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Article

Factors Influencing The Sustainable Development of Small Business and Private Entrepreneurship in The Region and Investment Risk Assessment Models

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Abstract: The article is devoted to the assessment of investment risks in sustainable development of small business and private entrepreneurshipin Kashkadarya region of Uzbekistan. While small businesses are crucial for financing big enterprises, securing better regional employment, and socio-economic stability, they have been constrained by factors like lack of access to finances, uneven markets, and institutional barriers. It says this fills the gap in our knowledge of how the variance in sectors and risk of transferring business to another country impacts sustainability in various industries. It used a mixed-method approach, with statistical, economic-mathematical, and regression modeling, and qualitative and quantitative methods, such as surveys and experts interviews. The study analyzed 10-year trends in activity and viability levels of small enterprises, by industry, using 2014–2024 data. Key findings are consistent with regional business performance being adversely affected by differences between sectors, with a one percent lower sectoral imbalance leading to a 0.99 % higher total activity. It emerged that, trade and industrial sectors exert strongest positive effect on Regional Small business sustainability (coefficients 0.23 and 0.21 respectively). In addition, the results of the regression show that every increase of one percent in sectoral dispersion in viability causes a reduction of 0.35% in the overall survival rate. This suggests that equitable growth between sectors, risk management, and diversification are critical to enhancing business resilience. Policy relevance: We present a quantitative metric and framework to increase investment risks transparency through place-sensitive approaches to support inclusive and sustainable small business development at the regional scale. Research in the future should explore how a regional entrepreneurship ecosystem may exploit financial innovation and digital tools to coordinate investment risk and efficiency, thus bolstering competitiveness.

Keywords: small business, industry, investment risk, stability, Kashkadarya region, economic indicators.

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1. Introduction

The importance of small business and private entrepreneurship in the economy of Uzbekistan is invaluable. This sector plays a key role not only in creating new jobs, but also in ensuring socio-economic stability in the regions. Small business entities are an important factor in the efficient use of resources, the development of local production, the expansion of the service sector, and the improvement of the standard of living of the population. In particular, if we consider the example of the Kashkadarya region, the potential for the development of small business in industry, agriculture, trade, and the

service sector is high, which occupies a special place in the economic development of the region [1]. However, the presence of investment risks in the activities of small businesses has a significant impact on their sustainable development. Such factors as limited access to financial resources, volatility of market conditions, organizational and legal problems can slow down the pace of small business development. Therefore, studying the level of activity of small business entities in the context of industries and analyzing investment risk factors is one of the important tasks of regional economic development. Today, support for small business and private entrepreneurship has become a priority of state policy in our country. In the Kashkadarya region, the share of small business in the gross regional product is increasing year by year, and their contribution to employment is expanding. At the same time, one of the urgent tasks is the analysis of the development of small businesses by industry, the identification of statistical indicators and the assessment of their dynamics, and the development of scientifically based approaches aimed at reducing existing investment risks. The main goal of this study is a deep analysis of the level of activity of small businesses in the Kashkadarya region by industry, assessment of investment risk factors, and identification of ways to ensure their sustainable development [2]. This creates opportunities for effective mechanisms for supporting small businesses, determining priority areas in the context of industries, and improving regional economic policy. Small business is not only a means of achieving socio-economic development, but also the most effective factor in reducing and eliminating the impact of negative consequences arising from periodic fluctuations. Although small business entities are strongly affected in the initial period of periodic decline, their rapid adaptability helps them cope with such problems and develop. In particular, the introduction of restrictions due to the COVID-19 pandemic caused periodic fluctuations and disruptions in the economy. As a result, this was a unique and long-lasting blow to small businesses and entrepreneurship in the countries of the world. Kraus, S., Clauss, T., Breier, M., Gast, J., Zardini, A., & Tiberius, V. (2020) note that many bankruptcy cases have been observed in industries that are highly susceptible to problems caused by the pandemic [3][4]. The economics of COVID-19: Initial empirical evidence on how family firms in five European countries cope with the corona crisis. Published a scientific article in the International Journal of Entrepreneurial Behavior and Research.

