



**ENSURING ECONOMIC GROWTH BASED ON THE DEVELOPMENT
OF THE DIGITAL ECONOMY**

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ABSTRACT	KEY WORDS
<p>This article presents the rationale for ensuring sustainable economic growth in the country based on the innovative development of industry in the context of the digital economy. Economic development, especially in the industrial sectors, the existing problems in the development of the innovative environment were studied and analyzed. Also, analysis of the state of production of industrial products by types of economic activity in our country, its share in the gross domestic product and export was carried out. In addition, scientifically based proposals for innovative development of the industry have been developed.</p>	<p>Digital economy, industry, economic growth, socio-economic development, innovation, technology.</p>

Introduction

From the second half of the 20th century to the present day, the world economy is rapidly developing in a new format, that is, in the form of "digital economy". It is no exaggeration to say that the global pandemic of COVID-19, which appeared at the end of 2019, caused this process to accelerate somewhat. This was especially evident in the management system of real sector enterprises, services, in particular electronic payments and organization of socio-economic relations.

It should be noted in the population that certain factors are the reason for the structural change of any process. Digital technologies are the main tool in the digitalization of the economy, especially the industry. Also, a digital system will be created based on the mutual integration of qualified personnel and other factors that can effectively use these technologies.

Therefore, the digitalization of economic processes is carried out not by one, but by several factors. Another important aspect of the matter is that new digital technologies and the organization of placement in suitable conditions require a large amount of capital. In addition, the digitization of the economy, especially the digitization of the production sector, requires new innovative developments. Accordingly, the demands of today's consumers are becoming individualized and the level of uniqueness is increasing. In such a situation, enterprises can achieve to occupy consumers in the market not only by price discrimination, but also by increasing the level of profitability of their products on the basis of innovative activity.

Of course, in order to achieve stable and high economic growth, economic policy in the country is of great importance. In this regard, the economic policy conducted by President Shavkat Mirziyoyev is a clear proof. In particular, the President's decree No. PF-60 of January 28, 2022 "On the new development strategy of Uzbekistan for 2022-2026" [1] serves as the legal basis for the implementation of such economic reforms.

The implementation of the tasks defined in this strategy, as well as the assessment of the impact of Industry 4.0 in ensuring the stability of economic growth, and the development of scientifically based proposals for its further development. In turn, all these represent the relevance of this research topic.

Literature Review

Digital technology and innovation are significant in that they encompass participation in multiple dimensions of socio-economic well-being, such as the economy, health, education, etc. [2]. That is, the fourth industrial revolution is based on the development of information technologies together with automation, computerization and robotization, which will lead to technical and socio-economic changes [3].

This helps to improve the country's socio-economic outcomes and is a major driving force for innovation and productivity [4]. According to world experience, improvement of the structure of the industrial structure on the basis of digital technology innovation increases the possibility of providing the population with high-quality industrial products [5]. In particular, the development of Industry 4.0 leads to an increase in the level of employment by 3 percent and the share of industry in the GDP by 5 percent [6].

In addition, the development of industry 4.0 creates a basis for overcoming existing regional barriers in technological information, launching an international cooperation program and building a decentralized infrastructure [7].

It follows that the innovative development of the industry not only increases the creation of added value in the economy, but also leads to the improvement of product quality. Also, real sector companies ensure mobility of production processes and high flexibility to market demand. In a word, it is the main factor for ensuring the country's stable economic growth.

Research Methodology

Comparative analysis, graphic representation, expert evaluation, dynamic series, analytical comparison, logical reasoning and grouping methods are widely used in this research. Also, the researches of foreign and local scientists on this topic were analyzed. Official statistics were used in the analysis.

Analysis and Results

It should be noted that in countries with slow digitization processes, the pandemic led to an increase in the need and demand for the digitization of socio-economic and political processes and relations, and prompted the acceleration and acceleration of digitization of these processes.

However, at the same time, how to manage and use the proliferation of digital information for the global benefit has remained one of the main challenges. According to the analysis, in 2022 the global internet traffic will exceed all the internet traffic before 2016. That is, data has become a key strategic asset for creating personal and social value. How this information is used will greatly influence the

sustainable development of countries. Because data is multifaceted, and its use affects not only trade and economic development, but also human rights, peace and security. It requires states, non-state actors or the private sector to take optimal measures to reduce and mitigate the misuse of data.

Currently, the rapid development of the digital economy is observed in the e-commerce, payment, education, service, financial and public services sectors.

However, in digitalization of the country's economy, special attention should be paid to the industry. Because it is the industry that is the main sector in ensuring the economic independence of each country and the highest in creating added value [8].

Various forms of economic innovation can be cited in economic development:

- introducing a new product or service;
- introduction of a new method of production;
- opening of a new market;
- acquisition of a new source of supply of raw materials or semi-finished products;
- opening a new direction in any field, etc.

After all, the current state of our country's economy requires accelerating the pace of implementing innovative changes in the national economy. The experience of economically developed countries shows that the implementation of a deep, effective innovation strategy can be implemented only through the rational use of the country's economic and natural factors.

