

The Importance of Innovative Activities at the Modern Stage of Economic Development

Turkish Online Journal of Qualitative Inquiry (TOJQI)
Volume 12, Issue 8, July 2021: 2532-2540

The Importance of Innovative Activities at the Modern Stage of Economic Development

SattorkulovObidkulTurdikulovich, MamatovAxmadjonAtadjanovich,
RakhmatovKomoliddinUralovich, BoribayevErkinjonNarbayugli, Obidov Rasul Abdulkhayevich,
UmaraliyevOlimRaushanovich, NurmukhammedovaMukhtabarHasanovna,
BekmukhammedovaBarnoUktamovna, MamazhanovaSaidaVakhabzhanovna

Gulistan State University

Author Note

Data collection and preliminary analysis were funded by the faculty of the Economics Department of Gulistan State University. The results of the research were presented in the form of a poster at the Gulistan State University in 2020, the city of Gulistan, the Republic of Uzbekistan. We have no conflicts of interest to report. Correspondence concerning this article should be addressed to AlimKh. Shoev, Department of economy, Gulistan State University, Republic of Uzbekistan, 120100 Gulistan city, 4th microdistrict, alim_shoev@mail.ru.

Abstract: This article presents the main ways in which innovation can have a positive impact on economic growth, welfare of the population, economic structure, social image of society and various sectors of the economy, innovation opportunities, their application and development prospects. The need for innovative activities in the Republic of Uzbekistan and the main directions of state policy in the field of development and support of innovative projects in the country are considered separately. The authors of the article summarized and studied various theories and statements of academic economists about innovation, analyzed the degree of study of this problem by domestic and foreign researchers, presented their arguments and points of view in the field of innovation. The article separately examines the scientific study of patterns, trends and opportunities for the development of innovation in the economy of modern Uzbekistan, in particular, the positive impact of innovation on various sectors of the economy, development and prospects of Uzbekistan, subject to the introduction of innovations in the country.

Key words: innovation, novation, science, innovation infrastructure, innovation activity, innovation process.

Introduction

We stand on the position of the need to select and implement a strategy for innovative development, concentrate the efforts of the people, the state, and business on the development of fundamentally new, competitive technologies and products, innovative renewal of a critically outdated production apparatus, transition to an innovativeways of developing the country, enhancing the role and responsibility of the state for the choice and implementation of the strategy, for the development and dissemination of new generations of technology and

technology, for the efficiency of integration processes, for promoting the increase in the innovative activity of entrepreneurs, scientists, designers, engineers - the young generation, which will have to

SattorkulovObidkulTurdikulovich, MamatovAxmadjonAtadjanovich,
RakhmatovKomoliddinUralovich, BoribayevErkinjonNarbayugli, Obidov Rasul Abdulkhayevich,
UmaraliyevOlimRaushanovich, NurmukammedovaMukhtabarHasanovna,
BekmukammedovaBarnoUktamovna, MamazhanovaSaidaVakhabzhanovna

accept the fateful solutions and implement them in the coming decades. Only on this basis can high rates of economic growth and social development be ensured.

Literature review

The foundations of the theory of innovative development were laid by N. Kondratyev, J. Schumpeter, P. Sorokin, S. Kuznets, G. Mensh, developed in the works of modern foreign and domestic researchers Kuzyk B.N., YakovetsYu.B., Toshpulatov T., Rasulev A.F., Trostyansky D.V. etc. For example, our domestic researcher of the problem of innovative development of the economy D. N. Akabirova notes that "... the significance of science for the economy and society is determined not only by specific achievements. Scientific knowledge has no boundaries, and in the modern world many fruits of science can be used without having a powerful national science. However, there is a type of knowledge that cannot be obtained either in foreign literature or from a foreign expert. This knowledge is associated with the functions of science as a system-forming factor in the country's development". (Akabirova 2011). In reality, however, sustainable economic, scientific and innovative development cannot arise spontaneously. It requires the presence and successful functioning of a growth mechanism adequate to the situation, providing for the creation of the necessary economic, financial, organizational and legal conditions. Consequently, Russian scientists, researchers in the field of innovation A.K. Kazantsev & L.I.

