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ISSUES OF REGIONAL DEVELOPMENT OF SMALL BUSINESS

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Abstract:

Objective. Entrepreneurial activity is of particular importance for the development of the national economy. This article provides detailed information on the characteristics of entrepreneurial activity in the context of the transition to the innovative economy.

Methods. The research methods were statistical, comparative analysis, induction and deduction methods.

Results. The changes that have occurred in the economy in recent years require the development of a new, more complex stage of economic transformation, in which the center of gravity shifts to solving the problem caused by the technical-economic paradigm and systemic long-term changes. Term challenges that reflect global trends and domestic development barriers. In such conditions, small business plays an important role, which affects the socio-economic level of the country's economy in many ways. In the article, spatial mechanisms of small business development, factors, opinions of foreign scientists, existing problems are listed based on statistical analysis, and as effective solutions to these problems, recommendations on the development and implementation of issues of regional location of business entities are presented.

Conclusion. Boundary conditions for the successful operation of entrepreneurship in the innovative economy are revealed by taking into account the scale effect of firms of different sizes that arise as a result of profitability growth and operate as a systemic view. Qualitative and quantitative characteristics of a firm of a certain scale in the innovative economy act as self-developing value-economic, organizational-institutional and production-technological education.

Keywords: innovation, entrepreneurship, spatial development, spatial balance, evolutionary development.

Introduction. There is a need to develop a conceptual approach to form realistic ideas about the spatial development of small business, which allows for a satisfactory description of the production of knowledge, innovation and their reproduction within endogenous models. When micro-entities are directly aggregated into ideal market-type macrosystems, it allows to overcome the limitations of traditional analysis based on a simplified understanding of economic reality. The limitations of traditional analysis do not allow to properly take into account the spatial diversity of economic development, the specificity of interregional relations, as well as significant differences in socio-economic conditions for economic development. Taking into account the spatial dimension is of particular importance for our country due to the differences in the conditions for running a small business in the regions.

The study of the laws of evolution of the spatial mechanisms of small business development and the factors affecting them is important from the point of view of the development of economics. The increase in the density of filling the territories with farms and the involvement of new lands in the farm rotation led to an increase in the land deficit. This process is historical in nature, it was greatly accelerated due to the quadrupling of the world's population and the increase in the rate of economic development. The reduction of free spatial

resources and the expectation that this process will become more intense gives them special importance, leads to increased competition and puts the tasks of optimizing their use on the agenda.

The alternative concepts developed so far have certain advantages because they aim to identify the main patterns of spatial development and, accordingly, the relevant factors. However, they do not properly take into account all the diversity of the most important factors and relations, they do not allow to have a satisfactory picture of the economic activity and development patterns of small business. Today, a number of theoretical models based on many assumptions and simplifications are actively used. It should be noted that in the existing works [1] the set of spatial development factors is given quite widely, there are works on the assessment of the influence of individual factors on regional differences in the level and dynamics of development; on the other hand, there are no generally accepted ideas about which of these factors are primary and which are secondary, how much each of these factors should be taken into account in the implementation of regional policy, and without understanding the causes of problematic situations, developing adequate tools to support small businesses not possible.

Authors of econometric models try to take into account many factors when assessing their contribution to spatial development, but for many regions it remains difficult to explain a significant part of GNP growth; a holistic view of spatial development does not emerge because different sets of critical factors are often important for different regions. Currently, there is no coherent legal and conceptual framework for spatial development of small business. Society and government do not appreciate the negative consequences of the imbalance in small business development. At the same time, existing alternative theories describing spatial development processes based on center-periphery interdependence and cumulative growth complement each other to a certain extent and create a basis for a deeper study of these processes.

