



THE DEVELOPMENT OF UZBEKISTAN'S DIGITAL ECONOMY AND ITS PRIMARY DIRECTIONS

Aliyeva Nodira

nadiraaliyeva23@gmail.com

Sodikova Nigora

nigora.sn68@gmail.com

Tashkent University of Applied Sciences

<https://www.doi.org/10.5281/zenodo.10045958>

ARTICLE INFO

Received: 18th October 2023

Accepted: 25th October 2023

Online: 26th October 2023

KEY WORDS

Cyberthreat risk, digital literacy, digital economy, digital transformation, e-government, and digital enslavement.

ABSTRACT

This article examines how the digital economy has evolved. A thorough analysis of the digital revolution of the economy has been conducted. An assessment of the current status of the digital transformation of the republic's industries was conducted with the aid of the interdepartmental mechanism for its implementation, the grading system for the growth of the digital economy, and e-government. A comparison study of digitalization with other nations was conducted.

INTRODUCTION. Today, Uzbekistan seeks to take a strong place among the advanced, developed countries. The reforms carried out in this regard in all spheres of the economy are the creation of decent living conditions for our people. In recent years, the successes of Uzbekistan have been recognized by the world community. In his 2020 Address to the Oliy Majlis, the head of state said: "In order to achieve development, it is necessary and necessary to master digital knowledge and modern information technologies. This gives us the opportunity to take the shortest path to growth," he said, setting a firm goal for the transition to a digital economy over the next five years. In particular, the Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No. PF-4947 "On the Action Strategy for the Further Development of the Republic of Uzbekistan" provides for the development of the digital economy, the reduction of public administration in the economy, modern forms of mutually beneficial cooperation between the public and private sectors, the system "Electronic government » the implementation of development measures has been identified as a priority. The development of the digital economy of any country will lead to an increase in gross domestic product. First of all, digitalization allows developing the economy, increasing the efficiency of large industrial enterprises, increasing production, ensuring transparency of activities, and reducing production costs. By developing the digital economy, we will first of all achieve an increase in the size of the gross domestic product (GDP). The digital economy is not some other economy that needs to be created from scratch. This means transferring the existing economy to a new system by developing new technologies, platforms and business models and implementing them into everyday life. That is a high level of automation; exchange of electronic documents; electronic integration of accounting and



management systems; electronic databases; Availability of CRM (system of interaction with clients); corporate networks.

The digital economy has resulted in lower payment costs (such as fewer trips to the bank and other resources), faster and more access to information about goods and services, increased opportunities to enter the global market for goods and services in the digital world, and rapid improvements in goods and services.

In line with the "Digital Uzbekistan - 2030" strategy, our nation is implementing a number of measures to ensure the widespread use of digital technologies, including the digitalization of industries and economic regions, the establishment of electronic services and state information systems, and extensive measures in the areas of public education, public services, courts, finance, banking, and transportation systems. The creation and application of this program, The digital economy has resulted in lower payment costs (such as fewer trips to the bank and other resources), faster and more access to information about goods and services, increased opportunities to enter the global market for goods and services in the digital world, and rapid improvements in goods and services.

In line with the "Digital Uzbekistan - 2030" strategy, our nation is implementing a number of measures to ensure the widespread use of digital technologies, including the digitalization of industries and economic regions, the establishment of electronic services and state information systems, and extensive measures in the areas of public education, public services, courts, finance, banking, and transportation systems. The creation and application of this program.

Methods and Materials. In recent years, the countries of the East have shown good results in many areas of socioeconomic development. In particular, if the whole world recognizes Japan and South Korea as examples of the introduction of digital technologies and their effective use, then the People's Republic of China and India are among the world's leading countries in terms of the volume and pace of production of high-tech goods and services. The countries of the Middle East, in particular Saudi Arabia, the United Arab Emirates and Qatar, are making significant progress in the production of alternative energy, the introduction of information technology, and space research. A number of countries in Southeast Asia are leading countries in the world in the implementation of the digital economy. Of course, the study of the mechanism, causes, conditions and factors for achieving these results, the preparation of conclusions on the application of its positive and successful aspects in our country is of great importance today.

