



**DIGITAL ECONOMY IN DEVELOPING COUNTRIES: INCLUDING:
MODERNIZATION AND RENEWAL OF DIGITAL INFRASTRUCTURE**

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ABSTRACT

Digitization of all sectors of the economy at the same time is not easy, but digitization is of course very important for development. Including: Modernization and renewal of digital infrastructure based on modern requirements. Organization of “digital manufacturing” using technology to ensure product quality and increasing competitiveness and improving efficiency in industries. Creation and support of effective small and medium enterprises in Uzbekistan the field of digital technologies and platforms and digital services.

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Countries of the world with developed digital economy: The "digital" countries today are Norway, Sweden and Switzerland. The 10 countries with the most developed digital economy include the United States, Great Britain, Denmark, Finland, Singapore, South Korea and Hong Kong. Creating data centers that provide easy, sustainable, secure and cost-effective data storage and processing services for the state, enterprises and citizens. Introduction of digital information platforms to meet government, business needs and citizens. Full transition to cashless (electronic) payments, remote access, and more Electronic forms of banking and financial activity. Figure 1. The contribution of the digital economy to GDP According to the data presented in Figure 1, the share of the digital economy in the Republic of Uzbekistan is 2.2%, as well as in Kazakhstan (3.9%), Russia (2.8%), India (5.6%), South Korea (8%), UK (12.4%), and China (6.9%). The "digital" economy is at the forefront of efficiency gains, and this is very important: how much the more customers the company has, the more "efficient" it is to attract new customers, involve others in the production process, and offer good service at the same price.

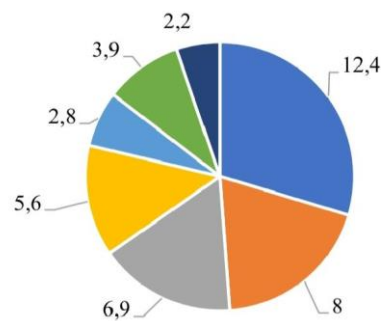


Figure 1. The contribution of the digital economy to GDP.

(Source: “The impact of the digital economy on economic growth”)

The advantages of the "digital" economy are many, the most important of which will be that it helps prevent the underground economy and eliminate corruption.

Remember that the analysis process may vary depending on the availability and nature of the data. It's important to use appropriate statistical techniques, exercise caution in interpreting the results, and consider the limitations and assumptions of the analysis.

The data analysis process will involve examining different sets of data related to e-government initiatives in Uzbekistan and their impact on the country's economic growth and development.

List of public services

Name of public service	Public service provision regulations	Use of the service
Provision of statistical data (excluding data that cannot be submitted)	Administrative regulation of the provision of state services on the provision of statistical information Approved by Resolution № 672 of the Cabinet of Ministers of the Republic of Uzbekistan dated November 24, 2022	My.gov.uz
Providing information on the unified state register of enterprises and organizations	Administrative regulation of provision of information provision service according to the unified state register of enterprises and organizations Approved by Resolution № 539 of the Cabinet of Ministers of the Republic of Uzbekistan dated September 28, 2022	My.gov.uz

Source(stat.uz)

The current state of e-government in Uzbekistan is undergoing significant development and expansion. The government has been actively implementing various initiatives to promote digital transformation and enhance public services through digital platforms. Here's an overview of the current state, impact on the digital economy, and factors affecting the effectiveness of e-government in Uzbekistan:

Current State of E-government:

- **Digital Transformation Strategy:** Uzbekistan has adopted a Digital Transformation Strategy aimed at improving the delivery of public services, promoting e-commerce, enhancing digital literacy, and modernizing the country's digital infrastructure.

- **E-government Portals:** The government has established several e-government portals, such as “Single Portal” and “My.gov.uz” which provide access to a wide range of online services for citizens, businesses, and government entities.

- **Service Offerings:** E-government services in Uzbekistan cover various areas, including online tax filing, business registration, property registration, social security services, healthcare appointments, and education-related services.

- **Mobile Applications:** The government has also developed mobile applications to facilitate access to e-government services, enabling citizens to interact with government agencies conveniently using smartphones.

2. Impact on the Digital Economy:

- **Enhanced Efficiency:** E-government initiatives in Uzbekistan aim to streamline administrative processes, reduce bureaucracy, and improve service delivery. By digitizing and automating various procedures, the digital economy is positively impacted as businesses and citizens can save time, effort, and resources in their interactions with the government.

- **E-commerce Growth:** E-government initiatives support the growth of e-commerce by providing online platforms for business registration, tax filing, and digital payment systems. This facilitates the development of a digital marketplace, encourages entrepreneurship, and stimulates economic activity.

- **Innovation and Startups:** The availability of e-government services and digital infrastructure fosters innovation and entrepreneurship in Uzbekistan's digital economy. It enables the emergence of startups focused on developing innovative solutions and services in areas such as fintech, e-commerce, and digital platforms.

