



# Academicia Globe: Inderscience Research

ISSN: 2776-1010      Volume 2, Issue 5, May, 2021

## THE ECONOMIC MECHANISMS AND IMPLEMENTATION OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP

Azamjonov Ulug'bek Usmonjon o'g'li

University of Public Security of the Republic of Uzbekistan  
4th year CADET

Sayidjonov Sanjarbek Nodirjonovich

University of Public Security of the Republic of Uzbekistan  
1st year CADET

**Annotation:** This article discusses the reasons for the importance of supporting small and private entrepreneurship, as well as specific economic methods, mechanisms and incentives. The concept of "economic mechanism" used in practice today has been redefined by the author based on the analysis of scientific views and the results of scientific research.

**Keywords:** small business, private entrepreneurship, market mechanism, economic mechanism, institutional resources.

### Annotation:

Ushbu maqolada kichik va xususiy tadbirkorlikni qo'llab quvvatlash muhimligining sabablari shuningdek o'ziga xos iqtisodiy usullar, mexanizm va rag'batlar keltirib o'tilgan. Bugun amaliyotda qo'llanilayotgan "xo'jalik mexanizmi" tushunchasiga tahlil etilgan ilmiy qarashlar va olib borilgan ilmiy tadqiqotlar natijalariga tayanib muallif tomonidan yangicha ta'rif keltirilgan.

**Аннотация:** В статье рассматриваются причины важности поддержки малого и частного предпринимательства, а также конкретные экономические методы, механизмы и стимулы. Понятие «экономический механизм», используемое сегодня на практике, было переработано автором на основе анализа научных взглядов и результатов научных исследований.

**Kalit so'zlari:** kichik biznes, xususiy tadbirkorlik, bozor mexanizmi, iqtisodiy mexanizm , institutsional resurslar.

**Ключевые слова:** малый бизнес, частное предпринимательство, рыночный механизм, экономический механизм, институциональные ресурсы.

Encouraging small business and private entrepreneurship (SME) in Uzbekistan is one of the key strategic factors in the country's socio-economic development. In these areas, the President of the Republic of Uzbekistan Sh. Mirziyoyev has adopted a number of decrees and resolutions in the last two years.



Today, more than 525,000 businesses operate in the country. More than 56% of the country's GDP is produced by small and private businesses, which employ more than 78% of the working population [11]. At the same time, the implementation of the tasks set out in the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021, including the establishment of mechanisms for effective dialogue and beneficial cooperation between business and government agencies. This requires strengthening the guarantees of reliable protection of the rights and legitimate interests of private property and entrepreneurship.

The need for state support for small business and private entrepreneurship is necessitated by the fact that modern production must meet the increased requirements for its activities for the following reasons. These reasons are:

- the need for highly variable production, which allows you to quickly change the types of goods (services) due to the shortening of the life cycle of the product (service), the type of goods and the volume of disposable products;
- complex technologies that require completely new forms of control over the organization and distribution of labor;
- serious competition in the market of products (services), which radically changes the attitude to the quality of after-sales service and additional services;
- sudden change in the structure of production payments;
- The need to take into account the uncertainty of the external environment.

To this end, the development of small business and private entrepreneurship in each country is supported and encouraged by the state in its own economic ways. In general, the analysis of the concept of mechanism brings clarity to the goal. The term "mechanism" (derived from the Greek and meaning "machine", introduced by mechanics by the founders of economic theory) has been used in the economic literature to mean a set of methods and means of influencing economic processes. will be used. As long as the mechanism consists of a set of methods and tools to influence the process, they can be listed as follows: economic instruments: - taxation, subsidies, licensing, export quotas, credit allocation, public procurement. Legal means: - development of procedures and rules of economic activity, development of laws justifying the stimulation of economic activity, development, adoption and implementation of by-laws in accordance with the adopted laws. Organizational means: - commercial banks, funds, insurance, leasing services, technology parks, consulting and auditing services, business incubators. Social means: - the activity of educational institutions that train personnel for small business at the expense of the state develops programs to maintain a certain balance in the provision of public welfare, prepares the material basis for the application of humanitarian principles in the formation of the middle class [8].

In practice today, terms such as "economic mechanism", "economic mechanism of economic management", "economic management mechanism", "economic management mechanism", "market mechanism", "economic mechanism of support" meaning appears in a different mode of exposure. We consider it expedient to make a comparative analysis of these categories in terms of both the content and the theoretical basis in terms of research goals and objectives.



Each period and socio-economic formation has its own economic mechanism, and as production shifts from one method to another, the economic mechanism also changes, and so does the means of influencing economic processes. will change. This can be seen in the following description of the market mechanism:

Market mechanisms are economic instruments that are inherent in the market system, interdependent and co-operating [1]. These are demand, supply, commodity prices, market conditions, money, profit, loss, interest, economic obligation, competition.

The commonality of market mechanisms and economic mechanisms arises on the basis of business management. Despite its widespread use, the "economic mechanism" is a complex, multifaceted concept that does not yet have the necessary rights and place in economics. Economist M. Rasulov describes the economic mechanism as follows [9]. Economic mechanisms affect the movement of the economy as an internal force, its component turns around. The most important of such mechanisms are the tax system, subsidies, customs duties, licenses, economic benefits, government contracts.

