## Prospects of Development of Activity of Modern Enterprises in the Conditions of Innovative Economy

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Abstract: The article is devoted to prospects of development of national economy on the basis of stimulation of innovative activity of modern enterprises. The basic directions of creation of small business, measures on support and formation of an innovative infrastructure are considered, mechanisms and the economic content of integration interaction of small and large business are defined. In article perspective directions of development of activity of the modern enterprises are proved.

Keywords: development, small enterprises, small business, innovative development, industrial and innovation clusters

#### INTRODUCTION

The basis of economic development of any country is the effective activity of enterprises. For achievement of high results the enterprises develop the strategy of the development in the conditions of instability and uncertainty of external environment, use modern technologies of management taking into account the saved up experience, apply various approaches for an estimation and stimulation of the innovative activity. It is necessary for the modern enterprises to extract the information from the real market situation to define the vector of development of national and world economy, to learn to use the newly appeared possibilities for the development and to develop measures on counteraction to the negative crisis phenomena. In this connection in the conditions of economic crisis definition of prospects of development of activity of the modern enterprises becomes especially actual.

Despite the rapid pace of post-industrial development of society, based on the service sector as the main vector of evolution of the world economy, the development of the economy of the leading developed countries is provided by industrial enterprises. The history of the world and national economy shows that overcoming economic crises is accompanied by a new wave of economic growth on a qualitatively new production and technological basis. The hypothesis of the present study is as follows: in order toovercome the economic crisis and reach a higher level of development, it is necessary to form a system of industrial-production enterprises that provide the national economy with products of their own production in order to create an alternative to imported goods, develop entrepreneurship and create new small and medium-sized enterprises capable of ensuring sustainable development of the national economy.

### RESEARCH

The essence of the trigger mechanism for recovery and recovery from crisis situations is to support research and innovation that creates new resource-saving technologies and new products. The formation of an innovation economy should be based on the partnership of all participants in production. In the context of the crisis, the approach to the formation of competition between different enterprises is changing: it is not confrontation that is more preferable and effective, but joint interaction integrated into certain structures. For the sake of consistency and efficiency, it is more preferable than confrontation, but rather joint interaction integrated into certain structures.

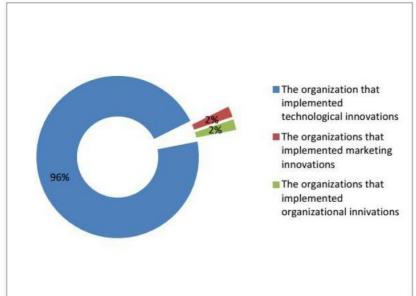
In the period of economic reforms, integration processes were carried out based on the entry of enterprises into vertical structures in the form of cooperative groups and the creation of horizontal associative formations. It should be noted that in the 1990s, along with the unification of enterprises, there was also their "crushing" and disaggregation as a result of privatization processes, which was inevitable in the conditions of formation of market economy in our country. Economists note a significant growth in the number of international strategic alliances with the participation of Uzbek companies in the late 1980s - early 1990s. The creation of strategic alliances allowed Uzbek companies to gain access to knowledge and technologies, new markets and methods of competition. The formation of such strategic alliances was carried out in the form of joint ventures and created more favorable conditions for foreign partners: it ensured that foreign companies would enter the Uzbek market at a lower cost and risk. This form of integration is justified from the point of view of the need to attract new technologies to develop the activities of domestic enterprises that Table 1 shows that, between 2008 and 2016, the number of enterprises and organizations which is implementing innovation activities.

Table 1. Innovative activity of enterprises and organizations

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Number of enterprises and organizations implementing innovations:									
Technological	268	140	145	185	164	725	819	894	893
Marketing	15	4	1	2	9	14	13	14	20
Organizational	21	7	3	9	14	22	20	27	20
Number of implemented innovations:									
Technological	578	462	462	818	624	1262	1382	1737	1816
Marketing	58	42	32	9	17	32	41	36	51
Organizational	47	23	6	15	58	40	42	46	39
Volume of	1325,1	1660,4	1849,0	1348,7	3635,9	4614,7	7043,0	8023,6	10688,2
innovative									
products									
produced (goods,									
works and									
services), billion									
soums									
Costs of	521,5	333,7	264,4	372,6	311,9	4634,2	3757,4	5528,3	2571,4
innovation,									
billion soums									

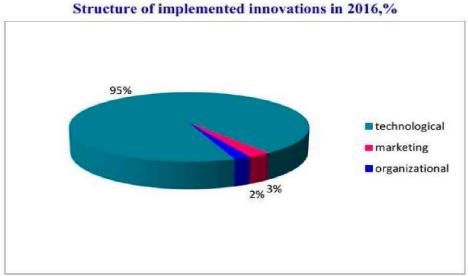
In 2016, 933 enterprises and organizations implemented innovations throughout the country, most of them, namely 893 (96% of the total number of organizations), implemented technological activities in their activities, and the remaining 40 - marketing and organizational innovations.

