

## **Ways to Develop Personal Business and Private Entrepreneurship in the Service Sector**

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### **ABSTRACT**

This article describes the importance of small business and private entrepreneurship in the national economy of Uzbekistan today and ways to accelerate its development.

**KEYWORDS:** small business, entrepreneurship, national economy, innovation, industry.

In the national economy, the level of perfection of the structural structure of the industry plays an important role in the full development of personal business and the effective performance of its tasks. A perfect organizational structure allows you to fully use the potential of your business and increase its competitiveness. With the growth of economic development, improving the structural structure of personal business becomes an objective necessity. Therefore, increasing the rate of sustainable economic growth in the country, increasing the share of the sector in the GDP volume, and providing employment ultimately requires the creation of new personal business entities. This largely depends on the priority development of high-tech production within the structure of personal business. One of the important features of the development of modern civilization at the current stage is that the dynamic development of the service sector has become a global trend characteristic of the national economy of most countries of the world. According to the data of the World Bank, now "...in developed countries, the share of the industry in the gross domestic product is 74 percent, in the total employment of the population, it is 70-75 percent, and in the total number of enterprises, it is 90-95 percent." There are several ways to find content for small business enterprises:

- as objects of social and market infrastructure in a certain residential area (retail shops, catering establishments, household service enterprises, bazaars, human production enterprises (bakeries, confectionery enterprises, etc.)). The number of these is determined by the population of the region and their demand for these products and services. However, the growth of the number of business entities related to settlements and large enterprises has a certain limit, which is the volume of demand for certain types of products and services, the average one person in a certain period of time such factors as the possibility of satisfying a certain demand by a business enterprise (business entity) are affected;
- as production and social infrastructure objects around large enterprises, especially large enterprises forming the city;
- as independent production and service enterprises.

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According to E. Tikhonova, "The problem of the development of small business is usually seen as a whole, without separating its individual parts and elements, which have their own, in some cases, different characteristics. Accordingly, individual enterprises should operate in the pre-formed markets.

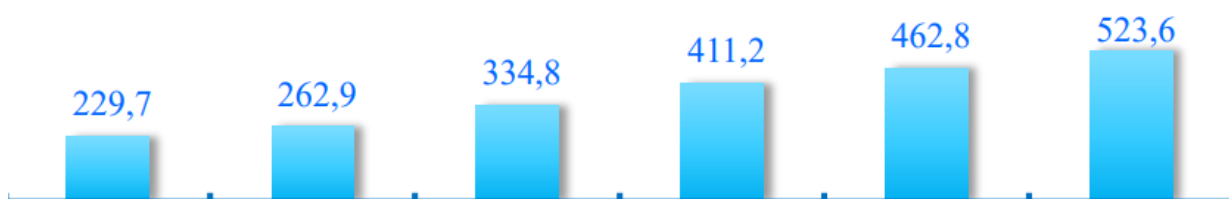
It is important to divide traditional and new technologies, products and markets into innovative enterprises. Relying on the above idea, individual business activities are organized in traditional sectors and industries with easy and favorable development conditions (for example, retail trade, general catering, household services, etc.) and certain It is possible to distinguish non-traditional sectors and industries that require technological foundations and have relatively more complex requirements in terms of organization. It should be noted that most entrepreneurs initially invest their capital in traditional industries and sectors. This situation can be explained by the following reasons: the products (services) of this industry or industry show the primary, most necessary, daily needs, the organization of activities in them requires a large amount of capital, special knowledge, and special permission from entrepreneurs. that it does not impose complex requirements, the speed of capital turnover is relatively high; it consists of the high rate of profit at the initial stage, the relative freedom of entry and exit from the industry, the presence of certain buyers of goods and services, and others. As a result of the small number of business entities at the initial stage of the development of the national economy, the competition between them is fierce, and the rate of profit is high. Then, the rapid growth of the number of business entities in the economy leads to increased competition between enterprises; leads to a decrease in the average sales volume corresponding to each enterprise, a decrease in the price level and the profit margin. This is due to the effect of inter-industry competition, i.e., firstly, a relatively high rate of profit in other industries as a result of a decrease in the profit rate in traditional industries; secondly, a significant increase in the volume of capital investment in other non-traditional industries due to excessive competition in traditional industries and a decrease in the average profit rate; Under the influence of "initial accumulation of capital" and the rapid pace of scientific and technical development, the process of cheapening of equipment and technologies makes it possible for private entrepreneurs to enter non-traditional fields and sectors that require even more capital. The structural structure of a small business can be distinguished in several aspects. Among them, the structural structure in terms of technological and network takes an important place. It is known that "technology is a set of production methods and processes in a specific branch of production, as well as a scientific description of production methods." Based on this, the technological content of personal business is expressed through the high-tech equipment and technologies present in the production facilities of the enterprises of this sector, and the increase in their weight indicates the improvement of the technological content. The higher and more advanced the production technology is, the higher the technological level of the product (the work being performed, the service provided) will be. Other things being equal, a person is more likely to work in a business. But at the same time, in the field of industry, in the organization of modern production networks that require high technologies, in the field of innovative and nanotechnologies, pharmacology and pharmaceuticals, information and communication systems, biotechnology, in the field of using alternative energy types, in short, advanced science it is necessary to pave the way for the development of personal business and private entrepreneurship based on achievements" - it is appropriate to remember his opinion.

