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## SMALL BUSINESS ENTITIES: EXPANDING INNOVATION

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### Abstract

This article examines the importance of small businesses in the development of a green economy. Small businesses play a key role in promoting environmentally sustainable practices, fostering innovation, creating jobs and improving local communities. The introduction of green technologies helps reduce costs, increase competitiveness and attract investment, which contributes to sustainable development.

**Keywords:** Green economy, innovation, ecology, small business, technology, use, electric transport, environment, technology implementation.

### Introduction

In the context of global warming and environmental degradation around the world, the transition to a green economy is becoming an important task for every country. The green economy is aimed at sustainable development, which takes into account not only economic but also environmental and social aspects. In this context, small businesses play a key role in promoting the implementation of green technologies and innovations. Let's look at why small businesses are so important for the development of a green economy and what benefits they can bring.

### The role of small businesses in a green economy.

Innovation and flexibility. Small businesses are often engines of innovation, as they are more flexible and able to quickly adapt to new conditions. While large corporations may be limited by bureaucratic procedures, small businesses can



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experiment and implement green technologies and practices more quickly. This includes:

- Energy-saving technologies: small companies can implement energy-efficient solutions such as LED lighting, solar panels, and energy management systems.
- Eco-friendly materials: using recycled and bio-based materials that are less harmful to the environment.
- Low-carbon technologies: the introduction of technologies that reduce carbon emissions, such as electric vehicles and alternative energy sources.

Job creation. Small businesses play an important role in job creation. Sustainable small businesses contribute to the creation of jobs that support local communities and economies. The introduction of green technologies and practices also contributes to the formation of new professional fields and specialties related to environmental management, renewable energy sources and resource conservation. [Vakhabov A.V. 2019]

Social responsibility and local communities. Small businesses are often more closely connected to local communities and have the opportunity to have a significant impact on them. They can:

- Support local initiatives: invest in projects for greening areas, environmental education and other initiatives aimed at improving the ecology in the region.
- Stimulate local production: Use local resources and suppliers, which reduces transportation costs and the carbon footprint of products.
- Raise environmental awareness: organize events and campaigns aimed at increasing environmental literacy of the population.

## **Research Methods**

To analyze the role of small businesses in the development of a green economy, a comprehensive approach and various research methods were used. Here are some of them:

### **1. Literature review:**

- Analysis of existing literature: scientific articles, books, lectures and reports on the role of green economy and small businesses were collected and analyzed. This helped to identify key concepts and approaches.



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- Data systematization: data from various sources were classified and summarized to identify the main areas of research.

#### **4. Integrated methods were also used:**

- Comparative analysis: approaches to the development of a green economy in different countries and regions were compared in order to identify common trends and characteristics.

- SWOT analysis: helped to assess the strengths, weaknesses, opportunities and threats of small businesses in a green economy.

- Portfolio analysis: various projects and initiatives aimed at supporting small businesses in a green economy were considered. [Vakhabov A.V. 2019]

Benefits of a Green Economy for Small Businesses.

**Cost Reduction:** Implementing green technologies can lead to significant cost savings. For example, using energy-efficient systems and renewable energy sources reduces energy costs. Resource-efficient production methods also help reduce raw material costs and reduce waste. Companies implementing such technologies can significantly reduce their operating costs, which allows them to use the savings to develop their business and improve product quality.

**Increased Competitiveness:** Small businesses that implement green technologies can gain a competitive advantage in the market. Modern consumers are increasingly focused on environmentally friendly products and services. Accordingly, companies that demonstrate their commitment to environmental sustainability can attract more customers and improve their reputation. This is especially true in the context of increasing demand for "green" products and services, which allows small businesses to stand out from the competition. [Sevil Acar, Erinc Yeldan 2019]

**Attracting Investment:** Investors are increasingly paying attention to companies that implement green technologies and demonstrate sustainable business practices. Small businesses focused on environmental innovations can attract the attention of venture capital funds and other investors interested in supporting sustainable development. This opens up new opportunities for



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business growth and expansion, and also allows attracting additional financial resources.

**Improving Community Relations:** Small businesses that actively implement green technologies can improve their relationships with the local community. Supporting environmental initiatives and participating in social projects helps strengthen the company's image and gain consumer trust. This helps create strong and long-term relationships with customers and partners, which is an important factor for the stable development of the business.

**Compliance with Laws:** More and more countries are adopting laws and regulations aimed at reducing the negative impact on the environment. Small businesses that implement green technologies in advance will be better prepared to comply with new environmental standards and requirements. This helps to avoid fines and penalties, and also creates conditions for sustainable business development in the long term. [Resolution of the President of the Republic of Uzbekistan 2022]

Thus, small businesses can reap significant benefits from the implementation of green technologies, including reduced costs, increased competitiveness, attracting investment, and improved community relations. The transition to a green economy not only promotes sustainable development, but also opens up new opportunities for small businesses to grow and prosper.

Attracting investment. Investors are increasingly paying attention to companies that implement green technologies and demonstrate sustainable business practices. Small businesses focused on environmental innovation can attract the attention of venture capital funds and other investors interested in supporting sustainable development.

In conclusion, it can be said that small businesses play a key role in the development of a green economy. Their flexibility, innovation, and close ties to local communities allow them to implement environmentally sustainable practices and technologies, contributing to the creation of jobs and supporting local economies. The introduction of green technologies brings significant benefits to small businesses, including reduced costs, increased competitiveness



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and investment. Thus, small businesses are important agents of change on the path to sustainable development and environmental sustainability.

The transition to a green economy is impossible without the active participation of small businesses, and their contribution to this process cannot be overestimated. Small businesses are not only a source of innovation, but also a key partner in creating an environmentally friendly and sustainable future.

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