

DIRECTIONS FOR DEVELOPING ENTREPRENEURIAL ACTIVITY IN AGRICULTURE

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Abstract

The article is based on the specific characteristics of agriculture and the role of entrepreneurship in it. It also studies and analyzes the opinions of scientists who have conducted scientific research in the field of agricultural entrepreneurship.

Keywords: Agriculture, entrepreneurship, agribusiness, technology, efficiency, product quality

Introduction

In modern social life, there is no economic activity that does not have a practical need for it. Entrepreneurship develops taking into account the specific demographic and economic conditions of each country and its individual regions, and the development of the direction of entrepreneurship is associated with the practical tasks of the economy of our country in a specific situation.

One of the goals set out in the Decree of the President of the Republic of Uzbekistan No. PF-60 dated January 28, 2022, on the Development Strategy of New Uzbekistan for 2022-2026 is to create conditions for organizing entrepreneurial activity and forming permanent sources of income, to increase the share of the private sector in GDP to 80 percent and its share in exports to 60 percent, and to increase the income of peasants and farmers by at least 2 times through intensive development of agriculture on a scientific basis, and to increase the annual growth rate of agriculture to at least 5 percent.

The development of entrepreneurship in the agricultural sector is one of the important tasks of our country. Agriculture is one of the most important industries in the world. It can be said that agriculture, along with providing all people with food, also provides them with employment. This implementation depends on the joint activities of entrepreneurship and the agricultural sector. This cooperation serves the stabilization of the economy and global economic development. In global economic development, entrepreneurship faces several problems, difficulties, and obstacles due to the specific characteristics of agriculture and the risks



associated with it. Therefore, it is necessary to form highly effective, competitive entrepreneurial activity in agriculture.

Analysis of literature on the topic

To better understand the essence of entrepreneurship, the scope of its activities, and its possibilities, we will analyze the development of a system of views on its essence and role in the economy from the perspective of organizational, political-economic, and socio-psychological aspects.

Uzbek scholars A. Olmasov and N. Tokhliyev defined entrepreneurship as «an economic activity (profession, occupation) that brings in income or profit; entrepreneurship is engaging in commercial activities, doing something to earn money»; «...entrepreneurship is engaging in some economic activity to earn money, assuming responsibility.» These two definitions are very similar to each other and cannot show their differences from each other. On this basis, it can be concluded that A. Olmasov, having developed his views on the content of these two concepts, gives a more complete definition of the concept of business. For example, he defines «Business in the broad sense as an activity aimed at legally earning income,» and «entrepreneurship is an economic activity aimed at earning income by actually putting the material and monetary resources (capital) of people (property entities) into economic circulation. Entrepreneurship, in general, does not mean earning money, but rather earning income through creative activity.»

Thus, we can conclude that any activity aimed at earning income cannot be described by the concept of business. Business is an activity aimed at making a profit, based on property responsibility and liability, and economic risk. This means that in business activities, there is a risk of bankruptcy, and market failure, and if this happens, then the person engaged in business can lose his property. Therefore, the concept of business means an activity based on property responsibility and economic risk to earn income, profit, and benefit. Entrepreneurship is a type of business, that is creativity to make a profit, that is, the activity of producing goods and providing services. Business includes entrepreneurship, consumer business, and the business of making wealth from wealth, as well as professional business that is not related to creativity.

Small businesses change their forms and types of organization in the process of operating in a free market economy and can change their types of activities and move from one form to another, depending on their capabilities and the external environment.

Research methodology and scientific methodological foundations

In carrying out this study, the works of several scientists who conducted scientific research in such areas as the theoretical and methodological foundations of small business development, the development of small business in the agricultural sector, its role in the development of the agricultural market, and the factors influencing it were theoretically analyzed. As a research methodology, analysis and synthesis, statistical analysis methods were used, based on the dialectics theory of scientific research.



