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## THE ROLE OF ICT ON THE ECONOMY OF UZBEKISTAN

Submission Date: January 15, 2023, Accepted Date: January 20, 2023,

Published Date: January 25, 2023

Crossref doi: <https://doi.org/10.37547/ijmef/Volume03Issue01-04>

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### ABSTRACT

The article discusses the growing role of ICT and the digital system in economics of Uzbekistan and also illustrate the related statistics , legislations, and measures which are being used recently by our government in order to make progress in our economic system

### KEYWORDS

Digital economics, digital technologies ,economic growth, living standards, natural monopoly, E-government program, telecommunication infrastructure, e-investment, competitive advantages.

### INTRODUCTION

Everybody knows that, the countries' economic system is one of the basic and the undeniable fact that plays essential roles in order to extend and develop countries' economical reputation. Thus, every government firstly try to improve the living standards of local residents. As in our modernlife, ICT (Information

and Communication Technologies) are becoming one of the crucial part of our life and every field of our living, the necessity of ICT is growing rapidly day by day our government is preferring to develop digital system in the country.

Today, Uzbekistan is one of the fastest growing economies in Central Asia. The country's active efforts on improving the quality and increasing the quantity of Information and Communication services delivered on a state level, have laid the basics for developing the digital economy in the country. Before making notes about Uzbekistan's digital economic system I intend to pay attention the digital economy itself what is digital economy? And what factors are needed to build digital system? The digital economy is an umbrella term used to describe markets that focus on digital technologies. These typically involve the trade of information goods or services through electronic commerce. It operates on a layered basis, with separate segments for data transportation and applications. Conventionally, data transportation was considered to be a natural monopoly, while applications were assumed to be a very competitive segment.

Increasingly, however, this dichotomy has been reversing as the transportation segment is liberalized and many applications markets become more concentrated. The Committee's hearings focused on competition issues relating to software platforms and applications. Furthermore the Decree "On the Action Strategy for the Continuous Development of the Republic of Uzbekistan in 2017-2021", was signed by the President of the Republic of Uzbekistan in order to establish decent conditions for continuous economic improvement in the country, distinguish foremost priorities and concise directions of further deepening democratic reforms in the country (2017 - the year of sweeping reforms, 2018),

Even, in the address by the President of the republic of Uzbekistan to Oliy Majlis there many many important facts were discussed such as, We must design National Concept of Digital Economy which considers upgrade of all sectors of our economy

with digital technologies. In this context, we need to introduce the Program "Uzbekistan Digital -2030". Digital economy will facilitate at least 30 -percent increase of GDP and significant reduction of corruption. It's being also proved by the analysis of reputed international organizations. Accordingly, within two months time, the Government is to develop "roadmap" on transition to digital economy. In this regard, special attention needs to be paid at ensuring information security. The Ministry for Development of Information Technologies and Communications administers these projects (since 2015). Inside the E-Government program, Uzbekistan has propelled 265 online administrations and 600 government organizations, actualized client criticism on administration quality and e-investment, expanded straightforwardness in open administration conveyance, set-up a call-focus, and set up "One-Stop-Shops" in 194 regions of the nation. Uzbekistan has affirmed its availability to work together with the World Bank and with different nations in the area to build up a focused ICT segment and triple its weight in the national economy. If we look through the digital system and the ICT in statistics globally the digital transformation of organizational and economic principles of management is becoming as one of the key factors of global economic growth. According to the Boston Consulting Group (BCG), the share of digital economy in the GDP of developed countries have raised by 1.2 percent since 2010, reaching 5.5 percent. Whereas, the share of the digital economy in the GDP of developing countries has increased from 3.6 percent to 4.9 percent in 2016 (Walden, 2015). Furthermore, based on the data of the World Economic Forum, the competitiveness index of the economy has a high level of correlation with the

index of ICT development. Subsequently, ICT market is added to the list of 25 percent of fastest growing major sectors of the world economy. In addition, economic sectors that continuously involving ICT in their activities are growing 1.7 times faster than the average growth rate in the economy (OECD Information Technology Outlook 2015). The role of ICT in building the “digital economy” the benefits and opportunities enabled through the rapid growth of ICT and its applications have been widely researched and discussed. To generalize, the influence of ICT development can be viewed in two major directions : The computerization of most man made tasks that allow service providers to remodel and significantly upgrade the traditional service delivery procedures. In fact, the widespread application of ICT led to the

