



WAYS TO IMPROVE THE ACTIVITIES OF INNOVATIVE ENTREPRENEURSHIP IN THE REPUBLIC OF UZBEKISTAN

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ABSTRACT

This article discusses the prospects for the development of innovative entrepreneurship in Uzbekistan, which contributes to the activation of innovative entrepreneurship, as one of the key subjects of innovation, ensuring the rapid and effective development and commercialization of various kinds of innovations.

Introduction

In the modern world, there are some countries that are dynamically developing with the introduction of new development models, the export of advanced ideas, methods and technologies. It should be noted that innovative entrepreneurship can become one of the key subjects of innovative activity, ensuring the rapid development and commercialization of various types of innovations. However, innovative entrepreneurship does not fully fulfill this role in modern domestic conditions. Therefore, an important scientific and practical task is to study the problems of further development and improvement of innovative entrepreneurship. Innovation has become a measure of the economic viability of a business, and competitiveness is primarily determined by the science intensity and productivity of products and processes. Announcing 2018 in the country as a year of support for active entrepreneurship, innovative ideas and technologies, President of the Republic of Uzbekistan Sh. Mirziyoyev

noted: “When we say “ active entrepreneurs ”, we mean business people who are able to produce competitive products, the most important thing is creating new jobs that benefit not only to yourself and your family, but also to the whole society. Our first priority should be to create a friendly business environment in which entrepreneurs can easily import and implement the latest technology and scientific discoveries. We must also provide them with sufficient career opportunities and internships in leading foreign companies and organizations. We will move forward with innovations to improve all spheres of life, state and society. There is nothing unnatural in this. After all, in the end who wins in this competitive world? The nation with the latest idea or innovation. Innovation expands over time. If today we begin to build our great future, then we must do it, first of all, on the basis of innovative ideas, an innovative approach ”[1].

New business captains bring innovations to the market that are destroying multinational corporations, familiar industrial alliances. In



the modern world, seed and venture capital investments in the early stages of innovative projects can bring super profits. As a result, innovation management has become a core function of every enterprise. Companies are looking for new managers who know how to find new products, attract investors and bring products to market.

The activation of innovative entrepreneurship will contribute to the development of innovative activities in the country, overcoming the existing economic model, increasing national competitiveness, stimulating economic growth, and improving the living standards of the population.

The innovative development of the economy and its impact on increasing the competitiveness of industry is widely discussed in foreign and domestic literature. In foreign literature, this problem has been deeply studied and continues to be developed in the scientific research of I. Schumpeter, M. Porter [2], D. Bell, F. Machlup, E. Goffler, P. Drucker [3], D. Robinson, D. Bishop, U. Stejer and others. These authors formed the theoretical foundations of the processes associated with competitiveness and its relationship with the factors of innovative development of the economy, his predecessors were Uzbek economists M. Sharifkhodzhaev, Sh. Shadmanov, F. Kh. Nazarova [4-6], GA Khamdamova [7-9] and others. The issues of regulation of the innovation sphere and its interaction with the state and the economy are studied in the works of Russian scientists L. Abalkin, V. Makarov, G. Kleiner, B. Milner [10], S. Valentey, V. Loginov, M. Novitsky, I. M. Bortnik [11], Dymkina A., V. Goreglyada, A. Barysheva, I. Pilipenko, L. Krasnova, A. K. Kazantseva, D. A Rubvalter et al. In the work of these authors, various aspects of the innovative development of the economy and

competitiveness, their interrelationships, the methodology for assessing innovations, etc. have been investigated. These works have significantly advanced the study of the problem of innovation and competitiveness of the economy, but have not exhausted it. Many issues remain insufficiently studied. These works significantly advanced the study of the problem of innovativeness and competitiveness of the economy, but did not exhaust it. Many questions remain insufficiently studied. These works significantly advanced the study of the problem of innovativeness and competitiveness of the economy, but did not exhaust it. Many questions remain insufficiently studied.

