

Analysis of the current state of small business and private entrepreneurship development

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Abstract. The small business sector is gaining importance as a basis for structural change of the regional economy in creating healthy competition conditions, ensuring employment of the population, and solving the problems of filling the market with goods. In the system of the internal market economy, entrepreneurship is increasingly forming the basis of production, it is becoming crucial in establishing the processes of reducing poverty and ensuring economic growth. The development of small business enterprises is of great importance for the development of the entire country and its regions, as it is a source of economic growth. The unique experience gathered by local enterprises and the positive results of small business development in countries that have passed the stage of economic system reform indicate that small business has achieved great success in the process of forming the market system. In this regard, it remains relevant to study the main conditions, trends and characteristics of small business development in the region.

1 Introduction

Large-scale researches are consistently being carried out to ensure the sustainable development of small business and private entrepreneurship on a global scale. "Small business plays a major role in the economy of most countries, especially in developing countries. Small businesses make up the majority of businesses worldwide and are an important contributor to job creation and global economic development. They provide nearly 90% of businesses and more than 50% of employment worldwide. Formal small business enterprises contribute up to 40% of national income in developing countries" [1]. Small business is the main factor in creating a competitive environment and effective structure of the world economy, increasing the volume of production of products and services, ensuring rational employment of the population, and solving important social problems.

Today, the multifaceted nature of the processes of institutional and technological changes in the global economic development, the growth of labor resources as a result of the year-by-year increase in the population, the change in the nature and sources of the formation of competitive advantages of the economy, and the strengthening of competition in domestic and foreign markets make small business successful. related to the improvement of the

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scientific and methodological foundations of development. Currently, it is important to reveal the conceptual basis of state regulation of small business and private entrepreneurship, to improve the business environment based on the expansion of the activities of the elements of the digital economy, the impact of the business environment on the development of small business, the level of digitalization of the service infrastructure for small business and entrepreneurship. comprehensive evaluation, using small business as a factor of forming an innovative economy and ensuring competitiveness are among the priority directions of scientific research in this regard.

In Uzbekistan, various programs are implemented by all levels of the state power to ensure the development and stability of small business, and special attention is paid to the improvement of legislation and regulatory documents. A leader in the implementation of the tasks set out in the Development Strategy of the Republic of Uzbekistan for 2022-2026 "Creating conditions for the organization of business activities and the formation of permanent sources of income, increasing the share of the private sector in the gross domestic product to 80% and its share in exports to 60%" [2] plays a role. In this regard, the theoretical, scientific and methodological issues of small business development are related to a deeper study, and it is desirable to expand the scope of research in the direction of deeper development of the problem, which allows to rise to a new level of understanding the complexity of small business development.

2 Research methodology

The author's approaches are presented based on the study of scientific literature and articles of foreign scientists on the subject and the analysis of the experiences of foreign companies in this regard. Also, in order to increase the scientific and practical value of the article, statistical analysis methods (dynamic and comparative analysis methods) of the data of the State Statistics Committee of the Republic of Uzbekistan were used.

A methodical approach based on an improved research paradigm is proposed in accordance with the subjective nature of economic reality for the appropriate description of the processes that determine the characteristics of the formation of various territorial models of the innovative development of small business [3].

The proposed theoretical and methodological approach is the use of a multidimensional space-time coordinate system, which includes economic-value, organizational-institutional, technical-economic, cycle-time dimensions, which allows to take into account the main types of influence. It appears depending on the ability of local systems of small business to create certain forms of organization of innovative processes.

3 Results and discussion

In order to ensure the effective functioning of the regional economy in the conditions of the innovative economy, it is necessary to involve all economic entities. Small entrepreneurship, whose successful development helps to solve the socio-economic problems of the region, plays an important role: creating a competitive environment in the process of activity, which has favorable conditions and resource potential for the development of various types of economic activity, which are prioritized first; attractiveness for foreign and local investors; increase the employment of the population of the region, etc. [4].

We have calculated the development of small business enterprises in Uzbekistan and its share in the gross domestic product (GDP) (Table 1). According to statistics for 2000-2022, as a result of the rapid privatization process in Uzbekistan, the form of state ownership of enterprises has changed into collective, private and mixed forms. In this period, the share of

GDP of small business and private entrepreneurship in Uzbekistan can be divided into four periods. 1. 2000-2005 years. 2. 2006-2011 years. 3. 2012-2017 years 4. 2018-2022 years.

Table 1. Analysis of the average share of small business and private entrepreneurship in GDP and economic sectors in Uzbekistan in 2000-2022.

Indicators	2000-2005 years	2006-2011 years	2012-2017 years	2018-2022 years
GDP	34.7	51.5	63.4	56.2
Industry	12.1	18.6	37.8	28.8
Construction	43.5	54.7	68.1	73.1
Employment	56.1	72.9	77.3	75.2
Export	7.9	14.3	23.7	25.3
Import	29.1	35.8	45.2	53.5

Table 1 shows that the highest average share of small business and private entrepreneurship in GDP for the period 2000-2022 corresponds to the period 2012-2017. During these years, the average share of small business and private entrepreneurship in construction, export and import sectors has increased.

