

Government Support for Formation of Innovative Strategy in Industrial Enterprises

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ABSTRACT--- *The article discusses the importance and objective necessity of forming an innovation strategy in industrial enterprises at the current stage of economic development. Because in the current conditions, when the volume of traditional, limited, non-renewable economic resources is declining, it is important to develop the economy on the basis of innovative factors. The article also shows the state support for the formation of an innovation strategy in Uzbekistan and its main directions.*

Keywords--*innovation, innovative economy, scientific research, discovery, science, innovative technology, innovative strategy, innovative idea.*

I. INTRODUCTION

The growing trends of globalization, the complexity of socio-economic processes and the expansion of diversification of goods and services require countries to widely use innovations.

An important condition for the rapid development of the Republic of Uzbekistan is the speedy introduction of modern innovative technologies in the economy, social and other spheres with the widespread use of scientific and technical achievements.

As the President of the Republic of Uzbekistan Sh. Mirziyoyev highlighted: “Today we are moving on the path of innovative development aimed at radical renewal of all spheres of life of the state and society. This is not in vain, of course. Who will win in today’s fast-developing world? A state based on new ideas and innovations wins. Innovation is the future. If we start building our great future today, we must start with innovative ideas, innovative approaches” [1].

Extensive use of the achievements of world science and innovation in modern conditions is an important factor in the consistent and sustainable development of all spheres of society and state life, of building a decent future for the country.

It is important to use all our opportunities and potential to introduce innovations, effective use of scientific achievements in the formation of economic stability and a competitive economy, the introduction of the most advanced and latest technologies in production, increasing the focus on the development of innovation in all sectors of the economy and the study of innovations and experiences abroad.

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II. MATERIAL AND METHODS

Innovation is an object that is applied to the production process on the basis of scientific research or discovery and differs from its previous copy. The term “innovation” means any news introduced in the economic, organizational, financial and other fields, which helps to ensure economic and organizational savings.

The essence of “innovation” in economics was first described by the Austrian scientist J. Schumpeter. “Innovation is a new approach to an existing process, the application of a new production in a particular process related to modern discovery, development, or human activity” According to his view, the innovative approach to economic activity determines the level of development of the economic system of each period. In his theory, entrepreneurship is seen as the fourth factor of production. It is also the task of entrepreneurs to reform and improve new production by using inventions to produce new goods or old goods in a new style, opening up new sources of raw materials or new markets. The scientist predicted revolutionary changes in the economy due to innovations and entrepreneurs [5].

Well-known economist P. Drucker also tries to justify the economic content of innovation and describes it as a unique tool that entrepreneurs can use to make changes, such as implementing new services or a type of business [7].

P. Drucker’s definition complements the essence of Y. Schumpeter’s classical definition, while at the same time emphasizing the importance of the organizational and economic factor as a condition for effective development and the need to put new goods into practice.

According to the Russian economist Balabanov I.T. “Innovation is a tangible result of the introduction of capital into new techniques or technologies, new forms of production organization, labor, services and management, including new forms of control and accounting, planning and analysis” [6].

The rapid development of all spheres of society and state life requires the implementation of reforms based on modern innovative ideas, developments and technologies that will ensure rapid and quality progress of our country on the path to becoming a leader of world civilization. At the same time, the analysis showed that the modernization and diversification of production, increasing its volume and expanding the range of competitive products in domestic and foreign markets is not carried out properly.

In particular, due to the unavailability of many indicators and the lack of effective coordination of work, our country does not participate in the ranking of the Global Innovation Index, which has been compiled by authoritative and reputable international organizations in recent years.

The low level of interaction between the economic and social sectors with scientific institutions, the lack of coordination of ministries and departments, as well as local authorities in the field of innovative development do not allow to achieve the primary goals and objectives in this area.

III. RESULT AND DISCUSSION

In order to ensure the rapid development of the country on the basis of modern achievements of world science, innovative ideas, developments and technologies, as well as the consistent implementation of the tasks set out in the Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021 [2], the Decree of President of Republic of Uzbekistan No PF-5544, “Approval of the Strategy of Innovative Development

of the Republic of Uzbekistan for 2019-2021” [3] was adopted. In accordance with this Decree, the target indicators of innovative development of the Republic of Uzbekistan until 2030 were approved. The main goal of this Innovative Development Strategy has been the development of human capital as a key factor in determining the level of competitiveness and innovative development of the country in the international arena. At the same time, the main objectives of the Innovation Development Strategy are to achieve following main goals:

- Achieving that the Republic of Uzbekistan will be among the top 50 countries in the world by 2030 according to the Global Innovation Index;

- improving the quality and coverage of education at all levels, developing a system of continuing education, ensuring the flexibility of the training system to the needs of the economy;

- creation of effective mechanisms for the integration of education, science and entrepreneurship to strengthen the scientific potential and increase the efficiency of research and development, the widespread introduction of the results of research, development and technology;

- strengthening the introduction of public and private funds for innovation, research, development and technology, the introduction of modern and effective forms of financing activities in these areas;

- increase the efficiency of public authorities through the introduction of modern methods and tools of management;

- ensuring the protection of property rights, creating competitive markets and equal conditions for doing business, developing public-private partnerships;

- creation of sustainable operating socio-economic infrastructure.

