

INNOVATIVE DEVELOPMENT OF ECONOMY: FACTORS, OPPORTUNITIES AND EXPERIENCE

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Abstract. In the article the relevance of innovative economy development, its scientific basis and priorities are outlined. The potential of innovative development of the economy in Uzbekistan is presented, the measures for its effective use and the experience of foreign countries in the development of innovative economy are demonstrated.

Keywords: Innovation, innovative economy, innovation, know-how, knowledge-based economy, factors and conditions of formation of innovative economy, measures taken in foreign countries on development of innovative economy.

Today, one of the most important directions in the development of Uzbekistan's economy is the effective introduction of innovations in enterprises. The term "innovation" is a synonym for "innovation" or "innovation." The introduction of innovation, first of all, is the cost of the economy to replace the generations of technology and technology, and secondly, modern technology and technology, based on scientific and technological achievements and best practices. The most important factor of innovative activity is the development of inventions and the creation of large-scale inventions and discoveries [1]. The essence of innovation is change, and the basis of innovation is the function of change. Australian scientist I. Schumpeter outlines five major innovations [2]:

- use of new techniques, new technological processes;
- introduction of new products;
- application of new raw materials;
- Changes in the organization and logistics of production;
- to open a new product market.

The peculiarity of the modern world development is the transition of the leading countries to the formation of an innovative society and the construction of an economy based on innovative knowledge.

Each stage of community development has its own characteristics. For example, development in the industrial society was linked to the rapid development of production, the invention of the media and the division of labor. At that time, it was considered important to be positive about something new and to be ready for change, which eventually led

to the creation of a postindustrial information society. The development of the information society is driven by information technologies, computer-based systems, technologies that are the result of new physico-technical and chemical-biological principles and innovative technologies based on them. This process is explained by the creation of new areas of human activity. As a result, new innovative forms of the economy are being created, using all new technologies and methods of human activity organization.

Features of organization of production at light industry enterprises and improving logistics were studied by several scientific works of Tursunov B. [19;20;21;22;23;25]. Innovative ways of development of Uzbekistan agroindustrial complex were researched by Russian and Uzbek scientists as well as Nuritdin Yuldashev, Vladimir Nabokov, Konstantin Nekrasov, Bobir Tursunov [24].

"Innovative economics is a society economy that is ready to learn, innovate, embrace new ideas, machines, systems and technologies and apply them to various areas of human activity. It emphasizes the special importance of knowledge and innovation, especially scientific knowledge." [3]

The scientific concept of an innovative economy can be summarized as follows: a revision of the traditional doctrine of economic growth as a result of which its focus is on the role of technological change, information, entrepreneurship, institutions and innovation as a driving force of technical development. It follows that economic growth in the country is achieved through the implementation of technological structural changes with innovative features.

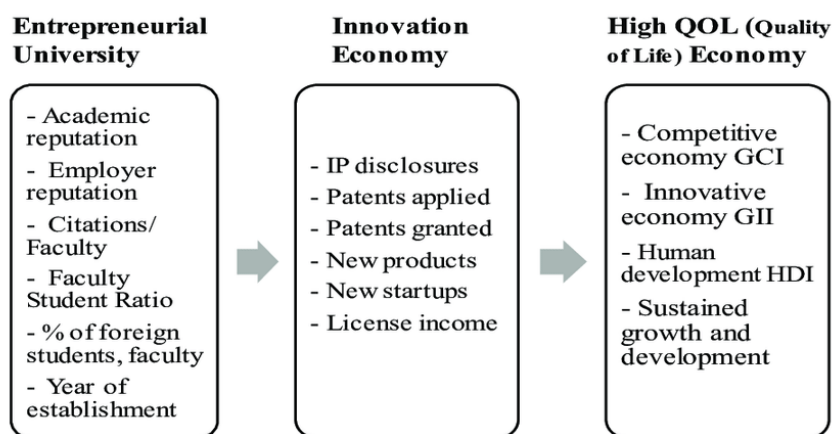


Fig.1. Role of the Entrepreneurial University in the Innovation Economy

One of the most important elements of the development of innovative economy is the national (regional) innovation system, which allows to accelerate the economic development of the country by applying effective mechanisms of obtaining, transmitting and using the results of scientific, technical and innovative activities in economic practice. It is impossible to move to an innovative economy without forming a national innovation system. The component of the national innovation system is the regional innovation system. Consequently, modernization of the economy requires the implementation of regional structural changes that are innovative. Before identifying trends in these regional structural changes, we will explore the important factors and conditions for the formation of an innovative economy that will help us to develop an algorithm for the transition to the innovation economy:

