



Economic Entrepreneurship Perspectives of Uzbekistan

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Abstract: This article discusses the role and importance of entrepreneurship and its perspectives on economy. On this case, research has been pinpointed on the different theoretical and practical skills of the scholars from various aspects.

Key words: Economic perspective, Entrepreneurship, Business, Public debt, public domestic debt, currency exchange, trading systems of the government securities market

The Nature of Entrepreneurship

If we look a little more closely at the definition of entrepreneurship, we can identify three characteristics of entrepreneurial activity.

1. **Innovation.** Entrepreneurship generally means offering a new product, applying a new technique or technology, opening a new market, or developing a new form of organization for the purpose of producing or enhancing a product.

2. **Running a business.** A business, as we saw in Chapter 1 “The Foundations of Business,” combines resources to produce goods or services. Entrepreneurship means setting up a business to make a profit.

3. **Risk taking.** The term risk means that the outcome of the entrepreneurial venture can't be known. Entrepreneurs, therefore, are always working under a certain degree of uncertainty, and they can't know the outcomes of many of the decisions that they have to make. Consequently, many of the steps they take are motivated mainly by their confidence in the innovation and in their understanding of the business environment in which they're operating.

It is easy to recognize these characteristics in the entrepreneurial experience of the Jurmains. They certainly had an innovative idea. But was it a good business idea? In a practical sense, a “good” business idea has to become something more than just an idea. If, like the Jurmains, you're interested in generating income from your idea, you'll probably need to turn it into a **product**—something that you can market because it satisfies a need. If you want to develop a product, you'll need some kind of organization to coordinate the resources necessary to make it a reality (in other words, a business). Risk enters the equation when you make the decision to start up a business and when you commit yourself to managing it.

Main part

Government securities are an integral part of the financial system of any developing country, based on the requirements of a market economy, which has its own functional, organizational and legal structure. In the Republic of Uzbekistan, this structure began to form in the early 1990s in the process of a deep reform of the entire economic system of the country. Government securities and the mechanisms of this market are a constantly evolving system that is being studied and improved by researchers and practitioners working in the structures of the financial market. Issuing government securities is one of the most cost-effective ways to cover the budget deficit. The Law of the Republic of Uzbekistan "On the Securities Market" defines: government securities - treasury obligations of the Republic of Uzbekistan and bonds issued by an authority authorized by the Cabinet of Ministers of the Republic of Uzbekistan, as well as bonds of the Central Bank of the Republic of Uzbekistan¹.

According to the Decree of the Cabinet of Ministers of the Republic of Uzbekistan dated December 14, 2018 No. 1016 "On measures to organize the issuance of state treasury obligations and bonds of the Republic of Uzbekistan", the rules for issuing state treasury obligations and bonds (government securities) of the Republic of Uzbekistan². In order to effectively ensure the implementation of this decision, on December 26-28, 2018, the Central Bank, together with the Ministry of Finance, on the currency exchange of the Republic of Uzbekistan, with a maturity of six months, one year and up to three years, with a nominal value of 1 million soums, a total of 600,000 pieces of government securities with a total volume of 592.1 billion soums.

Government securities of the Republic of Uzbekistan include:

- Treasury bills and bonds with coupons and discounts issued by the Ministry of Finance of the Republic of Uzbekistan in non-documentary form and placed among commercial banks, as well as other legal entities - residents of the Republic of Uzbekistan;
- bonds of the Central Bank of the Republic of Uzbekistan issued without documents and placed between commercial banks.

Placement of government securities is carried out in the form of a simple auction.

Circulation of government securities is carried out at auctions by the type of a continuous bilateral auction.

The organization and conduct of trading in government securities are regulated by "the Rules for Trading in Government Securities on the Currency Exchange of the Republic of Uzbekistan" and "the Rules for Trading in Bonds of the Central Bank of the Republic of Uzbekistan on the Currency Exchange of the Republic of Uzbekistan"³.

All operations on the circulation of government securities are carried out through dealers authorized to conduct operations on the basis of agreements concluded with the Central Bank and the Currency Exchange of the Republic of Uzbekistan.

Distinguishing Entrepreneurs from Small Business Owners

¹ <https://www.lex.uz/acts/2662539>

² <https://uzrvb.uz/uzl/o-rgcb2>

³ <https://uzrvb.uz/uzl/o-rgcb2>

Though most entrepreneurial ventures begin as small businesses, not all small business owners are entrepreneurs. **Entrepreneurs** are innovators who start companies to create new or improved products. They strive to meet a need that's not being met, and their goal is to grow the business and eventually expand into other markets.

In contrast, many people either start or buy small businesses for the sole purpose of providing an income for themselves and their families. They do not intend to be particularly innovative, nor do they plan to expand significantly. This desire to operate is what's sometimes called a "lifestyle business."² The neighborhood pizza parlor or beauty shop, the self-employed consultant who works out of the home, and even a local printing company—many of these are typically lifestyle businesses.

side from contributions to our general economic well-being, founders of small businesses also contribute to growth and vitality in specific areas of economic and socioeconomic development. In particular, small businesses do the following:

- **Create jobs**
- **Spark innovation**
- **Provide opportunities** for many people, including women and minorities, to achieve financial success and independence

In addition, they complement the economic activity of large organizations by providing them with components, services, and distribution of their products. Let's take a closer look at each of these contributions.

Conclusion

Organization and conduct of trading in government securities, carrying out clearing and depository activities, holding auctions and secondary trading in government securities, storing government securities and keeping records of rights to them are among the main activities and services of the Currency Exchange of the Republic of Uzbekistan.

Today, the purpose of issuing sovereign bonds is not only to support the economic and social spheres, but also to increase the ability of the country's corporate structures to use foreign capital and support the growth of the bond market. Therefore, many governments in developing countries are trying to attract investors' attention to the domestic financial market in exchange for improving their international image in the sovereign bond market.

Based on the results of the reviewed study, several proposals and recommendations were developed at the end of this scientific article:

1. Introduction of new financial instruments aimed at collective investors and individuals in order to attract funds to the government securities market. It is necessary to use world experience and issue instruments created to finance important investment projects;
2. Circulation of long-term types of securities in the government securities market. As a result of the issue of long-term bonds for a period of 10 years or more, it is possible to attract long-term investment funds.

3. It would be advisable to introduce the sale of government securities of the Republic of Uzbekistan not on the currency exchange of the Republic of Uzbekistan, but on the stock exchange of the republic, since in developed countries all securities are sold on the stock exchange.

For the orderly and safe handling of government securities, it is necessary to develop legal norms in this area at the level of modern requirements and their constant development, as well as a system for monitoring compliance with the law by all participants in the securities market, from ordinary citizens to government bodies, and it is also important to improve the process of issuing, placing and circulation of government securities in Uzbekistan.

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