

**FOREIGN EXPERIENCES FOR THE DEVELOPMENT OF THE  
DIGITAL ECONOMY AND WAYS TO USE THEM EFFECTIVELY IN  
UZBEKISTAN**

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**ABSTRACT**

*This article explains the essence, advantages and negative effects of the digital economy. Foreign experience in the development of the digital economy has been studied. Programs and measures taken to develop the digital economy in Uzbekistan and abroad are analyzed. It also suggests ways to effectively use foreign experience in the development of the digital economy in our country.*

**KEYWORDS:** *Digital Economy, Information, Technology, Artificial Intelligence, Science And Technology, Security, Market.*

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**INTRODUCTION**

In an ever-evolving society, people are trying to make extensive use of the products of scientific and technological progress that make their lives easier in meeting their daily needs. In particular, the purchase of food and non-food products and orders for various services, the establishment of online relations with governmental and non-governmental organizations. Similarly, in the real sectors of the economy, various online stores, electronic payment systems, as well as remote public services are actively developing. This process began much earlier in developed countries, and today a new concept of "digital economy" has emerged, which is recognized as the fourth industrial revolution.

World experience shows that the definitions of the term digital economy are evolving due to the new multifaceted and dynamic nature and the improvement of digital technologies. In Australia, for example, the digital economy is recognized as a global network of economic and social activities supported by platforms such as the internet, mobile and touch networks.

This area has not bypassed our country. In particular, in his Address to the Oliy Majlis, President Mirziyoyev said, "We need to develop a national concept of digital economy, which provides for the modernization of all sectors of the economy on the basis of digital technologies. On this basis, he stressed the need to implement the "Digital Uzbekistan-2030" program[1]. Also, the resolution of the President of the Republic of Uzbekistan dated April 28, 2020 "On measures to widely introduce the digital economy and e-government" provides for a doubling of the share of digital economy in GDP by 2023 in Uzbekistan, including information on production management. The introduction of a complex of systems, the widespread use of software products in financial and economic activities, reporting, as well as the acceleration of its formation through the automation of technological processes [2].

Of course, the use of high-level modern technologies, the formation, analysis, processing of a

comprehensive database, the introduction and management of digital systems based on real-time implementation of tasks require industry-leading professionals.

The third part of the "Priority projects for the widespread introduction of modern information and communication technologies in the real sector of the economy in 2020-2022", approved by the President of the Republic of Uzbekistan on April 28, 2020, is dedicated to "development of training in digital technologies":

- Implementation of the project "One Million Programmers" in cooperation with the United Arab Emirates;
- Establishment of digital technology training centers in the regions;
- Implementation of measures to cover the activities of training centers;
- It is planned to create the necessary conditions for the development of mobile robotics in training centers.

In addition, the Decree of the President of the Republic of Uzbekistan dated March 2, 2020 "On the State Program for the implementation of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021 in the Year of Science, Enlightenment and Digital Economy" [3] The approved "State Program for the implementation of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021 in the" Year of Science, Enlightenment and Digital Economy "also pays special attention to the process of training at today's level. In particular, the program will radically improve the system of training abroad in promising and high-demand specialties, the use of advanced foreign educational technologies, the introduction of new curricula for intensive teaching of foreign languages, the development of education and science, the concept of science until 2030. It is planned to accelerate the development and deployment of scientists, professors and teachers abroad for research and development.

#### **ANALYSIS OF THE RELEVANT LITERATURE**

In a digital economy, the main asset of states will be human capital. However, in general, the main asset is not a person, but concrete people who have in-depth knowledge in the field of new technologies, are able to apply them to life, can improve the old. Even a group of people who are able to unite and activate not only a specific person, but also individuals with deep knowledge into a common collective intelligence, is beginning to be considered a key asset of states [4].

In general, the digital economy is formed on the basis of digitization and has the following specific features [5]:

1. The priority of the individual in the creation and control of personnel.
2. The subject of labor - information - plays an active role.
3. The communication networks of mainly economic agents will be active.
4. Digital platforms are the foundation of ecosystem and business transformation.
5. Artificial intelligence is a practically infinite combinatorics of different means of production and production relations.

In our opinion, in today's digital economy, along with e-commerce, training of qualified personnel, creation of artificial intelligence, it is necessary to focus on the radical modernization and diversification of real sectors of the economy and the production of

modern, cost-effective, flexible technologies.

This is because the effective development of markets in the digital economy can only be achieved on the basis of advanced technologies, so measures to encourage it should be focused in two directions [6]. First, it is necessary to restructure and modernize enterprises, create favorable conditions for the development of the digital economy. That is, the regulatory regulation of digital markets and digital manufacturing. Second, it requires the improvement of technical infrastructure, i.e., the improvement of data networks, information centers, software services, and so on.

