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Ensuring Economic Growth through the Development of Digital Technologies in Uzbekistan

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ABSTRACT

Development of the digital economy in the period of the global pandemic is one of the issues of strategic importance for Uzbekistan, like other countries, which determines its world-wide competitiveness, and through this, it shows that it is necessary to address the issues of socio-economic development of the country. The gradual transition to a digital economy in Uzbekistan will help solve many economic and promising problems and ensure economic growth. A number of issues and challenges have been addressed in terms of ensuring economic growth through the development of the digital economy and its economic significance.

INTRODUCTION

The twenty-first-century movement towards advanced technology in telecommunication, information, and innovations brought up the concepts of digital technology and the digital economy (Afonasova, et al., 2018). The latest digital technologies play an important role in stimulating the economic growth of countries and integrated macroregions, while the digital economy is growing many times faster than the traditional economy. Much of this growth is based and supported by modern technologies, including the rapidly evolving information and telecommunications technologies (Tumanyan, 2019).

Although the pandemic is coming up with a global crisis and challenges, it is creating a better opportunity for the development of the digital economy. In the present case, the compensation for the damage caused by the coronavirus pandemic after the situation has stabilized will take some time. The situation in the world economy is also deteriorating day by day. Many experts predict that the second and third quarter will pass completely with a major decline. In a state of crisis, the sectors involved in exports have received considerable damage. In the case of quarantine, all services were forced to limit their activities. It is known that this will cause significant damage to the economy.

Today, the active use of information and communication technologies contributes to the development of new information networks, secure access through innovation to network technologies, the development of human resources, the active use of IT in the public sector, and the provision of services necessary to increase the level of accessibility of public services for all citizens (Molchanova, 2020).

Similarly, in the field of tourism, there are, of course, some delays. It has to do with human health, and human life is paramount. It is clear that the countries that are not currently pursuing a serious policy on the coronavirus pandemic and are ignoring it, are only laying the groundwork for a stronger future crisis. Choosing the right path can help you get through the crisis more easily. Taking into account current global trends, the rapid use of ICT in Uzbekistan in all spheres of society, as well as the overall development of digital technologies will accelerate innovation and the global economy. transforms into a driving force of rapid entry and integration. To this end, the Republic is taking urgent measures but high efficiency in these processes cannot be achieved without the initial scientific basis and scientific research. With the transition of our country to the digital economy, the digital economy in many countries implies new

forms of economic relations and governance, not only new forms of consumer communication and electronic payments, but also the entire industry. With the development of information technology today, new directions of employment are emerging. Employers can hire employees voluntarily and at will, and the difference in geographical location and time does not matter. Employees can perform their duties remotely using information technology and can perform the assigned task at any time without leaving home.

METHODS

One of the important features that distinguish the digital economy from traditional and other economies is that information is presented as a separate component of production costs, as well as an important element of the market mechanism and a separate type of economic activity. Thus, in a traditional economy, the leading sector of production is mining, while in industrial production, processing, in the digital economy, knowledge generation and information, and especially science, are the leading sectors (Otakuzieva, 2020).

The economy is going through an important period of change, digitalization, mobilization of all sectors, the introduction of artificial intelligence in the industry. The need to develop a new economy becomes even clearer by 2022, when the digital sector is projected to account for almost a quarter of world GDP. Mobile payment systems can be considered as a modern version of the digital economy. We all know that customers' smartphones are linked to bank accounts. This allows customers to make online purchases and transfer money freely using mobile devices. The latter circumstance is related to the current level of technological effectiveness of the economy, although even technologically backward countries can demonstrate a growth rate that exceeds the growth rate of developed countries (Tukhtabaev, 2020).

The introduction of the digital economy in developed countries has already begun. In the context of globalization of the world economy and the development of technology, the economic development of Uzbekistan cannot be achieved without the development of the digital economy. The digital economy is an economic activity based on digital technologies, related to e-business, e-commerce, producing, and providing digital goods

and services. In this case, payments for economic services and goods are made via electronic money. The concept of digital economy is based on the transition from the atom to the bit, that is, from the smallest chemical particle to the electronic unit. The digital economy is a system of economic, social, and cultural communication based on the use of digital technologies. It is sometimes referred to as the Internet economy, the new economy, or the web economy. In 1995, American programmer Nicholas Negroponte coined the term "digital economy". The term is now used by politicians, economists, journalists, and entrepreneurs around the world. In 2016, the World Bank published the first report on the state of the global digital economy.

