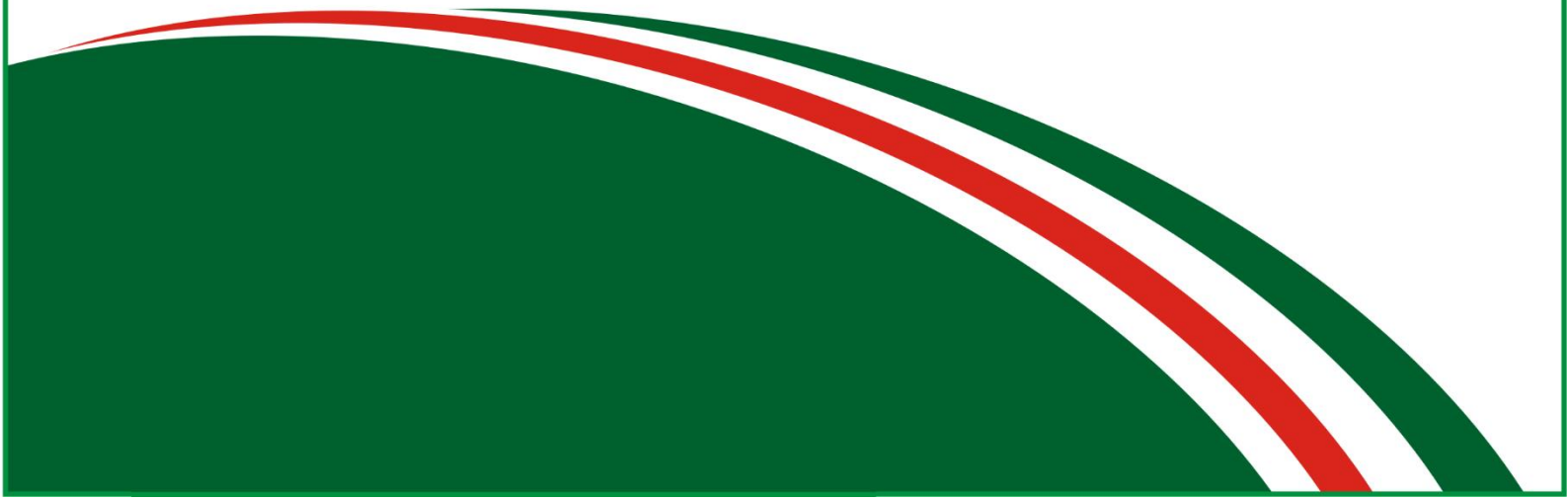


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Increased Economic Impact in the Digital Economy

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Abstract: *The digital economy is now here to stay. The new technologies and modes of business it has created add immensely to speed, convenience, productivity, and transparency, boosting trade and GDP. This digital economy is fundamentally transforming the global economy and unleashing a Fourth Industrial Revolution that will disrupt the existing economic order. This disruption will both drive – and be driven – by shifts in global patterns of FDI as MNEs all over the world take to digital technology and modes of organization to compete. The digital economy is also driving sustainable development through more resource-efficient products, technological inclusivity, and new green technologies, speeding up global progress in meeting the goals of the 2030 Agenda for Sustainable Development.*

Keywords: *Foreign Direct Investment, FDI, Digital FDI, MSMEs, Sustainable FDI, Sustainable Development.*

The rapid expansion of the digital economy is driving an elemental change in the structure and geography of the world economy as it creates new kinds of global economic value and directs it to a set of companies and countries that differ from the past. Digital firms’ FDI lightness, and their reliance on local networks and partners, has made it possible for them to scale globally at unprecedented speeds. For instance, while it took Marriott Hotels nearly a century to reach 122 countries, Airbnb needed just eight years to begin operating in 190 countries (Banalieva and Dhanaraj, 2019). “The rapid rise of tech MNEs represents one of the most noteworthy trends in the world of global mega-corporations in recent years. Tech MNEs have not only gained weight in the universe of the largest global multinationals, but they also represent by far the most dynamic players” (Casella and Formenti, 2018). These MNEs and their founders now cluster at the top of international rankings, including Fortune 500,¹ Forbes’ Global 2000² and World Billionaires List³.

A principal impetus for the digital economy’s rapid growth since 2010 has been the rapid international expansion of digital platforms and tech firms, which has completely upended earlier global corporate hierarchies. So much so that in 2020, seven of the world’s twelve largest companies by market capitalization are digital platforms. Eight such firms now account for some 56 per cent of the market capitalization of the world’s top twenty firms by market capitalization (UNCTAD, 2019). In contrast, seven oil, gas and mining companies accounted for 36 per cent of the top 20’s total market capitalization in 2009. At that time, just three of the world’s top 20 by market capitalization were technology and digital firms, and their share was a mere 16 per cent.

¹ The Fortune 500 list is available at: <https://fortune.com/fortune500/2020/search>.

² Forbes’ Global 2000 list is available at: <https://www.forbes.com/global2000/#58cbcc56335d>.

³ Forbes World’s Billionaires List is available at: <https://www.forbes.com/billionaires/>.

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UNCTAD's annual ranking of the world's 100 largest MNEs shows a similar trend. In 2020, it contains some 15 tech firms – some of which are now global megacorporations – up from four in 2010. They are also the most economically dynamic: these 15 firms' assets grew by 11 per cent a year between 2010 and 2015 (i.e. 65 per cent in total), over ten times faster than that of other MNEs. Their operating revenue and employment expanded by some 30 per cent. In 2019, their foreign assets represented 11 per cent – and their foreign sales 18 per cent – of the total for the world's 100 largest MNEs. Just 10 of them – including Alphabet (Google), Apple, Microsoft, Hon Hai, SAP, and Sony - accounted for a quarter of the total market capitalization of all 100 firms in UNCTAD's list (UNCTAD, 2017).

The other impetus has been the rapidly growing adoption of digital connectivity and technology in the broader economy, particularly individual consumers. Resultantly, the digital economy is believed to have expanded two and a half times faster than the global economy between 2000 and 2015, to reach 15.5 per cent of global value-added in 2016 – or US\$11.5 trillion (Huawei and Oxford Economics, 2018). Based on this, it is possible that the digital economy accounted for about a fifth of global value-added in 2020.⁴

Projections are that the digital economy will account for 24.3 per cent of global value added by 2025 (or some US\$23 trillion), this time driven by the 'industrial Internet' of traditional sector firms digitalizing (Huawei and Oxford Economics, 2018). McKinsey calculates that a few immense digital ecosystems could generate over \$60 trillion in revenue by 2025, or more than 30 per cent of global corporate revenue (McKinsey and Company, 2018). It also estimates that global GDP could swell by an additional US\$13 trillion by 2030, should 70 per cent of companies harness just one of five AI technologies: computer vision, natural language, virtual assistants, robotic process automation and advanced machine learning. Even such minimal AI adoption could boost GDP growth by 1.2 per cent annually this coming decade, creating 16 per cent more in cumulative GDP (McKinsey Global Institute, 2018).

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⁴ Author's calculation based on the estimates in (Huawei and Oxford Economics, 2018).



TECHNOLOGY OF FORMATION OF FOREIGN LANGUAGE LEXICAL SKILLS

ESHONKULOVA NASIBA KHASAN KIZI

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Abstract. *This article highlights the peculiarities of teaching lexical skills in foreign language teaching. Lexical skills are considered the main components of language, through which other skills are acquired. In teaching lexical skills, it is necessary for the teacher to choose and apply pedagogical technologies based on the audience and language material, the purpose of the lesson. This article analyzes, among other things, the importance of developing lexical skills and the role of technology in teaching.*

Keywords. *foreign languages, lexical skills, teaching, technology, methodological, pedagogical, psychological, language materials, creative approach.*

Introduction. Researchers unanimously express the opinion that there is no absolutely correct and effective methodology for all learning conditions and come to the conclusion that it is necessary to combine different approaches, principles and elements of different methods, taking into account the specifics of learning, since what is effective in some conditions can have a completely opposite result. in other learning environments.

With the help of vocabulary, content is transmitted and perceived side of speech. Vocabulary is the main building material of our speech. Therefore, the role of vocabulary for mastering a foreign language is as great and important as the role of phonetics and grammar. After all, it is the vocabulary that conveys the direct subject of thought by virtue of its nominative function, since it penetrates into all spheres of life, helping to reflect not only the real reality, but also the imaginary one. In a living act of speech, lexical and grammatic ones are inseparable: grammar organizes vocabulary, as a result of which semantic units are formed - the basis of any speech activity. In this regard, work on the lexical side of speech in secondary educational institutions is given considerable attention.

Material and Methods. The connection with linguistics is important and necessary for the methodology. The subject of training is the training of speech activity on the material of the language. Linguistics, on the other hand, describes the main system properties of a particular language, formulates them in rules that are actively used by the methodology in the development of specific training models. The technique is closely related to psychology. The technique uses data from psychological science about the characteristics of perception when teaching a foreign language, the role of thinking and its connection with language, the ratio conscious and unconscious (a combination of voluntary and involuntary attention, awareness and imitation), the formation of skills and abilities, the motivation of educational activities, etc. In its provisions, the methodology is based on the research of L.S.Vygotsky, S.L.Rubinstein, A.N. Leontiev, in which the theory of activity is developed, in particular mental activity, draws on data on the problems of memory, the formation of speech skills, speech mechanisms, takes into account the theory of attitude, etc. A great contribution

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to the development of the methodology was made by scientists who devoted their works to the development of issues of teaching a foreign language. Based on general psychology, pedagogical psychology, the psychology of teaching a foreign language, the methodology draws on them data on the psychological characteristics of speech, on oral and written speech, external and internal.

Results. The main goal of working on vocabulary at school is the formation of lexical skills. In the State Standard and programs for educational institutions, the final and intermediate requirements for the possession of a lexical minimum. On the course, students must learn the meaning and forms of lexical units and be able to use them in various situations of oral and written communication, i.e. mastering the vocabulary of generated text while speaking and writing and learn to understand lexical units for listening and reading. Knowledge of words is the most important prerequisite for speaking, and in reproductive types of speech activity, knowing only the meaning of a word is not enough; it is not here that the possession of verbal connections and the formation of the basis of the phrase on them play a lesser role.

To know a word means to know its forms, meaning and usage. Speaking about the forms of a word, they mean its sound form, without which it is impossible to correctly understand the word by ear and adequately voice it, as well as the graphic form, without which the word will not be recognized when reading and cannot be written. If the word has any features of the formation of grammatical forms, then this should also be reported to the trainees already at the familiarization stage in order to avoid errors in the subsequent use of this word. As far as meaning is concerned, English, like any other language, words can have multiple meanings. The volume of polysemantic words in the English language is high, as in no other. It is necessary to acquaint students with the most frequent of them.

Discussion. In addition to the meaning of the word, it is necessary to show its connotation, i.e. those the associations that this word causes, its social connotation, which is associated with the use of the word. It is at this stage that the formation of sociolinguistic and sociocultural competencies is possible. For example, the words "notorious" and "famous" have different connotations, making it almost impossible for them to be interchangeable, even though both words are associated with the notion of fame. Speaking about the use of a word, they mean not only its connotation, but also the control in the sentence. So, for example, the word "to want" can be used both with infinitive constructions "to want to do something" and with gerundial constructions "to want doing something", while its synonym "to enjoy" is used exclusively with the gerund.

There are three components of the content of teaching vocabulary: *linguistic, methodological* and *psychological*.

A lexical unit is a single word, a set phrase, an idiom. Their necessary set for solving speech problems, determined by the context of the activity of this age group of students, is the linguistic component of the content of teaching vocabulary at a particular stage of learning.

The methodological component of the content of teaching vocabulary includes the necessary explanations, memos and instructions on the use of dictionaries, the form of maintaining individual dictionaries and cards with new vocabulary, about ways to reorganize and systematize the studied vocabulary. These are the knowledge and skills that allow the student to work on vocabulary independently and regardless of external conditions.

The psychological component of the content of teaching vocabulary is associated with the problem of lexical skills and abilities.

Conclusion. The work on the accumulation of the dictionary accompanies the entire learning process. At every second lesson, there should be an acquaintance with a new portion of words and work on its assimilation. Students need to arouse interest in careful work on the word, in the constant expansion of vocabulary. Specially designed tests allow you to determine the volume of the student's individual dictionary (thesaurus), to see the progress in filling the dictionary. The most convincing evidence of vocabulary proficiency is the ability to take part in oral communication form and reading. The efforts expended on the assimilation of words are determined by their specific properties, in particular, the coincidence/non-coincidence in the scope of meanings with the native language, belonging to an abstract/concrete concept, to a significant/functional word, and most importantly, "necessity" for expressing thoughts.

As experts-translators note, the specificity of the translator's work lies in the fact that he often has to deal with such subject areas, from which he is far away due to his humanitarian and linguistic education. That is why specialists in the field of translation training recommend constantly expanding their horizons, trying to as much as possible learn the special terminology associated with various branches of production and scientific knowledge. At the same time, special attention should be paid to knowledge of Uzbek/Russian terminology and understanding the essence of the processes being translated.

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THE ROLE OF ACTIVE, PASSIVE AND POTENTIAL VOCABULARY IN TEACHING ENGLISH

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Abstract: *Dividing vocabulary units into groups is also important in English language teaching. Thus, the importance of words in speech and the choice of teaching methods, it is necessary to divide them into different types and use them correctly in the language material. This article highlights the characteristics of active, passive and potential lexical units in English language teaching and their role in foreign language teaching.*

Keywords: *Foreign language, vocabulary, passive, active, potential vocabulary, creative approach, teaching technique, vocabulary.*

Introduction. The vocabulary that a person constantly uses in oral speech communication, i.e. those words that are on the tip of the tongue, as the English say, are considered to be an active dictionary. If a word is not used for a long time, then it goes into a passive dictionary, i.e. can be recognized by reading and listening, but is not used in speech. The boundaries between them are very mobile, they can change depending on a number of conditions. In addition to these well-defined "closed vocabulary minimums", it is important to develop the students' potential vocabulary as well.

The potential vocabulary is "open" and individual. It arises on the basis of students' independent semantization of unlearned vocabulary at the time of reading. Its volume and the lexical skill that develops on the basis of this volume are directly dependent on the degree of mastery of active and passive minima by each student. A potential dictionary is formed: on the basis of words consisting of familiar word-building elements (knowledge of word-formation methods and the meaning of affixes, compound words), and words whose meaning is inferred by conversion, for example: water - to water, milk - to milk; by understanding international vocabulary. special source potential vocabulary is a language guess, very important component of independent semantization of words. It has a lot random and unconscious.

Material and Methods. If we make the work on the language guess an organic element of the work on the dictionary, then, in addition to great practical benefits in terms of expanding the potential vocabulary, it will contribute to the development of the general education of students, primarily their knowledge of the language as public phenomenon. Solovova E.N. identifies six most common ways of semantization of lexical units:

- 1 - the use of visualization;
- 2 - semantization using synonyms / antonyms;
- 3 - semantization using known methods of word formation;
- 4 - translation into the native language by the teacher;
- 5 - word search in various dictionaries by students;
- 6 – guess meanings by context.

Visualization, as you know, is different: objective, visual, visual action, sound and contextual. The criteria for choosing a certain type of visibility are: accessibility, simplicity and expediency.

When using pictorial clarity (pictures, photographs), you need to be sure that the interpretation is unambiguous. To semantize the word "building" with using a picture, it should not show a hospital or school. The building in the picture should be a collective image, without individual signs. Using visual visualization, the teacher must make sure that the proposed picture is clearly visible to all students that it is aesthetically executed. Today, video-visibility is widely used in the lessons, where action and sound are combined, visualization is objective and situational, where with the help of a freeze frame you can clearly highlight that moment, object, expression of feeling that needs to be semanticized.

Results. The researchers came up with three sets of clues linguistic guesses: intralingual, interlingual and extralinguistic. An intralingual clue follows from the assignment of a word to a certain grammatical category, revealing its function in the sentence. Word-building elements also play an important role.

An interlingual hint is contained in words formed as a result of borrowing from language to language, in internationalisms, sovietisms, as well as in full and partial calques, i.e. in words and phrases formed according to a common word-formation, syntactic and semantic model. For example, to have an opportunity - to have an opportunity (English). Sometimes a cross-lingual hint comes from the coincidence of separate semantic shares of words, for example, English to arrest, meaning "to detain, arrest, seize", as well as figuratively "to attract attention", coincides with the Russian language only in the first meaning.

Discussion. Extralinguistic prompting follows from the knowledge of facts and phenomena reality, reflected in the text and giving it an indicative character. So, the signs of time, place, mentioning one's own names throws light on the meaning of unfamiliar words. Guessing language is thus the result of all learning and life influences, and therefore, it manifests itself differently in different students, i.e. it is subjective. One student may see a clue in a given word, context, another may not. However, special exercises in linguistic guessing can make it more manageable and, therefore, objective. Tasks and exercises in the language be constructed in such a way as to draw students' attention to the hint (read the text (paragraph, sentence) and underline the signs of time, place; taking into account these signs, determine the meaning of the highlighted words, etc.)

