

State and Society - Development of The Institutional Basis of This Small Business

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Abstract. In this paper was discussed state and society as development of the institutional basis of this small business. According to the author, uncertainties in institutional changes in the formation of state, society and business relations, in turn, lead to the weakening of relations between small business entities and the lack of sufficient study of the influence of institutional factors on the organization of mutual trust of each entity on the basis of additional legal guarantees. leads to an increase in transaction costs in society.

Keywords: Small business, specific institutions, laws, legal-organizational framework, economy, GDP.

1. INTRODUCTION

During the transformation of the economy of the Republic of Uzbekistan into a market economy, the evolution of the formation of relations of small business entities has a unique appearance, and the solution to the problems arising in its step-by-step development should be seen on the basis of institutional-organizational legal changes and reforms.

It is known that during the historical stage-stage formation of small business entities, their organizational management form was different. During these periods, its institutional basis evolved according to the reforms implemented in the social and economic sphere, based on the teachings of the period from traditional institutionalism to new institutionalism theories, and has a theoretical methodological basis that is still relevant today.

2. LITERATURE REVIEW

The period of development of small business entities consisted of a set of formal and informal relations between specific institutions in evolutionary institutional relations [1]. In this, manifestations of classical institutionalism T. Veblen, Dj. Commons. V-K. Mitchell, D. Hobson, etc., in their views, refer to institutionalism as akin to evolutionary changes based on human behavior and psychology, and link entrepreneurship with subjectivism, while the bright examples of neo-institutionalism are R. Kouzom. O. I. Williamson, D. Norta, R. Fogelya, R. Thomas A. Alchian, H. In the views of Demsets and others, entrepreneurship is analyzed in detail in relation to its organizational structure and form.

Relations related to business and entrepreneurship in different periods in the territory of Uzbekistan had its own institutional basis and it had stages of historical development and was formed under the influence of the institutional environment of that time. The history of the institutional approach can be seen in the work of Master Amir Temur, "The Laws of Temur" [2], the specific features of state administration in the management system of Amir Temur's kingdom, the procedures of his internal and foreign policy, the improvement of the legal framework, and the influence of the traditions that formed social and legal relations of that time on business activities. It is worth noting that the transformation of customs into certain rules and its formal organization in the form of entrepreneurship and zakat management of that time were first mentioned in works such as "Temur Tuzuklari" and "The City of Virtuous People".[3]

We can see the influence of institutions on business subjects in those times by studying the legacy of our great ancestors, Haja Samandar Baqo Termizi [4], Abu Nasr Farobi [5], Alisher Navoi, and other great ancestors in the direction of managing business activities based on the influence of public institutions [6].

The rich experiences of managing and improving the economic, cultural, spiritual and educational, scientific spheres in harmony with business relations are of great importance, and the step-by-step development of business and social relations in evolutionary business relations is of great importance in developing the unique national aspects of the country's entrepreneurial environment. .

3. ANALYSIS AND RESULTS

As a result of the legal-organizational framework adopted since the first years of independence and its improvement as a result of the adoption of the necessary normative-legislative documents in the period of reforms, a system of

large-scale support of small business and private business entities was created by the state.

The reform of structural and structural changes in the economy of our country has its own systematic and logical sequence, and today the changes in this field are recognized at the international level.[7] Global integrated funds and institutions, republican, regional and local local institutions were created to support the development of relations between small business entities through the formation of state institutional structures.

In the gradual institutional development of small business entities, its socio-economic transformation based on the institutional matrix plays a major role in the state of the business entity formed after the previous institutional basis, and it can be concluded that the period of evolutionary formation of the existing institutional basis leads it to the perspective development has a great impact and, in turn, serves as a basis for improving business communication relations.[8]

In essence, in the dialogue between the state, society and small business, its goals and the basis of its activities have almost the same content and importance in all countries of the world, including the Republic of Uzbekistan. However, it is a problematic issue to clarify the criteria of the institution that forms this activity in the development of cooperation activities of small business and private business entities based on institutions between the state and society. However, the level of development and specific conditions of the economy of different countries show that by improving the basis of institutional development of small business entities, its impact on society and the state is positive, i.e., ensuring employment, increasing the moderation of tax revenues, and ensuring a healthy and harmonious environment in society we can see in the implementation of changes.

