

# SOCIO-ECONOMIC IMPORTANCE OF STATE SUPPORT FOR YOUTH INNOVATIVE ENTREPRENEURSHIP IN THE ECONOMIC DEVELOPMENT OF THE STATE

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## ABSTRACT

**Aim of the study:** *The analysis of a number of researchers shows numerous violations by employers (especially in the private sector) of the labour rights of young workers. Illegal methods and dismissals of young workers, the use of penalties as a form of punishment, self-regulation of working time, forms and amounts of payment, professional development have become threatening. The legal impotence of young workers closes before them a career, forcing them to look for other ways of life support.*

**Methodology:** *Alienation in the economic, social and political spheres, disbelief in state and political institutions naturally cause young people to develop ways and methods of survival in the existing environment. To this can be added the influence of the media, which often creates an idealized image of the entrepreneur.*

**Conclusion:** *In economic sociology, a position is also put forward that the surge in the number of new enterprises, i.e., the growth of entrepreneurship, should not be seen as a manifestation of dynamic development and prosperity in the economy, but as an indicator of the economic crisis. The period of recovery usually leads to an overall improvement in employment conditions, job stability, which does not contribute to the pursuit of risks or to the organization of their business.*

**Keywords:** Socio-Economic, State, Alternative, Youth Innovative Entrepreneurship, Structure, Development.

## INTRODUCTION

The situation is different during the economic downturn and crisis. Deformation of the market, the deterioration of the conjuncture encourage the search for new economic opportunities. This is confirmed by empirical studies showing that the number of new small firms that create up to 2/3 of new jobs during this period and attract those who are pushed out of large production is increasing in the context of the economic downturn. There are also estimates that the share of small businesses in employment and output is negatively linked to sustained economic growth and positively correlated with unemployment (Cueto, 2018).

An example is the study of John. Banaka, P. Thornton, research Institute of the Academy of Sciences, 1991.

It should be said that push factors alone may not be enough. The level of entrepreneurial activity also depends on the favorable legislation, the availability of free capital, the development of venture funds and other phenomena (Maldonado-Briegas, 2019).

The development of small and medium-sized businesses is necessarily part of a set of measures to combat unemployment (York, 2010). This item includes both the fact that the creation of new enterprises entails the creation of new jobs, and implies the provision of opportunities for self-employment in the form of opening their own business, which requires the provision of comprehensive support to potential entrepreneurs (Abdurahman, 2016).

## LITERATURE REVIEW

Sociology, in particular economic sociology, also deals with the social status of enterprise groups and their characteristics (Bastien, 2017). Market and status positions of a typical entrepreneur, representing the bulk of small and medium-sized enterprise managers, are characterized by noticeable instability and inconsistency (Kapusuz, 2018). Economically, this can be expressed in debt resource dependence (Lee, 2007). Waiting for a better future, in the large gap between projected and current incomes, in vulnerability to many external factors and in the unthinkable possibility of failure (the mortality rate of newly created small firms is usually quite high) (McMahon, 2015).

A successful start also does not remove all contradictions (Greblikaite, 2016). Entrepreneurs may experience tension, including hostility from other, more massive social groups (Corbett, 2005). For example, in traditional societies, entrepreneurship was not one of the noble occupations, entrepreneurs were located closer to the lower levels of the social ladder (Junné, 2018). In modern societies, the situation is changing, but there are problems (Fomina, 2019). Business as a field of study is often chosen more for other reasons than its prestige (Sengupta, 2018).

The particular difficulty of doing business is that it almost inevitably faces resistance to innovation. Any society is based on a more or less stable system of structures and institutions (Fretschner, 2014). The entrepreneur is the one who "*Goes Against*" - dares to break the established orders and rules, the usual practices (Smith, 2017). Th. Schumpeter believed that entrepreneurs are people who are not bound by the prevailing traditions and not built into the system of informal institutions (Morimoto, 2018). Here, the entrepreneur acts more as an egoist who feels an internal debt to himself rather than to others (Sazegar, 2018). People who are not too deeply rooted in this social environment, it is often easier to Express themselves in business (Volery, 2014).

