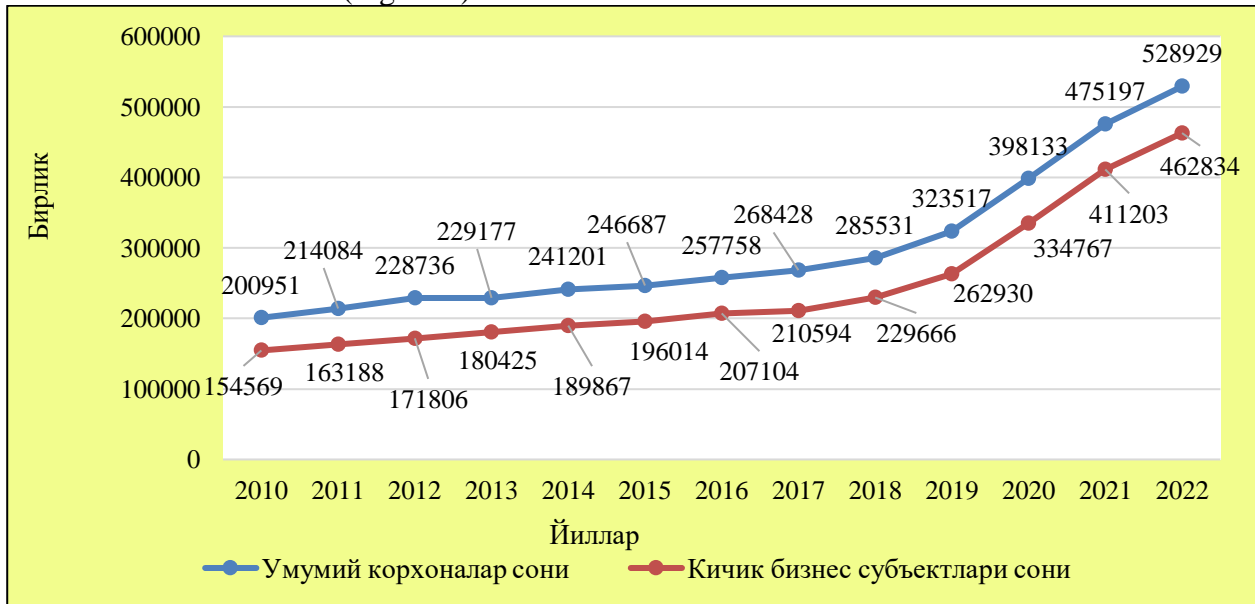


Figure 1. The number of enterprises operating in economic sectors of the Republic of Uzbekistan

If we pay attention to the data presented in Figure 1, the number of enterprises operating in the economic sectors of the Republic of Uzbekistan increased by 327,978 units to 528,929 in 2022 compared to 2010, and the number of small business entities in its structure also increased by 308,265 to 462,834. In this regard, it is worth noting that in the share of general enterprises operating in the economic sectors of the Republic of Uzbekistan, small business entities made up 76.9 percent in 2010, and by 2022 this indicator was equal to 87.5 percent. This, in turn, represents the result of attention to small business within economic sectors.

Small business includes small business forms. The small business form has at least two characteristics: independent management and private capital. In the economies of developed countries, small business is the main source of labor. For example, one-third (31.8%) of jobs in the US are provided by firms with fewer than 100 employees. This indicator is approximately 26% in Great Britain, 17% in Germany, 40% in Denmark, the Netherlands, and 74.4% in the Republic of Uzbekistan in 2021 (Figure 2).

