



PROBLEMS OF PROVIDING SUSTAINABLE DEVELOPMENT AND INCREASE EFFICIENCY OF SMALL BUSINESS SUBJECTS

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ABSTRACT: - Issues of small business development in Uzbekistan also determine the place of small business in the further development of our economic potential. The role of small business and private entrepreneurship in the development of the national economy, the development trends of its branches are studied. Summarizing the collected foreign and local experiences, suggestions and recommendations were developed for the further development of this sector in the future.

KEYWORDS: Small business, private entrepreneurship, efficiency, sustainable development, development strategy, flexibility, forecasting.

INTRODUCTION

In the conditions of current globalization, the stable development of the economy depends on many factors, the most important of which is the development of small business. The most optimal way to transition to a market economy is to establish small business and private entrepreneurship and to express confidence in its prospects, therefore, from the first days of independence, the Republic of Uzbekistan paid special attention to this area. Small businesses and private

entrepreneurship operating in the Republic of Uzbekistan have certain characteristics that distinguish them from small businesses in many other countries.

The most important of them are combining several types of activities within one small enterprise (through household activities), the majority of small business entities owning their own buildings (according to research, currently 61.4 percent), in most cases not focusing on a single product development model, enterprises most of them (despite the

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dependence on innovative potential) are low technical level and dependence on low technological equipment and a number of other characteristics.

As world practice shows, small business and private entrepreneurship play an important role in the economy and contribute to its sustainable development, as it has certain advantages. Analyzing the foreign and domestic experience of small business development, faster adaptation to local economic conditions compared to large business, independence of actions of small business entities, flexibility in decision-making and implementation, and relatively low costs in the implementation of effective activities, demonstrating the ability of a person to realize his ideas. advantages such as the presence of an excellent opportunity to achieve, low initial capital requirements and the ability to quickly introduce changes in the production processes of products in response to the requirements of local markets can be noted.

The competitiveness of small business is primarily explained by the significant potential that exists in small business, and it is related to such quality features as the personified nature of relations between enterprises and customers, unity of ownership and direct management of the enterprise. World experience shows that even in the economies of the most highly developed countries, there are huge enterprises and corporations that seem to monopolize entire sectors of social production, and a large number of small and medium-sized enterprises create the bulk of the gross product.

They are guarantees of the flexibility and dynamism of the economy, a powerful means of constantly adjusting and maintaining the structure of reproduction that satisfies the needs of the population for work, wages and

social services. Small business can be classified as a special creative type of economic behavior. It is characterized by an entrepreneurial spirit and active creative activity, which is simultaneously associated with a certain risk. The combination of owner and manager in one person helps to create such an atmosphere in small enterprises. An important advantage of small business, ensuring its efficiency, is the mutual exchange of workers. With a certain limitation of functions between employees, small business and private enterprise are characterized by mutual assistance and support of each other, duplication and exchange if necessary.

ANALYSIS OF LITERATURE ON THE SUBJECT. Foreign scientists D. Ricardo, A. Smith, R. Cantilson, A. Turgo, F. Kene and J. Bosey, J. B. Sey, A. Marshall, V. Zambramb, Y. Schumpeter, F. Knight, A. Smith, J. Keynes, W. Stafford, D. Lowe, G. Scaruffi, U. Petti, D. Ricardo, A. Michel, D. Rawls, V. Repke, O. V. Voronkova , Von Der Leppe[1] and other economists conducted scientific research.

L. O. Ramashova, U. V. Petrov, S. G. Kachaeva, O. V. Kiseleva, S. V. Kartsev, O. I. Obratsova, Ya. D. Shiriyaeva from the mature factors of the member states of the CIS interstate organization[2] who have contributed to the field of small business and private entrepreneurship.

The mature scientists of our country conducted scientific researches in the study of small business and private entrepreneurship in our national economy. In their works, they gave the legal basis for the development of small enterprises based on the factors affecting small enterprises based on foreign experience. In this direction, S.S. Gulomov, M.R. Boltaboev, M.S. Kasimova, Sh.J. Ergashkhodzhaeva, A.N. Samadov, Sh. Otajonov, Kh. Khamroev, E. Egamberdiev, Kh.

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D. Khojakulov [3] and other economists have conducted many scientific researches. However, the problems of ensuring the sustainable development and increasing the efficiency of small business entities and their elimination are not focused on the topic, which shows the relevance of the chosen topic.

Methodology. In the article, the problems of the field are studied using statistical observation, grouping methods, graphic, tabular and logical methods, and observational methods are used to solve them.

DISCUSSION AND RESULTS. An important advantage of small business and private entrepreneurship is the high speed of information transfer. This is due to the small amount of information that can be covered by direct communication between managers and employees. That is, the small size of the enterprise provides good management with relatively low management costs. Finally, it should be noted that the establishment of a small business, as a rule, does not require a large investment in capital funds. This advantage attracts many start-up entrepreneurs and has a positive effect on the price of products, works and services.

