

THE ROLE OF BANKS IN DIGITALIZATION OF THE ECONOMY

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Abstract: Being an important factor in ensuring the solvency of banks in the conditions of digitalization of the economy, it is a necessary condition for ensuring the continuity of payments made in the country's economy. In the article, current problems related to the role of banks in the digitalization of the economy are identified and scientific proposals aimed at solving them are developed.

Keywords: Central Bank, Digital Economy, Banking Products , Banking Services , Bank Cards, Settlement Clearing System , Internet , Remote Services



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Introduction

Being an important factor in ensuring the solvency of banks in the context of digitalization of the economy, it is a necessary condition for ensuring the continuity of payments made in the country's economy. The article identifies current problems related to the role of banks in the digitalization of the economy, and develops scientific proposals aimed at solving them.

Resolutions of September 12, 2017 "On measures to further develop and increase the stability of the republic's banking system" and March 23, 2018 "On additional measures to increase the popularity of banking services" , the Decree of the President of the Republic of Uzbekistan No. PF-5992 of March 12, 2020 "On the strategy of reforming the banking system of the Republic of Uzbekistan for 2020-2025 " and other regulations in this field - tasks defined in legal documents, the expansion of the banking infrastructure in our republic serves to increase the competitive environment between banks and increase the quality and scope of banking services [1].

The most effective way for commercial banks to ensure competitiveness is to gain the trust of customers and create all the conveniences for them, as well as to increase the type, quality and speed of services. In order to ensure competitiveness, banks feel a greater need to introduce modern banking services and use new technologies. In the 2020 state program "Development of Science and Digital Economy" by the President of our Republic, Sh. Mirziyoyev, we must make a radical change in the development of the "digital economy" this year. First of all, it is necessary to fully digitize construction, energy, agriculture and water management, transport, geology, cadastre, health care, education, archive and economic sectors. It is also necessary to critically review the "Electronic Government" system, implemented programs and projects, and comprehensively solve all organizational and institutional issues [2]. Uzbekistan Republic Ministers No. 373 of the Court decision based on " Digital " Uzbekistan - 2030" strategy according

to economy networks and regions digitization , state information systems and electron services current reaching , as well as digital from technologies wide to use to provide according to measure - measures done is increasing . As part of these measures, in order to ensure the solvency of banks, the lack of an effective assessment system of the state of development of the digital economy and electronic government, as well as the lack of an interdepartmental mechanism for its implementation, prevents an in-depth analysis of the current state of the digital transformation of economic sectors and regions [3].

Analysis of the literature on the topic During the pandemic, digitization has become a necessity for the banking sector, Most banks and financial institutions have taken some steps in this direction in recent years. Many banks have already started to include the digital number in their service offerings. Basically, digitization is the conversion of data into a digital format with the adoption of technology. The concept of digital economy has been given a number of definitions. For example, V. Ivanov, Doctor of Economics, Corresponding Member of the Russian Academy of Sciences, defined that "Digital economy is a virtual environment that complements our reality" [4]. According to Professor D. Kungurov, there are two approaches to the term "digital economy". Digital economy based on digital technologies and describing the exclusive domain of electronic goods and services: the first approach is called "classical" and classic examples are telemedicine, distance education, sale of medicines (films, television, books, etc.). The second approach: "digital economy" is economic production using advanced digital technologies [5].

Digitization of banking reduces human errors and thereby strengthens customer loyalty. By adopting digitization, banks can provide improved services to customers. It benefits customers and saves time. Today, people can bank round the clock through online banking. Managing large sums of money has also become easier. Digitization has also benefited customers by facilitating cashless transactions. Customers no longer need to keep cash and can transact anywhere, anytime.

According to Russian scientists "GN Beloglazova, AM Tavasiyev, banking service is based on operation, that is, banking service is created as a result of banking operation, and this operation satisfies the demand of the bank client" [6].

AN Ivanov "includes in the banking product, the implementation of a set of interrelated banking services and operations to satisfy the client's demand for individual banking activities"[7].

Economist EFZhukov "included only financial services in the concept of banking services, he believes that the bank mainly performs operations. Bank operations are divided into asset and passive operations, and the bank's financial services include leasing, factoring, forfeiting and trust operations" [8] .

SVGalitskaya's view also corresponds to the views of the above scholars, but unlike them, "banking services include active and passive operations and consider the object of banking service to be capital"[9].

Methods

In accordance with the Law on the Central Bank of the Republic of Uzbekistan (2019), the strategic goals of the Central Bank's monetary policy are the tactical goals of combating inflation and ensuring the stability of the country's banking and payment systems. Comparative and trend analysis methods were used in the scientific research.

Statistical data of the Central Bank of the Republic of Uzbekistan, research data of international experts were used in writing the scientific article.

Results and Discussion

Today, 37 banks are operating in our country. We evaluate the bank cards issued by the following image data.

