FEATURES AND EXISTING PROBLEMS OF INVESTING IN SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP

Ergashev Ilhomjon Ikromovich
Andijan Institute of Agriculture and Agrotechnology, Assistant Professor, Department of Agricultural Economics, email:
ergashev_1980@list.ru;
Tel: +998902545969

During the years of independence, the share of small business and private entrepreneurship in various sectors of the national economy has increased and has become one of the important factors in ensuring economic growth and social stability. In particular, the share of small businesses in GDP in 1991 was 1.5%, in 2000 this figure rose to 31%, and in 2016 to about 65.0%. In 2016-2020, the number of small businesses operating in the national economy of the country increased by almost 2.0 times, from 210.6 thousand units to 411.2 thousand units, respectively.

During the analyzed period, the share of small businesses in the total number of enterprises and organizations increased by 86.5%. In addition, in 2017-2020, a total of more than 288 thousand new enterprises were created in the country, of which 94.9% or 273.2 thousand are small businesses[1].

Also, from 2018, priority will be given to reforms aimed at attracting the population to entrepreneurship in the country through the state's active social protection programs such as "Every family is an entrepreneur", "Youth is our future", "Development of handicrafts" through low-income groups. priority was given to supporting the establishment and development of their entrepreneurial activities. In recent years, a total of 13 trillion soums have been allocated within the framework of active state social programs aimed at developing entrepreneurship in the country. More than 600,000 families set up businesses[2].

In order to clarify the results of our research, we believe that it is necessary to assess the impact of small business and private entrepreneurship on economic growth in our country. To do this, it is necessary to analyze the relationship between the number of small businesses and private entrepreneurs engaged in economic activities in various sectors of the national economy and the country's GDP on the basis of a linear regression equation. The following equation is used:

$$Y_x = a + bX \qquad (1)$$

In determining the values of the indicators a and b in the formula based on the linear regression equation, we use the method of small squares:

$$na + b\sum X = \sum Y$$
$$a\sum X + b\sum X^2 = \sum XY$$

Based on the small squares method above, the number of n observations in the formula is equal to the period, and the remaining values are given in Table 1.

---

[1] Hojiev B. Small business is the lifeblood of the economy. New Uzbekistan newspaper. 28.07.2021 y. https://yuz.uz/news/kichik-biznes

[2] Resolution of the President of the Republic of Uzbekistan "On additional measures to improve the system of involvement of the population in entrepreneurship and the development of entrepreneurship" No PP-4862, 13.10.2020 https://lex.uz/docs/5045889

1-Table
Values of the relationship between the number of small businesses and private entrepreneurship and the country's GDP[3]

Years	The total number of small enterprises engaged in economic activities in sectors of the economy, in thousands (X)	GDP volume, bln. in soums (Y)	X^2	XY
2014	196	177153,9	38416	34722164,4
2015	207,1	210183,1	42890,41	43528920,01
2016	210,6	242495,5	44352,36	51069552,3
2017	229,7	302536,8	52762,09	69492702,96
2018	262,9	406648,5	69116,41	106907890,7
2019	334,8	510117,2	112091,04	170787238,6
2020	411,2	580203,2	169085,44	238579555,8
Total	**1852,3**	**2429338,2**	**528713,75**	**715088024,7**

---

[3] Compiled by the author on the basis of data of the State Statistics Committee of the Republic of Uzbekistan

Based on the results of the calculations performed in Table 1, we place the indicators corresponding to the equation formed on the basis of the method of small squares:

$$\begin{cases} 7a + 1852,3b = 2429338,2 \\ 1852,3a + 528713,75b = 715088024,7 \end{cases}$$

According to the calculations based on the above equation, the value of indicator a was found to be -148,651, and the value of indicator b was found to be 1,873,291. Given this situation, the relationship between the number of small businesses and private entrepreneurs engaged in economic activities in various sectors of the national economy and the country's GDP can be expressed by the linear regression equation in the following order:

$$Y_x = -148651 + 1873,291X$$

By analyzing the relationship between the number of small businesses and private entrepreneurs engaged in various sectors of the national economy and the country's GDP on the basis of a linear regression equation, the number of small businesses in the national economy increased by an additional 1,000 units. billion It can be concluded that it will increase by UZS. This indicates that the opportunities for the development of small business and private entrepreneurship in the country are not fully used. It should be noted that the development of small business and private entrepreneurship in the country will also provide a positive solution to the problem of employment. This, in turn, raises the need to take full advantage of existing opportunities by increasing the effectiveness of government programs aimed at developing small business and private entrepreneurship in the country.

