

Performance Indicators of Business Subjects: World Experience and Development

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Abstract: the article analyzes some indicators of the functioning of business entities in various countries. The experience of highly developed countries of the world is studied, the features of small business development in developing countries are highlighted. The results of the study constitute a theoretical basis for the formation of a methodological framework, from which it follows that the creation of small enterprises is possible in two ways: self-development and integration development.

Key words: business, integration development, small business, entrepreneurship, self-development, entrepreneurship functions.

Introduction

The reforms carried out in the Republic of Uzbekistan have proved that the effectiveness of the system of market relations requires a certain level of economic freedom of citizens, and entrepreneurship is the main principle for the implementation of such freedom. Revealing the essence of small business cannot do without analyzing its parameters, which is complicated by the fact that the composition and structure of the business are diverse. At the same time, each individual country and international organizations use their own criteria, the number of which, according to experts, exceeds 50. Depending on the approach, they are divided into quantitative, qualitative and combined criteria.

With a quantitative approach, such criteria as “number of employees”, “sales volume (turnover)”, “book value of assets” are most often used. In this case, one of the criteria or a combination of them can be used, as, for example, is accepted in the definition of the European Union. The main advantage of quantitative criteria is their ease of use and accessibility for researchers. The main drawback is their absoluteness.

Literature review

The beginning of the development of the theory of entrepreneurship was laid in the works of representatives of the classical school of political economy R. Cantillon and J.-B. The authors of the research institute introduced the category of “entrepreneur” into scientific circulation and focused on his ability to take on the risk of unstable income and perform the functions of managing and coordinating factors of production. The theory of entrepreneurship was further developed in the works of H. Magoldt, J. The authors of the article considered the uncertainty of the external environment as a source of entrepreneurial income. Representatives of the German historical school (M. Weber, W. Sombart, G. Schmoller and others) interpreted the entrepreneur as an innovator and creator. J. Schumpeter [1] defined the ability to

create new combinations of traditional factors of production as an attribute of entrepreneurship.

Directions, methods and mechanisms of public administration and public policy, in particular state support for entrepreneurial activity, are presented in the works of foreign scientists: A. Aftalion, M. Weber, X. Grossman, P. Drucker, R. Cantillon, J. M. Keynes, R. Klauer, M. Messengiser, J. Stanworth, D. Target, K. Howard, A. Hosking and others.

A significant contribution to the development of the theory of entrepreneurship was made by representatives of the institutional direction, including T. Veblen, J. K. Galbraith, J. Commons and others. Berle, R. Coase, J. Mintz and others).

Separate attempts to integrate the category of "entrepreneurship" with a typical economic model were made in the works of V. Baumol, R. Willigol, J. Panzar and others. The results of studies of factors affecting the degree of entrepreneurship are presented in the works of K. Dean, S. Zara, A. Thomas and others. The relationship between economic growth and the level of entrepreneurship development was studied using the analytical tools of the neoclassical concept, which was reflected in the works of Z. Griliches, E. Mansfield, M. Nadiri, M. Porter, P. Romer, R. Solow and others .

From the foregoing, it follows that the theory of entrepreneurship has gone through a long period of development, which made it possible to substantiate a number of conceptual provisions for the analysis of the entrepreneurial community.

Research methods

The theoretical and methodological basis of the study was the concepts and hypotheses, which formulated the principles of entrepreneurial activity. In the course of the study, the authors used works that formulated theories of entrepreneurship, theories of innovation and innovative development, theories of state regulation of the economy, etc. The solution of the set scientific problems was carried out using general scientific methods for studying economic processes.

Results and discussion

In many countries of the world, depending on the number of employees in the enterprise, micro-enterprises, small enterprises, medium, large and super-large enterprises are distinguished.

In the European Union, there is a general classification of enterprises by the number of employees:

- micro-enterprises - no more than 9 employees;
- small business - from 10 to 49 people;
- medium enterprises – from 50 to 249 people.

For all categories of enterprises, the turnover must be less than 40 million euros, or the total balance of less than 27 million euros, and such enterprises include those in which they are personally and directly responsible for its financial, technical, commercial and social development. At the same time, most small and medium enterprises are sub-suppliers of large corporations. The popularity of subcontracting is explained by the efficiency and high stability of the business of newly formed enterprises. According to Mr. Doors Home Inc. [3] after five years of activity in the market, only 23% of enterprises survive, and after 10 years only 18% remain. At the same time, among subcontracting enterprises, only 8 out of 100 enterprises disintegrate after five years, and 10 out of 100 after 10 years. The share of subcontracting is relatively high in the light and metalworking industries, as well as in

mechanical engineering. Thus, a developed system of subcontracting contributes to the growth of the contribution of small businesses to the country's GDP.

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▪ pure creation. A new enterprise is classified as "purely created" if its creation is associated with the emergence of new means of production;

▪ creation through a "resume". This occurs when a new enterprise wholly or completely takes over the activities and means of production of another enterprise;

▪ creation through "reactivation". An entrepreneur can temporarily suspend his activities and then resume it. In Japan, under the Law on Small and Medium Enterprises (1963), they include enterprises that meet the following criteria:

- in the mining and manufacturing industry, construction - the authorized capital of up to 100 million yen and the number of employees up to 300 people;
- in wholesale trade - registered capital up to 30 million yen and number of employees up to 100 people;
- in retail trade and service sector – registered capital up to 30 million yen and number of employees up to 50 people.

To date, the number of such enterprises is 4.7 million units [8]. Their distinguishing feature is that they are vertically integrated (as subcontractors) with TNCs and integrated into their production. Japan is a country of exclusively private enterprise. In industry, only the mint belongs to the state. And 5738 thousand enterprises are small businesses, that is, 99% of their total number. They employ 88% of all employed in the economy. Throughout the world, Japan's economic, scientific and technological achievements are associated primarily with the names of several dozen large companies.

