

Issues of Development of Business Activity in Local Areas

Iskandarov Sunnatillo Baxriddin o'g'li

Teacher, Samarkand Institute of Economics and Service, "Real Economy" department assistant trainee

Eshmanov Lochinbek Tolib o'g'li

Student of the faculty of economics of the Samarkand institute of economics and service

Umurzoqova Sevinch Karim qizi

Student of the faculty of economics of the Samarkand institute of economics and service

Annotation: This article covers the issues of development of handicrafts in the regions and improvement of management of business activities. In the article, the author proposed a model for determining the index indicator of the competitiveness potential of the region and small business.

Key words: crafts, entrepreneurship, small business, household.

INTRODUCTION

The success of the market relations implemented in Uzbekistan is characterized, first of all, by the change of property relations, the development of various forms of economic management, and the fact that the state, as the main reformer, creates economic opportunities for this.

Small business and private entrepreneurship in Uzbekistan is developing year by year. "In the report of the World Bank, it was noted that Uzbekistan was among the ten countries in the world that achieved the best results in the field of improving the business environment for entrepreneurship in recent years. Banking, insurance, leasing, consulting and other types of market services are developing at a steady pace, they serve the development of the private sector and small business. There are 80,400 small business entities operating in the service sector, which makes up more than 80 percent of the total number of service sector enterprises. 70% of the employed population in the economy is contributed by small and private businesses. 89% of newly created jobs are accounted for by small businesses.

In our country, small business and private entrepreneurship emerged as a necessity from the first days of the reform, while national handicrafts have been developing for centuries, relying on national customs and ancient traditions. Today, the "Hunarmand" Republican Association organizes more than 16,000 artisans, many shops and galleries selling handicraft products are operating. [5] Many artisans sell their products at exhibitions and trade fairs that are frequently organized in our country and abroad. Also, handicraft products are sold directly to workshops located near historical architectural monuments frequented by tourists. All conditions are sufficient for the development of crafts in our republic. Recently, the demand for handicraft products has been increasing in our domestic market, that is, the demand has increased by 30% in the last 8 years. But we need to expand the export of handicraft products abroad.

DISCUSSION AND RESULTS

Foreign countries are far ahead of us in this regard. For example, the Argentine company "Dinka" deals with the search for foreign buyers for the products produced by Argentine artisans, and with the delivery and customs formalities of the products, in return they receive a percentage of the sale. With the establishment of the company, it established cooperative relations with stores in the neighboring countries of Chile, Peru, Ecuador, and then signed an agreement with a distribution

company from Texas. Today, they are looking for new opportunities for cooperation with stores in Spain, Italy, Germany and Switzerland.

The annual turnover of the company is 7 mln. more than a dollar. Vietnam also pays special attention to folk crafts. For example, in 2022, Vietnam's handicraft products will rank 3rd in the world in terms of export volume and will amount to 967 million. dollar income. China and Germany are also major exporters of handicrafts. Therefore, we should expand the export of handicraft products abroad in our Republic. Improving the methodology of material support and analysis of the development of entrepreneurial activities with high labor productivity in the market economy ensures the formation of a sense of ownership of production in a person, and all this is the use of positive forms of labor organization and payment for it , will be interconnected with the improvement of the financial incentive system. Material support of entrepreneurial activities is objectively limited. But it should be formed in such a way and the methodology of analysis should be chosen so that it fully meets the principles and tasks of the society at the current stage of development in the conditions of the market economy. When determining the methodological aspects of the analysis of the development and efficiency of small business and private entrepreneurship, it is necessary to determine its identifiable criteria. The criteria of economic efficiency of small business and private entrepreneurship should reflect the efficiency of payment according to work, implement laws that satisfy and characterize the growing needs, demands and offers, and in the process of improving payment according to work, their interaction should reflect the dependence.

The economic efficiency of business activity is interrelated with the general criteria of production efficiency. At the same time, no matter how perfect the material support of small business and private entrepreneurship, it will not give the expected effect if the conditions of payment of labor are not combined with the improvement of the entire system of its organization, management and economic management mechanism. In the form of wages, it is necessary to connect the increase of the economic efficiency of entrepreneurial activities with the labor contribution of the employee. Naturally, it is necessary to increase the material and moral responsibility of the entrepreneur for the shortcomings and mistakes made in the work, which in the current market economy, in particular, it is necessary to pay strict attention to these aspects.

Analyzing the entrepreneur's potential and the ability to repay the loan, as well as the methods of determining the economic efficiency of the enterprise, take the main place in the methodology of evaluating the efficiency of small business and private entrepreneurship.

