

Improvement of the Infrastructural Support System for the Activities of Small Business Entities

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Abstract. *The main directions of Uzbekistan's policy in the field of small business and private entrepreneurship are measures to improve the socio-economic and organizational-legal foundations that ensure the development of small business entities and their support. This, in turn, requires the creation of a favorable business environment for small business entities.*

Keywords. *Small business entities, production infrastructure, production capacity, social infrastructure.*

Researches conducted in the world show that there are actually three main ways to start a business. Firstly, an entrepreneur can buy a ready-made company (business), secondly, he can invest in a franchise, and thirdly, he can start his business activity from scratch (new). Having a developed infrastructure is especially important for entities that are just starting their business, because starting a business from scratch is the most difficult stage.

From a theoretical and practical point of view, any business starts with an idea, but if the entrepreneur does not have an idea of how to properly organize business activities, where to get initial capital, how to rent a cheaper office or warehouse, this idea cannot be implemented.

Small business does not develop separately. Various factors affect its development, and small business has to take them into account. From this point of view, the general and specific conditions of small business development can be distinguished. General conditions depend primarily on the influence of the external environment on it. These include the general state of the economy, market conditions, social environment, availability of appropriate infrastructure, and others. However, these conditions exist in different degrees in each country, and they determine the specific aspects of small business development. Therefore, it is appropriate to take a collective approach in assessing the development of small business and private entrepreneurship.

The purpose of infrastructural support for the activities of small business entities is to organize the use of various services and forms of support for small business entities, to assist in the implementation of entrepreneurial initiatives and rational distribution of financial resources, and to provide social and financial support in obtaining maximum income from activities. The main task of infrastructural support for the activities of small business entities is to ensure mutual relations with small business enterprises, organizations, and institutions.

In theory, the main elements of infrastructural support for small business entities should be:

- state bodies that provide management and control over the development and application of reasonable mechanisms for the use of budget funds allocated for the support of small businesses.
- specialized organizations for small business support and development (savings and funds, credit, insurance, guarantee and leasing institutions; technology parks, business incubators, innovation and service centers, special industrial zones; education, consulting, information and other services structures);
- public associations of entrepreneurs and non-governmental non-profit organizations.

Thus, as part of the infrastructural support system of small business entities, along with financial, social, transport-communication, scientific-technical, institutional and legal institutions, the infrastructure of business activity is supplemented by mediation and information institutes. And information technology is becoming the main element of infrastructural support for the activities of small business entities at the current stage of the economy, and its development determines the transformation processes in the structural elements of the business infrastructure (1-pic).