Academician VA Medvedev describes the economic mechanism as a set of specific forms and organizational structures, methods of management and legal norms used in the economic laws of society, taking into account the specific situation [2]. VFFilippov describes the essence of the economic mechanism as follows: planning, economic incentives and incentives, which are the main part of management, including the economic mechanism, the organizational structure of economic bodies, the methods and techniques of their work, production integrates various forms of team involvement in management. Therefore, this mechanism should be considered as a set of specific methods in the management process that form its basis. They are interconnected. However, in effective management, the economic mechanism is more important than other mechanisms. The economic mechanism is the key link. Professor FM Kasimov states that the economic mechanism of the enterprise is a system of economic relations, a systematic management of social production (services), a set of methods, principles and forms to achieve high results [5].

The economic mechanism of an enterprise is also defined as follows: an economic mechanism is a centralized plan management support that provides the interaction of economic incentives and incentives in the management of the plan [6].

It can be seen that the Economic Mechanism is a complex structure that includes the planning of production activities, price formation, credit allocation, formation and distribution of gross income and profits, as well as other elements of economic (commercial) activities. This mechanism ensures the coherence and organizational structure of the movement of all structural units of the integrated device, which operates on the principles of commercial accounting.

The views of some other economists are unique and differ from other definitions. They see the economic mechanism as a tool for development and interdependence. This mechanism consists of methods of economic stimulus (stimulus forces), organization of production, exchange and consumption, specialization of economic activity, cooperation of economic activity and establishment of economic relations [1].



We believe that economic mechanisms are important in complementing market mechanisms and increasing their efficiency. The economic mechanism can include taxes, government contracts, tariffs, licenses, subsidies, credit and control over valuation mechanisms. It is clear that the economic mechanism and the market mechanism are interdependent and complementary.

Based on the theory of study and analysis of the definitions of "market mechanism", "economic mechanism" and "economic mechanism" by foreign and domestic scientists, we have focused on the generality and specificity of these mechanisms. However, we believe that it is necessary to clarify the differences between the concepts of "economic mechanism" and "economic mechanism". We have observed in the given definitions that they do not mean exactly the same thing. The difference is manifested in the concepts of "content and form", "practice and theory". In this case, it can be said that the economic mechanism is a mechanism of means and means, form, category and laws that define the features that are common to different phenomena. is the theoretical basis for.

Based on our scientific analysis, it can be said that the economic mechanism of state support is important in achieving high growth rates of the national economy and improving the stability of enterprises in market conditions, because the economic mechanism:

- First, it is a key component of the economic mechanism influence on economic relations and processes occurring in the enterprise reflects the economic methods, forms and means available;
- Second, the formation of an economic mechanism, a specific goal and within the framework of the principles using various economic methods and technological basis; and third, the purpose, form, and methods of economic management

Incentives act as a whole system that includes the provision of material, technical and financial resources to the economy.

In our opinion, the essence of the economic mechanism in the state support of small business and private entrepreneurship in market conditions is reflected in the following functions:

- Competitiveness of small business by government agencies in creating the economic and legal conditions that are the basis for stimulating development;
- Material and financial resources for small business and private entrepreneurship when entering;
- based on market mechanisms of business entities in achieving the socio-economic goals of the current and future stages of development of the republic;
- Qualitative reorganization of the material and technical base of employees on the basis of scientific and technical achievements in support of incentives and motivations to create; modern thinking at all levels of the management structure to support the economic environment necessary for the formation of, and to ensure that the behavior of communities and farms conforms to the requirements of the laws of a market economy.

Based on the analyzed scientific views and the results of our research, we define it as follows: the economic mechanism of state support - the achievement of goals in small business and private entrepreneurship, the integration of various sectors of the economy. is a whole system of technologies,



tools, supports for the use of material, technical, financial, social and institutional resources that ensure the development and proper development of the enterprise as a result of its proper use.

Theoretical approaches to modern production mean that the state policy of supporting entrepreneurship through economic mechanisms ensures not only the efficiency of production, but also the efficiency of material, technical, financial and human resources.

The concept of integrated improvement of economic mechanisms in ensuring the economic stability of the enterprise allows to identify ways to ensure the sustainable operation of the enterprise not only in the short term but also in the long run.

A study of the economic development of industrialized countries shows that the market forces of self-regulation are not sufficient to ensure the overall economic balance and the consistent development of the economy and its components in the interests of society as a whole. That is why the regulatory mechanisms of the state work.

## **List of used literature:**

1. Vaxobov A.V. "A multi-sectoral economy in transition to a market economy and its re-emergence." Т.: ict.fan.dok.diss.avtoref.-39 б.2. Горфинкель В.Я., Швандеров.А. Экономика предприятия: Учебник для вузов. Перараб.и доп.-Москва.: ЮНИТИ-ДАНА,2000.- с,274.
4. Ishmukhammedov L.A., Sunnatov M.N. Fundamentals of market economy and business. Study guide. Tashkent .: TDIU, 2004.p.36.
5. Qosimov F.M. Management in transport enterprises: A textbook for network management in higher education.-Tashkent .: Uzbekistan, 2001.-P.173.
6. Масленкова Л.А. Формирование экономического механизма управления организацией на основе концепции цепочки ценностей. кан.дисс.на соискание учен.степени.канд.е.н. Москва.2010.с.166. www.эсеоман.эду.ру.
7. Пищкова А.М.. Противоречия хозяйственного механизма.2006. Электронный экономический журнал // у э с с .мснип.ру
8. Райзберг Б.А., Лозовский Л.Ш.,Стародубцева Б.Б. Современный экономический словарь. Москва.: ИНФА, 2005.
9. Rasulov M. Fundamentals of market economy. Textbook. Tashkent .: Uzbekistan, 1999.-p.381.
10. Olmasov A., Vakhobov A.V. Economic theory. Textbook. Tashkent: General Publishing House of Sharq Publishing House. 2006.- p.275.
11. Stat.uz