Modern American Journal of Business, Economics, and Entrepreneurship
ISSN (E): 3067-7203
Volume 01, Issue 06, September, 2025
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DIGITALIZATION OF PROJECT MANAGEMENT IN UZBEKISTAN AND FOREIGN EXPERIENCE

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Abstract
The article discusses project management in the digital economy, implying the use of well-known and widely used in modern technologies methods and tools such as the use of Artificial Intelligence (AI), the use of cloud tools and flexible methodologies for planning, execution and control of projects related to the digitalization of business, IT development, creation of digital infrastructure and the provision of online services.

Keywords: Artificial intelligence, cloud tools, flexible technologies, planning and control of project implementation process.

INTRODUCTION

Project management in Uzbekistan is a set of methodologies, tools, and practices aimed at planning, organizing, and monitoring projects to achieve their goals. Management includes the stages of initiation, planning, execution, monitoring, and completion. The country is in demand for project management specialists using various methods, such as Waterfall and Agile, as well as project management software such as Bitrix24, Trello, and Jira. The Presidential Resolution "On the Organization of the Activities of the National Agency for

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Promising Projects of the Republic of Uzbekistan" places special emphasis on digitalization.

When discussing project management in the digital economy, we mean the use of well-known and widely used methods and tools in modern technologies, such as Artificial Intelligence (AI), cloud tools, and agile methodologies for planning, executing, and monitoring projects related to business digitalization, IT development, digital infrastructure creation, and online service provision.

Key features in this area include the use of digital platforms for collaboration between project participants and stakeholders, real-time progress tracking, and adaptation to rapidly changing technological conditions to achieve business goals.

In this regard, it is worth paying attention to the recent past in the field of project management and the data that can be used in their analysis.

For example, the implementation of infrastructure projects in the transport, energy , and agriculture sectors in Uzbekistan has opened up the possibility of using a variety of new digital technologies, such as video conferencing and the possibility of implementing hybrid work during project implementation, remote monitoring of project implementation, simplified reporting in the form of electronic reports, the possibility of using software and Internet resources to simplify communication and implement project management online, the integration of software products into instant messengers, etc.

Software products have also emerged that make it possible to simplify and more effectively plan and implement projects, and identify and analyze the risks associated with the implementation of particularly important projects.

Overall, digitalization is a top priority for 80% of companies worldwide. Their primary goal is to use digitalization to improve productivity, create new revenue streams, drive growth, and enhance customer service [1].

[1] The Impact of Digitalization of the Global Economy on Economic Growth in Countries (Based on the Top Five Countries by Contribution to Global GDP) https://rusjm.ru/ru/nauka/journal/5/view

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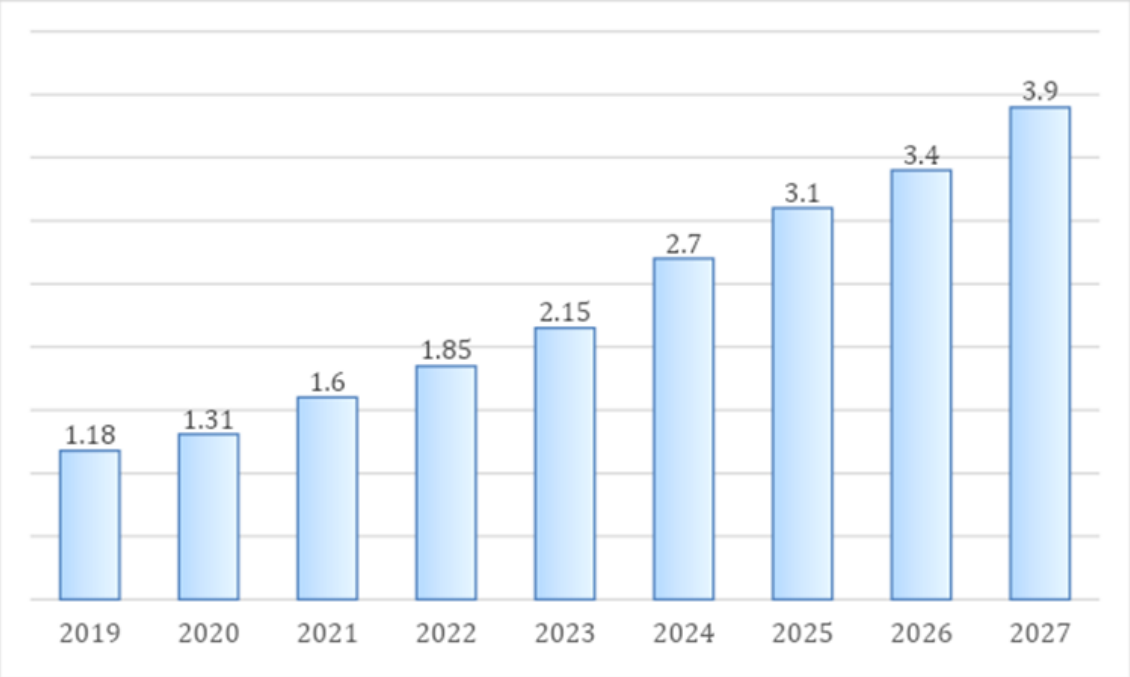

Figure 1 - Global digitalization spending 2019-2027, $ trillion

LITERATURE REVIEW

To describe the study, an in-depth analysis of the literature was conducted, the list of which is given at the end of this article {1,2,3,4,5,6,7,8,9,10,11,12,13}.

