

THE ENTREPRENEURIAL STATE AND CRISIS

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Abstract: *In this paper, we consider the relationship between the entrepreneurial state and the crisis (caused by economic and non-economic reasons and vice versa). Thus, it is about the interactive attitude of the entrepreneurial state in resolving the crisis and the impact of the crisis on the further development of new economic competencies and competencies of the state in the economy. The entrepreneurial state is seen as an entrepreneur and one of the most important economic actors, which accepts long-term investment risks, bearing in mind the broader picture and the common good. The development of new technologies and new technology companies in the United States and other developed countries has been possible, thanks to the investment of the American entrepreneurial state and its agencies. We start from the assumption that the American crisis, in 2008, caused by high debts, the private sector, not the US public debt, which today is enormously high and skyrocketing. At the heart of this consideration is the thesis that the classical economic theory of non-interference of the state in economic life, which stands aside in the recent era of the development of global capitalism, does not hold water. On the contrary, it turns out that government risky investment in the long run is the basis of a modern economy in which the private sector can develop only on the premises of this huge investment in the development of modern new technologies. Most innovation today and research institutes in the United States are due to the investments of the American state. The paper discusses the impact of the crisis on the understanding of the entrepreneurial state and its role in innovation, the role of new technologies and innovations in economic growth,*

entrepreneurial state and risks, entrepreneurial state and knowledge economy, entrepreneurial state in "pushing" versus "pulling" the green industrial revolution and the cost of investment, innovation, and development of the American entrepreneurial state.

Key words: *entrepreneurial state, innovations, economic growth, knowledge economy, pandemic COVID-19*

1. INTRODUCTION

The economic crisis and the COVID - 19 pandemic have positioned the state as the most important economic actor and entrepreneur, without which a solution to the crisis is not possible. Neoliberal theory and Smith's economic theory have lost their primacy in resolving the crisis, although they remain relevant economic theories. Without understanding the entrepreneurial role of the state and its investments, investments in the Internet, the health care system and the green revolution, it is not possible to understand this epochal change, in which the state became the most important economic actor. Government investments in these sectors have boosted private investment. We especially emphasize the pragmatic approach in the interaction of the state and the private sector, abstracting the ideological opposition of public and private interest. There is still a dispute between conservative and progressive currents in the economy over whether restrictive government spending and austerity policies contribute to economic growth or whether expansionist public investment policies, infrastructure and public goods should be used. According to Mariana

Matsukato, Keynes and Polanyi are economists of large format, who defend a progressive opinion about the role of the state in the economy (Matsukato, 2020, p. 22). The economic logic of the state cannot be reduced to public works, nor can its economic behaviour be reduced to the behavior of an individual. It always solves something more and more difficult, because it is a representative of general interests, which are different from the simple sum of individual interests. Polanyi emphasized the idea that the so-called free market is not repaired but created by the state, because the market is the result of state and private action. Modern companies like the modern state introduce strategic management, organisational behaviour, and decision theories. Economic values are created collectively, so a modern state and a modern corporation act entrepreneurially. Therefore, in the economy, the state also behaves economically, among other things. Classical economic theory prescribed that the state acted only in certain activities and in repairing market failure. Today during the pandemic, financial crisis and the so-called green revolutions in the economy this can be considered unconvincing, as well as wrong. Classical economic theory expects the state to prescribe equal conditions, to finance public goods such as infrastructure, state defense and basic research; and to devise mechanisms to mitigate negative externalities such as pollution. (Macukato, 2020, p. 23). After World War II, the American entrepreneurial state created two key agencies, NASA (National Aeronautics and Space Administration) and DARPA (Defence Advanced Research Projects Agency), without which the Internet and the American (private growth and development) would not be possible. So in American development after World War II, the decisive role was played by the American state, and that is often forgotten. These agencies hired the most creative staff, they were not guided by narrow private interests, but had in mind the broader picture, of the American public national interest, guided by the mission of the common good. Joan Robinson believes that bureaucracy does not have to be less flexible than private entrepreneurship (Pisano, 2015, p. 44). The state has proven to be a risky economic actor, investing in financial resources without valid guarantees in research and development without which there is no modern economic progress. The American state has been investing huge funds in innovation and development for years. The Chinese state owes its development to high investments in research and development of the so-called green industries as well as in infrastructure projects of national importance. It is still the engine of rapid Chinese growth, as it is the only one with the economic and

political power to transform industry and Chinese society as a whole.

