

SOCIAL AND ECONOMIC NATURE OF SMALL BUSINESS

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Аннотация

В этой статье исследуется социально-экономическая природа малого бизнеса, подчеркивая их роль в экономическом развитии, участии сообщества и социальной сплоченности. Путем детального изучения их экономического вклада и социального воздействия в статье подчеркивается важность малого бизнеса в стимулировании инноваций, создании рабочих мест и поддержке местных сообществ. Анализ основан на недавних исследованиях и тематических исследованиях, которые иллюстрируют многогранное влияние малых предприятий.

Ключевые слова. Малый бизнес, социально-экономическое воздействие, экономическое развитие, участие сообщества, инновации, занятость, социальная сплоченность.

Abstract

This article explores the socio-economic nature of small businesses, emphasizing their role in economic development, community engagement, and social cohesion. Through a detailed examination of their economic contributions and social impacts, the article highlights the importance of small businesses in fostering innovation, creating employment, and supporting local communities. The analysis is based on recent research and case studies that illustrate the multifaceted influence of small enterprises.

Key words. Small business, socio-economic impact, economic development, community engagement, innovation, employment, social cohesion.

INTRODUCTION

During the crisis periods, small business has played a largely psychotherapeutic role by creating more opportunities for the employed population. Likewise, during the



periods of economic growth, according to economic theory, the more the business gets centralized, the more the amount of surplus and resulting income increases, the greater is the social demand for 'horizontal' and 'vertical' quality characteristics of goods, and the higher also is the social value of the non-price-and-properties economic degree of freedom.

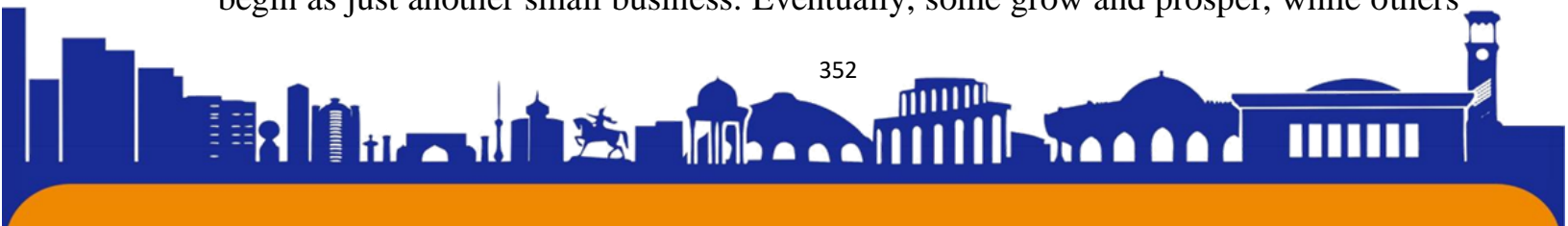
Small business in reality has emerged as a spontaneous reproduction form of capitalism. Both during the crisis periods and the periods of vigorous economic development, small business has acted as an antidote to the social tension, the danger of uncontrolled increase in the government's role, protectionism, unfounded growth of monopolies and trusts.

In the context of modern economic science, the concepts "small business" and "small entrepreneurship" are usually close in essence and are used as synonyms. They both refer to business activities that are characterized by small volumes of production. Thus, neither the approach of categorizing small business subjects according to the types of their business, nor the approach to classifying them according to the typical small business traits is conclusive.

LITERATURE ANALYSIS AND METHODOLOGY

By and large, a business can be classified as small not only on the basis of the size of its resources but also on the criteria set by the Central and the State Government. But it is not only the size of resources that provide a distinct identity to a small business, it is the role that it plays and for which it has been established that provides a unique stamp to it. The problems that a small business faces are also different. These are common to all the small businesses and are of a similar nature; a small business in the trade sector may face problems which are different from those of a small business working in the service sector; but still the problems are similar not only to a small business in the same trade but even those treading the same path in today's business world.

Small business is central to virtually every area of economics and business. In the private sector, small businesses are critical to the health of the market economy. Stated simply, it is the endeavor of small business which provides a vital foundation for the financial well-being of the populace. From the smallest to the biggest, all businesses begin as just another small business. Eventually, some grow and prosper, while others



wither and die, but this does not change the fact that all businesses have their roots in some form of small business.

