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# Effectiveness of Digital Economy in Business Innovation Management

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## Abstract

The paper presents the theoretical and methodological foundations for improving service provision in the conditions of modern economic activity and the diversity of organizational and legal forms of ownership in the national economy of the republic, including its most important component, the agro-industrial complex.

**Keywords:** attraction of investments in the agro-industrial complex, complex-economic relations, social infrastructure

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## Introduction

The development strategy of New Uzbekistan for 2022-2026 includes:

- Increasing the income of peasants and farmers by at least 2 times through intensive development of agriculture on a scientific basis, bringing the annual growth rate of agriculture to at least 5 percent;
- Implementing a separate state program for radical reform of the water resources management system and water economy;
- Expanding the livestock feed base and increasing production volumes by 1.5-2 times;
- Increasing the regional economy by 1.4-1.6 times through balanced development of regions;
- Developing fruit and vegetable growing, increasing the area of intensive gardens by 3 times and greenhouses by 2 times, and increasing export potential

by \$ 1 billion. The above-mentioned goals cannot be achieved without innovative development with the introduction of science and high technologies into the industry. As our esteemed President emphasized: without innovation, there will be no competition or development in any sector. In order for Uzbekistan to achieve the goals set in the strategy, it will first of all need to encourage the introduction of innovations in existing sectors.

### **Materials and Methods**

The traditional and still widespread view emphasizes that the agricultural sector belongs to a special case of the general theory of innovation. In traditional literature, agriculture is described as a sector with limited capacity to create innovations on its own. Its innovations are often considered as the result of knowledge and technology transfer from other sectors. Consequently, innovations in agriculture are studied mainly from the point of view of costs and to a lesser extent from the point of view of production. Some studies consider the innovative performance of the sector, in addition to the ability to absorb new technologies developed in other sectors. Thus, the literature ignores the innovation capabilities of agricultural organizations themselves. Agro-industrial integration is one of the main trends characteristic of the modern period of the country's development and is a complex socio-economic process that affects all aspects of social development. When studying the impact of agro-industrial integration on the world of work, it is necessary to take into account that the process of forming a structure in the national economic agro-industrial complex is not yet complete and its further integration is ongoing. Integration can be long-term, since it can be permanent and short-term to perform a specific task. Therefore, the system of economic interests is determined not by their geographical proximity or remoteness, but by the proximity of interests and the degree of mutual economic satisfaction. This rule should be emphasized as an important condition for effective economic integration. Based on the purpose of the agro-industrial complex, the following stages are inextricably linked in its production process:

- production of means of production for sectors within the agro-industrial complex;
- production of agricultural products;
- implementation of production, technical and technological services in the process of complex reproduction;
- production, storage of food and consumer goods from agricultural products;
- delivery of food and consumer goods to consumers.

## Results and Discussion

In the modern economic conditions, which are characterized by various forms of ownership and organizational and legal forms of management in the national economy of the country, including the most important component of the agro-industrial complex, there is an objective need to improve it.

Improving the economic mechanism of economic management in the agro-industrial complex of the country implies the creation of conditions in which agricultural sectors, and primarily agricultural producers, are economically interested in increasing the volume of production and improving the quality of products, thereby ensuring a stable growth of their incomes and allowing them to carry out economic activities on the principles of self-financing and self-sufficiency.

Based on natural and climatic conditions, labor resources and historically established traditions, three main specialized zones of agricultural production have been formed in the republic:

1. Irrigated farming zone, specializing in the production of cotton raw materials, meat, dairy and fruit and vegetable products, as well as other food crops and technical crops.
2. Dry farming zone - growing grain crops.
3. Steppe-pasture zone - where long-range livestock breeding is developed.

However, in such conditions, it is impossible to take into account the multifunctional and non-profit goals that serve the economic development of agriculture and improve the standard and quality of life of the rural population. In the context of the transition of the agro-industrial complex to a new technological structure, our agricultural sector has a number of advantages over other sectors of the economy.

But they can only be implemented with strong state support, since the technical and technological equipment of the agro-industrial complex requires large amounts of funds that are not available in the industry.

Considering that the share of peasant and private subsidiary farms in the structure of agricultural products is 70 percent of total production, and for livestock products this figure is 91 percent, only the state can provide financial support to the private sector through price regulation.

In a market economy, the price is the most important economic barometer characterizing the activities of an agricultural producer, it is the price that determines the structure of production, has a decisive impact on the movement of material flows, the distribution of agricultural mass, and the level of its profitability of business entities.

The agricultural products market is one of the most characteristic markets

of the national economy.

It is characterized by the following types of prices:

1. Purchase prices (the price at which agricultural products are purchased by agricultural producers and processing enterprises).
2. Barter prices (used in barter contracts).
3. Exchange prices, prices have a market character. Their level depends on the balance of supply and demand.

Regardless of the form of ownership, for independent commodity producers operating in the market, the issue of prices is a matter of their existence and well-being. The correct method of setting prices, rational pricing tactics, consistent implementation of a well-founded pricing strategy are necessary components of the successful activity of any agricultural producer in difficult conditions of market relations.

Prices serve as a means of establishing a certain relationship between the producer and the buyer, and this helps to create certain ideas that can affect its further development.

They determine profitability and profitability, therefore, the viability of a commodity producer in market conditions is an important element determining its financial stability and the most powerful weapon in the fight against competitors.

Currently, agricultural producers face high competition in the market for the sale of their products, since they usually purchase consumable resources in sectors with market power.

In particular, most organizations and enterprises through which agricultural producers purchase fertilizers, agricultural machinery, and fuel have the opportunity to control the prices of these goods.

Farmers selling their products, on the contrary, are in the "market power", in other words, agriculture is the last bastion of pure competition in an economy where there is another, imperfect competition. Thus, the necessary state support for agriculture is justified in order to combat the unfavorable conditions of trade arising from this situation. We will consider the specific features of the formation of prices for livestock products, taking into account the subject of the study, since this industry is mainly in the private sector, which is a source of prosperity, as well as the incomes of the bulk of the rural population of the republic, since the prices of plant products are determined by market demand and supply.

## Conclusion

To strengthen the innovative potential in agriculture, it is necessary to conduct a deeper

analysis of the differences and similarities in innovative opportunities and innovative production by sector. However, this type of analysis is hampered by the lack of official innovative data covering enterprises in all regions and sectors, as well as farms and rural areas. In the conditions of modern economic activity and the diversity of organizational and legal forms of ownership in the national economy of the republic, including the agro-industrial complex, which is its most important component, it is necessary to improve the service provision, introducing the process of preparation, storage, delivery and management of agricultural products.

In this case, it is necessary to deliver products not only in the agro-industrial complex of the regions, but also at the level of the economic entity. In the conditions of the transition to a digital economy, all the main functions of managing economic activity are performed by the producer of goods himself, for whom the potential buyer of agricultural products is decisive in developing a production strategy. It is he who determines the conditions that the buyer, the producer of goods, must fulfill in order to create demand for the products offered. In this, the role of economic, social, political and environmental factors is an important process, which is justified by the fact that they directly affect the level of service provision in the agro-industry.

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