

THE ROLE OF COMPETITION IN THE FORMATION OF AN INNOVATIVE ECONOMY

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Annotation:

This article discusses the role of competition in the formation of an innovative economy and the development of science, the effective use of advanced technologies, which serve to improve the living standards of the population of the innovative economy.

Keywords:

Innovation, efficient use, advanced technology, innovative economy, development of science.

Introduction

Innovative economy requires the development of science that serves to improve the living standards of the population, the effective use of advanced technologies, the introduction of research results, the provision of better products and services to consumers, the development of new products (services). Competitive advantage in such an economy is ensured by reducing costs, improving the quality of consumer goods and services of the national economy based on modern scientific achievements. At the same time, the innovative economy contributes to improving the living standards of the country's population through the efficient use of limited resources, the development of alternative products and services, the rational use of existing opportunities, the constant development of new goals and plans.

Main part

“The rapid development of all spheres of society and state life requires the implementation of reforms based on modern innovative ideas, developments and technologies that will ensure rapid and high-quality progress of our country on the path to becoming a leader of world civilization.

At the same time, the analysis showed that the work on modernization, diversification of production, increasing its volume and expanding the range of competitive products in domestic and foreign markets is not carried out properly.

In particular, due to the lack of many indicators and the lack of effective coordination of work, our country does not participate in the ranking of the Global Innovation Index, which in recent years has been compiled by authoritative and reputable international organizations.

Innovative economy is a factor in competing with foreign countries in industry, science, technology, achieving high results in the rankings. The role of the innovative economy is important in improving the daily life of the population of the Republic of Uzbekistan, providing employment, increasing the range of consumer goods, in general, a better life. As the innovative economy develops, the interest in change in the country increases, the skills of business entities to work with innovative developments are formed, everyone strives to do business with the help of innovative ideas, each industry reaches a level of competitiveness with international enterprises. At present, innovation is

becoming the main means of increasing the profit of the entrepreneur by better meeting the needs of the market, reducing production costs compared to competitors.

In order to ensure the competitiveness of enterprises operating in the country, a localization program has been developed to reduce costs included in the cost of production. "Although the cost of production has been reduced by an average of 10 percent, some products in the chemical and light industries, automotive, construction materials and a number of other industries are unable to compete in foreign markets due to their high cost."

One of the sectors with the largest number of enterprises in Uzbekistan is the textile industry. Improving the competitiveness of the textile industry, providing enterprises with modern equipment and technologies, achieving the ability to compete qualitatively with imported products are among the pressing issues of the industry.

At the same time, in order to ensure the rapid development of the textile industry, expand the production of high quality and competitive finished products, promote it to major foreign markets, as well as consistently implement the tasks set out in the Action Strategy for the five priority areas of development of Uzbekistan in 2017-2021. The Decree of the President of the Republic of Uzbekistan Sh.Mirziyoev dated December 14, 2017 No PF-5285 "On measures to accelerate the development of the textile and garment industry" states that "increasing the share of the textile industry in the economy, primarily textile products increase the volume and quality of valuable competitive textile products by reorienting them to high-tech production, advanced management technologies of the management system of the textile industry, comprehensive assistance and support to industry enterprises and radically reconsidering the introduction of effective forms of solving problems, including those that hinder their development. The large number of enterprises in the textile industry, the variability of consumer demand, the influx of imported products, the state policy are leading to strong competition.

Competition is the driving force behind the development of economic entities and the basic law of a market economy. Competition is the competition of economic entities (competitors), in which their independent actions exclude or limit the possibility of each of them to unilaterally influence the general conditions of commodity circulation in the commodity or financial market. The study of national and foreign literature on the concept of competition revealed that there are two main approaches, in the first approach, competition comes in the sense of mutual confrontation, struggle, competition to achieve the best result in the market.

In general, competition between enterprises occurs on the basis of factors such as quality, price, service. Those who have the upper hand on the factors that affect competitiveness in consumer choice will have a competitive advantage. In a purely competitive market, the main carrier of competitive advantage is innovative activity.

In particular, competition plays an important role in building an innovative economy and contributes to the growing demand for innovation among enterprises.

Innovation has a strong impact on changes in the activities of all links in the organizational structure of enterprises, as well as the management system of the enterprise, technology, product quality, cost, diversification processes. As a result of innovative changes in the activities of enterprises, there is an opportunity to gain a competitive advantage in the region and the world.

The development of innovative activities in the country creates a strong inter-sectoral and intra-sectoral competitive environment. Competition in the textile industry alone occurs between enterprises to produce more goods, to occupy a major share of the market share, to obtain high profits based on the use of efficient methods of sales. Modern technology, potential staff, quality raw materials and effective marketing services play an important role in gaining an advantage in the competition within the industry.

The economic literature has divided intra-industry competition into pure competition, pure monopoly, monopsony, monopolistic competition, and oligopoly. Pure competition is characterized by a large number of enterprises producing the same product, pure monopoly is characterized by a single producer in the industry, monopolistic competition is characterized by dozens of producers,

monopsony is characterized by a large number of producers, and oligopoly is characterized by a small number of enterprises.

Cross-sectoral competition is a struggle between different network enterprises to get the highest profit margins. Such competition leads to an influx of capital from low-profit sectors to high-profit sectors.

The decisive link in the analysis of the situation in the network is to study the competition in the network, the power of its impact. According to M. Porter, a professor at Harvard Business School, the competitive situation in the industry is determined by five factors.

In the Uzbek textile industry, competition between existing firms in the industry, as shown in Porter's model, and the influx of substitutes and new competitors are influencing the formation of a competitive environment in the industry. In such an environment, the use of an effective competitive strategy using a competitive management system that serves to gain an advantage over strong competing enterprises is required. Studies have shown that the formation of competition can occur under the influence of one or more factors. These include the increase in the number of enterprises in the industry, the decline in demand for products, government policies, the absence of barriers to entry into the network, the desire of enterprises to make high profits.

Conclusions

In general, competition occurs between manufacturing enterprises, suppliers, consumers, can be classified as a driving force to achieve more profit and profitability, invisible control, demand and supply regulation mechanism, the driving force in the market according to its specific characteristics.

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