Proceedings of Online International Conference on Technological Developments in Systematic Research (ICTDSR-2020)
Organized by Novateur Publications, Pune, Maharashtra, India
International Journal of Innovations in Engineering Research and Technology [IJIERT]
ISSN: 2394-3696, Website: ijiert.org, August 14th, 2020.

KNOWLEDGE ECONOMY IN THE COMMONWEALTH OF INDEPENDENT STATES COUNTRIES

Sh.Tashmatov,
TSUE, professor

N.Khasankhonova,
TFI, senior lecturer

Abstract:
The article examines the knowledge economy of the CIS countries, which changed their economies in the late 1920s. The author analyzes the factors in the development of the knowledge economy and the challenges facing the economic system of states in the light of new requirements for human capital.
Keywords: knowledge economy, government programs, human capital, globalization, information and communication technologies, innovations, educational services**.**

Introduction

During the transition to the 21st century, many countries, such as the former post-Soviet countries, are faced with the fact that the world is developing and localizing very quickly. The transition of the economies of the countries of the world to the highest stage of development of the innovative economy is the basis, the foundation of the knowledge society or information society. This stage of economic development has its own unique features and characteristics that distinguish it not only from all previous forms of the economy, but also from the post-industrial economy, with which the knowledge economy is often identified. The knowledge economy is understood as a type of economy, the key development factor of which is knowledge concentrated in human capital, and the information environment in which this capital is applied. It is an economy whose growth and competitiveness are ensured by the creation, dissemination and application of knowledge in the form of high-tech products and services.

In the knowledge economy, traditional economic concepts based on the principle of extracting the maximum possible benefits from limited resources, namely natural resources, labor resources (physical component of labor) and capital, are losing their relevance. In the context of globalization of the knowledge economy, information and knowledge, inexhaustible by their nature, come to the fore, which can be multiplied in the process of application, which requires the development of new concepts.

Work on the EBRD Knowledge Economy Index sayd that the “knowledge economy” (KE) is a concept of economic development, in which innovation and access to information drive productivity growth. New trends, such as the Internet of Things or digitalization, are

examples of key elements of the transition to the knowledge economy. Building the key pillars required to stimulate knowledge-economy development is therefore central to achieving long-term competitiveness.

To measure KE development, the European Bank for Reconstruction and Development (EBRD) has constructed the EBRD Knowledge Economy Index, spanning 46 economies – 38 where the EBRD invests and eight comparators (members of the Organization for Economic Co-operation and Development, OECD). The new EBRD KE Index contains 38 indicators divided into four pillars: (1) *institutions for innovation*, (2) *skills for innovation*, (3) *the innovation system and* (4) *the ICT infrastructure*.

Among the EBRD regions, Estonia scores highest and Turkmenistan lowest. Serbia made the greatest progress between 2011 and 2018. Weak *institutions for innovation* are the most significant drivers of KE gaps between the EBRD regions and their OECD comparators. Using a cluster analysis, we identify three stages of KE in the EBRD regions. The early KE group has weak *institutions* and *skills for innovation*, together with poor *ICT infrastructure*. Improving these three pillars will be instrumental in moving up to the next KE stage. The intermediate KE group has somewhat stronger *institutions for innovation* and better *ICT infrastructure*, but still relatively weak *skills for innovation*, constraining KE development. The advanced KE group has relatively favorable *institutions for innovation* and *ICT infrastructure*. However, its specialized *skills for innovation* and the efficiency of its *innovation system* remain significantly behind those of the OECD comparator countries. These results indicate that there are no one-size-fits-all policies to promote the development of the knowledge economy. Rather, the EBRD regions should adopt policies that take into account their stage of knowledge-economy development and set priorities accordingly.

The determining factors in the development of the knowledge economy are: an increase in the "knowledge-capacity" of various types of economic activity and the strengthening of globalization. The increase in the "knowledge-capacity" of the economy is due to a combination of factors such as the revolution in the field of information and communication technologies and the acceleration of scientific and technological progress.

The rapid development of information and communication technologies over the past 30 years has ensured a high rate of creation and dissemination of knowledge, not only due to the decrease in the cost of computer processing of data and electronic communications, but also due to the fact that researchers around the world were able to effectively interact, which increased the effectiveness of research and ensured the rapid development of R&D and the creation of new knowledge and technologies.

In this paper, we introduced the EBRD Knowledge Economy Index. It showed that *institutions for innovation* is the key pillar of knowledge-economy development, but that other pillars also need to be strengthened in the EBRD regions. The insights gained from the KE Index support our view that a one-size-fits-all policy approach is not appropriate and that

interventions need to be prioritised based on the specific challenges of an economy's KE stage. In the early KE stage, the emphasis should be on building the basic requirements for KE development, in particular, building better *institutions for innovation* (improving economic openness, governance and the business environment), general *skills for innovation* and *ICT infrastructure*. In the intermediate KE stage, economies should make efforts to catch up with those countries at the technological frontier.

Human society has approached a stage of its development when the main characteristic and fundamental basis is increased attention to knowledge, which takes the form of intellectual capital and materializes in innovations, being the most important resources and a direct productive force of development.

References:

1. Govorova N.V. Knowledge Economy: European Realities and Prospects. // Modern Europe.-2006.-№4.-P.110-119.
2. Alekseeva S.A. Economics of knowledge and human capital / S.A. Alekseeva // Teaching foreign languages: from professionalization to professionalism. Materials of the scientific and methodological interuniversity seminar on November 11, 2009 - M .: MGIMO-University, 2010
3. Introduction the EBRD Knowledge Economy Index. European Bank for Reconstruction and Devolopment. March 2019