Therefore, at the current stage of digitalization, much attention is paid to the development of the "digital industry", which is reflected in the widespread use of digital equipment in industry. Therefore, in developed countries, there is a growing trend in the development of robotization of production, improvement of information security systems and the development of additional technologies in industry. In particular, it is planned to launch smart technology enterprises in Germany by 2021 under the Industry 4.0 program, which will increase labor productivity by 18%. China has also developed its own strategy for digitizing production, which includes providing the economy with the conditions for a rapid transition to the Industry 4.0.

## **RESEARCH METHODOLOGY**

Statistical data, statistical observations, statistical tables and graphs, as well as statistical and comparative analysis methods were used in the study. For statistical analysis, official statistics from the World Bank and the Asian Development Bank, as well as world rating agencies, were obtained.

## **ANALYSIS AND RESULTS**

Digitization of industrial production processes includes a number of new technologies: virtual modeling, product Internet, robotics, artificial intelligence, big data, cloud and boundary computing technologies, forecasting analysis, new communication standards and more, and is constantly improving.

Recognizing the radical nature of such changes in the future, many developing countries are also developing their own roadmaps or government strategies for developing the digital economy. In particular, according to the Eurasian Development Bank, Kazakhstan has approved the state program "Digital Kazakhstan" as an active measure to develop the digital economy, which provides for structural changes through the expansion and digitization of national technological capacity, industry and other sectors of the economy. It also includes the creation of new economic bases and technological modernization and digitization of industry as priorities.

Kyrgyzstan has also adopted the Taza Koom digital transformation program, which identifies areas for ensuring the well-being of the population through the creation of modern information and communication infrastructure, modernization of communication networks, industrial digitization and socio-economic development in general.

In order to further develop high-tech industries, Russia has adopted the Strategy for the Development of the Information Society in the Russian Federation for 2017-2030 and the Digital Economy of the Russian Federation, which are aimed at integrated and systematic development and introduction of digital technologies in all spheres of life.

Tajikistan has also adopted the "National Development Strategy of the Republic of Tajikistan

until 2030." It includes the development of high-tech industries and innovative economy, strengthening institutional development and the introduction of modern information technologies, strengthening the protection of property rights, improving the legal system, creating favorable conditions for the development of information and communication technology parks, reduction of dependence on imports and expansion of imports of modern technologies.

International experience shows that the digital economy and its development have a number of advantages. In particular, due to the increase in the level of transparency and competition of the real economy, the share of the shadow economy will decrease, leading to an increase in the gross domestic product of the state. In addition, the relationship between production and consumption will take an individual form, creating additional opportunities to meet the needs of people at a high level and improve their quality of life (Figure 1).

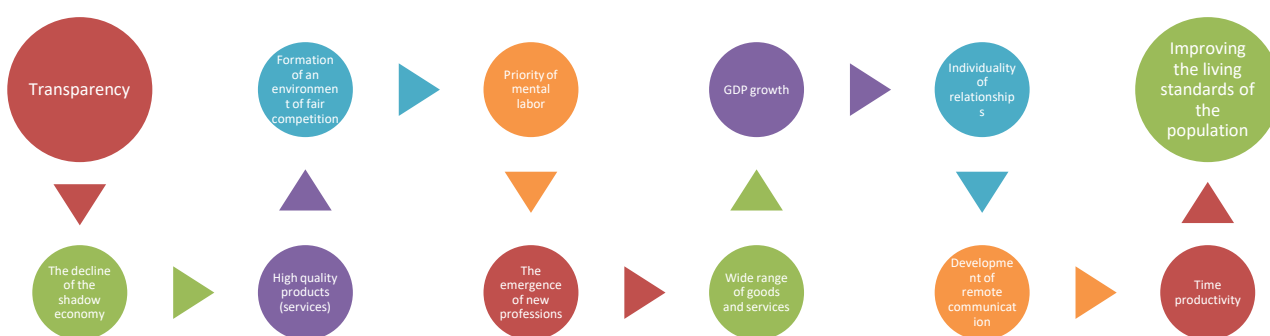


Figure 1. Advantages of the digital economy

Source: Author's development

However, to date, many researchers do not have a clear idea of what the digital economy is as a social system and what socio-economic consequences it may have as a result of the technological changes taking place [7].

While the World Bank acknowledges that while the digital economy is creating new jobs, the transition to automation, on the other hand, poses a threat to traditional forms of employment and job security. For example:

- the pace of change in the labor market and the risks associated with the destruction of traditional jobs;
- Risks associated with changes in the nature of work and the quality of jobs on the Internet;
- risks associated with the expansion of income inequality, etc.