Results. In order to promote information services and develop and implement a "electronic government" system, phased reforms on the introduction of information, communication, and Internet technologies (hereinafter referred to as ICIT) have been implemented in all areas of public administration and public services in recent years. Communications have made it possible to create efficient mechanisms for the prompt resolution of everyday problems faced by the republic's populace. Therefore, promising directions for the development of the ICIT sector as well as measures and activities for its implementation in the economy are clearly defined in the Decree of the President of the Republic of Uzbekistan dated June 30, 2017 No. PF-5099 "On measures to radically improve the conditions for the development of the information technology sector in the Republic."



However, the ICIT sector didn't grow very quickly until 2020. The consulting firm "ERGO Research & Advisory"'s investigation revealed that the underdeveloped communications and telecommunications infrastructure is the primary cause of this. The Internet and mobile services did not function correctly as a result of insufficient investment in the sector's development, which slowed the expansion of the digital economy and digital advances. However, there has been a notable increase in this statistic this year.

Information from the Republic of Uzbekistan's Ministry of Digital Technology indicates that several projects are underway with the goal of expanding the country's telecommunications infrastructure.

The Internet speed is 1200 Gb/s, access to the Internet at a speed of 750 Gb/s was created through the switching center, the network load level is 78.5 percent. From January 1, 2022, the tariff for Internet services for operators and providers has been reduced by 37% compared to the same period last year and amounted to 48,000 soums per 1 Mbps. The number of Internet service users increased from 24 million, of which 19 million were mobile Internet users. Backbone telecommunications networks have been expanded at 280 facilities across the country, telecommunications equipment has been modernized, and the bandwidth of backbone telecommunications networks has been increased to 200 Gbps at the interregional level and 40 Gbps at the interdistrict level. The progress made is significant, but not enough.

Discussion. Today, digitization continues to accumulate vast amounts of digital data. Global IP traffic is expected to reach 150,700 Gbps this year (up from 45,000 Gbps in 2017). The digital economy is an economy based on new methods of production, processing, storage, transmission of data and digital computer technologies. Within the framework of this economic model, existing market models of work will radically change, the value added model will significantly decrease, the importance of intermediaries at all levels of the economy will sharply decrease, because now we can model anything. If you think about the positive aspects of the "digital economy", then as a result of its - increases labor productivity; - increases the competitiveness of companies; - production costs are reduced; - new jobs are created in a new area; - Poverty and social inequality will be eliminated. There are many positive effects of the digital economy on our lives. This type of economy gives many opportunities to the consumer, which in turn expands the market opportunities. A number of scientists and experts expressed many opinions about its positive aspects. Today, the leading "digital" countries are Norway, Sweden and Switzerland. The top 10 groups include the US, UK, Denmark, Finland, Singapore, South Korea and Hong Kong. At the same time, together with China, India, Malaysia and the Philippines, it took 39th place in the ranking of the digital economies of the world. Many entrepreneurs are interested in what the digital economy can do for new businesses. The development of the digital economy can affect the internal and external environment of international business. In the field of information and communication technologies, it is impossible to affect different areas of the company, but these changes fundamentally change. Even new companies and even small businesses can sell their products all over the world via the Internet. With small investments, companies appear and grow rapidly. With the help of information technology, it becomes possible to reduce costs and increase productivity and labor efficiency in many sectors of the economy. At the



same time, taking into account the digital economy, the positions of companies in the market are growing. Risks and uncertainties increase when making strategic decisions. This situation is very unstable due to dynamic changes in the technological level, increased competition and the impact of state influence on the economy.

The digital economy's inherent technological advancements have the potential to alter market dynamics for producers' and buyers' businesses. Businesses operating in such an environment must seek out fresh approaches to competition and raise their level of competitiveness. Companies must improve their proficiency in the area of digital information technology if they hope to thrive in the new environment.

What is the danger of the "digital economy" now?

A number of shortcomings for humanity will be eliminated with the introduction of "Numbers" and e-commerce, including:

- the risk of cyber threats related to the issue of protecting personal data (fraud can be partially prevented by so-called digital literacy);
- "digital slavery" (using data to control millions of people's behavior);
- an increase in unemployment in the labor market due to the possibility of certain industries and professions going extinct (many experts firmly believe that the banking system will disappear in the next ten years).

