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# METHOD OF ASSESSMENT OF FACTORS AFFECTING THE DEVELOPMENT OF SMALL BUSINESS SUBJECTS

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## Abstract

Small business and private entrepreneurship are an integral element of the mechanism of the modern economy, so its research is very relevant today. At the current stage of the development of the world economy, small business and private entrepreneurship face many obstacles: in underdeveloped countries - insufficient support from the state or its ineffectiveness; problems in developed countries are not so much dependent on internal factors as external, for example, the current state of the world economy.

**Keywords** Small business, entrepreneurship, assessment, factors, resource, efficiency, income.

## INTRODUCTION

Small business and private entrepreneurship offer innovative ideas in the field of climate change, resource efficiency, social cohesion and contribute to the transition of countries to a sustainable and digital economy. In some developed countries, the result of its activity is more than half of the annual GDP. The main part of the economically active population is engaged in this type of business. Such a result is ensured not only by the state's favorable conditions for the implementation of business activities, but also by the responsibility of small business and private business entities, the honesty and transparency of their activities.

The situation in Uzbekistan is the same - a large part of the GDP is made up of small businesses and private entrepreneurship, but the honesty and transparency of doing business is still a problem. The study of small business in Uzbekistan is relevant because it can identify development

problems and possible ways to overcome them, which in turn will help the growth of Uzbekistan's economy. Perhaps the most important contribution of small businesses to economic growth is the regulation of employment, which is reflected in the ability of small businesses to create new jobs. In addition, small business and private entrepreneurship contribute to the formation of the middle class, which usually constitutes a significant part of the economically active population.

## RESULT AND ANALYSIS

Despite the fact that there is a lot of research on the performance indicators of small business entities, the issues of comprehensive assessment of the development of business entities and the development of effective state and regional programs to support their activities remain insufficiently developed. One of the important

issues is the comprehensive assessment of the development of small business in Uzbekistan based on the multidimensional averaging method for the development of directions for supporting the activities of small enterprises.

The system of performance indicators of small business entities includes groups of indicators such as the number of entities, the number of people employed in them, the efficiency of various types of activities, resources, and determines their role in development. Quantitative evaluation of the values of these indicators describes some aspects of small business activity. It does not give a clear answer in which regions the development of entrepreneurship is rapidly developing, because certain indicators are highlighted for each indicator.

At the current stage, the development of effective, priority management solutions requires a comprehensive approach to studying the development of business entities in Uzbekistan based on a general indicator. In order to determine the overall assessment of the development of small enterprises in the regions of Uzbekistan, this article uses the multivariate average method. This method makes it possible to give a generalized description of small business development based on non-dimensional dimensions. At the same time, many statistical indicators describing various aspects of business activity are taken into account. The modern economy of the country is characterized by the uneven development of the activities of small enterprises in the regions of Uzbekistan.

It is related to the possibilities of creation and operation of enterprises, implementation of activities, development of market infrastructure, availability of qualified workers, priority of types of economic activities, effectiveness of territorial programs of entrepreneurship support. The existence of such conditions requires an objective assessment of the rating of each region by the level

of small business development, identifying leaders and outsiders.

A system of indicators will be formed for analysis, and at the same time, it is necessary to ensure a single direction of the influence of indicators on small business activity in Uzbekistan. Indicators for this are divided into stimulators and destimulators.

The incentives are the following indicators:

$X_1$  - the number of small enterprises per 10,000 people of the existing population, unit;

$X_2$  - relative weight of workers employed in small enterprises in the total number of employed in entrepreneurship, %;

$X_3$  - labor productivity, soum/individual;

$X_4$  - the comparative weight of the volume of products (works, services) sold by small enterprises in the total volume of products sold by business entities, %;

$X_5$  - return of capital, soum;

$X_6$  - profitability of operational activity, %.

$X_7$  indicator - operating expenses per unit of sold product, soums.

Small of enterprises operational of activity financial the result is operational profit ( operational revenues and expenses between difference ). Operation of expenses decrease small of enterprises operational of benefit to growth effect does , therefore for operational expenses indicator hindrance does Different measurement and direction units have has been initial indicators to compare for them standardization done is increased empirical values of the indicator known one to value from the ratio consists of

Comparison for basis as in Uzbekistan small enterprises development as a benchmark for of indicators maximum values get recommendation will be done . Small entrepreneurship subjects activities encouraging indicators according to standardized estimates ( ) of  $Z_{ij}$  indicators of each region their maximum to the value of ratio as

defined as :

$$Z_{ij} = \frac{X_{ij}}{X_{max}}. \textbf{(1)}$$

Integral assessment and between the stimulus dependence directly to be need and destimulator with dependence reverse to be need due to, collect during destimulators to stimulants conversion need:

$$Z_{ij} = 1 - \frac{X_{ij}}{X_{max}}. \textbf{(2)}$$

Using the above equation, we will calculate the integral indicators of small business development

in Namangan, Andijan, Fagana, Syrdarya, Jizzakh and Samarkand regions until 2012 and 2023. For this purpose, using the statistical indicators of the respective regions, we will first determine the highest values of the state of small business development in the above-mentioned regions in 2012-2023. The highest rate of small business development in Namangan region is 32,305 in 2023. That is,  $X_{max} = 32305$ ; In Andijan  $X_{max} = 39038(2023)$ ; in Fagana  $X_{max} = 2682(2023)$ ; In Syrdarya  $X_{max} = 15036(2022)$ ; in Jizzakh  $X_{max} = 22474(2022)$  and Samarkand  $X_{max} = 47943(2022)$

