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# The Digital Economy and Its Impact on the Country's Economic Growth

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***Abstract:*** *This article explores the role of the digital economy in driving economic growth. The article also analyzes the share of the digital economy in GDP, indicators of the population's Internet access, and some indicators of informatization.*

***Keywords:*** *Digital economy, ICT, ICT production, Content sector and mass media, e-commerce, "Big Data", (AI - artificial intelligence), blockchain technologies.*

**Introduction.** The socio-economic activity, economic policy, and state administration of nations are changing on a qualitative and technological level as a result of the rapidly evolving digital technologies in the globe. The emergence of such digital technologies and the varying speeds of their general adoption in economic and social life are contributing to widening development gaps across nations. Statistics show that the US has a 10.9% proportion of the digital economy in its GDP, China has a 10% share, and India has a 5.5% share [1].

The influence of the digital economy is leading to new opportunities and a variety of conveniences in many economic sectors. This strengthens its function in assuring the expansion of the national economy.

Due to the reforms carried out in the new Uzbekistan, chances for the modernisation of our nation's industrial sectors as well as for technical and technological re-equipment have been made possible by openness and the growth of international economic and political links. The expansion of our nation's international trade is one illustration of this. Numerous terms, like "electronic management," "electronic management," "telecommunications," "internet," and "website," have permeated every aspect of our lives. Every element of our everyday lives is covered by IT. The development of the digital economy has become the most important task in our country. In the decision of the President of April 28, 2020 "On measures for the wide introduction of the digital economy and electronic government", the task is to increase the volume of services in this field by 3 times and to increase the volume of exports in this field to 100 million US dollars [2].

In particular, the measures that should be put in place in terms of the digitization of the economy and digital transformation were determined by the adoption of the Decree No. PF-60 of the President of the Republic of Uzbekistan dated January 28, 2022, "On the new Development Strategy of Uzbekistan for 2022 - 2026." The new development strategy's 25 goals include specific objectives including making the digital economy the primary "driver" sector and working to at least 2.5 times increase its size [3]. The adoption of these precise measures will help to guarantee our nation's economic development.

Since the middle of the 1980s, independent publications specifically relevant to the idea of the digital economy have been produced, but even now, they cannot be regarded as being sufficiently original. The most significant of them are the monographs by G.R. Gromov (1984), S. Yu. Glazev (1990), R. Nijegorodtsev (1995), R. I. Tsvylev (1996), and Yu. Yakovts (1999). (1996). The emergence of a new type of economy under the circumstances of the independent era is examined in the works of the writers mentioned above. Researchers Aripov A.N., Gulyamov S.S., Alimov R.H., Kadirov A.M., Teshabaev T.Z., Khodiev B..Yu, Ayupov R.Kh., Tursunkhadzhaev M.L., Abdullaev O.M. and we can see scientific research being done by others and others investigated the scientific works on the information society and the digital economy that serve as its foundation. [4,5]. On this subject, they wrote several monographs, essays, textbooks, and training manuals.

Studies on the effects of the digital economy as a single system on the nation's economic development, the assessment of the impact on the overall, integrated development of the regions, and the growth of per capita income have not been carried out sufficiently under the conditions of today's intensifying transformation processes. As a result, our study examines how digital technologies contribute to the nation's economic growth.

**Methodology.** We looked at economic statistics indications of the growth of the digital economy in our nation. An extensive analysis of the digital economy's operations was done, and a database was created. Methods including observation and comparison of economic analysis, a systematic strategy, and a logical approach were successfully applied based on the facts gathered.

Table 1 below shows the percentage of digital technology in our nation's gross domestic product. According to him, if we assume that the gross domestic product is 100%, the ICT sector's contribution was 2.3% in 2017 and 2.6% in 2021. ICT-related production was 0.1% in 2017 and remained constant at 0.1% in 2021. ICT sector trade decreased from 0.1% in 2017 to 0.1% in 2021. Indicator of ICT service supply was 1.9% in 2017 and 1.6% in 2021. The majority of the variables in this table do not exhibit an annual increase tendency, according to analysis. Consequently, the sector's contribution to GDP has to rise during the next few years (Table 1).

**Share of digital economy in GDP (%)**

Table 1

| **Indicators** | **2017** | **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|---|---|
| **Gross domestic product** | **100** | **100** | **100** | **100** | **100** |
| **Information economy and e-commerce sector** | **2,3** | **2,1** | **1,8** | **2,0** | **2,6** |
| Information and communication technologies (ICT) sector | 2,1 | 1,9 | 1,6 | 1,7 | 1,8 |
| ICT production | 0,1 | 0,1 | 0,1 | 0,1 | 0,1 |
| ICT trade | 0,1 | 0,1 | 0,1 | 0,0 | 0,1 |
| ICT services | 1,9 | 1,7 | 1,4 | 1,5 | 1,6 |
| Content sector and mass media | 0,2 | 0,2 | 0,2 | 0,2 | 0,2 |
| Electronic commerce | 0,0 | 0,0 | 0,1 | 0,1 | 0,6 |

