

## ROLE OF DIGITAL ECONOMY IN ECONOMIC DEVELOPMENT

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**Annotation:** The article highlights the role and overall importance of the digital economy in modern economic development. The impact of digital technologies on production, service delivery, public administration, and social life is analyzed. Online commerce, electronic payments, digital banking services, automation, and artificial intelligence are identified as key factors enhancing economic efficiency. Along with the positive aspects of the digital economy, issues related to digital inclusion, cybersecurity, and the labor market are also addressed. Overall, the article substantiates that the digital economy is a crucial factor in ensuring economic growth, transparency, innovation, and competitiveness.

**Keywords:** digital economy, digital technologies, digitalization, electronic commerce (e-commerce), electronic payments, digital banking services, e-government, economic efficiency, digital inclusion, cybersecurity, labor market, innovation.

**Аннотация:** В статье освещается роль и общее значение цифровой экономики в современном экономическом развитии. Проанализировано влияние цифровых технологий на производство, сферу услуг, государственное управление и общественную жизнь. Онлайн-торговля, электронные платежи, цифровые банковские услуги, автоматизация и искусственный интеллект представлены как ключевые факторы повышения экономической эффективности. Наряду с положительными аспектами цифровой экономики отмечаются проблемы, связанные с цифровым неравенством, кибербезопасностью и рынком труда. В целом обосновано, что цифровая экономика является важным фактором обеспечения экономического роста, прозрачности, инноваций и конкурентоспособности.

**Ключевые слова:** цифровая экономика, цифровые технологии, цифровизация, электронная коммерция, электронные платежи, цифровые банковские услуги, электронное правительство, экономическая эффективность, цифровое равенство, кибербезопасность, рынок труда, инновации.

Today, the world is changing very rapidly. Digital technologies are being widely used in almost all areas of our lives. Smartphones, computers, the internet, mobile applications, and online payment systems are all integral parts of the digital economy. For this reason, the digital economy is becoming increasingly important in the development of national economies. The digital economy refers to the performance of economic activities and services in electronic form. Examples include online trade, electronic banking services, digital government services, online education, electronic payments, and many other conveniences.

One of the main advantages of the digital economy is that it makes processes faster, more accurate, and more convenient. Tasks that previously required visiting offices and waiting in long queues can now be completed online within minutes. This saves time for individuals and reduces costs for governments and businesses. The digital economy also brings significant changes to production processes. For instance, the use of robots in factories, quality control through specialized software, and automated equipment increases labor productivity. Moreover, digital technologies enable companies to reduce energy and raw material consumption, allowing them to produce more goods at lower costs.

Digitalization also provides great convenience in the service sector. Online stores, digital taxi services, mobile banking applications, and online payment systems have significantly simplified daily life. People can now shop, transfer money, and pay utility bills without leaving their homes. In public administration, the role of the digital economy is even more crucial. Through e-government systems, many documents and services can be obtained online. This reduces bureaucracy, increases transparency in public services, and minimizes the risk of corruption. In addition, online systems allow government institutions to collect accurate and timely data, which helps in making effective economic decisions.

The digital economy is also developing rapidly in Uzbekistan. In recent years, the “Digital Uzbekistan – 2030” strategy has been adopted, many public services have been transferred to electronic platforms, internet speed has improved, IT specialists are being trained, and digital banking services are expanding. Through IT Park initiatives, many young people are learning programming skills and creating startup projects. Digital payment systems such as Payme, Click, Humo, and Uzcard are widely used in everyday life.

However, the digital economy also faces certain challenges. Internet quality is not uniform in all regions, digital literacy among some segments of the population remains low, and cybersecurity risks are increasing. Nevertheless, these issues can be addressed gradually, allowing the digital economy to develop further.

Don Tapscott defines the digital economy as an “information-based economy.” According to him, digital transformation fundamentally changes all segments of the economy. He emphasizes that the internet has become the heartbeat of economic processes, global competition among companies has intensified, and consumers have become more independent in comparing, evaluating, and choosing products. Tapscott believes that blockchain technology will form the foundation of the future economy and enhance transparency in public administration. He argues that digital economy will dominate corporate governance, education, finance, and service sectors. Overall, the digital economy is based on information, the internet transforms economic systems, and blockchain creates a transparent future framework.

