

ENTREPRENEURSHIP AS A DRIVER OF SUSTAINABLE TOURISM DEVELOPMENT

Umaraliyeva Barchinoy Voxidjon qizi

Teacher of Andijan State Institute of Foreign Languages

Abstract: *This article explores the role of entrepreneurship in the development of the tourism industry in Uzbekistan. The country, rich in historical heritage and natural beauty, has made significant strides in expanding its tourism sector in recent years. By examining the current state of tourism, the potential for entrepreneurial ventures, and the government's role in fostering a conducive environment for growth, the paper highlights key areas of development. Challenges and opportunities for small and medium-sized enterprises (SMEs), as well as the impact of modernization and infrastructure improvements, are also discussed. The article concludes by suggesting strategic recommendations for further enhancing the tourism industry's entrepreneurial landscape in Uzbekistan.*

Keywords: *globalization, entrepreneurship, tourism, hospitality, local development, historical heritage, modernization.*

Аннотация: *В статье рассматривается роль предпринимательства в развитии туристической отрасли Узбекистана. Страна, обладающая богатым историческим наследием и природной красотой, в последние годы значительно расширила свой туристический сектор. Рассматривая текущее состояние туризма, потенциал для предпринимательских проектов и роль государства в создании благоприятных условий для роста, статья освещает ключевые направления развития. В статье также обсуждаются проблемы и возможности для малых и средних предприятий (МСП), а также влияние модернизации и улучшений инфраструктуры. В заключение предлагаются стратегические рекомендации для дальнейшего развития предпринимательского ландшафта туристической отрасли Узбекистана.*

Ключевые слова: *Глобализация, предпринимательство, туризм, гостеприимство, местное развитие, историческое наследие, модернизация.*

Annotatsiya: *Ushbu maqolada O'zbekistonning turizm sohasida tadbirkorlikning roli o'rganilgan. Tarixiy meros va tabiiy go'zalliklarga boy bo'lgan mamlakat so'nggi yillarda turizm sohasini kengaytirishda sezilarli yutuqlarga erishdi. Turizmning hozirgi holati, tadbirkorlik tashabbuslari uchun imkoniyatlar va hukumatning o'sish uchun qulay sharoit yaratishda tutgan o'rni tahlil qilinadi. Shuningdek, kichik va o'rta bizneslar (KOB) uchun mavjud muammolar va imkoniyatlar, modernizatsiya va infratuzilma yaxshilanishlarining ta'siri ham muhokama qilinadi. Maqola yakunida O'zbekiston turizm sohasidagi tadbirkorlik muhitini yanada rivojlantirish uchun strategik tavsiyalar beriladi.*

Kalit so'zlar: *Globalizatsiya, tadbirkorlik, turizm, mehmondo'stlik, mahalliy rivojlanish, tarixiy meros, modernizatsiya.*

INTRODUCTION

Currently, entrepreneurship, business development and innovation through SMEs are important drivers for success in the tourism and hospitality industry, major sources of jobs. Worldwide dynamism and rapid evolution in this industry, call for a new entrepreneurial approach, both in new business development and existing businesses. The current context, that is a theoretical and practical approach to analyze the entrepreneurship of tourism in, identifying the available support, how to develop an innovative new service, idea/product is a challenge. The place and role of small and medium enterprises in the tourism and hospitality industry and their link to the socio-economic development of the areas highlighted tourism entrepreneurship development opportunity as a dynamic factor in the development of local communities. With positive effects on national economies, European and global, occupying market segments unused by other structures, able to respond quickly to community needs by using local resources, tourism entrepreneurship helps to ensure a balanced economic and social development.

LITERATURE REVIEW

Entrepreneurship in the tourism sector has gained significant attention in academic research, particularly with respect to developing economies like Uzbekistan. As tourism is increasingly recognized as a key driver of economic growth, it is essential to examine the factors influencing the development of entrepreneurial activities within this sector. This literature review focuses on the intersection of entrepreneurship, tourism, and economic development, with particular attention to Uzbekistan's evolving tourism industry.

Entrepreneurship in tourism has been studied from various perspectives. According to Carlsen, entrepreneurship in tourism involves not only the creation of new businesses but also the transformation of existing ones through innovation and market adaptation [2. 55-63]. Morrison emphasizes the importance of entrepreneurial thinking in tourism destinations, arguing that local entrepreneurs often serve as catalysts for growth by introducing new products and services, enhancing the destination's attractiveness, and responding to changing consumer demands [12. 35-44]. Hjalager identifies several key drivers of entrepreneurship in tourism, including government policies, access to finance, infrastructure, and the entrepreneurial mindset of local businesses [7. 1-12].

