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INSTITUTIONAL FACTORS IN THE DEVELOPMENT OF THE KNOWLEDGE ECONOMY CONCEPT

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Abstract: In the 21st century, a more active process in the world is the knowledge economy, which has arisen due to the great attention to the introduction of science into the economy. In this situation, it becomes necessary to study the factors of institutional changes in the knowledge economy. To do this, first of all, it is advisable to study and deeply analyze the system of economic knowledge. The article discusses the factors affecting the knowledge economy system in Uzbekistan. In particular, the article analyzes the impact on the economy of Uzbekistan.

Keywords: human knowledge, human capital, knowledge, knowledge economy, human dignity, institutionalism, economic level, technical achievements, network technologies

INTRODUCTION

The efficiency of human capital is of great importance in the transition of the economy to the path of innovative development and the development of the concept of the knowledge economy. In some literature, under the influence of objective factors, that is, the introduction of innovative technologies, the attraction of foreign investors, etc. there are also opinions that the level of development of the economy will increase, and in our opinion, the subjective factor (that is, the human factor) plays an important role in the formation of the knowledge economy.

In his address to the Oliy Majlis, the President of the Republic of Uzbekistan, Sh. Mirziyoev, stated: “The world experience shows that the investment spent on bringing the young generation to maturity in all aspects will bring ten and a hundred times more benefits to the society”¹. In this case, increasing spending on institutional factors in the implementation of the concept of the knowledge economy will lead to an increase in the level of economic efficiency.

The following special aspects should be taken into account in the development of the knowledge economy:

- science, education should be produced as a product. Science, education or innovation must be created as a finished product;

- science, education or innovation - the intellectual product of people. It is a new economic resource;

- education is a resource that has the appearance of free exchange between people and, at the same time, has its own value as a commodity;

- science, education appears on the basis of the power of thought;

¹ Ўзбекистон Республикаси Президенти Шавкат Мирзиёевнинг Олий Мажлисга мурожаатномаси. // Халқ сўзи. 2020 йил 30 декабрь. 3– б.

- knowledge, education remains with people as an information resource, it cannot be destroyed.

These private aspects are reflected in different areas. These areas are necessary for the formation of the knowledge economy. These are areas that create science and innovation. In them, there are areas that generate new knowledge, new products, namely:

- production sectors that create technology. They should not stop at creating innovative technologies;

- creators of information and communication technologies. We know that they are the creators of the information industry that facilitates all industries. They cause the renewal of all other areas due to the creation of circuits, computer programs;

- education, scientific fields. Causes enrichment, increase and expansion of accumulated knowledge.

Any country should take these into account. This research work is dedicated to the study of institutional factors in the development of the concept of knowledge economy.

LITERATURE REVIEW

Issues of institutional factors in the development of the concept of the knowledge economy and their influence on the development of the real sector of the economy at the world level D. North, R. Coase, L. Erhard, E. Ostrom, S. Miller, A. Alesina, R. Nelson, R. Barro, R. Posner, Researched by T. Laurence, J. Campbell² and others. K. Yanovsky, D. Frolov, L. Grigorev revealed the role of the state in institutional changes, B. Karnaukhov, V. Inozemtsev³ revealed the role of institutional changes in the conditions of transformation.

In the view of Western scientists, the labor force is considered as a separate individual, and its economic views are connected with rationality and creativity. It is said that he should serve not only himself, but also society. In particular, in their moral economic theories (behavioral economics, psychological economics), the model of the labor force is considered to be in the efficiency of households, firms, organizations, and their sphere of influence is rational thinking.

² Норт Д. Институты, институциональные изменения и функционирование экономики. - М.: Фонд экономической книги "Начала". 1997.; Норт Д. Пять тезисов об институциональных изменениях. Вашингтонский университет. - Сент Луис; Coase. R. H. The Institutional Structure of Production. University of Chicago Law School. Chicago Unbound. 1992; Эрхард Л. Благосостояние для всех. -М.: Дело. 2001; Ostrom E. Understanding Institutional Diversity Princeton University Press Princeton and Oxford Copyright 2005; Alesina A. The Political Economy of High and Low Growth. Annual World Bank Conference on Developing Economies, 1997. -; Нельсон Р., Уиптер С. Эволюционная теория экономических изменений. - М.: Финстатинформ. 2000; Barro, R. Determinants of Economic Growth: A Cross-Country Empirical Study, National Bureau of Economic Research. Cambridge, MA 02138. August 1996.; Posner R.A. The Regulation of the Market in Adoptions. University of Chicago Law School Chicago Unbound Rev. 1987. pp. 59-72.; Lawrence T. Institutional strategy. Journal of Management. Volume 25, Issue 2, 1999, pp 161-187; Campbell J. Institutional Change and Globalization. Princeton University Press 2004.