While studying the importance of innovation for the economy as a whole, Mindeli states that "... intensive factors are of decisive importance for economic dynamics. In turn, the growth in the qualifications of personnel and labor productivity, the return on materials and equipment is determined by the achievements of science and technology, advanced experience and the degree of their use in the economy, i.e. dissemination of innovations. The contribution of scientific and technological progress to the growth of the gross domestic product of the most developed

countries is, according to various estimates, from 75 to 90%. " (Kazantsev & Mindeli 2004). In domestic and foreign economic literature, there are different interpretations of such categories as "innovation", "innovation" and "innovation". In some cases, these concepts are used interchangeably, but there are some differences between them.

Research methodology.

The main topic of the research is the scientific study of patterns, trends and opportunities for the development of innovation in the economy of Uzbekistan today, in particular, the positive impact of innovation on various sectors of the economy. The development and prospects of our country, the success of large-scale reforms carried out in the republic directly depend on the introduction of innovations into our national economy.

The research work used methods such as observation, generalization, grouping, comparison, induction, deduction.

Analysis and results.

Uzbekistan is in the process of transitioning to a qualitatively new stage of development based on innovation and science, within which the intangible sphere is turning into the most important factor in the competitiveness of the economy. As the President of the Republic of Uzbekistan Sh.Mirziyoyev noted in his message to the Oliy Majlis "... science and innovation create the basis for

The Importance of Innovative Activities at the Modern Stage of Economic Development

the development of the country" (Mirziyoyev 2020). Today, the development of innovative activities is one of the main factors in the development of entrepreneurship and achieving success in the market. In a crisis and a downturn in the economic situation in the country, investing in innovation and their return is the direction that will help keep enterprises afloat. It should be borne in mind that everything is not so simple and unambiguous. The effect of investing in innovations and their introduction into production processes depends on the institutional environment created in the country that regulates and promotes the development of the innovation sphere. One of the important stages in this direction

was the creation of the Ministry of Innovative Development of the Republic of Uzbekistan, which implements a unified state policy in the field of innovative and scientific and technological development of the republic, the formation of a Fund for support of innovative development and innovative ideas under it. At the same time, a number of problems remain that impede the establishment of effective mechanisms of interaction, strengthening the connection between scientific research and manufacturing industries, which is primarily due to such factors as:

- low and unsatisfactory indicators of commercialization of the results of scientific work of higher educational institutions and research of scientific research organizations;
- the lack of mechanisms to stimulate innovation processes, the implementation of comprehensive programs of innovative development and innovative activity at the regional and sectoral levels, support of innovatively active business entities;
- insufficient involvement of representatives of the private sector in innovative activities, including due to their low interest;
- the lack of effective measures to improve the efficiency of distribution and rational use of grants within the framework of state scientific and technical programs;
- the unsatisfactory level of international cooperation and attraction of foreign investment in the field of scientific research and innovation.

An innovation is a new development introduced into civil circulation or used for one's own needs, the application of which in practice ensures the achievement of a significant socio-economic effect (Law of the Republic of Uzbekistan 2020). Innovation is just as useful at the organizational level as at the economic level. There are several provisions of the influence of innovation on the state. The entire structure of the economy is changing under the influence of innovation. Indeed, due to the growth in the efficiency of the use of resources, some of them are released and redistributed to other areas of activity. For example, the share of people employed in agriculture is declining, while in the service sector is increasing. In addition, innovations are the direct cause of the emergence of new industries, industries and the gradual withering away of existing ones.

Innovation is also changing the economic organization of society. New social institutions and economic organizations appear and the content of the relationships between them is transformed. There are shifts in the ownership structure. Management technologies are improving: vertical impacts are increasingly complemented and replaced by horizontal ones. The content of state regulation of the economy is also undergoing changes. Based on world experience, there are 3 main approaches to the formation of state bodies responsible for the development of innovative processes:

SattorkulovObidkulTurdikulovich, MamatovAxmadjonAtadjanovich,
RakhmatovKomoliddinUralovich, BoribayevErkinjonNarbayugli, Obidov Rasul Abdulkhayevich,
UmaraliyevOlimRaushanovich, NurmukammedovaMukhtabarHasanovna,
BekmukammedovaBarnoUktamovna, MamazhanovaSaidaVakhabzhanovna

1. Target regulation - in the country there is a specific ministry or department, the scope of which directly includes only regulation of innovation processes.
2. Adjacent regulation - regulation of innovation processes in the country is carried out by a ministry or department, in which regulation of innovation processes is only one of the directions and occurs in interaction with some other or other directions.
3. Multiple regulation - several ministries or departments are responsible for the regulation of innovation processes, one of which has a leading role and forms the general policy. At the

same time, these state bodies can relate to both the first approach and the second. (Kostyuchenko 2020).

