

Organization and Development of Innovative Activities in the National Economy

Do'siyorov Eldor Bekmurod o'gli¹

¹ Master of Tashkent State University of Economics

Abstract:

In the article devoted to the directions of formation and development of innovation system of the Republic of Uzbekistan, the main drivers of innovation activity development in the country have been studied, analysed and outlined: human factor, changes in demography and labour market, causes and factors, problems and solutions affecting the formation and development of innovation system.

According to the results of the analysis, it was found that statistical figures provide information that the existing trends in the system of innovation activity are maintained, there is growth, but in practice there is a very weak growth of this activity. Based on these results, the necessary priorities for accelerated growth and development of innovation activities in the country were proposed.

Keywords: innovation, innovation economy, innovation model, National Innovation System, innovation activity, effective management.

Introduction

In the current conditions of economic development, it is extremely important for industrial enterprises to achieve innovation and technological progress, because only in this way it will be possible to increase the innovation activity of industrial enterprises, create a modern technological base, produce competitive products, rationally use natural resources, improve labour efficiency and productivity, and strengthen their international and local competitiveness.

Therefore, one of the urgent problems of management of industrial enterprises in Uzbekistan is to achieve the necessary level of quality and quantity of innovation activity.

In modern reality, revitalisation of innovation activity in the country is necessary not only to ensure economic stability, to create conditions for recovery and further development of the economy, to accelerate the pace of business development, but also to strengthen leadership and stay ahead of competitors, as well as for timely protection of entire business areas from damage to the industry in case of introduction of radical innovations that are economically inexpedient.

Research methodology

The instrumental and methodological apparatus of the research is based on the application of such general scientific research methods as logical and situational analysis, expert evaluation, questionnaires, observation, interviews, grouping, comparison within the framework of the system approach. These tools were used in various combinations at different stages of the research, which allows to ensure scientific reliability of the final results, conclusions and recommendations.

Analyses and results

Innovation significantly increases companies' profits, allows them to grow faster and outperform competitors.

Innovation benefits the state, as innovation activities at different levels directly contribute to GDP growth (as a result of productivity growth, discretionary household income and tax revenues) and contribute to the development of individual industries.

The components of the impact of innovative development on private business, society, and the state as a whole are:

- Improved quality of life;
- GNP income and profit growth;
- Growth of income of the population;
- Diversification of the economy;
- development of new sectors of the economy;
- opportunities to create new jobs;
- reduce inequality;
- accelerate the growth of small and medium-sized businesses.

At the current stage of development, it is impossible to solve such tasks without creating conditions aimed at revitalising innovation activity. An important role in building an innovation economy is played by industrial enterprises, which create the main economic results that shape the future economy.

The main role in the development of innovation belongs to universities, which conduct fundamental research, train specialists, provide conditions for scientific co-operation and exchange, and promote the emergence of new companies. As a rule, countries that provide public funding for basic research and scientific education are the most successful in scientific innovation.

In order to train competitive personnel with higher education and qualifications in our country, the number of higher education institutions has been increased to 141, and branches of 26 foreign higher education institutions have been opened. In 2016, the number of higher education institutions in our country totalled 77. In the short term, almost twofold growth has been achieved in this respect.

In the following five years, the quota for admission to higher education institutions was increased threefold, allowing 182,000 young people to become students this year. This-total enrolment

reached 28 per cent. 4 years ago this number was only 9 per cent. State grants in this regard Increased from 21 thousand to 47 thousand.

Targeted measures to support innovative development have been implemented:

To implement and coordinate all processes in the field of science and innovation in Uzbekistan, the Ministry of Innovative Development was established by the Decree of the President of the Republic of Uzbekistan No. PQ3416 of 29 November 2017 ‘On the formation of the Ministry of Innovative Development of the Republic of Uzbekistan’. The Ministry has become a body of state administration implementing a unified state policy in the field of innovation and scientific and technical development of the Republic of Uzbekistan, aimed at the comprehensive development of the life of society and the state, increasing the intellectual and technological potential of the country.

Over the last five years, about 10 organisations funded from the state budget have been established in the field of innovative development, engaged in supporting innovation and research activities in various sectors, searching for their own developments and points of growth:

1. Fund for Science Financing and Innovation Support.
2. International Centre for Molecular Allergology.
3. SUE ‘Yashnabad Innovation Technopark’.
4. National Directorate of Innovation Implementation and Technology Transfer.
5. Centre of Advanced Technologies.
6. State Unitary Enterprise publishing and printing house of innovative development’.
7. Scientific and Technical Information Centre.
8. State Unitary Enterprise ‘youth innovation centre.
9. Centre of Innovative Technologies LLC.
10. Centre ‘innovation, technology and strategy.

Today, the foundations of the system of state regulation of innovation activity, support and development of scientific and technical activity, increasing the competitiveness of the scientific potential of the country are laid in the decree of the President of the Republic of Uzbekistan of 21 September 2018 ‘On amendments to the Law of the Republic of Uzbekistan of 21 September 2019’ - PF-5544 ‘On approval of the Strategy of Innovative Development of the Republic of Uzbekistan for 2021’, PF-6097 ‘On approval of the Concept of Science Development until 2030’ of 29 October 2020, PF ‘On improvement of the system of scientific and technological development’, PF

Resolution of the Government of the Republic of Uzbekistan of 27 April 2018 No. UP-3682’ on measures to further improve the system of practical implementation of innovative ideas, technologies and projects “and Resolution of the Government of the Republic of Uzbekistan of 24 July 2020 No. UP - 3416” on the formation of the Ministry of Innovative Development of the Republic of Uzbekistan ’Based on Law 630.

