

**THE ROLE OF SMALL BUSINESS ENTITIES IN THE DEVELOPMENT OF THE REPUBLIC OF
UZBEKISTAN**

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Abstract: *The article examines the characteristics of the formation and development of small business entities, their specific aspects, as well as the opinions of foreign scientists on small business. In addition, comments were made on government decisions and decrees on the development and improvement of entrepreneurship in Uzbekistan and their implementation. Based on this situation, the economic analyzes of the activities of small business entities operating in the Republic of Uzbekistan were carried out, and the conclusions based on the obtained results were presented.*

INTRODUCTION.

Studying the features and characteristics of the formation and development of small business entities in the country's economy, assessing their impact on the social condition of the population, studying the development of non-traditional business forms in small business is one of the priority directions of the field in the economy of the regions in the future. In the development of entrepreneurship in Uzbekistan, special attention is paid to solving a number of problems related to the further improvement of forms of economic management.

In particular, in the Decree "On additional measures to improve the financing mechanisms of projects in the field of entrepreneurship and innovation" [1], "The strategy of actions on the five priority directions of the development of the Republic of Uzbekistan in 2017-2021 is to be implemented in the "Year of active investments and social development". 82 of the State Program"[2] and the decree "On the Development Strategy of New Uzbekistan for 2022-2026"[3].

It can be seen that the importance of the conditions created by the President and the government of the Republic of Uzbekistan for the development of this sector and the number of decrees and decisions adopted in this regard have a positive effect on this activity. In particular, a number of works are being carried out in Namangan region to further liberalize economic reforms, to rapidly develop small business, to create the necessary conditions for further activation of the scope of work, to ensure the guarantee of their legal rights and interests, and to support small business entities.

LITERATURE REVIEW.

The scope of scientific work aimed at the rapid development of the country's economy, its integration into the world community, the sustainable development and improvement of the effectiveness of small business entities, and the further improvement of their implementation mechanism is increasing. In economically developed countries, serious attention is paid to this issue, and the attitude of many economists-scientists to this problem can be cited, including: A. Smith, J.B. Say, R. Cantillon, J. Keynes, Y. Schumpeter, H.

Landstrom¹ A. Marshall, J.B. Clark, S. Arzeni, A.D. Artemenko, M.I. Balanov, E.P. Golubkov, V.G. Efimova, L. Chiorniy, N. Baldich, O.A. Anya, B. ... In the scientific works of A. Yusof, D. Battasali, S. N. Nicholas, F. Kotler, J. Lamben, D. Daniels, Dj. Sanders, G. Armstrong and others, it is reflected in the comments on ensuring the sustainable development of small business entities and increasing their efficiency. found

METHODOLOGY. Statistical analysis, factor analysis, survey and selective observation methods of small business entities operating in the Republic of Uzbekistan were used in the research. The obtained results are presented in tables and diagrams, based on which a logical observation was made.

RESULTS AND DISCUSSION

As a rule, regional factors of small business entities prevail in terms of influence on the investment attraction process. It is necessary to indicate the need to carry out the analysis of the investment environment by sectors. Because positive investment factors have specific aspects for different industries. In some cases, the factors that can play a positive role in one network are negative for another network, or if any indicator is sufficient for a certain network, this indicator itself may be completely insufficient for the successful development of another network.

The investment environment in Uzbekistan for small business and private entrepreneurship is of particular interest. In order to ensure investment attractiveness of small business entities, it is necessary to list the following features:

- giving priority to the state support system and development mechanisms for the development of small enterprises;
- to create special opportunities for the activities of large medium and small enterprises occupying market sectors based on their position;
- for each region, based on their geographical location, to identify small business entities and offer them suitable types of activities. The aim of these is to direct the subjects of small business activities to attract investments in certain directions.

It should be emphasized that in the formation of small business activities, it is necessary to take into account the self-sufficiency of each region with investments based on its internal capabilities. The use of these opportunities in small businesses can be very effective and has several advantages in terms of engagement efficiency. Looking at the economy of the Republic of Uzbekistan, in 2019 alone, more than 54,000 small enterprises and micro-firms were established, which is 2.0 times more than last year (Figure 1).

¹ Smith, A. (1776/1979), *An Inquiry into the Nature and Causes of the Wealth of Nations*, London: Methuen and Co.; Schumpeter, Joseph A. (1949), "Economic theory and entrepreneurial history", Landström, H. (2005), *Pioneers in Entrepreneurship and Small Business Research*, New York: Springer.

