

## **EFFECTIVE USE OF INNOVATION POTENTIAL OF UZBEKISTAN**

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### **Abstract**

Republic of Uzbekistan Currently, innovative development is becoming the most important element of the socio-economic development of countries and regions of the world economy. In Uzbekistan, as in other countries of the world community, large-scale work is being carried out to modernize, technical and technological re-equipment of industrial production, and to involve academic and industrial science in this process. Therefore, in our country, the successful experience of states where innovation ensures the expected economic growth of the national economy must be deeply studied, analyzed, made maximum use and adapted.

### **Introduction**

The stable growth of our economy is directly related, first of all, to the development of leading industries. We will support those industries that create products with high added value. Therefore, we need to develop and implement a strategy for the development of areas that will give a powerful impetus to economic development.

Speaking about the challenges facing us in the economy, first of all, it should be noted that the essence of large-scale economic reforms is as follows:

- creating the necessary conditions for an open economy, healthy competition, radical improvement of the business environment and investment climate;
- reducing the state presence in the economy, increasing the number of jobs through accelerated development of the private sector;
- achieving high rates of economic growth through economic diversification and increasing labor productivity;
- training of qualified personnel capable of actively participating in achieving the strategic goals of economic development.

Innovation is a complex economic and organizational process that is based on the use of two types of potential - scientific (the latest technologies and equipment) and intellectual, associated with the ability to introduce innovations at all stages of production and commercial activities.

An important element of this process is its investment support - finding and rational use of financial resources. In each country it develops in its own way, in accordance with the specifics of the economic structure. But one thing is clear: these complex relationships must be regulated within the framework of public policy aimed at creating a national innovation system (NIS). NIS assumes the most direct interaction of public and state institutions, educational institutions and business communities in pursuing a common long-term development strategy. The decisive role in the formation of such a strategy and provision of the necessary institutional conditions for its implementation belongs to the state. When developing in our

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country the concept of forming a system for the commercialization of scientific and technical developments and innovations, five main elements of the innovation system were identified. The development of these elements is urgently needed for more active involvement of science in the field of economic development:

regulatory framework for innovation;

institutions for financing innovation activities;

information complex; scientific and educational base of innovation; structure of technology transfer.

To improve the regulatory framework for scientific and innovative activities in the country, large-scale work has been done. Over the last period, the Republic has developed and implemented more than 60 regulations. Two most important laws - "On Science and Scientific Activities" and "On Innovation Activities" today serve as a solid basis for the development of research and innovation activities in the country. Also last year, the developed Concept for the development of science in the Republic of Uzbekistan until 2030 was adopted. The document defined the foundations of the country's scientific and innovative development for the medium and long term.

Plan for the phased development of the scientific sphere (Concept for the development of science of the Republic of Uzbekistan until 2030):

- Increasing the share of funds allocated to science from 0.2 to 2% of GDP;
- increasing the share of Uzbekistan in the total number of articles published in international scientific journals indexed in the international scientific database Scopus and Web of Science, from 0.008 to 0.2%;
- increasing the involvement of young specialists in science and bringing the average age of scientists to 39 years;
- increasing the composition of young scientific specialists of the highest category from 11 to 30% of the total number of applicants under the age of 39;
- increasing the share of the cost of machinery and equipment with a service life of up to five years in the total cost of existing machinery and equipment in research and development organizations from 12 to 50%.

Summarizing the international experience of forming a national innovation system, we can distinguish two main types of strategy. So, the first type is a "borrowing" strategy or a catch-up development model. With this type of strategy, the investment policy is aimed mainly at the formation of a technological base by directing capital to the acquisition of the latest equipment, technical and technological re-equipment of production. This helps to reduce production costs, increase the level of production and the competitiveness of goods on the world market. This type is typical for developing countries. The second type is a "build-up" strategy or a model for increasing existing scientific potential using one's own scientific and technical potential. The Republic of Uzbekistan is pursuing an active policy aimed at improving the technological base of enterprises in the real sector of the economy through widespread modernization, technical and technological re-equipment of production. Thus, since 2007, industrial modernization programs have been implemented aimed at updating production capacities. However, despite this, today there is a shortage of necessary competitive capacities. The production facilities operating at enterprises today are ineffective

and require high costs for routine maintenance, which does not allow the production of modern types of competitive products.

The activity of inventors in the country for the period from 2018 to 2021 remains stable, as evidenced by the following data: annually in the period under review, about 500 applications were filed for a patent for an invention. At the same time, the number of patents received among the total number of applicants decreased from 64% to 30%. During the period under review, the number of registered trademarks increased by 12% and registrations of computer programs increased 3 times. This data confirms that innovation activity among software developers is growing in the country and innovators are becoming more active in protecting their intellectual rights.

