

SMALL BUSINESS DEVELOPMENT IN CONDITIONS FORMATION OF MANAGEMENT

Ivatov Irisbek

*Doctor of Economics, Professor of the Department of "Informatics and Management" National
institute of fine art and design named after K.Behzod*

Yusupova Dildora, Maxamadjanova Arofat

Students of the National institute of fine art and design named after K.Behzod

Abstract:

The article discusses the nature of the development of small business management based on the active use of the institutional environment, taking into account international trends in the development of investment processes in small business in the context of globalization, where some small business data were considered in comparison with the current state of this sphere.

Keywords: *management, small business, small business management, institutional environment, international experience, large and medium-sized enterprises, entrepreneur management, consumer market.*

Features of the implementation of market transformation carried out in Uzbekistan are determined by a complex system of factors, a special role in which is given to the economic potential of small businesses. The function of small business as the "factor of economic freedom" comes to the first place. It ensures the spread of democratic principles of modern society to the area of economic relations. This is manifested in the fact that, on the one hand, the presence of a developed institutional environment for small business allows a citizen to make a free choice between the role of an employee and an independent businessman. On the other hand, the functioning of a small enterprise is to a greater extent subject to the economic laws of the free market than the activities of large enterprises, which often have the opportunity to influence it. For domestic conditions, this function is of particular importance. Large enterprises, which until now form the basis of the republic's economy, cannot yet be considered as free market subjects due to their heavy dependence on the state. In addition, it is associated with a specific social function of domestic small business, which is also not sufficiently reflected in the specialized literature - promoting the formation of an "ideology of entrepreneurship" in society, which is the object of special research.

In the modern economy, the high competitiveness of a territory rests on the strong positions of interacting groups of companies, which represent a community of geographically concentrated firms, closely connected, contributing to the growth of competitiveness. The development strategy

of Uzbekistan assumes that by 2026, half of the working population should be engaged in small businesses. Small business is the basis of the economy; large and medium-sized enterprises subsequently grow from it. The absence of the traditional division of rights and functions between owners and hired managers for large enterprises provides MB with many competitive advantages. The existence of small businesses and private entrepreneurship provides a solution to the problem under consideration, supplementing antimonopoly legislation with mechanisms of decentralized regulation.

The development of small businesses depends on many factors, including the level of preparedness of entrepreneurs to do business, since their insufficient professional training is one of the important reasons for the intensive bankruptcy of small firms.

The successful development of a small business depends on many factors, and not the least important role here is played by the entrepreneur's readiness to manage a small business. The specifics of small business are such that an entrepreneur aimed at effectively running his business and achieving tangible results from entrepreneurial activity must be a lawyer, an economist, a marketer, a manager, and a psychologist all rolled into one. Of course, he should not know absolutely all the intricacies of each of these specialties, but their basics, basic knowledge and skills for managing a small business are very important.

Considering the role of small business as a necessary element of a market economic system, it is necessary to pay attention to the fact that in economic science it is most often defined using the term "infrastructure", interpreted, for example, as a set of organizational and legal forms that mediate business relations and link these relations into one whole. This statement does not fully disclose the external factors affecting small businesses. This determines the use of another concept, such as the institutional environment, which represents the totality of subjects of economic and other relations of small business.

Small businesses have the following features and advantages:

increased mobility and flexibility of reaction to changes in market conditions, which ensure high profitability of the production of those goods that have become unprofitable and ruinous for large enterprises;

the ability to quickly fill the consumer market with goods; relatively quick payback, provided that modern equipment and technologies are used.

In addition, small businesses have undeniable advantages in those areas where production deals with rather limited, constant and uniform demand and where production processes cannot be standardized. But the economic activity of small businesses is very limited and extends only to their own business.

