



SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP: DRIVING FORCES IN UZBEKISTAN'S ECONOMY

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ABSTRACT

The article delves into the pivotal role played by small businesses and private entrepreneurship within the Republic's economy. It meticulously examines the distinctions between entrepreneurship and business, drawing from comprehensive analyses of these concepts alongside insights from both foreign and Uzbek economists. Moreover, it synthesizes findings from scholarly research in this realm while intertwining personal perspectives. A critical aspect involves scrutinizing the attained outcomes within the national economy concerning entrepreneurship and business, leveraging statistical data to draw informed conclusions. The article scrutinizes the proportions of small business and private entrepreneurship across diverse sectors, employing analytical methodologies. Utilizing collected statistical data, the article constructs an econometric model, facilitating the prediction of the future share of small business and private entrepreneurship within the GDP for forthcoming years. This empirical approach underpins the article's exploration, providing a predictive framework for understanding the trajectory of these sectors within the Republic's economic landscape.

KEY WORDS

Financial crisis, business, private entrepreneurship, property owner, innovation, businessman, economic activity, initiative, goal profit, risk, personal responsibility, satisfaction with one's activity, dynamism, mobility.

Introduction

In the program of measures against the global financial crisis, special attention is paid to the rapid development, stimulation and support of small business and private entrepreneurship, which play an increasingly important role in ensuring economic growth, creating new jobs, solving the employment

problem, and increasing the income and well-being of the population. The country provides many benefits for the rapid development of small business and private entrepreneurship, which is one of the main tasks of a developing country under the conditions of a market economy. Small businesses and private business entities effectively use such benefits, rapidly increasing the number of entrepreneurs and the country's output.

The main important factors in the development of the country are small business and private entrepreneurship, which, first of all, serves as the basis for new jobs and increasing the amount of real income per capita. In connection with the 32nd anniversary of Uzbekistan's independence, the development of small business and private entrepreneurship has passed several stages. Each stage is distinguished by its own goals, directions, policies, reforms and their results. Thanks to such economic laws, legal-regulatory documents and mechanisms, they give material incentives to the development of small business and private entrepreneurship and are the reason for their development. The decision of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev "On measures for the implementation of the project "Support for the development of small business and private entrepreneurship" with the participation of the Asian Development Bank" was approved. Measures aimed at business development, implementation and promotion of private entrepreneurship have been developed and are being implemented.

Literature review

For the first time, the word "businessman" appeared in the economy of England in the 18th century, and it meant "property owner". In this regard, Scottish economist Adam Smith (1723-1790), one of the founders of modern economic theory as a science, made a great contribution to the development of the theory of entrepreneurship. that is, described as the owner of the property.

Another French economist, Jean-Baptiste Say (1767-1832), deeply analysed the business phenomenon, the scientist focused on capital income and business income.

In the business income cited by J.B. Say - "a reward for his industrial ability, talent, activity, discipline and leadership spirit." From this definition, it can be said that for this researcher, the industrial entrepreneur occupies a primary place in entrepreneurship.

But for A. Smith and several other scientists, entrepreneurship in the field of agriculture was in the first place. This is certainly related to the stage of economic development revolution all over the world, and the first stage is an agrarian economy related to manual labour and land use.

Since the above-mentioned scientists were at this stage of the economy, they approached this concept from the point of view of the real situation. The second stage came into existence in the 18th century - the period of development of industry (machinery work) began, and J. Sey's views were directed to this stage. Later, at other stages of economic development, scientists gave broader, well-formed definitions to the term entrepreneurship.

For example, the German sociologist M. Weber (1864-1920) emphasized that "entrepreneurship is an economic activity aimed at obtaining income, but not any activity, but only an activity aimed at calculating capital", while the Austrian and American economist Joseph Schumpeter (1883-1950) and in his work, he proved how important entrepreneurship is in socio-economic life, saying that "an entrepreneur does not save money to achieve the necessary funds, before starting production, he does not envisage a certain profit, and the entrepreneur includes income belonging to the entire society." Unlike other scientists, Schumpeter divided the functions of entrepreneurship into specific

combinations, which include creating new, introducing new, mastering a new trade market, raw materials or semi-cases such as creating a new base of the finished product.

