



ROLE OF INFRASTRUCTURE TO DEVELOP SMALL BUSINESS AND ENTREPRENEURSHIP ACTIVITIES IN UZBEKISTAN

Narkuziyev Anvar Rustamovich
Independent Researcher of Jizzakh Polytechnic Institute
e-mail: anvar.narkuziyev@bk.ru

Abstract

Obviously, the state has a significant influence on the infrastructure supporting small and medium-sized businesses, and the state serves as the basis of this influence. Proposed laws, programs, and ordinances are currently being developed to coordinate and govern how the components of infrastructure development agencies operate. However, infrastructure development projects in the regions are managed by legislative bodies, and executive bodies are directly or indirectly involved in the implementation of state policy in the field of SME development, which has the right to consider them as infrastructure institutions.

Keywords: economic development, SME, infrastructure, resource potential, region, soft infrastructure, hard infrastructure.

Introduction

Achieving economic development in the regions is closely related to the development of small business and entrepreneurship and the formation of conditions and infrastructure that meet the requirements of the times and continuous improvement. Today, one of the main directions of socio-economic development in our country is the development of small business and entrepreneurship in the regions and the creation of appropriate infrastructure.

Infrastructure is one of the factors that ensure entrepreneurship, thereby the state economy and the well-being of society. Therefore, important measures have been taken in recent years in our country to develop small business and entrepreneurship in the regions and to create the necessary infrastructure for it.

This formulation of the question requires solving a number of methodological and methodological problems, in particular, defining the main concepts for this study. In economic research, the most common category for describing the resource endowment of an area is the category of "resource potential". At present, different approaches are proposed in the interpretation of the concept of "resource potential of the region".

The existence of the structural nature of the economic unit "region" allows defining it as a system consisting of many elements that are related and connected to each other, forming a certain unity under the influence of a basic factor. The development of the territory, ensuring its integrity, forming a network structure, interaction with the external environment is also related to the existence of the system-forming factor, which, in our opinion, is the main infrastructure that activates all other areas. provides an opportunity to create infrastructures and sustainable economic and, therefore, social development.

Literature Review

Entrepreneurship infrastructure concept to understand primarily for infrastructure _ sure tariff analyze important The term " infrastructure " is from the 20th century the first from half starting from military of technique specialized devices description for used (Lemer , 1992, Tan and



etc. 2000). USA like industry developed the term "infrastructure" in countries the first times international in the press in the 1980s appeared. Since then since the government in hand has been all assets industry in the sector infrastructure that is called. In general, when people this word when they heard hard¹ infrastructure about to think preferred they see , for example, roads, iron roads, electricity stations, telecommunications, wide striped communications, tunnels, industry parks and others. Tan and others (2000), infrastructures known one of the region features cover receiver separately location as determines. From this except infrastructure economic of growth basis it is corporate the landscape change and in the end access obstacles decrease can, indeed, many scholars have defined business infrastructure as the material requirements for the functioning of a business or society. Infrastructure components undoubtedly make people's daily tasks easier. In a broader sense, infrastructure means, in particular, the main elements or components that support the full range of business activities and help open business prospects in a completely different area (Flora C.B. and Frola J.L., 1993; Macke and Markley, 2006; Audretsch, Heger, & Veit, 2014).

Infrastructures usually consist of buildings that are managed and constructed by a local government or administration, so they fall under the category of public assets. Infrastructure plays a crucial role in the economic prosperity of a country. Both physical and non-physical infrastructure are considered in the idea of entrepreneurial infrastructure (Brenes and Haar, 2012; Macke and Markley, 2006).

Tan et al.'s (2000) definition of entrepreneurial infrastructure is adopted to avoid confusion regarding the term entrepreneurial infrastructure in relation to entrepreneurs. The concept of business infrastructure includes all the facilities and services available in any specific geographic jurisdiction to encourage the development of new enterprises as well as the expansion of existing or small and medium-sized enterprises. In other words, the general idea of industrial infrastructure elements is divided into a category called "entrepreneur".

Business infrastructure main disadvantage is that it is the same definition have not _ However , his parts or categories between very less similarity there is With that together , his parts or groups between to each other similarity less _ Brenes and Haar (2012) their innovative in the analyses hard from the infrastructure out coming out five basic soft infrastructure existence , including to business help show services , family of business harmony , state offices by financial support _ help and information services use opportunity existence shows . According to Samli (2011) , entrepreneurship of infrastructure There are six types : intellectual (education or human capital), physical (roads , railway roads , airports , cars ways and others), high technological (telecommunications , internet), and main infrastructure (water , energy supply giver or electricity energy). In fact, He and Nee (2004) entrepreneurship for of infrastructure four element offer does: services and technical support, financial help , information and expertise.

Macro level of the area infrastructures separated following groups:

- Digging receiver industry infrastructures : oil , gas, mining , coal , rare soil , construction raw materials , wood preparation ;
- Energy infrastructures : hydropower (hydroelectric power plant), nuclear power plant (NPP), heat energy (IES) , gas station (GES) , mobile energy, alternative energy;
- Work release infrastructures : mechanical engineering, wood again work, chemistry, industry and medicine, petrochemical, metallurgy, construction, automobile industry, shipbuilding, aircraft industry, agro- industry, agriculture farm;
- Social infrastructure: medicine institutions, general education, sports, social, cultural, housing and communal services, local authority, tourism and tourism, judiciary;

¹ Many foreign scientists have interpreted infrastructure into soft and hard types.



