

ISSUES OF DEVELOPMENT OF ENTREPRENEURSHIP IN THE MODERN ECONOMY OF THE REPUBLIC OF UZBEKISTAN

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Abstract

In this article are discussed the development of entrepreneurship in the modern market economy of the Republic of Uzbekistan.

Keywords: market economy, entrepreneurship, competition, economic growth.

Modern entrepreneurship is the most important element of a market economy; it largely determines the rate of economic growth, the structure and quality of the gross national product, helps maintain competition, and forms a new social stratum of society. A high level of entrepreneurship development is a prerequisite for the modern market economy model, since it includes many functions: direct production, privatization of property, management, marketing and many other activities related to creativity, innovation and risk.

Entrepreneurship is an initiative, within the framework of the current legislation, the activity of subjects of ownership aimed at the production of goods and the provision of services and the receipt of profit or income.

The development of entrepreneurship is of great importance in economic stability and affects the growth rate of industrial production. Entrepreneurial activity is the basis of the innovative, productive nature of the economy. The more economic entities have the ability to show their initiative and creativity, the smaller the gap between potential and actual development results. Entrepreneurship contributes to the development of new promising industries and the washing out of obsolete ones. In addition, entrepreneurial activity serves as the core of the development of competition and the "marketization" of the economy, strengthening the "openness" of the national economy, the development of the import and export of capital.

Entrepreneurship develops in a market economy, competition and links between business entities. So, we can conclude that entrepreneurship as a business entity and a special, creative type of economic behavior, acts as a means of achieving all the factors of economic success. Autonomy and independence of economic entities are one of the main features of entrepreneurial activity. The behavior of business entities is driven by internal motives. Entrepreneurs decide all issues regarding their activities, based on economic benefits and market conditions. A distinctive feature of entrepreneurs is independence. It is also important to have economic interest and responsibility. After all, the driving factor in entrepreneurial activity is personal gain. But in addition to its own interests, the economic entity also works for the public. Today, the personal interest of the entrepreneur is associated with the collective interest of the firm or company. In the presence of independence, the entrepreneur is personally responsible for the results of the activity. Interest with responsibility involves working in an enhanced mode. It is impossible to imagine entrepreneurial activity without innovation and creative search. High quality and frequent product

upgrades improve work efficiency.

It is possible to single out the necessary (basic) and possible (secondary) properties of entrepreneurship. The necessary (basic) ones include organizational and economic innovation and economic freedom. Other characteristics (risk, decision making, ownership of resources, leadership, etc.) are possible (secondary) properties of entrepreneurship [1].

Relations associated with entrepreneurship, regardless of the form of ownership, type of activity, industry specialization, are regulated by the legislation of the Republic of Uzbekistan.

The economic activity of an enterprise of any form of ownership operating in market conditions should be, first of all, cost-effective in order to ensure income and investment, maintain independence and develop the enterprise. Therefore, the problem of enterprise management is to study the influence of external and internal events on the parameters of business processes and in the correct regulation of these parameters to achieve the required performance. In the conditions of frequently and sharply changing market conditions and fierce competition, the speed and adequacy of the reaction, the accuracy and efficiency of an entrepreneurial strategy are of particular importance.

Scientists agree that entrepreneurship is the main element of the economic mechanism, and the entrepreneur is one of the central figures in the socio-economic life of society. Increasingly, researchers are turning to the study of entrepreneurship problems.

In 2017, after a long period of economic stagnation and isolation, Uzbekistan embarked on very important reforms to create a competitive and inclusive market economy. Key reforms include the liberalization of the exchange rate, the reduction of import duties, the liberalization of prices for certain types of goods and services, and the creation of an antimonopoly committee [3].

These first measures to develop a market economy were an important step in strengthening the private sector, creating new and well-paid jobs. Small business and private entrepreneurship - was one of the main directions of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021. During the years of implementation of the Action Strategy, about two thousand laws, decrees and resolutions were adopted to support the development of this sector. Particular attention was paid to ensuring legal protection, eliminating numerous administrative barriers for business, and limiting interference in business activities. 114 licenses and permits were canceled, a notification procedure was introduced for 33 types of activities, the procedures for obtaining permits were simplified and the terms for issuing them were reduced by an average of two times. Unnecessary checks have been canceled, restrictions associated with the circulation of cash, currency and raw materials have been lifted. As a result of these measures, the business climate of entrepreneurial activity has improved in the country, which is reflected in international ratings. Thus, the World Bank has systematically increased the position of Uzbekistan in its rating in recent years. In the Doing Business 2020 report, Uzbekistan's ranking improved by 7 positions, securing 69th place, which allowed the country to enter the list of the top 20 reforming countries. According to the Index of Economic Freedom, produced by the Heritage Foundation in conjunction with The Wall Street Journal, Uzbekistan has risen from 152nd in 2018 to 108th in 2021. For four years, the growth amounted to 44 positions [2].

But at present, there are still a number of problems that need to be solved for further development. The Economic Memorandum for Uzbekistan, published by the World Bank in 2021, outlines some areas that require further work. Let's consider in more detail.

Competition is still considered weak. In the Bertelsmann Transformation Index, the assessment of the development of market competition in Uzbekistan in 2020 improved compared to 2016, but this

indicator is still lower than in a number of other countries in the Europe and Central Asia region:

- the level of development of entrepreneurship remains limited;
- legal private enterprises do not expand over time;
- decrease in labor productivity.

All this leads to a common conclusion: the stagnation of the private sector and entrepreneurship speaks of a distorted business environment that does not stimulate the development of enterprises with growth potential and prevents the allocation of resources in favor of more efficient companies.

There are many reasons for this. One of the important factors is the limited competition in product markets, which is typical for countries with economies in transition. Indeed, unequal conditions persist due to discriminatory measures and regulation, especially in markets where state-owned enterprises compete with private ones.

Business surveys conducted by the World Bank in 2019 also identified other business environment factors hindering private sector development, including tax rates, informal sector activity, access to electricity and finance.

The results obtained indicate the need for a comprehensive state policy to improve the conditions for doing business and developing entrepreneurship in Uzbekistan.

Urgent reforms and policies are needed in the following key areas:

- further strengthening of competition;
- the tax regime should promote the growth of enterprises;
- improving access to finance for micro, small and medium enterprises;
- the promotion of reforms in the electricity sector is essential to upgrade outdated infrastructure and improve the quality and reliability of services.
- introduction of active policy measures to support entrepreneurship;
- elimination of skills gaps as a condition for the growth of the private sector.

Uzbekistan faces the difficult task of developing the private sector and entrepreneurship, moving away from the legacy of a centrally planned economy. The only sustainable solution for the future is to make private enterprises the main form of business and the economic future of the country. This will require the coordination of all stakeholders and government agencies, the achievement of a broad consensus, and the creation of reliable mechanisms for monitoring the coordination and implementation of reforms.

In order to achieve the set development goals until 2030 Uzbekistan, it is extremely important to fully use the potential of the private sector and entrepreneurship. Therefore, the development of the private sector will be one of the main areas of work for the next five years.

Analyzing the different points of view of scientists on the issue of entrepreneurship, we can conclude that entrepreneurial activity is the realization of the special abilities of an individual, expressed in a rational combination of production factors and an innovative risk approach. In a market economy, the functioning of enterprises of various organizational and legal forms of management, optimization of their development and improvement are of particular relevance.

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