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THE ROLE OF INNOVATIONS IN ECONOMIC DEVELOPMENT

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Abstract:

The role of innovation is increasingly important in the process of economic development in Uzbekistan. Modern technologies and innovative approaches are important factors in increasing production efficiency, creating new jobs, and stabilizing the national economy. In recent years, the state support system for innovation has been improved, creating a favorable environment for entrepreneurship and scientific and technological development. This thesis analyzes the innovation development policy in the Republic of Uzbekistan, its main directions, and its impact on entrepreneurship.

Keywords: Innovation, Economy, Development, Artificial intelligence, AI, Technology, Capital, Synergy, Global Trend, Private sector, Startup, Investment.

Introduction

The Republic of Uzbekistan, under the leadership of President Shavkat Mirziyoyev, prioritizes the advancement of its digital economy. Key initiatives include the digitalization of public services, the enhancement of the e-government framework, and strategic investments in information technology (IT) education and training. These efforts are driven by the overarching goal of improving economic efficiency and elevating the quality of life for the populace. The Development Strategies for 2017–2021 and 2022–2026 serve as notable examples of innovative development planning. Furthermore, increased funding is being directed towards scientific research, coupled with improvements to the support system for scientists and researchers. These comprehensive reforms aim to foster innovation within Uzbekistan and strengthen its global competitiveness.

Innovation serves as a critical catalyst for business growth. It encompasses the application of intellectual property and scientific knowledge to address economic challenges, ultimately fulfilling societal needs and generating revenue.

Types and Mechanisms of Innovation Development

A robust technological foundation and enhanced organizational capacity are crucial and necessitate a well-defined conceptual framework. Contemporary discourse among policymakers, economists, and academics increasingly links Uzbekistan's economic prospects to the ongoing technological revolution. Innovations in economic relations constitute the material foundation of this transformation. However, for this vision to be realized, a clear and comprehensive understanding of the underlying events is paramount.

Major Challenges to Innovation Development

Over the past decade, the understanding of innovation in Uzbekistan has evolved from a concept confined to a specialized audience to one recognized by the general public. However, even with increased awareness, a comprehensive understanding of its implications remains a challenge. Addressing the economic, social, and legal complexities associated with innovative terminology requires a thorough examination of the core essence and implications of the concept of "innovation."

In the modern economy, innovation plays a pivotal role in enhancing productivity. The adoption of new technologies and methodologies drives efficiency gains, enabling enterprises to reduce costs, increase production volumes, and enhance their competitive positioning within the market. Automation technologies, for instance, have accelerated production processes, leading to cost-effective production with reduced error rates. Furthermore, innovation fosters the creation of new sectors and entrepreneurial opportunities. Innovative ideas and technologies empower entrepreneurs to develop novel products and services, and to establish new ventures. Leading companies such as Real Taxi, Uzum, and Olx.uz exemplify this trend, having disrupted traditional business models and pioneered new industries, resulting in job creation and sustained economic growth. Moreover, innovation offers significant societal benefits, providing advanced solutions to address challenges in healthcare, education, and environmental sustainability. The development of new medical technologies and treatments, for example, has demonstrably improved public health. Similarly, the advancement of renewable energy sources contributes to climate change mitigation and promotes environmental sustainability.

The Future of Innovation: What to Expect in the Next 10 Years?

Artificial intelligence (AI) has become an indispensable component of the modern economy, driving efficiency gains across diverse sectors. Its implementation is revolutionizing production, finance, transportation, healthcare, and education. Through process automation, AI reduces

operational costs and minimizes human error. In the financial sector, AI enables the prevention of fraudulent activities and facilitates effective investment management. Within healthcare, AI accelerates diagnostic processes and the development of new pharmaceuticals. In the transportation and logistics industries, AI optimizes cargo transportation and delivery systems.

In conclusion, the evolution of artificial intelligence is not only creating new professional roles but also reshaping the demands of the labor market. In the future, AI is poised to become a primary driver of economic growth, playing a critical role in fostering innovation and enhancing efficiency.

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