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## Terminological Differences between the Concepts of Entrepreneurship and Business

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**Annotation:** In this article an attempt was made to differentiate the terms "entrepreneurship" and "business". For this purpose, a theoretical study of the works of domestic and foreign scientists on this problem, a content analysis of terms, is carried out.

**Key words:** business, entrepreneurship, innovation, profit, economic activity, growth and development of society, risk, responsibility.

The development of small business and private entrepreneurship is considered significant as one of the main sources of the formation of the middle class in order to create a competitive environment in the country, to be able to adapt quickly to various changes in market conditions, to create additional jobs in the economy, to ensure the social environment in the country. Small business is of great importance in the stabilization of the economy in such developed countries as the United States, Germany, China, France, Japan, Italy. "According to the International Small Business Council (ICSB), small businesses account for more than 90% of all enterprises, 60-70% of those employed, 50% of the gross domestic product".<sup>1</sup> These enterprises form the basis of the economy of the developed countries of the world, play an important role in the promotion of economic development in the employment of women and young entrepreneurs as well as low-income population groups.

Today, the opinions of many scientists about entrepreneurial activity and business, its directions, principles, legal and economic aspects are widely discussed in various scientific and theoretical literature. They are often interpreted as entrepreneurial activity and business as a kind of concept. Indeed, the subjects of the market economy are closely related to each other in the concepts of "entrepreneurship" and "business" in economic activity, and in practical terms can be used interchangeably. But when we look at the concept of "entrepreneurship" and "business" from the point of view of the spheres of economic impact, it can not be considered exactly the same concept.

In everyday life, in most cases, the word "business" is interpreted as a synonym for such concepts as commercial. And in the vast majority of cases, we will witness the notion of "entrepreneurship" and "business", "commercial" and "marketing" as a kind of activity. In our opinion, in Uzbekistan and the CIS, articles about business, literature appeared in the middle of the 60-ies. And private ownership was something completely alien to the ideology of that time. The study of business as a science begins only in the early 90s with a gradual transition to market relations.

In our opinion, business can be understood as a sustainable economic activity aimed at making profit and satisfying the exterior of society. The peculiarities of entrepreneurship are initiative, attention, profit making, taxonomy and personal responsibility, satisfaction with activities,

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<sup>1</sup> MSME Day 2019. <http://www.intracen.org/MSME-day/2019/>

mobility, the ability to find professional solutions in conditions, uncertainty, new ideas and ways of their implementation.

And the purpose of entrepreneurship is innovation, growth on the basis of advanced ideas (economic, social, etc.) and development of society. Business is an industry that has the purpose of filling the society with the necessary goods and services and is understood as an activity designed to make a profit, entrepreneurship is creativity, innovation and so on. Both concepts are characterized by risk and personal responsibility, the general personal characteristics of the subjects of activity (responsibility, self-motivation, ability to make decisions, etc.). And in relation to entrepreneurial activity, it is worth noting various innovations.

In the study of terms, a number of modern scientists in their works drew attention to this issue. So, N. Asaul argues that “entrepreneurship is an economic activity, its main difference from business is innovation, which leads to a violation of the balance of the market”<sup>2</sup>. An entrepreneur can earn extra income by taking advantage of market equilibrium distortions. Over time, the transformation of capital into such an industry, the spread of innovation will reduce the conditions for all market participantstiradi, additional income in accordance with the law of diminishing profitability will decrease. This helps to restore the market balance of business entities, thereby motivating them to diversify production.

P. A. Guryanov believes that “the differences between business and entrepreneurship, mainly foreign economists, are the same as they noted during the Industrial Revolution”<sup>3</sup>. The classic argues that entrepreneurship is a specific type of innovation production activity, which is associated with many risks and is aimed at obtaining profit as well as increasing the value of the firm (to the maximum).

P. Drucker distinguishes entrepreneurship from business and emphasizes that attention is "not every new small business entity is an entrepreneur at the same time"<sup>4</sup>. For example, for the absence of an innovative process by opening another pizzeria, cafe, etc., this behavior is attributed to not. Entrepreneurs are a minority in a new business, characterized by attempts to create something new and existing, thereby changing and updating the value of goods. According to P. Drucker, the entrepreneur determines the changes, adapts to them quickly, uses them as an opportunity.

G. Stevenson filled the definition of entrepreneurship with ingenuity. According to him, it is characterized by "chasing the opportunity without taking into account the resources available at the moment"<sup>5</sup> According to his research, the activities of the entrepreneur are initially based on the ability to determine not only the availability of opportunities, but also to limit the freedom of choice of resources.

R Chervitz proposed a concept of intellektual entrepreneurship. He wrote: "creating material wealth is one of the manifestations of this entrepreneurship. Entrepreneurship is not a business, it is an establishment to conquer the world, it is a process of cultural innovation."<sup>6</sup> In our opinion, at present, entrepreneurship is defined by various activities: as a special activity aimed at maximizing income; on the production of goods and services aimed at obtaining profit; entrepreneurial activity; the function of selling property; the implementation of innovations for obtaining profit; actions aimed at raising capital to maximize profit and so on.

