

**ISSUES OF CLASSIFICATION, MARKING AND INCREASING COMPETITIVENESS
OF FAMILY ENTERPRISES IN THE SERVICE SECTOR**

Tog'ayeva Dilnoza Azamatovna

Independent researcher of SamIES

Abstract: In this article, the issues of classification, characteristics and increasing competitiveness of family enterprises in the service sector today are covered by the author, and suggestions and recommendations are developed.

Key words: Service, family businesses, service, competitiveness.

As a result of the circular economy of providing services, the family enterprise conducts market relations with the state, firms and financial institutions. The family business is not only a consumer of goods and services, but also a business operator in many areas of the economy. According to experts' assessment of increasing family income, the family economy is related to 14 sectors of the economy in the process of production of goods and provision of services. The main ones are: agriculture, construction, trade and catering, housing, transport, culture, art, etc.

In the context of the digitalization of the economy, it is becoming a vital necessity for families to actively use their property, means of production and services in order to increase their income. In this regard, in the economic literature, there are different approaches to determining the sources of economic growth without using state resources. This basic idea consists of ways to evaluate and use the possibilities of households in terms of income and capital accumulation, and it is also very suitable for our republic. Because this idea allows us to independently find the factors that determine the well-being of the families of our republic.

Family businesses are one of the most important household tasks that must be performed in the conditions of market relations. A household is considered a form of microeconomic structure. Microeconomics and macroeconomics are inextricably linked. Macroeconomic growth depends on the efficiency of microeconomics, while microeconomics directly depends on macroeconomic stability. This is evident in the macroeconomic aspects of the development of the family economy. Therefore, the family is of great importance to the national economy, and this can be seen in the economic functions of the family. This also determines the place of family business in the economy.

The forms of conducting business activities in a family enterprise can be classified as follows;

Family businesses are a front and a source of income for a large part of the population. In family enterprises, hired labor is used, but only close relatives of the initiator or the head of the family can be involved as hired workers. Of course, there are some limitations. For example, family businesses can hire two students who live together (rented) and are not related to their families. Due to the above conditions, family enterprises are characterized by a limited number of employees.

