UNDERSTANDING THE ESSENCE OF ENTREPRENEURSHIP AND BUSINESS IS THE BASIS FOR IMPROVING SMALL BUSINESS MANAGEMENT

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ABSTRACT:
The article explores the essence of the concepts of entrepreneurship, business, entrepreneur and entrepreneurship in improving small business management and analyses the empirical stages of its progress. The author has also formed a three-stage classification of entrepreneurship according to levels of development. An in-depth study of scientific-theoretical studies by foreign and domestic scientists, a special definition of the concepts of entrepreneurial risk and social entrepreneurship. The article aims to ensure the development of small businesses by developing generalised scientific definitions covering the general stage of entrepreneurship and business development.

Keyword: small business, management, entrepreneurship, business, entrepreneur, businessman, entrepreneurial risk, high innovative entrepreneurship, traditional entrepreneurship, aggressive entrepreneurship, social entrepreneurship, internal training, start-up, digital economy.

INTRODUCTION:
The various macroeconomic changes occurring in the economy are in many ways inextricably linked to the development of small business and private entrepreneurship. The fact that entrepreneurship solves important social, economic and political problems of the state shows how important it is in the current process of globalisation. An important feature of small businesses is that they can be built at different stages of society, in any situation, during economic depression, crisis (inflation), in the absence of necessary infrastructure, high interest rates, high risks and uncertain future.

The main factor in the development of the state is small business and private entrepreneurship, which is a key factor in achieving socio-economic growth. As a result of the measures taken to further improve the activities of small businesses and private entrepreneurship, their share in Uzbekistan's GDP will rise significantly in 2019 to 56.5 per cent, or 19301 billion, and 76.2 per cent of the employed population to 10313.4 thousand people. In developed countries the figure is 55%, such as Japan, 54% in Germany, 52% in the USA, 25.6% in Kazakhstan and 20% in Russia. Measures to increase GDP will be implemented primarily by entrepreneurs. Without entrepreneurship, there will be no local budget and no jobs. The unprecedented "Women's Book", "Youth Book" and "Iron Book" events also depend on entrepreneurs.

MAIN PART:
The entire history of human society dates back to ancient times, and areas such as production, exchange and service are limited to meeting the basic necessities of life. Later, with the emergence of conscious labor and the development of human thinking, they evolved from directions, branches, and fields, and different views emerged through the scientific substantiation of these fields. The importance of small business in the development stage, including the scientific and theoretical research of our chosen topic and world scientists, is closely related, first of all, to the concepts of
"entrepreneur", "entrepreneurship", "businessman" and "business". It is impossible to improve its governance without defining the essence of these concepts. On the basis of scientific and theoretical research and studies conducted on the topic of this article, we found that the concepts of entrepreneur and entrepreneurship, businessman and business are the first important factors in improving small business management and need to be addressed in detail.


Although many scholars have cited theoretical perspectives on what entrepreneurship is and who an entrepreneur is in the foreign literature, no single ideal definition has yet emerged, and the topic is still relevant. The American scholar P. Drucker put it this way: "Many years have passed since J.B. Say coined the term, and we are still pondering definitions of 'entrepreneur' and 'entrepreneurial'. The term "entrepreneurship" was introduced in the 17th century by French economist Richard Cantillon (1680-1734), whose main achievement was that he was one of the first to scientifically substantiate the concept and put forward the following ideas. "Entrepreneur is first and foremost an intermediary, he is a link between producers and consumers. French economist Fransua Kensey (1694-1774) was one of the first to say that entrepreneurship can be not only an intermediary, but also a business owner. Following this approach, the focus of scholars has been to identify the differences between the concepts of entrepreneurship and business.

RESULTS AND DISCUSSIONS:

The word "businessman" originally appeared in English economics for the first time in the 18th century, meaning "owner of property". In this regard, one of the founders of modern economic theory as a science, the Scottish economist Adam Smith (1723-1790) made a significant contribution to the development of business theory, "an entrepreneur is a capitalist who is willing to take risks, who intends to implement his business idea and, as a result, to make a business profit," he said. Another French economist, Jan Batist Say (1767-1832), made an in-depth analysis of the phenomenon of entrepreneurship, in which the scientist focused on capital gains and entrepreneurial income. In the entrepreneurial income cited by J.B. Say - “reward for his industrial ability, talent, activity, discipline and leadership spirit”.

