

ECONOMIC AND LEGAL BASIS OF PROTECTION OF BUSINESS ACTIVITY  
FROM CORRUPTION CRIME

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**Abstract:** The article analyzes and substantiates the economic and legal basis of protecting business activity from corruption.

**Key word:** economy, entrepreneurship, business, underground economy, corruption, integrity, risk.

**Introduction.** The Strategy of Actions for the Renewal of Uzbekistan is a creative, that is, a policy and economic goal that takes into account modern realities, and is aimed at “strengthening our national economy, bringing our country into the ranks of developed countries”[1]. Creating the necessary conditions for effective work, decent wages, modern housing, quality education and medical care, and ample opportunities for recreation and leisure - all these are important factors that determine the essence and content of our reforms in the economic sphere.

However, it is no secret that in Uzbekistan, like in other countries of the world, corruption, as a dangerous socio-negative phenomenon, threatens the stability of state institutions, the national economy and social life, and is increasingly becoming a global threat.

The Corruption Perceptions Index (CPI) released by the international organization Transparency International for 2023 shows that the anti-corruption activities of countries around the world are 43 points, and the most regrettable is that more than two-thirds of the world's countries have an indicator of less than 50 points[2], which indicates that human development and security are under threat, and this shows how serious the need is to improve international and national mechanisms for preventing corruption. Therefore, the tasks set to improve the system for assessing corruption risks arising in the performance of the tasks and functions of state bodies and introduce integrity standards in the civil service, eliminate bureaucratic obstacles and reduce the "shadow economy", while radically increasing the effectiveness of corruption prevention require identifying the causes and conditions of corruption and creating an effective system for eliminating them.

**Analysis.** In scientific research conducted around the world, the issue of legalizing the underground sector through the digitalization of the economy is being studied as a global problem. In particular, special attention is paid to research in such areas as a comprehensive approach to improving the mechanism for legalizing the underground economy, the disappearance of small businesses and entrepreneurs into the shadows, increasing the efficiency of state institutions through e-government, and removing the activities of informal entities from the "shadow" by eliminating bureaucratic factors.

It is of great importance that on January 3, 2017, the Law of the Republic of Uzbekistan “On Combating Corruption” [3] was adopted, which is aimed, first of all, at strengthening the trust of citizens and entrepreneurs in state bodies, increasing the investment attractiveness of the republic, as well as preventing and preventing corruption-related offenses.

This law established the “Priority Areas of State Policy in the Field of Combating Corruption”:

Reducing bureaucracy in state administration, optimizing redundant tasks and functions in state bodies, transitioning from “manual” management to an “automatic” management system;

Expanding the participation of representatives of civil society institutions in combating corruption and strengthening public oversight;  
Reducing the level of corruption threats in all spheres and sectors of the state and society;  
Expanding the scope of international cooperation in combating corruption;  
Creating an environment in society that is intolerant of corruption;  
Increasing the knowledge of the population and civil servants in the field of combating corruption.

Also, the fact that Article 20 of this law is called “Measures to prevent corruption in the sphere of socio-economic development and entrepreneurship” indicates how important the issue of preventing corruption in the sphere of entrepreneurship is today. The fact that corruption is an economic phenomenon is also substantiated in surveys conducted by the International Monetary Fund. [3]

President Shavkat Mirziyoyev stated, “At the same time, the majority of entrepreneurs, standing in a true civic position, provide selfless assistance to orphans and needy families, neighborhoods and social institutions. What do they get in return for this? The first is only fear, the fear that they will start checking and pressuring me again, that I will no longer be able to work freely, support my family and children. Therefore, it is worth mentioning the opinion that they are forced to “agree” with officials at various levels, even if there are no shortcomings or violations in their work” [4].

Entrepreneurship is clarified in our current legislation. According to the new edition of the Law of the Republic of Uzbekistan “On Guarantees of Freedom of Entrepreneurship” (May 2, 2012), the concept of “entrepreneurial activity” is: “Entrepreneurial activity (entrepreneurship) is an initiative activity carried out by business entities in accordance with the legislation, aimed at obtaining income (profit) at their own risk and under their own property liability” [5]. According to the Law, business entities (business entities) are legal entities and individuals that have passed state registration in the established manner and are engaged in entrepreneurial activity.

An important driver of strengthening the national economy of the new Uzbekistan is the rapid development of entrepreneurship and business activities, the comprehensive protection of private property, the elimination of bureaucratic obstacles to the development of entrepreneurship and corruption-prone situations. In order to prevent unlawful interference in their activities, the institution of the Ombudsman for the Protection of Entrepreneurs' Rights was introduced.

You can study the data entered into the World Bank's World Development Indicators database over the past 20 years, and it shows that for every dollar spent on education in the world, GDP increases by \$20. This simple statistical data raises one question: does improving GDP lead to a better education system, or does good education improve GDP? Studies have shown that "countries that invested in education as a share of GDP in 1990-1999 achieved rapid development in the next decade."