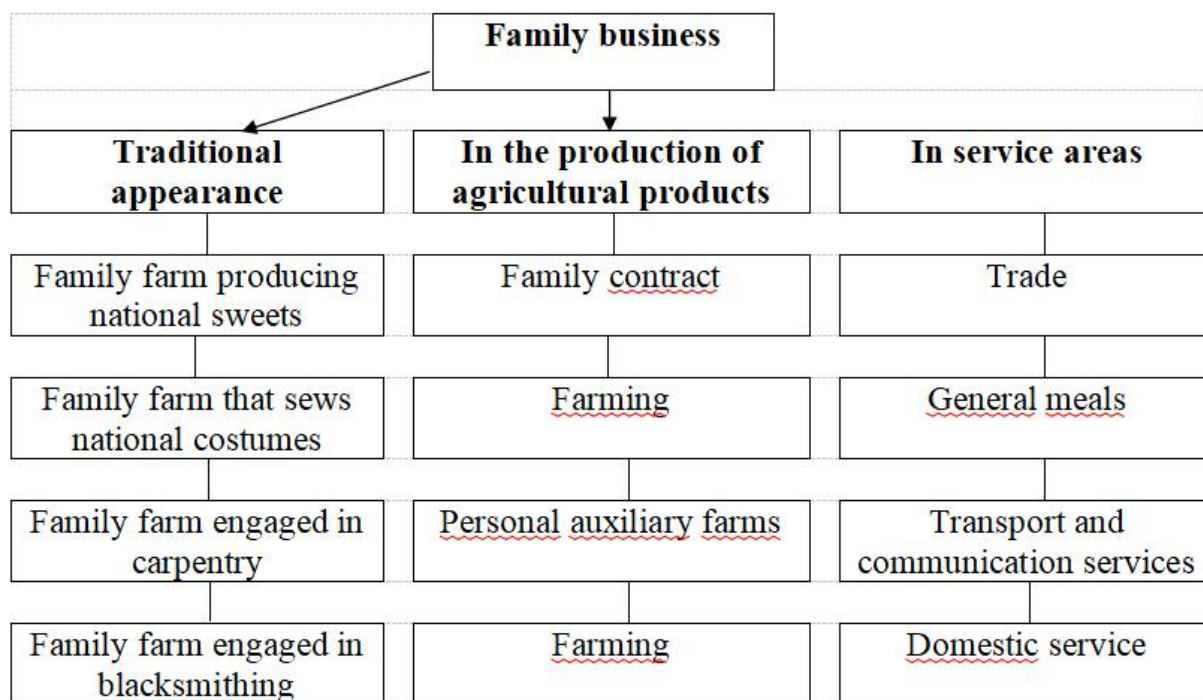


Figure 1. Classification of forms of organization of family enterprises

Establishing entrepreneurship in family enterprises, by itself, allows the unemployed, which exist in every family, to be employed. In particular, by organizing entrepreneurship and work through family enterprises, it is the most flexible part of the labor market for pensioners, disabled people, mothers, those who have taken a leave of absence due to a young child, and students, and those who do not have enough qualifications and experience and want a flexible working day. Women, young people who are looking for work for the first time, people with a low level of education and work experience can often find work only here. It is the main source of income not only for the majority of people engaged in this front, but also for their family members.

Being a participant in property relations	Important characteristics of family businesses	Economic freedom
The pursuit of profit		Possession of a trade secret
Participation in the competition		Having an image
Taking responsibility for economic behavior		

Figure 2. Important characteristics of family businesses.

Family businesses - participate in the business differently depending on their status. There are families engaged in production directly on their own behalf, which consist of individual family workers, family contractors, farmers, farms, small family firms, craft enterprises, home and

home workshops. But it is worth noting that, in our opinion, family business entities in our Republic have their own local character in accordance with the requirements of world standards.

activity of a family enterprise producing national sweets. This type of activity is widespread in our republic, it is widely consumed during national holidays and events, and its convenience is that the costs of production pay for themselves quickly;

a small family enterprise that sews national clothes (coats, wedding dresses). This type of activity is also widespread, and these products are widely purchased by tourists and local people who come to our old cities;

carpentry (carpentry) is a common activity in Uzbek families, and this profession is based on traditions passed down from father to son or master's apprentice. Recently, many small cooperatives, family business enterprises developing and processing wood products (furniture, home appliances) have been established;

blacksmithing (making iron products) - this type of activity is also organized in families, its products are widely consumed among the local people, and it is considered a type of national handicraft.

Most of the products created by these family businesses are created by manual labor or with some mechanization of the labor process. In recent years, the emergence of various information services on the basis of high technologies in the labor market is also a reason to facilitate the work in this regard.

The convenience and advantage of this type of enterprise is the ease and compactness of its organization, the expansion of labor and labor resources from the family (hired workers are used when necessary), the production of products for specific customer requirements, the wide use of local raw materials, and the sale of goods and services. and it is done in local markets.

It is worth noting that it covers a large number of family businesses, trade and household services. Family enterprises of this type together with other enterprises form tangible and intangible services provided to the population. Material services include trade and catering, transport, communication, household services and housing utilities. The services provided by family enterprises ensure the satisfaction of various material needs of a person. Intermediation plays a key role in family businesses, that is, they ensure the delivery of goods and services from producers to consumers.

In addition to eliminating unemployment, businesses have several other benefits. First, there is no conflict between mine and yours in property relations. Secondly, there is no conflict in the relationship between the employer and the employee, because both of them involve members of the same family. Thirdly, the interest in the result of labor is also the same. Fourth, succession is one of the main aspects of family business. If the oldest employee of the enterprise leaves his job, his eldest child can manage the department, the youngest can work on a specific project, and grandchildren can be involved in work as apprentices. In other words, the family business tends to train its specialists for itself. In these aspects, the development of family business is of great conceptual importance.

In our republic, more priority is given to the wide development of various traditional forms of entrepreneurship in solving the tasks of ensuring the employment of the population and the stable growth of family incomes. Today, it includes the organization of production in the conditions of family farms on the basis of cooperation.

In this regard, the Decree of the President of the Republic of Uzbekistan "On measures to encourage the expansion of cooperation between large industrial enterprises and production and services based on the development of home economics" (January 5, 2006) and Decision No. 4 on measures to implement this decree dated January 11, 2006 and in connection with this decision, "Regulation on Household", "Regulation on the procedure for granting micro-loans by commercial banks to family business entities at the expense of employment assistance fund loans" (registered with the Gazette of the Republic of Uzbekistan 03.06.2002, No. 1146) was adopted.

These Decrees and Regulations provide real opportunities for the organization of production and service provision at home, and the wide development of various forms of home economics, using family labor. The income from business activity is taking more and more place in the structure of family income. In the future, it will be necessary to cover at least 50 percent of the family's expenses from this activity.