It is clear from this definition that, for this researcher, the industrial entrepreneur is at the forefront of entrepreneurship. But for A. Smith and a number of other scholars, agricultural entrepreneurship came first. This is, of course, due to a stage in the revolutionary development of the world economy, the first stage of which is manual labour, an agrarian economy associated with land use. Since the scholars listed above were at this stage of economic development, they approached the concept from a real-world perspective. The second stage originated in the 18th century - the beginning of the period of industrial (mechanical labour) development, and J. Say’s views focus on this stage. Later, as other stages of economic development improved, foreign and local scholars gave a broader and more formed definition of the term entrepreneurship.
We will discuss this in more detail throughout the article.

German sociologist M. Weber (1864-1920) noted that "entrepreneurship is an economic activity aimed at making a profit, but not any action, but only an action aimed at calculating capital," while the Austrian and American economist Joseph Schumpeter (1883-1950) in his work, he proved the importance of entrepreneurship in socio-economic life: "an entrepreneur does not save money to obtain the necessary funds, he does not save a certain profit before starting production, and the entrepreneur includes income that belongs to society as a whole." Unlike other scholars, Schumpeter divided the entrepreneurial functions into specific combinations, pointing out that “the entrepreneur should be” armed “only with the idea of innovation and energy, using the opportunities to implement new combinations”:

- **Creating a new, i.e., creating a new quality of a product that is still unknown to consumers**;
- **The introduction of a new one, i.e.** this branch of industry is still almost unknown, the method of production may consist of a new method of commercial use of the corresponding product;
- **The development of a new trade market**, which means that this sector has not yet been demonstrated in the country, despite the fact that this market already existed;
- **Obtaining a new source of raw materials or semi-finished products**. This is irrespective of whether or not the source previously existed;
- **Implement an appropriate reorganisation**, such as securing a monopoly position or undermining the monopoly position of another enterprise.

Based on these combinations, it was firstly determined that innovation activity is related to industry and is identified on the basis of a sequence of important innovation characteristics of entrepreneurial activity. It is not difficult to see that Schumpeter's introduction of the new direction of entrepreneurship is also an important factor in shaping the modern innovative entrepreneurial term. The reason for the academic research that has shaped the concept of entrepreneurship in the stages of global economic development (see Table 1.1) is that entrepreneurship is currently in its fourth stage of development.

Key stages in the development of the world economy

<table>
<thead>
<tr>
<th>Stage</th>
<th>Types of economic development stages</th>
<th>Economic development processes are sequential</th>
<th>Scientists of that period</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>The emergence of the global capitalist market:</td>
<td>great geographical discoveries, colony establishment price revolution production period</td>
<td>Richard Kantilon (1688-1734), Fransua Kuensay (1694-1774)</td>
</tr>
<tr>
<td>II</td>
<td>Formation of the world capitalist market, emergence and development of the world division of labor:</td>
<td>industrial revolution, bourgeois revolution transition from a production system to a factory system</td>
<td>Adam Smit (1723-1790), Jan Batist Say (1767-1832)</td>
</tr>
<tr>
<td>III</td>
<td>The formation of the world economy and on this basis the system of global division of labor:</td>
<td>electric revolution, internal combustion engines, economic division of the world, transition to monopoly capitalism</td>
<td>M. Veber (1864-1920), L. Mizes (1881-1973), J. Shumpeter (1883-1950)</td>
</tr>
<tr>
<td>IV</td>
<td>The functioning of the global division of labor, strengthening the interdependence of the economies of all countries:</td>
<td>Scientific and technological revolution, integration process</td>
<td>F. Khayef (1899-1992), P. Drucker (1909-2005), A.V. Busigin (1907-1985), Israel Kirtsner (1930)</td>
</tr>
</tbody>
</table>

One of the most influential management theorists of the twentieth century, the American
scholar Peter Drucker (1909-2005) refined Schumpeter’s approach and viewed entrepreneurship as a unique activity, citing its content in his book on business management in connection with innovations in various fields including management. A. Busigin (1907-1985) introduced the concept of entrepreneurship in enterprise as a form of business activity based on an innovative approach to the existing system of economic relations aimed at producing and selling goods on the market, the benefits of entrepreneurship.

