

The Importance of the Digital Economy

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Abstract: This article is devoted to the study of the development of the digital economy and its impact on the business world. Today, not only in Uzbekistan, but also throughout the world, the transition to a digital economy is continuing at a rapid pace. As a result of this process, favorable conditions are being created for the population and fundamental changes are taking place in business models. As a result of the development of the digital economy, modern technologies such as artificial intelligence (AI), machine learning, cloud technologies (Cloud Computing), Internet of Things (IoT), cryptocurrencies and blockchain technology are developing and progressing. These technologies play an important role in automating business processes, managing data and creating innovative solutions for consumers. Therefore, a lot of scientific work and research is being conducted in this area. In our article, we will list the factors that will stimulate the further development of the economy through the use of modern technologies.

Key words: Digital economy, artificial intelligence, economic development, economic reforms.



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Introduction. Digital economy means the automation and optimization of economic processes using digital technologies. The Internet, artificial intelligence, "big data", and blockchain technologies are fundamentally changing all sectors of the economy, including business. For Uzbekistan, the development of the digital economy will not only modernize the national economy, but also allow small and medium-sized businesses to adapt to new, innovative forms. The relevance of the topic is of great importance, especially given Uzbekistan's transition to a digital economy and integration into global economic processes. This article will cover the essence of the digital economy, its development factors, opportunities and future prospects.

Simply put, the COVID-19 pandemic has given impetus to the development of new industries and sectors in the world community. After the pandemic, e-commerce, e-banking and distance (online) education in particular have developed and progressed further. These areas are still developing and progressing today. If we do not adapt our economy to these areas, taking into account these circumstances, we will witness the economy lagging behind.

As we carry out economic reforms in our country, the main goal is to introduce world experience and effectively use modern technologies in our economy, in short, to develop a digital economy as the ultimate result.

The impact of technological development on the economy. The main elements of the digital economy, in particular, the Internet, artificial intelligence (AI), and big data technologies, are playing a major role in the modernization of the global economic system. For example, large companies such as Amazon and Alibaba are creating opportunities for global markets around the world through e-commerce. Such large companies have taken a large place in world markets. Artificial intelligence creates unique opportunities for analysis: analyzing customer behavior, developing new products and services, as well as identifying competitors, which increases the possibilities of e-commerce and creates a number of conveniences.

New opportunities for business

Digital technologies create the following new opportunities for small and medium-sized businesses:

E-commerce: Through online trading platforms, small business owners have the opportunity to enter the global market. For example, platforms like Etsy and eBay offer small manufacturers the opportunity to sell their products internationally.

Automation and optimization - with the help of digital technologies, business processes can be automated and efficiency can be increased. This not only optimizes the production process, but also improves marketing, sales and customer relations.

Data analysis: With the help of big data, it is possible to analyze customer behavior and consumption trends, as well as create more personalized products and services. With such modern technologies, anyone can buy or sell products from anywhere.

3. Problems and challenges: The development of the digital economy brings many opportunities, but also challenges and problems. These may include: Difficulties in developing technological infrastructure, i.e. insufficient development of the Internet network, especially in rural areas, lack of fast internet. Expensive technical equipment: Large investments are required to implement digital technologies. Staff shortage: Lack of qualified specialists to manage and use technologies. Cyber threats and security problems, i.e. data protection: Since the digital economy is based on data, there is a risk of data theft or illegal use. Cyberattacks, i.e. companies and government systems can be subject to cyberattacks and suffer significant financial losses. For example: Cases of data theft against large companies in the world. Social and economic inequality. The digital divide, i.e. access to technology is not always equal for everyone, which increases social inequality.

Job losses: Many traditional jobs may disappear due to automation and artificial intelligence.

For example: The need for manual workers will decrease after the introduction of artificial intelligence in the banking and insurance sectors. Legislative and regulatory challenges: Lack of regulation - The development of the digital economy is developing rapidly, but in many countries the legislation regulating it is still lagging behind. Illegal use of cryptocurrencies: Although blockchain technology is secure, it can open the way for illegal financial transactions. Difficulties in adapting to technological innovations - Resistance to change by companies and government organizations: Many businesses face difficulties in switching from traditional methods to digital systems. Lack of education and training programs: It is necessary to develop programs designed to develop the necessary skills for the digital economy. Resistance to change by companies and government agencies: Many businesses face difficulties in transitioning from traditional methods to digital systems. Lack of education and training programs: It is necessary to develop programs designed to develop the necessary skills for the digital economy.

I will give some solutions to the above problems.

It is necessary to develop cooperation between the state and the private sector to improve technological infrastructure. It is necessary to strengthen protection systems against cyber threats. To adapt to new technologies, it is necessary to establish training programs for workers and train them to manage and use new modern technologies. Adapting legislation to the requirements of the digital economy can also be a solution.

While the development of the digital economy has created many opportunities for small and medium-sized businesses, there are also some challenges. The main problems are the underdevelopment of the Internet, the high cost of technical equipment, the lack of personnel who can use digital technologies, and the lack of legislation and regulation. The following are of great importance for the economy:

Lack of financial resources: The introduction of digital technologies requires a large amount of investment. Many small businesses have difficulty allocating these resources.

Cyber solutions and security: The issue of data protection is especially important when conducting online sales and financial transactions. Cyber security issues can negatively affect the long-term success of the business.

Lack of digital skills: In order for a business to adapt to digital technologies, employees need to acquire the appropriate skills. However, many small businesses cannot allocate sufficient resources to develop these skills.

The development of the digital economy creates new opportunities for business, but a number of challenges must be overcome for it to be fully profitable. For Uzbekistan, supporting small and medium-sized businesses, improving digital skills, and strengthening cybersecurity are essential in developing digital economy. Also, cooperation between the public and private sectors is important in developing effective mechanisms for the introduction of digital technologies and their implementation.

List of used literature.

1. IKTISODIYOT.TSUE.UZ - Information about the economy of Uzbekistan and the impact of digital technologies on business.
2. INFOKOM.UZ - Articles and studies on the digital economy and its impact on large economic systems.
3. IUPR.RU - Scientific analyses of the global development of the digital economy and changes in the business sector.