

# ACCELERATED TRANSITION TO A DIGITAL ECONOMY: THE EXPERIENCE OF UZBEKISTAN

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**Abstract:** The introduction of elements of e-government and support for the digital economy are firmly rooted in the short-term development plan of Uzbekistan. This is primarily due to the need to further increase the share of electronic document exchange and the gradual transfer of some public services to electronic form through the Public Service Centers. Telecommunications infrastructure plays an important role in this process. Interest in the digital economy has grown significantly due to significant changes in society and the economy. Modern technologies and platforms have helped businesses and individuals reduce costs by minimizing face-to-face contact with customers, partners and government agencies, and making interactions faster and easier.

**Key words:** digital economy, technology, science, information, spirituality, enlightenment, knowledge, communication, economy, society, intensive development, economy, economic growth, prosperity, computer literacy.

## УСКОРЕННЫЙ ПЕРЕХОД К ЦИФРОВОЙ ЭКОНОМИКЕ: ОПЫТ УЗБЕКИСТАНА

**Аннотация:** Внедрение элементов электронного правительства, и поддержка цифровой экономики прочно укоренились в краткосрочном плане развития Узбекистана. В первую очередь это связано с необходимостью дальнейшего увеличения доли электронного обмена документами и постепенным переводом некоторых государственных услуг в электронный вид через центры государственных услуг. Телекоммуникационная инфраструктура играет важную роль в этом процессе. Интерес к цифровой экономике значительно вырос в связи со значительными изменениями в обществе и экономике. Современные технологии и платформы помогли предприятиям и частным лицам сократить расходы за счет сведения к минимуму личных контактов с клиентами, партнерами и государственными учреждениями, а также ускорения и упрощения взаимодействия.

**Ключевые слова:** цифровая экономика, технологии, наука, информация, духовность, просвещение, знания, общение, экономика, общество, интенсивное развитие, экономика, экономический рост, процветание, компьютерная грамотность.

## **RAQAMLI IQTISODIYOTGA TEZLASHTIRILGAN O'TISH: O'ZBEKISTON TAJRIBASI**

**Аннотация:** Elektron hukumat elementlarini joriy etish va raqamli iqtisodiyotni qo'llab-quvvatlash O'zbekistonning qisqa muddatli rivojlanish rejasiga qat'iy asoslangan. Bu, birinchi navbatda, elektron hujjat almashinuvi ulushini yanada ko'paytirish va ayrim davlat xizmatlarini davlat xizmatlari markazlari orqali elektron shaklga bosqichma-bosqich o'tkazish zaruriyati bilan bog'liq. Telekommunikatsiya infratuzilmasi bu jarayonda muhim rol o'ynaydi. Raqamli iqtisodiyotga bo'lgan qiziqish jamiyat va iqtisodiyotdagi sezilarli o'zgarishlar tufayli sezilarli darajada oshdi. Zamonaviy texnologiyalar va platformalar biznes va jismoniy shaxslarga mijozlar, sheriklar va davlat idoralari bilan shaxsiy aloqalarni kamaytirish, shuningdek, hamkorlikni jadallashtirish va soddalashtirish orqali xarajatlarni kamaytirishga yordam berdi.

**Калит со'злар:** raqamli iqtisodiyot, texnologiya, fan, axborot, ma'naviyat, ma'rifat, bilim, aloqa, iqtisodiyot, jamiyat, jadal rivojlanish, iqtisodiyot, iqtisodiy o'sish, farovonlik, kompyuter savodxonligi.

### **Introduction**

Digital technologies, science and research play an important role in development. Today information technologies penetrate all corners of the world. The widespread introduction of digital technologies in public administration and the pursuit of modern knowledge will

contribute to the well-being of our people. The spiritual and enlightened generation is a key factor in the development of the country. As the sages of the East say: "The greatest wealth is intelligence and knowledge, the greatest heritage is good education, and the greatest poverty is ignorance!" Therefore, for all of us, the acquisition of modern knowledge, the acquisition of true enlightenment and high culture should become a constant vital necessity. To conduct research, we need to acquire digital knowledge and modern information technologies. This will allow us to take the shortest path to the top. After all, today information technologies penetrate into all spheres of the world.

