



## THE ROLE OF INNOVATION IN THE DEVELOPMENT OF THE DIGITAL ECONOMY

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### ABSTRACT

This article describes the role of innovation in the development of the digital economy, its economic essence, and the importance of digital technologies in the development of the digital economy. Digital economy is an economic activity based on digital technologies, connected with e-business, e-commerce, producing and providing digital goods and services. In this case, payments for economic services and goods are made through electronic money.

Innovations are becoming one of the most characteristic features of economic development and are analyzed as a factor accelerating market development. Also, suggestions and recommendations are given that rapid development of entrepreneurship can be achieved through the wide use of innovations in the modern world. The concept of digital economy is a socio-economic system in the form of electronic, internet, network and virtual economy aimed at increasing the efficiency of production of goods and services by means of digital data, which is directly related to the development of information and communication technologies.

**Keywords:** digital, economy, electronic, internet, network, technology, innovation, development, resource, communication, demand, information, communication, platform, process, services, activity, infrastructure, dynamics, segment, classic, analysis, indicator, telecommunication, social- economic, rating, parameters, skills, statistic, mobile communication, base, station, content, capital, innovation process, factors of production, innovation strategy, innovation entrepreneurship.

This article, devoted to the use of innovative technologies in the digital economy and the management of various systems, describes its infrastructure in a comprehensive manner, dedicated to the field of the digital economy and its component, innovative technologies, which are currently developing rapidly and causing a number of scandals.

The concept of an innovative process in the development of a digital economy has emerged in the economic theory and practice of a number of countries. This is characterized by the rapid development of digital technology, the revolution in information technology and the acceleration of the globalization processes of the economy. The efficiency of their use has been transformed into increasing knowledge, and socio-economic relations are expanding steadily. The main factor in the activities of market entities is the development of digital culture. The innovative development of the digital economy is a manufacturing complex, a production system that creates products and services that provide life and convenience for humans, where a certain cyber-physical (cyberphysical) system appears. We believe that the innovative development of the digital economy is a virtual environment in which this new



production complex creates products and services that provide convenience for people and is considered an economic production system using digital technologies.

Interest in the innovative development of the digital economy has grown significantly due to the significant changes that have taken place in society and the economy. Modern technologies and platforms have helped businesses and individuals cut costs by minimizing personal communication with customers, partners and government organizations, as well as enabling them to navigate interaction more quickly and easily. The result was a network resource-based, digital or electronic economy. The word "digitalization" is actually a new term, which involves identifying the involvement of IT solutions in the process of innovative management and operation, and as a result, the use of information technology in all systems, from Internet items to electronic government.

When it comes to the process of "digitization" of the economy and society (in English – digitization, i.e. digitization, sometimes digitalization, i.e. digitalization, i.e. digitization), it is important to first clarify terminology. In the broadest sense, the process of "digitalization" usually refers to a socioeconomy shift initiated by the initiative of the widespread application and assimilation of digital technology. The concept of a digital economy has been given a number of definitions. For example, Professor V. Ivanov described "the digital economy is a virtual environment that fills our truth." [3]. According to Professor D. Kungurov, there are two classical and traditional approaches to the term "digital economy" [5]. Digital economy, which describes the economy and the exclusive domain of electronic goods and services based on digital technology: the first approach is called "classic", and classic examples include telemedicine, distance learning, drug sales (films, TVs, books, etc.). The second approach: "digital economy" is economic production using advanced digital technologies. M.L. Kalujsky described the digital economy as an economic Internet activity, as well as forms, methods, tools and communications environments [5]. According to sources, "Digital Economy" is a model of the type of economy that operates to some extent.

The innovative development of the digital economy is a manufacturing complex, a production system that creates products and services that provide life and convenience for humans, where a certain cyber-physical (cyberphysical) system appears. In our view, the innovative development of the digital economy is a virtual environment in which this new production complex creates products and services that provide opportunities for humans and is considered an economic production system using digital technology [5].

Interest in the innovative development of the digital economy has grown significantly due to the significant changes that have taken place in society and the economy. Modern technologies and platforms have helped businesses and individuals cut costs by minimizing personal communication with customers, partners and government organizations, as well as enabling them to navigate interaction more quickly and easily. The result was a network resource-based, digital or electronic economy. The word "digitalization" is actually a new term that involves the involvement of IT solutions in the process of innovative management and operation, as a result of which the use of information technology in all systems, from Internet items to electronic government.



