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INNOVATIVE ACTIVITY OF BUSINESS ENTITIES IN THE CONDITIONS OF TRANSFORMATION: A RETROSPECTIVE ANALYSIS

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Abstract:

Objective. To conduct a theoretical analysis of the categories "innovation" and "innovative activity". To prove, from the standpoint of historical dialectics, that innovation is an endogenous source of economic growth.

Methods. The study used a systematic approach, retrospective analysis, abstract-logical analysis, grouping, comparison, factor analysis.

Results. In the current conditions of instability of the world economy, the issue of its further development, including from a technological point of view, is relevant. In historical retrospect, the emergence of technological innovations on the market had a positive impact on the process considered in the study. The recognition of innovation as an endogenous source of economic growth is due to the nature of the post-industrial economic structure, characterized by the decline in the role of traditional factors of

production in the formation of competitive advantages of individual producers, as well as the formation of a qualitatively new type of progressive macroeconomic dynamics. In these conditions, the innovative activity of business entities becomes particularly relevant. The article considers various approaches of scientists and representatives of various economic schools to the definition of the concepts of "innovation" and "innovative activity".

Conclusion. Based on a retrospective analysis of a number of scientific papers devoted to innovation, it is concluded that in order to ensure the successful and dynamic development of an enterprise producing high-tech products, it is necessary first of all to widely apply various methods of innovation management, which should include simultaneous and coordinated use of technological, scientific, personnel, commercial and other policies that provide a systematic solution to the problems of innovative development.

Keywords: analysis, innovation, innovative activity, innovative economy, R&D, transformation of the economy.

Introduction. The analysis of modern processes that take place in the world economy and the economy of the Republic of Uzbekistan indicates that the results of innovative activities initiated by the acceleration of scientific and technological progress significantly affect all aspects of the development of society, contribute to the way out of a difficult economic situation, ensure the stability of economic development, give a new impetus to economic growth [1]. In this regard, the innovative model of the development of economic systems is extremely attractive and the most acceptable for the national economy of Uzbekistan, this is especially relevant in the current crisis situation of the world economy.

Based on the theory of long-term cycles of development of the modern world economy, known as Kondratiev's long waves [2], the way out of the economic crisis and a new economic recovery begin with a key innovation, giving rise to a number of derivative innovations in other industries. Thus, an increase in innovation activity is a necessary condition for the start of recovery growth.

Transformation and globalization of the world economy, increasing volatility of prices for natural resources and energy resources are becoming a key factor in the development of socio-economic structures, which is due to their focus on modernization and fundamental innovations. Intensive development and application of innovative solutions allow companies to produce competitive

products and strengthen their position, as well as occupy new niches in global and local markets. The development of innovative infrastructure can bring significant advantages to a company in a competitive environment, which determines global trends in the development of companies around the world.

Methods. The study used a systematic approach, retrospective analysis, abstract-logical analysis, grouping, comparison, factor analysis.

Analysis and results. In order to determine the directions and explore the possibilities of improving the innovation management systems of enterprises, it is necessary to analyze the existing theoretical developments of leading scientists concerning innovation and its management.

Many economists at different times have tried to define and reveal the essence of innovation activity. The issues of defining innovation activity have been considered by many prominent figures of economic science. Among them are J. Schumpeter [3], B. Twiss [4], B. Santo [5], K. Christensen [6], M. Raynor [7], J.J. Lambin [8], G. Mensch [9], S. Kuznets [10], P. Drucker [11], M. Porter [12], Y.V. Yakovets [13], A.I. Prigozhin [14], E.A. Utkin [15], Z.P. Rummyantseva [16], I.T. Balabanov [17], S.D. Ilyenkova [18], N.A. Solomatina [19], A.N. Tsvetkov [20], P.N., N.D. Kondratiev [21], A.V. Vasiliev [22], A.N. Tyurina [23], I.L. Tukkell [24] and others.