The economic and social role of the state in modern society determines the functions of government agencies to regulate innovation. The most important of the functions are followings:

- 1) Fundraising for scientific research and innovation. It is possible to raise the necessary funds through the implementation of general mechanisms of redistribution through the budget and the establishment of special funds. This function can be achieved not only by directly financing innovation processes from public funds, but also by facilitating the accumulation of resources in private, joint-stock, mixed, public, joint (international) structures. The state can accumulate both financial resources and the intellectual, material and technical resources required to implement innovations.

- 2) Coordination of innovation activities. The state has a task to determine the general strategic directions of innovation processes. To achieve this, the state promotes the corporation and interaction of various institutions in the implementation of innovations. An urgent task is to facilitate the cyclicity of innovation processes, to coordinate government structures in terms of a single technological chain and innovation stages that ensure the integration of innovations.

- 3) Encouraging innovation. Stimulation of competition, as well as the provision of various financial subsidies and incentives to participants in innovation processes play a key role here. Full or partial insurance of innovation risks by the state is of great importance. The state can exert “innovation pressure” by imposing sanctions on businesses for producing outdated products or using outdated technologies.

- 4) Creating a legal framework for innovation processes. It is important not only to formulate the necessary legislation that combines the possibility of timely adjustments and sustainability in line with changes in society

and technology, but also to create practical mechanisms to ensure compliance with it. The protection of the rights of creators and innovators of scientific and technical products by the state, ie the protection of intellectual and industrial property rights, has a special place.

5) Providing innovations with staffs. The content of educational programs of public educational institutions should help to develop both the creative potential of innovation generators and the mastery of innovations by professionals. It is necessary to strive to achieve a balance between universal and specialized knowledge, as well as ideas about the commercialization of innovations. It is important to develop the skills to constantly strive to acquire new knowledge throughout a person's active life.

6) Formation of scientific and innovation infrastructure. The state ensures the operation of information systems, which are one of the main channels of news distribution. Government agencies also provide legal, practical advice and other services to innovators. The state can also be an intermediary between innovation entities, it helps in finding partners, concluding agreements under state guarantees, and so on.

7) Institutional support of innovation processes. Here, first of all, it is possible to distinguish the organization of public organizations and departments that carry out experimental design scientific research work (EDSRW) and implement innovations in the public sector sectors (defense, health, education, e.t.c.). The state also promotes the proliferation of organizational structures (large corporations, small businesses, etc.) that are most effective in terms of shaping and implementing innovations in the economy.

8) Regulation of social and environmental orientation of innovations. The state, on the one hand, needs special support for innovations that ensure social stability, a kind of environmental balance. On the other hand, the prevention and elimination of the negative effects associated with scientific and technological progress can only be carried out at the state level.

9) Raising the social status of innovation activities. The state organizes the promotion and encouragement of scientific and technological achievements and innovations, moral encouragement of innovators, their social protection, etc.

10) Regional regulation of innovation processes. Federal and local governments promote the full realization of the region's innovation potential, including through various regional incentives (tax incentives, etc.). The state promotes the rational allocation of scientific, technical and innovation potential. Typically, central government structures seek to equalize the conditions for the spread of innovations across the country.

11) Regulation of international aspects of innovation processes. The state encourages international scientific and technical and innovation cooperation within the framework of the chosen general economic and innovation strategy, as well as regulates the international transfer of innovations.

The results of the implementation of the state innovation policy are determined by obtaining information on the behavior of the subjects of innovation and comparing this information with the policy objectives. This leads to the identification of deviations between actual and expected results.

Defining the goals of public policy is based on the principles and mechanism of implementation of this policy. The following are the main principles of public policy in scientific and innovative activities:

- freedom of scientific and scientific-technical creativity;
- legal protection of intellectual property;
- integration of scientific, scientific and technical activities and education;

- support of competition in science and technology;
- concentration of resources on the priorities of scientific development;
- encourage practical activity in scientific, scientific-technical and innovation activities;
- development of international scientific innovation cooperation.

