

## **THE NEED FOR STATE REGULATION OF INNOVATIVE ACTIVITIES OF ENTERPRISES**

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**Abstract.** The article is devoted to substantiating the creation, in a new economic situation, of a national innovation system, and ensuring the implementation of measures for its effective functioning. Among such support, the authors see various financial and credit measures that allow attracting financial resources for the development of investment and innovation activities of enterprises.

The authors note that, through the results of achievements in individual developed countries with the help of the strategy of innovative and technological breakthrough, a new post-industrial basis for the development of the economy as a whole is possibly being formed. The conclusion is made that the use of complex financial measures to support innovative development will ensure intensive economic growth.

**Keywords:** national innovation system, development strategy, innovation activity, financial support, economic growth.

### **Introduction**

In the context of the implementation of the state program of the Country Development Strategy until 2030, the need for the transition of the domestic economy to an innovative development path is envisaged [1]. Underestimation of this circumstance can lead to a weakening of the introduction of modern technology, and this, in turn, can affect the life of the population. Currently, most of the functioning domestic business entities still do not have a clear innovation strategy and do not seek to develop their own innovative potential of the enterprise. The formation of its own innovative potential should include issues of its interface with the financial infrastructure and information support. It should be noted that the innovative activity of economic entities should not be a decisive factor in economic growth. A necessary condition for achieving economic growth in the new economic situation should also be the creation of a national innovation system (NIS) and ensuring its effective functioning. NIS, according to OECD experts, is “a system of relationships between science, industry and society, in which innovations serve as the basis for the development of industry and society, and these, in turn, stimulate the development of innovations and determine their direction, and thus in many and the most important areas of scientific activity” [9].

Note also that, characterizing the current stage of economic development, it is necessary to note the presence of the main problems caused by the stimulation of the innovation infrastructure.

### **Literature review**

The fact is that in industrialized countries, assistance to the development of innovatively active enterprises is provided precisely through the stimulation of their innovative activities in priority areas. This is especially noticeable in a crisis, when the state is taking anti-crisis measures to prevent negative impact. Symbolically, but the world, in particular the German experience [7] shows that it is the times of crisis in the economy that are the impetus for its formation and stimulation. The elements of such infrastructure are technopolises, technoparks, innovative business incubators, technology transfer centers, innovation and venture funds, etc. It is in times of crisis that the problems with unemployment are aggravated, resource-saving technologies and new types of products are required. Patrick E., Yashin V. in their work [7, p. 59-64] give interesting facts about the implementation of an effective government anti-crisis program in Germany in North Rhine-Westphalia in the 70-80s of the XX century. One of the most important tools for achieving the set goals for Germany, as they believe, was the creation of scientific and technical centers, where conditions were created for scientific research, development of new technical means, prototypes, favorable conditions were created for a commercial product [7, p. 59-64]. At the same time, the largest number of enterprises in Germany to this day are located in this territory. In Germany, well-thought-out state financial support for research and development and an innovative course of development is carried out. Thanks to this approach, in 2007, Germany produced a GDP of 2.609 trillion euros, it is the fifth largest in the world after the USA, Japan, China and India, the country exported products worth 978 billion euros (first place in the world), and the whole export products are high-tech, science-intensive, produced using new technologies [7, pp. 59-64]. The share of employment in the field of intensive and high technologies in Germany is 27.7% of the total number of people employed in production, in Japan - 23.5%, Italy - 20.4%, in the USA - 15.5% [7, p. 62-70].

### **Analysis and results**

Another illustrative example of successful rapid economic development is the experience of the PRC. The national innovation system (NIS) in the PRC is also aimed at creating an innovative high-tech sector of the economy [10]. Moreover, this task is implemented at the local level. On the whole, within the framework of the NIS, the state provides: a national innovation strategy; political support; technical and social infrastructure; R&D investment; incentive taxation and banking support; stable and stimulating legislative base; stimulating state regulation, coordination and "supportive" administration [10]. In addition, for the first time, the main directions of the innovation strategy and the outlines of the NIS were implemented in the PRC, that is, in June 1984, within the framework of the report of the Ministry of Science and Technology of China, entitled "Countermeasures to calls and opportunities introduced by the new technological revolution", where the creation of scientific and technological industrial parks (STIP) and scientific and technological business incubators (STBI) was first proposed [10]. As part of further steps, the government of the PRC also adopted a state program for scientific

and technological development for the medium and long term (2006-2020), which set the further development of the innovation system in China. This was also associated with innovation clusters focused on the production of innovative products using high technologies [6; 10].

As evidenced by the results of achievements in individual developed countries, a new post-industrial basis for the development of the economy as a whole is possibly formed with the help of a strategy of innovative and technological breakthroughs. It is in such conditions that the Republic of Uzbekistan developed on an innovative basis, and in accordance with the State Program of the Development Strategy, it took upon itself the financing of basic innovations in the manufacturing sector and providing innovations in the non-market sector, creating a favorable innovation climate, promoting the development of venture capital. financing of small innovative business, support for the export of high technology products. As noted at the speech of Sh.M. Mirziyoyev during his Address to the Oliy Majlis of the Republic of Uzbekistan [2], this is an important prerequisite for actively updating the legislative framework within the framework of legislation on innovation. The education system and the media will also be oriented towards this, which can serve as the basis for the development of the digital economy in the promising future.

