

COMPETITIVENESS OF SMALL BUSINESS

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Abstract. *The article discusses the processes and ways of development of small and private businesses, as well as the impact of the competitiveness of small and private businesses on the development of the country's economy.*

Keywords: *competitiveness, small business, entrepreneurship, functions, development, economic stability, development factors, conditions for the development and competitiveness of business.*

КОНКУРЕНТОСПОСОБНОСТЬ МАЛОГО БИЗНЕСА

Аннотация. *В статье рассматриваются процессы и пути развития малого и частного бизнеса, а также влияние конкурентоспособности малого и частного бизнеса на развитие экономики страны.*

Ключевые слова: *конкурентоспособность, малый бизнес, предпринимательство, функции, развитие, экономическая устойчивость, факторы развития, условия развития и конкурентоспособности бизнеса.*

At the new stage of economic reforms, increasing the economic potential of enterprises, i.e. technically re-equipment and modernization, creation of production systems is a very important issue. Competition is the most important sign and method of development of market economy and commodity economy in general.

Understanding the economic content of competition requires approaching it from different angles. Competition between independent producers of goods (enterprises) is a struggle to produce goods under favorable conditions and sell them at a price that brings good profit, to strengthen their position in the economy as a whole. In doing so, they also struggle to purchase the necessary means of production, raw materials and materials, and hire labor. Competition between producers is ultimately a struggle for consumers.

1) The competitiveness of the product is determined by its superiority over the products of other manufacturers of the same type in terms of quality and price.

2) The competitiveness of firms is determined by the ability to produce and deliver the same or substitute products in terms of consumer characteristics at lower prices and with better quality compared to similar, competing enterprises.

3) A number of factors determine the competitive advantages of companies. These can be divided into two groups:

- 1) level of development of national companies;
- 2) the quality of the macroeconomic business environment.

In the lectures of the participants of the annual World Economic Forum in Davos, Switzerland, competitiveness at the level of firms is linked to four main factors:

- resources (availability, volume and quality of resources for the enterprise to start production in the country);
- external competition;
- demand;
- internet connections.

The same definition can be extended to the competitiveness of industries.

Competitiveness of the national economy is the ability to produce goods and provide services that meet the demands of the world market under conditions of honest competition, to ensure economic growth and increase the quality of life, and to maintain high rates of economic growth in the medium and long term.

The question of the competitiveness of the national economy has always been in the focus of attention of economists. The ideas that are the basis of many modern theories on this issue are covered in the researches of M. Porter.

Today, increasing the competitiveness of enterprises as the main criterion for the development of the market economy is considered one of the important issues. Therefore, it is important to conduct marketing research in enterprises (Figure 1).

A free or absolute monopoly exists when one firm is the sole producer of a product and there are no close substitutes for that product. The characteristic features of a free monopoly are as follows:

1. Since the network consists of one firm, it is considered the only producer of the existing product (service).
2. Since there are no close substitutes for the product, the consumer is forced to buy the product from the monopolist. Depending on the type of product or service offered, a monopolist may or may not engage in extensive advertising.
3. In a free monopoly, the firm exercises considerable control over the price. The reason for this is simple. He is considered the sole producer of the product (service) and therefore has control over the total volume of the offer.
4. The existence of a monopoly causes the existence of barriers to enter the network. Economic, technical, legal or other barriers prevent new competitors from entering the network.

