

THE ROLE OF INNOVATION IN THE DEVELOPMENT OF THE ECONOMY

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Annotation: *This article analyzes the fact that innovation is becoming one of the most characteristic features of the development of the economy and as a factor accelerating market development. There are also suggestions and recommendations that can be achieved through the widespread use of innovation in the modern world - the rapid development of entrepreneurship.*

Keywords: *innovation, capital, innovation process, production factors, innovative strategy, innovative entrepreneurship.*

INTRODUCTION

Currently, innovation is becoming one of the most characteristic features of the development of the economy. Recently, this name was reminiscent of something exotic, unknown and not so obvious even among professionals, but now both the innovation itself and its concepts are rapidly conquering the world. The international capital market, which plays a serious role in the innovation process and makes innovation a strategic resource for enterprises, is expanding, new financial structures are helping it in this regard. The experience of developed countries shows that innovation is often hampered by the direct negative attitude and position of people. However, a paradoxical situation is developing in Uzbekistan, which means that the whole society is expressing a positive attitude and support for innovative processes. In particular, it is reflected in many normative legal acts adopted in Uzbekistan and in the draft laws that are widely discussed in social networks. Decree of the president of the Republic of Uzbekistan "on state program on implementation of action strategy on five priority areas of development of the Republic of Uzbekistan in 2017-2021 "year of active entrepreneurship, innovative ideas and technology support "of the president of the Republic of Uzbekistan dated January 22, 2018, Decree of the president of the Republic of Uzbekistan No. PF-5975 of March 26, 2020 "on measures to radically update the state policy on the development of the economy and poverty reduction", No. PP-4653 of March 26, 2020" on the organization of activities of the Ministry of Economic Development and poverty reduction of the Republic of Uzbekistan and its system organizations", No., Among them are such regulatory documents as the resolution of the Cabinet of Ministers of the Republic of Uzbekistan on February 17, 2021 " on the effective organization of activities of the agency for the development of entrepreneurship under the Ministry of economic development and poverty reduction of the Republic of Uzbekistan". The purpose of the adoption of these documents is to create favorable conditions for the development of entrepreneurial activity, the emergence and development of new entrepreneurs, to promote the potential and effectiveness of the innovative system, to create a regulatory, financial and

information environment favorable for innovation. Also, to increase competitiveness and productivity in the industry, promote the increase in the share of high-tech products, increase production and increase the share in the structure of production and exports, expand the application of innovative technologies and advanced management of the group.

The aim of the research work is to promote the innovative development of the economy, increasing the potential and efficiency of the system through the creation of new entrepreneurs. And the objectives of the study are to research the stages of increasing competitiveness and productivity in the industry and to substantiate its specifics; stimulating the increase in the share of high-tech products, increasing production and increasing the share in the structure of production and exports, expanding the application of innovative technologies and advanced management, consists in identifying the factors that influence it.

ANALYSIS OF LITERATURE ON THE TOPIC

Some authors believe that there is both a traditional economy and a new economy developing on a different basis. In our opinion, it will be appropriate to use the positive aspects of both without contrasting these two models, since at the heart of the traditional economy a new one will demonstrate that it will gradually develop. Indeed, it is a fact that in the modern world innovation has become a factor of production. As you know, traditionally there are three factors of production: land, labor and capital. The first to call them J. B. Sey had analyzed.[1] at present, these factors usually include the ability of entrepreneurs and, according to some authors, also the information factor, thereby emphasizing the role of information in the development of the economy. In our opinion, replacing the opportunities of entrepreneurs with innovations or both new it will be more correct to associate the factor with traditional factors as well. Currently, through the study of production factors, the analysis is carried out in greater depth and each factor decomposes. Land or natural factors-use as the basis of entrepreneurship are factors that do not provide long-term competitive advantages. In addition, many types of natural resources are not restored and may end after a while. On the other hand, the innovation factor is practically inexhaustible, and it brings innovation, which can be introduced into production; their expansion can provide long-term competitiveness, as it is currently based on New, especially advanced factors. In fact, such a point of view cannot be called "completely new." Analyzing the factors of production, the aforementioned "Sey" emphasizes the role of the entrepreneur, since it coordinates the following factors of production: land, capital and labor, as well as the factor of Labor, which he used very widely, including not only labor, but also scientific conclusions and knowledge necessary for the organization of production and production of products .