National innovation system, and this is indicated by the President of the Republic of Uzbekistan Sh.M. Mirziyoyev, for many reasons, will not be able to become a simple copy of foreign models [4]. One of these reasons is the following: the intellectual potential of the state (even in the conditions of an economic downturn, many domestic developments surpass their foreign counterparts); the capacity of the domestic market (the domestic market has not yet been developed at the level at which we would like to; in order to reveal its possibilities, it is necessary, first, to satisfy the basic needs of people, the country's population), natural resources (an effective mechanism for transferring rent from their exploitation to development high technologies and products) [4]. The President of the Republic of Uzbekistan, in his Address to the Oliy Majlis of the Republic of Uzbekistan, expressed his opinion on the modern national system (MNS) in Uzbekistan. Noting the rapid and sometimes effective creation of "development institutions" such as technoparks, incubators, venture funds, special economic zones (in Uzbekistan recently, venture and investment funds have been created, etc.). But, despite this, for most of them strategic goals and objectives, priority areas of activity of economic entities, criteria for assessing the effectiveness of existing funds and procedures for selecting projects within each fund for financial support are not defined at the required level.

Consequently, the formation of financial mechanisms for the innovative development of economic entities is largely a derivative of the political and social conditions that are emerging in the Republic of Uzbekistan. The experience of industrialized countries shows that the role of the state in creating conditions for financial support of these economic entities should be decisive and consists, first of all, in the formation of an effective policy with the definition of its priorities, development of the activities of economic entities, strategy and financial mechanisms

of implementation, implying technological products. This policy should be aimed at forming a cluster system, at modernizing the activities of business entities, including processing ones. However, these goals require the formation, on the one hand, of a model of innovative development, and on the other hand, the strengthening of the innovative activity of economic entities. At the same time, in modern developed countries, as noted in the economic literature, there is a deep conviction about the need to concentrate available free resources in the most important strategic sectors of the economy for the entire national economy [6].

At the same time, specific and necessary measures of financial support and regulation aimed at disclosing the potential capabilities of domestic economic entities, strengthening their resource base, stimulating their innovative activities can, in our opinion, only be preferential taxation. In world practice, as you know, there are various approaches to stimulating business expenses, depending on the goals, addressee, forms, time frames [6]. The combination of these mechanisms is individual and important for each country. For the development of domestic innovative business entities by methods of indirect support of their activities, it is also exempt them from value added tax, property tax, import duties and to a reasonable level. These benefits are already in effect in technology parks, science cities, etc. [4]. This is the purpose of the targeted measures to soften the procedure for access to credit, budget financing and incentives through tax incentives, and simplification of legislation. Such methods of influence should be dynamic, constantly evolve, simultaneously with the development of general knowledge of advanced foreign experience, specific sciences. Regarding such incentive measures, it should also be noted that OECD experts believe that the potential of the public scientific sector is colossal, but its reorganization is necessary in order to reduce the number of direct recipients of budgetary funds allocated for R&D, rather than to finance specific projects and strive for in general, to the commercialization of scientific research [5]. At the same time, it is reasonable to raise the issue of including among such support measures, customs regulation, depreciation policy, improving the pricing system, and legislative protection of domestic innovative developing commodity producers in general. In our opinion, such measures will help protect the production of innovative products from risk. At the same time, the latter, of course, requires the development of insurance coverage against the risk of innovative producers.

Despite the abundance of scientific approaches aimed at state support for innovatively developing economic entities, in our opinion, it is also necessary to take indirect measures to support them, and these include measures to improve the tools for optimizing foreign exchange regulation in order to bringing the soum closer to its real purchasing power and optimizing the tariff regulation of innovative goods (products and services).

### **Conclusion**

Consequently, in order to achieve real and justified measures for the development of the innovative potential of innovatively developing economic entities, a

number of tasks still have to be solved within the framework of the state program of the Country Development Strategy. Only taking into account the entire set of factors and characteristics as a state with significant financial resources, and a purposeful state innovation policy, will create conditions for stable development and regulation of innovative activities of economic entities. These measures can be called at least necessary to ensure the conditions for the normal functioning of innovatively developing economic entities, economic growth and the country's export potential.

Undoubtedly, the formulation of tasks to support innovatively developing entities can lead economists to reflection. At the same time, there may be many practical remarks. But can this change our positive attitude towards such support measures? Not at all. Nevertheless, the problematic we are considering needs further research, and, most importantly, new understanding. This testifies to its poor study in the economic literature in the framework of the financial security of innovatively developing enterprises in the direction of the priorities outlined in the State Program Development Strategy.

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