Innovative processes are acquiring more and more social significance. The economic growth generated by innovations not only makes it possible to raise the standard of living of the population, but also contributes to the solution of employment problems through the creation of new highly paid jobs, an increase in the level of education and health care. As the President of the Republic of Uzbekistan noted, "... 2020, without exaggeration, has become a turning point in the field of social protection. First of all, having recognized the poverty of a certain category

of the population for the first time, we began a lot of work to reduce it. A fundamentally new system of targeted work with low-income families, women and youth has been introduced in all districts and cities, in every mahalla. In a short period, 527 thousand people were employed through this system" (Mirziyoyev 2020). In addition, in the current historical period, the process of diffusion of innovations is one of the elements linking various social and economic actors into a single whole, ensuring the unity of the nation, in many cases mitigating social contradictions and conflicts.

The intensity of innovation processes in the modern world has significantly exacerbated environmental problems. In a number of directions, the anthropogenic load on the environment is approaching a critical line, beyond which a disruption of the normal circulation of substances in nature is inevitable. On the other hand, only through innovation is it possible to harmonize the relationship between man and nature. Indeed, it is scientific and technological advances that make it possible to reduce the use of irreplaceable resources and harmful emissions by rationalizing the structure of production and consumption, as well as the spread of recycling technologies. "We have set ourselves a great goal - the formation of the foundation of a new Renaissance in our country, and for this purpose we must create an environment and conditions for the upbringing of new Khorezmi, Beruni, Ibn Sino, Ulugbek, Navoi and Babur.

The most important factors in this historical process, an integral part of our national idea are the development of education and upbringing, science and innovation, the establishment of a healthy lifestyle" (Mirziyoyev 2020). By and large, innovation affects the economy in the same way as it does on the organization only on a macroeconomic scale. The four main benefits of innovation to enterprises can be transferred to the macroeconomic realm:

increases competitiveness (in this case, among the economies of different states). The competitiveness of a state is defined as "a measure of a country's ability, under conditions of a

free and fair market, to produce goods and services that meet the requirements of world markets while maintaining or increasing the real incomes of its citizens." (Akabirova 2011)

The Importance of Innovative Activities at the Modern Stage of Economic Development

- ✓ the quality of "products" increases (it is replaced by the population at the economic level), ie. the quality of life is growing
- ✓ production costs are saved (the economy requires less investment, becomes more self-governing)
- ✓ ensuring stable economic growth of the state.

The latter is the most important meaning, from which, by and large, the three previous ones follow. The importance of innovation for economic growth can be confirmed by numerous studies. For example, one of them took into account technical progress, not embodied in production factors (labor and capital), but the influence of the development of innovations in production, which provided additional profit. It turned out that innovations provide a colossal additional profit, which other parallel developing states cannot receive without innovations, and the generator of which can be considered scientific institutions. It is estimated that the contribution of innovation to the development of the economy of our day is 60-70% (therefore, the modern economy can be called a science-intensive economy). Economic growth is the dynamics of the physical volumes of production and consumption of goods and services. High-quality economic growth should be understood as the difference in development between one

state and all others. It is driven by innovations that are remarkable for their added economic value to the user. This additional profit serves as the difference in development between states, because any economic development depends on financial resources. It must be said that the functional role of innovative relations in the economic system also largely depends on what types of innovations are introduced into the economy. A decisive role in the development of the economic system belongs to basic innovations, the conditions for mass development (innovation explosion) of which are created during the economic crisis at the depression phase (technical and

technological stagnation). During this period, bundles (clusters) of basic innovations are formed, allowing to get out of this stagnation and ensure economic growth. Economic growth will be ensured primarily through the creation of competitive production chains and increased investment for these purposes. According to research from Harvard University, our country has all the opportunities and relative advantages in the production of more than 50 industrial goods. In particular, there are all conditions for the petrochemical, metallurgical, engineering, electrical, pharmaceutical, construction, textile, leather and footwear, food industries, as well as areas related to the "green economy", become "drivers" of the national economy. (Mirziyoyev 2020) Thus, innovations in the system of functioning of the economy act, by and large, as a material basis for increasing production efficiency. It is they who play a primary role in increasing the volume of production. So, for example, the increase in national income, according to the estimates of foreign experts, due to innovations is estimated at 80-90%. Innovative activity, thus, gives an impetus to self-movement, is the primary impulse for disrupting the balance and giving the economic mechanism an active role and increases its synergistic effect. Therefore, in our republic, particular importance is attached to the development of innovative activities and the improvement of the management system in the field of science, in particular, the decree of the President of the Republic of Uzbekistan "On approval of the Concept for the development of

science until 2030" dated October 29, 2020 is a confirmation of this. This concept provides for the following:

SattorkulovObidkulTurdikulovich, MamatovAxmadjonAtadjanovich,
RakhmatovKomoliddinUralovich, BoribayevErkinjonNarbayugli, Obidov Rasul Abdulkhayevich,
UmaraliyevOlimRaushanovich, NurmukhammedovaMukhtabarHasanovna,
BekmukhammedovaBarnoUktamovna, MamazhanovaSaidaVakhabzhanovna

- improvement of the management system in the field of science;
- improvement of the system of financing science and scientific activities, as well as diversification of funding sources;
- training of highly qualified scientific and engineering personnel and their orientation towards scientific activity;
- creation of a modern infrastructure for the development of science;

forming a modern information environment, contributing to the development of science. (Decree of the President of the Republic of Uzbekistan "On approval of the Concept for the development of science until 2030". 2020).

The value of innovation can also be represented in the form of socio-economic functions performed by this phenomenon:

- 1) The first function is that practically all inventions are aimed at reducing the cost of energy, living labor, create opportunities for involving new production forces in production, and increase the efficiency of labor and production.
- 2) The second function of innovation is to improve the quality of manufactured products, which leads to an increase in the level of production and consumption, and contributes to an improvement in the quality of life.
- 3) The third function of innovations is that they, by increasing quality, reducing costs and improving consumption, contribute to maintaining the proportions between supply and demand, between production and consumption.
- 4) And, finally, the fourth function - in the course of development, using innovations, a person develops - his intellectual abilities are realized, conditions are created for further creative growth.

In connection with all of the above, today the most important goal in the field of improving innovation is the formation of a unified state policy aimed at determining the prospects and mechanisms that ensure the activation of innovation processes as a source of economic growth in the medium and long term.

Conclusion and suggestions

1. The need for state regulation of innovation processes is primarily due to their growing importance for the economy and society as a whole. In the modern era, the possibilities for increasing the output of goods and services by increasing the employment of the working-age
2. population and involving new natural resources in the economic turnover are becoming more and more limited. Intensive factors are critical to economic dynamics. In turn, the growth in the qualifications of personnel and labor productivity, the return on materials and equipment is
3. determined by the achievements of science and technology, advanced experience and the degree of their use in the economy, i.e. dissemination of innovations.
4. The contribution of scientific and technological progress to the growth of the gross domestic product of the most developed countries is, according to various estimates, from 75 to 90%.

The Importance of Innovative Activities at the Modern Stage of Economic Development

Thus, the first aspect of the national significance of innovations is their decisive influence on macroeconomic indicators. The structure of the economy is also changing under the influence of innovation processes. Due to the growth in the efficiency of the use of resources, some of them are released and redistributed to other areas of activity.

5. Innovations are the direct cause of the emergence of some industries and industries, the gradual withering away and disappearance of others. The impact on the structure of social production is the second aspect of the national significance of innovation processes. Innovation is also changing the economic organization of society. New elements appear in the spectrum of basic economic structures (for example, venture capital firms), the content of the relationships between them is transformed.
6. Significant influence on institutional economic mechanisms is the third aspect of the national significance of innovations. The impact of innovation processes is experienced not only by production, but also by practically all aspects of social life. The structure of consumption of
7. both material and non-material benefits is being improved. Political culture is developing. Legal, ethical and aesthetic norms are dynamically changing.
8. The fourth aspect of the national importance of innovation processes is the increasing identity of the nation's ability to progress and its potential in the production and implementation of innovations. Innovative processes are acquiring more and more social meaning. Along with
9. the fact that the already noted economic growth generated by innovations can improve the standard of living of the population, innovations often contribute to solving employment problems through the creation of new high-paying jobs.

In the current historical period, the process of diffusion of innovations is one of the elements linking various social and economic actors into a single whole, ensures the unity of the nation, and in many cases mitigates social contradictions and conflicts. And so, the impact of innovation processes on social stability is the fifth aspect of the overall state significance of innovation.

The intensity of innovative processes in the modern world has significantly exacerbated environmental problems. The anthropogenic load on the environment in a number of directions is approaching a critical line, followed by inevitably disruption of the normal circulation of substances in nature. However, only on an innovative path is it possible to harmonize the relationship between man and nature.