It should be added that at the head of the Chinese state the political will is concentrated in the Communist Party led by Xi, whose mandate is 10 years and where economic and political decisions are made relatively easily and are not constrained by democratic considerations and values. This gives China primacy in the era of globalization in the world, as European colonial powers once had it. An economically successful state today needs more markets and more states, these are not antipodes. The state cannot be reduced to the correction of the market, its function is to create and direct, to have a broader picture, as well as a mission and vision. The state must take into account not only the success of the market, but also the harmonious functioning of all segments of the state, guided by the principles of profit, but also the principles of justice. Without the modern state and its financing and development, the conquest of space, the fight against climate change and the development of modern technology companies are inconceivable, which truthfully become a threat to the democratic character of the state and political power (we witnessed the incredible fact that US President Donald Trump digital and information technology companies, made it impossible for him to address the public, denying him access to the media, excluding him without mercy from the so-called media political space). The consequences of this situation are still incalculable. The question is, is this exclusion of the American president from public space, the beginning of the end of political democracy, or is it the beginning of some new reality, which is difficult to think and understand. Market fetishization generally leads to the exclusion of externalities, the problem of pollution, in the area of distribution, redistribution of wealth and injustice. Today, the literature talks about the wrong markets, such as the one that operates in oil and gas exploitation, where earlier carbon technologies are managed instead of clean technology technologies. The state, not the market, must deal with some new phenomena, such as: obesity, aging, climate change, inequality, unemployment. Thus, the market is not able to deal well with some essential human values. It can be entertained by the logic of profit, the logic of higher, more efficient. Market forces are ultimately the result, not the consequence, of government decisions. Most of the modern inventions, innovations (artificial intelligence) and patents in America, and even in the world, are inspired by the activity of the military sector and the US Department of Defense. Thus, warfare and the military are a powerful generator of technological

innovation in many areas. National health institutes are often financiers and key players in the pharmaceutical industry, drug production, as one of the most permeable branches of the modern economy.

Thanks to the most developed countries and companies, supported by the state, in just one year we will have a dozen types of vaccines against the COVID-19 virus, which has paralyzed humanity, not only economically but also in all other aspects. The pandemic showed the interconnectiveness of people and nations, and for the first time truly legitimized the need for solidarity and interconnectiveness, the notion of humanity and the world community. Although in practice the same egoistic relations, the relationship of inequality, access to sources and availability of vaccines, to the most powerful and most developed countries in the world are shown. Some countries (EU) have shown narrow and selfish interests in excluding other smaller countries from the distribution of these drugs in order to preserve their populations. (The UN Secretary General warned of the need for solidarity in international relations by large developed countries in the procurement of vaccines against the COVID-19 pandemic). It is evident that with these phenomena in health, energy, ecology, new technologies, the importance of the state is growing enormously.

The importance of the state on the example of the state of Serbia is evident in the case of the state institute Torlak, which, supported by state investments, will produce the Russian vaccine through know-how and thus enable protection of the population in Serbia from COVID-19 virus. The state should pay attention to strategic management in business schools and organizational behavior, as well as private companies (Macukato, 2020 p. 55). Therefore, it is necessary to recognize the role of the state as a leading risk bearer and innovator, which means recognizing the great risks that it must take in conditions of extreme uncertainty, and thus a high probability of failure. Despite the popular belief that government investment is safe, the American entrepreneurial state has undertaken a number of risky investments, which have not always yielded a certain outcome. Obviously, the private sector is not the only source of wealth creation, there is also the public sector. Currently, the economic crisis is at work, which is manifested through the decline of all economic parameters, from falling GDP to falling living standards of a huge number of people around the planet caused primarily by the COVID-19 virus pandemic this time planetary. It is obvious that the causes of the crisis are not profitable technological opportunities or lack of effective demand, it is the consequences of systematic

