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**IMPACT OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP ON
ECONOMIC GROWTH**

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**KICHIK BIZNES VA XUSUSIY TADBIRKORLIKNING IQTISODIY O'SISHGA
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**ВЛИЯНИЕ МАЛОГО БИЗНЕСА И ЧАСТНОГО
ПРЕДПРИНИМАТЕЛЬСТВА НА ЭКОНОМИЧЕСКИЙ РОСТ**

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Introduction. *According to world experience, the development of small business, especially small innovative business, not only ensures socio-economic efficiency, but is also reflected in the political programs implemented in the countries. The development of small business is an important factor in increasing the share of the middle class in society, as well as ensuring economic, social and political stability in the country. Small business is of great importance in stabilizing the economy in developed countries such as USA, Germany, China, France, Japan, and Italy. "According to the International Small Business Council (ICSB), small business entities make up more than 90% of all enterprises, 60-70% of the employed, and 50% of the gross domestic product". These enterprises form the basis of the economy of the developed countries of the world, they play an important role in promoting economic development in the employment of women and young entrepreneurs and disadvantaged population groups.*

Materials And Methods. *Many foreign and local economists have conducted scientific research on the essence of small business and private entrepreneurship, factors affecting its development, the role and importance of small business entities in the economy. In*

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particular, R. Khizrich and M. Peters say that entrepreneurship is a process of creating value-added innovation that takes time and labor, leads to acceptance of financial, moral and social responsibility, satisfaction of personal interest and certain income [2] describe. According to Y. Schumpeter, "the basis of economic growth lies in the desire of an entrepreneur to use and apply a new combination of production factors, and the result of this desire is innovation, news" [3].

RESULTS AND DISCUSSION

In the years of independence, targeted programs aimed at further improving the business environment, rapid development of small business and private entrepreneurship have been consistently implemented in our country. The effect of these targeted state programs is reflected in the fact that today the share of small business and private entrepreneurship in the gross domestic product of our country has reached 53.9 percent.

The UN Economic Commission has determined that the number of jobs for small business representatives in Latin American countries, regardless of their activity and direction, is 5-50.

In the EU countries, the situation is somewhat different. The number of employees in the region is 1-9, the annual turnover and balance of the enterprise is 2 million. if the economic entities up to EUR are considered micro-businesses, the annual capital turnover and balance sheet volume of 10-49 employees are 10 mln. employers up to EUR are considered small business entities [3].

Programs aimed at creating a favorable business environment, expanding the system of freedoms granted to business entities and strengthening their position in the foreign economic activity of the country are being implemented in our country. In particular, the share of small business and private entrepreneurship in the export of Uzbekistan was 10.2 percent in 2000, and by 2025 this indicator will reach 20.5 percent. During the analyzed period, the share of small business and private entrepreneurship in imports increased from 22.8 percent to 51.8 percent.

Analyzes show that the role of representatives of this sector in the foreign economic activity of our country is increasing. In particular, a large share of products imported from the foreign market is carried out with the help of representatives of this industry. At this point, it should be mentioned that by transferring small business and private entrepreneurship in our country to the path of innovative development, there is an opportunity to dramatically increase its share in the volume of the country's exports.

In recent years, the volume of investments in the capital of small business enterprises operating in our country has been increasing. In particular, in 2013-2024, the volume of investments in fixed capital in small business enterprises increased 19.2 times. This growth is especially significant in the following years, and despite the observed coronavirus pandemic in 2023, it was more than 1.1 times higher than the previous year, with a total value of 77,715.2 billion. amounted to soum.

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There are significant differences in the relative weight of fixed capital investments in small business enterprises by country. In particular, in 2023, 21.5 percent of all investments were made in Tashkent city, and 9.9 percent in small business enterprises in Tashkent region. Also, there is no stability in the growth of investments in some regions. During 2014-2023, the growth in the volume of investments in fixed capital by small business enterprises in some sectors was significant: 23.5 times in the education sector, 22.5 times in the industry sector, 22.1 times in the agriculture, forestry and fisheries sector, art, recreation 21.1 times in the network of opening and recreation, 19.6 times in the network of accommodation and catering services.

Table 1

The state of use of innovative resources by small business enterprises in Uzbekistan
[16]

Indicators	20 17	20 18	20 19	20 20	20 21	20 22	20 23
Introduced innovations, unity	80 8	88 4	81 8	1 180	1 267	3 807	4 264
Produced innovative goods, works and services, bln. sum	1 160,7	16 81,8	16 71,9	23 20,3	6 780,6	7 635,7	8 552,0
Expenditures on technological, marketing and organizational innovations, bln. sum	35 1,4	35 4,8	21 1,4	71 7,2	1 156,8	1 939,9	2 172,7
<i>Including sources of financing</i>							
own funds of the enterprise	331 ,2	318 ,2	18 1,0	49 1,7	771 ,7	107 7,6	1 207,0
foreign investment	5,7	6,2	6,1	14 4,7	26, 3	191 ,2	214 ,1
loans from commercial banks	13, 8	24, 9	23, 6	36, 6	345 ,3	596 ,5	668 ,1
other funds	0,7	5,5	0,7	44, 3	13, 5	74, 6	83, 4

From the analysis of the data presented in Table 1, it can be seen that in 2017-2023, the number of innovations introduced by the republic's small business entities is almost 5.3 times, the value of innovative goods, works and services produced is 7.4 times, the volume

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of expenditures on technological, marketing and organizational innovations increased 6.2 times. In the sources of financing the expenses, the largest share falls on the company's own funds (55.6% in 2023), loans from commercial banks (30.8%).

Conclusion. The analysis of the data presented above shows that in the next years, it is desirable to develop a new system aimed at encouraging the introduction of innovations to small enterprises, to fully use their opportunities in the development of small businesses in our country. The focus of priority on this type of reform programs creates the basis for achieving macroeconomic stability through the development of small innovative businesses in our country.

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