



THE DIRECTIONS OF DEVELOPING ENTREPRENEURSHIP IN THE RURALS

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ANNOTATION

The analysis and suggestions regarding the directions of dealing with business activity in agriculture, diversification of agriculture, the policy conducted by the government with employment of the people, entrepreneurship of non-agriculture, enhancing the field of service in the countrysides, crediting the projects, increasing the activity of the households, crediting the governmental projects and improving the financial interest of the households are despired in this article.

KEY WORDS. Household, activity, agriculture, entrepreneurship, employment, interest, diversification, governmental project, crediting, servicing.

INTRODUCTION

According to economic thoughts, agriculture plays an important role in the economy of the state, that is why, a major part of the social-demographic and natural resources are placed in the rural places, which assits to multiply upward trends in the economy of not only the villages but also the whole county through effectively using lands. However, nowadays one of the most common issues in the rurals is unevenness of the economic growth. The economy of a number of the regions developing stably, the reverse situation occurs in the others, including the whole economic system of the states has been declining as a result of a decrease of population and production in the rural areas.

In a great range of the developed and developing countries solving these problems are required to diversify the agriculture, which improves a number of the problems existing in the rurals, including providing the employment of the people, amplifying the standart and quality of life, strengthening economic and food safety in the countrysides and near small towns. The need to diversifying the agriculture has resulted from the features such as seasonal production, labor productivity and a drop of the costs of products.

EXPERIMENT, MATERIALS VA METHODS

The international experiences and theories of the scientists were explored in terms of progressing entrepreneurship via raising the activity of the households in the rural lands.. Gathering, grouping and analysing the data of the International Statistics Organizations and Statistics Committee of the Republic of Uzbekistan were performed, made

summaries. Analysis, synthesis, induction and deduction methods were widely used to analyse the data.

MAIN PART

The all regions of the country do not have the same opportunities and created conditions to make, save, reproduce and sell the agricultural products. There are such regions that farming leads considerable troubles. Therefore, to diversify the agricultural economy is being dramatically necessary. In the rural areas a lack of the aviable lands for agricultural entrepreneurship or a fall of productivity makes find out other types of doing business in them. It is remarkably paramount for supplying employment and mechanical growth in every area, region or village where people reside to figure out suitable entrepreneurship forms.

The household is divided into the following four small sections:

- an employer;
- a person busy with independent work;
- an employee;
- a person taking income from property and transfer¹.

As a result of increasing the activity of the households in the areas, there are a wide range of chances of stabilizing the economic circumstance. In today coronavirus pandemic situation utilizing the opportunities of the households in the places is considered as a critical way of resolving both

¹ Berkinov B. B. "The economy of the household" Textbook. Tashkent. 2014 year.



economic and social issues for the authority to escape the economic crisis.

In our republic, according the end of 2019, farming products included 50,2 percent while cattle-raising consisted of 49,8 percent in the common quantity of the agricultural products. A main part of the households deal with agricultural works. Not with standing, it is thought as an unfair condition by economically that all the people are busy with work in the agriculture.

The members of the household do their business in various areas of the economy in the Republic of Uzbekistan. The farming is one of the well-known entrepreneurship types done by the members of the households in the country. These days farmers should enlarge and strengthen their pursuits in order to stay longly in the markets. For example, carrying out the directions of non-agricultural activity by the farmers leads the degree of their extra revenue to rise. These are given the followings:

The direction of service: home appliance workshop, computer design, accounting, advertisement, paid medical care, touristic service, various car services, wood processing and drying, communal-household, using water, veterinary, preparation of agricultural products and services in the field of machine-tractor parks, teleradio, video and audio services, radio electronic devices, clothing repair, hairdressing, complex household appliances, furniture preparation and repair, repair of residential and non-residential buildings and construction, shoe making and sewing clothes individually, service at ceremonial events, making ceremonies, training of the people in courses, film laboratory and photography, chemical cleaning, laundry, sound recording studios, transport, information, mediation and comfort services and others

The field of service is one of the most enormous reserves for supplying the population with jobs. Its portion in the GDP (Grossing Domestic Product) includes 35 percent in our country. By the information of the International Labor Organization, what the industry of service grew to 1 percent dipped to 1,5 percent of the number of the poor². 1 trillion sum of credit resources whose rate was not more than 15 percent was allocated to expand the field of services in 2020.