³ Яновский К.Э. (рук. исс.) Политико-экономические проблемы российских регионов. - М. 2001; Фролов Д.П. Трансплантация экономических институтов: расширенная теория. Вопросы экономики. 2021. №9.; Григорьев Л.М. Экономика переходных процессов. В 4х томах. М.: 2019; Карнаухова Б.Б. Институциональные основы государственного регулирования корпоративных структур в условиях трансформации хозяйственной системы. Автореферат диссертации доктора экономических наук. - СПб.: 2005; Иноземцев В. и другие. Социально-экономические модели в современном мире и путь России. - М.: Экономика. 2005.

For example, Western scientists Herbert Simon in his works "Administrative ethics", "Social and rational approach to the human model" mention the active action of the workforce in the implementation of the management system of a firm or enterprise and in making real decisions. M. Carnegie, in his works, the volume of production in the creation of human capital of the workforce in management activities; trade volume; volume of reserves; the position it occupies in the market; indicates that it goes along with factors such as the rate of profit. It is believed that the above factors can be the reason for the influence of the labor force on the creation of human capital⁴.

American economist T. Schultz: "In recent years, the idea that capital is only a physiological feature of man has been abandoned. Instead, any asset that serves human physiological growth is seen as an investment in human capital"⁵. In this case, the separation of investments from human capital into intellectual capital is reflected in the growth of its future economic level in terms of income.

The second current of the concept of the knowledge economy began to manifest itself with the emergence of a new stream of institutionalism, which operated in the 40-60s of the twentieth century. In our opinion, it would be expedient to consider separately the teachings of scientists working in this area. DJ. K. Gelbright described the first manifestations of postindustrial society in *The New Industrial Society* and D. Bell in *Post-Industrial Society*⁶. In particular, DJ.K.Gelbright found that the development of the modern market economy is associated with the activities of large corporations that produce complex equipment. According to him, "... in modern corporations, real economic power is not in the owners or managers of capital, but in those who have knowledge of science and technology. Technological representatives have specific professional knowledge about production and the information needed to make decisions. Of course, making officially important decisions is a separate task of the company's leading managers - the director and his deputies - and is carried out by them. In practice, all decision-making depends almost 100 percent on information. And the information will be "under the control" of the technology"⁷.

ANALYSIS AND RESULTS

The full functioning of these areas depends on institutional factors. We used to say that the creation of the knowledge economy was caused by the institutional flow, that the institutions formed in the society create the knowledge economy. We assumed that four (institutional environment, educational system, innovative system and ICT system) mechanisms play a key role in the formation of Uzbekistan's economy. In the development of the knowledge economy, it is assumed that all wheels turn equally. In this place, the role of institutional factors is necessary.

⁴ История экономических учений. Учебное пособие. Под ред. В. Автономова, О. Ананьина, Н. Макашевой. – М.: ИНФРА М, 2008. - с. 639–651.

⁵ Shulz T.W. Human Capital: Policy Issues and Research Opportunities. – In: Human resources. - N.Y., 1975. - p. 5.

⁶ Хасанхонова Н. Ўзбекистонда билимлар иктисодиёти ривожланишининг шарт-шароитлари. «Иқтисодиёт ва инновацион технологиялар» илмий-электрон журнали. №6, ноябрь-декабрь, 2020. 107 - б.

⁷ Ташматов Ш., Хасанхонова Н. Иқтисодий таълимлар тарихи. Ўқув қўлланма. - Т.: Iqtisod-Moliya, 2020. 282 - б.

Economic policy in the development of the knowledge economy includes a system of firms, educational institutions, laboratories, scientific research institutes, design bureaus, technology parks, etc., as well as social, legal and financial institutions for the production, protection, exchange, distribution and development of intellectual goods.

It is necessary to ensure the formation of the knowledge economy and create an effective environment that creates conditions for its economic growth (creating an innovative private business sector using the public-private partnership institute), forming new innovative organizations (innovation parks, business incubators, venture funds), it is also necessary to reform the system of economic regulation (creating budget and tax instruments affecting the development of the institutional environment).

