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Analysis of the Introduction of Digitalization in the Economy of the Republic of Uzbekistan

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ABSTRACT: An important aspect of digitalization is its active introduction into the activities of state bodies that interact with participants in foreign economic activities, such as the tax service, customs service, etc. Therefore, the topical issue is the development of digital technologies by state bodies that will satisfy participants in foreign economic activity. Uzbekistan has been focusing on the development of the digital economy and innovation development in the last three years. In particular, in November 2017, the Ministry of Innovation Development was formed, in February 2018, the Ministry of Information Committee established the offices for the development of the digital economy and the e-government. In 2019, a number of presidential decrees and decrees aimed at the development of the digital economy and e-government were also issued. The regulation.gov.uz's website included the concept of the development of the "Electronic Government" system in the Republic of Uzbekistan for 2019-2025, as well as the National Strategy "Digital Uzbekistan-2030."

KEYWORDS: digital economy, concept, e-government, the state, innovation development.

I. INTRODUCTION

"Digital economy" is a relatively new concept of modern science. The rapid development of information and communication technologies, their global penetration into all areas of life without exception, has radically changed the models of communication. Thanks to the rapid development of ICT, it has been possible to perform all the necessary business operations and conduct paperwork remotely with a high degree of efficiency. And even at this stage it happens both cheaper and much faster. The development of the economy has progressed so much that information and knowledge are now the most valuable commodity. It is the demand of this kind of resource that forms a new kind of society, called the "information society".

The term "digitalization" is now viewed in a broad and narrow sense. In a narrow sense, digitalization is the transformation of information into a digital form, which usually leads to lower costs, new opportunities, etc. Digitalization broadly implies a trend towards global development only if digital transformation meets certain requirements: it encompasses business, the manufacturing process, the scientific sector, the social sphere and the ordinary life of citizens; if you use the results effectively, which are available not only to professionals, but also to ordinary citizens who have basic skills in working with it.

II. RESEARCH METHODOLOGY

This article is analytical and research. The study is based on an analysis of key indicators of the development of the economy of the Republic of Uzbekistan. They are collected from various international and national scientific articles, the official website of the President of Uzbekistan, the ministries of foreign relations, investment and trade of the Republic of Uzbekistan, data from the official websites of national journals, etc. Analyzes the economic situation in the Republic of Uzbekistan, measures taken by the state to accelerate the introduction of the digital economy in the country. The work uses statistical and economic analysis methods, peer review method and method of calculating economic efficiency.

III. DISCUSSIONS

One of the highest priorities for revitalizing ICT, with the assumption of universal digitalization, is the introduction of ICT into the external economic environment. This is a key link in the development of society, contributing to the



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realization of the goals of achieving a decent international status of the state and ensuring the sustainable development of the national economy.

Today, customs authorities around the world keep pace with the times, constantly simplifying various procedures. Electronic declaration through special centers, remote issue and similar payment for customs services, these and many other mechanisms are now well-established and are functioning smoothly. Procedures of automatic registration of customs declaration and automatic issue, applied to a significant array of conscientious participants in foreign economic activity, give the business confidence and hope that it will be comfortable to work in such conditions. The process of digitization leads to the fact that the activities of external economic activity becomes more transparent for the customs service

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The many and complex functions of ICT in external economic activity include the following basic procedures and operations:

- a) the continuous process of updating primary information on the state of foreign economic activity;
- b) ensuring the movement of information through internal and external channels of communication;
- c) transformation of primary accounting information into generalized integrated indicators and economic and mathematical models, operational summaries, analytical reports and reports. Complex specific content of information resources.

One example that deserves attention is the introduction of the "Honest Sign" system in Russia. Digital labeling has helped the business improve productivity, improve logistics schemes, increase market share and ultimately increase revenue. Thanks to the introduction of the labeling system, the legal business receives protection from counterfeiting, and its honest name on the market is protected from reputational losses associated with substandard products sold under its brand¹.

Another, also interesting example, is related to the UK. LIAM Maxwell, the UK government's technology adviser, said: "The British economy is now 12 per cent digital, meaning digitalization is a big component of prosperity, and this component is growing twice as fast as other segments of the economy. And the wages that people receive in this sector are almost twice as high as in other sectors. Providing open public services carries risks, which is why the UK has invested heavily in building a cyber-security Centre²."

