

**THEORETICAL ASPECTS OF THE INNOVATIVE
ENTREPRENEURSHIP CONCEPT****Abdulloev A.J.¹, Rakhmankulova N.O.²**¹Head of Department (PhD), ²Student^{1,2}Department of Economics, Bukhara State University, Bukhara, Republic of Uzbekistan

ABSTRACT: The article discusses methods for defining the concept of entrepreneurial activity, tools for creating a favorable social climate in the country. The main theoretical concepts of Schumpeter's predecessors about entrepreneurship, which underlie his concept, are investigated. Schumpeter's views on entrepreneurship based on the introduction of innovations are outlined.

KEYWORDS: J. Schumpeter, innovation, the main function of an entrepreneur, the theory of economic development, economic science

An innovative basis is the top priority of entrepreneurship. In the process of progressive development of economic processes within the country, a special role is played by entrepreneurial structures, which form the skeleton of a single structure of production and sales chains of interaction between enterprises in the region. The set of business structures of the region, state, local, private organizations that ensure the continuity of economic activity in the region, is a regional system of entrepreneurship in general.

The most mysterious economic figure is still the figure of the entrepreneur. If the definitions of the socio-economic roles of the landowner, capitalist, investor, manager, employee do not cause much controversy and doubt, then the identification of the specifics of the role of an entrepreneur has been the subject of scientific disputes for a long time. What is its main function and what is the basis of its income: a successful combination (combination) of factors of production, vision of the future, willingness to take risks, destruction of the existing balance of interests or the creation of a new one?

One of the actual ideas put forward by the outstanding Austro-American scientist Joseph Alois Schumpeter back in 1909-1911 is that the development of the economy is based on the introduction of innovations, the implementation of which is the key function of the entrepreneur. In this regard, the figure of the entrepreneur took center stage in his theory of innovation.

Entrepreneurship as the most mobile social stratum is a special economic institution that quickly adapts to the constantly changing economic conditions in the modern world, to the wishes of the consumer. But the functionality and typological features of entrepreneurship as the basis for the development of the economic process were the subject of research long before the theory developed by Schumpeter. According to Schumpeter himself, even the economists of the 17th century. demonstrated an unmistakable understanding of the entrepreneur's activities, although they could not clearly articulate it.

For the first time the concepts of "entrepreneur" and "entrepreneurship" were introduced into scientific circulation by R. Cantillon, who in 1775 published his work entitled "An Essay on the Nature of Commerce", where he characterized the entrepreneur as a person with inconstant incomes and constantly taking risks. Cantillon drew attention to the fact that wealth is created by those who risk their money, property, career most of all, who "do not spare the time to create their own business." For him, an entrepreneur is primarily an intermediary between producers and consumers. To date, economic science has developed several approaches to defining the concept of an entrepreneur and the functions he performs.

An entrepreneur's gains and losses are a consequence of the risk and uncertainty that accompany his decisions. Followers of Cantillon defined entrepreneurial income as a payment for risk, which is qualitatively different from income on capital and wages. Classical economists of the late 18th century (F. Quesnay, A. Smith) saw in the entrepreneur the owner of capital, investing this capital in an enterprise with the aim of making a profit. French economist François Quesnay was the first to notice that an entrepreneur can be not only an intermediary, but also a business owner: "A. Smith paid attention to this type [entrepreneur] in passing, he sometimes talked about the entrepreneur, the owner, the merchant, and if asked, he would not say that any business can go on by itself." A. Smith believed that an entrepreneur is an owner of capital who, in order to realize his commercial idea, as a result of which he intends to receive entrepreneurial income, is ready to take a certain economic risk. The merchant or the owner accumulates capital (this is indeed his main function), and with this capital he hires hardworking people, that is, workers who do the rest.

Another French scientist A.R.J. Turgot (later W. Rosher and B. Guildenbrand) noted that the entrepreneur not only manages his capital, but also combines proprietary functions with personal productive labor.

With the development of economic thought, the entrepreneur was less and less identified with the capitalist. At the beginning of the 19th century, the entrepreneur began to be seen as the organizer of production, not necessarily burdened with property rights. A similar view was held by J.-B. Say and J.S. Mill. The main accent is the French economist J.-B. Say made on the differences between capital income and entrepreneurial income. He defined the entrepreneur as follows: "The entrepreneur transfers economic resources from the area of low productivity to the area of high productivity and reaps the benefits."

An entrepreneur's income, as defined by J.-B. Say, represent a reward for his industrial ability, for his talents, performance, spirit of order and leadership. He noticed that the entrepreneur is shifting economic resources from areas of low productivity and low incomes to areas of higher productivity and profitability.

