

## LEGAL TRANSFORMATION OF BUSINESS IN THE CONDITIONS OF NEW UZBEKISTAN

Rustamova Dilbar Rustamovna

Tashkent State University of Economics Department of Social Humanities,  
Doctor of Philosophy in Economics (Phd) Senior Teacher

### **Abstract:**

The article talks about the importance of creating a national innovation system in Uzbekistan. The legal foundations of creating a national innovation system and developing innovation activities in our economy have been considered.

**Keywords:** Social, economic, legal and other specific conditions must be created for the formation of entrepreneurship.

The concept of entrepreneurship in its current sense was first used by the English economist Richard Cantillon at the end of the 17th and the beginning of the 18th century. In his opinion, an entrepreneur is a person who operates under risk conditions. Therefore, it is the factor of land and labor that determines economic well-being, known as a source of income.

J.B. According to Sey: the income received by an entrepreneur is a reward given for his work, organization of production, and timely sale of products. An entrepreneur takes a risk and undertakes the production of a product.

From the time when our country moved to the path of independent development, the head of state and the government have been gradually implementing systematic reforms in the implementation of social and economic policy. As a result of this, during the period when the global financial and economic crisis, which began in 2008, had a negative impact on most countries, Uzbekistan was able to effectively protect itself from most of these effects. In addition, the program of anti-crisis measures was adopted, and the important measures specified in it, in particular, the comprehensive measures related to ensuring regular economic growth, implementing actions aimed at mitigating the negative consequences of the crisis, stimulating domestic consumption demand, as well as ensuring the uniform development of the republic's territories, were successfully implemented.

Consequently, the provision of benefits and preferences aimed at running an effective business, the creation of institutional conditions, the increase in the flow of investments directed to the main capital, which affects the growth of the gross regional product, and the activities related to increasing the attractiveness of the investment environment of the regions, the creation of new jobs, solving the employment problem, population the work of increasing their income has been systematically started. In 2016 alone, a number of legal documents came into force aimed at providing comprehensive support to small businesses, creating optimal conditions for the business environment, increasing the attractiveness of the investment environment of the republic's regions, and providing convenience and benefits for doing business.

As a result, in the nine months of 2016, the volume of the gross domestic product increased by 7.8%, the volume of industry by 7.2%, the volume of agriculture by 6.4%, and the turnover of retail trade by 14.2% compared to the same period of 2015. Implementation of an active investment policy related to

the deepening of the processes of restructuring, modernization and diversification of the industry made it possible to increase the volume of capital investments by 9.4% and contract-construction works by 15%. One of the main reasons why the country has achieved such significant achievements and results in a historically short period of time is the right choice of economic policy and its consistent implementation.

In this, first of all, the strategy of reforms defined from the first years of our independence, its ultimate goal, i.e., the construction of a free, democratic civil society based on socially oriented market relations, and the work carried out on this basis to ensure the well-being of our people, bore fruit. At the moment, the unique development path of our country, which is going through complex and difficult tests of the global financial and economic crisis processes that shook the world and caused huge losses to the economy of many countries, is becoming more effective and stronger by continuing and deepening the reforms. Ҳар қандай мамлакатнинг жадал ижтимоий – иқтисодий ривожланиши асосини инновациялар ташкил этиши ҳеч кимга сир эмас. Шунинг учун барча давлатлар мамлакат ижтимоий-иқтисодий ҳаётида инновацион ривожланишни жорий этиши, янги ғоя ва тарақиётнинг ноанъанавий усулларини қўллаши табиий ҳолдир.

Therefore, it is important to study the ways of development and advanced work methods specific to innovative development, the issues of its application in the conditions of Uzbekistan, and the compatibility of the regulatory and legal framework created in the country with today's period of socio-economic development.

First, let's explore the meaning of the term innovation. It is known that the concept of "innovation" first appeared in scientific studies of the 19th century and is derived from the Latin word "novatio", which means "renewal" (or "change"), and the suffix "in" is translated from Latin as "in the direction of", if it is used as a whole Translated in the form of "Innovatio", it means "in the direction of changes". Innovation takes many forms. The following are the main manifestations of innovation:

- new ideas;
- specific goals aimed at changing the system or direction of activity;
- unconventional approaches;
- unusual initiatives;
- advanced working methods.

We should look at innovation not as any kind of innovation, but as a factor that seriously increases the efficiency of the existing system. Contrary to common misconceptions, innovation is different from discovery. On December 30, 2016, the President of Uzbekistan Shavkat Mirziyoyev met with the country's leading scientific representatives..

