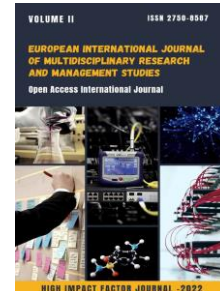


**EUROPEAN INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY
RESEARCH AND MANAGEMENT STUDIES**



VOLUME II

DOI: <https://doi.org/10.55640/eijmrms-03-02-25>

Pages: 131-136

THE ROLE OF SMALL BUSINESS IN THE ECONOMY OF DEVELOPED COUNTRIES

Khayriddinov Botir Chori

Student Of Termiz State Faculty Of Economics And Tourism, Uzbekistan

ABOUT ARTICLE

Key words: The economic boom, business growth, the processing industry, wholesale, retail trade and service sector.

Received: 11.02.2023

Accepted: 16.02.2023

Published: 21.02.2023

Abstract: If we look at the experience of the world, even in developed countries, the economic intensity, which was initially held by small business in the economy, and it is called the Japanese miracle, has stood up due to the planned strict policy of the state, and now it has started to make up half of the total profit in the production of the country's gross domestic product.

INTRODUCTION

As a result of strict government policy in Germany, which became one of the main pillars of the European economy in a short period of time, small business was developed in the country's economy, and during the years after the war, business growth reached from 10% to 65%.

The economic boom, which was called the Japanese miracle, also stood up due to the planned strict policy of the state, and now it is half of the total profit in the production of the country's gross domestic product.

For example, we can consider the number and share of small businesses and medium-sized enterprises in the economic sectors of the Japanese state. 99% of enterprises in the processing industry, wholesale, retail trade and service sector are small and medium-sized enterprises. (Table 1)

The number of small and medium-sized enterprises compared to large enterprises in Japan

1-Table

| Sectors of economy | Small and medium business activity | | Large enterprises | | Total enterprises | |
|---------------------|------------------------------------|------------------|-------------------|------------------|-------------------|------------------|
| | the number | interest account | the number | interest account | the number | Interest account |
| processing industry | 1562071 | 99,8 | 3774 | 0,2 | 1565845 | 100,0 |
| Wholesale trade | 293903 | 99,2 | 2259 | 0,8 | 296162 | 100,0 |
| Retail | 1798963 | 99,8 | 4426 | 0,2 | 1803389 | 100,0 |
| Service area | 1181827 | 99,7 | 3881 | 0,3 | 1185708 | 100,0 |

Source: "Delovaya sreda v Uzbekistana glazami predstaviteley malogo i srednego biznesa". Report of Mejdunarodnoy Finansovoy Korporatsii po itogam 2016. - 21 p.

As a result, the highest results in this regard were achieved in the world, that is, in Japan, each citizen began to receive an income of 38,000 US dollars, while before the reforms, this figure was 600 dollars. company produces products worth several tens of billions of US dollars all over the world, while this same company was a small cooperative (workshop) repairing bicycles with 7 employees in the late 40s.

Table 2 shows information about the role of small business in the economy of different countries of the world.

In 2001, the role of small business in the economy of some countries of the world.

2-Table

| Countries | Number of small business enterprises | | Small business share, as a percentage | |
|--------------------------|--------------------------------------|-------------------------------------|---------------------------------------|---|
| | A thousand pieces | At the expense of a thousand people | Total number of employed persons | Its share in the gross domestic product |
| USA | 19300 | 74,2 | 54 | 50-52 |
| European Union countries | 15777 | 45 | 72 | 63-67 |
| Great Britain | 2930 | 46 | 49 | 50-53 |
| Germany | 2290 | 37 | 46 | 50-54 |
| Italy | 3920 | 68 | 73 | 57-60 |
| France | 1980 | 35 | 54 | 55-62 |
| Japan | 6450 | 49,6 | 78 | 52-55 |
| Russia | 836,2 | 5,6 | 9,6 | 10-11 |
| Uzbekiston | 201,9 | 8,1 | 53 | 24,4 |

Source: "Delovaya sreda v Uzbekistana glazami predstaviteley malogo i srednego biznesa". Report of Mejdunarodnoy Finansovoy Korporatsii po itogam 2017. - 21 p.

When evaluating the place of small business in the economy, the share of small business in gross domestic product, total employment, capital assets, exports, etc. can be included among the quantitative indicators that are important for economic development. From the data in Table 3.2, it can be concluded that foreign countries have a developed system of comprehensive support for small businesses, which ensures the stable development of social and economic conditions in the face of increased competition. This indicates the full development of the state support mechanism.

In many foreign countries, small business is a complex structure with state policy, in which the protection of the rights and interests of entrepreneurs is laid as a legal basis, and entrepreneurs use the opportunities of credit resources in a preferential manner. They use the total advantages and innovations in production, finance, education, market infrastructure with preferential tax payment opportunities, factors contributing to economic growth that are beneficial to them.

Among the European countries, Italy is one of the countries with the highest development of production, and the main support of success in this regard is small business.

