

Modernization, Intellectualization and Diversification of Production

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ABSTRACT

The study proved that the intellectualization of economic activity is a generalizing sign of the quality of modern economic development and its imperative.

In the short twenty years since the independence of the Republic of Uzbekistan, as a result of the implementation of a unique model of the transition to a scientifically based market economy, deep structural changes took place in the economic sphere in our country, a favorable investment environment was formed, modernization of production and technical re-equipment, development of the banking and financial system from a regulatory and legal point of view provision, protection of private property, creation of a strong class of property owners, creation of favorable conditions for the development of entrepreneurship, first of all, small business activity, a solid ground has been created for the establishment of a wide market infrastructure.

When talking about the short, but centuries-old period that Uzbekistan has passed through, first of all, the "Uzbek model", which includes the famous five principles, which we have chosen for the transition from a planned economy, a distribution system, to a management system based on market relations, our state and economy is consistent step by step. It is necessary to talk about the viability of the strategy of reform and sustainable development. In this regard, it is permissible to think about the factors and sources of the rapid development of the national economy, the priority directions of economic growth and bright prospects.

Accelerating the country's economic development is the goal of all nations. Due to this, modern economic development should create conditions for effective solution of economic and

social problems of any society. These conditions include increasing the well-being of society members, reducing the number of low-income families, developing a person in all aspects, humanizing the process of work and social life, deepening democratic reforms in the country. **Targeted formation of a higher quality of economic development is one of the complex tasks studied by modern economics.** For this, it is necessary to modernize all production factors, invest in human capital, seriously reform the system of social relations and economic stimulation instruments, improve the socio-economic and institutional development of society and the quality of people's living standards.

path of long-term sustainable development

intellectualization, development of the theoretical-methodological bases of analysis and determination of conditions and factors of economic growth, construction of a system of effective use of innovative technologies. **The growing needs of the population, the process of fundamental transformations in the technological method and structure of social production are taking place in Uzbekistan.**

Indeed, the quality of modern economic development is of particular importance for Uzbekistan. The movement of the national economy along the trajectory of development in the conditions of the very favorable global conjuncture and socio-economic well-being in the recent past requires that large-scale investments in human capital and mass transformation of fixed capital should be carried out.

Modern economic development, by its nature, is a dynamic process with rapidly changing characteristics, which significantly complicates the use of accumulated knowledge to analyze its new quality and forecast the trajectory of the economy.

Analyzing the research of the topic of economic development and its quality in national economic literature, it should be noted that this issue was considered from the point of view of the reproduction-structural balance of the proportions of the national economy. The quality category of modern economic development is multifaceted, it can be revealed by means of analysis of various spheres of activity of the economic system. Scientists associate the quality of modern economic development with transformations of the capital structure and the priority growth of science and technology requirements of economic activity.

The category of economic growth is one of the main indicators of the functioning of the economy, and it shows the increase in the volume of the real gross domestic product from year to year, or more precisely, the increase in the amount of the real gross domestic product per capita. The category "Economic development" is a multidimensional and multifaceted indicator closely related to "economic growth" and represents social, institutional and political changes in the country, the standard of living of the population, and the level of satisfaction of human interests.

In fact, the category of "economic development" is a broader concept than the concept of "economic growth". Sometimes "economic development" may not occur when economic growth is clearly ensured. Therefore, "economic development" covers the possibilities of ensuring human interests, satisfying life needs, living conditions, medical services, education, and the development of a mature generation. According to the analysis, the **quality of economic development is determined by the dynamic ratio of qualitative and quantitative characteristics of economic development, determined by the intellectualization and globalization of the economy becoming its internal factors.**

On this basis, the content of the new quality of modern economic development is revealed, it reflects the general economic trends of the exchange of technological procedures, the transformation of technological development from an exogenous factor of development into an endogenous factor, the increase of the share of intellectual labor in the process and results of social production, as well as the rapid penetration of modern technologies into the sphere of

intangible production. makes

The study proved that the intellectualization of economic activity is a generalizing sign of the quality of modern economic development and its imperative.

Throughout human history, knowledge has always been an important factor in intellectual and economic development. However, in recent years, the process of acquiring new knowledge has changed: innovation has directly affected the innovation process. Information processing, new means of sending, distributed information networks, which were impossible 20-30 years ago, have unified many processes. In the study of economic processes, the use of the concept of system and systematic research of the problem is of great importance. So, the **economy is formed as a result of the intersection of two large superset systems called "society" and "resources"**. In this context, considering the economy as a part of society, first of all, relations in the production, distribution, accumulation and consumption of goods and services in the national economy are studied. The human factor, labor force, is studied as consumers in a certain period, based on what kind and how much set of goods and services the society needs to produce. If the economy is interpreted as a part of the system of resources, people, labor force is studied as an important scarce resource, and efficient use of scarce resources is considered important to ensure economic efficiency.