To analyze the impact of digitalization on economic growth in these key countries, we will use data from the Global Innovation Index from 2013 to 2022. Based on the 2022 results, the United States ranks second out of 132 countries in terms of overall digitalization. Switzerland has held the top spot for several years (Figure 2) [2].

[2] Spending on digital transformation technologies and services worldwide from 2017 to 2027. // Official Statista website . – 2022. – URL: https://www.statista.com/statistics/870924 (date appeals : 02.04.2024

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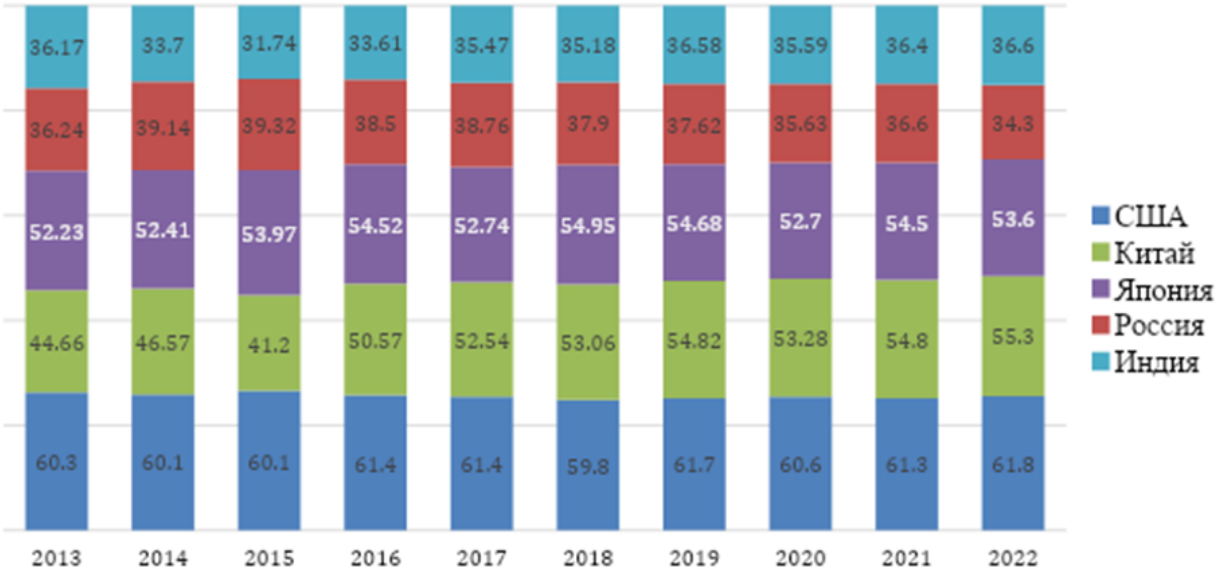

Figure 2 - Level of digitalization of countries for the period 2013-2022, points

METHODS AND ANALYTICS

According to Digital Planet 2025 adopts four zones of digital evolution [3]. Starting with a baseline of digital evolution, the index is overlaid with a dynamics assessment to provide the most comprehensive index to date. The index is then segmented into the following categories:

- Economies at the advanced stage of digitalization are highly developed and demonstrate strong dynamism. They are leaders in promoting innovation, effectively and efficiently leveraging their existing advantages.
- Economies at the advanced stage of digitalization demonstrate high levels of digital adoption despite slowing growth. They typically sacrifice speed for resilience and typically invest in expanding digital inclusion and building robust institutions.
- Economies at the advanced digitalization stage, despite lower current levels of digitalization, are growing rapidly. Thanks to this momentum and significant growth potential, they are often very attractive to investors.

[3] DIGITAL PLANET 2025 From the COVID Shock to the AI Surge: How 125 Digital Economies Around the World Are Evolving and Changing

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- Economies at the advanced stage of digitalization face significant challenges due to low levels of overall digitalization and sluggish growth. However, despite significant infrastructure gaps, younger demographics in these economies are enthusiastic about the digital future and are increasingly using social media and mobile payments.

Regarding rankings and assessments, the aforementioned source lists 125 global economies in ascending order of their digital evolution ratings and digital dynamics index. A higher rating corresponds to a higher level of digital development. For analysis and comparison of economies by various metrics, including driving force indicators, see the interactive Digital Evolution Index website [4]. The Republic of Uzbekistan ranks 86th on this list with a score of 40.83 .

A digital slowdown was observed after the 2021 pandemic. In most countries, the pandemic appeared to accelerate digital adoption and growth, but post-pandemic analysis revealed a much more complex picture. By 2022–2023, amid a broader economic downturn and global inflation, many countries experienced a slowdown, with post-pandemic digital growth rates falling below pandemic levels. Demand growth and institutional improvements significantly slowed after the pandemic, while supply-side measures remained more stable in all the countries analyzed. However, there were a few digitally resilient countries where the pandemic had virtually no impact on digital growth. Some even saw a positive shift toward improved digital growth rates after the pandemic.

For example, in the Republic of Uzbekistan, during the implementation of some infrastructure projects, such as “Improvement of main roads in the north-western part of Uzbekistan”, remote/alternative methods of monitoring and control of projects were used.