In order to develop a rational innovation policy of the state, it is expedient to divide the sectors of the economy into several production groups, conditionally, based on the level of development, the competitiveness of products in both domestic and foreign markets. At the same time, it is necessary to pursue an innovation policy that suits each group.

First group: industries with the potential to export their products (extraction and processing of oil and gas, non-ferrous and precious metals). These sectors have financial potential and the task of the State is to ensure their effective operation.

Second group: industries with export potential, but whose products face fierce competition in foreign markets (automotive, energy, machinery, biotechnology, agro-industry). In this situation, the State's innovation policy is to allocate investments and future political support to ensure the competitiveness of products, to provide international loans for the sale of products.

Third group: products should be aimed at stimulating domestic market demand. This policy includes the sale of products to the population on credit, the allocation of budget funds to the social sphere, the promotion of leasing, and so on.

One of the important directions of the innovation policy pursued by the state is to support high-efficiency innovation projects that cover short-term costs on a share basis with the industry and private investors.

In general, the state policy in the field of innovation should be aimed at the followings: (Figure 1).

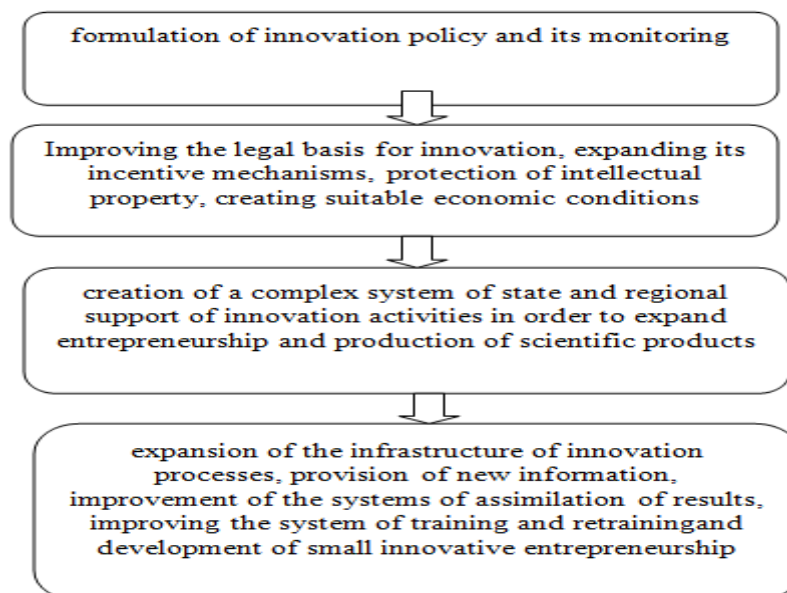


Figure 1: Main directions of the innovation policy

Source: Prepared by author by systematizing the data of the scientific literature

One of the ways to stimulate innovation in science, technology and industry, to expand market mechanisms is to provide tax benefits to innovators by the state. Due to the reduction of taxes, the amount of funds allocated for scientific and technical research will increase, which, will ensure the emergence of new types of scientific products

in the market. At the same time, it guarantees the desire to learn new technologies and increase the range of produced products.

The implementation of such a policy will lead to an increase in the range of produced products, the saturation of the domestic market with local goods, the solution of the problem of unemployment and the strengthening of the country's position in the world economy.

Mechanism of innovation processes:

- An idea;
- Development;
- Innovation.

First stage-idea

- fundamental, theoretical research;
- laboratory copy of the development;
- experiments and tests;
- Scientific and technical documentation;
- raw material base;
- funding at the expense of the state budget.

Second stage-development

- marketing;
- an industrial-experimental copy of the development;
- experimental samples of the product;
- scientific and technical documents and patents;
- equity financing.

Third stage- innovation

- license agreement;
- obsolescing technology;
- production of scientific products;
- equity financing.

IV. CONCLUSION

In conclusion, based on the above, followings should be included in the organizational management principles that help ensure the effectiveness of innovation:

-It is necessary to carry out various researches on the formation of economic and organizational processes in industrial enterprises and on this basis to create a favorable environment for the discovery of new working principles;

-the ultimate goal of all innovative activities within the organizational structure should be to meet the needs of consumers;

-it is necessary to determine the priorities of innovative activity based on the common goals and objectives of industrial enterprises;

-to ensure the successful and efficient operation of the scientific research - production -realization chain, it is expedient to streamline the management structure to accelerate the gradual implementation of these processes;

- If possible, reduce the time for the creation and implementation of innovative projects. To do this, it is necessary to ensure that these processes are carried out in parallel, not in stages.

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