

## Essence and Development Prospects of Business Activity

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### ANNOTATION

*Ensuring the prospects for the development of business activity in the economy of our country is an ongoing process and is of vital importance. In this article, on a scientific basis, the history of the development of the entrepreneurial potential of the population of the Republic of Uzbekistan, as well as the definitions and characteristics of entrepreneurial activity given by economists in this regard, are studied and evaluated.*

**KEYWORDS:** *entrepreneurship, business, entrepreneurial activity, small businesses, business development prospects.*

Today, small business and entrepreneurship are gaining importance in the development of various sectors and sectors of our country's economy, ensuring its stability, creating new jobs, ensuring employment and increasing profitability, increasing competitiveness and improving the business environment. At the same time, the level of development of small business and entrepreneurship is one of the main factors in increasing the volume of GDP in our country, increasing the country's export potential, and ensuring stable socio-economic development.

Entrepreneurship, in a broad sense, is considered as a mental activity based on personal interest, aimed at achieving the goal in front of the subject, carried out with his direct participation, based on his personal factors, from running a household to producing and selling products and providing services. In a narrow sense, entrepreneurship represents only product production processes at various levels of the economic sphere, that is, entrepreneurship [1]. We can give many such definitions to the concept of entrepreneurship. In the economic sciences, before these concepts were used in scientific practice, there were opinions about the high importance and role of entrepreneurship and business in economic activity.

Business activity and ideas about its development, which we support today as a category of market economy, were formed in the East, commodity-money relations first developed here and gradually migrated to the West, and its scientific analysis first began in the West in the 17th century. At that time, entrepreneurship was considered as a vague economic activity. Because of this, an entrepreneur could receive a certain profit or "break" on the basis of his business activity. That is why, when looking at the entrepreneurial activity of an entrepreneur from a socio-economic point of view, this activity is considered to be an activity based on temporary stress, which is not free of certain risks and to a certain extent, the law of supply and demand is observed. But in these times there were "entrepreneurs" along with "property and capital owners". "Owners of property and capital" gave their property and capital to "entrepreneurs" to use it at the expense of obtaining a certain income.

If we look at the historical and scientific heritage of our nation, the ancient "Avesta", the "Politics" of the great Seljuk minister Nizammulk, and the "Tuzuklari" of Amir Temur have explored many aspects of our national entrepreneurship. In particular, the great commander Amir Temur paid great attention to entrepreneurship and considered all his victories in the economy, politics, social life, management and military spheres to be due to his entrepreneurship, making entrepreneurship the motto of his thinking and action. Amir Temur said in the pamphlet "Tuzuklar" - "One determined,

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enterprising, vigilant, brave and ambitious person is better than a thousand inactive and indifferent people" [2].

In the West, the concept of entrepreneurship (often used synonymously with the term "proprietor") began to attract the attention of economists, psychologists, and political scientists from the 16th century. J.B. Sey, A. Marshall, V. Zombramb, Y. Schumpeter, F. Noit are considered the founders of the science of entrepreneurship.

The concept of entrepreneurship in its current sense was first used by the English economist Richard Cantilon at the end of the 17th and the beginning of the 18th century. Therefore, he said that the land and labor factor is a source of wealth that determines economic well-being.

At present, the opinions and opinions of many scientists about entrepreneurship and business, its directions, principles, legal and economic aspects occupy a wide place in various scientific and theoretical literatures. In them, entrepreneurial activity and business are often interpreted as the same concept.

In our opinion, entrepreneurship differs from business, and entrepreneurship is an activity related to the approach to product production and service based on the spirit of creativity and innovation, that is, creating something from scratch. And business is a broad concept in relation to it, and it is generally an activity conducted from the point of view of profit.

The famous American economist Y. Schumpeter in his book "Theory of Economic Development" described an entrepreneur as an innovator. The scientist considers entrepreneurship to be the introduction of innovations that play a major role in the development of the capitalist economy and economic growth. [3] "We call business entities whose function is to introduce new combinations entrepreneurs." British economist Friedrich von Hein, who won the Nobel Prize in economics, approached this problem differently. In his opinion, entrepreneurship is not an activity, but a search for new economic opportunities, providing actions.[4] The scientist interprets entrepreneurship as not an activity.

Article 3 of the new version of the Law of the Republic of Uzbekistan "On Guarantees of Freedom of Entrepreneurial Activity" adopted on May 2, 2012 defines that "Income (profit) carried out by subjects of entrepreneurial activity (entrepreneurship) in accordance with the law, at their own risk and under their own property responsibility is an initiative activity aimed at obtaining" [5]. From this definition, we can see that the concepts of business and entrepreneurship have the same basis, conditions, and principles, so in practice they are called by double names such as business and entrepreneurship or small business and private entrepreneurship and are used in the same sense. This definition of entrepreneurship also represents the essence of business.

According to the definition given by A.Olmasov and M.Sharifkhojaev - business in the broadest sense is an activity aimed at earning income in a legal way. Entrepreneurship - bringing material and monetary resources (capital) of people (property entities) into economic circulation. is an economic activity intended to earn income. They define "Entrepreneurship does not mean making money at all, but earning income through creative activity"[6]. Sh. Shodmonov and U.V. Gofurov also differentiate the concepts of business and entrepreneurship from the point of view of meaning. They define business as a productive activity. Entrepreneurship is defined as an activity aimed at obtaining income based on the production of products and services. [7]

Entrepreneurship means always being devoted to one's work, knowledgeable. For entrepreneurship, it is necessary not only to acquire knowledge and study at the beginning, but an entrepreneur must study, work on himself and be in search for a lifetime. What do entrepreneurs need to know and do? First of all, he should know how to carry out business activities, under what conditions practical business activities should be carried out, obstacles faced by entrepreneurs and ways to solve

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problems, and how to achieve success. Along with the organization of production and service provision, as well as the sale of products, an entrepreneur must also know how to evaluate the situations that arise in the market relations and choose the right way.

If we look at our recent history, since the first days of independence, we have been paying special attention to the development of the field of small business and private entrepreneurship (SBPE) in our country. In this regard, a number of laws, presidential decrees, decisions of the Cabinet of Ministers and other normative-legal documents related to the development of the field have been adopted and are showing their effectiveness in the development of the field. For example, the essence of the decree of the President of the Republic of Uzbekistan "On the development strategy of New Uzbekistan for 2022-2026" envisages the acceleration of the socio-economic development of the country, the liberalization of the economy, and the further development of entrepreneurship.

Therefore, we must emphasize that the expansion of any sphere of business activity plays an important role in raising the standard of living of the population. Although sufficient opportunities and conditions have been created for the development of entrepreneurship in Uzbekistan, its share in the economy is still lower than that of the developed countries of the world, and there are many organizational, economic, legal and social problems waiting to be solved in this area. Therefore, it is appropriate to create opportunities for expanding entrepreneurship based on the development of each region. For this, laws, decrees, and decisions aimed at wide involvement of business activities have been developed and are being issued. Measures aimed at creating favorable conditions for the rapid development of entrepreneurship in our country, further strengthening the legal mechanisms of private property protection and guarantees, and improving the investment environment and business situation are being implemented consistently. Today, a number of facilities are being created for business entities, and as a result, their number is increasing day by day. In particular, by the second quarter of 2022, the number of business entities in the country has reached 517,500, and now about 485,000 of them are operating [8].

At the same time, systematic measures are being implemented in such directions as supporting business activity, ensuring its sustainable development, increasing its share in production and employment of the population, meeting the need for credit resources.

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