

## Theoretical Research in Improving Textile Direction in Small Business

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**Annotation.** In the article, the theoretical researches in the improvement of the textile direction of small business, first of all, the essence of the concepts of entrepreneurship, business, entrepreneur and businessman were studied, and the stages of its empirical development were analyzed. Also, today, theoretical research has been conducted on the integration of the textile and light industry sector into the economy, the export of processed products, not more fiber, and the improvement of its small business lines. The scientific-theoretical researches of our foreign and local scientists have been studied in depth. General management systems have been developed by modeling the small business management system in the textile industry.

**Keywords:** Small business, textile industry, general management system, productive forces, structural model, entrepreneurship, property owner, industrial production.

In recent years, the economy of Uzbekistan has reached a new stage of development in terms of quality. The main feature - is the radical change of factors and mechanisms and the strengthening of structural limitations of economic growth. This stage requires more emphasis on internal factors of development. However, the type of reproduction, the form of accumulation and the efficiency criteria of economic development formed in the country do not correspond not only to modern world trends, but also to the requirements of the first half of the economy. The reason is the system of economic interests that do not benefit from the real accumulation of the country's subjects and national wealth. Today, the economy of New Uzbekistan is a country capable not only of adopting innovations, but also of transitioning to a new quality of economic growth. At the same time, our society is realizing that innovative processes have a real perspective that only the innovative component has become a superior function for everyone. Another important thing in improving the direction of textiles in small business is that the textile industry, as one of the promising sectors of the economy of Uzbekistan, is increasing its export potential by supplying ready-made products with high added value to the foreign market. For example, in the report of the Statistics Committee for January-December 2023, textile exports amounted to 3050.0 million. The width is recorded in US dollar amounts. Instead, it made up 12.5% of the total volume of income, making a negative progression of 3.8% from the corresponding period of 2022. The main share in the export of textile products is yarn (41.1%) and finished textile products (40.1%). The total number of products sold is 639, and the number of buyer countries is 65.

It's no secret that in the early 2000s, the second stage of economic reforms carried out in our country based on the "Uzbek module" - expropriation of property, privatization, creation of joint ventures, turning them into open-type joint-stock companies, and especially there was given great

attention the development of small business and private entrepreneurship. By the state privatization program were privatized 374 objects instead of planned 167 objects. Based on them, 152 joint-stock companies and 103 private enterprises were established. This year, 14.3 billion soums came from expropriation and privatization. This is 1.6 times more than in 1999. But improving the direction of textiles in small business is still very relevant today. It is for this reason that the president of our country pushed to start implementing the cluster system based on the experience of the United States of America.

Before the textile cluster was established in Uzbekistan, export of textile products was carried out through state, private firms and enterprises. Basically, textile manufacturers exported their products independently, without the participation of state authorities, without coordination with other enterprises. Products are exported mainly to CIS countries, China, Turkey, India, Europe and USA. However, before the establishment of the textile cluster, export of textile products in Uzbekistan was unstructured and ineffective. Manufacturers faced problems related to logistics, customs clearance, lack of stable relations with foreign partners, as well as competition from other textile producing countries. This limited the potential growth of exports and the increase of the share of Uzbekistan in the world textile market.

In order to implement the cluster, Uzbekistan needed American experience, because the USA is one of the leading countries in the world in the development of clusters and industrial clusters. America's experience in this regard has been useful in creating an efficient and competitive textile cluster for Uzbekistan. As a result, about 150 clusters are operating across Uzbekistan today. In 2020, their number was less than 90.

As it is clear above, the basis of business is private ownership. Private ownership was a completely foreign concept to our ideology until recent years. But many of our scientists are conducting scientific and practical research in the study of business. In particular, we are conducting theoretical research on improving the direction of textiles in Small Business.

Man was created so that he became a society, and in the entire history of his development, he was always connected with various businesses in one way or another. For example, people have been exchanging weapons and food since the Upper and Middle Paleolithic periods.

Business or small business – is an entrepreneurial activity, or in other words, entrepreneurial activity aimed at profiting people.

For example, the following definitions are given for the word business in foreign literature.

The word businessman (Entrepreneur) appeared for the first time in the English economy in the 18th century, and it means "property owner". Adam Smith, for example, defined an entrepreneur as a property owner, a person who takes economic risks in order to realize some commercial idea in order to make a profit. An entrepreneur plans himself and his work, organizes production, sells products and owns his own income [2].

A small business means making a profit by doing business as a result of producing a product or providing a service that is needed by people. The business formula is simple - "M-M": money-money. But in the content of this simple formula there is a complex life process. Small business is, first of all, the organization of production, economic activities and relationships, life itself, and then earning money. Small business today is rapidly spread around the world, it is used in all countries. In the Uzbek language, the word business means entrepreneurship, and businessman means an entrepreneur. The alternative of this word in the Uzbek language corresponds to the meaning of the word in the foreign word, but also imposes an additional meaning on it. Behind these words are meanings such as "work", i.e. doing business or organizing an enterprise. Thus, small business is the organization of enterprise activities (industrial enterprise, trade store, service

enterprise, auditing office, law office, bank, etc.). So, small business means not making money out of nowhere, but earning income by organizing a complex production or service. An entrepreneur knows the results of his work and material prospects. An entrepreneur is required not only in the first years of activity, but always to be in search, to think inclusively.

