

WAYS OF INNOVATIVE DEVELOPMENT OF AGRICULTURE AND IMPROVEMENT OF PRODUCT COMPETITIVENESS IN THE DIGITAL ECONOMY

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Abstract: this article explores innovative development of agriculture and ways to increase product competitiveness in the digital economy. Also, the factors affecting the sustainable development of agriculture through innovative activities, the technological, technical, and organizational-economic competitiveness of the production base in agriculture as a result of assimilation of knowledge and innovations are substantiated in the article.

Key words: digital economy, agriculture, innovation, innovative activity, production, knowledge, food, competition, competitiveness, competitive environment.

Introduction. In the context of modernization and diversification of the economy, increasing the competitiveness of agricultural products is being ensured through the effective use of innovative technologies. In our country, it is necessary to ensure the activation of innovative processes in all sectors of the economy, including agriculture, and to increase the competitiveness of agricultural products. As a result of these measures, it will be possible to fill our domestic markets with food products and increase the export potential of agriculture.

These issues are given special attention in the Decrees of the President of the Republic of Uzbekistan No. PF-60 dated January 28, 2022 “On the Development Strategy of the New Uzbekistan for 2022-2026” [1] and No. PF-6159 dated February 3, 2021 “On the further development of the knowledge and innovation system and the provision of modern services in agriculture” [2].

A strong position in world food markets is largely determined by the competitiveness of products being marketed. In the current environment, the competitiveness of our country's agricultural products remains one of the most important conditions for ensuring their demand and viability in foreign markets.

The strength of agricultural enterprises' market position is measured by the competitiveness of their products and their ability to compete.

Competitiveness reflects the quality indicators of agricultural products offered on the market. A product is considered competitive only if the sum of its consumption and cost indicators ensures its commercial success. A competitive product is a product that is advantageously distinguished from other similar products by its quality and socio-economic characteristics.

Today, one of the most important tasks facing producers exporting their products to global food markets is to be able to assess and accurately determine the level of competitiveness of their products.

Review of relevant literature . The problem of competition is becoming one of the most discussed topics today. As the competitive environment in domestic and foreign markets is intensifying day by day, the boundaries of competition have expanded from inter-firm competition to the sphere of industry, countries and regions.

In recent years, many well-known scientists around the world have been engaged in competition theory, among whom the contribution of American economist Michael Porter to competition theory is the most incomparable, and he is considered the greatest scientist in this field.

M. One of the instruments proposed by Porter in the industry to determine the level of competition within the industry is the five forces model put forward by him in 1979. M. According to Porter, the level of competition is influenced not only by the actions of direct competitors, but also by the external environment surrounding the firm. There are five main factors that affect the level of competition and they are:

Firstly, the risk of new competitors appearing in the market;

Second, the power of buyers in the market;

Thirdly, the risk of substitute goods appearing on the market;

Fourth, the market power of resource providers;

Fifth, the competition between existing competitors in the market.

The ideas put forward in Michael Porter's theory of competition are of great importance in analyzing market conditions and the competitive environment. In our opinion, Porter's theory of competition can serve as a theoretical and methodological basis for entrepreneurs engaged in exporting agricultural and food products from Uzbekistan to world markets or those just entering this field in studying world food markets.

The general aspects of the problem of the effectiveness of innovative management of the development of the agricultural sector in Uzbekistan were studied in the scientific works of our economists M.K. Pardaev, R.Kh. Ergashev, N.S. Khushmatov, T.Kh. Farmonov, and K.A. Choriev. Their work made a significant contribution to the development of the theory and practice of effective management of agricultural production in market conditions.

The scientific research work of economist M.K. Pardaev emphasized that the transition to an innovative path of economic development is associated with the need to solve the problems accumulated in the agrarian sector of the economy, as well as the main tasks facing this sector [4]. The scientific research work of R.Kh. Ergashev expressed the idea of sustainable economic improvement of agricultural production based on the consistent transition to a knowledge and innovative path of development,

and the development of this strategically important sector on a qualitatively new technical and technological basis that meets the requirements of the time [5].

Another economist, N.S. Khushmatov, in his scientific research paper, expressed his opinion on ways to solve many problems and issues in the field of innovative management of the development of the agrarian sector, taking into account the need to simultaneously solve the tasks of modernizing the agrarian sector of the economy and transferring it to an innovative path of development [6].

According to Professor T.Kh. Farmonov, the formation of an effective agricultural management system in the context of the transition of the agrarian sector to an innovative path of development is explained by the fact that it is aimed at using management models that combine institutional and synergistic approaches to management, take into account the specific characteristics of agro-economics as a complex object of management, are based on the basic methodological principles of management, and are more oriented towards the application of adaptive management models [7].

In scientific studies of the well-known economist K.A. Choriev, an opinion was expressed on the effectiveness of innovative management of the development of the agrarian sector in the development of agriculture, planning of the activities of farmers and farms [8].

Research methodology . As a result of the conducted scientific research, suggestions and recommendations are given regarding innovative development of agriculture and increase of product competitiveness. Systematic approach, abstract-logical thinking, comparison, factor analysis and comparative analysis methods were used in the research process.

Analysis and results . As the President of the Republic of Uzbekistan, Sh.M. Mirziyoyev, noted, “although Asian countries are considered leaders in food production,

The paradox is that more than half of the world's hungry people live in Asia. Therefore, it is necessary to form sustainable food production systems and optimal food supply chains”[9].

In this regard, issues of increasing the competitiveness of agricultural products produced in our country in the world agricultural and food markets are gaining importance.

