



INNOVATIVE PROCESSES IN THE DEVELOPMENT OF THE ECONOMY OF REGIONS

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ANNOTATION

The article explores a number of factors that determine the need and opportunities for innovative development of the regional economy.

KEY WORDS: *content of innovative processes, market infrastructure, innovative potential, factors of innovation, innovative activity.*

DISCUSSION

It is well-known that the XXI century is characterized by a sharp acceleration of scientific and technological progress in all sectors of the economy. Therefore, in Uzbekistan, the ongoing socio-economic reforms, along with predominantly market content, are aimed at creating technologically advanced technological production. This is expressed, along with other very important points, in the fact that in all sectors of the economy development is increasingly based on innovative processes. In modern conditions, the economic development of each region of the country depends not only on investment processes, but also on how innovative they are. The region cannot remain within the framework of the historically established technological level and structure of the economy, because in this case the social and economic problems will not only be preserved, but also aggravated. From an economic point of view, the creation of new and modern industries and enterprises allows you to create new markets for existing business entities, and more efficiently use the labor and raw materials potential of the region. The training of appropriate personnel for them and their use means strengthening the intellectual potential of the region. Higher labor productivity and population incomes provide a reliable basis for accelerating socio-economic development. Therefore, in Uzbekistan, the announcement of 2020 as the "Year of the Science, Education and Development of the Digital Economy" and the efforts being made within its framework, with its main content in mind,

are to further intensify investment and innovation processes, including in the regions.

In Uzbekistan, the consistent introduction of market mechanisms in various sectors of the economy and macroeconomic policies are aimed at creating a modern high-tech, highly efficient and dynamically developing economy. Accordingly, in the adopted state investment programs, priority is given to measures to upgrade production on a new technical and technological base, that is, technological progress is placed at the center of economic development. In turn, the new technical and technological base brings the greatest effect when it is innovative in nature. Innovations can be considered, first of all, as a result, as a fundamentally new tangible and intangible good with new properties (new products, materials, processes, methods, etc.). On the other hand, they are a process in which changes are aimed at the development, dissemination and use of innovations. In the second sense, innovations are interpreted as the result of the process of innovations (innovation process), developing in time and having distinct stages and stages. In our opinion, in relation to a developing economy, the interpretation of innovations should be somehow expanded, and here any progressive changes in the productive forces and in the organization of production that significantly increase economic results can be considered as innovations.

In conditions of global competition, the ability of the national economy to create and introduce innovations decisively determines its place in the world economy. Therefore, giving the national economy an innovative focus is very important. With



the onset of the coronavirus pandemic, the need and relevance of introducing innovations in all spheres of socio-economic life has especially intensified, which is also associated with an increase in the value of the economy's ability to function autonomously (economic sovereignty). This follows from the fact that in the conditions of global crises, each country, one way or another, is forced to solve its problems with its own resources, although one cannot ignore the importance of external sources - material, financial, scientific, etc.

"The Strategy for the Further Development of the Republic of Uzbekistan in 2017 - 2021", approved by the Decree of the President of the Republic of Uzbekistan dated February 7, 2017, proceeds from the need to strengthen the innovative component in the development of the economy, including in certain regions of the country. In 2018 alone, in Uzbekistan, within the framework of the State program, 76 thousand projects were implemented with a total value of 21 trillion soums and 1 billion US dollars. The total cost of 456 projects implemented in cooperation with foreign investors amounted to 23 billion US dollars, including the cost of projects implemented in cooperation with the World Bank, European Bank for Reconstruction and Development, Islamic Development Bank and Asian Development Bank - 8.5 billion dollars USA.

In our opinion, from an economic point of view, innovation should be considered at the global, national and regional (local) levels. With regard to the national and regional economies, the interpretation of innovations should be somewhat expanded, and here any progressive changes in the productive forces and in the organization of production that significantly increase economic results can be considered as innovations. It should be noted that during the period of overcoming the consequences of the coronavirus epidemic, this approach is also of practical importance.

