

# ECONOMIC AND SOCIAL FACTS OF THE DEVELOPMENT OF THE DIGITAL ECONOMY IN THE REPUBLIC OF UZBEKISTAN

Khatamova Manzura Ochilidievna,  
Scientific Researcher

## Abstract

In order to increase the level of competitiveness of the economy of Uzbekistan, to provide the population with financial, trade and other services that work in the online and offline system, the application of digital technologies in the fields and sectors of the country's economy is scientifically based on the introduction and development of digital technologies in the economy, as well as the problems that hinder their implementation.

**Keywords:** Uzbekistan, digital economy, gross domestic product, science and technology, digital banking, information and communication technologies, commercial banks, remote banking services, remote services, education.

## Introduction

In the world, the digital economic system is regularly supported by states as an important part of the economy. 2018 was designated as "the year of active entrepreneurship, support of innovative ideas and technologies". In accordance with the State program for the implementation of the strategy, this year in the field of economic development and support of active entrepreneurship, it is envisaged to create favorable legal and organizational conditions for the development of active entrepreneurship, and to introduce innovative ideas and technologies. Comprehensive support and encouragement of innovative ideas and technologies, active entrepreneurship, primarily aimed at introducing modern productions; creation of necessary conditions for the rapid development of science and innovative activities, the sustainable growth of the socio-economic potential of the regions and the improvement of the standard of living and well-being of the population.

Also, a step-by-step transition to a new model of innovative development based on advanced ideas, smart technologies and know-how is planned. Today, the life of a modern person cannot be imagined without the Internet. In the near future, according to the order of the President of Uzbekistan, in 2018, it is planned to increase the speed of Internet connection by at least four times and bring it to the level of the CIS countries by 2020, as well as to reduce the cost of accessing the Internet.

Innovations are widely introduced in the field of television, in particular, digital television. The main feature of digital television is image quality. Digital signal processing in the transmission and reception processes made it possible to achieve high quality. On the initiative of the leadership of the republic, the concept and program of transition to digital television



broadcasting was developed. Today, information systems and databases are gradually introduced in the fields of health care, social protection, education, public services and tourism. Projects on creating "smart" and "safe" cities were developed in the regions.

In particular, the development of network information technologies has opened up new perspectives in the field of education. The combination of modern educational methods and information technologies made it possible to form new integrated educational technologies, especially on the basis of Internet technologies. Distance education includes the ability to download additional information from almost anywhere, transfer the completed task, consult with the teacher to strengthen the theory obtained with the help of electronic textbooks.

The development of innovative ICT programs in the business processes of commercial banks helps to manage financial transactions more effectively, to retain customers, to optimize the work of bank employees and to establish mutual cooperation between departments. Modern automation systems can connect all requests, regardless of how they were received, whether by phone, chat, through a form on the bank's website, or by personal visit.

The economic development of the country occupies a large place in the social life of the population. The phrase "digital economy" is sometimes used as a description of the level of economic development at the stage of the transition to the fourth technological sleep, because the automation of intellectual processes with the help of ICT takes the main place. It would be more correct to look at it not as a new economy, but as the next stage of the existing development.

In the modern post-industrial era, information is one of the bases for the functioning of social processes, and information exchange is a condition of relations between them. The transmission of information through the World Wide Web expands human possibilities, it allows us to overcome geographical and political boundaries, world cultural values can be used for reflection by everyone, it allows to "virtualize" the economic sphere of human life.

The speed of dissemination of information flows brings news to the total number of social processes and the lives of individuals. Shifting cultural paradigms are happening in real time before our eyes. The term "informatization" is becoming less relevant, in the process, the generation born and raised lives in digital form. In the eyes of this generation, values depend on IT-technologies. They are In the modern post-industrial era, information is one of the bases for the functioning of social processes, and information exchange is a condition of relations between them. The transmission of information through the World Wide Web expands human possibilities, it allows us to overcome geographical and political boundaries, world cultural values can be used for reflection by everyone, it allows to "virtualize" the economic sphere of human life.

The speed of dissemination of information flows brings news to the total number of social processes and the lives of individuals. Shifting cultural paradigms are happening in real time before our eyes. The term "informatization" is becoming less relevant, in the process, the generation born and raised lives in digital form. In the eyes of this generation, values depend on IT-technologies. They cannot imagine their life without computer, smart phone and internet. The main phenomena that determine the modern digital culture include the personal computer and various digital devices: the Internet, artificial intelligence, systems and software, computer



graphics and virtual reality systems, digital formats of traditional communication media (books, pictures, audio and video), digital television, etc.), computer games, technological art<sup>1</sup>. Experts at the Davos Forum in 2015 identified 21 turning points expected by 2025. These are the following:

10 percent of people wear internet-connected clothes.

90% of people have unlimited and free (ad supported) data storage options.

1 trillion sensors connected to the Internet.

The first robotic pharmacist in the United States.

10 percent of study centers are connected to the Internet.

80 percent of those who have a digital system on the Internet.

First car production using 3D printing.

First government to replace census with big data sources.

First marketable cell phone.

Creation of 5 percent of consumer goods based on 3D technology.

90 percent of the population use smartphones.

90 percent of the population has regular access to the Internet.

10% of the total number of cars in the United States are self-driving cars.

The first liver transplant used in 3D printing.

30% of corporate audits are performed by artificial intelligence (AI).

