



## THE ROLE OF FOREIGN EXPERIENCE AND INNOVATIONS IN THE DEVELOPMENT OF DIGITAL ECONOMY IN UZBEKISTAN

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**Annotation:** In this article, it is studied how digital economy is gaining a crucial position in global economy and how foreign experience and innovations impact the development of Uzbekistan's digital economy.

In today's world technologies are rapidly developing and have already reached such a peak that we cannot imagine our whole life without them. As it is being observed, technologies have been integrated in every field, including economy, which resulted in the emergence of “Digital Economy”, a contemporary model of economic development. What does digital economy really mean? The digital economy is a virtual environment that complements our reality. The digital economy is an economy based on new ways of producing, processing, storing, transmitting data, as well as digital computer technology. In the context of this economic model, existing business models are changing radically, and the importance of intermediaries at all levels is declining sharply. Moreover, the importance of an individual approach to product shaping is growing as we can now emulate everything. The global economy is undergoing a digital transformation as well, and it's happening at breakneck speed. The digital economy is the economic activity that results from billions of everyday online connections among people, businesses, devices, data, and processes. The backbone of the digital economy is hyper connectivity which means growing interconnection of people, organizations, and machines that results from

the Internet, mobile technology and the internet of things. This type of economy is taking shape and undermining conventional notions about how businesses are structured; how firms interact; and how consumers obtain services, information, and goods. According to Meshcheryakov Roman, the professor of the Russian Academy of Sciences, there are two approaches to the term “digital economy”. The first approach from the “classical economy”: the digital economy based on digital technologies, and at the same time it is more accurate to describe only the field of electronic goods and services. The second approach has been expanded: “digital economy” is economic production using digital technologies. Professor, Walter Brenner, of the University of St. Gallen in Switzerland states: “The aggressive use of data is transforming business models, facilitating new products and services, creating new processes, generating greater utility, and ushering in a new culture of management”.

Economic growth and technology are inextricably linked. Current economic conditions are fostering investment in technology as emerging markets ramp up their demand for technology to fuel growth, and advanced markets seek new ways to cut costs and drive innovation. This becomes a virtuous circle as

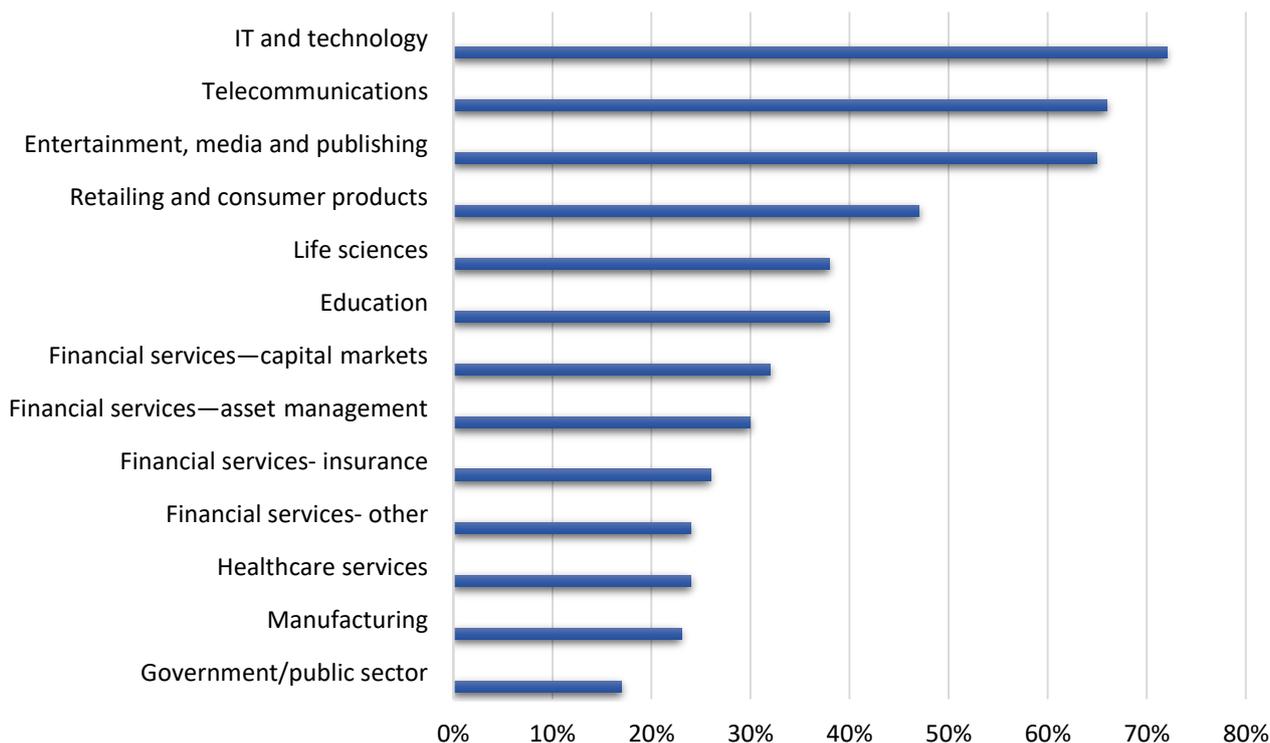
digital technologies drive consumer income and demand, education and training, and efficient use of capital and resources — leading to increased economic growth, particularly in emerging markets. The global digital economy comes of age. The internet has set in motion a third wave of capitalism that will transform many aspects of the global marketplace — from consumer behavior to new business models. Mobility, cloud computing, business intelligence and social media underpin this shift, which is taking place in both developed and developing economies. As a result of the maturing digital economy, companies across a range of industries have seen their business models upended as they contend with the twin forces of technology and globalization. Over the next five years, many sectors, including technology, telecommunications, entertainment, media, banking, retail and healthcare, will continue to be reshaped through the application of information technology. With economic power shifting to the East, cash-rich companies in the developing world are now investing heavily in technology — often outpacing their counterparts in developed markets. CEOs in advanced economies will need to deal with a new competitive challenge — aggressive technology-charged firms from emerging countries. Rapid economic growth, along with rising populations and income levels, are putting emerging markets at the center of corporate growth strategies. Customers in emerging markets — including the consumer, business and government sectors — offer huge opportunities for Western companies that can adapt to their needs. The ever-changing global marketplace, fueled by fast-growth economies and new technology, has accelerated the speed of most business activities, from product development to customer response. Real-time business intelligence and predictive analysis will be required not only for faster decision-making, but to cope with unexpected market risks and