[4] Digital Evolution Index - a study of global digital competitiveness

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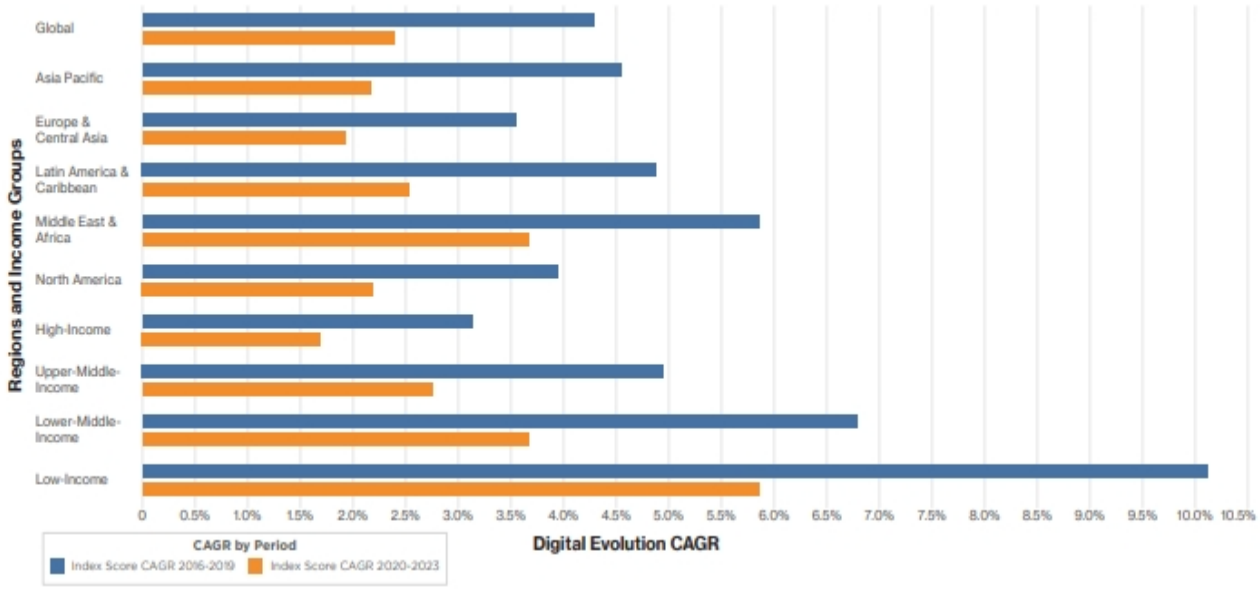

Fig. 3. Pre- and post-pandemic economic development of countries [5].

Although the global economy avoided a worst-case recession in 2023, a protracted period of low growth looms. Growth prospects for many developing countries, particularly vulnerable and low-income ones, remain weak, making a full recovery from the losses caused by the pandemic even more elusive. Focusing on the digital economy, we compared the compound annual growth rate (CAGR) of overall digital evolution indicators and the indicators of individual drivers, components, and clusters for all 125 economies between the pre-pandemic period (2016–2019) and the post-pandemic period (2020–2023) (Figure 3).

The digital surge brought on by the pandemic proved more fleeting than many expected. An analysis of annual growth rates of digital adoption in the 125 economies surveyed shows a sharp reversal of the trend that emerged at the height of COVID-19. While there was an initial acceleration in digital adoption, although significant, it was short-lived. Since then, growth rates have declined sharply, particularly in 2022 and 2023.

[5] Digital Evolution Index - a study of global digital competitiveness

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This slowdown in digital development can be attributed to two main factors. First, many developed markets are approaching digital device saturation. Second, the extraordinary circumstances that spurred online transactions during the lockdown.

have subsided, leading to a gradual return to pre-pandemic consumption patterns. This shift is confirmed by global mobile e-commerce data: the compound annual growth rate (CAGR) of mobile e-commerce's share of total retail sales has more than halved, falling from 27% pre-pandemic to 11% post-pandemic.

Fig. 4 The impact of Internet access on innovative changes

					Supply Conditions			Demand Conditions				Institutional Environment			Innovation and Change		
Year	ISO3C	Entity	Region	Income Group	Access Infrastructure	Transaction Infrastructure	Fulfillment Infrastructure	State of the Human Condition	Device and Broadband Uptake	Digital Inclusion	Digital Payment Uptake	Institutional Effectiveness and	Institutions and the Business Environment	Institutions and the Digital Ecosystem	Inputs	Processes	Outcomes
2023	UZB	Uzbekistan	Europe & Central Asia	Lower middle income	53	16.19	64.95	42.59	49.67	72.47	23.52	33.06	58.3	37.99	46.11	23.75	12.4

Since the end of 2020, Artificial Intelligence (AI) has been used in project management, becoming relevant and, in some cases, indispensable.

The AI amplifier effect reinforces the advantage of digitally advanced countries, highlighting the potential winner-take-all dynamic between AI and digital development. Strategic investments in AI are vital to supporting digital progress. As AI becomes a key driver of innovation and competitiveness, countries lagging behind in AI adoption may find it increasingly difficult to catch up (Figure 4).

