
Innovation: Their Modern Significance

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Annotation: The article proves that it is the intellectual potential that is the main factor in the innovative development of both the enterprise and the entire civilization. The dependence of the given direction of innovative development on the intellectual factor of innovative potential is also revealed. Based on logical reasoning, the author offers his own definition of the terms «lost innovation», «the law of innovation creation», as well as a modern definition of the term «innovation».

Keywords: innovations, digital technologies, opportunities, intellectual potential, “missed” innovations, potential, principle of effective use, consumers, producers, innovators, law of innovation creation, innovation functions.

The large-scale development of IT technologies and innovative digital tools has allowed for an accelerated transition to an innovative type of development, the use of digital technologies in all areas of the industry. The chosen direction of innovative development is a necessary stage in the development of mankind. Innovative information and digital technologies, their large-scale implementation create new opportunities for development and expansion of the scope of activities.

Today it is impossible to imagine any sector of the economy without digital technologies. Their effectiveness of application was appreciated by both consumers, entrepreneurs, and the state. Evidence of this is the improvement of the activities of state and economic administration bodies of Uzbekistan through the widespread introduction of digital technologies, the creation of a legal framework for the transition to a digital economy, the Presidential Decree “On measures for the widespread introduction of the digital economy and e-government” dated April 28, 2020, the Decree “On approval of the Strategy “Digital Uzbekistan-2030” [1] and measures for its effective implementation” dated October 5 of the same year and a number of other decisions. The document includes such priority areas as the development of digital infrastructure, e-government, the national digital technology market, education and advanced training in the field of information technology.

As the history of the existence of civilization shows, innovations are the answer to a problematic issue that is born as a result of hard, painstaking work, the solution of which is of a progressive nature. This is evidence that it is the intellectual potential that is the main factor in innovative development. Many arguing with this fact, cite random innovations as proof, which include scotch tape, plasticine, penicillin, a microwave oven, and so on. Indeed, many random innovations arose in the course of attempts to create any other developments and in the course of testing other scientific discoveries, however, it should be noted that without someone who could discern, understand and evaluate their value in a timely manner, as well as realize the effectiveness of their use, these accidental innovations would not find their discovery and application. [5]

This leads to a logical thought that perhaps such a situation has already taken place and is taking place, and as a result of incompetence, or carelessness, insufficient knowledge, civilization has not realized and does not use them (innovations, discoveries.). As a result, many opportunities for creating and using innovations are lost. Therefore, it can be assumed that there are “lost” innovations that are waiting to be “discovered”. Perhaps today they are precisely the innovative potential that in the future will make it possible to create basic and disruptive innovations,

to turn the dynamics of socio-economic development in a completely different direction. Only then it will be possible to evaluate the effectiveness of the innovative development carried out today.

In economics, there is a similar term "missed opportunity". It was introduced by the Austrian economist Friedrich von Wieser in his monograph *The Theory of the Social Economy* in 1914. It is an economic term that refers to the lost profit (profit, income) that arises as a result of choosing one of the alternative options for using resources and, thereby, refusing other opportunities. The amount of lost profit is determined by the utility of the most valuable of the rejected alternatives.

As can be seen from the definition, when a missed opportunity is made, a choice is made from known alternatives. The situation is quite different in the case of "missed innovations". There is no choice here, as we are dealing with the unknown. Today it is not known what innovations remained (remain) undiscovered, missed and to what development of scientific and technical progress, the dynamics of the economy they could lead. Therefore, it will be possible to assess the current dynamics of innovative development, corresponding to the 5th technological order, the transition to digital transformation of all sectors of the economy, only in the future.

Several interrelated conclusions can be drawn from the above:

- If opportunity cost theory contributed to economics as the first description of the principles of efficient production, then perhaps the theory of missed innovations will serve as a description of the principle of efficient use of innovations.
- One of the principles of efficient production is the choice of alternatives. The main reason for the need to make a choice is the limited resources. The choice is made on the basis of an assessment of utility, and the lost profit from the use of these resources is put on the scales if another option is chosen. Therefore, one of the principles for the effective use of innovations should be the choice from alternative innovations, or from innovative development strategies. The main reason for the need to make a choice is the same limited resources. On the scales - the degree of novelty, priority goals and objectives.
- In the case of efficient production, people are conditionally divided into 2 groups: consumers and producers. In the modern world, striving for a transition to an accelerated innovative type of development, the community is divided into 3 groups: consumers; manufacturers-customers; innovators.

According to the theory of technological modes, the 6th mode requires joint knowledge of specialists from various sciences. It is impossible to heteroficate all accumulated knowledge. I believe that artificial intelligence will help in solving this important problem. He will be able to calculate all the use cases, knowledge connections and display alternative options. Thanks to it, it will be possible to see and evaluate "missed innovations", evaluate alternative options offered by artificial intelligence, and make informed choices. Then it will be possible to talk about the effective use of innovations.[3]

Innovations by their appearance "cancel" outdated technologies, production methods, activities, creating new, effective, progressive ones. In addition, the introduction of innovations creates a large number of hitherto non-existent opportunities, and also serves as a foundation for the development and implementation of next-generation innovations.

That is, the hidden potential of innovative development is revealed. Good examples today are the development and large-scale implementation of IT technologies, thanks to which the whole world has started talking about digitalization and digital transformation of all sectors of the economy. Based on the above, we can formulate the "Law of Innovation Creation" - each unit of new knowledge obtained provides an opportunity to unlock hidden potential, create innovation, which is the basis for unlocking new opportunities for socio-economic development

and serves as the basis for creating next-generation innovations, as well as are the impetus for the dynamics of development.

Based on this law and supplementing the definition given by Yu.V. Yakovets to innovation, according to which: "Innovation (innovation) is the use of the power of human knowledge (most often science, but not only) to increase the efficiency of a particular type of human activity." [2]

Of course, today there are many different definitions of the term innovation [4], however, at the present stage of socio-economic development, awareness of the importance and significance of innovation in progress, we can formulate the following:

Innovation is the effective application of the totality of all the knowledge accumulated by civilization in all fields of science in order to find progressive discoveries that are the basis for creating the following innovations that increase the standard of living of the population and contribute to the transition to a new technological order.

Innovations have always been the main source of transition to a new type of development. They also perform the following important functions:

firstly, they create new opportunities for development and expansion of the scope of activities, which became relevant during the COVID-19 pandemic, the transition to remote work, the development of women's entrepreneurship;

secondly, they serve as the basis for creating innovations of the next generations. So digital transformation has become possible thanks to the development of information and digital technologies, such as electronic platforms, wallets, cloud technologies, artificial intelligence, and so on; [6]

thirdly, (most importantly) innovations set the direction of innovative development, which largely depends on the accumulated knowledge in all areas of science, on the intellectual potential of civilization.

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