Production of semi-finished products: food products, thread, spool and others.

Preparing the product, reproduce, labeling, reserving and marketing.

Home-based work.

Commerce and sale.

²https://review.uz/oz/post/more_than_100_million_dollar_was_allocated_to_develop_the_sphere_of_service

The forms of entrepreneurship on the basically agricultural activity are counted as cattle farms, peasant farms and other organizations dealing with the agricultural activity in the state. In the following we have given the analysis of the results of their general activity.

Farm – an entrepreneurship subject which produces the agricultural products through utilizing lands on rent and performs the kinds of other activities which are not banned in a law.

In the condition of January 1, 2020 the number of farms reached 92,6 thousand in our country. From the total amount of the farms, the direction of cotton and grain growing constitutes 40,0 thousand, gardening and viticulture-31,0 thousand, cattle-14,8 thousand, vegetables and melons-5,0 thousand, other directions-1,8 thousand³. The reformations concerning establishing market relations in agriculture, developing manufacturing, forming the class of owners and providing their independence are being conducted step by step in our state. Additionally, it is being paid more attention in the project of organizing and amplifying the multi-band farms. 1 128 billion sum was oriented so as to progressing this sector in the condition of July of this year and multidisciplinary was established in the 7,4 thousand farms. As a result of this, 23,7 thousands of the people were supplied with employment. In a short period the multi-band farms created 6,6 thousand hectares of intensive garden, 3,2 thousand hectares of vineyard and 362 hectares of greenhouses. Furthermore, the 64 farms built the storage oriented to re-produce fruit-vegetable, milk and meat products, the 135 farms founded the storage specialized to re-make bread and other agricultural products, the 76 farms constructed refrigerated warehouses. A number of the projects are being made in the direction of cattle-breeding, poultry farming, fishing, beekeeping, sheep-breeding, goat-breeding and rabbit-breeding. More than 21 thousands of the multi-band farms which are 37⁴ of the total amount have been put in the online register. In this area efficient work have been established in Bukhara, Andijan, Khorazm and Surkhandarya. In the regions of Kashkadarya, Navai, Samarkand, Sirdarya the shortcomings in terms of it are being seen, though. If we have given attention to digitals, the chief portion of the being made projects or allocated money belongs to produce the agricultural products and create new job places in the sector. On account of the diversification of the sector, there is neither project

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https://stat.uz/uploads/docs/agriculture_december_uz.pdf

⁴The data of the Council of the owners of farms, peasant farms and erfs of Uzbekistan. Tashkent. 2020.



oriented to raise new directions of production and service nor capital has been directed. The field of agriculture is being a main source of income or way of the activity of the people, especially the rural people. If the directions aforementioned by us are performed, what people think in the level of the demand of the market economy will be achieved together with creating new jobs and both economic and social changes will occur in the places, the infrastructure will develop, material interest will go up, the activity of modern and innovative entrepreneurship will make a progress.

The peasant farm is considered as another of the most widespread forms of entrepreneurship in the agriculture of the Republic of Uzbekistan.

Peasant farm – a small family farm that grows agricultural products and markets them in the inherited plot of land given to the head of the family for lifelong possession, on the basis of personal labor of the members of the family. The activity of the peasant farm is also consisted in the business activity and it may be organized at will of the members of the family in the form of a legal entity and non-legal entity. The peasant farm can't permanently use hired labor in its operation. The head of the family together residing and together managing the peasant farm, his wife (her husband), his (her) children, including his (her) adopted children, his (her) foster children, his (her) parents, his (her) other relatives of working age are included in the row of the family members⁵. This type of running the farm is remarkably common, for instance, the number of peasant (personal helper) farms reached 5,0 million in the condition of January 1, 2020. It is not trouble for the members of the family to operate this peasant (personal helper) farm. But most of them linger in the shadow of the hidden economy. They do not pay taxes, do not obey the standards, do not take permission for their operation and others. They are becoming used to deal with their pursuits in this way. It is no exaggeration that there are some factors reasoning this. For example, the troubles such as the documentation works for doing legal entrepreneurship activity demanding long time, corruption schemes in this field, a great number of interventions, the problems of realization of the products, the issues of setting the plan makes them stay in the hidden economy. To change their activity to the legal economy, we should amplify the control, otherwise we lead corruption to soak. It is dramatically paramount for us to pay attention to reduce the expenditure of doing the legal business, decrease payments of tax and custom, cancel or simplify the rules of registering and permitting, cut down and enhance the area of control mechanisms, destruct the monopolies in the market of resources

