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Methodological Basis for Evaluating the Effectiveness of the Support System for Small Business Entities

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ABSTRACT

The issue of analysis and evaluation of the effectiveness of support to the small business sector has been studied as a research topic by many leading economists in this field for several years. This article was prepared within the framework of the research topic of improving the support system of small business entities, in which the methodological basis of evaluating the effectiveness of the support system of small business entities was researched.

KEYWORDS

legal basis, support mechanism, methodological approach, systematic evaluation.

INTRODUCTION

In recent years, the support of small and medium-sized businesses has become one of the priorities of Uzbekistan's economic policy, and in this context, the relevance of assessing the effectiveness of supporting such entities is also increasing. To date, domestic and foreign scientists have developed various methods and approaches for evaluating the effectiveness of supporting small and medium-sized businesses.

In modern scientific literature, enough attention is paid to the problems of state support of small business entities. Of particular interest are works that provide methods for evaluating the effectiveness of state support measures for small business entities. Taking into account the modern changes of the economic space and the actual state of processes in the small business sector in Uzbekistan, approaches to evaluating the effectiveness of the state support system for such entities require a deeper methodological study [1].

The system of state support for small business is constantly changing, some measures are losing their importance or becoming ineffective. Evaluation of state support measures for this sector of the economy at the regional level is often not systematically carried out or the intended result is not achieved due to the use of outdated evaluation approaches.

Usually, approaches to evaluating the support system of small business entities are

conditionally divided into two, that is, traditional and innovative. The characteristics of these approaches are listed in Table 1.

Table 1

Comparison of Small Business Support System Evaluation Approaches

Comparison criteria	Approaches	
	Traditional	Innovative
Evaluation object	Specific aspects of small business support infrastructure components.	The ability of the small business support system to fulfill existing goals and tasks, including the interaction of all elements of the system.
Type	Descriptive	Appraiser
Content	Operation of individual objects of the infrastructure	Interaction of supporting infrastructure objects
Support line	Establishment of new enterprises	Solving problems of social importance
Indicators	Quantitative	Qualitative
The final result	Program effectiveness (the ratio of planned and actual performance, for example, in terms of costs)	Efficiency (quality of processes, consistency and effectiveness of support measures)

In general, the algorithm for evaluating state support for small and medium-sized businesses includes the following main steps:

- 1) assessment of the state's activity in the field of supporting the small business sector (analytical part);
- 2) processing of collected data (calculation part);
- 3) analysis of evaluation results (part of conclusions and recommendations) [3].

Also, it is necessary to pay special attention to the methods of determining the effectiveness of the state support measures for small businesses in cases of crisis and force majeure.

Therefore, in order to increase the effectiveness of the state support system for small business entities, it is necessary to introduce evaluation methods and tools that are suitable for the needs of small business and state authorities in new economic conditions.

According to V.A. Grajdankin, the effectiveness of spending budget funds at any level can be manifested not only in the achievement of budget results, but also in achieving economic and social results. According to it, it will be necessary to evaluate the effectiveness of the implementation of the small business support program using a list of small criteria that reflect its contribution to the development of the region, namely:

- increase in income of the population;
- increase in the number of people employed in small business;
- increase in tax revenues;
- increase in the number of business entities in proportion to the amount of subsidies given [2].

The disadvantage of this methodological approach is that it is represented by a limited number of indicators that represent the effectiveness of targeted programs. With these indicators, in our opinion, it is not possible to evaluate the effectiveness of targeted programs of state support.

S.A. Popov believes that it is necessary to evaluate the effectiveness of state support for small businesses based on the dynamics of the following indicators, taking into account a larger

number of indicators of the socio-economic development of the region:

- usefulness of support programs;
- the need for support programs;
- coverage of support programs [4].

A. V. Nemets' methodical approach unifying the assessment of small business support is also based on the integrated efficiency index calculated on the basis of the following indicators:

- the number of supported enterprises;
- an increase in the amount of taxes expected to fall to the budget of the region as a result of supporting enterprises;
- social efficiency coefficient of the enterprise (number of jobs created, increase in income of employees employed in the enterprise);
- indicator of innovativeness of the enterprise (absence or presence of an innovative component);
- amount of funds allocated for small business support through small business support bodies;
- costs of maintaining the state support infrastructure of the supporting body [5].