The following products and information technologies can be further expanded to achieve this: unmanned vehicles, electronic cash desks, customer service bots, and much more;

Conclusion. Thus, the most important demonstration of the digital economy is the massive introduction of robots for production and service. Recently, even international organizations have realized the danger that robots can bring to the robotization of the economy, because robots are actually the concern of people. In the coming decades, two-thirds of the people in the Third World are projected to be out of work. It is no coincidence that the problems here affect precisely these countries, because robotic material production prevails here. In Western countries, robotization is entering a new stage. Currently, following the robotization of material production, the robotization of the service sector begins. Everyone knows that most of the population here is employed in the service sector. This process is manifested in banking, transport and trade. Over time, humans will be replaced by electronically controlled machines and robots. The development of the digital economy also affects the employment sector. Thus, the following professions may appear in the future: - personal brand manager; - virtual lawyer; - moderator of the communication platform with representatives of the authorities; - info stylist; - digital linguist; - term broker; - interface designer.

The digital economy is an economy that is developing on the basis of new methods of generating, processing, storing and transmitting information, as well as digital computer technologies. The main technologies of the digital economy are big data (specific data and methods of working with them), artificial intelligence, blockchain technology, cloud reporting, quantum technologies, robotics, virtual reality, etc. An important result of the development of the digital economy is a change in existing business models, a decrease in the role of intermediaries in the creation of products, the sale and provision of services. Digital



technologies make it possible to directly connect suppliers and customers, which helps to develop an individual approach to the formation of products and services. Today, the policy of digitalization is the main issue on the agenda in our country, and in this regard, Uzbekistan is leading the way with bold steps.

References:

1. The leaders of the G20 adopted a declaration on the digital economy. June 28, 2019. The site of the Federal State Unitary Enterprise "International Information Agency" Russia Today ". [Electronic resource]. URL: <https://ria.ru/20190628/1556007543.html>. (Date of treatment 1.07.2019).
2. OECD Digital Economy Outlook 2017 (Summary in Russian) Paris: OECD Publishing, 2017. DOI: 10.1787/4657a930-ru.
3. Digital economy: 2019: a short statistical collection / G. I. Abdrakhmanova, K. O. Vishnevsky, L. M. Gokhberg and others; Nat. issled. University Higher School of Economics. - M.: NRU HSE, 2019.- 96 p.
4. Otakuziyeva ZM, Bobokhujaev Sh.I. The role and development of the information economy // Radiotexnika, telekommunikasiya va axborot texnologiyalar: muammolari va kelajak rivoji. Collection of articles of the international scientific and practical conference. 1-volume. Tashkent, May 21-22, 2015, 550-554p.
5. Bobokhujaev Sh.I., Otakuziyeva Z.M. Information economy: global trends and specificity of development in Uzbekistan // "Innovation andisodiot va Izhtimoy Infratusilma". Collection of scientific articles, 2-part, Toshkent, 2015, 242 p.
6. Digital 2019. Global digital yearbook. Essential digital data for every country in the world. [Electronic resource]. URL: <https://wearesocial.com/global-digital-report-2019>. (Date of treatment 10.09. 2019).
7. Bobokhujaev Sh.I. Ways to transform the role and place of banks in the digital economy. Materials of the IX Forum of Economists. Under the general editorship of Ph.D. Akhmadzhanova Sh.Kh. / Tashkent, IFMR, December 20, 2017.-p.15-21.
8. T.Z. Teshabayev, SH.I. Bobokhujaev, Z.M. Otakuziyeva. Specificity of conceptual development of information economy in Uzbekistan. Curran Associates, Inc. Red Hook, NY USA, 2019, p.48-55.
9. T.Z. Teshabayev, SH.I. Bobokhujaev, Z.M. Otakuziyeva. Problems and Prospects of Creation of Digital Ecosystem in Postal Service of Uzbekistan. Advances in Social Science, Education and Humanities Research, Paris, Atlantis Press, 2018, p. 112-118.
10. Message from the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis. Official website of the President of the Republic of Uzbekistan. [Electronic resource] URL: <https://president.uz/ru/lists/view/2228>. (Date of treatment 09.10.2019).
11. "Socio-economic situation of the Republic of Uzbekistan" for January-December 2018. Page 192. Official website of the State Statistics Committee of the Republic of Uzbekistan. [Electronic resource] URL: <https://stat.uz/uploads/doklad/2018/yanvar-dekabr/ru/doklad-yan-dekabr-ru.pdf>. (Date of treatment 09.10.2019).



12. Digital 2019: Usbekistan. [Electronic resource]
URL: <https://datareportal.com/reports/digital-2019-uzbekistan>. (Date of treatment 10.09.2019).