European Journal of Innovation in Nonformal Education (EJINE)
Volume 2 | Issue 5 | ISSN: 2795-8612

Ways to Improve the Mechanisms of Financial Support of Innovative Activities

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A B S T R A C T

The mechanism of financial support for innovation processes requires the development of a completely new approach to the formation of methodological principles for the implementation of a system of relations that provides effective financing and stimulation of innovative activities of economic systems at all levels of the national economy. The article discusses the main sources of financing innovative activities and identifies the main elements of the financial mechanism for ensuring innovative processes.

A R T I C L E I N F O

Article history:
Received 28 March 2022
Received in revised form
27 April 2022
Accepted 31 May 2022

Keywords: Innovative activity; innovation process; financial mechanism.

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Today, the innovative way of economic development is the basis of economic development in many developed countries. The development of innovative development models and the creation of favorable conditions for innovative activity has become a key factor in the process of implementing the theoretical foundations of innovative development. In our country, too, the attention to this area is growing day by day. Because in terms of innovative development, the globalization of the world economy requires the use of innovative methods of the economy of the Republic of Uzbekistan. In this regard, the shortcomings of the institutional environment in the country remain one of the main obstacles to innovative development.

In the current context of the development of sectors of the economy, it becomes even more important with the activation of innovative forms. This will help increase the efficiency of capital investment, increase the capacity of the real and financial sectors of the economy, ensure the growth dynamics, flexibility and sustainability of businesses. Innovative activity and the interaction of economic entities in the real and financial sectors of the economy affect the change in traditional relations in the development of economic systems and form new forms of economic relations, which lead to the revival of market economy relations.

Typically, leading scholars view economic systems as a set of interconnected and unified elements as economic systems capable of achieving a specific goal and expanding production at their own expense. Through the innovative development of the economy, one field is manifested as a set or set of knowledge about the industries, sectors and sectors that are directly and indirectly interconnected.

In our opinion, if we take the system as a set of interconnected elements, we can create a certain integrity, unity, between the economic entities involved in the production of the economic system and between them. relationships are embodied as an integral part of the relationship associated with the distribution and consumption of material and intangible resources. The study of economic systems requires a systematic analysis of them to identify problems. As a result, the problems are identified at the same time and are characterized by the need to take into account many components. The economic system is therefore seen as a complex system consisting of many elements operating in such a system, resulting in

the system having new features that do not exist at the subsystem level and are not reduced to the subsystem level properties.

In the context of modernization of the economy, the urgent need to address the problems of innovative development requires the development of opportunities to finance innovation processes. Indeed, the direct transfer of a particular market or financial model, which has been successfully implemented in one or more countries in the economy, may not be effective.

As a result of growing demand for innovative products in the country, the state should develop a clearly defined mechanism for financing innovation and justify the implementation of "short-term" and "long-term" sources of incentives for innovation-active entities.

In this case, by financing innovation processes, it will be possible to allocate investment resources, use mechanisms and tools for their implementation. As a result, it will be possible to solve the problem of financial support of innovative processes in the national economy, to create methodological conditions and practical tools for this (Figure 1).

