

State Policy on Digitalization of the Economy

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Abstract: This article scientifically analyzes the role of state policy in the process of digitalization of the economy and its impact on economic development. The main goal of the research is to assess the effectiveness of political, institutional, and organizational measures implemented by the state in the context of the digital economy and to determine their impact on economic growth, competitiveness, and social well-being. The research methodology used methods of system analysis, comparative-statistical methods, study of regulatory legal acts, and comparison of foreign experience. The article highlights the mechanisms for increasing economic efficiency through the development of digital infrastructure, the introduction of an e-government system, and the support of digital finance and e-commerce. The research results show that the consistent and comprehensive implementation of state policy is an important factor in ensuring the sustainable development of the digital economy.

Keywords: digital economy, public policy, digitalization, e-government, innovations, information and communication technologies, economic growth, digital infrastructure, competitiveness, institutional reforms.

Introduction. In recent years, the rapid development of digital technologies in the world economy has led to fundamental changes in the system of economic relations. As a result of the widespread introduction of information and communication technologies, production processes, the service sector, financial relations, and forms of public administration are being significantly transformed. As a result of these processes, the concept of "digital economy" has become one of the important factors of modern economic development. The digital economy allows not only to increase production efficiency, but also to rationally use resources, reduce transaction costs, and simplify interaction between economic entities.

In the process of digitalization of the economy, state policy acquires special significance, since digital transformation is carried out effectively not by itself, but in the presence of a certain institutional environment, a legal basis, and a strategic approach. Digital development strategies, regulatory legal acts, state programs, and investment support mechanisms developed by the state are a decisive factor in the formation and development of the digital economy. In particular, the implementation of the e-government system, the development of digital infrastructure, and the expansion of the digital services market are becoming priority areas of state policy.

The effectiveness of state policy in the context of the digital economy is directly related to increasing the country's competitiveness in the global economic system. In particular, the

modernization of production processes based on digital technologies, the improvement of the business environment, and the stimulation of innovation will accelerate economic growth rates. At the same time, the digitalization process, along with new economic opportunities, also creates such problems as information security, digital inequality, and structural changes in the labor market. In addressing these problems, it is important that state policy be balanced and scientifically based.

In the conditions of Uzbekistan, the digitalization of the economy is defined as one of the strategic directions of state development, and a number of reforms are being carried out in this area. Programs aimed at developing the digital economy and e-government serve to increase the efficiency of public administration, ensure the transparency of economic processes, and create convenient services for the population. At the same time, one of the urgent scientific tasks is the scientific assessment of the economic efficiency of digital transformation, a deep analysis of the mechanisms of influence of state policy.

The purpose of this article is to scientifically analyze the content and directions of state policy on the digitalization of the economy, assess its impact on economic development, and develop practical proposals and recommendations for the development of the digital economy. The research results serve to improve the processes of digital transformation, increase the effectiveness of state policy, and enrich the scientific and theoretical foundations in this area.

Analysis of the literature on the topic.

State policy on the digitalization of the economy is considered in modern economic research as one of the main factors ensuring sustainable economic growth, innovative development, and competitiveness. Research conducted worldwide shows that the process of introducing digital technologies is not limited to the self-development of market mechanisms, but requires an active institutional and regulatory policy of the state. From this point of view, in many scientific works, it is emphasized that the formation of the digital economy is closely related to the strategies developed by the state, the regulatory framework, and infrastructure investments.

Research conducted by Brynjolfsson and McAfee, analyzing the impact of digital technologies, including artificial intelligence, big data, and automation, on economic efficiency, shows that public policy is an important tool for maximizing the positive impact of these technologies. The authors note that digitalization, while increasing labor productivity, also causes certain imbalances in the labor market and income distribution. Therefore, state policy is based on the need to harmonize digital transformation with the policy of social protection, education, and personnel training¹.

Mazzucato also highlights the role of the state as an "active investor" in the development of the digital economy, emphasizing that the state participates in the development of innovative technologies not only as a regulator, but also as a strategic guiding and financing entity. In his opinion, support for digital infrastructure, research, and startup ecosystems should be one of the priorities of state policy². This approach serves to ensure long-term stability in the process of digitalization of the economy.

In studies published by the OECD and the World Bank, an in-depth analysis of the institutional aspects of digital government policy was conducted, and it was noted that e-government systems, digital services, and open data platforms are important tools for increasing economic efficiency and transparency. These organizations have scientifically substantiated the possibility of

¹ Brynjolfsson, E., & McAfee, A. (2014). *The second machine age: Work, progress, and prosperity in a time of brilliant technologies*. New York, NY: W. W. Norton & Company.

