



## THE ESSENCE AND CONTENT OF THE BASICS OF ENTREPRENEURSHIP

Eshkobilov Akhmad

Lecturer, Termiz Institute Of Agrotechnologies And Innovation Development, Uzbekistan

**ABSTRACT:** - The essence of small business and entrepreneurship. Economic, social and legal foundations of small business and entrepreneurial activity. The purpose and tasks of small business and entrepreneurship development. The role of small business and entrepreneurship in the economy. Main directions of development of small business and entrepreneurship in Uzbekistan during the world financial and economic crisis. State support for the development of small business and entrepreneurship. Measures aimed at directing young people to entrepreneurship in the State program "Year of a Perfect Generation".

**KEYWORDS:** Entrepreneurship, economy, qualification, business.

### INTRODUCTION

One of the main factors of economic development in the conditions of market relations is the development of small business and entrepreneurial activities.

So, what is the meaning of the concepts of "entrepreneur" and "entrepreneurship" and what does it mean?

The English economist Richard Cantilon was the first to use these concepts in their current sense at the end of the 17th and the beginning

of the 18th century. In his opinion, an entrepreneur is a person who operates under risk conditions. Therefore, he considered the land and labor factor as a source of wealth that determines economic well-being. Later, at the end of the 18th century and the beginning of the 19th century, the famous French economist J.B. Say (1767-1832) in his book "Treatise on Political Economy" (1803) described entrepreneurial activity as three classic factors of production - land, capital, labor integrity.

**"THE ESSENCE AND CONTENT OF THE BASICS OF ENTREPRENEURSHIP"**

He emphasized that the success of English industry was ensured by the "talent of English entrepreneurs". J.B. In Sey's main thesis, it is said that entrepreneurs perform the main activity in product production. According to J.B. Sey, the income received by an entrepreneur is a reward given for his work, organization of production, and timely sale of products. An entrepreneur undertakes the production of a product by taking a risk.

It should be noted that the founders of economics paid little attention to the form of entrepreneurship. Entrepreneurial activity was not the object of analysis of their research work. English economists A. Smith (1723-1790) and D. Ricardo (1772-1823) accepted the economy as a self-coordinating mechanism. There was no place for creative entrepreneurship in this mechanism. A. Smith paid special attention to the definition of an entrepreneur in the book "Investigation of the nature and causes of the wealth of nations" (1776). According to A. Smith, an entrepreneur is a capital owner. He implements a certain business idea and starts working with risk to get income, because investing capital in any business is always associated with risk. Entrepreneurial income, according to A. Smith, is a reward for personal risk. The entrepreneur himself plans and organizes production, owns the results of production activities. These works, in turn, are related to the market system. Therefore, A. Smith introduces us to the central mechanism of the market system - the mechanism of competition. Everyone who is looking for his own benefit will meet people who are walking with this goal in the market. As a result, every acting subject in the market agrees to the prices offered by the competitor. In this kind of competition, it is not out of the question that a producer who sets a higher price for similar goods will lose a buyer. A. Smith notes that the market produces goods that society wants and needs to buy. At the

same time, A. Smith showed that the market is a powerful force, that it always provides society with necessary goods, and that this system is self-coordinating. In his opinion, the market system that is left to itself will develop and the wealth of the people with such a system will increase.

Many people began to understand the importance and role of the entrepreneurship institute at the borders of the XIX-XX centuries. French economist Andre Marshall (1907-1968) was the first to add a fourth factor to the three factors of production (land, capital, labor) - the factor of organization. Since then, the concept of entrepreneurship and the scope of work in this field have been expanding.

American economist J.B. Clark (1847-1938) made some changes to J.B. Sey's "triple formula". According to him, four factors are always involved in production:

- 1) capital;
- 2) means of production and land;
- 3) entrepreneurial activity;
- 4) labor of the worker.

Each factor reflects its own profit from production: the capitalist receives additional interest from the capital; land gives rent; the capitalist's business activity generates income; the work of the worker provides him with a salary. In other words, in the words of J.B. Clark: "Free competition gives labor what comes from labor, capitalists get what capital creates, entrepreneurs get what comes from coordination." This is how he understood entrepreneurial activity.