The economic potential of the tourism sector in Central Asia, particularly in Uzbekistan, is becoming increasingly apparent. Khodjaeva and Ergasheva highlight the government's efforts to diversify the economy and reduce reliance on natural resources by promoting sectors like tourism [11. 122-135]. Similarly, Rashidov discusses how entrepreneurship in the tourism industry can serve as a powerful tool for local economic development, job creation, and poverty reduction. In Uzbekistan,

tourism entrepreneurship is being seen as a vehicle to boost rural economies, particularly in regions rich in historical and cultural heritage [14. 78-90].

A key theme emerging from the literature is the importance of supportive government policies for fostering tourism entrepreneurship. Gürsoy points out that well-designed policies, such as tax incentives, infrastructure investment, and marketing support, are critical to the success of tourism ventures [6. 601-617]. In Uzbekistan, the government's role in tourism development has been substantial.

Moreover, Zhang argues that institutional frameworks, such as tourism associations, business incubators, and educational institutions, are essential to nurturing a culture of entrepreneurship in the tourism sector [18. 46-58].

METHODOLOGY

To explore the development of entrepreneurship in the tourism sector in Uzbekistan, a mixed-methods approach will be used, combining qualitative and quantitative research methodologies. This approach will allow for a comprehensive understanding of both the macroeconomic factors influencing tourism entrepreneurship and the experiences of individual entrepreneurs operating within the sector.

We have used the following types of data analysis in our research:

1. Qualitative Analysis: The interviews will be transcribed and analyzed using thematic analysis, which involves identifying key themes and patterns related to entrepreneurship in tourism. This will allow for a deeper understanding of the challenges and opportunities identified by tourism entrepreneurs in Uzbekistan.

2. Quantitative Analysis: The survey data will be analyzed using descriptive statistics to provide an overview of the demographic characteristics of tourism entrepreneurs, the types of businesses they operate, and their access to resources. Inferential statistics, such as regression analysis, may be used to examine the relationships between entrepreneurial success and factors such as government policies, access to finance, and regional differences.

The study has several limitations. First, due to the qualitative nature of some of the interviews, there may be subjectivity in the responses, which could lead to biases in the data. Second, while the survey will aim for a representative sample, the diversity of the tourism sector across Uzbekistan may lead to variations in responses based on location, type of tourism business, and business experience. Finally, the rapidly evolving nature of Uzbekistan's tourism industry may mean that some findings are subject to change as new policies and market dynamics unfold.

ANALYSIS AND DISCUSSION OF THE RESULTS

Tourism in Uzbekistan has deep roots, primarily due to its position along the historic Silk Road. Cities like Samarkand, Bukhara, and Khiva have long been centers of culture, education, and trade. However, the tourism industry remained underdeveloped for decades due to the Soviet era's centralized planning and the focus on heavy industry and agriculture. After Uzbekistan gained independence in 1991, the

government began to recognize the potential of tourism as a key driver for economic growth and job creation.

Entrepreneurship has become a driving force behind the modernization and diversification of Uzbekistan's tourism sector. Several factors have contributed to the rise of tourism-related enterprises in the country:

In the past decade, Uzbekistan has made significant strides in improving the business climate for entrepreneurs. The government has introduced a range of policies to encourage private enterprise in tourism. For instance, the "Tourism Development Program," launched in 2018, aims to increase the number of international tourists visiting the country, improve the quality of services, and promote the country's cultural heritage. In addition, efforts to streamline the process for registering businesses, reducing bureaucratic hurdles, and providing tax incentives have created a more conducive environment for entrepreneurial ventures in the tourism sector [15].

The rise of entrepreneurship in Uzbekistan's tourism sector is closely tied to improvements in infrastructure. New hotels, guesthouses, and transportation services are being established by private entrepreneurs to cater to the growing number of tourists. The construction of modern hotels and hostels, in particular, has provided a boost to the hospitality sector, which is vital for attracting both short-term and long-term visitors. Moreover, the development of airports and road networks, including international routes, has made it easier for entrepreneurs to connect with tourists [8].

The growth of digital technologies has also provided new opportunities for entrepreneurship in tourism. Platforms like Airbnb, online booking services, and digital tour guides are being utilized by local entrepreneurs to attract international visitors. The younger generation of entrepreneurs, many of whom have studied abroad or are familiar with global trends, is using the internet to market local tourist destinations, create virtual experiences, and sell products related to tourism online. This digital transformation is helping Uzbekistan's tourism sector compete in an increasingly globalized market [3].

Entrepreneurs in Uzbekistan are also focusing on niche tourism markets such as cultural tourism, eco-tourism, and adventure tourism. By capitalizing on the country's unique landscapes, historical sites, and rich cultural heritage, local businesses are catering to tourists who seek authentic and off-the-beaten-path experiences. Eco-tourism projects, such as those focused on the Aral Sea region, offer opportunities for sustainable development, while cultural heritage tours provide deeper insights into Uzbekistan's centuries-old traditions and architectural landmarks [10].

