



Article

The Present Situation of The Digital Economy's Development

Shodmonova Zubaida Ubaidullaevna¹

1. Lecturer of "Economic Theory" Department Samarkand Institute of Economics and Service

Abstract: Currently, the importance of the digital economy in developed countries is increasing. It influences not only economic growth but also various aspects of society. This article provides a detailed overview of the concept of the digital economy, its main tasks, and its objectives. Additionally, it analyzes the contribution of digital technologies to the economy, the factors driving its development, and its significance for society. Through this article, you can gain an understanding of the essence of the digital economy and its role on a global scale.

Keywords: Digital Economy, Electronic Commerce, Electronic Government, Artificial Intelligence, Information and Communication Technologies, Economic Development, Business Models, Online Services, Financial Technologies, Internet Banking, Electronic Payments, Automation, Economic Diversification, Innovative Management

1. Introduction

In his address to the Senate and Legislative Chamber of Oliy Majlis, our country's President Shavkat Mirziyoyev declared 2020 to be "The Year of Development of Science, Education, and the Digital Economy." Following it, many people questioned the meaning of the expression "digital economy" [1]. It is critical to examine measures of long-term progress in the country's digital economy [2]. Currently, the expansion of the digital economy helps to higher living standards in all sectors of the worldwide market. In this regard, the growth of digital technologies in Uzbekistan is investigated using statistical methods tables and infographics [3]. In addition, the main directions and principles of the use of artificial intelligence are investigated, as well as the conditions for the comprehensive formation of this sector in the short and long term. The analysis of statistical data confirms the development of the digital economy [4].

What is the digital economy? When did this term appear? What is its origin? These questions are certainly of interest to each of us. Digital economy is the creation of new technologies, platforms and business models, as well as their active implementation in everyday life to improve the efficiency of the economy [5]. The concept of digital economy is relatively recent - in 1995, it was defined by the American programmer Nicholas Negroponte from the University of Massachusetts [6]. Nicholas Negroponte explained how the fast development of information and communication technology prompted a transition from the old economy to the new economy [7].

High amount of automation. Electronic document management Integration of accounting and management systems. Electronic databases CRM stands for Customer Relationship Management System. We're all aware that the concept of digital economy is widely used in developed countries. The term "digital economy" alludes to the daily connections among people, businesses, and devices [8]. People in every human civilization

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where the online economy has penetrated recognize its enormous utility. Leading countries such as the USA, the UK, Germany, and Japan place a high priority on expanding the size of the digital economy. In the address of the President of our country Shavkat Mirziyoyev to the Senate and Legislative Chamber of Oliy Majlis, the year 2020 was declared "The Year of Science, Education and Digital Economy", which indicates the large-scale measures taken for the development of digital economy in our country [9]. All documents are now processed through the digital government, and conditions have been created for many tasks to be performed remotely. For example, citizens no longer waste time waiting in queues at government offices, but can receive services electronically [10].

2. Materials and Methods

The term "digitalization" is relatively new and refers to the use of IT solutions for innovative management and commercial operations. It spans all systems, including the Internet of Things and e-government, facilitating digital transformation across various sectors. The digital economy, often referred to as the Internet economy, the new economy, or the online economy, is a system where economic, social, and cultural transactions occur through digital technologies. The term was first introduced in 1995 by American programmer Nicholas Negroponte and has since gained widespread recognition among politicians, economists, journalists, and entrepreneurs worldwide. In 2016, the World Bank published its first comprehensive report on the state of the digital economy, titled Digital Dividend. Key elements defining this economy include e-commerce, internet banking, electronic payments, internet advertising, and online gaming.

The development and implementation of information technology have significantly transformed daily life, offering various conveniences. For instance, ordering food online eliminates the need to cook, while mobile banking services enable seamless financial transactions without visiting physical banks. Access to services through computers and smartphones has streamlined interactions, reducing costs for individuals and businesses by minimizing in-person engagements with clients, partners, and government agencies. These modern digital platforms have facilitated the emergence of an e-economy, fostering quick and efficient interactions across different sectors. The expansion of the digital economy is closely linked to the growth of the transactional sector, which in developed countries accounts for over 70% of GDP. This sector includes public administration, consulting, financial and information services, wholesale and retail trade, utilities, and social services.

