

**STATISTICAL ANALYSIS OF THE ROLE OF SMALL AND MEDIUM-SIZED
BUSINESSES IN THE SUSTAINABLE DEVELOPMENT OF THE ECONOMY OF THE
REPUBLIC OF UZBEKISTAN**

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Abstract: This article examines the role of small and medium-sized businesses (SMEs) in the sustainable development of our country's economy. It explores how the effective development of SMEs contributes not only to the stability and growth of small business entities but also ensures the sustainable development of the national economy. Ultimately, this leads to a reduction in poverty levels among the population. The article presents conclusions and proposals based on statistical research.

Keywords: national economy, economic growth, sustainable development of the country, small and medium-sized businesses, entrepreneurial activity, small business entities, statistical analysis.

Introduction. In the current period of rapid globalization, small and medium-sized enterprises (SMEs) are considered the locomotive of the economy and innovation in almost every country in the world. SMEs are a crucial factor in shaping a competitive economic environment and ensuring adaptability.

Uzbekistan, along with nearly 200 other countries, is fully fulfilling its commitments under the United Nations' "2030 Agenda for Sustainable Development." To systematically implement this agenda, the Government of the Republic of Uzbekistan adopted a Resolution "On Additional Measures to Accelerate the Implementation of National Goals and Objectives in the Field of Sustainable Development until 2030" [1].

This Resolution sets out objectives and tasks to ensure macroeconomic stability, mitigate the socio-economic consequences of the COVID-19 pandemic, ensure the qualitative achievement of indicators outlined in the national sustainable development goals, and achieve the national objectives and tasks in the field of sustainable development by 2030.

As a result of serious interest and aspiration to adapt the "Sustainable Development Goals" to the country's needs, the Action Strategy for 2017–2021 of Uzbekistan and the currently implemented Development Strategy of New Uzbekistan for 2022–2026 [2] can be cited as key examples.

Literature Review. A number of foreign scholars have studied the development and directions of the SME sector. Among them are A. Marshall [3], J. Schumpeter [4], and V. Wales [5], who are considered foundational figures in the scientific study of entrepreneurship.

Among local researchers, B.T. Baykhanov [6] has analyzed sectoral activities using econometric models and emphasized the potential of applying modern methodological approaches to assess the effectiveness of investments based on forecasting. H.P. Abulkosimov and A.A. Qulmatov [7] studied the role of family entrepreneurship in the small business sector and ways to promote it in our country. S.N. Saifullaev [8–14] has explored the socio-economic aspects of the development of private household subsidiary farming (PHSF), identified existing problems in the sector and proposed mechanisms for supporting small business entities.

Research Methodology. Several research methodologies and methods were used in preparing the scientific article. In particular, scientific abstraction, systematic analysis of socio-economic phenomena, economic-statistical and comparative analysis, dynamic and index analysis methods were widely applied.

Analysis and Results. Sustainable development is a principle aimed at ensuring the harmonious and continuous development of society, the economy, and the environment. It is directed towards meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.

There are three main directions of sustainable development: Economic sustainability – ensuring effective and stable economic growth, rational use of resources; Social sustainability – reducing poverty, increasing access to education and healthcare, protecting human rights; Environmental sustainability – protecting nature, taking measures against climate change, developing renewable energy sources.

The stable and consistent development of any country's economy largely depends on the development level of small and medium-sized businesses (SMEs). SMEs are a key component of the economy, playing a significant role in creating new jobs, introducing innovations, increasing export potential, and supplying the domestic market with competitive products.

In this regard, several Decisions and Decrees have been adopted by our President to support the development of SMEs. For instance: The Presidential Decree No. PQ-292 "On measures to implement the tasks defined during the 2023 open dialogue between the President of the Republic of Uzbekistan and entrepreneurs" [3], The Presidential Decree No. PF-193 "On measures to improve the system of financial support for small and medium-sized businesses" [4].

As a result of the open dialogues between the President of the Republic of Uzbekistan, Sh.M. Mirziyoyev, and entrepreneurs held over the past two years, many systemic issues in the field of entrepreneurship have been resolved. These include simplifying business procedures, reducing the tax burden, creating a favorable financing system and infrastructure for implementing new projects, and ensuring property rights. A targeted support system for entrepreneurship has been established by classifying business entities into micro, small, medium, and large categories and dividing districts and cities into five categories.

In recent years, systemic efforts have been made in our country to create a "continuous support chain" for the comprehensive development of entrepreneurship.

It is important to note that instruments to support medium-sized businesses – which are a segment of the economy based on new technologies and innovations, producing high-quality and competitive products – remain insufficiently developed. In a financial market where interest rates on resources remain high, there is an increasing need to create new and alternative financing tools for entrepreneurial projects. These include introducing equity participation in entrepreneurial projects, implementing service mortgages, and expanding the provision of guarantee support.

One of the key links in the financial support system for businesses – the current organizational and legal form of the State Fund for Support of Entrepreneurial Activity – does not provide adequate assistance to business entities, nor does it allow for the introduction of new types of services or attract direct funding from international financial institutions.

It is known that in the developed countries of the world, SMEs hold a significant share in the gross domestic product (GDP). Currently, consistent efforts are being made in our country to

support and develop this sector based on systematic programs. This, in turn, creates opportunities for the sustainable development of our national economy, strengthening economic power, and increasing GDP.

It should be noted that as a result of the economic reforms carried out in our country, a significant portion of the created GDP now comes from small business and private entrepreneurship.

