

# Territorial Distribution of Small Business and Private Entrepreneurship Operating In the Republic of Uzbekistan

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**Abstract:** It is written about the main indicators of innovative activities of small business and private entrepreneurship, the territorial composition of innovative goods, works and services produced by enterprises in this field, and the dynamics of labor productivity.

**Keywords:** Labor productivity, small business, private entrepreneurship, innovative activity.

## 1. INTRODCUTION

In recent years, it has been decided to implement a number of measures to develop innovative activities in Uzbekistan. In particular, as stated in the Decree No. PF-158 of the President of the Republic of Uzbekistan dated September 11, 2023 on the "Uzbekistan - 2030" [1] strategy, "... the analysis carried out is to modernize production, diversify, increase its size and expand the types of competitive products in domestic and foreign markets In recent years, due to the non-availability of many indicators and the lack of effective coordination, our country has not participated in the Global Innovation Index rating determined by prestigious and prestigious international organizations. Based on these, this strategy was developed in order to develop human capital as a factor determining the level of competitiveness of our country in the international arena and its innovative development [2].

## 2. ANALYSIS AND RESULTS

In the strategy, it was determined that "by 2030, the Republic of Uzbekistan will enter the ranks of the 50 advanced countries of the world according to the ranking of the Global Innovation Index." To achieve this goal, it is first of all important to develop the innovative activities of enterprises located in the regions, including small businesses and private enterprises.

Table 1: The main indicators of the innovative activity of small business and private entrepreneurship in the Republic of Uzbekistan (without farmers and peasant farms)

T/p	Indicators	Years								
		2015	2016	2017	2018	2019	2020	2021	2022	2023
1	Number of innovations introduced by small enterprises and micro-enterprises (unit)	624	808	884	818	1223	1292	4038	3535	2974
2	On innovative goods, works, services produced by small enterprises and micro-firms:									
	a) size, billion soums	409,8	1160,7	1681,8	1671,9	1224,3	7196,3	8455,4	14129,1	10667
	b) amount of expenses, billion soums	181,2	351,4	354,8	211,4	715,3	1156,8	1939,9	1041,6	1189,4
	c) amount of profit, billion soums	228,6	809,3	1327	1460,5	509,0	6039,5	6515,5	13087,5	9477,6
		126,2	230,3	374,0	690,9	71,2	522,1	335,9	1256,5	796,8

The number of innovations introduced by small enterprises and micro-firms in our country was 624 in 2015, and

by 2023, it reached 2974. This is the result of the positive work being done to activate innovations. As a result, during these years, the volume of product production was 409.8 and 10667 billion at current prices, respectively. to soums, and the amount of expenses is 181.2 and 1189.4 bln. was equal to soums, and the level of usefulness was 126.2 and 796.8 percent, that is, the efficiency indicator increased by almost 6.32 times (Table 1).

Table 2: Territorial composition of innovative goods, works and services produced by small businesses and private enterprises (excluding farmers and peasant farms), %

Areas	2015	2016	2017	2018	2019	2020	2021	2022	2023
Republic of Karakalpakstan	2,1	3,0	1,8	3,0	2,9	1,6	1,6	1,2	1,0
Andijan	4,7	0,9	0,5	0,9	3,8	2,7	2,7	1,0	1,1
Bukhara	4,9	6,4	1,4	2,2	2,6	2,7	2,7	2,9	2,2
Jizzakh	2,3	1,7	4,7	3,3	7,5	6,6	6,6	3,2	1,5
Kashkadarya	1,2	0,9	0,8	0,5	0,3	3,9	3,9	2,9	8,4
Navoi	8,7	3,3	1,7	1,7	5,8	4,4	4,4	3,3	5,9
Namangan	3,9	7,5	7,8	5,6	5,1	8,6	8,6	2,7	3,3
Samarkand	2,1	1,8	11,3	11,7	3,8	6,4	6,4	7,5	5,7
Surkhandarya	1,2	1,6	1,8	2,3	3,0	1,2	1,2	2,1	1,7
Syr Darya	0,7	4,3	3,5	3,9	4,7	5,4	5,4	4,7	5,5
Tashkent	1,3	11,6	11,6	9,8	13,8	17,8	17,8	15,9	9,2
Ferghana	6,3	3,7	4,9	5,8	15,1	7,0	7,0	10,4	4,6
Khorezm	3,0	2,5	4,7	3,3	5,8	7,2	7,2	0,5	1,6
Total:	<b>42,2</b>	<b>49,2</b>	<b>46,5</b>	<b>54,0</b>	<b>74,3</b>	<b>75,6</b>	<b>75,6</b>	<b>58,4</b>	<b>51,7</b>

