

**STATE POLICY OF SUPPORTING PRIVATE ENTREPRENEURSHIP AND ITS  
RESULTS**

**Khujakulova Nigora Rustamovna**

Associate Professor of the Department of Innovative Economics, Karshi State Technical  
University

**Annotatsiya:** Mazkur maqolada O'zbekistonda xususiy tadbirkorlikni qo'llab-quvvatlash bo'yicha davlat siyosatining mazmuni, yo'nalishlari va samaradorligi yoritiladi. Unda iqtisodiy islohotlar, qonunchilik tashabbuslari va moliyaviy mexanizmlarning xususiy sektorni rivojlantirishga qo'shgan hissasi tahlil qilinadi. Shuningdek, ushbu siyosatning amaliy natijalari statistik ko'rsatkichlar va ekspert baholari asosida yoritilib, takomillashtirish bo'yicha strategik tavsiyalar beriladi.

**Kalit so'zlar:** xususiy tadbirkorlik, davlat qo'llab-quvvatlovi, iqtisodiy siyosat, moliyaviy vositalar, biznes rivoji, O'zbekiston.

**Аннотация:** В статье рассматриваются содержание, направления и эффективность государственной политики поддержки частного предпринимательства в Узбекистане. В нем анализируется вклад экономических реформ, законодательных инициатив и финансовых механизмов в развитие частного сектора. Также освещаются практические результаты данной политики на основе статистических показателей и экспертных оценок, а также даются стратегические рекомендации по ее совершенствованию.

**Ключевые слова:** частное предпринимательство, государственная поддержка, экономическая политика, финансовые инструменты, развитие бизнеса, Узбекистан.

**Abstract:** This article discusses the content, directions and effectiveness of the state policy on supporting private entrepreneurship in Uzbekistan. It analyzes the contribution of economic reforms, legislative initiatives and financial mechanisms to the development of the private sector. It also highlights the practical results of this policy based on statistical indicators and expert assessments, and provides strategic recommendations for improvement.

**Keywords:** private entrepreneurship, state support, economic policy, financial instruments, business development, Uzbekistan.

## **1. Introduction.**

Entrepreneurship, as a key component of any market economy, plays an important role in increasing the country's economic potential, providing employment and increasing the income of the population. Among the types of entrepreneurship, traditional entrepreneurship occupies a special place, as it is a form of activity that is widespread in the early stages of economic reforms, is not complex in terms of organization and innovation<sup>1</sup>.

Traditional entrepreneurship is usually understood as a form of economic activity that has been formed over a certain period of time and has been mastered by the general public, has a relatively stable market demand and does not require a high level of creativity, innovative technologies or advanced management solutions in its operation. This type of activity is often aimed at taking advantage of existing conjunctural situations to profit.

---

<sup>1</sup> Saidova M. "The Activities of Commercial Banks in Financial Support of Small Businesses". // Scientific Journal "Financial Analysis", No. 2, 2022.

## **2. Analysis of literature on the topic.**

In world experience and scientific literature, entrepreneurship is recognized as an important driver of economic development. Scholars such as Schumpeter (1934)<sup>2</sup> and Acs & Audretsch (2003) have emphasized the role of the state in creating a favorable environment for private business<sup>3</sup>. In Uzbekistan, Khakimov (2021) studied the effectiveness of tax incentives, microfinance, and administrative reforms<sup>4</sup>. The role of state policy in the development of private entrepreneurship has been widely covered in global and local studies. Scientific sources recognize entrepreneurship as a driver of economic growth and put forward different approaches to the regulatory, stimulating, and institutionalizing role of the state. J.A. Schumpeter (1934) in his work "The Theory of Economic Development" argues that entrepreneurs achieve economic growth through innovation. In this process, the state mediates in creating an entrepreneurial environment. Khakimov A. (2021) in his monograph "Development of the Private Sector in Uzbekistan" provides an in-depth analysis of the reforms carried out in recent years, especially the simplification of the taxation system, the digitization of public services, and the role of bank loans. The annual reports of the Central Bank and the State Statistics Committee (2020–2024) show the results of state policy through indicators such as the share of the private sector in GDP, the number of registered entrepreneurs, and the volume of loans allocated.

