

THE IMPORTANCE OF INVESTMENT IN THE DEVELOPMENT OF INNOVATION IN THE ECONOMY

F. B. Shakirova

Associate professor of Tashkent State transport University,
Tashkent city, Uzbekistan

Our republic has all the factors of transition to an innovative model of economic growth, development of the national economy at a stable pace, i.e. modern educational and scientific research institutions, organizations, design and construction bureaus, highly intelligent, cheap labor force, relevant mineral raw material bases. One of the important elements of the innovation system is its organizational basis, and Uzbekistan has a high level of quality of human capital, physical fitness, and quick qualification specialization. In the republic, the issues of science and education development infrastructure, modern personnel training, methods and forms of organization of design and construction work, and ensuring their safety have been positively resolved. There are two pressing issues in this area. The first is between production and innovation system, that is, there is no effective mechanism for applying innovations to production. The second is that there are certain shortcomings in the effective use of cheap and quality labor in Uzbekistan.

The non-development of an effective state incentive system for the subjects of the national innovation system, the details of the state mechanism for ensuring economic growth: taxation, tariffs, and insufficient use of finance and credit are considered urgent scientific problems.

The studies of economists are devoted to various aspects of innovative development. For example, Y. Schumpeter paid more attention to credit methods in the development of innovative activities, G. Mensch to state support for innovations, and M. Porter to corporate and private investment. Based on the generalization of the views of scientists on the issues of investing in the innovative development of the economy, we offer the following definition: "Innovative-investment development of the economy is the investment and comprehensive support of the processes of creation, distribution and wide introduction of innovations to production, as well as increasing the innovative activity of market entities. is to achieve an increase in quantity and quality indicators".

The emergence of professional investors, special funds, international associations, special experts on the selection of innovative projects, i.e. entities of the venture industry, in the practice of investing in innovative activities. They are helping to connect institutional and informal investors with inventors of innovations.

Despite the fact that there are different forms, methods, and sources of investing in innovative activities in world practice, it can be noted that there are a number of general laws in the process of investing in the innovative development of countries. As a result of the conducted research, a classification of models of innovation-investment development of the economy was proposed (table).

A comparative analysis of the data in the table below allowed us to identify the positive and negative aspects of the presented models. In particular, despite the high risk of non-return of invested funds in the "aggressive investment" model (USA, Canada, Great Britain, Israel, etc.), investors invest in the initial, highest-risk stages of innovative product development. In this model, the main sources of investment are funds from the business sector, private funds and venture funds.

Models of investment provision of innovative development

	Aggressive investment model	Corporate investment model	Conservative investment model	A model of transitory economies
Countries	USA, Israel, Great Britain, Finland, Canada	Japan, Republic of Korea, Sweden, China	France, Germany, Switzerland, Ireland	States of the Commonwealth of Independent States

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The main resource in investing R&D	Business sector (above 60%)	Business sector (over 70%)	Bank loans and foreign investments	State budget (above 50%)
Stage of creation of innovations	The very first stages of creating an innovative product	Production expansion stage	Late stage and production expansion stage	Late stage and production expansion stage
Directions for spending funds	Innovative developments	Practical studies	Practical studies	Fundamental and applied research
Share of foreign investment	Not more than 4%	Not more than 1%	Not more than 10%	Not more than 30%

In the conservative model (France, Germany, Switzerland, etc.), funds are introduced in the innovation process after the discovery of the initial prototype of the product, and the main source of investment is the state and the banking sector. In the corporate investment model, cooperation between large enterprises and small businesses is of great importance in investing in innovative activities. In this model, funds are mainly focused on applied research, with multinational corporations and financial industry groups serving as the main investors. In the model of transitional economies (Commonwealth of Independent States), we can observe aspects characteristic of both conservative and corporate investment models. The state innovation policy carried out in the country, the distribution of investment resources according to the directions of research and stages of creation of innovations depends on the characteristics of each model.

Summarizing the above points, the following conclusions were drawn:

1. The innovative development of the economy is the stage of economic development that comes after the industrial development, and in the transition to this development, it is appropriate for the state to develop an innovative development strategy, its priorities, measures and levers, and to unite all participants of innovative activities around a single goal.
2. All sources of investment in innovative activities can be grouped into three large groups according to the terms of funding: targeted non-repayable, debt-based and equity investment sources. Determining the most optimal set of sources and methods of investment in the economy not only ensures the continuity of the process of creation and application of innovations, but also solves the problem of regular introduction of innovative developments into the business sector. Lack of investment in this area causes the main part of innovative ideas to not find practical application and thus remain unimplemented.
3. The analysis of the practice of innovation-investment development of the national economy and the current situation shows that important institutional foundations and organizational conditions have been created in Uzbekistan for the transition to the path of innovative development, but the state is still the main investor of innovative activities.

In order to increase the activity of business entities in investing in the processes of creation and introduction of innovations, it is necessary to use the levers of stimulation and activation of innovative activities more widely, as well as to create a system of regulatory and legal frameworks and privileges in this field.

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