

MODERN APPROACHES IN THE DEVELOPMENT OF SMALL BUSINESS AND ENTREPRENEURSHIP

Rasulov Khurshid Kahharovich – deputy dean of “Economics” faculty at Karshi Engineering-economics institute.

ABSTRACT. Over the past few years, there have emerged various contemporary methods in the advancement of small business and entrepreneurship, transforming their operations and success rates. These innovative approaches have been made possible by technological progress and shifts in the global business environment. In this article, we have emphasized a few of these groundbreaking approaches.

Keywords: entrepreneurship, economic development, innovative economics, business, firms.

In recent years, there have been several modern approaches in the development of small business and entrepreneurship that have revolutionized the way these entities operate and thrive. These approaches have been enabled by advancements in technology and changes in the global business landscape. Some of the key modern approaches in the development of small business and entrepreneurship include:

Digital Transformation: Small businesses and entrepreneurs are increasingly leveraging technology to streamline their operations, enhance their productivity, and reach a wider customer base. This includes the adoption of cloud computing, e-commerce platforms, social media marketing, and data analytics. Digital transformation enables small businesses to compete with larger players and expand their market share.

Collaborative Economy: The rise of the sharing economy and peer-to-peer platforms has opened up new opportunities for small businesses and entrepreneurs. Collaborative platforms allow individuals to share resources, services, and expertise, enabling small businesses to access cost-effective solutions and reach a

larger market. For example, platforms like Airbnb and Uber enable individuals with spare rooms or cars to monetize their assets and start their own businesses.

Social Entrepreneurship: Social entrepreneurship is a modern approach that involves using business principles to address social and environmental challenges. Small businesses and entrepreneurs are increasingly focused on creating both economic and social value. Social entrepreneurs tackle issues such as poverty, inequality, and climate change by developing innovative and sustainable business models. This approach not only benefits society but also attracts consumers and investors who prioritize social impact.

Access to Finance: Traditional sources of financing, such as banks, have been challenging for small businesses and entrepreneurs to access. However, modern approaches have emerged to address this issue. Crowdfunding platforms, venture capital firms, angel investors, and peer-to-peer lending networks provide alternative funding options for small businesses. Additionally, microfinance institutions offer loans to entrepreneurs in underserved communities, contributing to economic development and poverty alleviation.

Entrepreneurship Ecosystems: Governments and organizations are increasingly recognizing the importance of fostering entrepreneurship ecosystems to support small business development. These ecosystems provide a conducive environment for entrepreneurs to start and grow their businesses, offering access to resources, mentorship, networking opportunities, and business support services. Entrepreneurship hubs, incubators, and accelerators are examples of initiatives that are part of these ecosystems, providing invaluable support to small businesses and entrepreneurs.

These modern approaches in the development of small business and entrepreneurship have revolutionized the way these entities operate and thrive. They have opened up new opportunities, increased access to resources, and paved the way for innovation and growth. As technology continues to advance and the business landscape continues to evolve, it is expected that further modern

approaches will emerge, further shaping the future of small business and entrepreneurship.

In developed countries, the policy of comprehensive support for small businesses is carried out consistently. This is because there are two aspects to small business development. First of all, this is due to the economic and social objectives of small business in a market economy, which reflect its importance. The second is due to the shortcomings inherent in small businesses and the weak development of the country due to these shortcomings. Identifying these two aspects of small business requires the formation and development of a small business support system in our country.

This demonstrates the importance of small business in the economy to the full extent of its economic and social goals. These tasks can be divided into two groups. The first group is general tasks that reflect the clearly formulated goals of the entrepreneur. The second group is private. They appear over time and differ slightly from the stated goals of the participants.

R.Barr classifies the individual tasks of small business and private entrepreneurship in the following order:

- ❖ organization of production. This process includes assessing the economic situation, developing a plan, organizing administration, and implementing the plan.

- ❖ risk;

- ❖ fulfillment of managerial responsibilities. The small business owner is a leader. He has binding authority over his employees, and his influence is an undeniable process. R. Barr states: "The first and essential characteristic of the leader of any organization is that he or she is not considered a worker like other workers; it uses coercion among the participants in the production process (workers or capitalists) to ensure that their goals are consistent with each other and with the production unit. His economic responsibilities will never be transferred to an ordinary worker.

In the economic theory of economic evolution, J. Schumpeter includes the following individual goals:

- production of new, unfamiliar consumer goods (services) or old goods (services) with new functions;
- introduction of new production methods not previously used;
- development of new markets or wider acquisition of old ones;
- Development of new sources and types of raw materials;
- New organization of production and sales.

All of the above functions are individual tasks, as they are aimed at achieving specific goals of economic activity and maximizing profits.

As Smith notes, “We don't trust the butcher, the chef, or the baker to be kind when we eat, and we trust that they will look out for their own interests. They will pursue their own interests and achieve unimaginable results under the “invisible hand”.

