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DIGITAL ECONOMY: EXPERIENCE OF FOREIGN COUNTRIES AND FEATURES OF DEVELOPMENT IN UZBEKISTAN

Abstract: The article discusses the theoretical and practical foundations of the digital economy and presents the experience of the development of the digital economy in foreign countries. In the article shown the features of the economy of Uzbekistan for the formation and use of the digital economy and given the characteristics of the Digital Uzbekistan - 2030 program and the expected results of their implementation.

Key words: economics, efficiency, digital economy, development, Uzbekistan, technologies. *Language*: English

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Introduction

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The digitalization trend of various public areas on a global scale is obvious. This process serves as the basis for a new round of "technological" race, the prize of which is geopolitical and geo-economic leadership. At the same time, this is a chance for both developed and developing countries to improve their internal socio-economic situation.

In this regard, many countries have begun to consciously stimulate and regulate the development of digital technologies in order to obtain effects that are more positive and offset the negative effects of digital transformation.

Currently, many foreign countries have approved programs for the development of the digital

economy, including countries such as Germany, China, Japan, Brazil, the USA, Great Britain, Russia, etc. In addition, the number of such countries is growing. Each of the adopted programs (or strategies) has its own specifics. But all of them are aimed at solving national problems and rely primarily on national innovation systems.

Main part

The current level of development of the global economy indicates that the digital economy is a rapidly developing sphere of life that will completely reformat the usual economic ties and existing business models.

In international practice, the definition of a digital economy has not yet developed. In most foreign sources, the description of the digital economy



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focuses on technologies and related changes in the methods of interaction between economic agents [1]. In this case, either specific types of technologies or one or another form of change in economic processes may be mentioned. Often, the definition of a digital economy is replaced by a list of directions of its influence on the economy and the social sphere

In the report of the Moscow Higher School of Economics "What is a digital economy?", it is proposed to give the following concept of the digital economy, which we consider more applicable to this definition:

Digital economy it is activities to create disseminate and use digital technologies and related products and services.

Digital technologies it is technologies for the collection, storage, processing, search, transmission and presentation of data in electronic form [2].

The American scientist Nicholas Negroponte first introduced the term "digital economy".

USA is one of the pioneers in the development of Information and Communication Technologies.

In the United States are situated such "giants" of the ICT industry as Intel, Microsoft, Apple, Oracle, etc.

By the way, there are some problems of digitalization of USA and the main problem are related to systemic imbalances, the federal budget deficit and the reluctance to increase the tax burden on business and the public.

Therefore, state innovation programs on the scale of financing are insignificant. In addition, competition is intensifying with China in the field of ICT.

China has relatively recently lagged far behind in the development of ICT. The change in this situation began with the launch of two basic state projects - "Plan 863" (1986) and "Torch" (1998) [3].

The first project focused on the long-term catchup development of high technology in seven key areas, including ICT.

Particular attention was paid to the training of qualified personnel, including the study abroad of the best students and the attraction of foreign specialists.

The second project has become a set of legislative documents and initiatives aimed at the rapid formation of a new high-tech industry.

In China the best global achievements in the field of ICT were actively copied, almost any means were used to get as many foreign advanced technologies as possible.

One cannot but recognize the stunning successes of China in ICT construction, which was started from scratch, achieved in such a short time.

Currently, the share of the main sectors of the digital economy in China reaches 6–7% of GDP.

China today is the only state capable of building a national Internet. In the country, there are companies - analogues of American giants [4]. Tencent - the largest telecommunications company; search engine Baidu; Xiaomi Tech - a manufacturer of mobile devices with its Android operating system, completely independent of Google; Weibo (similar to Twitter); QQ and WeChat instant messengers; giant Alibaba online store with its Aliplay payment system, as well as Huawei Technology, ZTE, NetEase, TP-Link, etc.

Recognized world "giants" are gradually being squeezed out of the country. There is its own Silicon Valley - free economic zone Shenzhen is a former small fishing village near industrial Hong Kong, which has turned into one of the most brilliant science cities.

Moreover, the ownership of the Chinese giants of the info industry is different: Huawei is private, and ZTE is a state-owned company. But regardless of this, they quickly respond to government "recommendations" [4].

National experts note the backwardness of legislation, which does not have time to change in accordance with the pace of development of the digital economy.