The concepts of "family business" and "household" are widely used in the above-mentioned regulatory documents. In this regard, we found it permissible to dwell on the content of these concepts. In our opinion, family enterprises, without establishing a legal entity, are activities intended to obtain income on a legal basis, relying on the labor and property of a husband and wife and family members who help them. If the family business entity is registered in the name of any of the spouses, it will conduct business in the name of the family business entity. Homesteading is one of the historical forms of organization of production, in which workers receive the necessary raw materials from entrepreneurs and produce goods and services based on order, and the entire production process takes place in the worker's family. This form of production brings many material benefits to entrepreneurs. These are described by the following.

Firstly, the expenses of entrepreneurs for the main capital (housing, building, tools - equipment) are significantly saved;

Secondly, in the organization of labor, the labor force comes from the family itself, and most importantly, the labor of housewives is used;

Thirdly, subjects of family enterprises, included in the social protection groups of the population, will have some advantages in obtaining microcredits. Including: low-income families with many children, as well as families that take care of orphans; families with disabled people, suffering from socially important diseases, as well as persons belonging to the population group in need of social protection.

These opportunities, in turn, lead to a decrease in the price of goods and services.

The emergence of production, service, household and handicrafts in the family business is historically formed and dates back to the end of the Middle Ages. It is worth noting that national craftsmanship has been developing in the city of Samarkand since ancient times. For example, according to archival data, in the 1850s, there were family craft enterprises in the city of Samarkand, and their products even left the city and spread throughout Central Asia. During these years, there were 1053 family craft enterprises in the city of Samarkand, almost 65% of them were engaged in weaving, since the main form of transport at that time was horse-drawn carriage, 20% of the enterprises were saddlery.

During the time of the former Soviet Union, production in the context of family farms was largely non-existent, that is, citizens were not allowed to engage in entrepreneurial activities of

family enterprises. The market reforms carried out in our republic began to restore such a traditional form of production. Today they are also called family businesses, home workshops and micro-enterprises. In this regard, the President of our country mentioned the need to "establish new enterprises engaged in the production of small components based on the orders of large enterprises, to encourage the opening of small private workshops in households." In this case, entrepreneurs rely on their own work, family members' work and hired labor, and operate on the basis of applying for state registration.

The above-mentioned decrees, laws and regulations serve as a legal basis for the development of small business and private entrepreneurship in the service sector as well as for the development of family entrepreneurship. In the current economic environment, the adoption and creation of the Law "On Family Business" (April 26, 2012) naturally serves as an important and fundamental law in the acceleration of reforms, most importantly, in improving the well-being of families.

Classification of small and medium-sized business enterprises accepted in the Republic is determined according to the average number of employees and the main field of activity. According to it, enterprises with up to 25 employees in agriculture and other production areas, and up to 5 employees in retail trade are included in the category of small enterprises. Also, the law includes individuals engaged in individual work activities as small business entities. Today, it is also created by small enterprises, citizens, their family members, and other persons engaged in joint labor activities. If we call family business directly private business, then in accordance with the requirements of this law, the average number of family members is 6.6 people, 7.2 people in rural areas and 3.4 people in cities.

Today, approximately 85% of the world's population lives in developing countries, and in most of these countries 70-90% of the working population is engaged in private entrepreneurship. In this regard, according to some scientists, for the effective functioning of the economy, there should be one organizational unit for every 80-100 people of the population.

At this point, in our opinion, it would be appropriate to count the number of entrepreneurs in the society not in relation to the entire population, but in relation to the number of families. Because we will be able to ensure the well-being of the entire population only if every family has an entrepreneur. In his speech at the first session of the second convocation of the Oliy Majlis, the President of the Republic of Uzbekistan said: "If at least one person in the family is engaged in business, the family will be economically rich." Therefore, family business will become an important sector of the economy in the future.

In order to determine the position of the family enterprise in the economy, it is appropriate to look at its economic tasks. Judging from the priority directions of economic reforms today, the functions of the family economy consist of the following socio-economic activities:

The role of family businesses in the economy is evident in the following:

- contribution to ensuring family well-being (in 2021, property and business income, income from product sales and services made up 47% of the family's total income);
- the contribution of family members to self-employment (in 2021, 218,300 new jobs were created at the expense of home cooking and family entrepreneurship, and in 2022, 210,000 new jobs);

- contribution to the growth of the population's savings (bank deposits) (in 2022, the growth of the population's bank deposits was 34.6% and accounted for 12.4% of GDP);
- contribution to total investments (the share of household investments in fixed capital in the volume of all investments was 20% in 2021);
- Share in GDP, including the volume of household, agricultural products, construction works, trade and service sectors (business income in 2021 was 29.5% of GDP).