2. Materials and Methods

This study is aimed at studying the development of small business entities in the Kashkadarya region by industry, and comparative-statistical, economic-mathematical, and analytical approaches were used in the scientific research. First of all, the role of small business entities in the economy in recent years and their characteristics have been summarized based on theoretical sources. Then, using official statistical data from the State Statistics Committee, the Ministry of Finance of the Republic of Uzbekistan, and the khokimiyat of Kashkadarya region, dynamic indicators were collected in the regional context. During the analysis, the activity of small business entities was assessed based on indicators of their share in the gross regional product, their contribution to employment, production volume, and the service sector [5]. Also, their distribution by industry was characterized using statistical indicators. In this process, trend analysis, the dynamic series method, and correlation-regression modeling methods were used. When assessing investment risks, the discounted cash flow model (DCF), the level of diversification through risk coefficients, as well as SWOT analysis and expert assessment methods were used. This approach made it possible to comprehensively identify the financial stability of small businesses, the impact of the external environment, and market risks. Also, during the study, questionnaires and semi-structured interviews were conducted with representatives of small businesses. Their results contributed to a deeper illumination of the practical manifestations of investment risks affecting the activities of small businesses. As a methodological approach, an analysis was carried out based on the theory of regional economics, the concept of sustainable development, and the principles of risk management [6]. Thus, a comprehensive assessment of the factors ensuring the

development of small businesses, the dynamics of investment risks, and the mechanisms for their reduction was carried out.

3. Results and Discussion

The results of the study conducted using the example of Finland are based on the fact that family businesses are relatively dominant in terms of risk and innovation. Taking into account the above-mentioned possibilities of the industry, the general trends in the development of small business entities in the Kashkadarya region, which was chosen as the object of research, changes in it, and peculiarities in the context of industries were studied using quantitative methods. For the purpose of conducting a preliminary analysis, an indicator of the level of activity of small business entities was calculated and considered in the context of the indicated areas and levels [7]. The indicators were determined based on data for 2014-2024, since data on small business entities in the context of industries were started as of January 1, 2014.

Considering that the pandemic occurred during the period under study, analysis by industry helps to determine which of them were most affected by the pandemic. It was established that such indicators as the relative level of activity, representing the development of small business, were sufficiently high during the period under study. In particular, the minimum value was 77.4%, and the maximum value was 97.5%. In general, the variation width is equal to 20.1 units, which indicates a sharp decrease, differing significantly from the determined average value (91.7 percent). On the other hand, the correspondence of the minimum value to 2024, the fact that the indicators during the pandemic were higher than the average value justifies the fact that small businesses in the region were less affected by the pandemic [8].

The following can be cited as the main reasons why the minimum value falls on 2024. A sharp increase in the number of inactive small businesses, including 6447 units, increased by 5.6 times compared to the previous year. On the other hand, a positive change was also observed in the number of registered enterprises, that is, despite an increase of 18.8 percent compared to the previous period, there was a decrease in the number of active small business entities by 3.5 percent.

In order to determine the reasons for this change, the level of activity of small business entities in the Kashkadarya region was considered by sectors of the economy. Over the past year, the number of inactive small business entities has increased by 5304 units, of which 1401 units are in the trade sector. Also, 958 and 938 were in the agricultural and industrial sectors, respectively, which amounted to 62.2 percent of the total [9]. Considering that their share in the total number of registered enterprises is 64.9%, this is considered normal.

Analysis shows that as of January 1, 2024, the largest decrease in activity was observed in the construction sector. According to our calculations, the level of activity of small business entities in the industry decreased by 26.3 percent, and the main reason for this is that 12.2 percent of inactive small business entities in 2024 were in the construction industry, see Table 1.

However, in terms of the share of inactive small business entities, the largest value is in the trade sector with 27.0 percent. On the other hand, the large relative share of this sector in the total volume is the reason for the fact that the change in the level of activity in the industry is much lower, that is, 14.3 percent. The smallest change in both indicators occurs in the healthcare sector. That is, if the level of activity decreased by 12.2% compared to the previous year, then in 2024 the share of the industry in the total number of inactive small businesses amounted to 0.9%.

