



DEVELOPMENT OF SMALL BUSINESS AND ENTREPRENEURSHIP IN JIZZAX REGION

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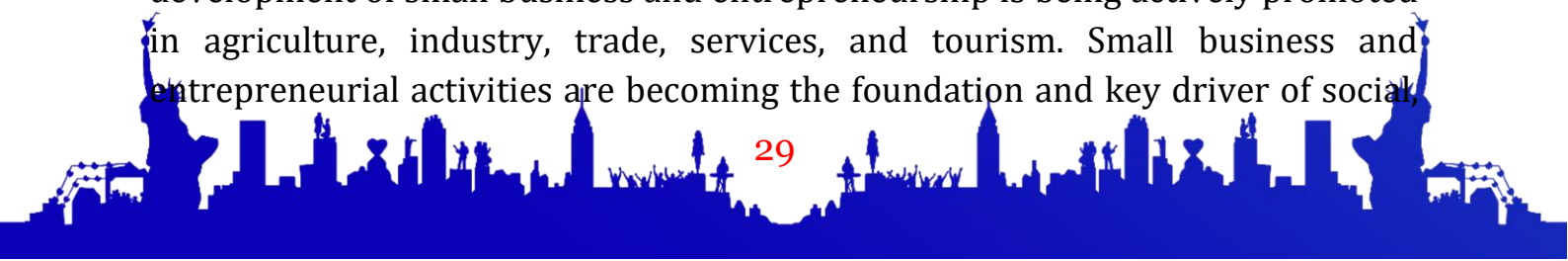
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Abstract: The article discusses the development of small business and entrepreneurship. It highlights the role of small business and entrepreneurship in the Jizzakh region. Economic reforms being carried out in the Republic of Uzbekistan and the Jizzakh region are aimed at ensuring stable economic growth, emphasizing the importance of small businesses and entrepreneurship, and creating new opportunities for their development. The article also outlines the measures being supported to foster the growth of small business and entrepreneurship in the country and the region.

Keywords: Small Business, Entrepreneurship, Sole Proprietorship, Family Business, Stages of Entrepreneurial Activity, Advantages and Disadvantages of Entrepreneurship.

Introduction: The development of small business and entrepreneurship, which plays a crucial role in the national economy, is being actively pursued. This aims to fill the domestic market with competitive, high-quality, and exportable products, create new jobs, and increase the income of the population while ensuring stable economic growth. Significant efforts are being made to achieve these goals. At the same time, this sector serves as a major driver for the growth of tax revenues to the state budget and the increase in the share of gross domestic product (GDP), which is a key indicator of economic development. In the Jizzakh region, small business and entrepreneurship, as well as the development of the private sector, are of great importance in ensuring the region's economic stability and improving the living standards of its population. Small businesses mainly operate in agriculture, trade, services, and industry, with a particular focus on creating new jobs and ensuring the economic resilience of the region. In the Jizzakh region, entrepreneurship is one of the key sectors of the economy and has been expanding across various industries. The development of small business and entrepreneurship is being actively promoted in agriculture, industry, trade, services, and tourism. Small business and entrepreneurial activities are becoming the foundation and key driver of social





economic, and political stability in our society. Currently, particular attention is being paid to the development of small business and entrepreneurship in our country, as this area is considered a strategic task of our national economic policy. In conditions of capital scarcity, small business activities do not require large investments and ensure high turnover rates of resources. They help address issues such as economic restructuring, instability, and resource limitations, rapidly and efficiently filling and shaping the consumer market. Small businesses are highly adaptable to changes in consumer demand, ensuring the necessary balance in the consumer market. At present, this sector plays a leading role not only in accelerating the growth rate of the economy but also in addressing crucial issues like employment and increasing the income of the population, which are of great importance to our country. Small Business: A subject of entrepreneurship that starts with relatively small capital, usually managed by one or a few people (a sole entrepreneur or a small team), and is economically independent. Small businesses often develop in sectors such as services, trade, manufacturing, and agriculture.