Based on these cited cases, it can be said that here the innovative activity is related to the industry, and it is revealed based on the sequence of important innovative features of the entrepreneurial activity. It can be seen that Schumpeter's introduction of a new direction of entrepreneurship is also important in the formation of the term innovative entrepreneurship.

American scientist Peter Drucker (1909-2005), one of the famous management theorists of the 20th century, improved Schumpeter's approach, considered entrepreneurship as a unique activity, and presented its content about innovations in various fields, including management, in his book on business management issues.

A.V. Busigin (1907-1985) introduced the concept of entrepreneurship in entrepreneurship as a form of business activity based on an innovative approach to the existing system of economic relations aimed at the production and sale of goods to the market, obtaining business benefits.

B.A. Abdukarimov, F.B. Abdukarimov defined the concept of an entrepreneur as follows: the terms "entrepreneur" and "entrepreneur" are close concepts, they are the terms that name enterprising, dexterous, resourceful, active people.

Similarly, U.P. Umurzakov, A.J. The Toshboevs also defined entrepreneurship as follows. Entrepreneurship is a conscious and purposeful economic activity of owners or their representatives to organize the production and exchange of goods and services in order to achieve a socio-economic result.

In our opinion, the definitions given to the concept of entrepreneurship by these scientists are incomplete and complement each other. It is necessary to emphasize that in the current era of economic globalization, the definitions of the concept of entrepreneurship are getting deeper and deeper. Solving the problem of limited economic resources and their optimal use is gradually solved by finding different measures. This, in turn, leads to the improvement of the concept of entrepreneurship.

As above, there were different approaches to the concept of business from the theoretical point of view. Because the main goal of business is to add money to money. Regardless of whether it is an individual or a legal entity, who is engaged in this type of activity, to achieve his goal, he considers it preferable to take an innovative approach to his activity and tries to use the achievements of scientific and technical development. Taking these things into account, some of the authors consider business and entrepreneurship to be the same concept and consider business as a modern term. That is why scientists from foreign countries and our republic have conducted a lot of theoretical research to separate the essence of these two concepts and these researches are ongoing.

In this regard, we are associate professor of Tyumen State University I. We found it permissible to dwell on the research of V. Ignatova. "In his opinion, business means a stable economic activity aimed at making a profit to satisfy the needs of society. Entrepreneurship is distinguished from business by the following characteristics: initiative, profit-orientedness, risk-taking and personal responsibility, satisfaction with one's work, dynamism, and mobility (mobility).), to be able to find professional solutions in conditions of uncertainty, and to carry out research on finding new ideas and methods of their implementation. The process of entrepreneurial activity can end with the sale of research results. After that, the business stage begins. The goal of entrepreneurship is to ensure growth (economic, social, etc.) and development of society based on the implementation of innovative and advanced

ideas. Business aims to fill markets with necessary goods and services. Business is an activity aimed at making a profit. "Entrepreneurship is creativity and innovation."

In fact, in our opinion, a person can get some kind of positive result during the implementation of his creative activity based on an idea. If this result is recognized by society, it becomes a business. That is, the obtained result is taken to the market by this person or other legal entities based on the right of ownership. Based on this, we can say that entrepreneurship is much narrower than business in terms of scope and can be said to be an integral part of it. In other words, entrepreneurship should be considered as a system, and business as a sub-system.

