



THE ADVANTAGES OF USING INFORMATION TECHNOLOGIES IN THE ECONOMY.

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Annotation: The effects of information technology in every facet of human endeavor have become very tremendous as information technology tool keep redefining and restructuring society. It is therefore, obvious that its impact on the global economy is tremendous as it has redefined world economic concept. The impact of industrial revolution and many previous technologies cannot be compared to that of information technology revolution. The major aim of this article is not just to eulogize the great effects of information technology on world economy, but to also bring to the fore the attendant divide the use and access to the tool is creating between less developed and developing communities, nations and continents. In order to achieve this objective, we did review the various testimonies about the impact of information technology in different human endeavours, and by extension world economy.

Key words: Information technology, economy, digital economy, productivity, knowledge economy

During a period of impeded development and continued instability, numerous countries are searching for strategies that will invigorate development and make new job opportunities. Information Technology (IT) is not just one of the quickest developing industries — creating a large number of employments — but it is also an imperative empowering influence of advancement and improvement. The count of mobile subscription (6.8 billion) is drawing closer worldwide populace figures, with 40% of people on the planet effectively on line. In this new environment, the competitiveness of economies relies on upon their ability to influence new innovations. According to the Datamation International, here are the five economic effects of Information Technology.

1. Direct employment creation — The Information Technology sector is, and is expected to remain, one of the biggest employers. In the US only, Information Technology and computers are expected to boom by 22% up to 2020, making 758,800 new employments. In 2016, the worldwide tech business sector will develop by 8%, creating salaries, jobs and an augmenting scope of products and services.

2. Contribution to GDP development — Findings from different nations affirms the positive outcome of Information Technology on development. For instance, a 10% increase in broadband penetration is associated with a 1.4% increment in GDP growth in emerging markets. The Internet accounts for 3.4% of general GDP in a few economies. Majority of this impact is driven by e-business — individuals publicizing and offering products on the web.

3. Development of new administrations and businesses — Various public services have become be available online and through cell telephones. The shift towards cloud computing is one of the key trends for modernization. Information Technology has empowered the development of a totally new area: the application industry.

4. Workforce change — Information Technology has also added to the ascent of entrepreneur, making it easy for self-starters to get to best practices, lawful and administrative information, advertising and speculation assets.

5. Business advancement — Information Technology instruments used within organizations streamline business forms and enhance productivity. The exceptional explosion of connected gadgets throughout the world has made new ways for organizations to serve their clients.

The Information technology is changing the way we work, socialize, create and share information, and organize the flow of people, ideas, and things around the globe. Yet the magnitude of this transformation is still underappreciated. The Internet accounted for 21 percent of the GDP growth in mature economies over the past 5 years. In that time, we went from a few thousand students accessing Facebook to more than 800 million users around the world, including many leading firms, who regularly update their pages and share content. While large enterprises and national economies have reaped major benefits from this technological revolution, individual consumers and small, upstart entrepreneurs have been some of the greatest beneficiaries from the Internet's empowering influence. And yet we are still in the early stages of the transformations the Internet will unleash and the opportunities it will foster. Many more technological innovations and enabling capabilities such as payments platforms are likely to emerge, while the ability to connect many more people and things and engage them more deeply will continue to expand exponentially. As a result, governments, policy makers, and businesses must recognize and embrace the enormous opportunities the Internet can create, even as they work to address the risks to security and privacy the Internet brings. As the Internet's evolution over the past two decades has demonstrated, such work must include helping to nurture the development of a healthy Internet ecosystem, one that boosts infrastructure and access, builds a competitive environment that benefits users and lets innovators and entrepreneurs thrive, and nurtures human capital. Together these elements can maximize the continued impact of the Internet on economic growth and prosperity.

