

2-25-2020

ENTREPRENEURSHIP IN RURAL AREAS OF KHOREZM REGION AND THE ROLE OF ENTREPRENEURSHIP IN VILLAGES

T.B. Umidjanovich

PhD Student of Tourism and economy faculty of Urgench state university, tadjiezbekzod1985@bk.ru

Follow this and additional works at: <https://uzjournals.edu.uz/capmse>



Part of the [Business Commons](#)

Recommended Citation

Umidjanovich, T.B. (2020) "ENTREPRENEURSHIP IN RURAL AREAS OF KHOREZM REGION AND THE ROLE OF ENTREPRENEURSHIP IN VILLAGES," *Central Asian Problems of Modern Science and Education*: Vol. 2020 : Iss. 1 , Article 1.

Available at: <https://uzjournals.edu.uz/capmse/vol2020/iss1/1>

This Article is brought to you for free and open access by 2030 Uzbekistan Research Online. It has been accepted for inclusion in Central Asian Problems of Modern Science and Education by an authorized editor of 2030 Uzbekistan Research Online. For more information, please contact sh.erkinov@edu.uz.



UDK: 338.432.5

ENTREPRENEURSHIP IN RURAL AREAS OF KHOREZM REGION AND THE ROLE OF ENTREPRENEURSHIP IN VILLAGES

Tadjiyev Bekzod Umidjanovich,
PhD Student of Tourism and economy
faculty of Urgench state university
E-mail: tadjievbekzod1985@bk.ru

Annotation. This research paper discusses the specific characters of developing small business and entrepreneurship in rural regions and the role of farming, agriculture and agricultural organizations in producing agricultural product.

Key words: small business and private entrepreneurship (SBPE), farming, agriculture, agricultural enterprise, enterprise in rural regions, enterprise.

Аннотация. Ушбу мақолада кичик бизнес ва тадбиркорликни қишлоқ жойларида ривожлантириш хусусиятлари ва Хоразм вилоятида қишлоқ хўжалик маҳсулотларини етиштиришда фермер хўжаликлари, деҳқон хўжаликлари ва қишлоқ хўжалиги фаолиятини амалга оширувчи ташкилотларнинг ўрни ҳақида сўз юритилади.

Калит сўзлар: кичик бизнес ва хусусий тадбиркорлик (КБХТ), фермер хўжаликлари, деҳқон хўжаликлари, қишлоқ тадбиркорлиги, қишлоқ жойларида тадбиркорлик, тадбиркор.

Аннотация. В данной статье речь идёт об особенностях развития малого бизнеса и предпринимательства в сельских местностях и роль фермерских хозяйств, земледельческих хозяйств, организации сельских хозяйств в выращивании сельско-хозяйственных продуктов в Хорезмской области.

Ключевые слова: малый бизнес и частное предпринимательство (МБЧП), фермерское хозяйство, земледельческое хозяйство, сельское предпринимательство, предпринимательство в сельских местностях, предпринимательство.

Introduction. Statistically, over 525 thousands of entrepreneurial subjects are functioning within the country and above 59% of the gross national product is being



produced by small and private business representatives. Interestingly, they are providing 78% of capable population with employment.

Moreover, execution of missions stated in the Strategy of Actions in Five Priority Areas for the Development of Uzbekistan 2017-2021 (the ‘Development Strategy’). Including, increase in ensuring reliable protection of the rights and guarantees for private property and business, creating favorable business environment for the development of small businesses and private entrepreneurship. In regions, cities and rural areas of the country, maintenance of regulatory and law enforcement authorities into the activities of business entities, especially, supporting entrepreneurs starting up their business urge to create a new effective system.[1]

Literature review: Scientific, theoretical and methodological bases of analyzing small business and private entrepreneurship development were widely illuminated in research works of international scientists such as: A. Smith, Y. Schumpeter, H. Gross, R. Bruksbenk, V. Huber, R. Hezrich, M. Peters, A. Hosking, G. Jones, L. Abalkin, V. Abchuk, A. Busygin, Y. Osipov, A. Shapiro, M. Balashevich, Dougerti, A. Webster, E. Wigdorchik, A. Khachatryan, S. Ayvazyan, V. Mkhitaryan, N. Egorova, A. Larionov, V., Dolgopyatov, O. Zamkov.

General theoretical, regional and sector problems of development of small business and private entrepreneurship in the conditions of transition to market economy are widely illuminated in scientific works of a number of scientists of Uzbekistan [3,4,7,9,10,11,13,14].