<sup>2</sup> Asaul A.N. The organization of business activity: tutorial / A.N. Asaul – SPb.: ANO IPEV, 2009. 336 p.

<sup>3</sup> Guryanov P.A. About entrepreneurship / P.A. Guryanov // Modern scientific researches and innovations. <http://web.snauka.ru/issues/2011/07/1453>.

<sup>4</sup> Drucker P. F. The Market: how to become a Leader: Practice and Principles / P. F. Drucker: Trans. from English-Moscow: Book Chamber International, 1992. 352 p.

<sup>5</sup> Stevenson H.H. The Entrepreneurial Venture / H.H. Stevenson, W.A. Sahlman, M.J. Roberts, A. Bhide, 1999. 622 p.

<sup>6</sup> Chervitz A.R. Intellectual Entrepreneurship. A vision for graduate education / A.R. Chervitz, Ch.A. Sullivan / Change. - November/December. 2002. P. 23 – 27. Режим доступа: <https://webspace.utexas.edu/cherwitz/www/ie/articles.html>.

Many people pay attention to profit taking as the main goal of their business activities. However, A. N.Y. Asaul <sup>7</sup>, G. L. According to Bagiev <sup>8</sup> and others, entrepreneurship does not have its ultimate goal, because it interprets itself as an continuity of the reproductive process associated with the repetition of demand and the satisfaction of the needs of a constantly changing, constantly growing individual or social group. In this regard, the needs of the final consumer's demand for production, sales, marketing, logistics, management, organization, products and services, which is focused on the best news, generating maximum revenue at each stage of the development process, at the same time requires changes in the process to be defined as a continuous search process.

In our opinion, the result of entrepreneurial activity is the organization (development) of business, in turn, the purpose of business is to make a profit. Thus, profit making is an intermediary purpose of entrepreneurship. The economic essence of entrepreneurial activity is to find and implement a new combination of factors of production (updating of products, technology, organizational approaches) in order to meet social demand. Based on the results obtained, the differences between entrepreneurship and business are divided according to the approach used (Table 1).

### Differences between entrepreneurship and business

Approaches	Entrepreneurship	Business
Objective	Implementation of the idea for the entrepreneur. For society-growth and development.	Profit for the entrepreneur. Satisfaction of needs for society.
As an economic activity	It is a novelty that breaks the balance of the market.	Using unbalanced market opportunities receive additional benefits and stabilize the market situation
As a talent	<ul style="list-style-type: none"> <li>- Use and develop their abilities.</li> <li>- Receive income on the basis of the application of their abilities.</li> <li>- Search for a market in which his skills are required to the maximum.</li> </ul>	<ul style="list-style-type: none"> <li>- The basis of the activity of the market need.</li> <li>- Get maximum profit by meeting the needs of the market.</li> <li>- The method of developing and satisfying open social needs izlash.</li> </ul>
As a function	<ul style="list-style-type: none"> <li>- Create a new effective structure.</li> <li>- Personal participation in the production process.</li> </ul>	<ul style="list-style-type: none"> <li>- Effective structure restoration.</li> <li>- Independent operation of the structure, without personal participation of the entrepreneur.</li> </ul>
As an option	The desire to realize opportunities without taking into account the availability of resources.	Implementation of opportunities when resources are available.
Attitude to freedom of choice	The choice is not limited to landkinligi resources.	The choice of land is limited by resources.

**1-table. Differences between entrepreneurship and business**

<sup>7</sup> Asaul A. N. Organization of entrepreneurial activity: textbook / A. N. Asaul. - St. Petersburg: ANO IPEV, 2009. 336 p. Mode of access: [www.aup.ru/books/m614\\_2.htm](http://www.aup.ru/books/m614_2.htm).

<sup>8</sup> Bagiev G. L. Organization of entrepreneurial activity. Textbook / G. L. Bagiev, A. N. Asaul / [under the general ed. Prof. G. L. Bagiev]. - St. Petersburg: SPbGUEF Publishing House, 2001. 231 p.

Thus, in the table, the differences between entrepreneurship and business are presented according to certain criteria. Business it is understood as a business oriented activity, as profit – taking, entrepreneurship-creativity, innovation (business, etc.). Both concepts are characterized by risk and personal responsibility, the general personal characteristics of the subjects of activity (responsibility, self-motivation, ability to make decisions, etc.).

Based on the above evidence, the main objective of entrepreneurship is an activity based on growth (economic, social, etc.), development, innovation and advanced ideas. For an entrepreneur if the business aims to fill the society with the necessary goods and services, it involves obtaining profit and meeting the needs for the society. The business process implies a positive quantitative dynamics of production indicators. Because the market is saturated, growth stops, but the business carries out its activities, correcting its quantitative indicators in accordance with the needs of the market. This can lead to reduction of production, achievement of stability of activity or reduction of project.

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