

**EUROPEAN UNION REGIONAL CHARACTERISTICS OF IMPROVING
THE EFFICIENCY OF MARKET INFRASTRUCTURE FOR
THE DEVELOPMENT OF SMALL BUSINESSES**

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The article analyzes the specific features of the regional model for improving the efficiency of market infrastructure for small business development formed in the countries of the European Union. It also identifies directions for the creative application of this experience in the conditions of Uzbekistan.

Keywords: Entrepreneurship, small business, small business potential, active entrepreneurship, market infrastructure, small business activity, business environment.

Introduction

In a competitive environment based on market economic relations, the intensification of globalization trends in recent years has increased the importance of market infrastructure as a crucial institutional element in improving the adaptability of small business entities to sharp changes in the external environment and in raising the efficiency of their innovative development. In particular, global transformations in economic relations and the vectors of digital development are making the relationships connected with the economic activity of small business entities increasingly complex. At the same time, these processes strengthen the role of the sector as a “driver” of national economic growth.

Relevance of the Problem

It should be emphasized that, in the conditions of Uzbekistan, the development of small business activity is also one of the priority areas of nationwide reforms. In recent years, the government has been implementing the comprehensive program “Continuous Support for Small Business”, which provides 6.0 trillion soums from the state budget and USD 1.2 billion from international financial institutions for 2023-2026 [1]. Furthermore, the adoption of the “Strategy for the Development of Small and Medium-Sized Business for 2025-2030” [2] strengthens the need to improve the efficiency of market infrastructure serving this sector in order to achieve the strategic goals and objectives planned for the development of small business activity in the coming years.

The above circumstances require an in-depth analysis of foreign experience aimed at improving the efficiency of market infrastructure for small business development and the study of opportunities for applying such experience in Uzbekistan. This is especially important when developing measures that correspond to the current state of the national economy and the level of small business development in the country. In economic science, foreign approaches to improving the efficiency of market

infrastructure for small business development have been formed under different economic systems and conditions. Their analysis expands the possibility of correctly identifying reform priorities in this area and introducing effective mechanisms for their implementation.

Problem Statement

Economists from Uzbekistan, including Sh. S. Turabekov, S. E. A'zam, N. J. Nosirova, A. A. Ilyosov, A. I. Rakhmonov, and G. A. Solieva, have studied the specific features of entrepreneurship development in the country and the priorities of state support for entrepreneurial activity. They have also assessed the role of small business in the national economy through the trends achieved in the development of the sector.

At the same time, in the context of New Uzbekistan, issues related to improving the efficiency of market infrastructure for small business development have not yet been analyzed comprehensively, systematically, and as a special object of research. The relevance of the problem, its insufficient coverage in economic literature, and the scientific and practical significance of the expected research results served as the basis for selecting this topic as the object of study.

Research Methodology

The research process employed such methods as systemic analysis, historicity and logic, induction and deduction, analysis and synthesis, comparative and selective research, monographic analysis, and grouping.

Analysis and Results

In ensuring the efficiency of market infrastructure for small business development, the European model formed in the countries of the European Union is aimed at ensuring interregional balance. The existence of sharp differences between the development and efficiency levels of the regions of Uzbekistan makes this model both scientifically and practically significant for national practice. Taking this situation into account, the results of studies conducted by European Union regional organizations of international importance - such as the European Commission [3], SME United in Europe [4], BusinessEurope [5], and Eurochambres [6] - were systematically analyzed in relation to the development of small business and the state of efficiency of its market infrastructure. Based on this analysis, the following general conclusions were developed regarding the characteristics typical of EU countries:

- In EU countries, priority is given to multi-level institutional governance, digital integration, and innovative development in ensuring the efficiency of market infrastructure for small business development. In general, this model is distinguished by the development of programs for small and medium-sized enterprises and the provision of services through a unified market infrastructure. In the functioning of the regional model, small business development is focused not on direct state intervention but on the institutional improvement of the business environment, strengthening competitiveness, and ensuring cross-border economic integration.
- In the model formed in EU countries for ensuring the efficiency of market infrastructure for small business development, the support of small and medium-sized businesses is clearly reflected in the deep integration of financial institutions, digital platforms, innovation centers, consulting networks, and the legal environment. The central element of the model is a system in which knowledge, finance, digital

transformation, export, and innovation circulate around small and medium-sized enterprises (SMEs) as mutually interconnected components.

- In the regional model, digital transformation is regarded as a priority mechanism for improving the efficiency of market infrastructure. Through the Digital Europe Programme, European Digital Innovation Hubs (EDIH), online platforms, and electronic services, the digitalization of market infrastructure appears as a deeply integrated process in improving the efficiency of market infrastructure for small and medium-sized business development.

As in the practice of the United States, the model formed in EU countries also uses a multi-level financing mechanism in the development of small and medium-sized enterprises. Priority is given to COSME, InvestEU, Horizon Europe, microfinance, and grant programs. Improving the efficiency of the financial direction of this type of market infrastructure helps minimize risks associated with investment in small and medium-sized enterprises.

Another distinctive feature of the EU model, as in the United States, is the establishment of a mechanism based on the integration of the Enterprise Europe Network (EEN), SME Helpdesk, and innovation centers in order to increase the viability of small and medium-sized business activity. Through this mechanism, entrepreneurs receive comprehensive assistance on legal, financial, marketing, and export issues.