The choice of semantization technique in each individual case is determined by the nature of the word, the stage of learning and the level of students' learning. Training students in the assimilation of words is realized with the help of exercises that strengthen the semantics of new words and phrases, formed on the basis of semantic compatibility. Rogova G.V. divides everything lexical exercises into two categories aimed at:

- 1) memorization of a word, its semantics in unity with pronunciation and grammatical forms;
- 2) the formation of combinations of semantic words character.

Conclusion. In connection with reading at the senior stage of simple original texts of various functional styles - popular science, socio-political and artistic - students must master the passive vocabulary, i.e. they must develop receptive lexical skills - to recognize a word by some supports in its graphics and on the basis of syntactic form and synchronously correlate with the meaning. All exercises of a training nature should be adequate to reading as a process and contribute to the development of some kind of reading mechanism. In order for verbal stereotypes to arise and the auditory-sound-motor image of the word to be firmly imprinted, which facilitates its automatic recognition when reading, these exercises are performed aloud (loud reading and subsequent



translation of the new word in various syntagmas and sentences. When performing this exercise, the meaning of this word is enriched.

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Results. The main goal of working on vocabulary at school is the formation of lexical skills. In the State Standard and programs for educational institutions, the final and intermediate requirements for the possession of a lexical minimum. On the course, students must learn the meaning and forms of lexical units and be able to use them in various situations of oral and written communication, i.e. mastering the vocabulary of generated text while speaking and writing and learn to understand lexical units for listening and reading. Knowledge of words is the most important prerequisite for speaking, and in reproductive types of speech activity, knowing only the meaning of a word is not enough; it is not here that the possession of verbal connections and the formation of the basis of the phrase on them play a lesser role.

To know a word means to know its forms, meaning and usage. Speaking about the forms of a word, they mean its sound form, without which it is impossible to correctly understand the word by ear and adequately voice it, as well as the graphic form, without which the word will not be recognized when reading and cannot be written. If the word has any features of the formation of grammatical forms, then this should also be reported to the trainees already at the familiarization stage in order to avoid errors in the subsequent use of this word. As far as meaning is concerned, English, like any other language, words can have multiple meanings. The volume of polysemantic words in the English language is high, as in no other. It is necessary to acquaint students with the most frequent of them.

Discussion. In addition to the meaning of the word, it is necessary to show its connotation, i.e. those the associations that this word causes, its social connotation, which is associated with the use of the word. It is at this stage that the formation of sociolinguistic and sociocultural competencies is possible. For example, the words "notorious" and "famous" have different connotations, making it almost impossible for them to be interchangeable, even though both words are associated with the notion of fame. Speaking about the use of a word, they mean not only its connotation, but also the control in the sentence. So, for example, the word "to want" can be used both with infinitive constructions "to want to do something" and with gerundial constructions "to want doing something", while its synonym "to enjoy" is used exclusively with the gerund.

There are three components of the content of teaching vocabulary: *linguistic, methodological* and *psychological*.

A lexical unit is a single word, a set phrase, an idiom. Their necessary set for solving speech problems, determined by the context of the activity of this age group of students, is the linguistic component of the content of teaching vocabulary at a particular stage of learning.

The methodological component of the content of teaching vocabulary includes the necessary explanations, memos and instructions on the use of dictionaries, the form of maintaining individual dictionaries and cards with new vocabulary, about ways to reorganize and systematize the studied vocabulary. These are the knowledge and skills that allow the student to work on vocabulary independently and regardless of external conditions.

The psychological component of the content of teaching vocabulary is associated with the problem of lexical skills and abilities.

Conclusion. The work on the accumulation of the dictionary accompanies the entire learning process. At every second lesson, there should be an acquaintance with a new portion of words and work on its assimilation. Students need to arouse interest in careful work on the word, in the constant



expansion of vocabulary. Specially designed tests allow you to determine the volume of the student's individual dictionary (thesaurus), to see the progress in filling the dictionary. The most convincing evidence of vocabulary proficiency is the ability to take part in oral communication form and reading. The efforts expended on the assimilation of words are determined by their specific properties, in particular, the coincidence/non-coincidence in the scope of meanings with the native language, belonging to an abstract/concrete concept, to a significant/functional word, and most importantly, "necessity" for expressing thoughts.

As experts-translators note, the specificity of the translator's work lies in the fact that he often has to deal with such subject areas, from which he is far away due to his humanitarian and linguistic education. That is why specialists in the field of translation training recommend constantly expanding their horizons, trying to as much as possible learn the special terminology associated with various branches of production and scientific knowledge. At the same time, special attention should be paid to knowledge of Uzbek/Russian terminology and understanding the essence of the processes being translated.

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THE ROLE OF ACTIVE, PASSIVE AND POTENTIAL VOCABULARY IN TEACHING ENGLISH

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Abstract: *Dividing vocabulary units into groups is also important in English language teaching. Thus, the importance of words in speech and the choice of teaching methods, it is necessary to divide them into different types and use them correctly in the language material. This article highlights the characteristics of active, passive and potential lexical units in English language teaching and their role in foreign language teaching.*

Keywords: *Foreign language, vocabulary, passive, active, potential vocabulary, creative approach, teaching technique, vocabulary.*

Introduction. The vocabulary that a person constantly uses in oral speech communication, i.e. those words that are on the tip of the tongue, as the English say, are considered to be an active dictionary. If a word is not used for a long time, then it goes into a passive dictionary, i.e. can be recognized by reading and listening, but is not used in speech. The boundaries between them are very mobile, they can change depending on a number of conditions. In addition to these well-defined "closed vocabulary minimums", it is important to develop the students' potential vocabulary as well.

The potential vocabulary is "open" and individual. It arises on the basis of students' independent semantization of unlearned vocabulary at the time of reading. Its volume and the lexical skill that develops on the basis of this volume are directly dependent on the degree of mastery of active and passive minima by each student. A potential dictionary is formed: on the basis of words consisting of familiar word-building elements (knowledge of word-formation methods and the meaning of affixes, compound words), and words whose meaning is inferred by conversion, for example: water - to water, milk - to milk; by understanding international vocabulary. special source potential vocabulary is a language guess, very important component of independent semantization of words. It has a lot random and unconscious.

Material and Methods. If we make the work on the language guess an organic element of the work on the dictionary, then, in addition to great practical benefits in terms of expanding the potential vocabulary, it will contribute to the development of the general education of students, primarily their knowledge of the language as public phenomenon. Solovova E.N. identifies six most common ways of semantization of lexical units:

- 1 - the use of visualization;
- 2 - semantization using synonyms / antonyms;
- 3 - semantization using known methods of word formation;
- 4 - translation into the native language by the teacher;
- 5 - word search in various dictionaries by students;
- 6 – guess meanings by context.

Visualization, as you know, is different: objective, visual, visual action, sound and contextual. The criteria for choosing a certain type of visibility are: accessibility, simplicity and expediency.

When using pictorial clarity (pictures, photographs), you need to be sure that the interpretation is unambiguous. To semantize the word "building" with using a picture, it should not show a hospital or school. The building in the picture should be a collective image, without individual signs. Using visual visualization, the teacher must make sure that the proposed picture is clearly visible to all students that it is aesthetically executed. Today, video-visibility is widely used in the lessons, where action and sound are combined, visualization is objective and situational, where with the help of a freeze frame you can clearly highlight that moment, object, expression of feeling that needs to be semanticized.

Results. The researchers came up with three sets of clues linguistic guesses: intralingual, interlingual and extralinguistic. An intralingual clue follows from the assignment of a word to a certain grammatical category, revealing its function in the sentence. Word-building elements also play an important role.

An interlingual hint is contained in words formed as a result of borrowing from language to language, in internationalisms, sovietisms, as well as in full and partial calques, i.e. in words and phrases formed according to a common word-formation, syntactic and semantic model. For example, to have an opportunity - to have an opportunity (English). Sometimes a cross-lingual hint comes from the coincidence of separate semantic shares of words, for example, English to arrest, meaning "to detain, arrest, seize", as well as figuratively "to attract attention", coincides with the Russian language only in the first meaning.

Discussion. Extralinguistic prompting follows from the knowledge of facts and phenomena reality, reflected in the text and giving it an indicative character. So, the signs of time, place, mentioning one's own names throws light on the meaning of unfamiliar words. Guessing language is thus the result of all learning and life influences, and therefore, it manifests itself differently in different students, i.e. it is subjective. One student may see a clue in a given word, context, another may not. However, special exercises in linguistic guessing can make it more manageable and, therefore, objective. Tasks and exercises in the language be constructed in such a way as to draw students' attention to the hint (read the text (paragraph, sentence) and underline the signs of time, place; taking into account these signs, determine the meaning of the highlighted words, etc.)

The choice of semantization technique in each individual case is determined by the nature of the word, the stage of learning and the level of students' learning. Training students in the assimilation of words is realized with the help of exercises that strengthen the semantics of new words and phrases, formed on the basis of semantic compatibility. Rogova G.V. divides everything lexical exercises into two categories aimed at:

- 1) memorization of a word, its semantics in unity with pronunciation and grammatical forms;
- 2) the formation of combinations of semantic words character.

Conclusion. In connection with reading at the senior stage of simple original texts of various functional styles - popular science, socio-political and artistic - students must master the passive vocabulary, i.e. they must develop receptive lexical skills - to recognize a word by some supports in its graphics and on the basis of syntactic form and synchronously correlate with the meaning. All exercises of a training nature should be adequate to reading as a process and contribute to the development of some kind of reading mechanism. In order for verbal stereotypes to arise and the auditory-sound-motor image of the word to be firmly imprinted, which facilitates its automatic recognition when reading, these exercises are performed aloud (loud reading and subsequent



translation of the new word in various syntagmas and sentences. When performing this exercise, the meaning of this word is enriched.

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RESEARCHING THE PARAMETERS OF THE TRANSMISSION IN A FORAGE CHOPPING DEVICE

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Abstract. *In the article, the parameters of the transmission shaft of the device that cuts and chops green stalk feed are determined. The developed device is designed for small family farms. The feed fractions and the conclusion are presented according to zootechnical requirements.*

Keywords. *livestock, maize, wheat, sorghum, and legumes are grown, widely.*

Introduction. Achieving good results in livestock, fisheries and poultry feeding depends on the type and quality of feed provided to them. Animal feed, concentrated feed and additional feed are used in livestock, fishery and poultry feeding. In Uzbekistan, maize, wheat, sorghum and legumes are grown, and sorghum and maize grains are widely used as bran and bran concentrate feed .

Excessive consumption of concentrated feed for livestock, fisheries and poultry leads to be increased body fat. Among the above-mentioned feeds, the use of green feed helps to prevent the accumulation of fat in the body of fish and poultry and promotes rapid growth and development. Green stalk feeds come from a variety of plants, including corn stalks, cane, alfalfa, legumes, and more. In order to provide livestock, fisheries and poultry feed with green stalks, it is necessary to grind them. Taking into account the above, the analysis of today's existing devices research and development work were carried out to create a small and compact green stalk feed chopper. As a result of research and experiments, a feed chopping device for livestock, fisheries and poultry was developed. The parameters of the transmission shaft installed on the developed device were studied experimentally.

During the operation of the device, the green stalk feed is transferred to the feed trough and from it to the chopping drum through a rod. Since the shape and some parameters of the shaft that the food chopper conveys to the drum are directly related to the process of chopping food in the device, it is necessary to determine its main parameters depending on this process.

Feed transfer and chopping process is affected by the shape of the trough, length L_n , width V_n and angle of inclination α_{uz} .

According to the analysis of the working process of the existing devices for manual feeding of stalked feed to the feed chopper, in order to facilitate the feed transfer, the width of the transmission

channel should be wider at the beginning, narrowing towards the last part, and at the end, the chopping device should be able to pass the feed suitable for the work performance.

In that case, the shape of the transmission shaft can be taken in the form of a quadrangular prism with a large and small base.

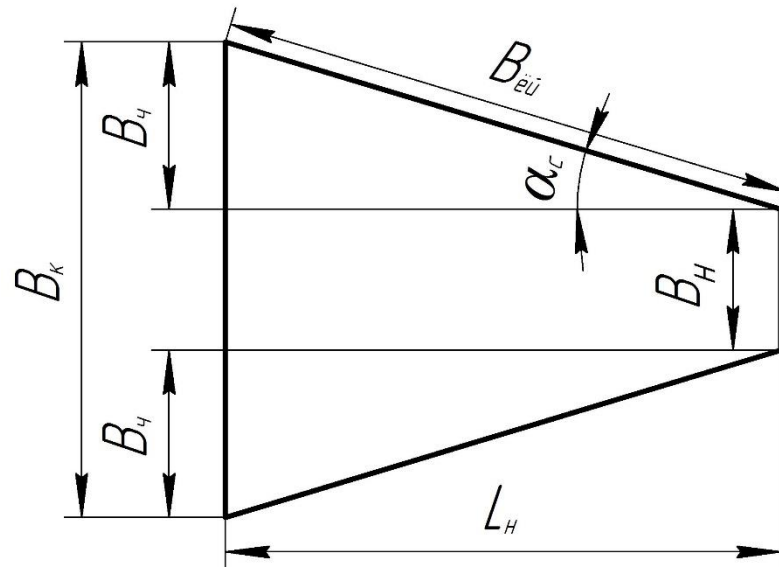


Figure 1. Scheme for determining the dimensions of the transmission shaft

The width of the front part of the trough

$$B_k = B_n + 2B_{ch}, \quad (1)$$

where B_k is the width of the front part of the transmission channel, m;

B_n – the width of the last part of the transmission line, m;

B_{ch} – the width of the outer part of the transmission line, m.

According to the scheme in Fig. 1

$$B_{ch} = L_n \operatorname{tg} \alpha_c, \quad (2)$$

where L_n is the length of the transmission line, m;

α_c is the angle of inclination of the edge of the transmission channel, grad.

(2), the width of the front part of the beam

$$B_k = B_n + 2L_n \operatorname{tg} \alpha_c. \quad (3)$$

In order to transfer the feed with low resistance to the feeders, the slope angle of the edge of the transmission shaft should be smaller than the friction angle of the feed. If we look at the experimental data, the minimum friction angle of corn and alfalfa stalks in the green state is $\varphi_{\min} = 25 - 28^\circ$ considering that 25° between.

We determine the length of the transmission shaft based on the length of the smallest stalks in the stalk feed being transferred to the chopper, i.e.

$$L_n \geq l_n^{\min}, \quad (4)$$

where l_n^{\min} - the length of the smallest stalks in the ground feed, m.

If $l_n^{\min} = 62.4$ cm, the length of the transmission shaft should be 65 cm.

If this condition is met, it is ensured that even the smallest stalks in the mass being transferred are transferred without falling.

V_n of the part of the transmission shaft that feeds the feed into the chopping device from the condition of delivering the feed to the device suitable for its performance, and it is as follows

$$B_n = \frac{q}{h \rho \kappa_{uz} V_{uz}}, \quad (5)$$

where q is the work output of the chopper, kg/s;

h - the thickness of the feed being sent to chopping, m;

r - the density of the feed sent to chopping, kg/m³;

k_{uz} is a coefficient that takes into account the periodicity of feed transfer; $k_{uz} = 0.5-0.8$ when feed is transferred by hand.

B_{uz} - feed transfer speed, m/s.

If $q = 0.142$ kg/s; $h = 0.02$ m; $r = 118.2$ kg/m³; It turned out that if $V_{uz} = 0.44-0.5$ m/s, then $V_n = 18.3-22.1$ cm. For constructive convenience, we take $V_n = 20$ cm.

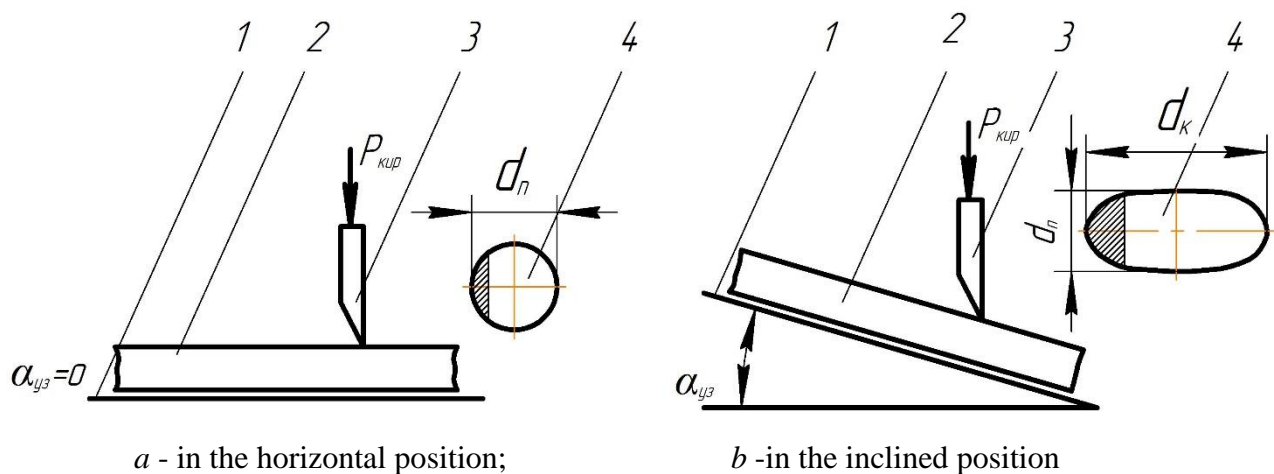
$V_n = 20$ cm, $L_n = 65$ cm, and taking into account that $\alpha_c = 8-10^\circ$ is acceptable for the transmission of feed with low resistance to the feeders and for structural convenience, according to expression (3) the width of the front part of the transmission shaft is B_k It follows that $k = 38.2-43.4$ cm. We take $B_k = 40$ cm.