opportunities. To operate on the global digital playing field, where new rivals are unencumbered by rigid policies and thinking, astute Western firms are moving away from hierarchical decision making and toward a network structure that is more market-like and organic. John Sviokla says, the business leader for PwC's strategy and innovation advisory group: "The internet is one of the most complex things ever created. It takes human organization to another level". As such, the digital economy is "triggering a third wave of capitalism that will transform business and government, and lead to extraordinary wealth creation" around the world.

While the digital economy has been operating for several decades — few companies today operate without an e-commerce platform — our survey identifies four key technologies that are now bringing it into adulthood: mobility, cloud computing, business intelligence and social media.

In your view, which of the following business sectors will be most transformed (for the better) by information technology over the next 5 years? (% stating "greatly transformed").

The virtuous circle is not just restructuring the world economy; it is leading to a new phase of industrial transformation. Indeed, to compete on the global stage, and reap the benefits of the digital marketplace, executives agree that industries will continue to see sweeping changes over the next five years, particularly in IT (72%); telecommunications (66%); entertainment, media and publishing (65%); retail (48%); banking (47%) and life sciences (38%). "There is wishful thinking that if we can just get through this, things will go back to normal" says Bruce Rogers, Chief Brand Officer of Forbes. "Those days aren't coming back. That is the nature of technology, for both good and bad — it destroys old ways of operating that aren't as powerful anymore".



**Figure 1. Industries most affected by digital transformation Industries undergo digital transformation [1]**

In his address to Oliy Majlis on the important priorities for 2019, the President of the Republic of Uzbekistan noted the importance of the digital economy in today's economic and social life: "We need to develop a national concept of digital economy, which provides for the modernization of all sectors of the economy on the basis of digital technologies". There are some fundamental areas of digital transformation central to business success in the digital economy. People regularly work from different offices, their home, or a local coffee shop – now even more so since the pandemic has pushed remote working to the fore. While where we

work has changed, we all expect the same level of connectivity experienced in the physical office. The emergence of this flexible, global enterprise requires organizations to manage a dynamic ecosystem of talent and enable next-generation digital business processes that prove to be effective, even when distributed across various places and time zones. The 2020 pandemic has certainly fast tracked this transition in some respects, at least in the short term, but has also highlighted the need for organizations to adopt a more open minded approach to longer term digital enablement of the workforce.

### Literatures

1. "The new digital economy", Oxford economics, e-book, 7-page.
2. "What is Digital economy?", an article by Deloitte (<https://www2.deloitte.com/mt/en/pages/technology/articles/mt-what-is-digital-economy.html>)