### International Journal of Business Diplomacy and Economy

ISSN: 2833-7468 Volume 2 | No 6 | June -2023



## Prospects for Managing the Development of Environmental Social Entrepreneurship in Uzbekistan

<sup>1</sup> Narzullaev Elmurod Shukhrat ogli

<sup>1</sup> Basic doctoral student of Namangan Institute of Engineering and Technology

**Abstract: Objectives:** The main objective of this study is analyzing and measuring the capability of improving and developing social enterprises in Uzbekistan. The theoretical basis of the scale is supported by empirical research in the social sector. On other hand, finding out both strengths and weaknesses on managing and developing environmental social entrepreneurship in our country also was our main aim in this article.

**Results.** The results of this study analyses that social enterprises are required to report on the social and/or environmental benefits they bring to society, but in most countries, a uniform reporting form and criteria have not yet been developed in the area of control. In foreign practice, there are different definitions of social entrepreneurship, which sometimes contradict each other. According to experts, the complexity of developing a single legal approach to defining the term social entrepreneurship is explained by the following circumstances.

**Conclusion.** To conclude, environmental social entrepreneurship can be seen as an integral part of every single society and government future plans because of it vitalness and importance in today's world. Because, tons of environmental and social problems are improving day by day instead of reducing. In order to sovle aforementioned problems, social entrepreneurship is a most accurate choice in developing countries like Uzbekistan.

**Key words:** social entrepreneurship; social and financial value; social and economic efficiency, social project, social benefit, project evaluation, project selection.

**Introduction.** In today's rapidly progressing and competitive world, more and more entrepreneurs are working at the intersection of philanthropy and commerce, innovation and traditional business practices to solve social problems in the world. Nevertheless, the legal aspects of the development of the phenomenon of "social entrepreneurship" are still in their initial stages.

The non-existence of the legal space of social entrepreneurship leads to negative consequences, such as the lack of development of rules for granting privileges and preferences, difficulties in buying and renting buildings, problems related to the sale of products, etc. Such difficulties are felt especially in the CIS countries, which pay special attention to social entrepreneurship.

In this regard, the study of the main trends in the field of legal regulation of social entrepreneurship in advanced countries such as the United States, Great Britain, Italy, Malaysia, and South Korea allows the following main points to be distinguished.

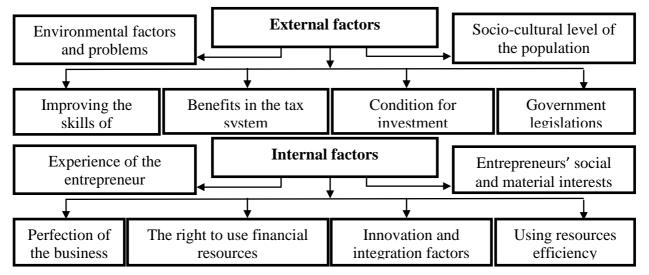
It can be transparently seen that there are huge opportunities to develop SE in Uzbekistan which brings plenty of possitive effects to economy and environment. But, it is fair to say that SE does not come with negative affects like termination of activities of enterprises that harm the environment and unemployment of employees or violation of the healthy environment in the market by giving benefits to social entrepreneurship. From our point of view, SE has more advantages than its disadvantages.



With the help of variety kinds of analysis we were able to find out external and internal factors which affects and effects social enterprices (Figure 1).

In this article, directions for the effective use of innovation-investment activities in the development of social entrepreneurship, the organizational-methodical model, mechanism and strategy of management and development of social entrepreneurship based on environmental protection, internal and external factors affecting the development of the industry, a modern approach to management and based on the principles, scientific proposals and recommendations were developed on the methodological aspects of managing the development of social entrepreneurship in the regions, as well as the creation of econometric models.

In the article, the internal and external factors that must be taken into account in ensuring the sustainable development of the social entrepreneurship sector in the Republic of Uzbekistan and making management decisions were studied. Because the organization of management through a comprehensive assessment of existing factors in the area ensures sustainable economic, social and environmental growth (Figure 1).



# Figure 1. External and internal factors affecting the development of social entrepreneurship based on environmental protection<sup>1</sup>

In the development of social entrepreneurship aimed at environmental protection, it is important to study the specific features of the environment affecting the industry and the interdependence of their constituent factors. Although external and internal factors affecting the development of social entrepreneurship based on environmental protection have not been systematized in the Republic of Uzbekistan, much attention is being paid to the greening of the economy. External factors affecting development do not depend on the social enterprise itself, these factors require support from the government and cooperation with other sectors.