In the period of transformational changes, the process of institutional reformation creates a lack of opportunities to conclude "binding contracts" in society, creates other binding institutional relations, and as a result, economic stagnation creates re-institutional changes [9]. Taking into account this situation, as a result of clarifying the formal and informal institutional factors of integration relations between small business entities and the state, society, as well as developing its legal criteria, it is necessary to organize the activities of state courts and legal institutions that work stably in the legal field of contracts, as well as to strengthen the activities of public organizations. serves as a guarantee of this relationship.

In the economy of our country, the stages of organizational and institutional development of the activities of small business entities were carried out with the necessity of forming its legal and organizational institutions along with the gradual formation of market relations. In this case, the issue of specific organizational-legal, institutional change of each stage is represented by the reforms related to the development of small business implemented in this period. [10]

Small business and private entrepreneurship every five years, the adoption of organizational and legal documents and its impact on changes in the country's GDP in the following stages along with institutional factors and organizational institutions:

In the period from 1995 to 2015, in the period from 1995 to 2015, the dynamics of changes in the number and weight of small business in the GDP depending on the adoption of organizational and legal documents adopted in the stage-by-stage development of small business are shown by mathematical-statistical analysis (Fig. 1), R2 in level functional relationships.

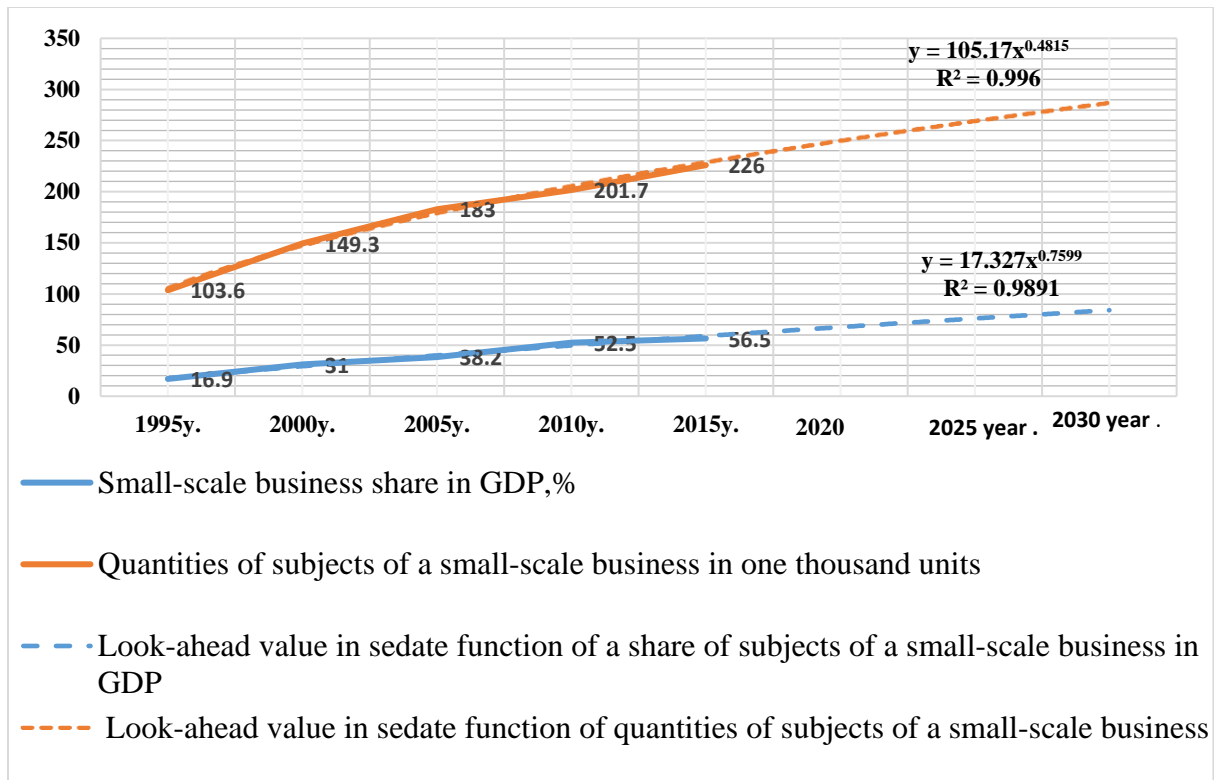


Fig.1. The dynamics of changes in the weight and number of small businesses in the GDP in the period between 1995 and 2022 and in the forecast period until 2030.

As we see at Fig.1, the value is highly positive, $R^2 = 0.996$ for the dynamic growth of the number of small businesses and $R^2 = 0.9891$ for the dynamics of the change of its weight in the GDP, and it did not have a sufficiently significant relationship in the rest of the functional relationships.

It should be noted that the mathematical-statistical analysis of the dynamics of changes in the number of small businesses and their share in GDP between 1995 and 2022 shows that the difference between the number of small businesses and their weight in GDP is increasing in the 5-year period. At the same time, the differences between the indicators generated in the forecast periods are characteristic of the trajectory corresponding to the dynamic changes in the base period. But two, that is, the number of small businesses and their weight in the GDP will be observed to grow in both the base and forecast periods.[11]

1995 - 2022 and in the forecast period until 2030, the weight of small business in GDP in 5 years and its number differ sharply, as shown by the analysis of the dynamics of change.