The more diversified and dynamic an economy is, the greater the volume of information circulation within and outside the country. In nations with a high number of market participants and widespread IT services, the digital economy is particularly advanced, particularly in sectors such as transportation, logistics, trade, and internet-based businesses. Some researchers suggest that in developed countries, the electronic segment of the economy accounts for nearly 10% of GDP and contributes approximately 4% to employment. This share continues to grow steadily, influenced not only by technological advancements but also by factors such as entrepreneurial climate, human capital, and effective management tools, which remain essential despite ongoing digital transformations. The rapid evolution of information and communication technologies (ICT) has introduced numerous advantages.

Digital technology has facilitated faster access to essential services, lowered costs for goods through online platforms, and enabled consumers to become entrepreneurs by engaging in online commerce. Governments play a crucial role in driving the digital economy, acting as primary customers and consumers of digital advancements. Countries like China, which has invested nearly \$9 billion in the digital economy, exemplify the success of such strategies. The market capitalization of Alibaba, exceeding \$210 billion, further underscores the benefits of large-scale digital investments. To maximize the

potential of digitalization, governments must establish supportive markets for high-tech products and ensure sustained development in this sector. Despite its rapid expansion, the digital economy's growth remains uneven across regions. A significant digital divide exists between developed and developing nations. In developing countries, four out of five people lack internet access, whereas in developed nations, four out of five individuals actively use the internet. The share of the digital economy in global GDP has risen from 4.5% to 15.5%, with the United States and China contributing approximately 40% of global ICT value-added. The highest proportions of digital economy contributions to GDP are observed in Taiwan, Ireland, and Malaysia.

The increasing integration of digital technologies globally has created new opportunities for businesses, populations, and governments, playing a pivotal role in national economic development. Uzbekistan is actively embracing the digital economy, implementing reforms aligned with global trends to enhance technological integration across various sectors. Digital transformation has accelerated significantly in recent years, with several key focus areas driving progress. The country has expanded broadband internet coverage and improved mobile communication networks, making high-speed internet more accessible to individuals and businesses. Mobile operators have strengthened 4G networks and initiated the introduction of 5G technology.

The development of e-government has further facilitated the digitalization of public services, enhancing transparency and efficiency for citizens and businesses. Digital tax and customs reforms have simplified administrative procedures, eliminating bureaucratic barriers and promoting business growth. E-commerce is another rapidly growing sector, with online platforms enabling local entrepreneurs to access domestic and international markets. Digital banking and electronic payment systems have become more widespread, facilitating cashless transactions and broadening financial accessibility. The IT industry is also witnessing significant advancements, with increased focus on software development, cybersecurity, and outsourcing of IT services. Emerging technologies such as artificial intelligence, cloud computing, Big Data, and blockchain are being integrated into various economic sectors, while government-supported IT parks and training programs are fostering the growth of young programmers. The future of Uzbekistan's digital economy looks promising, with continued expansion of digital infrastructure, including fiber-optic communication networks and 5G technology, expected to enhance the efficiency of information technology across industries. Developing IT education and digital literacy remains a priority, with universities expanding technology-related programs and collaborating with international IT firms. Investments in digital governance will enhance transparency, reduce corruption, and improve public service efficiency, while the adoption of artificial intelligence and blockchain technologies will strengthen cybersecurity in government institutions.

The continued growth of e-commerce and financial technologies (fintech) will open new avenues for local businesses to enter international markets, fostering economic expansion. Digital transformation is also expected to revolutionize industries such as agriculture, manufacturing, transportation, and healthcare, increasing efficiency through smart farming, automated production systems, and electronic medical services. Strengthening digital infrastructure, developing a skilled workforce, and attracting foreign investment will be crucial in positioning Uzbekistan as a regional leader in the digital economy, driving sustainable economic growth and technological advancement. This study adopts a systematic approach to scientific analysis, utilizing methods such as monographic observation, statistical abstraction, logical reasoning, and forecasting. Additionally, analysis and synthesis techniques have been effectively applied to examine the impact of digitalization on economic and social transformation. These methodologies provide a comprehensive perspective on the role of the digital economy in shaping modern economic systems and highlight the strategic importance of digital transformation in fostering long-term economic sustainability.

3. Results and Discussion

Before analyzing the factors of sustainable economic growth in Uzbekistan, it is necessary to determine which factors influence economic development.