AI is increasingly becoming a key factor in shaping national digital competitiveness. The slowdown in digital technology development and the widening digital divide both within and between countries threaten to further widen, as AI becomes the driving force behind digital evolution.

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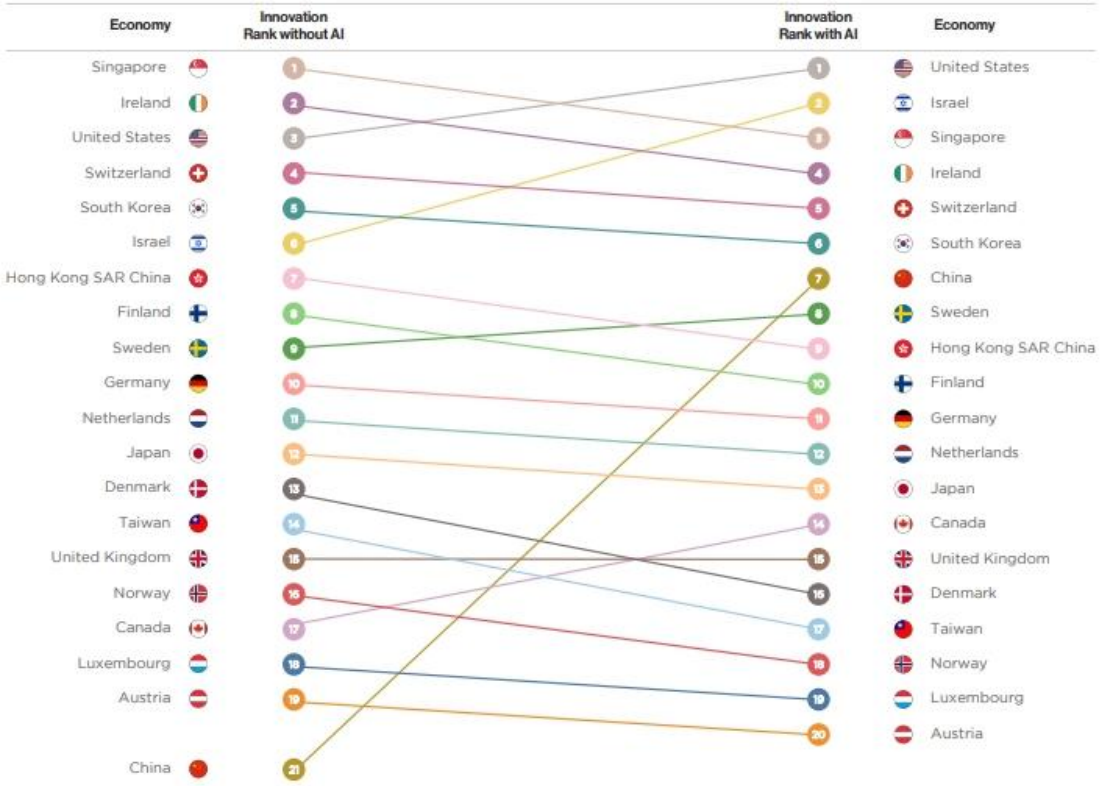

Figure 5. Artificial Intelligence Amplifier Effect

The analysis presented in Figure 5 shows that removing AI-related indicators from the Digital Evolution Index would radically alter the global digital hierarchy. For example, Singapore, Qatar, and the United States would move from the "Impact" zone to the "Stagnation" zone. China's overall ranking in the index would plummet by seven places, making it the country most affected by this hypothetical AI exclusion. Israel and Canada would also experience significant declines in their rankings—by six and four places, respectively.

These results highlight an important conclusion: investments in AI are not simply complementary to digital competitiveness; they are fundamental. The ability to harness AI for innovation may well become the defining factor of a country's digital success.

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The conversation is no longer just about maintaining digital competitiveness, but also about shaping the future of the global digital economy.

When discussing the resilience of so-called digital "warehouses," it's worth noting that, having become crucial hubs for cross-border data flows, this group of small countries, islands, and entrepôts—which we call "digital entrepôts"—has remained resilient throughout the pandemic and beyond, and has since redoubled its emphasis on its defining characteristics: flexibility, adaptability, openness, and robust institutional support for innovation—to expand their advantages and remain relevant in the AI era. They serve as a shining example for the rest of the world, demonstrating what the future of cross-border collaboration in the AI era could look like.

Entrance hubs such as Hong Kong, the United Arab Emirates, and Singapore continue to maintain their "outstanding" status, consistently scoring highly in the "Demand," "Supply," and "Innovation" dimensions. These economies, including smaller countries such as Estonia, South Korea, and Ireland, consistently perform well in the Index, demonstrating flexibility, adaptability, openness, and robust institutional support for innovation. While these small but flexible economies, functioning as digital hubs, are not immune to the global trend of digital slowdown, they continue to play a crucial role as critical hubs in cross-border data flows with open data policies.

It is appropriate to note the three speeds of European digital development, according to which the European digital economy, which has clear geographical and demographic patterns, is developing at different speeds.

For example, established economies (mainly Western and Northern Europe) demonstrate a high level of digital development, but slower dynamics.

Fast-growing economies (including the Baltic states and some Central European countries) are demonstrating both strong performance and rapid growth. Emerging economies (primarily in Southeastern and Eastern Europe) are showing weaker current performance but promising growth.

