



# ORGANIZATIONAL ECONOMIC MECHANISMS OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN THE SERVICE SPHERE

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## ANNOTATION

Today, the processes of reform and modernization of the economy in the socio-economic life of our republic are aimed at ensuring the further development of the service sector. The share of this industry is sharply increasing in the gross domestic product, in the composition of those employed in the economy, in taxes paid to the state budget, in creating new jobs, filling the domestic market of our country with consumer goods, and in the future a legal and regulatory framework has been created aimed at the continuation of this process.

**Key words:** country with consumer goods, and in the future a legal and regulatory framework, measures to accelerate the development of the service

## INTRODUCTION

Decisions of the president of the Republic of Uzbekistan dated April 17, 2006 PQ No. 325 "on measures to accelerate the development of the service and service sector in the Republic of Uzbekistan in 2006-2010" and "on the program for the development of the service sector in the Republic of Uzbekistan in 2012-2016 (collection of legislation of the Republic of Uzbekistan, 2012, No. 20, Article 215)" are aimed at this area, at increasing the effectiveness of the subjects in it, defining conceptual directions of development.

Also, The President Of The Republic Of Uzbekistan The fact that I.A.Karimov's work entitled "The Global Financial and economic crisis, Ways and measures to overcome it in the conditions of Uzbekistan" states that "the compactness and mobility of small businesses, changes



in market conditions and the ability to adapt relatively quickly to the needs of consumers make it the most convenient and optimal tool in terms of creating new jobs and increasing

Therefore, the fact that the share of the services sector in the country's gross domestic product reached 42.5% in 2007, 45.3% in 2008, 47.3% in 2009, 49% in 2010, 50.2% in 2011, 52.5% in 2012 is evidence of positive trends taking place in the economy. But in developed countries today, this figure is 60-70 percent in the gross domestic product. This means that the service sector in our country needs to develop rapidly compared to other sectors. Also, the development of the service sector will contribute to an increase in the well-being of our people.

Theoretical issues of the effectiveness of small business and private entrepreneurship in the service sector go back to the economic content and essence of small business and private entrepreneurship, to the result of their activities. Therefore, in the process of research, we tried to widely cover the content and essence of the activities of small business and private entrepreneurship.

Today, in economic literature and legal and regulatory documents, such concepts as "entrepreneurship", "entrepreneur", "business", "businessman" began to be widely used. Understanding their meaning and essence in a certain sense forms an idea of small business and private entrepreneurship.

The concept of " entrepreneurship "in the encyclopedic dictionary" entrepreneurship – (visual. Enterprise) is an independent activity of investors aimed at obtaining personal income, profit. This activity is carried out on its own behalf, in exchange for its own property responsibility and liability, legal responsibility of the individual. The entrepreneur defined that all business activities that are not prohibited by law can be dealt with, including mediation, sale and purchase, counseling, work with securities, among others."

The dictionary meaning of the word entrepreneur is that he is a selfless person who acts with his intelligence.

An entrepreneur is the main subject, that is, a person, who moves society in a free economy, provides economic growth, contributes to an increase in the well-being of the people.

An entrepreneur is a person, and entrepreneurship is the activity that this person does in the way of a goal.



In other words, entrepreneurship is the human factor of the economy, the economic activity or activity of the public through its intellectual activity to achieve its goals.

## **MATERIALS AND METHODS**

Although the results of entrepreneurial activity arose with the formation of private property and property relations, and then developed, its literal essence is clearly expressed in the decision-making of modern business, the conduct of entrepreneurship on the basis of Economic Freedom.

As a key factor in economic development, the state argues that it must regulate the economy, plan it.

In highlighting the essence of the word entrepreneur, academician S. Gulomov describes as "an entrepreneur is a business person who enters the market with a new idea, product, work and services, having invested a certain amount of his financial resources."

In another literature, entrepreneurship is a dynamic or active element of a business, a form of economic activity. Entrepreneurship is an independent, initiative activity of the public or the public, which carries out this activity on the basis of its own risks and material responsibility for the purpose of their profit.

Entrepreneurship, in our opinion, is the activity of the public or the public, independent, initiative, associated with the implementation of new ideas, and this activity is carried out on the basis of their *tavvakkal* and material and spiritual responsibility, aimed at making a profit and improving the well – being of the population.

Entrepreneurship is a free activity of an entrepreneur that acts on the basis of his property. In this case, according to Article 3 of the law of the Republic of Uzbekistan "on guarantees of freedom of entrepreneurial activity", approved in the new edition of May 2, 2012, entrepreneurial activity is an initiative activity carried out by business entities in accordance with the legislation, aimed at obtaining income (profit) at risk and under their own property responsibility.

The business entity includes legal entities and individuals carrying out entrepreneurial activities registered in the prescribed manner.

