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FORMATION OF AN INNOVATIVE ECONOMY AND FACTORS CONTRIBUTING TO ITS DEVELOPMENT

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Abstract. This article examines the role of innovation in ensuring sustainable economic development and increasing the competitiveness of the national economy, with particular attention to the banking and business sectors. The study analyzes the importance of innovative technologies, digital transformation, scientific research, and modern educational systems in the formation of an innovation-oriented economy. Special emphasis is placed on the existing problems that hinder innovative activity, including insufficient financial resources, outdated technical infrastructure, weak interaction between science and production, and the shortage of qualified personnel. The article also proposes practical measures aimed at stimulating innovation processes through state support, public-private partnerships, tax incentives, modernization of research institutions, and the development of international cooperation. The findings highlight that the effective implementation of innovative technologies contributes to economic modernization, increased productivity, job creation, and enhanced competitiveness in global markets.

Keywords: innovation, innovative economy, banking sector, digital transformation, innovative technologies, scientific research, financial institutions, economic development, public-private partnership, artificial intelligence, blockchain, education system, competitiveness, technological modernization, investment activity.

Introduction. At the present stage of global economic development, the successful introduction of innovative services, products, and technologies into economic circulation has become one of the key factors ensuring sustainable economic growth and increasing national competitiveness. In the context of rapid digital transformation, globalization, and the expansion of financial markets, innovation plays a decisive role in improving the efficiency of economic systems and strengthening the stability of financial institutions. The growing demand for modern banking services and advanced technological solutions requires financial institutions to continuously modernize their operational processes and introduce innovative approaches to customer service.

Innovation, as a driving force of economic development, is not only a widespread concept but also an essential component of long-term economic growth. The effective implementation of scientific achievements, digital technologies, and modern management methods contributes to the acceleration of economic modernization and the formation of an innovation-oriented economy. In this regard, the banking sector occupies a special place, since banks act as important intermediaries in the redistribution of financial resources and the stimulation of investment activity. Therefore, many financial institutions today allocate significant financial and intellectual resources to the development and implementation of innovative technologies, including artificial intelligence, blockchain systems, cloud computing, and digital payment platforms.

The rapid development of information and communication technologies has significantly transformed the traditional banking system. Modern customers expect fast, secure, convenient, and personalized banking services that can be accessed remotely through digital channels. As a result, banks are actively introducing mobile banking applications, AI-powered chatbots, automated financial consulting systems, and biometric authentication technologies in order to improve service quality and strengthen customer trust. The implementation of innovative technologies also enables banks to reduce operational costs, optimize internal processes, and increase overall productivity.

Furthermore, the improvement of living standards and the enhancement of economic efficiency largely depend on the creation and implementation of innovative technologies across various sectors of the economy. Innovative development contributes to the formation of favorable conditions for supporting both public and private sectors, stimulating entrepreneurship, increasing investment attractiveness, and creating new employment opportunities. In this context, scientific research and technological advancement become the foundation for the development of competitive innovative products and services by the business sector. The active cooperation between science, business, and financial institutions plays an important role in ensuring sustainable innovative development.

In addition, the growing competition in the global financial market encourages banks to search for new strategic approaches aimed at increasing customer satisfaction and strengthening market positions. The integration of digital technologies into banking activities not only improves the quality of financial services but also contributes to financial inclusion by expanding access to banking products for different segments of the population. Consequently, innovation in the banking sector becomes an important instrument for ensuring economic stability, increasing efficiency, and achieving sustainable socio-economic development.

The main part. To increase the innovative activity of enterprises, the development of educational and scientific activities, which are the most important components of the innovation potential, is an important prerequisite. Unfortunately, today most enterprises face difficulties caused by lack of funds and lack of professionalism of the working staff. As you know, bank loans are provided at high interest rates and for a short period, respectively, the cost of innovations is high, which is not profitable for enterprises. The lack of own funds does not allow enterprises to introduce innovative products into production, to modernize their own technical and technological base, without updating which innovation is impossible. It is not the professionalism of the staff that hinders the innovative development of enterprises.

The lack of communication between science and production is one of the main reasons that prevents innovative and technological development. A significant part of scientific developments does not reach the stage of completion or commercial completion and therefore cannot act as a full-fledged product on the market. Unfortunately, according to experts, today the physical and moral obsolescence of educational and research equipment and devices in educational institutions is about 30-40 years, and in some institutes, it can reach 50 years. It is necessary that research organizations have a well-developed engineering infrastructure that contributes to bringing research results to specific developments, as well as introducing them to production and patent science services that provide legal services for registering intellectual property rights.

The formation of an innovative economy contributes to increasing the innovation activity of the entire industry, creating competition that pushes other enterprises to update technologies. The

lack of innovative technologies or a low level of its activity can lead to technological backwardness of the country. This can negatively affect the state's economy.