In a general analysis of the above definitions, in the "first wave" of scientific understanding of entrepreneurship R. Cantillon, F. Quincey, A. Smith, J.B. Say link entrepreneurship with risk, while the "second wave" begins with J. Schumpeter's emphasis on entrepreneurship as an innovative activity as a natural factor in economic growth, "man always playing a central role in social and economic development". The "third wave" was realised by representatives of the neo-Austrian school, Ludvig von Mises, Friedrich von Khayek and Israel Kirtsner through their views in their works. Mises took a closer look at the relationship between the manager and the entrepreneur, combining the two aspects into one process and determining that it is the entrepreneur who acts as the leader and the idea that the manager belongs to him, is his follower and only embodies the idea. Although a manager with certain skills is capable of performing business functions.. The main message of the "Third Wave" focuses on the important personal qualities of the entrepreneur, such as the ability to find the right way to change the economic and social situation, independence in choosing and making managerial decisions. The ideas of L. Mises and F. Khaick were developed by the American economist I. Kirzner and interpreted in his work as "the force that balances the entrepreneurial market". The main difference between Kirtsner's and Schumpeter's views is that for Kirtsner, entrepreneurship "is not the introduction of new products or new production methods, but the ability to see that a new product has unexpected value for consumers".

The "fourth wave" is the current stage of business development, the combination of intellectual capital and financial capital, which is called "intraprenerity" in science. Intraprenering is an economic activity that is carried out on its own or at the expense of borrowed funds on the basis of its own risk and responsibility. The main goal is to make a profit and grow the business, a term coined by the American scientist G. Pinsho. The term "start-up" later appeared in business practice, first in the UK and then in 1990s in Russia, where the term was associated with innovative projects and the formation of new businesses. In this regard, we can refer to the works of Russian researchers A.I. Ageyev, A.V. Kirillov on the scientific research of innovative features of entrepreneurship.

The aforementioned scholars approach entrepreneurial risk from an operational perspective and describe it broadly. This, in turn, leads to confusion about the nature of the concepts of entrepreneurship and entrepreneurship. Our local academics have also provided the following definitions of the category of entrepreneur and entrepreneurship based on scientific and theoretical research. (See Table 1.2).
<table>
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<tr>
<th>Authors</th>
<th>Definition</th>
<th>Source</th>
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<td></td>
<td>creativity, increasing wealth, i.e. production, service, creative</td>
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<td></td>
<td>activity.</td>
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<tr>
<td>T.Dostjanov and S.Salaev</td>
<td>Entrepreneurship is the process of producing a product at</td>
<td>T.Dostjanov and S.Salaev Fundamentals of Economics and</td>
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<td>different district levels of the economic sector, i.e. entrepreneurship.</td>
<td>Entrepreneurship.textbook. - T. : &quot;ECONOMY-FINANCE&quot;. 2006.</td>
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<td></td>
<td>refer to enterprising, agile, resourceful, active people.</td>
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<tr>
<td>U.P. Umurzakov, A.J. Toshbaev</td>
<td>Entrepreneurship is a conscious and purposeful economic activity of</td>
<td>U.P. Umurzakov, A.J. Toshbaev Small Business and</td>
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<td></td>
<td>of goods and services in order to achieve socio-economic results.</td>
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<tr>
<td>M.M. Mukhammedov</td>
<td>Entrepreneurial activity is an economic activity carried out using</td>
<td>M.M. Mukhammedov, N.A. Kamilo Economic Theory - Textbook. - &quot;TURON NASHR&quot;</td>
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<tr>
<td>M. K. Pardaev, T.Kh. Mamosaotov,</td>
<td>Entrepreneur is an individual engaged in entrepreneurial</td>
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<td>aggressive entrepreneurship.</td>
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**Table 1.2 Definitions for the category of entrepreneur and entrepreneurship.**

P.A. Guryanov proposed a three-stage classification of entrepreneurship according to the level of development, which consists of the following:

- **Classic Entrepreneurship**, i.e. a special type of innovative production activity associated with risk, representing the upper (elite) layer of entrepreneurship.