**Table 1**  
**An integral indicator of the state of small business development in the regions of Uzbekistan in 2012-2023**

<b>Namangan</b>					
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
0.662	0.646	0.62	0.595	0.564	0.546
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.506	0.475	0.336	0.21	0.104	0
<b>Andijan</b>					
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
0.543	0.522	0.489	0.465	0.437	0.444
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.479	0.422	0.339	0.188	0.103	0
<b>Ferghana</b>					
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
0.033	0.101	0.314	0.584	0.751	0.855
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.897	0.912	0.889	0.597	0.396	0
<b>Jizzakh</b>					
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
0.722	0.707	0.693	0.678	0.673	0.62
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.542	0.428	0.276	0.205	0	0.319
<b>Syr Darya</b>					
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
0.623	0.591	0.574	0.568	0.538	0.504

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.467	0.267	0.112	0.082	0	0.254
<b>Samarkand</b>					
<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
0.769	0.736	0.732	0.711	0.708	0.666
<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
0.591	0.465	0.31	0.151	0	0.22

In the next step, the integral value (multivariate average)  $\bar{m}_j$  is calculated as the average value from the standardized indicators (  $Z_{ij}$  ) calculated for each region:

$$\bar{P}_j = \frac{1}{m} \sum_{i=1}^m Z_{ij} \quad (3)$$

Using equation 2.1.3 above, we determine the average integral values of the regions. Then in Namangan region - 0.438; Andijan - 0.369; Ferghana - 0.527; Jizzah - 0.488; Syrdarya - 0.381; Samarkand - 0.504 values were determined. According to this, we can see that Namangan, Andijan and Syrdarya regions are on the 1st place, Jizzah is on the 2nd place, and Fergana and Samarkand regions are on the 3rd place.

For a more detailed comparative analysis of the activity indicators of small enterprises based on the integrated indicator, the grouping of the regions of Uzbekistan was carried out in 2012 and 2023. Groups with equal and unequal intervals (with equally filled intervals, as well as with gradually increasing intervals in arithmetic and geometric progressions) were tested. Grouping with unequal intervals resulted in empty groups, so grouping with equal intervals is optimal.

Among the main reasons for this situation are the different levels of development of the economic potential of the regions; diversification by types of economic activity; incompatibility of production volumes with local natural resource potential; negative demographic and environmental trends; insufficient development of the market and social infrastructure; lack of financial resources for the

implementation of regional socio-economic programs to support small businesses.

In order for most regions to have a certain potential and to be able to increase the efficiency of the main indicators of small business activity in the future, it is necessary to solve the following problems arising from the specific characteristics of small business operating in each region. Among the main ones are difficulties in selling products; ensure product competitiveness; elimination of obstacles to the development of new markets; lack of financial resources and buildings for small business development; insufficient opportunities to find new business partners and form business relationships; lack of qualified personnel, skills and information related to business activities; rising energy and raw material prices.

The main directions of state support for small business are as follows: improvement and systematization of the legal framework; formation of effective infrastructure for support and development of small business; support the development of cooperation between small and large enterprises; improvement of the simplified system of taxation, accounting and reporting; implementation of financial and credit support for small business entities; to encourage small business entities to implement innovative and socio-economic programs, to sell products (works, services) produced by small enterprises for state and regional needs. Further development of small business is possible only in conditions of rational

ratio of effective methods and directions of state policy. Effective economic reforms determine the development of small business in the regions and the economy as a whole. Consistent and targeted directions of the state policy ensure the efficiency of the activities of small business entities of Uzbekistan as a leading branch of the economy.

### **CONCLUSIONS**

According to the conducted studies, the destabilizing factors of the external environment are economic and socio-cultural. Economic factors the most negative effect shows ( especially the exchange rate change and of the population purchase of ability decline ), socio-cultural factors less effect does ( awkward demographic situation and personnel abroad out departure ).

Positive factors between the following our emphasis possible : political ( small business development contribution adding one row the law projects acceptance to do and of Uzbekistan market participants for new opportunities opener World Economic Community towards movement , new technologies work output , processes automation ) and technological factors .

US experience that's it shows that, is small and medium enterprises in development to success the following support from the network use because of can be achieved : financial , logistics, information , advice . Such network in creating state , local power bodies , public , universities and Big business participation is enough the world economy development present stage small and There are many medium-sized businesses to obstacles face is coming and their the main ones usually: undeveloped in countries - state by e field level lack of support or his ineffectiveness .

Today, there is a system of state support for small enterprises in Uzbekistan, the formation and improvement of infrastructures by the state, increasing the income of the population, improving

secondary and special education are accelerating the processes of economic integration with the world community.

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