

Methodological Basis for Sustainable Development of Social and Economic System of Business System

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Abstract:

The methodological and theoretical foundations of sustainability and sustainable development of entrepreneurial structures as socio-economic systems are considered. Definitions of sustainability, sustainable development are proposed, an analysis of the essence of sustainability is carried out, criteria, factors of sustainable development and principles of sustainability of business structures are proposed.

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Introduction:

In the context of globalization, uneven development processes, and the difficult economic, social and political situation with complex and difficult predicted behavior of socio-economic entities, one of the key issues is to ensure sustainable development of entrepreneurship structures as open dynamic systems. Today, it is clear that the sustainable development of entrepreneurial structures and the way out of the financial and economic crisis cannot be based on traditional theories and classical concepts of governance. Goals 12 and 8 of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated October 20, 2018 No. 841 "On measures to achieve national goals and objectives in the field of sustainable development for the period up to 2030" are aimed at solving problems of sustainable development of business structures. Great attention is paid to sustainable development of entrepreneurial structures in the country at the stage of reforms, accelerating the development of entrepreneurship.

Speaking about the issues of sustainable development of business structures, the President of the Republic of Uzbekistan Sh.M. Mirziyoev said: "Only by building large enterprises, we cannot fully address the issues of increasing employment and income, increasing budget revenues. The most important way to improve living standards is to develop entrepreneurship and small business.

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An analysis of existing literature on these issues shows that there is no clear definition of the content and development of entrepreneurship structures. Existing perspectives on the theory and practice of the problem relate primarily to the development of the society and the entire public organization. For example, the UN Sustainable Development Concept envisions balancing economic growth, environmental protection, and lack of resources. The Concept of the Republic of Uzbekistan's transition to sustainable development is defined as the development of a balanced solution of the socio-economic challenges of maintaining a

favorable environmental and natural resource capacity to meet the needs of the present and future generations.

The report of the UN Commission on Environment and Sustainable Development describes development that meets the needs of the present, but does not endanger the rights of future generations to such opportunities. In the UN Development Program report, sustainable development is directly linked to the promotion of equal opportunities, issues of moral and legal justice and access to higher quality of life; the relationship between humanity and the development of ecology.

Studies show that the theoretical and methodological basis for the sustainable development of entrepreneurship structures is not sufficiently developed. The concept of sustainable development of large companies is aimed at achieving long-term economic, social and environmental goals by the UN directions.

The approach proposed in this study, dedicated to the sustainable development of entrepreneurial structures in the context of instability or high uncertainty, provides a clear definition of the concept of sustainability and sustainable development, the development of entrepreneurial structures, the principles and criteria for sustainable development. Sustainability refers to the ability of business structures to maintain their intended course of action (to achieve strategic objectives) or to maintain the intended behavior in spite of the external environmental instability that affects them.

The main types of stability are balance, homeostasis, and inpatient mode. Equilibrium represents the nature of forces, processes, and phenomena in different directions, and their effects are mutually compensated in such a way that the nature of the system remains constant. Thus, in business structures, equilibrium is established as a result of a specific mechanism based on the alignment of all system elements (resources, benefits and income distribution). However, the balance of business structures does not always imply social justice. The equilibrium may be stable (while

maintaining the system's equilibrium properties in the context of external influences) and unstable.

The balance of business structures needs to be studied in two ways: static (balance point) and dynamic (balanced, developmental process). In the economic system, the equilibrium point is a balanced set of prices, which ensures equality of supply and demand for resources. The balanced development (growth) process applied to business structures is such a growth of the socio-economic system that the production volumes and growth rates of product stocks over a period of time are constant (thus the concept of development and growth of business structures remains the same).

Homeostasis is a stable state of the balance of business structures as an open system in the interaction with the external environment. Homeostasis refers to the fact that neither the system's essential performance nor the system's relations with the external environment are affected by the external environment. In essence, the entrepreneurial structure as a system is a homeostat that strives to maintain its integrity and viability.

A stationary mode is a system that operates over time, while its characteristics remain constant: steady-state, stationary, cyclic repetitive state of the system, and quasi-state (vibration property).

The mode of action of a socio-economic system opposed to a stationary state is called a transition or transformation. At the same time, there will be a gradual transition from one state to a new one, accompanied by the emergence of new institutions and trends in the functioning and development of the system, and the establishment of new laws, in place of outdated institutions, relationships and relationships.

