



**International Conference on Modern Science and Scientific Studies**

Hosted online from Madrid, Spain

Website: econfseries.com

20<sup>th</sup> May 2025

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## **ENCOURAGING ENTREPRENEURIAL ACTIVITY IN THE RURAL ECONOMY**

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### **Annotatsiya:**

O‘zbekiston respublikasida qishloq xo‘jaligida mavjud muammolari va istiqbollari keltirilgan. Qishloq xo‘jaligi sohasida mutaxassislarning yetishmovchiligi va tadbirkorlikdagi mavjud muammolarning yechimi bo‘yicha taklif va tavsiyalar berilgan.

**Kalit so‘zlar:** Qishloq iqtisodiyoti, tadbirkorlik, rag‘batlantirish, moliyaviy qo‘llab-quvvatlash, innovatsiyalar, bandlik, qishloq xo‘jaligi.

### **Аннотация:**

Представлены современные проблемы и перспективы развития сельского хозяйства в Республике Узбекистан. Были даны предложения и рекомендации по решению проблемы нехватки специалистов в аграрном секторе и существующих проблем в предпринимательстве.

**Ключевые слова:** Сельская экономика, предпринимательство, стимулы, финансовая поддержка, инновации, занятость, сельское хозяйство.



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### Abstract:

The current problems and prospects of agriculture in the Republic of Uzbekistan are presented. Suggestions and recommendations are made on the shortage of specialists in the agricultural sector and solutions to existing problems in entrepreneurship.

**Keywords:** Rural economy, entrepreneurship, incentives, financial support, innovation, employment, agriculture.

### Introduction

The development of the national economy in the Republic of Uzbekistan, as well as the development of small businesses that industrially process agricultural products, is developing with market reforms.

In the process of transition to market relations, forms of entrepreneurship play a decisive role in the development of employment of the population. Private initiative and factorization in entrepreneurship are the driving forces in the modern economic process. The development of entrepreneurial activity is one of the main directions of any market reform. One of the economic essence and significant aspects of entrepreneurship is the constant growth of its share in the gross domestic product. In the Republic of Uzbekistan, 31 percent in 2022 and 54.2 percent by 2023, and more than 82 percent of the population employed in the economy are accounted for by them. The share of small business and private entrepreneurship in the gross domestic product and the share of the population employed in the economy in small business entities are developing with a difference of 1.5-2.0 percentage points between the republican and regional indicators.

**Analysis of the literature on the topic.** There are different views and certain contradictions in the approach to this issue among scientists and practitioners dealing with entrepreneurship problems. Most heads of enterprises and managers of large joint-stock companies consider themselves entrepreneurs, although their activities are to a certain extent controlled by the owners of the means of production. Many believe that entrepreneurial activity is carried out entirely within the framework of small business, by an entrepreneur who is the owner and manager of his enterprise.



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At the same time, there are also opinions that «an entrepreneur is a manager who acts independently in the interests of his business.» The Law «On Entrepreneurship in the Republic of Uzbekistan» defines entrepreneurship as follows: «Entrepreneurship is the economic activity of ownership entities to make a profit, taking risks and based on property responsibility, within the framework of current legislation.»

### 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

The growth of the contribution of small and private enterprises to the gross domestic product and the level of employment in developed and developing countries indicates the increasing importance of small businesses and private enterprises in a market economy, their role, and their importance in ensuring the stability of the country. In particular, a large part of the population in the world is engaged in small business. In particular, 80% of the population in China, 48% in Japan, 50% in the USA, and 78% in Uzbekistan are employed in the small business sector. The share of small businesses in the economy in the world is also high, including 60% in China, 68% in Italy, 53% in Germany, 48% in Korea, 50% in the USA, 21% in Russia, and 56% in Uzbekistan. The number of business entities per 1,000 population is 57 units in the European Union, 90 units in the United States, 27.2 units in Russia [9], and 22 units in Uzbekistan.

There are 3,260.7 thousand hectares of arable land in the Republic of Uzbekistan, which is a decrease of 10% compared to 2000. However, the volume of agricultural production amounted to 302,524.9 billion so'ms in 2021, an increase of 218.1 points



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compared to 2000. The share of small businesses in the production of agricultural products was 98.2%, with the volume of agricultural production of 299,280.0 billion so'ms. Agricultural enterprises accounted for 92.8 billion so'ms per thousand hectares, an increase of 252.2 points compared to 2000. Although the volume of agricultural production is increasing, changes in ownership patterns are increasing the unemployment rate of the rural population. In recent years, due to the lack of entrepreneurial skills among agricultural specialists, the influx of entrepreneurs from other sectors has increased. The decline in the number of specialists in this field over the years has hurt agricultural entrepreneurship.

### Conclusion

By encouraging entrepreneurial activity in rural areas, it is possible to achieve not only economic growth but also social stability. For this, the state's created incentives, credit resources, and infrastructure development serve as important factors. The effectiveness of rural entrepreneurship can be further increased by improving the business environment, expanding knowledge and skills development programs, and introducing innovative approaches.

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