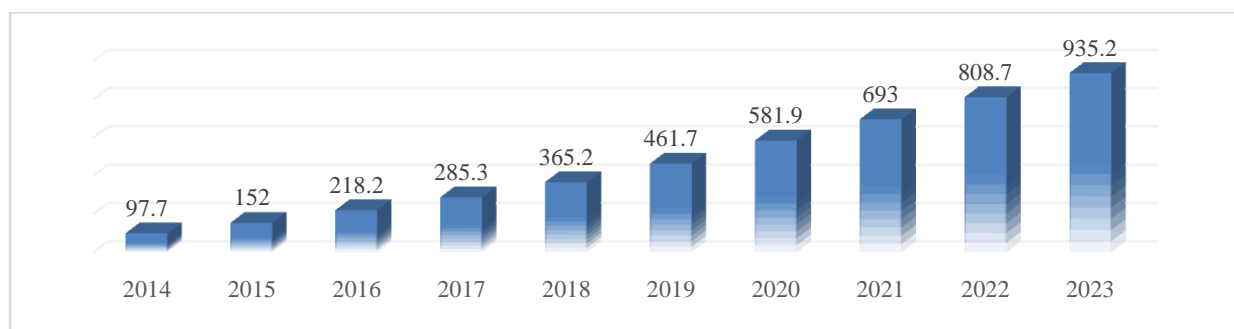
Taking into account such risks, the Eurasian Economic Union aims to implement the following tasks on digitalization by 2025:

1. Increasing the contribution of the EOII digital economy to annual GDP growth;
2. Increasing the number of jobs in the digital economy;
3. Increasing the contribution of digitalization in improving the efficiency of priority networks;
4. Increase exports of digital goods and services, as well as traditional products and services

through digitalization.

Over the last decade, many digital platforms have emerged around the world using data-driven business models. Especially in the field of e-commerce and services. Platforms such as Amazon, Alibaba, Facebook, and eBay are among the world's leading companies in terms of market capitalization.

According to the data, in 2018, global revenue of mobile applications exceeded 365 billion US dollars. By 2023, mobile apps are projected to generate more than \$ 935 billion in revenue through paid downloads and in-app advertising (Figure 2).



**Figure 2. Mobile App Revenue Worldwide (\$ Billion)**

**Source:** Global No.1 Business Data Platform

The development of this industry and the expansion of the digital economy remain one of the main challenges facing cyber security in every country and the international community. Information security is recognized as one of the important principles of sustainable development of information and communication systems in the world. Therefore, a system to combat cyber threats is being formed in all countries. In particular, in accordance with the Decree of the President of the Republic of Uzbekistan dated August 29, 2017 "On measures to further improve the project management system in the field of information and communication technologies", the Center for Information Security and Public Order was established in Uzbekistan. It provides for the collection and analysis of information on threats to information security, the development of proposals and recommendations for the adoption of effective organizational and software solutions to prevent illegal access to information systems and databases.

Therefore, today the field of information and communication technologies is developing rapidly, and its share in the international market is growing. According to the data, the revenue of the digital ICT market in Europe last year was about 1.1 billion euros. In addition, the enterprises of the industry are developing rapidly, and the number of information processing, hosting and related activities is growing. This can also be seen in the number of computer repair, software publishing and computer software and consulting businesses.

## CONCLUSIONS AND SUGGESTIONS

Based on the research, it is expedient to digitize socio-economic processes, to take into account the following in the further development of the digital economy:

1. Improving the logistics of the education system, ie the lack of technical equipment (computers, projectors, laboratory equipment, special rooms for online classes, etc.) used

directly in the educational process in the current education system, although not fully used in practice.

2. It is necessary to develop and include in the curriculum such curricula as "Information Systems and Technologies in Economics", "Information Technology and Digital Economy" as a specialty for the study of economics. It is also necessary to establish separate departments in universities with a focus on economic education, such as "Information Technology in Economics", "Digital Economy" and to form a deeper education of students in digital technology and information technology. Because today the basis of activity in all sectors of the economy are computer programs, work with electronic information, electronic payments, online systems.

3. Based on international experience, first of all, it is necessary to strengthen the system of financial assistance in the provision, modernization and diversification of real sectors of the economy with digital technologies.

4. It is necessary to further develop the Internet, communications and information and communication systems, reduce prices for their use, expand the environment of fair competition.

5. In the digital economy, it is necessary to improve the system of information security, combating cyber threats.

6. Localization of high-tech production for the development of the digital economy and increasing the share of funds allocated from the state budget for human capital, ie the system of modern training, and their targeted use, etc.

In short, the development of the digital economy and its contribution to the gross value added is observed mainly in the service sector, ie in the business models of "e-commerce" or "Internet of Things" in the service sector. However, the full formation of the digital economy, along with trade and services, requires digital automation of production processes, which are directly related to its supply, as well as increasing the share of high-tech products. Because in the digital economy, individual demand and supply develop. Given the current level of development, it can be said that in developing economies, individual demand is higher than individual supply, which opens a wide way for foreign producers to enter the market of these countries, which in turn leads to increased imports and increased foreign exchange outflows. It follows that the modernization and diversification of industry, especially the processing industry on the basis of digital technologies, the widespread introduction of information technology in management and production, improving the ICT service system - will serve to ensure sustainable development of the digital economy.

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