



*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

**Give to AgEcon Search**

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

*No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.*

## **MANAGEMENT OF INNOVATIVE ACTIVITY UNDER ECONOMIC AND FINANCIAL CHANGES**

RANO NAZAROVA, PH.D.

Tashkent State Economic University,  
Uzbekistan

**JEL Classifications:** O31,O32

**Key words:** Innovation management, innovative activity, innovative cycle

**Annotation:** In modern conditions, one of the main tasks of innovative activity's efficiency is to develop a new concept of innovative processes' management. The author discusses challenges and tasks of different parties of innovation management process – inventor and owner, consumer of innovation and producer, government as well.

Intensive economic reforms conducted in Uzbekistan set forward a number of tasks associated with management mechanism, arrangement of scientific and technical priorities, evaluation of efficiency of long-term investments, increase in innovative activity of economic entities.

Innovative activity includes processes of development, assimilation and realization of scientific and technical innovations, combination of knowledge, efforts of scientific engineers, managers, financiers, production workers and entrepreneurs. To a large extent, innovative activity cover works starting from formation of scientific and technical ideas up to their realization in economic management practice in terms of specific products, progressing of technology, new types of raw materials, materials and energy resources. The priority of innovative development is defined by creation of conditions for becoming principally science intensive, competitive, high technology productions.

In modern conditions, one of the main tasks of innovative activity's efficiency is to develop a new concept of innovative processes' management. This means improvement of the main areas of this sphere based on the analysis of the modern condition of innovative activity.

For example, the analysis showed that breaking up of large productions did not lead to positive outcomes, justify the hope for building an effective innovative structure. On the other hand, however, the innovative activity of a large production is held back with the following factors: mass production of limited nomenclature products by enterprises-monopolists, absence of competition in the internal market, financing of technical development and reconstruction of production on a budgetary basis, significant purchases of imported technological equipment. Therefore, in comparison with developed countries, the technical level of domestic production continues to lag behind in terms of technology and production organization. The main causes in our opinion are: long cycle of assimilation of new products, high consumption of petrol, high consumption of materials and capital intensity of technical equipment.

The management aspect of innovative activity covers a wide range of issues that start from managing projection of innovative activity to managing introduction of scientific developments in production. It is also important to learn the factors that keep behind the management of innovative activity in the country. The following groups can be related to them:

- not to the full developed organizational structure of innovative activity (poor development of large and small scientific and innovative organizations, specialized establishments, risk financing of innovations, establishment of infrastructure especially of services sector of small innovative enterprises);
- imperfect organizational and economic infrastructure necessary for the development of scientific and innovative organizations;
- delay in implementation of effective state innovative policies;
- insufficient development of protection system of intellectual property;
- comparably low level of innovative activity's efficiency;
- low commercial qualification of participants involved into innovation processes.

Among the all restricting factors, in our opinion, the most important one is poor institutional development of innovative enterprises, absence of developed infrastructure sustaining innovative processes. These factors therefore constrain commercial initiative during realization of technical innovations. This can be explained by the fact that at early stages of new product's production cycle there is a need for maximum high creative and economic independence, freedom of inventors and innovators.

In this relation, the most effective decision is combination of production manager and inventor in one person. Thus, the main external element, the cooperation with whom the innovator needs, is an organization that is capable of funding high risk innovations.

The regulation of innovative activity should be provided by the government (particularly the purposefulness of specified strategy of the society's

social and economic development, tasks to increase the level of competitiveness of national economy on the world market) in order to ensure agreement of interests of all participants in innovative process of parties. This is also necessary for more complete orientation of their motivation on the realization of national goals.

In innovative process, there is a realization of economic relationships among inventors of innovation, that is, owners of resources, and consumers of the innovations on the issues of their production, use and provision of resources for the parties participating in the process. In this relation, the organizational structure of innovative activity's management should be evident in economic relationships among all participants of innovative activity and should not be separate.

It is possible to talk about the efficient organizational structure of innovative activity's management when activity of social and economic entities have a purposeful, conscious nature. That is, new quality appears in the process of purposeful transformation of natural and social environment, and first of all, the economic one. So, at a microeconomic level it is evident in the subjective conscious activity of the economic entity that implements a new combination of production factors.

In the national economy as uniform system, a special sphere of economic activity is formed unavoidably – innovative, separate from material production and scientific sphere. Therefore, innovative activity features special economic relationships, that is, entities of scientific sector and material production. A single process should be established in the organizational building of the management system – from invention of an innovation to its consumption (use) in the material sphere on the “science-innovation-production” basis.

It is natural for the world economy to have various organizational and legal forms of management of its market institutions, which is applied to the innovation

The resolution of national issues in intensification of innovative process requires building a new mechanism for managing the activity of all its parts both horizontally and vertically by means of market leverage. These are taxes, prices, government orders, credits, personnel retraining, business and techno-parks, targeted programs, informative and consultative support and other.

Different areas of the organization of economic entities' activities act as a form of development of innovative process. In market conditions, entities of innovative activity can develop on share basis and attract large companies, corporations, holdings and joint-stock companies. This allows for structural subdivisions to implement particular specializations at the stages of the innovative cycle due to their differences, size and functions. Detailed organizational

and legal forms allow small forms of innovative business to survive among large ones.

The formation of technology market, production means, licenses and patents changes the function of commercial services of production enterprises and agencies, implements a rationality principle. The rationality principle says that a resource should go to those who are able to pay for it, that is, those who see a big perspective in using it.

## References

- Constitution of the Republic of Uzbekistan, Tashkent, Uzbekistan, 2003.
- Karimov, A., 2008. The main goal of all reorganizations and reforms is to ensure the priorities of people's interests, Tashkent, Uzbekistan.
- Rakhimova, D., Zainutdinov, Sh. and oth., 2006. Innovative management, Tashkent, Academy, 2006.
- Zainutdinov, Sh., Sherlirsametov, A., 2007. Risk management, Tashkent, Iktisot-mima.
- Gesbro, T., 2007. Open innovations, trans. Moscow, Pokokolenie.
- Hargadon, E., 2007. Innovation management. Practices of leading companies, trans. MIA Vilets.
- Barnchev, V., 2007. Management of knowledge in the innovative sphere, Moscow, Blagovest-V.
- Fathutdinov, P., 2006. Innovative management, St. Petersburg, Piter.
- Suzin, I., Molchanov, O., 2008. Innovative management, Moscow, INFRA-M.