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KEY PROSPECTS FOR THE DEVELOPMENT OF THE DIGITAL ECONOMY IN UZBEKISTAN

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Abstract. The article analyzes the development of the digital economy in Uzbekistan and its prospects in the context of the transformation of modern information. The goals and objectives of the digital economy in the country were also discussed in detail, as well as the importance of production processes were illustrated.
Key words: digital economy, entrepreneurship, risk, GDP, ICT, gross value added, health, preschool education, higher education, online business.

Introduction. The global community is entering new stages of development using the most advanced innovative technologies. The use of digital information technologies in various sectors of the economy and the introduction of innovative models in the industry are becoming a requirement of today. At a time when the economies of developing countries are introducing advanced digitalization technologies, globalization processes are directly pushing the economies of developing countries to adopt this system.

The Fourth Industrial Revolution is creating a fast-paced transformational disruption in every sector. By 2022, more than 60% of global GDP will be digitized. Approximately 70% of the new value created in the economy over the next decade will be based on digital platforms. Currently, about 50% of the world's population is not part of the digital economy, and internet penetration growth is slowing. The G20 Global Infrastructure Center predicts that by 2040, global infrastructure financing will be insufficient.

Research methods and methodology. The Digital Economic Transformation (DET) project, launched by the World Economic Forum in 2015, involves a multi-year collaboration to analyze the impact of digital technologies on business and society and better understand digital opportunities [1]. They cover related industries and provide insight into the need to change business models. In 2015-2016, the project is focused on six areas: logistics, media, consumer goods, electricity, automobiles and healthcare. Four areas of engagement were also examined: digital consumption, digital entrepreneurship, social impact and platform governance. In 2016-2017, the project was supplemented by 8 more areas: chemistry, mining and metallurgy, oil and gas, insurance, aviation and hospitality, professional services, telecommunications and retail, as well as interdisciplinary topics: the impact of platform management on policy and regulation, social consequences and new technologies.

Industry structures and business models are introducing new products and services, changing cost structures, lowering barriers to entry and introducing variable value currencies. Companies must

rethink how to create, distribute and possess value in this new environment. Navigation requires comprehensive and constant intelligence and ingenuity [2].

Although the private sector is investing heavily in digital transformation programs, results are deteriorating. Companies around the world are expected to invest $1.2 trillion in digital transformation this year. They spend over $1 million, and analysis shows that only 1% of these efforts meet or exceed their expectations.

Almost all economists agree that digital technologies will become increasingly important for production processes in the future. Therefore, it can be assumed that over time, production processes will have capital and technological requirements not only in developed economies, but throughout the world. Growing capital and technological intensity affect the international competitiveness of all countries.

Literature review. With the increasing use of human labor by robots, computers and machines, labor-intensive developing countries are losing the crucial competitive advantage of cheap labor. At the same time, the competitive position of wealthy industrialized countries is improving as they are able to absorb the costs of digital transformation [3].

Industrialized countries that fail to achieve digital transformation are losing competition.

The press service of the Ministry for the Development of Information Technologies reported that the draft decision of the Cabinet of Ministers identified the following directions for the development of the digital economy in the Republic of Uzbekistan:

• identification of state and economic bodies, local governments based on the necessary information systems and sources, programming and electronic implementation of services;

• creating favorable conditions for attracting foreign investment into the country by creating technology markets and technology parks based on the digital economy, the information technology market, including on the terms of public-private partnership;

• coordination of modern telecommunications infrastructure, development of communication technologies and networks, introduction of modern telecommunications services;

• development of the digital economy through the introduction of electronic services in the field of public administration and economics, development of the e-commerce and software market;

• development of proposals for the development of the national segment of the Internet, organizational, logistical and economic support of digital media content;

• development of "intelligent systems" for managing urban and regional infrastructure, transport logistics, safe and smart cities;

• improvement of the system for training qualified personnel.

The key to the success of the achievements of the future is to ensure consistent and sustainable development of the digital economy, a comprehensive study of important tasks and directions, development and clear definition of economic development programs at different levels. At present, it is important to draw appropriate conclusions about previous achievements and critically evaluate the results obtained, on their basis to increase the development of the economy of Uzbekistan and improve the well-being of the people.