The government collects tax payments for the first time using blockchain technology.

More than 50% of home Internet traffic comes from apps and devices.

Increase in trips in special cars.

The first city with more than 50,000 inhabitants without Svetoten.

10 percent of the global gross domestic product is stored using blockchain technology.

The recommendations of the experts of the Davos Forum cannot be called either fantastic or positive predictions. Guidelines and recommendations were given for individual corporations, states and politicians on how to act in order to stay on top of the general trend. Unfortunately, we can see in 2018 that some of these predictions cannot be rejected at all.

The most surprising thing is that the forced introduction of computers into various areas of life did not bring economic results. In the 2000s, R. Sollov, a Nobel laureate in economics, studied the impact of computer software on productivity growth in various sectors of the American economy. The study led to the so-called "computer paradox" - the introduction of computers into production led to an increase in labor productivity in every industry except computer production.

Secondly, the analysis of the prospects for the development of basic research shows that the volume of work in the biological cycle is 30 times greater than the volume of research carried out in the field of informatics. In addition, if you pay attention to the theory of Kondratiev cycles and technological orders (the work of academicians D.S. Lvov and S.Yu. Glazev), you will see that computer technology is not used in it.

Since 1970, the vector of technological development has been related to microelectronics, the Internet, the information and telecommunication complex, and low-tonnage chemistry. Since the 2010s, according to many experts, the transition to the VI technological order has taken place. The complex of locomotive industry, related technologies and scientific foundations is



completely different. They are biotechnology, new medicine, robotics, nanotechnology, knowledge technology, high humanitarian technology, new nature management, etc. All of these are more focused on the human than the technological advantages of the previous way of life.

Third, we turn to numbers. In 2015 and 2016, global gross domestic product grew by 2.3-2.5 percent. Meanwhile, the global segment of the digital economy, which accounts for 5 percent of global output and more than \$3.4 trillion, has not grown at all. In 2015, it fell by 5.8% and in 2016 it fell by 0.6%, which does not bode well for a bright future. The program under discussion should form a new technological part of the economy, but the Davos recommendations should not differ from the economy.

The analyzed processes are mass and global in nature, and usually lead to ambiguous trends that have a negative impact on traditional perception. In the digital era, the problems of forming a special type of culture are becoming urgent.

Widespread as a digitized social phenomenon in the 60s and 70s of the 20th century, it has three leading features:

1. All content goes from analog, physical and static to digital, becoming mobile and personal at the same time. At the same time, a person gets the opportunity to control his personal content, send information requests, and form an individual trajectory of information activity.
2. Transition to simple communication technologies (technology is only a tool, means of communication), and the leading characteristics of the device and technology are calculated.
3. Communication is vertical, hierarchical communication loses communication, a transition to a communication network structure is made.

Digitization results cannot be evaluated positively or negatively. But we can distinguish its positive and negative aspects.

#### **Positive aspects of the digital economy:**

- Time savings in the economy. In the conditions of globalization, human time is one of the most valuable factors. Because his time creates material wealth as a result of his mind and physical labor.
- Rapid dissemination of information. Many tools were used in the period of evolutionary development as means of rapid dissemination of information needed for the economy. For example, in the Middle Ages, special heralds were considered the bearers of the latest information. In the new era, this task was performed by newspapers, and later by television. In the modern era, the Internet appears as the main information distributor.
- Acceleration of the feedback system. Accelerated the decision-making process in the enterprise or state policy. For example, in enterprises and organizations, the decision-making process sometimes took months, and in the state, it took years.
- Accelerates transactions in the banking and financial system, which is the heart of the economy, and prevents the accumulation of cash. This process is of great importance, first of all, in the development of cashless operations. The main transactions are carried out remotely through bank plastic cards and credit cards.
- The quality of service in other areas of service is improved.



- The quality of the produced product will increase and it will be possible to satisfy the unlimited needs in the conditions of limited resources.

Looking at the negative aspects of the digital economy:

First of all, we should mention its place in social processes. The introduction of digital technologies into human life has been characterized by the replacement of unskilled labor. This reduced the demand for unskilled labor and natural unemployment occurred. Second, the digital economy has made the human mind and body dependent on artificial intelligence, leading to the subordination of humans in this economy.

It is causing the loss of values formed over the centuries. The fact that the values of the young generation, born and raised in the information age, are connected with computers and IT-technologies, we can also predict that verbal communication tools will be less used in consumption in the future.

High level of risk in database maintenance. For example, the LNK/Agent.EI virus took the first place in the rating of cyber threats for Uzbekistan. After the program is launched, it is a system.

### **Conclusion**

Special Economic Zones (SEZs) serve as powerful instruments for promoting industrialization, attracting foreign direct investment, and stimulating regional economic growth. Successful examples, such as South Korea and China, demonstrate that strategic planning, favorable policies, and robust government support are essential for maximizing the potential of SEZs. These zones not only create jobs and enhance exports but also facilitate technology transfer and skill development, leading to long-term economic benefits.

For Uzbekistan, the establishment of SEZs marks a critical step toward economic modernization and global integration. By learning from international best practices and tailoring SEZ models to its unique socio-economic conditions, Uzbekistan has the potential to leverage these zones for sustainable development and regional prosperity. A forward-looking approach that incorporates environmental considerations and strengthens collaboration between local and international stakeholders will be essential for the continued success of its SEZ strategy.

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