This opinion was expressed by the English scientist G. A. Gobson expressed more vividly and also included creative abilities in the factors of production.[1] analyzing the part of the economic system in which new products appear, new markets appear, new

technologies are introduced, he called it the "progressive sphere of production." Now we call it an innovative economy.

Of course, in the process of studying such a phenomenon as innovation, two scientists, namely N.Kondratiev and J of Austria.A.The names of the Schumpeter should not be forgotten. It was Schumpeter who was the first to describe the concept of innovation in his research "theory of Economic Development".[3] he interpreted innovation as a scientific and organizational combination of existing production factors aimed at solving commercial problems. Schumpeter directly noticed the source of development of economic systems in innovation. Because specific content innovation is a change that they have highlighted, paying attention to five typical changes:

Providing new technologies, new technological processes or new production markets;

Introduction of products with new features;

Use of fresh raw materials;

Changes in the organization of production and material and technical supply of production;

The emergence of new markets.

In addition, he took advantage of the concept of innovation and interpreted it as changes, the purpose of which is to introduce and use new types of consumer goods, vehicles in the form of organizing new production and new production.

In the description of innovation, Schumpeter has always emphasized the role of the entrepreneur in this process, since it is the entrepreneur who is the driving force, practicing new inventions and being the beneficiary as a reward.

Not all inventions become innovations. Innovations are inventions that bring profit and satisfy market demand. In other words, thanks to science, an idea arises that comes true, and the next step is to commercialize the idea, transforming the invention into innovation, generating income. It says: if science is a process that transforms money into knowledge, innovation is a process that transforms knowledge into money with added value. Kondratiev substantiated the idea that economic cycles (waves) have different lengths: long - 48-55 years, medium - 7-11 years, and short - 3-3.5 years. Its most important contribution is related to the study of long waves. To substantiate his theory, he analyzed a huge number of factual materials that covered the four most developed countries - Great Britain, France, Germany and the United States. The studies carried out were related to the dynamics of prices, interest rates, wages, volume of foreign trade and the dynamics of the main industrial goods. The period of time under analysis was extended to 140 years. The study confirmed the existence of long waves and, as one of the reasons, noted science, its discoveries, the unevenness of the development of Science and technology, innovations, etc. (Kondratiev N. (1925)). [3] Kondratiev discovered empirical patterns associated with long waves. Before the development of the wave and at its beginning, deep changes occur in the economic life of society associated with significant changes in technology (significant technological discoveries and inventions have occurred). He considered scientific and

technical innovations to be the main factor. Innovation brings excitement by changing the economic environment from its trend to a higher trend. Kondratiev also showed that innovations are unevenly divided by time. They appear in groups or, in modern terms, in clusters. Therefore, in Kondratiev's study, we can find one of the first examples of using the cluster approach. Currently, Kondratiev's recommendations can also be used to develop innovative strategies.[4] the role of technological cycles is manifested in the development of the economy and society, which, on the one hand, increases the mass of capital production, and also increases its technological level. On the other hand, due to the improvement in education and qualifications, the qualification level of the workforce and management increases. Over time, with a high level of achievement of the technological level of production, the innovative characteristics of the labor force are the fastest growing characteristics, since skilled labor not only absorbs new technologies faster and uses them more efficiently, but also creates these technologies in production.

Schumpeter C.A. in his work "business cycles" (1939) N. Combining Kondratiev's Long-Wave Theory with his own theory of novelty, he developed the initial cyclic theory of development as a result.[4] in his opinion, the cyclical development of the economy is largely due to the internal mechanism of the system, and this is an innovative process.

