

## Digital Economy of the Republic of Uzbekistan and its Development

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**Abstract:** *Today, new digital technologies, innovative business models penetrate all spheres of the economic life of society, influencing the very essence of the economy, forming qualitative structural changes in it. As a result, the digital economy is being formed as a subsystem of the traditional economy, which is characterized by the active use of digital technologies and the circulation of specific electronic goods.*

**Keywords:** *digital economy, digital technologies, economic growth, state regulation of the economy, scientific and technological progress.*

The term “digital economy” is widely used both in theory and practice, but there is no consensus on its interpretation. According to the well-known statements formulated by Stan Kaplan in his methods of risk analysis, 50% of the problems in the world arise from situations when the same words are used to denote different concepts, and the same amount appears due to the fact that the same the same concepts are used. interpreted in different words. This conclusion is also typical for the digital economy, where the term “digital economy” is often used by journalists and experts to draw attention to the digital topic in relation to various areas of digitalization, as a result of which the pace of semantic change is constantly increasing and, as a result, there is a risk of blurring. the boundaries of a new field of knowledge, the loss of its individuality and investment attractiveness. [2]

The digital economy is the activity of creating, distributing and using digital technologies to collect, store, process, search, transmit and present data in electronic form and related products and services.

Digital technologies are technologies for collecting, storing, processing, searching, transferring and presenting data in electronic form.

The relevance of the problems of the formation of the digital economy is due both to the growth in the scale of social communications through social networks, and the effectiveness of digital platforms that increase the speed and variety of exchanges (through the use of technologies based on the use of discreteness, programmability and algorithmicity of production processes), which in general opens up fundamentally new and broader opportunities for increasing the efficiency of mass production, the development of the economy and society. According to experts from the World Economic Forum, the potential of digital transformations (and as a consequence of the massive use of digital technologies to reduce various costs, and as a means of optimizing processes in the economy, society, and as a result of the emergence of new industries) is estimated at over \$ 100 trillion. identified digital development strategies as high-priority and are implementing a set of measures to digitalize the economy and society.

"Digitalization" is the liberation of a person from machine functions and the emergence of new, more creative forms of employment. [1]

It should be pointed out to its two main aspects: digitalization and the digital economy. The first is a long, complex and multidimensional process of transferring production and management technologies and information resources into a state suitable for the effective use of digital devices and technologies and involves the achievement of the following goals:

- cheaper and more reliable collection, systematization, transmission and analysis of data (due to discrete sensors - the Internet of things, RFID tags, etc.);
- reducing the cost and simplifying communications in the economy and society (digitalization of content and communication channels);
- creation of a system for multi-interaction of people and business processes vertically and horizontally (interorganizational digital systems).

Just like informatization and automation, digitalization, according to J. Naisbitt, is a megatrend of economic development, which is based on cybernetic methods and controls, big data analysis tools and artificial intelligence. Achieving a critical point in the digitalization of a business process (or an enterprise as a whole) leads to its qualitatively new state (transformation), characterized by higher efficiency. [1]

The development of economic relations in a competitive environment between different countries and manufacturers, the need to reduce the costs of goods and services and the "maturation" of various innovative technologies gave rise to a phenomenon that was supposed to have a name reflecting the essence of the changes taking place. First of all, everyone pays attention to the development of the Internet and mobile communications - the fruits of which are visible to the naked eye. This led to the emergence of many terms trying to define the essence of the phenomenon. However, it must be said that only the visible part of innovations can be due to the integration specifics of information and telecommunication technologies that gave names to this phenomenon. Today, the naming process has not yet been completed and the terms "new technological order of the world", "digital economy", "API economics", "Application economics", creative economy, etc. are used.

The digital economy (EU) is the result of the transformational effects of new general-purpose technologies in the field of information and communication. It has affected all sectors of the economy and social activity, for example, retail, transportation, financial services, manufacturing, education, healthcare, media and so on. This has implications far beyond information and communication technology. In addition, the Internet empowers people in new directions, enabling them to create and share their ideas, spawning new content, new businesses and markets.

There were quite a few paths leading to the implementation of the very concept of the digital economy, because each of them involved deep integration of information and telecommunication technologies with the real processes of the economy of a country, subject to global norms, rules and standards.

The ideology of the concept of the digital electronic economy that arose in the last decade of the 20th century was better defined in 1995 by Nicholas Negroponte, an American computer scientist. He presented it in the form of a transition from the movement of atoms to the movement of bits. Presenting the concepts of weight, raw materials and transport - as shortcomings of the past, opposing them to the concept of the absence of weight of goods, virtuality.