Regression analysis was carried out in order to quantitatively assess the impact of changes in the level of activity of small business entities by industry, i.e., the increase in differences, on the change in this indicator at the regional level.

$$FD_t = 100.0 - 0.99 \sqrt{VAR^{FD}}_t$$

$$t = (68.46)\ (-6.91)\ R^2 = 0.84\ DW = 0.93$$

Here: FD - level of activity of small business entities in Kashkadarya region, in percent. VAR^{FD} - the difference between the maximum and minimum values of the level of activity of small business entities by industry by years, in percent.

Table 1. Statistical indicators characterizing the values, dynamics, and investment risks of the activity level of small businesses in the Kashkadarya region, calculated by industry.

	Total	Agriculture, forestry and fisheries	Industry	Construction	Trade	Transportation & Storage	Accommodation and food services	Information and communication	Health and social services	Other types	**Maximum value**	**Minimum value**	**Variational width**
2014	**82.4**	85.6	80.5	78.1	83.0	83.1	85.3	71.9	93.8	82.3	**93.8**	**71.9**	**21.9**
2015	**87.9**	88.9	87.3	88.2	87.4	87.7	90.9	83.8	95.5	86.9	**95.5**	**83.8**	**11.8**
2016	**90.8**	90.4	91.0	91.6	90.2	92.6	92.3	87.7	96.4	89.8	**96.4**	**87.7**	**8.7**
2017	**93.3**	92.3	93.9	94.0	93.6	93.9	93.8	88.6	95.6	92.7	**95.6**	**88.6**	**7.0**
2018	**95.2**	94.5	95.4	96.6	95.1	95.4	95.6	92.1	99.4	94.1	**99.4**	**92.1**	**7.3**
2019	**96.9**	96.0	97.2	98.2	96.9	96.6	97.0	94.4	98.6	96.8	**98.6**	**94.4**	**4.2**
2020	**97.5**	96.0	98.1	98.6	97.6	97.6	97.3	95.5	99.2	97.3	**99.2**	**95.5**	**3.7**
2021	**96.6**	95.3	96.5	97.8	97.0	96.9	96.5	95.9	98.4	96.3	**98.4**	**95.3**	**3.2**
2022	**95.0**	94.5	94.4	96.9	94.9	96.4	94.7	93.6	97.5	94.3	**97.5**	**93.6**	**3.8**
2023	**95.2**	94.3	93.8	97.1	95.6	95.4	95.1	95.3	98.0	95.3	**98.0**	**93.8**	**4.1**
2024	**77.4**	73.0	75.6	70.8	81.3	80.7	74.7	77.3	87.2	79.1	**87.2**	**70.8**	**16.4**
Average value	**91.7**	**91.0**	**91.3**	**91.6**	**92.1**	**92.4**	**92.1**	**88.8**	**96.3**	**91.4**	**96.3**	**88.8**	**7.6**
Maximum value	**97.5**	**96.0**	**98.1**	**98.6**	**97.6**	**97.6**	**97.3**	**95.9**	**99.4**	**97.3**	**99.4**	**95.9**	**3.5**
Minimum value	**77.4**	**73.0**	**75.6**	**70.8**	**81.3**	**80.7**	**74.7**	**71.9**	**87.2**	**79.1**	**87.2**	**70.8**	**16.4**
Variational width	**20.1**	**23.0**	**22.5**	**27.8**	**16.3**	**16.9**	**22.5**	**24.0**	**12.2**	**18.3**	**27.8**	**12.2**	**15.5**

The main criteria for justifying the adequacy of the model are given, the values determined according to the Student's t-test are significantly larger than the table norm and justify the adequacy of each coefficient (Table 2). Also, the coefficient of determination is 0.84. Only the result of the Durbin-Watson criterion, equal to 0.93, corresponds to practically the lowest point of the maximum (DU=0.93) and minimum (DL=1.32) values given in the table and indicates the presence of an autocorrelation problem .