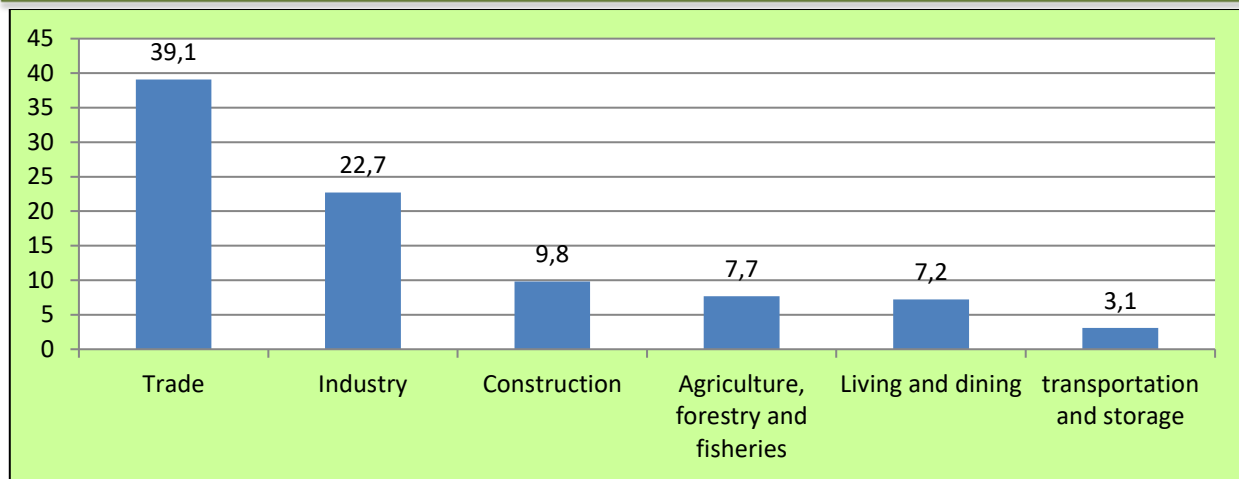


Figure 1. The share of small enterprises and micro-enterprises by types of economic activity in 2020,%²

Figure 1 shows information about the share of small and micro-enterprises in the country by types of economic activity, the largest share of small businesses in the trade sector is 39.1%, in the industry sector is 22.7%, and in construction is 9.8%. . The lowest indicator corresponds to the transportation and storage sector and is 3.1%. In order to ensure the rapid development of small business entities in the country at the present time, it is necessary to develop a new concept of quality development, which includes the principles of innovation, consistency, environmental cleanliness, openness, and joint use (Fig. 2).

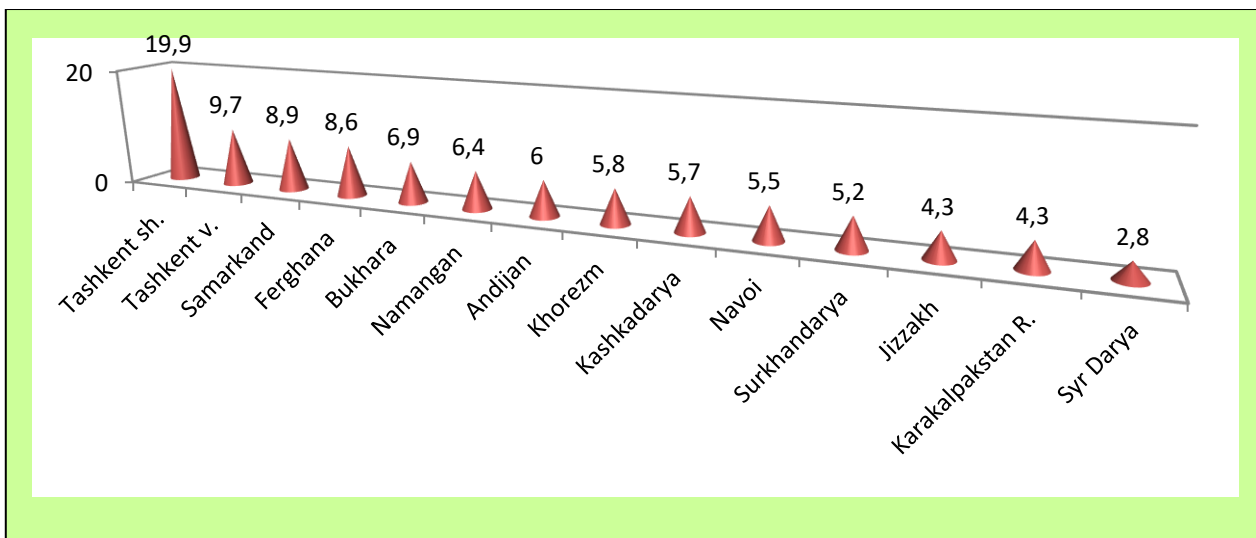


Figure 2. The share of newly established small enterprises and micro-firms in the region in 2020, %³

² It was prepared by the author based on the information of the State Statistics Committee of the Republic of Uzbekistan.

