

THE ROLE AND PLACE OF SMALL BUSINESS IN THE DEVELOPMENT OF THE
SERVICE SECTOR IN UZBEKISTAN

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Annotation: *This article describes the characteristics and role of small business in the development of the service sector on the example of foreign countries, the history of the emergence of small business, its need for employment. About attracting customers and the quality of service in the service sector.*

Key words: *business, sector, sphere, enterprise, civilization, services, entrepreneurship.*

Modern entrepreneurship is becoming massive, which is primarily due to the development of the service sector, the opportunities provided for the functioning of small businesses in this area.

In the service sector, as in other sectors of the national economy, there are large, medium and small enterprises, including those without the involvement of hired labor. A feature of this area is the clear quantitative dominance of small businesses.

The first written communication about small business appeared more than 4000 years ago, it was a description of a financial service (a description of how moneylenders lend money at interest). Largely thanks to small business, civilization has spread to different countries. In the last decades of the twentieth century. The role of this business sector has increased in no small measure due to its ability to invent new products and create new jobs.

The term "small and medium-sized enterprises" (SMEs) is used in European countries and, according to the classification of the Commission of the European Communities, SMEs are enterprises with fewer than 500 employees and a turnover of less than 75 million ECU. The term "small business" (SB) is used primarily in the United States and refers to enterprises with up to 500 employees. At the end of the 80s of the twentieth century. Since the term "small enterprises" (SE) has become widely used, they have been highlighted because the problems of medium-sized firms often turned out to be closer to the problems of large companies. Small enterprises usually mean firms with fewer than 100 employees. There are also microfirms or the smallest enterprises employing up to five people.

The role of small business in the world economy increased markedly in the 80-90s of the twentieth century. According to the UN, in general, small and medium-sized enterprises in the world during these years employed almost 50% of the able-bodied population and produced 30-60% of the national product.

In terms of growth and development, there are two types of small enterprises:

- Enterprises with limited opportunities for growth. They are rated as life supporting, as they are able to provide their owner with an acceptable standard of living. Typically, these businesses are family owned.

- Fast-growing enterprises that are considered small because they are new. The goal of high-growth enterprises is to move beyond small businesses as soon as possible. A group of people who, having gained access to sources of large investments, are trying to introduce new products or services in a wide market usually runs such firms.

The role of small and medium-sized enterprises in creating new jobs, primarily in the service sector, is generally recognized. These enterprises provided the main increase in employment in the last decades of the 20th century. Small enterprises are especially important for providing employment in the most backward regions. For example, there is a positive UK experience in developing small business at the local level in the form of community businesses. The main goal of such a small business is to provide stable employment for local residents. All income from the entrepreneurial activities of enterprises is directed to the creation of new jobs, the provision of various services to the local population, the implementation of various projects in the interests of community development.

The role of small enterprises in providing employment in the so-called "dormitory" areas, where the majority of residents do not work at their place of residence, is noticeable. Small business in such areas is characterized by specialization in service activities that were previously carried out within the family.

Jobs are mainly created in small and medium-sized enterprises in the service sector, although the survival rate of small and medium-sized enterprises in industry is higher than in the tertiary sector. Particular attention was paid to the development of small enterprises by the state of the industrial services sector. On the other hand, this area itself has become a place of activity for a large number of small enterprises, this, in particular, is evidenced by the experience of Italy. The zone of small enterprises in the field of health care and social assistance is expanding. Although hospitals and social service agencies are usually large enterprises, new jobs are created in small organizations such as nursing homes, kindergartens, community health centers (Canadian practice).

The traditional area of small business activity is personal services (education, healthcare, household services). Small business is especially noticeable in the sphere of personal services.

A relatively new area of small business is a variety of business services: accounting and accounting, assistance in the preparation of financial statements, in organizing production and marketing, recruitment, personnel training, tax calculation, advertising, legal advice, copying and printing services, etc. Business services resorted to in developed countries by an increasing number of companies.

Large companies, interested in saving administrative costs, by reducing the management and engineering staff, are expanding the demand for business services. Small and medium-sized enterprises present a demand for business services, since it is

unprofitable for them to have qualified specialists in various professions on their staff. It is more economical to resort to the services of third-party specialists as the need arises. By virtue of the noted provisions, small enterprises specializing in the provision of certain business services have an incentive for development.

The sphere of production services provided by small enterprises is constantly expanding, which is due to the emergence of new types of services and the separation from traditional production of operations that were previously performed directly at the enterprise. Small enterprises, specializing in certain production services, improve the quality of services and create conditions for their reduction in cost.

The service-related industry spawns a wide variety of small businesses that can be very short-lived but are highly flexible and responsive to demand.