Additionally, in today's economy, high-tech production, economic activity, financial services, information and communication technologies (ICTs) like the Internet and personal computers, business models, and consumers have not only changed, but also the fundamental ideas and norms of social processes, entertainment, and recreation. This infrastructure, which supports economic activity based on digital technology, has a digital status. It is a new development vector for the global economy that is built on electronic interaction. The internal and external environments of

global company can be impacted by the growth of the digital economy. Information and communication technology are undergoing significant development, which is not represented in the many business activities that organizations pursue. Through the Internet, they may sell their goods anywhere in the globe. Businesses may start out and expand swiftly with little investment. In many economic sectors, there is a chance to save costs while also improving worker productivity and efficiency with the use of information technology. The position of businesses in the market is also getting more and more problematic when the digital economy is taken into account. During the process of making strategic decisions, the degree of risk and uncertainty rises. Due to the rapid advancements in technology, the escalating degree of competition, and the impact of the government on the economy, this scenario will not be dependent on a stable market environment. The digital economy's underlying technical innovations may result in new market regulations for sellers and purchasers. Companies must seek out new competitive tactics in such a setting and enhance their competitive performance. Companies must become more proficient in the use of digital information technologies if they want to thrive in the new environment while also developing.

Not all contemporary researchers and seasoned businesspeople agree that the digital economy is effective. The most significant impact of the digital economy is the rapid use of robots in the industrial and service industries, which poses a danger to the general populace. Even international organizations have recently come to understand the risks that the economic shift toward automation poses because it will essentially remove human jobs. In the future decades, it is expected that two-thirds of the people in the third world would be unemployed. The fact that the issue is specific to these nations is not a coincidence given the dominance of robotized material production in these nations.

**Result and Discussion.** The rapid use of robots in the industrial and service sectors poses a threat to the populace as it is the most significant manifestation of the digital economy. Even international organizations have recently come to understand the risks that economic robotization poses since humans will be all but wiped out by robots. Two-thirds of the people in the third world are expected to be unemployed in the ensuing decades. Due to the dominance of robotized material manufacturing in these nations, it is not a surprise that they are the ones with the issue:

First, to improve the socioeconomic competitiveness of regions and maximize their resource potential. Second, to develop human resources. Third, to foster interregional cooperation and provide institutional frameworks that support regional development.

Fourth, in order to effectively manage the processes and make the best decision at the right time, it is necessary to develop a communication system for direct communication and communication in order to provide software for monitoring financial and economic security at the level of the economic entity online.

It is suggested that these responsibilities be routinely updated, supported, monitored, and updated at the regional and state levels in order to respond quickly to the planned direction of funding of entrepreneurship and small company by the state. To operate efficiently and continuously at the level of business entities, businesses use the Internet. The "business authority" system's subject-matter subjects must cooperate well, and this model is crucial.

The number of subscribers linked to the data transmission network in 2016 was 19,532,122, and as of April 1, 2022, there were 29,961,231 mobile radio telephone users in Uzbekistan. This information was gleaned through the examination of a few indicators of the Internet and digitization. 9,626,764 customers were linked to the Internet network as of January 1, 2016, and 23,023,013 subscribers would be connected as of that date. (Table 2).

**Some indicators of the Internet and information.**

Table 2

| № | Indicators | 2014 | 2016 | 2020 | 2021 | 2022* |
|---|---|---|---|---|---|---|
| 1 | The number of subscribers connected to the data transmission network | 17,3 | 19,5 | 22,8 | 24,8 | 25,8 |
| 2 | The number of subscribers connected to the Internet | 7,9 | 9,6 | 16.3 | 20.1 | 23.1 |

*** The data for the year that is not yet complete is taken as of April 1, 2022**

The examination of these indicators reveals that due to our nation's emphasis on the growth of the digital economy, we can witness a 1.5-fold increase in the number of subscribers linked to the data transmission network. We can see that during the past five years, the number of customers who have Internet access has grown by a factor of 2.5. The democratic reforms, numerous chances, and practical work carried out in our nation in recent years are the cause of such growth dynamics. Economic development may be attained through reducing corruption and the human aspect in society by establishing a digital economy.

**Conclusion and Recommendation.** Effective digitization technologies must be used to digitize every aspect of society's life. Modern ICT programs must also be developed, and digitization processes in public administration and socioeconomic sectors, particularly the economy, finance, and taxation, must be carefully and logically established. Included in this are:

First, the use of contemporary commodity circulation control technologies intended to evaluate the transactions and other data generated by the retail trade network and to be integrated into the control and monitoring system;

Second, by gathering and analyzing sales and purchase data, database analysis (creation and implementation of an electronic program that automatically implements Camera control, including electronic invoices and online data analysis), and the introduction of modern accounting technologies such as VAT and electronic invoices;

Thirdly, a single national platform must be developed in order to integrate the Republic's database;

Fourthly, given the current state of the economy and finances, the development of "Big Data," artificial intelligence (AI), and blockchain technology;

Fifth, it would be ideal to raise the general population's level of digital literacy and provide user-friendly instructional materials for mass marketing and education that are easy to understand.

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