- creation of high-paying jobs;
- growth of productivity and GDP;
- rise of high growth companies;
- creation of new sectors and ways of doing business;
- increase of competitive advantage;
- and promotion of Innovation

Also, New digital trends such as cloud computing, mobile web services, smart grids, and social media, are radically changing the business landscape, reshaping the nature of work, the boundaries of enterprises and the responsibilities of business leaders. These trends enable more than just technological innovation. They spur innovation in business models, business networking and the transfer of knowledge and access to international markets. According to the press service of the Ministry of Information Technologies and Communications, the draft resolution of the Cabinet of Ministers sets the following directions for the development of digital economy in the Republic of Uzbekistan:

- identification of state and economic bodies, local self-government bodies on the basis of necessary information systems and resources, implementation of software and electronic services;
- creation of favorable conditions for attracting foreign investments in the country by organizing the technology market and technology parks on the basis of the digital economy, information technologies market, including public-private partnerships
- coordination of modern telecommunication infrastructure, development of communication technologies and networks, introduction of modern telecommunication services
- development of proposals for the development of the national segment of the Internet, organizational, material and technical and economic support for digital media content. The features of a digital economy make it an inherently useful and system. Digitization has provided the solution for storage requirements of articles like books, music, film and newspaper. Libraries filled with archives of newspapers, books and music cassettes would occupy vast amounts of space and labor for maintenance and recovery. However, digital libraries have been a godsend in such situations. With prints of old film and newspapers being digitized, they can be stored in compact forms. In addition to the savings in terms of storage space, there is also the advantage of having ease in recovery of such items as they can be looked up on a central database and obtained within seconds.

Also, resources which would otherwise have been used in maintaining these records can now be employed elsewhere. This discussion leads us to the very first and most obvious advantage of a digital economy –minimal space requirements. The vast infrastructure that goes into setting up a digital

economy (like the internet) is actually very small in physical terms.

Building the digital economy can lead to another following undeniable advantages:

- Preventing the hidden economy
- Time saving

From the first days of independence Uzbekistan has paid great attention to the comprehensive development of information and communication technologies and their wide application in all spheres of life of state and society. Over a short period the authorities created the legal framework conducive to further formation and progress of market of IT-technologies. In particular, in 1992 the Law "On telecommunications" was adopted, which established general principles of progressive promotion of the industry. Issues of ICT legal regulation received further development in the Law "On information" dated December 11, 2003. President's Resolutions "On measures for further implementation and development of modern information and communication technologies" dated March 21, 2012 and "On further development of computerization and introduction of information and communication technologies" dated May 30, 2002, became important documents in this direction. At present the Complex program of development of National information and communication system of the Republic of Uzbekistan for 2013-2020 is being implemented. This program was approved by President's Resolution dated June 27, 2013.

Making a statement at enlarged meeting of the Cabinet of Ministers dedicated to the socio-economic development in 2015 and the most important priorities of economic program for 2016, President Islam Karimov noted that in today's conditions in the era of

Internet and electronics, the widespread introduction of information and communication technologies in the fields of economy, radical acceleration of creation of system "Electronic government" are of priority significance. As the head of our state underlined, development of ICT has a direct impact on the level of competitiveness of the country, allows you to collect and summarize vast amounts of information, offers great opportunities for management at strategic level. The task of regular improving of the governance, strengthening the capacity of IT-industry was entrusted to the Ministry for development of information technologies and communications, created by the Resolution of the Head of our state dated February 4, 2015. In addition, since 2002 a Centre for development and introduction of computer and information technologies UZINFOCOM operates, which assists in the development and implementation of national programs of computerization and introduction of ICT in all sectors of public administration, economic and social spheres. Over the past years, the country carried out systematic work on development of Internet, mobile communications and other areas, on formation of high-tech base of modernization of national economy.

The basis for development of ICT in Uzbekistan is the telecommunications infrastructure.

The current stage of development of telecommunications technologies, networks and communication infrastructure of the country is characterized by expansion of fixed and mobile broadband access, increase of switching centers for data transfer and voice traffic, modernization of trunk lines, as well as creation of infrastructure for development of multimedia services.