As well as a group of scholars made research on the development of socio-economic processes and studied the theoretical and practical aspects of modelling regional sector, infrastructure facilities of small business and private entrepreneurship in the economy [2, 5,6,8,12, 15].

It should be noted that today there is not enough research on scientific and practical aspects of development trends of small business and entrepreneurship in our country or most of them dedicated to theoretical problems of entrepreneurship.

Therefore, there is real need to improve classifications of small business in the republic. Clarifying and describing the development tendencies, explicating steady



directions of improving development mechanisms of small business in rural regions based on scientific, systemic analysis of competitive environment. In addition, mechanisms of antimonopoly policy, regularities of developing small business, evaluating perspectives and development of small business in the sectors of economy and in rural regions. Based on effective transformation of methods of developed countries, evaluating stability progress in sectors of economy, making longer “vitality cycle” of small business entities, working out supplement statistical indicators which provide monitoring their stable and proportional development. In rural regions of the republic, also there is actual necessity to adopt practical and to settle scientific-practical problems such as elucidating development tendencies of small business and entrepreneurship.

Research methodology. The methodological basis of the research based on regulatory-legal documents and under law documents in the development of small business and entrepreneurship. In particular, Decree of the President of the Republic of Uzbekistan No. PD-4749 dated 07 February 2017 “Development Strategy of Uzbekistan”, Decree of the President of the Republic of Uzbekistan No. PD-3182 dated 08 August 2017 “On priority measures to ensure the accelerated socio-economic development of the regions”, as well, Decree of the President of the Republic of Uzbekistan No. PD-3777 dated 07 June 2018 “On implementation of the Program “Every family is an entrepreneur””.

In addition, modern statistical methods and observations, comparative and systematic analysis and synthesis, induction and deduction methods of decreasing state participation in the economy, protection of private property rights and further strengthening of its prestige defined by these decrees and resolutions. Collecting and processing of relevant statistical data, suggestions and recommendations on the main directions of further institutional and structural reforms aimed for stimulating the development of small business and private entrepreneurship.

Experimental results: Nowadays, not only farmers, who are cultivating products in agriculture, agrobusiness, fishery and forest management, are focusing to develop entrepreneurship in the countryside, yet a lot of attention is being paid to

private and family businesses, handicraft, tailoring and household services for their necessities in daily life. Furthermore, these actions taken to give opportunities to small and personal enterprises, to increase the range of employment in rural places, to promote their income and offer good services.

1-st table illustrates the industrial actions of small business in the city and districts of Khorezm region.

Table 1

The proportion of small-business sector in manufacturing industrial production, % [16]

	2018	2017
In total	31,7	42,9
Urgench	46,1	53,1
Khiva city	99,6	100
Bagat dist.	70,4	64
Gurlen dist.	41,2	60,9
Qoshkopir dist.	48,3	46
Urgench dist.	75,8	87,5
Khazoraspdist.	5,9	9,5
Khanka dist.	34,3	39,9
Khiva dist.	100	99,8
Shovotdsit.	65,9	73,1
Yangiariq dist.	36,2	38,5
Yangibozor dist.	38,6	38,6

It is transparent from the table that the portion of small business sector went into gradual decline in 2018 compared to 2017 with 31,7 %. Among this indicator, Khiva district ranks the first at 100%, Khiva city stands second with 99,6%, while in the list of lower shares, there is Khanka district with 34,3%, Yangiariq with 36,2%, Yangibozor with 38,6% and Khazorasp produced the lowest rate of industrial production (5,9%).

The farm economy constituted 21,5% of gross national products, agriculture made for 77,4 % and the share of the organization carrying on agronomy was 1,1 % in Khorezm region

Table 2

The proportion of manufactured products regarding the type of economy in Khorezm region,% [16]

Types of economy	2017	2018
farm	26,3	21,5
Agriculture	72,7	77,4
organization carrying on agronomy	1,0	1,1

If the territories and the types of economy are divided into categories, the largest percentages will probably be attributed to Yangibozor (28,3), Gurlen (26,6) and Khanka (24,4). However, if the proportion is about the farming, the list will be filled with districts like Yangiariq (82,5), Khiva district (81,0), Urgench district and Bog’ot district, with 80,2% and 77,9% respectively. The contribution of Urgench and Khiva cities regarding agriculture comprised 99,9% and 99,6% in turn, yet there is no farming economy in both cities. Look at the Table 3.

