



Implementing sustainable development goals in small business entities

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Abstract

This article is here to illustrate the importance of small business in Uzbekistan’s economy. With checking and analyzing how small business sectors’ role in the national economy, we can say that there are still myriads of actions should be taken really. Among such actions, sustainable development goals (SDGs) should be a real trend and we already can see its seeds in each part of the economic activities of SBE (small business entities).

Keywords: Sustainable development goals; small business; Entrepreneurship; Economic reforms

1. Introduction

It is apparent from the practice of today’s economy that small business plays an aorta role in any developing countries’ economy. SB (Small business) provides myriads of minor and major economic benefits. They contribute directly and indirectly to national output, and at the same time with same manner to the society with the spendings and profit they generate. The role of SBEs is irreplaceable for the national economy– their number, employment capacity and value added constitute a large share of Uzbekistan economy as well. Providing the right conditions in which SBEs can flourish is paramount for ensuring a sustained recovery and achieving prosperity for all Uzbek citizens [1]. For many small businesses, now going global in trendy is no longer just a focal point to reach but it has become an evident that new innovational and economical breakthroughs also must be important to survive in such fastly changing economic world. It has become the vital to nearly all that SDG (sustainable development goals) also should be all small business companies’ strategy to enhance the health and performance of the company. Across Uzbekistan policies are being developed at regional, national, and transnational government level that see SBEs as the only positive way of creating employment and generating increased local growth for the community and SBEs should be employed with applicable SDGs.

2. The condition created for small business activity in Uzbekistan

Today, the industrial sector is one of the leading sectors that has made a significant contribution to the stable growth of the world economy. The use of the opportunities of small business enterprises has a significant effect on the demonstration of the potential of this network. After all, the use of socio-economic functions of small business in the organization of industrial production, such as ensuring the mobility and flexibility of the economy, strengthening the competitive environment in it, creating new jobs, increasing the efficiency of large enterprises through industrial cooperation, significantly increases the efficiency of the network. Accordingly, in the following years, special attention is paid to expanding the activities of small industrial enterprises in developed countries.

In modern economies economic activity by small firms is considerably vital as a life blood for any country for achieving economic growth. Small business is an economic activity carried out by its subjects by following a real legislation, aimed at obtaining income (profit) at its own risk and under its own property responsibility. Entrepreneurship entities are legal and physical entities that have been registered with the state in accordance with the established procedure and are engaged in business activities.

It should be noted that during the years of independence, a stable legal framework was already created in Uzbekistan, which strengthens the primacy of private property, which is the basis of the market economy. A favorable business environment and reliable legal guarantees have been created for the rapid development of small business and private entrepreneurship, which is an important factor for the formation of the middle owner class, the stable development of the country's economy, the creation of new jobs and the increase of the population's income.

Before diving into new actions to SBs we should remember the concept of Small business entities. Small business is a business activity which is an entrepreneurial activity carried out by its subjects in accordance with legislation, aimed at obtaining income (profit) at its own risk and under its own property responsibility. Entrepreneurial entities (entrepreneurial entities) are legal and physical entities that have been registered with the state in the prescribed manner and are engaged in entrepreneurial activity.

It is true that SDGs were come to practice in 2016. However, there are several proofs that such strategies interestingly were in power until 2016 in our country. Uzbekistan, which is considered one of the developing countries, is also in order to keep pace with the world, and in addition, there are a number of measures to radically update the existing types of business activities, production infrastructures in the country, to create a pure business environment in them, and to encourage the development of small business and private entrepreneurship (SBEs). is adopting legal documents and they are giving their results today. The Decree of the President of the Republic of Uzbekistan dated January 28, 2022 No. PF-60 "On the Development Strategy of New Uzbekistan for 2022-2026" can be cited as a clear proof of this. In accordance with the purpose of Clause 29 of I - Appendix III - —Rapid development of the national economy and ensuring high growth rates! of this Decree, creation of conditions for the organization of entrepreneurial activities and formation of permanent sources of income, private sector in the Gross Domestic Product (GDP) it is set to increase its share to 80% and its share in exports to 60%, to reduce the tax burden on business entities from 27.5% to 25% of the gross domestic product by 2026 [2].