Italian small businesses are known for their concentration or specialization around one industry or one type of product. Italy can only be compared to Greece and Spain in terms of production volume and growth of small enterprises. Italian small enterprises successfully operating in the international trade markets have gained attention by exporting high-quality goods. Italian small businesses usually produce goods that are characterized by high quality and design. It should be emphasized that Italian small enterprises occupy a significant share in the export of food products and other consumer goods. They are also among the leading exporters of semi-finished products and components, machine tools, textile and leather processing, agriculture, packaging, wood processing, ceramic and metal processing equipment, and mini-technology.

At this point, it is natural to ask how Italian small enterprises have achieved this level of competitiveness. The answer to this question can be found on the basis of "clusters" or "industrial districts", a system of enterprises with a specialized division of labor for the production of a certain type of product and organized for a single purpose. This is the main reason for the great interest of entrepreneurs, experts and scientists in clusters. In Italy, small enterprises are characterized by specialization in one branch of industry or one type of production process. At the same time, enterprises

operating in related fields in this industry are also interested in increased specialization. Such specialization is called "clusters of small enterprises".

It should be emphasized that in such specialization enterprises are connected to each other, but this does not mean that they are interdependent. On the contrary, full independence is ensured in the selection of production lines and partners. Each enterprise deals with one stage of the production process, which cannot operate without each other. Cluster associations can include micro, small and medium-sized enterprises or large enterprises that organize subcontractors around them. Some clusters specialize in only one production process, while others include adjacent activities or different production and service industries that ultimately serve one large industry. Competitive advantages of small enterprises concentrated in clusters are important in three aspects: 2 specialization; cooperation; flexibility. Specialization also makes it possible to effectively solve problems related to product quality control. If the company is engaged in the same type of activity, it should work diligently in that direction and be in constant search.

The experience of Italy clearly demonstrates the need to build production on the basis of large enterprises in order to build a highly developed economy. From the experience of this and many other countries, it can be seen that, firstly, one of the important economic factors in developing countries is the development of small business, and any effective activities aimed at the common good in this regard become important and are supported by the state. After all, small business activity can grow and turn into a large, more efficient business, fill the country's domestic market with goods and services, thereby contributing to the development of export potential, helping to solve the problem of employment of the population, and causing an increase in the real income of the population.

Secondly, in the conditions of the globalization of the economy, when the competition in the world market is tense, it is easier for a small business than a large enterprise or a large business to cope with competition, to make maneuvers, to take economic measures such as changing the production method.

If we take into account that the demand for basic consumer goods in the modern economy changes every nine months on average, the advantages of small business activities become more obvious and bright, and economic development becomes important for a stable and smooth transition.

In the improvement and development of small business in the republic, it is necessary to study foreign experiences from all sides, to observe and draw conclusions, to come to the right decision, and to coordinate the process of organizing a small private business by private entrepreneurs.

State support of small business should include the following components: direct aid money through the budget (for example, in the USA, aid money is about \$300,000 per year). The amount of money should be set to cover small business uninsured losses. The aid fund covers risky innovation projects and boosts the production of products that big business doesn't need. The state acts as a guarantor for bank loans. Therefore, it is easier to get a loan for a small business; small business should have tax benefits (For example, in the USA, taxes make up 44% of profits: 36% national, 8% - state tax). If the company increases the funds allocated to the social network or the development of production, the taxable share can be reduced.

For example, in Great Britain and Italy, young entrepreneurs can get free advice on how to start and continue business activities, as well as how to enter the market and how to find business partners, with a high discount. In addition, he can rent a building at a price that satisfies him and take the necessary tools and equipment to start a private business and try it in practical work.

In Germany, a state program to support small businesses is implemented. According to it, entrepreneurs are given an interest-free loan in the first two years of activity. In subsequent years, annual interest is charged at very low rates. In this way, entrepreneurs are provided with free initial investment

CONCLUSION

It takes some time to summarize the experience gained in the formation and development of small business and to make certain conclusions and suggestions. In 2005, several normative documents were adopted in order to solve these problems. Implementation of the instructions in these decisions will provide an opportunity to more effectively implement the activities of small business enterprises.

World practice confirms that small business in developed market economy countries has a special importance and high efficiency in solving socio-economic problems, creating new jobs, quickly adapting to market changes and forming a class of owners. The experience of Italy clearly demonstrates the need to build production on the basis of large enterprises in order to build a highly developed economy. In accordance with the state program of small business support in Germany, entrepreneurs are given an interest-free loan for the first two years of operation. In subsequent years, annual interest is charged at very low rates. In this way, entrepreneurs are provided with free initial investment.

REFERENCES

1. Mamatov B. Foreign experience of small business financing // "Market, money and credit".- 2019.- №4.- pages 40-43
2. Boloshovich M.I. Financial business: Otechestvenyi i zarubejnyy opyt.M .:- 2018. 180p.
3. Basics of small business activity, part 1: Study manual / B. Yu. Khodiev, A. Samadov, M.S. Yusupov and others - Tashkent.: TEMPUS software "Matodor2000" project, 2017.-144p.
4. <http://www.bisnis&eurasia.org>
5. Basics of small business activity part 1: Ukuv practical guide / B. Yu. Khodiev, A. Samadov, M.S. Yusupov and others - Tashkent.: EX TEMPUS program "Matodor-2000" project, 2019.-144 pages