



The Role of Innovations in the Economy

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Abstract: this article mentions how important innovations are for today's development and progress, as well as the benefits of financing innovative projects. In this article, innovations and socio-economic processes related to them, problems in the implementation of the country's innovative policy, as well as scientific proposals and practical recommendations on the more effective progress of the innovative development process in the republic are highlighted.

Keywords: innovation, modernization, infrastructure, credit, investment, banking, interest, resource, discovery, financing.

In 2030, Uzbekistan plans to become one of the 50 innovative economies in the world - this task was recently adopted and noted in the innovative development strategy of the country, in the process of development of which UNDP participated.

Currently, innovation is becoming one of the most characteristic features of economic development. Not long ago, this name reminded of something exotic, unknown and not very clear even among professionals, but now the innovation itself and its concepts are rapidly conquering the world. The international capital market, which plays a significant role in the innovation process and turns innovation into a strategic resource for enterprises, is expanding, and new financial structures are helping it in this regard.

We believe that economic mechanisms are important in complementing market mechanisms and increasing their efficiency. The economic mechanism can include taxes, government contracts, tariffs, licenses, subsidies, credit and control over valuation mechanisms. It is clear that the economic mechanism and the market mechanism are interdependent and complementary.¹

The experience of developed countries shows that innovation is often hindered by people's direct negative attitudes and attitudes. However, a paradoxical situation is developing in Uzbekistan, that is, the whole society expresses positive attitude and support to innovative processes. In particular, it is reflected in many normative legal documents adopted in Uzbekistan and bills widely discussed in social networks. The Law of the Republic of Uzbekistan of July 27, 2020 on innovative activity, the Law of the Republic of Uzbekistan "On Science and Scientific Activity", the Decree of the President of the Republic of Uzbekistan of January 22, 2018 "On the Republic of Uzbekistan in 2017-2021 Presidential Decree on the State Program for the Implementation of the Strategy of Actions in the Five Priority Areas of Development in the Year of Supporting Active Entrepreneurship, Innovative Ideas and Technologies, by the President of the Republic of Uzbekistan Decree No. PF-5975 dated

¹ Azamjonov Ulug'bek Usmonjon o'g'li; Sayidjonov Sanjarbek Nodirjonovich. THE ECONOMIC MECHANISMS AND IMPLEMENTATION OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP. Aca. Glo. Ind.Res. 2021, 2, 427-431.

March 26, 2020, "On measures to fundamentally update the state policy on economic development and poverty reduction", "On the activities of the Ministry of Economic Development and Poverty Alleviation of the Republic of Uzbekistan and its system organizations on organization" No. PQ-4653 dated March 26, 2020, "Improving the system of attracting the population to entrepreneurship and developing entrepreneurship on additional measures" Resolution No. PQ-4862 of October 13, 2020, "On effective organization of the activities of the entrepreneurship development agency under the Ministry of Economic Development and Poverty Reduction of the Republic of Uzbekistan Among them are normative documents such as the decision of the Cabinet of Ministers of the Republic of Uzbekistan dated February 17, 2021. The purpose of adopting these documents is to develop business activities, to create favorable conditions for the creation and development of new entrepreneurs, to help increase the potential and efficiency of the innovation system, and to create a regulatory, financial and informational environment favorable for innovation. It is also to increase competitiveness and productivity in the industry, to encourage the increase of the share of high-tech products, to increase production and to increase the share in the structure of production and export, to expand the use of innovative technologies and advanced management. The aim of the research work is to help increase the potential and efficiency of the system through innovative development of the economy and the creation of new entrepreneurs. The tasks of the research are researching the stages of increasing competitiveness and productivity in the industry and justifying its specific features; to stimulate the increase in the share of high-tech products, to increase production and increase the share in the structure of production and export, to identify the factors affecting the expansion of the use of innovative technologies and advanced management.

In the digital world, it is necessary to have digital literacy, to be able to customize digital ecosystems for yourself. Research shows that a person has something to add to artificial intelligence in order to be stronger - this is creativity and creativity. As for education, it is difficult to dispute the fact that live communication is extremely important. You can talk about online learning, but a young person needs feedback from a teacher. When even a venerable academic gives a lecture over the Internet, perhaps he is able to establish control in an audience in which 100 people listen to him. But if at least every second person wants to ask him about something personally, how is this possible with virtual communication? This cannot be done in real time.