Klaus Schwab, in his theory of the “Fourth Industrial Revolution,” identifies the digital economy as the main driving force. According to him, artificial intelligence, nanotechnology, robotics, digital platforms, cloud technologies, and smart systems form the basis of a new economic paradigm. Schwab views the digital economy not merely as a collection of technologies, but as a global transformation affecting all aspects of human life. He states that digital technologies will bring fundamental changes to public administration, healthcare, education, transportation, and security systems. Furthermore, he emphasizes that national competitiveness increasingly depends on the level of technological adoption.

Manuel Castells is the author of the “information society” theory. He argues that the 21st-century economy is based on network structures, where information becomes the primary resource. According to Castells, the integration of society and the economy into digital networks strongly influences social relations, labor markets, political processes, and personal life. Economic growth, he claims, now depends not on production capacity but on the speed and quality of information flows. As digital networks expand, economic disparities between countries increasingly depend on their level of information technology usage.

Erik Brynjolfsson highlights the strong impact of the digital economy on the labor market. While artificial intelligence and automation increase productivity, they also pose risks for low-skilled workers. However, the digital economy creates new professions, markets, and industries. According to Brynjolfsson, the digital economy is a new source of economic growth. Companies use big data, artificial intelligence, and digital platforms to better understand customers, improve efficiency, and gain competitive advantages. Thus, the digital economy increases efficiency but reduces demand for low-skilled labor while generating new employment opportunities.

Joseph Stiglitz emphasizes the importance of the digital economy for public governance. He argues that digital services, e-government systems, online public procurement, electronic tax systems, and state databases increase transparency, reduce corruption, and lower unnecessary costs. Stiglitz also draws attention to the issue of digital equality. According to him, if technologies provide equal access for all, the digital economy can strengthen social justice and accelerate economic reforms.

Alvin Toffler argues that the most valuable resource in the future economy is information and knowledge. He describes economic development as the “third wave,” in which technology becomes the core of economic processes, innovation accelerates, and a knowledge-based society emerges. Toffler believes that the digital economy transforms the global labor market by expanding remote work, freelancing, and intellectual services. Individuals with digital skills achieve the highest levels of success.

In general, the digital economy plays a vital role in accelerating economic development, simplifying processes, increasing efficiency, and improving quality of life. In the future, digital technologies will continue to expand and become the core of the economy. Today, the digital economy is not only a new driver of economic growth but also the main direction of global development.

Comparing the views of these scholars, three main conclusions can be drawn. First, according to Tapscott, Schwab, and Toffler, the internet, artificial intelligence, blockchain, IoT, digital services, and databases have become the key driving forces of the economy, transforming traditional production systems into faster, more accurate, and more efficient models. Second, Brynjolfsson and Toffler emphasize changes in the labor market: new professions such as data analysts, robotics engineers, programmers, and cybersecurity specialists are growing rapidly, while low-skilled traditional jobs are declining. This shows that the digital economy demands high qualifications. Third, Stiglitz highlights the importance of digital technologies in the public sector, where e-government services, online procurement, digital taxation, and electronic applications simplify interactions between the state and citizens, increase transparency, and reduce corruption.

Castells and Tapscott focus on the social dimension of the digital economy. Information networks, social media, and digital communication have transformed daily life, and information has become the main resource for creating economic value. As Jeremy Rifkin notes, digital products can be replicated at almost zero marginal cost, creating significant opportunities for small businesses. Digital platforms expand markets, accelerate innovation, and intensify economic competition.

In conclusion, scholars agree that the digital economy accelerates economic growth, reduces costs, simplifies public administration, creates new professions and markets, transforms society into an information-based system, enhances global competitiveness, strengthens innovation, and enables efficient use of resources. Therefore, the digital economy today is not merely a technological process but a strategic direction for economic development, social progress, public governance, and the future of humanity.

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