

New Uzbekistan – Toward a Digital Economy

Jakhongir PULATOV

Associate Professor at the Navoi Regional Center for Pedagogical Skills, Doctor of Philosophy in
Philosophy (PhD)

Abstract: The article discusses the economic reforms being implemented in New Uzbekistan, the practical significance of digital technologies, the achievements being attained, and offers recommendations on the introduction of IT parks, software as a service (SaaS), platform, and infrastructure technologies.

Keywords: digital economy, e-government, cloud technology, e-commerce, electronic payments.

Introduction

Transitioning to a digital economy plays a decisive role in increasing economic efficiency, eliminating paperwork and bureaucracy, reducing the impact of subjective factors in production relations, and ensuring transparency. For this reason, comprehensive measures are being implemented in our country to actively develop the digital economy and to widely introduce modern information and communication technologies across all sectors and fields—especially in public administration, education, healthcare, and agriculture.

As a result, *“more than 220 priority projects aimed at improving the e-government system, further developing the domestic market of software products and information technologies, establishing IT parks in all regions of the country, and providing the sector with qualified personnel”* [Mirziyoyev Sh., 2024, p. 318] are being realized. This indicates that the development of digital technologies is being treated as a matter of national policy in the country.

The digital economy is an economic model that operates based on digital technologies, artificial intelligence, data analytics, automation, and internet services.

Literature review

A number of research studies have been conducted on the significance of the digital economy in societal development. In particular, scholars such as I.Ye. Zhukovskaya [Zhukovskaya I.Ye., 2021, p. 422], L.I. Sergeev [Sergeev L.I., 2020, p. 332], K.Kh. Abdurakhmonov [Abdurakhmonov K.Kh., 2023, p. 356], S.S. Gulyamov, R.Kh. Ayupov, O.M. Abdullayev, and G.R. Baltabayeva [Gulyamov S.S., Ayupov R.Kh., Abdullayev O.M., Baltabayeva G.R., 2019, p. 447], S.S. Gulyamov and R.Kh. Ayupov [Gulyamov S.S., Ayupov R.Kh., 2020, p. 512], as well as B.A. Begalov and M.Q. Abdullayev [Begalov B.A., Abdullayev M.Q., 2020, p. 139] have provided scientific and theoretical justification for the advantages of the digital economy and its importance as a key instrument for progress.

The concept of the digital economy cannot be imagined without modern information and communication technologies and the global Internet network. The terms “digital economy,” ICT, and Internet are inherently interconnected. The Internet, as it exists today, first emerged in 1995. Since that time, a “virtual world” has emerged, filled with a wide range of services provided via the Internet—file transfers, remote access, email, search engines, forums, social networks, and more.

Today, the Internet represents a vast sphere encompassing entertainment, education, commerce, finance, and politics. The term “digital economy” is associated with Canadian economist Don Tapscott and American information technology specialist Nicholas Negroponte. Nicholas Negroponte used the term “digital economy” in his 1995 book *Being Digital*, in which he proposed a convergence model based on three intersecting media networks (mass media, communication tools, and computers). This convergence gave rise to a new (digital) media form.

In 1995, Canadian economist Don Tapscott published his book *The Digital Economy* [Don Tapscott Publisher, 1994, p. 368]. In it, he presented the results of his analysis of evolutionary trends in societies of developed countries. Today, digital technologies are becoming an integral part of social life. Under the influence of information and communication technologies, people’s lifestyles have begun to change, communication between users has transformed, and it has become possible to establish contact between individuals in various geographic regions and fields of activity. This rapid growth in informational connectivity is the foundation of the digital economy.

The impact of digital technologies is felt both globally and locally. The digital economy, as a combination of new forms of production, represents a rapidly growing segment of the global economy.

Research Methodology

The growth of the digital economy is linked to the development of digital and mobile technologies alongside the expansion of various markets. At the current stage of technological advancement and under present market conditions, the digital economy should not be viewed as a goal in itself, but rather as a tool for enhancing the efficiency of economic activity. The modern digital economy proposes new business models and emphasizes the need to transform governance mechanisms to reflect a rapidly changing reality.