measures to preserve health and prevent the spread of the pandemic in its devastating consequences on the entire economic, social life. The COVID - 19 virus pandemic has shown the need and connectivity of countries and people around the world, where solutions cannot be found without a common strategy. The state is on the move. Preventing a fall into secular stagnation requires policies aimed at smart, innovative, but also inclusive growth (Macukato, 2020, p. 56). The affirmation of the state in its new role was contributed by the global financial crisis of 2008, which spread from the US economy to the entire global world. Interestingly, economic theory is still dominated by the state's restrictive approach to education, health, research, development and human capital, as evidenced by the reduction of funding for key US government agencies, as well as the European Union's restrictive policy in the same areas. In contrast, China continues to invest in these areas and finances infrastructure and other projects around the world. In the financial system, financialization is happening, more and more funds are being invested in the purchase of securities, which raises their value, especially shares. Such behavior leads to "secular stagnation." Given that in some countries, the state is manifesting itself more strongly in the sphere of innovation, we must see its new role more clearly and get rid of the old paradigm that state investments do not serve that, but that the state still stays away from modern development. We agree with Marianna Matsukato, who starts from the idea of the Hungarian economist Karl Polanyi, that the state consciously creates the market, to plan, invest innovations and development in the light of new technologies. Of course, this refers to the close connection between the state and the private sector in these tasks. Thus, the opposition of public and private interest in the way that classical economic theory does is neither useful nor expedient, because it does not correspond to the new reality.

2. SOME ECONOMIC IMPLICATIONS OF THE COVID-19 PANDEMIC

We are in the middle of a pandemic of the COVID-19 virus, which is not waning, but is spreading across the planet, with unequal effects in some countries. Despite all the differences and specifics, the COVID-19 virus kills people, affects diseases and the spread of infection, and causes negative economic consequences across the planet. We can hardly have a broader picture and the implications, produced by this global virus infection. It is an unknown virus with unforeseeable consequences, which are not only economic, but also psychological, evident in people's mental health. Global infection with the virus not only increases the distances between

individuals, but also affects the family, overall physical and mental health, and other institutions and relationships that are difficult to enumerate. Whether or not it will happen, one huge change in economic and social relations, remains to be seen. The effects of the pandemic are incalculable in terms of health systems, political will, economic power, to overcome this disease.

Hope and anxiety are still important determinants of this situation. In the EU, the basic principles are endangered, countries are closing in on their borders and Schengen itself is becoming questionable. The risks are huge, unpredictable and unforeseeable. The economic shock is certain, the decline in GDP is obvious. There is an ongoing discussion on how to reconcile human health care and treatment and the economic consequences, which are indirectly reflected in the health and preservation of the health systems of individual countries. It is very likely that the health crisis will grow into a much deeper economic and financial crisis, incalculable for the further functioning not only of individual states, but also of the international, economic and political order.

The economic price (lockdown), unemployment, job loss, loss of profit, social inequality, is currently unknown, but is extremely high. This health and economic crisis seems to be going hand in hand with the rich, to become even richer, and the poor to be even poorer. The pandemic affirmed the nation-state and its concern for the health of its own population. The organization in the fight against the COVID - 19 virus, whose price is still unknown, but will be extremely high, is in direct contact with the state organization. Countries such as China, Russia, and a number of smaller countries (including Serbia) have shown, despite the lack of democratic principles and values, a relatively good organization in the fight against the COVID-19 virus. However, the pandemic is a global problem. It testifies that we are all in the same boat and that no one can be partially sure, because the saving is not particular, but global and universal. It is interesting that the United States, India, Brazil and some Latin American countries paid a high price in the number of deaths. Thus, we could conclude that economic and social crises can also be caused by non-economic phenomena, although they have broader implications for the economy, political and social life. It is to be assumed that, after overcoming or mitigating the negative effects of the COVID - 19 pandemic, there will be a better mood in the world that will be more optimistic and cheerful. Of course that could correspond to economic upswing and economic growth. It remains to be seen what lessons humanity, individual countries, states and nations will learn. Our opinion is that there is no

solution to the pandemic without a well-organized entrepreneurial state at the national level and without solidarity and mutual assistance at the global level.