Analysis of literature on the topic. Currently, the laws of the processes of spatial development of economic activity are being clarified on the basis of various theories, each of which focuses on different aspects of these processes. The theoretical foundations of spatial development mechanisms were considered by A. Marshall [2], who introduced the concepts of "networked agglomerations" and "industrial districts". During the 20th century, studies in the field of regional development are becoming more and more popular, S. Cruz and A. Teixeira estimate that the share of publications on various aspects of regional agglomerations will exceed 5% in the 1980s[3].

In order to understand the processes of formation of regional models of innovative development of small business, the studies of modern changes in the organization of innovative processes are important. Thus, it was shown that they are characterized by the transition from the linear (industrial) model to the non-linear (neo-industrial) model proposed by K. Freeman [4], S. Klein and N. Rosenberg [5]. Lundwell and others focus on the formation of open innovation related to mass outsourcing and the creation of global value chains [6]. In modern conditions, the process of creating innovations is becoming more interactive, new sources of economic growth are emerging. The collective emergence of innovations and mutual benefits by the participants of cooperation are facilitated by the wide distribution of network structures and clusters that form a certain ecosystem. The change and new functions of universities, small businesses and the state, as well as the changing nature of their interaction in the formation of innovative activity in a certain area, are described by the three-helix model [7].

Currently, a new wave of "unbalanced development theory" is forming. The main objects of analysis are "local economic interconnections", the most popular of which are complexities, networks and clusters [8].

Research methodology. The author's approaches are presented based on the study of scientific literature and articles of foreign scientists on the subject and the analysis of the experiences of foreign companies in this regard. Also, in order to increase the scientific and practical value of the article, statistical analysis methods (dynamic and comparative analysis methods) of the data of the State Statistics Committee of the Republic of Uzbekistan were used.

A methodical approach based on an improved research paradigm is proposed in accordance with the subjective nature of economic reality for the appropriate description of the processes that determine the characteristics of the formation of various territorial models of the innovative development of small business.

Analysis and results. Considering the processes of spatial development of the national economy and small business from the perspective of the concept of dynamic capabilities and taking into account the rules of systematic analysis, the theory of complexity and evolution allows us to identify the following features and regularities, these processes:

- a systematic connection of territorial objects with different change capabilities in the course of constant interactions occurring in the internal and external environment, they are not completely autonomous from each other, but interdependent;

- accumulation of changes and acquisition of new characteristics of territorial subjects and national economy occurs on the basis of development and implementation of their dynamic abilities, their formation depends on the activity of entrepreneurial structures and the role of small business;

- common corridor of spatial development of entrepreneurial structures and small business defines knowledge base and basic technologies, cultural and value directions and institutions.

Changes in the conditions for small businesses associated with the transition to innovative competition impose new requirements on the formulation of innovation policy, the selection of priorities, models and tools for its implementation. According to the data of the State Statistics Committee, the analysis of the distribution of small enterprises by regions of Uzbekistan allows us to conclude that the main part of small enterprises is concentrated in the city of Tashkent, and this trend continues. (Table 1).

Table 1.

Distribution of small businesses and micro-enterprises by regions of the Republic of Uzbekistan in 2018-2021 (according to those registered) [10]

No	Indicators	2018 year Quantity, unit	%	2019 year Quantity, unit	%	2020 year Quantity, unit	%	2021 year Quantity, unit	%
1	**According to the Republic of Uzbekistan**	242379	100	276237	100	353921	100	436981	100
2	Republic of Karakalpakstan	11076	4.6	12364	4.5	15050	4.3	18923	4.3
3	Andijan region	21631	8.9	23978	8.7	28880	8.2	35795	8.2
4	Bukhara region	13495	5.6	15700	5.7	20982	5.9	26097	6.0
5	Jizzakh region	10069	4.1	11845	4.3	14769	4.2	18661	4.3
6	Kashkadarya region	14969	6.2	16752	6.1	20921	5.9	26088	6.0
7	Navoi region	7788	3.2	9143	3.3	15511	4.4	19058	4.4
8	Namangan region	16928	7.0	17944	6.5	22034	6.2	27314	6.3

