

ISSUES OF DEVELOPMENT OF INTEGRATION PROCESSES IN DOING BUSINESS BETWEEN ENTERPRISES

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Abstract - *This paper examines the issues of ensuring the balance and sustainability of the national economy, which require increasing the financial stability of the business entities operating in it, which require scientific research on the development of cooperation and integration processes between enterprises. On this basis, this work reveals the specific aspects of the development of integration and cooperative relations between business entities and entrepreneurship in our country, developed scientific proposals and practical recommendations aimed at identifying priority areas of business and business development, business strategies and the development of cooperative and integration relations.*

Keywords: *business, enterprise, industry, production, service, entrepreneurship, integration, cooperation, investment, strategy, investment activity, management, development.*

INTRODUCTION

As is known, significant work is being carried out in Uzbekistan to further develop small business and private entrepreneurship, which occupy an important place in the national economy. This sector contributes to enriching the domestic market with competitive, export-oriented and high-quality goods, creating new jobs, increasing household incomes and ensuring sustainable economic development. At the same time, small business and private entrepreneurship serve as an important source of tax revenues to the state budget and contribute to the growth of gross domestic product, which is one of the key indicators of economic development. The activities of small businesses and private entrepreneurs are becoming a solid foundation and, at the same time, an important driving force of political, social and economic stability in the republic.

The creative initiatives and practical efforts of entrepreneurs and business representatives have begun to produce positive results as an integral part of the ongoing reforms aimed at transitioning to a market-oriented economy. Most importantly, in recent years the pace of economic growth has become more stable, while the role of entrepreneurship in ensuring employment, stimulating competition and expanding production opportunities has increased significantly. As a result of consistent adherence to the principles of a free economy, the importance of private initiative, business activity and market mechanisms in economic development has grown.

The current stage of economic reforms being carried out in Uzbekistan is of

particular importance, since special attention is being paid to the development of small business and private entrepreneurship. The development of this sector is considered one of the strategic priorities of the state's economic policy. In a relatively short period, significant progress has been achieved in forming deep structural changes in the economy, ensuring income growth, strengthening foreign trade and investment processes, supporting the sustainable development of small businesses and private entrepreneurship, and improving the functioning of the banking and financial system.

Small business and private entrepreneurship also play an important role in increasing the flexibility and competitiveness of the national economy. Due to their mobility, ability to adapt quickly to market changes and capacity to introduce innovations, small business entities can respond effectively to consumer demand and regional development needs. In addition, this sector creates favorable conditions for the development of family entrepreneurship, women's entrepreneurship, youth initiatives and local production, which contributes to reducing unemployment and improving the welfare of the population.

The effective implementation of these tasks, particularly ensuring the balance and stability of the national economy, requires strengthening the financial stability of business entities operating in this sector. It is also necessary to improve access to financial resources, expand cooperation between small businesses, strengthen integration processes, develop modern forms of partnership and support entrepreneurial initiatives through effective institutional and financial mechanisms.

The fulfillment of the above-mentioned tasks requires scientific research aimed at studying the development of mutually beneficial cooperation and integration processes among small businesses and private entrepreneurship entities. In this regard, the analysis of the organizational, financial and economic foundations of small business development is of great importance for improving the effectiveness of reforms, increasing entrepreneurial activity and ensuring the long-term sustainable growth of the national economy.

LITERATURE ANALYSIS AND METHODS

On the topic of small business and entrepreneurship, many scientists of our republic have conducted scientific research and published several brochures. A.Abduganiev, A.Abdurakhimov, S.Ablaev, B.Berkinov, A.Zhuraev, D.Gazibekov, A.Bedrintsev, A.Vakhobov, S.Gulomov, H.Kimsanbayev, A.Isozhonov, G.Saidova, F.Kayumov, A.Abdullaev, A.Sotvoldiev, Sh. In the studies of authors such as Yuldashev, the formation and development of small businesses are described in detail business in Uzbekistan, its organizational forms, small business infrastructure, issues of developing a business plan and methods of economic analysis of the activities of small enterprises.

Theoretical aspects and some territorial features of business and entrepreneurship development in Uzbekistan and its territories, territorial features and prospects for ensuring its investment activity are studied in the scientific works of our economists such as M.Abdusalyamov, T.Akhmedov, A.Sadykov, A.Soliev, O.Abdullaev, A.Kayumov, F.Egamberdiev, Sh.Shodmonov, T.Juraev, K.Muftaidinov,

D.Alimatova, A.Gulmatov [6], N.Muradov [5] and others.

