



THE ROLE OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN ENSURING THE ECONOMIC SECURITY OF THE COUNTRY

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Article history:	Abstract:
<p>Received: 17th September 2022 Accepted: 20th October 2022 Published: 30th November 2022</p>	<p>The sustainable development of small business and private entrepreneurship, which is considered an important driver of the republic's economy, is closely related to its economic security. In this regard, the artful article provides a comprehensive analysis of the issues of economic security of small business and private entrepreneurship. Scientific studies, opinions and positions of foreign and domestic scientists on this issue are studied in detail, a comparison is made of the differences between them and general views. As a result, the authors have developed conclusions and recommendations.</p>

Keywords: Economic security, small business, systematic analysis, business entities, security threat, extortion.

INTRODUCTION

As we know, small business and private entrepreneurship is a structural element of the market economy. The structure of the economic market will develop in accordance with the state of development of small business and private entrepreneurship. Only after that, medium and large business will be formed in an optimal ratio that effectively interacts with all elements of the overall economic structure. It should be noted that the small business and private entrepreneurship sector should be quantitatively dominant in the market structure, as it is the basis of the market environment. Therefore, small business and private entrepreneurship are among the leading branches of the economy in ensuring the reliability, efficiency and flexibility of the country's domestic market, as well as ensuring its economic security. It is worth noting that the socio-economic development of each country primarily depends on the domestic market. Therefore, without a developed small business and private entrepreneurship, the society and the economy not only do not have the opportunity to develop, but also to exist.

Small business and private entrepreneurship is a type of activity carried out by subjects of the market economy according to certain criteria established by the legislation of the Republic of Uzbekistan. Since the first years of independence, Uzbekistan has been paying special attention to the development of small business and private entrepreneurship, especially manufacturing entrepreneurship. Small business and private entrepreneurship is an important factor in the development of the economy, employment of the population, increasing their income and ensuring the

country's economic security. More than 50 decrees and decisions of the President were adopted in the last two and a half years in order to provide comprehensive support to the representatives of this field[16].

It is known that small business and private entrepreneurship activities are regularly supported by the state as the main link that ensures the sustainable growth of the economy of any country and the priority direction of the economic reforms being implemented. The rapid development of the market economy on a global scale naturally creates inevitable problems in business activity that affect its economic security. It is natural that certain economic risks, if no measures to prevent them are taken in time, can cause any booming business to fall into crisis in a very short period of time. From this point of view, in the age of modern communication technologies, the issue of ensuring information security in any field is considered necessary,

Of course, in order to ensure the economic security of small business and private entrepreneurship, which make up the main part of the country's GDP, and to develop the industry on this basis, it is important to create healthy competition and strong business infrastructure for small business and business entities at the country level. In this regard, the decree No. PF-5490 [1] signed by the President of the Republic of Uzbekistan Sh. Mirziyoev on July 27, 2018 "On measures to further improve the system of protection of the rights and legal interests of business entities" [1] is important for ensuring the economic security of business entities. was a step.



LITERATURE REVIVE

Experts in the field have given different definitions of the economic security of small business and private entrepreneurship. In particular, scientists O. Arefieva and T. Kuzenko define the concept of economic security in the field of entrepreneurship based on the state of effective use of enterprise resources and the market potential that allows preventing external and internal threats, ensuring long-term survival in the market and sustainable development [3].

R. Smelik, a well-known scientist in the field of economic security in the Russian Federation and the European Union, professor of economic security and business management, says about the economic security of small business and private entrepreneurship "...it is a state of effective use of resources to prevent problems and threats in business and ensure its stable operation " he says. Continuing his opinion, he concluded that "The main goal of economic security in business activity is to ensure its stable and maximally efficient operation and to provide a high potential for business development and growth in the future" [4].

L. Yurovich considers the economic security of the company as the ability to protect the enterprise from the negative effects of the external and internal environment, to quickly eliminate various threats or to adapt to external conditions without negative consequences for the enterprise [5].

If we turn to the scientific works of N. Kapustin and M. Bendikov, N. Kapustin proves that the economic security of entrepreneurship is a set of factors that ensure financial independence, stability, and development under the influence of destabilizing factors. [6] M. And Bendikov emphasizes that the economic security of entrepreneurship is the protection of its scientific and technical, production and personnel potential from direct and indirect threats [7].