First of all, an entrepreneur should estimate how to carry out business activities, under what conditions to act practically, how to solve the obstacles he faces, and how to achieve success. An entrepreneur needs to know and be able to organize production and sell products. He should know how to evaluate the concrete conditions that arise in the market relations and choose the right way. No one will ever teach an entrepreneur what to do and come to the rescue in difficult times. Every entrepreneur should believe and rely only on his own strength, knowledge and ingenuity [3].

For the entrepreneur today, wide opportunities are being created to connect the textile and light industry sector to the economy, to process more fiber at home without exporting it. In recent years, as a result of full processing of raw cotton, a number of tasks have been set to ensure that the production volume of textile products is increased by 2.1 times and the export potential of textile products of our country is increased by 2.6 times.

Currently, 3,400,000 tons of raw cotton is grown in our republic, 1,100 tons of fiber are produced from it, and the produced fiber is processed into yarn. 45% of the finished yarn is fully recycled into a finished product. Along with this, improving the direction of textiles in small business and conducting theoretical research in this regard has become a responsible duty for every economist. It is for this reason that we proved the theoretical foundations of the entrepreneur's dynamics in the field of focus:

The theoretical basis of social orientation is the management of industrial enterprises. Forming the foundations of socially oriented management as a system First of all, the management of society is fundamentally different from the management of living organisms and technical devices. In fact, it is a complex structure that includes material and spiritual processes, which acts as a specific type of human activity. Society is a whole organism, and its elements (areas) develop as a system [4].

The following interpretation can be given in relation to the modeling of the small business management system in the textile industry. The central and initial concept is a system that is interpreted as a selected set of elements of the object being studied and the relationships between them, which together form an orderly whole in terms of goals and functions.

From an operational point of view, the system has:

- 1) purposes: the system must satisfy certain needs in its future state (what should be obtained?);
- 2) principles: the behavior of the system is determined by the relevant signs and rules affecting the entire system;
- 3) functions: the system should serve a specific purpose (what the control object should do);
- 4) management methods: how to achieve the management goal, the interaction between the management object and the subject;
- 5) structure: the system must be designed for a given purpose and function;
- 6) management process: the dynamics of system activity with certain autonomy in the external (ecological) environment;
- 7) management system development mechanism.

Figure 1 tries to show the general form of the control system.

As you can see, it is versatile, complex and dynamic.

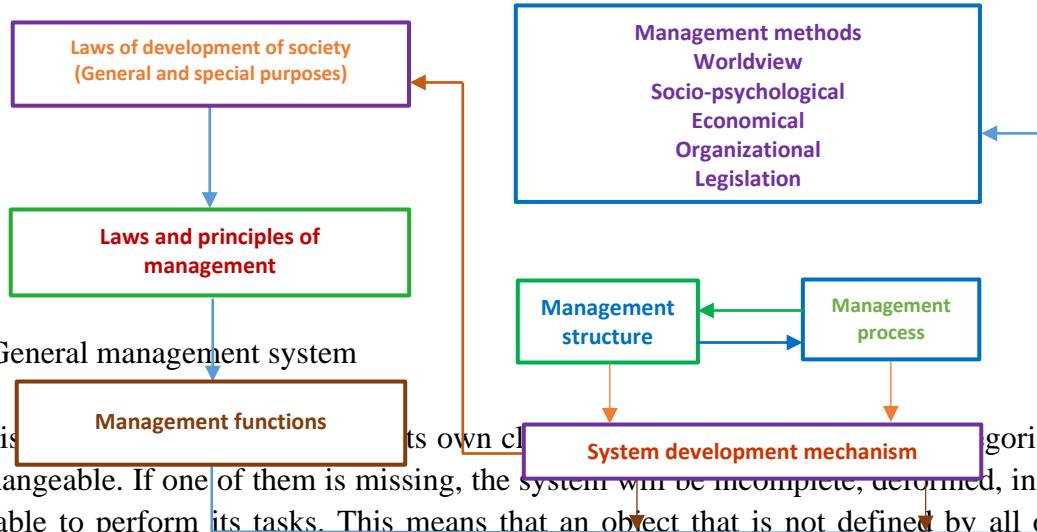


Figure 1. General management system

In this [Management functions] its own categories are not interchangeable. If one of them is missing, the system will be incomplete, deformed, in other words, unable to perform its tasks. This means that an object that is not defined by all of the system's categories is not a system, and the missing categories must be included to create a fully functioning system. There are logical connections between certain categories, which imply parallel connections, i.e. - semantic, relational, chronological, etc.

With a variety of work processes in the textile and light industries, agriculture, transportation and other industries, they all have one thing in common – they all participate in the production process of the final product.