We can see the differences in these dynamic ranges intensifying over the forecast period. To prevent this, it is necessary to develop the institutional base of small business entities and activate the role of existing support institutions and public institutions by introducing new structural reforms, organizational methods and mechanisms.

The effectiveness of the structural reforms carried out at the country level and the number of organizational-legal documents adopted in these 5 years and their content can be explained by the fact that the activities of small business entities differed during the period of their activity, and in addition, it depends on the established institutions.[12]

In addition, in the period from 1995 to 2022, the weight of small business in GDP and its number in the 5-year period, showing the dynamics of the change trend, the high level of R^2 in the functional relationship, that is, $R^2 = 0.9335$, is a 2 degree polynomial in the weight of small business in GDP. has the appearance of dependence. The number of small businesses is relatively high at $R^2 = 0.43$ and has an exponential relationship. As these functional mathematical-statistical correlations show, the stage-by-stage organizational-legal and institutional reforms depend on structural changes and require the introduction of a systematic procedure in perspective development.

4. CONCLUSIONS

We can conclude that the role of institutional reforms in the development of business communication between the state and society and small business entities in Uzbekistan depends on the form, methods and mechanisms of implementation of its structural changes, in which the reduction of transformation and transaction costs leads to an increase in the weight of small business in GDP.

In the future, we propose to implement the following tasks in the organization of dialogue between the state, society and small business on the basis of techniques and technologies that provide added value at a high level, and to accelerate institutional and structural reforms in service entities:

- Increasing the role of institutions and public organizations at regional and local level in deepening institutional and structural reforms based on market principles in the field of small business;
- Focusing institutional and structural reforms on the activities of small business entities that organize production on the basis of techniques and technologies that provide a high level of added value;
- On the basis of the national innovation foundation, introduction of institutions and structures for the involvement of small business as an active participant in the creation of high-tech chain developments;
- It consists of directing the system of professional personnel training for small business entities to the direction of regional and local level innovation center, technopark and high-tech developments, and developing cooperation system institutions with large production associations.

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