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PRIORITY DIRECTIONS OF SMALL BUSINESS DEVELOPMENT IN THE CONSTRUCTION COMPLEX OF THE REPUBLIC OF UZBEKISTAN

Abstract: The relevance of research on the activities of small and medium-sized enterprises is determined by the need for active support of such business entities due to their importance in the economies of the Republic of Uzbekistan. Despite the sufficient study of the problem under consideration, unfortunately, the practice of attitude at the state level to small and medium-sized businesses remains often inconsistent with the really demanded and necessary level of modern management. The expediency of conducting analytical reviews and clearly defining the place of small and medium-sized enterprises in the national economy system is explained by the significant effect for the economic complexes of countries that small businesses should give.

Key words: construction complex, small business, innovation, housing policy, development, contracting organizations

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Introduction

Construction is one of the main sectors of the economy of Uzbekistan, which has been trying to be brought out of the shadows for several years. The main problem of the Uzbek construction market is still considered to be high corruption in the country

and weak digitalization of the industry, as well as a pronounced monopoly of large developers. These factors still affect the shadow business, and in general, an insufficiently high level of construction quality, and low transparency: only large developers can use modern technologies and premium-class

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building materials, which determines the cost per square meter for housing [1].

The rest of the small business can only work "in the gray" or use low-quality materials, thereby reducing the cost - in order to compete in the market. However, this leads to the fact that the level of quality of construction in Uzbekistan is extremely low. Another significant problem in the construction of Uzbekistan is the low level of quality of work associated with a lack of funding, lack or shortage of specialists, outdated standards, lack of digital technologies and tools for management and construction control [2]. All this is interconnected and leads to systemic repetitions of problems on projects.

Unfortunately, news about serious problems of constructed facilities is not uncommon in the country — up to collapses due to the fact that the work was carried out without compliance with norms and standards, or built illegally. The Inspection of the State Architectural and Construction Supervision reports that it records a large number of substandard construction and installation works: in 2021, 2,880 written instructions for the elimination of defects were revealed [3]. And this indicates not only the presence of corruption in the issuance of permits and the procedure for the acceptance of objects in the construction sector, but also the lack of effective digital control of construction, which greatly facilitates the monitoring and detection of defects [4]. Therefore, digitalization can serve as one of the

most progressive and effective ways to fight corruption and increase the quality of construction and installation work. The country is experiencing an acute shortage of approved new standards for the delivery of facilities, as well as specialists who could carry out effective acceptance and inspections. And for this, it will be necessary to revise the system of education in specialized construction universities and carry out global reforms in this area [5].

Main part

Among the variety of organizational and legal forms, small business construction enterprises use forms of small and medium-sized entrepreneurship. In construction, the most common form of organization of small and medium-sized businesses is a limited liability company [6]. Currently, small and medium-sized businesses in construction have been displaced into the field of subcontracting and specialize in the installation of indoor networks, installation of heating and ventilation equipment, electrical installation, roofing, finishing and other types of work that a large developer can entrust to a small company, subject to deadlines and quality [7].

In the context of statistical data, one can observe how the dynamics of operating small businesses in the construction industry has changed (Figure 1). The growth rate compared to 2013 amounted to 253.8%, which indicates a positive dynamics of small business growth in the Republic of Uzbekistan [8].

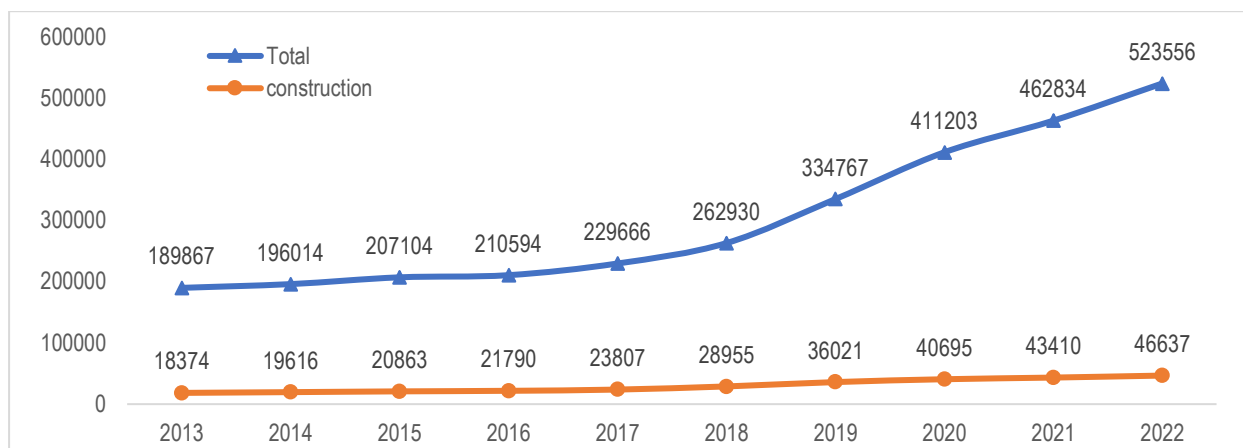


Figure 1. Number of operating small businesses in Uzbekistan by sectors of the economy (in units)

