



## ECONOMIC DEVELOPMENT IN UZBEKISTAN, TRANSITION TO DIGITAL AND GREEN ECONOMY

Sabirov Khasan Nusratovich<sup>1</sup>, Shermatov Xasan<sup>2</sup>

<sup>1</sup> Kokand university, The teacher of Digital technology department,

<sup>2</sup> Kokand University, 3rd year student of Economics

<https://doi.org/10.5281/zenodo.6346767>

### ARTICLE INFO

Received: 17<sup>th</sup> February 2022

Accepted: 22<sup>th</sup> February 2022

Online: 27<sup>th</sup> February 2022

### KEY WORDS

*Economics, innovation management, gross domestic product, business, banking, entrepreneurship, digital technologies, digitalization.*

### ABSTRACT

*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 contact with customers, partners, and government agencies, as well as making interactions faster and easier. The result is a network-based, digital or electronic economy.*

### INTRODUCTION

The word "digitalization" is actually a new term that refers to the involvement of IT solutions in the process of innovative management and office work, resulting in the use of information technology in all systems, from the Internet to e-government.

The main source of the digital segment of the economy is the growth of the traction sector. In developed countries, this figure is more than 70% of GDP, and includes public administration, consulting and information services, finance, wholesale and retail trade, as well as services (communal, private and social).

The higher the diversification and dynamics of the economy, the greater the flow of unique information within and outside the country, and the greater the weight of information traffic within

national economies. As a result, the digital economy is evolving rapidly in markets with large numbers of participants and IT services.

In particular, it creates endless conveniences for transport, trade, logistics and other industries that are actively working with the Internet. According to some researchers, the share of the electronic segment in them is close to 10% of GDP, providing employment to 4% of the population. Most importantly, these figures are growing steadily.

Clearly, the effectiveness of the digital economy is affected not only by the coverage of information technology and the availability of infrastructure, but also by standard economic criteria such as the business environment, human capital and successful management tools. Consequently, economic development



relies on them, which means that these criteria continue to play an important role in the development of the digital economy.

## **METHOD AND RECOMMENDATION**

Old and new companies that use IT tools to create new services and business models around the world are now competing fiercely with leading companies in many areas.

According to forecasts, in the coming years, the macroeconomy is expected to be strongly dependent on manufacturers based on the criteria of "lean production", additive, nano and biotechnology. In this regard, the amount of information required for good governance will increase, and the structure of production and citizen dialogue, business and government will undergo significant changes.

The following are the main conditions and factors for a gradual transition to the path of social and economic development:

- Implementation of the concepts of e-government and digital city through the integration of information and public administration and municipal services;
- mass production of new technological generation products (such as unmanned vehicles, etc.);
- Implement ideas for building "smart" and environmentally friendly homes using unique decorative and building materials;
- Promoting alternative forms of employment through outsourcing, self-employment, etc.;
- Creating professional networks that serve to search for freelancers to perform specific tasks.

All of the above allows businesses to reduce costs using modern platforms that integrate goods and electronic services in production and management. First of all, this issue concerns the integration of service orders, resource sharing, selection of contractors, e-commerce, payments and more.

The digital digital environment is an "aquarium" in which legal entities and individuals can enter into a whole new set of interactions. Information technology allows businesses to adopt completely new, more dynamic speeds of work and to diversify the range of services and products. Researchers are also talking about launching short-storage products.

When it comes to services, information technology solves many day-to-day tasks, making large-scale operations faster, cheaper, more convenient, and without intermediaries.

E-commerce, Internet banking and other modern trends are developing day by day. As a result, automated network services (such as a quality website or mobile app) are replacing business intermediaries in most industries to increase revenue.

As a result, business can significantly reduce the cost of services, and in the macroeconomic direction, the rate of individual production and unemployment will increase. Crowdfunding and crowdsourcing are also new economic technologies.

According to economists, at the same time, as a result of such changes, the economy based on the practice of extracting value-added is shifting to a economy of cooperation and "sharing-economy". This gives hope that competition in the market will actively give



way to mutually beneficial cooperation and collaboration, as well as the transition from vertical communication to equal relations and complementary services.

It is expected that this will be reflected in the increase in the number of services and the growth of e-commerce for services.

### **The economic importance of the digital sector**

It is estimated that digital technologies will dramatically change more than 50 percent of the economy. This view is based on the fact that information technology and digital platforms are dramatically changing business models, eliminating intermediaries for their effectiveness and optimizing processes.