According to research, “reducing administrative barriers to entrepreneurship in society by 5% or increasing the quality of education by 5% and improving the opportunities for lending to the private sector to the same extent will increase the elasticity of poverty in the country by a factor of 1.85, 0.72 and 0.12, respectively” [6].

It would be possible to achieve even higher values. This is due to the existence of formalities and bureaucratic barriers.

Thus, today every sum spent on education, that is, human capital, in our country will bear fruit later, if not immediately.

According to scientific approaches, economic security and a unified state policy are achieved through a system of economic, political, organizational and other measures that meet the vital interests of the individual, society and the state [7].

The decrees of the President of the Republic of Uzbekistan dated October 5, 2016 “On additional measures to ensure the accelerated development of entrepreneurial activity, comprehensive protection of private property and qualitative improvement of the business environment”[8] and dated June 19, 2017 “On measures to radically improve the system of state protection of the legitimate interests of business and further development of entrepreneurial activity”[9] are an important legal basis for protecting the legitimate interests of entrepreneurship as a determining force for development, creating a business environment, and the economic and social development of our country.

Conclusion. Based on the above, it should be noted that in order to protect entrepreneurs, the economy of Uzbekistan is being liberalized: the burden of control on small business owners is being reduced, bureaucratic red tape in some inspection organizations is being eliminated, our financial, banking, tax and customs systems are being liberalized, and laws protecting private business from the government are being reformed. In order to create more favorable conditions for doing business and attracting investments, prevent cases of embezzlement and ineffective use of budget funds, as well as increase the effectiveness of the fight against economic crimes and corruption, and combat economic crimes, the Decree of the President of the Republic No. PF-5446 dated May 23, 2018 “On measures to radically increase the efficiency of the use of budget funds and improve mechanisms for combating economic crimes” [10] was adopted. According to the decree, the following priority tasks are set: protecting honest entrepreneurs and foreign investors from illegal interference in their activities by state bodies and organizations, eliminating artificial bureaucratic barriers and obstacles that hinder business development, helping to optimize imports and increase the export potential of local manufacturers; combating economic crimes and corruption in the fuel and energy complex, banking and finance, taxation, transport, construction and social sectors, eliminating their consequences, as well as the causes and conditions that lead to them; combating cases of concluding transactions contrary to the interests of the state, identifying various schemes and channels for the illegal outflow, import and export of foreign currency funds, their illegal circulation, and the formation of the "shadow economy". It should be noted that on January 28, 2022, the Decree of the President of the Republic of Uzbekistan No. PF-60 “On the Development Strategy of New Uzbekistan for 2022–2026”[11] was approved. The tasks set out in the state program approved by this decree consist of a carefully prepared, well-thought-out, and publicly discussed set of viable measures, consisting of 100 goals and 398 measures, based on national interests and people's needs. It is worth noting that national goals 83 and 84 of the state program are aimed at preventing corruption.

By the Decree of the President of the Republic of Uzbekistan No. PF-14 dated January 25, 2023 “On priority organizational measures to effectively organize the activities of the executive authorities of the Republic”, a mandatory procedure for the establishment of anti-corruption internal control structures in all state bodies and organizations at the republican level was introduced.

According to the Anti-Corruption Agency, in 2023, anti-corruption internal control structures consisting of 1,477 staff members were launched in 114 state bodies and organizations, as well as in banks. During 4,349 control measures conducted by them, cases of embezzlement of funds worth 342.6 billion soums and financial violations worth 928.9 billion soums were identified, and the collected documents were sent to law enforcement agencies for legal assessment. The launch of anti-corruption compliance (internal control) structures serves to shape the anti-corruption behavior of entrepreneurs. It serves to increase their legal awareness and legal culture.

Importantly, in order to prevent corruption in business, a number of works have been carried out to create a fair competition environment, inspect the activities of business entities, prevent unlawful interference in their activities, and protect the rights of entrepreneurs.

In 2023, 27 supervisory bodies conducted a total of 124,123 inspections of the activities of entrepreneurs, of which 2,399 (2 percent) were conducted with consent, and the remaining 121,724

(98 percent) were conducted with notification. The number of inspections of the activities of entrepreneurs in 2023 decreased by 42,914 (26%) compared to the same period in 2022[12].

We would like to emphasize that the tasks set out in the "State Program for Combating Corruption for 2023-2024", their timely and high-quality implementation are the main goal of our activities in the field of the "clean hands" policy of New Uzbekistan, which is to get rid of this scourge by achieving the practical implementation of the principles of legality, justice, honesty, the rule of law, meritocracy, determinism of punishment and good governance (corruption-free governance), and to further bring our country closer to joining the ranks of developed countries in the world, rejecting corruption and creating an atmosphere of absolute intolerance and intolerance towards it in society.

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