Economists assess the situation differently, all depending on the economic theory they are guided by, there are those who do not care about debt growth (because money printing is at work) (Milton Friedman) Most governments around the world are trying to save by financial injections, job loss, job preservation, encouragement of companies in the service sector, those who do not work during the pandemic. There is a fear that the space for large commercial banks and financial institutions in financing the real sector will be narrowed. The most affected will be the most vulnerable: old and sick, unemployed, and low-income people.

3. THE IMPACT OF THE CRISIS ON THE UNDERSTANDING OF THE ENTREPRENEURIAL STATE AND ITS ROLE IN INNOVATION

Under the influence of the neoliberal conception, the state is expected, after its passive role in resolving the crisis, to withdraw from economic activity, especially in the field of innovation and development, and to leave these tasks to the private sector. The great financial crisis was not primarily caused by the public debt of the state, but by the pyramid debt of the private sector (especially the financial sector and its newly created institutions). However, in Western countries and in the post-crisis period, the state is expected to mediate in many areas, economic activities, which were not its subject before.

The pharmaceutical industries, while benefiting most from public research and funding in these areas, are keen to limit public budgets and reduce regulation and oversight in this area. The pandemic of the COVID-19 virus clearly showed that in the fight against the pandemic, many smaller, former socialist countries could cope with this plague, because they still had the remnants of a state-mediated and regulated health care system. In the European Union itself, criticism is coming from the so-called countries of the Protestant circle, that the countries of the Roman circle are in stagnation due to the wasteful public sector, although in fact stagnation in the public sector is at work. The crisis of 2008 caused private debt, although in times of crisis due to the rescue of commercial banks by the state, public debt also rose sharply.

The effectiveness of public spending does not depend only on the level of spending, but on how much it is invested in what is most propulsive today, and that is an appropriate health system,

adequate education, research and development. High public debt countries usually have low economic growth, but there are countries that have stable economic growth in similar public debt conditions, so many other factors are at work. In recent times, the state has often found itself in the role of a risky entrepreneur, when it comes to long-term investments, especially when it comes to new industries and ventures that do not yield results in the short term.

This is how the state differs as a risky entrepreneur from private entrepreneurs, as risky investors. The state, as a risky entrepreneur, is much more ready to invest in the long run, those ventures that cannot be quickly and easily affected, but are very often the basis for future new technologies, which benefit everyone, especially the private sector. The American state has generously helped in the discovery of new radical drugs in the pharmaceutical industry, which in turn is seeking to reduce the number of regulations and regulations in this area. Many innovative private companies have had the generous help of the American state. Today, the state is expected to be "a leading investor and catalyst, to stimulate the network, to act and expand knowledge" (Macukato, 2020, p. 57). The American state had a vision to support the commercialization of the Internet, because the private sector did not have enough power for the so-called the bigger picture. Truth be told, the role of the state, which has not always been able to recognize new winners and new technologies, should not be glorified. The important role of the state is stimulating, when it comes to new technologies and small enterprises. It is interesting that private capital in the twenties later, after the entry of public capital, entered new technologies, the Internet, nanotechnology and biotechnology. Private capital has been shown to avoid risky investments due to high technological and market risk and high capital intensity. There are real dangers of the symbiosis of public and private interest, where the private sector behaves parasitically, extracting benefits for itself without wanting to finance the state. Mariana Matsukato mentions that there are real dangers for some interest groups to seize the benefits, risky financing of the state in some areas. The private sector can compensate the public sector (public good) by the method of squeezing in the area of financing due to its short-term goals. The state often invests those businesses and ventures that the private sector does not want to enter. According to Mariana Mackuato, the solution to this problem is in a symbiotic rather than a parasitic public-private partnership. There are comparative data showing that with the decline in R&D investment, private sector financing is increasing. It is evident that

private pharmaceutical companies have reduced funds for research and development and increased spending on the purchase of their own shares.