The founder of the theory of innovation is considered to be J. Schumpeter, who associated innovation activity primarily with entrepreneurship, i.e. with "the desire to manufacture a new or improve a product, a method of production, introduce a new technology or master new sales markets, get new sources and new forms of supply, as well as optimize production and labor processes" [25].

P. Drucker defines it as follows: "innovative activity is a special tool that allows an entrepreneur to use changes and turn them into new opportunities for, for example, opening a new business or providing new services" [26]. He calls the main principles of successful activity "purposefulness and systematic innovation", emphasizing the importance of "analyzing existing opportunities and thinking about what can be called sources of innovative opportunities" [27]. p. Drucker emphasizes that "innovation is an economic rather than a technological term and covers all the components of an enterprise, all its functions and activities" [28].

B. Twiss includes the following areas in the interpretation of innovation activity - "technical, production and marketing activities aimed at the commercial use of a new (or improved) product or the first commercial use of a new (or improved) production process or equipment." Noting the need for the permanence of this activity of enterprises, the researcher defines its purpose as "the acquisition of economic content by an invention or idea" [29].

To. Christensen and M. Raynor give the following definition: "innovative activity of an enterprise is an activity aimed at using the results of scientific research and development to update the nomenclature and improve the quality of products, improve the technology of its manufacture" [30]. The authors distinguish two types of innovations: "supportive" and "disruptive". The "supportive" innovation activity is aimed at improving existing products within the current consumer characteristics, while

the "disruptive" one is aimed at replacing existing products, technologies, industries and markets by creating "easy-to-use, cheap and not of high quality" new versions of products [31].

B. Santo gives the following definition: "innovation is a socio-economic process that, through the practical use of ideas and inventions, leads to the creation of products and technologies that are the best in their properties, and if innovation is focused on economic benefit (profit), its appearance on the market can bring additional income" [32], thereby determining that the purpose of innovation activity can be not only profit, but also public goods.

G. Mensch proposed to link the nature and intensity of innovation activity with the pace and cycles of economic growth, distinguishing three main types of innovations: "basic, improving and pseudo-innovations" [33]. The author considered the deterioration of the financial situation of the enterprise to be the key driver of the activation of innovation activity, and defined innovation as a key tool for improving the efficiency of investments and overcoming stagnation in economic development, which he defined as "technological stalemate" [34].

R.A. Fatkhutdinov defines innovation activity as "the process of strategic marketing, R&D, organizational and technological preparation of production, production and design of innovations, their implementation (or transformation into innovation) and dissemination to other areas (diffusion)" [35]. According to the author, "innovative activity is primarily characterized by the content, composition of specific actions performed according to a certain technology, procedure."

I.L. Tukul, together with A.V. Surina and N.B. Kultin, define innovative activity as "activity aimed at using the results of experimental developments, scientific (research) and scientific-technical, inventive activity: for the creation, organization of production and sale on the market of fundamentally new or with new

consumer properties products (goods, works, services); creation and application of new or modernization of existing methods (technologies) of its production, distribution and use; the use of product, process, marketing, organizational innovations (innovations) in the development, organization of production, release and sale of products (goods, works, services) that provide them with cost savings, or an increase in production and sales of products in demand on the market" [36]. The authors distinguish product, process, marketing and organizational directions of innovation activity, defining "innovative programs and projects, innovative products" as objects of innovation activity [37].

L. N. Ogoleva presents innovative activity as a "purposeful system of measures for the development, implementation, development, production, diffusion and commercialization of innovations", thereby emphasizing its consistency, complexity, multivariance and alternativeness. The author defines the boundaries of innovation activity "from the birth of a scientific idea to its commercialization" [38].

F.F. Bezdudny, together with G.A. Smirnova and O.D. Nechaeva, associate the concepts of "innovation" and "innovative activity" with "the process of implementing a new idea in any sphere of human activity that contributes to meeting existing needs in the market and brings economic effect" [39], noting that innovation can only have "a positive result, excluding the possibility of negative consequences, otherwise the innovation will not make sense."