Analysis and results

The concepts of entrepreneurship and business have been given different definitions at different stages of the development of society, and at all stages of economic development, economists have conducted scientific research on this issue. The continuous implementation of such research shows the role of entrepreneurship and private business in economic development. The analysis of the results achieved in the economy of our country reflects this idea. can be justified by doing. For analysis, we use the following table, compiled using statistical data:

Table 1. The share of small business and private entrepreneurship in GDP in the Republic of Uzbekistan

<i>Indicators</i>	<i>GDP</i>	<i>Industry</i>	<i>Construction</i>	<i>Employment</i>	<i>Export</i>	<i>Import</i>
2000	31	12.9	38.4	49.7	10.2	22.8
2001	33.8	12.5	40.4	51.8	9.3	26.7
2002	34.6	15.4	42	53.5	7.5	24.9
2003	35	10.8	39.9	56.7	7.3	33.7
2004	35.6	11	49.6	60.3	7.3	32.7
2005	38.2	10	50.9	64.8	6	33.7
2006	42.1	10.9	52.1	69.1	11.2	34.2
2007	45.7	13.2	55.4	72.1	14.8	32
2008	48.2	14.6	58.4	73.1	12.4	35.7
2009	50.1	17.9	42.4	73.9	14.6	42.5
2010	60.8	26.6	52.5	74.3	13.7	35.8
2011	61.9	28.6	67.6	75.1	18.8	34.3
2012	60.8	29.7	70	75.6	14	38.6
2013	60.9	33	70.6	76.7	26.2	42.4
2014	61.9	36.8	69.5	77.6	27	45.4
2015	64.6	40.6	66.7	77.9	27	44.5
2016	66.8	45.3	66.9	78.2	26	46.8
2017	65.3	41.2	64.8	78	22	53.6
2018	62.4	37.4	73.2	76.3	27.2	56.2
2019	56	25.8	75.8	76.2	27	61.6
2020	54.8	27.9	72.5	74.5	20.5	51.7
2021	54.1	27.4	72.5	74.5	20	45.3
2022	51.8	26	71.5	73.9	29.6	49.4
2023Q3	51.2	25.9	74.2	-	30.1	49.8

Based on the statistics presented in the table, we can say that in 2000, the share of small business and private entrepreneurship in the GDP of our country was 31 percent. This indicator was 12.9 percent

in the industrial sector and 38.4 percent in the construction sector. The number of people employed in the field of small business and private entrepreneurship in the republic is 49.7%, and they produce 10.2% of the export volume of the republic. Their import is 22.8% of the total import.

By 2010, these figures were 60.8; 26.6% and 52.5% of those employed in these fields made up 74.3% of the total employment. It can be seen that as a result of the measures and measures taken by our state to support small business and private entrepreneurship for ten years, the share of this sector in GDP has increased from 31% to 60.8%, and the difference between them is equal to 29.8%.

If we consider these indicators for the year 2022, we will be sure how correct the economic policy implemented by the head of our country is. Indeed, in 2000, the share of small business and private entrepreneurship in the GDP was 31%, and by 2022 this indicator will be It consists of 51.8% and 20.8% compared to 2000. The number of people employed in this sector increased by 24.2% compared to 2000 and by 0.2% compared to 2010.

During the analyzed years, high results were achieved by representatives of small business and private entrepreneurship. The amount of exports increased by them made up 29.6% of the total exports, which was 19.4% more than in 2000, and 15.9% more than in 2010.

The results achieved in business and private entrepreneurship in our national economy are more clearly visible in the following graphs.