Table 3

Distribution of agricultural products of Khorezm region by territories and types of economy [16]

	Area	Farming	griculture	Organization carrying on agronomy
1.	Bagat	21,6	77,9	0,5
2.	Gurlen	26,6	73,3	0,1
3.	Qo’shko’pir	22,6	76,9	0,5
4.	Urgench dist.	17,8	80,2	2,0

5.	Khazorasp	23,7	76,0	0,3
6.	Khanka	24,4	71,2	4,4
7.	Khivadist	18,8	81,0	0,2
8.	Shovot	21,6	76,7	1,7
9.	Yangiariq	17,0	82,5	0,5
10.	Yangibozor	28,3	71,3	0,4
11.	Urgench city	0	99,9	0,1
12.	Khiva city	0	99,6	0,4

It should be admitted that except these types of economy, forming other ways of engaging the population should not be taken for granted. Therefore, it would be very vital and worthwhile to find valuable strategies for developing rural small business and private entrepreneurship, to create job vacancies for dwellers of villages, to consider the rise in manufacturing and the income of the population.

Undeniably, villages are embracing such kind of people who can contribute to expansion of small business and private enterprises in that areas. Nevertheless, there is still deficiency in experienced young personnel making products or serving people. One more thing attracting attention is that even farming and agriculture comprising the majority of part of rural entrepreneurship, among the developing businessmen, it is not so common to see people who are manufacturing or offering a public service. Indeed, it is mainly referred to a few number of grocery stores, cafes, beauty salons, barbershops, car washes, payroll services, telephone repair services, ateliers and stationer's on the peripheries of Uzbekistan and the demand for them urges to develop small entrepreneurship in those places.

Table 4

The number of entrepreneurs who are functioning and who temporarily ceased their business [17]

(according to report on the 1st of December, 2018 y)

	Total number of	Number of new registered	Number of entrepreneurs	Number of entrepreneurs
--	-----------------	--------------------------	-------------------------	-------------------------

Area	entrepreneurs registered till the report day	private entrepreneurs	temporarily stopped activity	actively doing business
Urgench city	3157	1250	1041	2116
Khiva city	1713	657	621	1092
Urgench dist.	3418	1241	1159	2259
Khiva dist.	1234	630	418	816
Khazorasp	3258	1101	630	2628
Gurlen	1934	576	725	1209
Shovot	1529	578	444	1085
Yangiariq	831	490	243	588
Qoshkopir	1439	522	303	1136
Bagat	1257	450	497	760
Khanka	1878	988	372	1506
Yangibozor	540	309	185	355
In total	22188	8792	6638	15550
1 st of December	16357	5778	4230	12127
Difference(+, -)	5831	3014	2408	3423

As it is noticeable above, in total number of entrepreneurs registered in the state list, Urgench district's share was 3418, Khazorasp's proportion was a bit less (3258) and in Urgench city, the portion comprised 3157. Admittedly, among all districts, Khazorasp was responsible of more percentages in private entrepreneur register. In the record of personal entrepreneurs, Yangibozor and Yangiariq districts accounted for the lowest rate of numbers.

The following table will display the distribution of private business subjects regarding their performance.

Table 5

The share of private business subjects regarding their performance in Khorezm region, in numbers [17] (as for the 1st December, 2018)

	Retail	Retail of grocery	Sale of agricultural	Retail of inedible	Retail of edible and handicraft	Household	Hairdresse	Other	National	Transportation of	
Urgench city	868	86	8	481	282	167	546	89	534	319	17
Khiva city	470	6	6	166	283	124	308	18	185	107	4
Urgench dist.	1019	76	91	439	395	114	589	51	535	307	27
Khiva dist.	280	10	22	76	161	113	211	29	209	95	26
Khazorasp	1325	53	43	820	352	93	623	53	583	365	37
Gurlen	419	34	61	210	100	94	239	24	456	266	11
Shovot	516	39	123	119	227	53	195	15	321	165	32
Yangiariq	257	8	13	38	194	45	100	11	186	102	15
Qo'shkopir	330	21	24	50	226	82	329	38	395	252	17
Bagat	267	3	4	24	231	60	119	24	313	175	20
Khanka	535	22	19	184	301	102	379	42	489	276	14
Yangibozor	155	17	10	28	95	16	42	17	142	82	1
Total	6441	375	424	2635	2847	1063	3680	411	4348	2511	221
1 st	498	415	263	2480	1722	332	291	32	388	234	171

Decem ber, 2017	9						7	5	9	0	
Difference (+, -)	145 2	- 40	161	155	1125	731	763	86	459	171	50

The table illustrates that the quantity of Khazorasp, Urgench district and Urgench city entrepreneurships vis-à-vis retailment was admittedly higher than that of others comprising together approximately the half (3212) of total number of private business subjects (6441). In contrast, Yangibozor, Yangiariq and Khiva district ranked the last position in that field, at 155, 257 and 280 respectively.

