



ENTREPRENEURSHIP MANAGEMENT MECHANISM

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ABSTRACT

The article examines the current state of small business and private entrepreneurship in Uzbekistan, the problems associated with the organization and management of their activities, the role of organizational and economic mechanisms in the effective organization of their activities and the factors influencing it. Also, suggestions and recommendations were made to improve the organizational and economic mechanism of business management.

KEYWORDS: *economy, small business, private entrepreneurship, private property, management system, mechanism.*

INTRODUCTION

Research on the role of small business and private entrepreneurship in socio-economic development and sustainability is being carried out around the world. Small business plays an important role in stabilizing the economy in developed countries such as the United States, Germany, China, France, Japan, Italy. "According to the International Small Business Council (ICSB), small businesses account for more than 90% of all enterprises, 60-70% of those employed, and 50% of GDP". Typically, these enterprises, which employ less than 250 people, form the backbone of the economies of developed countries, play an important role in stimulating economic development and employment of women, young entrepreneurs and low-income groups.

In developed countries, small businesses account for 55-67% of GDP. This figure is 52-55 percent in the United States, 63-67 percent in the European Union, and 52-57 percent in Japan. In the CIS, the share of small business in GDP is lower than in developed countries. Of the 17.1 million private sector enterprises (excluding the agricultural sector) in Western Europe, 99.9 percent are small businesses. They account for 50 percent of total industry, 67 percent of services, almost 90 percent of construction and trade, and provide more than 70 percent of jobs.

Uzbekistan is taking comprehensive measures to provide comprehensive support to entrepreneurship, encourage entrepreneurship, improve governance mechanisms and increase efficiency. The Action Strategy for five priority areas of development of the Republic of Uzbekistan for 2017-2021 sets important tasks for "Continuing institutional and structural reforms aimed at reducing state participation in the economy, protecting private property rights and further strengthening its priority position, stimulating the development of small businesses and private enterprise". The solution of these tasks requires the improvement of the organizational and economic mechanism of business management.

LITERATURE REVIEW

According to L.I.Abalkin, the economic mechanism is a set of forms and methods of operation, which includes not only basic but also superstructure elements that interact with each other.

According to G.S.Seyalova, the economic mechanism is a method of organizing production, a system that forms production relations as a form of management (plan, economic standards, prices, profits, wages, finance, credit, decision-making), as well as it means not only in the relations of production, but also in the organization of the forces and structure of production.

E.E. Vershigora emphasizes that the economic mechanism arises as a result of joint action and coordination of planning, economic incentives, market mechanism and organizational structure.

V.F.Fillipov describes the economic mechanism as a combination of planning, economic incentives and incentives, organizational structures, methods and techniques, various forms of participation of the workforce in the management of production, which are the main elements of management.



B.Z. Milner considers the organizational-economic management mechanism as the integrity of the elements of the organization in the decision-making process, the system of resource supply and distribution, the main ways of influencing the objects of management, including the compatibility of organizational, administrative and economic methods. They argue that the organizational-economic management mechanism should perform functions such as a sense of responsibility, goal setting, motivation and motivation of participants, provision and allocation of resources to achieve tangible results.

Механизми асосий вазифаларига нисбатан биз Д.В. Ходос фикрига қўшиламыз, уни фикрича: – тадбиркорлик фаолиятини барча доираларидаги хўжалик субъектларини ташкилий уюшмасини таъминлаш; – иқтисодий ва инвестицион муносабатларни такомиллаштириш учун керакли шарт-шароитларни яратиш; – соҳаларни барқарор иқтисодий ва ижтимоий ривожланишидаги муаммоларни самарали ҳал қилиш.

According to Professor Yo.Abdullaev and F.Karimov, "an entrepreneur is the main entity in a market economy. An entrepreneur can be both an individual and a group of people who combine the factors of production, who combine the means of production at their disposal with the labor force, through the purchase of this labor force and its use in economic activities. B.Khodiev explains that "entrepreneurship is a special type of economic activity, under which there is an independent initiative, responsibility, innovation, based on the idea of entrepreneurship, profit-oriented activity."

Entrepreneurship management mechanism is a set of methods, techniques and principles of business organization, through which the process of business management, relationships and communication between them. The need to improve the management of small business and private entrepreneurship is explained by the fact that it provides the domestic market with the necessary consumer goods and services, solves the problem of employment, increases the ability to produce competitive products in foreign and domestic markets, high flexibility and innovation.

Any management system is driven by specific mechanisms. In our view, the mechanism involves a certain sequence of economic events, the elements of which are both an incoming and outgoing event at the same time, as well as a process that occurs between them. The management mechanism is a method of directing and organizing the activities of management systems to specific goals, a combination of relationships, forms and means that ensure the functioning of the organizational and economic system.

Organizational and economic mechanism is often expressed in terms of "economic mechanism", "organizational mechanism" and "business mechanism". Scientific research on the organizational-economic mechanism includes views such as the identified set or sequence of economic events, the integrity of the elements of the organization in the decision-making process, the system of resource supply and distribution, the main methods of influencing management.