A.Chayanov defines the economic essence of cooperation as relations that ensure the commonality of economic interests of various economic entities that independently unite their activities. The author emphasizes that the main attention here should be paid not to property, but to serving the interests of independent entities entering into cooperative relations. I.Buzdalov defines this concept as "cooperation is the joint activity of various economic entities, combining individual, collective and public interests, stimulating the creative work of individuals. Currently, it provides social protection for a person, as well as his social guarantee."

While T.Mugan-Baranovsky focused on the forms of cooperation and the social aspects of the cooperative process, interpreting it as a social movement, R.Husanov in his works explores the economic aspects of cooperation [4]. At the same time, the main attention is paid to small producers, and the economic and social nature of cooperation is interpreted from the point of view of that time.

At various times, an in-depth approach has not been applied to improving the economic mechanism of state regulation and support for the development of entrepreneurship and ensuring its investment activity in the regions of our country, choosing as a separate problem the marketing system of products sold as a whole. The reason for choosing this topic was the need to conduct scientific research, develop scientific proposals and practical recommendations on this topic, while seriously approaching the issue, the work currently underway to organize the activities of agricultural firms in the field of horticulture.

In this study, the methods of scientific abstraction, dialectical research, induction and deduction, purposeful development, monographic observation, systematic and comparative analysis, graphical representation, expert assessment and economic statistics were used.

RESULTS AND DISCUSSION

One of the main goals of building a socially oriented market economy in our country is the priority development of forms of small business and private entrepreneurship in the country. To achieve this goal, economic reforms were carried out, and the basic institutional foundations were created to enhance its role. These include regulatory legal acts that guarantee the organization of entrepreneurial activity, non-governmental organizations, and enterprises that assist entrepreneurs. The creation of a complex of private entrepreneurship and small business enterprises is successfully underway in Uzbekistan. Today, small business entities and private entrepreneurship carry out activities in all sectors of the economy of our country, in the production of mechanical engineering products, consumer goods, agriculture and food, as well as in other areas.

In order to further expand the production of industrial products, widely involve small businesses in industrial activities, strengthen and develop industrial cooperation, reduce the cost of production, a decree of the President of the Republic of Uzbekistan “On measures for the further development of industrial cooperation and expansion of production of high-demand products” was adopted [1].

Further improvement of the welfare of our people, transformation of economic sectors and accelerated development of entrepreneurship based on the principle of "for the sake of human dignity" in subsequent years, with a deep analysis of complex global processes and the results of progress achieved by our country, in order to unconditionally ensure human rights and interests and identify priorities for reforms aimed at forming an active civil society, adopted Decree of the President of the Republic of Uzbekistan "on the new development strategy of Uzbekistan for 2022-2026" [2]. As stated in the document, the state program for the implementation of the new development strategy of Uzbekistan for 2022-2026, consisting of seven priority areas developed on the principle of “from an action strategy to a development strategy,” pays special attention to the issue of "accelerated development of the national economy and ensuring high growth rates."

The comprehensive measures taken to further improve the business climate, ensure reliable protection of small businesses and private entrepreneurship, their comprehensive support and eliminate barriers to accelerated development made it possible to increase the number of operating small enterprises and microfirms to 523.6 thousand on January 1, 2025, and increased by 60.8 thousand, or 13.1 compared to the same period last year%. The number of small businesses amounted to 17.9 units per 1000 residents. During 2024, 90.2 thousand new small enterprises and microenterprises were created, which is 8.8% less than in the same period of 2025. As of January 1, 2025, the number of operating small enterprises and microenterprises (excluding farms and farms) amounted to 523,556, of which 90,177 were newly created. As of January 1, 2025, the largest number of small enterprises and microfirms operating by region in Tashkent amounted to 106071, or 20.3% of the total number. In 2022, the largest number of small businesses by region per 1000 inhabitants was 35.9 units in Tashkent city, 24.8 units in Navoi region, 23.0 units in Syrdarya region, 21.5 units in Jizzakh region and 19.7 units in Tashkent region.

