



INTRODUCTION OF DIGITAL SOLUTIONS TO THE ECONOMY OF UZBEKISTAN: PROBLEMS AND SOLUTIONS

GAYRATJON IBRAGIMOV

Abstract

Keywords: Digital solutions for the economy; digital technologies; digital services; digital innovations; digital ecosystem; digital evolution index.

The introduction of digital solutions into the economy of the Republic of Uzbekistan requires the development and implementation of proposals for the creation and development of a digital environment and infrastructure that are necessary for the full functioning of the digital ecosystem. This direction has been studied through the prism of issues characterizing the state of digitalization and the pace of its development, as well as the prospects of including the country in the ranking of countries by the level of implementation of digital solutions in the economy and public life.

Author correspondence:

GAYRATJON IBRAGIMOV

PhD, Associate Professor of the Department of “Economic Analysis”,
Tashkent Institute of Finance, Tashkent, Uzbekistan.

Email: Gibragimov63@gmail.com

ORCID: 0000 0003 4656 9553

INTRODUCTION

In recent years, many countries have taken a wide range of measures to introduce and develop digital technologies. Comprehensive digitalization is being carried out in various sectors of the economy, in particular, measures are being taken to develop online commerce, expand the use of electronic payments, and expand the use of an electronic document management system. Appropriate measures are being taken to carry out entrepreneurial activities using the latest developments in the field of digital technologies, expand e-commerce, and improve the regulatory framework for electronic document management. The task of accelerated development of the digital economy, creation of new models of platforms used in it can be solved by adopting national strategies and programs.

It is also necessary to stimulate the digitalization of the economy by supporting the ICT sector and industries using digital solutions. From the point of view of the implementation of national programs to support small and medium-sized businesses, start-ups, and the introduction of innovative solutions, it is necessary to pay constant attention to expanding the use of technologies



on a digital basis using financial instruments. At the same time, the expansion of the use of public and private funding systems in a mixed form will stimulate the commercialization of digital developments based on project selection.

MATERIALS AND METHODS

The rapid development of the digital economy, the creation of new models of platforms used in it, requires a deep and comprehensive study and application of the accumulated experience in the formation and development of the digital economy in developed countries, where the digital economy literally competes with the traditional economy. Experts from the Shanghai Academy of Social Sciences published an annual report on the development of the competitiveness of the digital economy (Global Digital Economy Competitiveness Development Report), which identified the most competitive digital economies in the world [1]. The ranking took into account four factors that make up the country's digital economy, including digital industry, digital innovation, digital equipment and digital governance institutions, and the top ten countries are ranked in the following order: USA, Singapore, China, UK, Finland, South Korea, Japan, Netherlands, Australia, Germany.

A similar ranking of the Digital Evolution Scorecard was compiled by the Fletcher School at Tufts University in collaboration with Mastercard. The third edition of the ranking (the previous versions of which were published in 2015 and 2017) was published on January 11, 2021 [2]. The study covers the economies of 90 countries, 160 indicators were studied to compile the rating, which allow tracking the following four key factors: demand, supply, digital economy structures and innovation. All countries are divided into four groups by digitization: leading countries (the group includes 13 countries), promising (32 countries), countries with slow digitization (19 countries) and problematic (26 countries).

The publication notes that the top three countries include Singapore, the United States and Hong Kong. After them are located: South Korea, Taiwan, Germany, Estonia, Israel, United Arab Emirates, Malaysia. These countries, together with the Czech Republic, Lithuania and Qatar, constituted a group of "leaders" in the evolution of the digital economy. Of the Shanghai Ten, six countries entered the group of "promising" (China) or "slowing down" (Great Britain, Finland, Japan, the Netherlands, Australia) countries in terms of the evolution of the digital economy. For example, in addition to China, various countries such as Latvia, Poland, Chile and Saudi Arabia have been classified as "promising".



In addition to those listed in the group of “slowing” countries, there are also Denmark, Norway, Sweden, Switzerland and many other EU countries. The group of “problem” countries includes countries in Africa, Asia, Latin America and Southern Europe, including Italy, Hungary, Croatia, Greece.

Interestingly, according to the 2017 Digital Evolution Index, the top three were Norway, Sweden and Switzerland, which at the time were the leading “digital” countries. On the other hand, the top ten consists of “USA, UK, Denmark, Finland, Singapore, South Korea and Hong Kong” [3]. As we have seen, half of the top ten countries have changed in two years, including the three leading countries in the digital economy.

RESULTS AND DISCUSSIONS

Unfortunately, Uzbekistan was not among the countries in the rating. Consider the possibilities and directions for the development of the digital economy in our country.

First of all, it should be emphasized that in almost all countries that occupy leading positions in the field of digital technologies, the state is the main initiator of innovations in the field of digitalization. With the active participation of states, the successful development of technological proposals is being carried out, as well as the commercialization of the results of these proposals. The governments of many countries are the initiators of the creation and creators of leading and large corporations, as a result of which the "digital embodiment" of the modern economy is being formed.