At the meeting, the President of Uzbekistan Shavkat Mirziyoyev said, "Our country has many scientists with high potential, who are recognized worldwide. They should create their own schools and educate students. The first step in educating the young generation as potential personnel is the fundamental improvement of school education, it is necessary to ensure the continuity of the process of training scientific personnel and highly qualified specialists. We will not spare anything in this way," he said.

The President said that it is time to further develop scientific cooperation with the world's leading institutes, universities, scientific centers and Academies of Sciences. It is necessary to create favorable conditions in our country for our compatriots who have received education and scientific degrees in leading educational and scientific institutions abroad, and take measures to encourage them.

Decree of the President of the Republic of Uzbekistan dated September 8, 2017 No. PF-5185 "On Approval of the Concept of Administrative Reforms in the Republic of Uzbekistan" indicates that the main direction in the long-term scenarios of increasing the intellectual and technological potential in our country is the development of innovations, encouraging active engagement in innovative activities in enterprises. This is related to the creation of a strategic national innovation system, which will enable the formation of new models of innovative development of priority sectors and sectors of the economy.

The national innovation system serves as a basis for economic development between science, industry and society, and the needs of innovative development determine and stimulate the development of scientific activity.

In 2017-2021, in order to ensure consistent implementation of the tasks defined in the Action Strategy for the five priority directions of the development of the Republic of Uzbekistan, as well as the fulfillment of the obligations of the Paris Agreement (Paris, December 12, 2015) and the transition of the Republic of Uzbekistan to a "green" economy:

1. The following should be defined as the main tasks of the transition of the Republic of Uzbekistan to the "green" economy:

increasing energy efficiency of the economy and rational use of natural resources through technological modernization and development of financial mechanisms;

inclusion of "green" criteria based on advanced international standards in the priorities of state investments and expenditures;

support the implementation of pilot projects in the directions of transition to a "green" economy by developing mechanisms of state incentives, public-private partnerships, and activating cooperation with international financial institutions;

development of the system of training and retraining of personnel related to the labor market in the "green" economy at the expense of encouraging investments in education, developing cooperation with leading foreign educational institutions and research centers;

Take measures to mitigate the negative impact of the environmental crisis on the island;

strengthening international cooperation in the field of "green" economy, including by concluding bilateral and multilateral agreements.

2. The following:

a) In the period of 2019-2030, the strategy of the transition to a "green" economy of the Republic of Uzbekistan (hereinafter referred to as the "Strategy") should be approved in accordance with Appendix 1, and the following should be defined as the priority directions for its implementation:

increase the energy efficiency of the basic sectors of the economy;

diversification of consumption of energy resources and development of use of renewable energy sources;

adapting to and mitigating the consequences of climate change, improving the efficiency of natural resource use, and protecting natural ecosystems;

development of financial and non-financial mechanisms to support the "green" economy;

*(Subparagraph "b" of paragraph 2 was issued based on the decision of the President of the Republic of Uzbekistan No. PQ-436 of December 2, 2022 — National Legislative Information Database, 03.12.2022, No. 07/22/436/1061) Олдинги тахрирга қаранг.*

*(Clause 3 has become invalid based on the decision of the President of the Republic of Uzbekistan No. PQ-436 of December 2, 2022 — National Legislative Information Database, 03.12.2022, No. 07/22/436/1061).*

4. The Ministry of Economic Development and Poverty Alleviation of the Republic of Uzbekistan shall be designated as the competent body for the promotion and implementation of the "green" economy in the Republic of Uzbekistan and shall be assigned the following tasks:

*(The first paragraph of clause 4 is amended by the decision of the President of the Republic of Uzbekistan No. PQ-436 of December 2, 2022 — National Legislative Information Database, 03.12.2022, No. 07/22/436/1061)*

Coordinating the activities of the ministries and agencies responsible for the implementation of the activities provided for in the strategy;

Provide comprehensive assistance to the Interdepartmental Council, including the organization of its working body;

to ensure the timely organization of reports on the gradual introduction of the "green" economy.