Analysis and results

According to statistical indicators, in developed, economically stable countries, the difference between countries in the share of small businesses and private enterprises in GDP is 5-10 percent, and in Uzbekistan, this figure varies by 15-17 percent. The range of fluctuations in the share of small businesses and private entrepreneurship in GDP in the republic and by region is not small. Although the share of agriculture in GDP in the Republic of Uzbekistan is small, 55 percent of the population lives in rural areas. Therefore, it is necessary to deepen and improve the content of entrepreneurial activity in the agricultural sector.

According to A.N. Asaul, entrepreneurship is a specific type of economic activity, the essence of which is to stimulate the demand of society for the specific needs of its members through market exchange and to achieve competitive advantages through market imbalance. Entrepreneurship in agriculture involves the participation of certain entities and objects of entrepreneurial activity. According to I.V. Ukraintseva[2], economic entities are entrepreneurs themselves, who carry out economic activities and take full responsibility for them.

The Russian magazine "Director General" recognizes two main global problem areas:

➤ the level of food insecurity and the backwardness of agrarian relations. In many developing countries, their agriculture cannot provide the population with food and satisfy its food needs. Therefore, many people suffer from hunger. After all, despite the increase in production, the number of hungry people still makes up the majority. According to the United Nations Population Fund, as of January 1, 2024,¹ the number of underprivileged people in the world is currently about 1,181.25 million people, which is about 15 percent of the total population. Given that 60 percent of the world's population lives in Asian countries, this means that these countries have a large number of people who cannot meet their basic needs. Also, in developed countries, the poor, whose income is less than the subsistence minimum, include 17.6 million (12.1%) in Russia². The number of poor in the European Union is 85 million (17%) people, in the United States 40 million people³. From this point of view, this problem is the first and most important.

➤ The second world problem is related to agrarian relations. It arose due to the differences in the development of agriculture in different countries. In some countries, the agricultural sector is at a high level through the use of new highly efficient technologies and methods of growth. However, in some countries, due to the remnants of the past, forms of ownership and relations compatible with market relations have not been properly established. This gap creates difficulties in agricultural relations between countries. This situation cannot but affect the Republic of Uzbekistan.

In developed and developing countries based on market economies, small businesses, and private entrepreneurship perform several key functions. They create new jobs and equalize the social costs of the necessary structural changes in the economy. In Uzbekistan, the process of implementing a market economy also shows the need to develop small businesses and private entrepreneurship and consistently study the experience of foreign countries in this regard.

Based on the above, it can be said that the economic policy pursued by the state and local authorities, aimed at building a democratic society and a fully functioning market economy



based on the priority of private ownership, should include the development of small business and private entrepreneurship in today's economic development strategy.

Small business has not only economic but also social significance, which can be expressed in the following:

- the development of small businesses provides the working-age population with jobs;
- ensures the growth of the material interests of the population employed in production;
- the development of small businesses ensures the satisfaction of the growing needs of the population;
- small business provides an opportunity for working-age citizens to fully demonstrate their capabilities in practice and the formation of middle-class owners in society.

As a result of the economic reforms carried out in the agro-industrial complex, various types of business entities based on ownership, compatible with a market economy, have been formed. Some property entities have been privatized and are being transformed into private-individual, private-collective forms of business. In the field of agricultural production of the agro-industrial complex, collective farms (company farms) were first established, including farms and dehkan farms.

Conclusion

The development of entrepreneurship in agriculture is one of the important factors in ensuring the country's food security, increasing employment, and strengthening economic stability in rural areas. The analysis shows that to support entrepreneurship in this area, it is necessary to develop modern infrastructure, introduce innovative technologies, effectively use land and financial resources, as well as expand tax and credit benefits by the state. Also, many socio-economic problems can be solved by developing small businesses and family entrepreneurship in rural areas. This, in turn, will contribute to increasing the income of the rural population, improving living conditions, and environmental sustainability. Therefore, the prospects for the development of entrepreneurship in agriculture are broad, and a systematic and strategic approach is required in this direction.

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