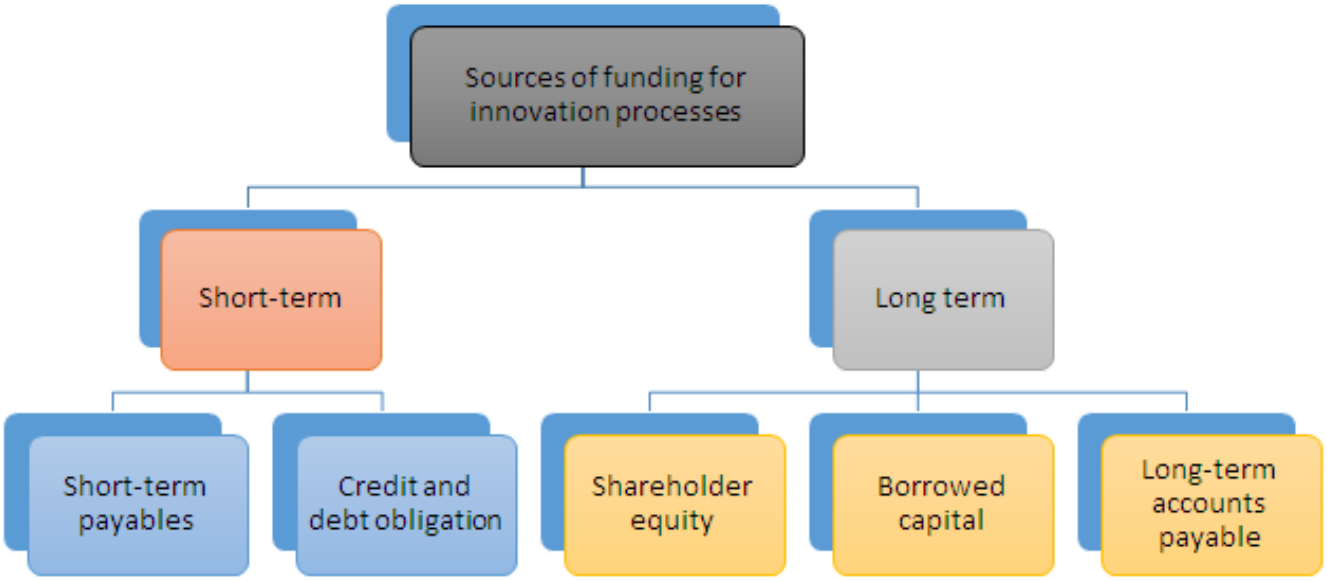


Figure 1. Sources of funding for innovation processes.

The mechanism of financial support for innovation processes determines the direction and distribution of investment resources and regulates these processes, creating the basis for increasing the volume of innovative products in the national economy. The mechanism of financial support for innovation processes is manifested in three directions: as a process (the principle of management of multiple and interdependent processes of accumulation and use of investment resources); as a tool (based on the principle of institutional interaction of participants); as a system (increasing financial flows, improving institutional reforms).

The mechanism of financial support of innovative processes is a clear set of sources, conditions and processes that determine the order of coordination of financial, economic and institutional relations based on the formation and use of investments.

To achieve continuity of innovation cycles, innovation can be achieved through the formation of a balanced system in order to meet the investment needs of active economic systems. The structure of the mechanism of financial support of innovation processes includes two systems:

- functional - a system of financing of innovative activities, innovative financing in the narrow sense, reflecting the contours and forms of movement (accumulation and distribution) of financial resources in the process of meeting the needs of investment in innovative activities;
- system of financing of innovative activity as a system of intermediary financing of innovative processes of relations and institutions in the economy, regulating the formation of the state economy - revealing the laws of institutional, investment and information flows - regulating innovation financing

In a broad sense, legal and information-analytical use of investment resources that shape support.

We know that the government, financial institutions, foreign investors and strategic partners are the ones who finance innovation. Associations and associations play a role in regulating these relationships by manufacturers. In the context of limited credit resources, non-state and commercial financial institutions are particularly important, especially financing from innovative strategic manufacturing partners: subcontracting, private sector financing, corporate branding, project financing, etc.

The main strategic partners of innovation-active enterprises are their suppliers and buyers - enterprises and organizations that have a direct interest in new products and technologies that will emerge as a result of innovative projects.

Investments in the development of innovative technologies are high-risk, characterized by long payback periods for innovative projects and greater insecurity in obtaining financial results, such as investments in fixed assets. Therefore, even for financially prosperous companies, investments in long-term innovative projects are not financially attractive. In order to overcome this situation and increase the interest of business entities in the market in the development and implementation of innovative processes, it is necessary to create a mechanism of public financial and tax incentives for innovative development of industry, along with traditional sources of funding.

In the long run, it is necessary to base the activities of public-private enterprises on the principles of intersectoral innovative cooperation, improve the tax system and ensure its intersectoral integration, the creation of a single information, scientific and technical space.

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