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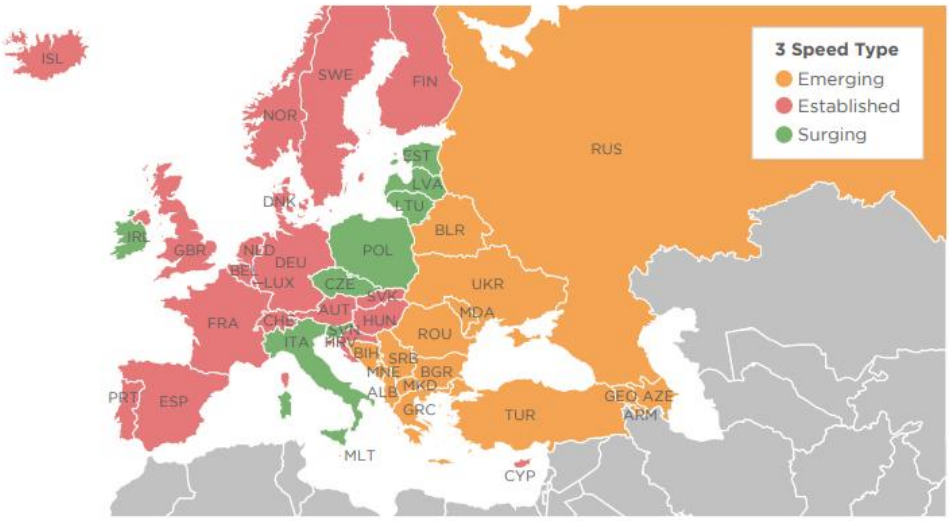

Fig. 6 "Three speeds of Europe": "emerging" (orange), "steady-state" (crimson), "bursts" (green)

Established economies (magenta): digital maturity with dynamic challenges: UK, Netherlands, Germany, France, Switzerland, Norway, Finland, Denmark, Sweden, Belgium, Luxembourg, Austria, Spain, Iceland, Cyprus, Malta, Portugal, Croatia, Slovakia, Hungary.

Fast-growing economies (green zone): strong performance and continued growth: Estonia, Lithuania, Latvia, Poland, Czech Republic, Ireland, Slovenia, Italy

Emerging economies (orange zone): digital potential and implementation challenges: Bulgaria, Romania, Serbia, Turkey, Georgia, Armenia, Azerbaijan, Ukraine, Bosnia and Herzegovina, Moldova, Albania, North Macedonia, Greece, Belarus, Russia, Montenegro.

The Asia-Pacific region is growing rapidly, with an average growth rate higher than all other regions. It leads in demand growth, and digital payments adoption is driving rapid growth. However, progress in digital inclusion is slowing, while other regions are rapidly approaching parity. The region is home to the second-highest-ranked country (Singapore) and the fastest-growing country (China).

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While there are undoubtedly several digital superstars, the region is expanding on the Evolution map, reflecting the diversity of countries' development paths. This group of countries can be divided into the following categories:

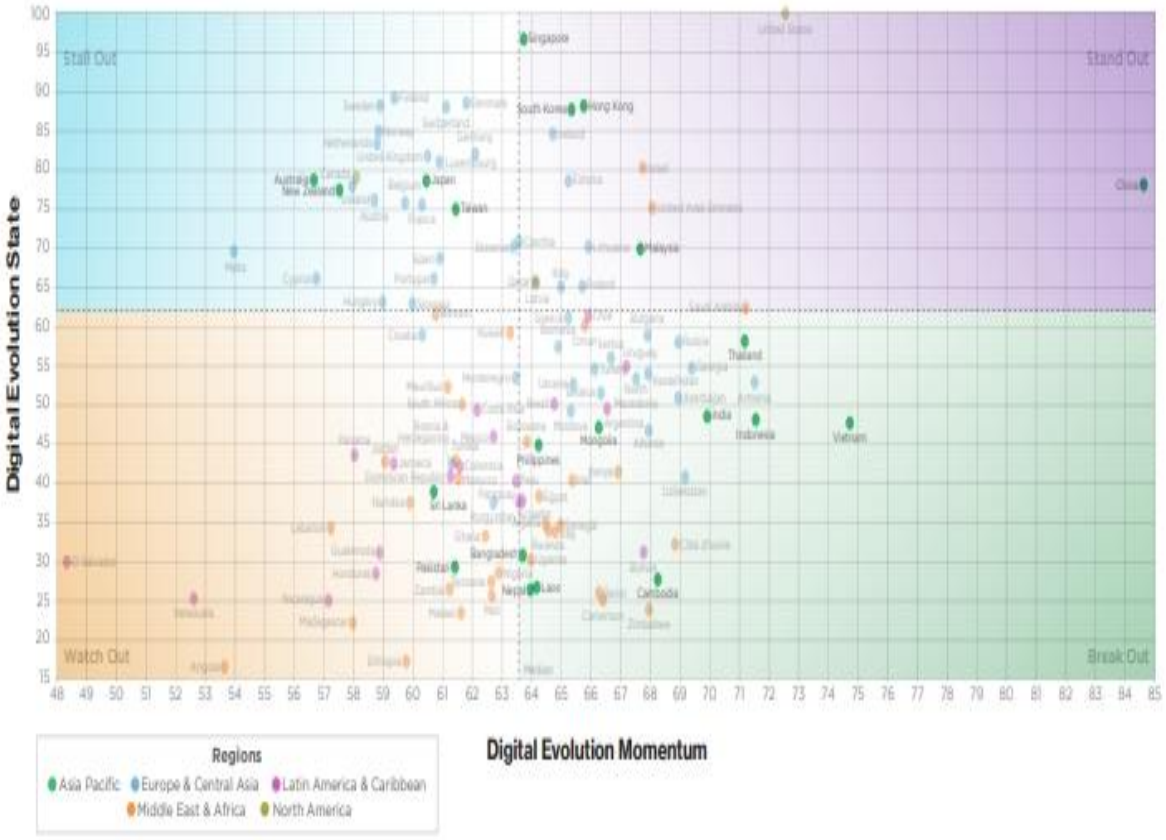

Figure 7 Digital Evolution: Asia Pacific

Leaders

South Korea, one of the top five countries in the Asia-Pacific region, continues to reap the benefits of significant investments in supply-side drivers and innovation. South Korea's high broadband penetration and government initiatives have virtually eliminated the broadband gap: 100% of households have internet access, and 97.6% use the internet. This rapid progress can be attributed to several government initiatives, including the Universal Service Obligation (USO), which requires telecommunications companies to provide broadband access to everyone, everywhere, at a minimum speed. The

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government has also promoted public-private partnerships to expand broadband access to rural areas. While closing the broadband gap is commendable, the digital payment gap remains, with rural households using this technology less frequently than urban ones. The country's focus on digital infrastructure is complemented by significant investments in emerging technologies such as 5G and artificial intelligence (AI). South Korea has implemented extensive e-government services, making public administration more efficient and accessible to its citizens. However, mobile data costs and net neutrality regulations83 remain challenging. The country's continued focus on technological innovation allows it to remain at the forefront of digital evolution. Hong Kong, located next to South Korea on the digital evolution map, is just one of five Asia-Pacific economies that excel in demand, boasting the highest demand score of all economies in the Index. Strong consumer spending and a well-developed financial services sector support robust ICT infrastructure and rapid digital adoption. The region's strategic location and historically open market policies have made it a hub for digital commerce and innovation. Despite these strengths, Hong Kong faces institutional challenges that could undermine its long-term competitiveness. Freedom of speech and government accountability, the effectiveness of the legal system, and control of corporate corruption have declined in recent years, creating an uncertain environment for investors and talent. Nevertheless, Hong Kong's commitment to digitalization and its advanced technology infrastructure make it a regional leader.

Japan is a strong regional leader in both institutional and supply-side development. It is addressing many of its digital shortcomings and taking bold steps to become a more digitally innovative country. A 2018 report by the Ministry of Economy, Trade, and Industry warned that Japan was teetering on the brink of a "digital cliff" due to low levels of digital adoption by businesses. The Kishida government has committed to accelerating the country's digital transformation by investing in infrastructure improvements and appointing a digital minister who has declared a "war" on floppy disks and other legacy technologies. These investments are beginning to pay off: Japan has seen significant improvements in access infrastructure, including faster fixed and mobile broadband speeds. While supply-side dynamics are strong, demand-side

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dynamics are relatively weak, hampered by an aging population (a digital generational divide exists) and a heavy reliance on cash payments. Although non-cash transactions are growing in the country, their share lags significantly behind regional peers such as South Korea and Singapore.

Rods

China: China's robust economic performance continues to place it in a class of its own – the country not only ranks highest in the Index but also demonstrates the highest growth rates in both supply and demand, second only to the United States in innovation. According to the ITU, 78% of Chinese people will have internet access as of 2023. With over 1 billion internet users, China not only drives global demand but is also home to the world's largest online community. China's rapid growth in mobile e-commerce and significant investment in AI highlight its strengths in the digital economy. According to the OECD, venture capitalists will invest $16.7 billion in AI in China in 2024, bringing the cumulative total to $265 billion since 2012. Similarly, venture capital investment in AI computing in China will reach $2 billion in 2024, bringing the cumulative total to $40 billion since 2012. In all cases, this figure for China significantly exceeds that of all countries except the United States. This emphasis on AI underscores technological advancement as a key driver of the digital economy. China's digital infrastructure is robust, reflected in high mobile penetration and widespread internet access, facilitating widespread adoption of digital technologies.

A large consumer base, strong government support, and a thriving tech industry support the country's digital ecosystem. However, despite some improvements, the digital divide between urban and rural areas, as well as between rich and poor, remains persistent. The country has the largest class and urban/rural digital divide among leading Asia-Pacific countries. Similarly, compared to these same countries, China lags behind on institutional indicators, particularly data openness and restrictions on digital trade.

Low trust in the quality and comprehensiveness of statistical data provided to the public can become a barrier to innovation—at a critical juncture when AI is gaining momentum and innovators are turning to publicly available datasets to

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solve problems. China is far from alone in moving toward a more restrictive approach to digital trade, but it continues to hinder institutional progress. The lack of transparency in the legal framework creates challenges that could impact China's digital leadership. By continuing to invest in its digital infrastructure and innovation, China remains a key player in shaping the future of the global digital economy.