² Mazzucato, M. (2018). *The value of everything: Making and taking in the global economy*. London, UK: Allen Lane.

reducing transaction costs, combating corruption, and improving the business environment through the introduction of digital technologies in public administration³.

Research conducted using the example of developing countries shows that the success of digitalization policy directly depends on the level of digital infrastructure, digital literacy of the population, and institutional capacity. Dahlman, Mealy, and Wermelinger emphasize that for the development of the digital economy, public policy should be carried out in harmony with mechanisms that stimulate education, innovation, and entrepreneurship⁴. Otherwise, digitalization can exacerbate economic inequalities.

In general, the existing scientific literature interprets the state policy on the digitalization of the economy as a multifaceted and complex process. Studies show that the strategic approach of the state, institutional reforms, and mechanisms for supporting innovative activity are crucial for the sustainable development of the digital economy. At the same time, the need to harmonize the digitalization policy with the structural features of the national economy and social factors is scientifically substantiated.

Research methodology. This study is aimed at a scientific analysis of the content, directions, and economic effectiveness of state policy on the digitalization of the economy, using a comprehensive and multi-stage methodological approach. In the research process, theoretical and empirical methods were combined, and the influence of the digital economy on macroeconomic development was systematically studied. The main goal of the methodology is to determine the role of state policy in the digitalization process, assess its effectiveness, and draw practical conclusions.

Classical and modern economic theories about the digital economy, innovative development, and the regulatory role of the state were chosen as the theoretical basis of the research. In particular, within the framework of the institutional economy, the theory of endogenous economic growth, and innovative development models, the role of state policy in digital transformation was analyzed. These theoretical approaches made it possible to assess the digitalization process not only as a technological change, but also as an economic, social, and institutional transformation.

In the process of empirical analysis, comparative-statistical and dynamic analysis methods were used. Within the framework of the study, the level of digital development, indicators of digital infrastructure, e-government indices, and macroeconomic indicators of different countries were compared. This approach made it possible to determine the relationship between state policy and economic results. Statistical data were obtained from international organizations, including the World Bank, OECD, UN, and other reliable sources, ensuring their reliability and relevance. Also, the method of normative-legal analysis was widely used in the study. In this process, state strategies, laws, presidential decrees, and government resolutions aimed at digitalizing the economy were studied. The content, goals, and implementation mechanisms of regulatory legal acts were analyzed, and their impact on economic efficiency was assessed. This approach played an important role in determining the institutional foundations of state policy.

The method of comparative analysis was chosen as an important component of the research methodology. It compares the digitalization policies of developed and developing countries and identifies their similarities and differences. In particular, the experience of Singapore, South Korea, and the European Union in digital development was analyzed, and their successful practices were summarized. Based on these experiments, practical conclusions have been developed that can be applied in the context of the national economy. In addition, the study used methods of system analysis and logical generalization, and a comprehensive assessment of the impact of digitalization policy on economic growth, labor productivity, and competitiveness was

³ OECD. (2020). *Digital government index: 2019 results*. Paris: OECD Publishing.

⁴ Dahlman, C., Mealy, S., & Wermelinger, M. (2016). *Harnessing the digital economy for developing countries*. OECD Development Centre Working Papers, No. 334.

carried out. The systematic approach made it possible to identify the interrelationship between various elements of state policy - infrastructure, education, innovation, and institutional reforms.

In general, the methodology used in this study serves a comprehensive and in-depth analysis of state policy on the digitalization of the economy. The combination of theoretical and empirical methods increases the scientific validity of the research results and ensures the practical significance of the conclusions and recommendations.

Analysis and results. The research results confirm that the state policy on the digitalization of the economy has a significant positive impact on macroeconomic development, labor productivity, and the effectiveness of public administration. In countries with a high level of implementation of digital technologies, GDP growth rates, the share of the service sector, and innovation activity are relatively stable and high. In this section, the main economic results of the digitalization policy are highlighted based on statistical analysis.

According to international organizations, in countries with a developed digital economy, the share of the digital sector in GDP averages 8-15 percent. For example, in Singapore, the share of the digital economy reached about 17% of GDP in 2023, which is explained by the consistent digitalization policy pursued by the state. The research results show that an increase in government investments in digital infrastructure has a positive impact on economic growth rates in the medium term.