Research methodology

The article used methods of scientific abstraction, analysis and synthesis, induction and deduction. The data of this study were obtained from official sources, a comparative analysis of the scientific and theoretical views of well-known economists on the role of innovations in the development of the economy, a generalization of foreign experience and the study of innovative entrepreneurship based on the results obtained on the achievements achieved in our country.

ANALYSIS AND RESULTS

If we compare the situation in developed countries with innovative processes in our country, then at present the developed countries of the world have been under the influence of an innovative economy and the fifth technological cycle (long wave) for more than 15 years. It's just that countries that have access to the fifth wave, even then, what should they do?

Will they be able to reach these countries, starting their scientific research in new high-tech areas in the first place? As you can see, it is very problematic. However, this does not prevent these countries, in particular in our country, from using technologies created by other countries and using them in the development of their economies, trying to surpass developed countries to create as many conditions as possible for foreign investment to enter the country. Some time ago, this experiment was carried out in Japan, South Korea and other countries. In fact, the opportunities offered by innovation and the positive aspects of globalization have been captured, first of all, by the countries of Southeast Asia (often called "tigers"), such as South Korea, Taiwan, Hong Kong, Singapore, and also the Celts are considered "Tiger"-Ireland, one of the leaders in the field of

innovation. These countries can serve as a paradigm for Uzbekistan, because our country will be able to successfully develop only if it chooses an innovative path using its unique non-traditional resources with its small market, poor traditional resources.

The competitiveness of the country develops on the basis of the competitiveness of individual enterprises. Each enterprise uses its own strategy to achieve the advantages provided by competitiveness. However, the nature of the evolution and development of successful companies will be similar, as companies create competitive advantages based on innovation. The reason for the weakness of innovative processes in the enterprises of our country is due to the influence of the following factors:

- the low number of scientists working in the industrial sector, as well as the low proportion of scientists and researchers in the workforce;

- not entering the field of high-tech patenting;

- weak cooperation between the manufacturing sector and universities;

- the relative failure of the promotion of innovation and the functioning of mechanisms to support entrepreneurship;

- complex procedures for starting a business; insufficient quality of technological education.

From world experience, the concept of the so - called "European Innovation Paradox" should also be noted-on the one hand, when assessing the share of investments in education and science in the gross domestic product, as well as, In most EU countries, the percentage of people with higher education in the population is even better than in the United States or Japan. Europe is also superior to them in terms of indicators of scientific potential (for example, Nobel Prize winners, SCI publications, the number of scientists with a doctoral degree). Nevertheless, the productivity of the economy in the European Union is two times lower than in the United States, its trade balance with the United States is negative. Students from different parts of the world are trying to study in US higher education institutions. The United States itself is considered a very successful country in the use of innovations, commercializing knowledge not only created in its own country, but also created around the world. The best specialists in the field of higher education and research (project managers, researchers, technology specialists with higher education) move to the United States. Europe is betting on training in US enterprises and training in higher educational institutions. According to these and similar facts, the term "European Innovation Paradox" also appeared. From the above, we can conclude, innovation is the main driving force. Thus, innovation provides an opportunity to develop a competitive economy. In recent years, this has been understood not only by economists, but also by politicians. To achieve the main goals, it is necessary to focus 3% of the gross domestic product on research work , increase the level of employment by 70%, reduce bureaucracy, eliminate corruption and carry out incentives for entrepreneurship. If these problems are solved, our economy will achieve great success in developing innovatively in our country. It is envisaged to allocate funds from state budgets for research and innovation and increase

the volume of its provision. In particular, three main areas will be priority: investing in education and the formation and reproduction of intellectual property; strengthening competitiveness in industry and service; Organization of monomarkets in the labor market

