



THE ROLE OF SMALL BUSINESS AND ENTREPRENEURSHIP IN MAHALLA

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<p>Received: 1st October 2022 Accepted: 4th November 2022 Published: 6th December 2022</p>	<p>Entrepreneurship plays a major role in solving existing problems in the social and economic spheres in the society and in the socio-economic development of the society. It creates new jobs in the fields of production, work performance, and service, and is of great importance in providing employment to the population and reducing unemployment. More than half of the new jobs created every year both in developed countries and in Uzbekistan belong to small and private businesses.</p>
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Therefore, entrepreneurship greatly contributes to the growth of employment, labor and economic activity of the population and, as a result, to the increase of its income. Two consequences of this process should be taken into account: on the one hand, the growth and expansion of the material and spiritual needs of the population, and on the other hand, the creation of opportunities to fully satisfy them. As a result, this will improve the life of the population, raise the standard of living, and improve their well-being. With the development of entrepreneurship, its role in this field increases.

A certain part of entrepreneurs stand on their feet and become owners as a result of further development. This will lead to the formation of a new generation of entrepreneurs and owners who think and act in a new way in society. Such persons are the social support of the state and the source of economic development.

Business entities also participate in personnel training and improvement of their qualifications. At the same time, entrepreneurs themselves are in constant search, communicate with local and foreign colleagues, partners, representatives of various fields, gain experience, and improve their professional, cultural, and spiritual levels. Entrepreneurship creates opportunities for the realization of human potential and encourages it. Thus, entrepreneurship helps people to realize themselves and expand their worldview. changes and, as a result, leads to an increase in the socio-cultural level of society.

Entrepreneurs have established production, trade, catering and other service enterprises in villages and neighborhoods, developing rural infrastructure. They change the image of villages and neighborhoods. In

addition, entrepreneurship is widely entering the social sphere: in private and other organizational and legal forms, kindergartens, orphanages, production of inventories for the disabled and provision of services to them, health care and rehabilitation, educational and directly engaged in the establishment and development of other social sector institutions, construction and repair of houses, provision of drinking water and gas to the population. contributes greatly to solving social problems. Entrepreneurs actively participate in charity work and play an important role in providing assistance to social institutions, disabled people, low-income families, and people in need of social protection.

Entrepreneurs create products (goods, works, services) and fill the domestic market of the country. As a result, the supply in the market will improve in terms of quantity, quality, and assortment, and the opportunities for customers to choose and meet demand will expand. In this regard, entrepreneurship serves to fulfill the task of coordination, mutual coordination of supply and demand, stabilization of prices, establishment and maintenance of balance in the market, expansion of existing needs and full satisfaction. At the same time, entrepreneurship plays an important role in the formation and development of competition in the conditions of the market economy and in raising the quality and competitiveness of products, reducing production costs and product prices, and increasing the efficiency of operations.

The role of business entities in reducing imports and expanding exports in the country is increasing. On the one hand, they produce import-substituting goods, reduce the outflow of foreign currency and strengthen the country's economic and financial independence, and on the other hand, produce exportable products, sell



them in foreign markets, increase the country's export potential and increase foreign exchange earnings. occupy a significant place.

Private business entities, farms also participate in the execution of the state order. It is known that farms are the leaders in the production of cotton and grain under the state order in Uzbekistan. In addition, small and medium-sized enterprises fulfill some orders of large enterprises and fill them. Due to the fact that large enterprises have adapted to the production of mass products in large quantities, the production of some details of the main product, spare parts, and other additional items in small series is an unnecessary concern for them. They produced such things themselves for large enterprises.

Taxes play an important role in business financial relations. Taxes are a mandatory payment to the state budget. The state budget is a centralized money fund used by the state to carry out its tasks. Taxes are the main source and form of income of any country. Taxes are paid to the state by individuals and legal entities that have money and other assets. They are divided into direct and indirect taxes depending on their payers and objects. Direct taxes are imposed on income, profit, property, land and other assets, and the individuals and legal entities who own them are considered the payers of these taxes. Indirect taxes are placed on the price of the product and their payment is borne by the consumers (buyers) of the product. In addition, taxes are divided into national and local taxes, depending on the budget they fall into. State taxes go to the central budget of the republic, and local taxes go to the budgets of local regions, cities, and districts.