5. To the following:

To the deputies and advisers of the Prime Minister of the Republic of Uzbekistan - effective organization of activities of ministries and agencies for the implementation of the activities provided for in the Strategy;

To the Minister of Economic Development and Poverty Alleviation of the Republic of Uzbekistan - to reduce the carbon consumption of the gross domestic product, to modernize the infrastructure of industrial enterprises using clean and environmentally safe technologies and industrial processes;

To the Minister of Energy of the Republic of Uzbekistan - increase energy efficiency indicators, develop renewable energy sources, expand the production and use of motor fuel with ecologically improved characteristics, provide access to modern, cheap and reliable energy;

To the Minister of Agriculture of the Republic of Uzbekistan - to increase the average productivity and productivity of the production of the main types of agricultural food products, to effectively introduce drip irrigation technologies, as well as to achieve a neutral balance in terms of land degradation;

To the Minister of Water Management and the Minister of Housing and Communal Services of the Republic of Uzbekistan - increase the efficiency of water use;

To the Chairman of the State Committee for Ecology and Environmental Protection of the Republic of Uzbekistan - organization and provision of environmental support for the implementation of measures to introduce the "green" economy and summarizing the results of environmental monitoring;

*(5-paragraphs three to seven of the paragraph in the version of the decision of the President of the Republic of Uzbekistan No. PQ-436 of December 2, 2022 - National database of legislative information, 03.12.2022, No. 07/22/436/1061)*

Heads of ministries, offices and other organizations should be given personal responsibility for the timely and high-quality implementation of the activities provided for in the Strategy.

6. The Ministry of Investments and Foreign Trade of the Republic of Uzbekistan should ensure the attraction of foreign investments, as well as loans and grants from international financial institutions, foreign government financial organizations and other foreign donors for the implementation of the activities provided for in the Strategy.

7. The Prime Minister of the Republic of Uzbekistan A.N. supervises the implementation of this decision. Aripov and advisor to the President of the Republic of Uzbekistan R.A. Let Gulyamov be responsible.

In order to ensure the timely and effective implementation of measures to create a compact and professional public administration system focused on efficiency in the framework of the new Uzbekistan administrative reforms, as well as to organize the activities of the republic's executive authorities based on updated requirements and principles:

**1.** It should be noted for information that by the Decree of the President of the Republic of Uzbekistan dated December 21, 2022 "On Measures for the Implementation of Administrative Reforms of New Uzbekistan" No. PF-269, a single system of the republic's executive authorities, which includes ministries, committees, agencies and inspectorates, has been established.

**2.** In order to increase the responsibility of the executive authorities of the republic and their territorial divisions, the following functional boundaries of the republican and local level links should be established:

a) executive authorities of the republic:

Develops a unified state policy in the relevant field and ensures its implementation, as well as methodically ensures the activities of local executive authorities in this regard;

examines the appeals of individuals and legal entities, provides them with state services, and coordinates and summarizes the activities of territorial divisions in the direction of establishing open communication with the people;

Determines the target indicators for evaluating the performance of the executive authorities included in its system and organizational subordination and coordinates efforts to achieve them;

adopts departmental regulatory legal documents within the framework of the legal regulatory function (except for the executive authorities under the ministerial system or organizational subordination) and develops draft legislative documents;

coordinates the implementation of measures to identify and eliminate local problems, performs legal regulation and control functions within the scope of its authority;

тегишли тузилмаларни малакали кадрлар билан тўлдириш, уларнинг билим develops and implements systematic measures aimed at filling relevant structures with qualified personnel, continuous improvement of their knowledge and skills;

and develops and implements systematic measures aimed at continuous improvement of skills;

creates decent and fair conditions for the implementation of labor activities and payment of wages;

б) creates decent and fair conditions for the implementation of labor activities and payment of wages;

ensures the timely and high-quality implementation of laws, decisions of the President of the Republic of Uzbekistan and other legislative documents;

examines the appeals of individuals and legal entities and provides them with state services, and carries out state control measures in the relevant territory within the scope of its authority.

**3.** Note that from January 1, 2023:

it is prohibited for the heads of the republic's executive authorities and their deputies to simultaneously act as heads of the economic management bodies;

the practice of granting state authority powers to associations and other economic associations and appointing their leaders to positions by decisions of the Cabinet of Ministers will be abolished.

**4.** In order to ensure the financial independence of the heads of the executive authorities of the Republic, the following procedure for the formation of the parameters of the State budget in the relevant field should be established:

a medium-term program (concept, strategy) (hereinafter referred to as the Program) is developed and approved in accordance with the established procedure by the executive authority of each republic;

Within the limited amount of funds allocated by the Ministry of Economy and Finance to the relevant ministries and agencies, annual funding volumes for the sector will be developed based on the priority directions defined in the Program for the coming years;

In the event of a discrepancy between the budget requests submitted to the Ministry of Economy and Finance and the limited amount of expenditures necessary for the implementation of the priority tasks defined in the Program by the ministries and agencies, it will be clarified by the Cabinet of Ministers with the participation of the heads of the relevant ministries and agencies;

The Cabinet of Ministers ensures that the indicators of achievement of the goals set in the Program are determined within the funds allocated to them from the State budget in terms of ministries and agencies.