Among the external factors, environmental factors and problems related to environmental damage in the country, as well as the socio-cultural level of the population occupy an important place. The creation of a favorable investment environment ensures the attraction of foreign investors in solving existing environmental problems and the study of foreign experience through them. The most important external factor in the development of social entrepreneurship is the government's support of the industry, which creates benefits for entrepreneurs and focuses on increasing their skills.

Internal factors also have a direct impact on the development of social entrepreneurship aimed at environmental protection. These factors mainly depend on the skills of the social entrepreneur, such as his experience, level of understanding of the field, mastery of social entrepreneurship activities, thoroughness of the business plan, and the potential to use resources and modern technologies. In addition, the social and material benefit of entrepreneurs and how much of the income they can



<sup>&</sup>lt;sup>1</sup> Created by author

reinvest and how much they can use as they wish is the reason for the development of social entrepreneurship aimed at environmental protection by encouraging entrepreneurs.

As a result of researches, an infrastructure supporting the development of social entrepreneurship focused on environmental protection has been developed (Fig. 2).

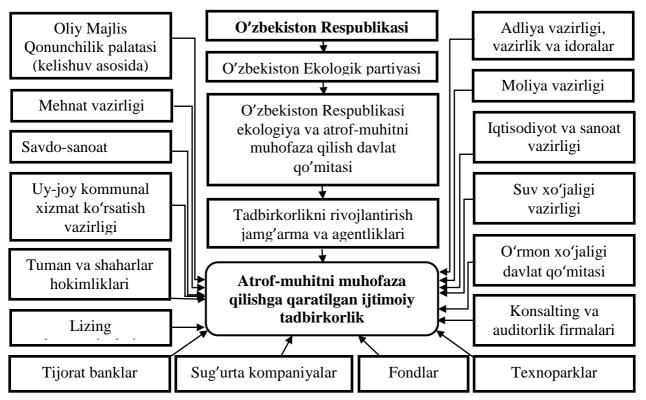


Figure 2. Infrastructure supporting the development of social entrepreneurship aimed at environmental protection<sup>2</sup>

As a result of our scientific analysis, we can say that today, in order to support social entrepreneurship based on environmental protection in our country, it is important to implement the following tasks:

- Creating a legal and regulatory framework supporting social entrepreneurship based on environmental protection in the country;
- > Development of a social entrepreneurship support program, its implementation and giving priorities to entrepreneurs;
- Stimulating social entrepreneurship by providing tax incentives, preferences for property purchase, subsidies, preferential loans based on extra-budgetary funds by the state and attracting loans based on the funds of international financial institutions;
- Creating a market infrastructure that supports and helps the development of social entrepreneurship based on environmental protection;
- Development and implementation of a mechanism for financing the activities of entrepreneurs and providing them with microcredit in national and foreign currency;
- Development of procedures and criteria for identification of social business entities based on environmental protection and determination of their rights and obligations;

An important point in evaluating the efficiency of the enterprise's environmental activity is to determine the conditions for improving the level of use of the enterprise's organizational and technical capabilities, the nature of the organization of production processes, and the interaction of all factors of production on the environmental cleanliness of real economic activity.



<sup>&</sup>lt;sup>2</sup> Developed by author

In our opinion, the implementation of effective environmental policy in modern economic conditions can be activated precisely at the expense of their economic efficiency (reducing the costs of material resources, reducing the cost of production, increasing fines for pollutants and waste, reducing the release of environmental pollutants). That is, it is impossible to solve environmental problems outside of their economic efficiency. The generalization of local and global practice allows to systematize the environmental and economic results that can be achieved if the principles and functions of the proposed environmental component of enterprise management are implemented (Figure 3).

The first group of ecological and economic effects - prevention of ecological and economic damage - can be shown in different stages through its components:

- 1) extraction of minerals;
- 2) production of products;
- 3) disposal of production waste;
- 4) resource transportation and storage processes.

Since the first three stages are discussed in detail in the literature, let's briefly touch on the last stage. Environmental and economic damage caused by the processes of transportation and storage of the relevant resource takes into account the amount of economic damage caused by pollution of the natural environment at all stages of cargo transportation, resource losses during transportation.