## **3. Research methodology.**

This article studies and analyzes the state policy of supporting private entrepreneurship and its results. In the research process, the methods of dialectics, economic analysis, comparative comparison, statistical grouping, monographic observation, induction, deduction, logical and abstract thinking, and prospective forecasting were widely used.

## **4. Analysis and main results.**

In the early years of Uzbekistan's independence, especially in the 1990s, during the country's transition to a market economy, against the backdrop of resource scarcity and high demand for consumer goods, the population paid wide attention to traditional forms of entrepreneurship. In particular, such activities as trade, small-scale production, and the provision of household services served as a source of income for many citizens. In these conditions, the lack of economic knowledge and experience was not a decisive factor; there was an opportunity to earn income through simple practical approaches based on the balance of supply and demand.

Nevertheless, in today's competitive and dynamic environment of a market economy, such approaches are beginning to lose their effectiveness. Innovation, digital technologies, strategic management, and adaptability to rapid changes in the market are becoming the main factors of successful entrepreneurial activity. Nevertheless, some entrepreneurs still rely on traditional forms of entrepreneurship, taking into account factors such as the relative simplicity of operations and the speed of capital turnover.

---

<sup>2</sup> Schumpeter, J.A. (1934). The Theory of Economic Development.

<sup>3</sup> Acs, Z. & Audretsch, D. (2003). Handbook of Entrepreneurship Research.

<sup>4</sup> Khakimov A. (2021). Private Sector Development in Uzbekistan. Tashkent: Economics.

This situation, on the one hand, can serve as a source of stable income to a certain extent, but on the other hand, it can lead to a decrease in competitiveness, limited economic diversification and low production efficiency. Therefore, in modern economic conditions, the transformation of traditional forms of entrepreneurship, that is, their development in combination with innovative approaches, is of urgent importance.

Innovative entrepreneurship is an entrepreneurial activity based on a new approach, using factors that are not yet known or widespread in the economy in order to create innovations, or combining them with traditional factors in a new way. The advantage of innovative entrepreneurship is that it brings more results than traditional entrepreneurship. However, it should be noted that innovative entrepreneurship places its own requirements on entrepreneurs, requiring them to constantly create and search, absorb and implement new knowledge, search for new technologies and use them effectively.

Accordingly, the main criterion for active entrepreneurship in the conditions of modern economic development is the engagement in innovative activities. An innovative approach, in turn, requires the introduction of advanced technologies in entrepreneurial activities, the implementation of modern management models and methods. This process is recognized as an important factor in successful operation in a market economy. Shu bilan birga, O'zbekiston Respublikasi Prezidentining Oliy Majlisga yo'llagan Murojaatnomasida faol tadbirkorlik uchun zarur bo'lgan omillar sifatida, raqobatbardosh mahsulot ishlab chiqarishga qodir, tashabbuskor va innovatsion fikrlashga ega bo'lgan ishbilarmon insonlar faoliyati alohida e'tirof etilgan.

It is known that the competitiveness of a product that meets market requirements depends on a complex of structural factors. These include cheap and high-quality raw materials, advanced technologies attracted from local and foreign countries, highly qualified personnel, modern technical means that increase labor productivity, as well as the systematic development and implementation of innovative solutions.

An active entrepreneur refers to progressive entrepreneurs who not only ensure the well-being of themselves and their families, but also contribute to economic stability by creating new jobs in society, and who deeply feel social responsibility. During the years of independence, it is possible to observe the formation of such a progressive-thinking, enterprising and socially active stratum of entrepreneurs in our country.

If the existing economic potential is fully utilized and the ranks of active entrepreneurs are further expanded, an increase in the employment rate in the country, an improvement in the living standards of the population, and a significant reduction in the problem of unemployment are expected in the near future. This, in turn, will have a positive impact on economic growth and contribute to sustainable development.

The President emphasized that "our first task should be to expand the ranks of active entrepreneurs, including creating appropriate conditions for them to bring and introduce high technologies and equipment based on the latest achievements of science and technology into our country. If necessary, we should gain experience in leading foreign companies and organizations, and create all possible opportunities for them to cooperate in a mutually beneficial manner."