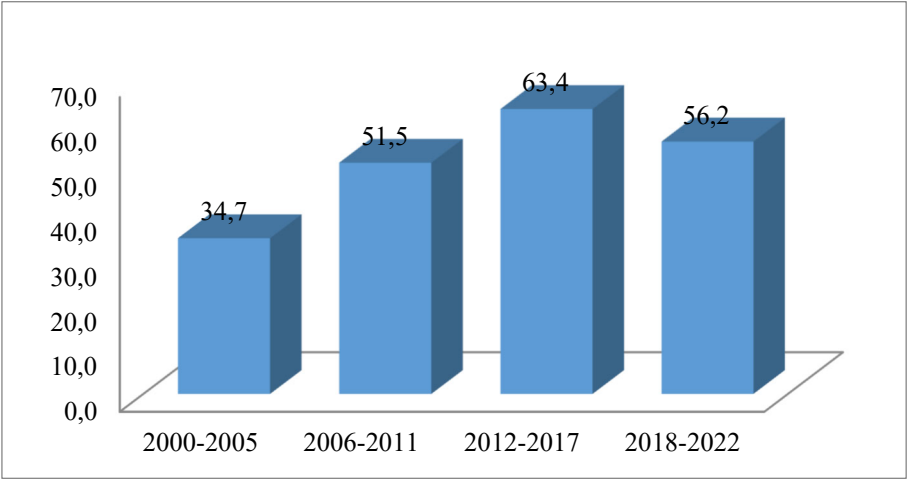


Fig. 1. Average share of small business and private entrepreneurship in GDP in Uzbekistan in 2000-2022.

Table 2. Analysis of the average number of small businesses and private entrepreneurship in Uzbekistan in 2000-2022.

Territories	2000-2005 years	2006-2011 years	2012-2017 years	2018-2022 years
Republic of Uzbekistan	98845.5	132346.8	193167.7	340280.0
Republic of Karakalpakstan	4978.0	6269.3	8936.5	15097.4
Andijan	11687.5	12242.7	20172.3	27078.2
Bukhara	6208.5	8545.0	10153.8	19986.6
Jizzakh	2822.0	4663.3	7389.2	14341.2
Kashkadarya	8643.0	10677.3	15648.7	21463.6

Navoi	3414.5	4320.0	6336.7	13992.2
Namangan	6077.5	8168.3	12747.5	21973.0
Samarkand	10014.5	10561.5	12827.2	27023.0
Surkhandarya	5741.0	8555.8	9231.0	16698.8
Syr Darya	3206.0	3989.3	6257.2	10794.8
Tashkent	7399.0	10534.5	17975.2	32807.6
Ferghana	7110.0	10844.7	16187.5	29869.8
Khorezm	4013.5	6164.8	9999.8	15805.4
Tashkent.sh	17530.5	26810.2	39305.2	73348.4

The data in Table 2 shows that the number of newly established small business structures grew rapidly: the average number of small businesses and private entrepreneurs in 2018-2022 was 340,280. We can see that this indicator has increased by 241,434.5 compared to the first period (2000-2005). From this it can be concluded that in recent years this industry is developing rapidly in Uzbekistan and is making a high contribution to the development of the country's economy [5].

In 2018-2022, we observed an increase in the number of small businesses and private entrepreneurs by region, which indicates the growth of small businesses and private entrepreneurship in all regions of Uzbekistan.

In recent years, as a result of the decisions and decrees adopted by the President of the Republic of Uzbekistan on supporting small business entities and improving the quality of the business environment, as well as the great attention paid to this field, a total of 424,073 small enterprises and micro-firms were newly established in 2018-2022. When newly established small enterprises and micro-firms are analyzed by sector, the largest number of new entities are in the trade sector - 156,069 (or 36.8%), in the service sector - 99,198 (or 23.4%), in the industry - 84,830 (or 20.0%), 51,752 (or 12.2%) were established in agriculture, forestry and fisheries, and 32,224 (or 7.6%) in construction [6].

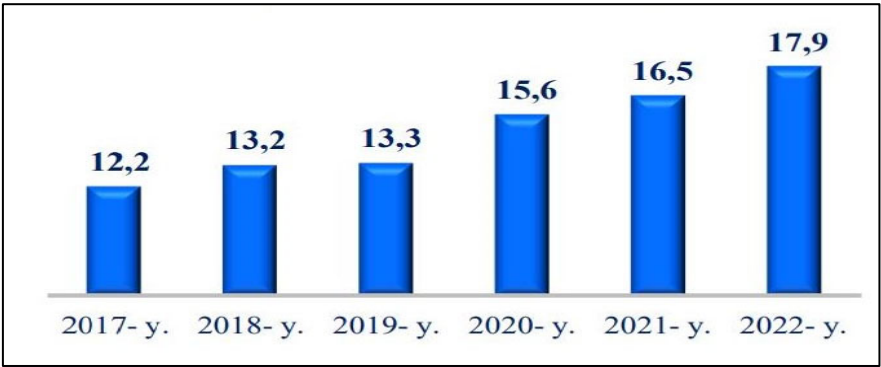


Fig. 2. The ratio of the number of small business entities operating in Uzbekistan per 100 inhabitants, in units.