According to Doctor of Economics, Professor H. Abulqasimov, "Economic security of business activity is the internal and external risk of vital economic interests that has arisen due to the system of legal, organizational-economic, financial, social-economic and engineering-technical measures taken by the business entity. is a state of protection from dangers" [8].

Candidate of Economics, Associate Professor P. Khoshimov states that "Entrepreneurial activity security means that the subject of entrepreneurial activity is protected from internal and external threats that lead to economic, legal and other negative consequences at all stages of its operation" [9].

From this we can conclude that the economic security of small business and private entrepreneurship is significantly influenced by the legal and economic relations, organizational relations, material and

intellectual resources of the enterprise, which guarantee the stability of its activity, financial stability, commercial success, effective scientific and technical development.

It can be seen that the economic security of a small business entity is based on the effective operation of a business service capable of preventing security problems and threats. If difficulties and threats are not completely eliminated, then economic security will have to effectively eliminate damage and minimize negative consequences. Sources of threats to economic security can be conscious or unconscious actions of people, organizations, state authorities, international organizations, rival business entities. In addition, the sources of such threats can be combinations of various situations, for example, the business entity itself, the state of financial conditions in the markets, the solvency of consumers, scientific discoveries, technological developments, including force majeure and others. World practice shows that there are more problems and threats to economic security in small businesses and private enterprises with high profit levels.

METHODOLOGY

It should be noted that the authors of this article used a number of scientific methods, in particular, methods such as systematic analysis and synthesis, comparison and discussion. At the end, conclusions and proposals are presented through abstract-logical thinking.

RESULTS AND DISCUSSION

Since the first years of our country's independence, its main goal has been to build a society based on the market mechanism

and small business and private entrepreneurship were seen as one of the important ways to develop the national economy and achieve economic progress. In this respect, various positive changes taking place in the economy are inextricably linked with the development of small business and private entrepreneurship. It is known from the economic development of our republic in the recent past that small business and private entrepreneurship has become a priority area of economic development of our country. In comparison, in 2000, small business and private entrepreneurship accounted for 31.0% of the country's Gross Domestic Product (GDP), and by 2020, this figure will be 53.9%, which indicates that small business and private entrepreneurship are constantly being supported. [2] (see Figure 1).

According to Lex.uz, the National Database of Legislative Information of the Republic of Uzbekistan, in 2020 alone, 28 laws and legal documents aimed at supporting entrepreneurship, sharply reducing justified

and unjustified interference in its activities, and thus ensuring its economic security, and 49 in 2021,

relevant agencies adopted by [10].

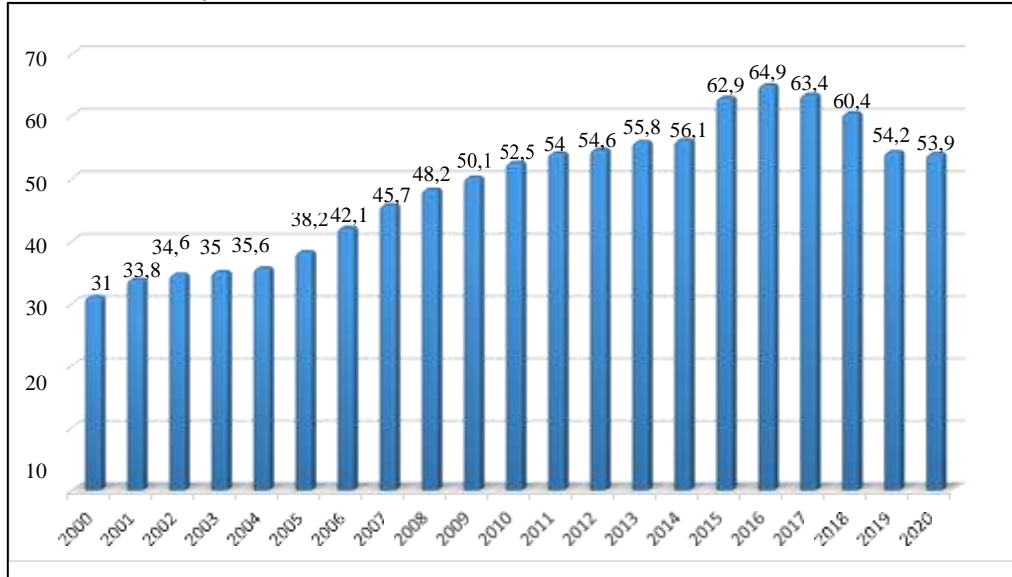


Figure 1. The share of small business and private entrepreneurship in the country's GDP in 2000-2020 (in percent)

