



## ENSURING SUSTAINABLE DEVELOPMENT OF SMALL BUSINESS SUBJECTS

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**ABSTRACT:** - In the article, the importance of small business entities in the economy of the world countries, strengthening the competitiveness of the economy of developed countries, introducing the achievements of scientific and technical development into production, the reforms being carried out in the Republic of Uzbekistan to create new jobs and increasing the income of the population, and by performing an economic analysis of small business entities from a qualitative point of view Based on the conclusion and suggestions.

**KEYWORDS:** Small business, world experience, sustainable development, action strategy, modeling, forecasting.

### INTRODUCTION

The importance of small business in the economy of world countries is increasing more and more. If in our republic, the attention to this field has increased mainly due to the tasks of forming a socio-economically oriented market economy, in other countries of the world, the recognition of the priority importance of small business and the development of a set of measures for their development began much earlier. This field has a positive effect on solving issues such as strengthening the competitiveness of the economy of developed countries, introducing

the achievements of scientific and technical development into production, creating new jobs and increasing the income of the population. If we look at the world experience at this point. We can see that the share of small business in the number of people employed in the economy is 78.0% in Japan, 71.0% in Italy, 69.5% in Germany, 56.0% in Great Britain, 54.0% in the USA, 25.6% in Russia[1].

Special attention is being paid to strengthening macroeconomic stability and maintaining high economic growth rates in the Republic of Uzbekistan. In particular, by

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encouraging the development of small business entities, special attention is paid to the comprehensive and proportionate socio-economic development of regions, districts and cities. For example, in the action strategy for the five priority areas of further development of the Republic of Uzbekistan in 2017-2021, "... creation of a favorable business environment for the wide development of small business and private entrepreneurship, strict prevention of illegal interference in the activities of business structures by the state, law enforcement and control agencies and ensuring the balance and stability of the national economy, increasing the share of industry, service sector, small business and private entrepreneurship in its composition" [2]. The fulfillment of these tasks requires the acceleration of work on ensuring the stable development of small business entities in the economy and increasing its efficiency.

#### **ANALYSIS OF LITERATURE ON THE SUBJECT**

The scope of scientific work aimed at the rapid development of the country's economy, its integration into the world community, the sustainable development and improvement of the efficiency of small business entities, and the further improvement of their implementation mechanism is increasing. In economically developed countries, serious attention is paid to this issue, and the attitude of many economists-scientists to this problem can be cited, including: A. Smith, J.B. Say, R. Cantillon, J. Keynes, Y. Schumpeter and H. Landstrom[3].

On formation and development of general aspects of small business entities in Uzbekistan S.S. Gulomov, Yo.A.Abdullaev, M.R.Boltabaev, M.S.Kasimova, Sh.J.Ergashkhodjaeva, B.K.Goyibnazarov, A.N. Scientific works of Samadov, A.A. Khadjimuratov[4] can be mentioned

separately. The issues of econometric modeling and forecasting of the development trends of small business and entrepreneurship were studied in the research works of B.Yu Khodiev, B.T.Salimov and S.K.Salaev[5]. Improvement of the economic mechanisms of state regulation of small business by U.V. Gafurov, development of the state regulation of small business and business environment by O.A.Aripov, improvement of efficiency of small business and private entrepreneurship based on structural changes in the case of M.M.Ibragimova Scientific studies have been conducted on [6].

The scientific works of the above-mentioned economists are focused on the issues of ensuring the sustainable development of small business entities, and the fact that the processes of globalization and integration, based on the current requirements, require a new approach to the problems of ensuring the sustainable development and increasing the efficiency of small business entities determines the relevance of the topic.

Research methods. Economic-statistical methods, systematic analysis, grouping comparison, comparison, selective observation methods were considered in the research, and in order to achieve the accuracy of the results, attention was mainly focused on multi-factor econometric analysis and forecasting methods.

#### **DISCUSSION AND RESULTS**

The market economy requires every producer to take a decent place in the market. At this point, we are talking about technical and technological renewal in economic sectors, increasing the types of manufactured products and increasing their competitiveness. It is known that small business entities, when supplying various goods to the market, always study the demand in the market and operate

in order to gain profit by studying consumer demand and competing enterprises.

The main part of the gross domestic product is created in small business entities, in particular, it made up 55.7 percent[7] in 2020, and its most important component of material production is industry and agriculture. In the field of material production, economic resources are processed and material goods and consumer goods are created. Their

development creates an opportunity to increase the incomes of the population, to increase their well-being, and creates a financial and material basis for the development of education, medicine, and culture. The development of small business has a positive effect on the development of various sectors of the country's economy, but without government support, small business may decline (Table 1.2).

