

Development of Small Business and Private Entrepreneurship, its Effect on The Socio-Economic Development of The Country

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Abstract

This article analyzes the development of small business and private entrepreneurship and its prospects. In the country's economy, small business and private entrepreneurship is a decisive factor in creating economic foundations for solving important problems of development. Having the most flexibility and adaptability to the market requirements, they are the innovators and pioneers of the lifestyle and conditions of the population.

Key words: upbringing, education, labor, economics, small business, entrepreneurship, private enterprise, enterprise.

Introduction

The practical experience of the world shows that a small business requires less capital expenditure compared to large manufacturers, it is compact, it can quickly change the types of products it

produces depending on the conditions, it has the ability to rapidly modernize its production facilities. with is important. Small business can quickly adapt to the changing requirements of the market and economic crises that occur from time to time. Why is entrepreneurship in our country not developing as expected? Because there are many cases of unjustified investigations of representatives of this field. To put it bluntly, We - state agencies - do not allow the free development of entrepreneurship. Procedures that no one needs are still in place many officials are only thinking about their personal interests" [1] in this from their opinions, we can see how important business activity and entrepreneurs are for the economy. In particular, issues of developing small business and private entrepreneurship and improving the mechanisms of its management activities remain one of the urgent and priority tasks for today. It is small business and entrepreneurship that can update the types of products produced in a short period of time by updating the types of products produced by their mobility, attracting less capital funds, and modernizing the production more easily and quickly. offers to consumers. The further development of small business and private entrepreneurship depends on the issues of improving the mechanisms of their activity management. In our country, measures aimed at supporting the application of modern management methods and in-depth study of developed foreign experience in this field are being implemented.

Literature Review

In Uzbekistan, the socio-economic relations of the entrepreneurial society are embodied, clearly manifested and rapidly developing and is becoming a dynamic field. Market relations in the country Its place and role in the formation and economic development are becoming more and more significant is going Joseph Schumpeter, the great economist of the 20th century, who is considered the ideologist of entrepreneurship, emphasized that "the decisive role of entrepreneurship in the social and economic development of society can be felt very much where it is not there." solution is very urgent from the point of view of ensuring stable development of the country's economy. According to the conclusion of M.V. Mamut, microcredit operations of banks and non-bank credit organizations should not be controlled by the Central Bank in order to develop the practice of microcrediting of small business entities [3]. According to the conclusion of the winner of the Nobel Prize, M. Yunus, the main focus in lending to small business entities that are starting to work is should be focused on the social effect. Finance of business entities after their opportunities expand, they cause an increase in the demand for loans at market rates [4]. F. Allen and D. Gale recognize the existence of two systems of financing activities of small and medium-sized business entities - a system based on the activity of banks and a system based on financial markets, and emphasize that the first system is relatively important [5]. In our opinion, this conclusion of F. Allen and D. Gale is of great practical importance for the countries of the transition economy. The reason for this is that, firstly, the small business lending system in these countries is commercial banks have a leading position; secondly, for small businesses it is not possible to attract resources through the stock market. According to the conclusions of Chanel-Reynaud and Blois, small and medium-sized enterprises good relations with large enterprises are their commercial banks increases the possibility of using loans. Because large enterprises are small and before entering into business relations with medium-sized enterprises analyzes whether it can meet market requirements. Also, it constantly monitors the situation of small and medium-sized enterprises that are partners of large enterprises [6]. This scientific conclusion of J. Chanel-Reynaud and E. Blois is based on the

analysis of the experience of developed countries and is therefore reliable. Their research is based on accurate data analysis and in the development of activities of small and medium business subjects of large business serves to justify that it plays an important role. According to McNaughton, the future harvest will serve as a liquid supply for agricultural producers. But if there is a drought, they will not be able to harvest the intended amount. Therefore, the future harvest should be insured against drought and natural disasters. However, in our opinion, it is important to substantiate the possibilities of applying the conclusions, proposals and recommendations of economists aimed at improving the financing of small business entities in the practice of our republic. practical importance earns.

Results and Discussion

Specific measures are being implemented in our country to reliably protect the rights and legal interests of business entities, to ensure the legal and practical priority of private property, and to gradually reduce the state's share in the economy. As the President of the Republic of Uzbekistan Mirziyoyev Shavkat Miromonovich noted: "Our main task is to ensure the creation of the most favorable conditions for encouraging the development of entrepreneurship. Business support from the state for everyone who is engaged in there must be earnest faith. People are interested in doing business must be. If the entrepreneur and the people are rich, the country will be rich" [8]. Full and effective employment of the workforce is a stable and stable national economy has a significant impact on proportional development. However, the market is changing it is very difficult to ensure this situation under the conditions of the worker, in most cases there will be a mismatch between the demand for power and its supply. This is caused by the fact that the demand for the labor force, expressed through high-paid jobs, lags behind the supply, and in most cases, it is not economically feasible to create new jobs by large economic entities. In such cases, small businesses appear as hidden opportunities to ensure full employment of the workforce. The role of small business enterprises as employers in the labor market is one of its important social functions. According to statistics and leading mass media, 2/3 of jobs are created every year at the expense of small businesses. In this regard, the role of small business is especially important in times of crisis, as well as in depressed areas. In this way, small business helps millions of people to overcome difficult times, and therefore, it allows to ease social tension in society. However, this function is one of the characteristics of small business cannot be included, because jobs are also created by the state, corporate structures, and even non-profit organizations. The experience of developed countries in the world shows that small business entities have a stronger tendency to create new jobs than large enterprises, which is the following explained by reasons: 1) speed up new jobs for small businesses with low capital capacity ability to organize with. Suitable for a job in a small enterprise capital costs are significantly lower than large enterprises. According to some experts, as a result, the difference between the value of the workplace is ten exceeds barvar: "creating one job in a large business costs 100-150 thousand If the US dollar stands, creating one job in a small business costs about 10 thousand US dollars"; 2) relatively high capital technical structure in small enterprises. That is, to large enterprises per unit of means of production used in them a unit of living labor (workforce) is more appropriate than; 3) lightness of the process of establishment of small enterprises. It is natural that new small business enterprises are formed faster and in larger numbers than large enterprises. This can also be explained by the fact that it takes 15-20 days to set up a single large enterprise, while 2 business days are required for small businesses; 4) a certain part of

the activity of small enterprises of the activity of a large enterprise be realized as a derivative. That is, the organization of large enterprises is different in turn, it leads to an increase in jobs in small business enterprises; 5) quantitative efficiency in hiring labor in small business enterprises apply. Quantitative effect of labor recruitment - small business the creation of new jobs as a result of the relatively rapid increase in the number of subjects, the creation of new jobs in a derivative way compared to the creation of large enterprises. That is, although the number of workers that can be hired by a small business enterprise is less than that of a large enterprise, the large number of such enterprises ultimately makes it possible to hire more workers than the total number of workers in large enterprises. This can be expressed by the following formulas: the total number of workers employed in small businesses (that is, the number of small enterprises (K_k) multiplied by the average number of workers employed in them (I_k)) employed in large enterprises the total number of employees (that is, the number of large enterprises (K_y) multiplied by the average number of workers employed in them (I_y) is greater than: social reproduction among the social functions of small business release process

Conclusion

The stable development of small business and private entrepreneurship ensures the development of the country's economy. Ensuring employment of the population that the importance of this field should be given more attention shows. So, it is structural in the field of small business and private entrepreneurship regular implementation of changes, opportunities and privileges serves the development of the country's economy in every way.

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