- Formation of the class of leaders, increase its benefits which are useful to the society;
- Proper distribution of products and property to the desired goals;
  - Satisfaction of needs, labor tools and their use;
- Economic agreements, economic cooperation and communications, international trade development, establishment and development of economic relations;
  - Reducing unemployment;
  - Do the socially useful work;
- Wage earnings, incentives, strong social protection;
- The national budget, their filling, spending, tax and other payments, financial and economic issues;
- Prioritizing human interests in the social system, trying to ease the tax burden;
  - Social protection;
- The development of civil aviation, its importance in the formation of the state budget;
  - Increased focus on creating the rich;
- Business intelligence, acquisition and extensive use, and so on.

In summary, the work of our intellectuals and the ideas of economic education that have been promoted in the development and promotion of economic education, the improvement of living standards and the welfare of the society are still in the agenda today. Learning and applying it can be a blessing to our young people.

The final outcomes of economic education will allow the efforts of modern industry to modernize new industries.

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### DEVELOPMENT OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP IN UZBEKISTAN

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# РАЗВИТИЕ МАЛОГО БИЗНЕСА И ЧАСТНОГО ПРЕДПРИНИМАТЕЛЬСТВА В УЗБЕКИСТАНЕ

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#### ANNOTATION

Development of small business and private entrepreneurship in the Republic of Uzbekistan is one of the pressing issues. The issues of increasing the share of the sector in GDP, the obstacles and restrictions on the development of the sector, the mechanism of state support of small business and private entrepreneurship, the experience of foreign countries were studied. In this regard, it is crucial to increase the role and place of small businesses in the economy, to expand the range of import-substituting products, to create a production chain of rapidly adapting, rapidly changing small businesses and private entrepreneurs.

**Key words:** Business, entrepreneur, localization programs, action strategy, GDP, innovation, cooperative relations, information platform, new techniques and technologies, integration, diversification.

The basis of positive changes in the economies of the countries depends on the level of dynamic development of small business and private entrepreneurship. "In order to radically increase the role and place of private property in the economy of the country, eliminate barriers and restrictions on the development of small business and private entrepreneurship, reduce state participation in the economy, increase the share of small businesses and private entrepreneurship in GDP, economic reforms to further increase the volume of export-oriented finished products [4].

- In accordance with the Decree of the President of the Republic of Uzbekistan "On Strategy of Action for Further Development of the Republic of Uzbekistan" dated February 7, 2017, by the Decree of the President of the Republic of Uzbekistan No. UP-4947, "Strategy of Action on Development of the

Republic of Uzbekistan in 2017-2021" "... the institute aimed at reducing state participation in the economy, promoting the protection of private property and its further strengthening, promoting the development of small business and private entrepreneurship and the continuation of structural reforms. "[1]" It is important to ensure that the population, especially in the labor market, undertakes active and weak measures, the protection of private property, the elimination of barriers to small and large businesses and private entrepreneurship, , creating the conditions for young people to work with decent work and expanding effective employment "[2].

- The strategic direction of our country requires society and science to develop new economic relations and ideas, which will ensure sustainable development of production, radical transformation of economic management, search for new ways of managing and

apply it in everyday life.

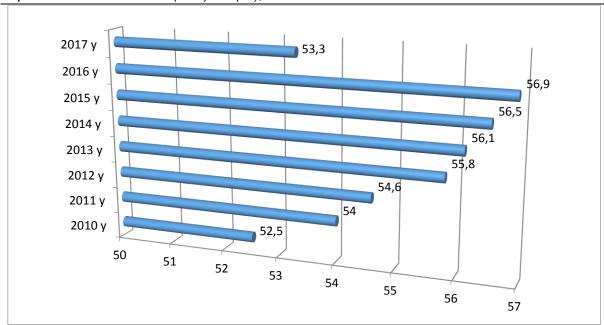
- This requires:
- To involve more entrepreneurial and educated people into the field of material production and to implement a wide range of measures for managers, marketing, entrepreneurship and market economics, to provide a comprehensive knowledge of diverse specialists;
- - training of highly qualified specialists who will solve the problems of the current market economy and the formation of competitive production processes in a competitive environment;
- Denial of majority of the property; To accelerate the introduction of various forms of ownership and the establishment of small businesses that process products on the ground;
- - broader access to private property, development of private subsidiary farming and transition to the construction of joint ventures;
- Improving the way in which management of the state policy in the field of market economy is governed and the effective use of their capitals by strengthening relations with foreign countries and improving the financial and credit, tax and banking activities, etc.

