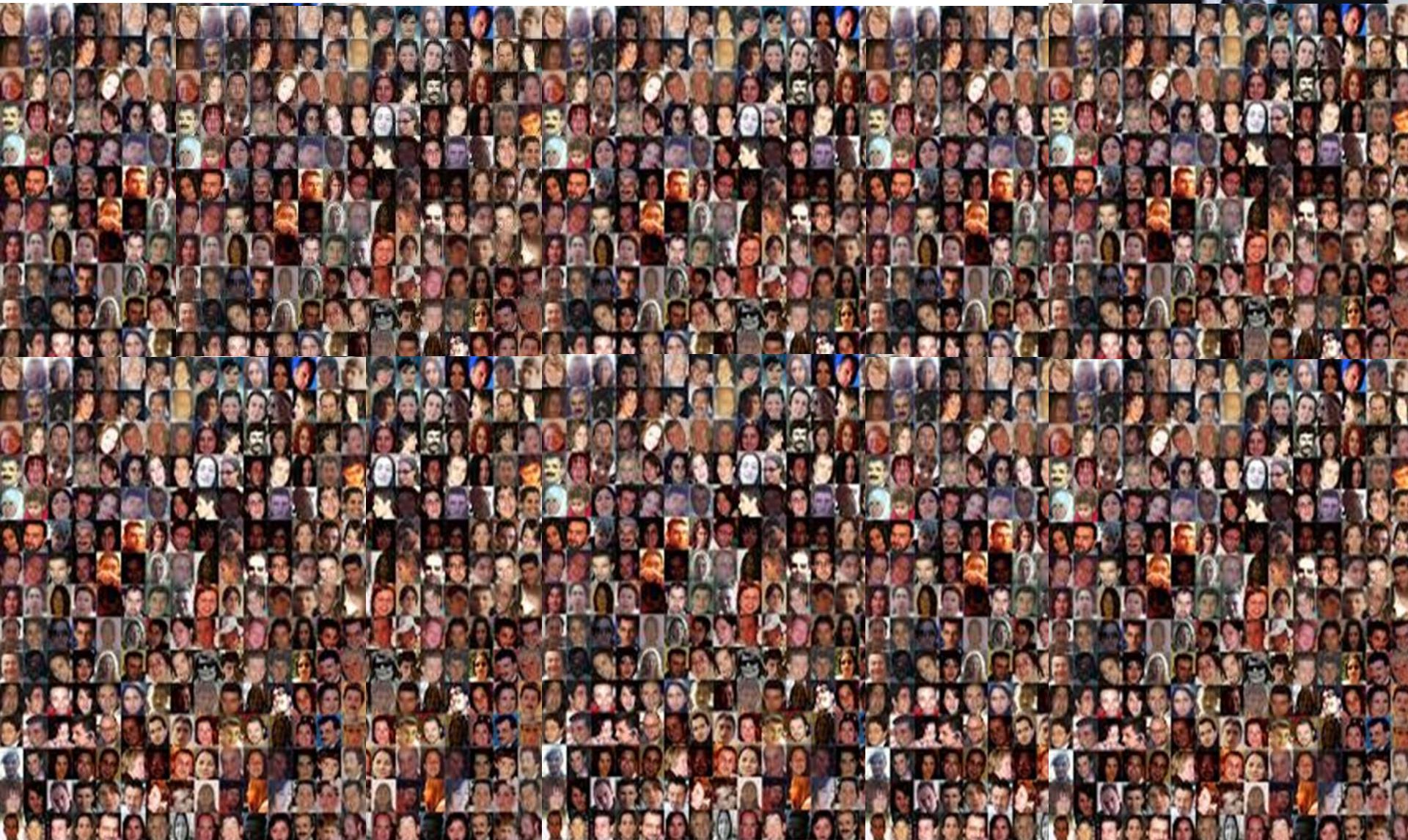


# Innovative Entrepreneurship

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**“Never before in history has innovation offered promise of so much to so many in so short a time.”**



# Structure

- Factors of innovative entrepreneurship
  - What is important
- Reform efforts for innovative entrepreneurship
  - What has been done
- Financial sector structure and policies
  - How it is working
- Recommendations
  - What is to be done
- *Base line: Economic development and social capital*
  - What is possible

# Broader concept of innovation and innovation linkages

- Social capital:
  - networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit
- Innovation (translation) stages:
  - problematization – definition of policy
  - interessement – involvement of new actors
  - enrolment – acceptance of the policy
  - mobilization – coordinated implementation

# Innovation stages and related social capital

interessement	bridging SC
enrolment	social trust
mobilization	bonding SC

# Empowerment

- Opportunities are open (choices are available)
- Choices can be made (choices are used)
- Benefits are achieved (choices are fulfilled)