These indicators also represent the main macroeconomic indicators of the development of family enterprises. This is evident in the macroeconomic aspects of the development of enterprises. Economic activity of families plays an important role in this.

From this it can be concluded that the functions of family enterprises are interrelated and all of them involve income and expenses to a certain extent. This process is not limited only to enterprises, but also manifests itself as a process that takes place in the entire system of economic relations. This also shows that the family economy has a certain place in the country's economy.

It is appropriate to take into account the following when implementing the conceptual directions of enterprises:

- according to our national values, to encourage and develop the restoration of business activities of families engaged in traditional services and household activities;
- it is necessary to establish preferential loans for the restoration of family enterprises in the direction of the development of national crafts, to provide them with the initial funds necessary for starting their activities.

From the positive experiences of foreign countries, all family businesses periodically register their branches, and as a result, the types of stores, their location, and the nomenclature of goods are taken into account.

Currently, "Firmennyy" magazines operating on the basis of the activities of family enterprises are spreading abroad. It is known from history that the first "Firmennyy" magazine was established in Moscow 100 years ago. "Trading houses" are spreading widely in the USA, Japan, France, Russia, South Korea and other countries.

Taking into account the above, in our opinion, it is necessary to use indicators such as trade areas of trade enterprises and their per 10,000 people to show the real state of the material and technical base of trade.

Table 1 shows the state of family enterprise competitiveness indicators in our country.

In our country, the following important socio-economic tasks are solved through the development of the material and technical base of the family enterprise:

Firstly, to reach scientifically based physiological and rational standards of consumer goods in the future;

Secondly, the service industry networks of family enterprises should be developed to such an extent that they provide goods and services that allow to satisfy basic material and non-material

requirements for consumer goods, that is, that increase people's free time to the greatest extent and are used for creative activities;

Thirdly, to implement the food program of our country based on the development of agriculture, to ensure the necessary amount of production of agricultural products through the comprehensive development of the agro-industrial complex, to develop the field of direct relations with the producers of agricultural products by all means;

Table 1

The state of the main competitiveness indicators of the family business in the regions of Uzbekistan in 2021

The name of the areas	Services capita, thousand soums	The level of providing the population with service stations, per 10,000 people	The level of providing the population with service areas, m ² per 1000 people	Average area of each service enterprise, square meters
By republic	5828,4	48	228,8	0,048
Republic of Karakalpakstan	3590,6	52	162,5	0,031
Andijan	4689,9	38	73,2	0,035
Bukhara	6237,5	74	205,9	0,027
Jizzakh	5173,2	44	155,1	0,035
Kashkadarya	4088,4	24	144,3	0,059
Navoi	7880,5	78	236,0	0,030
Namangan	4309,0	26	129,7	0,049
Samarkand	4298,2	48	276,4	0,057
Surkhandarya	4725,4	30	198,7	0,065
Syr Darya	4198,7	52	171,9	0,033
Tashkent	7053,7	55	281,5	0,051
Ferghana	4335,7	42	164,4	0,038
Khorezm	4569,0	44	198,3	0,045
Tashkent city	17453,6	97	692,9	0,070

Fourth, implementation of comprehensive programs of development and the attitude of consumer goods in all processes of production. Scientific research, significant increase in the importance of increasing mental labor elements in the labor activities of physical workers, reduction of physical labor for all categories of service workers, wide use of electronic and other

devices that allow full automation of accounting for product movement, use of robots in the field of goods handling;

Fifth, to fully solve the problem of improving the quality of goods produced in all sectors of the economy. All this requires the significant strengthening of the material and technical base of production networks and the service sector, re-equipment, modernization of planning and accounting systems, and quality improvement;

Sixth, the future significant change in the ratio between the number of employees employed in the production and service sectors of family enterprises, the increase in the share of employees, their increase in the total number of labor resources employed in the total economy (in 2020, the share of labor resources in the field of family enterprises among those employed in the total economy is 10 reached 6 percent.);

Seventh, on the basis of improving the economic mechanism, quality changes in the service provision system, the interaction of the enterprise in the field of production and trade, the wide development of the system of delivery of goods according to the order of consumers using communication tools (mobile phone, Internet, mass media);

Eighth, using modern techniques and technologies, establishing direct relations with consumers and suppliers, establishing a high level and quality of service in meeting the needs of the population, ensuring high labor productivity of sales staff by using the achievements of scientific and technical development, etc.

In conclusion, it should be noted that the application of modern techniques and technologies to family enterprises allows to develop the material and technical base of service, to achieve socio-economic efficiency, to increase trade culture and, most importantly, to save the time spent by the population on purchasing goods.

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