

The Impact of Digital Economy Development on the Country's Economic Growth

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Abstract

In the article directions for improving the factors of development of the digital economy in Uzbekistan scientific proposals and practical recommendations formed in the framework of the research digital economy provides an effective use of the factors influencing the formation of the digital economy at the regional and national levels.

Despite the fact that Uzbekistan has begun active work on the digitization of the national economy, our country is still below the leading countries in terms of digital transformation. Understanding the phenomenon of the digital economy, studying its fundamental and practical foundations can form the basis of management concepts and decisions, as well as developed scientific proposals and practical recommendations aimed at preventing potential risks in the future in the formation of the digital economy.

Keywords: *digital economy phenomenon, IT reengineering, IT conversion-government, strategic plan, digital sector, market infrastructure.*

Introduction

Digitalization is becoming a key factor in the economic growth of the world economy. There is a transition from the introduction of separate digital technologies to the construction of a digital ecosystem within the global and national economies. This trend reflects the need for effective cooperation between the participants of the digitization process in all countries - public authorities, businesses, educational institutions, industrial enterprises and financial institutions.

The development of the digital economy is a priority not only for individual economic systems, but for the whole country. The digitalization process is crucial in the transition to the fourth industrial revolution and the sixth technological order. Digitalization of the national economy has already become an important component of economic development in many countries and in the near future will become an institutional basis for sustainable growth of production, increasing the competitiveness and living standards of Uzbeks.

In recent years, the Republic of Uzbekistan has made great strides in this direction at the legislative, executive and sectoral levels: Decree No. PD-5349 "On measures to further modernize the digital infrastructure for the development of the digital economy", May 18, 2019, Decree No. PD-4022 the system "Digital Economy" and "E-Government". Decree No. PD-4321 "On measures to further improve the infrastructure" and PD-4699 "On measures to widely introduce the digital economy and e-government" on April 28, 2020, Resolution No. PP-4642 of March 17, 2020 "On measures

for the widespread introduction of digital technologies in the city of Tashkent", approval of the Strategy "Digital Uzbekistan-2030" on October 5, 2020 and measures for its effective implementation Decree of the Cabinet of Ministers of the Republic of Uzbekistan "On measures to develop the agro-industrial complex of the Republic of Uzbekistan and the digitization system in agriculture" of 2020 PP-6079 resolutions No.749 were adopted in December. Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No.749 of December 17, 2020 "On measures to develop the agro-industrial complex of the Republic of Uzbekistan and the digitalization system in agriculture.

Literature review

Research on the processes of improving the factors of development of the digital economy has been studied by a number of foreign economists. In particular, in this regard N.Negroponete [1], D.Tapscott [2], R.Coase [3], N.Lane [4], T.L.Mesenbourg [5], M.A.Kalujskiy [6]. It has been studied in the scientific works of such scientists as A.A.Lokalov [7], A.A. Urasova [8].

Carried out by the R.H.Ayupov [9], K.X.Abdurakhmanov [10], B.Khajiev [11], P.Z.Khashimovs [12].

Research methodology

Research methods such as analysis and synthesis, induction and deduction, statistics and comparison were used in conducting the research.

Analysis and discussion of results

The main trend in world economic development in the late twentieth and early twenty-first centuries is the transition from an industrial and post-industrial economy to a so-called "digital economy" or an economy based on the use of information and communication technologies (ICT). Recently, the term can be heard from politicians, businessmen and the media. According to experts from The Boston Consulting Group (BCG), for some countries this is a logical continuation of the evolutionary development of the digital ecosystem and the ability to fully implement the "creative economy", the "new economy" - between online and offline. the system of relations with a conditional border and the level of involvement of the state, business and citizens reaches 100 percent. This is the near future for the leading states. For developing countries, digitalization is an opportunity to maintain real competitiveness and stability in the long run.

The concept of "digital economy" includes "Information Economy", "Knowledge Economy", "Creative Economy", "Internet Economy", "Network Economy". (Network Economy), "E-economy", "New Economy" and similar terms are inextricably linked. These terms are often used synonymously to reflect new developments in the post-industrial economy. The formation of the global information network, the general proliferation of personal computers, software development and continuous improvement, the advancement of digital technologies, information and communication companies are predetermined by the production of intangible products and services.

