

## **INSTITUTIONAL FOUNDATIONS AND INTERNATIONAL EXPERIENCE OF SELECTING REGIONAL STRATEGIES IN SUPPORTING INNOVATIVE ENTREPRENEURSHIP**

**Baxridinova Shaxnozaxon Shukurullayevna**

**Lecturer, Department of Economics and Finance, Kokand University Andijan  
Branch**

**Abstract.** This article analyzes the institutional foundations of selecting regional strategies in supporting innovative entrepreneurship and ways to improve their effectiveness. The study examines cooperation mechanisms between the state, private sector, and scientific institutions in the process of forming regional innovation strategies, as well as the impact of the institutional environment on innovative development. Based on international experience, the importance of the “triple helix” model and differential strategic approaches in developing innovative entrepreneurship is substantiated. The results demonstrate the decisive role of institutional factors in increasing innovative activity and ensuring sustainable economic growth at the regional level.

**Keywords:** innovative entrepreneurship, regional strategy, institutional environment, triple helix, public-private partnership, innovative development, economic growth.

### **INTRODUCTION**

In the current conditions of global economic development, supporting innovative entrepreneurship and ensuring its effective organization has become one of the most important directions of regional economic policy. Innovations not only increase production efficiency but also form new business models, strengthening the flexibility and competitiveness of regional economies. Therefore, the correct selection of regional innovation strategies and their institutional justification is of high scientific and practical relevance today.

In recent years, the role of innovative factors in regional development processes has significantly increased. In particular, at the current stage of innovative entrepreneurship development in Ukraine, the influence of regional factors has intensified, and the socio-economic development of territories increasingly depends on the effectiveness of selected innovation strategies. This requires the development of individual strategic decisions for each region.

A regional innovation strategy should be formed as a complex and integrated system aimed at transforming socio-economic processes. Such strategies must be based on a

deep analysis of the region's resource potential, innovation capabilities, and economic structure. At the same time, state support mechanisms, efficient investment allocation, and the development of innovation infrastructure are important institutional conditions. The relevance of the study lies in the fact that in the development of innovative entrepreneurship not only economic factors but also the institutional environment, public-private partnership mechanisms, and the level of cooperation with scientific institutions play a decisive role. In this regard, the formation of an innovation ecosystem based on the "triple helix" model is crucial for ensuring sustainable regional economic growth.

This article analyzes the institutional foundations of selecting regional strategies in supporting innovative entrepreneurship, ways to improve their effectiveness, and differential approaches based on international experience. The results of the study provide scientifically grounded conclusions for improving regional innovation development and accelerating economic growth.

## **MAIN PART**

In the process of forming and implementing regional innovation strategies, the institutional foundations of supporting innovative entrepreneurship play a key role. In modern economic development conditions, innovation is becoming not only a factor increasing production efficiency but also a key mechanism driving structural transformation of regional economies. Therefore, strategies aimed at developing innovative entrepreneurship must be comprehensive, systematic, and institutionally grounded.

A regional innovation strategy is considered an integrated system of programs aimed at modernizing socio-economic processes. Such strategies should include identifying priority economic directions of the region, assessing innovative production capacity, and ensuring effective mechanisms for state support and investment distribution. At the same time, a differentiated approach based on each region's resource base and innovation potential is essential.

Cooperation between government, business, and scientific institutions is of particular importance in the development of innovative entrepreneurship. This cooperation, formed within the framework of the "triple helix" model, ensures the effective organization of processes from idea generation to commercialization. As a result, an innovation ecosystem is formed, and the economy transitions to a knowledge-based development stage.

Regional innovation strategies should also aim at improving the investment and business environment and developing technological innovations. The introduction of

monitoring and evaluation systems for innovation activities increases the effectiveness and adaptability of strategies to real economic conditions.

The financial support of the strategy is formed from various sources, including state funds, regional development funds, international grants, and public-private partnership (PPP) mechanisms. This ensures financial stability for innovative entrepreneurship development.

The implementation of regional innovation strategies is carried out step-by-step. First, the resource potential of the region is analyzed, then the state of innovative entrepreneurship is assessed, and gaps are identified. Next, priority directions are selected, a strategic vision is formed, and an action plan is developed. Finally, a monitoring and evaluation system is introduced.

The table below presents the stages of forming a regional innovation strategy:

**Table 1**

**Step-by-step algorithm for forming a regional innovation strategy**

| Stage   | Content                                                                   | Result                                                  |
|---------|---------------------------------------------------------------------------|---------------------------------------------------------|
| Stage 1 | Analysis of economic, institutional, and resource potential of the region | Innovation opportunities and constraints are identified |
| Stage 2 | Assessment of innovative entrepreneurship                                 | Relative strengths and weaknesses are determined        |
| Stage 3 | Gap analysis                                                              | Barriers and opportunities are identified               |
| Stage 4 | Selection of strategic directions                                         | Priority development directions are defined             |
| Stage 5 | Development of action plan                                                | Practical measures are formed                           |
| Stage 6 | Monitoring and evaluation system implementation                           | Strategy effectiveness is ensured                       |

Defining result indicators is also important. In the short term, institutional infrastructure is formed; in the medium term, innovation activity increases; and in the long term, the region transitions to an innovation-based economy.

**Table 2**

**System of result indicators (short–medium–long term)**

| Term       | Indicators                         | Result                       |
|------------|------------------------------------|------------------------------|
| Short-term | PPP projects, incubators, startups | Institutional base is formed |

|             |                                               |                                |
|-------------|-----------------------------------------------|--------------------------------|
| Medium-term | Patents, innovative products, profitability   | Innovation activity stabilizes |
| Long-term   | Innovative economy, structural transformation | Advanced innovation model      |

International experience shows that the innovation breakthrough strategy ensures rapid development in highly innovative regions, while the strategy of enhancing innovation capacity creates conditions for sustainable growth in less developed regions. Therefore, a combined application of these strategies is considered the most effective approach. In general, regional innovation strategies increase the competitiveness of regional economies, accelerate economic growth, and create a strong institutional foundation for sustainable development.

## CONCLUSION

The results of this study demonstrate the growing importance of small business and innovative entrepreneurship in regional economic development. The consistent implementation of innovation strategies contributes to increased production volumes, enhanced competitiveness, and the creation of favorable institutional and economic environments for introducing new technologies. In particular, regional strategies supporting innovative entrepreneurship play a crucial role in ensuring sustainable economic growth.

The analysis showed that the innovation development model directly affects the dynamic growth of production volume. Econometric analysis confirmed that selected factors (product price, number of employees, and assortment) significantly influence production volume, while the main impact depends on innovative management decisions. Therefore, the widespread implementation of innovative approaches is crucial for improving economic efficiency.

Scenario-based forecasting results demonstrated that among different development models (pessimistic, baseline, and optimistic), the intensive innovation model is the most optimal. This model ensures significant production growth through technological renewal, product quality improvement, and enhanced management efficiency.

Overall, effective implementation of regional innovation strategies expands the production capacity of small businesses, increases investment attractiveness, and accelerates innovation transformation in regional economies. At the same time, expanding public-private partnerships, developing institutional infrastructure, and strengthening human capital ensure long-term sustainable growth. As a result, innovative entrepreneurship becomes a key driver of regional economic development.

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