

Issues of Improving Entrepreneurship in the Development of Our National Economy

Shadiyeva Gulnora Mardiyevna

Department of real economy prof, doctor of Economic Sciences

Abduraimova Nilufar Xusenovna

Master, Samarkand Institute of Economics and Service

Annotation: The article seeks solutions to pressing challenges our Republic currently faces. It delves into both theoretical and hands-on strategies for fostering "Entrepreneurship amid the digital transformation of our nation's economy."

Keywords: Digital entrepreneurship, Innovation, Virtual environment, Digital technologies, Digital service, Innovative entrepreneurship, Business entities.

Introduction

Entrepreneurship is critical to the growth and development of any modern economy. Entrepreneurship is the engine of economic growth, as well as a driving force behind decentralisation, economic restructuring, and the transition to a market economy. Entrepreneurship is defined as the practice of capitalizing on previously undetected profit opportunities to create a new process or output. Entrepreneurs incur the risk involved with economic development because they pursue new ideas and devote resources to new business ventures, the results of which are expected to be large, both immediately and in the near future. The link between entrepreneurship and economic growth is demonstrated when entrepreneurs act on profit opportunities, making the economy more productive by establishing additional economic activities, which in turn produce employment opportunities and enhance the GDP.

In today's digital economic landscape in our nation, fostering entrepreneurship and evolving the population's way of life is gaining prominence on the priority list. Small businesses and private entrepreneurial endeavors play a pivotal role in shaping a modern Uzbekistan that meets contemporary demands. As highlighted by our country's President, Shavkat Mirziyoyev: "It's crucial to emphasize supporting entrepreneurial actions that address community social issues, especially those initiated by the youth and women. To facilitate this, broader access to microfinance services, financial assets, and public procurement will be made available to the public and entrepreneurs. With these initiatives, the enthusiasm and trust of our citizens in embracing entrepreneurship will flourish, motivating them to seek higher earnings."¹

¹ Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis. 2020 year

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Literature review

Despite the fact that entrepreneurship is a relatively unstudied topic in economics, there is a significant and rising literature on the relationship between entrepreneurship and economic growth. Much of the empirical analysis is based on cross-section regressions that employ indexes of entrepreneurial activity provided annually in the GEM for each economy. Overall, empirical data indicates that economies with higher levels of entrepreneurial activity grow quicker. The evidence, however, is not conclusive because some research find no substantial beneficial association between entrepreneurship and economic growth. Furthermore, given the variability of entrepreneurship, blanket conclusions should be avoided because different strands of entrepreneurship are likely to effect growth in different ways. Furthermore, given the variability of entrepreneurship, blanket conclusions should be avoided because different strands of entrepreneurship are likely to effect growth in different ways. Furthermore, the relationship between entrepreneurship and growth may fluctuate in nations with varying levels of affluence and development.

A substantial and rising body of literature emphasizes the relevance of new business formation in economic prosperity. According to Ribeiro-Soriano (2017), new small firms play an important role in raising competition in emerging areas and improving an economy's overall inventive ability. While aggregate-level connections between entrepreneurship and economic development are intriguing and important, entrepreneurship is primarily a firm-level phenomena. Individual entrepreneurs' actions and decisions have an impact on their own businesses as well as the businesses with which they deal. Small enterprises' entrepreneurial activity acts as agents of change and innovation in the economy [see, for example, Acs (1992) and Carree and Thurik (2010)]. Carree and Thurik (1998) investigated the link between an industry's percentage of small enterprises, a crude indicator of entrepreneurship, and aggregate industry production growth. The authors discovered that a larger percentage of small businesses in the beginning of the 1990s led to better aggregate production growth in the subsequent 3-4 years after analyzing a sample of 14 manufacturing industries in 13 European nations.

Many scientists around the world have conducted research in the field of entrepreneurship. Here are some famous scientists who have made a significant contribution to entrepreneurship research.

Joseph Schumpeter (1910s-1940s) defined entrepreneurship as a process of "creative destruction" in which entrepreneurs introduce new ideas, technologies and methods into the economy, which contributes to its growth and development.