Research methodology

The research methodology includes research by domestic and foreign authors on innovation and competitiveness, legislative acts and other legal documents, as well as scientific and practical conferences on these issues. The research was conducted using a scientific method. To solve problems associated with the following mathematical operations, methods of logical, comparative and statistical analysis were used.

Discussion

In modern conditions, innovation is present in any production activity. Even if a company is not at the forefront of an innovative market, it will eventually have to replace obsolete technologies and products. The development of new processes, their sophistication in new products and new technologies are the driving force behind economic competitiveness. It is known that in recent years in science, as in other fields, research has become more and more effective, and the results obtained are being introduced into production. Resolution of the President of the Republic of Uzbekistan



"On additional measures to improve the mechanisms for introducing innovations in the industry and the economy" PP-3698 dated May 7, 2018 serves as software for work in this area of activity.

Currently, in the regions of the Republic of Uzbekistan, the socio-economic potential of entrepreneurship development is not fully realized, which is especially important in the small business sector.

The development of entrepreneurship in local economies is beneficial for a number of reasons: it stimulates the restructuring of the economy, provides a quick return on investment, a quick response to changes in consumer demand and increased competition.

The above diagram shows the dynamics of enterprises and organizations producing innovative products, works, services on their own in recent years. In 2019, the number of small enterprises and microfirms that implemented innovative projects amounted to 3,753 units, by type of economic activity, the largest indicator was recorded in the manufacturing industry - 1,979 units.

Enterprises and organizations that submitted statistical reports are grouped by type of economic activity. The volume of innovative work done by them amounted to 53.7% of the total, mainly in the manufacturing industry. The volume of innovative goods, works, services in 2019 amounted to 26811.4 billion soums. This figure is 1.4 times more than in 2017.

A business is considered innovative if it has initiated a particular innovation within a specified period. Based on the data of 3916 organizations, it can be seen that the largest number of innovative organisms was in the city of Tashkent, as well as in Navoi and Fergana regions.

The volume of innovations introduced in the territories in 2019 amounted to 26293.8 billion soums, higher rates were recorded in the city of Tashkent - 45.5%, and Andijan region - 15.1%. To be considered an innovation, a product or process must be innovative or significantly improved.

In total, in 2019, the cost of technological, marketing and organizational innovations amounted to 6603.5 billion soums. of which expenses at the expense of organizations' own funds - 3342.9 billion soums. At the expense of foreign investments - 1,083.7, loans from commercial banks - 1,060.1 billion, budget funds - 727.9, targeted off-budget funds - 307.2, other sources of financing - 81.8 billion soums.

There are different types of innovation, including technological, marketing, and organizational. In 2019, 4689 innovations were implemented, of which 4427 were technological, 128 were marketing and 134 were organizational. Of these, 3544 are innovative product designs and 884 are innovative processing methods.

Innovation is about bringing a new or improved product to the market, which involves recombining existing ideas to develop a new product. The results of a sample survey conducted in the country showed that the level of innovation impact of economic entities is estimated lower by 17.8%, on average by 42.1%, higher by 21.5%, and in 18.7% of cases there was no impact. The basis of selective observation is made up of registered organizations in the Unified Register of Subjects of the Republic. The sample size is 10% of the number of people in the relevant target market.



The total volume of R&D carried out by organizations of the Republic of Uzbekistan in 2019 was estimated at 853.4 billion soums. Of these, the public sector - 314.7 billion soums, the business sector - 429.2 billion soums, the higher education sector - 106.7 billion soums, the private non-profit sector - 2.8 billion soums.

In terms of the volume of research and development work carried out by organizations, the state budget in terms of volume amounted to 724.6 billion soums. Research and development work amounted to 438.9 billion soums, design and technological work - 91.8 billion soums, production of prototypes - 4.9 billion soums, design work on construction - 50.4 billion soums, scientific and technical services - 140, 1 billion soums

The total amount of expenditures in the field of science, compared to last year, increased by 13.9%, amounting to 602.3 billion soums, of which in the field of natural and technical sciences - 387.0, medical and agricultural sciences - 106.6, social - Humanities - 108.7 billion soums.