Live communication - is something that needs to be preserved in education.

Undoubtedly, online education is necessary, because it allows you to connect an audience, maintain a quality level and accessibility for millions, and gives a person the right to choose. But the scientific school ensures continuity.²

The President of our country, Shavkat Mirziyoyev, in his Address to the Oliy Majlis, stated that "The management system in the economy is outdated, effective mechanisms for supporting innovative ideas have not been introduced on time, and it remains a serious problem. "Also, technological backwardness, resource and energy-saving technologies, slow implementation of alternative energy sources are obstacles to economic development," he said.

At this point, it is possible to increase the competitiveness of the national economy and enter the world markets, first of all, at the expense of consistent reform of the economy, ensuring the rapid development of new enterprises and production sectors based on high technologies. In other words, economic competitiveness cannot be achieved without the development of innovation activity. Based on the meaning of the term innovation, it can be said that when any discoveries, new events, services and methods are accepted for dissemination, then they are recognized by the public. In this case, the introduction of the innovation means the process of using the innovation, and from the moment of acceptance of the innovation for distribution, the new quality becomes an innovation.

So, the goal of implementing innovation is to achieve a positive result. From this it can be understood that the field of innovation is closely related to the field of investment. In the context of

² Абдуллаева, М. (2022). Introduction of digital technologies into educational processes: theory and practice. in Library, 22(1), 133-141.

the development of the national economy, we can see the following as priority areas of innovation and investment activity:

- modernization of enterprises, further acceleration of technical and technological re-equipment, widespread introduction of modern, flexible technologies;
- implementation of specific measures to support the competitiveness of enterprises producing products for export in foreign markets and creation of additional factors for export promotion;
- increasing the competitiveness of real sector enterprises by encouraging the reduction of production costs and product costs;
- implementation of measures to modernize the electric power system, reduce energy consumption and introduce an efficient system of energy saving;
- supporting domestic producers by stimulating demand in the domestic market.

At present, innovations are spreading wider and becoming more diverse, actively intruding into the life of mankind and changing the way of modern man. This is proof that in the 21st century only the innovation sphere can ensure the effective participation of any country in the world economy, since the development of this activity is the main direction and the main instrument of industrial and economic policy. It has been proven that they occur in every region and every industry, and not just in high-tech industries “natural” for this type of activity, such as biotechnology or information technology. Emerging new industries and industries become leading in the widespread dissemination of innovations. Although they make up a relatively small share of the GDP of the leading countries, nevertheless, it is in these industries that new generations of people will be employed in the current century.³

Of course, the role of innovation in modernizing the national economy and increasing its competitiveness is incomparable. However, for the organization and development of innovation activities in the country, the following conditions must be present and fulfilled:

- ✓ state innovation policy - development and determination of the goals of the country's innovation strategy and mechanisms for supporting priority innovation programs and projects by the state authorities of the Republic of Uzbekistan;
- ✓ investment potential - the sum of resources of the state, industry, enterprise and organization in various forms (including material, financial, intellectual, scientific and technical, economic, etc.);
- ✓ the field of innovation - the fields of activity of producers and consumers of innovative products (work, services), including the creation and distribution of innovations;
- ✓ innovation infrastructure - various institutions that enable and influence the implementation of innovation activities;
- ✓ innovation program (enterprise, industry, territory, state, region, interstate) - agreed on the resources, executors and deadlines of the innovation projects and ensures the effective solution of the tasks of mastering and deploying new types of products a complex of innovative projects and activities.⁴

Most young people strive to find a decent, well-paid job with good working conditions, but at the same time there are problems in confirming qualifications, job requirements due to the lack of the

³ Абдуллаева, М. (2021). Роль государства в управлении инновационными процессами: международная практика, опыт Республики Узбекистан. in *Library*, 21(1), 14–17.

⁴ 1. Borut Likar, co-editors Peter Fatur, Urshka Mrgole; translation Arslingue K.Jontar, TEFL, TBE. — 1st. ed. — El. knjiga. — Ljubljana INNOVATION management [Elektronskivir] Korona plus — Institute for Innovation and Technology, 2013.

necessary work experience, professionalism and a pragmatic vision of the real situation and further prospects for personal and career development.⁵

There are several types of innovation project financing. Funding based on the creditworthiness of the project itself, its participants, their ability to live without taking into account the guarantees of repayment of the loan by third parties will be the main one. The third type of investment financing can be considered as the source of debt repayment. This type of financing is considered the third, in which both cash flows generated as a result of project implementation and enterprise assets serve as loan security.