N. M. Tsitsarova defines innovation activity as "a set of works including the search and selection of innovative ideas, the development of innovations based on them, the introduction and replication of innovations" [40]. The author notes the "diversity of organizational forms" involved in innovation activities, linking this to the fact that "the process of innovation covers

a variety of fields of activity: scientific and technical, financial, informational, marketing, and various interacting organizations participate in its implementation: research institutes, financial and consulting organizations, venture firms, insurance companies" [41].

I.T. Balabanov defines innovation activity as "a process aimed at developing and implementing the results of completed scientific research and development or other scientific and technical achievements into a new or improved product sold on the market, into a new or improved technological process used in practice, as well as related additional research and development", including in this term all stages "from the emergence of the idea of innovation to the diffusion of the final product or service"[42].

In their work, A.G. Kiryakov and V.A. Maksimov emphasize the social significance of innovation, offering the following definition: "innovation activity is a socio—technical and economic process that, through the practical use of ideas and inventions, leads to the creation of products and technologies that are the best in their properties" [43]. Innovation is assigned the role of "the starting and defining organizational and economic element in the investment process, which forms the system of indicators of the investment project and its ultimate goal."

L.N. Vasilyeva, E.A. Muravyeva believe that "innovation is the final, materialized result of innovation activity obtained from investing capital in discovery, invention, a new method of meeting social needs" [44], thereby defining the project approach as the basis of innovation activity, as well as emphasizing the social and investment orientation of the results innovation activity.

I. Ya. Luzhinsky and M. P. Pereverzev interpret the term "innovation activity" as "an integrated concept that combines scientific and technical and investment activities." At the same time, the authors note that when considering the

concept of innovation activity, the idea of "a special type of activity that covers the entire cycle of creation and use of new technologies and goods" comes to the fore, which defines it as "the main factor in the system of factors ensuring the development and improvement of production efficiency" [45].

N. N. Khanchuk in his article gives an idea of innovation activity as a "complex categorical structure" [46] and identifies the following categories of innovation activity: historical, economic, instrumental, philosophical, legal, commercial, entrepreneurial, economic, organizational and managerial, thereby further expanding the boundaries of innovation activity.

Having a common semantic similarity, the interpretations of the concept of "innovation activity" among various scientists also have differences concerning, for the most part, the definition of the boundaries of innovation activity, that is, indications of where innovation activity begins and ends.

A more precise formulation of the concept of "innovative activity" is presented in Russian and international regulatory documents.

Currently, a number of guidelines have been developed under the auspices of the Organization for Economic Cooperation and Development (OECD) in order to solve the problems of obtaining and analyzing data related to science, technology and innovation. According to Frascati's Guidelines, innovation is defined as "the final result of innovative activity, embodied in the form of a new or improved product introduced on the market, a new or improved technological process used in practice, or in a new approach to social services" [47].

According to the Oslo Manual, innovation activity means "any scientific, organizational, technological, commercial and financial actions that actually lead to the implementation of innovations or are conceived for this purpose" [48]. At the same time, the manual clarifies that

"innovative activity also includes research and development not directly related to the preparation of any particular innovation" [49]. The authors of the Manual distinguish four types of innovations: product, process, marketing and organizational.

Stating the fact that neither science, nor international organizations and the state have adopted a single interpretation of the term "innovation activity", the definitions presented above are used in practice and by complementing each other sufficiently fully reveal the essence and meaning of innovation activity in the modern world. The theoretical works described above explore the origins and nature of innovation processes, fundamental problems of scientific, technical and innovation management.

Thus, the term "innovative activity" of the enterprise in this paper will mean the activity of the enterprise aimed at creating and implementing innovations in order to improve the socio-economic situation of the enterprise, namely, the emergence of new and improving the properties of existing products and services, technological lines, enterprise management systems, production and sale of products and services, improving safety and environmental friendliness of production. The concept of "innovation process" denotes an ordered set of actions that transform an innovative idea into a final result (the emergence of new and improving the properties of existing products and services, technological lines, enterprise management systems, production and sale of products and services, improving the safety and environmental friendliness of production). According to the accepted definitions, the innovative activity of an enterprise consists of innovative processes. The peculiarity of innovation activity is the focus on obtaining the final result, which has certain characteristics. Therefore, the main form of innovation activity is currently an innovative project, within the framework of which the specified values of target indicators should

be achieved based on the use of a certain set of resources and tools in a given time.