Small business and private entrepreneurship play an important role in shaping the structure of the economy and meet rapidly changing market demands. Abroad, the share of small businesses averages 50-60% of all enterprises; in Uzbekistan it is approximately 30%. Suffice it to say that in the USA, the European Union, and in recent years in China, small businesses provide from 50% to 70% of all jobs. Even in the United States, where large giant companies are highly developed, small businesses produce about 40% of total GDP, and in the European Union - about 70%. The creation of small enterprises helps solve the problem of employment. A large number of small service enterprises are being created in Uzbekistan, and manufacturing and innovative small enterprises are developing. They allow creating new jobs and increasing incomes of the population. In particular, if in 2000 about 25 percent of GDP accounted for this actively developing segment of the economy, then by the end of 2022 this figure was already 56.0 percent. The share of people employed in this area out of the total employed population in 2021 increased to 78.5 percent. As a result, thanks to government support measures, including the introduction of tax breaks and preferences for business

activities, over the past five years the number of registered small businesses as of January 1, 2022 amounted to 221.1 thousand units.

In 2021, business and small enterprises of Uzbekistan produced a total of 44.4 percent of the total national GDP. This is 0.8 percent more than what was recorded in the corresponding period last year. As reported by the State Statistics Committee of the Republic, the share of micro-firms and small enterprises in the production of the national gross domestic product in the first half of 2022 amounted to 24.1 percent, while a year ago this figure was 22.5 percent.

In addition, small businesses and businesses provided employment for 9723.5 thousand people during 2021, or 66.4 percent of the total population employed in the economy. Including, 7.56 million people were employed in the individual sector, 2431.5 thousand people were employed in microfirms and small enterprises.

World practice shows that small business is the most important structure-forming sector of a developed economy, the activities of which directly influence the successful development of not only large businesses, but also the country's economy as a whole, ensuring the filling of the domestic market with consumer goods and services, the growth of export potential, and solving problems employment and increasing the level of real income of the population.

It should be noted that in the context of the globalization of the economy, which is accompanied by tougher rivalry and competition in the world market, it is small and medium-sized businesses, due to their relatively lower capital intensity, flexibility and agility, that are easier than a large manufacturer to ensure the modernization of production and updating the range of products, the more most adapts to changing market conditions and periodically recurring economic crises.

All these features and advantages of private entrepreneurship and the development of small enterprises acquire a particularly important place in relation to the specific conditions of Uzbekistan.

Features of small business management are determined by the functions assigned to small enterprises, their place in the country's economy, the business environment in which they develop, and finally, government policy. The listed components form a set of factors, which are usually divided into quantitative and qualitative.

The innovative vector of development of the economy of Uzbekistan, as an important condition, involves the formation on the territory of the country, mainly within the boundaries of regional economic systems, competitive in the global market and united by common goals of groups of companies, territorial production associations, and regional clusters. This is explained by the fact that in the modern economy, the high competitiveness of a territory is based on the strong positions of interacting groups of companies, which represent a community of geographically concentrated firms, closely connected, contributing to the growth of competitiveness. This explains the particular importance of actively involving into the orbit of market transformations of the meso-level economy not fully involved growth factors, which include the potential for mutually coordinated functioning of different-scale business entities capable of functioning together on the principles of regional clusters.

The creation of new forms and models of joint activities that take into account as fully as possible the peculiarities of the territorial localization of interaction between economic entities of different sizes can become a factor stimulating an innovative breakthrough, which is important in the conditions of a developing innovation-type economy. In this regard, research aimed at developing tools for effective interaction of different-scale business structures in the direction of creating a special kind of regional innovation and production modules in order to enhance their inclusion in the system of market relations, as well as determining and justifying rational proportions between

state and market regulators of this cooperation in the system of priorities for the development of the regional economy.

References:

1. Decision No. 4363 on measures to further improve coordination and management of activities of small industrial zones.
2. Gulyamov S.S., Abdullaev A.M. Innovative potential and ego influence and competitive economic development (teoretiko-methodological aspects) T.: Science and Technology, 2016-884p.
3. Kalinin A.V. Analyz razvitiya i sostoyaniya malogo i srednego biznesa v mire//Ekonomika, predprinimatelstvo i pravo. 2011. No. 4. S. 3-12.
4. Goldstein G.Ya. Innovative management: Uchebnoe posobie.- Taganrog: Izdatelstvo TRTU,