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Theoretical Foundations Of The Development Of The Services Market And The Service Sector In Small Business And Private Entrepreneurship

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Abstract – This article develops scientific proposals and practical recommendations on the theoretical foundations of the development of the market of services and services in small business and private entrepreneurship, as well as the prospects for the development of services in small business and private entrepreneurship in the context of economic liberalization.

Keywords – Small Business, Consumer Market, Gross Domestic Product, Service.

I. INTRODUCTION

The experience of the world economy shows that today the world economy is already accepted as a service economy, as the share of the service sector in the GDP of countries is higher than in other sectors. Due to the countless advantages of this industry, most countries focus on the effective development of the service sector to increase the welfare of the population and provide employment. Therefore, the Government of the Republic of Uzbekistan has already taken some measures aimed at further development of the service sector. In particular, the "Strategy for further development of the Republic of Uzbekistan" emphasizes the issues of "accelerated development of the service sector, the role and contribution of services in GDP, radical change in the country." .

II. THE DEGREE TO WHICH THE PROBLEM HAS BEEN STUDIED

Cantilon Richard, By Jean-Baptiste Say, J.B.Klark, A.Shapero, L.Sokol, B.Karlof, JATimmons, foreign scholars on the essence of the content of small business and private entrepreneurship, the factors influencing the development of this industry, its prospects. S. Spinelli, A. Marshall conducted research.

Problems of development of services in small business and private entrepreneurship and measures to overcome them can be seen in the research of VH Belenky, AO Blinov, H. Stevenson, J. Jarrillo-Mossi and VV Kossov from the CIS countries. .

Academician SS Gulomov, K. Muftaydinov, H. Aybeshov, A. Yo.bdullaev, our local scientists on the development of small business and private entrepreneurship based on the study of efficiency indicators in the field of small business and private entrepreneurship, its theoretical and practical problems. F.Karimov, D.H.Suyunov and others can be seen in their scientific works.

III. Analysis and Results

In addition, in order to provide grants, compensation and financial assistance to businesses and to establish family guest houses in remote rural and mountainous areas at the expense of the State Fund for Entrepreneurship Support, "Measures to create favorable conditions for the restoration and development of tourism in Uzbekistan" "On additional measures to be implemented in the framework of family business development programs." As a result of the steps taken, the share of small business, private entrepreneurship and industrial production in GDP since 2000 has changed from 31% to 56.9% and from 12.9% to 45%, respectively. It is also worth noting that 78% of our workforce currently works in this sector (Figure 1).

