



Priorities of Digital Economy Development in Banks of Uzbekistan

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ABSTRACT

The main purpose of the scientific article is to provide conclusions and recommendations on priority issues such as the widespread introduction of modern information and communication technologies in the banking system of the Republic, automation of business processes of commercial banks and creating the necessary conditions for expanding remote banking services. This scientific article describes the theoretical and practical basis for the use of banking services in the system bank settlements, the factors contributing to it, the practical measures taken by commercial banks in this direction.

Keywords:

digital economy, banking system, electronic money, payment systems banking, customer, remote service control, regulatory framework, international practice.

1. Introduction.

Today, the development of banking services to the population in the activities of commercial banks of the country, the introduction of new types of banking services using information and communication technologies is relevant. The banking system also continues to widely introduce information and communication technologies in line with modern requirements, and thus many banking services are being automated. Now almost all banking services can be obtained in an instant using a mobile phone or special devices. A few years ago, there was no such opportunity. The Strategy for Reforming the Banking System of the Republic of Uzbekistan for 2020-2025, approved by President on May 12, 2020, prioritizes the widespread introduction of modern information and communication technologies, automation of business processes of commercial banks and creation of necessary conditions for expanding remote banking services. tasks were identified [1].

2. Literature review.

With the development of information technology in the world, the term digital economy appeared and was first used by Canadian scientist Don Tapscott in 1995 in his book "Electronic Digital Society: Advantages and Disadvantages of the Network Age" [2].

In 1995, American programmer Nicholas Negroponte coined the term "digital economy". Today, the term is used by politicians, economists, journalists and entrepreneurs around the world. In 2016, the World Bank published the first report on the state of the digital economy in the world. The term "digital economy" was introduced into scientific practice by Manuel Castels, a Spanish and American sociologist and leading researcher in the information society. In this regard, he published a three-volume monograph entitled "Information Age: Economy, Society and Culture." In his view, the term digital economy is used to describe two different types of concepts. First, the digital economy is a modern stage of development, characterized by the priority of the benefits of creative labor and information. Second, the

digital economy is a unique theory, the object of study of which is an informed society. The theory of the digital economy is in the early stages of its development, as the transition of civilization to the digital information stage began only a few decades ago. In the scientific literature, the modern "New Digital Economy" is called by various terms. For example, "post-industrial economy" (D. Bell), "information economy" (O. Toffler), "megaeconomy" (V. Kuvaldin), "information and communication-based economy" (I. Niiniluto), techno-economy or digital economy" (B. Gates), "knowledge-based economy" (D. Tapskott). The unifying factor of these concepts is the leading role of information technology in the globalization of economic processes [3]. The term digital economy has been defined by a number of foreign and domestic economists. In particular, according to academician S.S Gulomov, "Digital business is the emergence of new business models that combine the physical and digital worlds." According to Shakhnoza Soatova, "Digital economy is a system of economic, social and cultural communication based on the use of digital technologies. It is sometimes referred to as the Internet economy, the new economy, or the web economy [4]. "The digital economy is not a separate activity. It actually means business, industrial facilities, services. The term "digital" means the active use of information technology in all these areas. If in a simple economy material goods are the main resource, in a digital economy it is information that is processed and transmitted. After their analysis, a solution for proper management will be developed. The object of research is the practice of organizing and regulating the activities of accounting systems of commercial banks in the development of the digital economy in the world and in the national economy.

3. Research methodology.

At the stage of widespread use of innovations in today's banking and financial system, economic research methods such as data collection, analysis, synthesis and logical thinking of the electronic money system have

been widely used to improve the services of commercial banks in the country.

4. Analysis and discussion of results.

In the process of corporate transformation of commercial banks in the field of introduction of modern information and communication technologies, it is planned to implement the following measures:

- Expanding the number and coverage of remote banking services, including contactless payments;
- extensive use of scoring, remote identification and credit conveyor system;
- strengthening the information security of banking information and systems;
- Wide introduction of new concepts and technologies in the banking sector (fintech, digital banking).

These steps are aimed at developing the digital economy in our country, ensuring the rapid growth of the Uzbek economy, digitalization of banking services to accelerate the country's integration into the world economy and the free market, along with economically developed countries. Digitization of banking services is the establishment of interaction between the bank and the customer on the basis of digital information and communication technologies. As bank customers use financial services, they begin to understand the importance of ensuring the convenience, quality and speed of service, saving time and reducing operating costs, electronic document management. It was especially difficult to access the bank and use the services in remote areas. The opening of digital financial services bank branches has made it possible to effectively cover individuals and legal entities in remote and sparsely populated areas that are unprofitable.

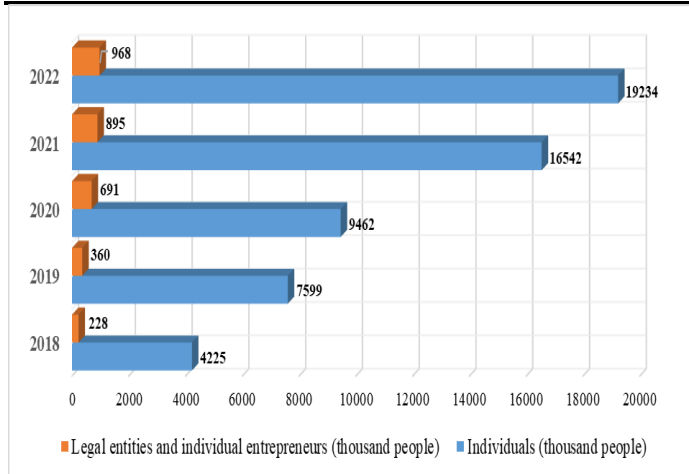


Figure 1. The number of users of remote banking services as of January 1, 2018-2022 [5]

Currently, the mobile applications of banks include all major banking services for individuals, including making payments, blocking (unblocking) a bank card, obtaining a microloan (credit), online deposit operations and online conversion. As of January 1, 2022, the number of users of remote service systems amounted to 20,203 thousand people.