Peter Drucker, a well-known scientist in the field of management In the article "**From Capitalism to the Society of Knowledge**", the revolution in the field of management, which began after the Second World War and was clearly manifested in the 80s of the 20th century, was assessed as an independent stage in the development of modern humanity. In the scientific research, it is justified that a new methodological-theoretical transformation direction of the analysis of the general economic method - high utility and productivity from the point of view of determining the development quality of the intellectual economy has been opened.

Also, in our study, the transformation of the law of diminishing returns of resources was proved in the trend of increasing the overall efficiency of factors in the Republic of Uzbekistan over the next fifteen years. For this, the two-factor macroeconomic function of the economy is considered. In this function, economic growth is assumed to be a function of capital, labor and total factor productivity. And the total productivity of factors.

found through Here the growth rate of the gross domestic product is key considered a function with respect to capital and labor. Based on the assumption that factors and functions change

$$\frac{\Delta Y(t)}{Y(t)} = \alpha_k(t) \frac{\Delta K(t)}{K(t)} + \beta_l(t) \frac{\Delta L(t)}{L(t)} + TFP(t) \quad (1)$$

according to the law of exponential growth

$g_y = (\alpha_k \times g_k) + (\beta_l \times g_l) + \alpha$ can be written equal to Here α represents the total productivity of the factors. According to econometric studies, the elasticity of the labor force for the period of the study for the Republic of Uzbekistan $w_l = 0.81$, was equal to and the elasticity of capital $w_k = 0.19$. On this basis, the rate of growth of the total productivity of factors in the economy of the Republic of Uzbekistan in 2017-2019 has been proven (at 3.1%). In the process of transition to the intellectual economy, this indicator will increase.

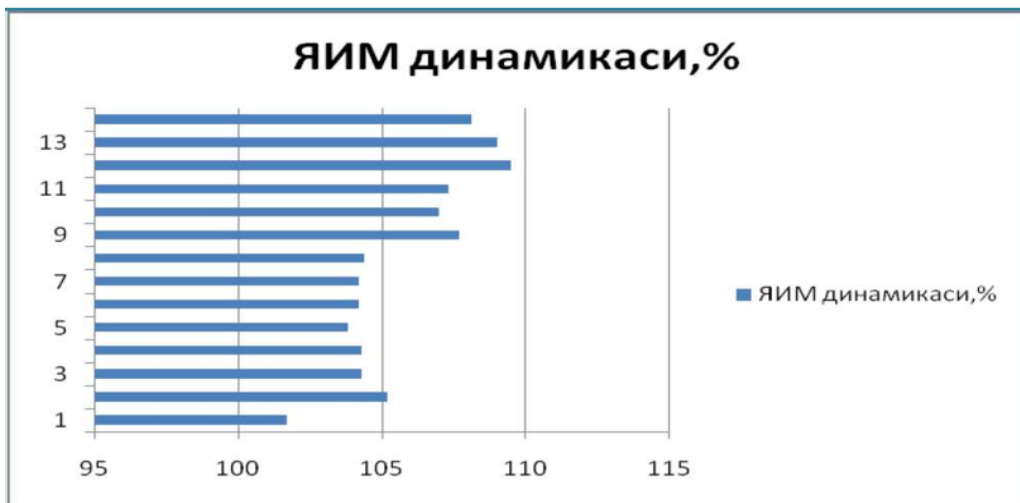


Figure 1. GDP dynamics (in percent)

Table 1. Dynamics of qualitative changes in the development of the economy of the Republic of Uzbekistan

Years	Labor force change, %	Investment dynamics, %	GDP dynamics, %	Quality change, %
2006	102.7	109.1	107.3	103.4
2007	102.6	122.9	109.5	103.0
2008	102.8	128.3	109.0	101.4
2009	102.7	124.8	108.1	101.2
2010	102.7	109.1	107.3	103.4
2011	102.6	122.9	109.5	103.0
2012	102.8	128.3	109.0	101.4
2013	102.7	124.8	108.1	101.2
2014	102.7	109.1	107.3	103.4
2015	102.6	122.9	109.5	103.0
2016	102.8	128.3	109.0	101.4
2017	102.7	124.8	108.1	101.2
2018	102.8	128.3	109.0	101.4
2019	102.7	129.8	108.1	103.4



Figure 2. Labor force change (in percent)

As can be seen from the table, the period of stabilization in the economy of our country corresponds to 1996. We can say that starting from this year, economic development in Uzbekistan, and starting from 2004-2005, a new qualitative stage of development has passed.