In essence, the innovative orientation of the economy, and in this sense, contributes to the successful socio-economic development of the region for the following reasons:

- firstly, any innovation requires and is accompanied by an increase in the level of intellectualization of the labor force and the population, since through innovations, the achievements of human intelligence, scientific and technical results, the intellectualization of labor activity, and the increase of its high technology are implemented;

- secondly, innovations expand the range of goods and services produced, as well as improve their quality, which contributes to the growth of the needs of each person and society as a whole and the

satisfaction of these needs, and from a market point of view it creates both demand (income growth) and supply (expands production). In a crisis, this may be the starting point for overcoming the recession;

- thirdly, innovations make it possible to involve relatively cheap local resources in production, turn them into new productive forces, create goods and services with less labor, materials, energy. In the regions, this is especially true, since a significant part of the agricultural food raw materials is simply lost due to the lack of not only capacities, but also ways of storage and processing;

- fourthly, the concentration of innovations in one sphere or another helps bring the reproduction structure in line with the structure of changing needs and the structure of the external environment, create clusters of certain areas and take advantage of cooperation and enlargement of production. However, without new technological, financial and logistical innovations, clusters cannot justify themselves;

- fifthly, innovations serve as an incentive for entrepreneurial activity, especially in the field of small business, encourage the search and development of new goods and technologies in order to resist and win the competition, occupy new market niches in the domestic and foreign markets.

It is believed that a critical part of innovation is concentrated in developed countries. However, the creation of their own innovations in any country never stops. At the same time, the allocation of necessary financial and material resources and the creation of organizational conditions give an impetus to a significant increase in their number, that is, they ensure the real functioning of the innovative potential of the country and the region. In this sense, the following indicators of innovative potential are distinguished:

- 1) The volume and share of the cost of research and development in the gross domestic product of the country and region (the presence of innovative potential in the economy);

- 2) The number of articles in scientific and technical publications per million people (scientific results of the innovative potential of society);

- 3) Indicators of the creation and implementation of innovations - the number of patents, inventions, new products, new designs and ideas (technological results of the innovative potential of society).

The most general condition for strengthening the innovation orientation of the economy is stable economic growth. It leads to the expansion of volumes and qualitative improvement of the main factors contributing to the strengthening of the innovative potential of the regions:



a) With stable economic growth, an increase in real incomes of the population occurs simultaneously with an increase in the share of income from entrepreneurship in them, which strengthens material incentives for innovation;

b) Human capital (the presence and strengthening of the education system, the functioning of academic lyceums and vocational colleges, higher educational institutions, the introduction of training in the latest areas of science and technology);

c) The development of infrastructure (improvement of living conditions, transport and communications, various other services);

d) Improving the management system of local authorities and business entities;

e) Social world and social partnership;

f) The openness of the region to foreign economic relations (the possibility of obtaining innovations from outside and the implementation of results in foreign markets), the presence of foreign economic infrastructure.

Note that in Uzbekistan, these factors are involved. So, at present, there is a significant increase in resources for the formation of human capital (strengthening the education system - since 2017, the task was to almost completely enroll children in the preschool education system, the system of functioning of vocational education is being improved, the accelerated expansion of the higher education system has been envisaged (60 percent of school graduates are enrolled in higher education, introduced new directions of bachelor and magistracy). An accelerated development of infrastructure is taking place (improvement of living conditions - a sharp expansion of the scale of standard housing construction in rural areas and multi-storey residential buildings in the city, taking into account the financial capabilities of the population, transport (all types of public transport have been restored in the country recently on a scale significantly exceeding the previous level) and communications (in 2018, the State Program for the Development of ICT in Uzbekistan was adopted), various types of other services).

The system of managing economic resources is improving, primarily the finances of central and local authorities and business entities - in 2018, measures were taken to ensure transparency of the public procurement system, the most scarce material resources will be realized through electronic exchange trading with free access for all business entities, significantly expanded the financial independence of local governments at all levels. Innovations presuppose the presence of legal (inviolability of private property, observance of the rights of producers, organizational and legal norms),

organizational and institutional (presence of state and non-state institutions supporting producers), economic (economic entities must have the necessary amount of capital), financial (the ability to attract financial resources from other spheres and sectors, state financial support), personnel (training and retraining of personnel belt areas), scientific and technical (scientific research) assumptions of market infrastructure.

The innovative directionality of economic development cannot be provided in isolation from global economic processes, from world scientific and technological progress. The use of its results is based on relevant monetary and financial conditions. Therefore, the government has taken measures to substantially expand opportunities for obtaining innovations from outside (since 2017, a course has been taken to liberalize foreign economic relations - the mandatory sale of part of foreign exchange earnings has been canceled, financial conditions for the export of goods and services have been simplified, a full transition to a market currency exchange rate has been made, import privileges have been introduced) advanced technologies and equipment of world standards, guarantees for foreign investors are strengthened).

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