However, in general, all the criteria justifying the adequacy and reliability of the model show high positive results. Based on the results of the model, it can be noted that a one percent reduction in the difference in the level of activity of small business entities by industry in the region increases the overall level of activity by 0.99 percent [10]. That is, imbalances in the sectoral context negatively affect the development of small business entities in the region.

An alternative to the above model was considered from the distributed lag model. That is, as a result of considering various models, the reliability of the results from this model was high, and the autocorrelation problem was eliminated.

$$FD_t = 101.4 - 1.5 \sqrt{} VAR^{FD}_t + 0.2 \sqrt{} VAR^{FD}_{t-1}$$

The results of the model and the criteria necessary to justify the adequacy of the evaluated coefficients are presented (Table 2).

As the results show, the results obtained according to the Student's criterion of the coefficients expressing the influence of the current value of the independent variable and the free term have a high value. The results of the Student's t-test of the coefficient expressing the effect of only the delay of the independent variable are 2.32, and its probability level has a value slightly less than 0.05. In fact, considering that this difference is very small. The coefficient can also be accepted with 95% confidence.

Table 2. Results of Assessing The Influence of The Level of Activity and The Difference in Investment Risk by Industry on The Level of Activity of Small Business Entities in The Region

Model 2: OLS using observations 2015-2024 (T = 10) Dependent variable: FD

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
Const_	101.43	0.97	105.1	<0.0001	***
VAR^{FD}	−1.49	0.12	−12.06	<0.0001	***
VAR^{FD} 1.	0.21	0.09	2.318	0.0535	*

Mean dependent var_	92,59161	S,D, dependent var_	6,106664
Sum squared resid_	14.49315	S,E, of regression_	1.438906
R-squared_	0.956817	Adjusted R-squared_	0.944479
F (2, 7)	77,55050	P-value (F) _	0.000017
Log-likelihood	−16.04484	Akaike criterion_	38.08968
Schwarz criterion	38,99744	Hannan-Quinn_	37.09388
Rho_	0.278913	Durbin-Watson_	1.405398

Also, a significant increase in the coefficient of determination in this model compared to the previous model substantiates the presence of the influence of the adopted additional factor. A significant increase in the Durbin-Watson statistic is also observed, but it still falls within the uncertainty range, since the low and high values according to these results are DL=0.70 and DU=1.64, respectively. The detected value of 1.4 and its proximity to the high value justify the elimination of this problem. Moreover, this intermediate problem does not give grounds to conclude that it exists.

Based on the analysis results, the following conclusions can be drawn based on this model. That is, an increase in the range of activity of small business entities identified in the context of industries by a certain percentage leads to a decrease in the overall indicator in the region by -1.5 percent [11]. However, the effect of delay

The representing coefficient is 0.2 percent and has a positive result. Because the results of the previous period serve to draw conclusions for activities in subsequent years and help to combat this. If we calculate the long-term effect based on both coefficients, the effect of a change in the width of variation of the level of activity by one unit in the context of industries is -1.3 percent.

Based on the results of the regression analysis conducted to assess the impact of the level of activity of small business entities by industry on the overall level of activity, the following model was developed.

$$FD = 0.18 \sqrt{} QX^{FD} + 0.21 \sqrt{} S^{FD} + 0.07 \sqrt{} Q^{FD} + 0.23 \sqrt{} SA^{FD} + 0.05 \sqrt{} TS^{FD}$$

$$+ 0.02 \sqrt{} YO^{FD} + 0.05 \sqrt{} AA^{FD} + 0.03 \sqrt{} SS^{FD} + 0.15 \sqrt{} B^{FD}$$

Here: QX^{FD} - the level of activity of small business entities in agriculture, forestry and fisheries, in percent; S^{FD} - level of activity of small business entities in industry, in percent; Q^{FD} - level of activity of small business entities in construction, in percent; SA^{FD} - the level of activity of small business entities in trade, in percent; TS^{FD} - level of activity of small business entities in the field of transportation and storage, in percent; YO^{FD} - level of activity of small business entities in the field of accommodation and food services, in percent; AA^{FD} - the level of activity of small businesses in the field of information and communication, in percent; SS^{FD} - the level of activity of small business entities in the field of healthcare and social services, in percent; B^{FD} - level of activity of small businesses in other sectors, in percent.