In light of these facts, adult workers choose to work for wages. Most workers, at one time or another, work as freelancers and are familiar with the risks and responsibilities of self-employment. Enterprises engaged in the economic activity of people are classified relatively along the easily identified lines of capital and labor agreement that goes on-site. A significant portion of the American working population is engaged in the alternative economic sector as owner-workers. The acceptance of some leisure time and money, accepting the associated costs, is the most significant reflection of the legitimacy of owner-worker laws in the national culture. People are not simply victims of a labor market economy in transition; moreover, with what they say is an opportunity as the only county passion - has left employees, some of course, want to be self-made successes.

Small businesses have an irreplaceable role in solving the nation's economic problems and have considerable economic potential for their development. Small business items are produced to meet the local people's needs and are useful in solving social and regional problems. Since these enterprises continue to operate with higher efficiency and labor productivity, these employers are the main source of the country's economy, employment, and turnover growth. On the microeconomic level, there is a correspondence between national and general laws of capitalism and the laws of the small business economy. Wage labor and the capitalist mode enter the scene, developing the logic of the market economy's great rules. When viewed at the individual company level, this creates the appearance of a sidewalk flea market: this form of capital and labor agreements can imply lower wages and hours than their equivalent efficiencies in self-employment.

RESULTS

Economic Contributions:

1. Job Creation:

Small businesses are major employers, particularly in local communities and emerging markets. They provide opportunities for diverse segments of the workforce, including underrepresented groups such as women, minorities, and young people.

2. Innovation and Entrepreneurship:



Small businesses drive innovation by introducing new products, services, and business models. Their ability to quickly adapt to market changes and customer needs makes them a vital part of the entrepreneurial ecosystem.

3. Economic Growth and Diversification:

By operating in various sectors, small businesses contribute to economic diversification. They help stabilize local economies by reducing dependency on single industries and enhancing economic resilience.

Social Impacts:

1. Community Engagement:

Small businesses are deeply embedded in their communities. They often engage in local initiatives, support community events, and contribute to the local economy by sourcing goods and services locally.

2. Social Cohesion:

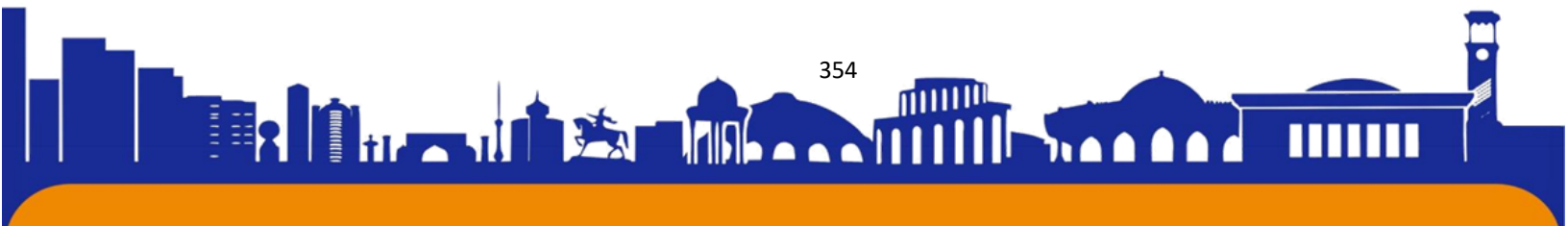
Through their presence and activities, small businesses help build social networks and foster a sense of belonging. They create spaces for social interaction and support, strengthening community ties.

3. Empowerment and Inclusivity:

Small businesses offer opportunities for social mobility and economic empowerment. They enable individuals to pursue entrepreneurial aspirations, thereby fostering inclusivity and reducing social inequalities.

CONCLUSION

The socio-economic nature of small businesses is multifaceted, encompassing significant economic contributions and profound social impacts. Small businesses are not only drivers of economic growth and innovation but also vital components of social infrastructure, promoting community engagement and social cohesion. Policymakers and stakeholders should recognize and support the dual role of small businesses to maximize their positive impact on society and the economy. Strategies to enhance access to financing, reduce regulatory burdens, and promote entrepreneurial education can further bolster the contributions of small businesses.





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