



CURRENT STATUS OF DIGITAL ECONOMY IN UZBEKISTAN: PROBLEMS AND SOLUTIONS

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Annotation

This article analyzes the development of the digital economy in Uzbekistan, the importance of digital technologies in the world economy and society, the development of digital platforms, the advantages and disadvantages of the digital economy. Based on the analysis, some suggestions and recommendations have been developed to address the existing problems in our country.

Keywords: Innovative platforms, online platforms, digital economy, digital platforms, digital transformation, Strategy "Digital Uzbekistan - 2030", robotics, artificial intelligence, "super platforms", network effects, transactional platforms.

Introduction

The digital revolution has significantly changed all existing industries and sectors, each country has played an important role in economic development. The development of the digital economy is one of the priorities for leading countries such as the United States, China, the United Kingdom, Germany and Japan. In recent years, the development of business and social activities has been accompanied by a new generation of digital wave technologies, such as artificial intelligence, robotics, wireless communication technologies. New technologies can make a big difference in achieving the Sustainable Development Goals, but we may not get the positive results we expect. If we want to achieve the full social and economic potential of digital technologies, we need to develop cooperation between countries without any unintended consequences. In our country, special attention is paid to the development of this sector. On March 6, 2020, President Mirziyoyev issued a decree on measures to effectively implement the Strategy "Digital Uzbekistan - 2030" until 2030.





Analysis of the Literature on the Subject

The concept of digital economy was first used by a Japanese professor in the 1990s during the Japanese crisis. In Europe, it was used in 1995 by Don Tapscott's *Digital Economy: Fear and Danger in the Age of Network Intelligence*, and in 1995 by Nicholas Negroponte (Massachusetts, USA).

First of all, it should be noted that the digital economy consists of a chain of interconnected production and management processes, an integral element of which is the use of digital technologies between chains (human, machine, cloud, data center). It is the exchange of information.

The digital economy, through the introduction of digital technologies in manufacturing and services, allows for the fastest processing of large amounts of information and the study and implementation of the latest scientific advances in the field. The digital economy is a business activity in which the main factor in the production and service is data in the form of numbers, which can be processed using a large amount of information and analysis of the results of various types of processing. It is to implement more efficient solutions than the previous system in production, services, technologies, devices, storage, delivery of products. In other words, the digital economy is an activity associated with the development of digital computer technology in the provision of online services, electronic payments, e-commerce, crowdfunding and other areas.

In our opinion, the digital economy is an economic activity that is carried out and managed using digital technologies in the context of a shortage of economic resources. The main problem facing any economic system is the lack of resources, and in the digital economy, the main focus should be on solving this problem.

Research Methodology

The article uses comparative analysis to study the role of digital platforms in the world economy, market capitalization of top and bottom companies, statistical mathematics in the analysis of development trends of multinational companies based on digital platforms, statistical grouping and comparison of Internet coverage by regions. The situation with the use of Internet traffic based on the development of the digital economy is also covered on the basis of dynamic analysis.





Analysis and Results

The following advantages of the digital economy are distinguished:

- Is expected to increase labor productivity by up to 40%;
- The digital economy could read a large number of machines ability to collect, use and analyze data (digital data);
- The emergence of new forms of work sold through online platforms;
- Digital transformation of commercial infrastructure for special services change
- Exports of industrial products are now dependent on ICT products and services;
- The digital economy has generated enormous wealth in a very short period of time, but this wealth has accumulated around a small number of individuals, companies and countries. Based on current policies and regulations, this trajectory may continue, but it will lead to increased inequality.

However, there are some conflicting aspects of this economy. They are:

- New technologies, especially artificial intelligence, will inevitably lead to major changes in the labor market, including the loss of jobs in some industries and the creation of large-scale opportunities in others;
- The digital economy requires a number of new and diverse skills, a new generation of social protection policies, and a new relationship between work and leisure;
- The digital economy also poses new threats, from cybersecurity breaches to facilitating illegal economic activity and confidentiality of privacy.