Such a person usually does not have a high reputation, which can prevent him from receiving financial and other support in the organization of his business (Spillan, 2017). At the same time, reputation can bind to no less extent, prescribing than it should be, and what not to do a person of this circle, what methods he is allowed to use (Vaidya, 2014).

## METHODOLOGY

Innovation, greeting them, or at least tolerate them more typical of young people. Also, its representatives have not yet taken root in the system of formal and informal relations, have not acquired a lot of obligations that can deter them in decision-making. It is also noted that young people are more inclined to avoid routine, looking for interesting activities and ways of its organization, opportunities to Express themselves and their potential. They are not yet firmly rooted in the system of ordinary practices and are not accustomed to it (Vogel, 2015).

An important contradiction of entrepreneurship is that access to economic capital is necessary for success. To gain this access, an entrepreneur cannot remain in an "*Asocial*" position, he must rely on business and personal networks, i.e., social capital, and use social skills to successfully use these networks. At the same time, it is noted that the entrepreneur is more successful, resorting not to family or local networks, but to such a form of social capital as "*weak ties*", including various kinds of acquaintances that do not have a permanent or close character. Breaking out of the narrow circle of acquaintances, where everyone knows each other, the entrepreneur is able to expand their business ties and the scope of information sources. Thus, entrepreneurial success is based simultaneously on the rejection of the dominant social norms, but the non-inclusion in one network and the rejection of some rules is compensated by the resources of another network.

Business incubators, forums and conferences on entrepreneurship provide an opportunity to acquire the necessary connections and acquaintances. Another resource for this is now the Internet. It has become one of the most accessible platforms for Dating, formation of new connections, including it is actively used to find partners for business, recruitment of a team of specialists in

different fields, as well as a means of exchange of experience. Young people are actively involved in the network, have more confidence in it, and are better informed about the opportunities and ways to benefit from the Internet. The global network now has a large number of platforms designed to help entrepreneurs in the organization of their activities. Moreover, the Internet itself is one of the most promising spaces for doing business, which has many advantages for the novice young entrepreneur, such as accessibility, comparative cheapness and ample opportunities to promote their business.

As part of the consideration of youth entrepreneurship, it makes sense to present it as a process, which emphasizes its innovative and creative component.

Entrepreneurship as a process is a complex chain of purposeful actions of an entrepreneur, starting from the moment of emergence of an entrepreneurial idea and ending with its implementation in a specific entrepreneurial project. Entrepreneurship as a process includes the search for new creative ideas, their analysis and evaluation in terms of market needs and economic benefits, the formation of goals for the implementation of ideas, the embodiment of ideas in a new enterprise, in the creation of a new, in the development of production of new products, in improving the organization of production, i.e., in the implementation and implementation of ideas in a specific result (product, product, technology, etc.), bringing profit to the entrepreneur.

## RESULTS AND DISCUSSION

To produce means to combine the things and forces at our disposal, and the process of production is a process of combinations of productive forces, the result of which are new products.

The concept of implementation of new combinations covers five cases:

- 1) The production of a new, i.e. unknown to consumers good or the creation of a new quality of a good.
- 2) The introduction of a new, i.e. in this industry is still almost unknown, method (method) of production.
- 3) The development of a new market, i.e. a market in which until now this industry of this country has not yet been represented, regardless of whether this market existed before or not.
- 4) Obtaining a new source of raw materials or semi-finished products, regardless of whether this source existed before, or was not taken into account, or was considered unavailable, or it was yet to be created.
- (5) Ensuring successful implementation, such as monopolization (through the establishment of trusts) or undermining the monopoly of another enterprise.

In a market economy, innovation is particularly important. They increase the competitiveness of the entrepreneur, allow to interest the consumer. It is important not just to create an innovation, but also to present it on the market, as well as to "sell". The introduction of innovations can take place on a commercial basis, i.e. for money. Then this is what is commonly called commercialization.

Organization of production of products or services is the most complete form of realization of the potential inherent in innovation, in which the innovator is directly involved.

In order to attract attention to their innovation and find a potential partner, innovators usually resort to all available opportunities (publications, participation in exhibitions, presentation of ideas on the Internet, the use of a network of "schoolmates", etc.).

