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## **DIGITALIZATION OF THE ECONOMY AND OPERATIONAL SAFETY**

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**Abstract.** The main initiator of innovations in digitalization in almost all countries that occupy leading positions in the field of digital technologies is the state. The study and implementation of such experience in the Republic of Uzbekistan can speed up the process of creating a digital economy. At the same time, the issue of ensuring the safety of public life with the widespread use of digital technologies arises. Preventing cybercrimes, eliminating conditions that create opportunities for potential cyber threats to come to the fore.

**Key words.** Commercialization of digital developments, security of digital technologies, cybercrime, digital innovation, artificial intelligence strategy.

### **INTRODUCTION**

The Republic of Uzbekistan is taking large-scale measures to introduce and develop digital technologies. Various sectors of the economy are undergoing comprehensive digitalization, in particular, measures are being taken to develop online commerce, expand the use of electronic payments, and expand the use of electronic document management systems. Appropriate measures are being taken to conduct business using the latest developments in the field of digital technologies, expand electronic commerce, and improve the regulatory framework for electronic document management.

The digitalization of the economy is also encouraged by supporting the ICT sector and networks that apply digital solutions. Constant attention is being paid to expanding the use of technologies on a digital basis using financial instruments in the light of the implementation of national programs to support small and medium-sized enterprises, start-ups, and the introduction of innovative solutions. At the same time, expanding the use of public and private financing systems in a mixed form, the commercialization of digital developments is stimulated based on the selection of projects.

We tried to outline development paths in our country that would create the opportunity to participate in solving security issues when introducing the digital economy,



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and in studying the consequences of digitalization of public life. Also consider the stages of creating conditions for the participation of the Republic of Uzbekistan in the preparation of reports on ranking the competitive digital economies of the world, for example, the annual Global Digital Economy Competitiveness Development Report and similar ones.

### **MATERIALS AND METHODS**

It must be stated that in almost all countries that occupy leading positions in the field of digital technologies, the main initiator of innovations in digitalization is the state. With the active participation of states, the successful development of technological proposals is carried out, as well as the commercialization of the results of these proposals. The governments of many countries were the initiators and creators of leading and large corporations, the result of which was the formation of the “digital image” of the modern economy.

It should be noted that the impact of digital transformation on the economy and society is complex and interconnected, which requires strategic approaches. For example, “Thirty-four OECD countries have a national digital strategy to improve policy coordination at senior levels of government, most often at the level of the prime minister or the chancellery, dedicated ministry or body. This strategic approach is particularly evident in the context of emerging technologies: by mid-2020, 24 OECD countries had a national AI strategy with a focus on adoption and skills” [3].

In creating a digital economy, the adoption by leading countries in digitalization of national strategies and programs to promote the digitalization of all aspects of public life has yielded tangible results.

To accelerate the pace of digitalization in the Republic of Uzbekistan, it is necessary to ensure the supply of components for the development of the digital economy: make broadband Internet more accessible, improve the quality of roads used for the delivery of purchased goods from online stores and other similar factors. Otherwise, it must be studied how developed the digital environment and physical infrastructure necessary for the development of the digital ecosystem are.

The next question relates to whether there is demand from consumers of goods to participate in the digital economy, or whether consumers are willing and able to participate in it? This is because they have the necessary tools and skills to tap into the digital economy.

An important role is played by the presence of country laws and government actions



that contribute to the development of digital technologies, as well as financial investments by the authorities in digitalization. The government regulatory measures taken should push forward the use and storage of data. These institutions have been created in our republic and they actively influence the digitalization of the economy. The adoption of the Resolution of the President of the Republic of Uzbekistan dated July 3, 2018 “On measures to develop the digital economy in the Republic of Uzbekistan” No. RP-3832 is one of the significant steps in this direction. The resolution defines the main directions and procedures that make it possible to create conditions for the widespread use of information technologies to solve traditional and new problems in the current and future activities of the entire society and the economy in particular. According to subparagraph b) of paragraph 3 of this Resolution, from January 1, 2021, block chain technologies will be introduced into the activities of government bodies, including when interacting with other government bodies and other organizations, carrying out public procurement, providing public services, and verifying personal information [4].

And the first question that arises concerns ensuring the safety of the activities of government bodies, economic entities, and the population, carried out using the technologies being introduced. Full integration of the technologies involved in the management of the national economy generates dependence of the full-fledged activities of government bodies and economic entities, the population on the quality and reliability of the technologies used, and in many industries, such as aviation and railway transport, ensuring road safety, the provision of public services, such dependence can be one hundred percent. And in other spheres of life, the dependence on the reliability of the digital technologies used is also increasing many times over. Naturally, any more or less significant deviation in the operation of the software or the technology itself can lead to a disruption in the timeliness, correctness and quality of decisions made and the organization of activities. The consequences of “deviations” in the work of “digitally dependent” activities, depending on the industry and field of activity of enterprises, and the scale of the deviation, can vary from insignificant to catastrophic. If we add here the influence of the human factor on the normal functioning of digital technologies, man-made disasters and natural disasters, then it becomes obvious what level of requirements for the purchased equipment and the means to ensure its normal operation are being discussed.