9	Samarkand region	17261	7.1	20669	7.5	27322	7.7	35022	8.0
10	Surkhandarya region	10897	4.5	11670	4.2	15783	4.5	22670	5.2
11	Syrdarya region	8064	3.3	8947	3.2	11697	3.3	14256	3.3
12	Tashkent region	25128	10.4	29390	10.6	38006	10.7	45935	10.5
13	Fergana region	20502	8.4	23542	8.5	29599	8.4	37199	8.5
14	Khorezm region	11345	4.7	12576	4.6	16282	4.6	20177	4.6
15	Tashkent city	53226	22.0	61717	22.3	77085	21.8	89786	20.5

As can be seen from the table, if in 2020, 21.8% of small enterprises and micro-firms are located in this area, then in 2021, 20.5 percent of the total number of small enterprises and micro-firms of our country, or 89,786, are operating in the territory of Tashkent city. The next place is Tashkent region. In 2018, 25,128 small enterprises and micro-firms were registered in this region, and by 2021 there will be 45,935. Their share in the total was 10.4 and 10.5 percent, respectively.

The position of small enterprises and micro-firms according to the share of the total by regions is presented in the following figure (Figure 1).

Spatial regularities of economic activity and small business development processes reflect the complexity, multifacetedness, interdependence and unevenness of its change, under the influence of territorial self-reinforcing and cumulative processes, based on the specific characteristics of the influence of endogenous factors. These spatial patterns of economic activity and small business development are reflected in the following.

1. The interaction of heterogeneous regional entities with different resources, powers and abilities in a single economic-temporal space under the influence of endogenous factors leads to the formation of central-periphery direct and feedback links, in which regional self-reinforcing mechanisms are accumulated in a linear causal relationship. innovative development is manifested due to the creation of non-existent processes and synergistic effects. The center-periphery structure is the main and final principle of the construction of the geographical space, which gives rise to the center-periphery way of development of the economy and its regions , in which the centers of different levels always attract resources from their edges.

In this regard, a hierarchy of spatial systems of business activity is created. This involves considering the evolution of small business in light of the impact of power relations of a different nature, as groups of entities interact in organizational fields with different economic and cultural values, power resources, and powers. With this approach, the development of the national economy implies the emergence of spatial characteristics of the value-institutional system change.

2. Spatial laws describe the evolution of the center-periphery mechanisms of innovative development of the regional economy, their characteristics are largely determined by the scale and activity of small businesses. They represent that large cities act as growth points or development poles due to the positive effects of the scale and structure of agglomerations. At the same time, production industries with a high potential for innovative development become centers of "concentration" of other industries that are suppliers of resources or consumers of their products and services in their sphere of economic influence; technological, infrastructural, financial, scientific, educational and social-cultural polarization processes are developing in the future. Decentralized areas are changing due to the spread of impulses for innovative development and the formation of direct and feedback links mainly due to the spread of innovations, which depends on the characteristics of the process of interaction of formal and hidden knowledge.

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3. Territorial evolution of business structures, regional evolution of economic activity, as a result of the complex interaction of centrifugal forces in the territorial space, various resources and dynamic capabilities are formed in connection with the movement of not only goods, but also labor, capital and economic structures. At the same time, small business has a significant impact on the nature, dynamics and direction of the processes of spatial changes, on the formation of knowledge formation and transfer mechanisms, and on the adaptation of regional entities to the changing business environment.

Territorial distribution of business activity and polarization of the territorial structure of the economy is determined by the ratio of benefits and costs that arise when its subjects are located in a certain area and reflects the relationship of positive and negative effects. This is due to various combinations of factors such as interaction costs between business structures (transportation and trade costs), increasing returns to scale, market size and variety of manufactured products. The trend of spatial concentration of business activity is typical for manufacturing agglomerations, which are sensitive to the impact of increasing income in terms of scale and network structure.