In the other columns, the contribution of private entrepreneurs in the services like hairdressing salons, manicure, pedicure, cosmetician, etc., drew up 411 in total: 325 according to the statistics of 1st November of 2017 and it increased to 86 till the 1st of December of 2018. Among these indicators, the high quantities were referred to Urgench city (89), Urgench district (51), Khazorasp (53) and Khanka (42), while Yangiariq (11), Yangibozor (17), Khiva city (18) and Shovot ranked in lowest positions in development of those facilities.

Regarding agriculture, it is depicted in the table that Urgench district, Khazorasp and Shovot outweighed other regions in this type of economy. However, banking accommodation isn't being advanced in any districts so rapidly that it is, unfortunately, remaining undeveloped in areas. Admittedly, there is no banking and insurance services in Khiva district. Regrettably, such kind of failure can be witnessed in public catering and transport services as well.

Conclusions and Suggestions. International experience of development of small business and private entrepreneurship shows that primarily small business needs financial and economic, not primarily administrative control.

Consequently, soft and low interest rate loans, which are separated by the state, are of great importance to small businesses. Summarizing the best international

and domestic experience in the development of small business and private entrepreneurship, the following suggestions and recommendations for further development of this sector can be provided:

- further improvement of the institutional, information, legal, human resources and financial support of small businesses entities;
- development small business and private entrepreneurship in rural areas in cooperation with clusters;
- creation of the all opportunities for small business development in rural areas; differentiate by taking into account taxation sphere, social status of enterprise (certain benefits for young people, women, disabled people, and pensioners) and regional development (benefits for undeveloped regions);

One of the long-term solutions to this challenge is, perhaps, to raise the awareness of the rural population about the importance of small business and as a result, it can play a huge role in addressing rural socio-economic problems.

References

- [1]. Presidential Decree №5087 “On measures of radically improving the system of state protection of legitimate business interests and further development of entrepreneurial activity” June 19, 2017, Tashkent.
- [2]. Abdullaev A.M., Abdurakhmanov O.Kh., Zokirova N.K. Forecasting and modelling the national economy. -T: Fan va texnologiya, 2007. - 575 pp.
- [3]. Abdullaev Yo., Karimov F. Small business and entrepreneurship. - T.: Mehnat. 2000 year
- [4]. Ambartsumyan A.A. Small enterprises in the system of economic relations in the conditions of transition of Uzbekistan to the market: Autoref. dis... and. econ.nauk. - Tashkent: 1996. -27 p.
- [5]. Ataniyazov B. Management of the development of economic and environmental systems. -T: Fan, 1998. - 124 pp.,
- [6]. Berkinov B.B. Modeling management system of agriculture. - T: Fan, 1991.,
- [7]. Gulyamov S.S., Dogil L.F., Semenov D. Entrepreneurship and small business. - T.: TGEU, 1996. - pp. 19-83.



- [8]. Gulyamov S.S., Salimov B.T. Modeling the use and development of the production potential of the region. - T.: O'qituvchi, 1995. - 154 pp.,
- [9]. Do'stjanov T., Salaev S. Big opportunities for small business.-Urgench:Khorezm, 1997. - 129 p.
- [10]. Eroxin V.Ya. International entrepreneurship. - M.: Finansyi statistics, 2008. - 390 pp.
- [11]. Kasimova M.S., Khodiev B.Yu., Samadov A.N., Muhitdinova U. Small Business Management /
-T.: O'qituvchi, 2003. - 239 pp.,
- [12]. Mahmudov N.M. Modeling of production and economic processes of the cotton processing industries: Autoref. diss. ... Doc. ecnauk. -T: TGEU. 1993. - 36 pp.
- [13]. Sablikova M.S. Small Business in Russia and abroad SPBNIUITMO. St. Petersburg, Russia // scienceforum.ru/2014/pdf/4664.pdf
- [14]. Khodiev B.Yu. Econometric modeling of entrepreneurship development in the economy of Uzbekistan: diss. ... Doc. ecnauk. -T.: TGEU. 2000.-338 p.
- [15]. Khodiev B.Yu. Econometric modeling of entrepreneurship development in the economy of Uzbekistan: diss. ... Doc. ecnauk. -T.: TGEU. 2000.-338 p.
- [16]. Statistical report of Khorezm region. 2018.
- [17]. Regional statistics organization's report.