

## INNOVATIVE DEVELOPMENT MODELS AND THEIR RELATIONSHIP WITH ECONOMIC GROWTH

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### ABSTRACT

The article provides an analysis of innovative development models. The connection between innovative development and economic growth is also explained.

**Keywords:** innovation, economic growth, innovative economy, innovative development models, innovative entrepreneurship.

It is known that the economy of each era has its own characteristics. These features are manifested in its production method, production relations, economic management mechanism, forms and labor organization processes.

According to the philosophical laws and laws of society's development, socio-economic development has principles of dialectical development, such as from bottom to top, from simplicity to complexity, without continuing in one direction. This is one of the universal laws of the development of society. However, the economy of each time, on the one hand, is based on its political, socio-economic structure, and on the other hand, it has a production method, means of production, and technical-technological structure.

These two aspects leave their mark on the socio-economic development of each period and determine the level of development. These cases reveal the internal nature of the constant contradictions between the relations of production and the method of production, between the superstructure and the base, between production and consumption. The essence of these conflicts is that consumption and production do not correspond in terms of time, production relations are ahead of the production method, and the construction determines the basis of society.

It is known that these conflicts are the driving force of socio-economic development of the society, and all the innovations and changes related to the economy and production first appear as buds in production relations and then are applied to the production system. It is this situation that creates the processes of economic transformation, creates a material-spiritual and technical-technological basis for the transition from one stage of development to the next mature and improved level.

As a result of economic transformation, a qualitatively, technically and technologically progressive, mature economy is created compared to the previous system, and this is called an innovative economy. Innovative economy is an economy capable of effective use of any innovations useful for society (patents, licenses, know-how, acquired personal innovations, new technologies, etc.). The main features of the innovative economy are:

- In order to keep pace with the rapidly developing scientific and technical development and innovative development, the infrastructures established at the appropriate level will allow

to create the necessary amount of resources and the society will be able to produce the necessary information and, first of all, scientific information to ensure its stable socio-economic development;

- Rapid implementation of the necessary innovations based on high production technologies, there is a developed innovative environment capable of expanding innovative activities, which will have universal conditions that will put any innovations into practice in competitive conditions and become the basis for the development of production;
- An effective system for training and retraining of qualified personnel will be established, which will successfully implement complex projects on the restoration and development of production and territories in the field of innovative activity;
- Every person, group of persons, enterprises can receive and exchange any necessary information about new knowledge, innovations, innovative activities, innovative processes in any place of the country and at any time in an automated manner and through telecommunication systems;
- All spheres of production and management are being rapidly automated and computerized, social structures are being fundamentally changed, and as a result, innovative activities in various aspects of human activity are expanding and becoming more active;
- Directing scientific and technical achievements to specific goals, creating new techniques, technologies, systems, machines, equipment, new ways of organizing production as a result of their results;
- Delivering the results of production and technical-technological achievements to the final consumer and achieving effective use of the created innovative product;
- Acquisition and research of new scientific and technical achievements necessary for creation and implementation of innovations required by the market or customers;
- New ideas, knowledge and technologies are positively received, innovations in various directions are created at any necessary time, and wide introduction into practice is accelerated.

According to the above signs, it will be possible to determine to what extent the innovative economy exists in the society and the national economy. Innovative economy is an economy that tends to rapidly create innovations, inventions, new techniques and technologies and quickly put them into practice. In the conditions of innovative economy, it is important to direct investments to relevant sectors. For the formation and development of an innovative economy, it is necessary to create certain conditions and they consist of the following:

1. Financing of science and technology development by the state should be set as a priority task.
2. Effective use of state budget funds in the development of science and technology.
3. Application of the incentive system by giving tax incentives to business entities and individuals who create innovations by the state.

In order for the state to consider innovative production and innovative activity as a priority direction in the activities of economic entities, it will be necessary to develop a national incentive system and apply it in economic practice.

The creation of a national innovation system is one of the necessary conditions for the transition to the innovative economy in the country and its development. The national innovation system is a set of entities and institutions that promote and support innovative activities. The