The inclination of the transfer bar directly affects the transfer of stalks to the blade and the cutting angle, and ultimately the resistance to cutting and the cutting length.

For this reason, we analyzed the slope angle of the trough.

There can be 2 situations when transferring stalks to cutting:

1. Transfer the stalks horizontally to the drum blade of the chopper (Fig. 2, a);
2. Stalks are obliquely transferred to the chopper drum blade at an angle (Fig. 2, b).



a - in the horizontal position;

b - in the inclined position

1-st transmission line; 2-nd stalk; 3-rd blade; 4-stalk diameter

Figure 2. Schematic diagram of the state of transmission of stalks to shearing

According to the 1st case, the shearing force is maximum when the stalks are transferred horizontally to the blade or the blade is vertical to the stalk, i.e. [5; 6]

$$\alpha_{uz} = 0 \Rightarrow P_{kir} = P_{max} \cdot \quad (6)$$

In case 2, there are two different cases. In this case, if the angle of transmission of the stalks is smaller than the angle of friction, the shearing force will be smaller than the maximum value, but higher than the minimum value. If the angle of transfer of stalks is greater than the angle of friction, the shearing force is minimal, that is [5; 6]

$$\alpha_{uz} < \varphi \text{ when } \Rightarrow P_{min} < P_{kir} < P_{max} \cdot \quad (7)$$

$$\alpha_{uz} > \varphi \text{ when } \Rightarrow P_{kir} = P_{min} \cdot \quad (8)$$

where φ is the friction angle of the stalks, degrees.

However $\alpha_{uz} > \varphi$, the cross-sectional surface of the trimmed stalk is elliptical (Fig. 2, b). For this reason, it is not allowed that the angle of transmission of the rods is too large than the angle of friction. If the reason $\alpha_{uz} > \varphi$ is, the large diameter of the ellipse cross-section of the stalk may be greater than the cutting length specified by zootechnical requirements, $d_{\kappa} > l_{\kappa up}$ i.e.

Therefore, in order to ensure that the crushed stalks are conveyed with as little friction as possible, the angle of inclination of the chute should be

$$\alpha_{uz} > \varphi_{\min} \quad (9)$$

If the minimum friction angle of corn and alfalfa stalks in the green state is $\varphi_{\min} = 25 - 28^{\circ}$ taking into account that it $\alpha_{uz} = 27^{\circ}$ between.

Conclusions. According to theoretical researches, in order to transfer the crushed feed to the device and its supply channels with a comfortable and low resistance, the length of its transfer channel should be 65 cm, the width of the front part of the channel should be 40 cm, the width of the part connecting to the supply channels should be 20 cm, and the slope of the channel should be 27° .

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The business environment in Indonesia

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Annotation: Business entities develop to be the leader as the main objective of an entity is satisfying customer needs by the production of goods and services for revenue motive. Adaptation of an entity to the environment in which it is functioning is the success for every business entity. Such as changes in the policies of government, there need to be business adjustments along with the changed policies. Accordingly, business environment takes account of institutions and factors over which the environment does not have a direct control (Reinecke and Schoell).

Key words: Influence, adaptation, production, marketing, distribution, consumers, factors: Political, Economic, Socio-cultural, Technological, Legal, Environmental

As such, Unilever Indonesia has developed to become a leader company in the field of marketing, manufacturing and distributing consumer products through operating segments of home and personal care along with the products of ice cream and foods in Indonesia.

To evaluate how the environmental changes in the country affect on the business entity, impacts of external macro analysis of Indonesia on Unilever Indonesia Tbk will be examined and The Belt and Road Initiative in Indonesia will also be examined briefly.

Introduction

Purpose

It is clear that the business is an entity dealing with the production for profit. Business succeeds by settling in to the environment in which the business is functioning.

Hence, the objective of this study is to reveal the adaptation of an entity to the business environment on the example of PT Unilever Indonesia Tbk and most importantly to explain the impact of the country's recent developments on this company and to analyze whether the company benefits or not from those developments.

Company Background

PT Unilever Indonesia Tbk deals with manufacturing, marketing and distributing consumer goods in Indonesia. The company production comprises of detergents, soaps, margarine, ice creams, dairy based foods, fruit juices, and tea based beverages, cosmetic goods, edible oil and snacks as well[1].

The company operates as a subsidiary of Unilever Indonesia Holdings B.V. and was established in 1933, headquartered in Jakarta, Indonesia[2].

Unilever Indonesia Tbk has around 5.7 million employees [3].

The company presents food productions under the brand names of Bango, Royco, Blue Band, Taro and Sariwangi; and home care products under the names of Rinso and Sunlight, personal care products under the Citra, Axe, Lifebuoy, Clear, Rexona, Pepsodent, Lux, Sunsilk and Pond's brand names.

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Analyses

Belt and Road Initiative

In 2013, the president of China Xi Jinping proclaimed an initiative, which is commonly known as “The Belt and Road Initiative (BRI)”. To support an idea of improvement of world economy with promoting trade, technological and cultural exchanges between Eurasian states, government of China has encouraging infrastructure development, comprising of railways and highways to improve trade and

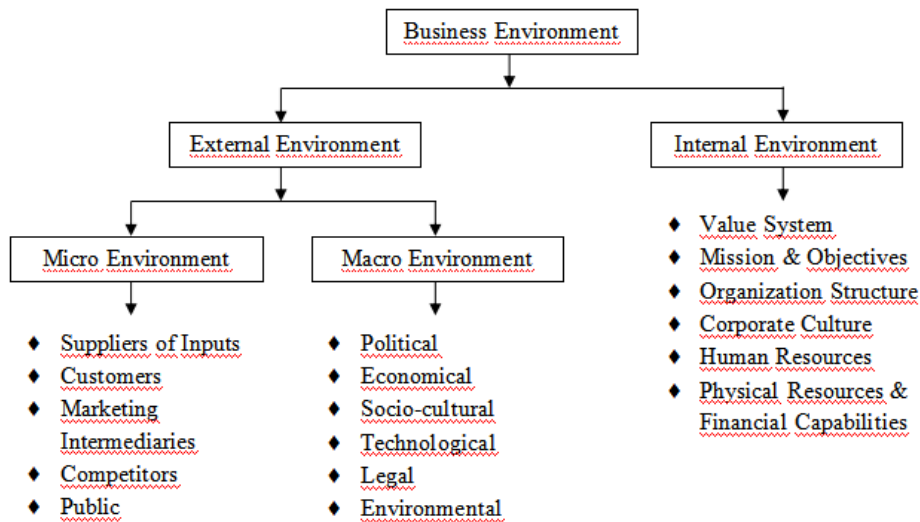


logistics between the participants. There are about 60 states expressed their attention on the BRI which jointly signify more than a half of the international population and about one-third of international GDP (Gill, 2017). If the BRI reached, the countries that are participating would finally be over 4.4 billion population and contribute more than \$ 21 trillion to the global GDP (Meltzer, 2017).

Indonesia has a significant function in BRI by providing a chance to improve its infrastructure and connectivity and to reinforce the position in the market. The government of Indonesia has been extremely opened through any initiative that can support infrastructure development.

By joining the BRI, Indonesia reacted confidently, thus, gives Indonesia a chance to get another source of financing in favor of the infrastructure development. In 2017, Joko Widodo, the president of Indonesia participated in BRI summit in Beijing. Recall that key objective of BRI to assist regional, sub-regional and inter-regional integration through recovering transportation and logistics facilities of participated countries, such as ports and railroads that are needed for trade improvement between them. Furthermore, the initiative is along the lines of the aspiration of Indonesia to be a better maritime-oriented nation as declared in Joko Widodo’s Global Maritime Fulcrum program.

Components of Business Environment



Business Environment

The performance of an entity is influenced by the business environment. It impacts on survival, growth and profit. The entity is forced by certain substances inside and outside the firm which can positively or negatively impact the business.

External macro-environmental analyses have a great impact on the performance of all entities. PESTLE

analysis enables a manager to examine significant factors that can have a potential effect on the success or failure of a business entity by identifying major macroeconomic factors for the future development of the entity[4].

Indonesia is known as the fourth most populous nation in the globe. It is possible for Indonesia to be the large marketplace for tech investments subsequent to China and India. According to the recent developments in Indonesia, there are several factors affecting the developments of industries. The following PESTLE analysis will show the external environment that can impact the Unilever Indonesia Tbk.

Political

Firms conduct and make decisions in accordance with political policy, taxation policy and fiscal stability of government.

❖ Political Policy:

Indonesia is presidential, constitutional republic with the president - head of government, head of state as well as the commander of the Indonesian National Armed Forces. The country service of the president is limited to maximum two consecutive five-year period. Indonesia has a great foreign relationship with neighboring countries and founding part of the Association of Southeast Asian Nations (ASEAN) and the East Asia Summit. It is a member of UN, World Trade Organization (WTO) and the Organization of Islamic Cooperation (OIC). But in 2016 it postponed the connection of the Organization of Petroleum Exporting Countries (OPEC) (Asmarini & Jensen, 2016).

❖ Tax Policy:

Tax rate reduction of the government is advantageous for Unilever Indonesia because a lower amount could be spent as taxation (Williamson, 2018).

Economic

Firms are affected by economic factors with their ability to make revenues for example, interest rate, raw material price, employment rate, growth rate and currency rate.

❖ Gross Domestic Product:



Indonesia’s economy is the 16th largest in the globe with the nominal GDP of \$1.02 trillion in 2018 (Country Economy, 2019). Then it rose to \$1.112 trillion in 2019. And now it is expected to reach \$1.150 trillion by the end of 2020. Moreover, if the growth rate maintains to increase by 5% every year, Indonesia would become one of the top five economies in the world as Indonesia’s President Joko Widodo expressed parliament subsequent to his inauguration [5].

❖ Tax rate:

The corporate taxation rate is 25 percent. The calculation of the personal tax is in accordance with the individuals’ residential status. Residents pay from 5 percent to 30 percent based on their income. A flat rate is 20 percent on the gross income of non-residents.

❖ Consumer spending:

Increased average household earnings together with the increased consumer spending subsequent to the recession can cause growth in the target market of Unilever Indonesia by means of new customers.

❖ Inflation:

Low inflation rate still estimated to stay low in the subsequent two years. This a very good chance for Unilever Indonesia as the cost of inputs of the company would stay low for those years.

Socio-Cultural

Social factors deal with norms and cultures of a society and classify trends of religion, education, demographics, cultural changes and et cetera.

❖ Population:

Despite the large population of 260 million, it has been growing and still expected to increase at a higher positive percentage. This is favorable for the company of Unilever Indonesia by the increased potential customers. From the statistics, the population is expected to be more than 310 million by 2045.

❖ Age factor:

Demographics is a key constituent of Indonesia’s future growth as more than 50 percent of the population is younger than 30. Total median age is 27.6 years; male -27.1, female – 28.1.

❖ Education:

As a result of raise in training and education by many institutes, availability of skilled labor has increased. This denotes that if Unilever Indonesia has the ability to employ skilled labor, the company would not have to expense out more on development and training.

❖ Social conditions:

Indonesia’s healthy environment is beneficial for the democracy’s future developments in support of open discussion and debate providing straightforward access to the entire market research data.

Technological

Technological aspects examine development and technological innovation rates that can impact an entity forthcoming periods.

Technology has an impact by bringing various advantages between lots of departments. Operations are able to be automated in the direction of reducing costs. Technology facilitates improved data to be gathered on consumers as well as develops on marketing efforts (Williamson, 2018).

Indonesia is very active in using Twitter in the world. The rest of social networks are also performing well such as WhatsApp, YouTube, Facebook, Instagram and Pinterest.

In the technology adoption, there made several good progresses over the years. The government planned to enhance technology use to encourage growth and enhance industrial capacity in the five major areas of automotive, food and beverages, textile, chemicals and electronics. These are the main parts where

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Indonesia would be a world leader in forthcoming years. The most vital government focused tech areas are the Internet, human-machine interface, artificial intelligence, robot and sensor technology, and 3D printing (Oxford Business Group, 2019).

However, technology development relied on the skilled labor force availabilities which are not adequate in Indonesia. Further challenges of the country are protectionist regulations, data security and shortages of infrastructure for deliveries payments [5].

Legal

Revenues of an entity can be directly influenced by the results of political proceedings as in mandates, court decisions, laws and regulations.

❖ Company Law:

As the most significant framework of the Indonesia's current legislation, The Indonesian Company law of 1995 rules every company. Under this law, the Memorandum of Act of the company has to be registered (Inc of company law Indonesia).

The Government also set rules to Administration and Utilization of Market Research industry in Presidential Decree 11/2008.

In accordance with the 2018 Global law, 69 percent of population is confident with the local police. That makes the Indonesia the highest law ratings in the globe (Asian Correspondent, 2019).

However, corruption is prevalent in the country; in particular, it is observed mostly in businesses and government institutions.

Environmental

Company can also be affected by the ecological aspects such as recycling processes, waste disposals, sustainability, and carbon footprint and so on.

❖ Location:

Indonesia's geographic position is the most complex and diverse in the world. It is located among Pacific Ocean and Indian Ocean and it has the area of 1,904,569 square kilometers from the land makes up 1,811,569 square kilometers and water 93,000 sq km. Unilever Indonesia's location and geography give cost advantages when serving customers in contrast to that by means of competition.

❖ Time Zone:

Time zone of UTC+7 mean 7 hours ahead of GMT and 16 hours ahead of U.S. Pacific Time.

❖ Natural Disaster:

Because of the location, Indonesia has experienced numerous disasters for example, earthquake in 2004 led to a powerful tsunami in the Indian Ocean causing the death of 155,000 populations.

Conclusion

In consistent with the study above, the data can classify external aspect used for growing market research industry of Indonesia. There are several beneficial and unbeneficial sides in terms of economic aspects, legal policy, social, technological and geographic factors.

Overall Indonesia has excellent opportunity because of some macro environmental aspects:

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Overall Indonesia has excellent opportunity because of some macro environmental aspects: High population about over 270 million in 2020, most of the population is young people, and the country is leading internet user in the globe. This is one of the biggest opportunities in favor of online industry. Market research companies are affected by healthy democratic environment via the access of opened and detailed data research.

There is international labor law, GDP are growing in accordance with the exchange rate of stabilize forecast as it would be the best five economies internationally by 2045, which lets the president's dream come true.

Likely to the open market designed for market research industry, there is provision of data analysis, by reason of every political shifting it affects on the whole industrial environment.

In accordance with the analysis and evaluation it can be clarified that a business entity can be affected by the external business environment in several factors of surroundings. The analysis demonstrates that Unilever Indonesia Tbk is being impacted by the recent development of Indonesia such as population growth, inflation, interest rates, and most importantly GDP is growing at an expected rate, which can make Indonesia one of the top five economies in the world by 2045. In addition financial position is very strong with successful profits, and tourism is providing new customers, technology is also improving. However, technology development is relied on the availabilities of skilled labor force which are not adequate in Indonesia. Further challenges of the country are protectionist regulations, data security, and shortages of infrastructure for delivery payments.

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To understand the role of ICT and industry 4.0 in Hotel industry of Uzbekistan

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Abstract: *The main aim of this research is to understand the role of innovative Information and Communication Technology Solution in Uzbekistan hotel and tourism sector and analyze its impact on industry 4.0 development within Uzbekistan Hotels (Hyatt Regency and Hilton hotels were taken as an example). A particular focus is paid to the ICT application benefits and challenges for hotel industry and in final parts some proper recommendations will be given to enhance their service quality, increase competitiveness and speed by usage of ICT and finally an individual reflection was provided to demonstrate how the module was useful and beneficial and how it affected to the author’s professional enhancement.*

Key words: *ICT, Industry 4.0 development, Uzbekistan hotels, innovative information*

Introduction

Tourism and hospitality are informative – intensive sectors with a quite long value chain, in which information management plays undeniably essential role. There are five basic types of tourism industries namely, Ethic tourism, Ecological tourism, Historical and cultural, Health tourism and MICE tourism (meetings, incentives, conferences, events). Seeking, retrieving, creating, storing and transfer of data are fundamental operation of all tourism enterprises. Nowadays hospitality economy is driven by telecommunications and Information technology (IT). All tourism companies and Hotels undergo the growing impact of ICT. Information and Communication technology in hospitality sector supports efficient functioning of enterprises, since it speeds up management measures and enhance both efficiency and quality of economic operations performed in enterprises. The introduction of modern IT lets for taking better advantage of the resources at the disposal of a tourist enterprise, whereas their fast development imposes the need for reorganizing enterprises and making investments (Jaremen, 2016). Hotels all over the globe have ICT applications, for instance inventory, websites, email, room booking service, e-transactions, e-services (Ham et al., 2005 in Sirirak et al., 2011). Buhalis and Law (2008 cited in Yasin et al., 2017) are claimed the importance of ICT effect on the hotel industry. Among the benefits of implementing ICT within the tourism industry is decreased cost in operation, enhanced consumer satisfaction rate and increased working productivity of hospitality employees and expanded market share/ growth (David et al., 1996; Buhalis and Main, 1998; Tae et al., 2008; Karadag et al., 2009 in Sirirak et al., 2011).