The digital economy is a system of economic, social and cultural communication based on the use of digital technologies. Sometimes it is also expressed in terms of internet economy, new economy or web economy.

Institutions for the development of the digital economy are divided into political (government institutions), economic, scientific and social (social) groups. The task of the Energy Institute is to determine the legal status of the subjects of the digital economy, to coordinate legal relations related to the production, exchange, storage and protection of information. Economic institutions in

the digital economy are changing attitudes, giving the role of one of the leading factors in production, where new products and services are provided and the needs of market participants are changed in favor of information needs. Scientific institutes expand the field of information on the activities of institutional entities, establish norms and rules of data reproduction as an object of the institutional structure of the digital economy. Public institutions include socio-psychological norms (traditions and culture) and knowledge reserves (human capital) [3].

The institutional structure of the digital economy of Uzbekistan includes key players: the Ministry of Communications and Information, the Commission of the Cabinet of Ministers on Informatization, the Operational and Analytical Center under the President of the Republic of Uzbekistan, the High Technology Park and in recent years many startups that have attracted investments of millions of dollars - Belprime Solutions, ASBIS, OneSoil, Wannaby, Rozum Robotics, Dronex, etc.); Objects: main normative and legal documents - Strategy for the development of informatization in Uzbekistan in 2016-2022 [4].

Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated November 3, 2015 "On approval of the State Program for the development of digital economy and information society for 2016-2020", President of the Republic of Uzbekistan dated December 21, 2017 Resolution No. 9615, a set of normative documents on the regulation of cryptocurrencies dated December 1, 2018, developed jointly by the HTP administration and the National Bank of Uzbekistan. The Financial Monitoring Department of the State Control Committee, as well as the strategy of cooperation of the CIS member states on the construction and development of the information society until 2025, the EEI Digital Agenda until 2025 and others.

Concluding the study of the essence, content and characteristics of the manifestation of the digital economy, it should be noted that the digital economy is not an independent branch of the economy, as some researchers believe (e.g., engineering or nuclear energy).

In short, the digital economy is the realm of digital goods and services, the digitization of physical assets, but in the broadest sense, the digital economy is a sector of the real economy that exists outside of material production (more precisely, the coordinating innovation structure).