Transition effects are observed during the transition period - structural shifts and transformational decline. Transition is carried out by "paralysis" or evolutionary (gradual) method. Recent decades have shown that economies of transition economies using the "paralysis" method are more effective for the transition and development of market economies (for example, the UK in the

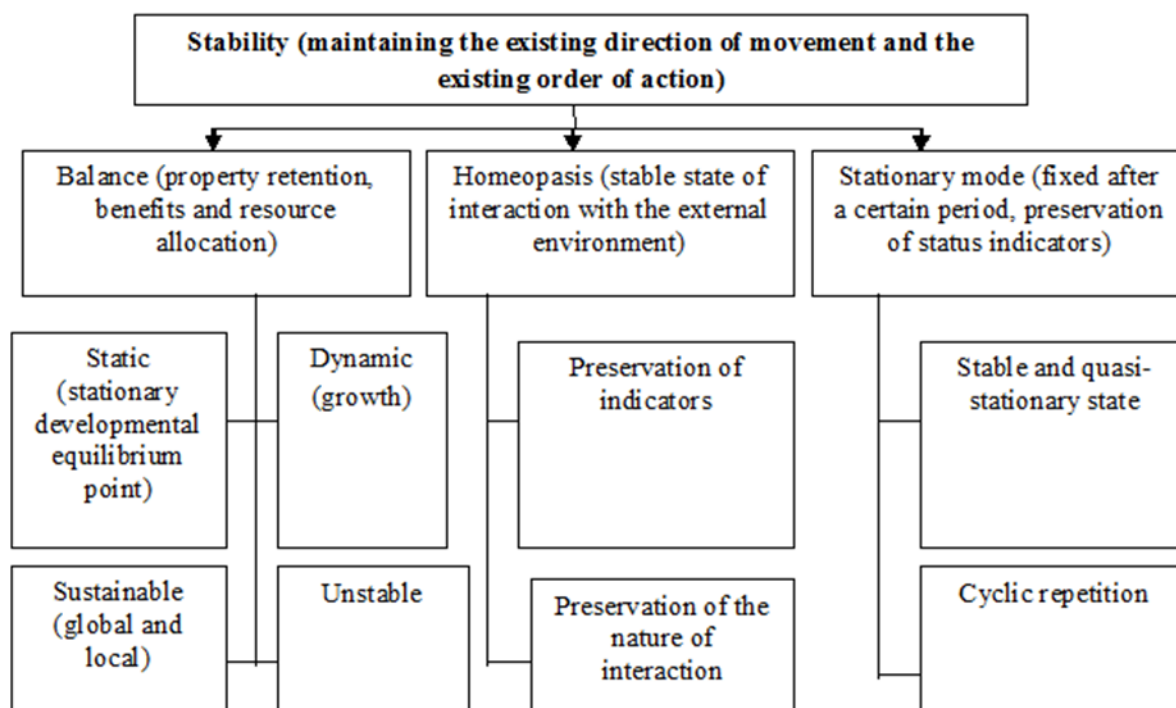
1980s, Poland, the Czech Republic, Estonia, Hungary, Slovakia, Slovenia and others in the 1990s). have grown. Paralysis Therapy has given a number of Eastern and Central European countries the opportunity to accelerate market economy and join the EU.

In Uzbekistan, a gradual transition to market relations has been chosen taking into account national features and conditions. Since 2017, economic reforms have entered a phase of intensification. This is first of all manifested in the field of entrepreneurship support and sustainable development. There is a need for researchers to provide a scientific and theoretical explanation of the issue, and to undertake in-depth research in this area, and set new tasks.

The result diagram of the concept of sustainability of business structures is shown in Figure 1.

The sustainability of business structures is assessed by the interrelation of three components:

1. Functional stability - all functions of business structures are implemented in full volume, without interruptions, rhythmic, efficient;
2. Elemental Sustainability - There is a set of necessary elements for all tasks, with the resources needed to implement them;
3. Structural stability (state of equilibrium) - effective, timely, economical, rhythmic relationship between elements; relations are characterized by solidarity relations with deep restrictions.



1. Outline of the stability of business structures

The basic principles of sustainability include:

- The principle of systemicity - stability is a systemic feature and, in turn, is considered in three parts of its constituents;
- The principle of time constraint - stability is a time state of the system;
- The principle of inevitability - it is impossible to return to its former state;

- dynamical principle - stable state does not imply any "hardening", it inevitably moves towards instability.

The stability of the business structure has a limited dispersal area: during certain times of evolution, there are distinct areas of gravity between the different states. These limits do not allow the system to return to its original state. Hence, in order for a new quality condition (ie development) to

occur, the entrepreneurial structure must move to the limit of stability: the unstable state is the basis of dynamic development. Sustainability and sustainable development are essentially different.