Based on the ICT development index 2017, which own 3 sub-indices, for example, access, utilize and finally sub – index of practical skills encompassing the parts of the ICT improvement operation, according to the statistics (UzReport, 2017) Uzbekistan is ranks in the 95th place in the globe. The amounts of gadget users were increased by 7 % which was about 22.8 million in early 2017 (UzDaily, 2018). The Uzbek government is planning and working on to create a concept of

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“safe city”, where almost 16 thousand video cameras to be installed and followed by the implementation of the “safe country” and “Safe tourism” projects (Inoyatova, 2021).

In the following parts author used several materials, such as online journals, books, publications and Hotel customers’ feedbacks to analyze successes and challenges of ICT and industry 4.0 revolutions implementation in Uzbekistan Hotel industry.

Theoretical Perspective

Industry 4.0 revolution and ICT application

Today the significantly evolving digital transformation among worldwide economies is called “industry 4.0”. Industry 4 is a collective word which involves lots of modern automation systems, goods technologies and information exchanges (Oztemel & Gursev, 2018). It deals with the digital transformation experienced in technology and transforms existing business models with this transformation. This process in business model is referred the “fourth industrial revolution”.

Chart 1. Definition of industry 4.0¹

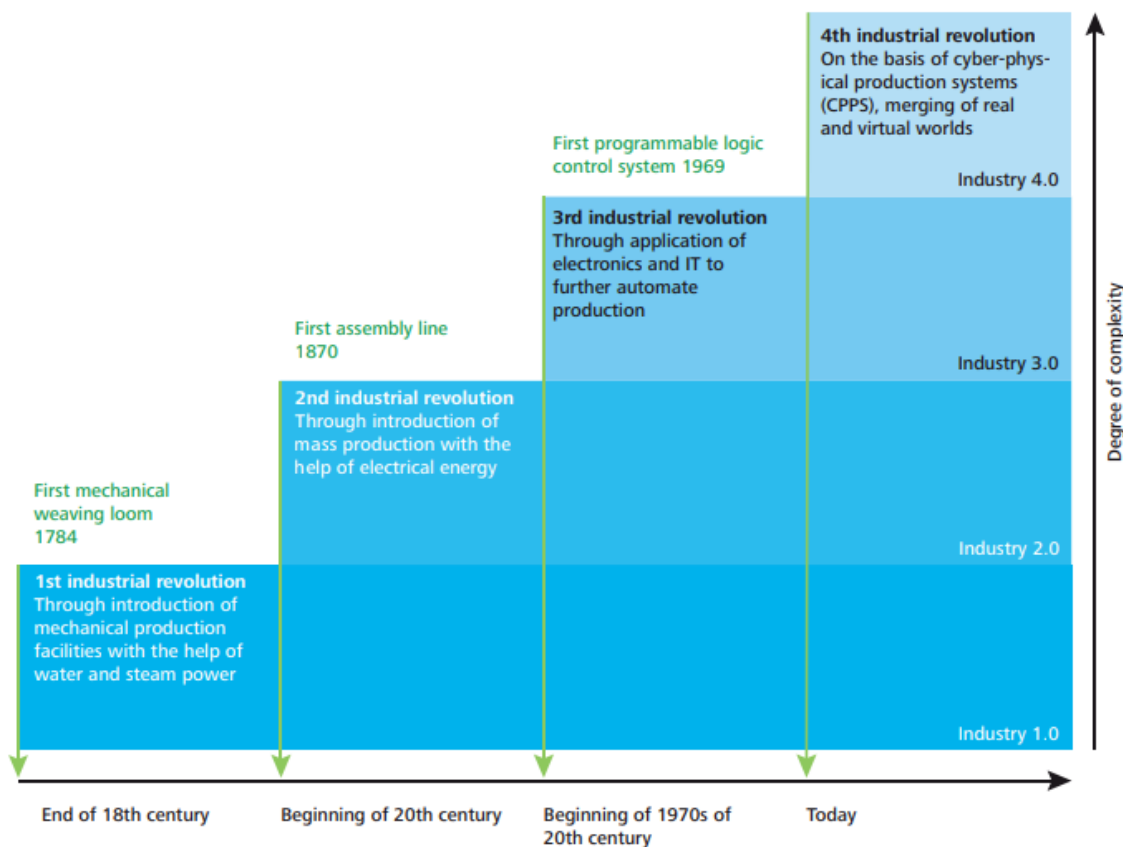


Figure 1

First industrial revolution starts in 1712 beginning of the 18th century, with innovation of “Steam Machine”, it appeared with mechanical production system by utilize steam power and water. Then second industrial revolution was introduced in 20th century, it was about mass production with the help of electrol energy. Third Industrial revolution was about using automation of production processes, after 20th century a digital revolution began to be lived. Finally, last Fourth industrial revolution has come, it was first used in Germany in 2011 (Jeschke, et al. 2017). With industry 4 the globe is starting a new modern industrial revolution, the impact and power of the emerging technologies is further improved by the ever-widening data communication, ICT applications and expanding information network. Without doubt this new modern era will have the effect of changing service life of goods, business life and service areas, machine security and even socio – economical standards.

In Uzbekistan almost all hotels adopted ICT solution in the past, but not every have Industry 4.0 revolution, which is very essential for their future success. By using ICT application Hotels learn the logic and regulations of digitalization of business operations, which will be further applied processes and goods customization with the support of Industry 4.0 revolutions (Bettiol et al., 2020).

Findings and Analysis

ICT in Uzbekistan Hotel’s front office System (HFOS)

Nowadays, in Uzbekistan all Hotels use ICT technologies, as to ease their duties like, taking reservation, telecommunication, guest accounting and room management. Hotels have started to use ICT application as an essential strategic asset and ICT has been rapidly changed and improved day by day and majority of Hotels spend a lot of money to own latest technologies. ICT application offers multitude pluses for hotels of all size. One of the main benefits might be, it increases effectiveness due to cost decline and revenue expansion. In Hyatt Regency in Tashkent, IT helped them return in competition, they relies on Information Technology to enhance their workers’ efficiency and productivity, and as well as consumers satisfaction(Luxury Tashkent Hotel | Hyatt Regency Tashkent, no date). they use most typical IT tool, Hotel Information system (HIS). According to the words of FOA (Front office assistance) Jin Lee, HIS divided into 4 categories which are, guest – related interface, Restaurant management system, front office system and back office system. But Hotel Front Office System is most essential in HIS, particularly in room division department, because they operate 7/24 and 365 days a year. Usually workers use this system at the point of to make contact with guests and hotel staff should use HFOS regardless of their personal desires, she also claimed that, the system provides accurate and sufficient data to the users(Luxury Tashkent Hotel | Hyatt Regency Tashkent, no date). The system is created and designed using an easy to understand technology (Fadzilah, Artinah and Rahmat, 2013).

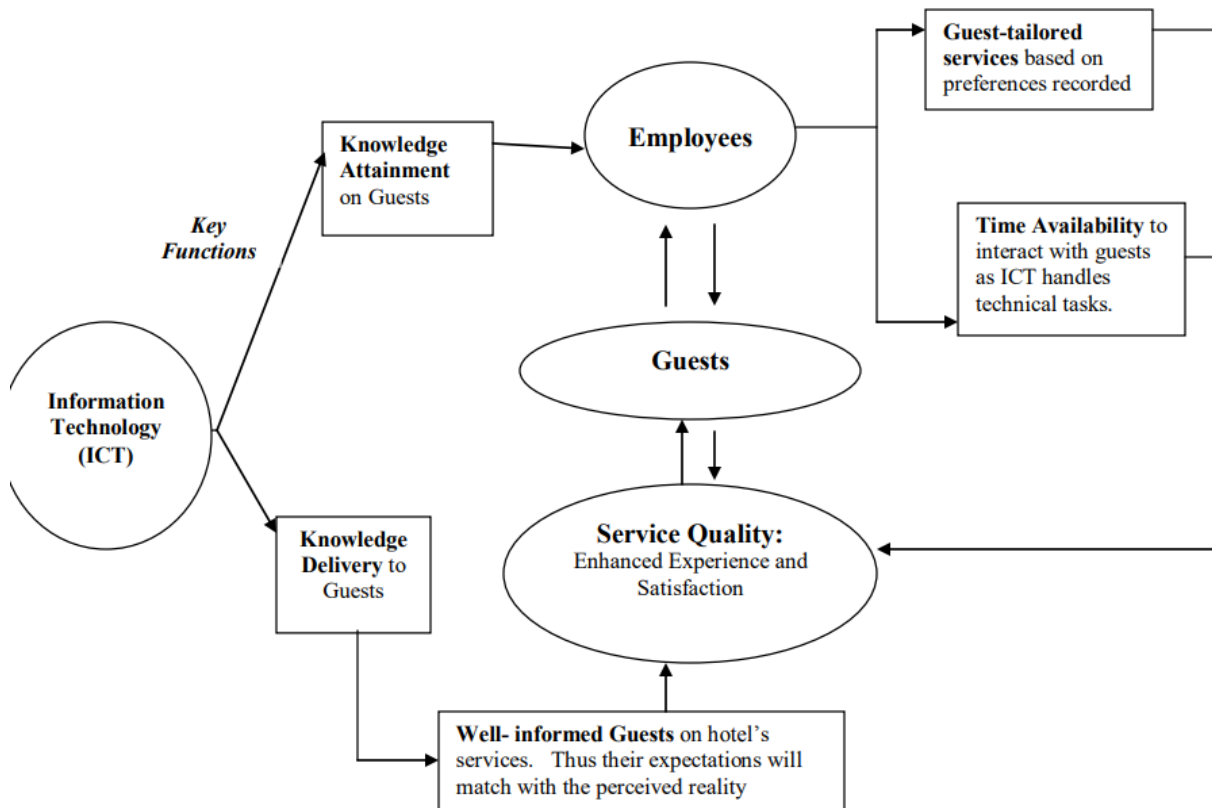


Table 2: Concept Map demonstrating the positive role ICT can play in drawing mutual understanding and communication between Hotel's Employees and Guests.

ICT application in Food and Beverage Department

Today as IT rise, industries use computer information system to support them in gaining their business strategic and competitive goal. Based on International Quality and Productivity center (2001), as the company develops improvement in the modern digital economy, industry relies on its IT departments to plan, install online solutions and to plan. Nowadays, majority of Hotels in Uzbekistan are using IT to unite with their stakeholders, for instance customers, suppliers, employees and management (Fadzilah, Artinah and Rahmat, 2013).

According to the secondary research, RMIS (Restaurant Management Information System) is a system that shore up the administration in their decision making process and traditional financial reporting, forecasting and variance reporting. Hyatt Regency Tashkent and Hilton hotels used RMIS to improve store performance in several ways, such as making reports that assist in managerial decision making, minimizing food delivering periods, improving service quality, doing forecasts that help managers in ordering, controlling food production and scheduling labor (Luxury Tashkent Hotel | Hyatt Regency Tashkent, no date).

No	IT Applications	Effects on service quality
1	Electronic system of recording and storing Data of the Guests.	Increased productivity and improved time to guests.
2	Central Reservation System	Fast check-in and out, reduce the overbooking problems, and increasing in service quality offered to guests.
3	Lobby-based kiosk touch-screen	Different types of information in different languages
4	In-room computer installation	More freedom for the guests in their rooms
5	In-room entertainment	Entertainment and comfort facilities for guests
6	Electronic lock system	A high security system, more satisfactions for guests
7	Electronic concierge	Give more free time for the employee to welcome their guests in-doors

Table3: The Best Applications of ICTs at Hotels

Source: Adapted from International Labor Organization, 2009

Impact of ICT on hotel reputation

ICT has an impact on online reviews (e WOM) on hotel customers' behavior among hotel selection factors can be higher. Owing to the ICT there are two way of communication between the customers and hotel industry, so it has a high impact on hotel promotion and sales. Hotel services are better to promote via the internet rather than published catalogs and brochures. It's claimed that, multimedia message is more eye-catching to consumers; at the same time it allows to recognize consumers' profiles and offer custom-made services. According to secondary research, ICT applications reduce operation cost for business, convenience for customers and high speed of transactions. It can spread the marketing letter quickly at a minimum cost. By using ICT application hotels might minimize their transaction cost and eliminates the geographical barriers made by distance (through accumulating, delivering and processing appropriate data)(Khan and Hossain, 2018).

Conclusion and Recommendation

This study's main goal is to understand the role of ICT applications in Uzbek Hotel industry and analyze advantages and challenges which Hotels were faced after implementation of ICT applications in their information management system. Based on the analyses and secondary researches, it should be said that, ICT application has had positive impact on Uzbek Hotel industry, as they are able to use information and communication technologies for internal efficiencies, disseminating and processing information, controlling distribution and making new opportunities for future commercial improvement with a global audience. However, there is lack of information regarding to Industry 4.0 implementation in Hotels, it began to use only 5* hotels. Transformation



has affected almost all aspects of industries, ranging from strategic objectives to infrastructure. Therefore, industry 4.0 implementation requires a deep understanding of the interaction, purposeful work of top administration and a well improved strategy. In order to improve Hotels customers' satisfaction level, minimize labor force and maximize work efficiency bellow mentioned several suitable recommendations.

There are some recommendations for overall improvement of the Uzbekistan Hotels' Information Management system and enhance ICT applications usage

- The findings showed that, ICT application should be used in Room Division system, due to it is first aspect that represents the service and quality of the hotel to the consumers. Moreover, check in and checkout is one of the most essential processes in division section and division pertaining to customer service.
- Hotel industries should be commended for its use of ICT applications and adaptation of new technologies, for instance Social Media Platforms for engaging with clients. The use of ICT has been clearly managed and implemented with very low cost and requiring little technical skill from employees.
- Continuous improvement of service through training employees, how to work with modern technologies, especially those working with guests directly.
- Every Hotel has to invest into high quality interactive corporate website with good quality photographs
- To improve the efficiency of ICT application, Various kind of inquire options should be accessible to guests, such as phone, fax, email, online booking form, online assistance so on, which need to be working appropriately and handled and answered accordingly

Author hopes that, this research will help managers of hotels use findings as guideline for them to practice and prioritize the ICT application in their working Hotel.

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THE ROLE OF PRICES IN THE MARKETING SYSTEM AND THE FEATURES OF THEIR FORMATION

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Abstract: *Today, marketing is known as a mix of cutting-edge strategy and technology, but it wasn't always that way. The history of marketing as we know it began with simply trying to sell goods and services. Attempts to achieve this may be as old as civilization itself. Some believe that it began as an attempt to display goods in a certain way for trade. The desire to develop reliable communications for the sale of goods and services dates back to the times of ancient China and India. This activity may not have been recognized as a marketing business at the time, but it was from this period that the idea of marketing began to evolve.*

Keywords: *Marketing ideas, as understood in the modern era, began during the Industrial Revolution.*

This period covered the end of the XXIII century and lasted until the XIX century. It was a period of rapid social change due to innovations in scientific and technological fields.

It was during the Industrial Revolution that it became easier for consumers to buy goods than to make them themselves. Mass production led to the creation of many industries doing the same thing to serve the needs of a growing consumer market. In this regard, it can be mentioned that they are occupying transport, mass media and other various infrastructures. The creation of such opportunities has created a more sophisticated approach for manufacturers to find the best ways to develop products that customers need and to inform them of these goods.

Research shows that from the beginning of the twentieth century to the end of the 1940s, competition in the business world intensified. This in turn has led to the need to increase sales using marketing techniques becoming an important part of being competitive, developing a brand and marketing it appropriately to increase its value.

Competition has also created the need to increase production volumes and market shares in all industries, which has led to further improvements in marketing distribution methods and types of communication with consumers. Its purpose is to make consumers believe that the goods and services offered by one company are better than those of other companies offering the same thing.

Since the 1960s, many industrial markets have become saturated with competition, and the need to attract and retain customers now requires direct marketing professionals. During this period, companies began to separate all areas of their business solely for the purpose of marketing the company's products or services. Also, with marketing management becoming an integral part of business success, marketing managers began to engage in strategic planning. Their input was important in determining pricing, how to communicate product and service information to consumers, and more.