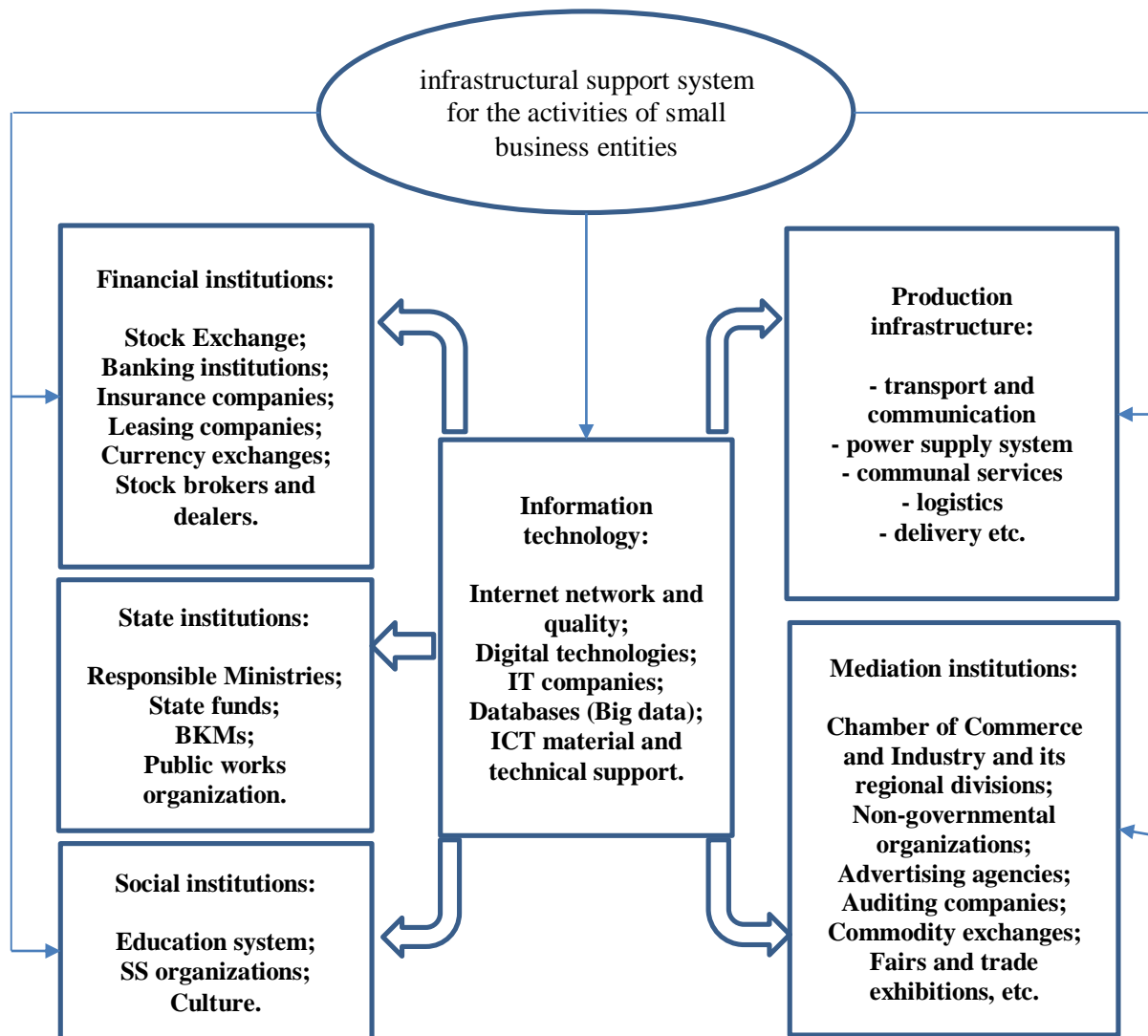


Figure 1. Elements of the infrastructural support system for small business entities

The infrastructural support system for small business entities mainly provides all types of infrastructural support aimed at encouraging, supporting and regulating the activities of the sector, in particular, the State Statistics Committee of the Republic of Uzbekistan, the Ministry of Economic Development and Poverty Alleviation, the State Fund for Entrepreneurship Development, the Chamber of Commerce and Industry, refers to the assistance provided by the small business and entrepreneurship development agency, commercial banks, evaluation organizations, investment funds and exchanges, auditors, depositories, insurance companies, export-import companies, information-consulting firms, public service centers. Including development of KBS, implementation of various programs, placing orders for the execution of goods and services for state needs, issuing credit documents, registration, licensing, certification, etc.

Harmonious development of these economic entities depends on many factors. These include legal framework, information resources, advisory services, financial institutions and others. All of these together make up the small business infrastructure. The absence or poor functioning of one of the

listed segments reduces the efficiency of the entire system and hinders the development of small businesses.

The development of small business and private entrepreneurship largely depends on the level of development of the market infrastructure networks serving it. However, the non-existence of many enterprises of different types of ownership operating on the basis of mutual competition in the wholesale and retail trade of material and technical resources, leasing, consulting, engineering and other types of services has a negative impact on the development of this sector. It is necessary to activate the work of these organizations in the field of providing technical assistance in the form of consulting and information services, assistance in the development of infrastructure facilities, providing guarantees, obligations and guarantees for loans and other forms of support.