# 1. Factors of innovative entrepreneurship

- **Basic requirements and efficiency enhancers of country competitiveness**

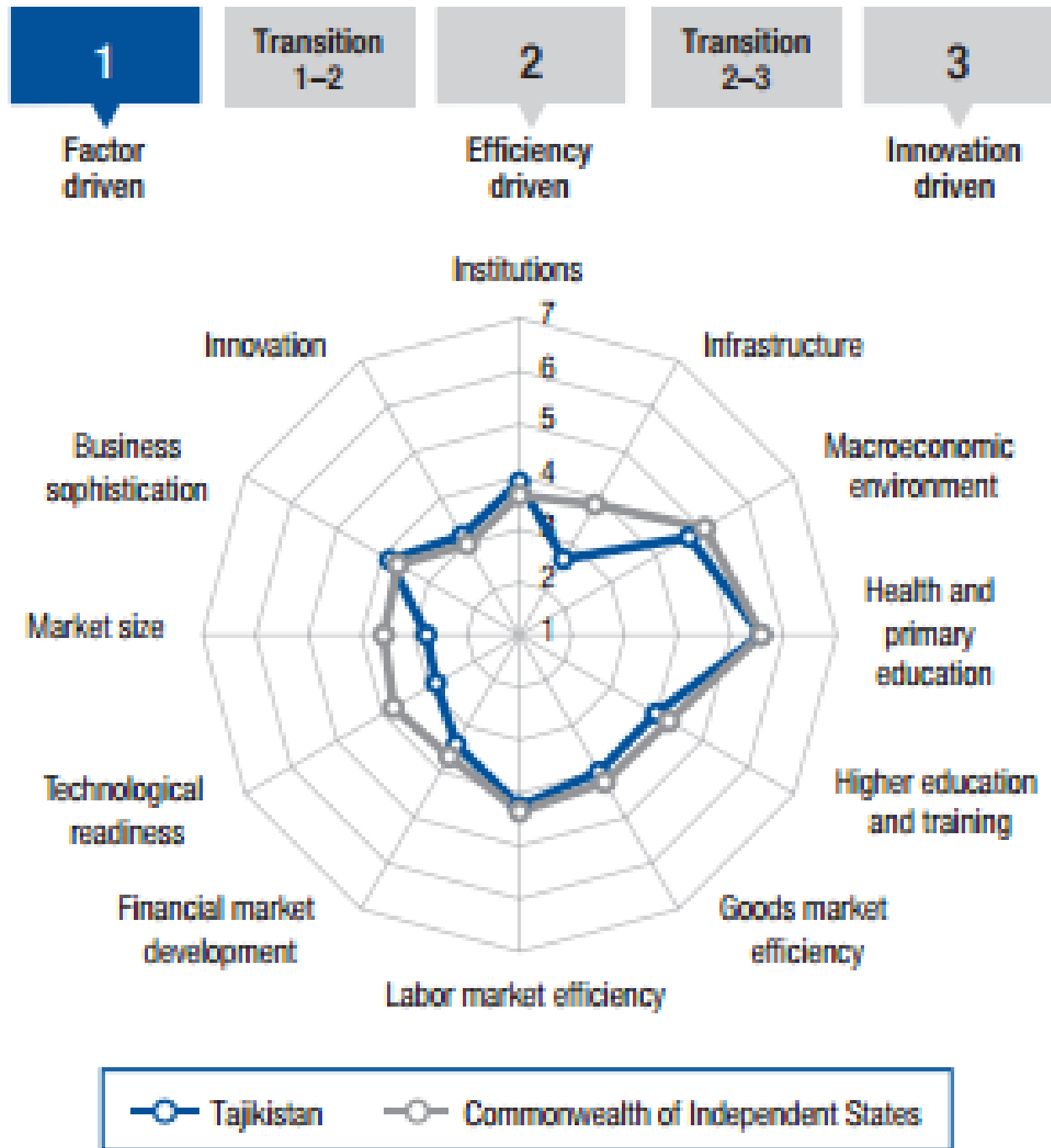


Business environment

Institutional quality

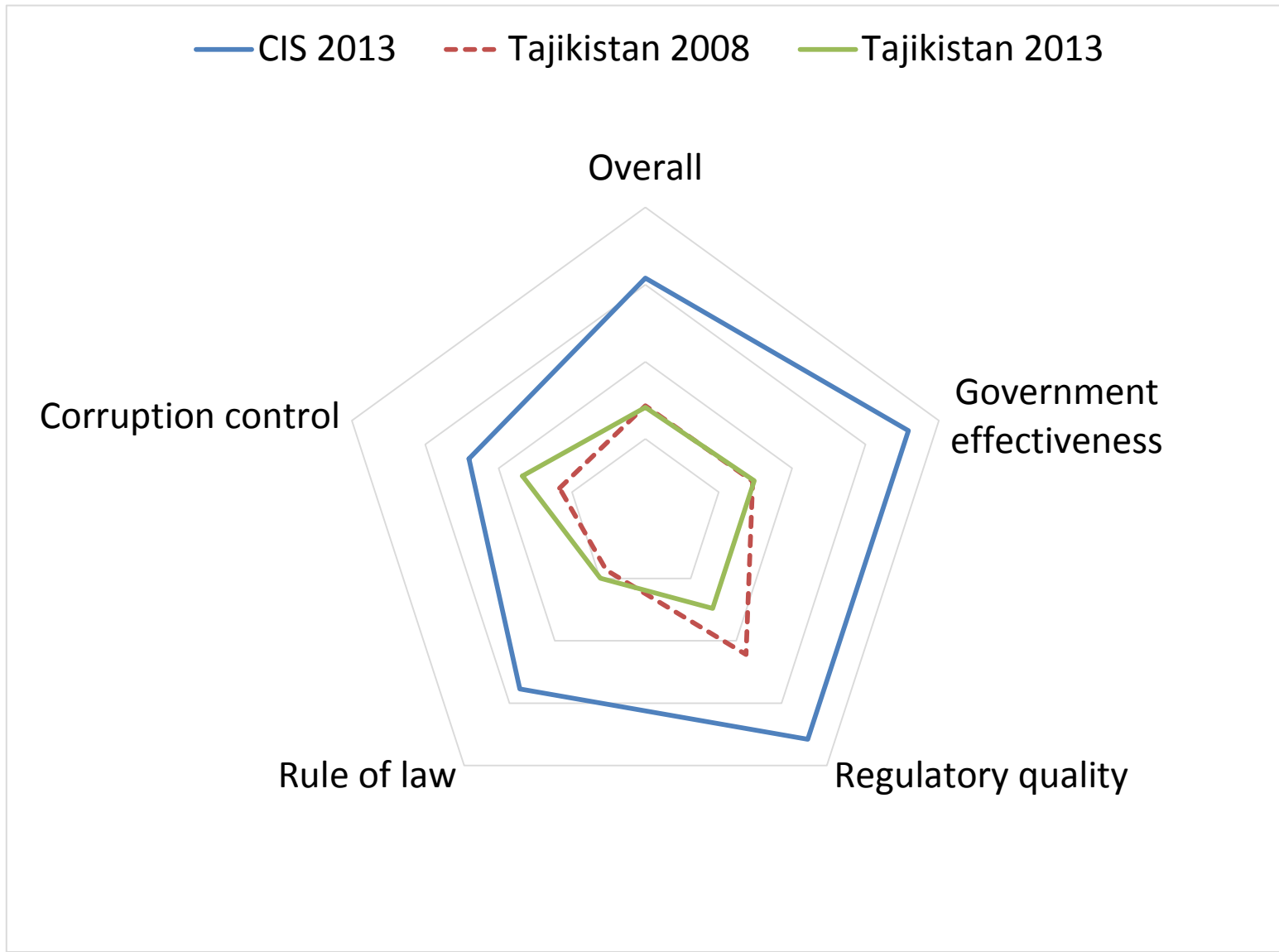
Financing innovative businesses

# Pillars of competitiveness in Tajikistan and CIS





# Institutional quality



# Financing entrepreneurship

Low financial  
inclusion

Low trust

High risk  
aversion

Low entrepre-  
neurship

## 2. Reform efforts

Priority  
agenda

Stakeholder  
participation

Numerous  
activities

# Constrains

RIA

Analysis and  
evaluation

Implemen-  
tation

Social  
capital

Public  
administra-  
tion

TRUST

# 3. Financial sector

Shallow

Concentrated

Informal

Vulnerable

Under-  
performing

Under-  
developed

# Accessibility

Credit  
information

Collateral  
availability

Collateral  
requirements

Maturity

Interest rates

Financial  
services

## 4. Recommendations

(absorption/implementation capacities)

# Institutional capacity

- Regulatory (impact) assessment and red tape reform
  - RIA of existing and planned legislation
  - systemic review and simplification
  - elimination of redundancies
- Education and expertise of public administration
  - analytical capacity
  - strategic planning and policy analysis
  - analytical and simulation tools to assess the economic impact of regulatory activity



# Implementation capacity

- Evaluation capacity
  - impact evaluation (differentiation between activities, outputs, and outcomes)
  - stakeholder involvement
- Strong horizontal body and priorities
  - inclusive development, mobilize and empower people
  - basic requirements → strengthening efficiency enhancers → effective support of new financing and other capacity building instruments for entrepreneurs
- Reform platform
  - Interaction, collaboration, co-creation, content
  - awarding (and shaming)

# Entrepreneurial capacity

- Capacity building open to students and public, practice oriented
- Coaching, mentoring, interactive learning, peer-to-peer
- Social bonding capital turned to entrepreneurial opportunities
- Migrant entrepreneurial potential
- Financial support linked to capacity building

# Financing capacity

- Low/shared risk financing instruments
  - new and diversified supply of financing instruments:
  - investment matching, credit guarantee schemes, preferential terms
- Financing accessibility
  - new sectors and services
  - financial inclusion and literacy
  - new forms of collateral and risk appraisal
- Microcredit-based entrepreneurship