⁵ The law on "Peasant farm" of the Republic of Uzbekistan. Tashkent City. April 30, 1998.

and services, create the suitably equal circumstance for all the entrepreneurs. We have given scarcely money to the households, allocated the privileged credits to reunite their operation. Yet the given credits is not being spent purposely or prolongation of their activity is not being continued longly. As a consequence, the people fear and are frightened in terms of carrying out their operation.

In the condition of January 1, 2020, a number of **the organizations implementing the agricultural activity** soared to 27,6 thousand. The organizations dealing with agriculture is a subject possessing the right of a legal entity which produces the agricultural products, serves to the agricultural production, owns land as well as other properties of manufacture in its operation. The companies conducting farming consists large and small enterprises along with microfirms. These include business firms, subsidiary farms of the ministries and departments and other companies⁶. Being distributed the agricultural products made by the categories of the farms, the firms operating the agricultural activity just constituted 3 percent. We widely know this through information of the following table.

⁶ Gulomov Sh. A. "The reformations being done in the field of agriculture, the issues in forming the statistic data by agriculture, the ways of solving them". The scientific electron journal named "The Statistics newsletter of Uzbekistan" of the State Statistics Committee. 2019, number 2.



1-Table

Distributing the agricultural products made by the categories of the farms (to the condition of January 1, 2020)⁷

	Farm		Peasant (personal helper) farms		Organizations conducting the agricultural operation	
	Sharing the product, %	Fluctuation compared to the same period last year, %	Sharing the product, %	Fluctuation compared to the same period last year, %	Sharing the product, %	Fluctuation compared to the same period last year, %
The share of the total agricultural products in production	26,9	-	70,1	-	3	-
Farming products	48,7	-	48,4	-	2,9	-
Including:						
Grain crops	81,4	113,4	15,3	90,7	3,3	144,7
Vegetables	28,1	106,1	70,7	100,4	1,2	98,5
Potato	15	107,7	83,8	100,3	1,2	97,4
Melon crops	39,2	112	59,8	100,1	1	124,4
Fruits and berries	37,7	99,7	60	101,5	2,3	125,3
Grape	41,7	96,2	56,3	103,3	2	109,8
Livestock-breeding products	5	-	91,9	-	3,1	-
Including:						
Meat	5	113	91,8	101,1	3,2	94,1
Milk	4,3	115,1	95,1	101,9	0,6	93,8
Egg	13,7	98,7	57,1	102,2	29,2	110,6
Fish	41,7	134,8	8,5	101,9	49,8	125,3

⁷https://stat.uz/uploads/docs/formed_by_the_author_on_the_base_of_data_of_agriculture_december_uz.