Currently, innovation activity is an integral part of the socio-economic development of industries and states, therefore, issues related to the management of innovation activities come to the fore.

In his work, G. Wulfen [50] defined the FORTH method (the abbreviation stands for: Full Steam Ahead ("Full Steam Ahead!"), Observe & Learn ("Observations and Conclusions"), Raise Ideas ("Development of ideas"), Test Ideas ("Testing ideas") and Homecoming ("Returning home")), which offers a clear sequence of actions for each stage of the innovation process, and also, according to the author, includes all the necessary tools for the effective creation of new products and services. The work of this author is more of a psychological orientation and is aimed at the personal growth of innovators, rather than at the creation of specific mechanisms.

G. Pisano defines the main problem of innovation management as the inconsistency between innovation strategies and other activities in the company, the difficulty of determining priorities between innovative projects for their financing. As a possible solution to these problems, he suggests the development of tools of the following functionality: "ensuring consistency and interconnectedness between innovation strategy, processes, organizational structures and procedures for the allocation of financial resources; formulation of clear goals of the company aimed at ensuring sustainable competitive advantages; development of value creation plans; introduction of parallel procedures for the selection and implementation of various types of innovations; finding a balance between different innovation strategies" [51].

R. Foster and S. Kaplan call the main problem of innovation activity "dependence on the behavior of the external

environment, offering to solve it for by changing the approach to strategic planning and taking into account alternative ways of obtaining innovations" [52].

According to the point of view of V.P. Baranchev, N.P. Maslennikova and V.M. Mishin, the peculiarity of innovation management is that "the object of management is the life cycle of an innovation or an innovative product that arises on the basis of previous knowledge of highly qualified specialists concentrated in one place, and design is carried out by creating new knowledge and this knowledge is the product of the process" [53].

Many well-known scientists have tried to reveal the nature of the emergence of innovations and the forms of organization of enterprises that are most favorable for the implementation of innovative activities. Currently, among the models describing innovative processes, the most widespread are:

- the "technological push" model. This model was considered classical for a long time, since it was developed in their works by M.I. Tugan-Baranovsky [54], J. Schumpeter, G. Mensch. In this model, the latest achievements of science and technology are considered as a source of innovation. The "technological push" model is presented in the form of a sequence of linearly and cyclically repeating stages. This model was based on linearly sequential processes related to R&D, while the market is considered only as a consumer of innovations;

- the "demand call" model (market pull). Supporters of this model were K. Freeman [55] and D. Roman [56]. Within the framework of this model, it is assumed that commercially successful innovations appear as a result of timely and adequate response of knowledge-intensive industries to consumer requests. Market demand, which determines the directions of R&D, is considered as the basis of innovation processes. The sequence of

stages that make up the innovation process is linear;

- coupled model of innovation activity (coupling). It is based on the works of R. Rothwell [57], D. Moveri [58] and other scientists. This model combines the presence of stages that have the following characteristics: consistency, interaction with each other, functional isolation, which allows us to talk about the nonlinearity of the processes of creating innovations. The basis of the model is built around the development and design processes as the most resource-intensive stages of innovation activity. During the engineering and design stage, small but constant changes occur, which, as a cumulative result, have a high impact on the result;

- integrated model of innovation processes. M. Aoki is considered to be the founder of this model [59]. It is based on the integration of the ideas of several groups of specialists working in different directions. This approach leads to an acceleration of the process. Thus, the introduction of a new product to the market is most effective with the close cooperation of research, production, marketing, financial and other departments of the company. This process should be supervised by a special intersectoral working group;

- innovation process in the model of strategic networks. The main representatives are such scientists as R. Cooper [60], K. Oppenlander [61]. Unlike the previous model, it is not only inter-functional, but also inter-institutional, or network, in nature. The model considers the company's interaction with external agents (suppliers, consumers, competitors), the ultimate goal of which is innovation.