The share of small business and private entrepreneurship in the construction industry to the total volume also shows a slight increase in indicators, so by the fourth quarter of 2022 this indicator amounted to 71.6% [9]. The volume of the

main indicators of small business and private entrepreneurship in the construction industry in the fourth quarter of 2022 reached 93620.8 billion. sum, which is 6 times higher compared to 2014 (Fig. 2) [10].

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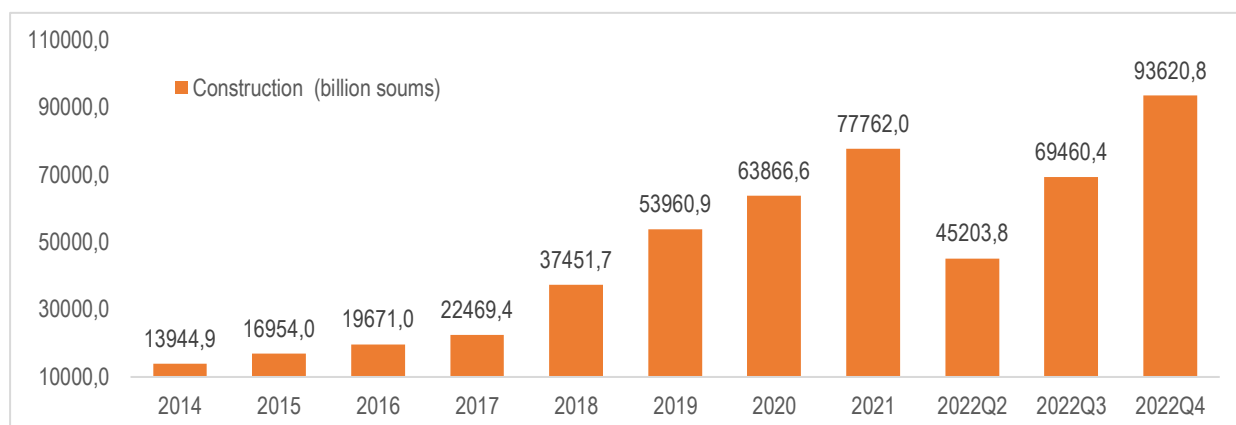


Figure 2. The volume of key indicators of small business and private entrepreneurship in Uzbekistan

When developing economic policy, small enterprises focus primarily on taking into account the dynamics of customer expectations [11]. And already within the framework of certain obligations, it independently determines the ways to reduce costs and reduce prices. In the investment and construction complex of Uzbekistan, small construction organizations perform a number of functions:

- perform a significant amount of specialized construction and construction and installation work in the conditions of individualization of consumer demand;
- form the competitive atmosphere necessary for the construction services and offers market in the region;
- activate the economic and social development of the region in which they carry out their activities, since they operate mainly in local markets [12];
- are the sources of formation of republican, regional and local budgets;
- play a significant role in creating new jobs in the regional economy;
- carry out the training of construction workers, specialists, managers, as often small businesses employ workers with non-core or insufficient education [13].

The main indicators of the negative impact on the development of a small construction business are:

- insolvency of customers;
- a high level of taxes that hinders the development of small business in construction [14];
- lack of skilled workers;
- high moral and physical depreciation of fixed assets – construction machinery and equipment;
- difficult access to land plots for construction, obtaining approvals and permits for connection to infrastructure [15];

- insufficient use of local construction raw materials;

- lack of financial resources [16].

These factors negatively affect the construction time and radically change the conditions of competition of contractors.

Conclusion

In general, the development of small business in the region requires the presence of certain conditions – economic, socio-cultural, legal, political and geographical (Figure 3). It should be noted that similar conditions are required for the development of small business in construction. The field of small business in construction is limited, and in some areas, it is even doomed unless the company plans to develop and expand.

Much determines the responsibility of employees of a small enterprise and their qualifications. For example, restoration firms have a staff of "piece" specialists who are responsible for the quality of their work with their reputation. Therefore, specialists should be sent to more responsible jobs with appropriate remuneration.