Table 1

Newly created small enterprises and micro firms by type of economic activity [14], in units

	2023	2024	difference (+;-)
In total	98 886	90 177	- 8 709
Agriculture, forestry and fisheries	11 710	12 018	308
Industry	19 285	16 191	- 3 094
Construction	6 330	4 795	- 1 535
Trading	38 459	34 384	- 4 075
Transportation and storage	2 642	3 355	713
Accommodation and catering services	6 621	5 812	- 809
Information and communications	2 521	2 617	96
Provision of medical and social services	1 760	1 498	- 262
Other activities	9 558	9 507	- 51

In the republic in 2024, the number of operating small businesses amounted to 17.9 units per 1000 population. In 2024, the largest share in the total volume of newly created small enterprises and microfirms by region was Tashkent -16.7%, Samarkand region - 11.8%, Ferghana region - 9.8%, Kashkadarya region - 9.5%, Tashkent region - 7.5%, Khorezm region - 6.3%, Namangan region - 6.1%.

It is worth noting that most of the new jobs created in our country are in the field of small business and private entrepreneurship. This leads to an increase in employment in the small business sector and the creation of new jobs.

It is known that since 2016, the countries of Central Asia have embarked on the latest stage of activation of regional cooperation, in which the main focus was consciously on economic cooperation. It seemed that the coming to power of new pragmatic leaders in Uzbekistan and Kazakhstan, the opening of new transport routes with the help of China, and the discussion of the development of cultural and other ties would help the countries effectively pass this stage. Speaking about the processes of integration or cooperation in Central Asia, even before the war-related crisis broke out in Ukraine, the Central Asian countries for many years sought to diversify their export and import routes. Now, when serious problems have arisen on one of the main export routes, the relevance of this task is increasing [13].

Of course, there is also a southern direction. This is the Chinese route. But he is a completely different matter, because now we are talking about the situation with transit here in the north direction. In general, it is worth noting that the Eurasian Economic Union, a material intrusion of Eurasian integration, has been operating under sanctions since its inception. Kazakhstan needs to think a lot before strengthening its policy of integration. Therefore, everything depends on how much further the sanctions will be tightened. Secondly, how flexible and timely the economic union can adapt depends, thirdly, on how the situation in the Russian economy will develop.

In recent years, a total of 13 trillion rubles have been realized within the framework of the social programs "Every Family is an entrepreneur", "Youth is our Future" and others aimed at attracting broad segments of the population to entrepreneurship and expanding their sources of income. preferential loans in the amount of more than 600 thousand soums were allocated. These programs serve as an incentive for the development of entrepreneurial activity of the population in the regions, improving their lifestyle and increasing employment. In order to improve the system of public involvement in entrepreneurship, reduce poverty and consistently continue the ongoing reforms for the development of entrepreneurship, the President of the Republic of Uzbekistan adopted a resolution “On additional measures to improve the system of public involvement in entrepreneurship and entrepreneurship development” [3].

A small level of integration is the creation of “clusters”, including enterprises and organizations that produce final products and are geographically close to each other, which is a way to form a new management system in the economies of countries. 20 million dollars a year from the export support fund. more than \$5 million to exporting enterprises. preferential loans of up to dollars were allocated. The practice of obtaining national certificates for certified equipment and raw materials has been

abolished in countries such as the EU, USA, Japan, South Korea, which have a high quality and control system.

In 2024, the volume of exports of products (works and services) of small businesses amounted to 5,695.8 million US dollars, or 29.5% of total exports. In 2024, the volume of imports of products (works and services) performed by small businesses amounted to 15,154.1 million US dollars, or 49.4% of total imports. The rates of import duties on raw materials and semifinished products have been reduced.

When analyzing the state of the business climate of small enterprises and microenterprises, based on the results of selective monitoring of the performance of small enterprises and microenterprises, the number of enterprises assessing their overall economic situation as favorable for the current period amounted to 12,976 in 2017, and by 2024 this figure reached 28,507 or 15,531 compared to 2017, the. In addition, the number of enterprises that assessed their economic situation as satisfactory increased from 21,296 in 2017 to 42,544 or 21,248 in 2024.

Table 2

Assessment of the atmosphere of business confidence in the fourth quarter of 2024 [14], in %

	Changes in the current period compared to the same period last year		
	enhancement (improvement)	without changes	downgrade (deterioration)
The total turnover of the company	44,4	44,7	10,9
Number of employees	24,5	68,1	7,4
The price for the goods sold (goods, works and services)	38,2	56,0	5,8
Finance: own, credit and borrowed funds	29,0	63,8	7,2
Competitive environment	40,8	54,3	4,9

As a result of the measures taken to further liberalize, simplify and reduce the cost of all processes related to doing business in the country, financial support for small businesses and private entrepreneurs, the role of small business in the economy of the republic is increasingly strengthening.