Advantages of the digital economy

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.

Other advantages of the development of the digital economy can be as follows:

- increase labor productivity in production;
- increasing the competitiveness of companies;
- reduction of production costs;
- creation of new jobs;
- emergence of new modern professions;
- overcoming poverty and social inequality.

These are just a few benefits of the digital economy. The development of the digital economy has a positive impact on our daily life, provides many additional opportunities to the average user, and can also ensure the growth and development of the market.

The government of Uzbekistan recognizes the importance of addressing these factors to further enhance the effectiveness of e-government initiatives and leverage their impact on the digital economy and overall development of the country.

The Uzbekistan government has been implementing various e-government initiatives to digitize its services and improve public service delivery. These initiatives include the establishment of a unifies-government portal (www.my.gov.uz) where citizens can access government services online, as well as the introduction of electronic payment systems and digital signatures for legal documents.

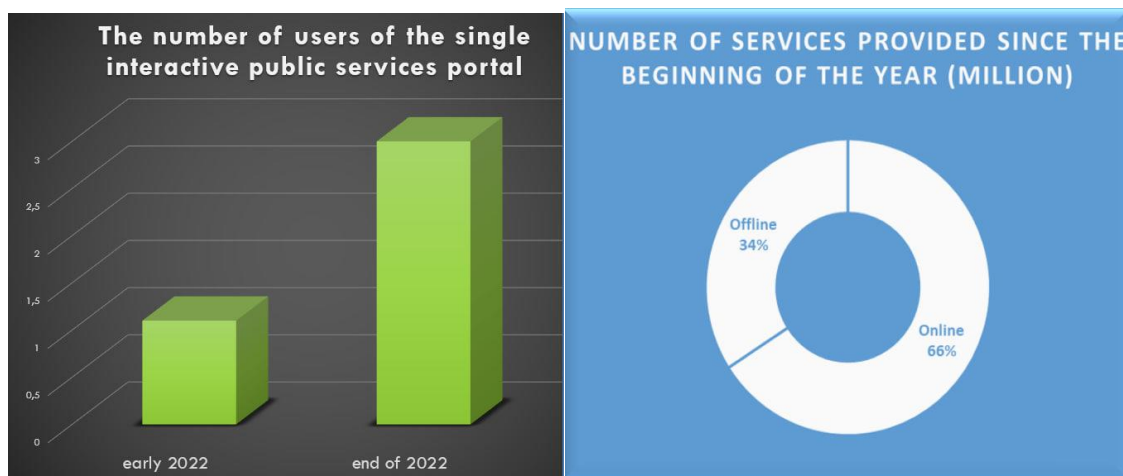


Figure 2. Source: stat.uz

The impact of these initiatives on the digital economy of Uzbekistan has been significant. By digitizing government services, Uzbekistan has made it easier for citizens and businesses to access important information and to conduct transactions online. This has helped to create a more efficient and transparent government system, which in turn has boosted investor confidence and contributed to the growth of the country's digital economy.

One significant factor affecting the effectiveness of e-government in Uzbekistan is the lack of widespread access to the internet and digital devices. While the government has been working to address this issue through infrastructure development and other initiatives, the digital divide remains a challenge in many rural areas.

Another factor is the need for continued investment in technology and digital skills among government employees and the workforce at large. To fully leverage the benefits of e-government, Uzbekistan will need to ensure that its citizens have the necessary skills and training to fully participate in the digital economy.

Finally, data security and privacy concerns remain an ongoing issue for e-government in Uzbekistan. As the number of online transactions and interactions increases, it will be vital to ensure that the necessary safeguards are in place to protect sensitive information from cyber threats and data breaches.

Digital economy is developing in Uzbekistan as well as in other countries of the world. After the application of information technologies in our daily life, many opportunities are created for ordinary people. Nowadays, we can order many food products and meals without leaving home and have them delivered to our home.

But it should be noted that the digital economy in Uzbekistan is developing several times slower than the potential of Uzbekistan. That is, there is an opportunity, the necessary resources are available, but the development is rather slow. As a reason for this, a number of obstacles to the development of the digital economy in Uzbekistan can be pointed out.

- monopoly in many industries;
- low internet speed and poor quality;
- that legislation in the field of information technologies is behind the times;
- extremely low level of computer literacy among citizens;
- non-transparency of legislation;
- lack of information technology specialists or their departure to other countries;
- low information culture, information hygiene;

- information technology security is not good;
- few or (in some cases) lack of specialists who understand the field in governing bodies;
- slow development of science and especially specific sciences (or the development has stopped).

If the above-mentioned problems are solved gradually, systematically, based on world experience, Uzbekistan can easily become one of the countries with a developed digital economy.

The digital economy is an economic activity in which the main factor in production and service is information in the form of numbers, with the help of processing large amounts of information and analyzing the results of this processing. is to implement more effective solutions than the previous system in production, service, technologies, 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.

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