Assessing the prospects of small business, it is impossible not to note its high efficiency, which depends on the narrow specialization of the company and on a fairly strong competition among small enterprises. These conditions force firms to pay attention to improving work processes and use new materials and technologies. All this makes it possible to consider small and medium-sized businesses in construction as a new type of activity with great potential.

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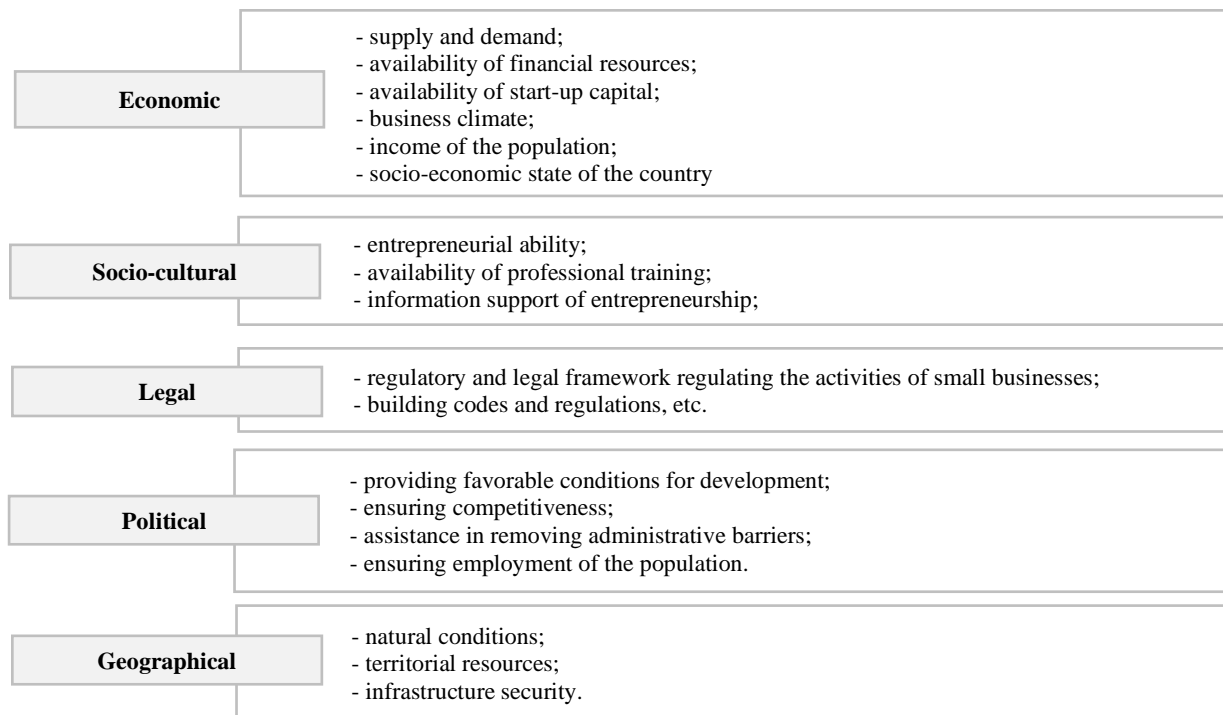


Figure 3. Conditions for the development of small business in construction

The most important direction of improvement and development of business forms in the construction sector is financial and credit support for small businesses. Despite the measures provided for by federal programs, the mechanism for providing financial support to small businesses is generally ineffective, the policy of supporting entrepreneurship and especially the mechanisms for its implementation require revision and reform.

In the current conditions, it is necessary:

- elaboration of the legislative framework regulating the functioning of small businesses in manufacturing industries;
- development of an effective small business lending system;
- effective support from the state, contributing to the spread of small business in the real sector of the economy and the scientific sphere;
- establishing links between scientific institutions engaged in innovative developments, small business and mass production enterprises.

To solve the problems of small business in the construction complex, it is necessary to improve it and introduce constant innovations, since new improved materials, as well as machines and mechanisms are constantly appearing on the market.

The implementation of innovation policy at a construction company involves solving the following tasks:

- 1) formation of innovation policy and coordination of activities in this area of production units;
- 2) creation of problem-target groups for the complex solution of innovative problems – from the idea to the commissioning of facilities;
- 3) development of innovation activity plans and programs;
- 4) providing innovation programs with finance and material resources
- 5) consideration of projects for the creation of new construction products;

Practical experience shows that the expansion of innovative activities in the process of construction work leads to increased interaction between various economic entities. The sphere of interaction includes specialized construction enterprises, research and design institutes, higher educational institutions, enterprises of the construction materials industry and other organizations related to the construction industry.

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