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| Research Article

The Significance of Innovation Within the Context of the Digital Economy

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Abstract: The issue of digitalizing all aspects of human activity is currently very pressing and significant. There are ongoing projects and programs focused on automating human labor and substituting it with machine labor. For any country to progress, it is vital to embrace and implement modern information technologies and digital knowledge. This facilitates a faster path to advancement. Presently, information technologies are deeply permeating every aspect of human life and activity. Digital technologies not only enhance the quality of goods and services but also reduce unnecessary expenses. Additionally, they will play a significant role in combating the most detrimental obstacle to the country's development - the plague of corruption.

Key words: innovation, digital economy, blockchain technologies, cryptocurrency, entrepreneurship, investment.

Introduction

The significance of the digital economy is increasing in our daily lives. Globally, more people are getting used to making cashless transactions and engaging in online shopping. The digital revolution, representing a new phase of economic and technological progress, has quickly transformed human existence, opening up extensive possibilities, and ushering in a phase of heightened international competition.

A new digital registry of economic transactions can be used to store information that is important and valuable to humanity. Including birth, marriage, and death certificates, high school diplomas, financial statements, medical records, insurance claims, election tallies, product origins—any information that can be presented in code is guaranteed to be stored. The new platform allows for online integration of digital information about everything in the world. Moreover, in the near future, billions of smart devices in the material world will receive and transmit these changes, respond to them, purchase electricity to meet their needs, and distribute important information, performing a variety of tasks, from protecting the environment to caring about our health. can take over. In short, the Internet of Everything needs a Registry of Everything. After all, digital calculations are required in business, trade and economy.

Blockchain technologies enable secure and reliable transactions without intermediaries. While many people associate it with cryptocurrency, blockchain serves as a digital identity, safeguards ownership and property rights, and operates as a payment system. It is currently utilized in numerous countries across the globe in financial technology, land resource management, transportation, healthcare, and education. By enhancing transparency, the blockchain system aids in combating corruption within various industries.

Entrepreneurship is widely recognized as crucial for economic development and societal prosperity. The internet has the potential to empower entrepreneurs by offering them tools and opportunities, breaking away from outdated traditions and business practices. In a global economy, internet connectivity provides access to funding sources, partners, and investment opportunities. The blockchain technology enables the monetization of any talent or resource, irrespective of size. The new platform allows for the transformation of online activities and participant demographics, thereby creating the technological foundation to address significant social and economic challenges.

Methodology

Digital technologies are transforming the landscape and framework of the economy, altering conventional business models, enhancing competition and the overall competitiveness of individual economic agents as well as nations, and facilitating the expansion of markets and opportunities. This transformation is evidenced by a significant decline in the share of traditional flows of goods and services in global GDP, which fell from 53 percent in 2007 to 39 percent in 2014, according to the McKinsey Global Institute report. Furthermore, between 2005 and 2014, the volume of cross-border data exchange surged by a factor of 45. Since 2014, approximately 12 percent of global goods trade has been conducted through international e-commerce.[1]

The Central Bank of Russia categorizes blockchain technology into three distinct types: open, hybrid, and private. These classifications emphasize the inherent qualities of blockchains, which are characterized by their unrestricted nature and transparency. The Russian government has outlined specific sectors where blockchain technology can be effectively implemented, drawing on global experiences that highlight its utility in various financial operations. For instance, processes such as the issuance of letters of credit, collection, notarization of deposits, monitoring of bank transactions, comprehensive contract insurance, and other practices are essential for securing trade agreements within commercial networks. These processes typically involve significant paperwork, costs, and time commitments. Experts from the Russian Banks Association assert that the emerging digital financial infrastructure serves multiple purposes: it acts as a marketing platform for financial services and products, facilitates the registration of financial agreements, enables rapid money transfers, and aims for the complete digitization of Russian banks' payment systems in the future. Additionally, it encompasses a national payment systems map, a financial messaging and data transmission network, a unified identification and authentication system, and a customized customer identification environment. The development of a cloud-based financial services platform is also included, which incorporates elements of distributed ledger technology. The primary objective of "Fintex" is to integrate innovative technologies into the financial, monetary, and tax sectors, oversee financial transactions—particularly those involving distributed ledgers, large volumes, peer-to-peer interactions, mobile