The republic is implementing comprehensive measures to actively develop the digital economy, as well as the widespread introduction of modern information and communication technologies in all industries and areas, primarily in public administration, education, healthcare and agriculture.

In particular, the implementation of over 220 priority projects has begun, providing for the improvement of the e-government system, the further development of the domestic market for software products and information technologies, the organization of IT parks in all regions of the republic, and the provision of this area with qualified personnel.

In addition, a comprehensive program "Digital Tashkent" is being implemented, which provides for the launch of a geoportal integrated with more than 40 information systems, the creation of an information system for managing public transport and communal infrastructure, the digitalization of the social sphere with the subsequent dissemination of this experience to other regions. [6]

A key factor in the success of digitalization processes is the availability of a sufficient number of highly qualified personnel and appropriate jobs, as well as a system for training specialists with certain competencies for the development and implementation of digital technologies. The transition to a digital economy is significantly changing the labor market: along with the spread of information technology in all areas of life, digital skills are becoming critical from the point of view of employers. A massive transformation in the requirements for specialists is expected, as many operations that were not affected by previous waves of digitalization can be automated in the near future. Big data analytics is becoming a key competency that determines the competitive advantages of the companies of the future. The ability to work with large arrays of structured and unstructured information allows companies to improve the quality of demand forecasting, optimize processes, etc. The introduction of digital technologies causes significant changes in staffing needs and requirements for specialists:

- a decrease in demand for professions related to the performance of formalized repetitive operations;

— reduction of the life cycle of professions due to the rapid change of technologies;

— transformation of competency profiles of certain categories of personnel (risk analysts, HR managers, marketing analysts, contact center operators, etc.) due to changes in work tools;

- the emergence of new roles and professions;

— increased requirements for the flexibility and adaptability of personnel;

- increasing the requirements for "soft skills" - the possession of social and emotional intelligence, i.e. ultimately those abilities that distinguish man from machine;

— Growth in demand for professionals with “digital dexterity” — the ability and desire to use new technologies to improve business results. [4] Although Uzbekistan climbed 8 positions in the International Information and Communication Technology Development Index in 2019, much remains to be done. According to the President, an active transition to the "digital economy" will be one of our priorities for the next five years. Digital technologies not only improve the quality of products and services, but also reduce unnecessary costs. Public and public administration can also significantly improve people's understanding through greater use of digital technologies in the social sphere. In order to further develop science in our country, educate our youth in deep knowledge, high spirituality and culture, accelerate the work that we have begun to form a competitive economy and by 2020 raise it to a new, modern level “Year of Science and Digital Economy Development” . We have set ourselves a glorious goal - to build a new Uzbekistan together with our people. In this regard, the new idea "Society - the initiator of reforms" is becoming more widespread in our daily work.

**Analysis of the literature on the topic.** Nikiforov O.N. Candidate of Economic Sciences, Associate Professor, Head of the Department of the Federal State Statistics Service for the city of St. Petersburg and the Leningrad Region, stated in his report: At first glance, talking about the use of big data digital technologies in statistics is akin to statements about the use of energy in the electric power industry - it is obvious to everyone that one cannot exist without the other. However, everything is not so obvious and much in the conditions of the digital economy needs to be reformed, including statistics itself, as evidenced by policy documents adopted at the end of 2017. Digitalization should reduce labor costs for the production of statistics in the country, through the widespread use of common database formats in the interdepartmental exchange of information to obtain consolidated aggregated data. [8]

Trofimov V.V., Doctor of Technical Sciences, Professor of St. Petersburg State University of Economics and Trofimova L.A., Doctor of Economics, Professor of St. Petersburg State

Economic University also outlined that the main feature of the digital economy is that the key production factor in its economic activity is digital data provided by a developed information space aimed at obtaining reliable data on ongoing socio-economic processes in society and the state. [8]

Research methodology. This article widely used methods to improve the quality of the national ICT infrastructure, implement the concept of a "smart" city in cities, improve skills and competencies in the field of working with digital technologies, as well as activities related to the development of digital computer technologies in the provision of online services, electronic payments, e-commerce, crowdfunding and other areas.