One of the important indicators in determining the differences in the level of participation in the innovation processes of the regions of our country is the territorial composition of the produced innovative products (Table 2).

The analysis shows that there are differences in the regional distribution of innovative goods, works and services produced in the field of small business and private entrepreneurship. For example, 9.2 percent of total innovative products in 2023 will be contributed by Tashkent region. At the same time, the share of the Republic of Karakalpakstan and Andijan region in this regard was low.[3]

We can indicate the following factors that have a negative impact on the development of innovation activities in the field of small business and private entrepreneurship in the regions:

- lack of own funds in small business entities;
- insufficient financial support of the innovation activities of the sector by the state;
- lack of necessary and necessary information about innovations;
- weakness of mutual integration between research and higher education institutions;
- low innovation potential due to the shortage of highly qualified personnel in the field of small business and private entrepreneurship in the regions.

It should be noted that these factors are characteristic of economic entities in all regions, and are explained by the fact that the development and implementation of innovations require high costs. According to this, the enterprises that work successfully in market conditions and engage in innovative activities achieve higher economic indicators compared to enterprises that do not engage in this activity.[6]

In our opinion, it is appropriate to use the following levers to ensure the development of innovation activity in the regions of our country:

- stimulating the demand for innovative products in the domestic and foreign markets;
- increasing the efficiency of the science-technology and science generation sector.

- to increase the capacity of personnel in the regions in order to implement innovative activities [4].

The field of small business and private entrepreneurship today is the largest labor market in our country, the main factor in the formation of the middle class of owners, a source of income and well-being for millions of people, who are most interested in ensuring the stability of our economy based on the planning and strengthening of their business.[7]

Labor productivity is one of the main indicators for determining the efficiency of small business and private entrepreneurship in the regions. In determining the dynamics of labor productivity, we found it necessary to use the average index recommended by academician S.G. Strumilin. In our research, we used the following average arithmetic index to determine the labor productivity of regions in the field of small business and private entrepreneurship:

$$I_w = \frac{\sum \left( \frac{Q_1}{T_1} : \frac{Q_0}{T_0} \right) \cdot T_1}{\sum T_1}$$

Here: Q0, Q1 – the volume of GNI produced by small business and private enterprise in the base and current period (at the price of 2023);

T0, T1 – the number of people employed in the field of small business and private entrepreneurship in the base and current periods.

Table 3: Dynamics of labor productivity in the field of small business and private entrepreneurship in the regions of the Republic of Uzbekistan (compared to the previous year, times)

Areas	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average
Republic of Karakalpakstan	0,050	0,049	0,049	0,055	0,049	0,048	0,048	0,049	0,055	0,055	<b>0,051</b>
Andijan	2,385	2,350	2,390	2,533	2,294	2,288	2,149	2,054	2,105	1,989	<b>2,257</b>
Bukhara	0,679	0,676	0,689	0,828	0,632	0,587	0,626	0,592	0,628	0,627	<b>0,658</b>
Jizzakh	0,535	0,556	0,563	0,671	0,604	0,599	0,652	0,618	0,754	0,772	<b>0,622</b>
Kashkadar ya	2,529	2,609	2,583	2,704	2,664	2,664	2,651	2,361	2,407	2,195	<b>2,544</b>
Navoi	0,278	0,310	0,305	0,353	0,301	0,307	0,262	0,237	0,256	0,229	<b>0,285</b>
Namangan	2,857	2,981	3,146	4,222	3,274	3,421	3,381	2,934	4,073	4,521	<b>3,406</b>
Samarkand	1,605	1,594	1,570	1,525	1,585	1,541	1,530	1,347	1,407	1,366	<b>1,522</b>
Surkhanda rya	0,628	0,635	0,637	0,665	0,641	0,633	0,650	0,636	0,712	0,700	<b>0,652</b>
Syr Darya	0,426	0,409	0,407	0,410	0,384	0,367	0,381	0,339	0,358	0,337	<b>0,387</b>
Tashkent	3,065	3,532	3,622	4,087	3,767	3,554	3,648	3,302	3,750	3,603	<b>3,589</b>
Ferghana	1,155	1,243	1,255	1,472	1,271	1,244	1,323	1,192	1,432	1,374	<b>1,294</b>
Khorezm	0,484	0,491	0,483	0,571	0,510	0,469	0,559	0,491	0,542	0,535	<b>0,513</b>
<b>Average</b>	<b>0,842</b>	<b>0,865</b>	<b>0,864</b>	<b>0,963</b>	<b>0,865</b>	<b>0,844</b>	<b>0,860</b>	<b>0,787</b>	<b>0,878</b>	<b>0,840</b>	<b>0,841</b>