The above-mentioned laws, decrees and resolutions are aimed at further improvement of the activity of research institutes, strengthening of material and technical, laboratory and experimental bases, creation of conditions for the development of innovation activity, strengthening of material-technical, laboratory and experimental bases of scientific infrastructures in the near future will serve to further strengthen the basis of the ongoing comprehensive systemic transformations on the development of scientific-technical activity in the country.

However, today the country should also pay attention to updating the legislative and regulatory framework for accelerated development of innovations in the sector. At the same time, it is

necessary to systematically analyse the subjects of standards for their compliance with existing and future technologies.

As can be seen from the above analyses, the country has all the elements of an innovation system that are necessary for successful functioning, but they are poorly or not at all interconnected. The 'triangular spiral' - effective interaction between the state, science and business has not been established. One of the important problems is the need to create effective competitive mechanisms for the distribution of public funds.

Changes in demography and the labour market (labour factor) are both a challenge and an additional driver of innovation.

On this basis, it will be advisable to improve the state strategy aimed at developing human capital as a key success factor for the development of innovation activities in the country.

The country has a significant amount of human capital, both in terms of the working-age population and its level of education, as evidenced by the following figures.

In Uzbekistan, out of a total population of 36,799,800, the working-age permanent population accounts for 58.3 per cent, that is, 21,454,283 are of working age.

As can be seen from the above figures, Uzbekistan has everything necessary for the development of innovation activity: human resources and resources. However, these types of capital are not used efficiently enough, and the living standards of the population are slowly improving.

This problem is largely due to: 1) insufficient attention of management bodies to stimulating innovations; 2) the presence of inflation, which devalues people's labour and knowledge, contributing to the instability of the economy based on the production of raw materials and the growth of poverty.

Despite the measures taken to modernise the economy and implement social priorities, Uzbekistan's national economy is far from modern.

At the same time, if we pay attention to the dynamics of Uzbekistan's innovative development, for example, in the innovation component of the World Economic Forum's Global Competitiveness Rating, we can see that our country ranks 86th among 132 countries by this indicator (it has grown by 36 points over six years). However, the growth potential remains compared to the leading countries in terms of GDP.

If we turn to the figures, the results of monitoring the socio-economic development of the country over the last five years show that the main efforts of the Government of the Republic of Uzbekistan are aimed at the development of research and innovation.

In recent years, the volume of investment in R&D has increased in Uzbekistan. As a result, in the Global Innovation Index ranking, after a long break, Uzbekistan was assessed by 43 entry indicators and 22 exit indicators and ranked 86th among 132 countries in the GII Uzbekistan ranking. This result is 7 positions higher than last year's place of our country in the ranking and 36 positions higher than in 2015.

However, despite the positive results, we still spend less on new technologies and innovations than other leading countries mentioned above.

The state policy of innovation support is provided with the necessary funds.

According to the UNESCO Institute for Statistics, in 2020, global R&D spending averaged 1.7 per cent of GDP, compared to 0.2 per cent for Central Asia.

So, how much money is allocated to R&D in Uzbekistan? Domestic spending on development and innovation in Uzbekistan is less than 1 per cent of GDP and 2/3 is financed from the state budget.

Sumy in Sumy Sumy in 2018 was 198 billion soums, in 2019-324 billion soums, in 2020-428.2 billion soums¹⁶.

The Minister of Innovative Development, Academician Ibrahim Abdurakhmanov in an article 'Innovative development in the Republic of Uzbekistan' published in the Dutch journal In me¹⁷ reported that in 2021, 514.2 billion soums (0.09 per cent of GDP) will be allocated from the budget to finance innovative scientific research.

By comparison, budget allocations for scientific work and research amount to 4.55 per cent of GDP in South Korea, 4.54 per cent in Israel and 3.33 per cent in Sweden.

For the accelerated growth and development of our country's innovation activities, we propose the following priority areas:

- introduction of industrial 4.0 tools into the production process to reduce production costs;
- search for new market niches that require a deep understanding of the market;
- a deeper study of the needs of end users;
- it is necessary to create a market for complex products by forming partnerships with Russian and foreign customers;
- development of laboratories, industrial parks meeting international standards for scientific research on the basis of a higher education institution, enterprise;
- creation and development of industrial clusters, organisation of monitoring of the state of innovative, scientific and production potential of clusters;
- creation and development of venture organisations working on the principles of project financing and innovation project management;
- creation and development of a mechanism for introducing the results of intellectual activity in the real sector of knowledge-intensive production;
- increasing innovation activity in the small business sector in line with rapidly changing market conditions;
- Increasing the prestige of research activity - dissemination of information about achievements in this field and its importance;
- creation of favourable living and working conditions for scientific workers, including the introduction of a system of material and non-material incentives;
- increasing the efficiency and openness of public scientific and research work by funding educational programmes and research institutes, and identifying key priorities, such as providing resources for basic research-laboratories, reagents, instruments for experiments;
- creation of a University-Academic Innovation Complex;
- a it is necessary to create a mechanism that will bring the interaction between big business, the state, science and technological entrepreneurship to a new level;
- a development of business activity in the country according to the principle from small business to big business;
- support for attracting foreign investment in the scientific and research process by the state;
- creation of unified information portals, where information on investment opportunities can be obtained for all market participants and potential investors and the necessary administrative procedures can be completed;

- For active development of innovative sectors of the economy in the republic it is necessary to create direct objects of innovation infrastructure (science parks, business incubators, technology transfer centres, etc.), as well as transport and logistics, information and communication, production and technological, expert consulting, financial and insurance and other types of specialised infrastructure.

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