Small business and private business entities are the primary economic entities that aim to make a profit on the basis of self-management, financing, and self-recovery of their activities. Two-thirds of new jobs created globally are contributed by small businesses and private entrepreneurship. In the twenty most developed countries in the world, 68 percent of the

total jobs created are accounted for by small business and private entrepreneurship [11]. If we look at the statistical data, we can see that 73.8% of the employed population in 2020 will be contributed by this sector [1]. Potential threats to economic security for small businesses and sole proprietorships in general include:

Table 1. Potential threats to the economic security of small business and private entrepreneurship

Within the organization		Outside the organization
Physical	Social and spiritual	Illegal actions by criminal organizations
Violation of the established order of information, which is a trade secret	Unhealthy psychological environment in the team	Unfair competition conditions
Illegal actions against the property of the entrepreneur	Corruption and bribery	Mutual fraud between business entities
Instability of business entities	Economic risks	Threats to information security
	Conflicts between employees and management	Compliance with contractual obligations not to do etc

Note: The table was developed by the author.

Economic espionage and intelligence are the most important threats to the economic security of business entities. According to expert reports, in the US, private firms spend more than 1.5 billion dollars annually for the purposes of economic intelligence. Japanese corporations get 40% of the information about other

countries' technological achievements through espionage [12]. In this way, competitors try to secretly obtain information about each other's market strategies, deals, and production plans. Stealing, copying, eavesdropping on secretly stored information and documents, buying off, threatening relevant



employees, computer, When the GDP volume of TOP 10 economically developed countries of the world is analyzed [14] (Figure 2), it is natural that the economic security

policy implemented by them to achieve current results, as well as to maintain these indicators of development, arouses interest among economists.

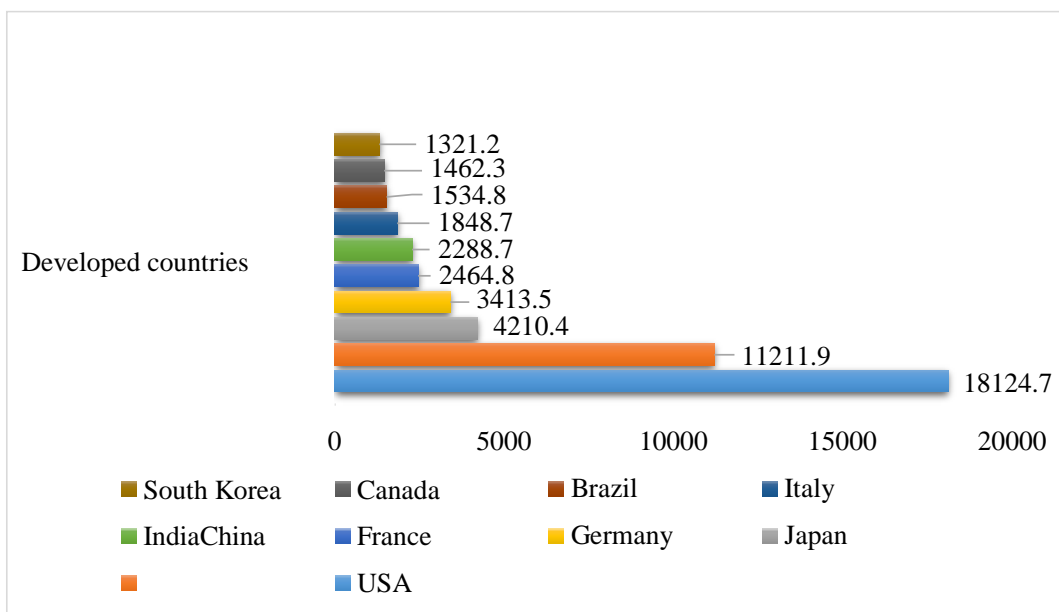


Figure 2. GDP of economically developed countries (in billions of dollars)

Source: <http://visasam.ru/emigration/vybor/vvp-stran-mira.html#i-2developed> on the basis of information.

Also, the increase of globalization processes on a large scale, the increase of threats to economic security and the increase of types of economic crimes increase the role of business structures in ensuring economic security at the smallest level. Therefore, under the same conditions, a number of developed countries of the world use new methods to ensure the economic security of business structures, to prevent and reduce illegal actions.

