

## DEVELOPMENT OF INNOVATIVE ENTREPRENEURIAL ACTIVITY

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**Annotation:** This article discusses the need for a deep understanding of entrepreneurship, primarily the concept of innovative entrepreneurship. The concept of “innovation” is analyzed in the interpretation of foreign scientists, it is also described that the concept of innovative entrepreneurship, the economy as a whole, goes back to the old historical dates, and we can observe how this concept developed over time and expanded the scope of significance and influence.

**Keywords:** entrepreneurship, innovation, new product, new structure, discovery, invention, industry, world economy

### Introduction

The global economy is currently undergoing large-scale structural changes due to the rapid development of science and technology. This is especially noticeable in Western countries, where the widespread use of technical and managerial innovations in production and the social sphere has become one of the main driving forces of economic growth and improving the living standards of the population.

The success of any reform is to a large extent determined by how in its course not only domestic but also foreign experience is learned. With the independence of the Republic of Uzbekistan, the scope of international comparisons in all areas of life has expanded.

We have achieved a number of positive results in improving market relations and mechanisms in economic reforms. In providing support to the real sector, work should be done in the following areas: reducing the cost of the product, providing tax incentives for exporters, and supporting by providing bank loans to expand production facilities.

The provision of tax benefits in Uzbekistan is at the highest level. The year 2019 is called the Year of Active Investment and Social Development in Uzbekistan. We can say the name of this year appeared as a continuation of the previous year. The year 2018 was called the “Year of Support for Active Entrepreneurship, Innovative Ideas and Technologies”. The tradition of devoting each year to a particular area of life has been going on in Uzbekistan since 1997. After a detailed analysis of the results of the current year, the name of the New Year is announced. One can conclude, after analyzing the results of the year, it was revealed that in Uzbekistan it is necessary to actively develop entrepreneurship, innovative ideas and technologies. Here we have a question! What does innovation mean, what is their role in the state economy?

R. Fathutdinov notes not the identity of the concepts of innovation and novelty. Innovation - a formalized result of fundamental applied research, development or experimental work in any field of activity to improve efficiency. Innovations can be formed in the form of: discoveries, inventions, patents, know-how, concepts, etc.

Innovation is the end result of introducing innovations in order to change the management object and obtain an economic and other type of effect. In addition, R. Fathutdinov does not include innovation development, creation, implementation and diffusion in the concept of innovation, referring these stages to innovation activity as a process that may result in innovations or innovations.

Also, in some cases, these concepts are used as synonyms, however, some researchers believe that certain differences between them exist.

A.N. Prigozhin also shares the concepts of "innovation" and "novelty." Innovation, in his opinion, is the subject of innovation. Innovation and novelty have different life cycles. Innovation is the development, design, manufacture, use, obsolescence. Novelty is nucleation, diffusion, and routinization (the stage when innovation is "realized in stable, constantly functioning elements of the corresponding objects").

According to many scientists, the significant differences are as follows:

- a discovery is made, as a rule, at a fundamental level, while innovation is carried out at the level of a product or technology, leads to the appearance on the market of a product with new properties or produced in a new way, that is, at an applied level;

- Innovation, aimed at obtaining economic benefits, which is most often not characteristic of the discovery, which in essence is a "disinterested" act;

- The invention can be made by the inventor alone, innovation requires the collective integrated work of specialists in various fields

- Novelty is the result of the purposeful use of the results of systematic technical developments, research programs, etc., and a discovery or invention may occur by chance;

- Innovation is not a new technique, since a new product can be released using existing (unchanged) technology.

The level of demand for innovative products is the result of the development of economic relations and the action of other factors and conditions of innovative entrepreneurship in the region. Research potential and scientific and technological progress, as the most important conditions for the development of innovative entrepreneurship, include regional opportunities, infrastructure, research, design organizations and higher educational institutions, priority scientific and technological developments for regional industrial policy. Scientific and technological progress can push entrepreneurs to fundamentally new product models (product innovations, breakthrough innovations), the formation of new market needs. The selection of the most promising scientific and technical developments for the modernization and restoration of industry is determined by market needs.

Innovative entrepreneurial activity acts as a key factor in the progressive development of society. Further improvement of innovative relations with the participation of business entities will significantly increase the level of development of modern economic relations. Innovative entrepreneurship is a practically non-alternative mechanism for the innovative development of the region as the basis of reindustrialization in difficult conditions of international political tension and the economic situation. In a situation of limited financial

resources, the “completion” of the innovation system, as a possible strategic basis for the scientific and technological development of the economy and, thus, the achievement of the goals of reindustrialization, requires the addition of the basic (existing) elements of the national innovation system to the missing. This strategy, in essence, implements the option of expanding the state’s participation in innovative transformations of the economy through the gradual formation of a holistic innovative infrastructure, filling in the gaps. With its implementation, the state assumes the implementation of functions that are beyond their power or lie outside the scope of their private sector's economic interests [1] .

