

THE ROLE AND IMPORTANCE OF SMALL BUSINESS IN THE ECONOMY

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Abstract: Small businesses are one of the most important components of the economy. They not only stimulate economic growth, but also play an important role in creating new jobs, implementing innovations and ensuring social stability. The role of small businesses in the economic system and their growth support the developing economic forms in many countries.

Key words: local, foreign trade, small business, stability, social equality, sustainable growth, incentive.

A small business is an organization that primarily produces or provides services on a small scale. Small businesses typically operate with small teams and limited resources, but they play a very important economic role. Here are some important facts about small businesses:

1. Type of Business: Small businesses come in many different types, such as retail, food services, construction, services, and many more.

2. Resources: Small businesses typically start with little capital and resources. They compete by providing quality service or products to their customers.

3. Production or Services: Most small businesses either produce specialized products or provide specific services (such as repair, design, education, transportation).

4. Competitiveness: Small businesses often have greater flexibility and quality in their products or services than larger businesses, which helps them compete successfully.

5. Economic Importance: Small businesses are of great importance in the economy. They create many jobs, foster innovation, and have a positive impact on the local economy.

6. Growth and Development: Small businesses may start out small, but over time, with the right strategy and management, they can grow to the level of large companies.

7. Financial Assistance: There are loans, grants, and other types of financial assistance available to small businesses. They often use banks or special programs provided by the government.

The Importance of Small Businesses in Economic Development. Small businesses play a key role in the economy. They provide a wide range of products and services and usually affect many sectors of the country's economic system. Small businesses contribute to growth in the economic system and increase competition in the global market. Their rise leads to rapid development of the local and global economy.

In addition, small businesses play an important role in the labor market by creating new jobs. During their activity, they can have a positive impact on the country's domestic production and foreign trade. For example, in the USA, Germany and other developed countries, small businesses are one of the main sources of economic growth.

The Social Importance of Small Business. Small businesses not only achieve economic success, but are also socially important. They support local communities, create new jobs and ensure stability in society. Through small businesses, many segments of the population improve their economic situation. In developing countries such as Uzbekistan, the growth of small businesses helps to ensure social equality.

The development of small businesses also stimulates innovation, increasing their number as much as possible. Local entrepreneurs use new

technologies in the production of their products, develop them and provide services in accordance with market demand. This will not only increase the country's competitiveness and stability in the market, but also ensure its growth.

Necessary Conditions for Small Business Development. For the successful development of small businesses, it is necessary to create favorable legal and economic conditions. The government's policy to support small businesses is important in creating opportunities for them to access financial resources. This, in turn, includes supporting new innovations, providing tax incentives for small businesses, and providing other assistance.

It is also necessary to provide training programs and training opportunities for the development of small businesses. This will help to master the necessary knowledge and skills for successful business activities. By supporting local businesses, increasing their number, and organizing training programs, it is possible to increase business culture.

Factors Affecting the Success of Small Businesses. The success of small businesses depends on many factors. Their main factors include: management skills, access to financial resources, marketing strategies and the use of technology. Proper management strategies and financial plans play a key role in creating a successful business. Developing a marketing strategy for small businesses is also very important, as it allows them to master the market and overcome competition.

Risks and vulnerabilities can also negatively affect the activities of small businesses. Also, one of the important factors affecting the success of small business sole proprietors is their flexibility. Small businesses can quickly adapt their products and services to market demand, which contributes to their sustainable growth.

Small businesses have a significant impact not only on economic progress, but also on social stability in the economy. They create new jobs, stimulate innovation, and have a positive impact on the local and global market.

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