As a result of reforms implemented in New Uzbekistan, the national economy has undergone a profound transformation. In particular, it has become more open, dynamic, and innovation-driven. However, it must be acknowledged that in the context of global economic integration and technological advancement, it is difficult to envision the continued economic development of Uzbekistan without the advancement of the digital economy.

As a practical solution, special attention is being paid to the development of telecommunication infrastructure and the training of specialists in this field. Legal frameworks have been established for this purpose. Notably:

- The Presidential Decree No. PQ-3832 dated July 3, 2018, “*On Measures for the Development of the Digital Economy in the Republic of Uzbekistan*”;
- The Presidential Resolution No. PQ-4022 dated November 21, 2018, “*On Measures for Further Modernization of Digital Infrastructure for the Purpose of Developing the Digital Economy*” – have created the opportunity to widely implement digital economy practices across all sectors of the country.

In recent years, qualitative shifts have been observed in the development of information and communication technologies (ICT), associated with the following factors:

- ✓ First, the scope of application of digital technologies is continuously expanding;
- ✓ Second, the costs associated with introducing and using relevant tools are steadily decreasing;
- ✓ Third, the degree of digitization of economic activities is consistently increasing (including due to the influence of the first two factors);
- ✓ Fourth, the availability and distribution of digital devices (computers, phones, smart devices and appliances connected to the Internet) are continuously growing.

Analysis and Results

In recent years, the coverage rate of internet connectivity across regions, sectors, and residential areas in Uzbekistan has reached 95 percent through the construction of 20,000 kilometers of fiber-optic communication lines and the expansion of mobile communication networks. Particularly within the framework of socio-economic development of the regions, more than 400 information systems, electronic services, and other software products are being introduced. To date, over 280 information systems and software solutions have been implemented in enterprises operating in the real sector of the economy to automate management, production, and logistics processes.

The digitalization of the economy primarily aims to accelerate the development of production sectors, the social sphere, and the public administration system, including the improvement of mechanisms for delivering electronic government services. In this regard, *“the strategic goals set for the development of the digital economy and e-government in Uzbekistan are aligned with the United Nations Sustainable Development Goals and the priority tasks outlined in the E-Government Development Index”* [Mirziyoyev Sh., 2024, p. 320]. These reforms contribute to the broader implementation of digital technologies in the country.

To support the formation of a digital economy in Uzbekistan, the *“Digital Economy – 2030”* strategy has been developed. It envisions ensuring access to optical and mobile broadband services in all residential areas and social facilities, covering highways, railways, and tourist sites with mobile networks, improving and optimizing the processes of Internet access, and expanding broadband wireless and mobile technologies to meet the growing informational needs of citizens, regardless of their geographical location.

Therefore, it is necessary to further expand high-demand electronic government services in the country, enhance their quality, and gradually transition all such services to a fully digital format. In this regard, there is a recognized need to introduce a national integrated information system to support the development of electronic services in the healthcare sector.

In the field of education, effective use of modern information and communication technologies can allow for the automation of educational management and comprehensive analysis of this process. By more deeply integrating these innovations into labor activities and social welfare systems, significant improvements can also be achieved in the provision of housing and communal services.

Conclusion and Recommendations

The phrase *“New Uzbekistan – Toward a Digital Economy”* can be interpreted as a powerful political and social slogan that reflects the modern development trajectory and strategic goals of the Republic of Uzbekistan. Through this phrase, the state envisions a new stage of development based on digital transformation. As a result of transitioning to a digital economy in our country:

- A shift will occur from a traditional economic model to an efficient, agile, and globally integrated digital economic system;
- Mechanisms will be created to provide convenient and rapid services to the population, prevent corruption, automate taxation, and ensure transparency;
- Professions such as IT, programming, cybersecurity, and data science will become more widespread, fostering youth skills in information handling and data analysis;
- Through the development of digital infrastructure, the business environment in Uzbekistan will be simplified, and a transparent entrepreneurial climate – independent of human factors – will be established.

As a result, this will help improve the investment climate across the country, increase the efficiency of investments in the field of information technologies, and enhance the public’s ability to utilize economic and e-government tools.

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