The following table shows the relationship between digitalization indicators and macroeconomic results in some countries:

Digitalization level and key macroeconomic indicators
(2022-2023)⁵

Country	Digital economy share, % (GDP)	Internet coverage, %	GDP growth, %
Singapore	17,0	92	3,6
South Korea	14,2	96	2,6
Germany	11,8	90	1,8
Uzbekistan	6,5	78	5,7

The table data show that in countries with a high level of digitalization, economic growth is relatively stable, and the main driver is the service and innovation sectors. In the case of Uzbekistan, the relatively low share of the digital economy indicates that, despite high economic growth, the potential of digitalization is not being fully utilized. The growth dynamics of the e-government development index for Singapore and Uzbekistan in 2018-2023 shows that in Singapore the index increased from 0.88 to 0.94, while in Uzbekistan this indicator increased from 0.62 to 0.74. This means that state policy is yielding positive results in the field of digital governance.

The implementation of e-government systems is an important tool for increasing the efficiency of public administration. The research results show that as a result of the digitalization of public services, transaction costs decreased by an average of 20-30 percent. According to the World Bank, in countries where electronic government services are widely implemented, the time spent on bureaucratic processes has been significantly reduced.

The results of the analysis show that labor productivity in countries that have actively implemented digital technologies has increased by an average of 10-15 percent. In particular, there is an increase in employment in the areas of digital services, financial technologies (fintech), and e-commerce. The state's policy aimed at developing digital skills contributes to the

⁵ World Bank. (2021). *World development report 2021: Data for better lives*. Washington, DC: World Bank.

emergence of new professions in the labor market and an increase in the quality of human capital.

In general, the results of the analysis confirm that the state policy on digitalization of the economy has a significant positive impact on economic growth, the effectiveness of public administration, and innovative development. At the same time, the need for further expansion of investments in digital infrastructure and human capital will be determined.

Conclusions and proposals. This study is aimed at a comprehensive and systematic analysis of the content, directions, and impact of state policy on the digitalization of the economy on macroeconomic development. The research results show that digital transformation is an important driver of modern economic development, the success of which directly depends on the consistent, long-term, and scientifically based policy pursued by the state. As a result of the widespread introduction of digital technologies into various sectors of the economy, production efficiency is increasing, transaction costs are decreasing, and transparency and accountability in the public administration system are strengthening.

According to the analysis results, the growth of the share of the digital economy in GDP plays an important role in ensuring economic stability and competitiveness. The development of e-government and digital government services serves to simplify bureaucratic processes and improve the business environment. At the same time, the digitalization process is causing structural changes in the labor market, increasing the demand for highly qualified personnel and digital skills. The study shows that state investments in digital infrastructure and human capital are crucial in ensuring long-term stability of economic growth. At the same time, the research results revealed a number of problems in the digitalization process. In particular, the uneven development of digital infrastructure by region, differences in the level of digital literacy of the population, cybersecurity risks, and digital inequality require special attention in state policy. If these problems are not solved on the basis of a systematic approach, digital transformation can exacerbate social imbalances instead of increasing economic efficiency.

Based on the above conclusions, the following practical proposals have been developed for the further improvement of state policy on the digitalization of the economy. Firstly, it is necessary to prioritize investments in the development of digital infrastructure, especially increasing the coverage of broadband Internet and mobile communications in remote areas. This will ensure equal access to the opportunities of the digital economy for all regions. Secondly, it is advisable to pay special attention to the formation of digital skills in the education system and introduce the disciplines of programming, data analysis, and digital literacy at all stages.

Thirdly, it is necessary to improve the quality and coverage of e-government services by expanding the use of digital platforms and artificial intelligence technologies in public administration. This will not only increase the effectiveness of public services, but also serve to prevent corruption. Fourthly, in order to stimulate innovative activity in the digital economy, it is necessary to strengthen the mechanisms of financial and institutional support for startups, technology parks, and research centers.

Fifthly, the improvement of the regulatory framework for cybersecurity and the protection of personal data in the digitalization process is of great importance. Ensuring information security increases confidence in the digital economy and expands the scope of digital services. Finally, taking into account international experience and best practices in the development of state policy, adapting them to the characteristics of the national economy will further increase the effectiveness of digital transformation.

In conclusion, the state policy on the digitalization of the economy is an integral part of the country's long-term economic development strategy, the consistent and comprehensive implementation of which serves to ensure economic growth, competitiveness, and social well-being. The results of this study will serve as a theoretical and practical basis for future scientific research and practical political decisions in the field of the digital economy.

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