

## Innovative Activity in the Republic of Uzbekistan: Trends and Forecasts

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**Abstract:** The role of innovation in the modern world is difficult to overestimate. Innovation performs both economic and social functions and covers all aspects of society and human life. In the long term, without innovative activity, further economic and cultural growth along an intensive path of development is impossible. The paper examines the current landscape of innovative management in the Republic of Uzbekistan, shedding light on emerging trends and providing insight into future perspectives. Moreover, the paper provides a comprehensive overview of the emergent landscape of innovative management, offering valuable insights for policymakers, industry leaders, and academic practitioners seeking to navigate and leverage the transformative spirit of innovation within Uzbekistan.

**Keywords:** innovation, innovation management, technological trends, digital transformation, startups, economic development, industrial growth, digital economy, project management, technology parks, entrepreneurship, investment.

### INTRODUCTION

The Republic of Uzbekistan has embarked on a dynamic path, creating an environment of growth and transformation in economic and industrial aspects. As the country moves forward in the field of innovation, innovative management methods have become critical factors in shaping its development trajectory. Thus, there is an urgent need to consider trends and forecasts in the field of innovation management in Uzbekistan. Uzbekistan has witnessed a growing emphasis on cultivating innovation ecosystems that foster collaboration, entrepreneurship, and creativity. An increasing number of technology parks, incubators, and startup accelerators have come to represent the nation's commitment to nurturing a vibrant innovation culture. These ecosystems are playing a pivotal role in supporting the growth of emerging technologies, fostering partnerships between industry and academia, and laying the groundwork for a fundamental knowledge economy.

### 2. INNOVATION: THEORETICAL ASPECTS

The determining factor in the sustainable development of an innovative economy in modern conditions is the formation and development of an innovative environment country associated with the use of scientific research results and developments to create fundamentally new types of products, create and application of new technologies for its production with subsequent implementation and sale on the market. Thus, in order to improve the mechanisms for stimulating the development and implementation of modernization processes, technical and technological renewal of the production of scientific and applied research and innovative developments, and to ensure a closer connection between science and production, a number of legislative acts have been

adopted. Based on these documents, business entities were tasked with studying international and domestic developments of modern equipment and technologies, forming a portfolio of orders for domestic applied research and development, and introducing the results of applied scientific research and development into the practical activities of enterprises.

Innovation, according to the Organization for Economic Co-operation and Development, is the introduction of a new or significantly improved product (good or service) or process, a new marketing method or a new organizational method in business practices, workplace organization or external relations. Based on this, innovative activities are all scientific, technological, organizational, financial and commercial activities, actually leading to implementation innovations, or those conceived with this purpose. J. Schumpeter is listed among other scientists as the founder of the theory of innovation, focusing his attention on economic innovation and showing his appreciation for the impact the entrepreneur and innovator serve in the economic progress. In his opinion, the role of entrepreneurs is to reform production using inventions to produce new products or production of old ones to new ones way by opening new sources raw materials or new markets, reorganizing the industry, etc. J. Schumpeter also for the first time divided the concepts of “invention” and “innovation”. Under the last one he implied the discovery of new technological knowledge, new products, sources of supply and new forms industrial organizations and their practical application in any industry.

### 3. INNOVATIVE ACTIVITY IN UZBEKISTAN

Uzbekistan’s leadership has articulated a clear vision for technological progress and innovation-driven development. Initiatives such as the “Digital Uzbekistan” program and the introduction of regulatory sandboxes for emerging technologies underscore the government’s commitment to creating an enabling environment for innovation. These policy reforms are propelling the demand for innovative management practices that prioritize adaptability, agility, and strategic foresight in navigating the evolving regulatory and market landscapes.

The Global Innovation Index is the main indicator of innovative development. The index reflects both investment in innovation and its performance. Consisting of approximately 80 indicators, the Global Innovation Index aims to capture the multidimensional aspects of innovation. Index criteria include the state of institutions, human capital, appropriate infrastructure, loans, investments, connections, knowledge absorption and dissemination, and creative results. In 2020, Uzbekistan ranked 81st in terms of contribution to innovation and 118th in terms of results of innovation activities. This means that Uzbekistan ranks 12th among 29 lower-middle-income countries and 4th among 10 economies in Central and South Asia. Uzbekistan scores relatively high on four of the seven important indicators of the index, compared with countries that have similar development conditions: institutions (ease of starting a business), human capital and research (education spending, student-teacher ratio, graduates in science and technology), infrastructure and market sophistication (general infrastructure, online government service, gross capital formation) that are above average for the lower-middle income group. In contrast, Uzbekistan performs below average in categories such as business innovation (contribution to R&D, import of technology), knowledge and technology (export of ICT services) and creative output (Internet creativity, generic top-level domains, creation of mobile applications).

### 4. TRENDS IN THE DEVELOPMENT OF INNOVATIVE ACTIVITIES

Despite the momentum surrounding innovation, Uzbekistan faces inherent challenges, including the need for robust intellectual property frameworks, skills development, and fostering an entrepreneurial culture. Additionally, integrating innovative management practices within

traditionally structured industries poses challenges in change management and workforce adaptation. However, these challenges create opportunities for forward-thinking leaders to implement inclusive innovation strategies, cultivate multidisciplinary talent, and drive strategic alliances with global innovation hubs and industry disruptors. Looking ahead, Uzbekistan is poised to realize significant advancements in innovative management across diverse sectors. The convergence of innovative ecosystems, digitalization imperatives, and policy reforms is expected to drive a new wave of entrepreneurship, business resilience, and societal transformation. As the nation sustains its focus on sustainability and inclusivity, innovative management will not only shape Uzbekistan's economic competitiveness but will also contribute to fostering a culture of open innovation, creative problem-solving, and knowledge sharing.

## 5. CONCLUSIONS

In conclusion, it should be said that innovative management in the Republic of Uzbekistan is evolving to become a pivotal catalyst in driving progress and realizing the nation's vision for a technologically astute, knowledge-driven future. The convergence of innovation systems, digital transformation imperatives, and proactive policy interventions signifies a dynamic phase of growth and creativity within the Uzbek economy. Nurturing a synergistic relationship between technological integration and innovative management will be central to propelling the nation's journey toward sustainable, inclusive, and forward-thinking growth.

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