The new qualitative stage of the economy of the Republic of Uzbekistan includes the modernization of industries, the introduction of an innovative system, the improvement of the business environment and entrepreneurial conditions, qualitative changes in the workforce (implementation of the "National Personnel Training Program" adopted in 1997), the wide introduction of information and communication tools and the Internet system. characterized by doing.

The new qualitative stage of normal development is expressed not only by the high and stable rate of economic growth, but also by positive changes in the dynamics of the results of economic development (income of the population, living conditions, social support, education and medical services, etc.) . In other words, the rate of economic growth increases under the influence of intensive factors: business environment and entrepreneurship, innovation systems, ICT tools and intellectual capacities. These processes can be seen in the investment flow acceleration, labor force dynamics and quality level data in the table above.

Investment dynamics,%

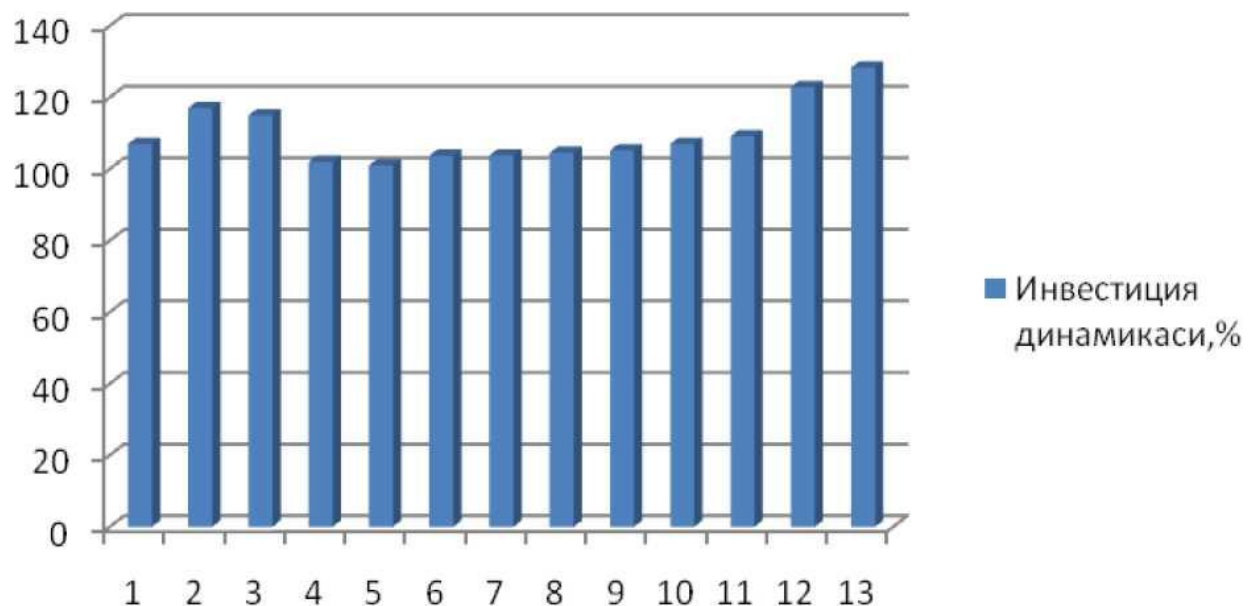


Figure 3. Investment dynamics (in percent)

The economic transition to a knowledge-based society is manifested in the rapid growth of the contribution of intellectual activity to economic dynamics. The expansion of intangible production and the replacement of labor by knowledge will significantly reduce resource constraints.