In the conditions of the current innovative economy, it is considered important to develop not only youth entrepreneurship, but also women's entrepreneurship. Despite the ongoing work, it should be noted that the modern market of Uzbekistan has revealed a pronounced gender focus on changes in the structure of employment in the labor market: a decrease in the share of women in many sectors of the economy, in jobs requiring high professional skills and knowledge, especially in the field of intellectual labor. Gender asymmetry has shifted sharply in favor of men and created a qualitatively new situation in the labor market, employment and professions. That is why the problem of women's economic activity, which is based on her employment, remains important for modern society and the state, and in a market economy, it is women's employment that is a little protected area. Social discrimination against women manifests itself in the fields of labor and employment; distribution of power and property; loans; culture and education; political and spiritual life of society. Despite the positive economic and sociocultural trends in the development of society, which contribute to expanding the field of women's realization of their own potential, they occupy a less favorable position in the field of employment than men. In addition, in modern Uzbekistan there is an acute problem of employment associated with competition for jobs, requiring professionalism, knowledge and skill. In modern conditions in Uzbekistan there has been a tendency towards the lack of demand for the high educational and professional potential of women.⁶

A new trend has been formed regarding the use of innovations in the industry of Uzbekistan. Until then, industries related to the processing of natural resources with the use of cheap labor dominated. However, today Uzbekistan aims for a completely new approach to the use of natural resources. A clear example of this is the new UzGTL plant, which has launched the production of products with high added value based on the deep processing of natural gas. Thanks to such large projects, Uzbekistan is gradually abandoning the export of raw natural gas and reducing the import of oil products. This indicates that a significant contribution is being made to strengthening our energy independence. This UzGTL complex, which is considered one of the largest investment projects not only in Uzbekistan, but also in the CIS countries, is also an example of innovative production. Also, one of the most modern and innovative in the territory of the CIS is the central control panel of the enterprise and the central factory laboratory. The new enterprise has the capacity to process 3.6 billion cubic meters of natural gas per year and produce 1.5 million tons of finished products - aviation kerosene, diesel fuel, naphtha, liquefied gas - based on GTL, i.e. "gas-to-liquid" technology. Until now, such a plant has been established in only 4 countries in the world - Qatar, Nigeria, South African Republic and Malaysia. Oil products and hydrocarbon raw materials that replace imports with a total value of 1 billion US dollars or more than 12.8 trillion soums are produced here. Obtaining 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 friendly and clean. This, in turn, corresponds to the principle of not harming nature, which has become an urgent issue today. Take GTL diesel, for example. GTL diesel with a high technical specification and almost no sulfur content does not emit significant emissions into the atmosphere. Also, GTL kerosene offers airlines a safe and cost-effective way to reduce emissions.

⁵ Abdullayeva M.S. "Problems of the youth labor market in the modern world and Uzbekistan: ways to overcome them". Жамият ва инновациялар – Общество и инновации – Society and innovations Issue -1, №02 (2020) / ISSN 2181-1415. 79 page

⁶ Абдуллаева М. (2020). Woman in the Labor Market: Uzbekistan and World Practice. in Library, 20(3), 2138–2144.

With the development of modern technologies, new payment products, as well as services and methods of financing terrorism are emerging, many of which are similar to money laundering methods used by organized criminal groups. Virtual currencies, such as bitcoin, attract the attention of various criminal groups. This technology allows anonymous money transfers on an international scale. Despite the fact that the fact of the initial purchase of currency can be established (for example, in the banking system), however, the identification of all its subsequent transfers becomes difficult.⁷

The economic and technical viability of the enterprise is the fourth type of project financing.

Nowadays, investments are used to finance innovative projects special importance is attached to orientation. In particular, the bank has set a number of preferential conditions for the financing of investment projects.

Financing of investment projects by the bank.

We know that the implementation of effective innovation projects is important in reducing the cost of products in economic sectors, increasing labor productivity, increasing the quality of products and ensuring the competitiveness of the economy as a whole.