Enterprises of Uzbekistan are in the process of modernization and development, which implies an increasing number of innovative activities. This policy cannot be implemented on its own without attracting foreign investment. Large-scale transformational innovation in the workplace is not possible without ongoing investment from the employer. The country is attractive to foreign investors and suggests a number of objective reasons for this.

Announcing 2019 in the country as a year of active investments and social development, President of the Republic of Uzbekistan Sh. Mirziyoyev noted: "Only by actively attracting investments, introducing new

production facilities, we will achieve accelerated development of our economy. And positive results in the economy will make it possible to consistently solve the accumulated problems in the social sphere. We all must be deeply aware of this and build our work on this very basis "[1].

The main stages of the innovation process Investment legislation of Uzbekistan is one of the most advanced among the CIS countries. Based on the provisions of international investment law, in particular the provisions on guarantees of the rights of foreign investors, it provides for a wide range of benefits and incentives for foreign investment, including guarantees of stability of legislation, guarantees of ownership, guarantees for the use of funds, etc. There are no restrictions on the form of investment. Foreign investors can create enterprises in Uzbekistan of any organizational and legal form that does not contradict the legislation of the country. Today, foreign investors in Uzbekistan have free access to any form of investment, be it a joint venture or an enterprise based only on foreign capital, purchase of a part or a full block of shares in privatized enterprises Newly created manufacturing enterprises with foreign investments are granted the right to apply for five years the rates of taxes and other obligatory payments in effect on the date of their registration. All this can be confirmed by digital data.

According to the report of the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan, the volume of foreign investment in Uzbekistan in the first half of 2020 amounted to \$ 4.8 billion, including foreign direct investment - \$ 3.2 billion and foreign loans under a state guarantee - 1, 6 billion dollars. At the same time, the volume of development of foreign direct investment in fixed assets amounted to



2.6 billion US dollars with a growth rate of 1.2 times compared to the same indicator in 2019. The share of foreign direct investment in the total volume of investments increased to 29,5% [13].

The low innovative activity of domestic enterprises is largely due to the low level of competition in the country. Competition in a market economy plays an essential role in the mechanism that ensures the modernization of the economic system, serves as the main driving force for increasing production efficiency and product quality through the development and implementation of various types of innovations. In this regard, one of the most urgent measures to ensure the necessary conditions for innovative development is to improve the state competition policy and antimonopoly legislation in order to radically change the competitive environment in the country's economy.

Simultaneously with the development of a competitive environment in Uzbekistan, measures are needed to stimulate the majority of market participants to innovate. Such an active incentive can be realized through the establishment of strict standards, technical regulations, environmental and other norms.

In order to bring the country's economy to an innovative path of development, it is necessary in the coming years to create a powerful and comprehensive national innovation system, which should ensure the continuous comprehensive development of innovative activities and, on this basis, achieve sustainable growth of the country's economy, increase its competitiveness and efficiency.

The strategy of actions for the five priority areas of development of the Republic of Uzbekistan in 2017–2021. [14] outlined specific goals for a radical increase in the

well-being and improvement of the quality of life of the population, comprehensive and accelerated development of society and the state, modernization of the country and liberalization of all spheres of life. In other words, we have to turn Uzbekistan into a dynamically developing country with a stable market economy with a high share of innovative and intellectual contribution to production, a modern and competitive industry on the global market, as well as a favorable investment and business climate.

Achievement of these goals is impossible without the complete transformation of Uzbekistan into an innovative growth model, which makes it important to create a basis for effective state support for innovation in the country and promote the realistic implementation of innovative ideas, inventions and technologies in public administration, priority sectors of the economy and the social sphere.

However, despite the rich intellectual and infrastructural potential, there is no systematic work on the implementation of innovations in the country, which is due to the following systemic problems:

- There is no comprehensive analysis of the achievements and development trends of modern science and innovative technologies in the development of state development programs, and any comprehensive analysis has yet to be carried out.

- There is no single body that would ensure strategic planning, implementation and coordination of initiatives, developments and technologies, as well as coordination of the activities of scientific and analytical institutions in the country.