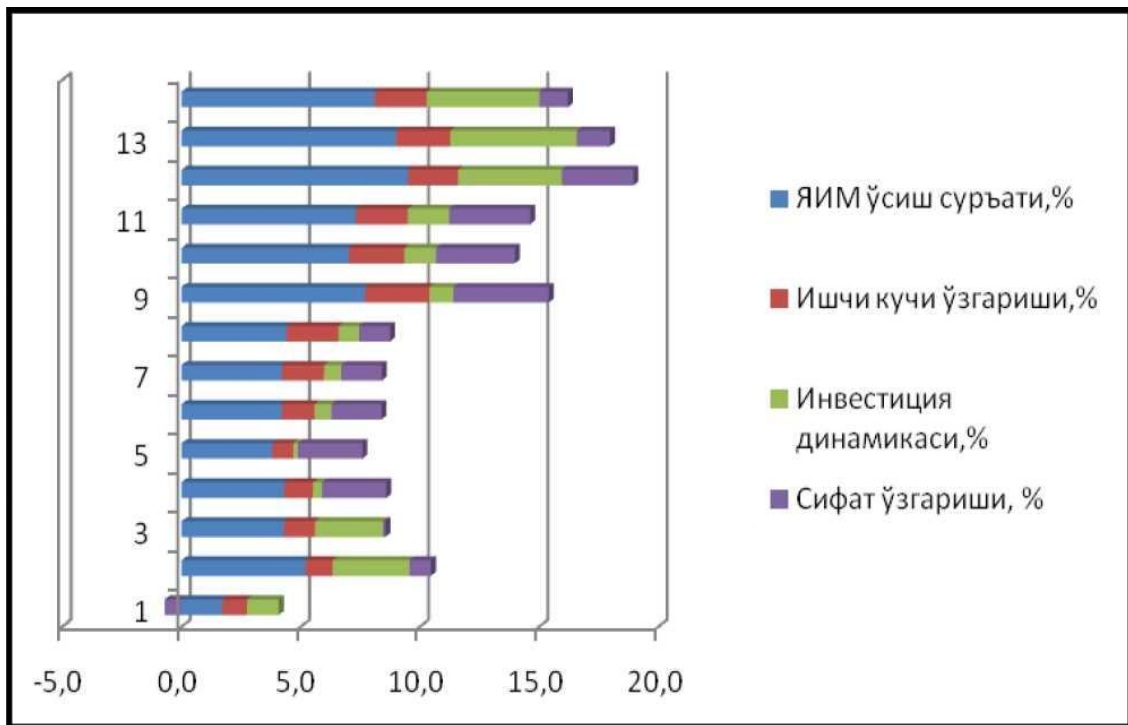


Figure 4. GDP growth rate dynamics

The dynamics of the share of extensive and intensive factors in the development of the economy of the Republic of Uzbekistan in 2006-2019.

The deepening of economic diversification, the structure of GDP, and high quality of modern economic development have the following characteristics. The category "Quality" is a complex, multi-level theoretical construction, the philosophical meaning of which is to define the essential inevitability of the invariant properties of an object, process or event as a set of stable properties and emergent relations that arise as a result of their manifestation in existence and practice, to form the integrity of the essential properties that make up the essence of the object. both methodological and utilitarian. The quality of the object and process can be determined by its goal and task directed to the outside, the environment. At this stage of the object's development, it is recognized by it only through the real connection of the projection of the object with the external environment.



Figure 5. Quality change dynamics (in percent)

In order to modernize the economy in the Republic of Uzbekistan, investment activity increased after 2017, and due to this, the share of investment in fixed capital in economic growth is increasing. This, in turn, serves to ensure the priority of intensive factors in the rate of economic growth.

Such a methodological approach allows demonstrating the qualitative accuracy of modern economic development through its essence, knowledge of which requires priority theoretical-methodological researches to be carried out in each specific historical period. The scarcity of an intellectual product can be overcome by increasing it in a way that does not require large costs. In essence, the highest costs of reproduction of an intellectual product will decrease and tend to zero, while the cost of producing a test sample of an intellectual product will be sufficiently high. The level of high utility of using knowledge does not decrease, but increases. The more members of the society acquire new knowledge and high-tech products, the higher their demand and value, that is, the synergistic effect of the scale of consumption is manifested.

As a result, the quality and potential of economic development will increase.