- First, the innovative economy should be automated and computerized by virtually all sectors of society, in particular production and management;
- secondly, the community's commitment to innovation and all the innovations that science can offer. If people oppose innovation, their implementation will be much more difficult;
- Third, there is a need for a clear system of training and retraining of specialists in the field of innovation that can effectively implement comprehensive projects for sustainable and dynamic development of production and society at large;
- Fourth, the creation of an innovation infrastructure that allows for rapid implementation of innovations. Innovation infrastructure is the main tool and mechanism of innovation economy and functions as a set of interconnected industrial and technical systems, organizations, firms and relevant organizational and management systems that are necessary and sufficient for the effective

implementation of innovation and innovation. Therefore, the innovation infrastructure must be functional in order for the country's innovation economy to function effectively;

- Fifth, the establishment of specialized innovation-oriented enterprises, and a system of incentives for innovation activities to create and implement innovations so that all scientific developments, ideas and inventions can be put into practice. These two factors are actually equated to the innovative entrepreneurial factor;

- Sixth, all these factors are really important, but successful implementation of innovations is impossible without state financial and legal support for science, new forms of economic and social problems solving in the innovative economy. Therefore, it is necessary to develop a special policy and relevant legal documents related to the development of innovation and effective management of all its components.

Thus, the creation of an innovative economy is a complex and multifaceted process that depends on many factors. Building on these factors is difficult and long-lasting, but unless the structural changes in the economy of Uzbekistan and its regions allow for the transition to an innovative economy, global competitiveness will not be able to develop.

These considerations raise questions about how ready our society is to build an innovative economy, what steps should be taken in accordance with it, and what sectors are ready to make innovative technological structural changes.

Innovation is the end result of new or improved products (goods, works, services), production processes, marketing or organizational methods for doing business, job creation or external linkages. to produce products [4].

According to experts, the cost of research and innovation projects will be approximately ten times

the profit in 5-7 years. In recent years, the world's leading economies have invested heavily in new technologies. This is because they prove that they will ultimately be profitable and strengthen their position in the world markets.

"Innovation" is the process of introducing potential science and technology development into real life, manifesting itself in new products and technologies. Innovation is a new order, a new style, a discovery.

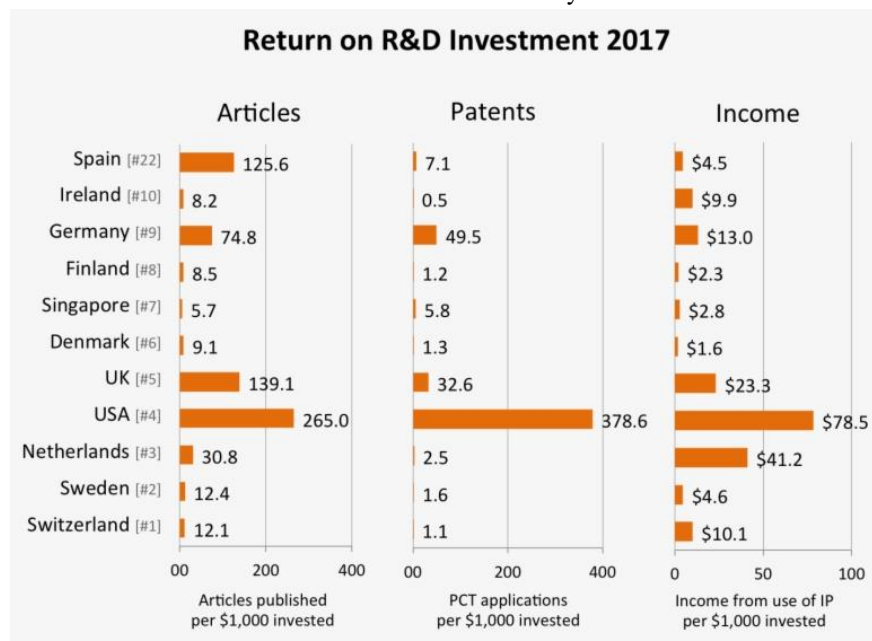


Fig.2. Return On R&d Investment In 2017 For The Most Innovative

The emergence of new types of raw materials, machinery, equipment, energy sources, and technological processes necessitates the emergence of new industries. Development of fundamental scientific and practical research is the basis of scientific and technical progress for any developed country. The emergence and development of many promising new industries has been driven by the achievements of fundamental sciences and applied research [5].

Uzbekistan pays great attention to the improvement of innovative activities in various sectors of the economy. For example, scientists from Uzbekistan comment on the innovative development of the country's transport system:

- The growth of trade relations between Uzbekistan and China and East Asia will facilitate the growth of rail transport and foreign investment in the country and the rail industry;
- Conclusion of contracts with tourist organizations will result in additional revenues;
- Provides greater opportunities for transportation services and intermodal services for the country's ecology;
- development of door-to-door services that will reduce overall transportation costs;
- financial incentives for producers of exported goods in Uzbekistan;

- new multimodal modes of transportation will be developed to increase passenger and freight capacity [6].

