

## STRATEGY OF THE DIGITAL ECONOMY IN THE EUROPEAN UNION: MAIN DIRECTIONS AND RESULTS

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**Abstract:** In the last decade, the rapid development of digital technologies has been taking an important place in the economy, social life and management system of the European Union (EU). Digitization not only creates new economic opportunities, but also causes a deep transformation in the labor market, education, business and public service sectors. In this regard, strategic programs such as “Digital Single Market”, “2030 Digital Compass” and “Digital Europe” have been developed in the European Union. This article analyzes the main directions of these strategies and the results obtained.

**Keywords:** digital economy, Single Digital Market Strategy, Digital Compass, Digital Europe, cybersecurity.

### INTRODUCTION

The digital economy has become a priority of World Economic Development, and plays an important role in improving productivity, creating innovative services and strengthening regional economic integration. The European Union (EU) is at the heart of this process, and the Digital Single Market Strategy adopted in 2015 has also strengthened the institutional framework of digital transformation through Digital Decade / 2030 Digital Compass 2021. With the Digital Europe program, it aims to accelerate its digital transformation, strengthen technological infrastructure and create innovative digital services. This article will analyze the main directions of the EU Digital Economy Strategy and the results of the reforms carried out.

### METHOD

This article examined digital indicators from 2015-2024 (DESI, e-commerce volume, 5G coverage, broadband internet coverage) on data from Eurostat, European Commission and Organisation for Economic Cooperation and Development (OECD) based on statistical analysis. Based on a comparative analysis, the level of digital development of EU states was compared. The Digital Single Market Strategy (2015), Digital Services Act (2022), Digital Markets Act (2022), 2030 Digital Compass (2021) were cited as the basis for regulatory analysis.

### ANALYSIS AND RESULTS

Digital Single Market Strategy is a single digital market strategy of the European Union adopted in 2015. There are the following main areas of this strategy:

1. Formation of a single digital market;
2. Digital infrastructure development;
3. Digital skills development;
4. Cybersecurity and digital sovereignty;
5. Innovation and support for digital entrepreneurship.

In the direction of the formation of a single digital market, it can be said that the European Union seeks to create a single digital space for all member states. The purpose of this is:

- use of electronic services regardless of borders;

- simplify online trading processes;
- reduce the cost of doing digital business for companies.

Competition in the retail market increased and the share of cross-border trade increased through the homogenization of online trading rules in European Union. In 2023, 75% of European Union residents made online purchases (2015 — 55%). Cross-border e-commerce share has grown from 12% in 2015 to 30% in 2023. In 2017, roaming fees were abolished in all areas of European Union.

In strengthening the digital infrastructure, the European Union has become one of the world leaders, launching high-tech internet networks. Main infrastructure areas:

- Wide introduction of 5G networks;
- increase the share of fiber optic internet;
- construction of large-scale data centers;
- support for cloud services and artificial intelligence platforms.

In this regard, the European Union has implemented the Connecting Europe Facility program, which redirects billions of euros to infrastructure. Broadband internet coverage rose from 75% in 2015 to 93% in 2023. 5G coverage reached 81% by 2024. In 2025, 13% of European Union companies are using artificial intelligence technologies.

One of the main problems of digitalization in Europe was the numerical literacy rate of the population and workers. Therefore:

- IT classes expanded in schools and universities;
- retraining programs have been established for workers;
- The European Academy for digital skills was established.

According to data from 2022, the number of specialists specializing in Information Technology in European Union exceeded 9 million.

The European Commission has set digital security as a priority:

- "Cybersecurity Act";
- ENISA — EU Cybersecurity Agency activities expanded;
- GDPR - General Data Protection regulation, was adopted. It is the only EU regulation on personal data protection that came into force on 25 May 2018, which strictly defines the procedure for processing personal data by all organizations within the EU.

GDPR has become a global standard for digital data protection not only in Europe, but around the world.