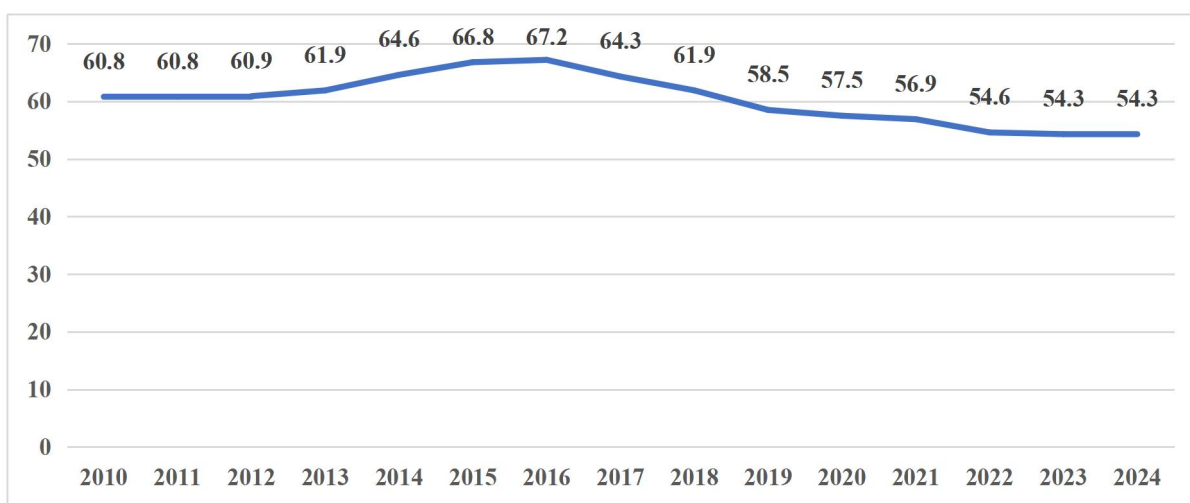


Figure 1. The Share of Small Business and Private Entrepreneurship in the GDP of the Republic of Uzbekistan, in Percentages

The analysis indicates that small business and private entrepreneurship hold the largest share in the creation of the country's GDP. In 2010 and 2024, this share was 60.8% and 54.3%, respectively, showing a decrease of 6.5 percentage points over the compared years (Figure 1).

One of the conditions for stable economic growth in the country is that the GDP growth rate should be higher than the population growth rate. Therefore, let us analyze the growth rates of both GDP and population.

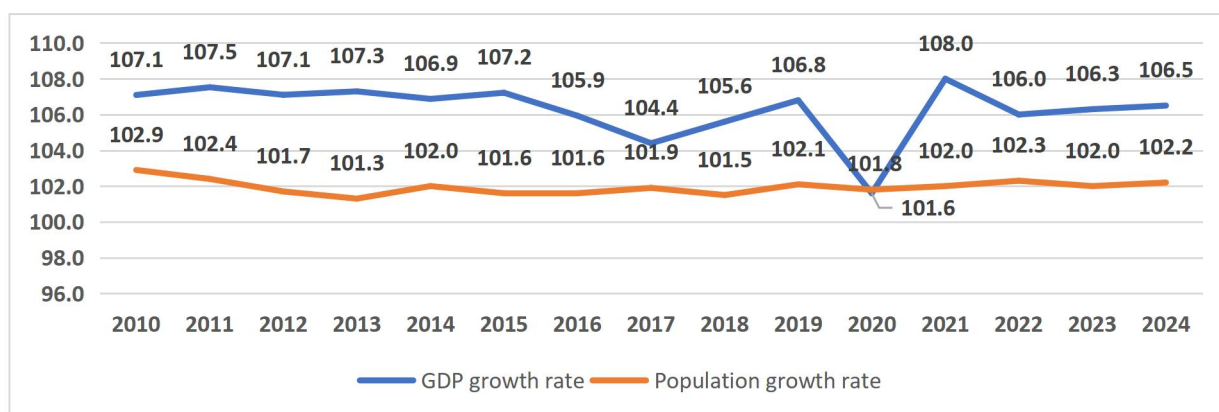


Figure 2. GDP and Population Growth Rates in the Republic of Uzbekistan (Compared to the Previous Year, in Percentage)

As can be seen from Figure 1, during the period from 2010 to 2024, the GDP growth rate did not fall below 4%. Only in 2020 did the growth rate amount to 1.6%. The highest population growth rate during 2010–2024 was recorded in 2010, at 2.9%. From the analysis above, it is evident that,

except for 2020, stable economic growth was achieved during the period from 2010 to 2024 (Figure 2).

Conclusion and Recommendations

In our opinion, the following are the priority areas for developing small and medium-sized businesses (SMEs) to ensure the sustainable development of the national economy:

- Creating a favorable legal environment for doing business and further simplifying licensing and registration procedures for entrepreneurs;
- Increasing opportunities for entrepreneurs to access preferential loans, government grants, and attract investments;
- Enhancing the competitiveness of entrepreneurs and startups by launching educational programs, business training, and consulting services;
- Establishing infrastructure facilities such as industrial zones, technoparks, and logistics centers, which can have a positive impact on SME development.

SMEs are one of the key drivers of the economy, and their development ensures stable economic growth. Therefore, it is essential for the state and society to support this sector, improve the entrepreneurial environment, and expand opportunities. Such measures will further develop SMEs and contribute to the sustainable development of the economy.

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