



Section 5. World economy

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ASSESSMENT OF THE PROSPECTS FOR THE DEVELOPMENT OF SMALL AND MEDIUM-SIZED ENTERPRISES IN THE CURRENT CONDITIONS OF ECONOMIC DEVELOPMENT

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Abstract

The article examines the importance of the development of small and medium-sized enterprises (SMEs) as a key element of economic growth. The author emphasizes that the intensification of SME development contributes to the competitiveness of the economy, the creation of new business structures and the promotion of innovative projects. Particular attention is paid to analyzing the peculiarities and prospects of SME development in different countries, such as the United States, China and Kazakhstan, in order to identify important trends affecting the structure of the economy and the overall economic potential of the country.

Keywords: *SMEs, economic growth, competitiveness, innovation, developing countries, developed countries, USA, China, Kazakhstan, economic potential*

Introduction

Small and medium-sized enterprises are considered one of the key factors of economic growth, due to the accumulation of innovative functions, high flexibility and the possibility of accelerated adaptation to external changes, and the testing of various management models in practice of a particular market. The development of small and medium-sized enterprises is one of the strategically

significant tasks within which economically developed countries create their own support institutions aimed at stimulating the activities of small and medium-sized enterprises (hereinafter referred to as SMEs). This is due to the fact that the intensification of the development of small and medium-sized enterprises leads to an increase in the competitiveness of the economy, the creation of new largest business cells and the promotion

of innovative projects, the achievement of socio-economic goals. The relevance of the study of the features and prospects of the development of small and medium-sized enterprises in developing countries is due to the fact that, depending on the state, its legislation, the conditions created and the support measures taken, the sectoral composition of small and medium-sized businesses is changing, which affects the competitiveness of the enterprise. The economy in a number of key areas creates additional prospects for the development of market participants, leads to an increase in not only quantitative, but also qualitative effects from entrepreneurial activity. The purpose of the work is to conduct a comparative analysis of the features and prospects of the development of small and medium-sized enterprises in developed countries using the example of the economies of the USA, China and Kazakhstan.

Method

The materials for this study were open statistical data, scientific articles by domestic and foreign authors; information published in media sources describing the features and current state of small and medium-sized enterprises on the example of the USA, China and Kazakhstan. The research is based on methods of analysis, synthesis, comparison, generalization, comparison, abstraction, observation, inductive and deductive methods.

Results

Small and medium-sized enterprises (SMEs) in developed countries play an important role in the economy. They contribute to the competitiveness of the country by using minimal resources and enhancing the capabilities of human capital. SME support is becoming a key aspect of economic and social development. Investments in SMEs not only contribute to economic growth, but also to innovation. Complexities such as the complexity of the business environment and the introduction of new rules may slow down the growth of SMEs, but digital technologies can enhance their importance.

The general characteristics of SMEs in developed countries are related to:

– the prevalence of the SME sector in the GDP structure (which is also indicat-

ed by studies by D. Senneris, N.V. Kvashi, A.V. Kozlova; D.A. Pletneva, V.I. Barkhatovk, K.A. Naumova; K.A. Smirnova, etc.);

– the presence of a fairly extensive and variable systems of support measures, on the quality, accessibility and total number of which the degree of increase in the number of SMEs depends;

– high participation of SMEs in the organization of employment of the population – in developed countries this figure exceeds 50–60% (this is indicated by M.V. Krylova, D.A. Molev, Zhi Tan, E. H. Clyde);

– high innovation, investment and patent activity (also noted in the study by K.G. Stefan);

– the focus of SMEs on certain leading industries and sectors of the economy, the choice of which is dictated by the specific features of the economy of a particular country and the created stimulating conditions (indirectly confirmed in the work of S.P. Zemtsov and A.A. Mikhailov) (Gridneva, E.E. et al., 2021).

The key differences in the field of SMEs in developed countries are related to the specific contribution to the development of the economy, the distribution by sector, the availability of specified benefits, the tax regime, and the increase in the number of small and medium-sized businesses. Comparative analysis shows that the more extensive the existing support programs and the more accurate the classification of SMEs, the more organizations get access to benefits. An important difference is the vastness of the classification of enterprises into micro, small and medium-sized, the presence of a variable system of factors taken into account. If in China, according to the standard classification, an average enterprise can have a staff of up to 1,000 people, then the United States and Kazakhstan are significantly inferior in this indicator by two and four times, respectively, which complicates the possibilities for obtaining benefits from companies (Zhou Shi, 2022). However, in the United States, this factor is offset by the high flexibility of criteria that take into account the industry composition and other specific features of a particular business entity, which expands the possibility of obtaining benefits. There is no such practice in Kazakhstan (Zaitseva, A. S., 2021). In addition, it is important to have a single body that develops preferential programs and interacts

with SMEs at the state level. There is no such body in Kazakhstan, which negatively affects the possibility of receiving direct or indirect support. The most developed system of benefits for small and medium-sized enterprises is represented in the United States, since the country has many distinctive preferences that are not typical for other countries (for example, the mandatory share of SMEs in government orders, amounting to 23%; integration of SMEs into the country's defense complex) (Garcia-Martinez L.J. et al., 2023).

Despite the existing conceptual differences, there are common prospects for the development of small and medium-sized enterprises for all countries, related to:

- participation in preferential support and expansion programs, accelerated achievement of set performance indicators due to this, the entry of an increasing number of SMEs into economic processes, integration into territorial agglomerations;

- digitalization of external and internal business processes, the introduction of information and communication technologies in the activities of small and medium-sized businesses to improve the efficiency of the economic process;

- creation of internal ecosystems and integrated products, system solutions. And although such measures are now in most cases considered at the level of the largest business structures, small businesses have every opportunity to scale these trends to their own business processes;

- diversification of industry composition and the penetration of small businesses into uncharacteristic sectors of the economy of individual developing countries. In the long term, this leads to the inclusion of small businesses in complex economic systems, becoming a condition for development and accumulation of experience.

Table 1. *Assessment of the development prospects of small and medium-sized businesses in the USA, China and Kazakhstan*

A country	Description
USA	Small and medium-sized enterprises (SMEs) play an important role in most economies, especially in developing countries ¹ . However, access to finance is a key constraint to SME growth. Despite this, SMEs continue to innovate to achieve high levels of radical innovation.
China	SMEs make up the vast majority of enterprises in China and are key to its economic development. About 50% of the country's tax revenue and 60% of China's GDP comes from SMEs ³ . In 2023, the total number of micros, small and medium enterprises in China exceeded 52 million.
Kazakhstan	In Kazakhstan, the number of operating SMEs is 1,153,595 units. They contribute 24.9% ⁴ to the country's GDP. However, SMEs in Kazakhstan need increased funding, as well as targeted, innovative solutions to continue stimulating the economy and creating jobs.

Note: Compiled by the authors

Discussion

The analysis of the prospects for the development of small and medium-sized enterprises in developed countries indicates their closely interrelated nature, which appears as a combination of many perspectives at the business level as a set of measures to improve efficiency. An additional stimulating

factor is the shift of the specific features of the economic activities of individual entities towards innovation-oriented areas of activity due to their priority nature at the level of actively promoted state reforms.

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