Over the past 20 years in many regions of the country more than 2,000 kilometers of fiber-optic cables have been laid. They are designed for broadband access to modern technology and provision of converged services such as video telephony, high-speed Internet, watching HDTV-channels and others. Due to the measures taken in 2015, the overall rate of use of international information networks increased by 42.3% compared to 2014 and amounted to 15.5 Gb/s.

Today, all mobile operators operating in our country, consistently introduce the fourth generation network 4G LTE, which allows to handle a large volume of information on Internet quickly and efficiently, download and view video streaming and high-quality photos, use online applications in education purposes and for business. All of these technologies enable Internet users in Uzbekistan to expand their usual ability to work with ICT.

In 2014-2015 Program of development of broadband access networks on Wi-Fi technology has been implemented successfully in the Republic of Uzbekistan. As a result of comprehensive measures at airports, railway stations, places of frequent-stay travelers, parks, shopping malls and other public places of the capital and each administrative center of republic Wi-Fi points have been created.

The high development rates of national Internet segment should be separately noted. Uzbekistan has 10.2 million web users. According to UZINFOCOM center, in January 2016 the number of websites in the UZ zone exceeded 25 thousand, while growth totaled more than 30% compared to same period of last year. The use of ICT and software products in the management and production processes plays a major role in the development of sectors of the economy and the domestic industry. For instance, in 2014-2015 in the framework of a special state program 86 projects have

been realized in order to introduce information systems in large joint-stock companies, associations and organizations totaling more than 330 billion soums. Particular attention is paid to development of national market of software products.

In order to stimulate domestic programmers the National register of software developers has been created, which already included 69 companies. A directory of software manufacturers Software.uz has been developed that provides necessary information to citizens and businesses.

According to the Resolution of the President of the Republic of Uzbekistan "On measures to further strengthen the incentives of domestic software developers" dated September 20, 2013 new benefits and preferences for members of software industry were introduced. Thus, they are exempt from customs duties for imported equipment for their own use, components, parts, technical documentation and software until January 1, 2017. It is known that interactive public services are of particular importance in protection of human rights and freedoms, saving time and expenditures for obtaining necessary information and services. A consistent work on formation of "Electronic government" is carried out in the country. The activity of the Governmental portal of the Republic of Uzbekistan (gov.uz) and the The single portal of interactive state services (SPISS), located on the Internet at my.gov.uz, has been established. Functional of SPISS expands dynamically, 235 kinds of interactive services are being rendered through it. Over the past five years this system received in total more than 200 thousand electronic applications of citizens and businessmen. Making an online appointment with the heads of government agencies, receipt of information on their activities, various inquiries and sending requests became popular. In

January 2015, the portal has launched a new system for discussion of draft legal acts related to business activities, and evaluation of existing documents. To date, 80 draft laws have been discussed through this system, 9 of them have been improved taking into account the opinions of citizens. At this time, the discussion of more than 20 legal acts continues. Information system E-Sud for electronic proceedings is functioning effectively since 2004. Through its implementation, procedures such as keeping registration books, document management within court, direction of judicial notifications and procedural acts, familiarization of sides with case are completely automated now. All educational institutions of the republic are connected to Ziyonet network, which is functioning since 2005. In the library of portal, which was updated in 2014, has more than 75 thousand units of informative-educational resources, including textbooks, dissertations, research papers and others. As part of implementation of resolution of Head of our state "On measures on further improvement of foreign language learning system" dated December 10, 2012, "Foreign Languages" section has been created on Ziyonet, which includes over four thousand materials such as textbooks, interactive lessons, games, relevant video and audio. The country regularly hosts major events dedicated to the development of hi-tech industry. In particular, Week of information and communication technologies ICT Week Uzbekistan is being held since 2004. Traditionally it is opened with national exhibition of information technologies ICT Expo, which takes place once in two cities - Tashkent and Samarkand. The exhibition presents existing and future forms of ICT-based services, oriented to business community and authorities, and general population. Among the important events of the week - The Forum for Information and Communication Technologies ICT Forum, where representatives of leading companies, industry experts and foreign

experts discuss state and prospects of progress in this sphere.

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