

PROBLEMS OF TRANSITION TO AN INNOVATIVE ECONOMY IN UZBEKISTAN

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Abstract: This article explores the transition to an innovative economy in Uzbekistan and the role of innovation in the country's economic development. The necessity of implementing innovation policies, effectively attracting innovative investments, and developing innovation infrastructure is discussed.

Keywords: Innovation, innovative economy, Uzbekistan's economic condition, innovation-investment activity, innovation infrastructure, innovation projects, intellectual resources, innovation potential, innovation program, human resource capacity.

Introduction. Currently, the opportunities for expansion and rapid development of traditional manufacturing technologies are limited, so industries based on innovative technologies are growing rapidly in many countries around the world. In today's context, broad utilization of achievements in global science and innovation has become a crucial factor for ensuring consistent and sustainable development in all spheres of society and state life, and for building a prosperous future for the country.

An innovative economy is essentially a technology-based economy that increases value added through technology and creates gross domestic product through technological innovation in the production of high-tech and knowledge-based products. Different countries have their own approaches to implementing innovation systems: some countries focus on developing scientific research and increasing production capacity, while others support innovation by combining research and development with corporate production.

In his Address to the Oliy Majlis, the President of our country, Shavkat Mirziyoyev, noted that "the outdated management system in the economy and the failure to introduce effective mechanisms to support innovative ideas in a timely manner remain a serious problem. "Furthermore, technological backwardness, the slow adoption of resource- and energy-saving technologies, and alternative energy sources are hindering economic progress."

In this context, enhancing the competitiveness of the national economy and accessing global markets can only be achieved through the consistent reform of the economy and rapid development of new enterprises and industries based on advanced technologies.

Main Body. Modernizing the national economy and increasing its competitiveness is impossible without innovation. However, for innovation activities to be successfully organized and developed in the country, the following conditions must be met:

State Innovation Policy: Development and implementation of mechanisms to support

the goals of the country’s innovation strategy and priority innovation programs and projects by public authorities;

- Investment Potential: The aggregate of resources in various forms (material, financial, intellectual, scientific-technical, economic) at the state, industry, enterprise, and institutional levels;
- Innovation Sector: The scope of activities involving producers and consumers of innovative products (goods, works, services);
- Innovation Infrastructure: A set of institutions that enable and facilitate innovation activities;
- Innovation Program: A coordinated set of projects and measures (at enterprise, sectoral, regional, national, or international levels) aimed at the effective implementation of innovation initiatives.

In Uzbekistan, innovations are essential for the stable growth of the economy during modernization. Investment in new technologies facilitates the production of competitive goods in high demand. One of the primary tools influencing entrepreneurship and economic activities is the state’s innovation policy, which can drive increased production, accelerate scientific and technological advancement, restructure social production, and help address social issues.

Uzbekistan ranked 82nd in the latest Global Innovation Index (GII). The table below presents the country’s rankings over the past four years, reflecting available data and changes made to the GII model.

Table 1.

Key Indicators of the Republic of Uzbekistan (2020–2024)			
Year	GII Rank	Innovation Inputs	Innovation Outputs
2020	93	81	118
2021	86	75	100
2022	82	68	91
2023	82	72	88
2024	83	71	91

Source: Global Innovation Index 2024: Uzbekistan, page 1.

If we analyze the statistical data given in the table:

- In 2024, Uzbekistan demonstrated better performance in innovation outputs than inputs.
- The country ranked 91st in innovation outputs and 71st in innovation inputs.

The most critical element of the national innovation system is innovation infrastructure, which connects scientific results with commercially viable products. The existence of such infrastructure is a fundamental requirement for building national innovation systems in developed countries.

Innovation infrastructure is a collection of subsystems that provide access to various resources and offer services to innovation participants for developing and commercializing innovative products. A crucial role is supporting small innovative enterprises.

Main components of innovation infrastructure include:

1. Production and technological infrastructure
2. Financial infrastructure
3. Expert and consulting infrastructure

Currently, foreign specialists attempting to work in Uzbekistan's high-tech and innovation commercialization sectors face several challenges:

1. Lack of qualified managers
2. Lack of transparency among Uzbek companies
3. Insufficient technical infrastructure, both in narrow (technological) and broad (transport, communication, visa regime) senses

Uzbekistan is in a transitional stage, combining elements of the old administrative command system with new market-based innovation systems. Despite progress, efforts remain inconsistent, and infrastructure components for commercialization have developed independently and lack coordination.

Several phases of the innovation cycle lack sufficient financial, informational, and infrastructure support, particularly affecting small firms attempting to commercialize research and development outcomes.

Innovation plays a significant role in the modernization of the Uzbek economy, which is implemented through the following key measures:

1. Study and application of technological knowledge: Studying technologies in developed countries and gradually introducing them into various sectors of the national economy, thereby achieving innovative development.

2. Attracting investment: Attracting investors and foreign capital to innovative projects, especially business innovation programs, thereby supporting technological achievements.

3. Forming an innovative knowledge base: Creating a knowledge base necessary for the development of innovations and making them available to the population through online platforms. This will help to widely disseminate technological innovations and knowledge.

4. Protecting intellectual property: Protecting intellectual property when transforming innovations into high-value-added products, which will support the introduction of new technologies.

Conclusion. A long-term innovation policy is recognized as one of the main factors in increasing the country's economic potential, sustainable development and competitiveness.

This policy contributes to the modernization of production sectors in the economy, the implementation and support of new strategic projects in the scientific and technical sphere, and the introduction of technological innovations. The development of domestic innovative technologies is of particular importance.

To develop an innovative economy in Uzbekistan, several essential measures must be undertaken:

- Study and gradually adopt the most relevant technological knowledge and innovations from developed countries based on national interests and apply them in different sectors of the economy;
- Attract both domestic and foreign investors to support strategically important internal innovation projects;
- Create a knowledge base dedicated to technological innovation and ensure public access through an online portal;
- Ensure robust intellectual property protection to transform innovations into high value-added products.

Building an innovative economy is now recognized as one of the key conditions for ensuring competitiveness and sustainable development in Uzbekistan. Key priorities for achieving this include:

Developing mechanisms for implementing scientific research and technologies in production. The state should provide necessary material, technical, and human resources to support scientific and innovation programs, including the effective functioning of research centers, technoparks, and innovation clusters.

Modernizing industry and integrating innovation into production sectors. This involves promoting high-tech production and exports, improving product quality and technology for domestic and international markets.

Strengthening public-private cooperation in innovation. The state should develop legal and financial tools to support private sector participation in innovation, including venture capital and startup support.

Modernizing the education and science system. This requires training highly qualified specialists and researchers, and strengthening the link between scientific research and industry. Education should be geared toward innovation and practical application.

Learning from international experience. Adapting global best practices in innovation-based economic development to local conditions and expanding international cooperation is critical.

In general, it is necessary to implement priority areas aimed at further strengthening the technological and scientific potential of our country's economy, modernizing manufacturing enterprises and forming an innovative economy to export high-tech products to the international market. Also, in the development of an innovative economy, training personnel, supporting scientific research and involving new technologies in production processes should become the main directions of state policy. This will allow the

economy of Uzbekistan to gain global competitiveness and achieve strong economic stability.

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