



Analysis Of Foreign Experience Of Economic Incentiveness Of Agricultural Entrepreneurship

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ABSTRACT

This article develops proposals and recommendations for the development of modern approaches to economic incentives for agricultural entrepreneurship, the definition of strategies to stimulate entrepreneurship, taking into account the specifics of agricultural agriculture in the regions, the study of foreign experience and methods to improve domestic methods.

KEYWORDS

Innovation, incentive, business programs, geographical location, global innovation development index.

INTRODUCTION

Agriculture is an important part of the Uzbek economy, and the sector which is one of the most promising sources of strengthening the export potential, while meeting the demand of the population for food and the processing industry for raw materials. The importance of

entrepreneurship as a factor in ensuring structural economic growth and the implementation of structural changes and systemic institutional reforms in our country is growing.

Measures are being taken to deepen structural changes in the economy of the republic, modernize and accelerate its development. "The Strategy of Actions for the further development of the Republic of Uzbekistan for 2017-2021" sets the tasks of "taking systematic measures to mitigate the negative impact of global climate change and the drying up of the Aral Sea on agricultural development and livelihoods." Stimulation and development of diversified farms is an important issue in the implementation of these tasks [1].

It should be noted that in a market economy, entrepreneurs are important subjects of economic relations; they carry out their economic activities voluntarily in exchange for economic, legal and property liability. Full ownership of the means of production and free organization of production are the basis of the independence of entrepreneurs.

MATERIALS AND METHODS

The concept of entrepreneurship was introduced into economic theory in the early 18th century by the English economist R. Cantillon. In his view, an entrepreneur is defined as a "decision-maker in the face of uncertainty and a person who gains and is ready to lose because of his actions" [6]. The French economist J.B. Sey in his book 'Political Economy' (1803) described the entrepreneur as a person who, at his own expense and risk, accepts the production and profit of any product. Its main idea is to recognize the active participation of entrepreneurs in the cultivation of the product. American economist J. Clark interprets Say's idea in a slightly different way. He writes in his work "Four factors are always involved in the production process: 1) capital; 2) the means of production of material goods and land; 3) business activity; 4) labor." Every factor must have a share of the

profits from production. These are, "entrepreneurial activity is profit; material wealth-rent; capital-interest; labor brings wages." British economists D. Ricardo and A. Smith interpret the economy as a complementary governing mechanism. In his pamphlet A. Smith allows entrepreneurship, entrepreneur-capital owner, and risk-taking in the implementation of the idea associated with this or that type of business, emphasizing that there are always certain elements of risk in investing in a business. Therefore, according to A. Smith, the profit from entrepreneurial activity is a payment for the entrepreneur's risky work. The entrepreneur himself organizes, plans, and owns the production results. That is, A. Smith understands that the business owner is an entrepreneur. [7]. In his works, I. Schumpeter describes the entrepreneur as an innovator, that is, the entrepreneur promotes new ideas and considers it an active element [5]. According to P. Drucker, an entrepreneur is defined as an innovator, practitioner and manager in any field [8].

If we analyze different approaches to reveal the essence of this concept, an entrepreneur is understood as a person who implements innovative projects, has personal potential and a certain experience of successful operation. Economists of the Republic of Uzbekistan S. Gulomov described that "an entrepreneur is an enthusiastic person with full or partial financial or financial resources, who uses these resources to organize their work." [9]. According to E. Egamberdiev and H. Khojakulov, "Entrepreneurship is the search for new ideas and ideas, analysis, self-initiative, creativity, success in their work" [10]. Also, the scientific and methodological basis of socio-economic development in the ecological conditions of

the Aral Sea, the efficient use and protection of production resources, the development of entrepreneurial activity in agriculture and employment was discussed and covered in the works of economists such as J.M. Medetullaev, N.K. Ayimbetov, Q. Ubaydullaev, J.Isakov, A.J. Musagaliev R.T. Adilchaev, R.T.Saukhanov, B.B. Seilbekov.¹

RESULT

Today, a number of measures have been developed to modernize the economy and introduce financial and non-financial mechanisms of economic incentives for businesses based on modern innovative ideas, increase their competitiveness in the global arena, create conditions for a gradual transition to an innovative knowledge economy is being considered and put into practice.

Research shows that agriculture is still an important sector, despite its declining share of world economies in GDP. Exactly 30% of the world's employed population is engaged in agriculture. When we analyzed the role of agriculture in Asian countries, the value of agricultural products and what percentage of the employed population is engaged in this

field became clear. In the course of the analysis, we can include the following 3 countries with the largest agricultural production:

1. China - \$952 billion worth of products. 26.77% of the employed population are engaged in agriculture.
2. India- \$381 billion. 43.86% of the employed population
3. Indonesia - \$135 billion. 30.53% of the employed population

In Uzbekistan, productions worth \$14.6 billion a year are produced in agriculture. Approximately 30-49.9% of the employed population is engaged in this field.

Developed countries of Asia:

Japan - \$49 billion worth of products. The employed population in this sector accounts for less than 10% of the total employed workers.

South Korea - \$32.4 billion worth of products. The employed population in this sector accounts for less than 10% of the total employed workers [11].

Today, the experience of developed countries shows that without economic incentives from

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the state, the development of entrepreneurial activity is very difficult, and the main economic tasks of any state can include the following [4]:

1. Stimulation of business activity of the population;
2. Ensuring freedom of entrepreneurship;
3. Restriction of monopolistic tendencies;
4. Identification of fierce competition in the market;
5. Protection of property rights;
6. Shaping the shadow economy in the country.