The world of marketing changed in the 1990s when a rapid product or service was created and commoditized. As a result, businesses began to realize that they could focus on selling more quality products and building a good brand for them. Businesses experienced an improvement in their margins, which led to an increase in their reputation. Also, some companies with private brands were

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able to improve their market share by more than 49 percent due to increased awareness of the brand they created.

With the development of the Internet, websites have become an important tool for commercialization. In the late 20th century, simple text-based business websites began to develop. Initially, they were used to provide information about the company's products or services.

The first company to run an online marketing campaign was Bristol-Myers Squibb, which advertised Excedrin. The campaign was successful and Bristol-Myers Squibb was able to add tens of thousands of brands to its customer list. Today, hundreds of billions of dollars are spent annually on the marketing business.

Over the past 25 years, the importance of using the web and search engines for marketing has increased dramatically. Initially, it was inefficient to carry out operations on goods without information on web search engines. It also didn't rank well with the search engine, and it was difficult to change the search engine results and the quality of the results was poor.

Search engines have changed their algorithms over time to ensure the best quality results. The aim was to validate the linked sites to ensure the quality of the results provided by the search engine. Now it is almost impossible to manipulate search engine optimization (SEO) rankings. Attempting to do so puts the business at risk of having its brand removed from search engine results.

The emergence of modern blogs has created many opportunities in marketing. Blogs were originally developed as online diaries where individuals reported on their personal lives on a daily basis. In the late 1990s, blogs became an important part of marketing. In 1999, there were approximately 23 active blogs, but according to research, there are now more than 150 million active blogs.

Blogs are now part of most content marketing businesses. They are used to provide information, build customer relationships, generate sales leads, increase brand awareness, obtain customer feedback, as well as public marketing and more. In addition, it is used to inform the enterprise, develop internal and external networks. Nowadays, it is possible to get information on the desired goods from this search engine not only on certain sites, but also from certain bots created through Telegram applications.

It follows that marketing is used regardless of the level of development of market relations, because it works as a real system that connects the internal and external activities of enterprises, as well as coordinates the interactions of all entities included in the marketing system.

The concept of the marketing system defines the specificity of the general concept of the system. At this point, it is appropriate to understand what the concept of "system" means, a system is a set of subsystems, elements, components and their characteristics, the interaction between them and the environment determines the formation of a qualitatively new whole.

The marketing system is a set of socio-economic subjects of the market environment, each of which has independence and integrity, is related to the formation and development of demand for goods and services in order to obtain profit and satisfy the needs of partners in the existing chain of their relations.

The marketing system includes elements such as various suppliers, competitors, intermediaries, consumers and research activities. The formation and operation of the marketing system is carried out in a certain environment created under the influence of the factors and conditions of the market space and the disruption of socio-economic, political, cultural, demographic and

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environmental factors. A developed market environment is a necessary condition for the effective operation of the marketing system.

When looking at the marketing system within one enterprise, the following marketing systems are distinguished by marketing information system, marketing tools system (marketing complex) and marketing management system.

Marketing information system - a set of structures, procedures and methods designed for systematic collection and analysis of the use of internal and external marketing information of the enterprise.

The system of marketing tools (marketing complex) is a set of techniques and methods, a specific set of tools that the enterprise uses to achieve its goal, to solve the relevant market problems in the conditions of maximum satisfaction of the needs of the target markets.

The marketing management system includes three interrelated elements such as marketing planning, marketing service organization and marketing control. Marketing activities are carried out in several stages.

The internal environment of marketing is the entities, forces and situational factors that exist in the firm itself and are controlled by it, and the scope of the firm's activity, which is controlled by the top management of the enterprise; the objectives of the firm; organizational structure and the role of marketing service in it; corporate culture factors include.

Selection of target markets determined and controlled by the marketing department of the enterprise, setting marketing goals, organization of marketing activities and marketing management constitute internal environmental factors.

The external environment of marketing is the entities, forces and situational factors that affect the company's marketing activities from the outside, which are not controlled by the top management of the firm or its marketing department. The external environment, in turn, is divided into the environment of direct and indirect influence.

The direct impact environment combines elements that directly affect the firm's activities and experience its attitude towards itself. The elements of the direct influencing tool are the suppliers; competitors; consumers; intermediaries; state bodies regulating the economy; consists of communication audiences.

In a direct influence environment, consumers are key. The marketing activities of the enterprise must always respond to changes in consumer behavior and their causes, take into account the nature, types and factors of consumer demand, and rely on knowledge about the purchase decision-making process of buyers.

Competitors, as subjects of the external environment, determine the criteria of the company's economic activity, which should not only be achieved, but also exceeded. Only in this case, the company can count on success in the market.

Suppliers can also significantly influence a firm's marketing efforts, for example through joint advertising or sales promotion activities.

Intermediaries connect the producer of goods with consumers and thus facilitate the promotion of the product through distribution channels.

Contact audiences are usually represented by any organization (enterprise) that is interested in a particular firm and is able to influence it.



The environment of indirect influence combines elements, the presence of which affects the marketing activities of the company, but does not directly and immediately affect it.

The purpose of implementing the stages of marketing activity is grouped into a number of the following groups:

market (market share, market capture, identification of prospective markets);

marketing (creating an enterprise image, public opinion formation measures, sales, profit, competition);

structural and management (improvement of management structure);

supply (price policy, sales promotion, consumer characteristics of goods, parameters of commodity turnover);

It can be seen from the stages of marketing activity that it consists of capturing the market, creating the image of the enterprise, selling, ensuring the turnover of goods, carrying out the price policy for the product and properly managing them, in which it is important to set the right price for the manufactured products and to determine the customer.

Price is the value paid for a good or service or idea, the amount for which the good, service or idea is exchanged or offered for sale to a potential buyer regardless of its value or value. There is no marketing in society without a price. The producer price reflects the amount of money (or goods and services in barter trade) received by the firm or seller. For the buyer, this represents a sacrifice and therefore requires him to have an understanding of the value of the product.

In general, price is a component of an exchange or transaction that occurs between two parties, and refers to what must be given by one party (i.e., the buyer) in order to receive what is offered by the other party (i.e., the seller). Nevertheless, this view of price allows for a somewhat limited explanation of what it means to the participants in the transaction.

In fact, price means different things to different market participants. In particular, for buyers, such as end customers, price means what must be given up in order to make a profit. In most cases, financial consideration (such as money) is given in exchange for the possession of goods or services. But the buyer does not always give up financial attention.

Sometimes in the case of barter, the buyer can buy the product by giving up his product. In addition, buyers may give up other things to obtain the benefits of the product that are not direct financial payments (eg, time to learn how to use the product).

For sellers in a transaction, the price reflects the revenue earned for each product sold and is thus an important factor in determining profit. For marketing organizations, price also serves as a marketing tool and is the main element of the marketing system.

Many executives and economists argue that the market, not prices, determines prices. While true in theory, this rarely happens in practice. Almost all companies set prices on a plus-plus basis. They rely on a traditional labor-based cost accounting system for pricing.

One of the most important factors determining the efficiency of the enterprise is the price policy in commodity markets. Prices provide the enterprise with planned profit, competitiveness of products, demand for it. Through prices, the final commercial goals are realized, the efficiency of all links of the production and sales structure of the enterprise is determined.

If a certain level of profitability is not included in the price of the product, then at each subsequent stage of capital circulation, the enterprise will have less and less money, which will ultimately affect both the volume of production and the financial condition of the enterprise. At the

same time, in a competitive environment, it is sometimes accepted to use unprofitable prices to capture new sales markets, squeeze out competing firms, and attract new customers. In order to enter new markets, a company sometimes deliberately chooses to reduce the revenue from the sale of a product to compensate for the loss due to the redirection of demand for its product.

In general, prices help manage the overall economic system - the enterprise uses various factors of production, such as natural resources, labor and capital, and their relative prices. Higher wage rates may cause a firm to adopt labor-saving measures. Similarly, high interest rates may cause management to decide against new capital expenditures. The prices and volume of products sold determine the income received by the enterprise and affect its profit. Yet few businesses regularly think about their pricing strategies or have the confidence to use pricing strategies to capture maximum value.

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"FERGANA EXPERIENCE" IS THE MAIN FACTOR OF IMPROVEMENT OF CLUSTERS

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Abstract: *President Sh.Mirziyoev's words during his visit to Fergana on May 13, 2022 and his speech at the meeting with the regional activists are indicative of the improvement of the clusters being built. Especially in the words of the leader of our country, "I don't need 4 people to be rich, let the standard of living of the people increase", the final goal of the socio-economic reforms being carried out in all spheres is clearly visible. Therefore, the main goal of introducing clusters into our life is directly related to the improvement of the standard of living of our people, elimination of unemployment and poverty.*

Keywords: *During the studies, renovation, modern oil, raise.*

A few years ago, the "Bahodir Logon Textile" enterprise was established in the village of Logon, Fergana district, in cooperation with foreign partners. The total cost of the project was 52.0 USD. Currently, the enterprise is fully operational. In particular, foreign enterprises, including Trutzschler (Germany), Rieter (Switzerland), Murata (Japan), Steinmann (Switzerland), Electro-Jet (Spain), Temsan (Turkey), Rimtex (India), RozaP lastik (Turkey), Lupamat (Turkey), Astex (Turkey), Sieger (India) imported machine tools were installed. Today, 860 workers are working at the enterprise in 4 shifts. Also, for this enterprise, a high-voltage 110/10 KV substation with a capacity of 16,000 kVA is worth 16 billion from our own funds. was built for soum. Currently, the enterprise and the residents of this area are using it.

We continued our activities in this direction and looked for opportunities to attract more foreign investments. We can cite a number of practical examples of this idea: "VODIY SHOES" enterprise was established in the village of Logon with German partners. Machine tools of the German "Desma" company and European, especially Italian, companies were brought to the enterprise and installed. The project cost of this enterprise is 8.5 mln. The amount of US dollars was spent. Today, 895 workers are working in this enterprise. 6 mln. A modern USD cotton processing plant has been completed. 280 new jobs were created.

In 2021, the cotton-textile cluster of the Bahadir Logon Tekstil joint venture planted 32,800 tons of seeds on 5,210 hectares of land in Yozyovon district and 6,225 hectares of land in Kuva district. 49,730 tons of cotton were grown in three districts in both clusters by sowing seeds on the land area. The cotton raw material grown was fully processed in the cotton factory mentioned above.

In the above-mentioned May 13 dialogue with the activists, our head of state emphasized the following: - They say that a friend speaks in vain. I'm on top of myself when it comes to organizing clusters. Now we will increase the demand for them, if there is unemployment in the district where the cluster is working, I will take away the land from such a cluster. Therefore, I demand that the cluster invests in the development of the area where it works. Let the people think about whether the cluster is getting rich because of this land. Therefore, as an experience of Fergana, we will establish



this - in the case of unemployment, there will be a demand for clusters. We did not make this requirement 5 years ago, because there was not a single organization with surplus funds in its account. Neither could end the year with a profit. But now the situation has changed.

Under the words of our head of state, there are a number of criteria that will help the activity of the clusters that are spreading throughout our republic to move forward in the right direction. Inspired by these words, we have started the construction of a modern oil production plant together with our Indian partners in order to provide employment to the youth of the village of Logan and the surrounding area. According to our plan, if we launch this joint venture, the project cost of which is more than 6.5 million USD, we will make a significant contribution to the creation of 210 new jobs.

Adhering to the old adage mentioned in one of our Mubarak Hadith Sharifs that everyone should do good deeds every day, our team has always attached great importance to helping people in need and charity work. For example, 73.0 billion soums are spent annually on charity work by our enterprises. In particular, 8.4 billion soums for the renovation of the "Palace of Culture" in Manas village, Dostlik district, Jizzakh region, 14 km to this village. 8.2 billion soums for the drawing of drinking water, 19.0 billion soums for the reconstruction of the Palace of Culture in Gagarin, Mirzachol district, 19.0 billion soums for the construction of the Khatira Square, 12.5 billion soums for the drawing and commissioning of 20 km of drinking water networks, a total of 48.3 billion soums spent.

At the same time, 750 million soums for the renovation of the Palace of Culture in Sukh district of Fergana region; 5.7 billion soums for reconstruction and repair of Troitsk-Nikolsk Women's Monastery in Chirchik city; 4.2 billion sums for the reconstruction of the Children's Rest House belonging to the Mehribonlik House in the Chirchik district of the Tashkent region, 2.0 billion sums for the repair works of the No. 1 orphanage in the city of Margilon, Fargona region; 500 million soums were spent by our enterprises to pay the contract fees of low-income families and their children in universities.

450.0 million will be given to 250 low-income families in Kuva district, 250 in Yozyovon district, and 300 in Fargona district in connection with the outbreak of the pandemic coronavirus in our republic. Soum worth of food products were delivered as a donation. A total of 486 million soums was donated to the families who suffered losses as a result of the natural disaster in Sardoba district of Syrdarya region. 5.7 billion soums were spent on the reconstruction of the shrine of Khoja Daniyor in the city of Samarkand, and 7 hectares of the shrine's grounds were improved, and porches were built in the national style. In addition, 200 thousand Euro decorative trees were transferred. Recently, a citizen Toychieva Gulnora Qurbanalievna, who came to our company to request financial assistance for her child's operation in Lobnya, Russian Federation, was transferred in the amount of 9,000 US dollars. Such good deeds are repeated every working day of our company.

In March 2021, work was organized in the territory of the 56-Avval electoral district in the form of neighborhood, citizen and family, and residents' problems were studied by going door-to-door in 19 neighborhoods within 11 municipal districts. In the course of the studies, along with the study of the problems of the population, they were also visited in general education schools and pre-school educational institutions, and their problems were studied. At the same time, 8 schools and 2 kindergartens were congratulated on the holiday of Navruz and given gifts. At the same time, the activists of the neighborhood and the elderly dedicated people were also congratulated on the holiday



and distributed the gifts of the deputy. During the studies, they got acquainted with the activities of local entrepreneurs and provided them with the necessary advice and assistance.

Tolqinboy Odilov, a businessman living in the territory of Kaptarkhana MFY, is one of the new entrepreneurs. The working group of our team was satisfied with the work of the entrepreneur in the cinderblock-shaped brick production workshops he organized.

Human dignity is known from the respect and attention shown to him. Every professional and intelligent person who has worked effectively for many years in the labor team must be respected by his teammates. While we were at school 47 in Logan village, we witnessed the retirement of 3 team members. At the event observing the retirement of teachers such as Khamidakhon Ibragimova, Tursunali Bakhromov and cleaner Sanobarkhan Nizomova, they were shown as an example to their colleagues and were awarded with valuable gifts. Also, the mass protests organized for the purpose of organizing beautification and greening works on the territory of neighborhoods, schools and kindergartens, organizations, enterprises, once again demonstrated the life example of mutual harmony, kindness and unity of labor teams.

Summarizing the above activities, we have established more than 20 construction, building material production, textile, light industrial enterprises, cotton textile clusters in Fergana region and other regions of our republic, and now they are operating efficiently. More than 8,000 new jobs were created in these organizations-enterprises.

The company's multifaceted efforts to create new jobs, expand the production of industrial products, further expand foreign investments, and improve reforms in the social sphere, sports, tourism, and agriculture are bearing fruit together with our foreign partners.

In order to further expand the activities of our company and raise our multidisciplinary activities to higher levels, in our opinion, it is appropriate to open a new higher education institution named "Cluster and Innovative Technologies University" in the center of the city of Fergana. Currently, cotton-textile, cocoon, beekeeping, pomegranate, viticulture, light industry, building material production clusters are being established in our region. These clusters are currently working in the ways and methods they have discovered and determined. These enterprises-organizations need highly educated personnel and specialists who can work on the basis of modern requirements and are sufficiently armed with scientific-theoretical and practical knowledge. In the higher educational institutions of our region, there are enough professors, teachers and scientists who closely support the training of these new personnel and specialists with their knowledge and skills. At the same time, we will also train short-term specialists for the professions needed by the clusters, that is, tractors and agricultural machines. We prepare high-educated personnel for working mechanics, in product processing enterprises, that is, in cotton ginning plants, textile enterprises, as well as in vegetable oil production enterprises.

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THE CONCEPT OF FORMING THE COMPETITIVENESS OF SMALL BUSINESS ENTITIES AND ITS ESSENCE

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Abstract: *In this article, the concept of forming the competitiveness of small business entities and its essence and the concept of Competitiveness are discussed about such aspects as competitive advantage, price competition, strategic management and other historical and socio-cultural aspects, and Competitiveness is also an independent variable, an intermediate variable or a complete variable depending on the approach in research. considered as a dependent variable, consisting of different dissimilar factors depending on the field of activity, and the competitiveness of small and medium-sized hotels in the hotel sector compared to their competitors in terms of price, service quality, gross profit, planning and achieving business goals.*

Key words: *small business, product, firm, industry, competitiveness, small business entities, capital resources.*

The current development of the economy of our country directly depends on the activity of small business and private entrepreneurship operating in the territories of the republic, which, according to the data of the State Statistics Committee of the Republic of Uzbekistan, accounted for 55.7% of the gross domestic product in 2020. If we take into account the fact that in 2020 this is being done by 411,200 small business entities operating in the Republic of Uzbekistan, the products produced by small business entities face a very strong competition not only among local production, but also with the products of other countries.