Discussion. The Republic of Uzbekistan is undergoing a process of renewal and modernization of the economy; the economic reforms being carried out today correspond to their directions and goals. In particular, in a short time, the economy of Uzbekistan has achieved significant success in introducing structural changes, new production technologies, increasing incomes of the population in small and private businesses, and ensuring the formation of a favorable investment climate in the field of sustainable development of the service sector.

The era of the digital economy is characterized by new needs of people, it embraces new products and

new technologies.

The digital economy is a system of economic, social and cultural communication using digital technologies, such as online services, distance learning, electronic payments, e-commerce. It covers many areas, including: medicine, transport, housing and communal services, finance, education, tourism and others. Technologies of the digital economy: big data, artificial intelligence, blockchain and cloud technologies clearly show the importance of their development in the economy of the future and corporate governance.

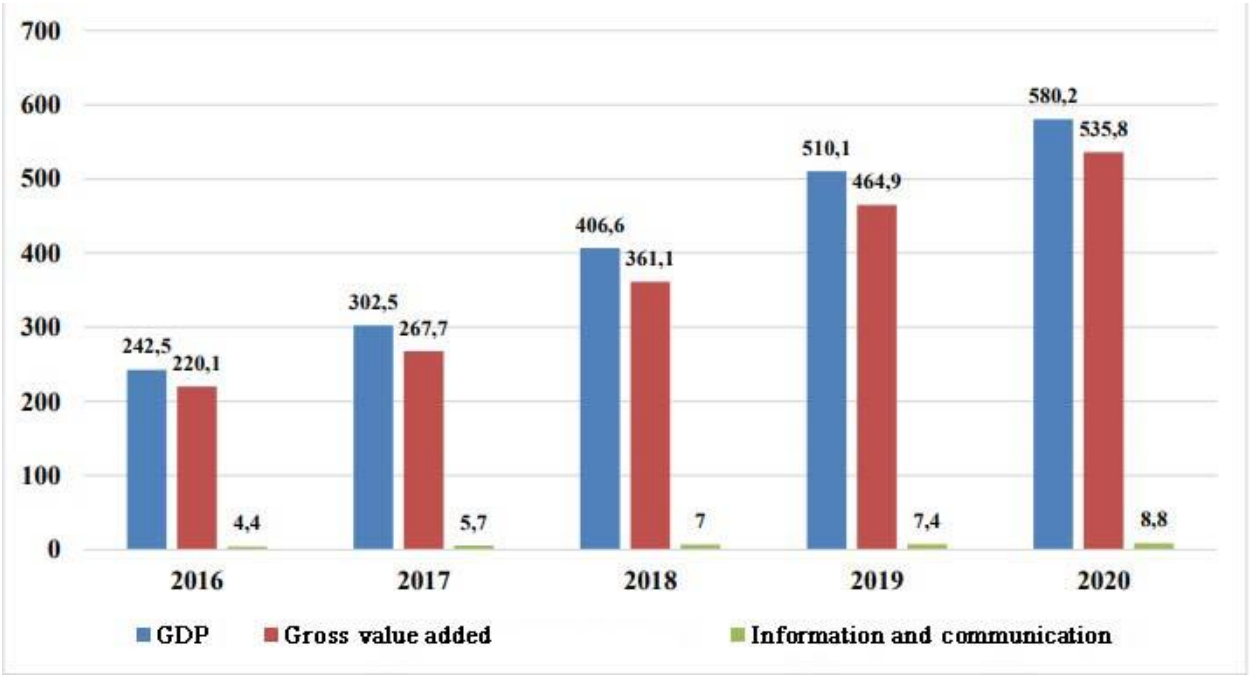
To develop the digital economy in the country, the Digital Trust Foundation was created. It is intended to develop the most promising and strategically important projects for the development of the digital economy, as well as the introduction of blockchain technologies, education and training [2]. In the period until 2030, it is planned to implement measures to develop the concept of "Digital Uzbekistan".

As a result of the "digital revolution", most socio-economic relations will be carried out through automated services. This, in turn, will reduce the participation of people in the process of providing services to the population and bureaucracy, and will have a positive impact on the quality of life and well-being of the population.

As a result, the digital economy is rapidly entering the economies of many countries around the world. The term "digital economy" was first used as a separate term in the 1995 publication "The Digital Economy: Promise and Peril in the Age of Networked Intelligence" by Don Tepkot [4].