J.-B. Say, "following the French (Cantillon) tradition, was the first to secure a certain position in the scheme of the economic process for the entrepreneur as such, in contrast to the "capitalist". His contribution is usually summarized by the concise statement that

the function of the entrepreneur is to combine the factors of production into a production organism. " It is important, in our opinion, that the focus of the researcher was the entrepreneur-industrialist, in contrast to A. Smith and the Physiocrats, who mainly considered the activities of the entrepreneur-agriculturalist. But this aspect can be explained by the historical environment in which the Physiocrats lived. An entire class of people (nobility and clergy) lived on income from their lands.

The size of entrepreneurial profit, according to Say, depends on the ratio of supply and demand in the labor market of entrepreneurs, and the high value of this product is explained by its insufficient supply, which is facilitated by three reasons:

- 1) the entrepreneur must have an appropriate reputation and fortune in order to borrow funds from the owner of the capital;
- 2) an entrepreneur must have a management talent, understood as a rare combination in one person of the most diverse psychological qualities that make it possible to make the right decisions and encourage others to fulfill them;
- 3) high risk to which the activities of the enterprise are exposed and which may not be related to the dignity of the entrepreneur, but the consequences of which may affect both the material well-being of the latter and his business reputation.

Karl Marx made a similar distinction between the owner and the entrepreneur in the first volume of Capital. And at the turn of the XIX-XX centuries, the definition of an entrepreneur as a manager was firmly established in the works of the "Austrians" (K. Menger, F. Wieser) and neoclassicists (A. Marshall, L. Walras). Its essence is to ensure property neutrality. This neutrality best contributes to the achievement of the goal. As for the content of the third entrepreneurial function, the creative one, for neoclassicists it lies in organizational and economic innovation.

A new approach to the entrepreneurial function emerges in 1970-1990, within the framework of the concept of institutional and later neoinstitutional economics (T. Veblen, R. Coase, O. Williamson), for which the entrepreneur is a subject making a choice between contractual relations of the free market and the organization of a firm to save transaction costs.

It should be noted that in the theory of institutional economics, the choice is made not only by the entrepreneur, but also by any subject of economic relations. Entrepreneurship is also not a special subject for institutionalists, but is studied along with other categories. In Veblen's theory, capitalism (in his terminology - money economy) goes through two stages of development: the stage of the domination of the entrepreneur, during which power and property belong to the entrepreneur, and the stage of domination of the financier, who does not directly participate in production.

The most deeply and comprehensively business was analyzed by J. Schumpeter. He proceeds from the fact that institutions set a general framework for the interaction of individuals, a system of positive and negative incentives, directing people's activities in a certain direction. His theoretical views are a direct development of the views of predecessors. It was he who came up with a new description of entrepreneurial functions and qualities, the need for which is based not on the experience of the past, but on the emergence of a unique uncertainty. In The Theory of Economic Development, Schumpeter gives a central place to the entrepreneurial function.

Entrepreneurs J. Schumpeter calls economic entities whose function is to implement new combinations and which act as active subjects of the enterprise. For him, an entrepreneur does not necessarily have ownership, but his non-routine,

fundamentally innovative and, therefore, creative activity distinguishes him from a manager who performs predominantly “programmed” work. He describes the entrepreneur as an agent, a subject that captures opportunities in the external environment and uses them to their advantage.

If, in Schumpeter's opinion, an entrepreneur can benefit from such opportunities, he may have to change his actions in such a way as to use the available resources. Entrepreneurs are a special type of innovative people who are always in the minority. According to Schumpeter, full uncertainty and, accordingly, risk do not take place when a person acts according to the established and approbate-A new approach to the entrepreneurial function arises in 1970-1990. within the framework of the concept of institutional and later neoinstitutional economics (T. Veblen, R. Coase, O. Williamson), for which the entrepreneur is a subject making a choice between contractual relations of the free market and the organization of a firm to save transaction costs.

Entrepreneurial activity, creating new production combinations, performs a specific function in the economic development of any country. Thus, thanks to Schumpeter, the view of entrepreneurial ability as the fourth factor of production in addition to the traditional triad "labor - capital - land" was entrenched in economic theory.

In assessing the role of the entrepreneur, Schumpeter largely supported the findings of J. Keynes. Like Keynes, J. Schumpeter became a follower and theorist of the capitalist concept of credit. He considered banks to be omnipotent, since credit creates deposits, and therefore capital. It is no coincidence that J. Schumpeter linked crises with innovations. The first investments have a multiplier effect that increases the total spending in society, that is, the value of aggregate demand, and supports the economic recovery.

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