Today, small business and private enterprise must avoid a number of threats to adapt to dynamic changes in the economy, politics and society. In the conditions of the market economy, small businesses and private entrepreneurship entities must organize work with a new unique force that requires innovative approaches and development, as well as serious competitiveness, in an unstable dynamic external environment as an open system. A specific level of economic security of small business and private entrepreneurship serves for the social and economic development of the country.

Until recent years, justified and unjustified inspections of small businesses and private enterprises in our country by state and administrative bodies did not overshadow their economic security.

Currently, the role of network economy and e-commerce systems with Internet resources has been proven to be important in ensuring the economic security of small businesses and private entrepreneurs. In the report of the European Commission, the global network economy is defined as an environment in which a business entity or person located at any point of the economic system can easily contact another business entity or person at minimal costs for cooperation, trade, exchange of ideas, "know-how" and entertainment [15].

In general, the economic interests of small businesses and private entrepreneurs are protected in the conditions of increased competition for running a profitable business, meeting demand in the presence of various needs, survival and development. Also, the success of business activities is closely related to the entrepreneur's knowledge of the market situation, the use of valuable information that benefits him, arising from market requirements, intellectual potential and technology, information about the competitor's plan and technological secrets, and similar important factors.

In practice, in order to protect commercial secrets from commercial espionage and exposure,



entrepreneurs patent their scientific innovations, obtain copyright, identify information considered commercial secrets in a business entity, form a list of employees working with documents, regularly monitor their activities, and the procedure for working with information and data in business activities. strictly defining and establishing control over it, establishing a procedure for storing commercial data and information, controlled reproduction and destruction of documents under the supervision of special employees, as well as training employees on working

with documents and protecting them, conducting training, giving instructions, recommendations, making daily notes and it will be necessary to carry out similar practical activities.

In our opinion, to ensure economic security, small businesses and private entrepreneurs should effectively use their organizational assets.

Organizational assets are entrepreneurial factors used by owners and managers of a business entity to achieve business goals (Figure 3).

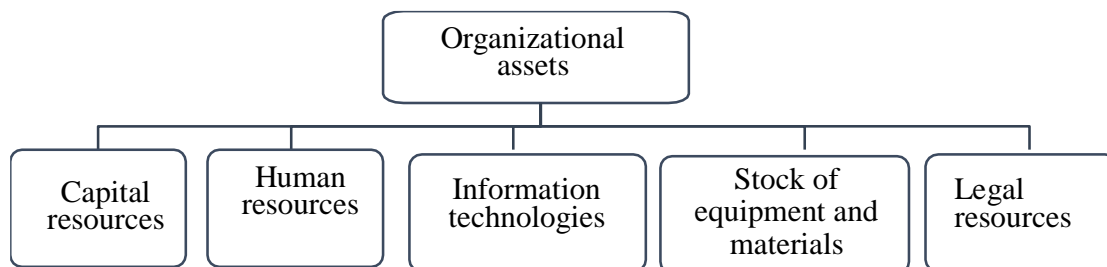


Figure 3. Organizational assets of small business and private business entities

From the point of view of economic security, the most important types of organizational assets of small businesses and private enterprises are:

1- Capital resources. The authorized capital of the business entity and it, when combined with other financial sources, is the blood system of the business entity and allows the purchase and storage of other corporate resources that were not initially available in the entrepreneur's plan.

2- Human resources. Managers, engineers and technicians, production workers and employees of the business entity are assets that connect all the factors of business activity with their knowledge, experience and skills, ensure the implementation of the business ideology, and also ensure the achievement of business goals.

3- Information technology resource. Information related to all aspects of the business entity is currently the most valuable and important of the company's resources. These are changes in the political, social, economic and environmental situation, markets, scientific, technical and technological discoveries, special know-how related to any aspects of business, rapid acquisition of innovations in organization and management methods, to adequately respond to any changes in the external environment of the business entity. , allows to effectively plan and implement its economic activities.

4- Stock of equipment and materials. Based on

the existing financial, information technology and personnel capacity, resources available in the production enterprise, as well as necessary and available technological and other equipment are purchased according to the opinion of the managers of the production enterprise. Availability of modern technologies and equipment is an inevitable factor of success. Economic security requires regular replacement of obsolete equipment with new generation equipment. It should be remembered that in the conditions of the innovative economy, wear and tear of machines and equipment occurs within 4-6 years.