The digital economy continues to grow at a rapid pace, based on the ability to collect, use, and analyze a vast amount of machine-readable data (digital data) on almost anything. For example, Global Internet Protocol (IP) traffic, a proxy for data flow, increased from 100 gigabytes (GB) per day in 1992 to more than 45,000 GB per second in 2017, and the world is only in the early days of a data-driven economy. Thus, by 2022, global IP traffic is projected to reach 150,700 GB per second (the development and policy implications of data collection and use depend on the type of data:

XsPersonal or non-personal;

▪Private or collective;

Laridafor commercial or government purposes;

▪voluntary, observable or predictable;

Effective or non-effective.

A “data value chain” has been fully developed, including firms that support data collection, production of concepts from data, data storage, analysis and modeling.





Cost is generated when data is converted into digital intelligence and converted into money for commercial use.

The economic geography of the digital economy does not reflect the traditional distinction between North and South. It is led by a developed and consistently developing country - the United States and China. For example, the two countries account for 75 percent of all blockchain technology patents, 50 percent of the Internet of Things (IoT) costs, and more than 75 percent of the global cloud technology market. And, most surprisingly, they account for 90 percent of the market capitalization value of the world's 70 largest digital platforms. The share of Europe is 4%, while that of Africa and Latin America is only 1%.

These "super platforms" - Microsoft, followed by Apple, Amazon, Google, Facebook, Tencent, Alibaba - account for two-thirds of the total market value. As a result, the rest of the world, especially Africa and Latin America, lags far behind the United States and China in many digital developments. Some of the existing trade frictions reflect a desire to dominate globally in the field of the latest technologies.

Computer services are the largest component in the ICT sector, accounting for 40% of value added. The U.S. dominates the global computer services industry; the share of this sector in industrial value added is greater than the total share of the nine major economies. In this regard, India has the largest share among developing countries. Computer services, the only growing network in all regions, are one of the main factors in employment in this area. Value added in ICT production is highly concentrated in East Asia (led by China) and may have limited access to value for developing countries. Over the past decade, global exports of digitally delivered ICT services and services have grown much faster than exports of general services, reflecting the growing global economy. Exports of digitally delivered services accounted for \$ 2.9 trillion in 2018 (\$ 1.8 trillion in 2008) or 50 percent of global services exports. In less developed countries, such services accounted for about 16 percent of total services exports, and between 2005 and 2018, they tripled.

Digital platforms are becoming increasingly important in the global economy. The total value of platform companies with a market capitalization of more than \$ 100 million was estimated to exceed \$ 7 trillion in 2017 - up 67 percent from 2015. Some global digital platforms have gained very strong market positions in certain areas.

Digital platforms provide mechanisms to bring together multiple parties on the Internet to move together. There are transactional platforms and innovation platforms, and a transactional platform is a two- or multilateral market that is an online infrastructure that supports exchanges between different parties. They have become a major business model for large digital corporations (such as Amazon,





Alibaba, Facebook and eBay), as well as those who prefer digitally supported networks (Uber, Didi Chuxing or Airbnb). Innovative platforms, for example in the form of operating systems (e.g. Android or Linux) or technology standards (MPEG video), create an environment for the production of code and content for the development of application programs and software packages.

The value of the digital economy is that there are some challenges in creating and capturing the values associated with it.

- First of all, there is no generally accepted definition of the digital economy.

- Secondly, there are no reliable statistics on its main components and dimensions in developing countries. While there are a number of initiatives to improve the situation, they are not enough and are hampering the rapid development of the digital economy. The size of the digital economy has changed from 4.5% to 15.5% of world GDP. In terms of value added in the field of information and communication technologies (ICT), the United States and China together account for about 40 percent of world GDP.

Conclusions and Suggestions

Digital transformation is becoming increasingly important today, especially in the current pandemic. Recognizing the role of the digital economy in national economies and the importance of global economic development, it is worthwhile to do the following:

- Exploring more comprehensive ways to support countries in the digital economy;
- Creating a regulatory framework for the digital economy in our country;
- Creating the necessary infrastructure for the digital economy, first of all, connecting areas with limited or no access to the Internet;
- Improving the system of training specialists needed for the digital economy;
- Develop collaborative research between governments, civil society, academia, the scientific community and technology to find new solutions;
- The rational use of new technologies, the strengthening of partnerships and the strengthening of intellectual leadership are needed to redefine the future contours of digital developer strategies and globalization.

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