# Introduction of innovations by organizations in 2016,%



Picture 1. Introduction of innovations in 2016

In 2016, about 2000 innovations were introduced by more than 900 organizations and enterprises of the Republic of Uzbekistan. At the same time, most of the innovations introduced, i. 1,816 of them were directed to the modernization of enterprises with the involvement of new efficient technologies. This means that the introduction of innovations in our country is mainly due to the import of machinery and equipment from abroad.



Picture 2. Structure of implemented innovations in 2016

In addition, the number of employees engaged in scientific research and experimental development in the Republic of Uzbekistan has not changed significantly over the past 16 years.

For definition of prospects of development of innovative activity of the Uzbek enterprises it is necessary to analyze the data on financing of scientific researches and developments and to define the basic directions of development.

The analysis of these indicators shows that funding for scientific research almost doubled in 2016 (1.89) compared to 2008, but this did not lead to a similar increase in the innovation activity of domestic enterprises in the period under review, as shown in Table 1. In order to increase the level of innovation activity of Uzbek enterprises, it is not enough to use only one direction of stimulation in the form of increased funding for scientific research. It is expedient to develop integration forms of interaction of the small, average and large enterprises, to connect efforts of the state, a science and business in the field of innovative workings out, to create industrially- innovative clusters of the enterprises for as much as possible effective realization of all stages of life cycle of innovative process and maintenance of successful commercialization of new products and technologies.

The concept of innovative development of modern enterprises, taking into account national and regional policy priorities. This concept allows the definition of a set of measures to stimulate the innovative activity of domestic enterprises.

Stimulation of innovative activity of the domestic enterprises should be carried out comprehensively and systematically in the following main directions:

- > development and implementation of an investment technology expansion policy for the "revival" of national industry;
- > formation and application of the mechanism of tax incentives for innovation activity;
- > providing soft loans and state guarantees as a form of security for loans issued to finance innovative projects;
- > creation of special infrastructure to support and develop innovative entrepreneurship;
- > protection of interests and intellectual property rights of innovative enterprises when entering domestic and foreign markets;
- > forming a system of state orders for innovative research and development.

Innovative projects are implemented on the basis of consistent and interconnected implementation by all participants of the innovation life cycle stages, from the moment of development and creation to the following not only to successfully complete the innovation cycle on the basis of natural specialization and expedient division of innovative functions, but also to realize their economic interests as effectively as possible and get new opportunities for the development of their own innovative activity, using the accumulated knowledge and experience. Thus, in the process of realization of innovative cycle the mechanism of stimulation of innovative activity of its participants on the basis of synergetic effect of innovative activity at the expense of efficiency is put.

Tendencies of development of mutual relations between the enterprises of small, medium and large business are of great importance for formation of innovative economy. The developed system of effective cooperation of different forms of pre-enterprise is a sign of developed modern economy. It is well known that large companies have the necessary potential for the implementation and development of innovative technologies.

However, small enterprises are able to respond more flexibly to changing market demands and quickly adopt new technologies. World practice shows that the use of cooperation increases the efficiency of large companies, especially it is relevant in the field of production, where the implementation of technological and product innovations. Beyond the crisis, the government supports systemically important large companies, which in turn should invest resources in the

development of small and medium-sized businesses. It is no coincidence that today the state policy is aimed at creating and developing small and medium-sized enterprises in the innovation sphere.

The innovative synergy of interaction of small, medium and large enterprises is most clearly manifested in the process of creation of industrial-innovative clusters. Small innovative enterprises play a key role in the structure of the innovation cluster. They are created with the support of business incubators from the fund for the promotion of small enterprises in science and technology, private investors and large companies. The cooperation of small, medium and large enterprises in the framework of the creation of an innovation infrastructure to support entrepreneurship contributes to the following objectives:

- > enables the distribution of responsibility and shares of risk associated with innovation;
- > promotes the development of new technologies and ensures their rapid introduction into production:
- > creates conditions for regular and continuous market research and monitoring;
- > stimulates the development of new production facilities in order to create additional jobs;
- > enables a more efficient use of the experience and resources of the innovation process participants.

