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SUPPORT AND DEVELOPMENT OF SMALL BUSINESSES IN THE SERVICE SECTOR

Abstract. This article discusses the role and importance of small and private entrepreneurship in the service sector. The article recommends practical measures such as supporting small businesses, improving the mechanisms for providing loans to them by banks, attracting foreign investment, and strengthening risk insurance in the sector.

Keywords: service sector, small business development, business entities, foreign investments, investment projects, trade services, accommodation and catering services, transport services

Аннотация. В статье рассматривается роль и значение малого и частного предпринимательства в сфере услуг. В статье рекомендуются такие практические меры, как поддержка малого бизнеса, совершенствование механизмов предоставления ему кредитов банками, привлечение иностранных инвестиций, усиление страхования рисков в секторе.

Ключевые слова: сфера услуг, развитие малого бизнеса, субъекты предпринимательства, иностранные инвестиции, инвестиционные проекты, торговые услуги, услуги по размещению и питанию, транспортные услуги

One of the changes taking place in the service sector at the present time is the increase in the number of small and private business entities in the sector and the expansion of their types of activities. This is due, on the one hand, to the fact that the service sector, due to the influence of objective and subjective factors, is very attractive for small and private business activities. On the other hand, the development of small and private entrepreneurship in our republic is one of the priority areas of socio-economic policy and therefore is developing at a high pace.

The rapid development of small and private entrepreneurship in the service sector contributes to increased competition in the sector, an increase in the types and quality of services, and most importantly, a decrease in the cost of services and an increase in demand for them, as well as an increase in the opportunities for the general public to use services, and finally, an increase in the efficiency of the service sector. Small businesses can quickly adapt to changes in market demand, quickly change types of services, use resources efficiently, and change production in a short time and without significant losses.

The experience gained in the development of small businesses in our country shows that increasing the level of competitiveness of enterprises requires their expansion and enlargement during their activities. However, the quantitative limits of enterprises that allow them to receive privileges and benefits established by the state to support small businesses in some cases may hinder these processes.

Over the past period, as a result of the increase in the level of socio-economic development in our country and the favorable conditions created for small businesses, many enterprises that have

increased their economic potential are trying to maintain the number of their employees within the established quantitative limits in order to continue using these privileges. Entrepreneurial activity (entrepreneurship) is an initiative activity carried out by business entities in accordance with the law, at their own risk and under their own property responsibility, aimed at obtaining income (profit). The general meaning of entrepreneurship in the service sector is to open your own business, which, in turn, is determined by the desire and ability to engage in entrepreneurial activity. At the same time, entrepreneurship is characterized by the mandatory presence of an innovative moment, which allows us to consider it from two main points of view.

The development of small business is one of the most important elements of a free economy. Accordingly, it is important to develop and support, transform and improve businesses in this area, eliminate its other shortcomings, and also expand human capital and the country's economy.

Small business, as an economic activity that does not require large amounts of capital in conditions of capital shortage, provides high rates of resource turnover, quickly and economically solves the problem of restructuring the economy, forming and filling the consumer market in conditions of economic instability and resource scarcity. Small businesses quickly adapt to changes in consumer demand and thus ensure the necessary balance in the consumer market. Currently, this sector is taking a leading position not only in accelerating the growth rates of the economy, but also in solving the issues of increasing employment and incomes of the population, which are extremely important for our country. The fact that the number of small businesses and private entrepreneurship in our republic has been increasing year by year in recent years indicates that the industry is developing steadily.

In order to further develop the financing of investment projects of small businesses and private entrepreneurship in our country, we consider it appropriate to implement the following measures:

- banks should improve the mechanism for allocating loans to the sector in order to increase the share of small businesses and private entrepreneurship in the country's gross domestic product;
- expand the attraction of funds from foreign credit lines for the development of small businesses and private entrepreneurship;
- it is necessary to further improve the assessment of the stability of small businesses in various sectors of the economy using the rating method;
- in order to improve the practice of insuring risks in the activities of small businesses, it is necessary to increase the authorized capital of state insurance companies that insure entrepreneurial risks of small businesses at the expense of state funds and ensure the targeted use of these funds as insurance coverage amounts;
- small businesses and private entrepreneurship should achieve a leading position in the economy in the future as a dynamic, rapidly changing sector in the structure of production and export;
- small business and private entrepreneurship should have a high-quality and modern technical base. The market infrastructure should be developed through a network of specialized centers, leasing companies with comprehensive service.
- direct attracted foreign investments to all regions of our country, while paying special attention to directing these funds primarily to financing projects aimed at deepening structural reforms and diversifying the economy, modernizing existing capacities and accelerating technological renewal, and deepening the processes of localization of production on the basis of industrial cooperation;
- taking into account the advantages of foreign credit lines, establish new high-tech production facilities on the basis of existing vacant and idle buildings in the regions, and pay special attention to financing projects related to expanding the production of competitive products that are in demand in world and domestic markets, reducing material and energy consumption in the production of products;

- implementation of market instruments and mechanisms that ensure wide access to financial and credit resources and raw materials by small business entities, as well as state orders for the products they produce;
- further simplification of the procedures for organizing small businesses and registering small businesses and entrepreneurs;
- improving the conditions and reducing the terms for the construction of small business entities and their connection to engineering communication networks - energy and gas supply, water and heat supply and other networks;
- further improving the mechanism for granting loans to small business and private entrepreneurship entities by commercial banks and increasing their volume;
- attracting and directing foreign investments, primarily loans from international financial institutions and direct investments, to the development of small businesses;
- creating broad opportunities for the development of small business and private entrepreneurship in industrial sectors and the organization of modern production based on high technology;
- encouraging the introduction of innovative technologies into production by small businesses and private entrepreneurship;
- fundamentally addressing the issues of expanding the participation of small businesses and private entrepreneurship in foreign economic activity, and helping to increase their export potential.

In 2022, small businesses provided services worth 173,157.7 billion soums in Uzbekistan, or 48.4% of the total volume of services provided, and the growth rate was 108.5% compared to 2021. According to statistics, the highest volume of services provided by small businesses in the services sector was in trade services - 74,161.5 billion soums, in transport services - 41,726.5 million soums, in accommodation and catering services - 8,231.7 million soums, and in personal services - 8,566.9 million soums. Also, in 2022, 42.8% of trade services, 24.1% of transport services, 4.8% of accommodation and catering services, and 4.9% of personal services were provided by small businesses. The smallest share of small businesses in the services sector was observed in financial services at 0.9% (1602.2 million soums).

Conclusion

The service sector has created attractive opportunities for small businesses, the development of which increases competition, increases the range of services, improves quality and reduces prices. Small businesses also have the potential for rapid adaptation, efficient use of resources and rapid production of services that meet market requirements.

However, there are some obstacles that limit the growth of small businesses, such as quantitative limits within the framework of established benefits and incentives. However, the improvement of the policy and economic conditions aimed at supporting small businesses in the country increases the potential of small businesses. The development of small businesses in the service sector, especially in trade, transport, accommodation and catering services, is showing significant growth rates.

According to statistics for 2022, the volume of services provided by small businesses has increased significantly, which indicates the consistent development of the sector. The growth of small businesses in the services sector serves to further diversify the economy and ensure the socio-economic stability of the country. In short, the development of small and private entrepreneurship is one of the main links in the country's economy, and growth in the service sector has a positive impact not only on economic growth, but also on increasing employment and incomes of the population.

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