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**PRIORITY DIRECTIONS OF DEVELOPMENT OF
THE REGIONAL INNOVATIVE ECONOMY OF THE REPUBLIC
OF UZBEKISTAN**

Abstract: The article focuses on the development of innovation-oriented elements of the economy and factors caused by the growing role of modernization of market relations in the national economy. Achieving the effect of innovative development of the national economy requires its systemic reorganization based on an effectively functioning economic mechanism. Optimization of the role and magnitude of the innovation component in structuring the economy is implemented as a relatively independent economic process.

Changing the resource structure of the national economy, bringing it to the forefront of the global economy through innovative modernization, and optimizing the formation and accumulation of the nation's wealth are possible through the optimization of human potential. This capability should be supported by measures that stimulate, regulate, and manage human potential for its optimal development. The author concludes that using innovation-directed investments contributes to the formation of an innovation-oriented financial market mechanism, giving the process a more definite and practical character.

Keywords: regional economy, development strategy, innovative activity, innovative development, efficiency, development mechanism.

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**ПРИОРИТЕТНЫЕ НАПРАВЛЕНИЯ РАЗВИТИЯ
РЕГИОНАЛЬНОЙ ИННОВАЦИОННОЙ ЭКОНОМИКИ
РЕСПУБЛИКИ УЗБЕКИСТАН**

Аннотация: В статье рассматривается развитие инновационно-ориентированных элементов экономики и факторы, обусловленные возрастающей ролью модернизации рыночных отношений в национальной экономике. Достижение эффекта инновационного развития национальной экономики требует её системной реорганизации на основе эффективно функционирующего хозяйственного механизма. Оптимизация роли и масштабов инновационной составляющей в структурировании экономики реализуется как относительно самостоятельный экономический процесс.

Изменение ресурсной структуры национальной экономики, вывод её на передовые позиции в мировой экономике посредством инновационной модернизации, оптимизация формирования и накопления национального богатства возможны через оптимизацию человеческого потенциала. Этот потенциал должен подкрепляться мерами стимулирования, регулирования и управления человеческим потенциалом для его оптимального развития. Автор приходит к выводу, что использование инвестиций, ориентированных на инновации, способствует формированию инновационно-ориентированного механизма финансового рынка, придавая этому процессу более определённый и практический характер.

Ключевые слова: региональная экономика, стратегия развития, инновационная активность, инновационное развитие, эффективность, механизм развития.

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In the conditions of modern market relations of the Republic of Uzbekistan, special attention is paid to the implementation of an innovative development model based on traditional Government development strategies of the Republic of Uzbekistan for 2017-2021 (<https://goo.gl/VDXS4k>).

Changing the conditions of various elements of innovative development in a stage-by-stage mechanism dictates: firstly, in our opinion, the urgency of solving the problems of transferring the economy of Uzbekistan to innovative development, because at each stage of this transition it will be important to take adequate measures and use the appropriate elements; secondly, they contribute to the development of all non-economic factors; thirdly, the transformation of the goals of innovative economic development in a necessary and constant state of not only development, but also the development of the socio-economic system.[1]

The causes of emerging contradictions in the country's economic development, caused by economic, demographic, and environmental issues, can be resolved through the use of elements that, both in their nature of action and in the directions of their impact, actualize the innovative activities of entities without interfering with their interests or disrupting the conditions of competitiveness. Depending on the dynamics and timeframe of the innovation project, the elements of the mechanism should be divided into regulatory elements, stimulating elements, and moderating elements. By the entities using them, elements ensure the provision of power by state-owned enterprises, transnational corporations, and enterprises. This classification of innovative development provides the main elements for the direction of their use for the innovative transformation of the domestic economy.

Considering the key characteristics of the most economic mechanism for innovative development and the actors involved in its activation, it is necessary to highlight the following areas of its application and the corresponding elements of their implementation:

First, creating the fundamental conditions for the innovative development of the Uzbek economy, ensuring opportunities for the emergence and development of innovation, and shaping the economy's receptivity to innovation. This necessarily requires the identification and utilization of a whole group of factors capable of structurally reorganizing the conditioned factors within them, establishing dependencies and connections between individual economic sectors capable of accumulating a systemic effect.

Second, transforming the production process itself requires various organizational features of the innovation process that contribute to the innovative nature of the labor process, increasing its productivity to the required level, enabling its replacement by machines, transforming knowledge into a defining and determining factor of production, and thus accumulating the production effect.

Third, achieving the necessary level of financial support for production upon entering an innovative development path, which will require additional methods aimed at focusing financial flows on innovative and transformative areas and accumulating the investment effect.[2]

It has been established that the following instruments are used to optimize human potential in forming an innovative and integrated structure of the national economy: concern for the state's well-being and financing the needs for sufficient volumes of higher education and scientific research; the restoration and enhancement of the prestige of scientific and pedagogical work based on a significant increase in its remuneration and an increase in the fund; updating the material, technical and technological base of science and education, which will allow the use of modern educational technologies, integration into the transnational education system and successful competition in the global educational market; solving problems, training specialists in these professions for the production sphere of the required quality; in order to ensure the demand for science and education - organizing the implementation of a strategy not simply for diversification of the economy, but for the creation of an economy of the neo-industrial era.

Recognizing the extent of resource support for innovative development in the economic sector, the authors note the possibility of its implementation, provided that the financial market mechanism is innovation-focused. This focus can be achieved through the following methods: improving the market environment; developing employment; market antimonopolization; and creating a highly competitive institutional market environment. The need to use these methods is mediated by both the functioning of most markets and the state of the entire economic system, its receptivity to innovative investment and technological evolution. Innovative restructuring of the financial market mechanism occurs through the creation of a highly competitive institutional environment.

By organizing institutional modifications and legal restrictions on the reproductive contours of the economic system, national capital can receive stimulating impulses from the financial market and organize cash flow directions that quickly generate new ones, consistent with existing realities, recreate the existing structure, and ensure a way out of the deep economic crisis by developing a new, innovative production foundation.

- Insufficient R&D funding does not ensure the necessary quality of growth in scientific output.

- Low innovative activity of the republic's leading industrial enterprises and industries.

- Insufficient funding for the scientific and innovation process to ensure progressive, technical, and technological modernization of industrial production by enterprises (0.02-0.03% of total production costs).

- Low share of high-tech products in industrial production.[3]

By using the method of organizing innovation-oriented investments, the process of creating an innovation-oriented financial market machine achieves a certain certainty and concrete nature.

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