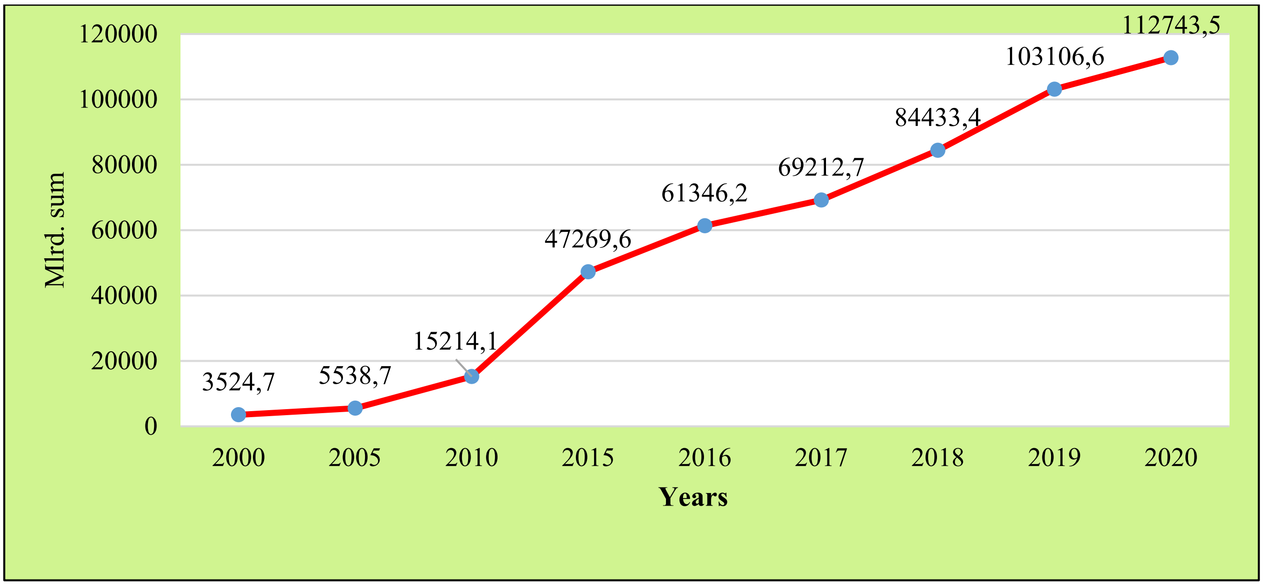

Figure 1. Changes in the service sector in small business and private entrepreneurship in the Republic of Uzbekistan

According to Figure 1, the services sector in small business and private entrepreneurship in the Republic of Uzbekistan in 2005 increased 1.6 times compared to 2000 and amounted to 5538.7 billion soums. In 2020, it will increase by 9.4% compared to 2019 and amounted to 112743.5 billion soums. sum. Today, taking advantage of the mutual consideration of small business and private entrepreneurship, preferential bank loans at a rate of 7% for family business are allocated for small business and private entrepreneurship in Uzbekistan to expand their economic activity.

In addition, opportunities have been created for young people who are ready to run their own businesses and are members of the Youth Union of Uzbekistan, to provide small grants for businesses, to create free economic zones to attract foreign direct investment in rural areas. The implementation of comprehensive measures to further improve the business environment will create opportunities for the development of small business and private entrepreneurship and sustainable economic growth.

This, in turn, requires a deeper study of small business and private entrepreneurship and its role in the economy and the essence of the content, which is important in the development of ways to develop the industry in the context of future prospects and structural changes. To do this, first of all, the term entrepreneurship is defined. Second, the theoretical foundations of the entrepreneur are explained, and third, the entrepreneurial process carried out with the model is covered. One of the main factors in the development of the economy in the context of market relations is the development of small business and entrepreneurship, the English economist Richard Cantillon first commented on the meaning and definition of "business" and "entrepreneurship" in the late seventeenth and early eighteenth centuries. In his view, an entrepreneur is a person who operates in a risky environment, who saw the land and the labor factor as a source of wealth that determines economic well-being.

In the late eighteenth and early nineteenth centuries, the French economist J.B. Sey described the three classic factors of productive entrepreneurial activity as land, capital, and the integrity of labor. Through this definition, the author can see that entrepreneurship originated from the economy of that time, linking entrepreneurial activity to land and labor, and thus equating it with the owners of modern farms.

According to the British economist A.Smith, an entrepreneur is a owner of capital, he realizes a certain commercial idea and starts working with risk to earn income, because knowing that spending capital on any business is always associated with risk, business income is a reward for personal risk he said.

Realizing the importance and role of entrepreneurship in the economy in the XIX-XX centuries, the French economist Andre Marshall was the first to add a fourth organizational factor to the three factors of production (land, capital, labor) mentioned by J.B. Sey, and since then the concept of entrepreneurship and the scope of work in the field has expanded.

Each of these factors reflects the specific profit from production: the capitalist receives additional interest from capital, the land pays rent, the capitalist's business activity brings income, and the labor of the worker provides him with wages. In other words, in the words of J.B. Clark, "Free competition gives labor what comes from labor, capitalists get what creates capital, entrepreneurs get what comes from coordination activities."

In the Western and local modern economic literature, many economists focus on the topic of entrepreneurship and emphasize its unique capabilities. For example, A. Shapero sees the entrepreneur as a person who takes the initiative and is able to organize socio-economic mechanisms in market conditions. B. Karlof sees the role of the entrepreneur in all the factors of production: the ability to optimally combine property, labor, capital, and in making the right decisions about resources. He connects entrepreneurship with creativity.

In their research, J.A. Timmons and S. Spinelli described entrepreneurship as a process involving six main stages: opportunity recognition, decision to start a business, pooling resources, launching a new business, building a successful business, and collecting rewards. These stages are different levels of dental variables in business activities that have a significant impact on the successful development of the process. These decimal-level variables can include government policies, economic conditions, and technologies. Dental factors are unpredictable, cannot be fully managed and changed by any individual, but they certainly affect the interest in starting a business.