It can be explained that the average level of technology use increases as the number of enterprises increases, starting with simple, low-tech industries.

1. Entrepreneurs start their activity by satisfying a clearly visible need (demand). For example, the construction of a new residential complex requires the establishment of grocery stores, bazaars, public catering outlets, household service (hairdressing salon, repair of household appliances, shoe repair, etc.) branches in this area. is enough. As the number of enterprises reaches the level that fully satisfies the needs of the population in this area, enterprises specializing in the types of needs satisfied on a high technical and technological basis are gradually being established;
2. Capital initially invested in traditional industries will increase after a certain time ("initial accumulation of capital"), and it will also create an opportunity to establish industries that require more funds. It can be noted that the number of individual business entities in the country is relatively small, and the level of capitalization in them is also low, and the average level of use of equipment and technology in these enterprises is also low. Therefore, the low level of competition allows existing business entities to operate in traditional industries with a low technological level and to have a sufficient profit margin. As the number of individual business entities increases, the competition between them increases, on the contrary, the profit margin in traditional industries decreases. This forces individual business entities to move to industries with a high technical and technological level. On the other hand, capitalization, that is, with the increase in the value of the main production funds and working capital in enterprises, their opportunities to attract high-value technical means to the production process expand. the reasons for the insufficient development of entrepreneurship and the work to be done in this regard can be observed through the table below
3. Reasons for insufficient development of personal business and private entrepreneurship based on the achievements of advanced science and development measures

At the same time, it should be noted that increasing the number of individual business enterprises alone does not increase the economic potential of the industry. Expanding the economic potential is related to the improvement of the technological and sectoral structure of small business, in particular, the priority development of small enterprises and micro-firms that use advanced techniques and technologies, produce ready-made products that meet modern requirements, and implement innovative projects and developments. The state should regulate individual business in terms of consistent and mutually proportional development across sectors. The dynamics of the number of small enterprises and micro-enterprises operating in 2017-2022 (without farms and peasant farms), in thousand units, was as follows. (Diagram 1.)

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According to the data of the State Statistics Committee, the number of small enterprises and micro-firms operating as of January 1, 2023 was 523.6 thousand, which increased by 60.8 thousand compared to the same period last year, or by 13.1%, as well as 90.2 thousand new small enterprises and micro-enterprises (without farms and peasant farms) were established, which means 8.8% less than in the same period of 2021. The number of small business entities was 17.9 units per 1000 inhabitants. In recent years, as a result of the decisions and decrees adopted by the President of the Republic of Uzbekistan on supporting small business

entities and improving the quality of the business environment, as well as the great attention paid to this field, a total of 424,073 small enterprises and micro-firms were newly established in 2018-2022. When newly established small enterprises and micro-firms are analyzed by sectors, the largest number of new entities are in the trade sector - 156,069 (or 36.8%), in the service sector - 99,198 (or 23.4%), in the industry - 84,830 (or 20.0%), 51,752 (or 12.2%) were established in agriculture, forestry and fisheries, and 32,224 (or 7.6%) in construction.

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