The country is committed to ICT independence, as information security is taken very seriously. China is working to create an industry that is immune to unauthorized access. Currently, access to a number of foreign sites from the PRC is limited under the Golden Shield project (the so-called Great Chinese Firewall).

According to the OECD, the UK is one of the most innovative and entrepreneurial societies in the world (the presence of world-class higher education institutions, developed venture capital markets, a favorable regulatory framework, etc.), the spread of new technologies has become regarded as the preferred direction of development [5].

The main direction of the country's development has become the digitalization of the service sector. Ecommerce in the UK is better developed than in any other country in the world.

The level of digitalization of the financial sector is also significant. Social networks are very popular in the country. The British were the first to use smartphones and mobile Internet, spend the most time online and use phones to broadcast music. Digitalization is also developing in other areas, including education (RefMe, eSchools) and healthcare (Network Locum) [6].

National experts believe that the introduction of Building Information Modeling (BIM) technology is changing the construction industry.

The UK hopes to make fully computerized construction the norm, and the country - the world leader in this sector, to achieve global recognition of British designers, contractors and product manufacturers. It is expected that this will lead to an increase in the volume of work and the creation of new jobs, and will open up new opportunities.



To date, the UK implements a strategy for the development of digital technology (Digital Strategy) [6].

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The document includes seven areas in which the country intends to develop a "leading digital economy" in the world, including [7]:

world-class digital infrastructure;

- giving everyone access to the necessary digital skills;

- creating the best conditions in the world for launching and developing a digital business;

- helping every British business get digital;

- creating the world's safest place to live and work online;

- maintaining the role of a world leader in serving its citizens on the Internet;

- expanding the possibilities of using data in the economy and increasing public confidence in their use

The strategy, in particular, involves the creation of five international technology centers designed to support the global advantage of British companies. Citizens who lack digital skills, the British government intends to provide free education.

Moreover, private sector organizations such as Google, Lloyds Banking Group, Barclays will participate in the education of adults and children.

The UK government has announced that it intends to invest 17.3 million pounds to universitybased research in robotics and artificial intelligence (AI). Using AI could bring the British economy an additional 654 billion pounds by 2035.

With regard to Uzbekistan, the government of Uzbekistan included in the strategic development plan of the state a digital economy program, the purpose of which is to create a full-fledged digital environment and digital field in the republic.

The government of Uzbekistan believes that the "digitalization" of the economy will allow the country to resolve the issue of global competitiveness and national security as soon as possible [8].

The share of the digital economy in GDP in Uzbekistan is 2.2%. At the same time, the average optimal indicator is considered to be 7-8%, for example, in the UK it is 12.4%, South Korea - 8%, China - 6.9%, India - 5.6%, while at the same time in Russia - 2, 8%, Kazakhstan - 3.9%. In accordance with the draft, Concept of development of the "Electronic Government" system of the Republic of Uzbekistan, by 2025 is planned to increase the share of ICT services in GDP to 5.0%, and by 2030 - to 10% [9].

Uzbekistan implements the Digital Uzbekistan-2030 Strategy for the Development of the National Digital Economy, in which the main tasks are formed to accelerate the development of the digital economy and the widespread adoption of digital technologies in the spheres of the country's population.

The development of the digital economy is directly related to the level of development of information and communication technologies (ICT), which is usually estimated by the following indicators:

share of the digital economy in GDP;

size of investment in the ICT industry; _

- Internet speed, degree of coverage of the country's territory and accessibility for use by the population;

e-commerce development;

– provision of organizations with ICT specialists.

Investments in the ICT industry are very important for developing the country's economic potential, which stimulate innovative development. lead to higher labor productivity, lower costs and the emergence of new types of economic activity, and, equally importantly, improve the quality of life of the population.

However, the dynamics of attracting investment in this area leaves much to be desired, although certain improvements are observed.

In the first half of 2019, investments in the field of "information and communication" doubled compared to the same period in 2018. However, this indicator in 2018 decreased by almost 2 times, compared with 2017 - from 1.9 to 0.9 trillion UZS.

The indicator of the share of investments in "information and communication" in the total volume of investments in 2018 also decreased by more than 3 times, compared with 2017, and in the first half of 2019, and almost did not change compared to the same period of 2018 and amounted to 1.3%.