**5. Let it be noted that:**

Starting from the next financial year, after the approval of the parameters of the State budget, the Ministry of Economy and Finance ensures that when registering the cost estimates of the ministries and agencies, funds are allocated only by cost groups, without dividing them into items of the economic classification of costs;

Ministries and agencies publish all information on the achievement of the set targets at the expense of budgetary and non-budgetary funds and the spending of funds on their official websites in the section of articles of the economic classification of expenses and report to the chambers of the Oliy Majlis.

**6.** As part of the new Uzbekistan administrative reforms, about 5,000 functions of all republican executive authorities were reviewed, and about 500 repetitive, redundant functions that were not provided with implementation mechanisms were identified. - Establish the practice of forming and maintaining a single register of functions.

For each function included in the single register of functions, the state of provision of organizational-legal mechanisms, financial-economic and personnel resources for their implementation in the republic, region and district (city) should be reflected;

provide the necessary organizational and legal mechanisms, financial, economic and personnel resources for the functions that do not have a mechanism for their implementation, and make suggestions on canceling the functions that have lost their importance;

the functions assigned to the executive bodies by legislative documents should be entered into the single register of functions in a mandatory manner at the same time, and repetitive functions should be canceled;

suggestions should be made regarding digitization of functions and automation while reducing the human factor.

**7. Note that:**

When determining the limited amounts of funds allocated annually by the Ministry of Economy and Finance from the republican budget to the state administration bodies of the republic, the functions stipulated in the Unified Register of Functions are taken into account as a criterion;

The Ministry of Justice maintains an automated online information system "State Functions" that allows to maintain the single register of functions electronically.

The Ministry of Justice, together with the relevant agencies, should complete the creation of the Unified Register of Functions by March 1, 2023, and submit the draft decision on the procedure for its maintenance to the Cabinet of Ministers.

**8. .** From January 1, 2023, in order to further increase the level of openness in public administration, introduce digital technologies, and transition to a digitized public administration model, the practice of receiving and announcing departmental orders, decisions and orders through the "E-decision" electronic system in the Ministry of Justice system as a test. let it go.

The Ministry of Justice, together with the relevant agencies, has submitted a draft of the Government's decision, which provides for the adoption and publication of orders, decisions and orders through the "E-decision" electronic system from September 1, 2023, based on the test results, until June 1, 2023. let him enter

**9.** In order to optimize the expenses related to the maintenance of the state administration apparatus, to eliminate corruption factors, and to establish effective public control over the spending of budget funds:

introduce a system of using remote methods of working with regions based on modern technologies, such as "online reception", "virtual visit" to identify local problems while reducing service trips to regions;

the norms of providing the executive authorities of the republic with motor vehicles should be optimized, taking into account the reduction of the number of leading personnel;

to introduce the practice of annually setting targets for executive authorities to gradually reduce the consumption of energy and other resources, including through the introduction of cost-effective technologies, and to optimize allocated budget funds based on them;

to introduce the procedure for setting standards including maximum prices for the construction, repair and equipping (re-equipment) of buildings and structures, as well as for conducting official events, as well as publishing reports on the funds spent for these purposes in the section of the articles of the economic classification of expenses;

ensure the openness of information about all control measures and objects by establishing a system that ensures the introduction of alternative forms of control measures and the participation of public representatives in them.

**10.** The "roadmap" for the first measures to be implemented within the framework of the administrative reforms of the new Uzbekistan should be approved in accordance with the annex.

Personal responsibility should be assigned to the first leaders of the state bodies who are responsible for ensuring the timely and effective implementation of the activities specified in the "Roadmap".

**11.** The National Information Agency of Uzbekistan, the National Television and Radio Company of Uzbekistan, the Information and Mass Communications Agency should organize a wide coverage of the goals and objectives of this decision in the mass media.

**12.** Based on this decision, the Ministry of Justice should make proposals on amendments and additions to the legislative documents within one month.

**13.** The Prime Minister of the Republic of Uzbekistan A.N. Aripov and Head of the Administration of the President of the Republic of Uzbekistan S.U. Let Umurzakov be responsible.

Decree of the President of the Republic of Uzbekistan dated September 8, 2017 No. PF-5185 "On Approval of the Concept of Administrative Reforms in the Republic of Uzbekistan" indicates that the main direction in the long-term scenarios of increasing the intellectual and technological potential in our country is the development of innovations, encouraging active engagement in innovative activities in enterprises. This is related to the creation of a strategic national innovation system, which will enable the formation of new models of innovative development of priority sectors and sectors of the economy.

### **List of Used Literature**

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