



SOCIO-ECONOMIC IMPACT OF THE DIGITIZED GOVERNMENT PRINCIPLE IN PRIVATIZATION

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ABSTRACT

According to the history of economically prosperous nations, private property promotes economic growth while preventing social turmoil. It also has a significant impact on the change from the administrative-command system of economic management to the market-based system.

In addition, the Pandemic era also demonstrated how mankind is unprepared for unforeseen problems with environment and health concerns while being surrounded by technology progress.

Therefore, the following article is devoted to the study of collaboration among digitalized service of governmental service for enlarging its scope, analyzes the most recent data on the state of privatization, in the case of Uzbekistan, and how the economy was affected by this process during and after the Pandemic to discuss the benefits and drawbacks of property ownership.

Introduction

Adam Smith, in particular during the 18th century, gave a comprehensive definition of “capitalism,” after which many other scientists began to take an interest in the subject. Because controlling state properties took a lot of government effort and did not yield big profits for governmental organizations. These were the first actions taken to start developing private properties.

Because governmental assets are few and in short supply, changing state assets into private property was seen as a suitable response at the time because capitalism is an economic system based on the private ownership and operation of productive assets for profit.

In this case, many governments started privatizing their assets in order to accelerate the state system for achieving economic stable growth quickly.

Moreover, the period of Pandemic showed how humanity is not ready for unexpected issues in terms of nature and health problems even they are surrounded with technological advancements.



This damaged to many sectors of economy in the Earth and there are several data that support this, and right now, what happened as a result of the pandemic and the actions that were made globally to improve the economy are both vividly depicted on social media.

After that people realized why analog way of information transition is old and the demand for digitalization. E-government concepts along with digitalizing strategies also were drastically expanded by the time.

So. The goals of many governments regarding the digitization of their services have not changed over time. Yet, governments are becoming more aware of the advantages of digitization as a tool to do so in order to better serve residents and increase the efficiency of the public sector.

The factors driving digitization have been improvements in workforce and process effectiveness and efficiency, which have improved governance in the provision of public services.

Therefore, every government has a unique route toward supplying digitally enhanced government services, and it is not always easy. Failures happen for a variety of causes in institutions, including procedural, personnel, and structural problems.

Ultimately, following that the process will be illustrated and its good and bad aspects in the context of Uzbekistan will be examined in order to draw the necessary conclusions regarding property privatization in various nations.

Analysis of relevant literature

The public sector is the portion of the economy that is managed by government agencies, and privatization may involve either the sale of government-owned assets or the removal of barriers that prevent private individuals and organizations from participating in a particular industry, according to Ivy Wigmore, a former content editor for WhatIs.com.

On the other hand, opponents of privatization contend that some services, including health care, utilities, education, and law enforcement, need to be provided by the public sector for greater control and more equitable access. [1]

Government property, according to Adam Hayes, an economist and assistant professor of sociology and anthropology at The Hebrew University of Jerusalem, includes real estate owned by the federal, state, or local governments as well as by government agencies or institutions that are supported by the government, like parks or libraries.

He said that other physical assets including machinery and residential, commercial, and industrial land are examples of government property. Property can be acquired by the government on a regular basis or via foreclosure owing to unpaid taxes or other reasons. Property controlled by the federal government, such as embassies and consulates, is also referred to as government-owned property. [3]

Nathan Mahr, who holds a B.A. in Comparative History of Ideas from the University of Washington and has over five years of experience teaching English Literature, Business, Social Sciences, History, and Writing, also wrote about the impact of private property on the state's economy.

According to him, private property rights are the legal framework that dictates what an owner may do with their property, such as how it may be used and exchanged, and is frequently described as ownership of tangible or intangible property by an individual entity



as opposed to the state or a common owner. They could also set limitations on how other people use the property. [5]

Research methodology

Research is being done on the subject of the digitalized process of privatizing public assets for increasing business owner facilities and boosting economic prosperity for developing countries by its superiority in the quick beneficial effect on the creation of stable pure competition among suppliers which organizes more options for customers.

Privatization generates wealth because it increases profits while lowering production costs. If the government decides that opening up a certain industry to competition will benefit the market and the consumer, it is undoubtedly a wise decision.

Moreover, the process is expedited by the inclusion of advanced technology, which attempts to raise people's living standards.

The essay makes theoretical and practical observations based on the most recent data from institutions and professional specialists, and it formulates thoughts and suggestions on basic fixes for problems that many authors of the great articles above have discussed.

The generated scientific and practical advice can be used to improve the situation in this area and to aid in finding the faster opportunity for the right privatization process in accordance with successful prior methods of developed countries. This is especially important for the current economic climate of the world, which is full of high competition among states for stable economic growth.

Analysis and results

Digitalization is being embraced by governments and its constituent organizations in order to give citizens user-friendly government services while also lowering the cost of doing so. There are a lot of success tales—interestingly, some of them come from very tiny countries—but there are also a lot of failure stories.