The famous American economist Y. Schumpeter (1883-1950) in his book "Theory of Economic Development" defined an entrepreneur as an innovator (a person who creates something new). The scientist

**“THE ESSENCE AND CONTENT OF THE BASICS OF ENTREPRENEURSHIP”**

considers entrepreneurial activity to be the introduction of innovations that play a major role in the development of the capitalist economy, ensuring economic growth: "We call economic entities whose function is to introduce new combinations an entrepreneur." . British economist Friedrich von Hein (1899-1984), who received the Nobel Prize in economics (1974), approached this problem differently. In his opinion, entrepreneurship is not an activity, but a search for new economic opportunities, ensuring actions. The scientist interprets entrepreneurship as not an activity.

## 2.2. The essence of small business and entrepreneurship.

There is no generally accepted definition of entrepreneurship either abroad or here. American scientist R. Khizrich, "Entrepreneurship is the process of creating something new that has its own value, and the entrepreneur spends all the necessary time and day for this, takes all the financial, psychological and social risks, and in return "A person who is satisfied with money and achievements as a reward," he says.

English professor A. Hoskin explains that "a person who conducts work at his own expense, is personally engaged in business management, has personal responsibility for providing the necessary tools, and makes independent decisions is an individual entrepreneur." .

Today there are four stages of development of the theory of entrepreneurship. The first stage, which appeared in the 18th century, is risk-taking, in other words, it is related to risk-taking. The second stage of entrepreneurship is related to the innovation process.

According to the American economist Y. Schumpeter, the innovative nature of entrepreneurship is reflected in the following:

- production of new goods for the market;
- implementation of new technologies in the production process;
- development of new sales markets;
- finding new types and sources of raw materials.

The third stage of the creation of entrepreneurship is defined by special personal qualities of entrepreneurship: the ability to find the right way in the changing economic and social situation, independence in choosing and making management decisions, full manifestation of management skills.

The current stage in the development of the theory of entrepreneurship can be included in the fourth stage. Its emergence is associated with its transfer to another aspect of the analysis of the entrepreneur's behavior. This means that the analysis of business problems in theory is carried out within the framework of many interrelated disciplines.

Current theoretical studies focus not only on entrepreneurship as a way of doing things independently, but also on intrapreneurship or intrapreneurship. The term "intra-preneur" was introduced into practice by the American scientist G. Pinsho.

The emergence of intrapreneurship is connected with the transition of production organization to the form of entrepreneurship in many large production structures. Since entrepreneurship involves the existence of freedom of creativity, units of integrated production units receive freedom of action, which implies the existence of intracapital necessary for the implementation of the ideas underlying entrepreneurship.

Researches conducted by well-known scientists show that the work of an entrepreneur in his field of activity is

**“THE ESSENCE AND CONTENT OF THE BASICS OF ENTREPRENEURSHIP”**

multifaceted. This is determined by the change of market policy or by the influence of internal and external factors of the enterprise. However, the main goal of an entrepreneur is to see interest (profit), as well as to carry out work that ensures effective operation in the market. To do this, it is necessary to create a mechanism based on modern management methods that support entrepreneurship and ensure its effective use. When managing a business in market conditions, it is necessary to take into account its following features:

- the entrepreneur always works taking into account the demand and supply in the market;
- the entrepreneur makes efforts to ensure efficiency and looks for ways to reduce production costs;
- persons who are responsible for the final results of the business, create enough opportunities to conduct their business under free conditions;
- the final results of a small enterprise, i.e. its profit or loss, will be known only in the process of trading in the market;
- an entrepreneur engaged in small business does not know for sure what risks he will face in the market or what the final result will be when he invests his funds.

## REFERENCES

1. Xodiev B.Yu., Qosimova M.S., Samadov A.N. Kichik biznes va xususiy tadbirkorlik. – T.: TDIU, 2010.
2. Samadov A,N., Ostanaqulova G.N. Kichik biznes va tadbirkorlik. T.: Moliya-iqtisod, 2008.
3. Qosimova M.S., Samadov A,N. Kichik biznes va tadbirkorlik. T.: O`zbekiston yozuvchilar uyushmasi, 2005.
4. Qosimova M.S., Xodiev B.Yu., Samadov A.N., Muxitdinova U.S. Kichik biznesni

boshqarish. O`quv qo`llanma. –T.: O`qituvchi, 2003.

5. Aniskin Yu.P. Organizatsiya i upravlenie malim biznesom: Ucheb. posob. – M.: Finansi i statistika, 2008.