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**WAYS TO IMPROVE THE EFFICIENCY OF ECONOMIC ACTIVITY**

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**Abstract**

This article discusses ways to improve the efficiency of economic activity and the role and importance of innovative development in this process. Improving efficiency creates opportunities to achieve high results through optimal use of resources and accelerates economic development. The article examines technological innovations, resource-efficient management, effective organization of labor resources, improvements in logistics and transportation processes, financial resource management, and the significance of personnel policies. Each of these approaches plays an important role in enhancing economic efficiency and forms the foundation for effective development for countries and businesses. The article explains both the practical and theoretical aspects of improving economic efficiency and proposes strategies that are crucial for ensuring economic stability and competitiveness.

**Keywords:** Economic efficiency, innovative technologies, foreign economy, management efficiency, globalization, investment efficiency, energy saving, effective management system, increasing competitiveness.

**Introduction:**

Economic efficiency is the process of achieving the best results through the maximally effective use of economic resources. In today's rapidly changing global economy, the increasing competition, and the limitations of resources, improving economic efficiency has become a priority goal for every country and business. Through efficiency improvements, not only the quality of production processes can be enhanced, but production costs can also be reduced, profits increased, and economic stability ensured. Furthermore, improving economic efficiency helps provide long-term growth by implementing new technologies, saving resources, and managing labor and capital effectively. This article examines various ways to improve economic activity efficiency, the practical aspects of using them, and their impact on economic development. The article aims to present recommendations for enhancing efficiency in the management of production, finance, and labor resources and emphasizes the significant role of external economic activity in achieving high efficiency. According to Article 3 of the Law of the Republic of Uzbekistan on "Foreign Economic Activity," foreign economic activity refers to the activity of legal and physical persons of the Republic of Uzbekistan aimed at establishing and developing mutually beneficial economic relations with foreign legal and physical persons, as well as international organizations.

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## Literature Review and Methods

Research on the efficiency of economic activity is widely covered in various academic sources. The theoretical aspects of efficiency and methods for its improvement have been studied by numerous economists, management specialists, and practitioners. The analysis of literature on the main ways to improve efficiency reveals the following key areas:

**Technological Revolution and Innovations:** Several researchers have emphasized the importance of technologies in the production process. For instance, Schumpeter (1942) in his "Creative Destruction" concept viewed new technologies as a fundamental driver of development. Today, new technologies, the digital revolution, and the implementation of artificial intelligence play a crucial role in enhancing production efficiency (Brynjolfsson and McAfee, 2014).

**Resource Efficient Management:** Scientific works on efficient resource management, particularly the optimization of energy and raw material resources in production processes, are widely discussed. The scientific management methods developed by Fayol (1916) and Taylor (1911), which focus on the efficient organization of labor and resources, remain highly relevant today. Labor Resources and Motivation: Effective management of labor resources is also crucial for improving economic efficiency. For example, Maslow's (1943) motivational model based on the hierarchy of needs can be applied in the context of workforce management. Additionally, Herzberg's (1959) motivation-hygiene theory can be used to enhance employee productivity by addressing both motivating factors and hygiene factors that influence work satisfaction. Financial Management and Investments: The importance of efficient management of financial resources has also been widely studied. Modigliani and Miller's (1958) theory of capital structure and asymmetric information is one of the key principles for ensuring the effective management of investments. This theory highlights the importance of capital structure decisions in maximizing firm value and investment efficiency.

Several research methods were used in this study to explore ways to improve the efficiency of economic activity:

- The various methods and approaches for improving efficiency were examined through a review of the relevant scientific literature. This method allowed for the exploration of the theoretical foundations and practical approaches to improving economic efficiency.
- To study the world experience in improving economic efficiency, strategies and approaches implemented in different countries were compared. This method facilitated an analysis of the practices used in various economic systems and industries to enhance efficiency.
- Statistical data was utilized to identify factors influencing efficiency and their interrelationships. This method provided insights into the financial and economic indicators that contribute to improving economic efficiency.