We understand very well that an effective economic policy environment ensures the formation of a knowledge economy, helps to develop the infrastructure for the creation of new knowledge, and ensures their protection, dissemination and access to users. In the economic policy, by organizing innovative associations, small scientific and production structures, innovative industrial sectors, the scientific research field, which contributes to the unification of science and high-tech production sectors, the educational complex, production and service sectors, as well as market institutions, innovative includes business entities in the field (Figure 1).

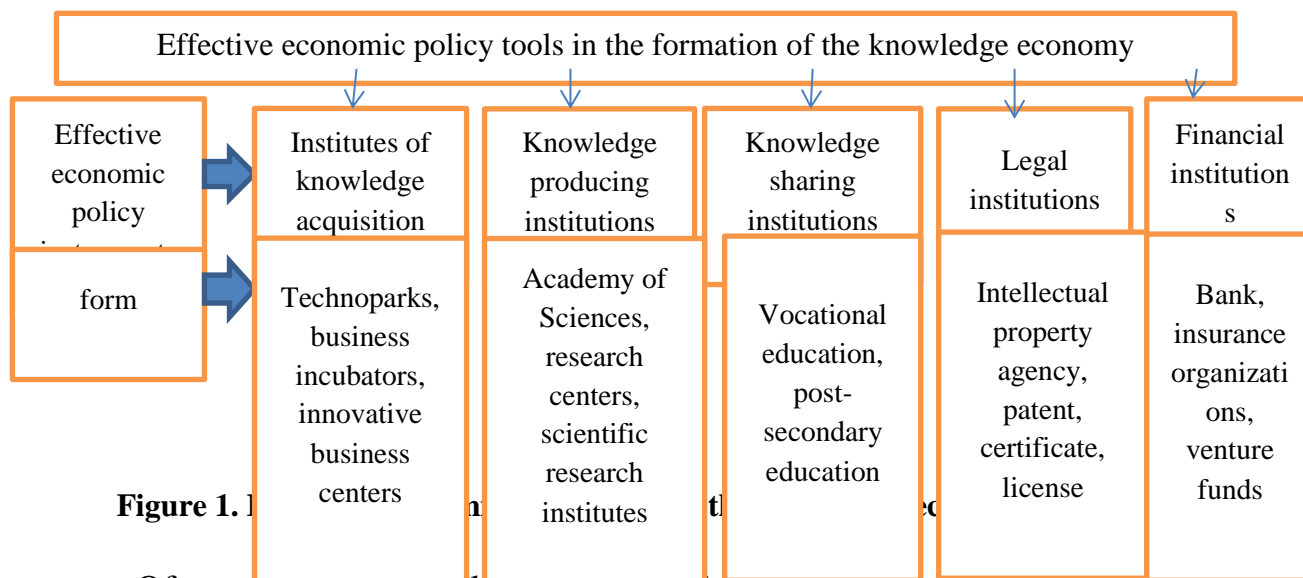


Figure 1.

Of course, in this place, the conditions for the full development of the institutional structure of the knowledge economy are dominated by the country's innovative environment. The achievement of the knowledge economy for every country is the wide introduction of science fields.

Today, Uzbekistan has a high intellectual potential. When we compare with developed countries, the level of literacy and education of the population is sufficient.

⁸ Муртазин А.С. Институциональные основы формирования экономики знаний в России. Автореферат на соискание учёной степени кандидата экономических наук. Пенза, 2015. - с. 28.

Our country has a qualified workforce with the necessary knowledge, skills and experience in working with modern technical equipment and computers.

In order to develop the knowledge economy in our country, to achieve strategic goals in this regard, to conquer new milestones, and to take a place among the developed countries, the role of knowledgeable, experienced and modern-thinking, high-level personnel and specialists is incomparable. Therefore, the basis of our country's development is the full fulfillment of tasks such as discovering a person's potential and mobilizing it to achieve certain goals⁹.

The decision of the President of the Republic of Uzbekistan No. PQ-3416 dated November 30, 2017 "On the establishment of the Ministry of Innovative Development of the Republic of Uzbekistan" is of particular importance. implements a unified state policy aimed at development, increasing the intellectual and technological potential of the country¹⁰.

At this point, it should be said that there are problems that destroy the effective functioning of institutional factors in the development of the knowledge economy. These are:

firstly, due to the situation in Uzbekistan in the 90s of the 20th century, the level of integration of science, education and innovation has decreased;

secondly, the level of inventions, innovations, intellectual property, scientific developments has decreased due to low financial supply;

thirdly, it led to an increase in the situation of foreign import of innovative technologies in any field;

fourthly, the level of practical application of the advocated scientific work is very low;

fifth, the level of innovative entrepreneurship remains low. This situation is maintained both in the domestic market and in the foreign market.