In most cases, potential partners to whom the innovators present their project and who must decide on their participation in the project are interested in the possible market size of the proposed innovation, income or profit from its commercialization. In these circumstances, the innovator must be able to explain the advantages of innovation in comparison with existing products on the market or those that may appear in the near future. When considering innovation, quantitative and qualitative parameters are compared.

Participants in the process of commercialization of innovations with the necessary financial resources are usually large and medium-sized companies, venture capital companies and funds, private investors who are primarily interested in the return on investment in a certain period of time in a fairly stable market. In some countries, special banks are actively involved in innovation. In the

Union state, banks are not really engaged in innovation. In the area of innovation, specialized agencies or the media, including electronic media, can act as intermediaries.

One of the components of the innovation process, designed to create conditions for access of enterprises, especially small ones, to production resources, are techno parks and business incubators. When it comes to youth entrepreneurship, it is these organizations that are considered the main forms of its support and development and stand out as one of the leading factors of youth access to entrepreneurship and its success.

In early 2002, the international Association of technology parks proposed the following definition of a technology Park-an organization managed by professionals whose main goal is to increase the well-being of the local community through the promotion of innovative culture, as well as the competitiveness of innovative business and scientific organizations. To achieve these goals, the Technopark stimulates and manages the flow of knowledge and technology between universities, research institutes, companies and markets. It simplifies the creation and growth of innovative companies through incubation processes and the process of removing new companies from existing ones.

The purpose of the Technopark is to support innovative entrepreneurship through the creation of material and technical, socio-cultural, service, financial and other bases for the effective formation, development, support and preparation for independent activity of small and medium-sized innovative enterprises, commercial development of scientific knowledge, inventions, know-how and science-intensive technologies and their transfer to the market of scientific and technical products to meet the needs of the region and the country. An important criterion of technoparks, along with the legal aspects of the organization and existence, as well as focus on research activities, is the presence of a business incubator, which houses and supports small innovative start-up firms.

In this case, representatives of young people are actively involved in entrepreneurial innovation: students, postgraduates, young scientists. They are actively trained in Economics, marketing, management, and the legal basis of entrepreneurial activity. There is always consulting support for small and medium-sized enterprises, both still located on the territory of the business incubator, and those who have already left it.

Another area of innovative infrastructure is business incubators. The rapid development and rapid growth of the number of business incubators in the world demonstrate their effectiveness in solving such problems as increasing the share of business activity in the regions through the development of domestic markets, diversification of regions, increasing the number of small enterprises and increasing their viability, increasing innovation activity, creating and strengthening ties between small business and other sectors of the economy, increasing employment and living standards. The business incubator can be a part of the Technopark, and can exist independently.

A business incubator is an organization that supports small business by creating an enabling environment for the accelerated development of companies, which is achieved by protecting (full or partial) small businesses from the impact of adverse environmental factors and at the same time a comprehensive impact on the needs of enterprises in the early stages of development.

The main goal is to produce companies that can exist on their own after leaving the incubator, usually two or three years after enrollment in the program. Young entrepreneurs are considered traditional clients of the business incubator.

The results are evaluated by how satisfied the needs of customers and the needs of the local economy in terms of job creation, acquisition of business skills, increasing sales.

## CONCLUSION

When assessing the investment attractiveness of the project, one of the main criteria is the composition and qualification of the team members, which declares its intention to implement the project proposed to the investor for financing. Lack of competence in the field of business is one of the main problems in the implementation of business projects by young entrepreneurs.

Here, young entrepreneurs are often faced with the inability to properly build business models necessary for the successful launch of a business project. This model includes elements such as customer segments (characteristics of customer groups and their expectations of the product), product benefits offered, channels of product delivery to the customer, customer feedback, revenue streams, core resources, core activities, partners and suppliers, cost structure.

The creation of small enterprises by "unprofessional" managers leads to the fact that the survival of such enterprises is usually low. With this in mind, access to professional advice appears to be a means of improving the use of development funds. Consulting services should be provided on a fairly wide range of issues - financial, economic, marketing, as well as personnel issues.

Prepared under the grant of Plekhanov Russian University of Economics on the topic "Development of mechanisms of state support for youth entrepreneurship in the Union State of Russia and Belarus"

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