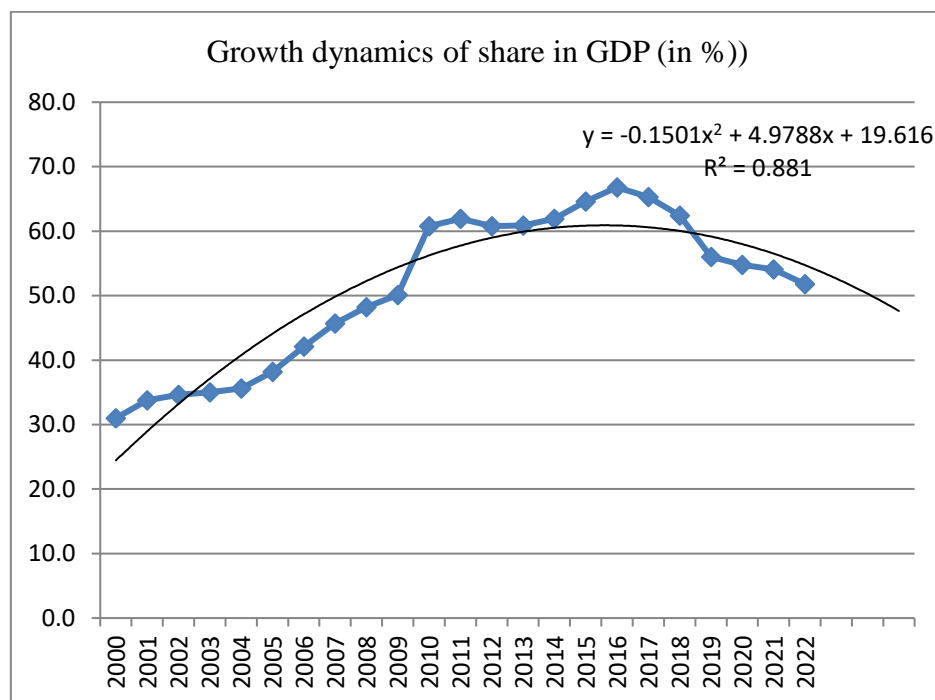


Figure 1. Dynamics of the share of small business and private entrepreneurship in YAM in 2000-2022.

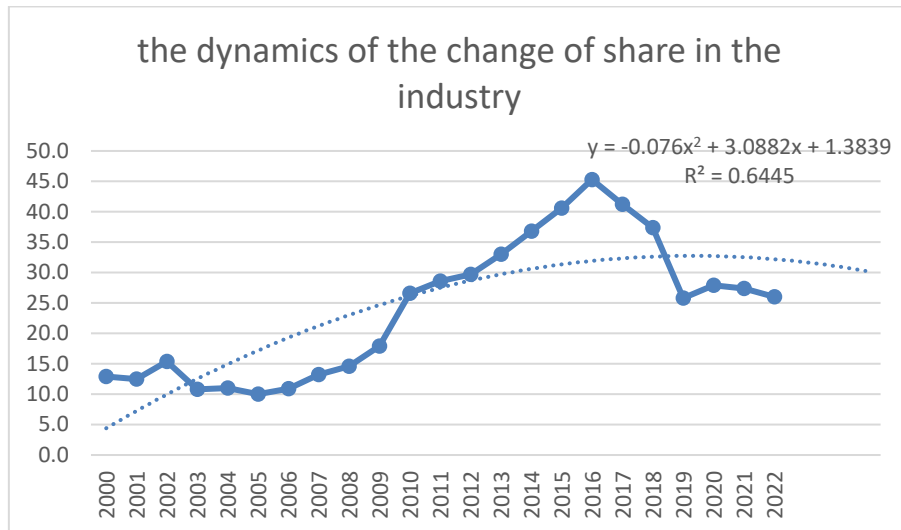


Figure 2. The share of small business and private entrepreneurship in the industry in 2000-2022

