

THE IMPORTANCE OF THE DIGITAL ECONOMY IN IMPROVING THE WELL-BEING OF THE UZBEK PEOPLE

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Abstract

This article examines the significance of the digital economy as a key factor in improving the well-being of the population of Uzbekistan. The paper analyzes the stages of transformation of the country's ICT sector within the framework of the "Digital Uzbekistan – 2030" strategy. By studying achievements in the development of IT infrastructure, digitalization of public services, and growth in the export of high-tech products, a direct correlation is identified between the introduction of innovations and the improvement of citizens' quality of life. The author concludes that the digital economy forms the basis for inclusive development, creates high-paying jobs, and significantly reduces administrative barriers for the population.

Keywords: digital economy, Uzbekistan, well-being, IT Park, artificial intelligence, e-government, innovations, 5G.

Introduction. The nature of contemporary global socio-economic development is such that technological leadership has become an indispensable condition for national competitiveness. The digital economy is transforming from an auxiliary tool of economic activity into an independent human habitat, where new markets, professions, and ways of interaction between the state and society are being formed. For Uzbekistan, which embarked on a path of large-scale reforms in the autumn of 2017, digital transformation has become not just a vector of technological renewal but also a strategic mechanism for improving the well-being of the Uzbek people. According to the Asian Development Bank (ADB) economic outlook for April 2026, the country's impressive GDP growth of 7.7% in 2025, with the economy exceeding \$147 billion, was largely driven by increased labor productivity (by 4.7%) and reduced energy intensity of products (by 15%), which were direct consequences of systematic digitalization of

industry. Notably, amid global economic turbulence, Uzbekistan has not only strengthened macroeconomic stability but also laid the technological foundation for transitioning from raw material exports to the export of knowledge and high-tech services. This research aims to show how the systematic implementation of digital solutions is changing the daily lives of Uzbeks, creating a new reality where a person's well-being directly depends on their degree of inclusion in the digital ecosystem.

Relevance of the topic and its theoretical justification. The relevance of the research topic is determined by the objective need to assess the social impact of digital reforms in the Republic of Uzbekistan against the backdrop of the launch of the third phase of the "Uzbekistan – 2030" Strategy. Theoretically, the digital economy in the context of Uzbekistan is perceived not as a collection of high technologies, but as a mechanism for redistributing opportunities, allowing a resident of a remote village to gain access to quality education, medical diagnostics, and public services that were previously available only to residents of megacities.

The following can be noted separately: starting January 1, 2026, a large-scale program "Elimination of Bureaucracy-2030" was launched in the country, aimed at transitioning to a "paperless government." It is planned that by the end of the decade, about 95% of all public services will be converted to digital format. This initiative is supported by specific actions: 41 priority areas for 2025-2026 have been approved, aimed at increasing the share of "digital" services to 70%. Moreover, given that the country's population exceeded 37.2 million people in October 2025, with half of the citizens under 27 years old, the potential audience for digital services is enormous. The state has set itself an ambitious goal: to make technological growth the foundation for the economic well-being of every household, which is confirmed by the inclusion of residents in value-added creation processes.

Research methods. To achieve this goal, a comprehensive interdisciplinary approach was applied, combining methods of economic-statistical analysis and institutional research. The analytical base of the study includes open data from the national statistical committee, reports from international financial institutions (ADB, UNDP) for 2024-2026, as well as legal acts defining Uzbekistan's digital policy. Qualitative analysis of the materials included studying the President's addresses and speeches, reviews of the startup ecosystem's state, and data on the penetration of information and communication technologies in the regions of the republic. For clarity of quantitative processes, a comparative table of key metrics from 2020 to the forecast for 2030 was constructed, followed by their graphical interpretation.

Research results and their practical reflection. The study of accumulated data during the active digital phase (2020–2025) revealed extensive and intensive growth across all segments

of the knowledge economy. First of all, there is an unprecedented expansion of Internet access: while at the beginning of the reforms about half of the population had Internet access, by the end of January-August 2025, the Internet penetration rate reached 94.2% of the total population. In practice, this means that today 33.1 million Uzbeks are connected to the global network, creating a foundation for the development of digital trade and remote employment.

