

Role of Business in The Economy of Country: A Case of Uzbekistan

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Abstract. In this article provides information on the analysis of the ongoing work in the development of the entrepreneurship sector in our country, the benefits and support provided by the state.

Keywords: economy, entrepreneurship, competitiveness, gross domestic product (GDP).

1. INTRODUCTION

The potential and role of entrepreneurship in the economy of Uzbekistan is very important. They have an advantage over large enterprises in creating new jobs. Because new jobs created by businesses are accompanied by cheaper capital capacity compared to large enterprises. It takes a short time to create them. The entrepreneur serves to increase the competitiveness of goods produced in the country in the foreign market. Expands exports, improves the quality of goods and serves to increase demand for them in the domestic market. Analysis of literature on the topic. It should be recognized that the scientists who founded the science of economics gave the following definitions to the form of entrepreneurship: Adam Smith, a famous economist, defines an entrepreneur as follows: "An entrepreneur is a capital owner who implements a certain commercial idea and starts work on the basis of risk in order to make a profit." [1]

American economist Y. Schumpeter described an entrepreneur as an innovator in his work. Another American scientist R.S. Ronstadt stated that entrepreneurship is a dynamic process of wealth acquisition. [2]

English economist F. According to Hein, entrepreneurship is not an activity, but finding new economic opportunities and ensuring behavior. [3]

According to the Russian economist A.V. Busigin, entrepreneurship is the art of doing business, first of all, it is a thinking process carried out in the form of business design. [4]

R. Cantilon expressed the opinion that an entrepreneur is a person who buys at a certain price and sells at an unknown price, and therefore acts under risk conditions.

According to the opinions of Uzbek scientists, entrepreneurship is defined as the independent activity of citizens aimed at obtaining personal property income and profit.

Based on the above considerations and as a result of our own research, we can define an entrepreneur as follows: An entrepreneur is a business person who enters the market with a new idea, product, service and work, risking a certain amount of his financial resources.

2. RESEARCH METHODOLOGY

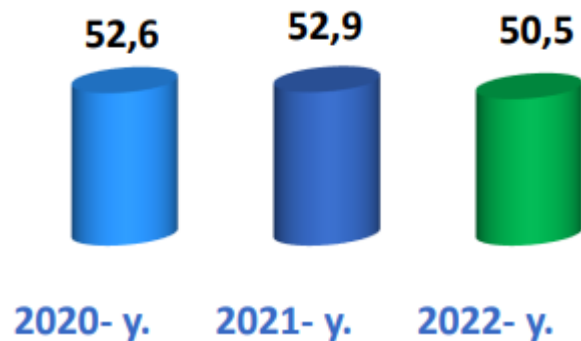
In this work, the basics of entrepreneurship development in our country were studied. A systematic approach and analytical methods were used during the research.

3. ANALYSIS AND RESULTS

Uzbekistan gained state independence and gave an opportunity to independently choose the path of its development. The idea of transition to a socially oriented market economy, establishment of an open democratic state and civil society and five principles of its implementation were justified. Due to their consistent application in life today, the economy of our country grows at a high rate and macro-economic balance is ensured, and structural changes and modernization in production areas, updating of techniques and technologies are continued. [5]

One of the main indicators of economic development is the gross domestic product (GDP). The share of business entities in GDP is increasing. As proof of this, we can cite data on the share of small business entities in GDP in 2020-2022. This share was 52.6% in 2020 and 50.5% by 2022. It is worth noting that the share of this sector in the GDP

decreased by 2.1% over 3 years. [6].



According to the analysis of the model parameters, the Republic of Karakalpakstan, Andijan, Jizzakh, Kashkadarya, Namangan, Syrdarya regions have a type of growth trend, and the rest have a declining type. The length of the cycle of industrial production in the regions varies from 4.21 (Tashkent) to 9.37 (Navoi region).

If we analyze the share of small business entities operating in the Republic of Uzbekistan in GDP by region, Navoi region is the lowest with 23.5%, Tashkent region with 45.1%, and Surkhandarya region with 75.8%.