M.N. Rukavitsyna identifies two directions of creating an innovation management system: "integration of the full cycle of innovation activity into a continuous process and the allocation of innovation management into an independent management object" [62].

Based on the analysis of a number of scientific papers devoted to innovation, it can be concluded that in order to ensure the successful and dynamic development of an enterprise producing high-tech products, it is necessary first of all to widely apply various methods of innovation management, which should include simultaneous and coordinated use of technological, scientific, personnel, commercial and other policies that ensure system solution of innovative development tasks.

Conclusions. The main focus of the considered theoretical works is to provide conditions favorable for the creation of innovations, as well as to study the mechanisms that transform innovation from the idea stage to the final product. At the same time, in most of the considered works, insufficient attention is paid to the problems that have a negative impact on obtaining the results of innovative activity. The main risk accompanying innovation activity is considered to be market risk, however, the economic situation of recent years has shown that the feasibility of innovative projects to a large extent depends on the external economic environment of the project. Despite the large number of works in economics devoted to innovations and everything related to them, it should be noted a significant gap in the methodological support of the management of innovative activities of enterprises.

One of these areas is associated with linking the attribution of the industry to knowledge-intensive in terms of the ratio of R&D costs and the corresponding output volumes. Thus, A.E. Varshavsky classifies an industry as knowledge-intensive if "the indicator of knowledge intensity, calculated as the ratio of R&D costs to the resulting indicator of the industry's activity, exceeds the average or some level specific to the industry as a whole". When forming a criterion for classifying an industry as a knowledge-intensive I.E. Frolov refers to the knowledge-intensive industries in

which "the ratio of R&D costs to the corresponding output is 1.2-1.5 times higher than the global average in the manufacturing industry of developed countries and is 3.5-4.5%". Another area of classification of industries as knowledge-intensive is the assessment of the personnel characteristics of the enterprise. Thus, according to V.L. Makarov, A.E. Varshavsky and L.A. Fedorova, the knowledge intensity of the industry can be determined on the basis of the following relations: "the number of people employed in science and scientific services to industrial and production personnel of the industry; R&D costs to industrial and production personnel, the volume of the main production assets of the industry".

In modern conditions of economic instability, deep modernization of industry, including the restructuring of many enterprises of knowledge-intensive industries, the problem of increasing the efficiency of innovative activities of

enterprises comes to the fore. It is the productive innovative activity of enterprises of knowledge-intensive industries producing products and services with high added value that should play one of the key roles in making a breakthrough from the raw material model of the economy to the innovative one. The ongoing and planned reorganization and modernization of knowledge-intensive industries will require enormous costs, so mistakes in planning and decision-making within the framework of innovation management can entail costly consequences. Hence, there is a need to improve the methodological apparatus for managing innovation activities of knowledge-intensive industries, the purpose of which is to support management decision-making. To do this, it is advisable to make an analysis of the existing practice of managing innovation activities of knowledge-intensive industries.

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MAIN CHARACTERISTICS OF THE RISK MANAGEMENT MECHANISM IN MANUFACTURING ENTERPRISES

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Abstract:

Objective. Improvement of risk management mechanisms in production enterprises is of particular importance. Because risks are characterized by different levels of danger depending on the type. This article provides detailed information about risks in the management of production enterprises and their classification into types and levels when taking into account the amount of damage.

Methods. The research methods were statistical, comparative analysis, induction and deduction methods.

Results. The scale of business in our country is increasing, which leads to meeting consumer demand, increasing the scale of national production, and increasing the share of production and services in the GDP, but there are always different levels of support for businessmen. Participants face financial or other types of losses as a result of the mysterious factors. It is especially important to improve the risk factor management mechanisms affecting the stability of production enterprises. In this article, a scientific proposal and practical recommendations have been developed to prevent risks affecting production enterprises and to improve their management.