ANALYSIS AND RESULTS

The organizational-economic mechanism of management is a set of interconnected elements, which are based on the interconnection of small systems of organizational, economic, and sometimes technologically lower level. The result of the activity of each link or element at the lower level of the system serves as the initial information or source for the higher level links. Thus, the organizational and economic mechanism of entrepreneurial activity can be divided into 2 blocks:

- organizational mechanism, which includes administrative and legal regulation, organizational structure, functions and methods of management, labor organization, information support, etc;
- economic mechanism, which includes planning and forecasting, pricing, financing and lending, insurance, motivation and more. According to the author's approach to the development of organizational and economic mechanism of business management, the organizational and economic mechanism is based on hierarchy, systematization, coherence and coherence, which are the principles of management that take into account the sectoral characteristics of small business and private entrepreneurship.

Elements of the organizational and economic mechanism of business management were studied on the basis of SWOT analysis and development opportunities were assessed.

Tashkent region is one of the most developed regions for small business and private entrepreneurship in the Republic of Uzbekistan. As a result of measures taken in Tashkent region to develop small business and support entrepreneurship, the share of small businesses in the gross regional product in 2021 amounted to 70.6%. As of January 1, 2022, a total of 27,314 small businesses were registered in the region, which is an increase of 102.4% compared to 2020. By the end of 2021, the share of small businesses in the regional industry was 68.4%, in construction - 93.9%, in total services - 73.7%, in exports - 66.7%.

In Tashkent region in 2016, the production of industrial products by small businesses amounted to 1629.5 billion soums, the production of consumer goods - 1013.9 billion soums, the production of food products (except vodka and wine) - 529.4 billion soums, gross agricultural output, production turnover amounted to 2429.1 billion soums, retail trade turnover - 2898.5 billion soums, in 2020, according to these indicators, the



production of industrial products amounted to 3901.7 billion soums, the production of consumer goods - 2715.5 billion soums, food production - 1134.7 billion soums, gross agricultural output - 2493.1 billion soums, retail trade turnover amounted to 4575.4 billion soums. (Table 1).

Table 1

Volume of products and services produced by small businesses in Tashkent region7 (billion soums)

№	Industries	2016	2017	2018	2019	2020
1.	Production of industrial products	1629,5	1964,9	2685,2	3411,2	3901,7
2.	Production of consumer goods	1013,9	1205,1	1779,9	2193,4	2715,5
3.	Food products (except vodka and wine)	529,4	574,5	922,7	1101,1	1134,7
4.	Non-food products	435,6	577,9	826,1	1072,5	1557,1
5.	Gross agricultural output	2429,1	2877,1	3161,5	3568,1	2493,1
6.	Construction work	726,7	928,8	1109,7	1260,7	1552,8
7.	Retail turnover	2898,5	3506,5	4083,4	5173,5	4575,4
8.	Total services provided	1948,5	2565,9	2729,3	3911,9	5072,7

In 2020, the volume of loans issued by commercial banks to small businesses and private entrepreneurship increased almost 4 times compared to 2015 and amounted to 867.8 billion soums, which created more than 300,000 new jobs in the regions.

There are a number of ways to assess the organizational and economic mechanism of business management according to the characteristics of the industry, it is advisable to use the method of mathematical modeling to accurately assess the weight of factors. The main of these methods are correlation and regression methods. Mathematical models greater than 0.95 were also obtained using the periodic mathematical correlation method of nonlinear connections to study the interdependence of the indicators using the results of the study.

The effective organization of the organizational and economic mechanism of small business and private entrepreneurship in the country is primarily due to the fact that the process of lending and investing in them is focused on balanced areas. Based on this, the author has formed a system of factors that determine the problem. Loans allocated to business entities, investments made, products produced by business entities and services rendered as independent variables were accepted as related variables on grouped factors. According to the selected factors, linear models with correlation coefficient $r > 0.95$ of the main economic indicators of small business and private entrepreneurship in Tashkent region for 2013-2020, ie the statistical correlations of the annual changes in the factors determining the level of development.

A parametric correlation model was developed to assess the impact of loans on sectors and industries on the basis of linear models identified on the selected key factors of small business and private entrepreneurship:

$$y(x) = \begin{cases} x_{kr} = f(t) \\ y_i = \varphi(t) \end{cases}$$

$y_i = \varphi(t)$ – correlation function of changes in network performance of business entities per unit of time

The horizontal number axis shows the loans to small businesses, the vertical number axis shows the graph of the interrelationship of products and services produced by small businesses. In Tashkent region, the relative change in industries and sectors relative to loans to small businesses is reflected. The calculation of this function allows a parametric comparison of the extent to which loans to small businesses and private entrepreneurship led to the development of industries and sectors, the growth of industries in relation to changes in credit. According to him, loans in the production of consumer goods, retail trade and construction in the region are targeted, reflecting the level of development through loans.

CONCLUSIONS AND SUGGESTIONS

For innovative development of entrepreneurial activity it is necessary to solve the following tasks: creation of the organizational and economic mechanism of innovative development of activity based on the existing conditions; formation and development of structural units engaged in the field of innovation in the management of business entities; further development of production of export-oriented products from local raw materials with the effective use of new technologies.

The organizational and economic mechanism of innovation activity management includes 3 hierarchical mechanisms: the mechanism of formation of innovation relations, the mechanism of financing of innovative activity, the cluster mechanism of increasing the efficiency of innovation processes.

The role of non-governmental organizations, research centers and institutes, higher education



institutions in the development of entrepreneurial activity is also invaluable. Therefore, we propose a business support infrastructure mechanism.

In conclusion, it can be said that in the future it is expedient to further increase the share of business entities in the gross regional product, to implement the above proposals to ensure its sustainable growth trends.

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