Research methodology

When conducting this research, the laws of the Republic of Uzbekistan on entrepreneurship, the Decree of the President of the Republic of Uzbekistan, the books of the President of the Republic of Uzbekistan, the content and essence of scientific works of economists in the field of sociology were studied. -sectors of the economy were studied, and existing economic indicators of the development of the small business sector were analyzed.

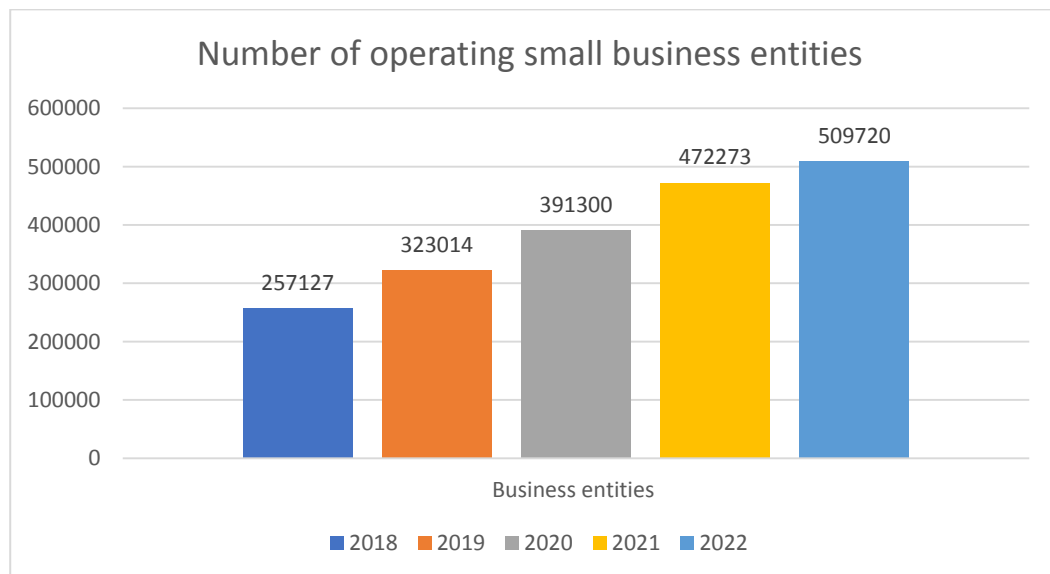
Discussions of the results

Offices dedicated to the Prime Minister's affairs were set up across all regions, providing a platform for business professionals to voice their concerns and seek resolutions. The State Fund for Entrepreneurship Development was initiated under the Cabinet of Ministers, with an allocation of 200 billion sums and an additional 50 million dollars. From January to June 2022, the GDP per capita was recorded at 10,994.9 thousand sums (equivalent to 995.3 US dollars), marking a 3.3% increase from the same period in 2021. Lately, due to reforms introduced in our republic, there's been a

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noticeable rise in the number of small business entities, excluding farms and peasant farms (as shown in diagram 1).