[1] http://www.biznes-daily.uz/ru/birjaexpert/65417-raqamli-iqtisodiyotning-afzalliklari-va-istiqbolli-yunalishlari

payments, and cryptocurrency regulation—combat fraud in the financial market, minimize unreported income, and facilitate the digital management of financial assets.

Results and discussion

As a result of the introduction of new technologies into the financial and economic sectors, as a result of the automation of financial and accounting processes in enterprises, falsification of documents, cases of fraud, and excess costs are reduced by 30-40%. Currently, the USA, England, Germany, Singapore, and South Korea are widely using these technologies in the financial and economic spheres.

"Digital" countries - that is, countries with a highly developed digital economy today are Norway, Sweden and Switzerland. The USA, Great Britain, Denmark, Finland, Singapore, South Korea and Hong Kong are among the top 10 countries with developed digital economy[2]. Studying the experience of these countries and acting based on them will help to achieve the intended goal faster. According to experts, the countries with the most developed digital economy today are the United States and China, and 75 percent of the world's patents related to blockchain technologies belong to these countries. 50 percent of Internet products are consumed by the population of these countries[3].

It is essential to clarify that the digital economy does not represent a distinct category of economic activity. Rather, it encompasses various sectors such as business, industrial operations, and services. The designation "digital" pertains to the extensive application of information technologies across these domains. In traditional economic frameworks, tangible goods are regarded as the primary resource; conversely, in the digital economy, information and data, which can be analyzed and disseminated, take precedence. Following this analysis, informed management decisions are formulated. Notably, the term "digital economy" has recently emerged in our national legislation. However, global trends indicate that developed nations have already begun to establish this framework. It is imperative for Uzbekistan to engage in this evolution. In the context of globalization and integration with the global community, the advancement of a reformed economy is deemed crucial.

Literature review

As President Sh.M.Mirziyoyev noted: "The digital economy allows to increase the gross domestic product by at least 30%, and to reduce corruption sharply. Analyzes conducted by reputable international organizations also confirm this. Therefore, it is necessary to carry out digital transformation ineconomic sectors, develop national information technologies and attract investments in this direction.

Investments in digitalization by private companies in Uzbekistan make up 0.12% of GDP. By comparison, the US has the highest rate in the world at 5%, followed by Western Europe at 3.9% and Brazil at 3.6%. Thus, now Uzbekistan is 8-10 years behind the leading countries in terms of overall digitalization. It is estimated that by 2030, more than 50% of GDP growth in Uzbekistan will be related to the development of the digital economy.[4]

Conclusion

The digital economy has spawned many new trends and startup ideas. Almost all the big companies in the world (Google, Apple, Microsoft, Amazon) are from the digital world. Simply put, the digital economy is related to the development of computer technologies, which includes

[2] https://www.texnoman.uz/post/raqamli-iqtisodiyot-nima.html
[3] https://mininnovation.uz/uz/news/raqamli-iqtisodiyot-muammolar-va-imkoniyatlar
[4] Abdullayev, M., Hamidova, L., & G'oyibberdiyev, A. (2018). Ishsizlikning namoyon bo'lishi va uning ijtimoiy-iqtisodiy oqibatlari. In Вопросы управления и экономики: современное состояние актуальных проблем (pp. 101-104)

online services, electronic payments, crowdfunding, etc. A monitoring center for monitoring and improving digital economic legislation was established. The digital economy can be considered as an additional layer to the traditional economy. Although there is interaction between the layers, each layer requires its own regulation and rules. The development of the digital economy will contribute to the growth of the economy of Uzbekistan and will have a positive effect on the changes in the economic, social, political and cultural spheres of the country.

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