4. THE ROLE OF NEW TECHNOLOGIES AND INNOVATIONS IN ECONOMIC GROWTH

The entrepreneurial state has a broader role than creating the conditions for innovation and correcting market failure. Karl Polanyi clearly defined the view that with capitalism there was a close connection between the state and the market, which creates it and in some situations and forcibly introduces it into the economy (Polanyi 2001, p. 144). Keynes rightly points out that state regulation and control are necessary for the functioning of the capitalist market. (Keynes, 2013. P.78) According to Keynes, the following are important: business investments, government investments, personal consumption and net exports. Uncertainty and a passion for investing are important factors in successful capitalist development (apart from interest rates, taxes). Keynes believes that if private investment is not accompanied by increased government spending, falling consumption and investment will lead to a stock market crash and depression. Innovation has a large share in economic growth, which is difficult to quantify. Support for innovation can be investment in research and development, infrastructure, worker training and direct and indirect support for certain technologies and companies (Mackuato, 2020, p. 69). Innovation and inequality are compatible with economic growth, just as the welfare state cannot function without strong efficiency and productivity in the economy. Abramovic and Solov have shown that conventional measurements of capital and labor input cannot explain 90% of economic growth in a advanced industrial country such as America. According to Soloviev's growth model, growth is modeled through a production function, where production is a function of the amount of physical capital and human labor. Technological changes in innovation (make up a residual) of some 90% of the variation in economic growth Abramovic called this residual a measure of "our ignorance" (Abramovitz, 1956, p. 38). Endogenous growth theory has included technology, explanations of economic growth (time horizon). The introduction of technology and human capital has introduced rising yields as a growth factor. The state has found its place in encouraging the development of new technologies and innovations, which have materialized in new products. Competition among companies is increasingly the result of their innovative ability and investment in human capital. Schumpeter's evolutionary theory argues that innovation is an example of true Knightly

uncertainty, which cannot be modeled by the normal probability distribution implied in endogenous theory of growth, research and development are often modeled using game theory (Reinganum 1984, p. 75).

Innovations are in fact "network institutions" in the public and private sectors whose activities and interactions initiate, receive, modify and spread new technologies. (Mariana Macukato, 2020, p. 75). From the perspective of mesoeconomics, innovations are network structures, which circulate throughout the economy and enable technological changes in companies (customers, manufacturers, infrastructure, suppliers, competencies). Innovation networks are a system of feedback between market and technology, application and science. The role of education, training, design, quality control and effective demand is important in this concept. Great Western powers like the US and Germany according to Freeman became economically advanced countries, thanks to technical education and training, innovation and research (Freeman, 1995.p.89). These countries have managed to commercialize the technology, which is one of the factors of their success. Japanese technical innovations were in the direct function of production. The entrepreneurial state is not only a creator of knowledge, but through networks it has a mobilizer of resources, innovation through economic sectors. A developing country not only improves the market but also provides industrialization and influences the banking financial systems, to economically monitor the growth and development of the real sector. There is an indisputable link between countries that have gone through a severe financial crisis and insufficient investment in research and development. Some countries, such as the United Kingdom, have managed to focus on: the financial sector, creative industries and construction, and thus invest less in development. There is a myth that SMEs use innovation for more employment, although it is known that there is no reliable information between enterprise size and economic growth. For one economy, innovative companies are important, as well as high growth in relation to the size of the company. So less is not better by definition, because small businesses are not more successful. Risk capital is mostly found in the areas of high potential growth, low technological complexity and low capital intensity. The development of biotechnologies that are the result of the work of research institutes, western universities, has been made possible by investments from the state. The problem of innovation in the European Union is not the result of insufficient industrial knowledge, but insufficient ability to commercialize that

knowledge. Empirical experience shows that tax breaks do not have a great impact on innovation, research and development, as much as a country's scientific and technological base has.

5. ENTREPRENEURIAL STATE AND RISKS

It is evident that public funding and research has a broader picture and time horizon, with the possibility of being a risky investment but, in general, leads to the common good, not infrequently enabling private research, which is guided by the logic of short-term investment and research. The entrepreneurial state is oriented towards the creation of new products, new markets, new models of organization, new production processes, which contribute to economic growth. Schumpeter also believed in the process of creative destruction, which allows unsuccessful innovations to be replaced by better ones. Entrepreneurial economics is an economics of risk, which takes into account uncertainty (uncertain events, uncertain knowledge). Technological change is an outstanding example of Schumpeter's idea of self-destruction in the field of knowledge and innovation. In the history of science, it is known that many discoveries were completely accidental, and not the result of some intended work.

