

## **Issues of Increasing the Efficiency of Small Business in Rural Areas**

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**Abstract:** The article discusses the issues of improving the efficiency of small business in the village, which occupy an important place in the development of the economy, ensuring employment of the population through the creation of new jobs, as well as issues related to factors that serve to improve the well-being of people.

**Keywords:** environment, business, entrepreneurship, investment, entrepreneurial activity, foreign investment, innovative economy, economic mechanism, innovative culture, investment system.

In order to further increase the volume of production of small businesses and entrepreneurial entities in Uzbekistan, attention is being paid to attract more farms to the sector and to significantly expand the participation of the private sector. In the framework of the main directions of economic reforms, "...the development of agriculture based on strategic approaches" is defined as the most important task. Also, for the sustainable development of business entities, a number of legal and regulatory documents are being adopted and appropriate changes are being made. However, the implementation of the perspectives of sustainable development of business entities is not up to the required level, and the main reason for this is that the factors that negatively affect the sustainable development of farms and existing problems and opportunities have not been studied significantly, and the level of reliability of the results of the econometric evaluation of the influencing factors is insufficient.

Currently, the development of the country's economy and especially the rapid recovery of the economy in any emergency situation is reflected in the business activity of small business entities. The need to form entrepreneurship as a new organizational and economic structure in the village is explained by reducing interruptions in inter-sectoral relations, testing livestock and other agro-industrial complexes in the period of reforms.

As a result of fundamental economic changes, entrepreneurial activities are being organized in agriculture in order to regulate socio-economic processes in rural areas, reduce the level of state intervention in the production of meat, milk and consumer products, ensure employment, increase the seasonality of agricultural production, and reduce the bankruptcy of agricultural enterprises. To a large extent, this is reflected in the reduction of state intervention in the activities of agricultural enterprises and the establishment of farms, which are one of the main sources of attracting private capital investments.

The form of entrepreneurial activity in agriculture is manifested in the form of agribusiness. Agribusiness is a branch of the market economy related to agricultural production and deep processing, sale, storage, and distribution of its products.

In connection with the transition to the market economy, fundamental reforms were carried out in the agricultural organizational structure of our country. First of all, measures were taken to reorganize state and collective farms in our country, and in a short period of time, cooperative farms based on the principles of labor and property interests were established instead. In addition, the main attention was paid to the development of farmers and private homesteads, which are considered a new form of management in the agrarian sector of our country.

The purpose of this is that in the development of small business in rural areas, more individual family farm forms are suitable, and they can fully demonstrate the characteristics of this network development. The effectiveness of each form of economic management depends on the degree to which it can successfully implement the following functions.

Therefore, the redistribution of production factors, in which each form of economic management, based on its economic, organizational and legal basis, differs from one another in achieving economic resources and their effective distribution; stimulation to achieve a high level of production efficiency and labor results, stimulation in the economic content of the form of economic management, i.e. creation of a mechanism consisting of methods encouraging high results; ensuring the mutual balance of economic interests, in which, differing in terms of their organizational and management structures, they have a harmony and conflict of various economic interests. Accordingly, ensuring the balance of these interests is one of the main tasks of each specific form.

It should be noted that the effect of small business development in rural areas should be realized on the basis of the voluntary principle of transition from one form of economic management to another under the conditions of a stable economic system, that is, on the basis of the voluntary decision of the owner and members of this economy. Because the purpose of changing the forms of business management is ultimately to increase efficiency, the owner of the business and his members can correctly assess the validity of such a decision.

To sum up, in the period of ongoing economic and food crises in the world, the need for sustainable economic development of small businesses and farms in rural areas is necessary, because ensuring food security in our country serves as the basis of the activities of farms. This, in turn, indicates that the agrarian policy serves to increase the standard of living of the population of our country. Also, it can be seen from the above analysis that today the step-by-step solution of the problems of effective organization of small business activities in the rural areas of our country creates an opportunity to increase the efficiency of their production results.

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