



THEORETICAL ASPECTS AND PRIORITIES OF BUSINESS DEVELOPMENT

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ANNOTATION

This article focuses on the specific directions of development of small business and private entrepreneurship in Uzbekistan, as well as theoretical aspects and priorities of business development and and theoretical issues.

Keywords: global, new model, industrial revolution, technological system, small business, collective entrepreneurship, digital economy, manufacturing, commerce, finance, innovative entrepreneurship.

INTRODUCTION

One of the current issues in the development of the economy of the republic is the rapid development of entrepreneurial activity based on various forms of ownership and compatible with the market economy. At the same time, in the era of globalization of the world economy, the role of small business and private entrepreneurship in the development of the country's economy is constantly growing. Sustainable development of small business, private entrepreneurship and home-based work in entrepreneurship is one of the important tools to ensure the social stability of the economy.

Particular attention was paid to the rapid development, stimulation and support of small business and private entrepreneurship, which play an increasingly important role in ensuring economic growth, creating new jobs, solving the problem of employment, increasing incomes and welfare of the population.

Although the concept of "entrepreneurship" was formed in the XVIII century, its evolution continues in our time. This concept was formed as a result of scientific research of entrepreneurial activity by the famous economists of that time R. Cantilon, A. Thurgo, F. Kene, A. Smith, J. B. Sey and others. Although the concept of entrepreneurship has been used in theory and practice for almost three centuries, its universal definition has not been formed and its ambiguity has been preserved. The main reason for this is that entrepreneurship is a multifaceted and complex activity. Economists define the concept of 'entrepreneur' as follows. "An entrepreneur is an entrepreneur who uses the factors of production needed to create wealth. Entrepreneurs are sole proprietors who own shares in a company." [1] Entrepreneur (owner) promises to make his business profitable by combining his initiative with labor and capital resources for the production of goods and services. He makes decisions to perform the difficult tasks associated with running a business [2]. Economists have different interpretations of concepts such as "business", "entrepreneur", "entrepreneurship" and have not come to an agreement on this. Recognizing their theoretical views on entrepreneurship, we defined its content as follows: "Entrepreneurship is a socio-economic activity consisting in meeting market demand and making a profit on the basis of efficient use of available production resources through economic activities based on different forms of ownership."

Small business has a broader meaning than small business. There are different opinions among economists about small business. For example, "business is a profitable activity of citizens who own property mulk and represents the relationship between its participants" [3], or "business is not a simple, but a business relationship between people⁸". Some economists note the differences between the concepts of "business" and "entrepreneurship", noting that entrepreneurship is the main form of business⁹, while others argue that these concepts are interrelated and practically synonymous "business and entrepreneurship are not economically synonymous" [4] they say. In the emerging market economy, a small enterprise operates as a form of entrepreneurial activity. Such enterprises are small in size, with limited production staff and limited levels of production. The effectiveness and inefficiency of entrepreneurial activity also depends on the level of risks associated with the market economy, their prevention and the skills to hire the required amount of hired labor in accordance with their interests. Improving the efficiency of business entities depends on:

- organization of the production process taking into account market requirements;
- The growth of incomes of employees is directly related to production and social development;
- Proper organization of the production process, the level of supply of means of production and raw materials;
- creation of the necessary legal and economic conditions for the activities of entrepreneurs;
- financial incentives for entrepreneurs by reducing tax rates.

ANALYSIS AND RESULTS

Small business and private entrepreneurship are one of the most convenient and effective ways to increase the income of the population, especially in times of crisis, to ensure sustainable development of the country, employment. Therefore, for the development of the country's economy in the field of industry, the organization of modern high-tech industries, innovation and nanotechnology, pharmacology and pharmaceuticals, information and communication systems, biotechnology, alternative energy, small business based on advanced science and it is necessary to pave the way for the development of private entrepreneurship [5].

Uzbekistan has untapped reserves to increase the share of small business and private entrepreneurship in industrial production. In particular, it is expedient to involve small businesses in new areas of tourism and services. In 2019 alone, more than 54,000 small businesses and micro-firms were re-established across the country.

