

## THE INTERRELATIONSHIP OF INNOVATION, DIGITAL TRANSFORMATION AND SUSTAINABLE DEVELOPMENT

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**Abstract:** This article analyzes the theoretical foundations of the concepts of innovation, digital transformation, and sustainable development, as well as their interrelationships. It also discusses the role of these processes in the development of the modern economy and society, the impact of digital technologies on sustainable development, and their prospects in the conditions of Uzbekistan.

**Keywords:** innovation, digital transformation, sustainable development, digital economy, artificial intelligence, ecology, technology, economic growth

**Research methodology:** This article used the methods of content analysis, comparative analysis, and analysis of regulatory and legal documents. Through these methods, the essence and effectiveness of spiritual and cultural reforms were assessed. Analysis of the concepts of innovation, digital transformation, and sustainable development and their theoretical foundations. The topic was analyzed based on scientific articles, reports, and regulatory documents from international and local sources. Comparative (comparative) method Comparison of how innovation and digital transformation processes are implemented in different countries (Norway, Finland, South Korea, Uzbekistan). Differences and commonalities between sustainable development trends and their results were identified. Statistical method Statistical data on digital transformation and ecological development provided by the State Statistics Committee, the UN, and other international organizations were analyzed. For example, indicators such as the number of people using digital services, the share of renewable energy, and the number of startup projects were studied. Existing research was analyzed to determine how innovation and digital transformation processes are compatible with the principles of sustainable development. Theoretically, global experiences and concepts were analyzed. Practically, innovative projects, startups, and digital systems in Uzbekistan were cited as examples. In the 21st century, global development is developing in close connection with innovative approaches and digital technologies. The fundamental changes taking place in the world economy require countries to develop new strategies. In particular, digital transformation

processes are fundamentally changing production, service, and management systems, forming a new economic model. At the same time, environmental problems and climate change issues require the promotion of the concept of sustainable development. Therefore, innovation, digital transformation, and sustainable development are considered as inextricably linked processes. Innovation and their role in economic development. The concept of innovation is one of the main factors of economic development. Innovations serve to create new products, increase production efficiency, and ensure market competitiveness.

- Innovative activity is manifested in the following areas:
- technological innovations,
- organizational innovations,
- marketing innovations.

In the modern economy, innovations are formed based on knowledge and scientific research. Therefore, the science and education system play an important role in innovative development. Digital transformation and its importance Digital transformation is the process of introducing digital technologies in all sectors of the economy and society. This process is carried out through the following technologies: sun'iy intellekt (AI),

- Big Data,
- Cloud computing,
- Internet of Things (IoT).

As a result of digital transformation the quality of services increases, the management system becomes simpler, transparency and efficiency are ensured. Today, e-government systems are widely introduced in public administration. This creates convenience for citizens and reduces the risk of corruption. Sustainable development means meeting the needs of the present generation without limiting the opportunities of future generations. This concept includes three main areas

- Economic stability
- Social justice
- Ecological balance

Today, global climate change, depletion of natural resources, and environmental problems are increasing the urgency of sustainable development. The interrelationship of innovation, digital transformation, and sustainable development. These three concepts are closely related to each other, and their harmony forms the basis of modern progress.

**Firstly**, innovation is a key tool for ensuring sustainable development. For example, green technologies play an important role in solving environmental problems.

**Secondly**, digital transformation allows for the efficient use of resources. For example, the concept of "smart cities" helps to save energy and water resources.

**Thirdly**, digital technologies serve to ensure social equality. Services such as distance learning and telemedicine create broad opportunities for the population. Thus, innovation and digital transformation are the main drivers of sustainable development. In recent years, Uzbekistan has been implementing large-scale reforms to develop the digital economy. In particular, public services are being digitized, IT parks are being created, and startup projects are being supported. In addition, special attention is paid to the use of renewable energy sources, solving environmental problems, and developing a "green economy". In the future, the development of innovations, expanding digital infrastructure, and ensuring environmental sustainability will remain one of the priorities. In conclusion, innovation, digital transformation, and sustainable development are important factors in the development of modern society. Their mutual integration is of great importance in ensuring economic growth, improving social well-being, and solving environmental problems. Therefore, the comprehensive development of these areas should be one of the priorities of every state.

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