

THE IMPACT OF THE DIGITAL ECONOMY ON ECONOMIC GROWTH

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Abstract

The article outlines the importance of the digital economy in the economic growth of the Republic of Uzbekistan, its benefits, reforms and recommendations made by the government for its development.

Keywords:

Sustainable development, economic growth, digital economy, modernization, diversification.

INTRODUCTION

The key to solving all social, economic and other problems in society is to achieve sustainable development and economic growth of the national economy. The welfare of the population will ultimately depend on the level and pace of economic growth. Depending on the pace and extent of economic growth, it is possible to evaluate the economic status of society. The indicator of how well its goals are implemented is either GDP per capita or national income. It is worth noting that as a result of macroeconomic stabilization and economic growth in the country, the living standards of the population are improving and living standards are improving.

Indeed, globalization, integration, acceleration of integration processes, industrialization, environmental, demographic and political factors in the economic life of the whole world require the balanced development of each national economy, with special attention. Under the conditions of economic globalization, knowledge of the criteria of economic equilibrium is important in the development of a sound economic policy of the state. In all countries, employment at different stages of development, strengthening of the national currency, increasing the growth rates have always been topical. Therefore, these issues are reflected in the economic policy carried out in our country, and the solution of these problems will directly improve the living standards and welfare of the people.

ANALYSIS AND RESULTS

It is worth noting that economic growth also means expanding the country's manufacturing capacity. The quantitative increase and qualitative improvement of national production results will eventually lead to a shift in the right-hand curve. Economic growth will increase the amount of social products, which will lead to an increase in the well-being of the population. The economy will be able to better meet the existing needs.

The importance of economic growth should also be taken into account. Significant rates of economic growth vary depending on the size of real countries.

For countries with relatively small real GDP, economic growth at the level of 8-10% can be considered normal, and for countries with high real GDP, the economic growth rate of 2-3% can be significant.

Development of science and technology is an important factor in ensuring labor productivity and economic growth. Technological progress includes not only new production methods, but also new forms of management and production organization. Generally speaking, science and technology mean the emergence of new methods that require a new combination of existing resources to increase the output of products. Currently, the main task of our country in the modernization and diversification of the economy is to apply new techniques and technologies to production, to introduce new methods and forms of production organization and management.

In the context of globalization, digitization of the national economy plays an important role in integrating the economies of developed countries. In the new economy, digital networking and communication infrastructure provide a global platform that enables it to develop strategies for enterprise and organization development. In addition, they enable collaboration, economic communication and information exchange and efficiency. Currently, the transition to digital technology is underway. From media to automobiles, tourism, agriculture and healthcare, efforts are now underway to digitize the entire economic system. In this regard, the President's Address to the Oliy Majlis of the Republic of Uzbekistan states: "To achieve development we must acquire digital knowledge and modern information technologies. This will allow us to follow the shortest path of advancement. This year, we need to make a radical turn towards the development of the digital economy. First of all, it is necessary to fully digitize construction, energy, agriculture and water management, transport, geology, cadastre, healthcare, education, and archives." [1]

- According to BCG: Internet products can add about \$ 6 trillion to the global economy by 2025 (according to other data, from \$ 1.9 to \$ 14.4 trillion in 2020) [2]. The share of the digital economy in the GDP of the developed countries will reach 5.5% and in the developing countries - 4.9% [3].
- According to the project of the Concept of development of the system of "electronic government" of the Republic of Uzbekistan it is planned to increase the share of ICT in GDP by 2025 to 5.0%, and by 2030 to 10%.

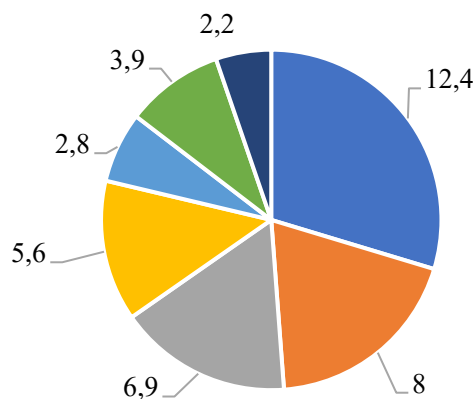


Figure 1. The contribution of the digital economy to GDP

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 the UK - 12.4%, South Korea - 8%, China - 6.9%, India - 5.6%, in Russia - 2.8%, Kazakhstan - 3.9%. Given that currently the average acceptable value is 7-8%, the lower rates in Kazakhstan, Russia and the Republic of Uzbekistan will mean more work on digitalization in these countries.

The "digital" economy is at the forefront of efficiency gains: the more customers a company has, the more "effective" it will be to attract new customers and others to the production process, and will be able to offer better service at the same price. The benefits of a "digital" economy are many, most importantly it will prevent the shadow economy and help it eliminate corruption.

Of course, digitization of all sectors of the economy will not be easy, but without digitization it will not be possible to integrate into the world economy. For this purpose it is necessary to perform the following tasks in a number of priority areas. Including:

- Modernizing digital infrastructure based on modern requirements.
- Establish "digital production" with the use of technology to ensure product quality and competitiveness in industries and to increase efficiency.
- Creating and maintaining effective small and medium-sized enterprises in the field of digital technologies and platforms and digital services.
- Creation of data centers that provide easy, stable, secure and cost-effective data storage and processing services to the government, businesses and citizens.
- Introduction of digital data platforms to meet the needs of authorities, businesses and citizens.
- Full transition to non-cash (electronic) payments, remote access and other electronic forms of banking and finance activities.
- Ensuring integration of electronic payment systems with the world payment systems.

CONCLUSION/RECOMMENDATIONS

In conclusion, the successful implementation of these tasks will accelerate the creation of technology parks, business hubs, scientific and technological clusters and coworking centers to support innovative activities in the field of information technology.

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