3. Implementing the Sustainable Development goals

As a result of numerous activities established in our republic to support small business and protect the rights and interests of entrepreneurs, as this sector is making more and more strengthened, its place in the economy of our republic, its value in employment and production is increasing year by year. Small business is forming such a competitive environment that the development of the market economy is becoming unreal without it. We are here to say that by employing tested experiences from developed countries such as Japan, Germany, Canada, small business sphere can be updated and be ready for market changes. One of such experience can be implementing SDG (sustainable development goals) in each small business entities in our country. By implementing, without any details we can say that Small business sphere only develops and pees its role in national economy and its benefits are so tremendous for national economy and population as well.

A major Grand Challenge facing the world is achievement of the Sustainable Development Goals (SDGs) by 2030 and better understanding the contribution of business to help meet this challenge (Muff et al., 2017). The article builds on this challenge by exploring the role for business academics in pursuit of the commitment of countries to attain the SDGs.[3]

What is SDGs ? Where was it firstly introduced? These questions are important here. By analyzing the role, it holds, we can note that small business sphere in our country should be mobilized with SDG principles and regulations.

On 1 January 2016, the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development — adopted by world leaders in September 2015 at an historic UN Summit — officially came into force. Over the next eighteen years, with these new Goals that universally apply to all, countries will mobilize efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.

The Sustainable Development Goals are a call for action by all countries – poor, rich and middle-income – to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.

At the time being, SDGs are strategies taken seriously worldwide. Here we can see all 17 goals which were set for delivering meaningful progress for all economies, population and the planet by 2030.[4]

Goal 1	End poverty in all its forms everywhere
Goal 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
Goal 3	Ensure healthy lives and promote well-being for all at all ages
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
Goal 5	Achieve gender equality and empower all women and girls
Goal 6	Ensure availability and sustainable management of water and sanitation for all
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy for all
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
Goal 10	Reduce inequality within and among countries
Goal 11	Make cities and human settlements inclusive, safe, resilient and sustainable
Goal 12	Ensure sustainable consumption and production patterns
Goal 13	Take urgent action to combat climate change and its impacts
Goal 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
Goal 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

Figure 1: The Sustainable Development Goals.2019y.

These SDG goals differs in each country by analyzing the role of the government, entrepreneurs in the economy. Our country has their own targeted way to enhance the economy, and this is so true way to fuel economy by affecting small business sector more thoroughly. There are several goals which we should borrow this international SDGs.

In the practice of the world economy, the overall wealth of small business compared to large enterprises, their share in the gross domestic product (GDP), the numbers, as well as their role in ensuring employment is ultimately high. For example, in developed countries USA, Germany, Canada for instance, the share of small and medium business in GDP is more than 50 percent, and in some countries, even up to 60-70 percent. Their share in the total number of enterprises is in some cases up to 95-98 percent, and their share in total employment is 60-80 percent. So, this sphere should be first step to implement SDGs over national economy. Upon checking abovementioned goals, though almost all these goals should be treated over government scale, all of them are really important for small business's prosperity but look in more detail there are several prominent goals which small business itself can be armed strongly and be affected in more core truly way. They are listed below and can be implemented in our small business entities. As knowing the role of small business in our country, these goals are unreachable without the presence of small business in this long-taken strategy.

This year, on August 22, 2022, the President of the Republic of Uzbekistan Sh. Mirziyoyev's "Open Dialogue with Entrepreneurs" program, a meeting was held with representatives of the business community. During the meeting, the President expressed initiatives in 5 areas to support small business.