The World Bank estimates that a 10 percent increase in high-speed Internet users could increase annual GDP from 0.4 percent to 1.4 percent.

The growth of the digital economy's share of the country's GDP by about 20 percent annually (around 7 percent in developed countries) is also seen as a measure of its importance.

In 2010, the Boston Consulting Group estimated the digitalization scale at \$ 2.3 trillion (4.1 percent of GDP) for a group of 20 countries. If this trend continues, in 10-15 years the share of such an economy in world GDP will approach 30-40%.

In developing economies, the IT sector employs about 1 percent of the population, creating relatively few jobs compared to others. However, the rise of IT will lead to job creation in other areas where new technologies are being developed (for every 1 new job created in IT, there are 4.9 jobs in related industries).

The digital economy is boldly opening up new horizons for entrepreneurs and self-employed people.

Often, the contribution to the development of the IT sector leads to the development of the economy, the creation of new jobs, the emergence of new types of services for people and businesses, the reduction of costs in e-government projects.

At the same time, the overall effect of information technology is less effective than expected and is not evenly distributed.

To get the most out of such investments, it is necessary to better understand the interaction of technologies with other factors called "analog fillers" in a report prepared by the World Bank.

Among them:

- A regulatory framework that supports an active business environment and allows businesses and individuals to use the technologies of the digital economy to compete and innovate, reduce costs, and improve their well-being;
- Full skills in the use of information technology in business management and civil servants;
- Institutions (public and private) that provide consulting services in the use of information technology.

It is difficult to fully list the effects of the digital economy, so it is difficult to fully assess the connections that electronic services and metadata provide to economic entities. Therefore, it is a difficult task to justify the importance of investment in information, especially at the state level. The fact that it is not always possible to calculate the gigabytes of information created in this or that field in real time is self-evident.



## **Digitization is a companion to new economic technologies**

The communication models that have emerged as a result of the integration of information platforms have led to the emergence of new economic technologies (EETs).

New economic technologies are tools that integrate into an integrated technological platform for the creation, transmission, storage and display of information (data, ideas and knowledge) products that serve a purpose in organizational management systems and minimize transaction costs for economic agents. It is a set of new "adjustable" tools and methods in all aspects of data processing.

Basic principles of new economic technologies:

- creation of radically new business models;
- apply the methods of rational integration and use of various IT services in the organizational and technological processes of the real economy;
- Minimize transaction costs and production resources.

## **CONCLUSION**

New economic technologies are evolving into existing economic realities based on digital technologies. Whereas previously production, trade and financial technologies have been gradually improved, now new economic technologies are emerging in horizontal relations (self-organization and singularity), innovative

entrepreneurship (self-development), information engineering (self-improvement) and auto-formalization of economic processes (automatic design).

The real basis of new economic technologies is data centers and modern IT platforms for information systematization and analytical processing. It is important to develop management consulting and business analysis services. New institutions, such as information and consulting services and government development agencies, provide an organizational framework for improving the business environment.

Another subtlety of the digital industry 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 (on its own) is not really a technological phenomenon. As a result, the programmer who solves your problems depends in many ways on how he understands the task. Most important solutions are left unexplained in the process because each party thinks they are self-explanatory.

The creation of a national idea and national program that fully reflects the goals and objectives of the ideas of technological development of Uzbekistan and modernization of the domestic market will help to overcome existing problems, increase the competitiveness of our economy and accelerate our country to the developed world.



**REFERENCES:**

- 1 Post of President RUz from July 3, 2017 PP-3832 "Omerax on the development of digital economy in RUz".
- 2 Postanovlenie Kabineta Ministrov «O dopolnitelnyx merax podalneyshemu razvitiyu i vnedreniyu tsifrovoy ekonomiki v Respublike Uzbekistan ot 31 August 2018 goda.
- 3 GulyamovS.S. and others. technologies. T. : Iqtisod Molia Publishing House, 2019 396 pages.
- 4 AyupovR.X., BaltabaevaG.R. Digital Currency Market: Innovation and Development Prospects. –T: "Science and Technology" Publishing House, 2018, 172 pages.
- 5 Lapidus L.V. Digital economy: management of electronic business and electronic commerce. –M. : INFRA-M, 2017 -281 p.
- 6 Ayupov R.X. and others. Basics of e-commerce. ipcenter.uz, 2020, Guvoxnoma №001896