Economic stimulation programs for agricultural entrepreneurship are implemented not only in our country, but also in economically developed countries. In particular, support for various agricultural business initiatives in the United States is provided under various relevant government programs, such as Defense Loan & Technical Assistance (DELTA), Energy & Conservation Loan, and Pollution Control. control credit "(PollutionControlLoan) and others [12]. In general, there are several government programs and resources in the United States that support agrobusiness and increase agricultural innovation, including the following [5]:

- National Institute of Food and Agriculture (NIFA) - directs and funds programs to develop agricultural sciences. It invests and supports initiatives that ensure the long-term sustainability of agriculture. NIFA takes a comprehensive approach to integrating factors that can make new discoveries in agricultural sciences and technologies.
- The U.S. Department of Agriculture (USDA) Rural Development Business Programs provides financial support and technical assistance to encourage business creation and growth.

It is expedient to improve the implementation of similar business programs in agriculture, financial support and technical assistance to create business, stimulate growth in our country.

In the Ministry of Economy and Trade and Industry of Japan, as well as the Small and Medium Enterprise Agency (SMEA), which develops business development strategies in Japan, in addition to strong financial support, the rules on patenting and trademarks will be revised. There is a special support infrastructure for visible individual entrepreneurs, including a system of economic and social insurance. The Japan Organization for Entrepreneurship Support and Regional Development has 9 institutes for improving the management and technology of small and medium-sized businesses, 4 technology parks and a number of business incubators [12].

The study of the Japanese experience shows that the reasons for the need for additional state intervention in the development of the regions of our country may be different. In particular, it is proposed to combine them into two general purposes:

- First, the fair distribution of economic activity, which provides the basis for equal access to the well-being of the population of all regions;
- Second, the effective use of the production potential of each region in order to increase prosperity.

In Japan, venture support centers deliver lectures on a variety of topics and provide business incubators and technology parks with consultants on business planning, expanding the sales network, and copyright protection.

In Japan, the collection of marketing data to support small business and private

entrepreneurship is carried out by the DJETRO information system, which examines a number of factors.

1. Geographical location, ability to operate in the market, the cost of transportation;
2. Market size, level of consumers, local production;
3. Market profitability, price level, taking into account transportation costs;
4. The most preferred forms and methods of sales;
5. Necessary features of the goods, etc. ;

DJETRO has a well-developed network of various institutions in all countries of the world and is therefore one of the main sources of information for entrepreneurs in the international market. information centers.

In South Korea, the economic incentive system includes 35 financial programs and 8 technical assistance programs. The small and medium business corporation provides loans for up to 5 years to create new jobs, the minimum loan amount is \$0.42 million. A venture fund with a capital of \$250 million was established to provide financial support to small venture capital companies.

In turn, India is also providing technological assistance to the Ministry of Micro, Small and Medium Enterprises of India through the Technical Service Centers of the National Corporation (NSIC Technical Service - NTSC). To promote the development of information and increase export potential, the Indian government has set up an independent association, the Software Technology Parks of India, to create companies that export 100 per cent of the software they produce. Science and technology parks and companies located in them are granted income tax holidays for up to 10 years.

In Hungary, entrepreneurs can count on targeted budget subsidies and significant tax breaks. There are 4 groups of tax incentives: general tax incentives aimed at encouraging investment; tax incentives to encourage research; tax incentives for small and medium businesses; regional tax breaks.

In our opinion, the introduction of regional tax benefits in the promotion of entrepreneurship in our country, depending on the specifics of the regions of the country. The Canadian Innovation Fund has been operating in Canada since 1997, providing information services to small companies in addition to traditional financial assistance. The “Canadian Industry” information portal, which contains all the information about federal and local programs aimed at supporting small and medium enterprises, offers a wide range of opportunities. Technology Roadmaps, a dedicated resource, helps Canadian entrepreneurs find new technologies.

The state of Singapore is setting an example to the world through its unique socio-economic development. In particular, a few minutes (6 minutes) are enough to register a new business activity, property is firmly protected by the state, laws are transparent, the country is open to highly qualified professionals, investors have a separate business passport [3]. Efforts to promote modern innovative ideas have enabled Singapore to become one of the leading countries in the world.

It should be noted that Germany and Israel play a special role in providing benefits and economic incentives to entrepreneurs in agriculture, and the share of entrepreneurship in the economies of both countries and the benefits provided by the state to businesses are reflected in international rankings. In

particular, in the Doing Business 2020 ranking, Germany ranks 22nd and Israel 35th, 24th place in the Free Economic Index-2019 in which Uzbekistan gained 140th place, in the Global Competitiveness Index-2019, Germany and Israel ranked 7th and 20th, in the Global Innovation Development Index-2019 they ranked 9th and 10th respectively[2].

DISCUSSION

The analysis shows that no matter which of the global indices, all of them take into account such factors as the conditions created for entrepreneurship, the state of business infrastructure, economic incentives. In general, there is freedom of business in Germany, and excessive red tape and formality are generally not allowed. At the same time, the entrepreneur runs his business in his own name and is liable for his debts with personal property. Foreign countries have a well-developed system of comprehensive incentives for businesses, which ensures the sustainable development of the socio-economic environment in the context of globalization of the economy, the global financial and economic crisis and increasing competition [13]. This means that the mechanism of support for small business by the state is fully developed.

CONCLUSIONS

In this part of our research process, we formulate the following conclusions, including:

- An in-depth study of the rich experience of economic stimulation of entrepreneurship in foreign countries, their comparative and critical analysis is an important source in the development of strategies for economic development of the regions of our country.
- One of the urgent issues is to radically increase the role and place of private

property in the economy of the country, eliminate barriers and restrictions on the development of private property and private entrepreneurship, gradually increase the share of small business in GDP and create a favorable business environment.

- Reducing the tax burden by lowering tax rates and applying innovative activism to further increase the share of small business in GDP.

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