



## DIGITALIZATION OF THE ECONOMY AS A DRIVER OF INNOVATIVE DEVELOPMENT OF THE REPUBLIC OF UZBEKISTAN

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**Abstract:** *The thesis examines the prospects for the development of the Republic of Uzbekistan in the context of the digital transformation of the economy. It is noted that digitalization is a key innovative stage of economic growth based on the integration of physical and digital resources in production, consumption and public life. It is emphasized that digital transformation contributes to increasing the efficiency of economic processes and improving the quality of life of citizens through simplified and accelerated access to services and goods.*

**Keywords:** *digitalization, information technology, transition to a digital economy, international indices, digital adaptation, innovation, competitiveness, digital platforms.*

The term digital economy was first mentioned in 1995 by Canadian scientist Don Tapscott in the book "Digital Economy: Promise and Danger in the Age of Network Intelligence" and was explained as an economy based on the use of information computer technology. Currently, the digitalization of the economy is a process of widespread implementation and progressive development. Its main features are continuous development, change, increased flexibility, adaptability, information exchange and implementation. real-time operations, a self-learning digital "smart" society. The introduction of digitalization is manifested in the transition from the raw materials and industrial economy to a new form based on information and communication technologies and the latest achievements of scientific and technological progress, with intellectual labor and information products and services taking over the main role.

The global digitalization of the economy is driving economic growth, which can lead to impressive economic shifts and have an impact on business, the labor market, as well as people's lifestyles. The transition to the digital economy allows people to access services and goods much faster and easier [1].

The characteristic features of the digital economy are:

-Economic activity is focused on digital platforms, which enables customers to use banking services regardless of time and place ;

-High efficiency and accuracy of forecasting, low transaction costs are a consequence of the use of information and communication technologies;

-the ability to identify the target audience, analyze it and further attract certain user groups, thanks to personalized service models;

-Direct interaction between producers and consumers reduces the role of distributors in the supply chains of goods and services, but the role of individual participants performing transactions on outsourcing terms is increasing;

-The incompleteness of the theoretical basis of the innovative development of the digital economy complicates the assessment of the benefits of using digital technologies;

-threats and risks of digital transformation and ensuring full security of the introduction of digital information and communication technologies in the economy.

Digitalization has caused the disappearance of some types of professions due to the automation of labor operations, but at the same time, new specialties have appeared in demand on the labor market. Due to the use of information and communication technologies, labor relations are increasingly moving into virtual reality, which entails changes in employment segments, as the share of partial, one-time employment increases. The formation of new competencies in the labor market is an essential part for the successful development of digitalization in the future, therefore, in the education system Adjustments should be made [2].

Increasing its efficiency and competitiveness are the main goals of the digital economy. According to experts, digitalization reduces production maintenance costs by 10-40%, equipment downtime by 30-50%, time to market goods and services by 20-50%, product quality assurance and advertising costs by 10-20%, and inventory storage costs by 20-50%.

One of the tools of the digital economy is blockchain technology, which makes it possible to create digital images on its platform and record transactions. A blockchain is a chain of blocks, a distributed database that anyone can access. In other words, blockchain is a "distributed ledger technology", the feature of which is the absence of a centralized regulator [3].

There are various technoparks and infrastructure zones in the Republic of Uzbekistan, including innovative technoparks (such as IT Park) for the development of IT startups, as well as industrial technoparks, such as the technopark in Jizzakh, created with the participation of the Russian company Technopolis Khimgrad. There are other important infrastructure projects, such as the Technopark metro station in Tashkent, built in honor of the 30th anniversary of the country's independence.

Uzbekistan entered the GII ranking for the first time in 2015, when the republic was ranked 122nd among 141 countries. In subsequent years, the country's position gradually improved: in 2020 - 93rd place, in 2021 - 86th, in 2022 and 2023 - 82nd, in 2024 - 83rd among 132 countries. In the Global Innovation Index (GII) for 2025,

Uzbekistan ranked 79th among 139 countries, rising four positions compared to the previous year. [4]. It ranks 7th among low- and middle-income countries and 3rd in the Central and South Asia region after India and Iran. In 2025, Uzbekistan improved its position in the GII ranking, showing an increase from 83rd place in 2024. The country occupies a leading position in Central and South Asia, ahead of Kazakhstan, Kyrgyzstan and Tajikistan. Uzbekistan has shown strong results in such indicators as entrepreneurship policy and culture, labor productivity growth and startup financing. The Government of Uzbekistan has set an ambitious goal to enter the top 50 countries in the Global Innovation Index by 2030.

The digitalization of the economy will allow us to reach a new standard of living, having a strong impact on almost all spheres of citizens' lives: a multitude of new innovative development programs, the organization of labor markets, goods and services, as well as payment systems and financial assets. Thanks to the introduction of new digital technologies, the Republic of Uzbekistan is able to reach a new level of development: increase competitiveness in various industries and sectors of the economy, improve the quality of life in general, and eventually achieve leading positions in world rankings.

The digital economy is increasingly changing the classical models of industry markets, thereby increasing the competitiveness of their participants. Based on these facts, it can be concluded that digitalization is becoming the driving force behind the country's economic development.

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