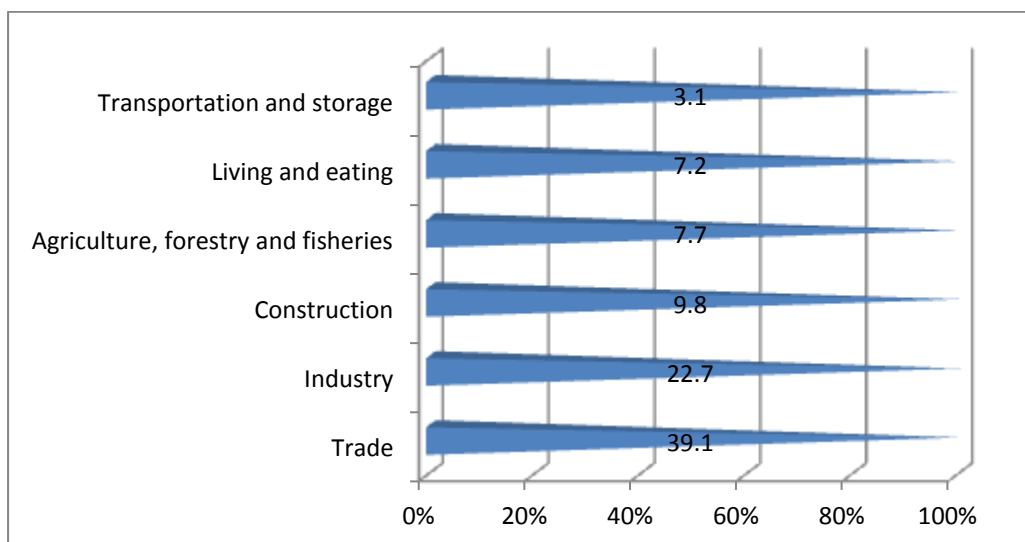
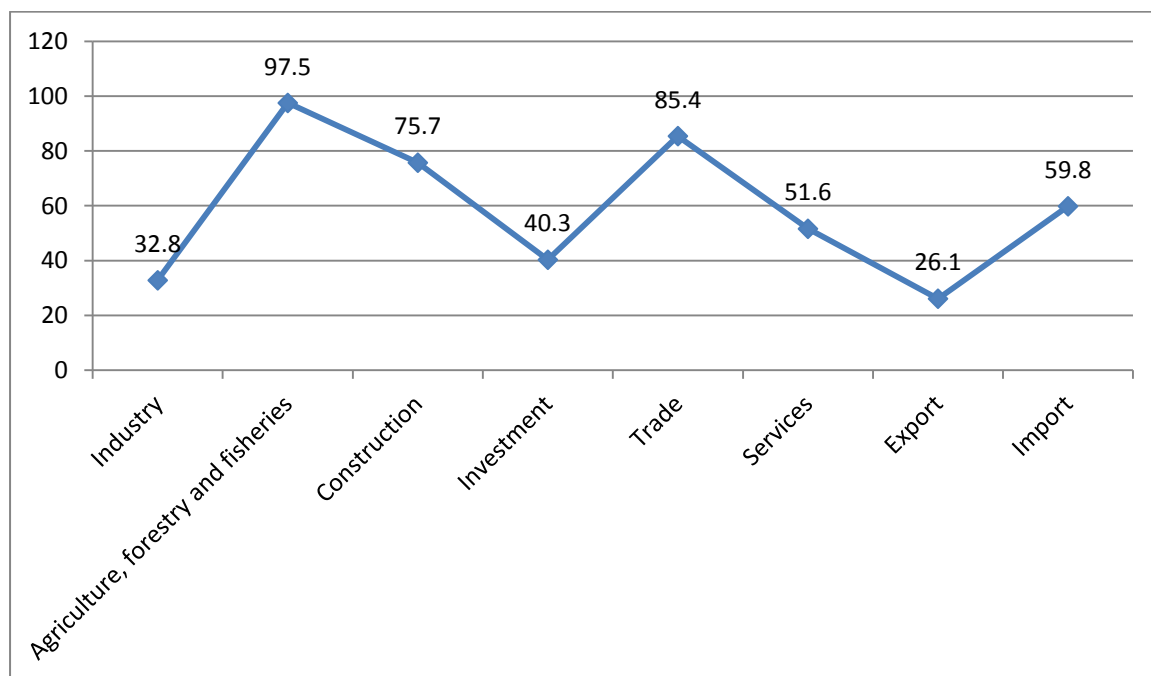