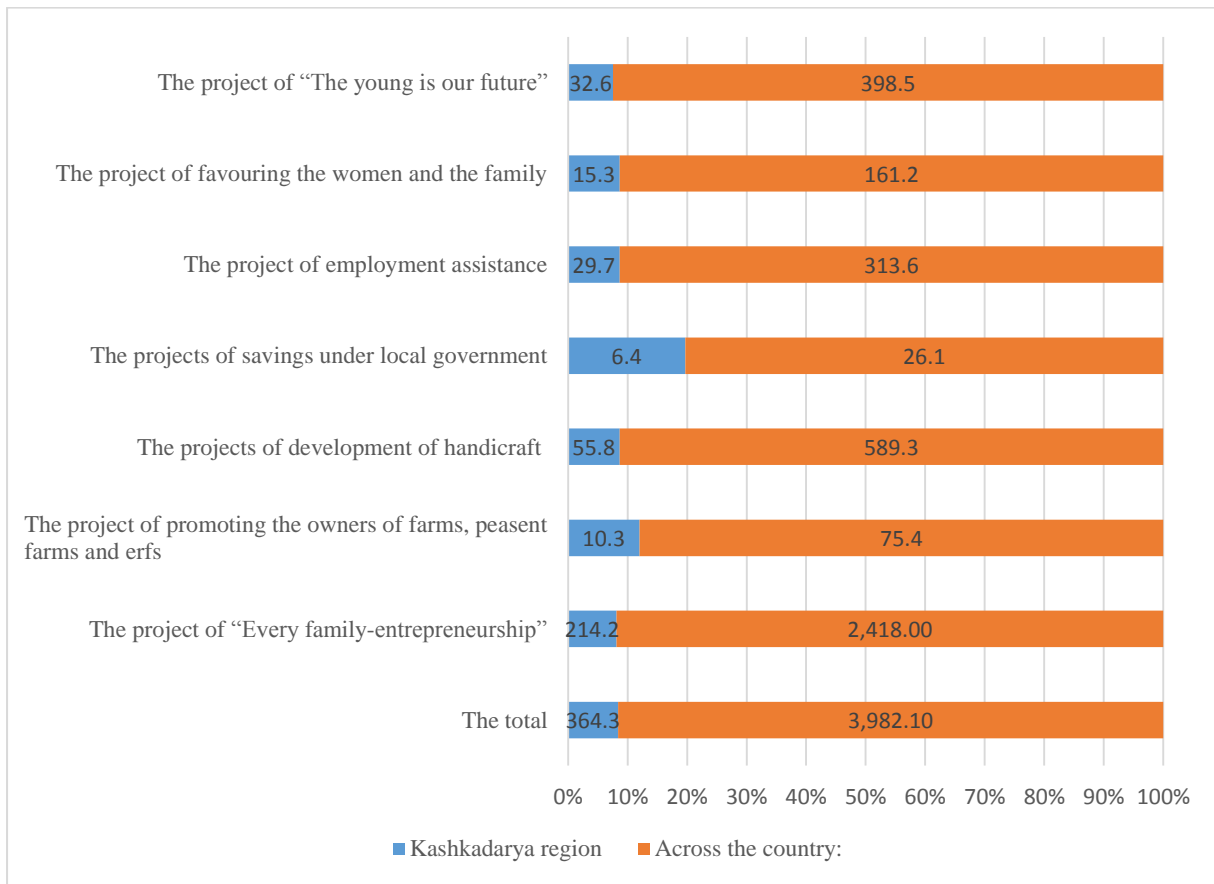
It can be seen on the base of the table information that 70,1 percent of the the total agricultural products, including 48,4 percent of farming products and 91,9 percent of livestock-breeding products is specially reared by the peasant farms on January 1, 2020. The essential part of them grow these products in their personal erfs. Moreover, the government has targeted to increase the quantity of the products via multiplying the number of these farms and to resolve the unemployment problems of the population. Yet, it is not expedient that all the people in the rural area are involved in the agriculture. That is why, the idea, which the agriculture is one of the bases of the economy according to the experience of the developed countries, is not up to date today.

Perfoming programming measures in the direction of making conditions to shape the resources of their extra and stable earnings with addicting the people to the entrepreneurship enormously, providing them with employment in handicrafts, home-based work and other fields of entrepreneurship has resulted in aiding to develop some economic circumstances of the people, especially the families which need social assist in remote areas.

It is essentially demanded that full partnerships between the broad segments of the population and the subjects of small business and family entrepreneurship be inculcated through elaborating small business and family entrepreneurship, ensuring the employment of the population, elevating effectiveness of the system of financially supporting the programs by the initiatives of women and young generation and also deeply ameliorating the working method of the commerce

banks with state participation as well as magnifying to popularize the bank services.