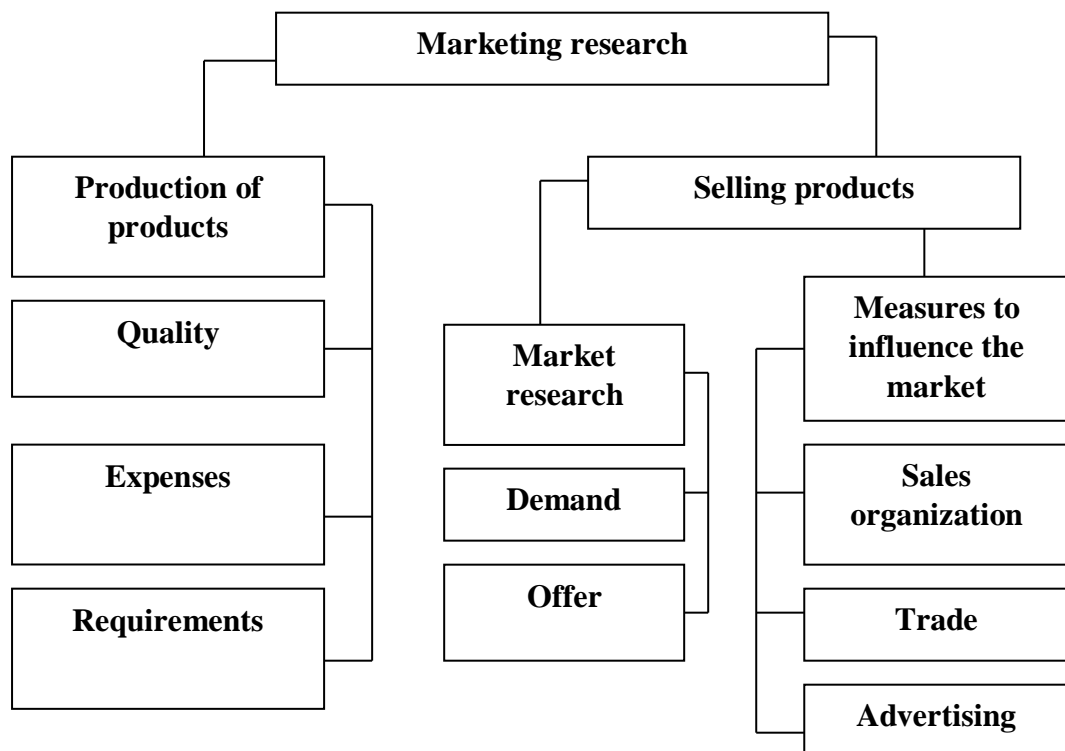


Figure 1. Method of conducting marketing research in increasing competitiveness of enterprises.

The next task in creating a competitive environment is to cancel the requirement for privatized enterprises to maintain their previous activities for a certain period. This opens up new opportunities to radically change the composition of the output, to launch the production of products that are in high demand and can compete in the domestic and foreign markets.

Organization of new non-state structures, that is, small and medium-sized enterprises based on individual private ownership, as well as various cooperatives, companies, limited liability companies, are the next tasks in creating a competitive environment. Also, it is necessary to create a wide opportunity for them to use loans and material resources and to give them freedom in foreign economic activity.

In order to increase the competitiveness of Uzbekistan's economy in the long term, it is necessary to focus efforts and resources on the following areas:

- modernizing the economy and deepening structural changes, increasing the innovative factors of economic growth, ensuring a stable high level of economic growth by moving the country's economy to a qualitatively new stage due to a 2-fold decrease in the material and energy capacity of GDP (8%);

- the first object of modernization should be content capable of meeting the demand for innovative products, compliance with state education standards, a favorable investment environment necessary for the development of innovation infrastructure, and other elements of sustainable economic growth;

- increase the competitiveness of local goods in the foreign market based on the development of new types of products and high technologies; introduction of energy and water-saving technology, which is based on the application of new discoveries in industrial production, biotechnology, informatics and nanotechnology and has great potential in many branches and sectors of the national economy;

- deepening the integration of the national economy into the world financial and economic system, diversifying the export composition by increasing the share of competitive finished products in the foreign market in order to reduce its dependence on the foreign economic market;

- strengthening and improving the fuel and energy balance of the country, since the share of natural gas in the energy supply of the economy is much higher than the norm, it is necessary to actively develop promising energy-saving technologies and international exchange, wide use of alternative sources of energy.

In determining competitiveness at the country level, the main focus is on the created macroeconomic environment (the established rate of inflation, tax burden, access to credit resources, knowledge of the dynamics of the national exchange rate and its compatibility with the interests of producers of products intended for export), the quality of state institutions, the level of development of infrastructure, human capital and focuses on the quality of the education system, the business environment, and the development of commodity, financial, and cocktail markets.