Promoting the digitalization of all aspects of society, the adoption of national strategies and programs to create a digital economy have borne fruit in the countries included in the first and third groups of the rating.

To accelerate the pace of digitalization in our country, it is necessary to ensure the expansion of the supply of factors for the development of the digital economy: it will be necessary to simplify access to broadband Internet, increase the importance of creating roads used to deliver goods purchased in online stores, and other similar aspects.

The next question is whether there is demand from consumers to participate in the digital economy, or in other words, whether consumers are ready and able to participate in it. This is because they have the tools and skills they need to connect to the digital economy.

An important place is occupied by the laws of the country and the actions of the government that contribute to the development of digital technologies, as well as the financial investments of state



bodies in digitalization. The measures taken by the government should contribute to the development of the issue of the use and storage of data. These institutions have been created in our republic and actively influence the digitalization of the economy. One of the important steps in this direction was the adoption of the Decree of the President of the Republic of Uzbekistan dated July 3, 2018 No. PP-3832 “On measures to develop the digital economy in the Republic of Uzbekistan”.

The resolution defines the main directions and procedures that make it possible to create conditions for the widespread use of information technologies in the current and future activities of society in general and sectors of the economy in particular to solve existing traditional and newly emerging problems. In accordance with paragraph b) of paragraph 3 of this resolution, from January 1, 2021, blockchain technologies have been introduced into the activities of state bodies in public procurement, the provision of public services, the verification and verification of personal data, as well as in joint work with other state bodies and other organizations [4].

Decree of the President of the Republic of Uzbekistan dated July 24, 2021 No. UP-6268 established that “Technological park of software products and information technologies (hereinafter referred to as Technopark) is being created on the principle of extraterritoriality within the territory of the Republic of Uzbekistan with the placement of technopark residents throughout the republic in order to create the most favorable conditions for the development of the production of information technology products" [5]. It is expected that this will be a decisive factor in attracting foreign participants.

Such a statement of tasks involves the widespread use of foreign experience to solve problems of this kind when creating the technical conditions for the transition to digital technologies, as well as the infrastructure of the digital economy. In other words, finished products produced in countries with developed infrastructure will be introduced to accelerate the digitalization of our economy. In our opinion, such a direct implementation raises many questions, clear answers to which will help facilitate the process of making optimal management decisions.

From the point of view of the compilers of the ratings, the next factor in the development of the digital economy is innovation. Here we are talking about the study of the state and development of the main components of the so-called innovation ecosystem. For example, transparency and openness to talented professionals and attracting capital; cooperation between universities and business; the ability to release new digital products and services to consumers on a large scale and



other similar processes currently taking place should become important factors in the development of the digital economy.

CONCLUSION

In Uzbekistan, based on the current state of digitalization and the pace of its development, there is every chance to include the country in the Digital Evolution Scorecard and take a worthy place in it. This will require a comprehensive solution of the following tasks.

1. Development and provision of proposals for the development of the digital environment and the existing infrastructure necessary to regulate the digital ecosystem - components of the development of the digital economy. Solving priority tasks, which are to provide access to broadband Internet, improve the quality of ways to deliver goods from online stores and other factors.

2. Research of consumer demand for taking advantage of the digital economy. In other words, to clarify whether they want to participate in the digital economy or not, whether they have the tools and skills necessary to connect to the digital economy.

3. Providing institutions that contribute to the development of digitalization. This situation concerns the adoption of relevant laws and government regulations that promote the development of digital technologies, as well as investments in digitalization. Adopt a government regulation to encourage the use and storage of data.

4. Creating conditions for the development of key components of the innovation ecosystem, including ensuring transparency and openness in attracting talented specialists and capital, stimulating innovation processes, including expanding cooperation between science and business, simplifying consumer access to new digital products and services.

We hope that the implementation of these measures will serve to increase the level of digitalization and the development of the digital economy in the Republic of Uzbekistan.

REFERENCES

1. <https://www.vesti.ru/finance/article/1271238>
2. https://www.business-standard.com/article/current-affairs/digital-evolution-scorecard-2020-india-ranks-4th-in-break-out-economies-121011100333_1.html
3. What is Digital Economy? <https://www2.deloitte.com/mt/en/pages/technology/articles/mt-what-is-digital-economy.html>



4. Decree of the President of the Republic of Uzbekistan dated July 3, 2018 No. PP-3832 “On measures to develop the digital economy in the Republic of Uzbekistan”. <https://lex.uz/docs/3806048?ONDATE=04.07.2018>

5. Decree of the President of the Republic of Uzbekistan dated August 31, 2022 No. UP-214 “On the introduction of amendments, as well as the invalidation of certain acts of the President of the Republic of Uzbekistan”. <https://lex.uz/uz/docs/6179341>