Of course, at the same time, along with the positive advantages of small business and private entrepreneurship, there are also a number of disadvantages and problems, including:

- dependence of small business and private entrepreneurship activities on the influence of the external environment creates a high level of risk and the speed of the possibility of a crisis;
- low ability to collect capital that can be allocated to expand production in small

business and private entrepreneurship activities;

- the field of small business and private entrepreneurship is limited, and it is difficult for this field to enter the fields that require capital and science;

- the limited range of products in small businesses and private enterprises and the lack of an opportunity to compete with large-scale production makes it difficult to organize marketing services and a dealer network.

Experience shows that most of the failures of small business and private entrepreneurship are related to inexperience of managers or professional incompetence of the owners of the entity. According to the results of a survey of small businesses and private entrepreneurs during the study, incompetence was identified as the main reason for their failure. Nevertheless, it should be remembered that the activity of small business and private entrepreneurship enterprises is directed to meet local needs, develop the region and solve social and economic problems at the local level.

This, in turn, increases not only economic, but also social importance of small businesses and private enterprises. With the deepening of economic reforms in the republic, small business is becoming an increasingly important factor in the formation of market relations. At the same time, it should be noted that the potential of small business is not being used sufficiently in the national economy.

This is evidenced, first of all, by the small number of small business entities compared to the population. In the economy of the Republic of Uzbekistan in 2020, the share of active small enterprises (411,203) in total enterprises (475,197) is 86.5% (increased by

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2.45% compared to the previous period). According to the Russian Federal Tax Service, in 2020 this figure was 56.9%[4] and the pandemic economy has taken a heavy toll on countries based mainly on small businesses and services. In this regard, in 2019, this share for the member states of the Organization for Economic Cooperation and Development is higher than 55%, in Brazil - 50.2%, in the USA - 48%, in Canada - 30%[5]. Compared to the same period of 2020, due to the pandemic, it fell by 11.3%, the UK by 20.8%, and the USA by 31.4%[6].

Secondly, its insignificant economic role. In the Republic of Uzbekistan, more than half of the gross domestic product and three-quarters of jobs in the economy are accounted for by small business representatives. According to the Stolypin Institute of Growth Economy, in 2020, the average share of the Russian small and medium business sector in the GDP will be 48%, and the number of jobs in the sector will be 15.5 million. per capita[7], providing 90% of all businesses in the EU and nearly 85% of new jobs in the last five years, as well as two-thirds of the total private sector participation in the region[8].

Thirdly, the economy is saturated with small business forms. According to the data of the State Statistics Committee, the number of active enterprises and organizations in 2021 is 41.1 (without farmers and peasant farms) [9] million. compared to the same period last year, this figure increased to 8,242, and the growth rate was 128.3 percent. If in the Republic of Uzbekistan 34.5 mln. if we take it in relation to the number of people, it can be determined that this indicator corresponds to about 12 people for every thousand people. There are more than 23 million small and medium-sized enterprises in the European Union, which employ about 70 percent,

account for 57 percent of total turnover and 53 percent of added value, with an average of 40 small enterprises per 1,000 inhabitants. In the Czech Republic, small and medium enterprises 4.7 times, in Sweden - 3.4, in Spain - 2.7, in Poland - 2.1 times[3].

Fourthly, differentiation of weak types and new technical-technological backwardness remain the characteristics of small business and private entrepreneurship in the national economy. Currently, the share of small enterprises working in the industry is not very large. A large share of small enterprises is represented by small associations, in small production sectors, the average annual number of employed employees is no more than twenty people, in the service sector and other sectors not related to production, the average annual number of employees is no more than ten people, wholesale, The average annual number of employees employed in the retail and catering sectors is five at most[11].

Fifth, uneven distribution of small business entities by region. If we look at regions, the highest rate per 1000 inhabitants is in Tashkent city (28.8), Navoi region (18.1), Syrdarya region (17.9), Jizzakh region (15.6), It is observed in Tashkent and Bukhara regions (14.9 cases), Fergana region (12.2 cases). This, in turn, increases the risk of business disruption and the lack of infrastructure to support even small businesses. According to the experts of the National Institute for Systematic Research of Entrepreneurial Problems, entrepreneurs collect loans from illegal credit markets during the crisis, because the access to credit services in the legal credit market is limited.

There are a number of other problems in improving the efficiency of small business and private entrepreneurship, among which, as a result of the low level of management, the lack

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of knowledge, experience and the culture of market relations, it is expected that newly

established enterprises will be closed soon (Table 1).