5- Legal resources. This resource includes ownership rights to enterprise property, the right to use patents for inventions and new technologies, the right to use trademarks and trade names, licenses for specific activities, privileges for the use of natural resources (including land). From the point of view of economic security, the special role of this resource is related to the constant increase in the value of the intangible assets of the production enterprise. Effective use of legal resources allows to ensure a high level of economic security.

It is worth noting that the main goal of economic security of small business and private business entities is to ensure its stable and maximally efficient operation and to ensure a high level of security for the development and sustainable economic growth of the business entity in the future. Effective use of corporate



resources of the business entity is achieved by preventing threats of negative impact on the economic security of the enterprise.

The provision of economic security for the application of modern management methods in small business and private entrepreneurship involves dividing it into a number of smaller-scale goals. We can consider such small goals as functional goals of the economic security of the business entity. They are:

- ensuring high financial efficiency of the business entity and its financial stability and independence;
- ensuring the technological independence of the business entity and achieving high competitiveness of its technological potential;
- to achieve the high efficiency of the management of the business entity, the acceptability of its organizational structure;
- ensuring the high qualification of employees of the business entity using its intellectual potential;
- achieving a high level of ecological purity of the business entity, minimizing the harmful effects of the results of production activities on the environment;
- ensuring quality legal protection of all aspects of the activity of the business entity;
- ensuring the protection of the business entity's information environment, trade secrets, and achieving a high level of information provision of all its services;
- ensuring physical and personal safety of employees of the business entity, their capital, property and commercial interests. Ensuring economic security in small business and private entrepreneurship is based on the above small goals. The main content of the activity of the economic security system of a tactical or business entity of the same level is to develop a response to a real threat.

The main steps at the same level offered by us are:

- assessment of the negative impact of a real threat to economic security;
- developing scenarios of side effects;
- damage assessment for different options of negative impact scenarios;
- analysis of the company's capabilities and resources in accordance with various scenarios of negative impact;
- development of an enterprise response to various versions of adverse impact scenarios;
- choosing the most effective and acceptable response to adverse effects.

The operational time of the economic security system of the business entity at the tactical level depends on

the size of the business entity. If the business entity is small, the time will be short, if the business entity is large, the time will last longer. However, the tactical level of the economic security system of the enterprise should not exceed one year.

A longer period of activity of the economic security system is considered promising, it can last from one to three years. In the case of a large business entity, this period can be extended. The main content of the work at this stage is strategic forecasting of prospective markets for products, raw materials and materials, the influence of the state on the economy, prospects for the development of technology and technologies, the possibility of potential competitors, state policy in the field of labor market and social relations, prospects for the development of foreign partnerships, innovations, etc. among them [16].

The economic security of small business and private entrepreneurship is influenced by the status of the business entity in legal and economic relations, organizational relations, material and intellectual resources. In this, its activity and financial stability, commercial success, effective scientific and technical development will be guaranteed. The economic security of a business entity is based on how effective it is to prevent future security problems and threats to this entity. Ensuring the economic security of small business and private entrepreneurship should be considered as the most important task, the main goal of which is the implementation of a clear strategy for the prevention of threats to economic security.

CONCLUSIONS AND SUGGESTIONS

In conclusion, it should be noted that the economic security of small business and private business entities and enterprises is important in the conditions of the market economy. Economic security of small business and private entrepreneurship has two directions as the main structural elements. The first direction is related to the analysis of threats to the economic security of the external environment, while the second direction is the internal direction, which is related to the threats to the economic security arising from the state of the organization's internal environment.

In our opinion, the following four stages of work should be taken into account in order to ensure the economic security of the organization.

First, work with documents. This will determine the authenticity of the documents and the presence of accidental or intentional errors.

Second, property management. This stage is aimed at the disposal of the property at the disposal of the business entity, that is, the constant inspection of the



inventory.

Third, it is necessary to work with financial statements to provide the necessary information to all interested users.

Fourthly, the monitoring process, i.e. economic indicators describing the state of the financial component of the economic security of the enterprise.

Based on a detailed analysis of the content of these actions, it can be concluded that the process of ensuring the economic security of small business and private entrepreneurship is a very complex and, at the same time, a very important process. Therefore, it is natural that the activity of the business entity and its financial stability depend on the state of commercial success, effective scientific and technological development, legal and economic, organizational relations, material and intellectual resources. It should not be forgotten that the economic security of small business and private entrepreneurship depends on the effective use of corporate resources, which are directly used to achieve business goals. Effective organization of work and achieving economic growth at a steady pace, without preventing threats to economic security,

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