Sustainable development is manifested in the tri-part of economic, social and environmental elements. The IMF's 2011 report clearly shows the relationship between sustainable development and balanced economic growth. A number of major companies have adopted the UN Sustainable Development Concept. Basically, the concept of sustainable development of business structures is aimed at increasing social responsibility, environmental protection and increasing the economic efficiency of companies; Special structures are being set up to manage sustainable development.

Sustainable development of business structures is the progressive development of a dynamic homeostatic system in three groups of social, economic and environmental elements, accompanied by a reduction in resources and improved performance.

It is important that sustainable development is consistent with growth, but not necessarily in the same context. Traditional economic growth aimed at maximizing profits and meeting short-term demand will lead to the depletion of natural and social resources, which are the basis of public welfare.

H.Asatullaev, B.Tursunov, A.Mamanazarov approach the concept of "sustainable development of enterprises" from the point of view of quality and efficiency of economic growth.

Economic growth efficiency refers to all components of the concept of "social production efficiency", including improving the quality of goods and services, increasing their competitiveness, developing new, completed, high-tech, ready-to-use goods, and increased utilization of resources. decrease in production costs.

The concept of the quality of economic growth is an indication of the increased social orientation of the country's economic development.

The components of the quality of economic growth include:

- improvement of material welfare of the population;
- Increase of leisure, which is the basis of comprehensive development of the person
- Increasing the level of development of social infrastructure networks;
- Increased investment in human capital;
- ensuring the security of living and working conditions of people;
- social protection of the unemployed and the incapable population;
- full employment support in the context of growing demand in the labor market.

Sustainable development is innovative (creative) development, coherent interaction and coevolution of elements of business structures and societies, business structures. The essence of sustainable development is innovative activity and radically new products, services, technologies, forms and methods of production organization and interaction with society. Thus, the mechanism of sustainable development is based on the maintenance and self-organization of the dynamically balanced business structures.

The development of entrepreneurial structures as dynamic systems involves the gradual replacement of stable and unstable states. The period of transformation (from one state to another) is characterized by instability and is accompanied by an increased sensitivity of socio-economic systems to small impacts (which do not change their behavior at the qualitative level in the context of small changes in stable systems). Consequently, sustainable development of business structures can be ensured through small-scale management effects that are well-distributed over time and space, through self-organization and interaction of elements. It is not necessary to form a movement management system and to divert the existing management path from the existing direction of management to the development of business structures. Managing innovative potential (such as

internal energy) based on small regulatory impacts may be sufficient.

When determining the sustainability of business structures, it is necessary to take into account four levels of internal and external factors: global factors, macroeconomic factors, mesoeconomic factors, and microeconomic factors (Table 1).

The following are the criteria for sustainable development:

- Compliance with the established (planned) strategic goals of the development of entrepreneurship structures;
- increase in production (reserves);
- resource loss (optimum);
- management impact (as a result the system is stable, inconsistent, ie when there are management errors - unstable);
- high adaptability to operating conditions in order to maintain its integrity and sustainability.

Table 1: Factors of sustainable development of business structures

Inner	<ol style="list-style-type: none"> 1. Strategy 2. Resources (full quality and timeliness), cost of resources and dependence on suppliers 3. Technology 4. Innovative potential 5. Culture 6. Content (communications, decision making, hierarchy) 7. Processes (modernity of organization, compliance with technological features) 8. Labor capacity 9. Size
Outer	
1. Global	1.1. Affiliated structures
2. Macroeconomic	1.2. International Law and Environmental Regulations
3. Mechanical	1.3. National economy
4. Microeconomics	1.4. Sociocultural and demographic context

Analysis and Results

Small business and private entrepreneurship are an important factor in economic development, employment and income generation. In the last two and a half years, more than fifty decrees and resolutions of the President have been adopted to provide comprehensive support to the industry.

In particular, procedures for state registration of business activities, obtaining permits and many other services were simplified. For the sake of convenience, the Civil Service Agency and its local centers have been established. On protection of the rights and legitimate interests of business entities

The position of representative (Business Ombudsman) has been introduced.

In all regions, Prime Minister Reception Centers have been set up to facilitate the reception and resolution of business complaints. Under the Cabinet of Ministers, a State Fund for the Development of Entrepreneurship has been established, with the allocation of 200 billion soums and \$ 50 million. The volume of loans issued by commercial banks to entrepreneurs has increased. Such practical measures have been yielding results. Small business provides about 60% of the country's GDP, one-third of industrial output, 98% of agricultural production, half of investments. In many regions, 70-90% of exports account for small businesses. It should be noted that these indicators are the first results of the reforms, with the main focus being on the problems that still exist (Table 2).