In recent years, competitiveness among enterprises has been a topic of interest among scholars, businesses, and government agencies. In this regard, Porter emphasizes the existence of four levels of competitiveness: product, firm, industry and nation, and considers competitiveness from the point of view of region and territory. Regarding the product, Goldberg et al. they emphasize¹. In addition, it is appropriate to keep in mind corporate competitiveness in terms of price, service quality, gross profit, and ability to plan and achieve business goals relative to industry competitors.

Competitiveness for an industry refers to the ability to maintain or increase market share in terms of low cost or product characteristics compared to similar industries in different countries. There is also national competitiveness in practice, which is the competitiveness of a national economy to achieve and maintain high growth based on sustainable policies and institutions.

Small business entities differ in their organizational structure, capital capacity, labor, technology, environmental responsiveness, management style, and most importantly, the fashion in

¹ Goldberg, A., Cohen, G. and Fiegenbaum, A. (2003), "Reputation building: small business strategies for successful venture development", Journal of Small Business Management, Vol. 41 No. 2, pp. 168-186.



which they compete with other businesses². Therefore, competitiveness studies that focus only on large corporations may not be directly applicable to small businesses³. The competitiveness of enterprises is seen as the ability to respond through the level of interaction, use of potential, implementation or financial strength through continuous improvement of service quality of customer satisfaction groups and shareholder value.

Research on factors influencing the competitiveness of small business entities, which play an important role in the country's economy, has increased significantly in recent years. As Robinson pointed out, the assessment of the competitiveness of small business entities should be considered in a broader interaction or in the context of constant changes in the business environment, and the ability to access capital sources and its internal capabilities should be taken into account. It is worth noting that internal resources play a more important role than external factors to achieve competitive advantage⁴.

Based on the scope of the topic, based on data reliability and experiences, this research is more based on Porter's theory of enterprise competitiveness and competitive advantage. Many studies have been conducted in terms of Porter's theory of competitiveness and competitive advantage to develop conceptual and empirical research on the competitiveness of enterprises. In developing his theory, Porter begins with the following points⁵:

- the nature of competition and the sources of competitive advantage vary greatly between sectors and even between the same industry segments, and this can affect the acquisition of competitive advantage within a certain sector of the industry of a given country;
- the globalization of competition and the emergence of multinational companies do not eliminate the effect of a specific country having a competitive advantage, but may offer different competitive advantages for the company, whether it is the country of origin or the host country.

In this regard, Schumpeter "competition has a dynamic character"⁶- states that. Innovation plays a leading role in this constant change and defines the companies that invest in order not to be excluded from the market. Based on these principles, Porter builds a system of determinants called "diamonds". Based on Porter's theories, it is possible to express the system of determinants that are the basis for gaining competitive advantages (Figure 1).

² Chawla, S.K., Pullig, C. and Alexander, F.D. (1997), "Critical success factors from an organizational life cycle perspective: perceptions of small business owners from different business environments", *Journal of Business Entrepreneurship*, Vol. 9 No. 1, pp. 47-58.

³ Man, T.W.Y., Lau, T. and Chan, K.F. (2002), "The competitiveness of small and medium enterprises A conceptualization with focus on entrepreneurial competencies", *Journal of Business Venturing*, Vol. 17 No. 2002, pp. 123-142.

⁴ Zainudin R., Mahdzan A.N. and Leong, E. (2018), "Firm-specific internal determinants of profitability performance: an exploratory study of selected life insurance firms in Asia", *Journal of Asia Business Studies*, Vol. 12 No. 4, pp. 533-550.

⁵ Porter M.E. (1990) - *The competitive advantage of the nations*, Ed. The Free Press, A Division of MacMillan Press Ltd., New York.

⁶ Schumpeter, *Capitalism, socialism and democracy*, supra note 17, at 83.

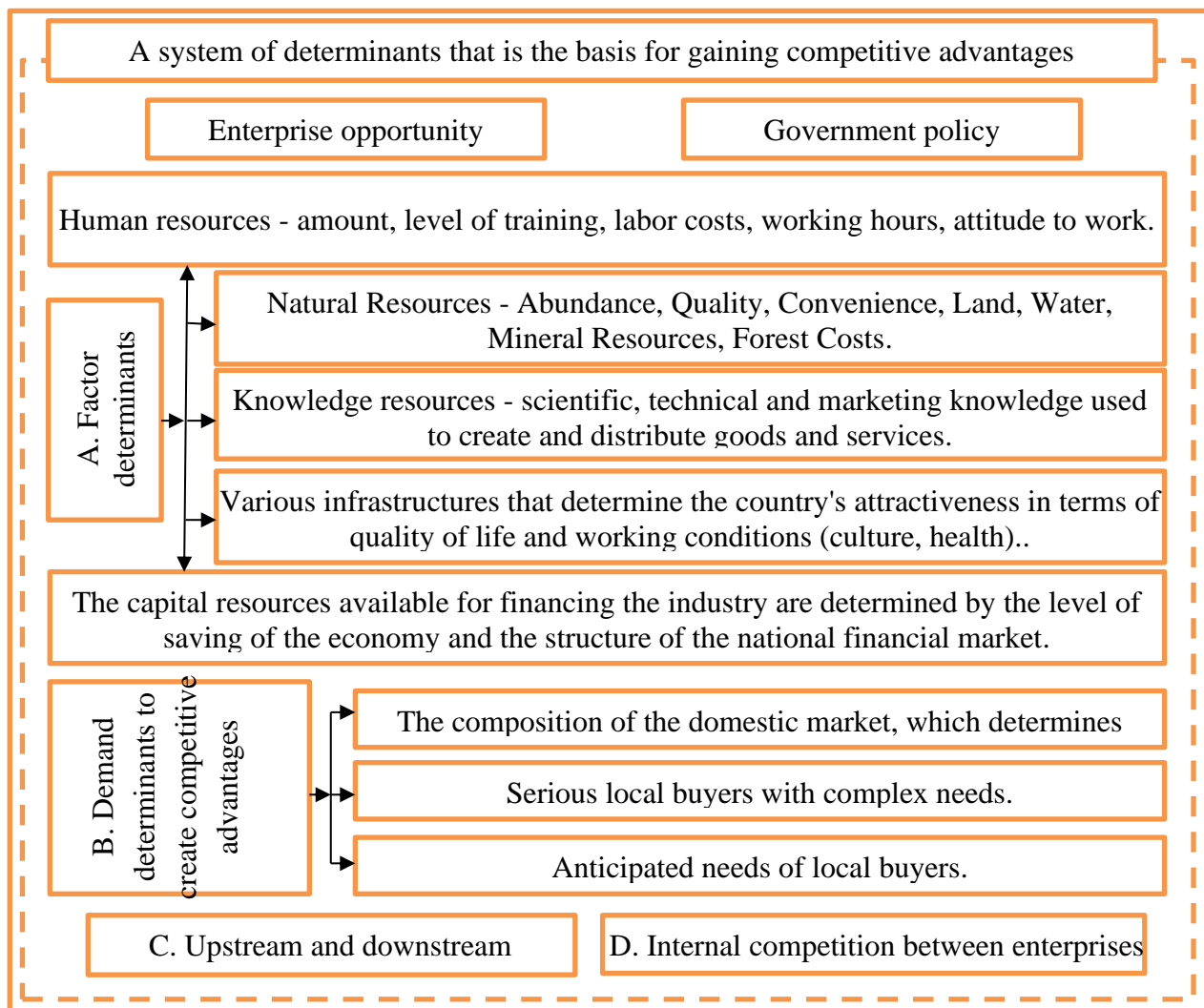


Figure 1. A mechanism for ensuring that small business entities have competitive advantages⁷

We explain the system of determinants that are the basis for having competitive advantages of small business entities presented in Figure 1 as follows. In the picture A) factor determinants - the country is provided with factors; B) demand determining factors - internal market characteristics; C) upstream and downstream networks; D) strategy and structure of small business entities and competition between them - internal competition; These four factors are significantly influenced by two other opportunity and government policy factors. All these determinants are interconnected. According to Porter, countries "where the national diamond is most profitable" are succeeding⁸. As

⁷ Author development

⁸ Porter M.E. (1990) - The competitive advantage of the nations, Ed. The Free Press, A Division of MacMillan Press Ltd., New York.

complex and dynamic as a country's economic environment is, some businesses fail if they fail to adequately capitalize on the demands of this environment.

A. Factor determinants represent the starting point necessary for entry into competition. Classical economic theory defines labor, land and capital as factors of production. Porter's theory shows that even the availability of factors is undoubtedly important, and an important element of a country's competitiveness is the creation of new factors and the improvement of existing ones. Competitive advantage must be created, not inherited. Generally, it is appropriate to divide production factors into the following categories:

- 1) human resources - amount, level of training, labor costs, working hours, attitude to work;
- 2) natural resources - abundance, quality, amenity, land, water, mineral resources, forest costs;
- 3) knowledge resources - provision of scientific, technical and marketing knowledge used for the creation and distribution of goods and services. This knowledge resides in universities, research institutes, information systems, data banks, commercial associations, etc.;
- 4) capital resources - the level and value of capital available to finance industry, determined by the economy's level of savings and the structure of the national financial market, capital markets differ from country to country even though we are participating in the processes of globalization;
- 5) infrastructure - includes not only transport systems, postal, communication, payment systems and systems used for money transfer, but also various infrastructure elements that determine the attractiveness of the country in terms of quality of life and working conditions (culture, health).

Taking into account the current conditions in which the mobility of production factors is constantly increasing, direct access to them is not so important, especially in increasing the economic and financial efficiency in their distribution and use. In this regard, there are two categories of production factors:

- a) primary factors: include natural resources, climate, geographic location, skilled or unskilled labor, and occur in varying proportions in all countries;
- b) advanced factors include: modern informatics infrastructure, highly skilled workforce, competitive research institutes, and most of these factors are created by significant investments in time. Currently, these factors are also the most important for achieving competitive advantage. But it is often necessary to pay attention to the fact that advanced factors are based on basic factors. As another classification of production factors, factors are divided into the following according to their characteristics:

- generalized factors (transportation and communication system, banking system, educated and motivated labor) can be applied in many industries existing in many countries;
- specialized factors located in a limited number of economic sectors (highly skilled workforce, special infrastructure). Their creation implies large investments with a high level of risk, starting from the presence of generalized factors. They are rare but essential for creating and maintaining various forms of competitive advantage.

B. Demand determinants play an important role in creating competitive advantages. They influence the acquisition of competitive advantage by mixing internal demand. If domestic demand is so strong, countries gain a competitive advantage if they force companies to innovate faster than foreign competitors in order to stay in the market. It is possible to distinguish three characteristics of internal demand that influence the acquisition of a competitive advantage:

- composition of the domestic market, which determines the level of product quality;



- serious local buyers with complex needs;

- expected needs of local buyers. A large country with a large domestic market encourages development and can invest to produce goods on a large scale, while a small country with a shrinking domestic market has the only option to go international to achieve economies of scale. A domestic market can develop competitive advantages by internationalizing domestic demand and bringing national products to the international market. When customers include foreigners, whether they are occasional customers (tourists or businessmen) or regular customers, their needs are severe, which forces national enterprises to improve their products. The bottom line is that the domestic market can determine a competitive advantage based on its own characteristics. But its effect depends on other determinants of "diamond".

C. Upstream and downstream industries, if they have a strong position in the international market, are another crucial factor in achieving competitive advantage. A country can be competitive if it has more concentrated and specialized horizontal and vertical industries, which can bring more information, innovation, but the determinants of demand are the growth of international productivity among economic sectors and the resulting competitive advantage among other determinants of the "diamond" determinants. depends.

D. The strategy and structure of small business entities, the competition between them is the fourth decisive factor of the diamond determinant, they affect the international competitiveness of the country with the organization and management of the company, the proposed goals and the applied strategies. Of course, there are differences between countries in the level of education, goals, work style and approaches of managers. The goals and strategies depend on the ownership structure, the motivation of the owners and the incentives of the managers. It is important to coordinate the goals of small business owners with the goals of shareholders and managers for competitive advantage.

In order to gain and maintain competitive advantages, individual motivation of employees is important in improving professional training. Achieving and maintaining competitive advantages is closely related to the presence of real and strong competition in the domestic market, which encourages small business entities to open new markets to promote new products and stimulate growth. Domestic competition is at least as important as international competition because the presence of many competing companies is favorable because domestic companies are as strong as foreign competitors.

The adoption of certain regulations by the government that encourage the establishment of new enterprises determines the growth of competition and thus helps to maintain a competitive advantage. As mentioned above, these four determinants of a diamond evolve closely with two other factors: opportunity and government policy. "Opportunity" - Porter states that most industries with a competitive advantage have been of great importance in the evolution of wars, major changes in the international financial market, and changes in the costs of factors of production..

Government policy can influence the acquisition of competitive advantage as it is the most important determinant. This is due to the fact that the government can influence the local market through subsidies, investments in education, regulation of the domestic market, creation of competitive infrastructure to reduce the costs of input to factors. The state is also an important buyer for some sectors such as the defense industry, aeronautics, and telecommunications. It is important to approach the system of competitive conditions with consistent action of the state in order to create or improve national competitive advantages..



Experiments show that small business entities that have only a functional "diamond" and some elements are positively reinforcing each other have national competitive advantages in the long term, and in turn help to achieve competitiveness at the international level. It should be noted that no country is competitive in all areas. This, in turn, means that it is impossible to achieve competitiveness among enterprises in all areas. Only the small business entities that first overcome through strong internal struggle can create competitiveness at the international level.

National economies go through several stages of development, which reflect both the sources of a country's advantage in international competition and the nature and size of successful industries. Based on the above-mentioned considerations, four stages of the development of competitive advantages in the evolution of the economy can be given.:

- stage of preferences based on factor supply;
- stage of benefits based on investments;
- stage of advantages based on innovation;
- stage of national wealth-based preferences. In the first stage, advantages based on factor supply, industries with international success believe that their advantages depend almost exclusively on the main factors of production. At this stage, the country's economy is highly sensitive to global economic cycles and changes in exchange rates that determine demand and relative prices.

In the next phase of investment-led growth, national competitive advantage is based on the willingness and ability of the country and its enterprises to invest in large-scale directions. In the third stage of innovation-based growth, a country's competitive advantages come not only from adapting and improving new technologies and methods of production, but also from creating new ones..

These stages of competitive economic growth involve continuous improvement of competitive advantages and are associated with continuous growth of economic prosperity. In contrast to these stages, the stage of economic growth based on national wealth is the stage that eventually leads to recession. The wealth-based economy of the past is unsustainable, as the motivations of investors, managers, and individuals divert sustainable investment and innovation. The goals are social goals that take precedence over others, including those that support economic development. In this regard, Fota Constantin notes that "as a rule, countries go through these stages one by one, but it is not excluded that some stages are suppressed or extended more".

Gaining a competitive advantage equally presupposes the risk of losing it. Porter argues that national advantage will be lost if the "national diamond" does not stimulate innovation and investment in the direction the market is developing, and if the industry does not correctly perceive the demand. Studies show that some changes that occur at the national level lead to a loss of competitive advantage. Including:

- unexpected damage of factor determinants and domestic needs not matching the world demand;
- absence of wider and more complex needs of domestic buyers compared to foreign buyers;
- the presence of disadvantages such as lack of human capital and inefficient or non-existent infrastructure in relation to technological changes or specific factors or supporting industries;
- the investment rate is limited and enterprises lose their flexibility in achieving the set goals;
- high concentration in the domestic market, reduction of competition as a result of state intervention to protect non-competitive competitors;



- the deterioration of the competitive environment and the emergence of unpredictable situations that fundamentally affect political and economic stability (in such cases, opportunities arise for other competitors). Like any other theory, even the theory of competitive advantage has its supporters and opponents. This, in turn, causes deficiencies in the theory of competitive advantage.

Critics of this theory cite the inadequate foundation of the concept of competitive advantage and the confusion between firms and nations. In this regard, it can be noted that the theory of competitive advantage appears in a moment, in which the model of comparative advantages does not correspond to economic reality and causes negative consequences for countries lagging behind in economic competition. Thus, if the classical theory is closely related to the availability of factors of production, many critics argue that the theory of comparative advantage is associated with the underdevelopment of many countries rich in natural resources..

However, research shows that the existence of factors of production in Porter's theory provides a basis for new industrial and trade policies. Competitive advantage allows enterprises and small business entities to find the best solutions to the problems that arise and, taking into account the current conditions of regionalization and globalization, to succeed in the path of economic development and wealth..