## **RESULTS AND DISCUSSIONS**



In connection with what has been described, it is imperative to develop alternative decision-making options in the event of emergencies, providing for solutions to problems related to ensuring the normal implementation of the activities of government and management bodies, enterprises and organizations, primarily life support enterprises, as well as the lifestyle of the population. It is necessary to legally establish an algorithm for switching to “manual control” in particularly extreme conditions. Thus, experts from the International Non-Governmental Non-Profit Organization “BUYUK KELAJAK” draw attention to the possibility of such a course of events. In particular, they note: “Cybercrime is currently becoming a new threat to Uzbekistan” [2, p. 61]. As an example of potential threats in the “Economic Security” element of the national security system of the Republic of Uzbekistan, experts highlight “Cyberattacks aimed at the national financial system” [2, p. 62].

It must be stated that such threats are characteristic not only of Uzbekistan. The summary of the OECD report on digital transformation also provides similar examples. “With the acceleration of remote work and e-commerce, the COVID-19 outbreak is also creating a favorable environment for cybercriminals” [3].

In crime, as in legitimate economic activity, the pandemic has caused a boom in online crime. According to The Economist, “The primary method used by attackers to target individuals has been covid-19-related email phishing: posing as legitimate companies, often banks or credit card companies, to trick people into handing over login logins or passwords. or financial information” [1].

However, not only credit cards and other financial media became the target of attacks. The example of Zoom, one of the main providers of video conferencing software during the pandemic, shows the rapid technological leap and its dangers. “In December 2019, the company's own record for daily active users reached approximately 10 million, but by April 2020, Zoom was celebrating days with more than 300 million active users” [1]. And security-related issues immediately made themselves known. “Just recently, Tom Anthony, a web security expert, reported that he had discovered a vulnerability in the Zoom web client that could allow an attacker to crack a private meeting password by trying all 1 million possible combinations of the default six-digit password in a matter of minutes. The chances that this relatively simple vulnerability was not already known to criminals are slim, meaning



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that every private meeting in the last eight months was vulnerable to eavesdropping, including confidential internal company discussions and even government meetings." [1]

To prevent such threats, it is necessary to develop and publish a national cyber security doctrine of the Republic of Uzbekistan. The main elements of the doctrine should be:

1. Development of measures to prevent attacks and hacking of control systems of government bodies and authorities.
2. Application of methods of protection of the State Tax Service bodies that are appropriate to potential threats.
3. Development and (or) acquisition of software products that allow protection against the mass introduction of viruses harmful to software into computer networks of government administration, life support, defense and law enforcement systems, as well as various other users.

Another factor in ensuring economic security is maintaining the well-being of the people by creating new jobs and economic opportunities to increase the real income received by the population. Digitalization of the economy provides almost unlimited opportunities in this direction. Starting from the creation of remote jobs, the creation of conditions for expanding remote opportunities for generating income for the population, and ending with a significant increase in labor productivity and the efficiency of using labor resources, these are the undeniable advantages of the digital economy. The spread of the COVID-19 coronavirus pandemic has accelerated the use of these benefits, forcing the introduction of other positive aspects of the use of digital technologies. In tactical terms, today it is necessary to widely use the possibilities of digitalization to create opportunities to eliminate direct contact among participants in economic and social relations. This can be achieved by transferring the services provided by both government agencies and private structures to a remote basis, creating favorable conditions for the development of online commerce to expand the use of e-commerce opportunities.

But here we need to realistically assess the situation related to the increase in jobs and increased productivity. Recently, the so-called "Productivity Paradox" has been actively discussed in the foreign press [5]. The essence of the paradox is that despite many examples in favor of the positive impact of the introduction of information and communication technologies, there are studies proving that such an impact is not positive or, in extreme



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cases, not as large-scale as they want to prove. This formulation of the question poses the task of studying the relationship between the level of implementation of information technology and increased labor productivity in our republic.

And another factor in the development of the digital economy is innovation. Here the state of development of the main components of the so-called innovation ecosystem should be studied: open access to talent and capital; ongoing processes such as university-business collaboration; the ability to reach consumers with new digital scalable products and services and others.

### **CONCLUSION**

If we look from the perspective of two indicators - the current state of digitalization of the country and the speed of its development, Uzbekistan has all the potential opportunities to include the country in the Digital Evolution Scorecard and win a worthy place. To do this, the following tasks should be solved in a complex manner.

1. Ensure the supply of components for the development of the digital economy - develop the digital environment and physical infrastructure necessary for the development of the digital ecosystem. Primary tasks are ensuring the availability of broadband Internet, improving the quality of roads for the delivery of goods from online stores and other factors.

2. Study consumer demand for the benefits of the digital economy. In other words, to clarify whether they want and can participate in the digital economy. Determine if they have the necessary tools and skills to connect to the digital economy.

3. Provide institutions that promote the development of digitalization. This concerns the adoption of relevant laws and government decisions that will promote the development of digital technologies, as well as investments in digitalization. Adopting government regulations to encourage data use and storage.

4. Create conditions for the development of the main components of the innovation ecosystem, which include ensuring transparency of access to talent and capital, encouraging innovation processes, including through expanding cooperation between science and business, and simplifying the release of new digital products and services to consumers.

In summary, as a result of the implementation of the above mentioned measures the level of digitalization of the economy of the Republic of Uzbekistan will be increased.





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