A convergence of forces has hastened the digital transformation of government institutions at different levels of government, whether national, state, or local level. These include the widespread use of Internet-based services, supported by Internet penetration, rising expectations for easy access to government services supported by citizens who are digital natives and aware of technology, an increasing need to manage service delivery costs (both direct and indirect), and the inability of physical delivery channels to efficiently serve stakeholders at scale.

Government services are now accessible to citizens in developing nations through the Internet and mobile devices thanks to the digitization of administrative procedures. Bypassing obstacles caused by inadequate physical infrastructure and enhancing system accountability are both required.

The history of economically prosperous nations also shows that private property promotes economic growth while averting social unrest. In order to create wealth, profits must be increased while production costs are decreased. It is definitely a desired action if the government believes that opening up a particular industry to competition would benefit the market and the consumer.



Accordingly. Uzbekistan also implementing different special concepts and strategies to create more facilities for businesses and adopting several decisions for improving governmental systems as well as trying to prioritize ensuring the rule of law in its regions.

Therefore, nowadays, a system of safe, orderly, and legal labor migration is being established in our nation, and the required steps are being taken to safeguard the socioeconomic rights and legitimate interests of Republic of Uzbekistan residents engaged in temporary labor abroad.

The Cabinet of Ministers decided to rationally create funds for the fund for the support of citizens carrying out labor activities abroad under the Ministry of Employment and Labor Relations of the Republic of Uzbekistan in order to further improve the effectiveness of the work on helping citizens of that country who are doing temporary work abroad. [8]

The 7th position of Appendix 20 of the unified regulation on the procedures for issuing certain documents with the nature of authorization through a special electronic system, approved by the resolution of the Cabinet of Ministers of February 22, 2022 No. 86, shall be supplemented by the sixth to ninth paragraphs of the following content: "the amount of the above:

10 percent-to the fund for the development of public services of the Ministry of Justice of the Republic of Uzbekistan;	11,25 percent — to the special account of the fund for the development of Information and communication technologies for the provision of public services through the unified interactive public services portal, as well as 0,5 percent for the provision of public services through the unified billing system to finance interagency projects of the e-government and digital economy;	50% of the remaining funds will be transferred to the account of the authorized body, and 50% will be directed to the fund for the support and protection of their rights and interests of citizens carrying out labor activities abroad under the Ministry of employment and Labor Relations of the Republic of Uzbekistan.
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[8]

By the logical establishment of money for the fund for the support of people engaging in temporary labor abroad and the defense of their rights and interests, the decision was made to further improve the effectiveness of work in support of Republic of Uzbekistan residents.

632 businesses and objects (hence referred to as objects) were privatized between January 2020 and September 2020, according to the Directorate for State Assets Management of the Republic of Uzbekistan (including software and non-software facilities). [9]

Furthermore, state assets have been being privatized in Uzbekistan, and all it statistics are going to be indicated with the graph below:

	Number of privatized enterprises and object		Receipt of funds from the sale of state assets	
	units	% Of total	Million soums	% To total
The Republic of	632	100,0	300357,3	100,0



Uzbekistan				
Republic of Karakalpakstan	29	4,6	6779,9	2,2
regions:				
Andijan	52	8,2	2304,8	0,8
Bukhara	42	6,6	16224,5	5,4
Jizzakh	63	10,0	5692,6	1,9
Kashkadarya	62	9,8	10439,4	3,5
Navoi	20	3,2	3441,2	1,1
Namangan	15	2,4	17119,7	5,7
Samarkand	36	5,7	5308,3	1,7
Surkhandarya	25	4,0	3837,9	1,3
Syrdarya	19	3,0	3357,6	1,1
Tashkent	93	14,7	18833,3	6,3
Fergana	118	18,7	17066,8	5,7
Khorezm	18	2,8	9596,6	3,2
Tashkent city	40	6,3	77744,4 2	25,9
CO Agency			102610,3	34,2

[9]

The Fergana region saw the most privatization during the reporting period with 118 objects (18.7%), followed by Tashkent region with 93 objects (14.7% of the republic's total privatized objects), Jizzakh region with 63 objects (10.0%), Kashkadarya region with 62 objects (9.8%), Andijan region with 52 objects (8.2%), Tashkent city with 40 objects (6.3%), and Bukhara region with 42 objects (6.6%).

Conclusion

It cannot be disputed that privatization is incredibly important for all countries and it should be expanded more if there is a mission of further economic stability and better life prospects. However, only analog system prevents quicker process and digitalization should be added to accelerate the process.

The special insides for developing states, taken by analyzing world experience are being outlined below:

- fostering the possibility of pure competition among non-governmental organizations to provide better services to clients at prettier costs;
- e-Government implementation;
- supplying all regions with Internet connection;
- open stock distribution.

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