

POTENTIAL FOR EFFECTIVE DEVELOPMENT OF SMALL BUSINESS IN
NAMANGAN REGION

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Abstract: Entrepreneurship is a dynamic, active element of business, defined as an active, independent activity carried out by citizens and their associations to produce products, perform work and provide services at their own risk and property responsibility, with the goal of obtaining profit. Only the entrepreneur participates in running a business, not all market participants. Business, as mentioned above, is a broader concept than entrepreneurship. Because it covers all the relations that arise between all participants of the market economy, including not only entrepreneurs, but also consumers, employees, and state structures. Therefore, entrepreneurship is a category of business as an economic phenomenon.

Keywords: entrepreneurship, business, obligation, responsibility.

Introduction

Some scientists, such as V. Pashkus, N. Mysko, believe that entrepreneurship is a broader concept than business, because business covers only the field of trade, and entrepreneurship covers both production and trade. Economists and researchers Yu.B. Ivanov, Yu.B. Kravchenko, M.M. Khomenko consider entrepreneurship and business to be similar, if not the same, economic concepts, because the English word "business" has a multifaceted meaning. SI. Demyanenko also notes that the word "business" has many meanings and specific features of translation into Ukrainian, depending on the conditions of its use in each individual case. This is business, entrepreneurial activity, commercial activity, work, scope of responsibility, enterprise, profession, obligation, responsibility, etc. Therefore, when translating this term from English, it is recommended to formulate the Ukrainian economic term as accurately as possible, taking into account the nuances of the content.

Basically, in our opinion, in the methodological sense, entrepreneurship should be considered as a complex and multifaceted, multi-systemic and multi-level concept. It is a set of economic, historical, social and legal relations, which includes the category of entrepreneurship, its role in socio-economic life, special method of economic activity, business environment, entrepreneur's personality, style and type of entrepreneurial activity. In economic practice, the concepts of "entrepreneurship" and "business" are often equated. Accordingly, the concepts of "small entrepreneurship" and "small business" are equated.

Thus, Professor V. Karsekin and other authors emphasize that "indeed, entrepreneurship is combined with small business almost everywhere, and the term "small business" is widely used in local science and practice. Small business is an independent (at the expense of own funds), systematic, innovative activity of business entities at their own risk to obtain business income. Researches show that now, in our opinion, when defining the concept of "Small business", it is necessary to take into account not so much quantitative criteria (number of employees; amount of capital, profit, cash flow; gross production, sales volume, etc.), but qualitative characteristics. In this regard, first of all, unity of ownership and direct management of the enterprise, such as legal independence; the direct nature of the relationship between the owner (boss) and the employee; full responsibility for business results; small trade market, family management and other quality criteria should be emphasized.

In this case, entrepreneurship is not any activity of a producer, banker, employee of the trade, service sector, but only the activity of the owner who initiates and implements services, trade, etc. with the involvement of hired labor. This, in turn, confirms that private property best realizes the possibilities of small business, corresponds to its spirit and is a means of development of productive

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forces. Because private property is the basis of small business, its distinctive feature is the dialectical unity of ownership, management and control of funds in the person of the subject of entrepreneurial activity.

Small business means any small enterprises and individual citizens (individuals) profit-making activities. In practice, this represents any activity of the specified business entities aimed at realizing their economic interests. This is certainly not a particularly dangerous and innovative activity based on full economic responsibility. According to some scientists, an increase in the level of risk and innovation characteristic of small entrepreneurship, in particular, A.P. Kiselov said that a small business is a business operating in market conditions in various areas of social production, characterized by a small volume of production (works, services) and the number of employees. are small, small firms.

Main part

A number of other scholars argue that small business is an economic activity that benefits small and medium-sized enterprises that do not belong to monopolistic associations. If we pay attention to this idea, the free choice of the type of activity of small business; legal and economic independence in making decisions; hiring workers for free; independent formation of activity programs and selection of partners, primarily product suppliers and consumers, setting prices; it can be noted that it includes basic principles such as free disposal of profits after paying taxes in accordance with current legal norms.

However, in our opinion, such a conclusion can be supported only by taking into account the composition of the direct market participants. In other areas, the concept of "small business" is broader and should be considered in the context of defining the concept of "entrepreneurship". The latter, as you know, covers various types of relations: economic, legal, political, historical, psychological, etc. Small business is a leading sector of the economy of developed countries. In addition, small and medium-sized businesses are one of the main drivers of innovation, employment, and social and local integration in the economy. Research shows that our government's efforts to develop a sustainable economy will be successful if small businesses take leading positions in society.

Therefore, it is necessary to create the most favorable conditions for the implementation of small business and entrepreneurship. Opinions about the incomparable role and special importance of small business in the development of the economy of our country are indisputable. Naturally, a question arises about the criteria for including enterprises in the small category. Because, on the one hand, the state's capabilities are limited in a certain way (direct financial assistance, exemption from export or import duties, preferential taxation, etc.); on the other hand, the occurrence of any "vacancy" automatically leads to the appearance of too many applicants for them.

Quantitative, qualitative and combined approaches to identifying small and medium-sized enterprises can be distinguished. In determining small and medium-sized enterprises based on quantitative approaches, criteria that are convenient for analysis, such as the number of employees, sales volume, and balance sheet value of assets, are mainly used. However, there are certain definitions that use only one of these criteria, in particular, the initial definition of SMEs in the EU is given by the number of employees. However, although such criteria are the most common, researchers express different opinions about the quantitative parameters of their change even within one country.

The main advantage of quantitative definitions is their ease of use, such as existing criteria such as sales volume or number of employees. The main disadvantages of quantitative approaches are their absoluteness, the lack of a theoretical basis for choosing one or another indicator and determining the limits of its changes, as a result of which it is difficult to use it for comparative analysis.

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Qualitative options for definitions include the application of quality criteria. There are also cases where qualitative determination criteria are supplemented with quantitative indicators. However, this approach is mainly based on subjective judgments and experience, although they emphasize the differences at the same time. Attempts are also made to determine the size of "small", "medium" and "large" enterprises, in fact, taking into account the impact or consequences on the nature of the enterprise's activities. In particular, R. Brooksbank Van Horn, while analyzing the characteristics of strategic planning of small firms, distinguished five characteristics typical of small firms from a strategic point of view (Figure 1).

Based on the quality criteria, as well as his own experience advising company managers in the Netherlands, Van Horne suggested looking at medium-sized businesses with between 50 and 500 employees and a turnover of £1-33 million. According to his conclusion, medium-sized British firms are businesses with between 25 and 500 employees. A characteristic example of a combined approach is the definition of a small firm proposed in the report of the Bolton Committee (Great Britain) in 1971, which was actually the first example of a balanced consideration of the problem of small business development. It presents the results of a comparative analysis of some aspects of the development of small firms in different countries, which was the first attempt to understand the problems of small and medium-sized businesses in an international context.

Also, in order to overcome the shortcomings of the quantitative approach, the Bolton Committee proposed an "economic" and "statistical" definition of a small firm. By economic definition, small firms are a relatively small segment of the market that includes a firm that; that it is managed personally by the owner (or co-owners) rather than through a formalized management structure; and firms that meet the three conditions that the firm is independent (i.e., not part of a large enterprise) are included. The conclusion that there is no single definition of small business in world economy and practice is justified.

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