

The importance of small business and entrepreneurship in the economy

Umarova Zevi Odilovna

Teacher of the «Economics and Management» department of Jizzakh Polytechnic Institute

Nurboyeva Zilola Yangiboevna

Student of Jizzakh Polytechnic Institute

zeboumarova1967@gmail.com

Abstract: The problems in a comprehensive strategy to support the development of small business and entrepreneurship from the perspective of the institutional approach are explained.

Key words: small business, private business, efficiency of an infrastructure, employment, system of support of business, factors of an infrastructure.

Despite the intensification of activities to stimulate the private enterprise sector, the effectiveness of government actions to support small businesses does not always correspond to the efforts made. The uncoordinated focus of actions related to meeting the needs of the region determined the task of forming a management system for small business support bodies, the solution of which is necessary for the successful development of this sector of the economy.

The following conceptual approaches should be taken into account to stimulate the formation and development small business ties:

- provide not only conditions for the functioning of the system of small enterprises operating on the basis of various forms of ownership, but also their effective and sustainable development;
- to be a dynamic system that promotes the emergence and establishment of new partnerships interacting with its components;
- be adequate to the level of development of small businesses and the needs of business structures, taking into account their sectoral and functional specialization;

- be accessible to all business structures (according to location the cost of business services and their quality, awareness of real opportunities, etc.) and provide opportunities to solve the most important problems of small business development (access to information networks, to provision of property and information support, personnel decisions problems, financial and tax consulting, etc.)

Based on this, we have formulated a strategy for the management system of small business support bodies, which consists in creating providing favorable conditions for the development of small businesses in Uzbekistan. Based on business process reengineering, we will determine the conditions and factors that have a direct impact on the successful development of small businesses.

The function of researching and updating the regulatory framework is carried out by the small business support infrastructure bodies. Management is carried out on the basis of current legislation, small business support programs and methods of analysis and research. The result of performing the function is a developed strategy and an updated regulatory framework. At the first stage, accumulated information is used to formulate a strategy. The periodically adjusted regulatory framework and action strategy govern the remaining functions. The strategy represents the most fundamental and important guidelines, plans, intentions aimed at the development of small businesses.

The function of coordinating and motivating the activities of small business support bodies involves the development of a motivating model for their activities. At this stage, missing, weak, and duplicating functions are identified. The identified functions and activities of the support bodies are then coordinated, taking into account horizontal and vertical integration, resulting in a modified structure. In addition, it is necessary to motivate business support bodies. This should be facilitated by a motivating model. The model represents the influence of motivating factors on improving the activities of small business support bodies. In this regard, coordination and motivation

Innovation policy should be aimed at the development of small businesses.

The function of promoting the attraction of innovation is carried out by entrepreneurship support bodies. In addition to the above regulatory factors, there are criteria for evaluating investment projects. The result of this function is new products, goods and services. Profit is generated through the commercialization of innovative ideas.

Function of protecting the interests of entrepreneurs. This function is carried out by the regional branch of the chamber of commerce and industry. Small business support infrastructure bodies must be involved in the implementation of all functions. Thus, taking into account the structure of a detailed model for supporting small businesses, it is possible to develop programs of priority measures aimed at creating favorable conditions for the development of small businesses.

The main direction of integrating the interests of small business and the banking sector should be strengthening their relations on a bilateral basis. The model we propose requires a change in the traditional ideology of relations between a bank and a small enterprise. These relationships presuppose the presence of clearly formulated and formally closed captive principles and obligations at all points of intersection of economic interests.

Any process of successful regional development of small business does not happen on its own. Both successes and failures hide, in addition to aggressive factors of external influence, specific decisions that reflect the strategy and tactics of change management chosen by the leadership of the fog, the city and the region as a whole. Taking into account the need to bring the research as close as possible to the practical result, we will consider the process of regional development in the context of the accompanying management process. In this context, the development process is understood as repeating cycles of four key stages:

- assessments of the current economic situation;
- developing strategic goals and objectives for the development of small businesses; identifying factors limiting the development of small businesses;
- development and implementation of strategies and measures for the sustainable development of small businesses.

The first stage includes:

1. Analysis of available information on the state of the economy and the small business sector, obtained both on the basis of secondary data (using the analysis of state statistics, regulatory framework, etc.), and on the basis of sociological research carried out using survey technologies and qualitative methods.

However, it is important not so much to collect huge amounts of information and precision to describe them quantitatively, how to critically evaluate even limited information, as well as qualitative trends in the observed processes that are available.

A critical approach to assessing the system as a whole and its ability to fulfill its target functions is important. In this regard, the disadvantage of the republic's typical

approaches to planning and evaluating socio-economic programs in the field of supporting small business is their obvious inclination towards the traditional type. When assessing the state of the small business sector, it is important to use a comparative research method, which allows the heads of khokimiyats (local authorities) to understand the real situation, as well as to critically evaluate the structural elements of the organizational infrastructure for supporting small businesses.

2. Determining priorities for the development of small business and its support system. To solve this problem it is advisable to use introduction of qualitative research methods, such as direct interviewing, and conducting special focus group workshops. Within the framework of such seminars, joint discussions of issues related to the development of entrepreneurship should be held by representatives of the three stakeholders (state structures for supporting and controlling entrepreneurial activities, organizations of the business community and structures of the non-profit and public sector). An important part of such seminars is the development of various options for the “problem tree” of entrepreneurship development in the region and their wide openness discussion.

Let us especially emphasize the importance of this work in anticipation of the construction of the “tree of goals.” Building a “goal tree” without a “problem tree” easily turns into formal procedures for allocating resources to what can be done by certain service providers for small businesses, instead of what is a priority in light of limited resources.

8 important news noted in the open dialogue of the head of our state with entrepreneurs in August 2023.

1. An integrated eco-system will be created for training small entrepreneurs in entrepreneurship, providing them with projects, financing their activities, finding a market for their products and partners for their business.

2. "Rural Construction Bank" will be transformed into "Business Development Bank". The activity of this new bank will be new, as well as the working method and financing mechanisms.

3. If an entrepreneur invests 10% of a small business project, the "Business Development Bank" itself will invest 45%, and the remaining 45% will be funded by the state.

4. Loans are granted to entrepreneurs for a period of 5-7 years on preferential terms. Credit lines for 150 million dollars of these funds will be opened from October 1.

5. For entrepreneurs who have established their own business and have a clean "credit and tax history", the collateral requirement will be reduced by 50% when taking a loan to take their activity to a new level.

6. The Entrepreneurship Fund introduces the system of "mortgage of services" in the fields of tourism, trade and service. Now ready-made projects of objects such as a hotel, restaurant, shopping complex, parking lot, gas station, camping are offered to entrepreneurs.

7. An additional 100 million dollars will be allocated to compensation of logistics costs. Another 25 million dollars will be allocated for certification of products abroad, introduction of international standards and training of specialists in this regard.

8. A grant of 50 million soums will be given to companies that have attracted big brands.

There is a clear formulation of goals and objectives in relation to their specificity, measurability, achievability, reality and time limitation. Thus, as a result of the implementation of the above measures, the efficiency of the system for supporting small enterprises will increase, which will lead to an increase in the number of small enterprises, an increase in employment and their effectiveness.

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