In particular, in 2021 alone, 92 billion soums will be allocated from the state budget for the development of small business and private entrepreneurship in the country. It is planned to create 210,000 new jobs through the organization of small and medium-sized businesses and new individual entrepreneurs, and 248,000 new jobs through sectoral and regional investment projects[4].

Table 2
Values of investments in fixed assets with small enterprises operating in sectors of the economy[5]

Years	The total number of small enterprises engaged in economic activities in sectors of the economy, in thousands **(X)**	The volume of total investments in fixed assets in small enterprises, bln. in soums **(Y)**	X^2	XY
2014	196	5797,5	38416	1136310
2015	207,1	6722,4	42890,41	1392209,04
2016	210,6	8874,1	44352,36	1868885,46
2017	229,7	14486,5	52762,09	3327549,05
2018	262,9	33111,9	69116,41	8705118,51
2019	334,8	70650,2	112091,04	23653686,96
2020	411,2	77715,2	169085,44	31956490,24
Total	**1852,3**	**217357,8**	**528713,75**	**72040249,26**

---

[4] Haitov A. The main goal is to establish open dialogue with entrepreneurs, to work shoulder to shoulder with business representatives https://parliament.gov.uz/uz/events/opinion/34199/?sphrase_id=7724001

[5] Compiled by the author on the basis of data of the State Statistics Committee of the Republic of Uzbekistan

According to the analysis of the above statistics, the development of small business and private entrepreneurship in the country, including investment programs in this area, is a priority. In particular, in 2014-2020, the total volume of investments in small businesses in the country increased sharply, from 5,797.5 billion soums to 77,715.2 billion soums, respectively. soums (Table 2).

This situation raises the need to assess the effectiveness of investment projects implemented in the country in the field of small business and private entrepreneurship, identify existing problems and prioritize their elimination. Based on this situation, we consider it expedient to conduct a regression analysis between the number of small businesses and private entrepreneurs operating in the economy of the country and the total amount of investments in fixed assets in small enterprises.

In this case, we use the above linear regression function (1), as well as the method of small squares in determining the values of the indicators a and b when performing calculations. Based on the calculations performed in Table 2, the indices of the equation by the method of small squares were clarified:

$$\begin{cases} 7a + 1852{,}3b = 217357{,}8 \\ 1852{,}3a + 528713{,}75b = 72040249{,}26 \end{cases}$$

Solving the equations based on the small squares method, it was found that a = - 68 597.8 and b = 376.587. This means that the linear regression equation, which reflects the relationship between the number of small businesses and private entrepreneurs operating in the economy of the country and the total amount of investments in fixed assets in small enterprises, is expressed as follows:

$$Y_x = -68597{,}8 + 376{,}587X$$

Based on the results of the linear regression analysis, when the number of small businesses and private entrepreneurs in the national economy increased by an additional 1,000, the volume of investments in fixed assets from all sources to develop their activities amounted to about 376.6 billion soums. soums. This fact testifies to the growing investment attractiveness of small business and private entrepreneurship in our country. The analysis shows that the majority of small enterprises operating in the sectors of the national economy of developed countries, along with the independent implementation of investment projects, have a very high efficiency of investment.

Also, investments in small businesses are mainly aimed at creating new small businesses and maintaining the economic activity of small businesses that are in bankruptcy. For example, while most small businesses in the U.S. that have gone bankrupt have been able to resume their operations at the expense of Japanese and Chinese investors, in the UK, Dutch investors play an important role. In our country, investments from small businesses, mainly from Korea, England, the United States and Germany, are widely used[6].