It is necessary to comprehensively analyze all aspects of the entrepreneur's activity. In this case, internal factors are studied in terms of their theoretically possible and practical results and losses (the client's strengths and weaknesses), and external conditions in terms of positive or negative impact on the activity of the entrepreneur.

Among the internal factors, the organization and state of the debtor's finances, the entrepreneurial skills of the company's managers, the composition of employees, the state of equipment and its use, the nature of technology, the set of issues related to the accounting, storage and use of raw materials and materials, the composition of products, purchasing and the nature of product transfer markets (including the prevalence of natural exchange), the state of research and development, and the structure of the enterprise should be considered.

As part of external factors, the social, political, economic, technological and legal conditions of the debtor's activity are analyzed.

During the analysis, it is desirable to study the direction and growth of the changes occurring in various areas of the debtor entrepreneur's activity, to determine the ability to plan and control his activity. It is determined first of all by assessing the ability to plan for profit in the short term and assess the quality of cash flows, make appropriate changes in the organization of activities in relation to existing conditions and the results obtained.

It is necessary to analyze the existence of prospective projects of the organization of the debtor entrepreneur's activities for the far future, the opportunities of the entrepreneur to implement the project, if the loan is given as an investment, the estimated profitability of the loan project. The client's liquidity (general solvency) is considered in terms of its sources of activity (capital) and nature of investment. In such cases, the business conditions of the enterprise and its ability to fulfill its obligations are analyzed.

In our opinion, a comprehensive analysis should cover:

- management system;
- internal factors;
- external factors;
- production conditions;
- the nature of the balance sheet and other reporting information;
- Includes the analysis of indices and ratios.

The main tool of financial analysis is to summarize the prices based on graphical representation and to reveal the peculiarities of these graphical images in order to tell how the prices will be.

In the conditions of the market economy, entrepreneurship develops on a large scale. The wide development and improvement of entrepreneurial activity is related to the expansion of its essence and scope of main tasks.

These tasks can be divided into the following types:

- the function of material resources, that is, any business activity is objective
- factors, raw materials necessary for production must be provided with means of production and necessary production forces,
- the task of organization is that production raw materials, means of production, production forces should be formed in such a way that as a result of it, the entrepreneur should have the level of product production in the specified volume and the level of product production in the specified volume and the specified amount of income;
- The task of creativity is mainly the means of production necessary for the organization of production, the creative approach to increase the quality of production, reduce production costs, and ensure the growth of profit.

In order to assess the investment climate in the field of handicrafts and small business in the regions, the indicator "Regional Small Business Competitiveness Potential Index (IPK)" is proposed, which is determined according to the following formula:

$$IPK = n I_n \times I_f \times IRR \times IQP, (1)$$

Here

I_n – innovation potential index;

I_f - information potential index;

IRR - resource potential index;

IQP is an index of economic potential.

Local indicators are used to calculate the index, and as a result of their integration, the competitiveness potential of the small business of the region is determined. On the other hand, local indices reflect integrated indicators of a lower order in relation to the indicator of competitive potential.

At the same time, rapid development of labor-intensive sectors of the food processing industry, focused on the processing of local raw materials and the production of ready-made competitive products, is of great importance in increasing the employment of the population and in the development of handicrafts. In particular, the development of the fruit and vegetable processing network creates great opportunities in this area.

The favorable climatic conditions of the regions allow the cultivation of fruits, vegetables and fruit crops in large quantities and in a wide range. Such an opportunity, firstly, reduces the loss of agricultural products, especially perishable and difficult to transport products, secondly, it ensures the preservation of product quality, and thirdly, the transport and storage of products by farmers and farms and reduces sales costs, fourthly, increases the employment of the population, increases their income, reduces unemployment, fifthly, creates work for the rural population in their place of residence.

CONCLUSION

It should be noted that construction of labor-intensive productions based on household farming and folk handicraft enterprises also helps to provide employment to the population. In our opinion, in order to further develop handicrafts in the regions and thereby ensure the employment of the population, it is necessary to pay attention to the following:

- studying and introducing advanced foreign experiences in the development of craft and household activities, i.e. performing services at home by phone, advocacy, creating software products;
- to carry out extensive propaganda work among the population about homesteading activities, its advantages, benefits and reliefs given by our government for the development of homesteading; increase the image of the household among the public;
- development of economic mechanisms that will allow artisans and homemakers engaged in informal activities to transfer to formal activities;
- Mastering types of craft activities specializing in the production of new goods and services suitable for changing market conditions.

In addition, the development of tourist services based on the historical, cultural and architectural monuments of the local areas, as well as economic cooperation and cross-border trade with neighboring countries will also help to increase the level of employment of the population.

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