- Communication infrastructure: mail, mobile communication, radiotelephone, general information (public information means, internet, radio, television);
- Innovative infrastructures: academic (RAS), scientific research (research institutes), higher profession education (universities), secondary profession education, higher education (colleges), consulting, technology park, engineering ;
- Financial infrastructures: budget (treasury, pension, tax), banking, insurance, shares (enterprises, mutual funds, private pension funds), stock exchange finance, customs;
- The market infrastructures : retail trade, wholesale trade, commodity exchange, general eating;
- Transport infrastructure: automobile, railway road, highway pipe, sea, river (internal water), aviation, space, telecommunications (incl. electricity transmission lines - electric transmission lines).

Of territories economic growth possibilities work release to the process attraction to be done possible has been of resources quantity and quality with is determined. Many of scientists studies work release process and work release with resource provide territorial such as localization (region, municipality) problems seeing to exit is directed. In the area small business and entrepreneurship development opportunities determine, relevant of the area resources and infrastructural potential assessment requirement is enough

Methodology

In this chapter, we conduct an econometric analysis of indicators of socio-economic infrastructure affecting the activity of small and medium-sized business entities. For this, it is necessary to determine the statistical and econometric interaction of the factors representing the socio-economic infrastructure and forming their basis.

The external impact of social infrastructure is significant. Social marginal productivity (SMP) is superior to private marginal productivity for social goods such as education and health. Therefore, private financing of such social infrastructure may be less than required. Therefore, the government should immediately provide funds and other necessary resources to implement such social infrastructure initiatives. Social infrastructure does not have to be managed or controlled by the government, but the government should set policies and monitor how they are implemented.

We have discussed in detail about social infrastructure and its impact on K&B in previous chapters. Now let's talk about the factors representing the social infrastructure and used in our econometric model and their features.

1- table Analysis for variables description²

No	Variables	Variable description
1	Y	Number of small and medium business enterprises, in units
2	X2	Labor force efficiency , coef.
3	X3	Hospitals together _
4	X4	Number of crimes , in units
5	X5	Number of graduates , in units
6	X6	The share of households supplied with natural gas , in %
7	X7	The share of households supplied with drinking water , in %
8	X8	Electricity production , mln. kw t _
9	X9	to the Internet connected number of enterprises , in units

²Statistical analysis software Stata 15 was developed by the author



10	X10	Underground resources that can be mined in the regions amount , ml rd . in sum
11	X11	Freight turnover in the regions , thousand tons
12	X12	The number of passengers transported in the regions , in units
13	X13	Commercial to small and medium businesses investments directed by banks, bln. soum

2- table General characteristics of the factors used in the model

Variable	Obs	Mean	Std. Dev.	Min	Max
LGBT	168	9.515088	.5591861	8.478661	11.35846
LNATRES	154	4.409674	2.692085	-3.506558	9.478671
LCRIME	168	8.52485	.5974878	7.13966	10.14812
LFREIGHT	168	10.69085	.9019609	8.619389	12.73803
LPASSENGER	168	8.835506	1.030577	7.302073	16.08554
LGRADUATE	168	8.197838	.7360044	6.761573	10.47858
LELECTR	144	6.00282	3.298795	-4.60517	9.905965
INVEST	168	6.382558	4.838192	.7	27.76657
INTERNET	98	21.9551	7.460274	8	44.5
DENSITY	168	709.3637	1813.672		7699.6
Water	168	75.49762	15.01685	34.8	100
GAS	168	68.65357	20.24168		99.9

Since the sampling was done before the statistical committee examined these indicators, we believe that there is no bias in the methods used to determine the existing small businesses and entrepreneurs in the regions and the impact of infrastructure on their activities.

We create an econometric model using the selected variables. The main goal of the dissertation is how various infrastructural factors affect the growth of small and medium-sized businesses in different regions of Uzbekistan. Therefore, we used the number of K&BT as a dummy variable to determine the effects.

$$Y = \beta_0 + \beta_1 lenergy + \beta_2 lnatres + \beta_3 lcrime + \beta_4 lfreight + \beta_5 lpassen + \beta_6 lgraduate + \beta_7 gas + \beta_8 water + \beta_9 density + \beta_{10} internet + \beta_{11} investment + \beta_{12} laborprod + \beta_{13} hospital + \mu_i + \delta_i \quad (1)$$

The first-difference tool is used in the econometric model of the study because it is easy to correct for serial autocorrelations in the annual report data. We also use fixed effects equations to compare which instrument best describes the model. Proceeding with the analysis without testing the factors covered in the model can lead to autocorrelation and ultimately biased results, so we use a case-first model-testing approach to address this issue. To do this, we measure the log factor of the number of enterprises, the ratio of the independent variables representing the infrastructure in the method of least squares.



3-table OLS regression of the model

Source	SS	df	MS	Number of obs = 79.00		
				F(13, 65) = 89.93		
Model	21.1010615	13	1.62315858	Prob > F = 0.0000		
Residual	1.17316319	65	.018048664	R-squared = 0.9473		
				Adj R-squared = 0.9368		
Total	22.2742247	78	.285566983	Root MSE = .13435		
LGBT	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
LENERGY	.0354339	.0066903	5.30	0.000	.0220725	.0487953
LNATRES	.0028459	.0108703	0.26	0.794	-.0188635	.0245553
LCRIME	.1476154	.0535993	2.75	0.008	.0405703	.2546605
LFRIEGHT	.0814909	.0405586	2.01	0.049	.0004899	.162492
LPASSEN	-.0183116	.0229971	-0.80	0.429	-.0642401	.0276168
LGRADUATE	-.0155989	.0327508	-0.48	0.635	-.0810068	.0498091
GAS	.0018741	.0010399	1.80	0.076	-.0002027	.0039509
WATER	-.0094098	.0016416	-5.73	0.000	-.0126884	-.0061312
DENSITY	.000123	.0000168	7.32	0.000	.0000895	.0001566