Conclusion. Sometimes the risks have a high level, and their level of danger can increase the amount of the company's losses, sometimes there are insignificant risks, which almost do not affect the net profit, and can lead to a violation of the management mechanism. From this point of view, it is desirable to improve the mechanisms of their management, regardless of the level of risks.

Keywords: production, risk, risk levels, light industry.

Introduction. One of the main types of production is industrial production. The essence of industrial production consists of two types, which are divided into heavy and light industries.

Industry is the largest and leading branch of material production. The majority of labor tools (tools), labor goods and consumer goods are created in it; all types

of machines and mechanisms, structural elements of buildings and structures are produced; mining of underground resources is carried out; mineral, vegetable and animal raw materials are processed, consumer goods are made, etc. [1]

The President of the Republic of Uzbekistan, Shavkat Mirziyoyev, in his Address to the Oliy Majlis, touched on this

C O N T E N T S

PRIMARY PROCESSING OF COTTON, TEXTILE AND LIGHT INDUSTRY

A.Shodmonkulov, R.Jamolov, X.Yuldashev	
Analysis of load changes in the chain drive during the drying process of cotton falling from the longitudinal shelves of the drum.....	3
A.Xomidjonov	
Influence and characteristics of drying mechanisms in leather production on the derma layer.....	8
J.Monnopov, J.Kayumov, N.Maksudov	
Analysis of elastic fabrics for compression sportswear in the new assortment	13
S.Matismailov, K.Matmuratova, Sh.Korabayev, A.Yuldashev	
Investigation of the influence of speed modes of the combined drum on the quality indicators of the tape.....	18
A.Shodmonkulov, K.Jumaniyazov, R.Jamolov, X.Yuldashev	
Determination of the geometric and kinematic parameters of the developed chain gear for the 2SB-10 dryer.....	23
R.Jamolov, A.Shodmonkulov, X.Yuldashev	
Determination of dryer drum moisture extraction depending on its operating modes.....	27
A.Djuraev, K.Yuldashev, O.Teshaboyev	
Theoretical studies on screw conveyor for transportation and cleaning of linter and design of constructive parameters of transmissions.....	29
S.Khashimov, Kh.Isakhanov, R.Muradov	
Creation of technology and equipment for improved cleaning of cotton from small impurities.....	36
G.Juraeva, R.Muradov	
The process of technical grades of medium staple cotton at gin factories and its analysis.....	40
I.Xakimjonov	
Literature analysis on the research and development of the method of designing special clothes for workers of metal casting and metal processing enterprises.....	44
GROWING, STORAGE, PROCESSING AND AGRICULTURAL PRODUCTS AND FOOD TECHNOLOGIES	
A.Khodjiev, A.Choriev, U.Raximov	
Improving the technology of production of functional nutrition juices.....	49
U.Nishonov	
Research in beverage technology intended to support the functions of the cardiovascular system.....	53

Z.Vokkosov, S.Hakimov	
Development of new types of vegetable juices and beverages technology...	59
CHEMICAL TECHNOLOGIES	
M.Latipova	
Analysis of the current status of thermoelectric materials and technology for obtaining and manufacturing half-elements.....	66
G.Ochilov, I.Boymatov, N.Ganiyeva	
Physico-chemical properties of activated adsorbents based on logan bentonite.....	72
U.Nigmatov	
Simulation of heat transfer process in absorber channels.....	77
T.Abduxakimov, D.Sherkuziev	
Procurement of local raw materials complex fertilizers with nitrogen-phosphate-potassium containing moisture.....	84
P.Tojiyev, X.Turaev, G.Nuraliyev, A.Djalilov	
Study of the structure and properties of polyvinyl chloride filled with bazalt mineral.....	89
M.Yusupov	
Investigation of phthalocyanine diamidophosphate- copper by thermal analysis.....	95
L.Oripova, P.Xayitov, A.Xudayberdiyev	
Testing new activated coals AU-T and AU-K from local raw materials when filtration of the waste mdea at gazlin gas processing plant.....	101
N.Kurbanov, D.Rozikova	
Based on energy efficient parameters of fruit drying chamber devices for small enterprises.....	107
Sh.Xakimov, M.Komoliddinov	
Basic methods and technological schemes for obtaining vegetable oils.....	113
A.Boimirzaev, Z.Kamolov	
Size-exclusion chromatography of some polysaccharide derivatives from natural sources.....	117
MECHANICS AND ENGINEERING	
U.Erkaboev, N.Sayidov	
Dependence of the two-dimensional combined density of states on the absorbing photon energy in GaAs/AlGaAs at quantizing magnetic field.....	124
I.Siddikov, A.Denmuxammadiyev, S.A'zamov	
Investigation of electromagnetic current transformer performance characteristics for measuring and controlling the reactive power dissipation of a short-circuited rotor synchronous motor.....	136
Sh.Kudratov	
Evaluation and development of diagnostics of the crankshaft of diesel locomotives.....	141