In world practice, project financing often refers to a type of financing organization in which the proceeds from the sale of the project are the only source of debt repayment. However, the term "project financing" is interpreted differently in different countries. For example, in the USA, it is understood that financing is organized in such a way that most of the investment projects are financed from the personal funds of the founder, and the income from the sale of the project is the only source of debt repayment.

The best way to destroy the hidden economy is to increase the role of innovations in the economy.

We believe that it can be said that the shadow economy includes the entire set of economic activities that are not included in the gross national product, that the shadow economy is a set of illegal economic activities, which include concealment of income, tax evasion, smuggling, drug trafficking, fictitious financial transactions - anything that is against the law. From this we can conclude that any relationship that arises in the sphere of production, exchange, distribution or consumption of economic goods that harm society, the state and destroy the individual can be combined with the concept of "shadow economy". In other words, all types of economy that are hidden from the official authorities that regulate money circulation and institutional framework can be called the shadow economy.⁸

In Europe, this term is used to refer to various options and ways of providing financial resources necessary for the implementation of projects. Later, the term "project financing" refers to a system of financial and commercial operations based on loans provided by banks and instrumental budgetary support, support from various state organizations, investment funds, insurance companies and other interested investors. applied [1].

The interrelationship of the economic situation of Uzbekistan with innovation can be seen in the following main aspects, that is, seeing the impact of innovation activity on the national economy as a whole as a material basis of the state; to look as a separate market entity in the analysis of the impact of innovations on the activity of a particular enterprise; studying the socio-economic results of innovation policy implementation.

In the conditions of modernization of the economy in Uzbekistan, innovations are necessary, first of all, for its sustainable growth. Investments in new technologies help to produce competitive, high-demand consumer goods.

The main resources of such development are the intellectual potential of the nation, fundamental science, technology and innovation, which are based on the latest knowledge about nature, man and

⁷ Абдуллаева М. (2022). Economic aspects and financial sources of terrorism. in Library, 22(1), 24–33.

⁸ Abdullayeva M.S.. (2021). Теневая экономика, её влияние на экономическую систему. in Library, 21(4), 86–101.

society. The results obtained in the course of scientific research, including negative ones, contribute to the development and dissemination of knowledge through the education system and increase the overall intellectual potential of society. The leading role of science requires appropriate approaches to forecasting and knowledge management, including from the point of view of the necessary resource provision. At the same time, it should be borne in mind that investments in knowledge do not give a quick return, but work for the future, sometimes quite distant. And if a new powerful intellectual potential is not created in a timely manner, communities of specialists with new competencies are not organized, the country will not be able to realize itself in the global digital space. The human factor will become the most important obstacle to economic growth and innovation, including in Uzbekistan, the development of its competitiveness up to global. In this regard, within the framework of an active scientific and technological policy, a large-scale maneuver is required with all available resources - both material and financial - and the skillful use of digital technologies will be of great importance within this maneuver.⁹

One of the main means of influencing the country's economy and the business activities of economic entities is the innovation policy, which is considered one of the links of the state economic policy. With the help of the state innovation policy, it can directly influence the increase in the rate of production, the acceleration of scientific and technical progress, the change in the structure of social production, and the solution of social problems.

The effects of overflow and accumulation of knowledge (including learning in the process of work) have an impact on the possibilities of applying the results of scientific research in the digital economy. The dissemination of knowledge takes place during the purchase of equipment, technologies, hiring of specialists, whose training should take place continuously in the process of introducing new technologies and mastering innovative methods. Knowledge in the conditions of digitalization can be accumulated and transmitted almost continuously. This fact causes the rapid development of technologies that constantly require new scientific discoveries. As a result, the results of science can be translated into real economic growth faster.¹⁰

Conclusion

In conclusion, let's briefly highlight a number of key activities and measures for the formation and further development of the innovative economy in the Republic of Uzbekistan:

study all the technological knowledge and innovations we need in developed countries, and gradually apply them to the branches of the republic's economy based on our national interests;

attraction of investors and foreign capital to internal innovative projects of main importance;

to organize a knowledge base dedicated to technological innovations and make it accessible to all citizens through the Internet portal;

development of innovation, ensuring reliable protection of intellectual property in turning achievements in this field into products with high added value.

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