Today, the leading role of the state in risky innovations in the field of application of the development of new technologies (green industries, information technologies, nanotechnologies, space research, nuclear technology). The knowledge industry is supported by the state and public funding. Also, public investments extend to different types of risky and uncertain research, which significantly distinguishes them from private risky investments in research and development.

A good example of an entrepreneurial state is the American Entrepreneurial State, ie its agencies DARPA (Defense Advanced Research Projects Agency) and SBIR (Small Business Innovation Research). The results of public funding, research, technology, human capital, the American entrepreneurial state are the foundations of global growth and development. Still the largest number of industrial and intellectual property comes from the United States.

6. ENTREPRENEURIAL STATE AND THE KNOWLEDGE ECONOMY

The American state has enabled Apple innovations (Apple Inc.), which are not only technical inventions, but also first-class commercial

products. Apple received huge direct or indirect state support for three main areas:

- 1) Direct capital investments in the early stages of risky creation and growth;
- 2) Access to technologies, which arose from large state research programs, military initiatives, public procurement contracts, behind which stood state money;
- 3) Introduce tax, trade, or technology measures to support U.S. companies such as Apple. (Macukato, 2020, p.139)

The U.S. state funded the technologies and supported the business ventures on which Apple's newly established computer technology company was based. The newly established Silicon Valley has become a national center of computer innovation. (microprocessors, random access dynamic memory, liquid crystal hard or hard disk display, lithium polymer, lithium ion batteries; digital signal processing, Internet, hypertext transfer protocol and hypertext markup language, mobile technology and network, global system positioning, click-point navigation, multi-touch screens, and artificial intelligence.) With the introduction of the first-generation iPod in 2001, Apple began launching waves of new innovative products (iPhone, iPad) that would one day turn the entire mobile entertainment industry. The state helped finance the iPhone research, financing the so-called hybrid technologies. The mobile phone showed the interaction of man and machine. The iPod offers GPS integration, geographic positioning of the world. The American state also has a prominent place in financing that technology. SIRI, as artificial intelligence, includes: machine learning, natural language processing and network search algorithm. Thus, the revolution in information and communication technology is directly the result of funding from the American state.

7. ENTREPRENEURIAL STATE IN "PUSHING" AGAINST "SUPPRESSING" THE GREEN INDUSTRIAL REVOLUTION

Without financial state support, a green revolution in the energy sector is not possible. Clean and renewable energy requires government measures: tax breaks, subsidies, loans, grants, research and development contracts. The green revolution implies the transformation of the existing energy system into a sustainable ecological system of renewable clean energy. The environmental problem (climate change) is directly related to this problem. The most developed developing countries allocate certain amounts of money to finance green and sustainable development. It is interesting that America is not in the lead. A

number of Western countries and China (China's green five-year plan) are allocating more funds for the green revolution.

America has an indecisive approach to green technologies. The United States has adopted a strategy to push for the development of green technologies. This strategy is being implemented with the help of the Ministry of Energy. The US energy market is dominated by some of the most powerful global companies. The energy industry favors the stability and reliability of the energy system. The American strategy is to push green development, when it comes to energy companies and energy systems. (Macukato, 2020, p.190). Commercial banks and other financial institutions play a significant role in financing state development. New technologies that show the success of a country are: wind energy and solar energy, which stand in a certain proportion to the economic success and the crisis of a country in green development. Clean technologies are in crisis, due to the fact that they imply additional investments in renewable clean and green energy sources, and to a large extent due to the policy itself. The task is to build a symbiotic, not a parasitic ecosystem. It is difficult today to quantify the benefits and rewards that the state has from investing in the green revolution, while the risks are certain.

It is interesting to note that many systems such as tax are designed for an economy in which new technologies do not have a dominant place, so that many systems and policies, even the most developed countries do not correspond to modern technologies and the green revolution, especially the lack of regulation of new technology companies. and adequate controls of their operations. Technology companies avoid paying billions of dollars in taxes (shifting taxes), and there are a number of employment problems. There is a real fear that these multinational companies will become too independent and escape macroeconomic (state) control. In 2001, Apple reported 30% of its assets and income in the United States. Just as it is difficult to define where profit is made, it has become difficult to determine where tax is generated. There is a paradox that technology companies are committed to reducing the tax base and reducing taxes in the budget, even though they are financially supported by the state in their development. The phenomenon is that intellectual property is being produced from the United States, just as capital is moving, and innovation is moving.