And also the problems reflected in the Decree of the President of the Republic of Uzbekistan dated October 29, 2020 No. PF-6097 "On approval of the concept of development of science until 2030" have arisen.

In the development of the concept of knowledge economy, institutional factors reflecting the effectiveness of government work: state programs, decrees, decisions; institutions that form human capital: education, researchers, personnel engaged in intellectual activity. In this case, the malfunctioning or inefficiency of one factor affects other factors and leads to the breakdown of the entire system.

The state is well aware of the need to create a regulatory and legal framework for investing in the country, introducing new types of activities in the industry, innovative intellectual inventions. Because they are, first of all, draft laws that control relations between participants of the knowledge economy market. In particular, the Law of the Republic of Uzbekistan dated July 26, 2006 No. 42 "On Copyright and Related Rights" among intellectual protection laws guarantees the protection of

⁹ <http://old.uza.uz/oz/society/zbekistonda-inson-kapitali-indeksini-ani-lash-uchun-maktab-u-05-10-2019>.

¹⁰ Ўзбекистон Республикаси 2017 йил 30 ноябрдаги ПҚ-3416-сон Ўзбекистон Республикаси Президентининг «Ўзбекистон Республикаси Инновацион ривожланиш вазирлиги фаолиятини ташкил этиш тўғрисида»ги Қарори.

property to any participant in the knowledge economy. Secondly, incentive laws that create favorable conditions for the development of the knowledge economy have a special place. At this point, special attention should be paid to the laws on incentives in the regions. Such draft laws take into account the individual characteristics of local conditions and allow creating the necessary conditions for scientific and innovative projects. For example, the draft law on the creation of regional venture funds allows investment in innovative technical and potentially profitable projects.

According to D.I. Rozieva, the increase of innovative potential in the country is related to the activity and development of small business and private business entities, which will lead to an increase in the innovative activity of the industry and ensure their competitiveness¹¹. Therefore, the innovative activity of small business entities in developed countries is supported by the state. If we look at this situation on the example of foreign countries, Germany has a state program aimed at implementing innovative projects of small business entities and stimulating their scientific and technical development.

In addition, as in a number of developed countries, Germany also uses programs that support the development of small business entities. In this, it is mainly envisaged to provide priority support to the branches of production with scientific capacity. In the development of small and medium-sized businesses in Germany, programs such as "Concept for the development of scientific and technical policy for small and medium-sized enterprises" and "Encouragement of funds to open their own business" directly stimulate this sector and provide practical support for further development of its activities.

CONCLUSIONS AND RECOMMENDATIONS

The positive conclusion of the above-mentioned Western scientists' opinions about the creation of human capital of the workforce is that they described the workforce as a rational activity-based movement, a person who serves the interests of the firm (enterprise, organization, state) or individual.

The modern economy is a knowledge economy, where the main growth rate of employment is based on the intellectual work of people. In particular, 85 percent of growth in the United States, 89 percent in Great Britain, and 90 percent in Japan is due to intellectual labor. The industrial workforce has also become an "informed-intellectual workforce"¹².

The economic thinking of the workforce in the creation of human capital, in our opinion, is cooperation, mutual trust in the interest of the firm (enterprise, state, organization), which is in harmony with economic development and rational action.

Summing up the above, we, the reflection of human capital in the workforce can be given in the following composition:

¹¹ Рўзиева Д.И. Венчурли тадбиркорлик - кичик бизнес субъектлари инновацион салоҳиятини оширувчи дастак сифатида. // "Iqtisodiyot va innovatsion texnologiyalar" Илмий электрон журнали. 2-сон, март-апрель, 2020 yil

¹² Глухов В.В., Коробко С.Б., Маринина Т.В. Экономика знаний. - М., Питер, 2003. - с. 84.

- interest in human activity has a dominant level, and his high salary serves to increase labor productivity;

- beneficial cooperation and trust;

- development of creativity and scientific knowledge of the employee.

We can understand through history that spending on labor has resulted in high labor productivity in the world experience. In particular, the labor costs of leading companies such as Microsoft, Nokia, Citrix, Symantec, Adobe Systems, Canon, Google, IBM, LG, Electronics, or Russia's Euroset, RBK, Natsionalnoy faktoringovoy kompanii, and 1S show high efficiency.

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