India has the second-largest number of internet users in the world, and thanks to its young population, it still has significant potential for growth. It is the eighth-fastest growing country, demonstrating particularly strong indicators in innovation measures.

India's digital transformation has been driven by major initiatives such as Aadhaar, the world's largest digital government infrastructure based on a biometric identification system that has enabled millions of citizens to access digital services; and the United Payments Interface (UPI), a revolutionary real-time payments system.

India will be responsible for processing 84% of electronic payments in 2023. The country's tech industry continues to lead the world in IT services, fueled by a young, tech-savvy population. However, India faces challenges in digital inclusion, particularly in terms of bringing more women and rural residents into the digital economy and accessing the internet. By continuing to expand its digital capabilities, India remains a key player in the global market, particularly in the expansion of digital public infrastructure in the Global South.

Indonesia, ranked 4th in the world by internet users, is emerging as a key player in the global digital economy. Overcoming last-mile challenges across an archipelago of 13,466 islands, Indonesia has experienced explosive growth in mobile e-commerce, which is by far the most significant metric contributing to its rapid growth. As of 2014, less than 1.5% of its retail value came from mobile e-commerce; as of 2023, this figure was over 30%. Indonesia's rapid growth has led to the inclusion of a large portion of its population in the digital economy. In 2008, Indonesia ranked 5th from last in progress in bridging the digital class divide, having achieved only 5% progress in achieving digital class parity. In 2023, Indonesia reached the middle of the global rankings with 60% progress in

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bridging the digital class divide. This reflects the second-largest improvement in the world in progress towards digital parity.

Leapfrog

Vietnam, the second-fastest-growing country in the Index, is also well-balanced across all factors – it consistently ranks among the top five fastest-growing countries in metrics such as supply, demand, institutions, and innovation. This rapid digital momentum partly reflects the rapid development of the economy as a whole, as Vietnam strives to become an indispensable player in global supply chains, particularly in electronics. Domestic e-commerce has grown by 16–30% over the past four years, the highest growth rate in the world. Vietnam shares some similarities with Thailand, another major leapfrogger in the region. Both countries have national AI strategies, are demonstrating impressive growth in internet access and use, and have successfully integrated the internet into their economies (e-commerce and internet-enabled businesses have expanded). Vietnam's e-commerce retail volume reached 14% of total retail volume in 2023, exceeding the global median of 8%.94 Vietnam distinguishes itself from the other two countries by expanding ICT exports, which rose from 4.7% of total merchandise exports in 2008 to 38.8% by 2020. Vietnam's investments in education are beginning to pay off—Vietnamese students outperform their Malaysian and Thai peers, as well as students in much wealthier countries such as the UK and Canada. With one of the highest female labor force participation rates and more female entrepreneurs than men, Vietnam has made impressive progress in closing the gender digital gap, rising from 79% digital gender parity in 2008 to 90% in 2023. If Vietnam continues to leverage digital developments fairly and effectively, its goal of becoming a wealthy country by 2045 appears within reach.

Thailand has several advantages over its Asian counterparts, Indonesia and Vietnam, which have surged ahead. A national artificial intelligence strategy, expanding internet access and use, and growing e-commerce adoption are pushing Thailand to the right side of the digital evolution map. Thailand's most significant growth has occurred in real-time payments, with PromptPay making it a global leader in this area. This growth is also driven by the number of people

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receiving their salaries via mobile phone, the volume of mobile data traffic, and average connection speeds. Like Vietnam and Indonesia, this growth has helped low-income residents gain access to digital technologies—progress toward digital parity has accelerated significantly, from 29% in 2008 to 67% in 2023.

Pakistan has demonstrated significant progress on the supply side, driven by improved access infrastructure, particularly mobile phone access. Digital adoption in Pakistan is accelerating: according to Euromonitor, nearly half of households have internet access, a significant improvement from 2019, when only a quarter had access. Government initiatives to expand internet access and improve digital literacy have contributed to the country's digital transformation. However, Pakistan faces significant challenges, including low internet penetration in rural areas, limited digital literacy, a significant gender gap, and weak institutional trust. Addressing these challenges will be critical for Pakistan to fully realize its potential as an emerging digital economy in the region.

