



GLOBAL TRENDS AND PROSPECTS FOR THE DEVELOPMENT OF THE INNOVATION ECONOMY IN UZBEKISTAN

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Article history:	Abstract:
Received: 20 th April 2021 Accepted: 30 th April 2021 Published: 31 th May 2021	The transition to a market economy requires a significant increase in the flexibility of production and the susceptibility to innovation. The newly created enterprises of the knowledge-intensive sector, unlike the usual ones, focus on the full cycle, including the R & D stage and the development of the production of new products and services. The purpose of this article is to present the results of the analysis of the state of innovative development of the economy, to identify the reasons that hinder such development, and to assess the prospects for the medium-term development of Uzbekistan.

Keywords: Innovative development of the economy, innovative activity, technological development, innovation potential, innovation and technology management.

Innovation is a type of economy based on the flow of innovation, on constant technological improvement, on the production and export of high-tech products with very high added value and the technologies themselves. The innovation economy involves an excess of its products, services and agents at each stage of the innovation process: an excess of knowledge, ideas, developments, patents, high technologies, companies, entrepreneurs, scientists, infrastructures, etc. This redundancy initiates and supports competition, which leads to an increase in the diversity and quality of goods and services and to an increase in labor productivity due to the redundancy of innovations and competition between them. Effective innovation systems in developed countries support competition. This is the main difference between a market economy with competitive markets in all sectors and spheres of the economy and a non-market economy with a low index of economic freedom. Competition is the engine of the development of the individual, economy, society and human capital, as the main intensive factor of development.

An innovative market economy involves the simultaneous growth of different types of markets, which is provided if there is a variety of redundancy, which can only be obtained with very high labor productivity and high technologies. The redundancy of scientific discoveries, inventions, ideas, professionals, etc. is initiated by the scientific and innovation systems, depending on the needs and demand of consumers. At the same time, the creativity of scientists and innovators, and the competition between them, encourage them to outstrip the growth of the supply of innovations over their demand from the economy and society. This is the manifestation of the advanced development of human capital and its leading role in the modern economy as a factor of development.

In developed countries, with the change in the model of economic growth, new approaches to the economic justification of the regulation of innovation activity have been formed, which is considered as the most important factor of economic leadership and competitiveness. In the context of the formation of a knowledge-based economy - the "new economy", the issues related to the formation of a research and production-technological space that is adequate to modern relations become relevant.

It can be mentioned that the global coronavirus pandemic has also made a significant contribution to accelerating the digitalization of all spheres of activity by tens of times, and online services are increasing exponentially. Recently, the world is busy with the problem of the rapid spread of the coronavirus, which has captured the minds of the world population and led to a forced transition to a completely new mass digitalization in the history of society. People say: "There is no silver lining without good." Despite the deleterious impact of the pandemic on the global economy, its positive role in the progressive development of innovation processes must be recognized.

Now the country's economy is fundamentally changing the requirements for manufacturers, there is a transition from traditional relationships to completely new digital ones. The industrial sector of the country has

gradually mobilized in accordance with the changing external environment. Many entrepreneurs have changed their value orientations and are adapting their resources to the requirements of the new reality. The difference between active and passive people in networks is reduced.

Sustainable development of such complex open socio-economic systems as the region in modern conditions is impossible without large-scale systematic use of the results of scientific and technical activities, relying on innovations. In order for these results to be applied, an adequate organization of innovation processes is necessary. And this, in turn, requires the construction of an appropriate management system that can take over the performance of the designated functions.

All over the world, innovation is considered today as one of the main conditions for the modernization of the economy. Traditional industries have largely exhausted both extensive and intensive opportunities for their development. Therefore, in many countries, it is no longer these industries that have recently defined the "face" of the economy of all industrialized countries that are coming to the fore, but completely different ones based on the use of the latest technologies. For example, in Germany, almost 100% of GDP growth is due to the use of the results of scientific research and innovation. Taiwan, whose experience in the use of high technologies is often cited by many researchers, provides 78% of employment and 45% of its GDP at the expense of small and medium-sized businesses. One of the world's innovation rankings is the Global Innovation Index (GII), published since 2007 and compiled by Cornell University (USA), the European Institute of Business Management INSEAD (France) and the World Intellectual Property Organization (a specialized agency of the United Nations).