During the research, it was found that a number of factors hinder the development of the infrastructural support system for the activities of small business entities, classified as follows, and they were classified according to their directions (Table 1).

Table 1

Factors hindering the development of infrastructural support for small business entities

Directions	Омиллар
Production	low modernization of production, low rate of renewal of fixed assets;
Regarding personnel	lack of a single customer for the development of industrial infrastructure facilities;
Economical	residual principle of industrial infrastructure development, etc.
Institutional-legal	lack of specialists for small business;
News	low level of human capital development;

This classification of factors serves as a methodological basis for the development of a set of directions and measures for the development of the infrastructural support system for entrepreneurship in different regions.

From a practical point of view, the infrastructural conditions of KBS, the weak property base of small businesses in the effective use of their capabilities, shortcomings in the implementation of obligations under the loan agreement, problems with obtaining loans caused by the high difference between the level of business profitability and the payment rate of the credit resource, collateral high demands of banks for their supply, high costs of entrepreneurs until they find a place in the market, as well as high rents for non-residential buildings, lack of qualified personnel, problems related to price changes and export of goods and services in regional and international markets, local self-management to questions about KBS the presence of some institutional barriers, such as the insufficient response from the authorities, requires further improvement of the organizational and economic mechanisms of the development of the KBS in the future.

The analysis of small business development problems carried out in the thesis research showed that the main problems affecting the efficiency of the infrastructural support system for small business entities are related to two reasons. First, in some regions, the infrastructure of small business is not always formed in accordance with the needs of small business entities, as a result of which difficulties arise in their use as a process of reproduction. Second, small business entities often make irrational use of the created infrastructure facilities.

Taking into account the above points, our analysis implies the need to develop an efficiency model of the infrastructural support system for the activities of small business entities, taking into account the specific characteristics of the market and institutional components, for the effective

functioning of the infrastructure of small business and private entrepreneurship. (2-fig).