Table 2: Key indicators of development of small business and private entrepreneurship in Uzbekistan

Indicators	2000	2005	2010	2015	2018	2018 yearly versus 2000
Number of operating small businesses and micro-firms, units	99400	100800	164100	196014	262930	163530
Number of newly established small enterprises, units	x	x	x	26037	48922	x
GDP	31,0	38,2	52,5	62,9	59,4	28,4
Industry	12,9	10,0	26,6	40,6	37,4	24,5
Agriculture	73,6	85,7	97,4	98,0	98,3	24,7
Investment	15,4	24,0	28,5	35,8	34,9	19,5
Trade	42,5	88,2	85,1	87,1	86,3	43,8
Services	x	x	56,1	60,2	56,0	X
Employment	49,7	64,8	74,3	77,9	76,3	26,6
Export	10,2	6,0	13,7	27,0	27,2	17,0
Import	22,8	33,7	35,8	44,5	56,2	33,4

As a result of all measures, the share of small business and entrepreneurship in the gross regional product of all regions is increasing. In terms of regions, Jizzakh (84.3%), Samarkand (80.0%),

Bukhara (79.8%), Surkhandarya (79.4%), and Namangan (79.0%) provinces had the highest share of GRP in GRP. The provinces are In Navoi region this indicator remains low at 42.4% (Figure 1).

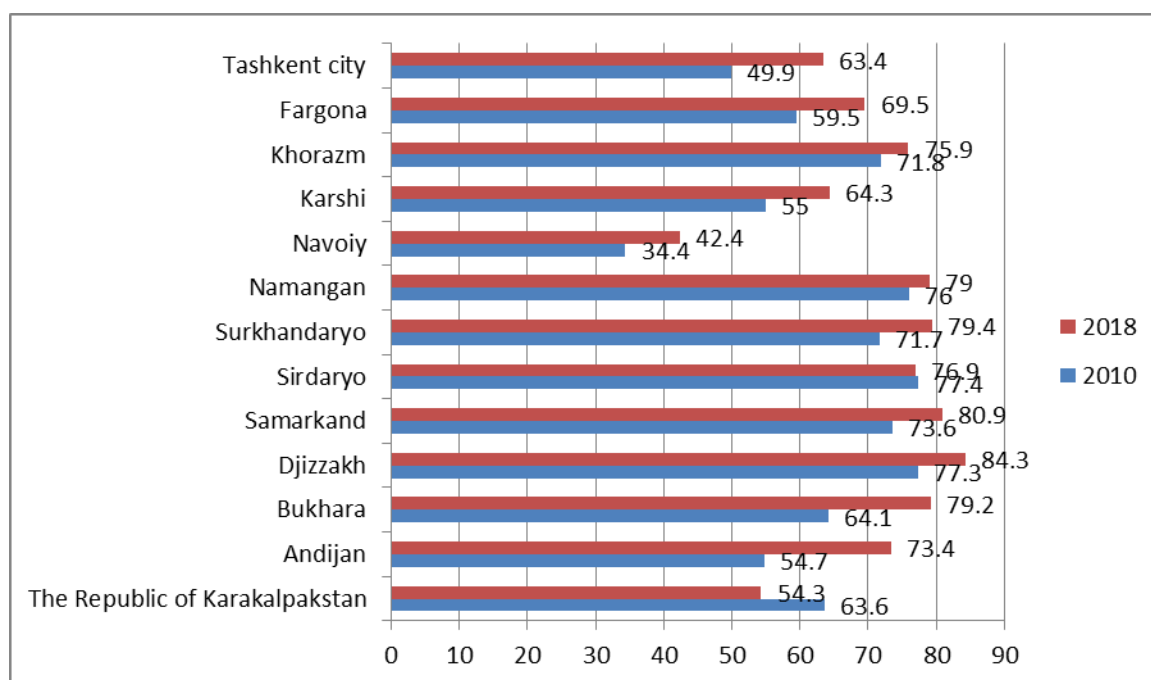


Figure 2. Share of small business and private entrepreneurship in GRP

The governors of the regions, districts, cities and their first deputies were transferred to a new mode of operation, with 70% of their time spent on the development of entrepreneurship in the region. A new system of evaluation and encouragement of khokims of all levels and their first deputies based on the number of newly established or newly established small enterprises and the jobs created in them. One of the key criteria in the assessment was the sustainability of enterprises. That is, if at least 50% of the newly established enterprises have been operating sustainably over the past three years, additional incentives have been established for the governor and his first deputy for business, heads of regional departments of the Chamber of Commerce and Industry.