In the process of developing the model, it was established that the free term is not adequate according to the results of Student's t-test. For this reason, there is no free term in this model. If we pay attention to the results of the remaining criteria, all the coefficients are adequate, and the probability indicators have a reliability of more than 99.9 percent [12]. In addition, the fact that the coefficient of determination is equal to one depends on changes in the level of activity of small business entities in the region in the context of entire industries.

The fact that the MAPE (Mean Absolute Percentage Error) indicator, which justifies the level of reliability of the model, is also practically zero, that is, 0.0002, justifies the possibility of making decisions based on this model, see Table 3.

Table 3. Results of Assessing Changesunder The Influence of Investment Riskon The Level of Activity of Small Business Entities in The Regionin The Context of Industries

Model 7: OLS, using observations 2014-2024 (T = 11) Dependent variable: FD

	Coefficient	*Std. Error*	*t-ratio*	*p-value*	
QX^{FD}	0.18	0.000454263	400.6	<0.0001	***
S^{FD}	0.21	0.000343603	618.7	<0.0001	***
Q^{FD}	0.07	0.000372611	191.8	<0.0001	***
SA^{FD}	0.23	0.000540809	419.4	<0.0001	***
TS^{FD}	0.05	0.000241398	223.9	<0.0001	***
Yo^{FD}	0.02	0.000439049	54.11	0.0003	***
AA^{FD}	0.05	0.000241030	212.8	<0.0001	***
SS^{FD}	0.03	0.000211572	135.5	<0.0001	***
B^{FD}	0.15	0.000674710	223.7	<0.0001	***

Mean dependent var_	91,665,50	S,D, dependent var_	6,557,186
Sum squared resid_	3.47e-07	S,E, of regression_	0.000417
Uncentered R-squared_	1.000000	Centered R-squared_	1.000000
F (9, 2)	5.94e+10	P - value (F) _	1.68e-11.
Log-likelihood	79,38389	Akaike criterion_	−140.7678
Schwarz criterion	−137,1867	Hannan - Quinn_	−143.0251
rho	−0.756365	Durbin - Watson_	3.465332

The identified coefficients show that the highest impact falls on the trade direction, that is, a one percent increase in the level of activity of small business entities in this area will serve to increase the overall indicator in the region by 0.23 percent. The coefficients reflecting the influence of industry, agriculture, forestry, and fisheries are also at a high level and are equal to 0.21 and 0.18 percent, respectively.

The decrease in the level of activity in recent years, identified on the basis of the analysis, can be considered as a consequence of a sharp increase in the number of registered entities, as a result of which competition has relatively intensified, as well as a serious imbalance in the context of industries. The viability coefficient is an important indicator in assessing the effectiveness of programs developed to support small businesses in the region, measures taken, and conditions created. For this reason, in order to study the dynamics of the viability coefficient of small business entities in the research work, as well as to determine the differences in the indicator across industries, and to assess its influence on the overall viability coefficient based on quantitative methods, viability coefficients were calculated, see Table 4.

The survival rate of small businesses in the region averaged 46.8% in 2004-2014, with a maximum value of 86.9% and a minimum value of -0.7%. A sharp decrease in this indicator was observed in 2022, however, unlike the level of activity, an increase was ensured in 2024 compared to the previous period. A sharp difference in the coefficient of viability is observed across the network.