The term "digital economy" is entering all sectors. This, in turn, will significantly improve people's living standards. It is no exaggeration to say that Uzbekistan's choice of the digital economy is a big step towards a complete and comprehensive positive change in the country's economy.

Modernizing and diversifying the economy and ensuring high economic growth through increasing labor productivity also requires the use of many factors. One of them is the digital economy. The discipline provided in this economic environment will certainly create the appropriate conditions for the modernization of the economy. Increased labor productivity is also a product of the above modernization.

At the same time, it can also be seen as a means of eliminating the shadow economy. Because, firstly, all transactions will be registered electronically, and secondly, everything will be transparent. In addition, the use of new IT in production will reduce the cost of products and services and increase competitiveness. As long as our economy is not competitive and the laws of the market are not fully enforced, the results of economic reforms will not be significant.

The number of countries with developed digital economies is also growing. The "digital" countries today are Norway, Sweden, and Switzerland. The top 10 countries with digital economies include the United States, Britain, Denmark, Finland, Singapore, South Korea, and Hong Kong.

As a result of studying the world experience, it is clear that in countries with developed digital economies, the rules of the state market "game" in

the digital economy creates the same, equal and accessible conditions for all participants in the game. That is, they are all equal, whether they are big or small. Therefore, in the development of the digital economy, the state should create equal conditions for all, make market rules, laws, and contracts as transparent as possible, the law should give freedom to game participants based on market demand, i.e. be able to predict market development trends, and adopt the necessary regulations.

Like the rest of the world, Uzbekistan is developing a digital economy. With the introduction of information technology into our daily lives, many opportunities are being created for ordinary people. However, it should be noted that the digital economy in Uzbekistan is developing several times slower. That is, there are opportunities, there are the necessary resources, but the level of development is much lower than in other countries.

RESULTS AND DISCUSSION

The higher the diversification and dynamics of the economy, the greater the unique information flow inside and outside the country, and the more significant the information traffic within national economies. As a result, the digital economy is growing rapidly in markets with large numbers of participants and IT services. According to statistics, in January-September 2020, the share of communication and information services in the total volume of market services increased to 6.0% (5.6% in January-September 2019). The share of computer programming, consulting services in the total volume of communication and information services increased by 0.8% compared to the corresponding period of 2019 and amounted to 7.5%, as well as the share of information services increased by 1.2% to 4.7%. The largest share of computer programming and consulting services was recorded in Tashkent - 94.4%. This is due to the fact that most of the companies and organizations operating in this area are registered in the region (State Statistics Committee of the Republic of Uzbekistan, 2020). According to the analysis of leading international organizations, the digital economy will increase GDP by at least 30%, while eliminating the shadow economy.

Turning to international practice, today the digital economy is not limited to the field of e-commerce and services, but to every aspect of life,

in particular, health, science and education, construction, energy, agriculture, and water management, is rapidly entering the fields of transport, geology, cadastre, archives, internet banking and others, and in each of them is giving its high results. The government's provision of e-services and e-products to its citizens is a key part of the digital economy extensive development of this sector in our country will eliminate the scourge of corruption.

The World Bank's Digital Dividends study shows how important the digital economy is in developing countries' economies. In particular, a 10% increase in Internet speed will lead to GDP growth. In developed countries, the figure is 1.21 percent, while in developing countries it is 1.38 percent. This means that if the speed of the Internet doubles, GDP will increase by 13-14% (World Bank, 2020).

In the 21st century, digital technology has engulfed people everywhere. They are being used to increase productivity by reducing human labor. The digital economy helps to reduce the cost of providing services, provides access to exports through e-commerce, and positively affects the flow of investment and, in general, economic activity.

The development of the digital economy leads to the following advantages: (1) Increase labor efficiency in production; (2) Increased competitiveness of companies; (3) Reduction of costs in production; (4) The emergence of new modern professions; (5) Overcoming poverty and loss of social inequality.