Innovation and support for digital entrepreneurship. European Union is investing heavily in startups and technological innovation:

- Horizon Europe project
- European Innovation Council
- Financing Fintech, GreenTech and AI startups

In Europe, innovative clusters are developing rapidly — in Berlin, Amsterdam, Paris, Stockholm and Helsinki. The number of unicorn companies in Europe exceeded 300 in 2024. The size of the data economy has grown from € 300bn in 2015 to € 750bn in 2024.

Digital Decade / 2030 Digital Compass is a European digital strategy by 2030 adopted in 2021, based on the principle of “ensuring European digital sovereignty”. The strategy has the following specific objectives to be implemented before 2030:

- 1) Digital Skills;
- 2) Secure & Sustainable Digital Infrastructure;
- 3) Digital Transformation of Businesses;

#### 4) Digital Public Services.

For Digital Skills purposes, it is envisaged that at least 80% of the EU population will have base digital skills, with the number of IT professionals to be increased to 20 million by 2030.

Gigabit internet coverage will reach 100% by 2030. The use of cloud technologies will be increased from 42% in 2024 to 75% in 2030.

By 2030, 90% of SMEs should reach “core” or “high” levels of digital intensity, meaning that 90% of all SMEs in Europe should be able to actively apply digital technologies (cloud technologies, big data, CRM, ERP, e-commerce, cybersecurity, etc. Universal cybersecurity standards are being strengthened (ENISA, 2023).

Digital public services is envisaged that 100% of all major public services will be digitized by 2030. Also, electronic identification systems are being integrated on the European Union scale.

As a result of digital strategies, as of 2024, 94% of EU residents use the internet, with 56% having Base digital skills. 5G coverage is expanding rapidly, reaching 95 percent in some states. 13 percent of companies are using AI, 85% of public services are numbered.

Digital Europe Programme is a major European Union Digital Development Programme for 2021-2027, approved by the European Parliament in 2021. Funding for this program is €7.5 billion (2021-2027), one of the largest direct funds allocated by European Union in the digital sector.

Digital Europe supports achieving European Union 's Digital Decade / 2030 Digital Compass goals. Its main objectives are as follows:

1. Artificial intelligence ecosystem development;
2. High Performance Computing (HPC) — the use of high-performance computing technologies;
3. Strengthening cyber security;
4. Digital skills development;
5. Application of digital technologies to business and public sector.

The Digital Europe Program supports several strategies, such as strengthening the single market of digital services and technologies under the Single Digital Market Strategy, The Digital decade / 2030 digital compass Strategy 2030 is the main source of funds for achieving digital goals, funding artificial intelligence infrastructure and standards under the Artificial Intelligence Act, supporting cybersecurity centers and networks under the cybersecurity strategy.

## DISCUSSION

The results of the study show that the Digital Single Market and Digital Decade programs have produced great results in the development of the digital economy across Europe: infrastructure investments, the level of use of electronic services and the expansion of digital business models from these results. However, there are also a number of important problems:

1. Low digital skills. The 56% structural indicator is insufficient for the 2030 goals, which limits the digitization of the labor market and social inclusion. To achieve the goals, schools, retraining programs and lifelong learning policies must be strengthened.
2. Geographical imbalance in infrastructure. There are differences between regions in gigabit/fiber internet and 5G coverage; this may exclude some local economic zones from numbering.
3. Slow cob numbering. Small and medium-sized businesses often face financial and cadre barriers to the introduction of high technology; special economic instruments and subsidies are necessary for them.

4. Data and digital sovereignty. While regulations such as the GDPR serve to strengthen data protection, the legislative and technical standards associated with the advancement of digital technology must be constantly updated.

In order to provide systematic support for innovation and numbering, it is important that national programmes are coordinated alongside European-level funding (Horizon, Digital Europe).

## CONCLUSIONS

The policy of developing the digital economy in the European Union is one of the most successful models in the world. Measures such as the formation of a single digital market, the modernization of digital infrastructure, the increase of digital skills and the provision of cybersecurity have led to economic growth, job creation, the expansion of online services.

The EU experience indicates that digitization processes should be carried out with a comprehensive, comprehensive and continuous public policy. This experience is also very valuable for the Republic of Uzbekistan.

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