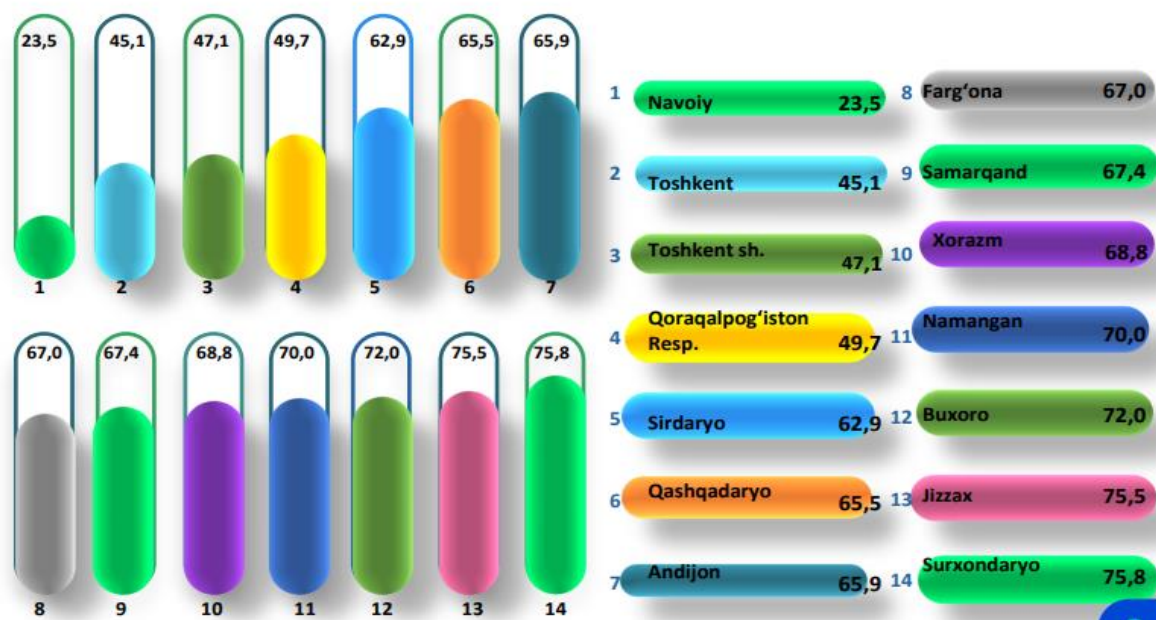


Figure 1. Share of small business in GDP by region in January-June 2022, in %

Our analyzes show that the share of individual entrepreneurs and micro-firms in the production of gross domestic product by small business entities is still high.

It aims to increase small business not only quantitatively, but also to develop it first of all qualitatively. This requires paying special attention to the transition from simple production to complex, high-tech production based on market requirements.

Today, important work is being done to further develop the small business sector, which occupies an important place in the national economy, to fill the domestic market with competitive, high-quality and exportable products, to create new jobs, and on the basis of this, to increase the income of the population and ensure stable economic growth.[7]

Table 1: Average annual number of people employed in small businesses (thousands of people)

	2000-2005 yy.	2006-2010 yy	2011-2015 yy	2016-2020 yy
Republic of Uzbekistan	427,08	408,28	305,3	-232,2
Karakalpakstan	24,52	12,72	11,34	47,3
Republic	0	0	0	0,0
regions:	34,1	57,8	33,02	-64,2
Andijan	28,96	29,06	11,9	-57,4
Bukhara	17,7	10,58	12,42	60,3
Jizzakh	39,2	36,3	36,68	11,2
Kashkadarya	16,16	6,26	5,3	-39,0
Navoi	29,14	39,48	33,1	77,4
Namangan	58,2	54,08	40,98	-58,0
Samarkand	22,06	37,08	31,74	22,5
Surkhandarya	16,08	8,1	6,12	-29,9
Syr Darya	30,5	40,62	28,94	-128,4
Tashkent	54,52	43,96	32,14	-65,8
Ferghana	30,14	24,96	19,5	-7,8
Khorezm	25,8	7,28	2,12	-0,4

As can be seen from Table 1, if we analyze the indicators of the population employed in small businesses by grouping the data of every five years, in 2000, between 2005 and 2005, it increased from 427,08 thousand people on average. 408.28 between 2006-2010 thousand people, increased by 305.3 thousand people from 2011 to 2015, we can see that it decreased by 232.2 thousand people between 2016 and 2020. One of the reasons for this was the liberalization and diversification of the economy in 2018, and secondly, the spread of the coronavirus disease COVID-2019, which shook the countries of the world in 2020, led to the suspension of the activities of some entities engaged in the small business sector. This did not affect the employment indicators of the population. Therefore, with the initiatives of our president Sh.M. Mirziyoev, to small business entities the government gave them several incentives to restore their activities. These benefits require the restoration of the activities of small enterprises, the production of finished products by the representatives of the industry in our republic, and the effective use of the created opportunities.[8]

In the presidential decree of the head of the country "On the new development strategy of Uzbekistan for 2022-2026" signed on January 28, after analyzing in depth the results of the progress of our country, in the following years, on the basis of the principle of "For human dignity", we will further increase the well-being of our people, transform economic sectors and accelerate entrepreneurship. development, human rights and interests unconditionally priority directions of reforms aimed at providing and forming an active civil society were determined. Based on it, the establishment of a people-friendly state through the further development of human dignity and the further development of a free civil society, making the principles of justice and the rule of law the most basic and necessary condition for development in our country, national ensuring rapid development of the economy and high growth rates, conducting a fair social policy, developing human capital, ensuring spiritual development and bringing the industry to a new level, approaching universal problems based on national interests, strengthening the security and defense potential of our country, open, pragmatic and active foreign attention was paid to several tasks such as conducting politics.[7]