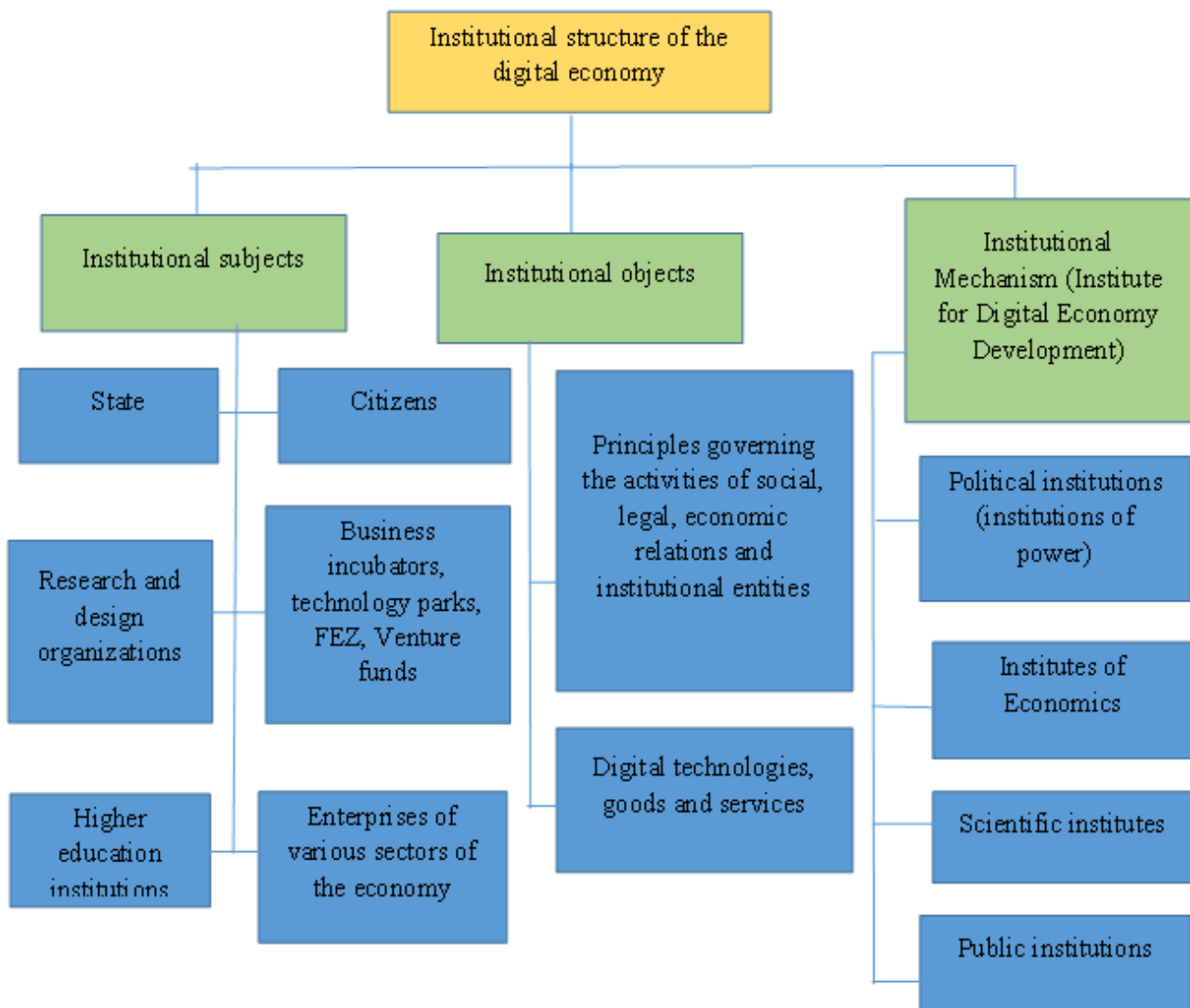


Figure 1. Institutional structure of the digital economy*.

* Developed by the authors in accordance with the results of the study.

The digital plugin, which is a startup on almost any digital platform and does not exist, has an analog basis that turns into a virtual abstraction that is truly detached. Thus, for example, the existence of digital contracts for the supply of oil is based on the natural need for the oil being sold. In addition to the real economy, the digital economy will accelerate the development of industry, agriculture, construction, services and public administration.

The digital economy is an economy based on the traditional economy. Unlike the traditional economy, the digital economy includes areas and business processes based on the rapid introduction of information and communication technologies, as well as the widespread introduction of new digital technologies via the Internet (Figure 2).