As a result, it is observed that the variation width determined in the network cross-section takes on large values. In particular, in 2017, it amounted to 234 percent, since this indicator was the highest in the field of healthcare and social services, amounting to 78.3 percent, and in other sectors of the economy, other than those taken into account in the study, it was 155.7 percent. If we consider the dynamics of this indicator by industry, the highest fluctuations correspond to the spheres of trade, information, and communications, and the range of variation is 123.0 and 141.5 units, respectively [13]. As a result of the conducted regression analysis to assess the influence of the difference in the viability coefficient across industries on the viability coefficient of small business entities in the region, the following model was obtained.

Table 4. Dynamics of the viability coefficient under the influence of investment risk in small business entities of the Kashkadarya region by industry

	Total	Agriculture, Forestry And Fisheries	Industry	Construction	Trade	Transportation And Storage	Residence And Catering Services	Information And Communication	Health And Social Services	Other Types	**Maximum Value**	Minimum Value	Variation Width
2014	**20.0**	**41.3**	**39.4**	**46.2**	**-3.2**	**29.5**	**59.0**	**-55.1**	**63.2**	**-51.7**	**63.2**	-55.1	118.3
2015	**33.5**	**19.6**	**48.4**	**65.2**	**-3.8**	**60.0**	**70.6**	**45.9**	**58.3**	**-26.0**	**70.6**	-26.0	96.6
2016	**-0.7**	**34.8**	**4.9**	**27.0**	**-31.9**	**5.9**	**40.9**	**-42.9**	**52.6**	**-92.5**	**52.6**	-92.5	145.1
2017	**12.5**	**47.2**	**22.6**	**22.2**	**-7.9**	**21.2**	**41.1**	**-3.6**	**78.3**	**-155.7**	**78.3**	-155.7	234.0
2018	**43.1**	**71.3**	**73.4**	**26.4**	**16.9**	**-21.9**	**28.8**	**-2.8**	**77.8**	**8.8**	**77.8**	-21.9	99.7
2019	**58.6**	**61.7**	**78.6**	**71.7**	**47.1**	**-6.0**	**47.6**	**-52.2**	**88.5**	**36.3**	**88.5**	-52.2	140.6
2020	**73.7**	**57.8**	**82.5**	**74.4**	**79.6**	**50.8**	**78.1**	**50.0**	**92.6**	**43.6**	**92.6**	43.6	49.0
2021	**86.9**	**88.7**	**91.3**	**59.5**	**91.1**	**63.4**	**79.9**	**83.1**	**87.7**	**85.9**	**91.3**	59.5	31.7

2022	**49.0**	**47.6**	**54.9**	**23.9**	**54.7**	**35.6**	**46.0**	**31.1**	**73.6**	**42.3**	**73.6**	23.9	49.7
2023	**67.9**	**72.5**	**70.6**	**32.7**	**67.9**	**71.0**	**69.1**	**68.4**	**77.6**	**68.0**	**77.6**	32.7	44.9
2024	**70.4**	**64.9**	**72.1**	**56.3**	**69.0**	**74.4**	**69.5**	**86.4**	**89.6**	**74.2**	**89.6**	56.3	33.3
Average value	**46.8**	**55.2**	**58.1**	**46.0**	**34.5**	**34.9**	**57.3**	**19.0**	**76.3**	**3.0**	**76.3**	3.0	73.3
maximum value	**86.9**	**88.7**	**91.3**	**74.4**	**91.1**	**74.4**	**79.9**	**86.4**	**92.6**	**85.9**	**92.6**	74.4	18.2
minimum value	**-0.7**	**19.6**	**4.9**	**22.2**	**-31.9**	**-21.9**	**28.8**	**-55.1**	**52.6**	**-155.7**	**52.6**	-155.7	208.3
variation width	**87.6**	**69.2**	**86.4**	**52.3**	**123.0**	**96.3**	**51.1**	**141.5**	**40.0**	**241.6**	**241.6**	40.0	201.7

$YK_t = 80.0 - 0.35 \sqrt{VAR^{YK}}_t$

t = (10.4) (-3.77) R^2 = 0.61 DW = 1.68

Here: YK - viability coefficient of small business entities in Kashkadarya region, in percent. VAR^{YK} - width of variation of the viability coefficient of small business entities by industry by years, in percent.