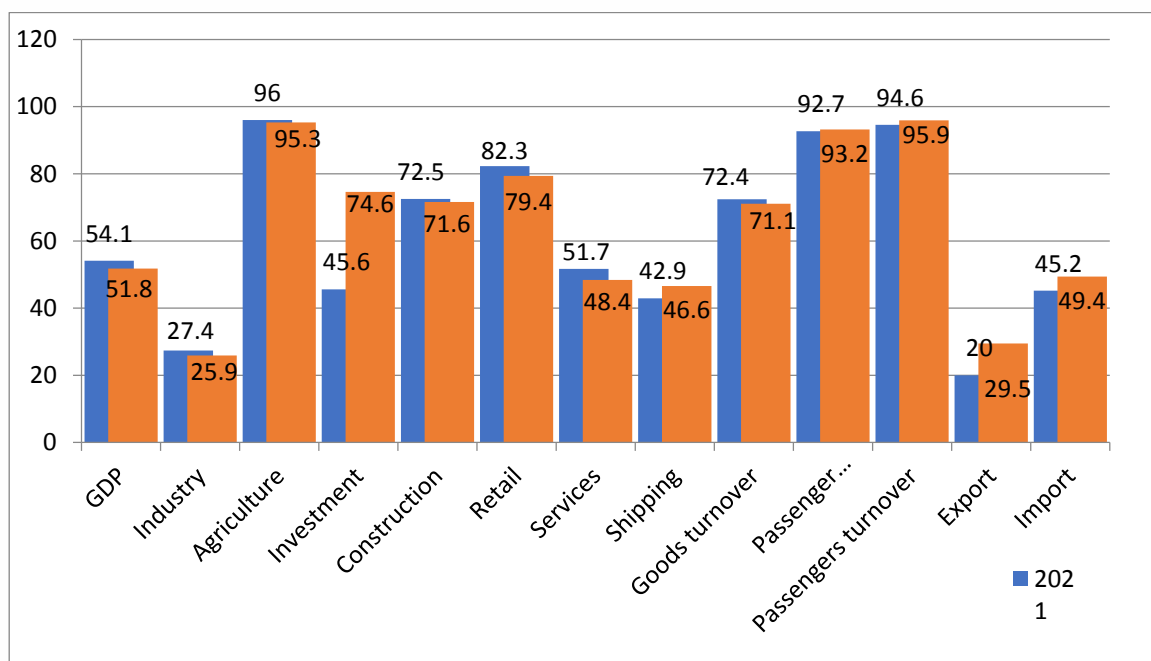
Diagram 1



The data illustrated in the diagram above reveals that the number of small business entities, excluding farmers and peasant farms, was 257,127 in 2018, 323,014 in 2019, 391,300 in 2020, 472,273 in 2021, and increased to 509,720 by 2022. This shows a twofold increase compared to the same period in 2018. Following is the diagram demonstrating the key indicators of small business (**Diagram 2**):

Key indicators of small business for January-December, 2022 y %

Diagram 2)



It is evident from Diagram 2 that Agriculture, Passenger transportation and Passenger turnover have a lion's share in the small businesses with highest percentage. Meanwhile, small businesses are involved in Industry and Export sectors the least. Furthermore, Diagram 2 shades light into the slight changes in figures of both years. It is worth to mention that the changes are minor

During the years of independence, a solid legal framework was created that provides protection of the rights and legal interests of private owners, the priority of the rights of entrepreneurs in interactions with the state, law enforcement and control bodies, in particular, reliable legal guarantees against unreasonable interference in the activities of business entities. Today, more than 525,000 business entities are operating in our country. More than 56 percent of the gross domestic product in our country is produced by small and private business entities, which provide employment to more than 78 percent of the working-age population of our republic. The following recommendations have been developed for the development of entrepreneurship in our country: exemption or reduction of income tax for entrepreneurs who have just started their activities; providing opportunities to entrepreneurs depending on the location of the regions; giving vacant buildings and plots of land to entrepreneurs at reduced prices; state assistance to entrepreneurs in exporting products; organization of entrepreneurship courses and involvement of the population.

CONCLUSION

In essence, by consistently refining the organizational economic mechanisms of small business and private entrepreneurship, several objectives can be achieved. A primary task set by the President of the Republic of Uzbekistan, Sh. Mirziyoyev, is the digital management and growth of various economic sectors, including private entrepreneurship. The development of entrepreneurship in our nation plays a crucial role in enhancing the quality of life, reducing poverty, and propelling economic growth. In the world's developed nations, population income primarily grows due to the systematic organization of innovative processes in entrepreneurship and the constant evolution of digital business practices. One of our republic's significant challenges in the digital economy era is to boost the production of globally competitive products and services. Currently, a key objective is to foster healthy competition among entrepreneurs, which can lead to price reduction and the expansion of export-quality products competitive on the global stage. By studying global best practices, we should further open up monopoly sectors to the private domain, foster "digital entrepreneurship", and thereby establish a competitive landscape.

To summarize, while there is no statistically significant relationship between overall entrepreneurship and economic development, there are substantial correlations between growth and the interplay of sectoral shares and different forms of entrepreneurship. Our findings show that such impacts can be large enough to be economically relevant. For example, a 0.41% increase in annual GDP per capita from the mean level of developing economies to the mean level of advanced economies, combined with a standard deviation increase in the share of manufacturing's value-added in GDP, is associated with a 4.1% increase in a decade.

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