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## Impact of Small Business Development in the Service Field on Economic Growth

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### INTRODUCTION

One of the main goals of establishing a socially oriented market economy in Uzbekistan is the priority development of small business. In order to realize this goal, economic reforms are being carried out step by step; large institutional frameworks have been created to increase the role of small business.

Legal and regulatory documents guaranteeing the organization of small business activities, free operation, and market infrastructure supporting small business have been formed. As a result, today, small business entities are active in all aspects of our country's economy, in the production of machine-building products, in the production of consumer goods, agriculture and food products, in the fields of service provision and tourism. .

Our experience in our country in a short period of time has proven that small business is an important factor of sustainable economic growth. Especially in the conditions of deep structural changes and diversification in the country's economy, small business serves as an important factor in the sustainable development of our national economy, increasing its competitiveness and achieving high macroeconomic indicators.

### Main results.

Experiences accumulated in the development of small businesses in our country show that increasing the level of competitiveness of enterprises requires that they expand and become larger in the course of their activities. However, in some cases, the quantitative limits of enterprises that allow small business entities to have the privileges and reliefs established by the state support may hinder these processes. During the past period, many enterprises, whose economic potential has increased as a result of the increase in the level of socio-economic development in our country, favorable conditions created for small business entities, in order to continue using these benefits, try to keep the number of employees within the set quantitative limit. are doing

Entrepreneurial activity (entrepreneurship) is an entrepreneurial activity aimed at obtaining income (profit) at one's own risk and under one's own property responsibility, carried out by the subjects of entrepreneurial activity in accordance with the law.

The general meaning of entrepreneurship in the service sector is to open your own business, which, in turn, is determined by the desire and opportunity to engage in entrepreneurial activity. At the same time, entrepreneurship is characterized by the mandatory presence of an innovative moment, which allows us to consider it from two main points of view. At the same time, the definition of "entrepreneur" includes small merchants, farmers, the director of a large commercial

bank, owners of small service enterprises, which differ sharply from each other in terms of the nature and content of the work. Therefore, it seems wrong to consider entrepreneurship as a separate type of professional activity.

It is appropriate to start from the definition of entrepreneurship as an innovative economic activity that is carried out in conditions of risk and uncertainty and is aimed at making a profit.

Entrepreneurs work primarily as individuals who own or manage property that they put into their enterprise using hired labor.

From a psychological point of view, the specific characteristics of entrepreneurial activity are as follows:

- Economic freedom; the ability to ensure a high level of material well-being;
- The opportunity to more fully realize their professional abilities and inclinations;
- High responsibility for the results of their activities; lack of guaranteed minimum income and risk of loss in case of failure; lack of support and patronage.

These signs are especially characteristic of entrepreneurs working in small and medium-sized enterprises.

Small and medium-sized businesses dynamically respond to changes in the market environment, providing the necessary flexibility and adaptability to the market economy. These features are of particular importance in modern conditions due to the increasing individualization and differentiation of consumer demand, the acceleration of scientific and technical progress, and the expansion of the range of services provided.

Small and medium business structures attract large financial and production resources of the population (including labor and raw materials). . It is difficult to overestimate the role of small and medium-sized businesses in solving the employment problem. Finally, it is necessary to emphasize the importance of small and medium-sized business in eliminating social tension and democratizing market relations, because it is small and medium-sized business that is the fundamental basis for the formation of the "middle class" and, as a result, the social conditions inherent in the market economy. allows the tendency of differentiation to weaken.

All these and other features of small and medium-sized businesses, especially the service sector, make their development the most important factor in the economic growth of Uzbekistan.

Without small and medium-sized businesses, the market economy cannot function effectively and develop. Consequently, their formation and development is a strategic task of economic policy during the transition to a socially oriented market economy.

The purpose of entrepreneurship at present is not only to make a profit, but also to ensure the economic growth of the sector by increasing the activity in the market. The transition to market relations predetermines the tasks of the service sector, the change of the revenue system for service sector enterprises, as well as the formation of new organizational and legal structures that meet the requirements of the time.

Successful development of entrepreneurship in the service sector is possible only with the formation of various organizational forms of enterprises and their management systems, because today the main problems of entrepreneurship development are:

- insufficient level of management and marketing of innovative and commercial activities of service sector enterprises;
- the level of organization of enterprises does not correspond to market requirements;
- Low professional level of personnel, etc., these problems simultaneously act as factors hindering the formation and development of the service industry in various fields.

The commercial activity of enterprises in the service sector should consist of solving a set of tasks of a different nature: collecting data from market research of the services market; providing timely and high-quality services to consumers in accordance with contracts (orders); providing a communicative system of communication between all participants in the process of production and sale of services, etc. With such an approach, the need for forecasting and marketing research to form plans for expanding the types of services, their structure, sales channels, attracting consumers, etc., is evident.

Changes in the country's economy place new demands on enterprise management, changing its focus on quality, profitability and scope of services. When developing a management system for entrepreneurship in the service sector, it is necessary to take into account the specific socio-psychological characteristics of entrepreneurship in Uzbekistan, which are related to the specific characteristics of historical development, national traditions and the characteristics of the current situation. The approach can adapt existing management tools to the specifics of regional and sectoral changes. Entrepreneurial activity in the service sector provides employment to many able-bodied residents of the regions, as it has a significant labor absorption capacity. This should serve the sustainable development of various regions of the region.

Organization of an entrepreneur's own business can be done in different ways: purchase of an existing enterprise, establishment of a joint venture with other individuals or legal entities, or establishment of a new enterprise. The last way involves having a new idea.

A free developing market situation requires the existence of a wide range of service enterprises of various specializations, types of activity, affiliation to the network and forms of ownership. The development of the labor market that meets the requirements of the time is hindered by a whole set of problems arising in connection with changes in the economic formation, irrational structural changes, as a result of which the level of work is decreasing. At the same time, statistical data show a decrease in the number of economically active population. , shows that the deterioration of the financial situation of the unemployed is caused by the imperfection of benefits and the delay of payments.

### **Summary.**

1. In order to further develop small business and private entrepreneurship, first of all, specific sources of financing for business entities, including public funds, extra-budgetary funds, loans from entrepreneurs, commercial banks and financial institutions, grants from international organizations and foreign countries, loans in accordance with international standards establishing the activities of associations.
2. To create incentives for small businesses and private entrepreneurs to pay a single tax for newly established small business entities that build facilities for their own needs.
3. Establishing cooperation between small business and private business subjects and large enterprises in the scientific and technical field. Strengthening the legal basis for the mechanisms of outsourcing the services of large enterprises, such as accounting and marketing.
4. We believe that increasing the participation of small businesses and private entrepreneurs in public procurement, further simplifying the sphere of public procurement of business entities.

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