The digital economy is an economic activity based on digital technologies associated with e-business, e-commerce, production and provision of digital goods and services. At the same time, payments for economic services and goods are carried out using electronic money. The concept of the digital economy is based on the transition from atom to bit, that is, from the smallest chemical particle to an electronic unit [5].

The development of the digital economy in our country, which is directly related to the level of development of information and communication technologies (ICT), is usually assessed by various indicators. These indicators include: the share of the digital economy in GDP, investment in ICT, Internet speed, its coverage and accessibility for the population, the level of development of e-commerce, the share of public services in e-government, the provision of ICT specialists, etc. In addition, indicators that evaluate the development of information technology are important [6].



Gross added value of Information and Communication services in GDP in 2016-2020 (trillion

soums)

We see that the total cost of "information and communication" services provided to the population has doubled compared to 2016 from 4.4 to 8.8 trillion soums. The development of the ICT industry was facilitated by the volume of investments in fixed capital in the field of information and communications. During 2016-2020, it increased 1.2 times to 4.8 trillion soums, 4 times, and the volume of foreign investments and loans increased 2.5 times from 0.8 to 2.0 trillion soums [7].

On October 5, 2020, the Presidential Decree "Digital Uzbekistan 2030" was approved, which provides for the implementation of more than 280 projects for the digital transformation of regions and industries over the next two years.

According to the Decree of the President of the Republic of Uzbekistan No. PP-4699 "On measures for the widespread introduction of the digital economy and e-government":

- In order to double the share of the digital economy in the country's GDP by 2023, including the introduction of a complex of information systems in production management, the widespread use of software in financial and economic reporting, as well as its rapid formation through automation of technological processes;
- Complete modernization of the country's digital infrastructure and access to modern telecommunications services in all regions by 2020-2021. in order to connect all healthcare institutions, schools and preschool institutions, as well as villages and neighborhoods to high-speed Internet and improve the quality of communication services;
- The goal is to develop and integrate publicly available information systems and resources, unify information in publicly accessible databases and develop an e-government system by optimizing and regulating procedures for the provision of public services, in order to increase the share of electronic government services to 60% by 2022 [8].

The digital economy allows large industrial facilities to improve efficiency, increase production, ensure transparency and reduce production costs.

Development and implementation of the "Digital Uzbekistan 2030" program in Uzbekistan, primarily the formation of solid and comprehensive organizational and legal mechanisms, as well as ensuring close interaction between government agencies and business in the implementation of innovative ideas, technologies and developments. Coverage of production and services in the industry with digital technologies will contribute to the creation of an "information society" environment in the country and the training of intellectually gifted personnel with deep knowledge in this field [9]. According to the World Bank, 66% of the planet's total wealth—$365 trillion—is made up of human capital, which is basically an individual's level of knowledge. In the US, this figure is 77 percent of the national wealth - $95 trillion. Therefore, in this year's Address, the head of our state emphasized the idea that "the greatest wealth is intelligence and knowledge, the greatest heritage is good education, the greatest poverty is ignorance!" [10].

The launch of a new version of the Unified Interactive Portal of Public Services - the portal "Virtual Reception of the Prime Minister for Entrepreneurs Business.gov.uz" - is an important step towards the development of the digital economy. It also takes time to coordinate draft regulatory legal acts with all interested ministries, departments and local executive bodies, approval (issuance of visas) using digital signatures, as well as simultaneous sending and discussion of them to the population and experts. to significantly save labor resources, a unified electronic portal system "project.gov.uz" has been created.

Conclusion. To sum up, as Bill Gates, founder of Microsoft, said: "Soon there will be only two types of companies left on the planet. The first is to do business online, and the second is to go out of business." Considering this point, entrepreneurs must organize their activities on the principles of the world-famous business for consumer, business for business and consumer for consumer. The

development of the digital economy in the future of our country will prevent various difficulties in various sectors of the economy, bullying and corruption among the population, and will help move to a new stage of development.

This publication highlights the key components of the digital economy: fundamental innovations (semiconductors, processors), key technologies (computers), and connecting infrastructure (Internet and telecommunications networks). Authors illustrated the changes that may occur during the transition from the old economy to the new economy due to the intensive development of information and communication technologies.

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