Entrepreneurs are provided with assistance in their implementation, credit, land and buildings allocation and infrastructure. Cooperative communications between small businesses and large enterprises in the industry are not well established today. For example, the study of the automotive and agricultural machinery industries revealed that there was almost no cooperation between business entities and large industrial enterprises, which resulted in the import of domestic products and components. It is a pity that some industrial enterprises do not know how to work even with small producers, even with the needs of customers. In this regard, the Ministry of Economy and Industry has been tasked with establishing industrial cooperation between ten major industries, including agricultural machinery, electrical engineering, construction materials, chemicals, automotive and small businesses.

Also, in cooperation with the Ministry of Information Technologies and Communications Development, work is underway to establish cooperation fairs, to create a single portal for electronic cooperation to find products and services.

Another obstacle to business development is that the allocation of land for projects has been significantly simplified.

Attention is also being given to improving the service of banks to businesses and improving the

efficiency of loans provided. Therefore, the banks are working on transferring credit to banks in one and two stages rather than in three stages, as well as expanding the number of compact banking services centers in 10-15 states instead of 70-100 employees.

In this regard, it is important to strengthen the activities of the State Fund for the Development of Entrepreneurship, which is set up to guarantee loans and repay interest. It is well known that in the international practice, 70% of disputes are resolved in court. This is because litigation is a costly and time-consuming process. In this regard, it is necessary to set up pre-trial dispute resolution structures in government agencies working directly with entrepreneurs.

Decree of the President of the Republic of Uzbekistan dated August 14, 2019 "On the organization of activities of the Agency for the Development of Small Business and Entrepreneurship under the Ministry of Economy and Industry". The new agency will be responsible for the development and implementation of public policy to promote the sector. He also coordinates the activities of the State Fund for Support of Entrepreneurship Development. The priorities of this agency are:

First, implementation of a unified state policy aimed at the development of small business and entrepreneurship, all forms of private entrepreneurship;

Second, the development and implementation of state and regional programs for the development of small business and entrepreneurship;

Third, coordination of activities of authorized state bodies and organizations to create favorable conditions for development of small business and entrepreneurship, improvement of business environment;

Fourth, it is necessary to study the current state of the business environment, including simplifying land allocation and construction and assembly procedures, improving access to production infrastructure, other material and financial resources for small businesses and

entrepreneurs, as well as small businesses. Preparation of proposals on elimination of bureaucratic barriers and barriers that impede business and entrepreneurship development;

Introduce financing mechanisms by six major producers - small and medium-sized enterprises - suppliers of intermediate goods and services (raw materials, component parts, etc.), including through the establishment of targeted deposits in commercial banks;

Seventh, financial assistance to small business and entrepreneurship entities, including entrepreneurial initiatives of socially vulnerable segments of the population, in the form of guarantees and guarantees, as well as compensation for interest expenses on commercial bank loans;

Eighth, the establishment of a system of non-financial support for small businesses and businesses (free telephone and online consultation services, training centers, business incubators, information services, etc.) on legislation, new technologies and products, markets and other relevant issues;

Ninth, cooperation with international financial institutions and foreign government financial organizations in implementing projects on supporting small business and entrepreneurship, providing technical and advisory support to them

Third, to work closely with the Ombudsman's Office and the Prime Minister of the Republic of Uzbekistan in the preparation of state programs and regional programs for the development of small business and entrepreneurship, and developing proposals for the improvement of legislation in this area.

Summary

At present, the methodology for determining the sustainable development of entrepreneurial structures is poorly developed. System stability and sustainable development vary by their essence. In our view, sustainability should be studied in three parts: functional, abstract, and constituent.

Sustainable development is characteristic of self-generated, highly organized systems. The essence of sustainable development is reflected in the coevolution of the constituent elements of business structures with each other and with the external environment. Sustainable development of business structures is based on innovation and results in increased efficiency.

Further research will focus on the theoretical justification of the link between governance and self-organization, sustainable development and self-organization, as well as the methodology and modeling of sustainable development mechanisms for entrepreneurship structures by establishing links between sustainable development and the transformation of entrepreneurial structures.

In the context of ongoing structural reforms and modernization of the country, deep structural changes in the economy, government agencies should take the following measures:

- protection of the interests of private property, entrepreneurship and small business in the framework of measures to achieve macroeconomic stability, employment, and increasing the real incomes of the population;
- to continue the work on implementation of the program for 2017-2021 aimed at developing and upgrading engineering and communication, road infrastructure in the regions of the Republic for small business development;
- step-by-step actions for further development of the social sphere, improving the quality and standard of living of the population are required;
- Take measures to strengthen the support of exporters, and to encourage the participation of small businesses and entrepreneurs in exports.

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