Scientific and technological advances make it possible to reduce the use of irreplaceable resources and harmful emissions by rationalizing the structure of production and consumption, as well as the spread of recycling technologies. These problems are especially relevant in the light

of the adoption by the world community of the concept of sustainable development in the 21st century, which provides for a stable ecological balance.

The impact of innovation on the environment is the sixth aspect of the national importance of innovation processes. The past century has been marked by the rapid internationalization of economic life. Innovation processes are also acquiring an international

SattorkulovObidkulTurdikulovich, MamatovAxmadjonAtadjanovich,
RakhmatovKomoliddinUralovich, BoribayevErkinjonNarbayugli, Obidov Rasul Abdulkhayevich,
UmaraliyevOlimRaushanovich, NurmukhammedovaMukhtabarHasanovna,
BekmukhammedovaBarnoUktamovna, MamazhanovaSaidaVakhabzhanovna

character, often with an outstripping depth of integration. Cooperation of different countries in the innovation sphere takes place in a wide range of forms - pooling resources in order to obtain

new scientific and technical results, international transfer of technologies both in substance and out of substance, creating a world scientific and innovative infrastructure, implementing innovations of a global nature by its very nature, etc.

10. With the current scale of scientific and technological progress, many innovative projects cannot be carried out by one, even the most developed country. Intensification of international

scientific and technical cooperation is the seventh aspect of the national importance of innovation processes. However, full-fledged integration into the global innovation processes is impossible without the country having an adequate scientific and technological base, as well as mechanisms that ensure the perception of innovations from abroad. The level and efficiency of the country's inclusion in the international division of labor are characterized by its position in the world markets for goods and services, as well as by the availability of qualified specialists. This position is less and less determined by the exclusive possession of natural resources or other temporary benefits of an extensive nature, and even more so by innovations that ensure the competitiveness of products.

11. The eighth aspect of the national importance of innovation is the dependence of the global competitiveness of the national economy on the level of development of innovation processes.

12. The relationship between the levels of scientific and innovative potential and national security is the ninth aspect of the national significance of innovations. The ability to innovate has

now become one of the most important determinants of state security. This position has both external and internal components. As for the international side, we are talking here about ensuring scientific and technological security, i.e. the country has a sufficiently powerful scientific and innovative potential to resist any dictate from the outside associated with restricting access to advanced technologies, breaking the main established technological chains.

Of particular importance is the development of scientific and innovative potential for strengthening the country's defense capability. At the same time, the internationalization of scientific, technical and innovation processes reduces the threat of conflicts due to the increasing technological interdependence of countries. The internal side of the issue is related to the spread of innovations that help prevent catastrophes, natural disasters, terrorist acts, and other illegal actions, as well as minimize their negative consequences.

References

1. Message from the President of the Republic of Uzbekistan Sh. Mirziyoyev to the Oliy Majlis of the Republic of Uzbekistan. 12/29/2020
2. Law of the Republic of Uzbekistan "On innovative activity" No.-630. 07/24/2020.
3. Kostyuchenko A.V. Foreign experience in the formation of management institutions and the development of innovative processes. // Collection of materials of the international scientific and practical conference on the topic "XII Forum of Uzbekistan economists. Socio-economic consequences and poverty reduction of the population of Uzbekistan in the context of a pandemic" // under the general editorship of Sh. Shukurov // Toshkent: IFMR, 2020.-383 p.

The Importance of Innovative Activities at the Modern Stage of Economic Development

4. Akabirova D.N. Innovation strategy (academic pos.) - T.: Economy, 2011 - 352 p.
5. Decree of the President of the Republic of Uzbekistan "On approval of the Concept for the development of science until 2030". No. DP-6097, October 29, 2020.
6. Kazantsev A.K., Mindeli L.I. Fundamentals of Innovation Management. Theory and practice. Textbook.-M.: Economics, 2004
7. Decree of the President of the Republic of Uzbekistan "On the strategy of actions for the further development of the Republic of Uzbekistan" No. DP-4947, 07.02. 2017.
8. Resolution of the President of the Republic of Uzbekistan "On additional measures to improve the mechanisms for introducing innovations in the industry and the economy" No.PR-3698, 07.05.2018.
9. Decree of the President of the Republic of Uzbekistan "On the formation of the Ministry of innovative development of the Republic of Uzbekistan" No.DP-5264, 29.11.2017.