V.V. Buev, S.V. Migins also offered their own approach in this regard. The methodological approach proposed by them uses integral indices consisting of the following indicators:

- the quality of small business development;
- efficient use of resources;
- level of business environment for small business;
- social efficiency of small business;
- efficiency of infrastructure facilities for small business support.

Currently, the most common criteria for evaluating the effectiveness of the support system for small businesses are the number of small businesses per capita, the share of operating small businesses in the total number of registered small businesses, the share of liquidated small businesses in the total number of registered businesses, it is possible to enumerate the share of this sector in the volume of jobs created and budget revenues, as well as in a number of other economic and social indicators.

Some economists say that the evaluation of the efficiency of state support to small business entities is carried out according to the indicators of the economic efficiency of the allocated funds.

For example, it is recommended to calculate the economic efficiency of state support of small business entities according to the following formula:

$$SBSSSEe = ERss / TSss, (2)$$

where SBSSEe is the economic efficiency of state support;

ERss - the economic result of the implementation of state support for small and medium-sized businesses;

TSss - the amount of state funds allocated within the framework of state support programs for small and medium-sized businesses.

We use the following indicators to evaluate the economic efficiency of state support for small and medium-sized businesses:

$Ee > 1$ – state support is effective;

$Ee < 1$ - state support is not effective.

The social effectiveness of state support for small business is reflected in the social activity of this branch of the economy in state support programs.

Calculation of the social effectiveness of state support of small business entities is calculated

according to the following formula:

$$SBSSSe = (NSBss / TNSB) \times 100\%, (3)$$

where SBSSSe is the social efficiency of state support for small business entities in the country;

NSBss-the number of KBS receiving state aid, (in units);

TNSB-the total number of small business enterprises in the country, (in units).

Evaluation of the effectiveness of state support to small and medium-sized businesses is carried out according to the indicators of the economic efficiency of the allocated funds. The result of increasing the social efficiency indicator may also indicate that small business entities are interested in and benefit from the support programs in the country.

Another way to evaluate the effectiveness of the state support system for small business entities was proposed by E.V. Romanenko to calculate the activity coefficient, which helps to evaluate the effectiveness of its support for the country.

The following indicators are required to calculate the activity coefficient of small business entities:

- the share of small business in the gross domestic product (GDP);
- the share of the number of small enterprises in their total number (SBtsb);
- the share of tax revenues paid by small business entities in the total volume of tax revenues (SBtax);
- the number of indicators used for calculation (n).

These indicators are combined with the following formula:

$$Ai = n \sqrt{SBgdp \times SBtsb \times SBtax \times \dots} (4)$$

G.A. Dremina believes that the above indicators are limited to quantitative data and qualitative data are not taken into account when evaluating the effectiveness of supporting small business entities, thus justifying the need to use additional indicators describing the development of small businesses in priority sectors. Based on international experience, he suggests the following indicators that can complete the list of small business development indicators included in the system for evaluating the effectiveness of national small business development programs:

- the indicator of current entrepreneurial activity, which describes the share of the population participating in the establishment of new KBS;
- the indicator of the result of entrepreneurial activity - the share of the number of KBS established in the current year in their total number (%);
- determined by the share of newly established business entities with a quality indicator, high income or employment growth;
- the share of non-profit organizations among those employed in the economy by the average number of employees (excluding part-time workers);
- indicator of investment activity - the share of state-owned enterprises in fixed capital investments;
- the share of innovative active KBS established in the current year in the total number of enterprises in the country;
- indicator of innovative activity: the share of KBS in the region in the costs of scientific research and introduction of innovations.

Another economist L.I. According to the methodology proposed by Chubareva, he believes that the effectiveness of the small business support system can be determined by comparing the total effect of its implementation with the sum of the costs of developing and implementing such a system. In our opinion, the use of this method does not take into account the level of satisfaction

of entrepreneurs with the support provided and does not allow to determine the effectiveness of each individual element of the infrastructure support system.

V.V. Pogorelov, studying the issues of satisfaction with the state support of KBS, proposes a methodology for evaluating the effectiveness of the use of budget funds based on the problematic factors that prevent the creation of favorable conditions for the development of KBS and affect the opinion of entrepreneurs.

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