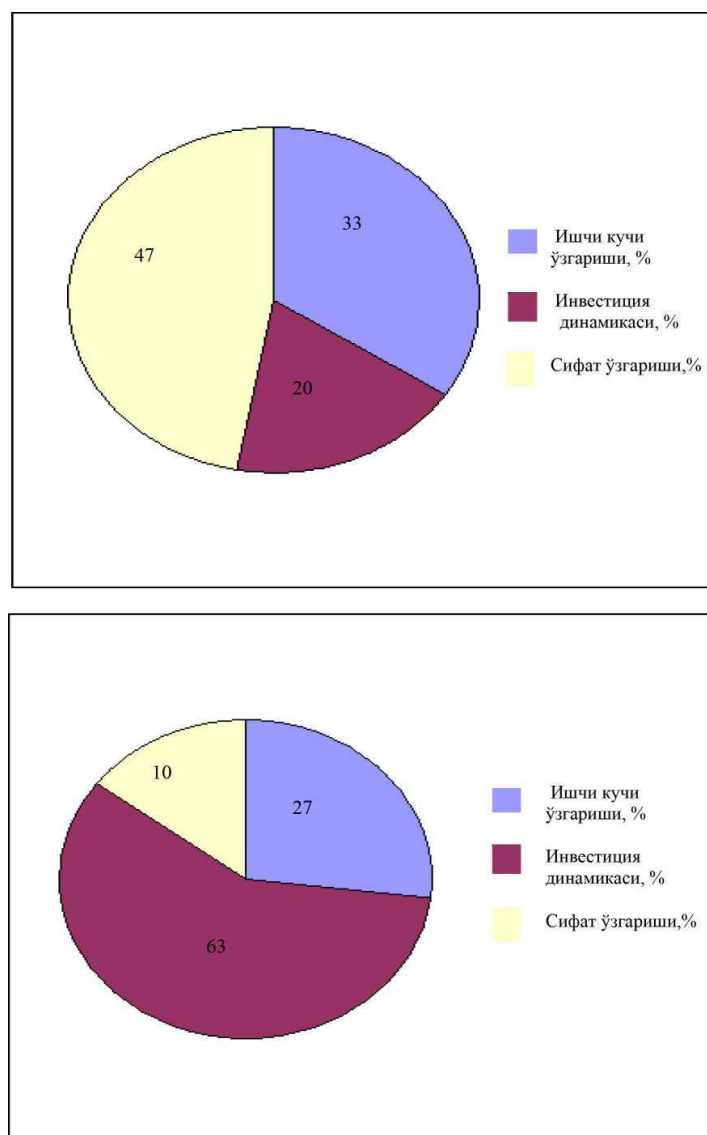


Diagram. Quality of economic development.

Research results

It can be seen in the diagram below: According to the researches, the generalized descriptions of the conceptual signs that reflect the essence of modern economic development belong to

anthropocratic problems and economic is the ability to define development as sustainable and effective. The article considers that the intellectualization of economic activity is a generalizing quality sign of economic development and the genetic basis of the knowledge multiplier effect. **Under the conditions of intellectualization of economic activity, the quality paradigm of modern economic development is based on the category of "knowledge" as a non-competition and non-alienable social wealth and the category of "human capital" as a strategic resource for its reproduction and satisfaction of growing needs.**

The economic transition to a knowledge-based society is manifested in the rapid growth of the contribution of intellectual activity to economic dynamics. The expansion of intangible production and the replacement of labor by knowledge will significantly reduce resource constraints. The deepening of economic diversification, the priority of the share of industrial and high-tech products in the structure of GDP, the dominance of network structures of relations of economic entities are the characteristics of the development of the intellectual economy.

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Within the framework of the model developed by us, the hypothesis of intellectualization of the economy is substantiated and the effect of the knowledge multiplier effect is proved. One of the main conclusions of the model is the rule that **"many repetitions of simple operations give a new quality to work at a certain time"** When a certain threshold mass of experience is accumulated, production knowledge begins to materialize in the tools of work created or in the technologies being developed. It forms the basis of the technological process through the acquisition and training of personnel skills and production experience. The consequence of multiplying the value of the intellectual component in the sales revenue is a multiplicative increase in the gross value added.

Among the institutional conditions for the formation of a new quality of modern economic development, the state plays an important role in the framework of the state's participation aimed at organizing the economic processes in accordance with the established social priorities. In this context, it is necessary to note the programs of our country in the process of modernization of production. Modernization is the technical renewal and diversification of production, the wide introduction of innovative technologies, and they are a condition for bringing our country to new heights in the world market. The main directions and instruments of production modernization have been created in our country. They include expanding the range of products, reducing production costs and saving resources, introducing a quality management system and certification, introducing waste-free and ecologically clean technologies, using innovative technologies based on local resources, modern techniques and technologies.

implementation, decommissioning of obsolete equipment.

In the context of the development of the crisis, the primary tasks of national policy are to restore market confidence, reduce the non-market sector, primarily the sphere of influence of rent relations, and develop competition and production diversification is necessary. Diversification requires, first of all, expanding the range of activities of industries and enterprises

and the assortment of products and services, improving the quality of products and services, expanding the market for selling products and services.

The effectiveness of the transition of the national economy from energy-raw to innovative direction is determined by the level of trust in relations between different social groups of the population, government and business. The concept of the quality of modern economic development described in the article takes into account the quality of production factors, therefore, the quality of investment, therefore, the development and implementation of reliable methods of recognition of losses is the current direction in the policy of the new quality of development in the crisis. The quality of modern economic development is ensured by the formation and observance of a number of socio-economic and institutional conditions: political and economic stability, moderate taxes and inflation, tolerant government, efficient social and market institutions. In such an environment, socially oriented intellectualized economic subjects will be able to implement a long-term economic development strategy.

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