The development of the service sector leads to the emergence of a specific subject of market relations - a service entrepreneur, in the form of which mass entrepreneurship is realized. A service entrepreneur has the ability to creatively carry out the specific functions of modern entrepreneurship, which is based on high professional qualifications. It is the special human capital of a service entrepreneur that is a prerequisite for the development of entrepreneurship in the service sector. A service entrepreneur is able to provide unique services, focusing on a specific client. At the same time, it is possible to effectively solve various problems of the client, which means, as a result, the economical use of society's resources.

The successful activity of a service entrepreneur is associated with the creation of an attractive, effective image that meets the expectations of the client. At the same time, a special role is given to the ability to make a favorable impression on the client.

A key role in the ultimate success of a small business belongs to human resource management, which is directly related to the qualities of a service entrepreneur as a leader and leader. The quality and productivity of an employee's work is a reflection of the activities of the owner of the company in the aspect of management. What is most significant is building a strong team and using "organization".

Customer service is of particular importance for the development of small business. The presence or loss of each client for a small firm has far-reaching consequences. The key to profit is the transformation of attracted customers into regular ones. Therefore, each client should always be at the "first number".

Practice has shown that for this it is necessary to observe the following provisions:

- make a positive impression on the buyer at the first meeting
- listen to your customers
- asking clients about what they expect from the firm
- know well the product or service that is provided to the client
- keep promises to customers
- be always ready for a customer complaint or return of a product sold, sometimes customer complaints provide another opportunity to provide a satisfying customer service to a dissatisfied customer.

The goal of customer service in a small business is to make that service successful the first time, so the main goal in customer service by a small firm is to convince the client of the expediency of purchasing goods or services from this firm.

Conclusion

Small business and private entrepreneurship is one of the important drivers of economic development, increasing employment and incomes of the population. In order to support the subjects of this sphere, more than 300 decrees and resolutions of the President of the Republic of Uzbekistan have been adopted in recent years. Since the first years of Uzbekistan's independence, much attention has been paid to the development of the legal framework, the organization of financial support, the protection of the rights of entrepreneurs, the training and retraining of personnel, the development of market infrastructure serving small businesses.

According to the results for January-June 2022, the share of small business (business) in the republic's GDP amounted to 50.5%. In terms of regions, its largest share was observed in Surkhandarya (75.8% of the total gross value added created in the region), Jizzakh (75.5%) and Bukhara (72.0%) regions. The smallest share of small business (business) was noted in Navoi (23.5%) region. This decrease is explained by the increase in the share of large enterprises in the structure of GDP. And in recent years, the share of small businesses in GDP has grown steadily.

Of the goods produced and services rendered in all sectors (trade, construction, industry, etc.) in one year, a certain part, in this case more than half, was produced by precisely those small firms and enterprises.

For comparison, the share of small and medium-sized businesses in the GDP of developed countries is 50-60%. In Poland - 51%, Germany - 53%, Finland - 60%, the Netherlands - 63%.

One of the main indicators of the development of the business environment in the world is the World Bank (WB) Doing Business report, which is the most authoritative, recognized and most cited study that evaluates the ease of doing business in 190 countries of the world according to 10 indicators. The position of a country in this ranking not only reflects the favorable business environment, but is also an important criterion for making investment decisions in the international business community.

The President of the Republic of Uzbekistan, in a resolution dated February 5, 2019 No. PP-4160 "On additional measures to improve the rating of the Republic of Uzbekistan in the annual report of the WB and the International Finance Corporation (IFC) "Doing Business", set a goal to achieve 20th place by 2022.

Thanks to the measures taken in recent years, Uzbekistan has risen from 138th to 69th place in the Doing Business ranking among 190 countries of the world.

The following conditions have been created for business development in our republic:

1. The time to register a small business is 30 minutes. To register a subject, as an individual entrepreneur, it is required to prepare only one document, and as a small business with a legal entity - two documents.

2. Financial support for small businesses is carried out as follows:

- issuance of preferential bank loans with a subsidized rate;
- a guarantee of the State Fund for Supporting the Development of Entrepreneurial Activities to business entities in the amount of up to 50% of the amount of the loan received;
- submission by the Fund of compensation for interest expenses on loans from commercial banks.

3. The interests of business are protected by the institution of the Commissioner for the Protection of the Rights and Legitimate Interests of Business Entities. In Uzbekistan, unscheduled inspections of the activities of small businesses have been canceled, business entities are released from all types of liability that have committed financial and economic offenses for the first time;

4. Throughout the country, training courses have been organized for entrepreneurs on doing business, implementing projects based on privatized facilities. Clusters of youth entrepreneurship have been created, where young start-up entrepreneurs are provided with sites for rent at a zero rate for a period of 5 years.

The measures taken were aimed at improving the legal framework and regulatory procedures in the field of doing business, creating a favorable business environment and a positive image of the country in the international arena.

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