³ It was prepared by the author based on the information of the State Statistics Committee of the Republic of Uzbekistan.

In Figure 2, the share of small enterprises and micro-firms established in 2020 by region was 19.9% in Tashkent city, 9.7% in Tashkent region, and 8.9% in Samarkand region. In the Jizzakh region, it is 4.3%, in the Republic of Karakalpakstan, it is 4.3%, and in the Syrdarya region, it is 2.8%.

Business activation measures have contributed to the emergence of new small enterprises and micro-enterprises, most importantly to the creation of new jobs, and the share of small enterprises in GDP has been increasing over the years. From the data presented in Figure 2.1.5 below, it can be seen that the share of small business in GDP is 54%, in the sector, the share of small business in industry is 32.8%, in forestry and fisheries 97.5%, and in trade is 85%. was 4% (Fig. 3).

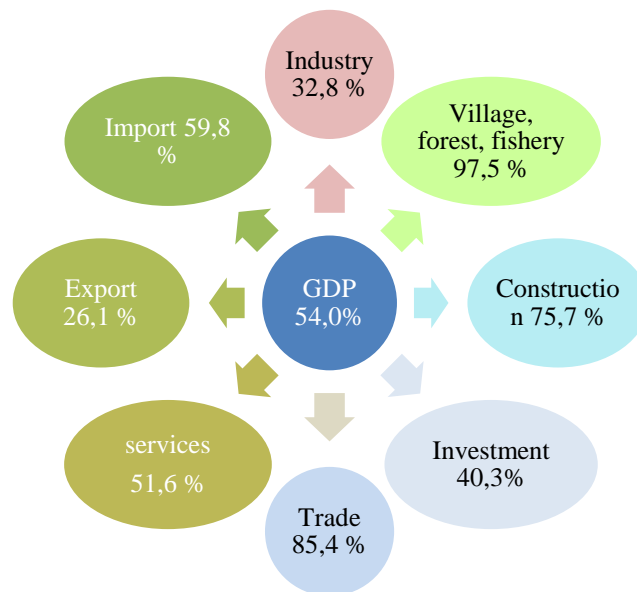


Figure 3. In 2020, the share of small business in the structure of GDP, %⁴

The sectors with average share are services 51.6%, import 59.8%, and investment 40.3%. In 2019, the indicators of the establishment of small enterprises and microfirms stood out. Most of them are 21,143 in trade, 12,245 in industry, 5,283 in construction, 4,153 in agriculture, forestry and fisheries, and 3,905 in food. The following can be listed as the main indicators of small business:

- regional indicator of the development of infrastructure and system of state support for small business;
- the existence and level of development of large companies competing in the market sectors they occupy (for example, in the field of production services or trade);
- level of development of the local banking system and tax relief;
- customs privilege;
- insurance, investment attraction and currency conversion and other factors. It should be noted that increasing the number of convenient sources of investment resources and increasing the efficiency of using

⁴ It was prepared by the author based on the information of the State Statistics Committee of the Republic of Uzbekistan

existing sources is currently an important task of state support structures for small businesses. In this regard, it is necessary to increase the volume of production by small business entities in the regions, to accelerate the specialization of certain regions in certain types of products.

As a result of the reforms carried out in the country's economy in recent years, the number of small enterprises and micro-firms is decreasing year by year. According to the results of research conducted in our country, it is necessary to take into account the capabilities of the country's regions in the development of small business entities. The fact that our state is providing support is causing serious structural changes in the industry.

In our opinion, it is necessary to create conditions for the activity of small business entities in the regions of the country, to form reliable legal bases for them, to increase the efficiency of the activity of creating all the conditions, to ensure the transparency of business activities, and to increase the attractiveness of the investment activity that is expected to be involved in the field.

CONCLUSION

In short, it is necessary to increase the number of favorable opportunities for the formation of investment resources and to increase the efficiency of the use of existing resources. A small business has the ability to use any non-large investments efficiently, to operate more efficiently and to use investments efficiently than large firms. Due to this feature, small business enterprises do not need large investments for their activities, they have the ability to quickly adapt to changes in the markets, to carry out non-stop activities during any economic crises.

For this reason, measures to create favorable conditions, opportunities, facilities for the development of small business in the economy of the Republic of Uzbekistan and quality organization of labor are being actively continued. In order to further increase the achieved achievements, at least to keep them in such a positive state, formalities related to attracting financial investments and putting them into production should be at low, affordable prices and should be at the level of demand as determined by regulatory documents.

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