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Digital Transformation and Its Impact on Inclusive Economic Growth in The Region

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Abstract: Digital transformation is becoming a key factor in modern economic development, contributing to increased efficiency, innovation and competitiveness of regions. This abstract examines the impact of digital technologies on the formation of inclusive economic growth aimed at reducing social and economic inequality, expanding opportunities for small and medium-sized businesses, and improving the quality of life of the population. The main aspects of digital transformation are analyzed, such as infrastructure development, the introduction of digital platforms and new technologies, as well as their role in creating sustainable and inclusive economic models. Special attention is paid to regional peculiarities, challenges and prospects for the implementation of digital initiatives that promote harmonious growth and social integration in the context of the modern digital age.

Keywords: digital transformation, inclusive economic growth, regional development, digital technologies, innovation, economic inclusion, digital data infrastructure, small and medium-sized businesses, social equality, sustainable development, digital platform, technological modernization, regional challenges and prospects, digital economy, social integration.



Introduction

For a long time, the goal of dynamic economic growth and building up production and financial potential on this basis has been at the forefront of the development of socio-economic systems. However, as practice shows, achieving noticeable rates of economic dynamics is not a guarantee of reducing poverty, social tension, income inequality, life expectancy growth, and many other important parameters [1].

In the context of the national economy of Uzbekistan and its regions, it should be noted that despite the noticeable economic growth in the last two decades, the differentiation of monetary incomes of the population remains significantly higher than the average of European countries [3, 4]. This disparity carries serious risks and requires a transition to a new path of development – inclusive.

Otherwise, social unrest is possible in the foreseeable future. In this regard, it is important to review and rethink what the paradigm of economic policy should be in terms of focus, mechanisms, and priorities.

At the same time, it should be emphasized that the study of the search for solutions to intensify an inclusive model of socio-economic development should be carried out taking into account territorial/regional characteristics, which allows for the implementation of a selective policy [6]. The relevance of this approach is reinforced by the fact that inclusive economic growth cannot be universal for all regions, it is formed taking into account many features and factors of the territorial order. The most important of them should include the processes and intensity of integration into the system of economic relations of digital technologies, which are actively developing in the context of the fourth industrial revolution [5]. In this regard, tasks aimed at finding solutions that make it possible to determine the significance of the role of digital transformation of socio-economic systems in the context of their impact on the processes of developing an inclusive model of regional economic growth are becoming highly relevant today.

It should be noted that despite the growing popularity of the theory of inclusive economic growth, there are still many methodological issues at the moment, both in the field of interpretation of the conceptual framework (the content of the concept itself is still under active discussion) and in the field of methodological substantiation of the empirical measurement of inclusive growth of economic systems, as well as the identification of factors determining the intensity of the deployment of an inclusive model of economic development at the meso level, including, of course,, and the factors of digital transformation of the socio-economic structure [4].

The solution of this task will greatly contribute to the identification of key and adaptive areas of digital transformation for the region in order to maximize and effectively integrate into the paradigm of an inclusive development model; understanding the role and importance of digital transformation for the development of society, the country and its regions.

Method The theoretical significance of the research lies in the development of a methodology for studying regional economic growth through the prism of the impact of digitalization processes on an inclusive model of regional economic dynamics through the use of general scientific and special provisions, the application of theoretical tools to a new research object, the formulation of new arguments and substantiation of the reliability of individual scientific hypotheses, the expansion of the factual and methodological range. Methodological approaches have been developed to assess the impact of the digital transformation of the region on the system-forming factors determining the parameters of inclusive economic growth.



The practical significance of the work lies in the conclusions and results obtained, which provide the possibility of scientific substantiation of recommendations for the formation of state regional policy in the field of intensifying the processes of digital transformation of the socio-economic environment of regions as a tool for enhancing inclusive economic growth in the context of the sixth technological order and its corresponding key productive factors, the most important of which is the digital transformation of the regional eco-environment.

The current crisis in most developed and developing countries in the field of social development demonstrates that public authorities are not able to fully respond to certain challenges within the framework of traditionally established development models focused on intensifying economic dynamics. Investment activity is concentrated, as a rule, in highly marginal sectors of economic activity, while socially oriented areas have signs of "secondary nature", which creates an imbalance in the system of organization of socio-economic growth processes.

Analysis of the latest research and publications. In this regard, in recent years, the position of revising the basic principles of development and switching to the so-called inclusive model of economic growth, which assumes, in a simplified interpretation, balancing economic dynamics with the interests of various economic agents in an effort to ensure a high level of quality of life, has been gaining popularity among the expert and scientific community.

Despite the growing popularity of the concept of inclusive development of socio-economic systems, its substantive characteristics, methods of definition and measurement are still under active discussion and refinement, and consensus has not yet been reached.

A review of the approaches presented below (Table 1), proclaimed by international development institutions and individual scientists, allows us to conclude that the category under consideration is characterized by a multidimensional content and a variety of approaches to its interpretation.

In general, relying on the presented systematization of views and approaches to the study of the theory of inclusive growth, as well as based on the author's hypotheses and assumptions, it is proposed, relying on the reasoned position that in the era of the fourth industrial revolution, the most important factor ensuring progress and structural development of socio-economic systems is the digital transformation of economic relations. The author's interpretation of the concept of "inclusive regional economic growth" determines, among other things, equal opportunities for access to public goods (Table 1).

