

## In Developing the Services Area the Role of Entrepreneurship

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### Abstract

The article explains the role of entrepreneurship in the development of the service sector and offers suggestions for the development of small and private entrepreneurship in the industry.

**Keywords:** entrepreneurship, entrepreneur, entrepreneurial activity, services, service sector, service.

The prospects for transforming the service sector into a leading sector of the economy are inextricably linked with the development of entrepreneurship in this area, especially small and private businesses. Because the services are provided mainly by small and private businesses.

As a result of systemic reforms, the share of the service sector in the country's GDP from 1990 to 2019 increased from 33.8% to 37.8%, as well as from 35.6% to 50.5% of the total employment in the economy. It is noteworthy that At the same time, the analysis showed that there are opportunities for the development of entrepreneurship in the service sector, especially small and private businesses, with the effective use of their potential and resources.

One of the current changes in the service sector is the increase in the number and expansion of small and private businesses in the industry. This is due, on the one hand, to the fact that the service sector is very attractive for small and private business activities due to the influence of objective and subjective factors. On the other hand, the development of small and private entrepreneurship in the country is one of the priorities of socio-economic policy and, therefore, is developing at a high pace. The rapid development of small and private enterprises in the service sector has contributed to increased competition in the sector, increased variety and quality of services and, most importantly, reduced prices and increased demand for services and increased access to services for the general public. Small businesses will be able to adapt quickly to changes in market demand, quickly change the types of services, use resources efficiently, and change production in the short term and without large losses.

Service enterprises that take advantage of these advantages of small business are more competitive than material production enterprises. The development of small business is one of the most important factors in the high profitability of the service sector.

The analysis of statistical data showed that in 2020 in the Republic of Uzbekistan in the service sector there are more than 199,000 small businesses and micro-firms. They make up about 59.7% of all small businesses and micro-firms. This situation allows us to conclude that the small economy sector has been created in practice in the country, and the expansion of the production of services by small businesses and private entrepreneurship provides rapid development of the services sector. As a result of the service sector development program, the share of small business in GDP increased from 38.2% in 2005 to 53.9% in 2020 as a result of the provision of large amounts of soft loans to businesses for the technological equipment of newly established service enterprises. The share of market services in total production in 2020 was 51.5%.

In 2020, small businesses in Uzbekistan produced services worth 112743.5 billion soums, with the highest volume of services in trade services - 42478.0 billion soums, in transport services - 25620.1 bln. soums, in real estate services - 4831.7 bln. soums, accommodation and food services - 4621.6 bln. soums, in other personal services - 4420.9 bln. soums, 3575.3 bln. soums in rent services. Also, in 2020, 89.1% of trade services, 47.8% of transport services, 42.6% of health services, 82.4% of real estate services and 23.6% of educational services will be provided by small businesses. shown.

The coronavirus pandemic has had a negative impact on this area. Due to the negative consequences of the pandemic, it is the economic entities that are not strong in economic position, which are still financially weak, and which are struggling to pull their economic carts, that have suffered more losses than large, economically powerful businesses.

Therefore, entrepreneurs were provided with 35 trillion soums through the provision of 24 types of tax benefits, subsidies and other preferences. These benefits have been a great opportunity for both entrepreneurs and banks. For example, in 2020, 1 trillion soums of soft loans were provided to the services sector under entrepreneurship development programs. In addition, commercial banks have allocated an additional 14 trillion soums in loans from their own funds. As a result of the wide range of benefits, 500,000 self-employed people in the service sector have been officially registered.

Thus, the development of small business in Uzbekistan has become one of the most important conditions for the rapid development of the service sector, increasing its profitability. However, there are a number of negative trends in its development: low quality and narrow range of services, inconsistencies within the network, inconsistency between the services sector, primarily high-income customers, the volume of services provided and the growing needs of the population, the market. insufficient use of tools and mechanisms, the presence of interregional disproportions in the level of production and consumption of services, etc.

The development of small and private forms of entrepreneurial activity in the service sector is explained by the fact that, unlike other sectors of the economy, it requires less labor and relatively little capital investment in the initial stages. It is characterized by rapid adaptation to changing economic conditions, simplicity of management system, sensitivity to changes in activity in response to changes in market conditions, good awareness of the level of demand for this or that service in some markets, and others.

At the same time, special attention should be paid to the system of state support for small and medium-sized businesses in the service sector.

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