Conclusion and Recommendations

In general, the analysis of the regional model formed in EU countries for improving the efficiency of market infrastructure for small business development made it possible to formulate the following scientific conclusions:

- In the functioning of the regional model, the Horizon Europe program strengthens the integration of market infrastructure efficiency for small and medium-sized business development with the principles of a knowledge-based economy. This is achieved through the formation of cooperation between small businesses, innovation centers, and universities. As a result, the production of globally competitive products with high added value is encouraged.
- Another specific feature of the model is the creation of a regular monitoring system at the regional level, including by individual countries, to assess the development of small and medium-sized enterprises and the efficiency of their market infrastructure. Local experts regularly submit reports on achieved results and existing problems through KPI indicators, monitoring tools, and various integrated assessment systems. This enables an accurate evaluation of the results achieved through programs implemented to ensure the efficiency of market infrastructure for small and medium-sized business development and helps clearly define priorities for further development and efficiency improvement.

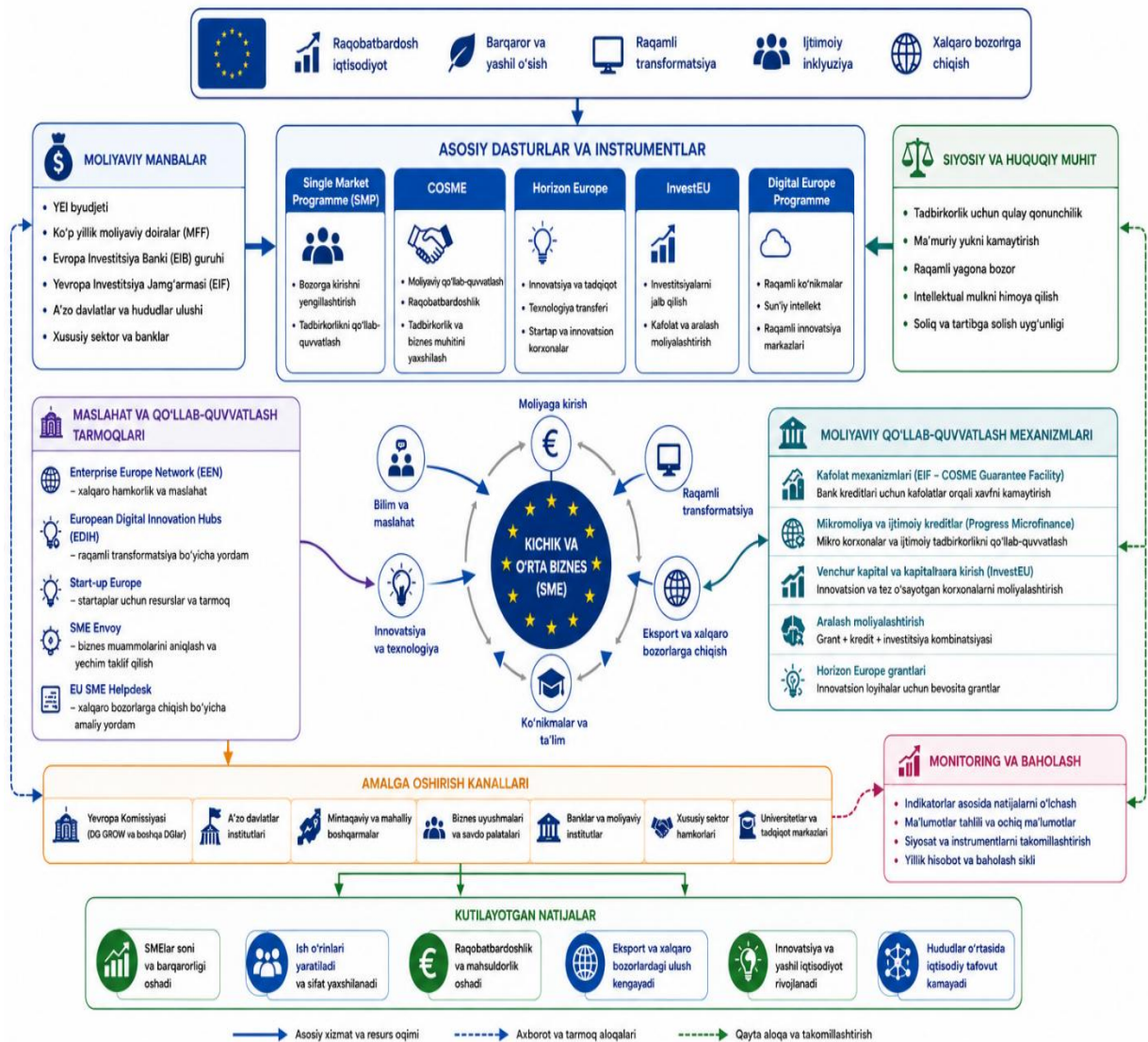


Figure 1. Mechanism of the model for ensuring the efficiency of market infrastructure for small and medium-sized enterprise development in EU countries

Source: prepared by the author.

Overall, the experience of the European Union shows that institutional integration, digital transformation, and innovative financing are of decisive importance in the development of small business. It also allows the mechanism of the model formed in the region to be explained in the manner presented in Figure 1. The EU model is distinguished by the fact that it is based not on the scale of state assistance, but on the creation of a favorable ecosystem for the business activities of entrepreneurs, the digitalization of services, and the expansion of opportunities to enter cross-border markets. From this point of view, this model can serve as an important institutional example for improving the efficiency of market infrastructure for small business development in Uzbekistan.

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