


THE PLACE OF SMALL BUSINESS IN THE NATIONAL ECONOMY AND ITS SIGNIFICANCE

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Article Info	ABSTRACT
<p>Article history: Received Feb 15, 2024 Revised Mar 20, 2024 Accepted Apr 10, 2024</p> <p>Keywords: small business, economy, sustainable development; factors affecting development</p>	<p>The small business sector is an integral, objectively necessary element of any developed economic system, without which the economy and society as a whole cannot exist and develop normally. Although the indicator of any developed country consists of large corporations, the presence of strong economic power (large capital) largely determines the level of scientific, technical and production potential, the real basis of life in countries with a market economy system, small enterprises as the most common, dynamic and flexible form of business life. The main part of the national resources, which are the basis for medium and large businesses, are created and put into circulation in the small business sector. High flexibility and broad coverage of almost all sectors of the country's domestic market ensure the stability of economic development and contribute to the stability of the political climate.</p> <p style="text-align: right;">This is an open-access article under the CC-BY 4.0 license.</p> <div style="text-align: right;">  </div>

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INTRODUCTION

The place and role of small business for the national economy of any sector cannot be overestimated. Practice shows that most entrepreneurial structures in the small business environment adapt to crisis situations as quickly as possible and are surprisingly able to survive under the negative influence of external determinants. Thanks to their effective development, small business entities help to create new jobs in the economy, expand the range of existing goods and services, create conditions for reducing social tension, and increase tax revenues.

In addition, it should be noted that small business structures mainly consist of representatives of the middle class, which is an indication that small business entities have

the opportunity to increase the share of the middle class in the economy due to the transition of a part of it to the middle class. will give. from the low-income group of the population to the middle-class group. This, in turn, serves to strengthen stability, efficiency and rapid development of the entire economy in the national economy at the micro, meso and macro levels. It is appropriate to give primary importance to small business and focus on its positive role in the rational use of resources. First of all, it is necessary to talk about the effective use of labor resources, which is determined by the fact that a significant part of the working population works as an employer in small business.

Small business allows creating balanced conditions for integration into the virtual economy that is developing all over the world. The reason for this is that in a crisis situation, small businesses try to use real and innovative tools for development, which can attract large initial investments for the development of the virtual economy.

METHODS

In this article, we conclude that ensuring economic stability is one of the main components of the development of the national economy. And in this regard, it should be noted that small business plays a key role in ensuring economic stability.

A lot of research has been devoted to revealing the content of the category "sustainable development of small business" and there are different interpretations of the content of sustainable development. When considering the sustainability of small business development in the economy, we came from the following.

First, development implies an increase in the values of indicators describing the positive dynamics of small business activity.

Secondly, the concept of stability reflects the constant growth of indicators describing the positive impact of a certain branch of the economy and the constant decrease of indicators describing the negative aspects of small business activity

RESULTS AND DISCUSSION

The analysis of the data provided by the State Statistics Service of Uzbekistan and the Tax Service of Uzbekistan revealed the following indicators of small business development for 2023. Thus, in the studied period, the number of people employed in small business entities in the Republic of Uzbekistan is 10,278.9.

Small business plays a key role in the development of the national economy and has a significant impact on many aspects of it. First, it will help to create new jobs, which will reduce the level of unemployment and increase the standard of living of the population. Second, small business actively participates in innovation, introduction of new technologies and approaches, which serves to increase the overall technical progress and competitiveness of the economy.

In addition, small businesses are often the main engine of economic activity in regions, contributing to their development and reducing economic disparity. This ensures flexibility and adaptability of the economy, which is especially important in the context of a rapidly changing external environment and economic crises.

State support for small business, including tax incentives, financing and educational programs, is a necessary condition for its successful operation and development. Effective policies in this area can lead to a more balanced and stable economic system.

CONCLUSION

Small businesses play a crucial role in the national economy and hold significant importance for several reasons. They are the backbone of economic growth, driving innovation, creating jobs, and fostering competition. Small businesses often introduce unique products and services, enhancing consumer choice and fueling market dynamism.

Their contribution to job creation is particularly vital, as they provide employment opportunities and help reduce unemployment rates. This, in turn, supports income distribution and enhances the standard of living for many individuals and families.

Moreover, small businesses stimulate local economies by retaining money within communities and supporting other local enterprises. Their adaptability and responsiveness to changing market conditions often allow them to meet niche demands and personalize customer experiences more effectively than larger corporations.

The significance of small businesses extends to their role in promoting entrepreneurship and nurturing talent. They serve as a breeding ground for innovation, encouraging individuals to develop new ideas and business models. This entrepreneurial spirit is essential for long-term economic development and resilience.

Additionally, small businesses contribute to social and cultural cohesion by fostering a sense of community and identity. They often participate in and support local events, charities, and initiatives, reinforcing community bonds and contributing to the social fabric.

In summary, the place of small business in the national economy is indispensable. Their contributions to job creation, innovation, local economies, entrepreneurship, and community cohesion underscore their significance. Therefore, policies and initiatives that support the growth and sustainability of small businesses are crucial for ensuring a robust, inclusive, and dynamic economy. Thus, small business not only plays an important role in the national economy, but is also an important element of its stability and well-being.

Attention to its needs and support from the state and society is a necessary condition for achieving long-term economic growth and prosperity.

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