In the context of the digital economy, innovative activity is a key factor in the sustainable development of agriculture. The maximum use of this factor is the only way to ensure the sustainable development of the agro-industrial complex in our country. In the context of accelerating socio-economic changes and increasing globalization of the world economy, our country needs to make an accelerated transition to an innovative path of agricultural development in the short term, develop

this strategically important sector of the economy on a qualitatively new technical and technological basis that meets the requirements of the times. Otherwise, the agricultural sector will lag behind in development and will not be able to ensure its competitiveness.

In the current conditions, the knowledge and innovation system and modern services are the main factors of sustainable development of agriculture. The maximum use of these factors is the only way to ensure the sustainable development of the agro-industrial complex in our country. In the conditions of accelerating socio-economic changes and increasing globalization of the world economy, our country needs to quickly transition to an innovative path of further development of agriculture through the knowledge and innovation system and the provision of modern services, and to develop this strategically important sector of the economy on a qualitatively new technical and technological basis that meets the requirements of the times. Otherwise, the agricultural sector will lag behind in development and will not be able to ensure its competitiveness.

In recent years, the Republic of Uzbekistan has been carrying out remarkable work to rapidly develop agriculture and deepen economic reforms in the sector.

In particular, by the Decree of the President of the Republic of Uzbekistan No. PF-5853 dated October 23, 2019, the "Strategy for the Development of Agriculture of the Republic of Uzbekistan for 2020-2030" was adopted, which set a number of tasks, such as strengthening the country's food security, developing modern systems of public administration in the sector, and gradually diversifying state spending aimed at supporting the agricultural sector[10].

To this day, the development of agriculture has been and will remain one of the most important priorities. Because the efficiency of agricultural production, ensuring the economic and food security of our country, and increasing the material well-being of not only the rural population, but also the population of our country, are inextricably linked to the productivity of our land, which is our invaluable wealth, and its consistent improvement in quality.

The sustainable development of the agricultural sector of Uzbekistan largely depends on the effectiveness of the further development of the knowledge and innovation system and the provision of modern services. As a result of the assimilation of knowledge and innovations, the production base in agriculture is being updated technologically, technically, and organizationally and economically. This, in turn, strengthens Uzbekistan's integration into the world market.

The strength of agricultural enterprises' market position is measured by the competitiveness of their products and their ability to compete.

Competitiveness reflects the quality indicators of the products offered in the market. A product is considered competitive only if the sum of consumption and value indicators provides it with commercial success.

A competitive product is a product that is advantageously distinguished from other similar products by its qualitative and socio-economic characteristics.

Today, one of the most important tasks facing producers exporting their products to global food markets is to be able to assess and accurately determine the level of competitiveness of their products.

The problem of competition is becoming one of the most discussed topics today, as the competitive environment in domestic and foreign markets is intensifying day by day, and the boundaries of competition have expanded from inter-firm competition to the sphere of industry, countries, and regions.

In recent years, the current conditions for further development of the knowledge and innovation system in agriculture and the provision of modern services have not been sufficiently studied from the point of view of the theory and practice of managing innovation processes in it.

In the economic literature, there is no unified approach to the methodology and system of indicators for determining the competitiveness of food products. Based on the scientific research conducted, we believe that it is advisable to carry out the determination of product competitiveness in the following stages.

Based on the study of scientific literature, it can be concluded that one of the most important factors in ensuring competitiveness today is the use of competitive advantages of products in the market. There are two approaches to ensuring competitive advantage:

The first approach is to reduce the cost of production by using economies of scale in production and the best technologies, thus ensuring a competitive advantage by lowering the price of products compared to competitors.

The second approach is to achieve a competitive advantage by striving to maximally satisfy the needs of the customer by increasing the usefulness and value of the product for the customer (consumer features, utility, quality, design, packaging, pre- and post-sale service, warranty, etc.).

In relation to agricultural and food industry products, this includes the production of high-quality, environmentally safe and unique taste products, their classification according to quality indicators, storage, convenient packaging for consumers, and delivery (if necessary, to their homes).

In our opinion, it is appropriate to include the following factors in the system of indicators representing the competitiveness of food products.

To ensure the competitiveness of Uzbek food products in the world agricultural and food markets, our producers need to clearly define their competitive strategies in world markets. This will ensure the competitive advantage of exported products over similar products in world food markets and thereby strengthen their position in the markets.

The problems of innovative development of agriculture are of particular relevance for Uzbekistan, since only innovative development with the wide and effective use of new resource-saving, advanced technologies will ensure the sustainable and rapid growth of the agricultural economy, taking into account environmental protection.

Conclusions and suggestions. Through innovative development of agriculture, competitive advantages of agricultural enterprises are formed, and most importantly, their adaptability and ability to quickly respond to all changes in the market are increasing:

First, the results of the comparison of various options of modern technologies in the agricultural sector show that they allow to reduce current and investment costs;

Secondly, it allows for the production of products with significantly lower costs and higher incomes per hectare of land for each crop at the same price level;

Thirdly, it will lead to increased competitiveness of agricultural products through the introduction of innovative technologies in agriculture;

Fourth, effective use of knowledge in the technological system of agricultural enterprises in the transition to new resource-saving technologies;

Fifth, it is necessary to develop process algorithms for introducing technological and organizational-economic innovations in agricultural enterprises.

In conclusion, it can be said that improving the quality and competitiveness of our country's agricultural products will contribute to the sustainable development of agriculture and increase the export potential of the agricultural sector.

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