Small entrepreneurs are considered:

\* individual entrepreneurs;



- the average annual number of employees employed in production networks is a maximum of twenty people;

- \* microenterprises with a maximum of ten people working in other sectors of the service and non-operating sector;

- \* microphones with five people with kupa in wholesale, retail and catering networks;

- \* V.K.Romanov does not like to introduce service activities into one type of activity in a strict manner. These services interact and relate to each other in Real economic life.

Taking into account the above, in our opinion, service activities are activities carried out with the direct or indirect participation of consumers in achieving the final results aimed at deepening the material, socio – material, educational requirements and needs of the population, social groups, enterprises and organizations on the basis of service in various forms and directions.

The effectiveness of the service sector is the result of the activities of each small business and private business entity. It expresses the qualitative and quantitative indicators of economic activity, as well as the relationship between the costs of The worked out live labor, as well as the results obtained.

In a market economy, the concept of " efficiency " is used less often than in such concepts as cost, profit, income, cost reduction, increase in labor efficiency, stock return, profitability, etc., although it does not contradict the requirements of a market economy, corresponding to the nature of efficiency. Effective work in its essence means obtaining the planned profit, reducing non-production costs and losses, better use of Service and labor, increasing labor efficiency, improving the quality of Service.

It is necessary to realize the difference between such concepts as " Samara", " efficiency", " socio-economic efficiency".

Samara is a positive result of the activities of business entities associated with increasing the volume of profit and income of the service provided, reducing or, in general, eliminating the cost of the service, the provision of low-quality services. These achievements characterize the service (production) effect in natural form, and the economic effect in monetary form.

It should be noted that efficiency and efficiency are not among the hardened categories and are not measured only in monetary terms. Small business and private entrepreneurship due to efficiency and quality work,



first, it ensures its economic stability and withstands competition in the market;  
secondly, it improves its image and strengthens its ties with partners;  
thirdly, it improves the economic and social situation of employees.

Hence, the search for ways to increase the efficiency of service, the correct comparison of costs and results, the form of ownership, which network belongs to, is an important task for each subject, regardless of their territorial location and type of activity.

The word "efficiency" means result. It is a concept that characterizes the qualitative aspects of the activities of small businesses and private businesses. It comes from the category "samara" and has a description of a complex complex.

In order to achieve efficiency, many technical, economic projects and economic decisions should be determined in advance. The enterprise comes from efficiency in determining its economic, scientific, technical and investment policy.

As we know, increasing the efficiency of social production in any society creates the basis of economic progress. Therefore, in the context of liberalization, modernization of the economy, increasing the efficiency of social production is one of the serious issues.

From a scientific and theoretical point of view, we consider it appropriate to study efficiency by dividing it into three large groups:

first, on the scale of society;  
secondly, on the scale of the drains;  
thirdly, on the scale of economic structures, entities (concern, holding, associates, various other associations, enterprises – small, large, institutions, etc.k.).

Within these general areas, it is necessary to research the effectiveness by dividing it into types. Types of efficiency can be classified from a general and functional point of view.

General efficiency can include such as "socio-economic", "economic", "social", "political", "technical-technological", "environmental".

"Economic efficiency" means a little narrower than the general concept of efficiency. It describes the feasibility of the decisions made in economic management, and in all cases the determination of the effect as the ratio of the costs(production resources)that have gone to achieve it has been recommended by most economists and is used in practice. According to this



theory, the lower the costs (without affecting the quality of the product), the greater the effect. Hence, economic efficiency also increases.

"Socio-economic efficiency" is characterized taking into account the enrichment of production efficiency, working conditions, the content of its creativity, the loss of the difference between mental and physical labor. Socio-economic efficiency is at the same time, the reason and consequence of the strengthening of production efficiency, the successful functioning of the enterprise, the comprehensive development of the individual and the use of all his abilities. The immediate social effect is reflected in the growth of knowledge and qualifications, experience and culture of employees, the improvement of the health of the population and the prolongation of life expectancy.

Production efficiency is primary in relation to social efficiency. That is, economic achievements help to solve the social problems of the enterprise. For example, an increase in profit, an increase in savings allows the enterprise to expand the range of social tasks and solve them.

However, efficiency and its main indicator - profit (income) do not occur spontaneously, naturally. To achieve efficiency in enterprises, various means and paths are used, based on existing production facilities and other characteristics. The time factor, that is, the aim of achieving efficiency in the short or long term, plays a key role in this. For example, the profit received by the enterprise can be increased for a short period of time by means of improving the quality of products, rearmament and modernization of production, reducing the funds allocated for improving the qualifications of employees. And in long-term plans, this can lead to a decrease in profits and even to bankruptcy as a result of the loss of the enterprise's position in the market.

Foreign firms and enterprises, in addition to increasing attention to production techniques and technologies to achieve efficiency in their activities, pay special attention to improving the quality of products and its promotion. For example, the Japanese firm Omron itself received the phrase "for the good life of all, for the good world" as a slogan.

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