Russian economist V. Belenky shares the same view, that entrepreneurship is an individual's ability to perform a certain role. However, this role can be realized in a stratified and holistic way, combining it with other roles of an institutional nature in people’s activities. His position is interesting because he distinguishes between concepts such as entrepreneur and owner, entrepreneur and manager, entrepreneur and entrepreneur. It distinguishes between owner-entrepreneur and ownerless entrepreneur.

It ensures that a person who conducts business directly with these ideas and who combines the functions of both the owner of the business and the manager at the same time is called a businessman. At the same time, V. Belenky considers an entrepreneur as a person who is able to raise the business to a qualitatively new level. It follows from the point of view that not all entrepreneurs can be called entrepreneurs. It is difficult not to agree with this position of the economist. This opinion is confirmed by A. Blinov during his research, and he states that a businessman cannot be recognized as an entrepreneur if he produces the same product or provides the same service from year to year. In this case, he argues that they perform reproductive functions rather than entrepreneurship, and that entrepreneurs are business people whose behavior in this market is characterized by a searching nature.

In the context of globalization, as management becomes more complex, the organizational tasks set to increase its efficiency and fully meet human needs begin to separate from the organizational work in production, and a special layer is divided into intermediaries-entrepreneurs. As Marshall puts it, "An entrepreneur is a manager in the broadest sense." The separation of managerial positions is due to the fact that the "workforce" will be highly specialized in business.

An entrepreneur does not have to deal with the development of new markets, the transition to the production of new goods, the provision of services, etc. in person. The main thing is to create a creative environment in the organization, enterprise, community, which, in our opinion, is the main task of the entrepreneur in the development of new markets, new technologies, new goods and services. This means that he is radically different from businessmen - businessmen who can engage in any economic activity. Although venture capital and manufacturing sectors exist, it is possible to observe the manifestation of business and entrepreneurial unity.

As managers operating in dynamic markets are confronted with managing interruptions from an interconnected global economy, H. Stevenson and J. Jarrillo-Mossi conceptualized entrepreneurship with a management approach focused on seeking and seizing opportunities. This determines the development of entrepreneurship based on structural changes in some sectors as a result of increased competition, demographic growth and other changes. The development of small business and the complexity of management tasks in this area determine the gradual formalization of small business management functions and responsibilities.

Taking into account the definitions discussed above, it is possible to highlight the main characteristics of entrepreneurship:

1. An initiative to seek new opportunities for income and profit using know-how, scientific knowledge, achievements in their activities;

2. Commercial risk and economic responsibility of the entrepreneur. It is clear that the introduction of each new item certainly creates uncertainty, which in turn creates a commercial risk that can be minimized by careful analysis of all possible options and selection of the most promising of them. The second option mentioned here encourages more economic development;

3. Combining factors of production in order to find the most optimal and rational way of using the factors of production used to reduce costs and increase profits;

4. Innovative application of new forms of business organization, ie the application of fundamentally new technologies.

The concepts of “small business” and “entrepreneurship” used in the modern economic literature, legislation, and practice are not strictly differentiated and are often used as the same concepts. However, there are differences. The position of differentiation of concepts is determined by both legal and economic grounds, including property relations.

Of course, a number of local scholars have conducted research on “entrepreneurship” and “entrepreneurial activity”. In particular, academician S. Gulyamov linked entrepreneurship with innovation: "An entrepreneur is a person who combines money, materials and labor to create a new product, a new business and a new production process."

The innovative activity of small businesses involves, firstly, the introduction of new, improved production, secondly, the reduction of all types of production costs, and thirdly, the constant increase in their consumption and quality in reducing the cost of manufactured products. M. Artikov and E. Kuldashev classify "Entrepreneurship is the process of implementing a new idea, product, service or work at the risk of a certain amount of financial resources."

According to professors Y.Abdullaev and F.Karimov, the concept of "entrepreneur" is the main subject of management in a market economy. It is emphasized that an entrepreneur can be represented both as an individual and as a group of people who combine the factors of production, combining the means of production at their disposal with labor, in terms of purchasing this labor and using it in economic activities.

Economist D.Kh. Suyunov in his research “focused on the role of management in the development of small business, management decisions in small businesses in conditions of uncertainty, and paid special attention to management processes in small businesses.

