

**ESTABLISHMENT OF ENTERPRISES AND DEVELOPMENT OF
ENTREPRENEURSHIP IN UZBEKISTAN**

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Annotation: This article examines the theoretical and practical aspects of enterprise formation and entrepreneurial activity in Uzbekistan. It discusses the concepts of “enterprise” and “entrepreneurship,” their role in the national economy, as well as the legal and institutional frameworks and the role of state policy in supporting business development. The study also identifies key challenges faced by entrepreneurs and provides proposals for overcoming them. Furthermore, it analyzes the prospects for innovative entrepreneurship and enterprise creation in the digital economy.

Keywords: entrepreneurship, enterprise, economic policy, legal framework, innovation, digital economy, small business, start-up development, economic modernization.

In the context of a market economy, organizing enterprises and developing entrepreneurship in the Republic of Uzbekistan is one of the key priorities of state economic policy. Since gaining independence, the country has implemented a series of legal, institutional, and organizational measures aimed at protecting private property, supporting business entities, improving the investment climate, and fostering a competitive market economy.

Entrepreneurship is an economic activity based on initiative and risk-taking, aimed at generating profit. Scholars have defined entrepreneurship in various ways. According to Adam Smith, an entrepreneur is a capital owner whose main goal is to generate profit. Joseph Schumpeter described the entrepreneur as an innovator and a driving force of economic development. Peter Drucker, in turn, viewed the entrepreneur as a person who identifies market opportunities and uses them effectively. Thus, entrepreneurship is not only a source of income but also a mechanism that stimulates innovation, competition, and overall economic progress.

The legal foundation for business activity in Uzbekistan is defined by several key legislative documents. The Law “On Guarantees of Freedom of Entrepreneurial Activity” (2012), the Law “On Private Enterprises,” and the relevant sections of the Civil Code establish the principles for free and fair business operations. Furthermore, Presidential decrees have introduced a “one-stop-shop” system for online business registration, which simplifies administrative procedures and minimizes bureaucracy. These legal instruments provide entrepreneurs with fast, transparent, and supportive conditions to start and manage their businesses efficiently.

Over the past decade, the government of Uzbekistan has undertaken significant reforms to improve the entrepreneurial environment. Financial support measures, including the establishment of the State Fund for the Support of Entrepreneurship Development and the provision of preferential loans, have encouraged business growth. The development of innovative infrastructure, such as IT parks, technoparks, start-up accelerators, and business incubators, has laid the foundation for technological entrepreneurship. State policy has also focused on reducing the tax burden, promoting export activities, and creating favorable conditions for small and medium-sized enterprises. These measures have contributed to a more dynamic, diversified, and competitive economy.

Despite the positive trends, several obstacles continue to hinder the effective growth of entrepreneurship in Uzbekistan. Entrepreneurs often face difficulties in obtaining loans due to high collateral requirements and limited access to long-term financing. In some regions, market infrastructure remains underdeveloped, which restricts business expansion. There are also challenges related to product quality and compliance with international standards, which limit export potential. Moreover, the development of innovative and technology-based entrepreneurship remains relatively slow. Addressing these challenges requires comprehensive institutional reforms and the strengthening of financial and advisory support mechanisms.

The prospects for entrepreneurship in Uzbekistan are closely tied to the processes of digitalization and sustainable development. Expanding entrepreneurship through the digital economy will open new opportunities for innovation, efficiency, and global competitiveness. Developing export-oriented industries and supporting environmentally friendly business models based on green economy principles are also vital directions for future growth. Furthermore, the government's continued focus on small business and start-up support will enhance employment, regional development, and overall economic diversification.

The establishment of enterprises and the development of entrepreneurship are key drivers of Uzbekistan's economic modernization and competitiveness. Scientific analysis shows that sustained state support, the expansion of innovation infrastructure, and the creation of a business environment that aligns with international standards are essential for sustainable growth. Encouraging innovative and digital entrepreneurship will ensure deeper integration of Uzbekistan into the global economy and contribute to inclusive national development.

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