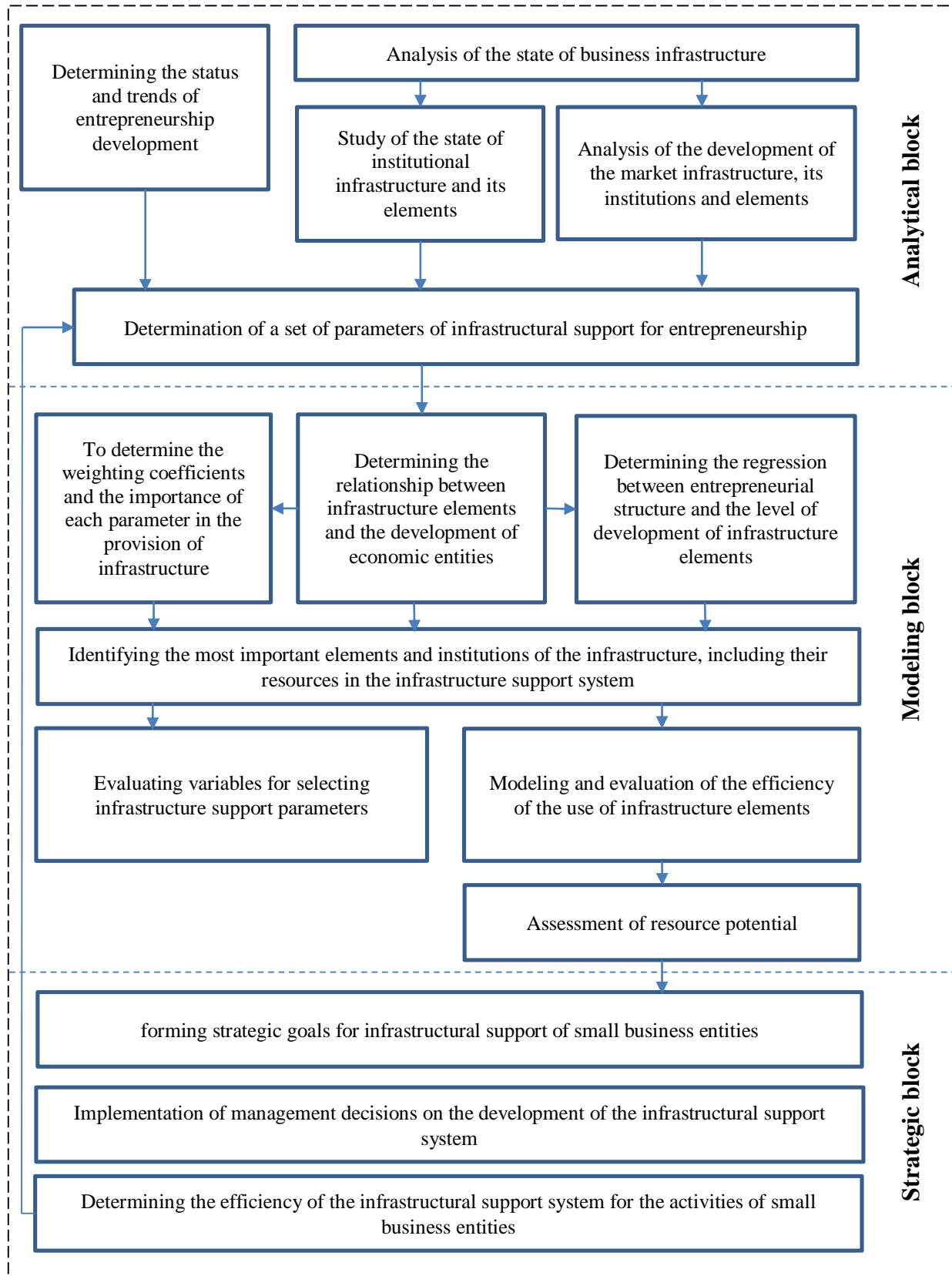


Figure 2. The model for evaluating the effectiveness of the infrastructural support system for the activities of small business entities

The developed model should take into account the dynamic nature of system development and have predictive potential based on taking into account the nature of the influence of institutions regulating infrastructural support of small business entities as external environmental factors.

Also, the proposed model takes into account the special role of infrastructure facilities in

ensuring the development of small business entities. It is based on the correlational analysis of the impact of infrastructure elements on the development of small business entities and the determination of the weight of each indicator using rating indicators according to the level of their inclusion in the infrastructural support system.

The proposed model allows to determine the sequence of introduction of important elements to the infrastructural support system of small business entities, to monitor the criteria of effective use of the resource potential of the infrastructure, as well as to develop strategic directions for the development of the infrastructure complex based on target forecasts. At the same time, the additional advantages of this model are determined by the ability to determine the levels of various infrastructure elements using quantitative and qualitative methods of selecting alternatives for management decisions, the mathematical validity of performance evaluation, and the availability of predictive properties.

Of course, regarding the infrastructural support of the activities of KBS, the government of Uzbekistan has adopted and implemented legal documents aimed at results and efficiency in recent years. In particular, presidential decisions and decrees were adopted regarding the support of business entities facing problems during the Covid-19 pandemic and the development of business infrastructure in the republic's territories.

In September 2022, the Public Council for Entrepreneurship Support was established under the President of Uzbekistan. The tasks of the council include systematic monitoring and comprehensive analysis of public opinion on the most important issues related to the rights, freedoms and legal interests of entrepreneurs, conducting social surveys, developing proposals for eliminating problems that are obstacles and obstacles to the development of entrepreneurship, and presenting them to the competent state bodies. It was also decided to convey to entrepreneurs the essence of the reforms implemented in support of entrepreneurial activities, to help them to improve their legal culture and to form their economic skills.

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