Improving the efficiency and effectiveness of organizational and economic mechanisms for developing entrepreneurial activity in the world economy, including in Uzbekistan, creating a favorable business environment, expanding their participation in foreign economic activity, employment and income generation is of paramount importance. Systematic and comprehensive support for entrepreneurship, which is the basis of economic and social security in Uzbekistan, ensuring its sustainable development, including increasing its share in GDP, production and employment, meeting the demand for credit resources and a favorable business. In particular, the development of entrepreneurial competence in entrepreneurship is undoubtedly, will help them understand the deeper nature of the profession and learn its secrets, as well as achieve high results in this area. Based on economic doctrines, it is possible to identify the socio-economic content (economic nature) of entrepreneurship through in-depth study and analysis of the key features of entrepreneurship. According to the Law of the Republic of Uzbekistan “On guarantees of freedom of entrepreneurial activity” (May 2, 2012), the definition of “entrepreneurial activity” has: is an initiative to generate income (profit) under the responsibility of property”. According to the law, business entities (business entities) are legal entities and individuals registered in the prescribed manner and carrying out entrepreneurial activities.

An innovative economy as a branch of economic science dates back to the 1920s and early 1930s. ND Kondratiev wrote that changes in technology have an impact on economic development. The main condition for this is the accumulation of a “critical mass” of innovations (new products) and the emergence of economic prerequisites for their implementation. For example, inventions of the late 17th - early 18th centuries found application in the late 18th century, in the era of the industrial revolution.

The historical phase covers the period of the formation of entrepreneurship to the traditional. Here, the formation of general ideas about the essence of entrepreneurship takes place, and this period actually captures the entire history of the world economy until the mid-19th century, that is, the completion of the first industrial revolution in the world economy (Great Britain). In this period, both in the real economy and in theoretical views, entrepreneurship was considered as a secondary economic phenomenon, the estimates of which ranged from extremely negative (in the middle of the century) to generally positive. In the modern sense of the concept of "entrepreneurship" and "entrepreneur" was first given by the English economist Richard Cantillon. The cantillon is the first to define an entrepreneur as

an economic entity that is able to risk its capital for the sake of generating income in a particular market. That is why the entrepreneur, according to Cantillon, ultimately brings supply into line with demand, which stabilizes economic development and creates the basis for the subsequent transformation of economic life. Thus, Cantillon introduces the concept of risk as a component of entrepreneurial economic behavior.

Entrepreneurship as one of the social phenomena is not new. A large number of treatises, books, and textbooks have been devoted to his study, beginning in the late XVII - early XVIII centuries, when the French economist of Scottish descent, Richard Cantillon, developed one of the first concepts of entrepreneurship. Later, such scientists as F. Nye, A. Smith, J. B. Say, K. Marx, M. Weber, V. Sombart, A. Marshall, J. Schumpeter, P. Drucker, A. I dealt with this problem. Muravyova, A. M. Ignatiev, A. B. Krutik, V. I. Vidyapin, A. I. Dobrynin, G. P. Zhuravleva , etc.

Table 1 The development of the concept of "entrepreneurship" in foreign science [2]

<b>Author</b>	<b>Definition</b>
Richard Cantillon	An entrepreneur is a person acting in <i>conditions of risk</i> [ 3 ]
J. Bodot	entrepreneur - a person <i>responsible</i> for the undertaking; the one who <i>plans, controls, organizes and owns the enterprise</i> [ 4 ]
Joseph Schumpeter	Entrepreneur is an <i>innovator</i> who develops new technologies [ 4 ]
David mackleland	An entrepreneur is an <i>energetic</i> person <i>operating at moderate risk</i> [ 4 ]
Peter Drucker	An entrepreneur is a person who <i>uses every opportunity with maximum benefit</i> [ 4 ]
Alberto Shapiro	An entrepreneur is a person who takes the <i>initiative and organizes socio-economic mechanisms</i> . Acting in <i>conditions of risk</i> , he is fully <i>responsible</i> for a possible failure [ 4 ]
Roberto Hezrich	Entrepreneurship is the process of <i>creating something new that has value</i> , and an entrepreneur is a person who spends all the necessary time and effort on it, assumes all financial, psychological and social <i>risks, receiving money as a reward and satisfaction with what has been achieved</i> [ 4 ]
Thunen	characterized the entrepreneur as " <i>an inventor and researcher in his field</i> " , as "a contender for residual (after compensating production costs and paying taxes) <i>risky and unpredictable income</i> " that does not always implement innovations [ 4 ]
Friedrich von Hayek	the essence of entrepreneurship is the <i>search and study of new economic opportunities</i> , a characteristic of behavior, and not a type of activity [ 4 ]
J. B. Say	Entrepreneur - a person <i>combining and combining factors of production</i> in order to achieve maximum social and economic effect [ 4 ]
C. Vesper	an entrepreneur looks different in the eyes of an economist, psychologist, other entrepreneurs and politicians [ 4 ]
Gifford pinshot	intrapreneur and entrepreneur: an intrapreneur is an entrepreneur operating in the conditions of an existing enterprise, in contrast to the entrepreneur himself - an entrepreneur <i>creating a new enterprise</i> [ 4 ]

