### DIRECTIONS OF INNOVATIVE DEVELOPMENT OF UZBEKISTAN

Abdurakhmanov Kalandar Khodzhaevich

Academician of the Academy of Sciences of the Republic of Uzbekistan, Doctor of Economics, Professor Director of the Tashkent Branch of the Russian Economic University. G.V. Plekhanov Republic of Uzbekistan, 100003, Tashkent Islam Karimov, 49, building 7

KAbdurakhmanov@yandex.ru

Zokirova Nodira Kalandarovna

Doctor of Economics, Professor Head of the Department of the Tashkent Branch of the Russian Economic University. G.V. Plekhanov Republic of Uzbekistan, 100003, Tashkent Islam Karimov, 49, building 7

nodira28uz@mail.ru

Shakarov Zafar Gafforovich

Scientific Applicant

Tashkent State University of Economics

Republic of Uzbekistan, 100003, Tashkent Islam Karimov, 49

zafarshakarov@mail.ru

Sobirov Bobur Baxtishodovich

PhD scholar

Samarkand Institute of Economics and Service Republic of Uzbekistan, 140100, Amir Temur Street, 9 mrbobursobirov@gmail.com

**Abstract**. Contemporary and historically significant for Uzbekistan the period of generations to come will appreciate, as the period of the establishment of the fundamental bases of innovative economies and a deep understanding of the spiritual heritage. The temporal certainty of this difficult stage of development will depend on balance and stability in the long term. The basis of the formation of an innovative digital economy is the Strategy of action in five priority areas of development of the Republic of Uzbekistan in 2017-2021, adopted after the public discussion, concisely and succinctly reflect the whole complex of the existing problems and their solutions. The starting point was the priorities of improving the system of state and social construction, reforming the judicial and legal system and measures to ensure the rule of law.

**Keyword:** business, image, investment, innovations, innovative economy, innovative growth, integration, human resources, competitiveness, modernization, tax reform, education, business, digital economy, human development, economic growth, efficiency.

#### Introduction

Today we can safely say that significant results have been achieved in the socio-economic sphere, but many problems remain relevant in the small business sector, in the investment sphere, in education and in many other sectors. For example, small business, despite all the efforts of the state, the use of modern technologies and tools of macroeconomic regulation, is still partly in the shadow today. It is necessary to analyze and search for tools that motivate the national entrepreneur to realize the measures of his legal and social responsibility towards the Motherland and its future.

It is difficult to imagine the economic and innovative growth of the country without foreign investors, who are the carriers of modern innovative knowledge and technologies. But there remains the problem of recognizing inefficient processes in the investment field, assessing their role in deterring innovative development.

The problems of public health and education are still topical and painful. Uzbekistan, demonstrating to the world a rich cultural heritage, generously shares the spiritual potential embodied in the talents and achievements of the new generation, boldly storming the modern heights of science, art and sports, taking prizes at international, Asian and global competitions, contests and competitions. It is necessary to make these young talents imbued with existing problems, understanding that the effect of the desire to preserve and develop their human potential, a critical attitude towards themselves and their abilities, the ability to learn and develop themselves determines the material and spiritual well-being in the future. Huge responsibility for this lies with the education system of Uzbekistan and the Youth Union, whose interaction is intended to give a synergistic effect, but it's too early to talk about its absolute achievement.

# **Research background**

Today, Uzbekistan is actively developing a policy of flexible response not only to new trends and challenges of the global economy, but also to solving internal problems that are exacerbated during the period of rapid growth and affecting the efficiency of integration processes, the formation of personnel potential and the creation of an innovative environment, stimulating economic and business activity people developing a digital economy. These tasks cannot be accomplished without adequate reforms in the administrative and fiscal spheres. But even the strongest policy of

reforming public administration in the modern world will not be effective without improving approaches to regulating the foreign economic sphere(Baxtishodovich, Suyunovich, & Kholiqulov, 2017).

The country's image is a multifaceted concept, on the one hand, which requires deep awareness at a professional analytic level, and on the other hand, it offers the possibility of express perception not only for potential investors, tourists, students, compatriots, but also for the world community as a whole. The development of the economy, science, art, sports and traditions depends on the image of the country. Uzbekistan openly and honestly integrates into the world community, demonstrating its creative plans, recognizing the achieved ratings and tirelessly working to improve them, adhering to the principle of multi-level responsibility for the realization of human rights, raising the level and quality of life. The real results of systematic and systematic work based on well-considered and verified strategic decisions in the field of food security, development of innovations and the digital economy, integration of science, business and the state are of strategic importance for a new breakthrough in development [5, p. 53].

Improving the macroeconomic regulatory tools involves reforms in the tax sphere and customs regulation, the creation of guarantees to ensure the country's food security in a strategic perspective. The interrelation of these priorities is realized in expanding support for entrepreneurship and enhancing its innovative function. An important factor for innovative development is the strengthening of mutually beneficial and multifaceted cooperation of Uzbekistan with foreign countries, especially with the countries of Central Asia, the expansion of trade, economic and cultural-humanitarian ties, the establishment of constructive interaction with international organizations and dialogue with compatriots abroad.

# Main part

Concrete facts testify to the growth of the economic role of our country at the international level. So, if according to the data of the State Statistics Committee of Uzbekistan at the end of 2016, the foreign trade turnover amounted to 24,309.4 million dollars. In January-July 2018, it increased to \$ 17.7 billion.