8. BENEFITS AND PRICES OF INVESTMENT, INNOVATIONS AND DEVELOPMENT OF THE AMERICAN ENTREPRENEURSHIP STATE

In the financial and economic crisis in 2008 has evidently been shown that there are strong links between risk and earnings and that the financial sector, as a parasite, has privatized awards and socialized losses. The state also subsidizes investments that enable individual employees and companies to participate in the innovation process. By definition, innovations should reduce inequality, but through the financial sector, managers often appropriate high and undeserved rewards, which is especially evident in a crisis, without the possibility of being sanctioned. It is also evident that the state does not receive adequate returns on its risky investments (through the tax system). Revenues from the use of intellectual property, through various sectors and technologies, should be paid into the national "innovation fund." Burlamaqui says: and becomes the basis for annuity claiming and annuity appropriation. (Burlamaqui, 2012. p. 96). He proposes that the state adopt a controlling share of patents, which arise from publicly funded research. Also, one of the methods is for the state to keep the share of ownership of the companies it supports. One of the ways of state investment and collecting the return from that investment is also possible through the state development bank. Smart, sustainable and inclusive growth is not a legitimate unquestioned process. It requires a whole set of measures, strategies and activities. The entrepreneurial state is one of the most important economic actors, whose economic activities are subject to economic laws, to which the private sector is also subject. This means that there are risks, rewards and penalties in financing and doing business. Perhaps the exclusivity of the state is that it has the opportunity to invest risky in the long run, bearing in mind the broader picture and the general benefit.

CONCLUSION

Entrepreneurial state as a syntagm covers the notion of the most important economic actor in the 21st century and problematizes the classic political economy of Adam Smith about the state standing behind the economic world, dominated by the struggle of private interests in the free market, where market competition takes place by invisible hand. The latest crisis, the financial crisis, caused by financial reasons and then by a pandemic, for health, not economic reasons, has affirmed the state as a key actor in resolving the crisis. It has been shown in the epoch of innovations,

technological revolutions and new technologies that epochal technological and economic growth is not possible without state investment in providing the technological base. Thus, the state cannot have a precise and limited role in innovation according to the system of cost-benefit analysis. The state as a representative of the general interest, which takes into account the broader picture, is more prone to risky investments than the private sector, which is prone to short-term risk, in the name of the public interest. Although the state should take the risk, it should not absorb the risk of the private sector, but take on the type of risk that the private sector is not ready for, and should receive returns from that risk. Public and private interests are no longer diametrically opposed, but are intertwined, often through public-private partnerships and in the innovation sector. A serious effort is ahead to build an entrepreneurial state, whose goal is to develop strategic technologies and innovations related to economic growth.

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SUMMARY

Entrepreneurial state as a syntagm covers the notion of the most important economic actor in the 21st century and problematizes the classic political economy of Adam Smith about the state standing behind the economic world, dominated by the struggle of private interests in the free market, where market competition takes place by invisible hand . The latest crisis, the financial crisis, caused by financial reasons and then by a pandemic, for health, not economic reasons, has affirmed the state as a key actor in resolving the crisis. It has been shown in the epoch of innovations, technological revolutions and new technologies that without the state's investment in securing the technological base, epochal technological and economic growth is not possible. Thus, the state cannot have a precise and limited role in innovation according to the system of cost-benefit analysis. The state as a representative of the general interest, which takes into account the broader picture, is more prone to risky investments than the private sector, which is prone to short-term risk, in the name of the public interest. Although the state should take the risk, it should not absorb the risk of the private sector, but take on the kind of risk that the private sector is not ready for, and should receive returns from that risk. Public and private interests are no longer diametrically opposed, but are intertwined, often through public-private partnerships and in the innovation sector. A serious effort is ahead to build an entrepreneurial state, aimed at developing strategic technologies and innovations related to economic growth.