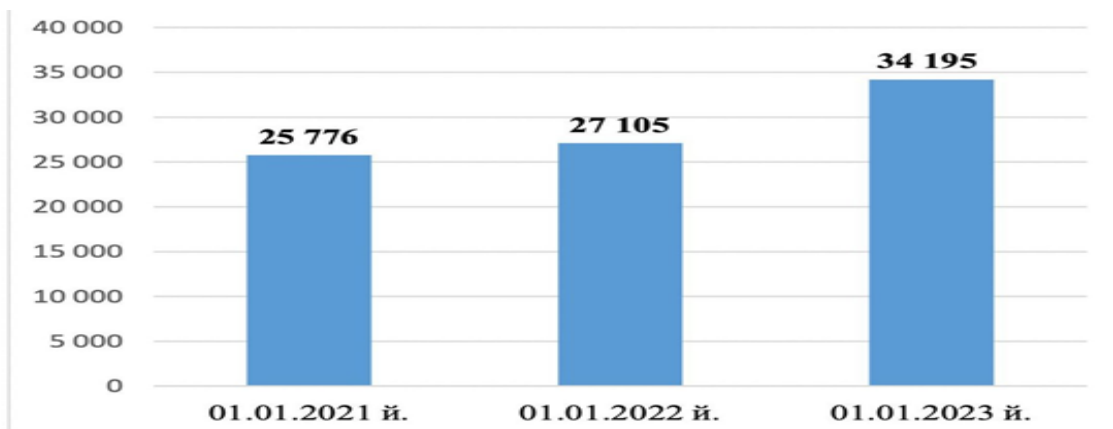
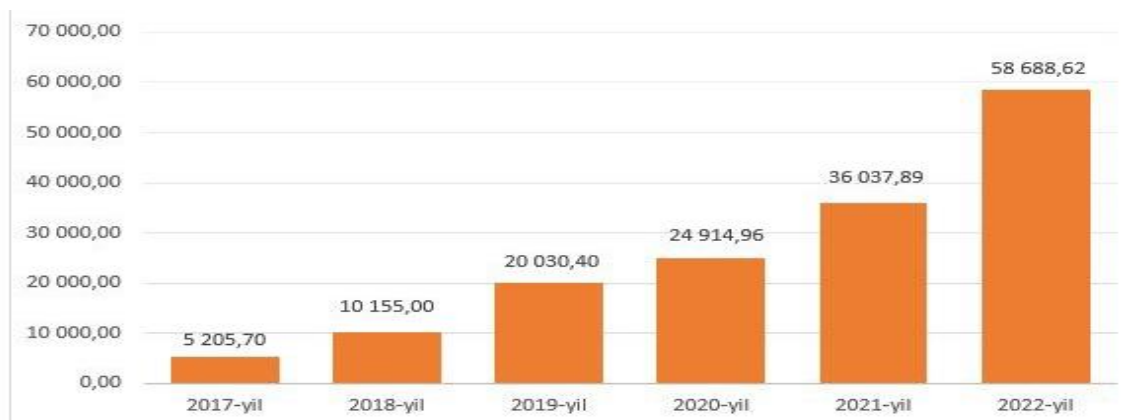


Figure 1. Number of bank cards issued by banks (thousands)[10].

Starting from 2021, the issuance of bank cards has increased sharply to 25,776,000 units, and by 2023, we can see that it will increase to 8,419,000 units.

Mutual settlements of commercial banks on retail payments, including payments made by means of bank cards, are made through the Clearing system of the Central Bank. Also, the Clearing system of the Central Bank, in addition to working together with retail payment systems, allows making payments integrated with the information system of the Treasury of the Ministry of Finance and the billing systems of service organizations.



2 . The amount of transactions carried out through the settlement clearing system of the Central Bank [11] (in billion sums)

The services provided through mobile payment systems are mainly the transfer of payments for the services of mobile operators, internet providers (through non-bank retail payment systems), clearing of utility bills, taxes and other mandatory payments. the weight of transfer through the system is high. In 2022 , the amount of payments made to service providers and other organizations through the Clearing System of the Central Bank is 6 trillion. the number of transactions reached 58 million soums. exceeded

From the data in this picture, we can understand that sms-banking and mobile banking systems are highly popular among users of remote bank account service systems.

Conclusion

In the context of digitalization of the economy the following activities should be increased in banks:

1. Wide use of new information technologies is necessary in the organization of banking services. The development of information technologies within banking services allows the client to conduct banking operations using a telephone, modem and computer, and reduces the cost of banking services and increases the speed of operations.

These modern types of services allow you to make bank calculations anywhere in the world, according to experts, today 25% of all banking services in European countries are carried out via the Internet.

2. It is appropriate to introduce new types of services common in foreign banks into the banking practice of our republic and increase their volume.

3. The lack of strong protection of the programs and banking technologies used in the provision of remote services of commercial banks against the various levels of influence of the Internet, unauthorized access, and hacker actions is a particular problem. The occurrence of such problems may occur due to the fact that the operation of the bank's operating system is not properly and efficiently implemented, browsers, communication programs are not perfect, and, of course, due to the influence of the human factor. On the other hand, the presence of these problems may be related to the economy of the bank's material resources and funds in providing protection in this area. However, saving money on the protection and security system by the bank can cause the banks to incur huge losses, and consequently, the bank's customers will also lose a lot of their money.

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