Thus, in the era of the industrial economy, production growth is characterized by an increase in the physical size of the enterprise - an increase in the number of equipment, its capacity, an increase in the number of employees, etc. Growth would not have been possible without significant financial costs, which only old players or newcomers with large resources were capable of. The world is currently entering the era of the post-industrial digital economy, which is fundamentally changing the situation:

- Information becomes the main resource, and this source does not dry out from use;
- Internet shopping areas are not limited;
- The company does not need to be big to compete successfully;
- The same physical resource can be used an infinite number of times to provide different services;
- The scale of operations is limited only by the size of the Internet;
- The client becomes a "deity". [3]

If in the first 10 years (since 1994) the basis for the development of the digital economy was

represented by e-commerce and service businesses, now it covers almost all spheres of life: education, healthcare, online banking. The digitization of documentation and the emergence of electronic signatures made possible the emergence of the Electronic State and the Electronic Government, which will expand the list and speed up the provision of services for citizens.

By its very nature, the digital economy undermines traditional notions of:

- business structure,
- interaction of organizations,
- receiving services, information and goods by consumers.

We see a new form of economic activity that connects people, organizations and machines in a conditional hyperconnection of users, enterprises, devices, data and processes. As a result, you and I get changed business models with the emergence of new products, services, increased utility and the construction of a new management culture.

It is customary to include e-commerce, the e-government system, the introduction of smart technologies into production processes, service sectors, the creation of “Smart City”, “Safe City” systems, etc., as well as the widespread use of “Internet of Things” technologies in the components of the digital economy.

The degree of development of the digital economy in the country, which is directly related to the level of development of information and switching technologies (ICT), is usually assessed by various indicators: the share of the digital economy in GDP, the amount of investment in the ICT industry, the speed of the Internet, its coverage of the country's territory and availability for use by the population. , the level of development of e-commerce, the share of public services in the e-government system, the provision of organizations with ICT specialists, etc. In addition, indicators in international ratings that assess the degree of development of information technologies in the country are important.

**Table 1: Dynamics of growth in the volume of services rendered by type of economic activity "information and communication" in 2016-2020 (trillion soums)**

	2016	2017	2018	2019	2020
<b>Services - total</b>	97,1	118,8	150,9	193,7	218,9
growth rates (in%)	114,7	110,7	108,9	113,2	102,3
<b>spheres "informatization and communication"</b>	<b>6,3</b>	<b>8,2</b>	<b>10,3</b>	<b>10,9</b>	<b>12,9</b>
growth rate (in%)	114,6	121,3	115,9	108,3	115,3

The development of the ICT industry was facilitated by the growth in the volume of investments in fixed assets by the type of activity "information and communication", which in the period 2016-2020 increased by 4 times from 1.2 to 4.8 trillion soums, including the volume of foreign investment and loans increased 2.5 times from 0.8 to 2 trillion soums.[9]

The telecommunications infrastructure is developing dynamically, experts write. The length of laid fiber-optic communication lines has grown by almost 3.8 times from 17.9 to 68.6 thousand km; by the end of 2021, their length is planned to practically double and increase to 118.6 thousand km. The number of base stations for mobile communications increased 1.8 times from 17.7 to 31.7 thousand units, in 2020 alone, more than 5600 new telephone exchanges for mobile

communications were installed and launched.

The expansion of the network of base stations of mobile communications made it possible to create conditions for the provision of services (to increase the coverage) of mobile communications for 98% of the country's population, including high-speed communications up to 90%. [9]

The researchers note that the expansion of the network of mobile communication stations is due to the installation of new stations that ensure the operation of 3G / 4G networks, and projects have also been implemented in Tashkent to install 15 base stations of the fifth generation - 5G.

In order to create its own production base and import substitution, a \$ 11 million plant was built in the Jizzakh free economic zone with the assistance of the Republic of Korea for the production of fiber-optic cables with a capacity of 50 thousand km of cable per year, which will ensure both domestic needs and and supply cable products for export.

“According to the theory of K-cycles (Kondratieff), mankind passes through the fifth technological order, characterized by the development of electronics, robotics, computing, laser and communication technology, and is approaching the sixth, which will be based on NBIC - convergence or unification and synergistic enhancement of the achievements of nano- , bio-, information and cognitive (cognitive) technologies, the researchers write. In this regard, in order to keep up with technological development, one must not only be a consumer of innovative products produced in other countries, but also create them or participate in international cooperation chains for their production. ”

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