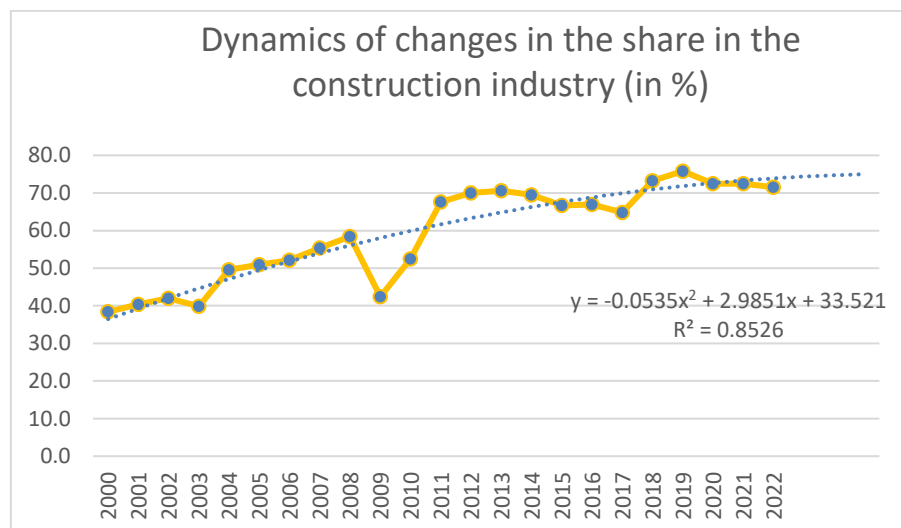


Figure 3. The share of small business and private entrepreneurship in the industry in 2000-2022

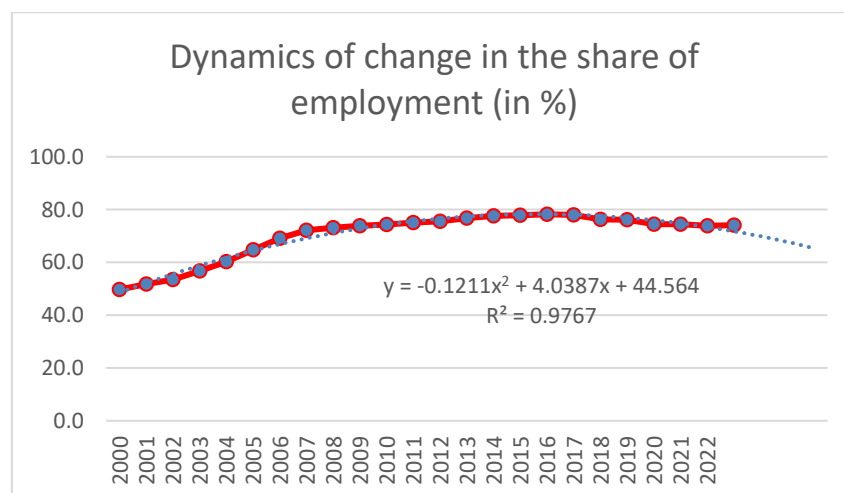


Figure 4. The share of small business and private entrepreneurship in employment in 2000 - 2022

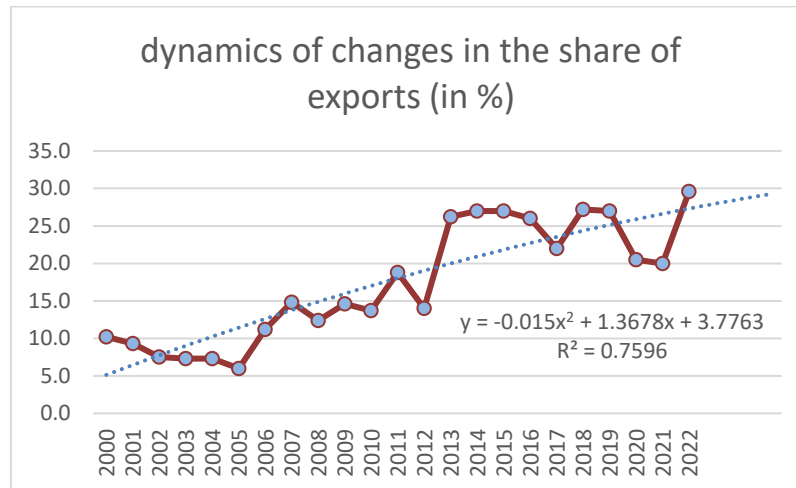


Figure 5. The share of small business and private entrepreneurship in exports in 2000-2022