- **Economic Entrepreneurship** is a common type of entrepreneurship, the main difference from classical entrepreneurship is that it is not specific to innovative production and the creation of new combinatorial factors.

- **Speculative Entrepreneurship** is the lowest stage of business development, often street entrepreneurs or entrepreneurs engaged in illegal activities. This type of business is rare, it produces something and mostly involves resale or simple speculation, often misleading customers or providing substandard services.

This classification is important for a proper assessment of the essence of entrepreneurship and, in our opinion, in order to fully disclose the characteristics of entrepreneurship, we consider it appropriate to name their types: highly innovative entrepreneurship, traditional, aggressive entrepreneurship.

Although the above definitions are shaped by stages in the development of the economy, no single perfect definition of the entrepreneur and entrepreneurship has been adopted to date. Interestingly, in our research we have found that many academics describe entrepreneurship and entrepreneurship as a single concept and interpret it in terms of risk. But we have come to the conclusion that risk should be applied to the individual, not the activity. I.e, the risk is borne by the entrepreneur, and this is particularly true of highly innovative entrepreneurship. Starting your own small business based on innovative, risk-based technology, you can name such world-famous personalities as: J. Ford, B. Gates, S. Jobs, I. Musk and others. Although risk-taking is likely in traditional entrepreneurship, entrepreneurs are reluctant to take risks and
adopt new technologies, which means that they have a low level of revolutionary thinking and are not getting into the development stage (digital economy).

In aggressive entrepreneurship, on the other hand, entrepreneurs tend to be far from risk-averse, they have no intellectual (material and spiritual) backwardness or financial resources. From this we can conclude that entrepreneurial risk is the ability of an entrepreneur who knows aspects of the art of entrepreneurship to make predictions (foresight). This means that a person or an industry representative who does not have the entrepreneurial capacity cannot take entrepreneurial risk. This is borne out by the fact that scholars who conduct research in this field say that an entrepreneur must have the following - "professional knowledge of the field, a certain amount of marketing activity, knowledge of management, production experience, resources and funds involved, market position and the acquisition of own abilities, economic thinking, work culture, practical experience, organisation of production, confident action to achieve goals and profit, and analysing and exploiting market opportunities.

In order to explore the scientific views of our local scholars, their theoretical approach and the richness of these definitions, to further enrich the content of the definition of entrepreneur and entrepreneurship, we have found it necessary to highlight them as a separate category rather than as an entire concept:

An entrepreneur is a business person who seeks high returns by making optimal use of capital and resources on a nau-hao basis in the production and service activities of a legal or individual person.

Entrepreneurship is an economic process in which the entrepreneur seeks to profit not only for his or her own benefit, but also for the benefit of society and the state, satisfying the needs of consumers without conflict with the needs of society.

This definition, which is clearly and simply stated, differs from other definitions in that the entrepreneur must not only seek profit primarily on the basis of his own risk, but must also consider that this activity does not harm the interests of society and the state. Must engage in activities that are not contrary to the needs of society.

Examples of actions contrary to public needs: various extremist activities, drug trafficking, corruption, etc. The aggressive entrepreneurship approach discussed above is a prime example of this.

Some researchers see entrepreneurship as a business and the entrepreneur as a businessman only as a translation, while some scholars argue that the concept of 'business' has much less meaning than that of 'entrepreneur'. So far, no single perfect definition of these concepts has been adopted, and defining their essence leads to various misunderstandings.

We, on the other hand, want to emphasise that the concept of business is much broader than entrepreneurship. In this regard, it is appropriate to quote M. Mukhammedov's views - "Business is much broader than entrepreneurship, and any activity is aimed not only at entrepreneurship, but also at making a profit".

A number of other western scholars have expressed their views on this subject. For example, Professor Owen describes a business as any enterprise that produces and distributes goods or services that are sold on the market at a certain price, while Kate Davis describes a business as any form of commercial activity that meets people's economic needs for profit. Skinner and Levansevich narrowly defined it as "Business is the exchange of goods, services or money for mutual benefit and gain".