The formation of the innovative economy of the Republic of Uzbekistan should follow the following directions. (see Figure 1)

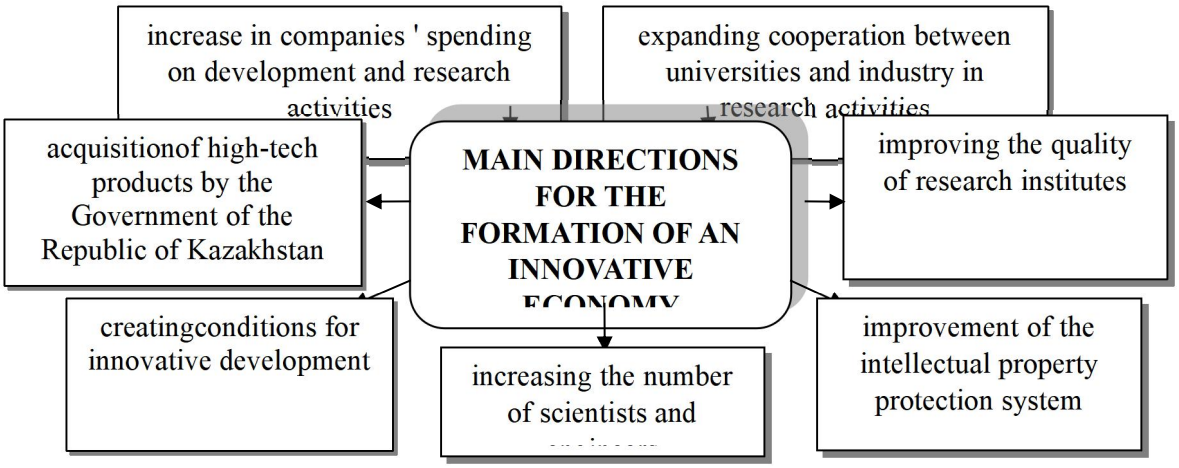


Figure 1. Main directions for the formation of the innovative economy of the Republic of Uzbekistan

The formation of innovative production is impossible without a stable demand for products in the foreign or domestic markets. The demand for innovative developments at the stage of formation of the innovation system can be created by the state through the formation of a state order for the purchase of new high-tech products

However, today most enterprises face many problems that hinder the increase in innovation activity. These include:

- lack of funds required for innovative developments;
- lack of administrative measures to implement technological regulations that correspond to advanced technologies for productivity and energy saving;
- lack of a well-established system for implementing the obtained scientific developments at industrial enterprises, creating high-tech technologies and production facilities;
- low material and technical security;
- lack of professional personnel capable of developing and implementing innovative technologies in the production process;
- low level of remuneration for personnel engaged in scientific activities.

Solving these problems helps to overcome the difficulties that the business sector faces in its activities. Thus, to overcome the existing obstacles, we offer the following:

- the need to harmonize the rules and procedures of accreditation in the field of conformity assessment with international standards (recommendations of international organizations and national systems of States);
- formation of a network of laboratories that facilitate the provision of services according to relevant requirements, as well as help attract investments from international large companies;
- carrying out most of the expenses for the development of science, development and promotion of innovations.

- creation of an effective innovation policy based on an equal public-private partnership aimed at the development of innovation activities at the regional and sectoral levels;
- the application of tax benefits, in particular deductions from corporate income tax in the amount of investments in new equipment (in the amount of own investments);
- increase government funding and strengthen government support for science;
- at the expense of budgetary funds, the improvement of the material and technical base of research organizations;
- increasing the innovative activity of enterprises through joint high-tech projects with other countries.

Conducting research to create innovations, and further introducing new products into production, requires large resources in the enterprise, which is often beyond the power of small firms. Creating a network of centers (laboratories) is one of the mutually beneficial ways to promote mutually beneficial cooperation, both with large businesses and private entrepreneurs who are very interested in scientific developments. Such laboratories also provide an opportunity fordomestic and foreign scientists to conduct research and conduct experiments, regardless of the form of ownership of the scientific organization or university in which they work.

Conclusion. Education plays a significant role in the innovative development of the economy. Revision of educational programs is one of the most important decisions, the purpose of which is to form the basic research skills of students. Education should be based on international experience in the field of innovation and research, which requires the mandatory introduction by university libraries of advanced information and communication technologies that provide access to international electronic databases of scientific articles, as well as databases of scientific and technical information.

The implementation of innovative technologies in business processes contributes to the creation of additional jobs, replenishment of the country's budget by receiving dividends in the form of tax revenues, as well as increasingthe overall level of production while simultaneously increasing the competitiveness of products and services on the world market.

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