The existence of a stable relationship between a favorable macroeconomic environment and product competitiveness is consistent with the main principles of modern economic theory and has been proven by a large number of practical studies. For example, a high level of inflation

extinguishes existing sources of investment in the economy, limits the pace of modernization of production with a negative impact on the quality of manufactured products, increases the costs of producers and reduces price competitiveness. Competitiveness of goods is also adversely affected by high budget deficit and tax burden, exchange rate instability, high material intensity of production and capital intensity level of economic growth.

Table 1

Industries with competitive advantage in Uzbekistan

Groups	Economic sectors	Economic sectors	Competitive advantages
Industries with a strong competitive position	Raw materials and production	Non-ferrous metallurgy, cotton processing, oil and gas, heavy industry	It has high competitiveness advantages
Industries with a relative competitive position	Production of consumer goods	Mechanical engineering, automobile engineering, light, chemical, food	Relatively low competitiveness has advantages
Industries with a potential competitive position	Production of finished products with high added value	Microelectronics-information complex, pharmaceuticals, microbiology	Potentially enhanced competitive advantage

Source: compiled by the author

In the processing industries, the first category strongly competitive group includes the following raw materials and production sectors of the industry (Table 1): oil and gas, non-ferrous metallurgy, cotton processing industry.

The "product-market" matrix, proposed by I. Ansoff in 1966, is used to identify alternative strategies in determining the ways of acquiring the target market. This is shown in Table 2.

2 - table

"Commodity-market" matrix

Goods	Markets	
	Current	New
Current	Market penetration strategy Accelerate sales Attract new customers Crushing competitors Expansion of the field of consumption of goods	Market development strategy New markets New sales territories International markets Creating new areas of product use

New	Product development Production of a new product with the strength of the Uz Deal development License Exchange skillfully	Diversification Horizontal Vertical Concentric
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Source: Bagiev G.L. i dr. Marketing, M.: Peter, 2005

As can be seen from Table 2, there are 4 main strategies for transferring the resources of the firm's advantage:

1. Strategy of deep penetration into the market;
2. Product improvement strategy.
3. Market development strategy;
4. Diversification.

There are 3 types of diversification: horizontal, vertical and concentric.

Horizontal diversification refers to the production of goods that are similar to previous goods in terms of production, technical, supply and sales conditions.

Vertical diversification means increasing the depth of the product program as well as the sales direction of the previous product. For example, a specialty store selling August products encourages breeding and breeding.

Concentric diversification keeps the company from developing a new product.

Enterprise competitiveness is not just a concept, but also appears as an economic term in the development of economic relations and represents a real economic reality in the development of the economy. It fully manifests all the capabilities of enterprises and acts as a driving lever in this activity.

Table 3

Small Business Competitiveness Principles

The principle of Multiplicity	This principle boils down to the fact that a viable tax system objectively cannot consist of only several taxes, and even more so of a single tax.	of Simultaneity principle	It reflects the fact that the calculated level of competitiveness achieved by the enterprise corresponds to a well-defined period. This level of competitiveness changes over time.
The principle of complexity	It involves consideration of all aspects of the object of study in its connection and dependence with other processes and phenomena.	of hierarchy principle	The principle of hierarchy. Each element is a system. An element of the system participates in its formation when interacting with neighboring elements; at the same time, it itself consists of interacting parts and therefore acts as a system of a lower level.

Principle of equifinality	Equifinality is the ability of complex developing systems to achieve the same final steady state under different starting conditions and in different ways. In relation to organizational change, this concept means that the final state of change, which implies an increase in the effectiveness of the organization (or the achievement of other goals of change), can be achieved using a variety of methods, different trajectories of change.	of The principle of communication	According to a number of modern researchers, the communication skills of employees have a significant impact on the effectiveness of the organization. A communicative employee is able to communicate with a wide range of environment: representatives of different age categories, people of different professions, having different status, etc.
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Source: compiled by the author

Enterprise competitiveness occurs in conditions of economic freedom, political stability, legal basis, and institutional support.