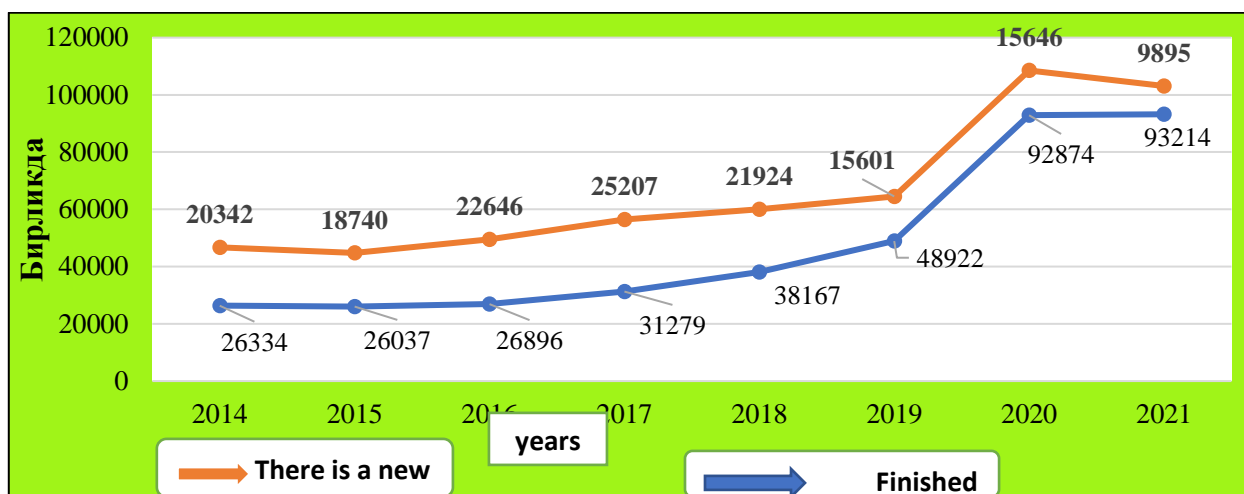
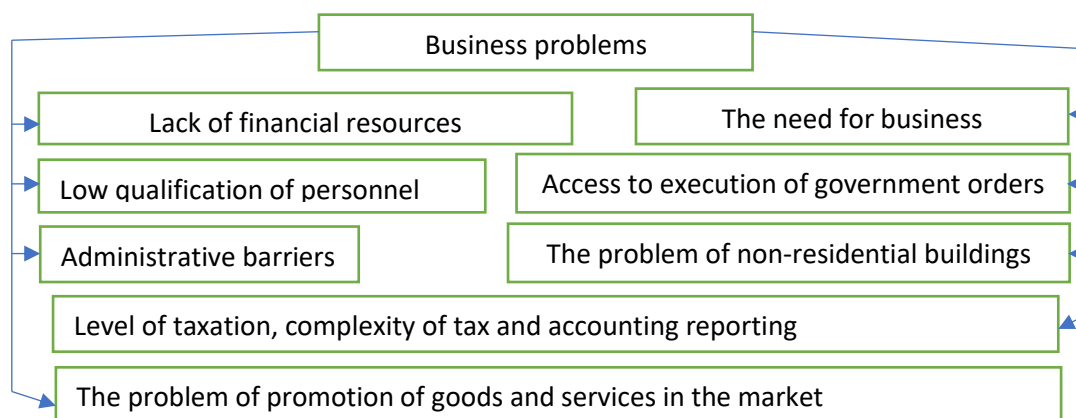


Table 1. The number of small business and private entrepreneurship enterprises in the Republic of Uzbekistan

From the data of Table 1, it can be seen that in 2014, 77.3% of newly established small business entities were terminated, and in 2021, this indicator decreased to 10.6%. This, in turn, can be explained by the development of the business environment in the country, the expansion of business conditions, the implementation of reforms to meet the requirements of the free market economy and reduce all types of procedures related to the activities of enterprises.

The development of small business is relevant for the economy of every country in the world, and the main task of small business is to create jobs and increase the gross domestic product of the country. The following can be cited as the main and urgent problems of entrepreneurship faced by newly established and operating small enterprises (Figure 2).



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Figure 2. The main development problems of entrepreneurship

(Author development based on research results)

In order to create conditions for the free self-development of small business, the state authorities are obliged to eliminate the above-mentioned problems that prevent the rapid development of small business. It is known that if we simultaneously reduce the types of licensed activities and move from the licensing feature to the principle of informing about their registration, it is possible to stimulate the growth of the number of small business entities.

Small business and private entrepreneurship in the consumer market not only solve social problems (create jobs for citizens), but also provide an individual approach to customers, product specialization and are a sales channel for manufacturers. Studies show that the consumer market can be developed in the directions of designing and implementing residential neighborhoods, public transport projects, and organizing and holding fairs, taking into account the needs of businesses in the trade sector.

In our opinion, in order to develop small business and private entrepreneurship activities and increase production efficiency in our country, it is necessary to establish cooperation relations between subjects. This, in turn, leads to increased confidence in small business and private entrepreneurship, trust in public institutions and the market. Of course, the establishment of cooperative relations of entities is a complex process, and for almost the same reasons, establishing relations between small and large enterprises is carried out with great difficulty.

Conclusions and suggestions. In short, small business is an integral part of the market economy, which is characterized by special mobility, flexibility and high efficiency. The development of small business contributes to the development of positive processes in the economy, the democratization of society, the increase of political weight in the international arena, which in turn brings not only political but also economic dividends to the state. Many characteristic features of small business are directly related to normal market relations and the main problems that hinder the development of private entrepreneurship in general. Therefore, in the near future, it is necessary to implement complex measures for the rapid and effective development of small business.

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