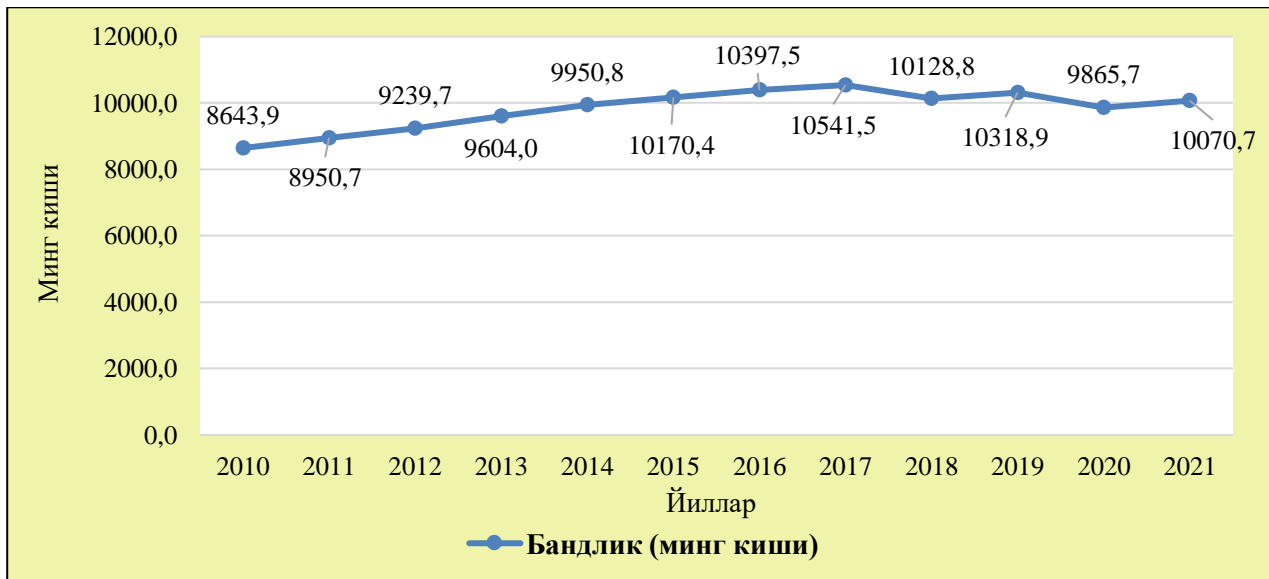


Figure 3. Number of items in small business entities of the Republic of Uzbekistan

Based on the information presented in the picture, as noted above, small business entities are playing an important role in ensuring the employment of the population in the Republic of Uzbekistan. In 2010, the number of jobs in small business entities was 8,643,9 thousand, and in 2021, it increased to 1,426,8 thousand and reached 10,070,7 thousand. This is explained by the fact that compared to 2010, the total number of jobs in the economy increased by 0.1% to 74.4%.

Research shows that the small business entities of the Republic of Uzbekistan are approaching the indicators of the corresponding entities in the developed countries of the world in terms of the quantitative characteristics of their development. This result is confirmed by the quantitative indicators of small business development in other countries of the world, in particular, the results of comparing the number of entities of the size corresponding to 1000 people of the existing population, the number of employees of small and medium business entities, the share of employees in the country's gross domestic product, and so on.

Summarizing the current positive and negative aspects of the development of small business entities in the Republic of Uzbekistan, it can be noted that according to quantitative calculations, the development of this sector of the economy practically corresponds to European indicators. However, local entrepreneurship lags far behind European standards in terms of quality indicators and differs not only in terms of product quality, but also in its contribution to economic development, labor productivity, availability of jobs in accordance with the created economic goals, and social guarantees, etc.

In the practice of local statistics, small enterprises are defined as a separate category, and medium-sized enterprises are considered objects of statistical accounting only by some key indicators (number of employed workers, salary fund, etc.). That is, the analysis of the development of small business in the Republic cannot demand great perfection and completeness due to the unsatisfactory state of the monitoring system of its development. Since the activities of medium-sized enterprises are not fully covered by statistical observations, it is not possible to compare the development

indicators of local small business entities and similar entities of business activity in other countries. Changes to the legislation on the criteria for classifying enterprises as small business entities helped to increase the segment of small enterprises in industries with relatively small sales volumes.

In general, with the formation of market relations and the development of the process of integration into the world economic space in the Republic of Uzbekistan, small business enterprises are rapidly developing. The results of the above analysis showed that if the decision on the category of small business was made by local scientists, the legal aspect of the activity of enterprises by types of economic activity remains unexplored. Although the legislative regulation of this issue has been activated, the important task of the state policy in the future should be not declarative, but to create real conditions for the effective operation of small business. Improving internal statistics, which do not include a large number of small enterprises in the analysis or are conducted on a selective basis, also requires certain efforts.

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