This allows us to distinguish between individual tasks within the economic tasks of entrepreneurship and social ones. Small business must be prioritized as a driver of economic freedom. Small business contributes to the spread of democratic principles in the economic sphere. On the one hand, the development of a small business gives a person a choice: to be an employee or an independent entrepreneur. On the other hand, small businesses are subject to more free market laws than large corporations. This task of small business plays an important role in the liberalization of the national economy. Due to the high level of state dependence of large enterprises that form the basis of our republic, it is difficult to consider them as subjects of the free market. The second task of small business is to ensure its hidden, integrating economy. Firms performing this task are called comutants.

In a market economy, the presence of effective demand should automatically generate demand. But currently effective production is determined by its selectivity. This is not always economically feasible.

A large enterprise can achieve high efficiency in the production of one product and avoid using unprofitable products.

For example, cars are considered goods produced in large quantities. But for large firms, it is not recommended to open a gas station because the operating costs are high and the daily profit is not enough.

Only small switching firms are willing to take advantage of any opportunity, while other companies are very selective in this regard. Medium-sized enterprises are characterized by small-scale production. However, they will begin production in sectors with specific and long-term needs. Medium-sized firms need to collect and process information in a narrow space.

For large enterprises, transferring part of their products to small businesses is beneficial. Small businesses, as partners of large corporations, will have access to technical documentation, drawings and manufacturing resources of large enterprises on a subcontract basis. Large companies are interested in this dependence and help them develop new products and improve technologies and methods of product quality control.

This conflict is resolved through business firms that constantly seek social needs and can adapt to market demands. Therefore, these companies are characterized by a lack of planning in their activities - they are very compact and ready for any changes. The importance of small businesses to the economy depends on their flexibility. The level of development of small businesses can be summarized by the ability of the national economy to adapt to a rapidly changing market situation.

One of the most important hidden tasks of small business is creating a competitive environment in a market economy. Of course, small firms face large corporations and are often defeated. However, small firms serve as the main force in dealing with the entire small business sector and large capital.

Leading scientists and experts from international forums and organizations have come to the conclusion that the only way to combat rising unemployment is it

is the creation of new businesses and jobs. It should be noted that small businesses benefit from the employment of socially vulnerable segments of the population (women, disabled people, refugees, etc.) who cannot find work in large enterprises. In addition, small firms represent a unique “audience” for practical training and training of young specialists.

In many countries around the world, the majority of the population is engaged in small business. Specifically, 80% in China, 48% in Japan, 50% in the United States and 78% in Uzbekistan. The share of small businesses in the world is also high in China: 60% in China, 68% in Italy, 53% in Germany, 48% in Korea, 50% in the USA, 21% in Russia and 56% in Uzbekistan. The number of business entities per 1000 population is 57 in the European Union, 90 in the USA, 27.2 in Russia [6] and 22 in Uzbekistan. The analysis shows that the share of small businesses in the economies of developed countries is high. Because he identifies an ever-growing need and quickly implements new ideas to meet it. A country that produces a new product will experience economic growth.

Small businesses also provide access to material resources, i.e. use local resources and large-scale industrial waste.

In the transition to a market economy, the task of small businesses is to satisfy the population's demand for goods and services effectively and completely.

The needs of society, industry, region, enterprise and organization, the needs of each person are so diverse that no single government organization can fully satisfy them. In addition, they have increased over time and, as the experience of recent decades shows, they are becoming more individualized. Only an entrepreneur can fully satisfy these needs and find new innovative ideas to satisfy them.

The next task of small business is to ensure high mobility of expanded reproduction and flexibility of a market economy. In the context of economic globalization, competition in the world market will be even stronger. In these conditions, small and medium-sized enterprises can quickly change range of its

products and accelerate the modernization of its production facilities thanks to low capital costs, greater compactness and flexibility. In this way, small businesses can quickly adapt to changing market conditions and occasional economic crises.

Summarizing the above points, we can draw the following conclusions. Small business in Uzbekistan should not only be a solid factor in the formation of the gross national product, but also a source of employment and income for the well-being of the population. This is a specific sector of the economy.

Thus, some small market needs cannot be fully satisfied without small firms. These are those that must be created to produce large, high-margin or specialized products that will satisfy other needs that are not being met. At the same time, small businesses take advantage of the market because they know their customers and differentiated markets. This is primarily due to the fact that large companies serve those market segments that are not of interest due to their small size. These include most of the production of consumer goods. Small businesses are very sensitive to changes in demand and are able to meet new and individual customer needs. Business development is largely due to the profound changes that are taking place in modern culture. While a few decades ago sales success was determined by the fact that it met market standards, today its novelty is determined by its originality. Similar trends are observed in the service sector - demand depends on the quality and variety of services.

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