Based on these factors, as a result of conducting marketing activities in the market, it is necessary to use all the possibilities aimed at achieving the level of profitability of the enterprise's economy, as well as the full study of supply and demand.

In increasing the competitiveness of the enterprise, it is necessary to consider the useful standards of the economic activity of the enterprise and the economic conditions corresponding to them as the main criteria.

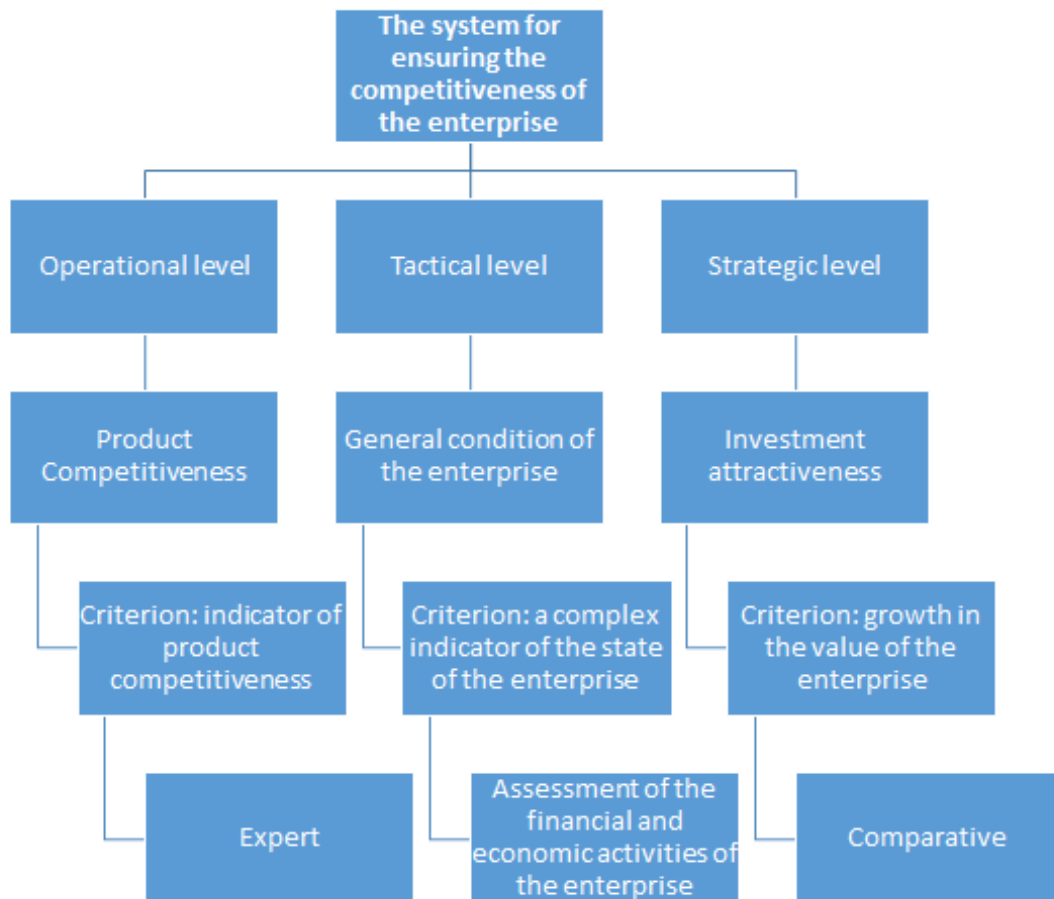


Fig.-1. Enterprise competitiveness criteria

The competitiveness of the enterprise is demonstrated on the basis of the marketing tasks affecting it, as well as the balance of state and business interests on the basis of state control, the simplicity and clarity of registration, the stability of tax legislation and the provision of preferential loans by banks, as well as the development of effective export-import processes. has a positive effect.

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