The main source for the digital segment of the economy is the growth of the transaction sector. (Matthew 24:14; 28:19, 20) In developed countries, this figure is more than 70 percent of JIM, combining public administration, consulting and information services, finance, wholesale and retail, as well as the services sector (communal, personal, and social). The higher the diversification and dynamics of the economy, the greater the circulation of unique information within and outside the country, and the more information traffic within national economies. Therefore, in markets where there are many participants and IT services are widespread, the digital economy will grow rapidly [15]. This, in particular, creates unlimited opportunities for areas active with the Internet, such as transportation, trade, logistics, and so on. According to some researchers, the share of the electronic segment in them approaches 10 percent of JIM and provides 4 percent of the population. Most notably, these indicators grow steadily. Obviously, the effectiveness of the digital economy is influenced not only by the coverage of information technology and the availability of infrastructure, but also by standard economic criteria such as the business environment, human capital and successful management instruments. Thus, economic development relies exactly on them, which means that these criteria play an important role in the development of the digital economy as before. Also, the digital economy can cover everything that can be formalized, that is, manifests itself in logical schemes. And life itself provides an opportunity to transform these "things" into a system of production, distribution, substitution and consumption. Indeed, before the virtual part of the world, where a person's spiritual reality was located, it was not an environment where new ideas and products were created.

## **RESEARCH METHODOLOGY**

Analyzed the economic statistical indicators of digital technologies in the development of the digital economy in our country, the importance and issues of digital technologies in the development of the digital economy and its economic nature, and the development of the digital economy.

The innovative development of the digital economy is the analysis and synthesis of the socio-economic system in the form of electronic, Internet, networking and virtual economy, aimed at improving the efficiency of the production and service of goods through digital data related to the development of direct information and communication technologies. Digital technology activities in the innovative development of the digital economy have been closely studied and a database has been collected. Based on the data collected, methods such as monitoring and comparing economic analysis, systematic approaches, and logical approaches were used effectively. The article used extensive methods of induction and deduction in the analysis of scientific abstraction, analysis and synthesis, reviews of research work, opinions.

This research data was obtained from official sources to conduct a comparative analysis of the scientific and theoretical views of well-known economists on the role of innovation in the development of the economy, integrate foreign experience, and study innovative entrepreneurship based on the results of the achievements achieved in our country.



## ANALYSIS AND RESULTS

(Matthew 24:14; 28:19, 20) Today, however, the digital economy is being introduced in developed countries, ensuring the innovative development of the economy of these countries. This technology will also be applied to our republic, especially in the globalization of the world economy and the development of technology, and will have an impact on the economic development of Uzbekistan and will relate to the regulatory and legal documents adopted.

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At the initiative and invitation of the President of the Republic of Uzbekistan, 2020 was called the "Year of Science, Education and Digital Economy Development" in order to further promote science in our country, educate our young people as owners of deep knowledge, high spirituality and culture, and accelerate and elevate to a new, modern phase what we have started in shaping a competitive economy. This year 2020 marked the turning point for the development of the digital economy. To assist individuals desiring to benefit the worldwide work of Jehovah's Witnesses through some form of charitable giving, a brochure entitled Charitable Planning to Benefit Kingdom Service Worldwide has been prepared. Accepted. The Resolution of the President of the Republic of Uzbekistan dated April 28, 2020 No. PD-4699 "On measures for the widespread introduction of the digital economy and e-government" was adopted, and in accordance with the Presidential Decree of the President of the Republic of Uzbekistan dated February 5, 2020 No. 6079, the strategy "Digital Uzbekistan – 2030" was adopted. In particular, it is planned to implement a wide range of measures within the framework of the strategy implementation.

The transition to a digital economy and the development of this systemic economy have been regarded as the main priority. Because to achieve progress, you need to gain a deep understanding of digital knowledge and modern information technology. This provides an opportunity to achieve economic growth. This prohibits the use of information technology in all sectors.

In a speech to the Supreme Court, the President of the Republic of Uzbekistan stated that the Republic's "International Index for the Development of Information and Communication Technologies" had risen to 8th place in 2019. To further raise this pitch, all ministries and agencies, businesses, must make the most of digital technology. Infrastructure, funds and labour resources are also required to shape the digital economy. Therefore, the active transition to the digital economy will be fully implemented over the next five years and will become one of the priorities of public policy.

