

APPLICATION OF DIGITAL SYSTEM IN ISLAMIC ECONOMY ADVANTAGES

Abdurakhmonov Abdulaziz

Student, Tashkent State University of Economics, Faculty of Economics

Abstract: *This article provides an overview of the creation and application of the digital economy in the Islamic finance.*

Keywords: *digital economy, Organization of Islamic cooperation (OIC), Islamic finance, world digital economy, startup, FinTech.*

The development of the information and communication sector has a direct impact on economic growth. This indicates that the future economy will be in digital form. So what is the digital economy?

Digital economy is the management of business via the Internet based on digital computing technologies. Mobile banking, online payments, mutual exchange of customers through mobile applications, money transfers through bank accounts, ordering goods, their purchase and payment, its delivery to the customer and even their services. The presentation will also be in the form of a digital economy. It is known that in the economy, buyers differ according to different categories: age, gender, race, social origin and religion. Today, the digital economy is widely used not only in traditional branches of finance, but also in Islamic finance lines.

Digital Islamic banking is the technology of providing Islamic banking services through online services using FinTech (finance & technology) industry tools. The Bank is the main intermediary in the interdependent financing of Islamic finance and Islamic banking.

"Digitalization helps us achieve three goals: improving the quality of products and services, lowering prices, data collection and management," said Said Mubarak, director of the Dubai Islamic Economic Development Strategy and Design Center, noting the importance of digitalization in the economy.

In 2014, the value of the digital economy was \$ 1.9 trillion, compared to \$ 4.3 trillion in 2020. dollars. The member states of the Organization of Islamic Cooperation (OIC) are not left out of this share. These countries spent \$ 107 billion in 2014. By 2020, the figure will reach \$ 277 billion. dollars.

Muslim countries, whose population is relatively younger than the rest of the world, are paying more attention to the implementation of startup projects in the Islamic financing system. The digital Islamic economy is a strategically important sector and many OIC countries are interested in Islamic Finance Technology (Islamic FinTech). For example, the Dubai International Financial Center of the UAE has committed \$ 100 million in 2018 for startups in Islamic finance technology. dollars. The Malaysian Digital Economy Corporation is a state-run corporation established to shape the digital economy environment in this country. The corporation also provides certification to entrepreneurs engaged in honest business.

There are a total of 93 Islamic FinTech startups in the world, 31 in Indonesia, 12 in the United States, 11 in the United Arab Emirates, 10 in the United Kingdom, 7 in Malaysia and the rest in other parts of the world. Startup projects are divided into several sectors, of which 65 are focused on business financing, 15 on property management (zakat), and 8 on deposits and transfers.

The Islamic economy also has a number of systems based on co-financing. For example, crowd-funding, which is a new sector in the economy. Crowd-funding helps these small businesses and startups get investments and loans from venture capital (high risk and high returns). Crowd-funding helps small firms increase their capital through the internet. Also, in Islamic finance, the contract between the owner of capital (rab-ul-mal) and the entrepreneur (mudarib) is called a "mudoraba" contract. Under this contract, on the one hand, the entrepreneur serves with labor, on the other hand, the owner participates with the money.

Applying the digital economy on Islamic finance lines will help attract new customers. Bringing together the entrepreneur and the owner of the capital, the development of special Islamic finance applications to negotiate with each other will expand the audience of those interested in this field in the near future.

Reference

- 1) www.ie.edu/insights/articles/innovation-and-digitalization-in-the-islamic-economy
- 2) www.dinarstandard.com/wp-content/uploads/2019/05/SALAAM.pdf
- 3) <https://www.dinarstandard.com/wp-content/uploads/2018/12/Islamic-Fintech-Report-2018.pdf>
- 4) www.journal.wahedinvest.com/enhancing-the-application-of-musharakah-throughblockchain/