As you can see, in all the cases mentioned above, increasing competitiveness is associated with innovation. For an effective exchange of knowledge between countries and individual enterprises, it is a necessity to conduct research and create a coordinated and common space for the expansion of knowledge. We are talking not only about supporting technology research and production, protection of intellectual property rights, but also about ensuring the spread and spread of innovation, because where innovation is introduced, the effect will be as expected. A new trend has been formed on the use of innovations in the Uzbek industry. Prior to this, sectors related to the processing of natural resources, using cheap labor, prevailed. However, today Uzbekistan aims to take a fundamentally new approach to the use of Natural Resources. A vivid example of this is the establishment of the production of products of high added value on the basis of deep natural gas processing of the new UzGTL plant. Thanks to such large projects, Uzbekistan is gradually abandoning the export of natural gas raw materials and reducing the import of petroleum products. This suggests that a significant contribution is being made to strengthening our energy independence. The UzGTL complex, which is considered one of the largest investment projects not only in Uzbekistan, but also within the CIS countries, is an example of innovative production. Also, one of the most modern and innovative in the CIS is the central control remote control of the enterprise and the central laboratory of the plant. New enterprise GTL, that is, on the basis of " gas – to-liquid " technology, produced 3.6 billion meters of natural gas per year, 1.5 million tons of finished products-aviakerosin, diesel it has the capacity to produce fuel, naphtha, liquefied gas. Such a plant has so far been built in only 4 countries in the world – Qatar, Nigeria, JAR and Malaysia. Oil products and hydrocarbon raw materials are produced here, replacing imports with a total value of US \$ 1 billion or more than 12.8 trillion soums per year. The extraction of value-added products from natural gas based on GTL technology is carried out in three stages. Modern types of fuel made on the basis of this technology are environmentally quality and clean. This, in turn, also corresponds to the principle of non-harm to nature, which today has become an urgent issue. Take GTL diesel fuel, for example. It has a high technical description and practically does not contain sulfur content. Likewise, GTL kerosene offers airlines a safe and profitable way to reduce emissions into the atmosphere.

At the same time, electricity is produced autonomously at the expense of excess steam generated during production. That is, the issue of providing electricity to the plant" Uzbekistan GTL " was also solved in an innovative way. Thus, the enterprise not only independently produces the electricity necessary for its activities, but also, if necessary, supplies the additional volume of electricity generated to national power networks. In addition, on the basis of innovative technologies, modern high-quality UzGTL products are produced from recycled gas. At the same time, in order to increase the production of nafta

polymer products produced at the UzGTL plant, the production capacity of the “Shurtan gas chemical complex” is sent for processing to expansion facilities, thereby creating a single petrochemical cluster.

It should be noted that in the creation of the UzGTL synthetic liquid fuel production project, advanced technological solutions from leading companies such as Sasol (South Africa), Haldor Topsøe (Denmark), Chevron (USA) and Honeywell were used. UzGTL products that meet high international standards are supplied primarily to cover the domestic needs of the Republic for petroleum products, in particular diesel fuel and kerosene, as well as liquefied gas. In addition, there will also be the possibility of export, as the products produced are of high quality.

Separately, it should be noted that the UzGTL plant is an example of structural changes carried out in Uzbekistan in the field of deep processing of hydrocarbon raw materials and an indicator of the pace of development of the petrochemical industry of our country.

CONCLUSIONS AND SUGGESTIONS

In conclusion, the fact that in modern enterprises engaged in innovative entrepreneurship and supporting foreign experience in the production process, innovations were introduced, wages increased by 2-3 times compared to traditional enterprises, labor productivity increased by 2 times, and quality and well-being of workers, especially in relation to the Advanced standard of living, shows the positive aspects of today's innovative economic reforms. But along with the achievements, there are problems that need to be solved. In particular:

the fact that our entrepreneurs do not have sufficient skills in business management;

the inability of working employees to quickly master the news;

they cannot adequately assess internal and external risks, the need for innovation and their own situation in the world market;

sufficient attention to the development of enterprises, increasing competitiveness not focused;

there are also many problems in the organization of the business environment and the development of a structure for stimulating innovation.

In solving these problems, we consider the following suggestions and recommendations as appropriate:

in the process of financing scientific research, it is necessary to increase the role of private business, which will give an impetus to increase the efficiency of investment in research and development;

it is necessary to increase the level of investment required for innovation and strengthen competition;

It is necessary to support the marketing search engine for developments created in Uzbekistan, which is a key element in promoting foreign patenting and innovation.

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