The state confiscates part of the income, profit, property and other assets of citizens, enterprises, organizations, and institutions through taxation. Of course, the owners of these riches do not like it. But taxpayers need to understand that the state ensures their security, peace and prospects, population welfare, education, health and social protection, and creates the necessary conditions for their productive activities through the taxes they pay. The most important thing is that the tax should be reasonable and not hinder the development of entrepreneurship and business.

The legal bases of taxes in Uzbekistan are the Tax Code of the Republic of Uzbekistan and other tax laws, decrees and decisions of the President of the Republic of Uzbekistan, decisions of the Cabinet of Ministers and normative documents of the State Tax Committee of the Republic of Uzbekistan. Every business entity should have a good idea about the taxes and other mandatory payments that they pay. The taxes and fees that business entities pay are discussed below.

Issues of formation, distribution, and use of funds necessary for business activities constitute

business financial relations. Financing of business activities means providing business activities with financial resources, i.e. money. Financing of business activities is carried out from two sources - internal and external. The internal source of financing is the business entity's own funds, which include funds from the charter capital, profit from activities, depreciation fund, and free funds. External sources of financing include lenders, investors, and other lenders.

Crediting plays an important role in financing business activities. Lending of business activities is the lending of funds by financial and credit institutions under certain conditions for the organization and implementation of business activities. Mikrokreditbank, other commercial banks and credit unions play a key role in business lending. In order to provide financial support to entrepreneurship, the legislation provides a number of incentives for lending.

Investments are the main financial source of business development. Investments are material and immaterial goods and rights related to them. They can be included from internal sources (own funds of business entities) and external sources (domestic and foreign investors). The weight of foreign investments is also increasing in the business sector.

A certain part of investments in business is made on the basis of leasing. Leasing is a long-term financial lease of the main means of production, and its role in business is becoming serious.

Insurance also occupies a large place in business activities. It serves to ensure the economic viability of business entities, reduce losses and maintain stable operations.

An important direction of financial relations in business is related to taxes and other mandatory payments. In this direction, measures aimed at supporting entrepreneurship, simplified procedure of taxation and significant tax benefits are provided for business entities. Entrepreneurs should use them effectively.

Entrepreneurship in the world has gone through various stages in its development and continues to develop. It was formed and developed in each country in its own way. In Uzbekistan, its development starts from a stage close to modern entrepreneurship, and is rapidly and consistently moving towards a higher stage. But such development was not without difficulties, and even now many problems in this direction are waiting for their solution.

Small business and private entrepreneurship play a major role in the socio-economic development of Uzbekistan and occupy a leading position. Because almost half of the gross domestic product created in the country and 57% of new jobs, 76% of the employed population and 70% of the population's income fall on



this sector. So, the socio-economic development of the country depends on it, and it is one of the main forces determining this development. Small business and private business entities are able to overcome the global financial and economic crisis relatively easily due to their compact, mobile and fast flexibility, and life shows this. Therefore, they quickly adapt to the crisis, mitigate its impact, and prevent the country's socio-economic development from stalling or falling into recession. That is why the state supports the development of entrepreneurship in every way.

the organizational structures of many business enterprises are constantly changing. Such changes are not enough to transfer the vertical management system to the horizontal management system, but through these structures, business enterprises should communicate with all market subjects and carry out effective business activities. Organizational structures are in the form of management links and management levels. The following elements are distinguished in the enterprise structure: leadership and communication (horizontal and vertical), positions (departments), levels (stages). The department is an organizationally separate, independent management organization. Performance of a specific task by a department (group of people) is the main goal of its formation. Connections between sections are horizontal. The connections between the steps are vertical connections. They have a consistent submissive attitude that is freely expressed from the lowest levels to the highest.

It is possible to determine the presence of all the structural elements described above in any, even a small enterprise. An entrepreneur is the owner of the enterprise he founded and manages its work. Vertically, his employees are subordinate to him. The vertical organizational structure consists of several management levels connected on the basis of mutual subordination. The management level is a link that operates at a certain level of the hierarchy. Control steps indicate the sequential submission of one control link to another, usually a lower link to an upper link, that is, a vertical division. All these links and the composition of the stages and the order of their mutual subordination, the rights and duties of each management body and link, as well as the order of relations between them, the organization of management, such as the creation of functional departments, provision of information sides form a vertical management system. Coordination of these according to their content and terms is performed by various services that connect many elements of production. In some cases, such horizontal communication between functional services is very long, is carried out with a number of disputes and conflicts, and it is very difficult to coordinate this work.