- Pay attention to the widespread use of public-private partnerships, attracting



investments in the implementation of innovative ideas, developments and technologies, as well as improving the infrastructure for the introduction of innovative products.

-There are no concerted and well-organized efforts to identify potential priority areas requiring the introduction of modern technologies.

- We still have a low level of cooperation with foreign organizations with high potential, with innovative ideas, developments and technologies.

In order to solve existing problems, as well as to radically improve the institutional and organizational and legal framework for supporting innovation, stimulating the introduction of innovative ideas, developments and technologies, scientific achievements, the President of the Republic of Uzbekistan adopted the Decree "On the Education of the Ministry of Innovative Development of the Republic of Uzbekistan" [15]. This decision can be considered as the most important step in the practical implementation of the Concept of Administrative Reform from the point of view of the widespread introduction of innovative ideas, developments and technologies.

The decree defines the main directions of the country's innovative development, including the creation of a strategic planning system, the introduction of innovative forms of public administration, the creation of a modern infrastructure for the development of science and innovation, attracting investments, improving the regulatory framework, supporting and stimulating scientific and innovative activities, active implementation advanced technologies in the relevant areas of social and economic life.

The Ministry plans to act as a single customer for state scientific and technical programs and projects. He also intends to coordinate the work of other government agencies and research, information and analytical institutions.

It is important to note the current trend of creating specialized units with modern approaches to development through innovative technologies. In the interests of avoiding duplication of work and standardization of protocols, the Scientific and Technical Commission and the Fund for the Support and Development of Scientific and Technical Activities under the Agency for Science and Technology were abolished from January 1, 2018. The established Fund for the Support of Innovative Development and Innovative Ideas will be a centralized source of funding for innovative ideas and their development, using a transparent reporting system for ongoing research.

Particular attention in the Decree is paid to the issue of creating a legislative basis for the introduction of innovations. In this regard, draft laws "On Innovation" and "On Science" will be developed, defining, among other things, the principles of state regulation and forms of support for scientific and innovative activities, expanding the possibilities of using innovative ideas, developments and technologies.

The creation of the Ministry of Innovative Development is designed to ensure the implementation of a unified state policy in the field of innovation and scientific and technological development. The new department will ensure the mobilization of available resources and funds for the implementation of innovative ideas, developments and technologies with the rational use of budgetary funds.



Ultimately, the innovative development model of Uzbekistan should become a locomotive of economic growth, a factor in ensuring stability and well-being of the population of our country.

Conclusion

It is important to remember that creative entrepreneurship can become one of the main directions of innovation, ensuring the rapid and successful production and commercialization of various types of technologies. The socio-economic growth potential of entrepreneurship, which is of particular importance in the small business sector, is currently not fully realized in the regions of the Republic of Uzbekistan.

The low level of innovation activity of domestic companies is largely due to the low level of competitiveness of the region. Here, the state competition policy and antitrust legislation are changing with the aim of dramatically changing the business climate in the country's economy, as one of the most urgent steps to ensure the necessary conditions for innovation. Measures that allow the majority of market participants to innovate are needed simultaneously with the growth of the competitive environment in Uzbekistan. Strict requirements, technology

laws, environmental and other regulations can provide such an active incentive.

In the coming years, it is necessary to develop a powerful and comprehensive national innovation regime that ensures the continuous integrated development of innovative activities and, on this basis, the achievement of sustainable economic growth, an increase in the productivity and efficiency of the country's economy.

The value of small and creative companies is determined and has a great ability to innovate in the implementation of Uzbekistan's growth strategy. This is a condition for strong economic growth and its transformation into an ambitious development direction.

In Uzbekistan, problems have been identified that hinder the growth of small, creative entrepreneurship. Lack of an effective process for encouraging creativity, bureaucracy and underdeveloped infrastructure;

The guiding principles of innovation, such as the formation of the entire national innovation system, the decisive development of the country's competitive environment, an increase in funding from the state and especially from the business of science and innovation, provide for the training of professional personnel in this area.

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