**Table 1.2**

**In 2017-2020, the volume of small business and private entrepreneurship in the main economic sectors in Uzbekistan is billion. Soum**

(Data from the State Statistics Committee of the Republic of Uzbekistan)

Indicators	2000	2005	2010	2015	2020	2021	Change in 2021 compared to 2000 (+,-)
Industry	244,0	1104,8	10132,9	39643,5	103020,8	121719,2	121475,2
Agriculture, forestry and fisheries	1021,0	5019,7	31900,4	101197,5	253238,2	307280,2	306259,2
Services	11115,4	13551,5	15214,1	47269,6	114052,7	144812,7	133697,4
Construction	149,0	739,2	4163,2	16954,0	63866,6	77762,0	77613,0

According to the data of the table, the highest indicator of small business entities by sectors is in agriculture, forestry and fishing, and in 2021 compared to 2000, it will be 306,259.2 billion. increased to 307,280.2 billion soums. it was observed that it is equal to soum. In second place is the service sector (144,812.7 billion soums in 2021), 121,719.2 billion soums in the industrial sector. soums (244.0 soums in 2000) and took the third place. It can also be seen that small business and private entrepreneurship have a high value in the construction industry.

Due to the importance of small business for the social and economic situation in the country, most countries are developing laws to help small business development. To date, the systems of measures to support small business developed in different countries differ significantly in terms of the main concepts of economic policy, the selection of priorities and the funds used, as well as the budget funds involved.

Of course, it should be emphasized here that the import and export of products, that is, foreign economic activity, is of great importance in the development of the

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country's economy and its integration into the world economy. In developed countries, the basis of foreign economic activity is regional export potential, which is mainly formed by small business entities. The main task of today is to further increase the country's export potential, to change the country's export

structure in terms of quality and quantity by developing small business enterprises that produce products that meet the requirements of the world market, and to promote the production of products with high added value and sales abroad. is (Fig. 2).



**Figure 2. Changes in the export volume of small business and private entrepreneurship in the Republic of Uzbekistan**

If we pay attention to the change in the export volume of small business and private entrepreneurship in Figure 2, in 2019, compared to 2000, 4380.5 million. 4714.8 mln. was equal to US dollars. As a result of the measures implemented in our country, the indicators of foreign trade have a tendency to increase, the export potential is strengthening, and as a result of the development of measures to increase the export potential of small business entities and their implementation, the share of this sector in the total export is increasing.

But we cannot say that we are fully using our economic potential and opportunities in this direction. In particular, it can be observed that

the share of regional centers is high in the regional export of our country. This, in turn, indicates that the conditions created by small business entities for the production of exportable products in all regions are not yet sufficient. Based on this, it can be said that in order to increase the share of small business entities in our economy today, it is necessary to further improve the existing legislation and the created conditions and opportunities.

Of course, the results of the above-mentioned economic analysis do not allow a deep conclusion of the process, in this sense, in the article, the volume of production of small business entities operating in the Republic of Uzbekistan - the volume of industrial

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production of small business entities affecting the change of Y - X1, construction - X2, agriculture, forest and it is necessary to carry out an econometric analysis using the data of the State Statistics Committee of the Republic of Uzbekistan for the years 2000-2021 of the

production volume of the fishery - X3, the volume of services provided in the network - X4 and employment factors in the network. For this purpose, the correlation coefficient between the factors is determined (Table 3).

**Table 3**

**Correlation coefficient of factors affecting the change in production volume of small business entities operating in the Republic of Uzbekistan**

	Y	X1	X2	X3	X4	X5
Y	1					
X1	0,996763	1				
X2	0,975411	0,673501	1			
X3	0,999358	0,59627	0,780906	1		
X4	0,994176	0,692242	0,682937	0,695314	1	
X5	0,734815	0,704619	0,616135	0,717981	0,679795	1

According to the data in Table 3, all the selected factors are correctly connected with the resulting factor in a strong density, and the relationship between the factors is not multicollinear under the condition  $r_{x1,x2} < 0.8$ . Since the selected factors have different units of measurement, logarithms of factor indicators are used to form a non-linear equation, and it is checked based on quality criteria (Table 4).

**Table 4**

**Multivariate regression equation of the volume of goods and services created in small business and private entrepreneurship**

Dependent Variable: LNY

Method: Least Squares

Date: 10/31/22 Time: 15:37

Sample: 2000 2021

Included observations: 22

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LNX1	0.333015	0.973490	0.342084	0.0367
LNX2	0.183897	0.486141	0.378278	0.0102
LNX3	0.089882	0.934117	0.096221	0.0245
LNX4	0.257077	0.269840	0.952700	0.0519