4. Formation of competitive advantages of regions occurs under the influence of a set of interconnected factors. As stated by P. Krugman, they can be divided into two groups; first, the availability and geographic location of natural resources demanded by the market, including the border of world trade routes, which reduces transportation costs; secondly, advantages created by economic activity (agglomeration effects, human capital, institutions supporting entrepreneurship, mobility of labor and financial resources, innovation, etc.).

5. World experience shows that in the course of the evolution of the industrial economy, the role of the first-order factors in the formation of the competitive advantages of regions - the supply of resources and geographical location factors - decreases, but the importance of the second-order factors, factors related to urbanization, agglomeration, and the strengthening of the highway, increases. In the future, the role of third-level factors - regional factors of innovative development - which fundamentally change the nature and mechanisms of increasing the competitiveness of regions is increasing. At the same time, the scale influence of large enterprises loses its previous importance, and the active participation of small business entities in the development of the region becomes important.

6. Complex processes of spatial development are accompanied by various types of "market failures" that cause insufficiency of self-development mechanisms of the market. In this regard, there is a need to apply various horizontal and vertical connections, cooperative and market mechanisms, and scientific and technical processes within the framework of the common territorial space to regulate the formation of resources and capabilities of the regions, the formation of knowledge and the transfer of knowledge, which ensure the proportional and uneven development of dynamic abilities. They allow to obtain the best cumulative-synergistic macro effect in a strategic perspective based on market opportunities and risks.

Based on these laws, we can see the distribution of small businesses and micro-firms in our country by types of economic activity from the following table (Table 2).

Table 2.

Analysis of distribution of small businesses and micro-firms by types of economic activity [10]

No	Indicators	2018 year		2019 year		2020 year		2021 year	
		Quantity, unit	%	Quantity, unit	%	Quantity, unit	%	Quantity, unit	%
1	**Total**	**229666**	**100**	**262930**	**100**	**334767**	**100**	**411203**	**100**
2	Agriculture, forestry and fisheries	20530	8,9 _	23975	9.1	28847	8.6	40719	9.9
3	Industry	48566	21.2	56233	21.4	69970	20.9	82746	20.1
4	Construction	23807	10.4	28955	11.0	36021	10.8	40695	9.9
5	Trade	62714	27.3	70457	26.8	100573	30.0	131597	32.0
6	Transport and storage	11779	5.1	13121	5.0	15157	4.5	17056	4.2
7	Accommodation and dining services	16964	7.4	19565	7.5	25461	7.6	29947	7.3
8	Information and communication	6167	2.7	6738	2.6	7621	2.3	9221	2.2
9	Provision of health care and social services	4417	1.9	5364	2.0	6370	1.9	7588	1.9
10	Other types	34722	15.1	38431	14.6	44747	13.4	51634	12.5

As can be seen from the data of this table, the highest share in the distribution of small enterprises and micro-firms in our country by types of economic activity belongs to trade. In 2018, 62,714 small enterprises and micro-firms were active in this field , and in 2021, there were 131,597. Its share in the total was 27.3 and 32.0 percent, respectively.

Small businesses and micro-firms have achieved high growth in trade and industrial types of economic activity.

The phenomenon of industrial agglomeration or regional concentration is often explained using neoclassical equilibrium models that take into account returns to scale. According to this approach, in accordance with J. Williamson's theory of territorial disparity and A. Fisher's and E. Hoover's theory of territorial development stages, a gap in spatial levels appears in the initial stages, development first increases, and then territorial disparities decrease. The trajectory of regional differentiation takes the shape of an inverted U, the so-called Williamson curve. According to the theory of J. Williamson, economic growth in the initial stages is concentrated in the central regions (core) of the country, and then spreads to the peripheral regions.

Therefore, with the growth of national wealth, the high degree of regional polarization is replaced by the leveling of regional differences. Regional policy should not limit the movement of market forces of agglomeration, which initially have a positive effect, and then, as a result of the accumulation of negative effects, the flow of capital and labor is directed to poor regions [11].