Main Characteristics of Small Business: *Small Capital and Scale:* In small business, initial investments and the scale of the enterprise are typically small, and it is often started with limited financial resources. *Number of Employees:* Small businesses generally have a small number of employees, and in many cases, one person performs multiple functions or roles. *Type of Products and Services:* Small businesses often focus on traditional services, such as local retail, restaurants, workshops, repair services, and other products or services that meet daily needs. *Decision-Making Speed:* Since the owners of small businesses have full control over their enterprises, decisions are made quickly and easily, which ensures rapid adaptability.

Advantages of Small Business: *Flexibility:* Small businesses respond quickly to market changes and can adapt to new opportunities more rapidly. *Lower Costs:* Compared to large corporations, small businesses allow for cost savings. For example, rental, marketing, and management expenses may be lower. *Job Creation:* In many countries, small businesses play a vital role in creating new jobs and reducing unemployment. *Social Role:* Due to their close connection with communities, small businesses provide products and services that meet the specific needs of local populations.

Disadvantages of Small Business: *Limited Capital:* Small businesses often lack sufficient financial resources and have limited access to credit, which can restrict their growth and expansion opportunities. *Difficulty Competing:* Small





businesses struggle to compete with larger companies due to higher production and marketing costs, making it hard to match the scale and efficiency of big firms. *Lack of Stability*: Small businesses may lack stability due to inexperience in management or insufficient strategic planning, which can lead to challenges in maintaining long-term sustainability.

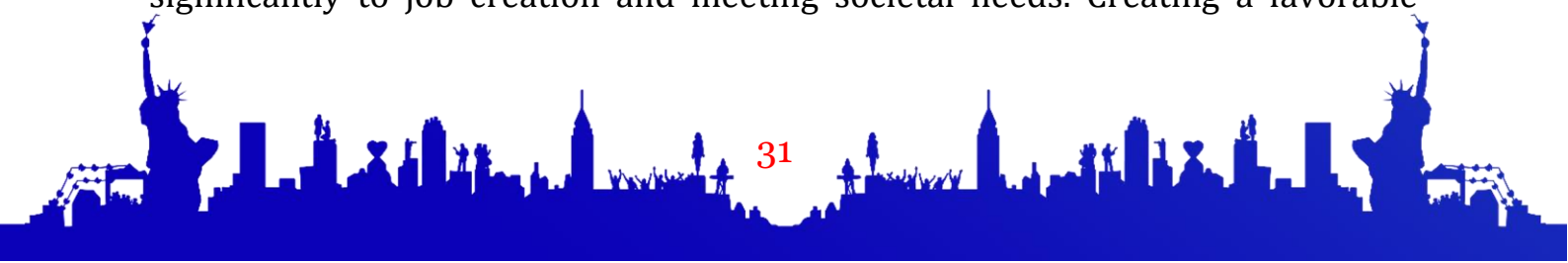
Support for Small Business. Many countries strive to support small businesses because they contribute to economic development and help increase employment levels. Support programs may include the following:

1. **Financial Assistance:** Small businesses receive financial support through loans, grants, or subsidy programs to help them grow and expand.
2. **Tax Incentives:** Tax reductions or temporary tax breaks provide relief for small businesses, helping them reduce operational costs.
3. **Training and Advisory Services:** Training and consulting services are provided for small business owners and managers to improve their skills in business management and strategy.
4. **Support for Startups:** There are programs specifically designed to support new small business projects and startups, offering both financial and technical assistance to entrepreneurs.

Types of Small Business: *Sole Proprietorship*: This type of business is managed by one person who assumes all the responsibilities and liabilities of the business. *Family Business*: A business managed by family members, often engaged in small-scale services or trade activities. *Small Partnership*: A business formed by two or more individuals who jointly manage the operations and share responsibilities and profits. *Cooperatives*: A group of small entrepreneurs or producers who come together to collectively produce and sell goods or services.

