

DIGITAL ECONOMY AND ECONOMIC GROWTH

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Abstract:

This article is devoted to the issues of the digital economy and economic growth. In particular, the author reveals the impact of the digital economy on economic growth, gives the concept of the digital economy, analyzes the process of digitalization in various segments of the economy of Uzbekistan, as well as China, the USA, Japan and European countries.

Keywords: digital economy, economic growth, digitalization, segments of the economy, internet of things, robotics, blockchain technologies, virtual reality.

In the process of the impact of the digital economy on economic growth, it is recognized as one of the most significant manifestations of innovative development. Digitalization is the dominant process in almost all sectors of the economy among all manifestations of scientific and technological progress. This is due to the fact that digitalization processes are happening much faster than previous technological revolutions.

This is justified by the fact that one of the main tasks of the economy of Uzbekistan is to achieve constant and stable economic growth through the development of the digital economy. As a result, enterprises are becoming competitive, and the country's economic growth is growing. Without economic growth, without a significant increase in the physical volume of the country's GDP, it is impossible to significantly improve the welfare of the people as a whole.

The impact of the digital economy is currently one of the most significant global trends, the consequences of which are felt on the socio-economic development of Uzbekistan.

According to the definition of the World Bank, the digital economy is a system of economic, social and cultural relations based on the use of digital information and communication technologies. The growth of the digital economy creates many new economic opportunities.

The impact of the digital economy goes beyond information products and services to other areas of the economy. The digital economy is a vital sector that gives significant economic growth to the country. The digital economy has the potential to create new research and breakthroughs, stimulate new jobs.

Uzbekistan today, unfortunately, does not occupy a leading place in the development of information and telecommunication technologies. Nevertheless, digitalization covers many segments of the economy and has a huge impact on the economic growth of the country. It permeates all aspects of the economy, society, including how people interact, the skills needed for skilled work, new product development, manufacturing, logistics, sales, service, and even political decision-making. Digitalization can help improve the quality of goods and services while reducing costs.

Electronic business operations covering business processes implemented through computer networks as part of virtual interactions between virtual market entities.

Currently, examples of industries in which digitalization will significantly reduce the cost of services and improve the quality of services provided are the sectors of transport and logistics, education, healthcare and others. Digitalization of the transport sector involves changing the technical and economic foundations of production.

Currently, there are four key areas of digitalization of the transport sector:

1. Digitalization of transport infrastructure and logistics chains (including warehouses and service centers).
2. Robotization of production processes;
3. Large-scale automation, including control processes;
4. Introduction of autopilot systems.

One of the leading engines of economic growth is logistics in the digital economy, which combines the movement of financial, physical objects and human flows. This affects the competitiveness of Uzbekistan.

The transport and logistics sector were one of the first to feel the introduction of digital technologies. They automated the management processes and then digitized the entire sphere. The practical benefits of using new digital technologies can solve even more pressing and important tasks. For example, with the help of drones and robotic suits for employees, it is possible to perform more complex tasks, reduce the damage to health from working in difficult conditions.

Digital technology is one of the priorities in the development of the healthcare industry. Doctors can consult patients, monitor their condition and conduct consultations remotely, online. monitor the health status of patients at a distance, write out electronic prescriptions and certificates. As a result, the part of the population that did not have convenient access to medical facilities can receive appropriate services.

The health status of the country's population is an indicator of the socio-economic development of Uzbekistan. This is an improvement in indicators, a decrease in morbidity, a decrease in

mortality, an increase in life expectancy, the reproduction of labor resources, an increase in labor productivity, and all this affects the growth of the national income of the country.

Another direction, distance learning, is designed to serve both students, teachers, and practitioners. In medicine, more than in any other field, continuous education is required, constant acquisition of new knowledge, and digital technologies provide convenient formats for such training: online courses, remote lectures by leading scientists, broadcast of surgical operations, as well as access to electronic libraries and knowledge bases. This also includes educational projects aimed at improving public health literacy.

The growing volume of investments in the Internet of things, robotics, blockchain technologies and virtual reality play a key role in the industrial restructuring of production, the formation of multinational enterprises, which has a direct impact on the global economy.

The development and dissemination of digital economy technologies has a decisive impact on the transformation of the global economic system: it directly affects the production of goods and services, the use of labor resources, investments in human and material capital, the inflow of foreign direct investment, the development and dissemination of technologies from one country to another, industrial innovations. All this ultimately directly affects the efficiency of production, labor productivity, competitiveness and ultimately economic growth – from individual business entities to countries and regions.

According to McKinsey's research, digitalization of the economy can be no less powerful tool for increasing its productivity and competitiveness than the creation of technological innovations as such. According to their estimates, up to 22% of GDP growth in China by 2025 can occur due to digital technologies, in the United States – up to 10%.

Accenture Strategy analysts, together with Oxford scientists, have developed the Digital Density Index, covering more than 50 indicators that measure the degree of implementation and development of digital technology skills, as well as the implementation of the regulatory framework.

They calculated that the growth in the use of digital technologies, expressed in an increase in the digital density index by 10 points, will be able to increase the GDP of the leading economies by an additional 2.3% by 2020 compared to the baseline forecast, which does not consider the transformation.

According to their calculations, China will be able to increase its GDP by an additional \$ 418 billion, the United States – by \$ 365 billion, and Japan – by \$ 114 billion. This is only the part of the growth rate that will be provided by one factor – digital transformation.

Research on the Global Connectivity Index published by Huawei has also established a direct relationship between investment in ICT and GDP growth. The top ten world leaders in GDP per capita include Switzerland (2nd place), Norway (3rd), the USA (8th), Denmark (9th) and

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Singapore (10th place), and these same countries have the highest-ranking places on the Global Connectivity Index: 4th, 9th, 1st, 7th and 2nd places respectively.

In an effort to overcome the lack of natural resources, these countries have focused on digital technologies. Countries with high per capita incomes secured through the sale of hydrocarbons (for example, the UAE, Saudi Arabia) lag behind in terms of digital transformation, ranking 23rd and 41st in the Huawei index, respectively.

As noted in the 2018 report, if all countries increase their investments in ICT infrastructure by 8% annually, this will give a new economic potential of \$23 trillion by 2025. An annual increase in investments in ICT infrastructure can give a multiple increase in other areas: every additional dollar invested today in ICT infrastructure can bring \$20 profit in 2025, which is 6.7 times more than any other form of investment.

Research by Huawei and Oxford Economics shows that a 1 percentage point increase in the index is equivalent to a 2.1% increase in competitiveness, an increase in national innovation by 2.2% and an increase in productivity by 2.3%. Thus, the growth of the Global Connectivity Index score is directly related to economic development.

From all of the above, it follows that the digital economy of Uzbekistan has significant dynamics, improves the quality of life of citizens and ensures the economic growth of the country. The use of digital technologies makes life easier and provides convenience for all categories of citizens.

Based on the analysis of statistical data, we observe a small increase in capital investments, GDP, wage increases, urban population growth, etc.

The digital economy is an independent phenomenon, it is isolated from other concepts of the modern global economy, inextricably linked with certain areas of ICT development. The institutional structure of the digital economy consists of institutional entities, institutional objects and an institutional mechanism. The modern global digital economy has a direct impact on economic growth.

These revealed dynamics is certainly positive, but it is still too early to talk about the economic growth of the country as such. Nevertheless, if the growth rates of the analyzed factors continue, and at best increase, and also if the Government of Uzbekistan continues to pursue an effective policy to improve the economic situation in the country, improve the lives of the population, economic growth will become sustainable.

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