The key development institution has been IT Park. Its performance indicators serve as a clear measure of the effectiveness of digital policy. Back in 2020, residents numbered in the hundreds, but by 2025 their number exceeded 2.8 thousand, including more than 750 foreign companies. While in 2020 IT service exports barely exceeded \$170 million, over five years this figure grew to nearly \$1 billion, and in the 2025 Address, the President set an ambitious goal of reaching the \$5 billion mark by 2030. In qualitative terms, this shifts the economy into the category of exporters of intellectual rent. According to foreign experts, the total value of the country's startup and venture ecosystem in 2024-2025 was \$3.9 billion, with Uzbekistan recognized as the second fastest-growing startup ecosystem in the world and the leader in Central Asia in terms of growth rates in telecommunications.

Significant changes have also affected the interaction between government and society. Digitalization of public services has led to the fact that today 760 types of services (from obtaining certificates to registering a business) are available online, and by the end of 2024, 10 million citizens used their services. The "OASIS" platform being developed aims to become a single window for interagency interaction, completely eliminating human factors and bureaucratic red tape. The most tangible effect has been achieved in the fight against corruption: the automation of selection and distribution processes has significantly reduced administrative pressure on small businesses and made public procurement transparent.

The construction of a digital educational vertical plays a special role in improving well-being. Mega-projects such as "One Million Programmers," IT academies, and a large-scale training program in the field of artificial intelligence ("Five Million AI Leaders") are operational, thanks to which about one hundred thousand young people annually acquire professions of the future.

Analysis of the presented data. To demonstrate the scale of qualitative changes in the economy, Table 1 below reflects key indicators of ICT sector development and their impact on the social sphere.

Table 1.

Dynamics of key indicators of the digital economy of Uzbekistan

Indicator	2020	2025	Plan 2030	Social effect
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	(baseline)	(reporting)	(forecast)	
Internet penetration	~50%	94.2%	99–100%	Access to education and medicine in any region
IT services export	~\$170 million	~\$1 billion	\$5 billion	Growth of high-paying jobs, currency inflow
Startup ecosystem (value)	—	\$3.9 billion	—	Attraction of venture capital, innovations
Digital public services	Dozens of types	760 types	>1000, fully paperless	Reduction of corruption, time savings for citizens
IT Park residents	—	>2,800	5,000+	Formation of "white-collar" workers in regions

As Table 1 shows, in 2020 Internet coverage was about 50%, by 2025 it reached 94.2%. By 2030, a level of 99–100% is forecasted. This means the formation of a universal digital communication environment in the country. From a social perspective, this ensures equal access to education and medical services.

In 2020, IT service exports amounted to \$170 million, by 2025 they grew to \$1 billion. By 2030, \$5 billion is forecasted. Such growth ensures currency inflow and the creation of high-paying jobs, strengthening economic stability.

In 2025, the value of startups reached \$3.9 billion. This indicates the arrival of venture capital and the formation of an innovative environment. The social effect is the strengthening of innovation culture and entrepreneurial spirit.