Keys to Success for Small Business: *Market Adaptation*: Responding to customer needs by offering new products or services that align with market demands. *Cost-Effective Management*: Managing financial resources wisely and controlling expenses to ensure profitability. *Marketing Strategies*: Effectively reaching out to customers and maintaining close relationships with them to build loyalty and attract new clients. *Innovation and Creativity*: Differentiating the business in the market by applying new ideas and technologies to stay competitive.

Small business plays a crucial role in the economy, contributing significantly to job creation and meeting societal needs. Creating a favorable





environment for its development is one of the key factors for promoting entrepreneurship.

The Role and Importance of Small Business in Jizzax Region. Small business plays a significant role in the economic structure of Jizzax region, and many measures are being implemented to support entrepreneurship in the area. These efforts mainly focus on expanding employment opportunities for youth and women, introducing new technologies, and producing exportable goods. Specifically, favorable conditions for small enterprises have been created in technoparks and special economic zones, with the government offering concessional loans and leasing services.

Types and Forms of Small Business. Small businesses are categorized into manufacturing, service provision, trade, and financial services. The forms of small entrepreneurship registration include individual entrepreneurship, private enterprises, and partnerships. Individual entrepreneurship is one of the most convenient options, as entrepreneurs can operate without registering as a legal entity.

Advantages and Disadvantages. The advantages of small businesses include their ability to be established with low costs and their significant role in providing employment. However, due to limited capital and resources, small businesses often face difficulties in achieving financial stability. Furthermore, bureaucratic processes and licensing issues can hinder the growth of businesses, although the government is taking various measures to simplify these procedures.

Measures to Improve Profitability. Small business entities in Jizzax region are striving to stay competitive by implementing innovative technologies and efficient management practices. Government support in the form of financial aid, tax incentives, and simplified leasing conditions in technoparks provide additional opportunities for small businesses. At the same time, a system for resolving disputes outside of court is being developed to protect the rights and interests of entrepreneurs. In general, the development of small business in Jizzax region significantly contributes to economic growth, increases employment, and enhances export potential.

The statistical data on the development of small business and entrepreneurship in Jizzax region reflects key indicators related to the region's economic growth, employment levels, and increased export potential. The following statistical information highlights the main trends in the state and development of small business in the region.





Changes in Economic Figures of Small Business and Entrepreneurship.

Number of small business entities: By the end of 2023, the number of small business entities operating in Jizzax region reached **15,000**. This represents a **10%** increase compared to the previous year. *Share of small business in the regional economy:* Small businesses account for over **40%** of Jizzax region's economic activity. This indicator demonstrates the significant role of small businesses in the region's overall production volume. *Employment rate:* The small business and entrepreneurship sector constitutes **25%** of the total employment in the region. This is especially important for creating new job opportunities for youth and women.

Statistics on Types of Small Businesses. *Small businesses in the manufacturing sector:* By the end of 2023, the number of small business entities in the manufacturing sector in Jizzax region reached **5,500**. This accounts for **36%** of the total number of small businesses in the region. These businesses are primarily engaged in agricultural products, the food industry, and light industry. *Small businesses in trade and services:* Small businesses in the trade and service sectors in Jizzax region total **8,200** and represent **55%** of the region's small business entities. This sector is especially focused on retail trade, restaurants, hotels, and educational services. *Financial and consulting services:* By the end of 2023, the number of small businesses providing financial and consulting services in Jizzax region reached **1,200**, accounting for **8%** of the total small businesses in the region.

Financial Support Provided to Small Businesses. *Concessional loans and subsidies:* In 2023, the amount of concessional loans and subsidies provided by the government to small businesses in Jizzax region reached **250 billion UZS**. This significantly contributed to enhancing the financial capabilities of small businesses in the region. *Leasing services:* Through leasing services provided to small businesses, over **5,000** new pieces of equipment and technologies were purchased in the region, contributing to the modernization of production processes.