A. I. Muravyov	entrepreneurship is understood to mean activities carried out by private individuals, enterprises or organizations for the <i>production, provision of services or the acquisition and sale of goods in exchange for other goods or money</i> to the mutual benefit of interested persons or enterprises, organizations [ 4 ]
"Encyclopedic Dictionary of Entrepreneurs"	Entrepreneurship (French enterprise) - <i>initiative independent</i> activity of citizens aimed at <i>making a profit or personal income</i> , carried out on their own behalf, on their property <i>responsibility</i> or on behalf of and under the legal responsibility of a legal entity [5 ]
	An entrepreneur (French entrepreneur) can <i>carry out any type of economic activity</i> not prohibited by law, including commercial intermediation, trade, procurement, consulting and other activities, as well as operations with securities [5 ]
"Market enterprise motherhood "	the entrepreneur in his activity is called upon to provide the necessary combination or the necessary <i>combination of personal benefit with public benefit for profit</i> [ 6 ]
	Entrepreneurship ... is an activity that involves investing in order to <i>make a profit based on a combination of personal gain and public benefit</i> [ 6 ]
Big economic encyclopedia	Entrepreneurship as a special type of human capital, represented by <i>the coordination and combination of all other factors of production, in order to create new types of goods and services (economic benefits)</i> [ 7 ]
A. V. Sobolev	entrepreneurial activity, or entrepreneurship is an <i>initiative, independent activity of individuals or enterprises, aimed at the production of goods or the provision of services with the aim of obtaining personal income or profit, carried out at your own risk and under your own liability</i> [ 8 ]
L. I. Lukichev	entrepreneurship - the ability to identify all the possibilities of doing business and the ability to use them to make a profit in risk [ 9 ]

In the above given table compiled by Morozova V.S. You can see how systematically year after year the concept was given to the entrepreneur. But at the same time, one must admit that the main essence of the concept of an entrepreneur does not change.

A common feature of innovation is that it is an innovation that has been put into practice. A new or improved product is introduced when it is introduced to the market. New production processes, marketing methods, or organizational methods are introduced when they are actually used in the activities of the company. [10] .

For example, B. Twist defines innovation as a process in which an invention or idea acquires economic content. F. Nixon believes that innovation is a combination of technical, manufacturing and commercial activities that lead to the appearance on the market of new and improved industrial processes and equipment. B. Santo believes that innovation is such a social - technical - economic process, which through the practical use of ideas and inventions leads to the creation of products, technologies that are best in their properties, and if it focuses on economic benefits, profits, and the emergence of innovation in the market can bring additional income. P. Drucker defines innovation as a special tool for entrepreneurs, the means

by which they use change as a chance to implement a new type of business or service. The definition of P. Drucker, in our opinion, more fully reflects the essence of the classic definition of J. Schumpeter, while emphasizing the need for commercialization new goods and the importance of the entrepreneurial factor as the main factor in the development of production.

This term to this day does not lose its relevance. Developing an economy through innovation is widespread in the United States and Europe. In Russia, the organization of innovative infrastructure is also actively supported by the state. We also gradually increase the role of scientific and technological policy, financing of innovation.

In order to fundamentally improve the institutional and legal framework for supporting innovation, stimulating the implementation of innovative ideas, developments and technologies, scientific achievements, the President adopted a Decree on the establishment of the Ministry of Innovative Development of the Republic of Uzbekistan.

Innovative entrepreneurial activity acts as a key factor in the progressive development of society. Further improvement of innovative relations with the participation of business entities will significantly increase the level of development of modern economic relations.

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