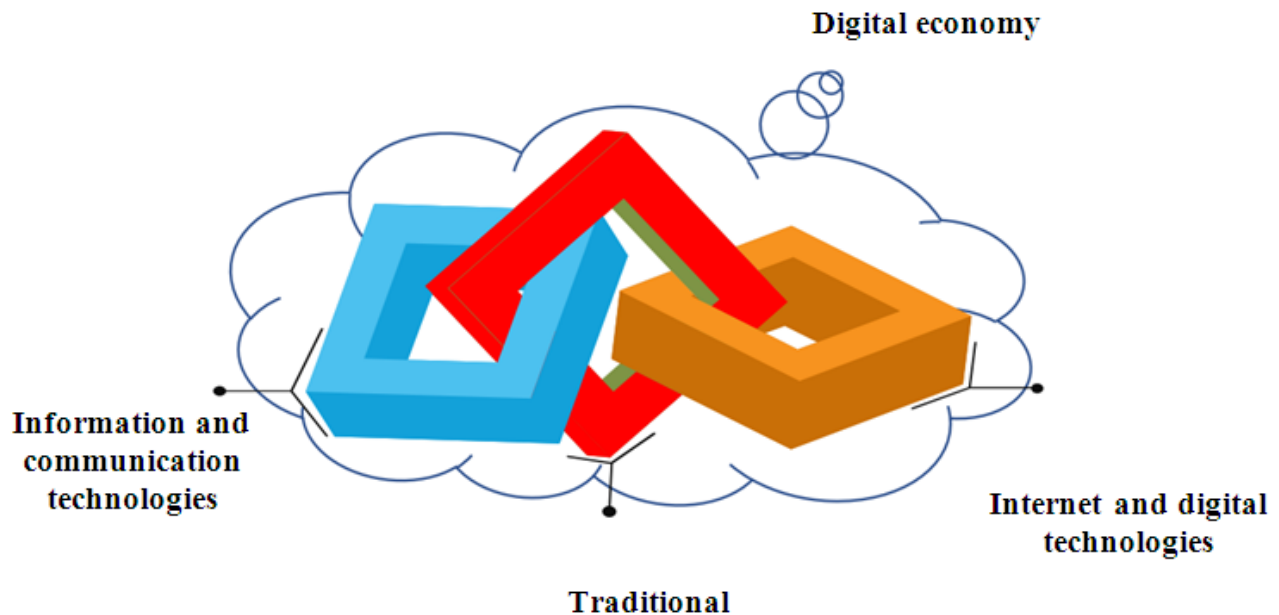


Figure 2. The relationship between traditional economics and digital economy

* Developed by the authors in accordance with the results of the study.

Initially, it is advisable to distinguish the following three types of digital economy: e-business infrastructure (networks, software, computers, etc.); e-business, the process of organizing a business using computer networks; e-commerce, i.e. the retail sale of goods. However, with the spread of new technologies, Big Data, Cloud Computing, Block chain, Cognitive Computing, Internet of Things, Robotics, robotics), “Financial technology (FinTech)” (financial digital technologies), as well as “Virtual goods” (virtual products: games, music, movies, books), this concept has taken on a broader meaning and became a central element of the economy. Terms such as "Informatization" and "Cybernetics", which are widely used abroad and in our country, have fallen out of scientific and practical use, and the terms "digitization" or "digital transformations" have become more widely used. In industry, however, changes in technology and business processes under the influence of the digital economy have been dubbed the Fourth Industrial Revolution (Industry 4.0).

The ideas of the digital economy, as an integrated phenomenon, have gradually entered the political agenda of governments that have begun to develop and implement national digital strategies, and international organizations involved in coordinating digitalization efforts.

Conclusions and suggestions

Today, the development of world trade has reached the level of e-commerce, the volume of e-commerce is 2.8 trillion. The U.S. dollar and growth rates are 20-25 percent. These indicators show that global trade services are improving, which in turn has a positive impact on the level and quality of development of e-commerce in the digital economy. Globally, the two countries are leaders in the geography of digital economy development. These are the United States and China. These countries account for 75 percent of all blockchain technology patents, 50 percent of Internet of Things spending, and more than 75 percent of the global cloud computing open market.

The analysis of the programs of digital transformation of the economies of leading countries allows us to highlight the following key areas identified as priorities for Uzbekistan:

- Creation of national digital legislation;
- state funding of modern digital projects;
- regulation of tax policy and optimization of the investment climate;
- transparency and efficiency of public administration, increasing employment;
- cyber security;
- Digitization of the industry on the basis of cyber physical systems, artificial intelligence, the Internet of Things, 3D printing in order to increase productivity;
- Digital agriculture (specific farming and digital animal husbandry, agricultural work, etc.);
- big data and 5G connection;
- smart networks and powerful energy-saving devices, including portable devices;
- Smart cities, digital education and health.

In our opinion, the following positive results can be achieved by implementing structural changes in the regional economy, taking into account the requirements of the digital economy:

- 1) development of labor potential of the individual, organization and society and growth of human capital;
- 2) creation of conditions for increasing labor mobility, business activity of the population based on non-standard forms of employment (freelance, temporary, remote, self-employment, etc.);
- 3) formation of digital infrastructure as a catalyst for investment activities in the region;
- 4) improving the living standards of the population and improving the working conditions of individuals. Thus, the requirements of the digital economy imply a change in the content and essence of structural changes in the economy at the regional level, which includes the definition of goals, complementation of principles, expansion of the composition of factors and reorientation.

Summarizing the above, the complexity and versatility of the regional economic system should be noted as an object of systemic change, which in the context of adaptation to the requirements of digitalization, regional authorities, business and its representatives, research institutes, educational institutions, trade unions associations and the population to work together on the basis of consensus and partnership. At the same time, today the priority of the territorial authorities is to completely eliminate the chaotic structural changes in the economy and to create a basis for market and administrative changes in the development of strategic and policy documents. including globalization, digitalization, humanitarian and other development trends.

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