

**INNOVATIVE APPROACHES TO COST MANAGEMENT IN INCREASING
PRODUCTION EFFICIENCY IN THE DIGITAL ECONOMY**

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Abstract: In this article, we have studied how innovative approaches to cost management in improving production efficiency in the Digital Economy involve the use of digital technologies, including artificial intelligence (AI), machine learning, big data analytics, automation, "smart" systems and digital platforms, to optimize costs and increase efficiency, and how these approaches allow for real-time monitoring, forecasting, optimization and full control over costs. As a result, we have analyzed how to achieve optimization of production processes, efficient use of resources, cost reduction and increased competitiveness.

Keywords: digital economy, innovative agrotechnologies, production, cost, quality, cost, agriculture, enterprise, economic efficiency.

Introduction. Uzbekistan's digital economy has experienced significant growth, with the Information and Communication Technologies (ICT) sector contributing 2.1% to GDP in 2023. By 2024, the number of companies operating in the information and communication sector reached 10,551. The IT Park, a key driver of industrial development, now includes more than 2,500 companies, and ICT exports have increased from US\$140 million in 2022 to US\$344 million in 2023. However, the country continues to rank low in the global ICT services export and import rankings, reflecting its limited international competitiveness. The government is advancing digital transformation through the Digital Uzbekistan 2030 strategy, allocating US\$2.5 billion for digital infrastructure. While e-government services have expanded, ranking Uzbekistan 57th globally, adoption rates remain low. The digital divide persists, particularly in rural areas where internet access and digital literacy are limited. While mobile internet penetration is increasing, 4G coverage remains concentrated in urban areas. Despite these efforts, the ICT regulatory environment remains underdeveloped, as reflected in Uzbekistan's ranking of 133 out of 134 countries in the Network Readiness Index (2023).

In the conditions of the digital economy, it is an objective necessity to systematically increase economic efficiency in existing agricultural enterprises. The reason is that the population of our country is growing from year to year. This requires the effective use of intensive methods of production. The final result of intensive methods is a competitive product. A competitive product is a product of high quality and low cost.

A number of scientific studies have been conducted on the issue of improving product quality and practical results are being obtained. However, the issue of reducing costs has become a central issue of today's economy. Because today, there is a huge imbalance between the state purchase prices of agricultural products and the increase in the purchase prices of resources spent on their production. On this basis, optimizing the costs of agricultural production and achieving economic efficiency by establishing the largest and highest quality product production at the lowest costs in the sector is one of the most important economic issues.

In the process of reforms, our state is implementing a number of measures in this regard. In particular, in order to further increase crop yields and labor productivity in the agricultural sector, the Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030 was adopted by decree of President Sh.M. Mirziyoyev.

It outlined a number of important measures to diversify production, create a favorable agribusiness environment and a high-added value chain, and apply advanced technologies in the sector. On January 28, 2022, the Decree of the President of the Republic of Uzbekistan No. PF-60 "On the Development Strategy of the New Uzbekistan for 2022-2026" was signed, and the Development Strategy of the New Uzbekistan was adopted by this decree.

Based on the above, the topic chosen by the master for scientific research is considered relevant. Uzbekistan Republic President's 2019 year 23 in October PF- Issue 5853 "Uzbekistan" The development of agriculture in the Republic of 2020-2030 for years intended strategy confirmation about¹ Decree adopted. The Resolution of the President of the Republic of Uzbekistan dated March 6, 2020 "On measures for the widespread introduction of market principles in the cotton sector", THE RESOLUTION OF THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN dated June 27, 2020 "On measures to improve the system of testing and certification of agricultural and land reclamation techniques ", and the Decree No. PF-5853 dated October 23, 2019 "On approval of the Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030", including the introduction of market principles that ensure free competition in agriculture, the abolition of state orders in the cultivation of cotton and grain, the creation of additional jobs through increasing the economic efficiency of production and the interests of producers, and the widespread attraction of investments, are set.

The main goal of the above-mentioned legal documents is, first of all, to ensure the sustainability of existing farms by producing more and better quality products at lower costs. The issue of reducing the cost of agricultural products has been studied by researchers and practitioners as a general economic problem.

The imbalance that has arisen in recent years between the prices of agricultural products and the prices of industrial products produced in industry and used in agriculture, the need to further improve state support measures for the sector in line with market requirements, and other similar issues are the basis for the cost of agricultural products exceeding the demand level.

The development of the country's economy and the improvement of the material well-being of workers are directly related not only to the reforms being carried out in the economic sphere, but also in many social spheres. In this regard, of course, increasing the volume and quality of products produced in the sector, and most importantly, gradually optimizing the cost of production, play a special role.

