

The Role Of Small Business In The National Economy

Kurbanov Alisher Bobokulovich,
Associate Professor Of The Department Of Economics Of
The Karshi Engineering And Economic Institute,
Uzbekistan.

Jalilova Nigora Mavlonovna
Senior Lecturer, Department Of Economics, Karshi
Engineering And Economic Institute, Uzbekistan

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Abstract

This article highlights the role of small business leaders in the development and implementation of innovative ideas based on an analysis of leading economists. The essence and forms of small business in the socio-economic sphere are also shown. It is based on the social orientation of small business, communist activities between the population and large enterprises, as well as on the training ground. The analysis of indicators of small business development in the world practice is given and a conclusion on its natural features is given. Specific features and directions of adaptation are presented and recommendations are given for the changing needs of the population.

Key words: Entrepreneurship, small business, innovative economics, communities, firms.

Introduction

In developed countries, the policy of comprehensive support for small business is being implemented consistently. This is because there are two aspects to small business development. First of all, this is due to the economic and social tasks of small business in a market economy, which reflect its importance. The second is related to the inherent shortcomings of small businesses and the underdevelopment of the country due to these shortcomings. Revealing these two aspects of small business requires the formation and development of a small business support system in our country.

He stresses the importance of small business in the economy to the fullest extent of the economic and social tasks that it fulfills. These tasks can be divided into two groups. The first group is general objectives that reflect the clearly defined goals of the entrepreneur. The second group is private. They appear over time and differ slightly from the stated goals of the participants.

Materials and Methods

As A. Smith notes: "We do not believe in the kindness of a butcher, chef or baker when we eat, and we believe that they will pursue their own interests, and they will achieve unimaginable results under the" invisible hand "[1]. This means that the entrepreneur performs not only individual tasks of enrichment, but also functions of a social nature of a latent nature. This allows us to distinguish between individual tasks within the economic tasks of entrepreneurship and tasks of a social nature. The priority of small business as a factor of economic freedom should be a priority. Small business contributes to the spread of democratic principles in the economy. On the one hand, small business development gives a person a choice: be an employee or an independent entrepreneur. On the other hand, small businesses are more regulated by free market laws than large corporations. This task of small business plays an important role in the liberalization of the national economy. Due to the high level of state dependence of large enterprises that form the basis of our republic, it is difficult to consider them as subjects of a free market. The second task of small business is to provide its hidden, integral (integrating) economy [2] .. Firms performing this task are called commutants.

In a market economy, the presence of effective demand should automatically generate demand. But at present, efficient production is determined by its selectivity. This is not always economically feasible. When a large enterprise produces one product, it is highly efficient and does not depend on unprofitable products.

For example, cars are considered high volume items. But it is not advisable for large firms to open a gas station because the operating costs are high and the daily profit is insufficient. Only small switching firms are willing to take every opportunity, while others are very selective in this regard. Medium-sized enterprises are characterized by small-scale production. However, they will start production in sectors with special and long-term needs. Midsize firms need to collect and process information in a tight space

For large enterprises, transferring part of their products to small businesses is beneficial. Small businesses, as partners of large corporations, will have access to technical documentation, drawings and production resources of large enterprises on a subcontracting basis. Large companies are interested in this dependence and help them develop new products, improve technologies and methods of product quality control. This conflict is resolved through commercial firms that are constantly looking for social needs and can adapt to market demands. Therefore, these firms are characterized by a lack of planning in their activities - they are very compact and must be ready for any changes.

The importance of small businesses to the economy depends on their flexibility. The level of development of small business can be summed up by the ability of the national economy to adapt to a rapidly changing market situation [3].

One of the most important hidden goals of small business is to create a competitive environment in a market economy. Of course, small firms collide with large corporations and are often defeated. However, small firms play an important role in dealing with the entire small business sector and big business [5]. Leading scholars and experts from international forums and organizations have come to the conclusion that the only way to overcome rising unemployment is to create new businesses and jobs. It should be noted that small businesses benefit from the work of socially vulnerable segments of the population (women, people with disabilities, refugees, etc.), who cannot find work in large enterprises. In addition, small firms are a unique testing ground for practical training and young professionals.

Result and Discussion

In many countries of the world, most of the population is engaged in small business. Specifically, 80% in China, 48% in Japan, 50% in the United States and 78% in Uzbekistan. The share of small businesses in the world is also high: China accounts for 60%, 68% in Italy, 53% in Germany, 48% in Korea, 50% in the US, 21% in Russia and 56% in Uzbekistan. The number of business entities per 1000 population is 57 in the European Union, 90 in the United States, 27.2 in Russia [4] and 22 in Uzbekistan. The analysis shows that the share of small business in the economies of developed countries is high. Because he identifies an ever-growing need and quickly implements new ideas to meet it. A country that produces a new product will be in economic growth. Small businesses also provide access to material resources, i.e. use local sources of raw materials and large industrial waste.

In the context of the transition to a market economy, the task of small business is to meet the population's demand for goods and services effectively and completely.

The needs of society, industry, region, enterprises and organizations, as well as individual needs, are so different that no government organization can fully satisfy them. In addition, they increase over time, and, as the experience of recent decades shows, they become more individualized. Only an entrepreneur fully takes into account and satisfies these needs.

Conclusion

Thus, some small market needs cannot be fully met without small firms. These are the ones that must be created to produce large, highly profitable or specialized products that will satisfy other needs that are not being met. At the same time, small businesses take advantage of the marketplace because they know their customers and differentiated markets. This is primarily due to the fact that large companies serve those market segments that are less attractive to small companies due to their small size. These include a large share of the production of consumer goods. Small businesses are very sensitive to changes in demand and are able to meet new and individual customer needs. Business development is largely determined by profound changes taking place in modern culture. If a few decades ago sales success was driven by market standards, today its novelty is

determined by its originality. Similar trends are observed in the service sector - demand depends on the quality and variety of services.

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