THE INFORMATION TECHNOLOGY IS DRIVING ECONOMIC GROWTH . From an obscure network of researchers and technology experts three decade ago, the Internet has become a day-to-day reality for more than a quarter of the world's people. Today two billion people are connected to the Internet, and almost \$8 trillion exchange hands each year through e-commerce. Strong contribution to GDP growth Across a range of large and developed economies, the Internet exerts a strong influence on economic growth rates. Our research shows that the Internet accounts for, on average, 3.4 percent of GDP across the large economies that make up 70 percent of global GDP. If Internet consumption and expenditures were a sector, its weight in GDP would be bigger than the energy or agriculture industry. The Internet's total contribution to global GDP is bigger than the GDP of Spain or Canada, and it is growing faster than the GDP of Brazil. In the advanced economies we studied, the Internet accounted for 10 percent of GDP growth over the past 15 years, and its influence is growing. Over the past five years, the Internet's contribution to GDP growth in these countries doubled to 21 percent. If we include the large, emerging economies of China, India, and Brazil, the Internet contributed 7 percent of growth over the past 15 years and 11 percent over the past five. In countries such as Turkey, Malaysia, and Mexico, where both Internet usage and GDP per capita fall within the medium range on the global scale, the Internet has also contributed substantially to economic growth, though to a lesser degree than in mature economies.

Research currently under way suggests the Internet drove roughly half as much GDP growth in these countries—still a substantial amount with the potential to increase significantly. However, there is sizable variation among countries, including those at relatively similar stages of development, leaving tremendous room for further Internet-related growth. Internet ecosystem maturity related to rising living standards There is also a clear connection between the maturity of the Internet ecosystem¹ and rising living standards. We found that an increase in Internet maturity similar to the one experienced in advanced countries over the past 15 years correlates with an increase in real per capita GDP of \$500 on average during this period. It took 50 years for the Industrial Revolution of the 19th century to achieve the same results. This demonstrates both the magnitude of the positive impact the Internet delivers to all levels of society and the speed at which it delivers them. The correlation to increased living standards is particularly relevant for developing economies, where the potential exists to rapidly leap forward and drive Internet-related growth. Although the United States has thus far led in terms of the strength of its Internet infrastructure, access, and innovation, the landscape is evolving rapidly. India, China, and Brazil have the fastest-growing ecosystems, and other developed and developing countries are rapidly growing their usage through improved infrastructure and access. The Internet drives business transformation and economic modernization Rejuvenating traditional activities has been the Internet's main impact. The Internet has enabled fundamental business transformations that span the entire value chain in virtually all sectors and types of companies—not just online ones. These shifts include wholesale changes not only in how products are bought and sold but also in how products and services are designed, produced, and distributed. Even a tiny business today can operate with a dynamically managed supply chain that spans geographies and operates with a global workforce. Our global Small and Medium Enterprise (SME) survey found that 75 percent of the economic impact of the Internet accrued to traditional companies that would not define themselves as pure Internet players. These businesses have benefited from the higher productivity the Internet enables,

LARGE ENTERPRISES HAVE CLEARLY BENEFITED, BUT CONSUMERS AND ENTREPRENEURS ARE THE BIG WINNERS. Across a range of industries, large businesses have created significant value from dynamic, diversified supply chains, global talent sourcing, and analysis of large data sets. They have increasingly engaged customers, incorporating their feedback into product innovations and streamlining their research pipelines. While Internet usage triggers performance improvements in large businesses, the influence is even more profound among SMEs and start-ups, however. In a survey of more than 4,800 SMEs in 12 countries we found that those utilizing Web technologies grew more than twice as fast as those with a minimal Web presence. These results hold across all sectors of the economy. Furthermore, Web-savvy SMEs brought in more than twice as much revenue through exports as a percentage of total sales than those that used the Internet sparingly. These Web-knowledgeable enterprises also created more than twice as many jobs as companies that are not heavy Internet users. This is true across sectors from retail to manufacturing.

CONCLUSION .The Information Technology has already served notice that it will be a disruptive force resolutely shaping the economy and society of the 21st century. But it can be a positive disruptor, supplying engines of growth to regions of the world that have been disadvantaged in the past, creating whole new industries from electrons and software code, and offering hope and opportunity to millions with its ability to spread knowledge, empower

consumers, and organize social interactions. As the aftermath of the global financial crisis challenges our government and business leaders to innovate as never before, we should not lose sight of the enormous value the Internet economy has already brought to rich and poor nations alike and its potential to boost growth across the globe.

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