In our opinion, in the coming years it is expedient to further strengthen the role of small business and private entrepreneurship in the country's economy, including the implementation of the following measures to increase the investment efficiency of this sector:

- Development of infrastructure to ensure the sustainability of small businesses, in particular, the provision of electricity, gas, drinking water, road transport services;
- Assess the existing opportunities for the development of small business and private entrepreneurship in the regions of the country and the effectiveness of their use;
- Development of regional development programs in the regions lagging behind in the development of small business and private entrepreneurship;
- Ensuring the development of long-term development programs for small businesses and monitoring their implementation;
- Development of a mechanism for the effective use of investments in small business and private entrepreneurship, in particular, foreign investment;
- Development of material and technical base of small enterprises in accordance with modern requirements at the expense of foreign direct investment;
- formation of a modern market mechanism for the protection of private property, including the interests of foreign investors;

---

[6] Yuldashev A.A. The importance of attracting investment in the development of small business and private entrepreneurship. Scientific electronic journal "Economy and Innovative Technologies". № 4, July-August, 2017 y. 3-4 pages. http://iqtisodiyot.tsue.uz/sites/default/files/maqolalar/A_Yuldashev.pdf

- Supporting the attraction of foreign investment in small business through the establishment of free economic zones in the country, etc.

BIBLIOGRAPHIC LIST:

1. Moskovtsev A.F., Terelianskii P.V., Kosenkov R.A., Velikanov V.V., Onoprienko I.G., Simonov A.B., Tsygankov V.N. Razvitie instrumentariia izmereniia innovatsionnoi aktivnosti na regional'nom urovne. Modern Economics: Problems and Solutions, 2011, no. 7 (19), pp. 53-65. (In Russ.)

2. Pavlova E.A., Smirnova L.A. Vliianie faktorov vneshnei sre-dy na formirovanie innovatsionnogo potentsiala predpriiatiia. Fundamental'nye issledovaniia, 2015, no. 5-3, pp. 640-644. (In Russ.)

3. Asaul A.N. The organization of business activity: tutorial / A.N. Asaul – SPb.: ANO IPEV, 2009. 336 p.

4. Bagiev G.L. The organization of business activity: tutorial / G.L. Bagiev, A.N. Asaul / [pod obshh. red. G.L. Bagieva]. – SPb: Izd-vo SPbGUEF, 2001. 231 p.

5. Cherwitz A.R. Intellectual Entrepreneurship. A vision for graduate education / A.R. Cherwitz, Ch.A. Sullivan / Change. - November/December. 2002. P. 23 – 27. Режим доступа: https://webspace.utexas.edu/cherwitz/www/ie/articles.html.

6. Stevenson H.H. The Entrepreneurial Venture / H.H. Stevenson, W.A. Sahlman, M.J. Roberts, A. Bhide, 1999. 622 p.

7. I.Ergashev - Increasing innovation potential and investment activity in the development of Effective Entrepreneurship. D.A.Tsenov Academy of Economics Svishtov. Economic archive year LXXI, book 4-2018.

8. MSME Day 2019. http://www.intracen.org/MSME-day/2019

9. 9..Mamajonov A.T. Accounting of income and expenses for regular activities. European Journal of Agricultural and Rural Education (EJARE). 2021.

10. Mamazhonov Akramjon Turgunovich. Conceptual issues of accounting for finished goods in the automotive industry. International Scientific Journal Theoretical & Applied Science. 2020.

11. A.T Mamajonov, F.R Uzokmirzaev, N Foziljonova. The main ways to solve the problem in the area of financial activity of the enterprise. - Innovations in science, 2018.

12. A.Mamazhonov and Muydinov E. Documenting An Audit Of Financial Statements Based On International Auditing Standards. International Journal of Progressive Sciences and Technologies (IJPSAT). 2021/2.