



FOREIGN EXPERIENCE IN THE DEVELOPMENT OF SMALL BUSINESSES

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Abstract. The global economic crisis that began in the United States and Great Britain quickly spread throughout the world and affected both developed countries and emerging markets. As officials tried to support the recovery of economies from the crisis, it became clear that some countries overcame difficult times much better than others. In particular, many developing countries overcame economic shocks better than expected based on their previous experience. Thanks to the reforms implemented, these economies became more resilient to economic shocks.

Keywords. Business, entrepreneurship, businessmen, foreign experience, small and large enterprises, small business entities.

Research methodology. The research used induction and deduction, grouping of statistical data, sample observation, correlational and regression analysis, scientific abstraction, forecasting and other methods.

Analysis and discussion of results (main part). Small entrepreneurship is a means of accelerating economic growth in both developed and developing countries, has positive externalities for the economy and has social benefits, making a significant contribution to ensuring social stability, increasing employment, and developing innovative technologies. Despite the fact that the share of small enterprises in the total number of enterprises is significantly higher in both the European Union countries and Uzbekistan (they account for 96.8% of the total number of economic entities), the "quality structure" of enterprises is different.

Introduction. A direct comparison of the processes of management and policy of ensuring the development of small businesses in Uzbekistan with foreign countries shows that small and micro enterprises in Uzbekistan grow more slowly and bring less profit than their European counterparts. Despite the existing potential for the development of entrepreneurial activity, the creation of new jobs and the introduction of innovations, the economic and legal conditions for small business activity are significantly lower than the international average. Unlike foreign countries, whose economic development is closely linked to the prosperity of the small business sector, in Uzbekistan the government and small business do not cooperate with a single goal - to achieve the country's socio-economic well-being. The current stage of economic development dictates the need to form a separate approach to the essence of ensuring small business, on the one hand, as a sector that is a key factor in the country's economic growth. due to ineffective reforms and legislative restrictions, it is constantly crushed and becomes a heavy burden. It should be noted that, despite the large amount of scientific literature on the selected issue, there is a wide range of definitions of business entities operating in the field of small business and scientific inconsistency of concepts. Thus, scientists often equate the concepts of "small enterprise", "small business", "small business entities", "small business enterprise". Taking into account the lack of a legal definition of individual concepts and the ambiguity of scientific interpretations, the article attempts to substantiate the differences between categories, identify interchangeable concepts, and define the concept of "small enterprise".

Business is considered as a process (activity aimed at making a profit (entrepreneurship, professional,

commercial)) or an organization (firm, company, enterprise). That is, in fact, the definition of the difference between the concepts of "enterprise" and "business" (as an organization) comes down to the following: an enterprise is an activity carried out only by legal entities, while business can be carried out by both individuals and legal entities. When comparing the concepts of "entrepreneurship" and "business" (as a process), it is necessary to emphasize the main common feature: the purpose of the activity is to make a profit.

Thus, in accordance with the norms of current legislation, it can be concluded that a small enterprise is a legal entity and, in accordance with the legislation, is a business entity engaged in entrepreneurial activity with the aim of making a profit or other economic benefit.

Franovska G. A small enterprise is an independent subject of a market economy, a socio-economic institution, which is characterized by "... the peculiarities of national traditions and norms of behavior, the psychological makeup of individuals engaged in entrepreneurial activity, the level of risk-taking, innovation, initiative".

Small enterprises conduct their activities mainly on the basis of private property and therefore have great internal potential for self-development due to the full realization of the advantages of private property. The fundamental differences between a small enterprise and a large enterprise are in the scale of activity - a larger production volume requires larger enterprises, larger production capacities, and therefore more administrative and production personnel.

If the management system of a large enterprise is complex and highly hierarchical, then in small enterprises the boundaries between managers and employees are blurred. We know that large businesses are formed on the basis of concentration of capital (in particular, a separate capital association), corporatization, and the management system of large enterprises is built on the principles of bureaucracy and specialization.

Small enterprises are often created by one person, and the manager combines management functions with other work in one enterprise. In general, summarizing the scientific positions of the authors, we can distinguish 4 main stages of the life cycle of business entities: creation, growth, stability and recovery or decline. It should be noted that the last stage has a specific feature for small businesses - business entities have the opportunity to increase the volume of their activities, and then the recovery will consist in changing the volume from small to medium. the stage of stabilization of their activities and return indicators. Of course, the stage of decline is not the goal of any business entity, but sometimes it is inevitable - bankruptcy and liquidation. Practice shows that this stage occurs in many small enterprises in Uzbekistan and foreign countries (table 1).

Table 1

Bankruptcy trends of small enterprises in the European Union countries in 2015-2017, % of the total number of small enterprises

Country	2015	2016	2017
Australia	-20,41	5,13	-12,2
Austria	-0,66	-5,03	1,48
Belgium	-8,55	-9,07	-6,06
Canada	-5,56	-2,94	-6,06
Colombia	-9,62	16,31	21,95
Czech Republic	-10,95	-18,49	-9,69
Denmark	-21,79	19,28	16,98
Estonia	-6,75	-12,15	-10,9

Not all small businesses have the ability and/or desire to expand and grow continuously. If businesses operate in the newest sectors of the economy, introducing innovations in them will allow them to

expand the volume of trade and, as a result, expand their activities, in which case they can grow and subsequently increase their volume.

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