Digital changes are optimizing the business models of banks, the banking and payment segment - from remote banking services to changes in the field of financial operations. Increased competition between banks The transition to the provision of banking services in electronic format and the creation of convenience for the population, of course, contributed to the intensification of competition. In turn, as competition intensifies, the need to take advantage of new opportunities in the field of information and communication technologies is growing. Thus, the digitalization of the economy has intensified competition in the financial services market between banks and non-bank structures. Clients now have the opportunity to choose where and when to use financial services. As a result of studying the needs of the client, the banks opened offices working around the clock (24/7). In accordance with these needs, the electronic banking technologies offered in the financial market are developing rapidly. Examples include

electronic payment systems, electronic money, remote banking services, including online banking products, bank terminals, and automated banking centers. The use of digital financial technologies optimizes the possibility of active cooperation between the state, payment service providers and customers. Constant analysis of customer demand and needs leads to the introduction of new methods of service by banks, the creation of new attractive products. It should be noted that the pandemic has also affected the rapid development of digital financial services. Prior to the start of quarantine, the population was less interested in remote banking, preferring to come to the bank and solve the problem “on the spot.” A small number of bank customers used mobile applications and software designed for remote banking services. Residents who could not leave their homes due to quarantine felt a dire need for remote banking services.

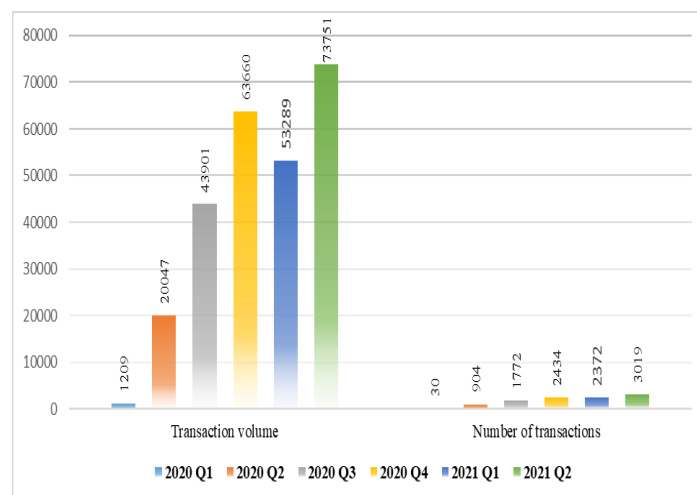


Figure 2. Analytical information for 2020-2021 on payment documents used in settlements made through the interbank payment system of the Central Bank [6]

In 2020, the launch of another interbank payment system - the Central Bank’s “Instant Payment System” - made it possible to make payments 24/7 through remote services to legal entities and individual entrepreneurs who are customers of commercial banks. In September last year, the “Instant Payment System” made it possible to transfer budget and tax payments to the treasury of the

Ministry of Finance, as well as to make payments on credit 24/7. As a result, in the first half of this year through the "Instant Payment System" 127.0 trillion. 5.4 million soums worth of transactions, including 4.3 trillion soums to the budget. More than 724,000 soums were paid.

They began to search for the necessary services through electronic channels and used them when necessary. This encourages banks to pay more attention to electronic applications, improve remote services, mobile applications. In other words, the digitalization of the economy not only creates new opportunities for banks, but also encourages them to look for new ways to attract customers by increasing competition, creating a favorable environment for customers, providing cheap and quality financial and payment services. Results of digitization of the payment system Over the past three years, effective work has been done to radically improve the activities of commercial banks, to establish full cooperation with the population and business, the mass introduction of remote banking services. As a result, the use of modern technologies - remote banking services technologies, such as the Internet and mobile banking, which are convenient for bank customers, is expanding. Today, the introduction of digital financial services has become an important direction in the development of the country's banking and financial system.

5. Conclusions and suggestions.

At present, given that the main goal of banking reform is to train commercial banks to work for the client, it is important to build public confidence in the banking system and limit foreign interference in the activities of banks. To this end, through the widespread use of information technology in banks to radically update their software, to continue the process of attracting qualified specialists from leading foreign financial institutions to senior positions for the introduction of modern banking practices, management and services in state banks together with foreign experts. and the need to fully implement the "credit history" information system in lending practice. The

role and importance of digital technologies in the development of the world is growing every year. In particular, the widespread introduction of technical transformation processes in the financial sector further increases the efficiency of banking systems, payment operations, lending and other similar services. This type of technology, which improves and optimizes financial services, is a financial technology called Fintex. Financial technology is an industry that consists of intermediaries in the banking and financial services market, i.e. companies that use technology and innovation to compete with traditional financial institutions.

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