

# ЭКОНОМИЧЕСКИЕ НАУКИ

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## THE ROLE OF ENTREPRENEURSHIP IN THE DEVELOPMENT OF THE STATE

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The article informs that in the current situation the role of the entrepreneurs in the developing of the government. For decades now, entrepreneurial ventures have been a major force driving economic growth. A study scientists showed that, almost all new jobs in the all the countries have been created by fast-growing tech start-ups. The special effect of entrepreneurship and the entrepreneurship policy on the development of an economy and especially the positive impact on economic growth has been highlighted by numerous scholars. Hence, government plays an essential role in promoting innovation and entrepreneurship throughout the country or in a certain region.

**Key words:** *entrepreneurs, start-ups, entrepreneurial activity, leader, entrepreneurial feature, innovation, intellectual potential, human capital, business plan.*

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**Introduction.** The analysis show that the entrepreneurial activities are becoming basic role of developing country in the economy and society as a whole.

An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The process of setting up a business is known as entrepreneurship. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business or procedures [2; 5]. Entrepreneurs play a key role in any economy, using the skills and initiative neces-

sary to anticipate needs and bringing good new ideas to market. Entrepreneurship that proves to be successful in taking on the risks of creating a startup is rewarded with profits, fame, and continued growth opportunities. Entrepreneurship that fails results in losses and less prevalence in the markets for those involved. Entrepreneurship is one of the resources economists categorize as integral to production, the other three being land/natural resources, labor, and capital. An entrepreneur combines the first three of these to manufacture goods or provide services. They typically create a business plan, hire labor, acquire resources and financing, and provide leadership and management for the business [3].

**Literature analysis:** Entrepreneurs commonly face many obstacles when building their companies. The three that many of them cite as the most challenging are as follows:

- overcoming bureaucracy;
- hiring talent;
- obtaining financing.

Economists have never had a consistent definition of «entrepreneur» or «entrepreneurship» (the word «entrepreneur» comes from the French verb *entreprendre*, meaning «to undertake»). Though the concept of an entrepreneur existed and was known for centuries, the classical and neoclassical economists left entrepreneurs out of their formal models: They assumed that perfect information would be known to fully rational actors, leaving no room for risk-taking or discovery. It wasn't until the middle of the 20th century that economists seriously attempted to incorporate entrepreneurship into their models [2].

Three thinkers were central to the inclusion of entrepreneurs: Joseph Schumpeter, Frank Knight, and Israel Kirzner. Schumpeter suggested that entrepreneurs – not just companies – were responsible for the creation of new things in the search for profit. Knight focused on entrepreneurs as the bearers of uncertainty and believed they were responsible for risk premiums in financial markets. Kirzner thought of entrepreneurship as a process that led to the discovery. Much has been discussed about if going to college is necessary to become a successful entrepreneur. Many famous entrepreneurs are famous for having dropped out of college: Steve Jobs, Mark Zuckerberg, and Larry Ellison, to name a few. Though going to college isn't necessary to build a successful business, it can teach young individuals a lot about the world in many other ways. And these famous college dropouts are the exception rather than the norm. College may not be for everyone and the choice is personal, but it is something to think about.

**Research methodology.** Every entrepreneur needs to be a leader within their company. Simply doing the day-to-day requirements will not lead to success. A leader needs to work hard, motivate, and inspire their employees to reach their best potential, which will lead to the success of the company [4].

Unlike traditional professions, where there is often a defined path to follow, the road to entrepreneurship is mystifying to most. What works for one entrepreneur might not work for the next and vice versa. That said, there are seven general steps that most, if not all, successful entrepreneurs have followed:

*1. Versatile.*

When starting out, it's essential to personally handle sales and other customer interactions whenever possible. Direct client contact is the clearest path to obtaining honest feedback about what the target market likes and what you could be doing better. If it's not always practical to be the sole customer interface, entrepreneurs should train employees to invite customer comments as a matter of course. Not only does this make customers feel empowered, but happier clients are more likely to recommend businesses to others.

*2. Flexible.*

Few successful business owners find perfect formulas straight out of the gate. On the contrary: ideas must morph over time. Whether tweaking product design or altering food items on a menu, finding the perfect sweet spot takes trial and error.

*3. Money Savvy.*

Through the heart of any successful new business, a venture beats the lifeblood of steady cash flow, which is essential for purchasing inventory, paying rent, maintaining equipment, and promoting the business. The key to staying in the black is rigorous bookkeeping of income versus expenses. And since

most new businesses don't make a profit within the first year, by setting money aside for this contingency, entrepreneurs can help mitigate the risk of falling short of funds. Related to this, it's essential to keep personal and business costs separate, and never dip into business funds to cover the costs of daily living.

#### *4. Resilient.*

Running your own business is extremely difficult, especially getting one started from scratch. It requires a lot of time, dedication, and failure. A successful entrepreneur must show resilience to all the difficulties on the road ahead. Whenever they meet with failure or rejection they must keep pushing forward. Starting your business is a learning process and any learning process comes with a learning curve, which can be frustrating, especially when money is on the line. It's important never to give up through the difficult times if you want to succeed.

#### *5. Focused.*

Similar to resilience, a successful entrepreneur must stay focused and eliminate the noise and doubts that come with running a business. Becoming sidetracked, not believing in your instincts and ideas, and losing sight of the end goal is a recipe for failure. A successful entrepreneur must always remember why they started the business and remain on course to see it through.

#### *6. Business Smart.*

Knowing how to manage money and understanding financial statements are critical for anyone running their own business. Knowing your revenues, your costs, and how to increase or decrease them, respectively, is important. Making sure you don't burn through cash will allow you to keep the business alive.