Growth of IT Export and Internet Coverage in Uzbekistan

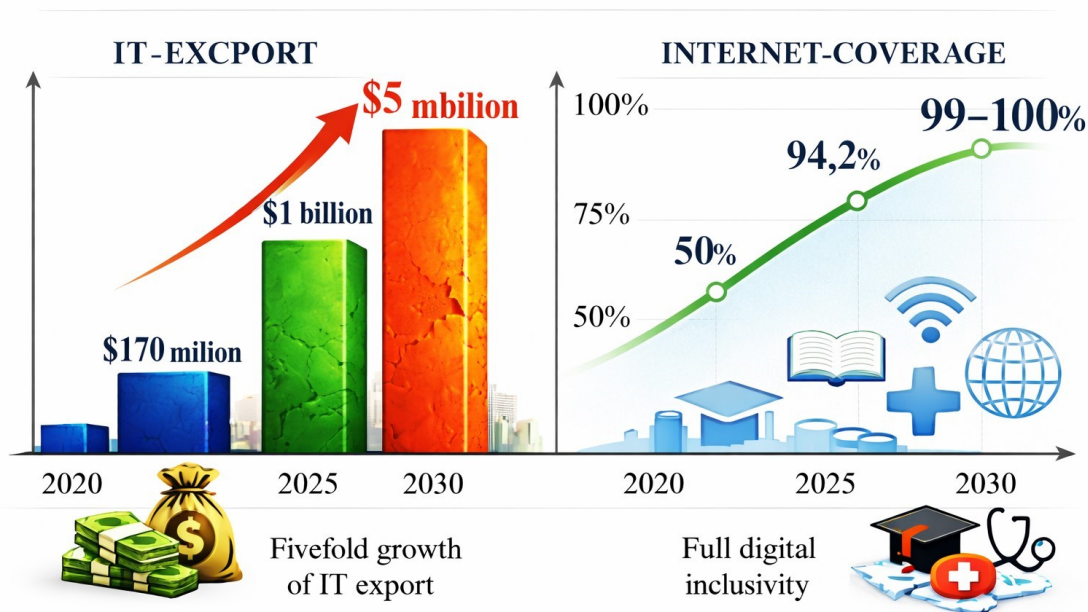


Figure 1. Growth of IT exports and Internet coverage in Uzbekistan (2020–2030)

In 2020, there were only "dozens" of electronic services; by 2025, their number reached 760. By 2030, more than 1,000 services are planned in a fully paperless format. This will become an important factor in reducing corruption and saving citizens' time.

In 2025, the number of residents exceeded 2,800; by 2030, more than 5,000 are expected. This reflects the expansion of the human resource base in the IT sector and the formation of a "white-collar" class in the regions. Socially, this is extremely important as it creates modern jobs in the provinces.

Summarizing, it can be said that all indicators in the table confirm that Uzbekistan has entered a phase of intensive growth of the digital economy. The growth in Internet coverage, IT service exports, and digital services ensures not only economic benefits but also social equality and the development of an innovative culture.

Analysis of the table and diagram demonstrates that the growth of ICT exports has the highest multiplier effect. A resource-based economy brings in currency but does not create a broad middle class. Digital exports, on the contrary, allow thousands of young people in Andijan, Bukhara, and Khorezm to earn wages comparable to global levels. At the same time, the double-digit Internet coverage figures confirm that the benefits of digitalization have ceased to be a privilege of the capital – already today, the share of Internet users in rural areas has reached 93.9%, gradually erasing the boundaries between the center and the periphery.

Conclusions. The conducted analysis suggests that the digital economy is a fundamental factor in improving the well-being of the Uzbek people in three directions. First (economic

direction), conditions have been created for legal high earnings in the IT sector, reflected in the growth of exports and venture investments. Second (social direction), digitalization has simplified access to justice and public services, saving people millions of hours of time and reducing corruption costs. Third (infrastructural direction), the expansion of the Internet to remote areas has given every young person a chance for a "social elevator" through education. However, it is important to note the persistent imbalance: according to 2025 data, more than 71% of the volume of communication and informatization services still falls on the capital – Tashkent, which creates a risk of uneven digital development across regions. The following can be noted separately: only systematic work on regional infrastructure and the active attraction of IT companies to the regions will allow achieving the goals of the "2030" Strategy in full.

Conclusion. Thus, the importance of the digital economy for Uzbekistan goes far beyond GDP statistics. The head of state emphasized in his address to the Federal Assembly on December 26, 2025: "People must feel these transformations in the reduction of bureaucracy and corruption, and the acceleration of public service delivery. The accelerated transition to a digital economy will become our priority task." [1] This directive is being implemented today with the launch of four data centers, two supercomputers, and 15 artificial intelligence laboratories that will introduce advanced solutions in healthcare, agriculture, and transport. Technologies are becoming the main source of social justice, because in the digital world, talent, hard work, and knowledge matter more than geographical location or connections. By building the IT ecosystem today, Uzbekistan is ensuring the future prosperity of not just one generation, creating a "human-centered" state where technology works for the people, not the other way around.

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