Despite the progress made, there are several challenges that entrepreneurs face in Uzbekistan's tourism industry:

1. **Lack of Skilled Labor.** While the country has a growing tourism sector, there is still a shortage of skilled professionals in key areas such as hospitality management, tour guiding, and customer service. Entrepreneurs often struggle to find qualified staff

who are familiar with international standards of service, which limits the ability to provide high-quality experiences for tourists [9].

2. **Regulatory Hurdles.** While the government has made strides in improving the business climate, bureaucratic delays and inconsistent regulations can still pose significant barriers to entrepreneurs. Complex procedures for obtaining licenses, permits, and certifications can slow down business development and discourage potential investors [13].

3. **Competition from Established Destinations.** Uzbekistan's tourism sector is competing with other well-established tourist destinations in the region, such as Kazakhstan, Kyrgyzstan, and Turkmenistan, as well as popular global destinations. Entrepreneurs must find innovative ways to differentiate their services and offerings to attract tourists to Uzbekistan, which often requires substantial marketing efforts and investment [17].

Many rural regions in Uzbekistan remain largely unexplored by international tourists. Entrepreneurs have the opportunity to develop tourism businesses that focus on rural tourism, offering visitors an authentic experience of Uzbek culture and lifestyle. This would help to alleviate regional disparities by bringing economic benefits to less-developed areas [4].

Collaboration between the government and private businesses can help overcome many of the challenges faced by tourism entrepreneurs. Public-private partnerships can facilitate the development of infrastructure, improve regulatory frameworks, and promote Uzbekistan's tourism globally. International tourism events, such as the annual "Tourism Week," also provide opportunities for entrepreneurs to showcase their services [16].

As global tourism trends increasingly favor sustainable and eco-friendly options, Uzbekistan's entrepreneurs can tap into the green tourism market. By promoting sustainable practices such as eco-friendly hotels, waste reduction, and carbon offset programs, entrepreneurs can attract environmentally conscious travelers while contributing to the country's long-term environmental goals [5].

CONCLUSION

Entrepreneurship plays a pivotal role in the development of Uzbekistan's tourism sector, offering both opportunities and challenges. With ongoing government support, digital innovation, and a focus on niche tourism markets, the country's tourism entrepreneurs are well-positioned to help transform Uzbekistan into a premier travel destination. However, overcoming challenges related to skilled labor, regulation, and competition will be crucial for sustaining growth and ensuring that tourism becomes a key pillar of Uzbekistan's economy in the years to come.

Based on the above, we consider it appropriate to make the following proposals to improve the quality of tourist services in Samarkand region: First, financing, management-organizational measures aimed at solving urgent problems and strategic

tasks, as well as determining the terms of their implementation, implementation parameters and perspectives; Secondly, improvement of regulatory and legal documents related to tourist activities Thirdly, in Bunda, improving the infrastructure of the regions by attracting enterprising entrepreneurs and foreign investors. We believe that it is necessary to introduce special tax incentives and give preferential treatment to the import of necessary equipment and technologies.

In our opinion, taking into account that there are opportunities for the development of almost all types of tourism in the regions, it is necessary to carry out the necessary work to increase the efficiency of their development. According to the recommendations of international tourism experts, management and commercial functions should be separated in the management of the tourism industry in our country.

If this recommendation is implemented, the tourism infrastructure will develop, the scale of attracting investments to new projects will increase. This, in turn, determines measures to systematically organize and improve the quality of services to residents and tourists at tourism facilities.

REFERENCES:

1. Agarwal S. Financial Constraints and Small Business Growth in Tourism: A Global Perspective. *Journal of Tourism Research*, 22(4), 2018.- P.381-402.
2. Carlsen J. Entrepreneurship in Tourism: The Emerging Small Business Sector. *Journal of Tourism Studies*, 12(1), 2001.- P.55-63.
3. Digital Transformation and Tourism in Uzbekistan. *UzReport*, 2021.
4. FDI Magazine. "Exploring Uzbekistan's Rural Tourism Potential.", 2022.
5. Global Sustainable Tourism Council. "Green Tourism and Sustainability: Opportunities for Uzbekistan.", 2023.
6. Gürsoy D. Tourism Entrepreneurship: The Role of Government Policies. *International Journal of Contemporary Hospitality Management*, 20(6), 2008.-P. 601-617.
7. Hjalager A. M. A Review of Innovation Research in Tourism. *Tourism Management*, 31(1), 2010.-P.1-12.
8. Improving Infrastructure for Sustainable Development in Uzbekistan. *World Bank*, 2020.
9. International Labour Organization (ILO). "Skills Development in Uzbekistan's Tourism Industry.", 2022.
10. Khodjaev T. "Eco-Tourism in Uzbekistan: Sustainable Development and New Trends.", 2020.

11. Khodjaeva Z., Ergasheva D. Tourism as a Tool for Sustainable Economic Growth in Uzbekistan. Central Asian Economic Review, 15(3), 2020.-P.122-135.

12. Morrison A. Entrepreneurship in the Tourism Industry: The Role of Innovation. Tourism Management, 25(1), 2004.P.- 35-44.