#### *7. Communicators.*

Successful communication is important in almost every facet of life, regardless of what you do. It is also of the utmost importance in running a business. From conveying your ideas and strategies to potential investors to sharing your business plan with your employees to negotiating contracts with suppliers all require successful communication.

They can help you in every time to start your business and rise it. It's also beneficial for our government.

**Analysis and discussion of result (main part).** In entrepreneurship, unutilized resources, labor, and capital are utilized most efficiently. Entrepreneurs take on risks in the hopes of making profit, or in the case of social entrepreneurship, of solving a problem facing communities. So the significance of entrepreneurs and the role of entrepreneurship go beyond the business world. The importance of entrepreneurship is so broad. However, I would like to shed some light on the importance and role of entrepreneurship in economic development and society.

#### *Entrepreneurship Accelerates Economic Growth*

Entrepreneurs are important to market economies because they can act as the wheels of the economic growth of the country [1].

By creating new products and services, they stimulate new employment, which ultimately results in the acceleration of economic development. So public policy that encourages and supports entrepreneurship should be considered important for economic growth.

A large number of new jobs and opportunities are created by entrepreneurship. Entrepreneurship creates a huge amount of entry-level jobs that are very much important to turn unskilled jobholders into skilled ones. It also prepares and provides experienced workers to large industries. The increase in the total employment of a country largely depends on the rise of entrepreneurship. So the role of entrepreneurship in creating new job opportunities is huge.

By bringing innovation to every aspect of businesses, entrepreneurial ventures enhance production utilizing the existing resources in the most effective ways. Entrepreneurs develop new markets by introducing new and improved products, services, and technology. Thus, they help generate new wealth and add more to the national income. So the government can offer the citizens more national benefits.

#### *Entrepreneurship Promotes Innovation.*

Through the right practices of research and development, entrepreneurs bring new innovation that opens the door of new ventures, markets, products, and technology. Entrepreneurs have a role to

play in solving problems that existing products and technology have not yet solved. So by producing new products and services or bringing innovation to existing products and services, entrepreneurship has the potential to improve peoples' lives.

### *Entrepreneurship Can Promote Social Changes*

Entrepreneurs change or break the tradition or cultures of society and reduce the dependency on obsolete methods, systems, and technologies. Basically, entrepreneurs are the pioneer of bringing new technologies and systems that ultimately bring changes to society. These changes are associated with improved lifestyle, generous thinking, better morale, and higher economic choice. In this way, social changes gradually impact national and global changes. So the importance of social entrepreneurship must be appreciated.

### *Entrepreneurship Promotes Research and Industrial Development*

Along with producing new business ideas and thinking out of the box, entrepreneurs also promote research and development. They cultivate their ideas, shape them into a new form, and turn them into a successful business endeavor. Entrepreneurs are a special kind of people, they are always working to discover new ideas and improve existing ones. But their impact extends beyond their own companies and ventures: when an entrepreneur develops a new product, service, or idea, others often follow (and sometimes even further refine the ideas).

Innovation and industry is accelerated through the combined action of entrepreneurs. They can motivate each other, share ideas and inspiration, and share planning to establish new industries. The change of the existing industrial climate opens the doors for others at the same time. Therefore, we see that the importance of entrepreneurship to the economy is multi-functional [5].

### **Summary and suggestions.**

In the developing of the country should pay attention:

- increase spending on research and development to 2,5 % of the gross domestic product by 2022;
- supporting innovative enterprise;
- the government should supports innovative enterprise in a number of ways:
  - increasing scope for finance
  - entrepreneurs wanting to expand their businesses quickly;
  - innovative entrepreneurs;
  - promoting cooperation between researchers and the private sector;
  - reducing the regulatory burden on entrepreneurs;
- the government is taking steps to reduce the regulatory burden on entrepreneurs. These include granting permits more quickly – or even automatically – and making greater use of digital technology;
  - developing IT tools for entrepreneurs. Providing government services online reduces the regulatory burden on entrepreneurs. IT also offers unlimited scope for new products or for making business processes more efficient;
  - helping entrepreneurs access networks.

Entrepreneurship can be considered a national asset, and entrepreneurs are the drivers of that asset for any country. It is a dynamic process that not only increases wealth and but can also create value that results in improved well-being [4].

Entrepreneurship plays an important role in changing society, so it makes sense to cultivate, motivate, and remunerate this greatest asset to the greatest extent possible. If the government pay attention for this activities the entrepreneurial also can bring benefit more than now.

We often think of entrepreneurs as inventing totally new products and ideas, but they also impact existing business. Since entrepreneurs think differently, they can come up with innovative ways to expand and develop the existing enterprises. For example, modernizing production processes, implementing new technology in the overall distribution and marketing processes, and helping the existing enterprises to utilize existing resources in more efficient ways.

To sum up, supporting and promoting entrepreneurship can have a positive impact on the country's economy and even existing businesses, and social entrepreneurship increases the likelihood of finding innovation solutions to social challenges faced by communities around the world.

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## РОЛЬ ПРЕДПРИНИМАТЕЛЬСТВА В РАЗВИТИИ ГОСУДАРСТВА

В статье сообщается, что в сложившейся ситуации возрастает роль предпринимателей в развитии государства. На протяжении десятилетий предпринимательские предприятия были главной движущей силой экономического роста. Исследование ученых показало, что почти все новые рабочие места во всех странах были созданы быстрорастущими технологическими стартапами. Особое влияние предпринимательства и политики предпринимательства на развитие экономики и особенно положительное влияние на экономический рост подчеркивалось многими учеными. Следовательно, правительство играет важную роль в продвижении инноваций и предпринимательства по всей стране или в определенном регионе.

**Ключевые слова:** предприниматели, стартапы, предпринимательская деятельность, лидер, предпринимательская деятельность, инновации, интеллектуальный потенциал, человеческий капитал, бизнес-план.