**Analysis and results.** Recently, the concept of "digital economy" has been repeatedly used. Indeed, the announcement by President Shavkat Mirziyoyev of 2020 as the Year of Science and Digital Economy will further increase the pace of development of the digital economy in our country. The digital economy plays an important role in the life of society. Nowadays, the digital economy and a number of effective technologies associated with it are rapidly entering our lives. For this reason, in order to further accelerate the development of the state and society, a number of important decisions were made by the leadership of the republic. For example, in the Message of the Oliy Majilis on the most important priorities for 2019 on December 28, 2018, the President of the Republic of Uzbekistan said the following about the development of the digital economy in our country: "We need to develop the National Concept of the Digital Economy." Based on this, we need to implement the Digital Uzbekistan-2030 program. The digital economy can increase GDP by at least 30 percent and drastically reduce corruption. This is confirmed by the analyzes of leading international organizations, so the Government will be instructed to develop a roadmap for the transition to a digital economy within two months. In this regard, special attention should be paid to information security." In addition, on the implementation of the Decree of the President of the Republic of Uzbekistan dated February 19, 2018 PF-5349 "On measures for the further development of the field of information technology and communications" [1], as well as the modernization of the digital economy. In the country, in order to create conditions for the rapid development of information technologies, as well as to ensure information security, the Cabinet of Ministers [2] on August 31, 2018 will determine the goals and objectives of the digital economy. and the inclusion of the Decree of the President of the Republic of Uzbekistan PQ-3832 of 07/03/2018 "On measures to develop the digital economy in the Republic of Uzbekistan" in the list of these possible measures. [3]

At a time when the concept of the digital economy emerged relatively recently, it was discovered in 1995 by Nicholas Negroponte, an American scientist from the University of Massachusetts. The scientist spoke about the changes that can occur during the transition from the old economy to the new one, following the intensive development of information and communication technologies.

Before touching on this topic, let's look at a situation that can happen in our daily lives: you need one of the best-selling books abroad. In Uzbekistan, this is not or is no longer the case. At this stage, it will definitely be cheaper for you to buy the electronic version of this book than to get the original.

In this case, you can enter your order in your personal account on the Internet, pay for it by e-mail and enter your details. And another example is the payment of utility bills through the now popular Click or Payme applications, which is also a form of the digital economy.

The digital economy is a business activity in which the main factor of production and service is data in the form of numbers that can be processed by processing large amounts of information and analyzing the results of various types of processing. solutions than the previous system in manufacturing, services, technology, devices, storage, product delivery.

In other words, the digital economy is an activity related to the development of digital computer technologies in the provision of online services, electronic payments, online commerce, crowdfunding and other areas. This is mainly e-commerce, Internet banking, electronic payments, online advertising. and, at the same time, Internet games.

Thanks to the development and application of information technology, many conveniences appear in our daily life. Suppose we need to go abroad on a business trip. You can order it online without going to the cashier, or you don't have to go to a financial institution to make a similar transfer or withdraw money from a friend abroad, you can transfer money through mobile banking.