In the period 2017-2019 in Uzbekistan, on average, about 200 million US dollars were invested annually in the development of ICT.

For comparison: in 2018, 1.3 trillion dollars were invested in the development of ICTs in the United States, in China - 499 million dollars, in Belarus only foreign direct investment in ICT amounted to \$ 1.5 billion dollars. According to the calculations of the experts of the analytical company IDC, ICT expenses worldwide will grow by 3.8% annually and 4.8 trillion reached by 2023 dollars [9].

The importance of government policy is given to the development of electronic commerce.

Currently, in order to stimulate business entities in the field of electronic commerce, the National Register of Electronic Commerce Entities created.

On a voluntary and free basis, the National Register includes legal entities and individual entrepreneurs whose income from the sale of goods and services through electronic commerce is at least 80% of the total volume of goods and services sold by them. Moreover, they must pay a single tax payment at a rate of 2%.

The main universal electronic trading platform in Uzbekistan is the Trade Uzbekistan trading platform



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(tradeuzbekistan.com website), created by the Ministry of Investment and Foreign Trade. Other electronic trading platforms have also been launched, for example, uzbtextile.com for manufacturers of textiles in the B2B format, universal.uz for small and medium-sized businesses, etc.

The number of e-commerce transactions in the second quarter of 2019 amounted to 75.39 million, and the amount of transactions is 3.515 trillion UZS. In the first quarter, these figures were 73.8 million and 2.516 trillion UZS [10].

Much attention in Uzbekistan is paid to the use of ICTs in the field of improving the activities of public authorities, deepening their direct communication with the population, and the work of e-government.

In order to create conditions for citizens to receive public services in electronic format, including online, in 2017, a new version of the Unified portal for

In order to train highly qualified specialists in the field of information technology, the project "1 million programmers" was launched together with our foreign partners.

Considering that last year the work on connecting all cities and regional centers to highspeed Internet networks was completed, we should provide all villages and mahallas with this opportunity in the next 2 years.

Today, more than 7 thousand healthcare institutions, preschool and school education have high-speed Internet access, and in 2 years their number will increase by another 12 thousand.

Conclusion/Recommendations

The experience of foreign countries shows that the digital economy is developing simultaneously in a wide range of areas and cannot be built by a limited circle of companies, even if they are endowed with special powers and resources. Therefore, the main role in the digital economy should be played by private business with a strong entrepreneurial and innovative approach, and the state should create the infrastructure and conditions for private initiative.

The state can stimulate the digitalization of economic processes by the following actions:

 act as the organizer of common technological platforms that unite different organizations, or as a regulator that directively sets requirements for the use of certain technological solutions, since without the synchronization of the implementation of standard interactive public services was launched (the Unified portal, my.gov.uz). Which is a single electronic platform for access for citizens and entrepreneurs to receive public services and the necessary information on them (currently in 18 directions: housing and communal services, real estate, transport, etc.).

In accordance with the draft Concept for the development of the system "E-government in 2019-2025." it is envisaged, in particular, to increase the share of public services provided in electronic format from the current 37% to 80% and to improve the position in the rating of the "Electronic Government Development Index" from 81st to 50th place by 2025 [10].

Currently, an "IT-park" with modern infrastructure is being created in Tashkent. We already see the first results of his work. Such "ITparks" will also be organized in Nukus, Bukhara, Namangan, Samarkand, Gulistan and Urgench. technological solutions in entire segments of the economy, their wide distribution is impossible;

– constantly improve the existing regulatory framework governing the development of the digital economy, and do so in a mode of dialogue and taking into account the opinions of users, developers and service providers who, in practice, will encounter new types of objects and subjects of information legal relations that require legal registration;

- Become a participant in the overall process of digitalization of relations, including by developing the "Electronic Government" system and the list of public services provided in electronic format;

 stimulate the introduction of information systems, electronic services in organizations and introduce tax incentives for the development of digital technologies, as well as cross-border online trading;

 to train in necessary quantities the staff of both IT specialists and programmers themselves, as well as qualified users who are able to use constantly updated digital technologies.

At the same time, the main thing is that the development of ICT in the country, including affordable high-speed Internet, should keep pace with the business interest in introducing digital technologies into various production processes to increase labor productivity, reduce costs, and increase production and profit.

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