Meanwhile, its small and medium business makes a very significant contribution to the prosperity of Japan. It accounts for more than 53% of GDP. In other words, small and medium-sized enterprises in Japan control more than half of its economy.

State support for small businesses, especially vertical ties with large businesses and international corporations, the policy of encouraging cooperation between small and medium-sized enterprises and general trading companies have made it possible to increase the competitiveness of small enterprises.

In the United States, small businesses are self-sustaining businesses with between 100 and 1,500 employees, depending on the type of activity, with an annual income of \$0.75 million to \$20 million. They make up 97.6% (or 22.9 million) of the total number of firms operating in the country. They account for about 52% of GDP and more than 50% of the employed workforce. The branch structure of small business is characterized by high diversification. So, in wholesale and retail trade, their share is 19%, science and scientific and technical services, construction - 12%, in healthcare and social security - 10%, hotel business and catering - 7%, education and computer sphere. science - 3%, industry - 5%, finance and insurance, real estate - 4%, transport and transportation - 3%, other - 21%.

Small businesses in the United States employed 60.6 million people in 2017, or 47.1% of the entire private workforce. The largest share of employment in small businesses is accounted for by firms with a staff of 20 to 99 employees.

In Thailand, small businesses account for 80.3% of jobs and about 50% of GNP. Most of them have one or two employees, indicating the predominance of micro-enterprises. Small businesses account for the majority of the country's businesses, accounting for 99.7% of Thailand's businesses, the second largest share in Southeast Asia after South Korea.

In developing countries, the activities of micro- and small enterprises are mostly low-income and do not make a significant contribution to the economy. Therefore, T. Biggs, M. Grindle and D. Snodgrass believe that small businesses as agents of economic development are of little interest. Although most other scientists have a different opinion.

In Russia, according to the Small Business Resource Center, the share of small businesses is 66.5% of the total number of business entities. Of these, 85% belong to the category of entrepreneurs without a legal entity (including peasant farms). Their share in the structure of employed is 25.3% and about 19% of GDP. The share of small business structures in trade and public catering is at the level of 50%, industry and construction - 13%, transport and communications, as well as in science and information technology, healthcare - 3%, others - 17%.

In Kazakhstan, according to the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, as of January 1, 2021, the number of operating entities amounted to 1,357 thousand entities, and compared to the corresponding date a year earlier, it increased by 2%. In the total number of SMEs, the share of individual entrepreneurs was 63.2%, small business legal entities - 20.6%, peasant or farm enterprises - 16%, legal entities of medium business - 0.2%.

The structure of industry is as follows: trade - 32%, industry - 4.2%, agriculture, hunting and forestry - 19.2%, construction - 5.3%, transport and communications - 1.5%, other - 37, eight %. They employ 2883.9 thousand people or 32.8% of the total number of employees. The largest share of small businesses accounts for the number of employees less than 6 people.

So, from the foregoing it follows that the creation of small enterprises is possible in two ways: self-development and integration development.

In advanced economies, private enterprises are registered mainly by persons with a high level of human capital, with practical work experience and social connections. These include various consultants, architects and programmers. They also create fast-growing firms in those segments of the industry and regional markets where their high performance is ensured. On the contrary, representatives of the poor do not tend to start their own business, but prefer to remain employees and / or accept social assistance. The reason for this behavior lies in the lack of professional knowledge, skills and practical experience. It is even difficult to attract them to small business training programs. Only one out of a hundred trained at the US Department of Small Business Training Center manages to start their own business.

In the second case, a significant part of small enterprises is in the sphere of interests of large corporate structures. Being an important part of the production chains of corporations, small enterprises supply all the necessary components and perform other types of work. The formation of close integration communities between firms is considered as a means of adapting to rapidly changing environmental conditions, within which some methods of administrative management and the market mechanism of interaction between partners coexist. The cost of coordination acts as a constraint on a large corporation's takeover of its small partners. These costs are defined as a set of costs that a firm must go to in order to ensure the consistency of the actions of its structural divisions through administrative management methods. According to O. Williamson's theory of internalization, the system of interaction between two firms tends to balance by optimizing the costs of transactions and coordination and achieves stability due to the final choice between the market and the hierarchy.

Self-development and integration development of small enterprises also takes place in developing countries. Nevertheless, the situation of self-development of small enterprises is characterized by some differences from the situation in industrialized countries. For the majority of the population in these countries, the simplest form of

entrepreneurial activity is often the only source of livelihood. As a result, micro-enterprises have been widely developed. The basis for this statement is that about 90% of all small businesses have 1-2 employees, including the owner. In the rest, the number of employees ranges from 3 to 10. According to statistics, about 75% of the workforce is employed in micro-enterprises with 1-2 employees.

Conclusion

It is important to pay attention to the following circumstance: despite the generally accepted theoretical ideas about the directions of development of small business, in its practical manifestation it is directly dependent on the level of economic development of the country and national culture. The last aspect remains a little-studied direction in modern research on the theory of entrepreneurship. The discrepancies relate mainly to the motives for entering the business and the field of activity. Potential entrepreneurs in industrialized countries, as noted above, are individuals with a significant stock of capital resources who are better able to maintain and develop their business. According to J. Hatch and J. According to Zweig, "large assets of resource capital can act as a" buffer "from random shocks of the external environment, to which firms are especially susceptible at the initial stage of their development." The motives for creating one's own business described by D. McClland are inherent in people from developed countries. The characteristic of the motives for entering the business, proposed by A. Shapiro, refers to entrepreneurs from developing countries, who are characterized by small resource opportunities. Often, they make a decision to change their social status under compulsion, under the pressure of objective circumstances.

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