The legislation of the Republic of Uzbekistan states that "Entrepreneurial activity (entrepreneurship) - an entrepreneurial activity carried out by business entities in accordance with the law, aimed at earning income (profit) at risk and under their own liability", which, in turn, is legally minor. enterprises commercial organizations - legal entities of various organizational and legal forms (except for unitary enterprises) and forms of ownership, the size of which may perform one or more specific functions for the production and distribution of goods and services, the legislation of which is determined by law.

From an economic point of view, small business is a complex multidisciplinary object for research, and from this point of view, the essence of small business is revealed in three aspects - as an economic phenomenon, as an economic category, and as a field of economic activity. As an economic phenomenon, small business is a set of small businesses and individuals who are self-employed in the production and distribution of material goods and services. The main criterion for defining the essence of small business as an economic phenomenon will be the organizational and economic characteristics of small business.

Small business is defined in the legislation "On Entrepreneurship" and "On Family Business" as a set of economic entities that are not classified according to small criteria and form of ownership and meet the basic requirements of business legislation, but classified for informal reasons on the above institutional basis possible. In this regard, in other words, small business is a legal entity and small enterprises - legal entities are formed without the formation, uniting entrepreneurs of all forms of ownership and characterized by both active and passive behavior in the market. As for the term small business, it should be noted first of all that many well-known economists explain the essence of small business in three ways - as an economic phenomenon, as an economic category, and as a field of economic activity.

As an economic phenomenon, small business is the sum of small businesses and individuals who are self-employed in the production and distribution of material goods and services. The main criterion for defining the essence of small business as an economic phenomenon will be the organizational and economic characteristics of small business. As an economic category, small business represents a market relationship between legal entities and individuals, with at least one of the parties being a small business or sole proprietor engaged in economic activities related to the production, exchange, distribution and income of certain goods and services. increases.

Small business as a field of activity of business entities represents various economic activities for the creation of products and their sale in a competitive environment, and in market conditions manifests itself as a form of small-scale production. Consequently, a small business is an entrepreneurial activity in which the main driving force is an entrepreneur who combines property and management functions and rationally combines the factors of production (land, labor, capital) with risk on the basis of full economic responsibility to generate entrepreneurial income with personal innovative initiative.

Although entrepreneurship and business are related, but they are not different concepts anyway. Business is about creating new value, more in line with the overall understanding of the benefits of entrepreneurship. In the business process, the idea, patent, which has existed so far, is used as the entrepreneur's own invention. On the other hand, new technologies and more efficient ways of organizing it should be constantly applied in a ready-made, running business. In today’s business, key business owners need to create the conditions for every employee in the organization to feel like an entrepreneur.

When the entrepreneurial spirit in the organization is extinguished, that is, when the so-called fourth factor of production disappears, the business is in crisis under the pressure of competitors and new technologies. Although entrepreneurship is understood not only in the economic sphere (in the production of goods), but also in all other spheres, for example, in the administrative sphere (creation of unique methods of public administration) or in the field of education (creation). innovative teaching methods), which naturally means that the concept of ‘entrepreneurship’ is broader than the concept of ‘business’.

The entrepreneur also reminds himself of his existence by implementing a modern management method based on mobility, enthusiasm, flexibility and aspiration for innovation. An entrepreneur is always gathering information day and night, guiding people, making decisions, organizing work and producing new types of products and services, looking for ways to improve the old.

This implies the emergence of new activities and the development of small business, especially in the context of structural changes in the economy, small business and private entrepreneurship. Looking at the economy of the Republic of Uzbekistan, in 2000-2020 the share of small business in GDP increased from 31.0% to 53.9% (22.9 percentage points).