However, this theory does not take into account the influence of all contextual and institutional factors of the market. First, the continuous production of innovations in the center leads to the dependence of the growth of the backward regions on the transfer of new technologies. Secondly, border regions have more opportunities to attract public investment in social and logistics infrastructure. Therefore, with the growth of national wealth, regional inequality increases under the influence of market forces of agglomeration.

World experience shows that at the end of the 20th century, economic inequality significantly increased in catching up with countries, which ensured the rapid development of regions with clear competitive advantages, as a result of which the economies of these countries also developed more successfully.

Gradually, attention is being paid to the development of other regions, but at the same time, the policy of encouraging the development of local regions with a competitive advantage, increasing agglomeration and innovation effects, is being continued.

Today, the differences in approaches to the formation of regional models of innovative development of small businesses are mainly determined by the fact that these models have different structural and dynamic characteristics due to the diversity of the business environment, and are divided into different ranked groups depending on the selected classification criteria. Studying the characteristics of regional innovation processes in the development of small business allows to classify them, it helps to understand the systematization of knowledge and the mechanism of creation of innovations and their use, makes it possible to compare the possibilities of creating competitive advantages, evaluates alternative approaches and ways of further development of business entities.

Conclusions and suggestions. When analyzing the processes of formation of territorial models of innovative development of small business, it is reasonable to conclude that their most important parameters form a multi-level system, are complexly interrelated and subordinate to each other. It is of particular importance to develop an approach that allows for a systematic interpretation of the processes of formation of unique regional trajectories of innovative development of business entities that ensure the successful creation and implementation of competitive advantages, and the use of typology as its basis. Based on the specific characteristics of the interaction between production-technological, cultural-value, organizational-institutional and cycle-time factors, the nature of participation in the processes of creation, transmission and repetition of innovations is important.

Within the framework of the considered approach, it is important to distinguish four types of regional models of innovative development of small business, which play a key role in understanding the laws of the formation of the innovative profile of small business development - national, national-territorial, regional and less developed peripheral, they can have different levels of development (low, medium, high).

The first type of model - the nationally oriented model of innovative development of small business - ensures the satisfaction of national needs and the needs of international markets for innovation. In this model, fundamental research is particularly important in universities and small businesses that actively collaborate with knowledge producers and innovation firms in other regions. An example of this type of model is the technopolis established in countries such as France, Japan, and Taiwan, which is characterized by a limited degree of interaction between innovative small firms within the policy framework, as well as developed vertical ties with them. Large firms in these areas are generally regarded as anchors of technopolises. The research functions of universities and corporations are mainly focused on creating radical innovations.

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ISSUES FOR ENSURING ECONOMIC STABILITY OF CHEMICAL INDUSTRY ENTERPRISES USING FOREIGN EXPERIENCE

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Abstract:

The purpose of the study is ensure the economic stability of chemical industrial enterprises, the article covers the experience of companies of foreign countries and highlights the aspects of use in local chemical industrial enterprises..

The tasks of the research are research for theoretical and practical aspects for ensuring economic stability of chemical industry enterprises using foreign experience.

The subject of the research is issues for ensuring economic stability of chemical industry enterprises using foreign experience.

Research methods. Analysis and synthesis, induction and deduction, systematic approach, systematic analysis, abstract-logical thinking, monographic observation, comparison, statistics, economic analysis and economic-mathematical methods were used in the research paper.

The scientific novelty. It is an accepted trend to study the experience of companies of advanced foreign countries in the matter of ensuring the economic stability of chemical industry enterprises. Including, revealing the specific features of the introduction of a modern controlling system, and scientifically proving the effectiveness of its application to the activity of chemical industrial enterprises operating in our country is the main essence of the research.

Keywords: industry, economic stability, US, European experience, management, control.

C O N T E N T S