As a result of the deepening of reforms in the digital economy, an authorized body aimed at targeted development of the industry has been identified. The National Agency for Project Management under the President of the Republic of Uzbekistan is the competent body in the field of digital economy development and development.

Digital economy is a type of economic activity that is based on digital technology, is connected to e-commerce and produces and provides goods and services with a digital appearance. At the same time, accounts for economic services and goods are made directly through electronic money [14].



The innovative development of the digital economy is a system for implementing economic, social and cultural relations through the country on the basis of the use of digital technologies. Sometimes it is also expressed by modern terms such as internet economics, "new economy" or "economics." This concept is a new concept that prohibits a direct new approach and creative view.

According to sources, "Digital Economy" is a kind of model in which such a type of economy works to some extent in practice. The reason for this is the digital economy, a manufacturing complex, a manufacturing system that creates products and services that provide life and convenience for humans, where a certain cybersystem appears.

In 1995, American developer Nicholas Negroponte introduced the term "digital economy". (Matthew 24:14; 28:19, 20) Today, almost all politicians, economists, journalists, and businesspeople around the world support this invasion. In 2016, for the first time, a report on the plight of the world's digital economy was published by the World Bank.

The digital economy is considered an economy driven by digital communications, information technology, and has a number of advantages. That is, by doing so, first of all, the hidden economy will be eliminated. The reason for this is that all transactions are electronically registered, and as a result, the system is efficient and transparent. (Matthew 24:14; 28:19, 20) Jehovah's Witnesses would be pleased to discuss these answers with you[15].

The innovative development of the digital economy is not a different economy that should be created from the very beginning, but by creating new technologies, platforms and business models and introducing them into everyday life, moving the existing economy to a new system. The characters of the digital economy are known, which are distinguished by the following characteristics:

- a high degree of automation;
- implementation of electronic document conversion;
- electronic integration of accounting and management systems;
- availability of databases;
- availability of CRM (customer feedback system);
- development and use of corporate networks.

It has a number of amenities of the digital economy, which is distinguished by:

- to'lovlar uchun xarajatlar qisqaradi;
- learn more and faster about goods and services;
- the opportunities for goods and services in the digital world to enter the world market will be high;
- the rapid improvement of goods and services by obtaining fidbek (consumer opinion);
- will have faster, more efficient and more convenient opportunities [14].

Today, as a shining example in the development of digital platforms, one can point to a Chinese company with an electronic trading system called Alibaba. According to the experience of its use, the process of collecting data creates very competitive advantages for expansion into different sectors of the economy. That is, "Alibaba" is considered to be an ecosystem of platforms, not a simple digital platform.





The digital economy has significantly improved people's standard of living, which is considered its main benefit. The digital economy is the main cousin of corruption and the "black economy." Because numbers seal everything, store it in memory, and help quickly provide information when necessary. Under such circumstances, it is impossible to hide any information voluntarily, make secret transactions, provide full information about it or this activity, and the computer displays it all.

The abundance and systematicness of data due to the inability to deceive the system does not allow false and malicious activities. As a result, it will not be possible to wash away "dirty money," steal funds, spend ineffectively and aimlessly, increase or hide them. This will increase the flow of legal funds to the economy, taxes will be paid on time and in the right order, budget distribution will be open, socially oriented funds will not be stolen, money allocated to schools, hospitals and roads will be fully reached. The country's choice of a way to develop the digital economy opens up new approaches to the field of electronic document circulation in the field of information technology. Therefore, the turn towards digital technologies has been fueled by the development of the world's Internet and quality communications.

Today, users actively use Telegram bots to order food. Various internet stores and electronic payment systems are also actively developing. That is, citizens rely on the implementation of electronic transactions. Only up to the present day, users are doing small deals that do not require significant costs and cannot increase their average purchase volume. The right solution for this is to develop medium- and large-scale economic transactions and financial transactions through digital technology.

There are terms of the digital economy, such as its own currency (cryptocurrency, bitcoin), money-saving carmoni (blockchain), and computing methods (May).