It should be noted that the concept of competitiveness was developed at three levels: enterprise, industry and country, and it is the basis for the development of many small business entities. It is appropriate to apply the theory of competitiveness and competitive advantage to study the factors that contribute to the competitiveness of enterprises. In this sense, in our opinion, it is appropriate to include the leadership factor in the above-mentioned Porter's "diamond" system of determinants, and the leadership factor is important in increasing the competitiveness of small business entities. Therefore, in the context of the Republic of Uzbekistan, it is necessary to conduct research in order to form a comprehensive opinion about the leadership factors affecting the competitiveness of small business entities. Leaders of small business entities play an important role in shaping business goals, strategies and decisions. In this regard, Clarke, Asree et al. have recognized that "Leadership skills are critical factors in business success."⁹

The process of leadership refers to the creation of social influence to ensure the voluntary participation of subordinates in the implementation of the organization's vision, goals and mission. Leadership is a combination of knowledge, skills, experience, behavior and attitudes to make organizations or businesses a cohesive body to ensure successful competition in the market. In the case of small businesses, leaders play an important role in mobilizing social resources to increase competitiveness and employee incomes, create jobs, and invest in business development..

However, most small business leaders, even those with higher education, do not have in-depth knowledge of economics, business management, business law, and other important areas. These limitations, Chawla et al., note "significantly affect the vision, goals, strategies, and ability of companies to cope with risks." It should be said that, due to their small size, small business entities are particularly vulnerable to unfavorable business environment and competition. In fact, it is possible

⁹ Asree, S., Zain, M. and Razalli, M.R. (2010), "Influence of leadership competencies and organizational culture on responsiveness and performance of firms", International Journal of Contemporary Hospitality Management, Vol. 22 No. 4, pp. 500-516.; Clarke, N. (2010), "Emotional intelligence and its relationship to transformational leadership and key project manager competences", Project Management Journal, Vol. 41 No. 2, pp. 5-20.

to cite small business entities that are suspended or bankrupt in our country every year (in particular, 10.6% of newly established enterprises in 2020 were liquidated enterprises).

In this regard, one of the main causal factors is the weakness of human resource management, especially the low leadership skills of the management team and managers, which makes it necessary to develop it. Inadequate attention to this aspect leads to difficulties in the development of small business. As the chief executive of the enterprise, the leader of small business entities must perform comprehensive and practical leadership activities. In addition, he should directly implement the production process and business operations, as well as take the lead in human resource management..

In order to effectively fulfill his role, it is desirable for a small business leader to have strong leadership skills, sufficient knowledge and skills, attitudes and qualities to effectively manage not only himself, but also the team and the entire organization. It serves to ensure the competitiveness of small business, to achieve the final goal, that is, to maintain and develop the position of the enterprise in the market, and to make it possible to obtain legitimate income for the interested parties and the leader himself..

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THEORETICAL FOUNDATIONS OF INSTITUTIONAL DEVELOPMENT OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP

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Abstract: *This article focuses on the theoretical foundations of institutional development of small business and private entrepreneurship, and this study focuses on institutional theory and its application to entrepreneurship. The aim is to expand the theoretical foundations of the theory and to emphasize the innovative ideas arising from the institutional theory of improving small business and private entrepreneurship development mechanisms by considering the current application of the theory in entrepreneurship.*

Key words: *Small business, institutional development, institutional theory, entrepreneurship, innovative idea.*

Institutional theory is a popular theoretical framework for studying a variety of topics in a variety of fields, from institutional economics and political science to enterprise and organization theory. Research suggests that the application of institutional theory is useful for entrepreneurship research. In this regard, starting with Shane and Foo's study of franchise success, institutional theory plays a major role in explaining the forces that shape entrepreneurial success, in addition to organizational (or entrepreneurial) resources.”¹ – they emphasize that. It can be seen that it is appropriate to study the institutional theory when studying the development of small business and private entrepreneurship.

Although some research has focused on domestic franchising, the institutional theory proposed by Hoskisson, Eden, Lau, and Wright has proven particularly powerful in the study of international subjects.² According to this study, an attempt was first made to review the existing entrepreneurship literature that uses institutional theory to understand the current state of the industry, its current shortcomings, and where it should go in the future.

Historically, the resource-based theory of the firm has been one of the main theories of entrepreneurship because the use of resources is central to the success of a new venture. Today, while resources are certainly vital, it is becoming increasingly clear that issues such as culture, legal environment, industry tradition and history, and economic incentives can affect the industry and, in turn, the success of the business. Institutional theory provides a theoretical lens through which researchers can identify and examine these issues.

However, while institutional theory has proven to be very useful in entrepreneurship, its use has reached a point where a clearer understanding of its broad implications for entrepreneurship research is needed. In this sense, this study focuses on institutional theory and its application to entrepreneurship. The aim is to highlight the innovative ideas arising from the institutional theory to

¹ Shane, S. & Foo, M. (1999). New firm survival: Institutional explanations for new franchisor mortality. *Management Science*, 45(2), 142–159.

² Hoskisson, R.E., Eden, L., Lau, C.M., & Wright, M. (2000). Strategy in emerging economies. *Academy of Management Journal*, 43(3), 249–267.



improve the mechanisms of small business and private entrepreneurship development by expanding the theoretical foundations of the theory and reviewing the current application of the theory in entrepreneurship. The future is to determine whether small business and private entrepreneurship should be developed and to see how they contribute to the economy.

Institutional theory has traditionally been concerned with how different groups and organizations can best secure their position and legitimacy by conforming to the rules and norms of the institutional environment. The term "institute" in a broad sense refers to a set of formal rules, prior agreements³, less formal refers to general interaction sequences, accepted assumptions that organizations and individuals are expected to follow. They derive from rules such as regulatory structures, government agencies, laws, courts, professions and scripts, and other social and cultural practices that create pressures to conform. These institutions create expectations that dictate appropriate actions for organizations.

It also creates the logic that laws, rules, and expectations of accepted behavior are natural and solid. In this way, institutions define what is objectively appropriate and thereby render other actions unacceptable or even ignored. It appears that institutional theory, instead of focusing only on efficiency-seeking behavior, also helps to articulate the regulatory, social, and cultural influences that ensure organizational survival and legitimacy.

These institutional forces have been identified in many works, from sociology and organizational theory to political science and economics. These were collected and summarized by Scott in his famous formulation of three categories of institutional forces. The regulatory pillar derives directly from research in economics and thus represents a rationally validated model of sanctions and compliance-based behavior. Institutions manage behavior through game rules, monitoring and enforcement. These regulatory components derive primarily from government legislation and industry contracts and standards. These regulations provide guidance for new business organizations and may lead organizations to comply with the law, as well as individual compliance with the law, or require a response when there is a lack of law or regulation in the area of the business firm.

The second institutional pillar is the normative one, which represents models of organizational and individual behavior based on mandatory dimensions of social, professional and organizational interactions. Institutions guide behavior by defining what is appropriate or expected in various social and commercial situations. Normative systems usually consist of values and norms, which then define the basic rules to which people consciously follow. Normative institutions are therefore influenced by social necessity or social obligation regarding what an organization or individual should do.

While some societies have norms that facilitate and encourage entrepreneurship and its financing, others make it difficult, often unwittingly, if not illegal. Finally, the cognitive pillar, summarized by Scott and derived from the recent cognitive turn in social science by DiMaggio and Powell, represents individual behavior models based on subjectively constructed rules and meanings that constrain relevant beliefs.

Cognitive dominance may operate more at the individual level in terms of culture, language, and other conscious and unconscious behaviors that people rarely think about. Institutional theory is becoming increasingly important to the study of entrepreneurship in terms of how societies perceive

³ Bonchek, M.S. & Shepsle, K.A. (1996). *Analyzing politics: Rationality, behavior and institutions*. New York: W.W. Norton & Co.

entrepreneurs, instill values, and even create a cultural environment in which entrepreneurship is accepted and encouraged. A major reason for the growing prominence of the institutional perspective in entrepreneurship research is dissatisfaction with theories that respect efficiency but discount social forces as a motive for organizational action. This, in turn, means that the institutional perspective focuses on the rules, norms, and beliefs that affect organizations and their members, which may vary widely across countries and cultures.

Thus, we can more fully understand entrepreneurship research and practice by identifying what is institutionalized—that is, what activities, beliefs, and attitudes are accepted or given a rule-like status. As a result of the conducted research, three main streams of the institutional theory were evident - institutional environment, legitimacy and institutional entrepreneurship. In addition, three main shortcomings have become apparent - reliance on a single perspective of institutional theory, reliance on the examination of culture, and examination of single countries (Figure 1).

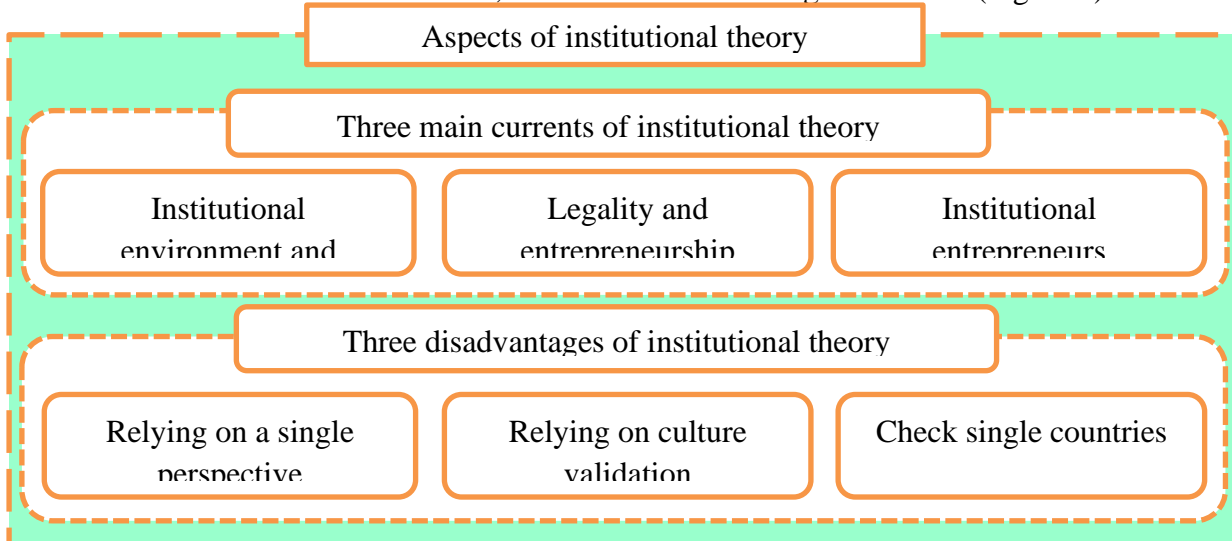


Figure 1. Aspects of institutional theory in the study of entrepreneurship

Focusing on each of the institutional theories in the study of entrepreneurship presented in Figure 1, stream 1 is the institutional environment and entrepreneurship, in which Bruton and Ahlstrom broadly acknowledge that "entrepreneurs are both constrained and enabled by the institutions in their environment." A widely recognized factor is that the institutional environment for new organizations determines or limits entrepreneurial opportunities, thereby affecting the rate and size of new venture creation. Other institutional factors of the external environment that influence the development of entrepreneurship are favorable market preferences and capital availability.

"Improper institutional development can make it difficult for new enterprises to develop, and an institutional environment developed with overly restrictive regulation can hinder the establishment of a firm. Institutional factors affecting entrepreneurial activity include direct efforts by governments to create and support an environment conducive to entrepreneurship, as well as societal norms



regarding entrepreneurship. In particular, the level of entrepreneurship that develops in society is directly related to the rules and policies of society that regulate the distribution of rewards⁴.

Governments can ensure that markets function effectively by removing barriers to market entry, market imperfections, and conditions that create unduly stifling regulation. In doing so, a competitive external environment can inhibit the level of capital investment, impose fiscal and regulatory barriers, and prevent the rise of the entrepreneurial spirit characteristic of some cultures. Broadman et al. found in their research that “economic growth in the developing economies of Eastern Europe is hindered by the lack of effective market institutions to protect property rights and ensure fair competition⁵.”

Dissatisfied with ineffective legal enforcement of contracts and property rights, private entrepreneurs depend on informal norms of security in such an environment and actively seek to develop alternative governance structures and contractual structures. Informal linkages and reciprocal governance fill the "institutional gaps" resulting from inadequate formal institutional infrastructure. While establishing these informal institutions, relationships with key government officials, and other managerial connections can be very beneficial, they can also be costly to firms and inhibit the development of new ventures.

In the absence of formal institutional structures (or substitutes for informal structures), entrepreneurs are hindered in starting a business. In this regard, entrepreneurs are expected to be discouraged if they have to comply with too many regulations and procedural requirements, are expected to report to a number of institutions, and have to spend a lot of time and money to fulfill the documentation requirements.

In this sense, the Decree of the President of the Republic of Uzbekistan No. PF-4725 dated May 15, 2015 "On measures to ensure reliable protection of private property, small business and private entrepreneurship, and to eliminate obstacles to their rapid development", as well as the Decree of the President of the Republic of Uzbekistan dated May 28, 2015 The adoption of decisions PQ-2412 of September "On measures to further improve the procedure for providing state services to business entities on the basis of the "one-stop shop" principle made it possible to eliminate the above-mentioned problems.

Of course, a more business-friendly institutional environment will alleviate such barriers and stimulate entrepreneurial potential. Thus, the institutional environment strongly influences not only entrepreneurial entry rates but also the resulting trajectories of entrepreneurial ventures. The strong influence of the institutional environment can be cited as the 1st stream for opening entrepreneurship, and in this regard, Aldrich and Waldinger were prompted to emphasize in their research that not only the work environment, but also the institutional environment that can stimulate or inhibit entrepreneurship in a country is important. In addition, we believe that the institutional environment can also lead to inefficient behavior in the form of harmful institutional entrepreneurship.

⁴ Broadman, H.G., Anderson, J., Claessens, C.A., Ryterman, R., Slavova, S., Vagliasindi, M., et al. (2004). Building market institutions in South Eastern Europe: Comparative prospects for investment and private sector development. Washington, DC: World Bank Publications.

⁵ Broadman, H.G., Anderson, J., Claessens, C.A., Ryterman, R., Slavova, S., Vagliasindi, M., et al. (2004). Building market institutions in South Eastern Europe: Comparative prospects for investment and private sector development. Washington, DC: World Bank Publications.



Stream 2—institutional theory of legitimacy and entrepreneurship provides a framework for understanding how entrepreneurs not only create new products and services, but also how they seek legitimacy for their new ventures. In doing so, small businesses must prove their worth by demonstrating that they are operating legitimately. The term legitimacy usually means the right to exist and to carry out certain activities. The institutional environment helps determine the process of achieving cognitive and moral legitimacy, which is crucial for entrepreneurial organizations to overcome innovation obligations and increase their survival prospects.

Business organizations and their members must behave appropriately or appropriately within a socially constructed system or face sanctions for deviating from accepted norms. This limits the range of strategic options available to the new venture and the degree of individual agency. As the founders of any new venture seek legitimacy for their activities and their industry, the social context in which they operate will consider various strategies to establish or build legitimacy. Ultimately, legitimacy gives an individual organization and its activities the right to exist.

It is important for entrepreneurial firms to legitimize their activities in order to secure resources and support from stakeholders and society. This is less of a problem for organizations where access to resources is established, as past performance alone often provides legitimacy and access to resources. Society judges an organization to be relevant in part because of its past performance. Established organizations can use their production processes to gain legitimacy and access resources.

However, a new venture cannot do this because its performance indicators may be limited or non-existent. Oliver states that "Institutional theorists help illuminate and shape the legitimacy-building approaches used by new ventures by arguing that organizational structures, processes, and personnel can be used to demonstrate organizational legitimacy."⁶

Each of the three institutional pillars affects firm legitimacy and is particularly important for understanding entrepreneurship in developing countries. Although normative and cognitive institutional pillars are culturally based, there are differences between the two. Normative pillars represent the actions that organizations and individuals must take. Normative assessment of legality is related to the conformity of the activity of the organization with correct and influential groups and social norms.

The cognitive institutional pillar includes scripts, schemas, and accepted elements that influence individuals in a given sociocultural context. Cognitive assessment of legitimacy is related to the compatibility between the organization and its cultural environment. Normative institutional pillars include laws, regulations and their enforcement. Such institutions include sanctions, laws, and political authority that regulate individual and organizational actions. Regulatory structures are relatively reasonable, negotiated agreements for sharing issues that can easily change.

Normative legitimacy occurs when laws and regulations recognize an industry's right to exist and help protect it. The details of the strategic behavior shown by entrepreneurs in different countries may differ slightly due to variations in their institutional environment. In particular, Ahlstrom, Bruton, and Yehler found that the legitimacy building methods used in China were very familiar and useful to managers in Taiwan.

Although there are differences based on the less intrusive role of the government in Taiwan in particular, these results show the robustness of legitimacy building strategies and their importance

⁶ Oliver, C. (1995). The antecedents of deinstitutionalization. *Organization Studies*, 13, 563–588.



for all firms in Greater China. These approaches to building legitimacy proved valuable to the small business entities in our study as they sought to penetrate foreign markets. Similar approaches have been found in other developing economies, including India and Latin America. This demonstrates the value of understanding local approaches to management and reiterates the importance of the institutional environment for entrepreneurship.