The digital economy is one of the hallmarks of the modern world economy. The digital economy is changing the face of modern national economies, increasing their efficiency and transparency. For example, in the digital economy, one passport is enough to receive a pension. Our President also said this in his address. A citizen applies to the district or city pension fund, which receives from the archives all the information about where he worked and how much he received. For ordinary citizens, this means convenience. The main goal of any state is economic growth and prosperity. [5] The prosperity of any country is determined by its GDP. Because, in simple words, there is nothing but GDP. The sphere of movement of people and the state is the gross domestic product. Another task set by the President is to bring Uzbekistan's GDP up to

\$100 billion in five years. Today, Uzbekistan's GDP is \$58 billion, or \$1,725 per capita. In 2024, that figure will be \$1,000 billion, or \$2,800 per capita. This includes population growth (36 billion soums) and the growth of the dollar (12 thousand soums). It is impossible to achieve prosperity without increasing GDP. Poverty cannot be overcome by changing the distribution of wealth without increasing it.

The digital economy, along with the market economy, contributes to an increase in Uzbekistan's GDP. The digital economy is a system based on the use of digital technologies in economic, social and cultural relations. This is sometimes referred to as the internet economy, the new economy, or the network economy. The term "digital economy" was first coined in 1995 by the American programmer Nicholas Negroponte. To answer the question of how, for example, the digital economy differs from the conventional economy, the buyer needs shoes. This is the traditional economy if you go to the market, choose it and buy with cash. The digital economy is the process of choosing a product of one's choice using a trading bot via Telegram or online and paying the product owner through an electronic payment system and delivery service.

In fact, we all have been living in the digital economy for a long time, taking advantage of its advantages. In particular, our monthly salary goes to a plastic card, we pay for utilities, telephone, Internet and other products and services electronically, file tax returns electronically, transfer money from card to card, order food at home, and so on.

The digital economy is not something that needs to be created from scratch. This means creating new technologies, platforms and business models, bringing existing economies into everyday life by incorporating them into everyday life. Just as everything has its conveniences and benefits, so does our digital economy. These are: reducing the cost of payments (for example, a trip to the bank and other resources will be saved), more and faster information about goods and services will be obtained, there will be access to the global market for goods and services in the digital world. is expanding, Goods and services are rapidly improving through the rapid acquisition of the opinion of the owner, the principle of "faster, better, more convenient" is clearly demonstrated. [7]

The digital economy significantly improves the standard of living of people, which is its main advantage.

The digital economy is the main ally of corruption and the black economy. Because numbers seal everything, store it in memory, and quickly provide information when needed. In such a situation, it is impossible not to hide any information, to carry out secret transactions, not to give complete information about a particular activity, the computer will show everything. The abundance and structure of the data prevents fraud and deceit, because it is impossible to deceive

the system. As a result, it is impossible to launder "dirty money", steal money, spend it inefficiently and inefficiently, exaggerate or hide it. 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, money allocated for roads will be fully paid, etc. [9]

The government's decision to develop the digital economy opens up new opportunities in the field of information technology and electronic document management in general. The transition to digital technologies was caused by the development of the World Wide Web and high-quality communications.

**Conclusions and offers.** Like other countries of the world, Uzbekistan is developing a digital economy. With the introduction of information technology into our daily lives, many opportunities open up for ordinary people. Today we can order a lot of food and dinners from the comfort of our home and they can deliver them to our house. However, it should be noted that the digital economy in Uzbekistan is developing several times slower than the potential of Uzbekistan. There are opportunities, the necessary resources are there, but development is much slower. The reason for this is a number of obstacles to the development of the digital economy in Uzbekistan:

1. monopoly in many areas;
2. low internet speed and poor quality;
3. Legislation in the field of information technology is outdated;
4. extremely low level of computer literacy of citizens;
5. lack of transparency of legislation;
6. absence of information technology specialists or their departure to other countries;
7. information culture, low information hygiene;
8. low security of information technologies;
9. the absence or (in some cases) the absence of specialists in the governing bodies who are knowledgeable in this area;
10. slow (or stagnant) development of science and especially the exact sciences.

If the above problems are solved step by step, systematically, based on world experience, Uzbekistan will easily turn into one of the countries with a developed digital economy.

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