

## FINANCIAL RIDICULE OF BUSINESS ENTITIES IN THE DEVELOPMENT OF INNOVATION OF ECONOMICS.

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**Abstract:** *The article shows the world model of the economy and in connection with the intensification of the process of modernization of the national economy and the transition to an innovative path of its development in the conditions of economic and political sanctions that hinder the growth of entrepreneurship in Uzbekistan, the problem of adapting state support measures for innovative small and medium-sized enterprises to existing conditions requires a systematic study of recent changes in foreign models of financial support of innovation activities.*

**Key words:** *modernization of the national economy, innovation path, political sanctions that hinder growth, activities in Uzbekistan, foreign models, support for innovation, innovation model, small business, medium, entrepreneurship, support institutions*

### INTRODUCTION

The importance of small business is incomparable in ensuring the consistency and gradualness of modernization processes that are carried out in order to reform our country, its entry into the ranks of developed countries, and the creation of decent living conditions for our people. Speaking about the importance and significance of the development of the industry, President Islam Karimov said, "... small business and private entrepreneurship has become a crucial industry in the structure of the gross domestic product of our country, an industry covering most of our socially active population. At present — I would like to emphasize this — the fact that more than 74 percent of the employed population works in this area is a clear confirmation of this" [1]. At the same time, given the existence of some problems in the development of small business and private entrepreneurship in our republic, untapped opportunities and our high economic potential, it is important to study the accumulated foreign experience in this regard.

The purpose of the article is to systematize innovations in state programs to support innovation activities in foreign countries in order to determine the trends of modern models of financial support for small and medium-sized

businesses and identify opportunities for adapting their individual promising elements to Uzbek conditions.

The formation of an innovative model of the economy in foreign countries demonstrates different time frames necessary for the construction of this model, as well as differentiated approaches to implementation support of innovation activities of small and medium-sized enterprises. World experience shows that there is no universal model of support for innovation activities of small and medium-sized enterprises, which would be effective for all countries. Each state chooses an individual path for the development of an innovative economy. Currently, several models of support and stimulation of innovation activities of small and medium-sized enterprises can be distinguished in the world economy [2].

### MATERIALS AND METHODS

The Anglo-Saxon model is characterized by a developed financial market of capital and intellectual property, as well as effective mechanisms for its protection and commercialization. At the same time, the level of state intervention in the regulation of innovation activity is low. The United States is one of the countries using the Anglo-Saxon model of supporting and stimulating the innovation activities of small enterprises. Annually in the USA for research

innovations in the field of SMEs are allocated \$2 billion [1]. It is the first country in the world to create its own technology transfer model. Technology transfer is carried out mainly either from universities to industry with the support of venture companies, or on the basis of the creation of research units within the

companies themselves [2].

**Methodology.** Using the methods of scientific cognition of economic phenomena, methods of comparison and grouping, various aspects of financing innovation activities of small and medium-sized enterprises in foreign countries are analyzed.

**Results.** The general trends are identified and the reasons hindering the growth of innovation activity in small and medium-sized businesses in the Russian Federation at the present stage are highlighted.

**Conclusions.** It is concluded that the best practices of some foreign countries in terms of organizing programs and processes of public-private infrastructure, financial, information and consulting support and accelerated commercialization of new developments of small and medium-sized enterprises indicate the need for formalization

and implementation in Uzbekistan of a systematic state approach in all

processes related to stimulating innovation activities of small and medium-sized enterprises.

### CONCLUSIONS

It is concluded that the best practices of some foreign countries in terms of organizing programs and processes of public-private infrastructure, financial, information and consulting support and accelerated commercialization of new developments of small and medium-sized enterprises indicate the need for formalization

and implementation in Uzbekistan of a systematic state approach in all processes related to stimulating innovation activities of small and medium-sized enterprises.

The banking system of Uzbekistan, as the most developed and integrated into the national economy, is most affected by external and internal macroeconomic factors. When implementing the basic scenario of economic development, the volume of bank assets will show moderate growth and will not reach the level of 2020 in dollar terms (in 2020, the exchange rate was liberalized, and therefore all financial market indicators expressed in foreign currency fell several times). The most optimistic option for the development of the industry is a return to the planned growth rates, however, the lack of objective economic assumptions makes this scenario unlikely. Large-scale structural reforms, the emergence of new major foreign players, or a return to a more prescriptive regulatory model could lead to such a scenario. An optimistic scenario for the development of this market segment looks more realistic, which can be implemented due to structural changes in the financial market in the medium term, the emergence of new and improvement of existing instruments on the market. The stock market of Uzbekistan is not the most developed segment of the financial market. The turnover on the stock exchange largely depends on the regulatory authorities. The arrival of foreign investors to the market in 2021 provoked a multiple increase in growth rates, their preservation for several years may lead to a change in the importance of segments of the financial market of Uzbekistan. Such a development of the stock market can be realized only if it is integrated with global financial institutions, the development of the derivatives market, an increase in the liquidity of the stock market by increasing the capitalization of national companies and regular issuance of government debt securities. The implementation of such an approach in the medium term seems unlikely. As in the case of banks, the most likely scenario seems to be a basic development with a moderate growth rate. Such a scenario will be implemented organically in accordance with the projected

growth rates of the national economy. Due to the fact that the Uzbek Republican Commodity Exchange is much more integrated into the world market due to export trades and trades in freely convertible currency, the liberalization of the exchange rate has significantly affected the turnover of the exchange. Another factor was the cancellation of obligations to conduct public procurement through the exchange platform. Therefore, all other things being equal, an optimistic scenario should be taken as the basic scenario for the development of the exchange, in which trading volumes will gradually approach the level of 2018. This development option is feasible, due to the projected export growth.

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