Export Potential of Small Businesses. *Export volume:* The export volume of small business entities in Jizzax region reached **100 million USD** in 2023. This indicates that small businesses account for **15%** of the region's total export potential. *Main export products:* The products exported by small businesses include agricultural products (cotton, fruits, vegetables), food industry products (canned goods, sweets), and light industry products (fabrics, clothing). These sectors play a leading role in the region's export activities.



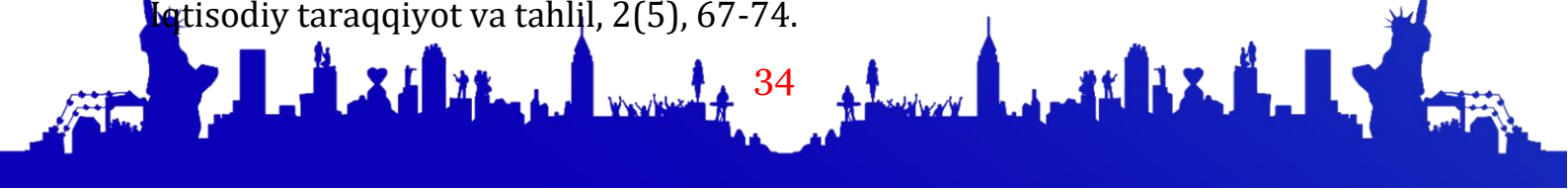


New Projects Aimed at Developing Small Businesses. *Technoparks and innovation centers:* In 2023, **2 new technoparks** and **3 innovation centers** were launched in Jizzax region to support the development of small businesses. These centers, in particular, assist small businesses in introducing new technologies and producing high-value-added products. *Training programs for small businesses:* In 2023, over **1,500 entrepreneurs and their employees** participated in training programs organized to support small businesses in the region. These training sessions covered areas such as business management, financial management, marketing, and the implementation of innovative technologies.

Conclusion. The opportunities being created and the measures being taken to develop small business and entrepreneurship in Jizzax region are helping to stimulate economic growth, create new jobs, and enhance the region's export potential. At the same time, the development of small businesses plays a crucial role in improving the welfare of the population and ensuring the region's economic stability. To achieve this, effective collaboration between the government and entrepreneurs, innovative approaches, and the efficient allocation of financial support are of great importance. The measures and opportunities aimed at developing small business and entrepreneurship in Jizzax region are making a significant contribution to economic growth, the creation of new jobs, and increasing the region's export potential. The key indicators of this development, such as the number of small business entities, financial support, export volume, and changes being implemented through innovation centers, are helping to ensure the region's economic stability and improve the welfare of the population.

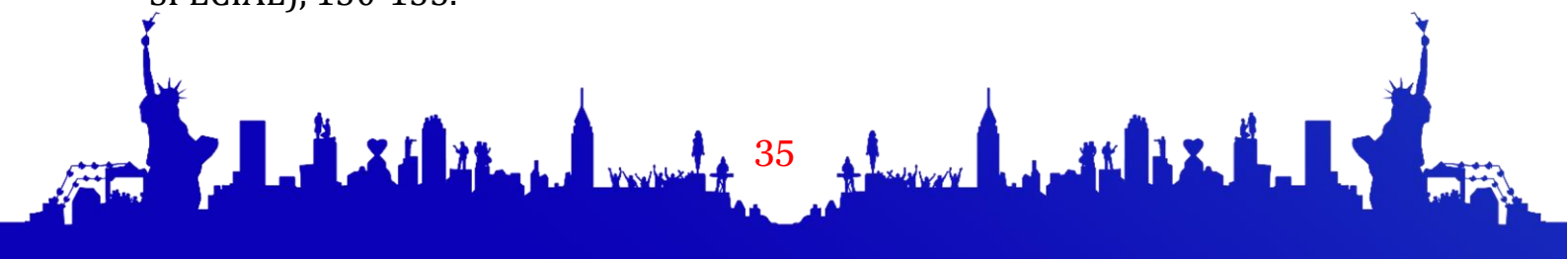
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