

FORMATION OF SMALL BUSINESS STRATEGIC ZONES IN THE REGION (ON THE EXAMPLE OF THE KHOREZM REGION)

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Annotiation: This article analyzes the foreign experiences of forming strategic zones for the development of small businesses in the region and the possibilities of applying these methods in Uzbekistan's context. Key aspects such as financial incentives, tax privileges, and innovative financial mechanisms provided by the state to promote small business development are highlighted. The article also discusses measures and methods aimed at supporting small businesses, creating regional strategic zones, and fostering economic stability. Practical suggestions are provided based on the analysis of foreign practices and Uzbekistan's economic potential, focusing on innovative development and sustainability.

Keywords: Small business, strategic zones, tax policy, innovative development, financial incentives, Uzbekistan, foreign experience, economic potential, state support, startups, technoparks.

Introduction

In the context of today's globalization and economic integration, small business and private entrepreneurship (SBvaPE) are becoming the backbone of national economies. The experience of developed countries shows that the development of PE activities at the regional level on the basis of strategic zones is becoming an important factor in economic growth. From this point of view, in the conditions of Uzbekistan, the development of the SB on an innovative basis, the use of foreign experiences in harmony with local opportunities will be of urgent importance

Literature studies

Entrepreneurship in its current meaning was first used by the economist R. Cantilon.[1] After various stages of stratification of human society, political upheavals, and changes in economic balance, entrepreneurship, as an activity with a positive legal content, acquired an important concept and new content for today. The connection of entrepreneurial activity with the concept of risk was introduced by the English economist A. Smith [2]. As a result, serious views on the personality of an entrepreneur have increased. Against the background of market relations, the entrepreneur began to acquire the status of an innovator. Smith views D. Ricardo[3] was developed in research.

Methodology and results

The type of entrepreneurial activity that can have the greatest impact on the lifestyle of the population is small business and private entrepreneurship (SBPE), as indicated in the sources[4] It is recognized that the widespread implementation of innovations in the activities of SB and PE has led to a further increase in the level of this impact. The term small business and private entrepreneurship is subject to several invariants. In addition, there is no single definition of it. In our opinion, the reason for this is that the descriptive parameters of small business in different countries differ from each other and are associated with new elements of development entering the economic space.

In the experience of foreign countries, quantitative methods of determining the status of small and medium-sized enterprises are widely used. This includes not only the number of employees, but also indicators such as the turnover of enterprises, the amount of assets. In particular, in European countries such as France, Germany, the Netherlands, and Italy, enterprises with 10 to 50 employees are considered small business entities, while in the USA, quantitative criteria for small and medium-sized enterprises are determined based on the number of employees of enterprises by industry in the range of 500-1500, and in Japan in the range of 50-300.[5]

Criteria for defining small, medium-sized and micro enterprises in the European Union[6]

Table1

Principle	Micro	Small	Medium
Maximum number of workers	<10	<50	<250
Maximum annual turnover	≤ 2 mln. evro	≤ 10 mln. evro	≤ 50 mln. evro
Maximum balance amount	≤ 2 mln. evro	≤ 10 mln. evro	≤ 43 mln. evro
Independence	Unimportant	No more than 25 percent of the capital or voting shares are owned by one or more non-small enterprises	

In our country, along with the CIS countries, quantitative criteria are also used to determine the status of SB. In this case, only the number of employees of the enterprise is taken as the main criterion. According to it, the quantitative criterion for SB entities by the number of employees is set at the highest level in manufacturing industries and sectors, up to 200 people. The smallest number is 5 people in the trade system, as well as in entities providing public catering services.

Classification of SME entities

Table 2

Davlatlar	Micro		Small		Medium		Large	
	Number of employees	Annual income	Number of employees	Annual income	Number of employees	Annual income	Number of employees	Annual income
USA	10	500 000 \$	10 - 500	0.5mln\$- 10mln\$	500- 1000	11mln\$ -1mlrd\$	1000+	1mlrd\$+
Germany	10	350 000€	11-50	350 000€ -6mln€	51-250	7mln€ - 20 mln€	250+	21 mln€
China	20	500 000 \$	20-100	0.5 mln\$- 30mln\$	101- 300	31mln\$ - 400mln \$	300+	400mln\$ +
Kazakhstan	15	30 000 tenge	100	31000- 300 000 tenge	101- 250	301 000 -3mln tenge	250+	3mln tenge+
Uzbekistan¹	To 1 billion soum		1billion-10billion soum		10billion- 100billion soum		100 billion soum+	

Summary

In our interpretation, small business is an activity based on the principle of owner-employee-owner management, actively economically innovative in a legal and regulatory environment, aimed at the material and intangible interests of ownership entities, with a level of risk limited by the criterion of preserving the nature of renewal.

In our opinion, it would be advisable to widely introduce the principles of regional development to increase the effectiveness of reforms. In most cases, this is due to the fact that regional development is associated with the specialization factor, and legal factors represent only one side of this issue. The main reason is that the socio-economic potential of the regions of the Republic differs from each other, which is due to the costs of resource provision, the importance of social consciousness in production, the psychology of labor and production in the region, the area of economic activity of the working-age population, the attractiveness of the regional infrastructure for

¹ PF-21-сoH 10.02.2023. Tadbirkorlik subyektlarini toifalarga ajratish mezonlari hamda soliq siyosati va soliq ma'muriyatchiligini yanada takomillashtirish chora-tadbirlari to'g'risida

investment, as well as the differences in the level of development of the economic sector.

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