The relationship between producers of material goods and nature occurs through the interaction of human labor and the means of production. In addition, the productive forces are not necessarily a random accumulation of people, equipment, raw materials, etc., but an extremely complex multilevel system. In other words, it is the sum of a certain number of components that make up a whole. Without any of them, the whole system becomes useless. Consequently, the productive forces of society obey the law of necessity and sufficiency: each component must be necessary for the system, and their total amount must be sufficient for its normal functioning [5, 6].

In order to understand the internal structure of the productive forces, without the possibility of direct observation, a model similar to the object under study is built. It allows you to visualize complex connections and explore large numbers of combinations of components using logic and mathematics. Logical modeling can be done in three stages: first, to determine the components of the system, then to determine the structure of the components, and finally, to determine the dynamics of their interaction. A system is a set of interacting components that make up a whole that has properties that are not present in its components.

In textile enterprises, the components of the productive forces, if depicted schematically, should be located in a well-defined order relative to each other.

Each of them is connected with all others and actively affects their condition and development (Fig. 2).

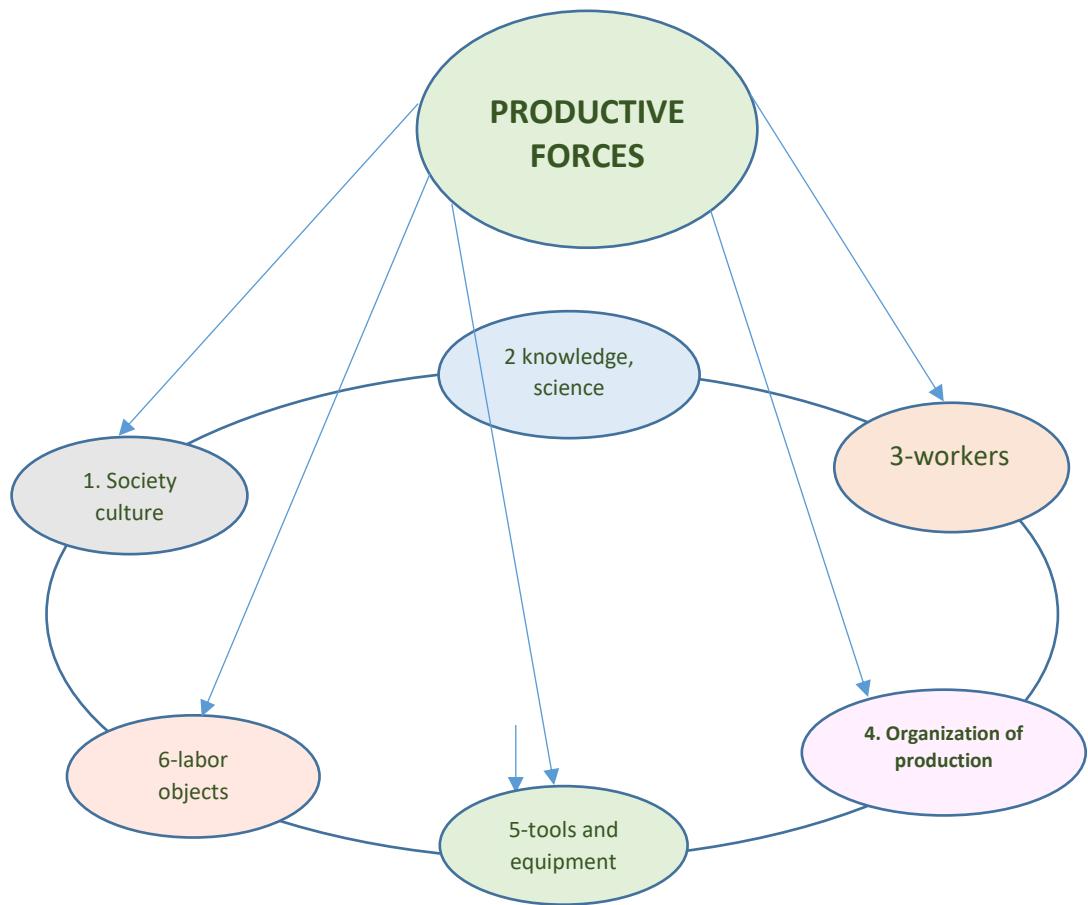


Figure 2. Structural model of productive forces

Thus, the productive forces are a complex "supersystem" of many levels, constantly developing. However, despite all its complexity, this system can be studied, so finally, another component of productive forces is the organization of production (its order). Development of small business in the field of textiles and light industry consists of technology, raw materials used - capabilities of equipment, skills of workers - complexity of performed operations, etc. All this is responsible for the subsystem of the organization of production technical training related to the activities of technologists and designers [7].

In addition, the production organization system includes the subsystems of labor organization and the main production process, as well as the subsystem of operational management of production. The general meaning of the activities of all subsystems is to create an organization that ensures the implementation of all stages of the production cycle for the release of finished products and the brand of the manufactured product on the market.

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