It is known that organizational departments of business enterprises are organized on the basis of functional, geographical, commodity, market principles or by using them together (based on a combination).

Currently, effective business enterprises have as few management links as possible in their organizational structures, and their activities include order fulfillment, new product discovery and production planning, product distribution, and customer service. they pay great attention to the processes.

In these business enterprises, management links are shortened, a single-level management system is introduced, and the number of managers is reduced.

Horizontal relations are established between the employees of the enterprise performing various tasks (organizational marketing, accounting, etc.). They are not in the form of direct subordination, but often determine the consistency and interdependence of various production (operational) operations of the enterprise.

The communication system means that all management bodies perform their tasks in close communication with each other. Losing touch means losing control. Connections can be in different forms: linear (vertical), functional (horizontal), network, regional.

the organizational structure of most business enterprises in the country is based on business process, in which the usual functional and special departments (HR department, research and marketing departments) are preserved. Business processes include the production of new goods, the comprehensive processing of received orders and other strategic directions. With the strengthening of the organizational structure based on these business processes, some unnecessary management links are reduced, and new product-producing working groups that are resistant to competition and adapted to the business environment are formed. The transformation of the organizational structure is carried out constantly in the market conditions, with the change of competitors.

The following comparative characteristics of functional organizational structure and business process-based organizational structure can be given:2

Business process-based management requires managers with sufficient experience solving complex problems.

A functional organizational structure requires employees with the skills to collect and analyze information and influence external audiences.

The organizational structure based on the business process, the establishment of mutual relations between the parties, the elimination of conflicts, conducting negotiations, management of information



gathering, organization of working groups, training is carried out with high skill.

A company that adapts to market demand focuses on consumer preferences rather than products or technology.

A functional organizational structure requires employees who have deep and thorough knowledge of their field, who have the ability to analyze and evaluate processes and events, who can defend their recommendations and convince others of them.

It is advisable to use a combined (mixed) management structure in order to have clear and responsible employees for the final results of the work of departments in a functional structure, to eliminate conflicts between functional departments.

All of the above play a major role in the knowledge of the market situation of business enterprises, in improving the relationship with their consumers and suppliers, and in raising their position and reputation in the market.

Modern small business enterprises require coordinated use of several types of management structure in solving current problems.

The organizational structure becomes an important factor in the prosperity of the enterprise, to withstand the competition, to maintain or increase its strength, and to adapt to the changing conditions. There are linear, linear-functional, projectable and matrix organizational types of management structures of small business enterprises, venture and firm internal innovation. Structural changes are not enough to transfer the vertical management system to the horizontal management system, but effective business activities should be carried out through these structures. Modern small business enterprises require coordinated use of several types of management structure in solving current problems.

Small business owners should always find answers to the following questions by targeting a specific buyer: How much? How good is it? From what? When should the product be produced? It is known that small business contents are limited in number, quality and time dimensions. It is necessary for them to reduce the costs of the economic operations they carry out in order to capture the market in order to win the competition for buyers. As a result, the potential buyer buys the goods offered by him. Marketing is an important tool in solving this problem. Marketing (from the English market - market) is a complex system from the production of a product to the organization of its sale. It is designed to meet specific customer needs, market research and profit based on foresight.

The following types of marketing can be used by small business enterprises depending on the state of their products on the market: conversion marketing,

remarketing, application, development, incentive, synchronous marketing. The conditions for effective marketing in small business are as follows: the presence of a developed market, the freedom of the producer, the information collection system is understandable for everyone, the preparation of entrepreneurs, etc.

Guides small-scale business entities to implement strategic marketing issues in their daily practice in the following directions: timely acquisition of the most information about the market environment and its correct analysis; the main ways to correctly set marketing goals and achieve them; optimal combination of resources with goals, and goals with consumer demand; formation of the product type and assortment to meet the market demand at a high level; working with a team, carrying out propaganda work to achieve recognition and use of personal entrepreneurial activities among potential buyers and employees; by creating a sales network in the market, conducting advertisements, sales promotion activities, and working to find sales intermediaries, own buyers and market space; organization of daily management work to adapt the marketing system to the conditions of the new firm.

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