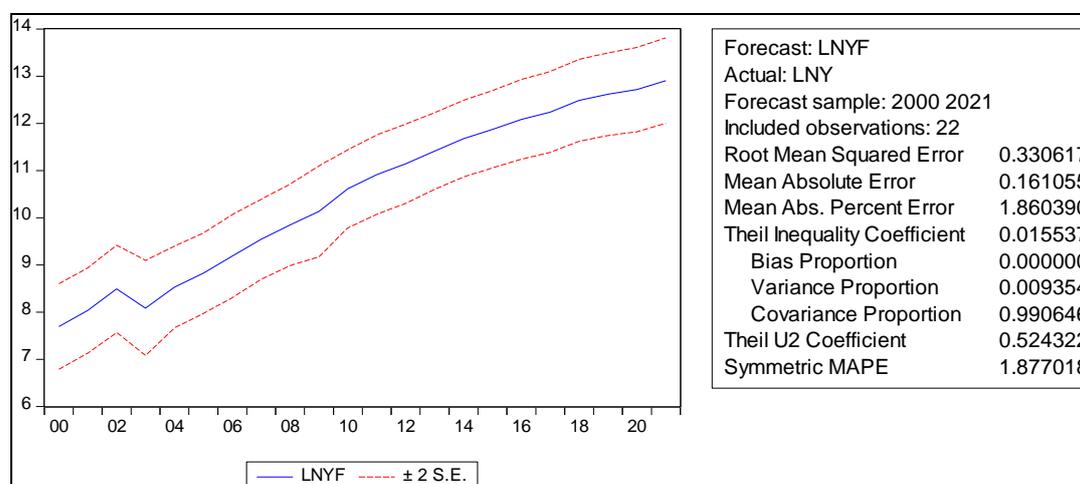
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LN <sub>X5</sub>	0.946737	1.481899	0.638867	0.0319
C	-5.9671152	13.43263	-0.44423	0.0520
			$t_{\text{жад}}=2,1199053$	
R-squared	0.963275	Mean dependent var		10.50114
Adjusted R-squared	0.951798	S.D. dependent var		1.765814
S.E. of regression	0.387682	Akaike info criterion		1.169740
Sum squared resid	2.404762	Schwarz criterion		1.467297
Log likelihood	-6.867141	Hannan-Quinn criter.		1.239836
F-statistic	83.93388	Durbin-Watson stat		1.852640
Prob(F-statistic)	0.000000	$F_{\text{жад}}=0,35058084$		

Based on the values of the coefficients given in the table, the following equation is created:

$$\text{Ln}Y=0.33\text{Ln}X_1+0.18\text{Ln}X_2+0.09\text{Ln}X_3+0.26\text{Ln}X_4+0.95\text{Ln}X_5-5.9671152 \quad (1)$$

If we pay attention to the significance of the determined parameters of the 1st regression equation according to the t-Statistics criteria, the insignificance of all parameters can be seen from the value of  $t_{\text{Jad}}=2.1199053$  with  $\alpha=0.05$  and  $df=16$ . In order to clarify this, it is necessary to check the significance or insignificance of the parameters with the retrospective quality criteria MAPE (Mean Absolute Percentage Error) and TIC (Tayl inequality coefficient - an alternative measure of Tayl forecast accuracy) (Fig. 5).



**picture 3.1 Results of retrospective quality criteria regression parameters**

Based on the data presented in the figure, it can be noted that  $\text{MAPE}=1.144$ , which in turn means that  $\text{MAPE}=1.144 < 10\%$  has a high forecast accuracy and  $\text{TIC}=0.0067 < 1$ , the higher the forecast accuracy, the more the coefficient tends to zero, the significance of all parameters of regression equation 3.1 comes out. In order to simplify the mathematical rules and calculation processes and to achieve the accuracy of the results, the regression equation 3.1 created above is potentiated and the following equation is created according to it:

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$$Y = \frac{X1^{0,33} * X2^{0,18} * X3^{0,09} * X4^{0,26} * X5^{0,95}}{e^{5,9671152}} \quad (1^*)$$

The created 1\*-regression equation is statistically significant at  $\alpha=0.05$  and  $k1=16$ ; When  $k2=4$ , taking into account that  $F_{Jad}=0.35058084$ , Fisher's value is calculated from  $F_{his}=83.9$ , the significance of regression equation 1\* under the condition  $F_{Jad} < F_{his}$ , and  $DW=1.85$ , the equation is reliable and adequate due to the absence of autocorrelation. comes out.

If we interpret the determined (1\*)-regression equation from an economic point of view, the volume of industrial production and the volume of construction is 1.0 billion. to soums, if increased, the production volume of small business entities will be an additional 1.0 and 0.9 billion, respectively. an additional increase to soum was determined. If the volume of agriculture, forestry and fisheries in the model and the volume of work performed in the service sector is 1.0 bln. if it is increased by 0.1 and 0.7 billion soums, it was determined that the production volume of small business entities will increase by 0.1 and 0.7 billion soums, respectively.

## CONCLUSIONS

Based on the analytical results discussed above, we consider it necessary to implement the following measures to solve the current problems of small business entities in our country:

in-depth study of the current market conditions for the purchase of foreign equipment and modern mini-technologies by small business entities;

state assistance in increasing the environment of mutual competitiveness between small business entities;

improvement of information exchange by small business entities about internal and external opportunities of the market;

expansion of economic and trade geography in the improvement of integrated relations with international business entities in economic and trade processes;

increasing the scientifically based views on the specialization of small business entities in a certain field;

improvement of corporate relations between small business entities and large enterprises;

To sum up, it is necessary to ensure the even development of business activities in remote and remote areas and villages of our republic, and to control that they do not fall behind each other through the relevant agencies, to expand their scope and thereby provide jobs to the local population.

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