-To study practical methods of improving efficiency, interviews were conducted with specialists in the production sector. This method enabled the analysis of the effectiveness of various strategies and practices for enhancing productivity in real-world settings.

-To predict future ways to improve economic activity efficiency, economic models and simulations were employed, taking into account various scenarios and economic factors. This method helped generate forecasts for potential developments in efficiency enhancement.

Through these methods, a comprehensive analysis was conducted to identify effective ways to improve economic activity efficiency and develop its practical aspects.

### **Results and Discussion:**

In this study, ways to improve the efficiency of economic activity were analyzed using various methods, and the following key results were obtained:

**1. Implementation of New Technologies:** As indicated in the research, the introduction of new technologies plays a crucial role in improving economic efficiency. Technologies such as the digital revolution, artificial intelligence, and automation accelerate production processes and allow for more efficient use of resources. For example, with IoT (Internet of Things) technologies, equipment and production systems can be monitored in real time, preventing malfunctions, which reduces costs and increases efficiency.

**2. Optimal Resource Management:** Another important factor in improving efficiency is optimal resource management. By using energy and raw material resources more efficiently, costs can be reduced. According to the analysis results, increasing energy efficiency and adopting renewable energy sources significantly reduce production costs. Moreover, the implementation of innovative technologies that ensure recycling and resource conservation improves the sustainability of production.

**3. Effective Management of Labor Resources:** The efficient management of labor resources is also of significant importance in improving economic activity efficiency. The study highlights that improving employees' skills, providing professional training, and enhancing the education system can increase labor productivity. Such an approach leads to higher motivation and productivity among the workforce. Additionally, the introduction of hybrid work models and remote work contributes to organizing production processes more effectively.

**4. Impact of Effective Logistics and Supply Chain on Economic Efficiency:** The research examined the impact of well-organized logistics and supply chains on economic efficiency. A well-established supply chain and the "just-in-time" production method enable the fast and cost-effective delivery of materials and products. The results

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show that optimizing logistics and supply chains allows companies to reduce warehouse costs and organize production processes more efficiently.

**5. Efficient Financial Management:** Efficient management of financial resources plays a significant role in enhancing economic efficiency. The study shows that through financial planning and rational allocation of investments, costs can be minimized, and revenues can be increased. Furthermore, optimizing the tax system and fighting corruption positively affects economic efficiency.

The results of the study show that a comprehensive approach is necessary to improve the efficiency of economic activity. Despite the individual importance of each method, all factors must work together to enhance efficiency. Technological innovations, resource conservation, labor management, and financial policy are interconnected, and their integration can lead to maximum efficiency.

At the same time, the need for rational investment allocation and the improvement of financial management is crucial for ensuring economic stability.

If the appropriate approaches are applied in implementing the strategies mentioned above, significant improvements in production efficiency can be achieved, contributing greatly to economic development. However, in these processes, some countries or companies need to choose different approaches based on their resources and opportunities. Therefore, it is essential to develop tailored strategies for each specific case to improve economic efficiency.

**Conclusion:**

Improving the efficiency of economic activity is a crucial factor in economic development, focusing on ensuring the optimal use of resources. The results of the study indicate that there are various ways to enhance efficiency, each with its own significance. Strategies such as the introduction of new technologies, resource-efficient management, effective organization of labor resources, optimization of logistics and supply chains, improvement of financial management, and market diversification can collectively lead to a significant increase in economic efficiency.

At the same time, it is essential for each country or company to choose approaches tailored to its specific conditions when improving economic efficiency. Through the use of innovative technologies, the exploration of new markets, and the efficient management of labor resources, improving the efficiency of economic activity helps ensure sustainable economic growth and competitiveness. Furthermore, during the process of improving economic efficiency, the collaboration between government policy and the private sector plays a crucial role. Supporting innovations, enhancing education and skills development systems, as well as ensuring financial stability are key conditions for improving efficiency. Therefore, the process of increasing economic efficiency requires a comprehensive approach and continuous renewal.



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