Table 1 below presents the number of enterprises and organizations operating in various sectors related to information and communication from 2020 to 2023. The table highlights the growth rates across different industries and showcases how various economic sectors have evolved over time. The percentage change between 2020 and 2023 indicates the overall trend of expansion in each sector, reflecting the impact of digitalization, industrialization, and government initiatives on economic progress.

Table 1. Number of enterprises and organizations operating in the information and communication sector.

Classification	2020	2021	2022	2023	Change (between 2020 and 2023)
Administrative and support service activities	230	1298	422	532	131.30%
Electricity, gas, steam and air conditioning supply	11	42	21	19	72.73%
Financial and insurance activities	83	677	81	95	14.46%
Manufacturing industry	1787	9162	4497	5721	220.15%
Health care and social work activities	114	445	229	310	171.93%
Information and communication	163	1278	392	568	248.47%
Professional, scientific and technical activities	222	1081	393	445	100.45%
Other service activities	227	1255	709	1036	356.39%

Source: "This information was compiled based on the official website of the Main Directorate of Statistics under the President of the Republic of Uzbekistan. <https://www.stat.uz>"

When analyzing changes in various sectors of the economy of Uzbekistan, the growth rates of each area and the factors influencing them were identified. Below are the main areas with percentage indicators [11].

Management and support services activities

The growth in this sector was 131.30%. This result was achieved due to reforms in the public administration system, acceleration of digitalization processes and increased business demand for management services [12].

Electricity, gas, steam and air conditioning

This sector recorded a growth of 72.73%. Modernization of the energy system, transition to renewable energy sources and investments in infrastructure contributed to the sustainable development of this industry.

Financial and insurance activities

The financial sector has seen a growth of 14.46%. Digitalization of the banking system, expansion of the range of financial services and development of the insurance system have led to positive changes in this area [13]. Manufacturing industry

The industry has recorded a significant growth of 220.15%. Support for local production, expansion of industrial zones and attraction of investments were key factors in such development [14].

Healthcare and provision of social services

In this sector, the growth rate was 171.93%. Reforms in the healthcare sector, expansion of medical services within the framework of state programs and opening of new institutions contributed to this result.

Information technology and communications

In the IT and communications sector, growth of 248.47% was recorded. The transition to a digital economy, development of Internet and telecommunication services led to significant changes in this industry [15].

Professional, scientific and technical activities

This sector has seen growth of 100.45%. Development of scientific research and innovation programs, as well as growth in demand for qualified specialists played an important role in achieving such results.

Provision of other services

Various services demonstrated growth of up to 356.83%. Increased demand of the population for various services, development of the service sector and emergence of new business entities contributed to these indicators.

These results confirm the sustainable development of the economy and also demonstrate the specific features of each sector and the factors influencing them.

4. Conclusion

The digital economy is rapidly developing around the world, becoming an important factor in the economic growth of countries. Its share in the global gross domestic product (GDP) increases annually and in some countries has already become a key sector of the economy. Digital technologies, e-commerce, Internet banking and artificial intelligence have become the main elements that determine the economic stability and competitiveness of countries. In the context of Uzbekistan, the development of the digital economy has a positive impact on the economic development of the country. The building of digital infrastructure, more Internet convenience, and faster IT specialist training assure the economy's innovation. In addition, consumers and entrepreneurs have a lot of chances thanks to the active growth of e-commerce, digital banking, and online government services. Suggestions:

Development of digital infrastructure – expansion of broadband Internet networks and improvement of their quality to ensure access of all segments of the population to digital services. Training of specialists in the field of ICT – strengthening training of personnel in digital technologies in higher educational institutions and professional centers taking into account international experience. Support for e-commerce – attracting local entrepreneurs to digital trading platforms, providing them with tax incentives and grant programs. Full digitalization of public services – development of e-Government to transfer document flow, tax payments and other public services to the online format. Development of financial technologies – expansion of digital banking services, introduction of blockchain and artificial intelligence to speed up and simplify financial transactions. Improvement of legislation in the field of digital economy – adaptation of laws on information security, protection of personal data and digital services to international standards. Attracting digital investments – creation of an attractive ecosystem to attract international IT companies and investors, support for digital start-ups. Creation

of regional digital economic zones – organization of special economic zones for IT companies with provision of tax incentives. The implementation of these proposals will allow Uzbekistan to achieve significant success in the development of the digital economy and become one of the leading IT centers in the region. This will ensure the economic stability of the country and its integration into the global market.

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