

## DEVELOPMENT OF INNOVATIVE ACTIVITY IN ENTERPRISES

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### Annotation

In this article, innovation is becoming one of the most characteristic features of economic development and is analyzed as a factor accelerating the development of the market. There are also suggestions and recommendations on how to achieve the rapid development of entrepreneurship in the modern world through the widespread use of innovation.

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Today, innovation is becoming one of the most characteristic features of economic development. Until recently, the name was reminiscent of something exotic, unknown, and even less obvious among professionals, but now both the innovation itself and its concepts are rapidly conquering the world. The international capital market, which plays a significant role in the innovation process and turns innovation into a strategic resource for enterprises, is expanding, and new financial structures are helping it in this regard.

The word "innovation" is derived from the Latin word *innovationem* - derived from the verb *innovare*, meaning "to change or modernize". Thus, the centrality and importance of innovation is related to renewal. It can only happen if people can change their decision-making style, abandon standard methods, and learn to make choices outside the existing norms and rules.

The concept of "innovation" falls into general categories. It is extremely broad and structurally complex, and there are many approaches to disclosing its content. In his *Theory of Economic Development*, J. Schumpeter, who introduced the concept of innovation into scientific circulation and described its features, described innovation as a new combination of production conditions and factors implemented by an entrepreneur.

The implementation of innovative activities is based on a process or activity. The innovation process is the process of transforming scientific knowledge (idea) into innovation and its subsequent dissemination. The innovation process always involves two mandatory steps:

Phase 1. The process of creating new products and services that are ready for production.

Phase 2. The process of development, production and implementation, the resulting product becomes an innovation, that is, an innovation that the market demands.

The first stage mainly consists of a series of stages of scientific research, experimental design work, the organization of experimental production. In the first stage, the beneficial effects of innovation have not

yet been realized, but the necessary conditions are being created for such implementation. In the second stage of commercial production and the spread of innovation, the socially beneficial impact and innovation are redistributed among producers and consumers.

If we compare the situation in developed countries with the innovation processes in our country, now the developed countries of the world have been under the influence of the innovative economy and the fifth technological cycle (long wave) for more than 15 years. Will they start their research in new high-tech areas first and reach these countries? Apparently, this is very problematic. However, this prevents these countries, especially in our country, from using technologies created by other countries and using them in the development of their economies, trying to overtake developed countries by creating as many conditions as possible for foreign investment to enter the country. does not. Some time ago, this experiment was carried out in Japan, South Korea and other countries. Indeed, the opportunities provided by innovations and the positive aspects of globalization have been achieved primarily by Southeast Asian countries (often referred to as “tigers”) such as South Korea, Taiwan, Hong Kong, and Singapore. These countries can serve as a paradigm for Uzbekistan, because our country can develop successfully only if it chooses an innovative path, using its small market, poor traditional resources and its unique competitive non-traditional resources.

The competitiveness of the country develops on the basis of the competitiveness of individual enterprises. Each business applies its own strategy to achieve competitive advantages. However, the nature of the evolution and development of successful companies will be similar, as companies will create competitive advantages based on innovation. The reasons for the weakness of innovation processes in the enterprises of our country are:

- Low number of scientists engaged in scientific and practical activities, as well as the low share of scientists and researchers in the workforce;
- not to enter the field of patenting of high technologies;
- weak cooperation between the manufacturing sector and universities;
- relative failure to stimulate innovation;
- Complex procedures for starting a business; insufficient quality of technological education.

It is also worth noting the so-called "European innovation paradox" from world experience - on the one hand, when assessing the share of investment in education and science in GDP, as well as the percentage of people with higher education in most EU countries, the US or better than Japan. Europe is also ahead of them in terms of scientific potential (for example, the number of Nobel Prize winners, SCI publications, scientists with doctoral degrees). However, the productivity of the economy in the EU is twice lower than in the US, and its trade balance with the US is negative. Students from all over the world are trying to study in US universities. The United States itself is a very successful country in the use of innovation, commercializing knowledge created not only in its own country, but all over the world. The best professionals in higher education and research (project managers, researchers, high-tech professionals) will move to the United States. Europe is investing in U.S. companies for professional development and higher education. Based on these and similar facts, the term “European Innovation Paradox” has also emerged.

The implementation of state innovation policy requires the use of optimal forms and methods of managing innovation activity. In today's world, there are many forms of innovation management at different levels (from corporate divisions to government). As with any policy, innovation policy varies from country to country, although it has the same goal, namely the acceleration of innovation activity and the development of scientific and technological capabilities. In order to accelerate innovation activity, various methods of government interaction can be used, which can be divided into direct and indirect. Their relationship is determined by the economic situation in the country and, therefore, the

concept of state order. Direct methods of state order of the innovation process are implemented in two forms: administrative-departmental and program-targeted. The administrative form is in the form of direct subsidy financing, which is carried out in accordance with special laws adopted for the purpose of direct support of innovations. The program-targeted form of state regulation of innovations requires contractual financing through the implementation of state-of-the-art programs to support the latest innovations, including small-scale firms. In the United States, the program-targeted approach is currently used as an important form of public science and technology policy and the main method of public funding, primarily military-space research and experimental design. In the system of direct measures to influence the state on innovative business, the main role is played by measures to strengthen cooperation between industrial associations and industrial universities in the field of research and experimental design.

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