The implementation of radical and effective measures in our country to liberalize the economy, further facilitate business conditions, create a favorable business environment, eliminate excessive barriers and holes in the development of entrepreneurship is the basis and incentive for further development of the industry. The most important task of state support for entrepreneurship is to ensure equal rights for small enterprises, to minimize the gap in economic opportunities between small and large enterprises, to ensure the optimal ratio of small and large enterprises in the basic processes of formation of the market system of the economy of Uzbekistan.

This is, first of all, ensuring equality in competitive market competition, equal opportunities in conducting business in conditions of free choice of the type of activity, a clear definition of their rights and responsibilities, opportunities and risks. At the

same time, successful business development is possible only in the presence of social, economic, legal, political and other favorable conditions.

CONCLUSION

The global economy confirms the special importance and high efficiency of small businesses in solving socio-economic problems, creating new jobs, relatively rapid adaptation to market changes, and the formation of a class of owners. In order to increase integration ties and financial stability of small businesses and private entrepreneurship in our country, we consider it appropriate to implement the following measures:

- improving the mechanism for banks to provide loans to the industry in order to increase the share of small businesses and private entrepreneurship in the country's GDP;

- expanding the attraction of funds from foreign credit lines for the development of small business and private entrepreneurship; it is necessary to further improve the rating assessment of the sustainability of small business enterprises in various sectors of the economy; - small business and private entrepreneurship - in the future, it is necessary to make significant progress in the economy as an industry capable of efficiently and rapidly changing the structure of production and exports;

- small business and private entrepreneurship should have an efficient and modernized technical base. At the same time, it is necessary to develop the market infrastructure with the creation of important centers, a system of leasing organizations with comprehensive service; - attracting and directing foreign investments, primary loans, global financial institutions and direct investments in large-scale small business development;

- creation of wide opportunities for the development of small businesses and private entrepreneurship in industries and the organization of modern production based on high technologies;

- stimulating the introduction of innovative technologies into production by small businesses and private entrepreneurship;

- a radical solution to the issues of expanding the participation of small businesses and private entrepreneurship in foreign economic activity, helping to increase their export potential.

- create a working group on the organization of an integrated structure, clarify the procedure, deadlines and sources of funding. The Working Group may present one of the following options:

- a working group consisting of specialists from local authorities and representatives of industry enterprises as experts;

- representatives of consulting companies, higher educational institutions, research institutions and local governments operating on the basis of contracts concluded for the purpose of providing certain services;

- a specialized organization, one of the founders of which are local governments.

In our opinion, it is advisable to implement measures aimed at developing

cooperation and integration ties in the activities of small businesses and business entities, as well as a financial and credit mechanism for financing their activities [15].

- improvement of legislation aimed at creating a more favorable business environment in the country and its regions, strengthening the priority of private property;

- granting greater freedom to private entrepreneurship, reducing the administrative functions of the state and established norms;

- the introduction of market instruments and mechanisms that ensure the widespread use of financial, credit and raw materials resources of small businesses, the placement of government orders for their products;

- creation of more favorable conditions for taxes and other payments for small businesses and private entrepreneurship, provision of benefits and preferences, improvement and unification of the reporting system and reporting mechanism to financial, tax and statistical authorities;

- further improvement of the mechanism for granting loans by commercial banks to small businesses and private entrepreneurship and an increase in their volume;

- attracting and directing foreign investments, as well as direct investments in the development of small businesses;

- creation of broad opportunities for the development of small businesses and private entrepreneurship in industries and the organization of modern high-tech industries;

- a radical solution to the issues of expanding the participation of small businesses and private entrepreneurship in foreign economic activity, promoting the increase of their export potential, etc.

Effective implementation of measures to develop a mechanism for lending to small businesses and private entrepreneurship: to reduce the number of unemployed and ensure employment of the population through the creation of new jobs; to create a modern microfinance system that fully covers the population of all regions of the republic in need of microfinance services; to widely attract low-income, but economically active segments of the population and youth to entrepreneurial activity through the formation of a wide layer of medium-sized owners in the future; It allows commercial banks and non-bank credit organizations to increase the volume of microfinance for small businesses and private entrepreneurship and ensure sustainable economic growth.

Summing up, it should be noted that further improvement of support mechanisms for small businesses and the development of new effective measures to ensure their sustainable development will serve to ensure the competitiveness of the republic's economy and strengthen its position in the foreign market. Improving the financing of small businesses consists, first of all, in removing barriers to the activities of representatives of this sphere, forming the resource base of commercial banks, attracting foreign credit lines, creating incentives for commercial banks related to lending to their activities, forming a specific information base, eliminating problems related to collateral.

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