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THE PRACTICAL IMPORTANCE OF ORGANIZING THE INTEGRATION OF SMALL BUSINESS ENTITIES WITH LARGE INDUSTRIAL ENTERPRISES

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Abstract

The material of this conference analyzes the essence and economic significance of the integration between small business entities and large industrial enterprises. Additionally, the main directions for developing integration have been discussed.

Keywords: Small business, industrial enterprise, integration, diversification, investment.

KICHIK TADBIRKORLIK SUBYEKTLARINI YIRIK SANOAT KORXONALARI BILAN INTEGRATSIYASINI TASHKIL ETISHNING AMALIY AHAMIYATI

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Annotatsiya

Ushbu konferensiya materialida kichik tadbirkorlik subyektlari va yirik sanoat korxonalari o'rtasidagi integratsiyaning mohiyati hamda iqtisodiy ahamiyati tahlil qilingan. Shuningdek, integratsiyani rivojlantirishning asosiy yo'nalishlari muhokama qilingan.

Kalit so'zlar. Kichik tadbirkorlik, sanoat korxonasi, integratsiya, diversifikatsiya, investitsiya.



Introduction

In today's era of globalization, organizing the integration between small businesses and large industrial enterprises in the economy is of great importance. This integration not only ensures economic stability but also contributes to the modernization of industry, the creation of new jobs, and the promotion of socio-economic development. The integration process, in turn, creates wide opportunities for small business entities, while large industrial enterprises enhance their competitiveness [1].

Main part. Small business entities play an important role in the economy of our country, making a significant contribution to the creation of new jobs, the implementation of innovations, and the diversification of the economy. In accordance with the Law of the Republic of Uzbekistan "On Guarantees of Entrepreneurial Freedom", small business entities consist of the following [1]:

- 1) individual entrepreneurs;
- 2) microfirms in manufacturing sectors with an average annual number of employees not exceeding twenty people, in the service sector and other non-manufacturing sectors with an average annual number of employees not exceeding ten people, and in wholesale, retail trade, and public catering sectors with an average annual number of employees not exceeding five people;
- 3) in the following sectors:
 - small enterprises in the light industry, food industry, and construction materials industry, with an average annual number of employees not exceeding two hundred people, as provided for in the legislation;
 - small enterprises in metalworking and toolmaking, woodworking, furniture industry, as well as other industrial production sectors specified by law, with an average annual number of employed workers not exceeding one hundred people;
 - small enterprises in the fields of mechanical engineering, metallurgy, fuel and energy, chemical industry, agricultural production and processing, construction, and other industrial and manufacturing sectors provided for by law, with an average annual number of employees not exceeding fifty people;



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- small enterprises in the fields of science, scientific services, transportation, communications, service sectors (excluding insurance companies), trade and public catering, as well as other sectors not related to production, with an average annual number of employees not exceeding twenty-five people.

The resources and capabilities of small business entities are limited, and they face challenges related to implementing large-scale investments and advanced technologies. In contrast, large industrial enterprises possess extensive production capacities, highly efficient technologies, and access to global market networks. These enterprises have the opportunity to enhance their competitiveness by integrating innovative solutions from small business entities into their operations and combining resources and technological capabilities.

Integration is a process of exchanging resources, knowledge, and experience between the two types of enterprises, as well as organizing production and marketing processes through collaboration. Such integration helps to efficiently organize and develop the economic activities of small business entities, while also creating opportunities for large industrial enterprises to explore new markets [2].

The integration process brings the following advantages for small business entities [3]:

1. Expansion of resources and opportunities. Large industrial enterprises create extensive opportunities for small business entities by providing access to their resources, including financial reserves, technologies, and experienced specialists. This enables small enterprises to produce their products more efficiently and with higher quality.
2. Enhancing competitiveness. Small business entities increase their competitiveness by collaborating with large industrial enterprises. This helps them strengthen their position in both domestic and foreign markets.
3. Innovative development. Small business entities are often capable of developing and implementing innovative solutions, and they participate in creating new technologies in collaboration with large industrial enterprises.



4. Creating new jobs. Integration processes create new job opportunities by expanding the activities of small business entities, which helps ensure social stability.

The integration of large industrial enterprises with small business entities has the following advantages [4]:

1. Implementation of innovations. By applying innovative products and technologies from small business entities, large industrial enterprises can optimize their production processes and enhance their competitiveness.
2. Market diversification. By supplying their products to large industrial enterprises, small business entities discover new markets, which helps producers with market diversification.
3. Increasing production efficiency. The products or raw materials of small business entities are considered valuable in providing the necessary elements for large industrial enterprises, allowing them to make their production processes more efficient.

The establishment of integration between small business entities and large industrial enterprises not only ensures economic efficiency but also contributes to social development, resulting in the following outcomes [5]:

1. Ensuring employment. Through integration with large industrial enterprises, small business entities expand their activities, which enables the creation of new job opportunities.
2. Ensuring social stability. The collaboration between small business entities and large industrial enterprises helps ensure the continuous development of society and the effective functioning of social systems.
3. Development of the local economy. Small business entities serve the local market, and their development has a positive impact on the local economy.

Conclusion

During the research, after reviewing relevant scientific works, textbooks, study guides, and regulatory documents related to the field, I concluded the following. The integration process between small business entities and large industrial enterprises



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is of great importance in ensuring economic and social development. The integration process provides small business entities with resources and opportunities, enables the development of innovative technologies, and improves economic efficiency. Large industrial enterprises, through cooperation with small business entities, enhance their competitiveness and discover new markets. Furthermore, this process contributes to ensuring social stability, creating new jobs, and supporting the development of the local economy.

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