These are illustrated in table 2nd below:

Initiative 1	Categorizing enterprises and defining a special approach to support them. Enterprises are divided into categories according to their annual turnover.
Initiative 2	Creating a convenient financing system for expanding the activities of entrepreneurs, implementing new projects.
Initiative 3	Introducing special approaches for business based on the conditions of districts and cities.
Initiative 4	From now on, decisions on the division of land and property will be implemented only and only in court.
Initiative 5	Controlling the activities of entrepreneurs and holding them accountable

Figure 2: Five initiatives supporting small business entities in Uzbekistan.

When we look at the indicators of ours, according to the results of 2022, the share of small business in the GDP of the republic was 51.8%. Main indicators of small business and private entrepreneurship in economic sectors and GDP are given below 2nd graph. If we look at in detail to the graph, in 2017 SBE role in the economy was 65.3% which was the greatest upcoming five years. We can say that there were several factors which effected the SBE economic activity. In 2020, as a result of COVID 19, thousands of SBEs were closed and stopped their business for some reason and this brought a little downturn in their role in Economy. Nonetheless, the share was not dropped under 50%. This conclude that, the government tried to help and support in any directions of their business.

The current stage of economic reforms implemented in our country requires the development of small business and private entrepreneurship, giving it wide economic freedom and improving its efficiency. In order to achieve this goal, the development of several decrees and decisions by the head of our country will serve to increase the efficiency of small business and private entrepreneurship. These trends show how small business sector plays a giant role in the economy. If we look at the 3rd graph below, it is clear that we can find nearly all SDGs in small business daily economic life.

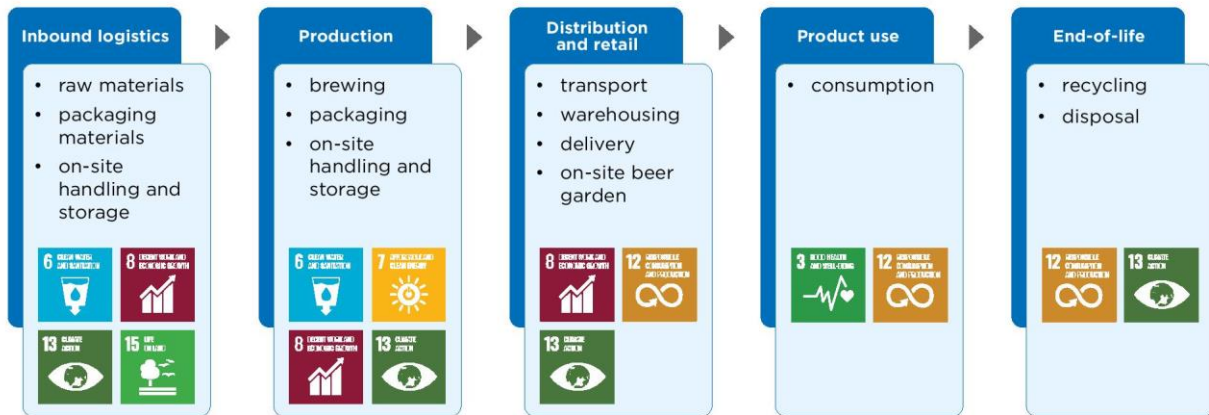


Figure 3: Small business entities value chain (Example SDGs)

Small business sphere plays a crucial role forming such a production chain. During the span of all 5 process, we can see basic forms of SDGs. These were formed because of different economic reforms, degrees and economic changes in Uzbekistan. All the time, authorities find it difficult to create job opportunities for unemployed people. In this issue, governments give opportunities for small business sector and small business plays its role successfully here.

4. Conclusion

In our opinion, because of such noble works and the opportunities created, not only all types and forms of SBEs will flourish, but it will raise the economic growth of the country to new levels. Furthermore, their activities can be improved by SDGs which created locally and initiatives by authorities and only serve for the development of the country, the well-being of the population, create new opportunities in the new Uzbekistan, and entrepreneurship in our country environment will improve and our country will improve its position in international rankings.

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