In recent years, in the modern market economy, products manufactured by large enterprises in many countries are now relatively compact, and small enterprises have been fully productive. In the years to come, the number of large enterprises declined, and the number of small enterprises grew dramatically. Therefore, the organization of small business and private entrepreneurship activities is rapidly adapting to market economy requirements, quickly adapting to innovations, adapting to market dynamics and market change, as the basis for its development. Business - this is an English word that is entrepreneurial activity, which aims to gain entrepreneurial activity or, in other words, to benefit people.

Although the concept of "entrepreneurship" has been formed in the eighteenth century, its evolution continues in our time as well. The socioeconomic nature and development of entrepreneurial activity has been thoroughly studied in the works of A.Smit, A.Turgo, P.Samuelson, R.Hizrich, and I. Shumpeter. Theoretical and practical problems of entrepreneurship development have been studied by scientists from CIS countries A.I.Arxipov, E.Forisov, A.V.Busygin,

Yu.M.Osipova, MASajina and others [5]. In Wolle's book, Encyclopedia of Business, he says, "Entrepreneur is a new work, a way to do it, and to do some great work." [6] R. Heizrich and M. Piters say, "A businessman, a businessman, is a person who is capable of doing business, capable of doing great things, boldly, cheating and doing so." [6]

In Uzbekistan, through the establishment of small businesses, independent business owners were formed. As small businesses are able to adapt to the various macroeconomic conditions and requirements of the market economy, they have a priority. The development of small business and private entrepreneurship in various sectors of the economy is one of the important macroeconomic factors in ensuring the stability of the national economy. The growth of small businesses in recent years can be explained by the rising share of their contribution to the country's gross domestic product. The country pays great attention to the development of small and private entrepreneurship based on the experience of the developed countries. This law is important for increasing competition for free competition, the establishment of different forms of ownership at the level of world standards. The small businesses and private entrepreneurship enterprises need to further increase their operations, including ensuring their output and competitiveness on the world market, studying the foreign markets and finding foreign partners. Comparing the economic reform process with a wide range of subjects of small business, it compares the current diversity of consumption, the vastness of its consumption, and the fact that its retail outlets are packed with a wide range of consumer goods, indicating that small businesses have an important place in the economy. The share of small business and private entrepreneurship in the national economy, in particular in GDP, is rising since then (Figure 1). This is evidenced by the fact that small businesses and private entrepreneurship have a strong place in the national economy every year. Small businesses and private entrepreneurship have developed and implemented strategies and roadmaps on development of a separate sector in the region to fully cover local needs and export their output. All these processes will be a solid foundation for the dynamic development of the economy.

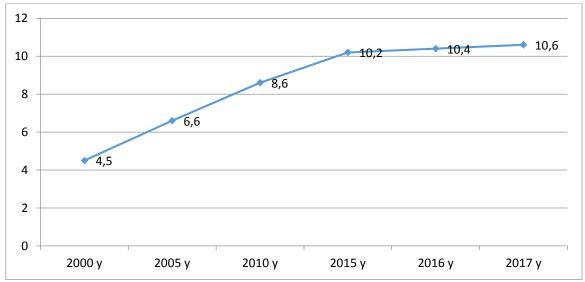


Picture 1. Share of small business and private entrepreneurship in GDP of the Republic of Uzbekistan, percent 1

Figure 1 illustrates the share of small business and private entrepreneurship in GDP of Uzbekistan in 2010 to 52.5%, 54% in 2011, 54.6% in 2012, 55.8% in 2013, 56.1% in 2014, The highest increase in the share of small business and private entrepreneurship in 2017 is 0.8% in 2017, with 56.5% in 2015, 56.9% in 2016 and 53.3% in 2017, 56.9%. In 2016, compared to 2010, it grew by 4.4%. Over the past few years, we can observe the high growth rates of the share of small business and private entrepreneurship in the country's GDP. This can be explained by conditions created in the country and state support. The year-on-year increase in the number

of people in the sector is rising in popularity among the population (Figure 2).

Figure 2 shows the population of the Republic of Uzbekistan in the area of small business and private entrepreneurship, with a population of 4.5 million in 2000, 6.6 million in 2005, 8.6 million in 2010, 10.2 million in 2015, 10.4 million people in 2016, and 10.6 million in 2017 in the sphere of small business and private entrepreneurship. In 2017, the figure increased by 6.1 million compared with 2000. This is closely related to the benefits and conditions created in the country and shows that the concept of entrepreneurship is widely spread among the population.