And before we define this concept, we first tried to define its essence. Business is a
universal word, widespread around the world and a broad concept. Concepts, activities and business types have increased these days. This will of course lead to a change in the scale of the business as well as the development of the economy. According to traditional definitions, business simply meant exchanging, trading and trading what people wanted or needed. However, scientifically substantiating its difference from entrepreneurship is one of the current problems. In our view, entrepreneurial activity, as opposed to business, is limited to production, service and productivity. Given that there is no single ideal definition of businessman and business in the research process, we have described them as follows.

Businessman is a business entity that seeks to make a profit on a proprietary basis, with or without a legal entity (from a sole trader to an international corporation).

Business is the totality of all economic activities aimed at the production, distribution, sale and trade of goods and services, covering all human activities aimed at meeting people’s needs and demands.

So our definition clearly proves that the concept of business has a much broader meaning than that of entrepreneurship. Thus, entrepreneurial activity manifests itself as a form of business and is carried out in various ways.

There are several types of entrepreneurship, which is important in the socio-economic development of the country, and we can focus on a relatively new concept in our economy, both theoretically and practically - Social entrepreneurship. The difference between social entrepreneurship and entrepreneurship is that it is aimed at overcoming social problems in society, rather than making a profit from personal interests. I.e, it addresses region-specific, country-specific and global issues such as youth employment, pollution, education issues, employing people with disabilities, poverty, homelessness and hunger eradication. This concept was formed in foreign countries (European Union, Asia, USA, Russia,) in 1980 and further developed in 2000. Узбекистонда эса ижтимоий кўллаб-қувватлашни асосан давлат амалга оширади. The well-being of the people will be further strengthened only if not only the state, but also social entrepreneurs are involved in the population in need of social assistance in the country.

Social entrepreneurship offers modern society alternative benefits that are effective for the social level of entrepreneurship (e.g. internet speed, creation of social platforms). The sector is financially self-sufficient. Profits from its activities are reinvested in this sector or in starting another social business. To better understand these processes, let’s define the concepts of social entrepreneur and social enterprise.

A social entrepreneur is an enterprising person with a certain property, intellectual potential of knowledge in a given field, who finds solutions to social problems on the basis of innovative projects.

Social entrepreneurship is creative work (goal setting and problem solving) in cooperation with social or non-governmental organisations in solving social, cultural and environmental problems. Consequently, social entrepreneurship ensures the well-being of society on the basis of social enterprise and social enterprise (non-profit organisation). This type of entrepreneurship is in some respects characterised by a high degree of innovation.

One of the economic sectors that is the first stage of entrepreneurship and makes a significant contribution to the development of the social sphere is small business. Despite the name small business, the economic strength of all developed countries is measured by how developed this type of activity is. In developed countries, the late 1960s and early 1970s
coincided with the heyday of small business and are still consolidating their position. Small business has become a dynamic part of entrepreneurship in many countries and has become an important sector for national economic growth.

CONCLUSIONS AND RECOMMENDATIONS:

As our final conclusions, we can say that our scientific-theoretical research directly substantiates that the three-stage classification of entrepreneurship by levels of development is extremely important and consistent in understanding its essence. Therefore, it is expedient to formulate a new structure of this classification on the basis of our above proofs.

In the scientific understanding of entrepreneurship and business, first of all, the research of the founders of the classical and modern schools mentioned above was a huge turning point in the development of science. We consider it expedient to implement the following proposals and recommendations on the formation of these concepts in a more specific and appropriate way for economic development. These are:

- In-depth analysis of the stages of its formation and empirical development, first of all, in understanding the essence of entrepreneurship and business;
- The study of new aspects - combinations, with the further improvement of the concepts of entrepreneurship and business in the stages of development of the world economy;
- Coordination of the content structure of these terms, based on the fact that the next fifth wave of understanding of entrepreneurship is directly related to the acceleration of economic development, the revolution of technology and their deep integration into the production process;
- To achieve a deeper analysis of the essence of this concept in the scientific understanding of entrepreneurship, with the given three-step classification;
- At the present stage of the formation of the fourth industrial revolution in the world, the development of new types of entrepreneurship and business, the understanding of their mutual significance with the emergence of new terms;
- It is expedient to further form the theoretical basis of social entrepreneurship, which is one of the forms of highly innovative entrepreneurship, effective and profitable for the social strata of society, as well as to gradually increase its share in the country.

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