Z.Khudoykulov, I.Rakhmatullaev	
A new key stream encryption algorithm and its cryptanalysis.....	146
T.Mominov, D.Yuldoshev	
Coordination of the movement of transport types in areas with high passenger flow.....	157
R.Abdullayev, M.Azambayev, S.Baxritdinov	
Analysis of research results according to international standards.....	163
R.Abdullayev, M.Azambayev	
Cotton fiber rating, innovation current developments, prospects for cooperation of farms and clusters.....	168
F.Dustova, S.Babadzhanov.	
Calculation of the load on the friction clutch of the sewing machine.....	174
Z.Vafayeva, J.Matyakubova, M.Mansurova	
Improvement of the design of the shuttle drum in the sewing machine.....	179
A.Obidov, M.Vokhidov	
Preparation of a new structure created for sorting of ginning seeds.....	185
Sh.Mamajanov	
Carrying out theoretical studies of the cotton regenerator.....	192
ADVANCED PEDAGOGICAL TECHNOLOGIES IN EDUCATION	
A.Khojaev	
Methodological issues of organizing internal audits and control of off-budget funds in higher education institutions.....	199
I.Nosirov	
Theoretical foundations of establishing new technologies on personal management system.....	203
Z.Mamakhanova, D.Ormonova	
Specific characteristics of uzbek national art of embroidery.....	209
A.Raximov, M.Khusainov, M.Turgunpulatov, S.Khusainov, A.Gaybullayev	
Energy-saving modes of the heat treatment of concrete.....	213
S.Norkobilov	
Data processing algorithm in remote monitoring system for raw cotton bunts stored in warehouses.....	222
ECONOMICAL SCIENCES	
M.Bekmirzayev, J.Xolikov	
Prospects for the development of service industries.....	233
A.Ilyosov	
Organizational and economic mechanisms to support the export of industrial products: a comparative analysis of foreign experience and proposals.....	238
I.Foziljonov	
The importance of multiplier indicators in assessing the effectiveness of the cash flow of the enterprise.....	243

K.Kurpayanidi	
Innovative activity of business entities in the conditions of transformation: a retrospective analysis.....	249
Sh.Muxitdinov	
Main characteristics of the risk management mechanism in manufacturing enterprises.....	259
Y.Najmiddinov	
Green economy and green growth. initial efforts of sustainable development in Uzbekistan.....	263
E.Narzullayev	
The methods for measuring the effectiveness of social entrepreneurship activity.....	270
E.Narzullayev	
Analysis of the management and development of environmental social entrepreneurship in Uzbekistan.....	276
F.Bayboboeva	
Legal regulation of entrepreneurial activity.....	281
S.Goyipnazarov	
Assessment of impact of artificial intelligence on labor market and human capital.....	288
A.Norov	
Evolution of management science.....	296
Z.Boltaeva	
Foundations of neuromarketing strategy in industry.....	306
R.Rashidov	
Issues of regional development of small business.....	311
A.Kadirov	
Issues for ensuring economic stability of chemical industry enterprises using foreign experience.....	318
K.Narzullayev	
Investment process in the republic of Uzbekistan.....	323
Kh.Irismatov	
Statistical analysis of assessment of the volume of the hidden economy in the republic of Uzbekistan.....	328