This index shows how many times labor productivity has increased (decreased) or how much the increase (decrease) has been for all units in the studied set. Using this index, the dynamics of labor productivity in the field of small business and private entrepreneurship was determined (Table 3).

In the regions of the Republic of Karakalpakstan, Bukhara, Jizzakh, Navoi, Surkhandarya, Syrdarya, Khorezm, the level of labor productivity has decreased as a result of the growth rate of the volume of products and the number of employees being lower than the growth rate in the field of small business and private entrepreneurship. In Andijan, Kashkadarya, Namangan, Samarkand, Tashkent, Fergana regions, we can see that the level of labor productivity has increased.[5]

According to the data of Table 3, it was found that the highest rate of labor productivity in small business and private entrepreneurship in the regions of the Republic of Uzbekistan in 2013-2023 increased by 0.963 times in 2015 (compared to the previous year), and the lowest rate was 0.787 times in 2019.

Table 4: Grouping of regions of the Republic of Uzbekistan according to the dynamics of labor productivity of small business and private entrepreneurship

Groups	Areas	Dynamics of average labor productivity in small business and private entrepreneurship in 2013-2023	Assessment
2,409-3,589	Tashkent	3,589	Above average
	Namangan	3,406	
	Kashkadarya	2,544	
1,230-2,409	Andijan	2,257	Average
	Samarkand	1,522	
	Ferghana	1,294	
0,051-1,230	Bukhara	0,658	Below average
	Surkhandarya	0,652	
	Jizzakh	0,622	
	Khorezm	0,513	
	Syr Darya	0,387	
	Navoi	0,285	
	Republic of Karakalpakstan	0,051	

The region with the highest labor productivity was Tashkent (3.589), and the lowest region was the Republic of Karakalpakstan (0.051). Accordingly, we divide them into 3 groups (compiled using Table 3).

1. 1-group: 2,409 – 3,589
2. 2- group: 1,230 – 2,409
3. 3- group: 0,050 – 1,230

Kashkadarya (2,544), Namangan (3,406), Tashkent (3,589) were included in the regions with higher than average labor productivity in small business and private entrepreneurship in 2010-2023, while Fergana (1,294), Samarkand (1,522), Andijan ( 2,257) was. The regions below the average include the Republic of Karakalpakstan (0.051), Navoi (0.285), Syrdarya (0.387), Khorezm (0.513), Jizzakh (0.622), Surkhandarya (0.652), Bukhara (0.658). As can be seen from the above statistical analysis, we can see that labor productivity is low in 7 regions below the average (Table 4).

In our opinion, it is appropriate to use the following levers to ensure the development of innovation activity in the regions of our country:

- stimulating the demand for innovative products in the domestic and foreign markets;
- increasing the efficiency of the science-technology and science generation sector.
- to increase the capacity of personnel in the regions in order to implement innovative activities.

### **3. CONCLUSIONS**

In short, small business and private entrepreneurship today is the largest labor market in our country, the main factor in the formation of the middle class of owners, a source of income and prosperity for millions of people, who are most interested in ensuring the stability of our economy based on planning and strengthening their business.

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