China integrates digital industries with traditional industries in its Internet Plus program. Singapore is forming a Smart Economy, Canada is creating an ICT hub (information and communication technologies) in Toronto, the driver of which is ICT. South Korea's Creative Economy focuses on human capital development, entrepreneurship and ict proliferation, while Denmark focuses on the digitization of the public sector.³

The process of digitalization today affects almost every country in the world. At the same time, each country determines its priorities for digital development. More than 15 countries are now implementing national digitalization programs. The leading countries in the digitization of their national economies are China, Singapore, New Zealand, South Korea and Denmark. China's Network, plus program integrates the digital industry with the traditional sectors of Canada's economy is the creation of ICT hubs in Toronto, Singapore is creating a smart economy based on information and communication technologies, South Korea's creative economy program is focused on human capital development, entrepreneurship and the dissemination of advances in information and communication technologies, and in Denmark, specializes in the digitization of the public sector.

The experience of countries such as the United Kingdom, Sweden, Austria, Singapore, Korea, Australia demonstrates that the creation of technology platforms to provide inter-institute remote identification of the population, the introduction of open platforms in the financial sector, the construction of an integrated digital environment of interaction and communication between financial institutions, customers and government agencies can qualitatively improve the level of services in the financial sector. All this is in line with the global trend of digitalization, transforming the industry and creating the prerequisites for ensuring the universal receipt of financial and other services.⁴

¹http://rta.customs.ru/nrta/attachments/4628_Tsifrovizatsia_VED.pdf

²<https://expertonline.kz/a15513/>

³<https://expertonline.kz/a15513/>

⁴http://digital-economy.ru/images/easyblog_articles/606/pl235436.pdf



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But as digital transformation reduces the importance of state borders, the risks of losing or limiting the country's economic sovereignty are dramatically increasing. This can lead to a deepening and exacerbation of competition, increased influence of the uncertainty factor and increase destructive trends of various types of risks.

To prevent the risk of falling behind the process of international digital transformation or to reduce the risk of hacker attacks and cyber fraud, processes are needed to shape government policy and strategic renewable energy development goals; processes based on coordination, integration, joining forces in the development of information technology and ICT in the field of foreign economic activity, which can have a powerful synergistic effect.

Currently, the economy uses the block chain system. Block chain comes from the block chain (block chain), which literally means "block chain." In other words, it is a database that in the truest sense of the word is a continuous chain of blocks and stored simultaneously on many computers.

One of the first states to introduce block chain into the activities of state bodies, in particular customs, was the United States. The U.S. government task force showed 14 applications for technology in the customs field. These include the collection and tracking of data from government partner agencies, such as: licenses, permits, certificates of origin and free trade agreements, commercial qualities, customs licenses. In addition, U.S. foreign economic participants are implementing joint projects with foreign companies. Danish shipping company Maersk has completed tests of its first block chain project aimed at simplifying the international shipping algorithm. Maersk and U.S. hardware and software company IBM have announced a joint project to create a digital solution for global commerce.

Block chain solution for the transport business was launched in 2017. Customs authorities are able to see the cargo online and have better information to assess risks and decide on additional customs control. Each participant in the supply chain sees the movement of the cargo at each stage and understands the location of the container at the moment. Participants in the process can also see the status of customs documents, lads and other information.

Another country where the aforementioned technology is actively used is South Korea. Block chain has state support here. In 2019, six pilot projects were launched to develop the new technology. Projects include work with data in the field of livestock, independent customs clearance, simple real estate transactions, online voting, international electronic paperwork and maritime logistics. An intelligent system of self-customs clearance will be launched, in which the trading company, express delivery company and customs service of Korea will exchange information about customs clearance through the block chain, which will allow real-time tracking of goods movement.

The possibilities of the digital economy and block chain in Uzbekistan are assessed as very promising. The decision of the head of state of September 2, 2018 launched the free activities of companies in the field of crypto-assets and block chain technologies. The Digital Trust Foundation has been established, which includes attracting investments and implementing promising projects in the field of digital economic development, including those related to the introduction of block chain technologies.