All NIS countries have, to one degree or another, made the transition to an innovative path of development. Great emphasis is placed on the implementation and development of innovation policies that contribute to the accelerated pace of modernization of industrial sectors and the creation of high-tech industries on their basis.

Based on this, in our republic it is advisable to use the following measures and mechanisms:

- expanding the volume of financing of investment projects aimed at creating new high-tech industries equipped with advanced technology;
- stimulation of the transfer of domestic and foreign technologies, introduction of innovations at enterprises, creation of industry research and production clusters;
- ensuring effective coordination of innovation activities, increasing the role of applied sciences in the introduction of innovation into industrial production;
- introduction of modern forms of innovation management and commercialization of innovations;
- formation of a system of training and retraining of qualified personnel for the modern economy.

Thus, the main goal of the innovation policy of Uzbekistan is to master the results of science in production to modernize the economy, ensure progressive structural transformations, and increase the competitiveness of products.

As part of the innovation and investment strategy, there will be a purposeful, intensive and large-scale implementation of the most important tasks:

- accelerated formation of a national scientific and innovation system, the central core of which should be fundamental science, and the core frame - scientific and innovation cycles for the development of priority critical technologies;
- providing free universal secondary and vocational education to all segments of the population, allowing them to independently search for knowledge and improve their cultural level;
- providing all interested citizens with the ability for independent scientific and innovative creativity with the social and legal prerequisites for obtaining higher and postgraduate education, mostly free of charge;
- organization of a legislatively organized various environment and infrastructure in the domestic market and stimulation of entry into world markets with inventions, discoveries, and know-how.

The innovation system of the Republic of Uzbekistan currently includes:

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- 1) reproduction of knowledge by conducting fundamental and exploratory research in the Republican Academy of Sciences, other academies of sciences with state status, as well as in the country's universities;
- 2) conducting applied research and technological development in the country's state research centers and industrial scientific organizations; introduction of scientific and technical results into production;
- 3) industrial and agricultural production of competitive innovative products;
- 4) development of the infrastructure component of the domestic innovation system;
- 5) training of personnel in organization and management in the field of innovation.

The implementation of the main goal of scientific and innovation policy and conceptual tasks for the transition to an innovative economy is envisaged in three stages:

The first stage involves the justification of a systemic innovation strategy and priorities for the development of science, macro-technologies and innovations; formation of a national scientific and innovation system; creation of legislative and legal mechanisms for the development of an innovative economy and increasing targeted financing of the innovation and production sector to 20% of GDP based on state support for targeted programs, as well as increasing the share of budget financing of fundamental science to 6.5% of GDP.

The second stage consists of diversifying the structure of the economy on the basis of a structural-investment maneuver to ensure the priority development of high-tech industries and innovative technologies with the further expansion of social-innovative infrastructure based on the development of the national NIS and the deployment of the domestic market of innovations and technologies (RIT), the formation of investment-stimulating tax system

The third stage considers the transition to a structural-reproductive innovation-investment maneuver with the deployment of completed cycles of expanded innovative reproduction based on the integration of scientific and innovative potential, restoration of highly qualified personnel and scientific potential through the introduction of universal higher education, considered as the basis for the formation of a future social-scientific community in RUz.

The study allows us to draw the following conclusions.

It is necessary to carry out a structural and investment maneuver in order to create the prerequisites for the transition to an innovative economy and the development of knowledge-intensive industries. To do this you need:

The first is to ensure a multiple increase in the capacity of the national market (20-30 times) and significantly improve the qualitative structure of demand for domestic high-tech products in accordance with long-term priorities for the development of innovative production and the service sector.

The second is to form a domestic investment and financial market and introduce mechanisms for state stimulation of the growth of financial activity of the population for investment in the priority development of knowledge-intensive sectors of the economy and social sphere based on innovation.

Third, based on foreign experience, create an Uzbek social development fund (UzFOR), as was done in Kuwait, Sweden, Kazakhstan, etc., the financial resources of which should be credited to individual savings accounts of each citizen, from birth to death, and then be directed towards investing in the innovative economy.

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To achieve the intended goals, socio-economic prerequisites and mechanisms must be created to solve the following main tasks:

- 1) ensuring the rapid development of fundamental science, the most important applied research and development;
- 2) provision of state program funding for scientific research;
- 3) improvement of the regulatory framework for scientific, scientific-technical and innovative activities;
- 4) a rational combination of government regulation and market mechanisms;
- 5) improving the system for training highly qualified scientific and engineering personnel in the field of science and technology;
- 6) development and modernization of defense innovations;
- 7) increasing economic and innovative security in the country.

In general, we can conclude that Uzbekistan has the basic conditions for the transition to an innovative type of economic development; the necessary elements of the national innovation system have been formed. A powerful impetus for the development of innovation activity in the republic can be the involvement of private, corporate and foreign capital in this area.