The sphere of tourism has also grown. In 2018, Uzbekistan was visited by 2.2 million tourists, which is 93% more than in January-June 2017. A visa-free regime was introduced for 17 countries, simplified - for 51 countries, more than 10,000 electronic visas were issued, 22 hostel requirements were canceled and the period for licensing tour operators was shortened. According to forecasts, in 2018 Uzbekistan can visit 4 million tourists compared to 3 million in 2017. Improving the order and methodology of tax administration and control is aimed at reducing the tax burden and simplifying the tax system, taking into account the recommendations of the International Monetary Fund, the World Bank and international experts. Measures have been taken to improve the activities of the customs authorities and the customs administration system on the basis of international norms and standards [3, p. 27].

Due to the development of innovative processes in the agricultural sector, the production of agricultural products and the increase in crop yields in the near future should ensure the food security of the country, which is the key to increasing the standard of living, the livelihood of citizens and the successful implementation of the reforms. Particular emphasis is placed on the introduction of market mechanisms in the production, sale and processing of raw cotton. In 2018, 13 textile clusters were created in Uzbekistan, which were allotted 140.9 thousand hectares of land. For the purpose of further development of horticulture and viticulture, gardens have already been laid on the territory of 32,400 hectares. In the next five years, the processing of fruits and vegetables should increase in the republic instead of the current 17% to 30%.

A key role in ensuring economic stability and food security is played by the interaction of the state and the private-business sector. [6, p. 35] In Uzbekistan, a moratorium on inspections of business entities has been declared for a period of two years, with the exception of inspections carried out in criminal cases and in connection with the liquidation of a legal entity(BOBUR et al., 2015; Sobirov, 2018).

The importance of small business in the economy of Uzbekistan is very high. Without a small business, the market economy can neither function nor develop.

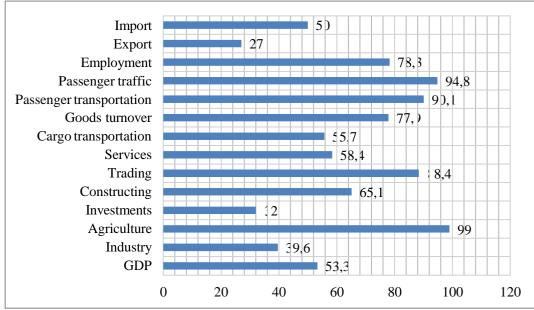


Fig.1. The share of small business and private entrepreneurship in GDP by main sectors and spheres of the economy of Uzbekistan (in%)

Only in January-June 2018, 25.9 thousand small enterprises and microfirms were re-established, which is 8.6% more than the same period in 2017. The share of small businesses in GDP was 49.2% (54.3% - from January to June 2017). This decrease is explained by the increase in the share of large enterprises in the structure of GDP.

An important indicator of the development of the private sector is also the assessment of international experts. According to the Doing Business-2017 comfort rating of the World Bank and the International Finance Corporation, Uzbekistan has risen by 16 steps, which is a positive signal for investors and the business community.

The active involvement of advanced information technologies in all sectors of the economy of Uzbekistan will make it possible to achieve a more than double increase in GDP by 2030. According to forecasts of international experts, in five years, the IT market of Uzbekistan will grow by 83%, while the equipment segment will increase by 77%, software - by 145% and IT services  $\neg$  more than 170%. It is planned to increase the volume of export of software products in the next five years 10 times to more than 30 million dollars. A prerequisite for cheaper Internet services is the development of national content. In order to create a favorable ICT infrastructure, a solid legal basis has been formed for the widespread development of ICT - laws "On informatization", "On telecommunications", "On electronic document circulation", "On electronic signature" and a number of other laws have been adopted.

A pilot mining project will be launched to introduce blockchain technology, cryptocurrency assets and mining into the work of government agencies. Taking into account global trends in the digital economy, Uzbekistan intends to develop such new directions as big data, cloud computing, robotics and artificial intelligence.

The country's innovative development strategy for 2019-2021 aims to develop human capital as the main factor determining the country's competitiveness, orienting resources to improving the quality of education, strengthening scientific potential, attracting private investment in the development of R & D, improving the efficiency of government regulation of the innovation sphere, developing digital economic and intellectual property protection. This even more actualizes the acute need of the country's economy for specialists of a fundamentally new type, competitive and patriotic. [7, p. eight]

The problem of staffing the scientific and educational spheres, the continuity of generations and the preservation of the scientific traditions of Uzbekistan today is in the foreground. Education and science are the foundation on which the new Uzbekistan will develop and an important point is how the older generation of scientists and educators will transfer their invaluable experience and accumulated knowledge. The basis of this process should be an information field. Speaking about the development of IT, we often forget about the quality and content of information. Technology is only a tool through which knowledge is transmitted. But the quality of knowledge and their content are fully the responsibility of the older generation. It is important not only to transfer, but also to teach how to create new scientific knowledge. [4, p. 80]

For the development of economic science, young, sick soul for the future of the country are necessary. The basis of their training at school should be not just textbooks on the basics of economic knowledge, but a complex of modern competitive economic literature accessible to all with verified texts, constantly updated and objectively interpreting the processes occurring in the country. [8, p. 129]

During the period of economic reform, economic science must also be reformed, and a profound and critical analysis of the methodological foundations and approaches to economic analysis used by Uzbek scientists today is

necessary. To develop a new concept of economic education, new objective approaches to the analysis of real processes, methods for timely identification of problems and the generation of innovative management technologies demanded by the real sector of the economy, an updated economic science is needed to meet modern realities. To create it, economists in Uzbekistan need to unite their intellectual forces. Here, the implementation of the principle of critical analysis and the personal responsibility of economists will ensure the substantive and effective integration of the state, education and business, the massive involvement of scientists, educators, practitioners and lawmakers in the development of a competitive environment in innovation sphere.

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