



**DEPARTMENT FOR THE USE OF LOCAL RESOURCES IN BUSINESS
ACTIVITIES**

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The summary

The effectiveness of business activity largely depends on the effective management of resources. Leveraging local resources, in turn, can create many benefits for entrepreneurs. It is important to effectively create economic mechanisms involving local resources, financial sources for entrepreneurs, reduce unemployment in society and ensure economic growth.

Keywords

Management, business, local resources, competitiveness, efficiency

In today's globalized world, the importance of utilizing local resources is often overlooked. While globalization offers advantages such as access to international markets and the potential for diverse opportunities, there is insufficient focus on recognizing and utilizing the resources within our own communities. Leveraging local resources can have a positive impact on the local economy. By developing local businesses and supporting entrepreneurs, new job opportunities can be created, leading to economic stability. This can enhance the overall economic sustainability of a region, increase its self-sufficiency, reduce dependence on external sources, and improve its ability to adapt to changing conditions and foster growth.

The effectiveness of entrepreneurial activity is dependent on resources and the level at which they are utilized. In the operations of a business, resources are numerous and diverse. The term "resource" is generally understood to refer to the material resources used in business activities. The development of entrepreneurial activities is closely linked to the resources they utilize. Resources (from French: *ressource* – means of support) can include financial capital, wealth, reserves, and opportunities; sources of income in the state budget, as well as natural, economic, labor, currency, and other types of resources. Economic resources are divided into natural (raw materials, water, forests), labor ("human capital"), working capital (materials), information, and financial (monetary capital) resources. Economic resources represent a set of resources used in economic activities. Resources can be



renewable, those that can be regenerated (such as labor, equipment, and machinery), and non-renewable (such as raw materials – oil, coal, gas, mineral deposits, etc.).

Sh. Sh. Khadzina and B. K. Jumabekov have also dealt with issues related to resources. When studying the problem of resources, they primarily focused on natural resources. "Natural resources are elements that exist in nature and are essential components of the natural environment necessary to meet the needs of society members at the current level of development of productive forces." [5] These resources are obtained from nature, and for this reason, they are often referred to as natural resources.

Resources that exist in a country or specific region, and are available in sufficient quantities for continuous production, which can be extracted from the earth's surface or subsurface, are called local resources. For example, natural resources such as oil, gas, coal, or other types of minerals that are extracted in our country, as well as all raw materials that can be produced in fields, including cotton raw material, hemp fiber, and others, can be considered local resources. A resource that is considered local in one country may not be considered local in another country or region.

In his address to the Supreme Assembly of the Republic of Uzbekistan, President Sh. Mirziyoyev emphasized that there are numerous opportunities in our country for further developing entrepreneurial activities, and highlighted the importance of expanding their potential. He stated:

"In the context of a complex global geopolitical situation, the growing scarcity of energy resources, increasing demand for food, and rising costs of financial resources, we face significant challenges.

In such a situation, no matter how difficult it may be, we will continue our economic reforms steadfastly, fully mobilize domestic opportunities, and further support the private sector. To achieve this, first and foremost, we will accelerate reforms aimed at continuously improving the entrepreneurial environment." [1]

The "Uzbekistan-2030 Strategy" has set a goal to "Develop industry based on efficient use of local raw materials and advanced technologies" [2]. This document aims to achieve economic development by efficiently utilizing local raw materials, improving the industrial sector, increasing the share of technologically advanced products in industry from 25% to 32%, doubling labor productivity in the processing industry, and increasing the production of essential materials for high-value products, such as copper production by 3.5 times, gold by 1.5 times, silver by 3 times, and uranium by 3 times.



Local resources are mainly composed of social, economic, and environmental components. They include:

1. **Human resources:** Local population, their knowledge, skills, and experience. The social cohesion of local communities and the level of education play an important role in entrepreneurial activities.

2. **Raw materials:** Raw materials obtained from local suppliers, such as agricultural products, construction materials, and energy resources. Local sources of raw materials directly impact the production process.

3. **Energy:** Local sources (solar, wind, water) can enhance the economic efficiency of entrepreneurial activities by improving energy efficiency.

4. **Infrastructure:** Local roads, communication tools, and transport systems. Improving infrastructure provides entrepreneurs with the opportunity to distribute resources more efficiently.

Effective utilization of local resources available in our country is currently one of the main issues, and for this reason, they need to be managed. To date, there have been many definitions of the concept of resource management. Brianna Hansen, who studied resource issues, defines "Resource management as the process of planning, scheduling, and distributing resources to achieve high-level efficiency." [3] She refers to all the tools necessary for carrying out resource activities, from equipment to financial resources. Resource management is implemented to ensure their effective use. In modern enterprises and organizations, if we consider that the main focus is on material resources, it can be understood that resources mainly refer to material resources.

To effectively manage resources, it is necessary to answer the following questions:

- The availability of each type of resource and the level of its usage;
- The amount of resources required to carry out the actions;
- The amount of resources needed for each unit of product;
- Who has used these resources?

The following stages are important in the effective management of local resources:

- **Identifying resources:** Proper identification and inventory of local resources (financial, human, natural, informational).
- **Analysis:** Assessing the condition, efficiency, and level of usage of the resources.
- **Developing strategies:** Creating effective strategies and plans for the optimal use of resources.



- **Collaboration with local communities:** Collaborating with communities and stakeholders in resource management.
- **Implementation:** Executing the defined strategies and managing resources effectively.
- **Monitoring and evaluation:** Checking the efficiency of activities and assessing the results, making adjustments if necessary.
- **Expansion and development:** Introducing new methods and opportunities in resource management based on learning and experience.

To ensure the effective use of local resources in an enterprise, the following factors should be considered:

1. **Strengthening collaboration:** Establishing cooperation with local suppliers and producers, which helps in the efficient use of resources.
2. **Innovative technologies:** Implementing modern technologies to optimize the use of local resources.

Best practices: It is important to incorporate best practices into entrepreneurial activities to improve efficiency in resource management. This involves utilizing the experience of successful entrepreneurs and statistical data.

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