Comprehensive measures are being taken to actively develop the digital economy in our country, to expand the development of modern information and communication technologies in all sectors and sectors, first and foremost in public administration, education, health care and agriculture. To assist individuals desiring to benefit the worldwide work of Jehovah's Witnesses through some form of charitable giving, a brochure entitled Charitable Planning to Benefit Kingdom Service Worldwide has been prepared.

In addition, a comprehensive "Digital Tashkent" program is being implemented, which aims to launch a geoportal integrated with more than 40 information systems, create an information system for managing public transport and communal infrastructure, digitize the social sphere, and then introduce this experience in other regions.

The following measures will be implemented as part of the digital transformation of territories and networks between 2020-2022 to expand the digital economy in our country:

- increase the level of connectivity of settlements to the Internet, including increasing broadband ports from 2.5 million, building 20,000 miles of optical communications lines, and developing mobile communications networks from 78% to 95%;

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It is also notable that 2020 has been declared the "Year of Science, Education and Digital Economy Development" in our country. This year, a number of major projects have been undertaken in the field of information communication technologies.

On April 28, 2020, the Presidential Resolution was adopted "On measures to expand the digital economy and e-government." According to the document, the Ministry of Information Technology and Communication Development has created a holistic system dealing with the digital economy.

At the same time, the President of the Republic of Uzbekistan adopted a Decree "On measures to certify and effectively implement the Digital Uzbekistan 2030" strategy to ensure the country's rapid digital development, address digital discernment in regions, improve the efficiency of public administration, and provide affordable public services to people and business entities.

At the same time, as part of the digital transformation of territories and networks between 2020 and 2022, the level of connecting settlements to the Internet, including increasing the number of broadband ports to 2.5 million, building 20,000 miles of optical-tolerant communications lines and developing mobile communications networks, has been set to increase the level of broadband mobile communications coverage to 95%.

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## **CONCLUSIONS AND SUGGESTIONS**

Today, in the innovative development of the digital economy, digital technologies have entered all aspects of socio-economic life, and its scope is expanding day by day. In conditions of globalization, innovative development of the digital economy has become not only a task of individual economic systems, but also of the general level. Taking into account this, consistent measures are being taken to actively develop the digital economy in Uzbekistan, expand the development of modern information and communication technologies in all sectors and sectors, first and foremost in public administration, education and health care.

Given the foregoing, special attention should be paid to the innovative development of the digital economy, the application and use of digital technologies, their availability and quality, the stages of preparation and various levels of development.

The emergence and spread of information and communication technologies (ACT) in the digital economy has affected the global economy so much that a new phenomenon, the digital economy, has emerged. Under the influence of information and communication technologies, people's lifestyle began to change, communication between users changed—the opportunity to communicate between people in various geographical regions, businesses, and so on. This is the rapid growth of information communications, which is the basis of the digital economy. The impact of digital technology is felt both globally and locally. The digital economy is a rapidly growing part of the global economy as a combination of new productions. New technologies will have a transforming effect on some aspects of the well-established business entity's activities, which consist mainly of replacing working mechanisms



- communications equipment or industrial machinery - with digital or digital mechanisms, as well as further modernizing them.

The digital economy shows that it is developing in a wide area at the same time and is not usually built by a limited number of companies, even if they are given special powers and resources. Therefore, the main role in the digital economy should be occupied by private businesses with a strong entrepreneurship and innovative approach, and the state should be engaged in creating infrastructure and conditions for private initiative.

The state is successfully achieving its role in creating the necessary conditions for the innovative development of the digital economy in Uzbekistan, as evidenced by the results achieved and the great goals for the near future.

## **LIST OF AVAILABLE PUBLICATIONS**

1. Rakhimov A. N., Makhmatkulov G. K., Rakhimov A. M. Construction of econometric models of development of services for the population in the region and forecasting them //The American Journal of Applied sciences. – 2021. – T.
2. Berdiyev J. Q. Theoretical fundamentals of enterprise economic power //Academicia Globe: Inderscience Research. – 2022. – T. 3. – №. 4. – C. 1-6.
3. Ergashev T. K., Berdiyev J. Q. THEORETICAL AND PRACTICAL ASPECTS OF USING MODERN MANAGEMENT METHODS IN THE HOTEL INDUSTRY //Theoretical & Applied Science. – 2020. – №. 4. – C. 849-859.