Research methods. Among the costs in the cost of production, material costs constitute the main part of the costs and are of particular importance in the formation of the cost of produced products. On this basis, a positive solution to the issues of effective use of material costs in the cultivation of cotton and wheat on state orders in farms is one of the main factors in ensuring optimal efficiency in farms. This topic was chosen taking into account that the development of scientifically based and practically significant ideas, proposals and recommendations on the example of a specific farm to solve the above problems is one of the most urgent issues of today.

The result of the scientific work. The scientific and practical recommendations prepared as a result of the research, the theoretical approaches developed on the activities related to the areas of cost optimization in farming , the laws of application and methods of assessing the factors affecting it, serve to enrich knowledge and skills for the development of this area, and can serve as a basis for developing regional and district programs in these areas and determining a system

¹ " Uzbekistan The development of agriculture in the Republic of 2020-2030 for years intended strategy confirmation Decree on

of practical measures.

The efficient and rational use of material, labor and financial resources depends on the level of excellent organization of production, reducing production costs, waste, increasing production profitability, income and profit. However, any skilled labor resources and modern equipment and technology, high-quality raw materials and materials will not by themselves turn into a finished product suitable for consumption, useful. For this, it is necessary to organize production, as well as labor. Labor organization is an integral part of the production process, a set of scientifically based measures aimed at creating safe, harmless working conditions in the workplace, facilitating the work of workers, saving their energy (working time), and improving labor culture. The organization of labor uses the achievements of technological, technical, biological, sociological and pedagogical sciences. Therefore, the availability of resources does not solve everything, the available resources should be directed to areas that provide maximum economic benefit. The Republic of Uzbekistan is a country rich in diverse natural resources, which requires capital and management to fulfill this task in the life of the country.

Experience in the American economy confirms that production processes at the enterprise are divided into main and auxiliary processes: With the help of main technological processes, the shape, size, structure, appearance and properties of raw materials change; auxiliary processes ensure the continuity, uniformity, rhythm and moderation of the main processes.

The products obtained with their help serve the main production, including the production of tools, spare parts, etc. The supporting processes include processes that ensure the successful operation of the main and auxiliary processes at the same rate. Such work is performed by transport departments, warehouse departments, product quality control, and energy departments in a mechanical engineering enterprise, but the main processes are of decisive importance in the enterprise.

➤ Manufacturing processes are complex processes in life and are usually divided into several phases and stages.

➤ Preparation;

➤ Recycling;

➤ Assembly or product manufacturing. Each production phase consists of a number of specific processes, which represent relatively complete processes on the finished product. Specific processes are divided into technological processes.

"Technological process" is a part of the production process performed by one worker or group of workers at one workplace under unchanged conditions of labor tools (capital) and labor materials. Thus, the volume of production, the volume of goods sold, their price, the amount of costs and profits depend on the production technology, which consists of production factors.

If a company produces a new car, the questions "to what extent should the assembly shops of the car be equipped with technology, how much labor resources should be involved?" should always be of interest to this company. Also, if a company wants to increase the production of cars, the questions "by how much should the number of workers be increased, should a new enterprise be built or should the existing enterprise be expanded and its capacity increased, which is more appropriate?" make it think. Such questions apply to any production, so the theory of production and costs are one of the central issues in managing a company.

The economic system of any society is a mechanism that combines natural resources, labor, technology, and the necessary entrepreneurial and managerial skills. The ultimate goal of any economic system is to satisfy human needs through the production and distribution of goods and services.

➤ The first integral part of the economic system is natural resources;

➤ The second part is the number of employees;

➤ The third part is that the quality of the available workforce, the availability of resources, does not solve everything. Existing resources should be directed to areas that provide maximum economic benefit.

Conclusions. Due to the different time it takes to change the amount of resources used in the production process, it is divided into short and long run periods. The short run is the period of time sufficient for the enterprise to change the level of intensive use of its fixed production capacity. The production process is inherent in all stages of human development, in all countries, peoples and nations, and is a universal category. Therefore, this process has a long history, going from the simplest hunting and farming using simple stone and wooden tools to the production of robotics, aircraft, computer equipment, and modern radio and television equipment based on modern complex technology.

Currently, several hundred industries and sectors produce consumer goods and equipment necessary for the consumption of our people and the production itself. The largest sectors of production are industry, agriculture, transport and communications, construction, trade, manufacturing organizations, utilities and housing and communal services, various technical and other service sectors. Each country strives to create a structure of industries that are necessary and convenient for the current stage of its development. In this regard, taking into account the limited resources, special attention is paid to those industries that are extremely necessary for increasing production and meeting the needs of the people, allowing to strengthen the country's defense capabilities, and enhance cooperation with foreign countries.

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