In the republic, crediting the projects has been actualizing by Joint Stock Commercial People's Bank, "Microcreditbank" Joint Stock Commercial Bank and "Agrobank" Joint Stock Commercial Bank in terms of the refinancing rate of the Central Bank of the Republic of Uzbekistan in the circumference of the governmental projects focused on small business, family entrepreneurship, evolving self-employing of the people, expanding opportunities for the women and upholding a young generation with the Decree-5242 on "The measures of futher development of handicrafts and comprehensive support of artisans" on November 17, 2017, the Decree-5325 about "The measures of favouring the women and radically improving their activity in the branch of amending family institutes" on February 2, 2018 and the Decree-5466 about "The governmental project of "The youngs are our future"" on June 27, 2018, the Decree-3680 on "The extra measures of regularizing the activity of the owners of the farms, peasant farms and erfs" on April 26, 2018, the Decree-3777 about "Accomplishing the project of "Every family-entrepreneurship"" on June 7, 2018, the Decree-3856 on "The measures of redoubling efficiency and developing works of providing employment of the people" on July 14, 2018 and the Decree-4231 about "The extra measures of progressing family entrepreneurship and involving the people in entrepreneurship in the areas" of the President of the Republic of Uzbekistan since January 1, 2020 The data are given about the bank credits planned to allocate concerning supplying all the layers of the people with job by the banks in the following picture.



1-picture. The target parameters of crediting the projects in the sphere of the Programs by Joint Stock Commercial People’s Bank, “Microcreditbank” Joint Stock Commercial Bank and “Agrobank” Joint Stock Commercial Bank in the period of 2020 (bln. sum).

9,1 percent of the total money allocated in terms of the republic has coincided to contribution of Kashkadarya region, including the projects of savings under local government are planned to give 24,5

percent of this money, 13,7 percent of it conforms the project of promoting the owners of farms, peasant farms and erfs, 9,5 percent dovetails the projects of development of handicraft, employment assistance and favouring the women and the family, 8,9 percent coincides the project of “Every family-entrepreneurship” and 8,2 percent is directed to the project of “The young is our future”.



2-Table

The data about the credits allocated in the sphere of the State programs of developing the family entrepreneurship in Kashqadarya region⁸

In the condition of 01.07.2020

mln. sum

	The total				Including		
	The plan of the period of 2020	Allocated resource	Regarding the conclusion of VOTQOM	Allocated credit	Agrobank	Microcreditbank	People's bank
					Allocated credit	Allocated credit	Allocated credit
The total:	364 300	180 182	231 759	180 215	75 590	49 144	55 481
The project of "Every family-entrepreneurship"	214 200	116 300	197 645	135 733	54 160	35 740	45 833
The project of promoting the owners of farms, peasant farms and erfs	10 300	8 794	7 529	7 521	6 056	700	766
The projects of development of handicraft	55 800	34 852	8 762	19 526	7 013	6 400	6 112
The projects of savings under local government	6 400	8 309	8 770	5 581	2 607	2 119	856
The project of employment assistance	29 700	240	1 866	167	50	0	117
The project of favouring the women and the family	15 300	0	0	0	0	0	0
The project of "The young is our future"	32 600	11 687	7 187	11 687	5 705	4 185	1 797

⁸Formed by the author on the base of the newsletter of the government of Kashqadarya region . Karshi. 2020.



In the condition of on June 1, 2020 the whole credits allocated to all the directions in Kashkadarya region in 2020 reached 364300 million sum, 49,5 percent of which was financed by the banks, including 63,4 percent of the credit was for the project of “Every family-entrepreneurship”, 73 percent of it was directed to the project of promoting the owners of farms, peasant farms and erfes, 35 percent matched to the project of development of handicraft, 87 percent coincided to the projects of savings under local government, 0,6 percent conformed to the project of employment assistance, 36 percent was oriented to the project of “The young is our future”. Concerning the project of favouring the women and the family any crediting was not compassed during the last six months.

CONCLUSION AND SUGGESTIONS

To sum up, achieving full employment of the people is thought as a temporary way in the agriculture. In addition, it is tremendously important that economic resources should be utilized wisely and fairly these days. The business entities which do not know how to cultivate land, have no sufficient experience and skill to produce the agricultural products may harm to the nature and people. For preventing this situation, the agriculture ought to be diversified. On account of enhancing the level of the final process of the production of the agricultural products and the proportion of services in the places, new job places had better be composed and the rural infrastructure should be ameliorated.

It is effectively and purposely supposed that the most up-to-date and scientifically based projects should be put into practice so as to supply the rural people with jobs.

In the republic developing the systems of production, regulating and co-ordinating according to the international standarts of **Organic and Global G.A.P.**, improving the degrees of quality and safety the agricultural and forestry products, enlarging export geography as well as expanding the chances of totally using the capacity of organic product production of our country must be compassed.

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