

**DEVELOPING THE SERVICE FIELD IMPROVING THE MECHANISMS OF  
EFFECTIVE USE OF STATE SUBSIDIES AND ASSISTANCE**

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**Abstract**

The role of small enterprises in providing employment in the so-called “dormitory” areas, in which the majority of residents do not work at their place of residence, is noticeable. Small businesses in such areas are characterized by specialization in activities in the service sector, which were previously carried out within the family. The purpose of the work is to explore the system and effectiveness of supporting small business in the service sector in Uzbekistan and its constituent entities.

**Keywords:** legal relations, entrepreneurs, rights, loans, investments, small structures, underestimation, economic relations, mobile participant, market transformations.

Modern entrepreneurship is becoming widespread, which is primarily due to the development of the service sector and the opportunities provided for the functioning of small businesses in this area. In the service sector, as in other sectors of the national economy, large, medium and small enterprises operate, including those without the involvement of hired labor. A distinctive feature of this area is the clear quantitative dominance of small businesses [1].

The role of small and medium-sized enterprises in creating new jobs, primarily in the service sector, is generally recognized. It was these enterprises that provided the main increase in employment in the last decades of the twentieth century. Small enterprises are especially important for providing employment in the most backward regions.

The main goal of such small businesses is to provide stable employment for local residents. All income from business activities of enterprises is used to create new jobs, provide various services to the local population, and implement various projects in the interests of community development [2].

To determine the correct and most promising ways to support small businesses, the state currently needs to have a complete and full-scale picture of who represents it and in what areas,

taking into account the new criteria for classification into each category of business. Entrepreneurs themselves should be interested in this information. To develop successfully, you need to compare your activities with national indicators.

Conducted research shows that our country has not yet created an effective system of supporting small businesses [3]. Therefore, in the current conditions, representatives of small businesses find themselves in a very difficult situation, which is determined by the following reasons:

- lack of targeted state policy in relation to small business and a systematic approach to solving its problems. The general opinion has become that small business is developing not thanks to, but in spite of government policy;

- unsettled legal relations do not allow entrepreneurs to fully use collateral and guarantee rights, attract loans and investments, which often leads to the curtailment of the activities of many small structures [4];

- underestimation by the state of small business as an equal subject of economic relations, the most active and mobile participant in the process of market transformations, which, with minimal own resources, ensures a high turnover of capital investments. Entrepreneurs do not have any significant advantages in the credit, financial and tax systems, in customs protection, experience significant obstacles in business development, and operate in unusually difficult conditions for survival. For small businesses, any activity in the sphere of production becomes unprofitable, and to a greater extent it seeks to establish itself in trade or intermediation [5];

- the state actually refused to protect the small owner and his property from the criminal world, leaving him alone with organized crime - racketeers, blackmailers, robbers;

- the relationship between small business representatives and local authorities is contradictory [6]. On the one hand, small business becomes a natural, objective and reliable support of government in solving economic problems at the local level, which provides the small business sector with some support. On the other hand, small businesses at the local level are completely dependent on the decisions of representative and executive bodies of local authorities.

Consequently, the unsettled relationship between a small business representative and the state and government, the latter's desire not so much to organize and stimulate the development of small business and protect its representatives, but to use it to receive money into the treasury, makes the small entrepreneur powerless and defenseless. If such a policy continues, he may be among the most ardent supporters of changing the nature of power and state policy, and the possibility and effectiveness of economic reforms will depend on his social and political behavior [7].

Therefore, at the present stage of socio-economic transformations in Uzbekistan, issues of supporting and developing entrepreneurship, and primarily small businesses, must inevitably be brought to the center of state policy.

At the same time, it cannot be said that nothing has been or is being done in our country in the field of small business. Over the past few years, the issues of creating favorable conditions for small and medium-sized businesses have been considered as the most important resource for Uzbekistan's accelerated transition to an innovative path of development and have become a priority in the activities of the Government of Uzbekistan.

Small and medium-sized businesses in Uzbekistan face significant difficulties. The global problem of this sector of the economy is the insufficient resource base, both material, technical and financial [8].

Today, in various regions of Uzbekistan, a large number of financial and non-financial forms of state support for small businesses are used. The significant potential of small businesses allows them to boost the Uzbek economy.

Organizations providing support to aspiring entrepreneurs: business incubators that place specially selected small businesses on their own territory on preferential terms; business schools that provide training, retraining and advanced training for entrepreneurs, managers and personnel of newly created enterprises [9].

One of the most promising and rapidly developing sectors of the economy, characteristic of small businesses, is the service sector. Currently, there are practically no organizations left that do not provide services to one degree or another. This is due to the fact that most people have the opportunity to improve their quality of life.

As an integral part of small business, the service sector faces problems that are typical for most businessmen.

Labor is the main production resource of the service sector. The emergence of a large number of small enterprises in the service sector leads to an increase in the number of people employed in this industry [10]. The service sector also means new jobs, the development of automation, the use of computer technology, and ultimately improving the standard of living of the population. For the development and establishment of small and medium-sized businesses in the Uzbek service sector, government support for young entrepreneurs is necessary.

The priority non-financial forms of assistance to small businesses include the following:

- various types of information and consulting support. Using this service, a businessman can receive comprehensive information on the following issues: all types of taxation, state registration of legal entities and individual entrepreneurs, consultations on maintaining accounting and tax records of an enterprise, provision of accounting and tax reporting in electronic form, conduct social surveys that identify the most pressing problems aspiring

entrepreneurs, conducting training seminars aimed at improving the literacy of existing businessmen, as well as increasing the number of small and medium-sized enterprises [11];

- assistance in attracting financial and investment resources;
- government guarantees for commercial loans. The state shares the risk when providing credit with the enterprises and banks themselves;
- accelerated deadlines for processing documentation;
- support to increase sales markets;
- education;
- search for counterparties;
- assistance in entering the market [13].

As society develops and productive forces grow, a certain development of the service sector occurs. There is an increase in employment in this area, an increase in the technical equipment of labor, and the introduction of increasingly advanced technologies. Currently, the role of services, as one of the most important sectors of the economy, is very large and relevant. This is due to the increasing complexity of production, the saturation of the market with goods of both everyday and individual demand, and the rapid growth of scientific and technological progress, which leads to innovations in the life of society. All this is impossible without the existence of information, financial, transport, insurance and other types of services. Services are also an integral component of trade in goods (especially technically complex ones), because The marketing of goods requires an increasingly developed network, which consists mainly of services provided during sales and after-sales services. To improve the development of the service sector, it is necessary to carry out the following activities [12]:

1. It is desirable that in the future the role of the state in the development of this sector of the economy will increase. Financial support from the state for enterprises and organizations providing services is required.
2. The problem of development and regulation of the service sector requires an integrated methodological approach to the formation of such a mechanism of action for organizations and enterprises that would ensure the choice of the most effective and targeted development strategy that forms the basis of the population's lifestyle.
3. With the rapid growth of the role of services at present, it would also be useful to increase investment in this area.
4. It is necessary to lower prices and tariffs at least for vital types of services (domestic services, medical services, educational services, utilities, passenger and transport services).
5. Conducting marketing research in the field of studying the services market makes it possible to improve this area both in the domestic and foreign service markets.

6. It is important to improve the quality of new types of services, improve the technology for their provision; it is also possible to use the experience of foreign companies, but in relation to Uzbek living conditions.

In the future, the idealization of the organization of statistical observation of services should be aimed at obtaining specific information about the service sector as a whole and about individual indicators that reflect the degree of satisfaction of the needs of society in the current socio-economic conditions, as well as the share of the service sector in the creation of gross domestic product.

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