

**MANAGING THE ECONOMIC COMPETENCE OF SMALL BUSINESS  
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**Annotation:** The article is devoted to the management of the economic potential of small businesses. Ways to increase the economic potential of small businesses discussed.

**Key words:** entrepreneurship, entrepreneur, national economy, small business, small businesses.

Since the days when Uzbekistan gained its independence, a wide path has been opened for the development of small business and private entrepreneurship (KBXT) in the country. For the development of this sector, a number of laws, Presidential Decrees, decisions of the Cabinet of Ministers and a number of other legal documents were adopted, and serious changes were made to the composition of the national economy.

If, in the 1990s, the share of small business in the gross domestic product (GDP) of Uzbekistan was only around 1.0%, as a result of these reforms, by the end of 2022, the share of small business and private entrepreneurship in GDP reached 51.8%, and the total population 78.2 percent work in this field. As a result of the development of small business and entrepreneurship, the following positive processes are taking place in our country:

- macroeconomic stability is ensured in the country and the balance of the economy is strengthened;
- production of products in the country is expanding more and more;
- growth of export and gold-currency reserves is ensured;
- the standard of living of the population has increased and a comfortable lifestyle is practiced;
- the business elite layer in the population is expanding

Economic development is also taking place in very difficult conditions. It is a very positive result that our country's economy can maintain its pace of development in such difficult conditions. It is no exaggeration to say that this is the result of the high level of attention and benefits given to enterprises and organizations of various ownership forms. The crisis caused by the pandemic has had a great impact on the activities of enterprises of various forms of ownership, including small businesses and enterprises of entrepreneurial activity. Despite this, significant changes were achieved in the enterprises and organizations of our country in 2020 and 2021. Now the issues of increasing the economic potential of small business enterprises are of particular importance.

It is necessary to eliminate the problems facing them in order to develop and improve the efficiency of small businesses and enterprises engaged in entrepreneurial activities. Currently, in order to ensure the effective operation of business enterprises, the following should be implemented:

1. Detailed analysis of the issue of creating and using economic potential.
2. When defining the goals and tasks of business enterprises, taking into account the conditions of globalization of the economy and setting goals in accordance with it.
3. Effective use of economic resources necessary for their activities.

In the conditions of deepening market relations and intensifying competition, increasing the production potential of business enterprises is one aspect of the issue, and the second, more important aspect is the effective use of the existing potential. The solution of the problem of using the economic potential is the most important factor towards the solution of the main problem of the economy. Efforts to increase economic potential and its effective use are not temporary actions, but a long-term program. This issue should be reflected in the strategic plan of every organization. Solving the issues of using the economic potential is one of the urgent issues of business enterprises.

Those who linked the economic potential to the amount of products being produced. Economic scientists, including Sidorov A.P. and Teklov G.V. In their research, they express the opinion that “The economic potential of production is the production of the specified volume and type of products at the highest level (possible level)” [1] and they confuse the concepts of production capacity with production capacity. Economic potential is determined by the available opportunity.

A group of economists associate the economic potential with the dynamics of the main production funds. For example, Khairullaev O.I. “The dynamics of the main production funds determines the description of its economic potential. An increase in the price of the underlying fund, especially the price of its active part, can lead to large qualitative changes. Development of resources in the underground and surface layer of our country, processing of their raw materials depends materially on the weight of the main funds, the level of their use. The improvement of these indicators will have a positive effect not only on the considered industries, but also on the growth of the entire economy»[2]. Economic potential is determined not only by the main production funds, but the concept of economic potential is determined by all economic resources in production, that is, circulating tools, labor resources and even available information resources are closely related to the concept of economic potential.

The production potential in each organization depends on two important factors, that is, the availability and development of the main elements of production, as well as the level of use of

these elements in the production process. The development and effective use of these two factors determines the activity and level of development of business enterprises. If we assume that the development of business enterprises depends on significant quality changes in them, improvement by increasing efficiency, the above situation becomes natural and legal. So, economic potential is a complex concept, which includes labor tools, labor products and labor and implies their effective use in a complex manner. If we take into account the inclusion of technology factors, material, labor factors and information resources in the economic potential, it is possible to achieve the development of business activities by organizing work on the effective use of each of these four factors. Economic potential and its effective use should be considered comprehensively.

The effective use of the economic potential of entrepreneurial production should lead to the placement of the main means in them, timely and high-quality repairs, organization of labor on a scientific basis, establishment of division of labor and cooperation, creation of a correct and reasonable order of the workplace, improvement of work methods, organization of defect-free work. . Effective use of the economic potential improves the production and economic activity of the business enterprise and serves to improve it.

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