The practice has developed certain forms of interaction between small and large businesses, among which the main ones are:

- > joint activities;
- > using a franchise system;
- > transfer of certain functions under outsourced conditions;
- > subcontracting;
- > the organization of mediation activities.

Formation of industrial and innovation clusters involves the use of a contractual system of relationships between different enterprises. In its essence, it resembles the Soviet system of state for the Uzbek people, but in the conditions of innovative economy has certain features: enterprises independently determine the nature of relationships based on the needs and demands of the market for their innovative products; formation of industrial and innovation clusters.

The mechanism of integration interaction of participants of innovative process is understood as set of methods and means of association, concentration of resource potential and possibilities of the small, average and large enterprises for as much as possible effective realization of the innovative project and achievement of the purposes and tasks in view. The mechanism of integration interaction of economic subjects in the conditions of innovative economy consists of the following elements:

- > creation of small enterprises in the interests of large businesses for the development of innovative ideas, the organization of small-scale production of innovative products, the possibility of conducting tests and experiments, organization of service maintenance of innovative products;
- > unification of enterprises into cluster chains to strengthen the innovation orientation of development, formation of scientific bases of production organization, creation of a consistent technological chain of innovation development, improvement of innovation commercialization mechanism;
- > formation of a "team" of innovation process participants taking into account the specialization and competence of each economic entity with the distribution of rights, obligations, responsibilities and results;
- > development of stable horizontal links between enterprises and formation of unions and associations of innovation process participants for successful implementation of projects and minimization of economic risks;
- > development of small and medium business in the field of outsourcing to ensure a smooth production process, freeing high-tech enterprises from labor- intensive work and strengthening their specialization.

The data in Table-1 reflect the current situation in the sphere of small business, when the most attractive for creation and development of small business are commerce and services. In order to create a national innovation economy, it is necessary to develop an industry that is able to balance the raw materials sector and create a decent alternative to imported products and technologies. Therefore the production of high-tech products for various industries and services should become a priority in the creation of innovative small enterprises in their close cooperation with large businesses. For the successful functioning of small businesses in priority areas of domestic industry development, it is necessary to create an innovation support infrastructure, which includes the creation of technopolises, technoparks and innovation centres, business incubators, technology transfer centres, etc. The establishment of technoparks on the basis of large industrial enterprises with the participation of scientific organizations and higher education institutions will allow small enterprises to have access to industrial sites and ensure their prospects of "post-incubation" development. Unfortunately, today this direction is not sufficiently implemented in practice, which significantly complicates the possibility of integrated development of innovation activities of small and medium-sized enterprises in close cooperation with large businesses, as well as does not allow the most effective implementation of the full innovation cycle in industrial production.

Foreign experience demonstrates need for targeted government support for the business sector. Innovative partnership between business and government is implemented in various forms, taking into account current and strategic attitudes. The government has defined the priorities of the transition from the raw materials to the innovation model of economic development, planned to carry out industrial modernization, planned activities to build a chain from idea and

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development to the production of the final innovative product. Special tools have been developed to implement the state innovation policy:

- > financial support for scientific developments in the form of grants, loans, subsidies;
- > formation of special economic zones, science cities, technology parks, technology transfer;
- > establishment of special state corporations, a venture fund and a public-private partnership system;
- > application of measures in the field of tax incentives;
- > improvement of the legislation on innovation.

Prospects of development of activity of the modern enterprises in many respects today are defined by the chosen directions of the state innovative policy:

- > energy efficiency and energy saving, including the development of new fuels;
- > nuclear technology;
- > space technologies, primarily related to telecommunications;
- > medical technology, including medical equipment and pharmaceuticals;
- > strategic information technologies, including supercomputing and software development.

These activities have been selected on the basis of existing achievements and developments in these areas and are capable of producing a multiplier effect and becoming a catalyst in related industries. Creation of integration forms of interaction and cooperation of small, medium and large enterprises with the participation of the state and science in the above directions will allow to purposefully form industrial and innovation clusters for implementation of a single strategy of innovative development of the national economy.

### **CONCLUSION**

Modern enterprises seek resources and opportunities for innovative development, which involves not only the organization of the process of innovation, but also the formation of the resource

The system of interaction with other 2. economic subjects. The experience of foreign countries shows that mutual cooperation of small, medium and large enterprises brings tangible results in the field of innovation, expressed in a synergetic effect at the expense of emergence and interdependence of participants in the innovation process. Definition of prospects of development of activity of the modern enterprises should be coordinated with directions of development of a state innovative policy that assumes effective use of available stocks in high technology areas taking into account priorities of solving social questions in the conditions of overcoming economic crisis.

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