We can see that the number of small business entities per 1000 inhabitants has increased in the analyzed years. Every fourth employee of entrepreneurial structures is employed in a small business, and every eleventh part of the economically active population is employed. Today, the number of workers employed in small business and private enterprise is 76.2 percent [7].

However, the national situation of small business does not have a complete picture of its regional development trends. Due to the lack of statistics on the development of small enterprises by individual indicators and years, including the cross-section of natural-economic zones of Fergana Valley regions, our research was analyzed for the years with available analyzed indicators [8].

In the course of the research, small business and private entrepreneurship in the regions of Fergana Valley were characterized by quantitative and volume indicators.

A comparative analysis of the main indicators of the activity of small business entities (including individual entrepreneurs) in the Fergana Valley, in particular, the main indicators of the activity of enterprises in the regions, is presented, which indicates certain trends in the growth of revenue from the sale of manufactured products (Table 3).

Table 3. Activities of small business entities in the regions in the Fergana Valley analytical.

Provinces	Years	Number of small business entities, unit		number of employees,		Net income from product sales,		Revenue from product sales per worker is billion soums
		the number	Share in the Republic %	a thousand people	Share in the Republic %	billion soums	Share in the Republic %	
Namangan	2017	15949	6.9	863.9	8.2	5037.2	4.6	5.8
	2018	16975	6.5	872.3	8.6	7845.7	4.2	9.0
	2019	21461	6.4	914.7	8.9	11629.4	4.7	12.7
	2020	26531	6.5	888.4	9.0	14554.1	5.1	16.4
	2021	28949	6.3	907.7	9.0	20705.0	5.0	22.8
Andijan	2017	20342	8.9	1110.4	10.5	5253.2	4.8	4.7
	2018	22560	8.6	1035.3	10.2	8951.6	4.8	8.6
	2019	25807	7.7	1054.6	10.2	10025.9	4.0	9.5
	2020	31683	7.7	989.9	10.0	12075.9	4.3	12.2
	2021	34999	7.6	1020.0	10.1	18716.4	4.5	18.3
Ferghana	2017	20225	8.8	1229.3	11.7	6758.3	6.1	5.5
	2018	23304	8.9	1144.5	11.3	11588.4	6.3	10.1
	2019	29300	8.8	1185.0	11.5	16643.0	6.7	14.0
	2020	36117	8.8	1136.3	11.5	24660.0	8.7	21.7
	2021	40403	8.7	1164.7	11.6	34181.5	8.2	29.3
by republic	2017	229 666	100	10.541.5	100	110 347.9	100	10.5
	2018	262930	100	10128.8	100	184609.6	100	18.2
	2019	334767	100	10318.9	100	249862.5	100	24.2
	2020	411203	100	9865.7	100	283972.4	100	28.8
	2021	462834	100	10080.6	100	418280.2	100	41.5

At the same time, the share of products sold by small business entities of Namangan, Andijan and Fergana compared to the volume of the Republic of Uzbekistan does not exceed 5.1 percent in Namangan region, 4.8 percent in Andijan region, and 8.7 percent in Fergana region. According to the results of the management of small business entities of Uzbekistan during the analyzed years (2017-2021), against the background of the increase in the volume of sold products, in 2017 it was 110347.9 billion soums, and in 2021 it was 981.3 418280.2 billion soums. In 2017 and 2021, the number of employees decreased from 10,541.5 to 10,080.6 thousand people, respectively. In the analyzed years 2017-2021, the number of people employed in small businesses in Namangan region increased from 863,900 to 907,700, and in Andijan region it decreased to 90,400 [9].

The study shows that in 2017-2021, income from the sale of products per person increased in Farhona, Andijan and Namangan regions. In 2017, the income from the sale of products per person in the Republic was 10.5 billion. amounted to 41.5 billion soums by 2021.

4 Conclusion

With the establishment and development of the regional business innovation support center, the region will have an important source of its innovative development by activating the innovative activities of existing small business entities and establishing new small innovative enterprises [10]. Also, the center of entrepreneurial innovation can become a unique platform for interregional cooperation in the field of innovation. Specific features of spatial development for each region, the tasks of forming innovative potential, as well as market infrastructure in the field of relevant market, research and development work are uncertain for each region and require a differentiated approach. The basis for the formation of infrastructure support for the innovative development of small business is targeted programs, the implementation of which is assigned to regional structures, and their coordination is carried out by regional ministries and agencies, which "state - science - business" strengthens mutual cooperation.

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