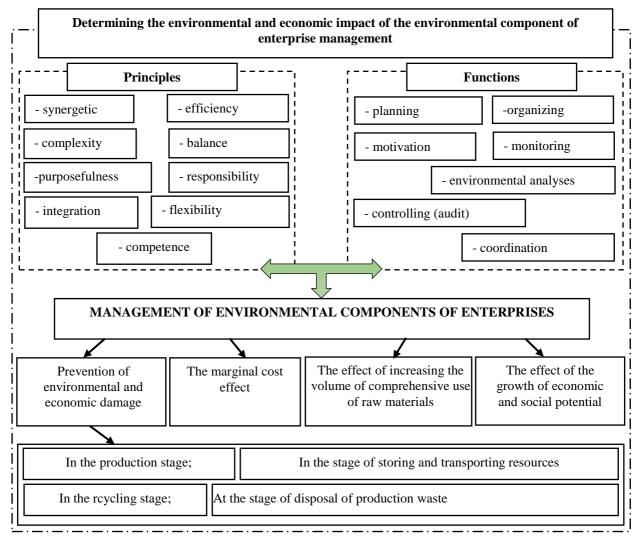


Figure 3. Determining the environmental and economic impact of the environmental component of enterprise management<sup>3</sup>



<sup>&</sup>lt;sup>3</sup> Developed by author

The main components of the loss related to the ecological and economic component of the activity of social entrepreneurship enterprises are as follows:

- loss of equipment working time due to failure to deliver raw materials on time for grinding, enrichment and other stages; technological cycle;
- > losses related to losses during the transportation of minerals from quarries to the crushing plant;
- an increase in the level of consumption of fuel and lubricants, which is associated with a high level of wear and tear of mining vehicles;
- damages from paying fines and taxes for environmental pollution. The emergence of the impact of marginal costs is due to the uncertainty of the reproduction environment of the next resource unit. The economic value of natural mineral raw materials is reassessed under the influence of socio-economic factors and limiting factors:
- > increasing labor productivity increases the efficiency of using natural resources;
- the need to develop mines with lower quality minerals and locations increases the "price" of previously used resources. Thus, the introduction of advanced technologies and the improvement of environmental cleanliness of production will neutralize the impact of closing costs.

#### Conclusion.

In conclusion, it should be noted that in the context of the decrease in the rate of economic growth in the world and the socio-economic consequences of this trend have grown to an unforeseeable level, the governments of developed and developing countries are working to create legal foundations for social entrepreneurship. they give priority to the development of effective measures.

From this point of view, in the conditions of the Republic of Uzbekistan, the development of normative frameworks for the creation and development of the institution of social entrepreneurship, which provide for the system of full support by the state, including the announcement of subsidies and grants for them, benefits and it will be appropriate to provide preferences, as well as provide constant advisory support.

It is also important to take measures to inform the public and business circles about the benefits of social entrepreneurship.

### **References.**

- 1. Enterprising Ideas. What is a Social Entrepreneur? PBS Foundation- 2018.
- J. Gregory Dees. The Meaning of Social Entrepreneurship . CASE at Duke (31 October 1998). 31 July 2016.
- 3. Thompson, J.L., The World of the Social Entrepreneur, The International Journal of Public Sector Management, 15(4/5), 2002, p.413
- 4. Жохова, 2015, с. 83-84. Примечания
- 5. Кикал, Лайонс, 2014, с. 139—140.
- 6. Борнштейн, 2015, с. 30.
- 7. Martin, R. L., & Osberg, S. (2007). Social entrepreneurship: The case for definition. Stanford social innovation review, 5(2), 28-39.
- 8. Wee-Liang, Williams, John, and Tan, Teck-Meng. «Defining the 'Social' in 'Social Entrepreneurship': Altruism and Entrepreneurship.» The International Entrepreneurship and Management Journal. no. 3 (2005): 353—365.
- Sarah H. Alvord, David L. Brown, Christine W. Letts. Social Entrepreneurship and Societal Transformation: An Exploratory Study // The Journal of Applied Behavioral Science. — 2004. —№ 3. — C. 260—282.
- 10. Мартин, Осберг, 2018, с. 24.



- 11. David P. Baron. Corporate Social Responsibility and Social Entrepreneurship // Journal of Economics & Management Strategy. 2007. № 3. —P. 683—717.
- 12. Кикал, Лайонс, 2014, с. 9.
- 13. Bornschtein, 2015, c. 32.
- 14. O.Otaxanova Can social entrepreneurship solve social problems in society? 2020