Institutional entrepreneurs, referred to as Stream 3, often create a product or service directly in an informal domain. In this context, new entrants to this market may recognize some degree of mutual interest, but there is relatively little coordinated action among them and few standards for their emerging field. Entrepreneurs often face developing institutions that are spread over a narrow circle. This is especially true in weak developing economies where legal institutions and professional and commercial norms are still being established.

NGOs have little role to play and civil society is not always well developed. Entrepreneurs lack the necessary legitimacy in weak institutional environments, especially in developing economies. Entrepreneurs may need to play the role of institutional entrepreneur to improve the environment and create structures that help their business to be recognized and promoted. Consisting of networks of institutions and organizations that collectively constitute a recognizable field of life, the organizational field develops through patterns of social action that produce, reproduce, and transform the institutions and networks that constitute it.

Through repeated interactions, groups of organizations develop common understandings and practices, and institutional entrepreneurs can work to shape the institutions that define the field, and at the same time, these institutions shape the persistent patterns of interaction that they produce. The concept of institutional entrepreneurship emerged to help answer the question of how new institutions emerge and change. Thus, institutional entrepreneurship represents the activity of actors who have an interest in promoting certain institutional structures and use resources to create new institutions or change existing ones.

The study of institutional processes has focused on relatively mature organizational fields, but institutional entrepreneurship also occurs in emerging fields and is increasingly seen as an important role for entrepreneurs. The concept of institutional entrepreneurship focuses on this work and the ways in which institutional entrepreneurs shape their institutional contexts. Examples include the government's introduction of business plans in museums and other cultural organizations, the efforts of professional associations to persuade members to standardize new procedures, and firms to lobby governments. Institutional entrepreneurs lead collective efforts to identify political opportunities, solve problems, and introduce new beliefs, norms, and values into social structures.

The 1st problem that arises in the study of entrepreneurial activities based on the institutional theory is that the institutional theory has different currents. Although researchers generally agree on the set of rules that constrain organizational and individual behavior and the importance of perceived parameters, as noted above, there are two broad formulations of institutional theory. One of them is mainly derived from sociology and organizational theory, while the other is based on work in the field of political science and economics. These two networks share the notion that people have limited cognitive and information processing abilities. As a result, people use heuristics to make decisions as a result of their goal-oriented cognitive limitations.

These heuristics shape people's decisions in subtle but pervasive ways. Although the two strands of theory share commonalities, there are also meaningful differences between these two

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strands of institutional theory. The sociology/organizational theory section argues that the main driving force is the effort to achieve legitimacy and stability in uncertain situations. As a result, he views, values and norms of all social classes of people are the main heuristics. In contrast, Shepsle argues that the economic/political sphere is the most important driving force of governance structures or governance systems constructed by individuals. Decision makers are therefore influenced by formal incentive and management systems.

The differences between the two streams of institutional theory are even deeper, with most economics/political science institutional theorists assuming that entrepreneurs purposefully build institutions that achieve the outcomes they desire, and rarely asking where the preferences come from, or the interests and re-organizations that may further shape institutions. take into account communication mechanisms. In this context, institutionalized behaviors and structures change more slowly than others. Those who adopt the sociology/organizational theory version of institutional theory focus instead on the ways in which institutions organize the search for complex solutions.

While economic/political science theorists tend to treat a set of negotiated agreements and conventions as institutions, sociological/political scientists argue that institutions are not conveniences, but rather have a rule-like status in social thought and action. Thus, organizational theory and the sociological stream find adaptive storytelling less persuasive than political and economic theorists. Instead, they believe that institutions change slowly and are difficult to build.

Despite the difference between the two theoretical perspectives, entrepreneurship research relies primarily on the organizational field. However, there are notable exceptions, including Farjoun's research, which uses the economic/political perspective of institutional theory when examining pricing in the emerging industry of online databases. Similarly, Moran and Ghoshal's scholarly work uses an economic/political perspective when the authors expand on the theory of markets and the development of economies. The main theoretical issues between the economic/political and sociology/organizational and institutional theory perspectives are summarized in Table 1.

Characteristics	Иқтисодий/сиёсий соҳа	Социология/ташқилот назарияси бўлими
Manifestations of direction	North, Bonchek, Farjoun va Shepsle.	DiMaggio, Powell, Meyer va Rowan.
Assumptions	People make decisions based on the convenience and standardization of rules and conventions	People make decisions based on heuristics due to cognitive limitations and act based on conventions and pre-conscious behavior.
Drivers of human behavior	Rules and procedures, official control	Social norms, shared cultures, cognitive scripts and schemas
Basics of legality	Official Rules, Procedures and Agreements	Morally driven and socially connected beliefs
Relations between organizations and institutions	External institutions create structures for organizations	Organizations adapt and conform to the values and constraints set by societal institutions

Table 1



A comparison of the institutional theory branches of economics/politics and sociology/organization theory

Many studies fail to recognize the existence of another stream from the sociology/organizational theory or the economic/political view of institutions and the slightly different assumptions inherent in different institutional traditions. Such research fails to recognize that there may be differences in underlying assumptions with different perspectives that may affect the results and implications. In general, the use of an economic/political perspective can lead to very different understandings of institutions across countries that should be recognized by researchers.

A 2nd problem with institutional theory is the focus on culture, and many studies using institutional theory consider culture and its impact on entrepreneurship from a sociological/organizational theory perspective. One of the best works recognized as an overview for these (and other) areas of institutional theory is the research cited on the classification of three main types of institutions: regulatory, normative, and cognitive. The regulatory pillar of an institutional system provides incentives and sanctions to organizations and individuals by a government or other authority that regulates individual and organizational actions.

In contrast, normative and cognitive institutional pillars are socially constructed over time and are "perceived as natural and factual arrangements, not objective and externally man-made for entrepreneurs. Preliminary, analysis provides some evidence that broad cultural characteristics are associated with national levels of entrepreneurship. In particular, high individualism, low uncertainty avoidance, and high power distance are associated with national innovation rates. However, these relationships lose consistency over time, and it is difficult to determine whether they vary systematically with overall entrepreneurship performance.

Attempting to correct some conflicting findings regarding culture and institutions, Davidsson and Wiklund tried to incorporate economic and institutional factors (firm size, population, density and growth rate, unemployment rate and trends, government spending) by creating three matched pairs of geographic regions. Unfortunately, to control for the effects of industry and economic structure, these authors may have created pairs with little cultural variation. Thus, only marginal effects were found for the effect of culture on the rate of new firm formation. However, none of the values or beliefs consistently associated with the rate of new firm formation in addition to culture have been consistently examined. Instead, there was an almost exclusive focus on culture as a main effect. This observation does not diminish the value of the authors' work. The insights they uncover are both valid and useful. However, it is worth noting that the presence of other institutions in the above-mentioned Scott's triad, including normative and regulatory institutions, has not yet been fully explored. Overall, these results suggest a specific cultural influence.

Problem 3 is that it is a single political science, and the development of such theory is usually not related to a single country, but is explained by the fact that many empirical studies almost always focus on individual countries. In particular, Bruton and Ahlstrom focused only on China in their study of venture capital. Similarly, Honig studied West Coast firms, while Mair and Marty studied Bangladesh. However, if scholars focus only on single countries, it may be more difficult to assess the impact of institutions in this setting. True, significantly different institutions can exist not only between countries, but also within the same country.

So institutions in a large country like India or China can vary greatly. But scholars must be able to consider the effects of institutions and develop theory for use by other scholars, taking into account how institutional effects apply to the wider region. If this is not the case, the notions of institutional influence will be limited to the country of study. As a result, future research should ensure that the institutional environment under consideration is more applicable by including multiple countries to establish suitability for other research. Unfortunately, to date, Manolova, Eunni, and Gyoshev have studied institutional influences on entrepreneurship in three countries. Such work allows researchers to be more confident that the effects of institutions apply to a wide range of settings. Without such multi-country samples and investigations, it is impossible to be sure that the institutional effect is not a specific result of a particular country sample, but applies to the wider environment.

In sum, this research calls for a more robust conceptualization of the expected interactions between culture, institutional context, and behavior than has been presented to date. It also indicates that scholars are increasingly recognizing and addressing the need to at least acknowledge that there are multiple streams of institutional theory and, if not examine the impact of these different perspectives on inquiry. We believe that such research should include not only different streams of institutional theory, but also a richer set of institutions in many countries. Finally, institutional theory has opened up several rich new avenues of potential entrepreneurship research and reminded us that there can be micro-level variables that influence individual behavior.

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THE ROLE OF INNOVATION IN SMALL BUSINESS DEVELOPMENT

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Abstract: *This article focuses on the role and importance of innovation in ensuring the sustainable development of the small business sector. Accordingly, scientific proposals and recommendations were developed within the framework of the research work.*

Key words: *sustainable development, innovation, global crisis, small business, depression, strategic industries, competition, business.*

In the countries of the world, the role of innovation in ensuring the stability of economic sectors by developing small business and ensuring the stable development of the industry is high. By developing innovative ways of economic development in the country, it is aimed to increase the flexibility of small business and to increase its role in quickly eliminating the effects of the global crisis. In this regard, it is of particular importance to study the conditions for ensuring its effectiveness.

Small business can be a decisive factor in the distribution of new technologies, in the reconstruction of depressed areas and the development of ways to ensure the transition of the economy to an innovative path. Despite the measures taken by the government, the support of small business, the innovative component of its development remains neglected.

Processes in particular attempts to stimulate innovation are mainly focused on bypassing the problems of small businesses in the field of strategic industries and innovation. In developed countries, small firms have proven their superiority in the development of new technologies, changes in market conditions due to their more flexible adaptation, the desire to survive in the competitive struggle, the ease of using small firms as a testing ground for the development and testing of new technologies. Small business has achieved visible results only in the field of retail trade, and partially plays an important role in the service sector - that is, in the third sector of the economy. Small business opportunities in the primary and secondary sectors, which offer the widest scope for innovation and development, remain untapped. This raises serious doubts and after that it will be necessary to modernize the entire economy. In this regard, the analysis of the reasons for the insufficient use of these necessary capacities is also observed in the causes of the small business as a subject of innovative development in the country and the reasons for its one-sided development mainly in the service sector and practically cannot find itself in such a sector.

All this requires study and determines the innovative development and relevance of the economy related to the justification of the positions of small businesses as a factor.



Development problems of small enterprises have attracted the attention of domestic and foreign scientists for a long time, although small enterprises did not immediately become a special object, they included research in the field of economics. In the works of such well-known representatives of economic theory, A. Smith, J.-B. Say, D. Ricardo, K. Marx, A. One can find Marshall et al.

Before the beginning of market changes, local science reflects the priorities of the state's economic policy, the main payments of which are the activities of large economic entities. In the 90s. In the 20th century, small business has become an object of constant research on the part of scientists and practitioners. A. In the works of Bazilevsky A. Blinov, E. Bragina, A. Vilensky, V. Gorfinkel, A. Ignatiev, A. Krutik, I. Malysheva, A. Muravyov, P. Myagkov, M. Lapusta, A. Orlova,

V. Radaeva, V. Roubet, S. Saveliev, V. Savchenko, M. Sazina, N. Chernika, V. Shvandar, A. Shulus and others are aimed at many organizational, economic, social and legal aspects of the origin process and the development of small enterprises.

At the same time, it is necessary not to ignore the issues related to the elimination of the development trend. Small business, mainly in the trade and service sector; encouraging innovative interaction between large and small businesses, resolving conflicts between the interests of small businesses and representatives of the state responsible for its development, as well as issues related to creating special conditions for innovative development small business functions require further consideration.

This required a theoretical generalization of the experience of formation and is considered to be the practice of innovative small business activity and its state support in our country. Small business as a special subject of the modern market economy, small business plays an important role in the modern economy, which often comes down to solving the problem of employment and the formation of consumer demand. It seems that the perception of the role of small business does not allow to reveal its reality, as a special subject of nature market economy, traditionally, small business means economic activity.

Enterprises are implemented in accordance with the established laws and meet the following important features: independent management; equity capital; a relatively small share in the industry. It is worth noting that in economic theory and practice, a single methodological approach to the development of a system of economic criteria for the classification of small businesses has been formed. Therefore, despite many changes in the theoretical understanding and scientific interpretations of foreign scientists, there is still no unified definition of the concept of "small business". The main effort of the researchers is to interpret the general optimal criteria of the size of the small enterprise focused on the theory.

However, it seems clear that not all characteristics are specific to the strategic aspect of small entities, entrepreneurship can serve as quality criteria for small. By small business we understand the economic activity of a small group of individuals or an enterprise managed by one owner. In its essence, this is an entrepreneurial activity, that is, a risky, entrepreneurial activity of a person aimed

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If in a certain market of goods, small firms work together with large ones, then they have realized their advantages as innovative enterprises. The theory of entrepreneurship was formed on the basis of small business development as an innovative activity. As you grow, production, market capture, and the inevitable restriction of competition, the innovative component of entrepreneurship weakens, because a large firm with a large market share has no real incentive to improve their entrepreneurial activity, that is, and depends on innovation.

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THE ROLE OF INNOVATION IN SMALL BUSINESS DEVELOPMENT

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Abstract: *This article focuses on the role and importance of innovation in ensuring the sustainable development of the small business sector. Accordingly, scientific proposals and recommendations were developed within the framework of the research work.*

Key words: *sustainable development, innovation, global crisis, small business, depression, strategic industries, competition, business.*

In the countries of the world, the role of innovation in ensuring the stability of economic sectors by developing small business and ensuring the stable development of the industry is high. By developing innovative ways of economic development in the country, it is aimed to increase the flexibility of small business and to increase its role in quickly eliminating the effects of the global crisis. In this regard, it is of particular importance to study the conditions for ensuring its effectiveness.

Small business can be a decisive factor in the distribution of new technologies, in the reconstruction of depressed areas and the development of ways to ensure the transition of the economy to an innovative path. Despite the measures taken by the government, the support of small business, the innovative component of its development remains neglected.

Processes in particular attempts to stimulate innovation are mainly focused on bypassing the problems of small businesses in the field of strategic industries and innovation. In developed countries, small firms have proven their superiority in the development of new technologies, changes in market conditions due to their more flexible adaptation, the desire to survive in the competitive struggle, the ease of using small firms as a testing ground for the development and testing of new technologies. Small business has achieved visible results only in the field of retail trade, and partially plays an important role in the service sector - that is, in the third sector of the economy. Small business opportunities in the primary and secondary sectors, which offer the widest scope for innovation and development, remain untapped. This raises serious doubts and after that it will be necessary to modernize the entire economy. In this regard, the analysis of the reasons for the insufficient use of these necessary capacities is also observed in the causes of the small business as a subject of innovative development in the country and the reasons for its one-sided development mainly in the service sector and practically cannot find itself in such a sector.

All this requires study and determines the innovative development and relevance of the economy related to the justification of the positions of small businesses as a factor.



Development problems of small enterprises have attracted the attention of domestic and foreign scientists for a long time, although small enterprises did not immediately become a special object, they included research in the field of economics. In the works of such well-known representatives of economic theory, A. Smith, J.-B. Say, D. Ricardo, K. Marx, A. One can find Marshall et al.

Before the beginning of market changes, local science reflects the priorities of the state's economic policy, the main payments of which are the activities of large economic entities. In the 90s. In the 20th century, small business has become an object of constant research on the part of scientists and practitioners. A. In the works of Bazilevsky A. Blinov, E. Bragina, A. Vilensky, V. Gorfinkel, A. Ignatiev, A. Krutik, I. Malysheva, A. Muravyov, P. Myagkov, M. Lapusta, A. Orlova,

V. Radaeva, V. Roubet, S. Saveliev, V. Savchenko, M. Sazina, N. Chernika, V. Shvandar, A. Shulus and others are aimed at many organizational, economic, social and legal aspects of the origin process and the development of small enterprises.

At the same time, it is necessary not to ignore the issues related to the elimination of the development trend. Small business, mainly in the trade and service sector; encouraging innovative interaction between large and small businesses, resolving conflicts between the interests of small businesses and representatives of the state responsible for its development, as well as issues related to creating special conditions for innovative development small business functions require further consideration.

This required a theoretical generalization of the experience of formation and is considered to be the practice of innovative small business activity and its state support in our country. Small business as a special subject of the modern market economy, small business plays an important role in the modern economy, which often comes down to solving the problem of employment and the formation of consumer demand. It seems that the perception of the role of small business does not allow to reveal its reality, as a special subject of nature market economy, traditionally, small business means economic activity.

Enterprises are implemented in accordance with the established laws and meet the following important features: independent management; equity capital; a relatively small share in the industry. It is worth noting that in economic theory and practice, a single methodological approach to the development of a system of economic criteria for the classification of small businesses has been formed. Therefore, despite many changes in the theoretical understanding and scientific interpretations of foreign scientists, there is still no unified definition of the concept of "small business". The main effort of the researchers is to interpret the general optimal criteria of the size of the small enterprise focused on the theory.

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