The analysis of statistical data shows that in 2020, as in previous years, high growth rates were ensured in the socio-economic development of our republic. It can be seen by comparing the main macro-economic indicators describing the socio-economic development by years. In 2020, the volume of the gross domestic product (GDP) of the Republic of Uzbekistan at current prices will be 580,203.2 billion. amounted to soums, and increased by 1.9% compared to 2019. The GDP deflator index was 111.9 percent compared to 2019 prices. GDP per capita amounted to 16,949.1 thousand soums, and this indicator decreased by 0.3% compared to the corresponding period of 2019.[9]

In the economy of the Republic of Uzbekistan, small business constitutes the main part of the gross domestic product. Below, the share of small business in 2000-2020 is expressed as a percentage of the total volume. [10]

Table 2 shows that in 2000, the share of small business in GDP was 31%, and in 2020, this figure was 55.7%

(increased by 24.7% during the same period). Correspondingly, the number of employees in small businesses has been increasing year by year, and in 2000 it was 49.7 percent, and in 2020, the number of people employed in the economy as a whole is 75.1 percent. The number of employed people increased by 25.4 percent compared to the same period. During this period, the volume of export of goods and services of small businesses in 2000 was 10.2 percent, we can see that in 2020 the total was 20.5 percent, that is, we can see an increase of 10.3 percent in these periods.

Table 2: The share of small business in the Republic of Uzbekistan
(in % of total volume)

Years KBXT's share in GDP KBXT's share	Years KBXT's share in GDP KBXT's share	Years KBXT's share in GDP KBXT's share	Years KBXT's share in GDP KBXT's share	Years KBXT's share in GDP KBXT's share
2000	31,0	49,7	10,2	22,8
2001	33,8	51,8	9,3	26,7
2002	34,6	53,5	7,5	24,9
2003	35,0	56,7	7,3	33,7
2004	35,6	60,3	7,3	32,7
2005	38,2	64,8	6,0	33,7
2006	42,1	69,1	11,2	34,2
2007	45,7	72,1	14,8	32,0
2008	48,2	73,1	12,4	35,7
2009	50,1	73,9	14,6	42,5
2010	60,8	74,3	13,7	35,8
2011	61,9	75,1	18,8	34,3
2012	60,8	75,6	14,0	38,6
2013	60,9	76,7	26,2	42,4
2014	61,9	77,6	27,0	45,4
2015	64,6	77,9	27,0	44,5
2016	66,8	78,2	26,0	46,8
2017	65,3	78,0	22,0	53,6
2018	62,4	76,3	27,2	56,2
2019	56,0	76,2	27,0	61,6
2020	55,7	75,1	20,5	51,8

As can be seen from the data in the above table, as a result of the economic reforms carried out in our country, all indicators of small business are growing.

The President of our country is supporting the entrepreneurial initiatives of citizens who want to engage in small business activities. In 2020, a total of 120 trillion soums of credit and financial assistance was allocated to small business entities. As a result, more than 104,000 enterprises affected by the pandemic were restored, and the turnover of private enterprises increased by 33% compared to last year.

Providing preferential loans to small businesses and providing practical assistance at every stage of their business activities. Citizens who want to engage in small business activities are being given practical help to teach them

business skills and form the appropriate type of activity. Currently, the head of our state pays special attention to creating new jobs by expanding household activities. [11]

In the villages and neighborhoods of the Republic of Uzbekistan, positive results are being achieved in small business activities due to pottery, painting, crafts, cultivation of some types of agricultural products, organization of greenhouses to meet the needs of the population even in the winter season.

4. CONCLUSION AND SUGGESTIONS

In conclusion, with the development of small entrepreneurship, we will be able to solve the directly implemented tasks of forming the middle ownership class in our republic. Small business becomes the main sector that provides employment and is one of their sources of income.

- Currently, the following should be implemented in order to comprehensively support, encourage and regulate small business in Uzbekistan:
- further improvement of the regulatory and legal basis of establishment and liquidation of small business entities;
- providing conditions for citizens to freely engage in business activities, improving their business qualities and protecting their legal rights and interests;
- improvement of the financial and credit system and expansion of opportunities to use credit sources, investments and investments of small business participants;
- to expand the scope of work with infrastructures serving small business participants;
- to expand the opportunity of small business enterprises to use raw materials, information and innovative technologies freely and without obstacles, to improve the mechanism of selling products (work, services) produced by small business enterprises in foreign and domestic markets;
- increasing the importance of the insurance system in order to guarantee the economic activity of small business entities;
- implementation of measures to ensure the active participation of business entities in the implementation of export-import operations of the Republic of Uzbekistan with foreign countries, in international fairs, in the implementation of programs within the framework of foreign economic relations;
- Improving the provision of economic, statistical, legal, scientific and technical information resources for individual business entities in the territory of the Republic of Uzbekistan to operate at a high level.[12]

Currently, the implementation of a number of regulatory documents aimed at the development of small entrepreneurship, as well as the creation of regulatory frameworks for structural changes, financial consolidation and compaction of enterprises established by small entrepreneurship (business) create the basis for the annual increase in the efficiency of the activities of small business entities in the future.

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