

## THE ECONOMIC IMPORTANCE OF THE DIGITAL SECTOR

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### ANNOTATION

This article provides information about the digital economy, its benefits, economic diversification and the impact of digital technologies on economic and social life.

**Keywords:** digital economy, digital sector, digitalization, transactional sector, economic diversification, lean manufacturing, additivity, nano and biotechnologies.

### INTRODUCTION

The implementation of elements of e-government and support for the digital economy is firmly rooted in development plan of Uzbekistan for the near future. This is primarily due to the task of further increasing the share of electronic document exchange and the gradual transition of a certain part of public services to electronic form through the Public Service Centers. The telecommunications infrastructure plays an important role in this process.

Advantages of the digital economy.

Interest in the digital economy has grown significantly due to the dramatic changes that have taken place in society and the economy. Modern technologies and platforms have helped businesses and individuals reduce costs by minimizing personal communication with customers, partners, and government agencies, as well as making interaction faster and easier. The result has been a network resource-based, digital or electronic economy.

The word “digitalization” is actually a new term that refers to the involvement of IT solutions in the process of innovative management and office work, resulting in the use of information technology in all systems, from the Internet to e-government.

The main source for the digital segment of the economy is the growth of the transaction sector. In developed countries, this figure is more than 70% of GDP, combining public administration, consulting and information services, finance, wholesale and retail trade, as well as services (communal, personal and social).

The higher the diversification and dynamics of the economy, the greater unique information flows inside and outside the country, and the more significant information traffic within national economies. Therefore, the digital economy is developing rapidly in the markets where the number of participants is large and IT services are widespread.

In particular, it creates endless conveniences for transport, trade, logistics and other branches that actively works with the Internet. According to some researchers, the share of the electronic segment in them is close to 10% of GDP, providing employment to 4% of the population. Most importantly, these figures are growing steadily.

Clearly, the effectiveness of the digital economy is affected not only by the coverage of information technology and the availability of infrastructure, but also by standard economic criteria such as the business environment, human capital and successful management tools.

Consequently, economic development relies on them, which means that these criteria continue to play an important role in the development of the digital economy.

The digital economy is emerging before our eyes.

Now, old and new companies that use IT tools to create new services and business models around the world are creating strong competition for companies that are leaders in many areas. According to prognoses, in the coming years, the macroeconomy is expected to be strongly dependent on manufacturers based on the criteria of "cognitive productivity", nanotechnology and biotechnology. Significantly, the amount of data required for good governance will increase, and the structure of production and social dialogue, business and government will undergo significant changes.

The following are the main conditions and factors for the gradual transition to the path of social and economic development:

- Implementation of the concepts of e-government and digital city through the integration of informatization and public administration and municipal services;
- Mass production of new generation of technological products (such as unmanned vehicles, etc.);
- Implementation of ideas for the construction of "smart" and environmentally friendly homes with the help of unique decorative and building materials;
- Widespread promotion of alternative forms of employment through outsourcing, self-employment, etc. ;
- Creating professional networks that serve to search for freelancers to perform specific tasks.

When it comes to the service sector, information technology solves many day-to-day tasks, making large-scale operations faster, cheaper, more convenient, and without intermediaries. E-commerce, internet banking and other similar modern trends are developing day by day. As a result, automated network services (such as a quality website or mobile app) are replacing business intermediaries in most industries to increase revenue.

As a result, business can significantly reduce the prices set for services, and in the macroeconomic direction, individual production and non-employment indicators may increase. Are such as crowd-funding and crowd-sourcing are also among the new economic technologies. According to economists, at the same time, as a result of such changes, the economy based on the practice of extracting value added is being transformed into an economy of cooperation and "sharing-economy". This gives hope that competition in the market will actively give way to mutually beneficial cooperation, as well as the transition from vertical communication to mutual relations and complementary services.

It is expected that this will be reflected in the increase in the number of services and the growth of e-commerce for services.

It is argued that digital technologies will dramatically change more than 50 per cent of the economy-dependent sectors. This view is based on the fact that information technology and digital platforms are drastically changing business models, eliminating their efficiency intermediaries and optimizing processes.

The World Bank estimates that a 10 percent increase in high-speed Internet users could increase annual GDP from 0.4 percent to 1.4 percent.

The growth of the share of the digital economy in the country's GDP by about 20% annually (around 7% in developed countries) is also considered to be an indicator of its importance.

In 2010, the Boston Consulting Group estimated the scale of digitization at \$ 2.3 trillion (4.1 percent of GDP) for a group of 20 countries. If this trend continues, in 10-15 years the share of such an economy in world GDP will approach 30-40 percent.

In developing economies, about 1 percent of the population works in the IT sector, which creates relatively few jobs compared to others. However, the rise of IT will lead to the creation of jobs in other areas where new technologies are being adopted (for every 1 new job created in the IT sector, there are 4.9 jobs in related industries).