Picture 2. Employed Persons in the Republic of Uzbekistan in the Sphere of Small Business and Private Entrepreneurship (mln)2

<sup>&</sup>lt;sup>1</sup> Based on the data of the State Statistics Committee of the Republic of Uzbekistan

<sup>&</sup>lt;sup>2</sup> Based on the data of the State Statistics Committee of the Republic of Uzbekistan

The role and importance of small business and private entrepreneurship in the development of the country's economy is high. As for the experience of a number of foreign countries on the development of this sector, the share of small business and private entrepreneurship in developed countries is about 50-60% in GDP. 57.8% in the European Union, 63% in Japan, 62% in the United States [7]. In recent years, the attention to small business and private entrepreneurship in all spheres, including in the field of innova-tion, has rising. The experience of Western proves entrepreneurship the advantages disadvantages of small businesses in the development of innovation activity. In the US and Western Europe, 58 of the 58 leading inventions of the 20th century belonged to individuals and small firms [8].

The criteria for identifying small businesses in Uzbekistan have been developed. They said:

- direction of activity: production, commercial, financial and innovative business activity;
- Depending on what kind of mission it is focused on: business management, financing, mediation and consulting;
- on the number of activities: single and multistage entrepreneurship;
- complexity of business: entrepreneurship based on high technology and rare knowledge that requires special knowledge, requiring special knowledge;
- sectoral direction of activity: separation of entrepreneurship types in industry, agriculture, agriculture, construction and other branches of economy.

At the same time, some problems and shortcomings in the development of the industry are evident. These include:

- Reduce the size of the small business and private entrepreneurship enterprises in the regions of the country with the production volume and the interregional disadvantage and the opportunity to establish cooperative relationships between these facilities;
- Major small business and private entrepreneurship objects are mainly focused on trade and service systems, production, tourism and recreational areas, and in the field of innovation agroclusters;
- The inability to fully cover the demand in the domestic market, mainly due to imports of imported goods;
- The absence of a platform for information and awareness-raising on existing market demand for small and private businesses.

It would be expedient to improve the practical value of the adopted normative and legal acts on the development of small business and entrepreneurship:

- Coordinating and preventing conflicts of normative legal acts regulating small business and private entrepreneurship;
- Formation and development of the legal culture of entrepreneurs in order to achieve the unconditional execution of the adopted legal and regulatory acts and to develop a mechanism for ensuring that all members of society are respected;

- Promoting the role of public organizations, such as the protection of the interests and rights of entrepreneurs, to enhance their freedom of expression;
- Development of a legal defense system to minimize unnecessary interference with the activities of small businesses and private entrepreneurship entities;
- Development of cooperation processes between small and large enterprises in the development of new techniques and technologies in production, etc.

The development of small businesses and private entrepreneurship in our country is one of the main priorities of the government's economic policy. Special attention was paid to the development of small businesses and private entrepreneurship in the investment program of the Government of the Republic of Uzbekistan, extending the investment activity from foreign credit lines.

In summary, it is necessary to diversify the activities of small businesses and private entrepreneurship in the Republic of Uzbekistan, in many areas and regions. They should establish intercity, interregional cooperation. In Uzbekistan, in the process of deepening economic reforms, it is important to analyze the key factors affecting the development of entrepreneurship, identify problems, and thus develop its future development pathways. One of the major challenges facing the economy of the market is to increase the employment of the population, to effectively use the labor force of the able-bodied population.

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# ACTUAL PROBLEMS AND PROSPECTS FOR THE DEVELOPMENT OF THE NATIONAL INNOVATION SYSTEM IN UZBEKISTAN

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# АКТУАЛЬНЫЕ ПРОБЛЕМЫ И ПЕРСПЕКТИВЫ РАЗВИТИЯ НАЦИОНАЛЬНОЙ ИННОВАЦИОННОЙ СИСТЕМЫ В УЗБЕКИСТАНЕ

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# **ANNOTATION**

The article presents the ways of development of national innovation systems in the conditions of structural changes in the economy, and also investigated the national innovation system of Uzbekistan in the context of this classification.

Keywords: innovation, innovation process, institutional environment, innovation system.

#### Introduction

Currently, the main endogenous factor in the growth of productivity of the national economy is considered to be technical progress, manifested in the development of high technologies, the introduction of R & D results (research and development) of organizations and the implementation of innovations in the practical activities of modern enterprises [1]. Progress affects the competitiveness of enterprises, the market structure and the sectoral system of the national economy, as well as the international competitiveness of the economy in the context of globalization [2].

Since the 1990s, the productivity of economies and differences in their growth rates have been associated with a combination of "traditional" factors and elements of the "new economy" or the dynamics of the development of industries creating information and communication technologies. Also, an analysis of the comparison of these differences is carried out according to the pace of implementation of these technologies in different sectors of the national economy.

In recent decades, the term "innovation system" has become widespread in the scientific and business environment. The widespread use of this term is not accidental and is dictated by a number of objective rea-