The Student's t-test substantiates the adequacy of all assessed coefficients, while the determination coefficient shows that only 61% of fluctuations in the viability coefficient of small business entities in the region are due to differences across economic sectors. Darbin-Watson statistics show that the problem of autocorrelation does not exist and that scientific and practical conclusions can be drawn based on this model.

The conclusions obtained on the basis of the model serve to reduce the variation width of the survival coefficient of small business entities in the sectoral context, that is, to reduce it to zero and increase the overall survival coefficient by 80.0 percent. An increase in differences by one percent leads to a decrease in the overall survival rate by 0.35 percent.

Unlike the level of activity, the degree of dependence of the viability coefficient on differences across sectors is relatively low, and it was found that the viability coefficient depends more on the conditions created for small businesses. Also, the results of the analysis conducted to assess the influence of the survival coefficient, determined in the context of industries, on the overall indicator, showed that only some industries have an influence and are sufficiently strong. As a result, the following model was obtained.

$$YK = 8{,}17 + 0{,}42 * S^{YK} + 0{,}41 * SA^{YK}$$

Where: SYK - viability of small business entities in industry

coefficient, in percent; SAIK - coefficient of survival of small business entities in trade, in percent.

The necessary criteria for justifying the adequacy of this model and the identified coefficients are presented in table given below, all of which meet the established requirements, see Table 5.

Table 5. Results of assessing the impact of changes in the industry on the viability coefficient of small business entities in the region under the influence of investment risk

Model 9: OLS, using observations 2014-2024 (T = 11) Dependent variable: YK

	Coefficient	*Std, Error*	*t-ratio*	*p-value*	
const	8,17	4,13	1,981	0,0829	*
$_{S}$YK	0,42	0,10	4,258	0,0028	***
$_{SA}$YK	0,41	0,06	6,485	0,0002	***
Mean dependent var_	46,81	S,D, dependent var_		27,97	
Sum squared resid_	127,58	S,E, of regression_		3,99	
R-squared_	0,98	Adjusted R-squared_		0,98	
F(2, 8)	241,22	P-value(F)_		7,08e-08	
Log-likelihood_	−29,09	Akaike criterion_		64,18	
Schwarz criterion_	65,37	Hannan-Quinn_		63,42	
rho___	−0,16	Durbin-Watson_		2,11	

The overall survival rate of small business entities in the region has a high correlation with the survival rate of industrial and commercial entities. In particular, the coefficients expressing their influence are 0.42 and 0.41, respectively. In other words, a simultaneous change in the survival coefficients in both sectors by one percent leads to a change in the overall indicator by 0.83 percent.

According to the results of the analysis, despite a sharp increase in the number of registered and newly created small business entities in subsequent years, a decrease in the level of activity was observed due to the high growth rate of the number of inactive entities [14]. There is also an inverse relationship with the increase in the level of activity across the network. For this reason, stabilizing the level of activity of small business entities in the context of industries is one of the important directions in solving existing problems.

On the other hand, the survival coefficient is sufficiently related to the differences of this indicator across industries, but the influence of other factors is also high. In addition, the influence of the viability coefficient in industry and trade on the overall indicator is high [15]. In conclusion, it can be noted that achieving stable and balanced development of the share of small business in the region by sector increases the level of activity and the coefficient of viability.

4. Conclusion

The results of the conducted research confirm that small business entities in the Kashkadarya region play an important role in the regional economy. Despite relatively high stability in the service and trade sectors, high investment risk indicators were observed in the manufacturing industry. Agriculture is distinguished by its seasonality and sensitivity to natural factors. Restrictions on the use of financial resources, volatility of market conditions, and foreign economic conditions were identified as the main sources of investment risks. As a result, it is necessary to improve risk management mechanisms to ensure the sustainable development of small businesses. The study shows that expanding financing opportunities, introducing insurance mechanisms, and diversifying by industry are important factors in increasing the stability of small business entities. At

the same time, the development of a stable regulatory environment and infrastructure by the state strengthens the role of small business in the regional economy.

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