Table 1 - Systematization of scientific views on the concept of "inclusive growth"

No	Approach	The content and essence of the approach
Approaches of international organizations		
1	Organization for Economic Cooperation and Development	Inclusive economic growth" is economic growth that contributes not only to the growth of macroeconomic indicators, but also to the improvement of the standard and quality of life of the population in the present and future (that is, to take into account the interests of future generations)
2	The World Bank	Inclusive growth is economic growth that promotes the development of creative and productive opportunities for society in terms of equal access to resources and markets.
3	The United Nations	Inclusive growth is the positive dynamics of GDP, providing benefits to the whole society. The concept of inclusive growth, as a rule, refers to ... general prosperity as a result of economic growth
4	Asian Development Bank	Inclusive growth is growth accompanied by sustainable economic dynamics based on ensuring equal opportunities for members of society both in terms of creating a national product and in terms of receiving benefits from it.
Approaches of foreign scientists		
5	R. Samans	Inclusive growth is "economic growth that contributes to ensuring a fair distribution of tangible and intangible resources among members of the entire society in order to increase the overall well-being of the nation"



6	C. Habito	Inclusive growth is focused on poverty reduction through the equitable distribution of the national wealth created.
7	M. Feshari	Inclusive growth is "a model of balanced development of a socio-economic system that creates social and environmental well-being"
Approaches of Russian scientists		
8	A. Levenkov	"The key components that reveal the essence of the concept of "inclusive growth" are: broader goals (not only to increase income or GDP); comprehensive development of human capital; reduction of inequality and poverty; the importance of active participation in economic life, and not only in income distribution; benefiting broad segments of the population, especially children, women, elderly people; careful use of natural resources and environmental protection"
9	N.V.Pakhomova, K.K.Richter, G.B.Malyshkov	"Comprehensive" (inclusive) growth is formed only if there is a structural development of the economy against the background of the implementation of an anti-discrimination state policy.
10	M.A.Ibragimov, G.A.Ibragimova	Inclusive economic growth is setting broader goals, not just increasing income or GDP, but also the importance of active participation of the population in economic life, not just in income distribution.
The author's approach		
11	A.A.Nizamov	"Inclusive regional economic growth" is proposed to be understood as sustainable, socially oriented development of the region's economy, ensuring an optimal relationship between economic dynamics and emerging opportunities for economic agents, expressed, inter alia, in gender parity, fair access to created benefits in the current and future time period, where the most important mechanism is the digital transformation of economic relations, ensuring anti-discrimination methods of public administration, the processes of balanced distribution of the regional end product, intensification of social progress based on digital access to markets and resources.

Objectives of the research: to provide a sense of how the advancements in psychology research connect with contemporary economics; demonstrate the function of experiments in contemporary economics, the potential for incorporating the discovered human behavior patterns into economic theory, and a number of real-world applications of behavioral theory.

Discussion. An inclusive market economy ensures that everyone, regardless of their gender, place of birth, socio-economic environment, age, and other factors, has access to labor markets, entrepreneurship, and, more broadly, economic opportunities [11].

Relying on the well-founded position that in the era of the fourth industrial revolution, the most important factor ensuring progress and structural development is the digital transformation of economic relations, the author's interpretation of the concept of "inclusive regional economic growth", which is proposed to mean the sustainable, socially oriented development of the region's economy, ensuring an optimal relationship between economic dynamics and emerging economic agents features, Among other things, they are expressed in fair access to created benefits in the current and future time periods, where the most important mechanism is the digital transformation of economic relations, which ensures anti-discriminatory methods of public administration, balanced distribution of regional end products, and intensification of social progress based on digital access to markets and resources.

The category of "inclusive economy" affects all processes taking place in society. For example, the innovative development of the economy involves the use of more advanced equipment and technologies that increase labor productivity, but also lead to job cuts and the abolition of low-skilled labor. From the point of view of economic development, this direction is progressive, but from the point of view of



inclusivity, the principle of fairness is violated, so low-skilled market participants lose the power of equal work and participation in society.

Results

Let's focus on the concept of an inclusive economy, which has become firmly embedded in our lives, and complements the market mechanism not only with the existing main goal of making a profit, but also with additional requirements from society. Moreover, economic inclusivity is increasingly understood as a condition for the sustainable progressive development of a market economy. Some authors, such as Mikheev N.N., suggest that the level of inclusivity should be attributed as an alternative to GDP, as an indicator of growth [1].

In general, there are 4 scientific and practical approaches to determining the nature and essence of an inclusive economy:

- a socially oriented approach
- an entrepreneurial approach
- an innovative approach
- and a psychological approach (taking into account personality traits) [5].

However, most often, when talking about the inclusivity of the economy, they consider the level of poverty of the population and the problem of inequality in society. Thus, "inclusivity" is understood as the "involvement" of each member of society in the ongoing economic processes and, as a result, the opportunity to use available resources equally.

Conclusion

The most important mechanisms that trigger the competitive and sustainable development of macro- and meso-level economic systems today include digital transformation and the integration of digital technologies into the system of economic relations. By itself, the process of integrating digital technologies into the economic environment is an objective response to the technological transformations caused by the so-called fourth industrial revolution, which swept the world at the turn of the 20th and 21st centuries. Digital transformation, as postulated in a number of studies, provides solutions to a number of social and economic issues, forms the basis for an increase in the quality of life of the population, and opens up new opportunities for people in many areas of public life. All this ultimately contributes to the development of inclusive economic growth in the Territories.

Given that the digital economy has only recently entered a phase of active development in developing countries, evidence of its importance in the issue of sustainable development of socio-economic systems, and even more so in the issue of generating effects for the inclusive development of regions, is usually either philosophical or limited in terms of the use of formalized research methods.

In this regard, the conducted research significantly expands the research potential of theoretical and methodological approaches that reveal the features of assessing the impact of digitalization of the regional ecosystem on the parameters of inclusive economic growth formation.

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