In the conditions of the transition to the market economy, the innovative formation of the economy occurs first of all at the expense of sectors that provide economic growth, which, in turn, causes the country's economy to reduce the export of raw materials, as well as to develop its processing, save foreign exchange funds, and increase the employment of the population. These factors, in turn, will lead to the strengthening of the country's position in the world community through the implementation of the innovation strategy. However, today's progress in science and technology, as well as the innovative changes taking place in the world market, do not allow us to limit ourselves to the achieved achievements.



Figure 1. The main problems in the development of the innovation environment in the industrial sector¹

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¹ It was prepared by the author on the basis of the studied data.

The digital economy, which is developing and expanding at the same time, is called the fourth industrial revolution. Although, it is usually associated with areas that are not classified as industrial applications per se. For example, smart home, smart city, smart farm.

The foundation of the Industrial Internet is the integration and real-time availability and management of systems across the enterprise. This innovative process was implemented thanks to the emergence of digital solutions and advanced technologies, that is, on the basis of integration with the "Internet of things" (IoT).

According to the analysis, the global economy benefited from the use of IoT in 2018 by \$175 billion in productivity benefits for enterprises, which is equivalent to 0.2% of GDP. By 2025, productivity gains from business use of IoT are expected to increase to \$3.7 trillion, representing 0.34% of global GDP. Meanwhile, the US and China are leading the world in IoT productivity growth, accounting for more than 50 percent of global profits. In addition, industrial IoT connectivity could account for more than half of all connections worldwide by 2025. This means an innovative change in the industrial structure [10].

The head of our state, Shavkat Mirzayoev, said, "The most effective way to ensure the stability of the economy in today's changing conditions is to use internal capabilities, to produce some imported products in our country, and to further develop the industry. "This should be the priority direction of our national economy," he said.

As a result of the economic reforms implemented in recent periods, the economy of our country, in particular, the volume of production of industrial products is growing rapidly. In particular, in 2021, 134,847 (91,152 industrial, 43,695 construction) enterprises and organizations are operating in the republic. This indicator has increased by 71,897 compared to 2016. It is about 25.5 percent of the total number of enterprises and organizations operating in economic sectors. 451633.9 bln. in 2021 by these enterprises and organizations. Soum industrial products were produced, which increased by 108.4% compared to 2020.

42863.2 bln. soums, 375028.7 billion in the manufacturing industry. 30,803.5 billion soums in electricity, gas, steam supply and air conditioning networks. 2938.5 billion soums in water supply, sewage system, waste collection and disposal network. Soum products are produced. According to the analysis, the volume of production in the mining and open-pit mining industry increased by 4.7 times compared to 2016, in the manufacturing industry by 4.1 times, and in the electricity, gas, steam supply and air conditioning industry by 2 times. .9 times, it was observed that it increased by 3.5 times in the water supply, sewage system, waste collection and disposal network.

It is known from world experience that the transition from agriculture to industrial production began in England in the 18th century and later spread to all developed countries of the world, and this is called the industrial revolution.

Of course, today the transition from an economy based on industrial production to an economy with a developed service sector has been quite smooth. This is shown by the practice of all developed countries. However, this has led to great changes in the development of employment in society and the economy of countries.

After all, two-thirds of consumer and non-consumer goods in the world economy are produced in industrial sectors. According to official statistics, about 47.8% of GDP and 22.4% of total employment in developed countries are contributed by industrial sectors [9]. International experiences show that industrial development is an important sector for the socio-economic

development of the country, achieving economic independence, ensuring the well-being of the population and eliminating employment problems.

In particular, in 2021, 3170.1 thousand people (1883.3 thousand in industry and 1286.8 thousand in construction) will be employed in the industrial sector of the republic, which is 23.4 percent of the total employment. Also, in 2016-2021, the average annual employment in industry (including construction) was 3648.8 thousand people, which increased by 1.05 times in 2021 compared to 2016. In addition, the share of industrial products in the country's exports is increasing. In particular, the export volume of the republic in 2021 is 16610.6 mln. 51% or 8386.4 mln. The US dollar is the contribution of industrial products.

Conclusions

When developing future strategies for the sustainable development of our country's economy, in particular, its industry, it is appropriate to consider the following:

- development of development strategies based on a scientific approach in the course of quantitative evaluation of the effects of factors and phenomena affecting the effectiveness of socio-economic processes occurring in industrial sectors through economic-mathematical methods;
- to improve the business environment, increase investment attractiveness and give foreign investors more opportunities and freedoms with an agreement to increase additional jobs;
- development of the activity of wide-ranging industrial clusters, based on the experience of developed countries, organization of cluster and state procurement system, thereby increasing the employment and income of the population;
- in order to increase the economic efficiency of industrial enterprises, it is necessary to liberalize the activities of economic entities operating in the real sector of the economy. Therefore, constant communication with business, identification of obstacles that hinder the development of certain sectors and strengthening of effective measures to eliminate them;
- it is necessary to improve and effectively implement the investment policy strategy focused on the most promising sectors that can create a basis for the development of the country's industrial production capacity in the future.

In short, we should focus on practical support for the industry that has a high share in the formation of the GDP of our country and the initiators of investment projects in the sector, deepen the reforms on the development of exports and investments, expand economic and financial freedoms, strictly ensure the inviolability of private property rights, as well as protect the rights of investors. Institutional influences and focus on performance should be strengthened.

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