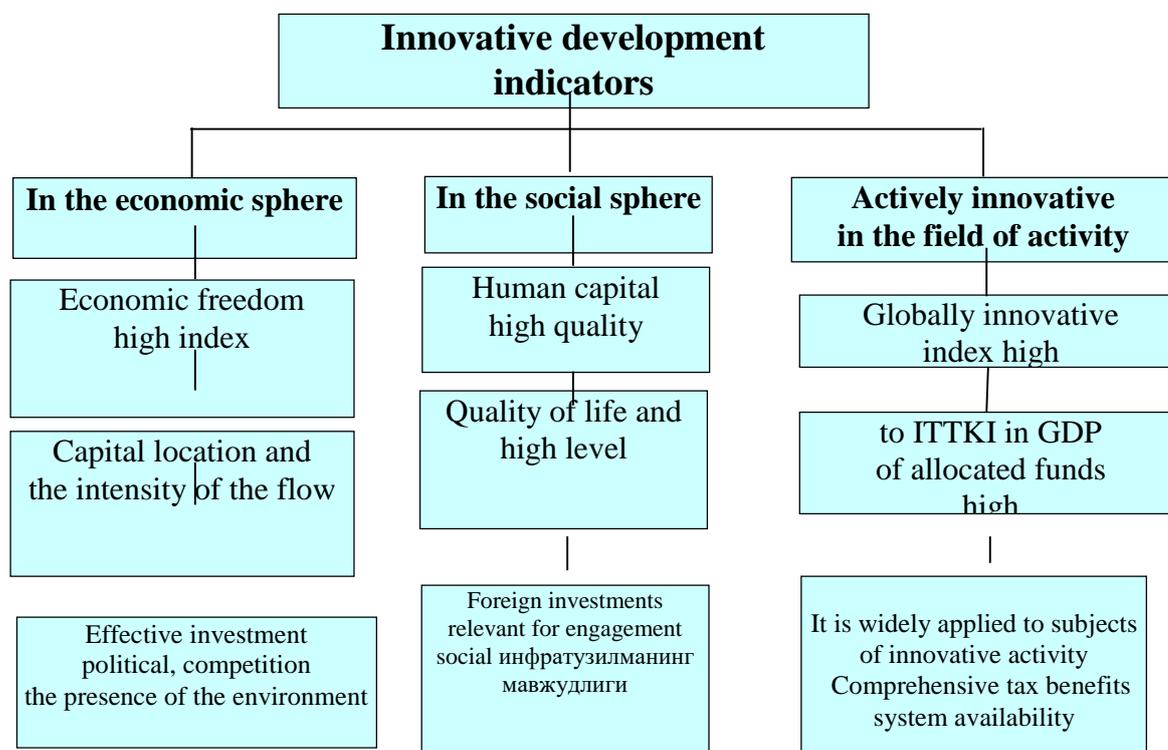
structural structure of the national innovation system includes the state, business entities, educational institutions, research institutes and educational institutions. The state plays the main role in the organization and development of the national innovative system, it is appropriate to support them with measures such as preferential taxation, direct financing, preferential loans and the establishment of venture funds.

Transition to an innovative economy, one of the main levers mentioned above in its development is a reasonable tax policy and preferential taxation.

Innovation has several important functions. The content of the first function of innovations is to reduce the cost of production of the gross domestic product, the cost of live labor in the value of the product, to increase production efficiency and to achieve high labor productivity. It requires rational deployment of productive forces in the economy and efficient use of their potential. One of the main goals of innovative development is to ensure that the assortment, composition and volume of production matches the assortment, composition and volume of consumption, that is, it is a priority to achieve the balance of aggregate demand and aggregate supply by constantly optimizing their structure.

Another functional task of innovations is to increase the quality of manufactured products by applying the innovations, inventions, discoveries created by individuals, labor teams and economic entities in the society to economic practice, by finding optimal ways of organizing work, rational solutions to economic problems, ultimately improving the life of the population. One of the most important issues is to improve the well-being.

The following indicators of the development of the innovative economy are presented in Figure 1.



1 - drawing. Indicators of innovative development <sup>1</sup>

<sup>1</sup> Developed by the author

It can be seen from the diagram that the level of innovative development can be determined depending on some indicators in the economic, social and innovative spheres of society's life. If we analyze the economic sphere, if the level of state intervention in the activities of economic entities in the economy of the country is low, if legal, economic, and institutional conditions are created for healthy competition, independent investment environment, then the flow of capital in the national economic sectors will quickly move from one sector to another. , if it is energetic - it can be concluded that all the economic foundations of innovative development will be created in such an economy. An integral criterion of innovative development is the standard of living and quality of life of the country's population. To reach this level, it is necessary to conduct an active innovation policy. In the conditions of socio-economic globalization, three main models of innovative development can be cited.

1. A model for the development and implementation of targeted projects that includes all stages of the scientific-production cycle on a large scale (USA, England, France).
2. Optimization of the structural structure of the economy by creating a moderate innovation environment, a model specializing in wide dissemination of innovations and inventions (Germany, Sweden, Switzerland).
3. A model that encourages the creation of innovations through the development of innovative infrastructure (Japan, J. Korea).

No matter which national model of innovative development is chosen by the states acting as subjects of international economic relations, an effective tax policy that serves innovative development is at the center of them. In the conditions of Uzbekistan, innovative development, transition to an innovative economy is carried out mainly using the first model, partially using the second model.

It was a difficult task to implement the above-mentioned issues without innovations. From this point of view, the first model of innovative development in Uzbekistan, that is, the implementation of the achievements of scientific and technical development in economic practice, was pursued.

It can be seen from the above that the creation and development of the innovative economy is closely related to the direct investment policy. The truth is that if an effective investment policy is not followed, it will be difficult to switch to an innovative type of production.

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