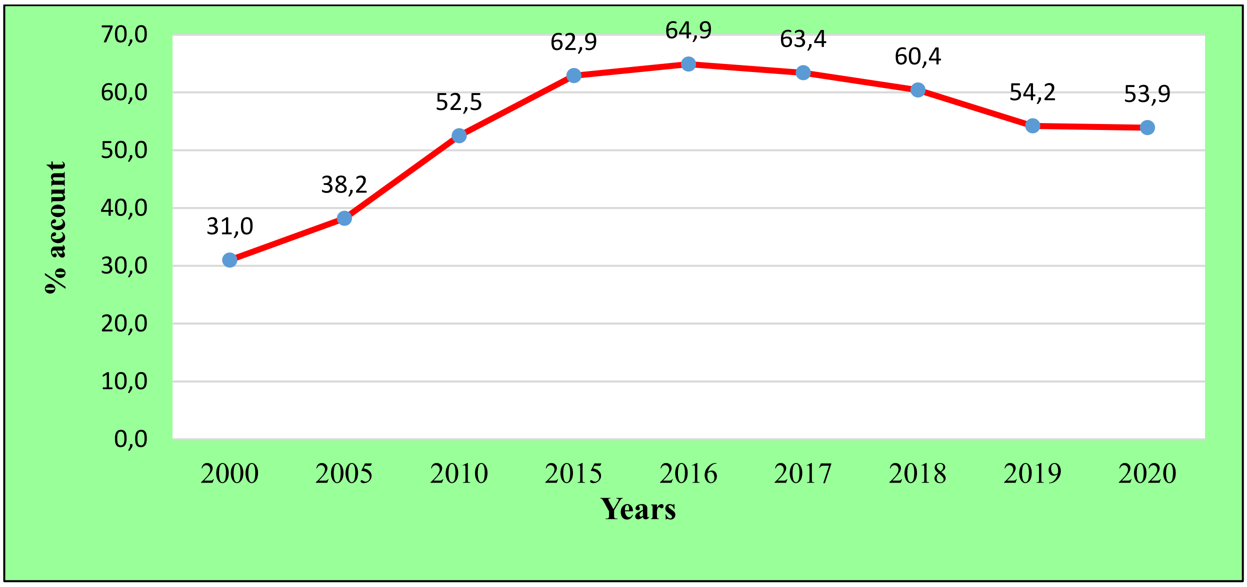

Figure 1.2. The share of small business and private entrepreneurship in GDP

The rapid development of the service sector is associated with the expansion of the production of services by small businesses and private entrepreneurs. As part of the program for the development of the service sector, a large amount of soft loans were provided to businesses for the technological equipment of newly established enterprises to provide services. As a result, the share of small business in the total volume of market services produced increased from 53.9% to 61.4% (Table 1).

Table 1. Changes in the structure of services of small business and private entrepreneurship

Years	**2000**	**2005**	**2010**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Changes in 2020 compared to 2000 (-; +)**
Trade (billion soums)	760,3	4918,9	18616,1	61972,3	78935,6	92973,0	114896,4	138920,7	160085,3	159325,0
Freight (million tons)	46,8	156,8	255,2	472,8	538,6	548,8	611,7	641,0	652,6	605,8
Passenger traffic (million passengers)	972,9	2490,4	3084,5	4486,3	4866,5	5037,5	5242,6	5345,0	4874,0	3901,1

According to the table, the trade sector in the structure of services of small business and private entrepreneurship in 2020 compared to 2000 amounted to 159325.0 billion. soums, 605.8 mln. soums for freight and passenger transportation, respectively. tons and 3901.1 mln. increased to 160085.3 billion passengers. soums, 652.6 mln. tons and 4874.0 mln. can be seen reaching the passenger.

A new direction in the development of the Uzbek economy - the services sector - is developing into a fast-growing sector of the economy. As the variety of services expands and develops rapidly, services play an important role in meeting the balanced domestic demand in the consumer market of domestically produced products. New jobs are being created due to the development of banking and finance, tourism, insurance, information and communication services, etc., which occupy a significant place in the services market.

IV. Conclusion/Recommendations

The information service on the development of services is becoming more popular, its activities are widely developed, divided into various mini-types of services. These include computer and internet services. As a result of the addition of this service to the direct communication service, a modern paid service - sending channels (Paynet, Unipay, Western-union, etc.) was formed. The development of the services market in the country serves as an incubator for entrepreneurship. This is due to the speed of capital turnover, which creates favorable conditions for business. The structure of the services market is largely composed of small businesses, which allows the majority of economically active individuals to engage in business. This, in turn, is an important guarantee of the formation of the middle class (entrepreneurs). Indeed, the organization of various services in the services market, the rapid development of small business and private entrepreneurship is an important factor in increasing employment and income. It should also be noted that the development of small business affects the development of the national economy:

improving the quality of products and services and production volumes;

creation of new jobs and integration of large, medium and small businesses;

realization of competitiveness, achievements of scientific and technical development;

development of innovative activities in small business and private entrepreneurship.

Based on the above, small business is one of the main market entities of the economy, it provides employment of labor resources, is the basis for the development and implementation of innovations, and solves many socio-economic problems in the country.

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