The first and most important factor in the sustainable development of the digital economy is the creation of a modern ICT infrastructure. A number of large-scale projects have been implemented in our country in this direction. The efficiency of the digital economy is affected not only by the coverage of information technology and the availability of infrastructure but also by standard economic criteria such as the business environment, human capital, and successful management tools. Consequently, economic development relies on them, which means that these criteria continue to play an important role in the development of the digital economy.

Here are some of the obstacles to the development of the digital economy in Uzbekistan: (1) Low speed and poor quality of the Internet; (2)

Monopoly in many areas; (3) Low computer literacy of citizens; (4) Lack of transparency in legislation; (5) Lack of IT specialists; (6) Slow development of science and especially the exact sciences.

In a rapidly changing situation under the influence of the global pandemic, many countries are moving towards the development of digital technologies, especially the active use of artificial intelligence. Therefore, the creation of smart cities in some countries begins with government programs and initiatives to digitize itself, and then the transition to a digital form of information transfer to other areas of life.

In the traditional economy, the main role in the relationship between producer and buyer was played by the manufacturer, as he belonged to the generation of product ideas. The buyer made a selection from the list of benefits already produced and offered by the manufacturer. In the digital economy, the modern buyer has the opportunity to become a participant in the process of creating new consumer value, generate ideas for new products and services (Andreeva & Mizova, 2018).

The digital economy is used to express two different concepts. First, the digital economy is a modern stage of development characterized by the predominance of the benefits of creative labor and information. Second, the digital economy is a unique concept, the object of study of which is the information society. In today's fast-paced global economy, the digital economy is in its infancy, and the transition to the digital information age is only a few decades away. In the process of such rapid changes in the world community and the aggravation of competition, without the widespread introduction of innovations and digital technologies, the sustainable development of the country's economy in the near and far future, the inability to ensure its competitiveness, is the same reality, which, in turn, requires the imposition of scientific and practical efforts.

The digital transformation is an opportunity to be welcomed, but it also brings certain challenges that need to be managed. Generally speaking, the digital transformation is changing the world faster than many rules and regulations have evolved. Governments can benefit from mechanisms to periodically review their regulatory frameworks and, where appropriate, update them to ensure that

they are well suited to the increasingly digitalized world (Khotamov & Olimov, 2020).

The digital economy is a major ally of corruption and the black economy. Because numbers seal everything, store it in memory, and provide information quickly when needed. In such a situation, it is impossible not to hide any information, to make secret transactions, not to give full information about this or that activity, the computer will show everything. The abundance and structure of the data prevents fraud and deception because it is impossible to deceive the system. As a result, it is impossible to launder "dirty money", steal funds, spend them inefficiently and aimlessly, exaggerate or hide them. This will increase the flow of legal funds into the economy, taxes will be paid on time and correctly, budget allocations will be transparent, funds directed to the social sphere will not be stolen, schools, hospitals, the money allocated to the roads will be fully paid.

CONCLUSION

In the context of the global pandemic, the development of the digital economy and digital technologies will serve as a catalyst for all innovative solutions, opening up a vast field of information technology that needs to be used for the development of the nation and the state.

Digitization of all sectors of the economy is a prerequisite for integration into the world community, gaining a foothold in the world market, economic development, and the creation of conveniences for the population. Through the massive introduction and application of digital technologies in Uzbekistan, the economy of its regions will also show better results, increasing the investment attractiveness of the regions. In addition, the population of the Russian regions will improve in terms of information knowledge, which contributes to the improvement of the educational environment, as a result of which the quality of future specialists will increase.

It is important to improve the digital economy through the development of the digital sector of the national economy, the scientific and practical study of its social, economic, political, and legal foundations. In short, the introduction of the digital economy in our country is in the interests of the economy, the accuracy and realism of its indicators, the elimination of false numbers. ensures the same

interest of the subjects (from the state to the following enterprises, even individual entrepreneurs). The digital economy appears as a factor of economic growth in Uzbekistan and its regions, representing a special digitalization system. The above studies show that the use of digital technologies will lead to an improvement in the economic condition of the country, both in the external and in the internal structure. The transition to a digital economy will increase the chances of eliminating the shadow economy. Because, firstly, all transactions are recorded electronically, and secondly, everything is transparent. In addition, the use of new IT in production will reduce the cost of products and services and increase competitiveness.

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