On September 2, 2020, the next report "Global Innovation Index" (GII, Global Innovation Index) was presented, containing the results of a comparative analysis of the innovation systems of 131 countries and their rating by the level of innovative development. The leaders, like last year, were Switzerland, Sweden and the United States. Russia took the 47th place, losing one position compared to 2019. (picture1)

Global rankings		All 2020 rankings
1. Switzerland (Number 1 in 2019)	11. Hong Kong (China) (13)	
2. Sweden (2)	12. France (16)	
3. United States of America (3)	13. Israel (10)	
4. United Kingdom (5)	14. China (14)	
5. Netherlands (4)	15. Ireland (12)	
6. Denmark (7)	16. Japan (15)	
7. Finland (6)	17. Canada (17)	
8. Singapore (8)	18. Luxembourg (18)	
9. Germany (9)	19. Austria (21)	
10. Republic of Korea (11)	20. Norway (19)	

Uzbekistan ranked 93rd out of 131 in the Global Innovation Index 2020 (GII, Global Innovation Index). For the past five years, the country has not been included in the GII due to a lack of data. Uzbekistan, like many other countries, is actively working to enter and improve its positions in international rankings such as the Global Innovation Index (GII) and the Global Competitiveness Index (GIC), and others. Despite the fact that Uzbekistan shows significant progress in such indices as Doing Business, Uzbekistan fell out of the GII and GIC rankings due to the lack of necessary country statistics. At the same time, the country's leadership has set an ambitious goal not only to return to these indicators, but also to significantly strengthen Uzbekistan's position in international rankings.

Uzbekistan has set an ambitious goal to enter the top 50 countries in this indicator by 2030, as part of the implementation of the Innovation Development Strategy. The implementation of this task will require active and coordinated work of ministries and departments, since most of the GII indicators relate to various spheres of the country's socio-economic system. For example, the GII includes indicators such as spending on education (in % of GDP), the development of the capital market, the reduction of the energy intensity of GDP, or the improvement of logistics infrastructure – all of which have a positive impact on the dynamics of the GII. Thus, the analysis of the gap between the Republic of Uzbekistan and the countries that are in the top 50 of the GI index showed that the largest gaps are noted in such areas as:

- Science (number of scientific publications, citation of scientists, number of scientists per 1 million population);
- Higher education (for foreign citizens in higher education institutions, admission to higher education institutions);
- Capital market development and FDI inflows;
- ICT sector (coverage of the population with LTE networks, access to the Internet and ICT, etc.)

FINANCIAL INFRASTRUCTURE DEVELOPMENT

A comparison of international data shows that the development of the capital market can become one of the important factors of the country's innovative growth. Thus, the market capitalization of countries is closely and positively correlated with the country's place in the GI rating. The development of the capital market can become an alternative and important tool for stimulating innovation in the private sector by:

- ✚ Market liquidity growth;
- ✚ The emergence of new financial instruments for financing innovative projects, where the traditional banking sector is less active by nature;
- ✚ Attracting institutional investors to the private sector.

The role of innovations is determined by their functions in social development.

First, they are a channel for the implementation of scientific and technical results, contributing to the intellectualization of labor activity, increasing its knowledge intensity (a pattern of growing intellectualization of society as it moves from stage to stage).

Secondly, with the help of innovations, the range of goods and services produced is expanded, their quality is improved, which contributes to the growth of the needs of each person and society as a whole and the satisfaction of these needs (the law of elevation and differentiation of needs).

Third, innovations make it possible to involve new productive forces in production, to produce goods and services with less labor, materials, and energy (the law of labor economy).

Fourth, the concentration of innovations in this or that area helps to align the structure of reproduction with the structure of changed needs and the structure of the external environment (the law of proportionality of development). The creators of the innovation (innovators) are guided by such criteria as the product life cycle and economic efficiency. Their strategy is to outperform the competition by creating an innovation that is recognized as unique in a particular field.

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