



THE ROLE OF THE DIGITAL ECONOMY IN THE DEVELOPMENT OF THE ECONOMY

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The digital economy is not some other economy that needs to be created from scratch. It means moving the existing economy to a new system by creating new technologies, platforms and business models and introducing them into everyday life. The digital economy is the conduct of economic activities in which the main factor in production and service is information in the form of numbers, and with the help of processing a large amount of information and analyzing the result of this processing, various types of production are carried out. , is to implement more effective solutions than the previous system in service, technology, devices, storage, product delivery. In other words, the digital economy is an activity connected with the development of digital computer technologies in the provision of online services, electronic payments, internet trade, crowdfunding and other types of industries.

The word "digitalization" is actually a new term, which refers to the involvement of IT solutions in the process of innovative management and administration, and as a result, the use of information technologies in all systems, from Internet of Things to e-government. Digital economy is a system of implementing economic, social and cultural relations based on the use of digital technologies. It is sometimes referred to as the internet economy, the new economy, or the web economy. In 1995, American programmer Nicholas Negroponte coined the term "digital economy". Currently, this term is used by politicians, economists, journalists, businessmen - almost everyone around the world. In 2016, the World Bank published its first report on the state of the digital economy in the world ("Digital Dividends"). E-commerce, internet banking, electronic payments, internet advertising and, at the same time, internet games are seen as the main elements of digital economy development. Due to the development and implementation of information technologies, many conveniences are appearing in our daily life. Let's say we want to eat, but we don't want to prepare it, it's not a problem, we can order the food we want online through the Internet home delivery service. Or we need to transfer money to a friend, no need to go to a bank or financial institution, we can transfer money through mobile banking. We can provide many of these services online, via smartphone or computer.





Interest in the digital economy has grown significantly due to significant changes in society and the economy. Modern technologies and platforms have helped businesses and individuals reduce costs by minimizing personal interactions with customers, partners, and government organizations, as well as making communication faster and easier. The result is a digital or electronic economy based on network resources. The main source of the digital segment of the economy is the growth of the transactional sector. In developed countries, this indicator makes up more than 70 percent of GDP and combines public administration, consulting and information services, finance, wholesale and retail trade, as well as services (utility, personal and social). The higher the diversification and dynamism of the economy, the greater the circulation of unique information within and outside the country, and the greater the information traffic within national economies. Therefore, in markets where the number of participants is large and IT services are widespread, the digital economy develops rapidly. In particular, it creates unlimited conveniences for transport, trade, logistics and similar industries that actively work with the Internet. According to some researchers, the share of the electronic segment in them is close to 10% of GDP and provides employment for 4% of the population. Most importantly, these indicators are growing steadily. Undoubtedly, the effectiveness of the digital economy is influenced not only by the coverage of information technologies and the availability of infrastructure, but also by standard economic criteria such as the business environment, human capital, and successful management instruments. Therefore, economic development relies on them, which means that these criteria are as important as before in the development of the digital economy.

Advantages of the digital economy. Of course, the development of information and communication technologies, the application of modern technologies to our lives can provide many positive opportunities in the life of every person. Following the development of digital technologies, a person can use the service he needs faster, save a lot of money by buying the products he needs cheaply through the Internet. For example, buying a book in electronic form It may cost you much less to buy the same book in printed form. Otherwise, an ordinary consumer can become an entrepreneur himself and engage in online sales without leaving his home. The most active driver of the digital economy is the state. He is the main customer and consumer of the digital economy. For example, China spent about 9 billion dollars for these purposes. Internet resource Alibaba, which has a market capitalization of more than 210 billion





dollars, proved that these investments were well directed. A country that wants to get the most out of digitization needs to create and support a market for the necessary high-tech products. At the same time, it is important to keep the instruments that control the main platforms of the electronic economy in their tracks, while developing private applications for public administration, important sectors and enterprises in parallel.

In particular, Japan has missed out on leading positions in the digital economy due to the fact that it has bought technology, but it has not been able to create its own productive networks in this direction and to maintain a consistently high level of technical development. South Korea, on the other hand, invests 1% of the national budget in e-government and e-intermediation (for e-commerce activities and public tender purchases), generating 10-15 billion dollars annually and receiving revenues that cover costs 30-40 times. In particular, this result was achieved by organizing call centers in the public and private sectors, creating mobile applications and reengineering state-owned internet platforms.

Training of personnel working with information systems in public administration remains one of the important areas of this field. For example, in the 70s of the last century, in Belgium, special mobile groups of specialists (including teachers and students from specialized educational institutions) were organized to train employees of state bodies and configure systems directly for them at their workplaces. Another subtle aspect of the digital field is that the development and implementation of complex digital systems requires a serious and detailed approach. It may seem strange to you, but often programming (in itself) is not really a sufficiently technological phenomenon. Therefore, the programmer who solves your tasks will act in many ways based on how he understands the task. Most important solutions are left unexplained in this process because each side assumes, they are self-evident. The accompanying documents related to the programs are sometimes compiled in a fragmented manner. As a result, in the process of working with the product, the customer loses control over the development that he ordered and paid for. In this case, the budget allocated to the information projects does not include service costs, although they are extremely important. Because the digital economy covers the whole world, any government project related to informatization and digitization should be studied comprehensively and based on a single coding system, identifying economic and management related information.

The most important and at the same time the most difficult stage in the development of the digital economy is the simplification of the business





environment and the maximum reduction of the costs of people and business communication with the state. After that, it is required to establish an inter-organizational (multi-agent) dialogue within the framework of the public and private sectors of the parties. The most important part of this process is digital economy platforms that move from "one-to-one" and "one-to-many" communication formula to "many-to-many" formula. Shifts in this area will automatically dramatically change the situation in the real sector of the economy (and stimulate structural reforms in these areas) and help create conditions for an innovative economy through the development of consulting and technical organizations suitable for small and medium-sized businesses with state support.

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