Today, the number of hedge funds investing in crypto currency assets is growing at a record pace and in less than two months has doubled (from 55 to 110). This reflects the excitement that has engulfed the crypto currency market, whose capitalization has grown tenfold since the beginning of 2017. It should be noted that the main threat to the crypto currency market is the state financial regulators, not the volatile market conditions. The vast majority of countries do not recognize the existence of bit coin, and some go to the legalization of crypto currencies in order to take under the role of taxation of shadow income. Countries such as Russia, Kazakhstan, Canada, Japan, Estonia, Australia, UAE and others announced their intention to introduce the national crypto currency. The appearance of a crypto-ruble in Russia will allow you to release your own electronic money and launch an electronic wallet for them. They will be fully controlled and produced by the state.

IV. THE PROCESS OF DIGITALIZING THE ECONOMY IN UZBEKISTAN.

In Uzbekistan, ICT development is being carried out in accordance with the Comprehensive Development Programme of the National Information and Communication System of the Republic of Uzbekistan, designed for 2013-2020. In his report at an extended cabinet meeting on the results of the country's socio-economic development in 2016 and the most important priorities of the economic program for 2017, President S.M. Mirziyoyev noted that "our urgent task, relevant today and for the future, is to ensure the effective functioning of the entire system "Electronic Government»⁵.

⁵ Критический анализ, жесткая дисциплина и персональная ответственность должны стать повседневной нормой в деятельности каждого руководителя. Доклад Президента РУ Ш.М. Мирзиёева.

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In 2019, a number of presidential decrees and decrees aimed at the development of the digital economy and e-government were also issued. The regulation.gov.uz's website included the concept of the development of the "Electronic Government" system in the Republic of Uzbekistan for 2019-2025, as well as the National Strategy "Digital Uzbekistan-2030."

In his Address to the Parliament, the President stressed that by mastering digital knowledge and information technology, one can be able to follow the shortest path to achieving comprehensive progress.

V. RECOMMENDATIONS

On May 11, 2020, at a meeting on the broad implementation of the digital economy and the e-government, President S.M. Mirziyayev noted that the conditions of the pandemic once again proved the importance of digital technologies. It has become obvious that education, public services, public administration, trade and service are largely dependent on information technology. Services that have not been remotely provided for many years have been switched online in a matter of days⁶. In this regard, it is necessary:

- introduce: electronic medical records, the system of electronic hospital and emergency medical care, to introduce a Single Register of Social Protection to keep records of social benefits;
 - transfer trade and service facilities to online cash registers, introduce labelling of alcohol and tobacco products and electronic invoices;
 - introduce automated payment systems for rail freight and public transport services, accelerate the introduction of a single electronic ticket for all modes of transport;
- Increase the coverage of fiber optic in pre-school education from 41 to 100, public education from 40 to 70, and health care from 38 to 100 per cent, which will allow many villages access to the Internet;
- to provide social facilities with high-speed Internet access and to bring high-speed mobile Internet coverage to 90 per cent by the end of the year;
 - to increase the number of information centers, to build a data center worth \$30 million with foreign loans, given that more than 300 ICT projects will require 10 times more server capacity;
 - develop electronic land and water accounting systems, fully digitize processes from crop placement to implementation;
 - to reach 47,000 students with the One Million Programmers project in the next school year, to teach the basics of programming in schools from the 7th grade;
 - pay special attention to the support of specialists, given that only 60,000 people are employed in the domestic IT-sphere, as well as projects implemented by state organizations, to attract residents of domestic IT parks.

VI. CONCLUSION

The President's decree, adopted on April 28, 2020, sets new goals and objectives for the further development of the digital economy and the e-government, which provide for the⁷:

- accelerated digital economy and its share of the country's GDP doubled by 2023;
- ensuring the most complete modernization of the country's digital infrastructure and the availability of modern telecommunications services in the regions, providing for the connection in 2020-2021 of all health facilities, schools, preschool organizations, villages and city quarters to high-speed Internet and improving the quality of communication services;

⁶ compiled according to the source <https://president.uz/ru/lists/view/3566>

⁷ compiled according to the source <https://lex.uz/docs/4800661>



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- the development of the e-government system, with a 60 per cent share of electronic public services by 2022;
- the development of digital entrepreneurship through the production of software products and the creation of technology platforms, the increase in the volume of services in this area by 2023 three times, bringing their exports to 100 million dollars;
- the opening of digital knowledge learning centers in all regions of the country until 2022 as part of the Five Initiatives project.

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