In order to rapidly develop the business environment in the Republic of Uzbekistan, increase the effectiveness of economic reforms, and expand the activities of the private sector, a comprehensive program of measures has been developed, which provides for the comprehensive protection of private property. Through this program, it was determined to bring the business environment to a qualitatively new level, create reliable legal guarantees for investors and entrepreneurs.

One of the main directions envisaged in this program of measures is the modernization of the regulatory and legal framework regulating this area. For this purpose, a number of relevant

legislative acts have been adopted. Among them, the Law of the Republic of Uzbekistan "On Combating Corruption" is of particular importance. In particular, Article 20 of this law contains important norms aimed at preventing corruption factors in the field of entrepreneurial activity.

The following basic principles are established within the framework of this article:

- creating convenience for entrepreneurs by eliminating administrative and bureaucratic obstacles, simplifying registration, permitting and licensing processes and reducing their execution time;
- optimizing the activities of regulatory authorities, i.e. clearly defining the powers of control and inspection structures, preventing illegal interference in the activities of business entities and improving the system of their inspection only within the framework of the law;
- widespread introduction of remote services and electronic management systems, thereby simplifying the interaction between state agencies and entrepreneurs and reducing corruption risks associated with the human factor;
- creating equal opportunities in entrepreneurial activities, creating a competitive environment, creating fair economic conditions by combating monopoly and unfair competition;
- liberalizing the public procurement system, i.e. reducing corruption risks by ensuring transparency of the procurement process, equal access to participants, and guaranteeing openness in tenders.

These approaches create a stable, transparent and competitive environment for business entities, and strengthen the legal framework that serves the sustainable growth of the country's economy. This, in turn, creates a basis for the institutional development of entrepreneurial activity.

As a result of the adopted regulatory and legal documents, in particular, the regulatory framework aimed at facilitating and supporting entrepreneurial activity, the mechanisms for state registration of business entities have been simplified. This has created the basis for eliminating bureaucratic obstacles in the field and creating a favorable legal and institutional environment for businessmen. In particular, the introduction of the "single window" principle has significantly accelerated registration processes and reduced unnecessary paperwork.

## **5. Conclusion.**

The economic reforms being carried out in the country, especially initiatives aimed at supporting the private sector, not only stimulate domestic economic activity, but also serve to increase investment attractiveness by improving our position in international economic rankings.

In the ranking compiled by the prestigious Heritage Foundation on the level of economic freedom, Uzbekistan ranked 148th out of 180 countries. This index reflects the level of government intervention in economic activity and is based on indicators in 10 key areas, such as the business environment, trade and investment freedom. The ranking divides countries into five groups, and Uzbekistan is included in the group of countries with "almost no freedom".

In conclusion, the systematic economic reforms being carried out in Uzbekistan, especially measures aimed at protecting the rights and interests of business entities, simplifying the privatization processes of state property, and reducing the state's participation in the economy, are improving the business environment in the country. Such approaches make it possible to increase investor confidence and achieve higher rankings in economic freedom rankings.

## **References**

1. Acs, Z. & Audretsch, D. (2003). Handbook of Entrepreneurship Research.
2. Schumpeter, J.A. (1934). The Theory of Economic Development.
3. Khakimov A. (2021). Private Sector Development in Uzbekistan. Tashkent: Economics.

# **INTERNATIONAL MULTIDISCIPLINARY JOURNAL FOR RESEARCH & DEVELOPMENT**

**SJIF 2019: 5.222 2020: 5.552 2021: 5.637 2022:5.479 2023:6.563 2024: 7,805**  
**eISSN :2394-6334** <https://www.ijmrd.in/index.php/imjrd> **Volume 12, issue 06 (2025)**

4. Law "On Private Entrepreneurship", 2021.
5. Presidential Decree No. PF-6011 (2020).
6. Azizov S. "Microfinance System and Its Role in the Development of Small Businesses". – Tashkent: Ilm Ziyoy, 2021.
7. Saidova M. "The Activities of Commercial Banks in Financial Support of Small Businesses". // Scientific Journal "Financial Analysis", No. 2, 2022.