The digital economy is boldly opening new horizons for entrepreneurs and people working for themselves.

Often, the contribution to the development of the IT sector leads to the development of the economy, the creation of new jobs, the emergence of new types of services for people and businesses, the reduction of costs in the framework of e-government projects.

At the same time, the overall effect of the application of information technology turns out to be less effective than expected and is not evenly distributed.

To get the most out of such investments, a better understanding of the interaction of technologies with other factors called "analog fillers" is required in the World Bank report.

These include:

- A regulatory framework that supports an active business environment and allows businesses and individuals to benefit from the technologies of the digital economy to compete and innovate, reduce costs, as well as increase living standards;
- Full skills in business management and application of information technologies in civil servants;

There are institutions (public and private) that provides consulting services in the use of information technology.

It is more difficult to fully list the effects of the digital economy, so it is more difficult to fully assess the links that economic services provide to e-services and metadata. Therefore, it is a difficult task to justify the importance of investment in informatization, especially at the state level. The impossibility of always calculating the gigabyte of information created in this or that field in a real situation is a self-evident phenomenon.

Digitization is a companion of new economic technologies

The communication models that have been paid for as a result of the integration of information platforms are contributing to the paid of new economic technologies (NES).

NIT is the process of re-processing data that integrates into a single technological platform for the creation, transmission, storage and reflection of information products (data, ideas and knowledge) that serve a purpose in organizational management systems and minimizes transaction costs for economic agents. Is a collection of "adjustable" tools and methods.

Basic principles of GDP:

- Creation of radically new business models;
- Apply methods of rational integration and use of various it services in the organizational and technological processes in the real economy sector;
- Minimization of transaction costs and material resources used in production.



GDP is developing on the basis of digital technologies in the existing economic realities. In the past, manufacturing, trade, and financial technologies have improved, but now the emerging PITs are focused on horizontal relationships (self-organization and singularity), innovative entrepreneurship (self-development), information engineering (self-improvement), and so on. serves as a basis for the auto-formalization of economic processes (automatic structure).

The real basis of GDP is formed by data centers and modern IT platforms for information systematization and analysis. In this regard, it is important to develop the direction of providing consulting and business analysis-related services. New institutions, such as information and consulting services and government development agencies, serve as the organizational basis for improving the business environment.

#### Digital technologies and risks

The most active driver of the digital economy is the state. It is a major twister and consumer of the digital economy. China, for example, has spent about \$ 9 billion for these purposes. Alibaba, an Internet market with a market capitalization of more than \$ 210 billion, has proven that these investments are well-targeted.

The state that wants to get the most out of digitalization must create and support a market for the necessary technological products. At the same time, it is also important to maintain the tools that control the main platforms of the e-economy, in parallel with the development of private applications for government, important industries and enterprises.

In particular, although Japan has purchased technology, it has lost its leading position in the digital economy due to its inability to create its own manufacturing industries in this area and to keep up with the level of technical development.

South Korea, on the other hand, invests about 1 percent of its national budget in e-government and e-brokerage (e-commerce and public procurement), generating \$ 10-15 billion a year and earning 30 to 40 times the cost. In particular, this has been achieved through the establishment of call centers in the public and private sectors, the creation of mobile applications and the reengineering of state-owned Internet platforms.

Training of personnel working with information systems in public administration remains one of the important directions in this field. For example, in the 1970s in Belgium, special mobile groups of specialists (including teachers and students in vocational schools) were formed to train government officials and set up systems for them directly in the workplace.

Another subtle aspect of the digital industry is that the development of complex digital systems and their practical application requires a serious and detailed approach. You may have noodatii tuli, but often programming (in itself) is not actually a sufficient technological phenomenon. Consequently, the programmer who solves your tasks will act in many ways depending on how he understands the task. Most important solutions are left unexplained in the process because each party considers them self-explanatory.

Related documents related to the programs are sometimes fragmented. As a result, in the process of working with the product, the sculptor loses control over the workmanship, which he himself paid for and created. In this case, the budget for information projects does not include the cost of services, although it is very important.

Because the digital economy is global, any government project on informatization and digitization must be studied comprehensively and on the basis of a single coding system, identifying information related to economics and management.

The most important aspect of the development of the digital economy, and at the same time the most difficult stage, is to simplify the business environment and minimize the cost of communication between people and business with the state.

After that, the parties will be required to establish inter-agency (multi agent) dialogue within the public and private sectors.

The most important part of this process is the digital economy platforms, which are moving from a one-to-one and one-to-many communication formula to a multi-to-many formula. Progress in this area will automatically drastically change the situation in the real sector of the economy (and drive structural reforms in these areas) through the development of consulting and technical organizations suitable for small and medium-sized businesses with state support and help create the conditions for an innovative economy.

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