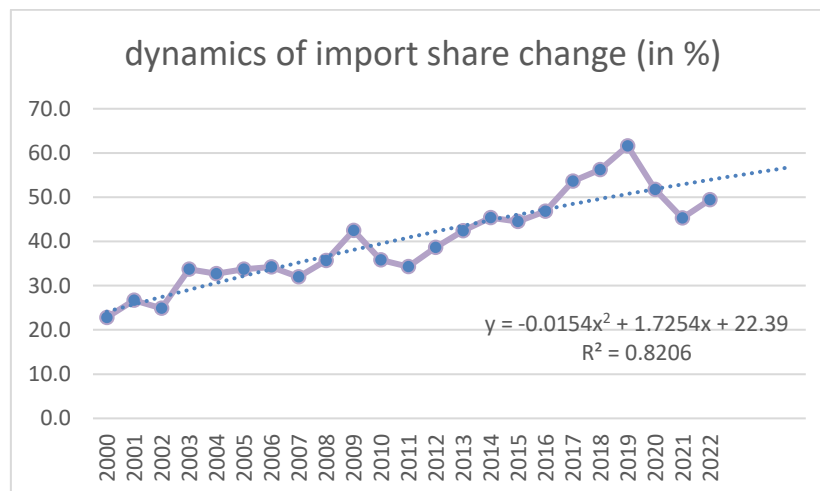


Figure 6. Share of small business and private entrepreneurship in import in 2000-2022

Based on the data of the table given above, we will create an econometric model of the studied indicator. For this, we use the "Excel" program.

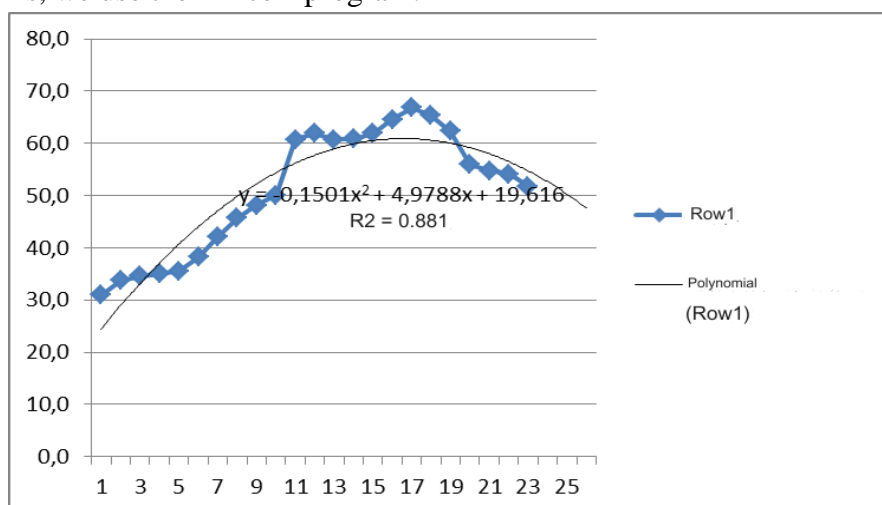


Figure 7. econometric model of the studied indicator

Conclusion

At the end of our research, we can conclude that continuous development of business and private entrepreneurs is the main and decisive factor for achieving sustainable economic growth in our national economy and thereby raising the standard of living of the population. Because further revitalization of the measures implemented in this field in the country remains the main tool for reducing unemployment, which is one of the main problems of the market economy. The results of the analysis showed that by the end of 2022, 73.9% of the employed in our republic are working in the field of business and private entrepreneurship, this indicator is 74.2% in the fourth quarter of 2023. The results of the forecast made during the research show that this figure will be 50 percent in 2025.

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