Figure 1. Newly established small businesses and micro-firms in 2019, %¹

Figure 1 provides information on the newly established small enterprises and micro-firms in the country in 2019. The largest number of small businesses and private entrepreneurs is in the trade sector, with a total share of 39.1%, 22.7% in the industrial sector and 9.8% in the construction sector. The service sector is of particular importance for the development of small business and private entrepreneurship. In the future, the main part of the working population will be provided with jobs as a result of the development of this sector.

RESULTS AND DISCUSSION

The main goal of the development of small business and private entrepreneurship in the country is not only to provide employment, to develop local industry on the basis of efficient use of local resources, but also to increase the country's export potential. This is because small businesses and private entrepreneurs have the ability to produce the products they need to quickly adapt to market demands. Small business and private entrepreneurship also play an important role in foreign trade turnover.

**Figure 2. The share of small business in the economy in 2019, %²**

In the development of entrepreneurial activity, it is important to pay attention to the level of demand for products or services provided by the regions, to study the purchasing power of consumers, to ensure the competitiveness of products. Figure 2 provides information on the share of small business in the economy of the country in 2019. The share of small business in industry is 32.8% in industry, 97.5% in agriculture, forestry and fisheries, 75.7% in construction, 40.3% in investment, 85.4% in trade, 26.1% in exports and 59.8% in imports. %, in the services sector - 51.6%. The main goal of the development of small business and private

¹ Author's development on the basis of data of the State Statistics Committee of the Republic of Uzbekistan

² Author's development on the basis of data of the State Statistics Committee of the Republic of Uzbekistan

entrepreneurship in the country is not only to ensure employment, effective development of local resources, but also to increase the export potential of the country. This is due to the fact that small businesses and private entrepreneurs have the ability to quickly produce the necessary products in line with market requirements. The growth of exports was primarily due to increased supply of food and oil products and energy resources to foreign markets.

CONCLUSION/RECOMMENDATIONS

In the development of entrepreneurial activity, it is important to pay attention to the level of demand for products or services provided by the regions, to study the purchasing power of consumers, to ensure the competitiveness of products. However, the share of small business in the production of industries can be seen in some areas of the country.

The main reasons for this were identified as follows:

- The development of small business in the districts is mainly based on local natural resources and their lack;
- Different levels of investment income for the development of small business in the regions;
- Insufficient supply of small businesses with the necessary raw materials;
- The main reasons for the decline in investment in the industry are the low level of foreign investment inflows, the difficulty of obtaining loans from commercial banks by entrepreneurs, high interest rates on loans.

The development of small business and private entrepreneurship in any country depends primarily on the level of effectiveness of economic policy pursued by the state in relation to this sector. The state must take an active part in creating the organizational, legal, economic, social and other conditions for the formation and development of entrepreneurial activity. Economic conditions are primarily reflected in the supply and demand for goods, the types of goods, the amount of money, the shortage or surplus of jobs, their ability to buy goods at the current level of wages.

In the development of entrepreneurship, along with economic conditions, it is necessary to create social conditions. The social factor is a bit more complex in its composition than others, and its composition is made up of many elements. If the entrepreneur does not pay attention to them, it can lead to negative consequences in the future.

The main of these factors are:

- the state of society's ideology;
- national traditions;
- cultural and everyday traditions of the nation;
- Attitude of people around to entrepreneurship and entrepreneurial activity.

Any business activity is carried out on the basis of a certain legal environment. Inadequate legal framework can have a negative impact on the level of entrepreneurial activity. Although the necessary regulatory framework and support system and market infrastructure for the development of entrepreneurial activity in the country, they need to be constantly improved. "First of all, in order to protect the rights and interests of small business and private entrepreneurship, to open a wider path for the development of this sector, the issue of critical review of the existing regulatory framework, the adoption of new laws and documents should be in the spotlight. But we still have a lot of work to do in this area."16

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