The national innovation system - a system of interconnected relations between science, industry and society, where innovation is the basis of economic development, and the need for innovative development determines and stimulates the development of scientific activity. Countries around the world are pursuing a policy of achieving and maintaining a high level of national competitiveness based on national innovation systems.

Before we begin to discuss the directions of innovative development in the concept, we first examine the theoretical foundations for the development of national innovation systems. The first conceptual basis of the national innovation system was formed in the 1980s. Lundvall (1985) [7], Freimen (1987) [8] and Nelson (1987) [9] have outlined the main objectives of the national innovation system. Their conclusions are as follows:

- the idea that innovation and scientific research are the main drivers of modern economic development;
- The idea that institutionality is a factor influencing the content and structure of innovative activities;

- The idea that scientific knowledge plays an important role in the development of the economy.

The common idea of the above scholars is to recognize the national innovation system as a process and consequence of the development and commercialization of scientific knowledge and technology within national boundaries, the integration of institutions (including government agencies) with diverse goals and objectives, and with strong national roots, traditions, political and cultural institutions (Kondrateva, 2015) [10].

Goldstein (2004) notes that the most important prerequisite for creating an effective national innovation system is that the state should be a key stakeholder in the creation of a national innovation system and must prioritize innovative activities and provide the necessary resources [11].

Today each country strives to create its own national innovation system based on advanced economic theory. We have analyzed the experiences of several developed and developing countries that have not been successful and vice versa. Specifically:

- Innovation leaders: Knowledge of US, UK, and Germany experience and what they have been working on and working on [12];

- to study the conclusions on the experience of the economies, size and structure of our economies close to our economy: Belarus and Kazakhstan [13,14];

- countries that have recently been included in the list of leaders: It is important for us to understand that the work done by Finland and Israel is still relevant today [15].

As a result of the study of the experience of these countries, the development strategy of the national innovation system in each individual country is based on the current macroeconomic policy, regulatory and legal, direct and indirect forms of public administration, scientific and technological and industrial potential, and the status of domestic and labor markets. cultural attainment.

Based on the experience of developed and developing countries, we have reached the following key conclusions:

1. Innovation plays a very important role in economic development.

2. Long-term economic growth is largely driven by increased labor productivity. In turn, productivity growth is ensured only through the introduction of innovation. According to our estimates, labor productivity in Uzbekistan is about \$ 10.97, which is 7 times less than Norway and Luxembourg, 6 more than the US, 3 times less than Turkey and 2 times less than Russia.

3. Effective innovation development is impossible without creating a favorable business environment in the country. 4. Strengthening government funding of innovation projects without creating a favorable business environment will have a low efficiency ratio.

5. Creation of a national innovation system will create favorable conditions for the commercialization of scientific research.

6. The principles of organization and functioning of innovation systems vary depending on the models of development in foreign countries. Blinding existing systems to ourselves will not produce the expected results. Therefore, it is preferable to study the harmonious functioning of institutions and the mechanism of interaction in these countries.

7. The key to successful innovation development is the ability to absorb new technologies into the economy, which indicates the creation of an enabling environment for learning and applying innovation.

8. The experience of the Belarusian National Innovation System, which has a very similar structure to the national innovation system of Uzbekistan, shows that the allocation of budgetary funds for research in the entrepreneurial sector in the context of a developing economy will have a positive effect on increasing the production of innovative products.

9. Kazakhstan's experience shows that the introduction of a venture financing mechanism is a complex task that requires serious efforts, changes and time.

10. US experience in innovative development is as follows:

a) high internal competition causes spontaneous emergence of innovative enterprises in the economy;

b) proven that highly skilled professionals (ie universities) can operate effectively and develop innovation in a comfortable space (laboratories, research institutes) and in a favorable environment (innovation clusters).

1. In the European Union, active financing (at least 3% of GDP) has increased the potential for innovation and the economic development of its member countries [16].

2. The German experience shows that:

a) Indirect support is more effective than direct management;

b) integration of science, production and market - the most effective form of cooperation of elements of the country's innovation system;

c) Every investment should be innovative.

3. The UK experience shows that the efficiency of interdisciplinary research and development in modern economies is higher than that of narrow-focus projects [17].

4. Based on the experience of Finland, one can conclude that radically changing policy and turning the country towards the innovation path of development can in a short period of time make the country one of the leading economies in the world.

5. Israel is the country that creates the most favorable conditions for commercialization and promotion of innovative products [18].

Based on the study of foreign countries' development experience, the innovative economy can be described as a key factor in today's well-being and competitiveness, and innovation is a key factor in improving living standards. Developed countries take these factors into consideration and use them to strengthen their positions internationally. Innovative activity will always win those who have started it before others.

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