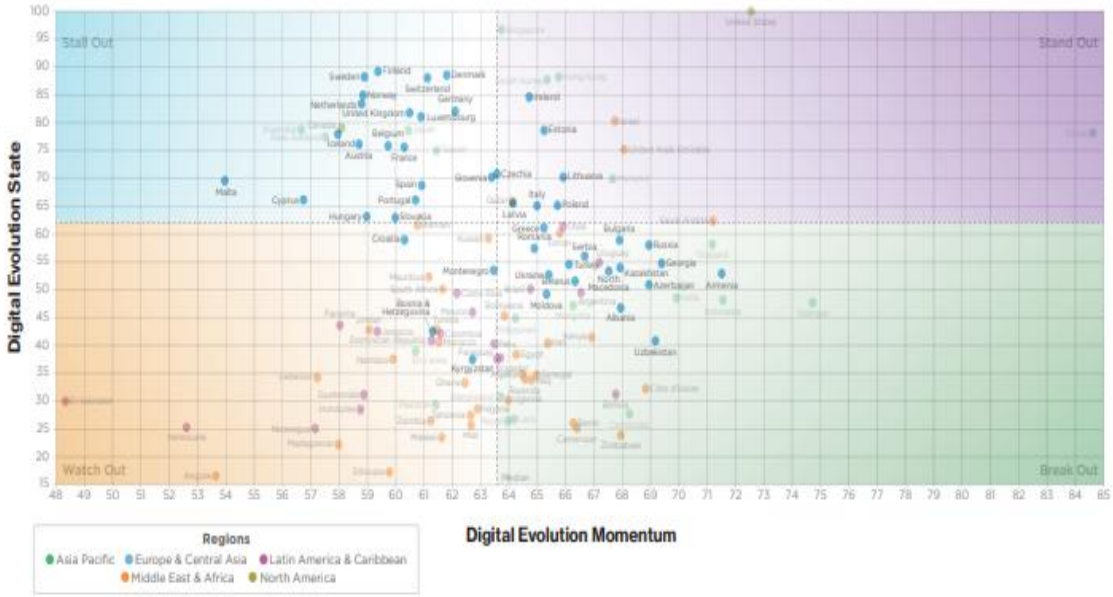

Figure 7 Digital Evolution: Europe and Central Asia

When discussing the drivers of digital evolution, we can conclude that the system of indicators for this evolution analyzes the main drivers determining the digitalization of the economy: supply conditions, demand conditions, the institutional environment, as well as innovation and change. To obtain a

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comprehensive understanding of countries' digital readiness and competitiveness, we divided these drivers into 13 components, measured using a total of 184 indicators.

Digitalization is the result of a complex interaction of four drivers and related factors, often manifesting in different combinations across countries. No single trend or data point—related to consumer demand, government actions and policies, investment, innovation, or infrastructure—can provide an assessment or a complete picture of the myriad ways the internet and digital platforms are integrated into the lives of billions of people around the world. Understanding the drivers of digitalization helps us look beyond a static snapshot and appreciate the systemic nature of the forces at play. This understanding helps us understand why some countries are advancing faster than others. It also describes the contribution that specific private and public sector actors can make to addressing bottlenecks and fostering innovation. Identifying these key leverage points can facilitate the diffusion of change throughout the system. This systems approach also helps explain why change may be slower than expected: the interdependent nature of these factors can maintain the status quo until certain significant barriers are overcome.

Supply Factor: How developed is the infrastructure for digital interaction and transactions? This factor measures the quality and readiness of digital and physical infrastructure, such as bandwidth availability and road quality. Developing countries with young infrastructure score at the lower end of the supply factor range.

Demand Conditions: Are consumers willing and able to participate in the digital ecosystem? Indicators underlying demand conditions help answer additional questions, such as:

• Do consumers have the means and tools they need to connect to the digital economy?

• Are consumers willing and interested in actively participating in the digital economy?

While strong demand is always a positive sign, low demand figures can be interpreted as a sign of untapped market potential that investors and companies can exploit in a favorable institutional environment; stagnant demand over time,

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particularly in developed markets, can be a sign of market saturation, indicating a need for innovation that can help restart demand engines.

DIGITAL EVOLUTION INDEX METHODOLOGY

Institutional Environment . Beyond direct investment in infrastructure and the adoption of laws and regulations, government actions and policies play a significant role in supporting or hindering the business engine that creates and disseminates digital technologies. At the same time, governments play a key role in determining the investment climate and innovation in digital technologies and their applications. By ensuring a stable environment that encourages investment and protects consumers, governments create favorable conditions, or even the technologies themselves, that facilitate digitalization.

The indicators underlying the institutional environment factor also help answer questions such as:

- Are governments taking targeted steps to promote and implement digitalization?
- Do they have policies and regulations to promote the development of digital ecosystems?

Innovation and Change: Innovation is the key to finding new solutions to global, national and local challenges.

Innovation and the changes that come with it are expanding the boundaries of the digital ecosystem and its capabilities; they are equally the most effective and challenging factor for launch.

Breaking down innovation systems into factors such as:

- availability of talent and capital;
- processes such as university-industry collaboration in R&D;
- and results such as the creation of new digital products and services, we assess the viability of innovation in the country and identify opportunities for improvement.
- Indicators related to this factor focus on a key question: what is the level of innovation in the country's digital economy?

Modern American Journal of Business, Economics, and Entrepreneurship
ISSN (E): 3067-7203
Volume 01, Issue 06, September, 2025
Website: usajournals.org
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CONCLUSION

Uzbekistan is identified as a country with a low level of digitalization and digital skills development in the Asian Development Bank's report "Leveraging Digital Transformation for Good." According to the ADB, although developing countries in the Asia-Pacific region have outpaced other regions in digital development in recent decades, the benefits are unevenly distributed. For example, 13% more people in urban areas use the internet than in rural areas. Mobile internet download speeds are 38% higher in urban areas. Furthermore, many countries in the region continue to experience low levels of digital skills and limited access to digital opportunities.

Given resource constraints, ADB encourages these countries to consider cost-effective solutions, including spectrum sharing, infrastructure sharing, cloud solutions, and the deployment of new technologies such as low-Earth orbit satellites and 5G fixed wireless access (Fixed Wireless Access) for last-mile connectivity.

We believe the Republic has a unique opportunity to accelerate digital transformation across all sectors while promoting inclusion and sustainability, rather than following the path of industrialized countries.

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Website: usajournals.org
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