ARTIFICIAL INTELLIGENCE. RISKS, ADVANTAGES, CHALLENGES IN THE SOCIAL AND ECONOMIC ENVIRONMENT

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ABSTRACT

This article explores the growing influence of Artificial Intelligence (AI) in modern social and economic contexts. It highlights the major advantages of AI, such as increased efficiency, automation of routine tasks, and data-driven decision-making. At the same time, it discusses significant risks, including job displacement, ethical concerns, and data privacy issues. The article also examines the challenges of implementing AI, especially in developing countries where infrastructure and digital literacy are limited. Overall, the article aims to provide a balanced view of how AI is reshaping society and the global economy, emphasizing the need for ethical regulations and strategic policies.

Keywords: *Artificial intelligence, automation, economic contexts, marketing, transformative role, algorithmic bias, global economy, social risks*

Artificial Intelligence (AI) is a branch of computer science focused on creating machines and software capable of performing tasks that typically require human intelligence. These tasks include analyzing data, learning from experience, making decisions, and solving problems by mimicking human cognitive processes.

The aim of AI is to develop systems that can think and act intelligently, adapting to new information and improving performance over time. From recognizing speech and translating languages to analyzing images and supporting complex decision-making, AI is integrated into a wide range of technologies that enhance both everyday life and professional operations.

AI continues to evolve rapidly, driven by advancements in algorithms, machine learning techniques, and the growing availability of large datasets. This ongoing progress enables more powerful, efficient, and versatile AI applications.

Across industries such as healthcare, finance, transportation, marketing, and education, AI plays a transformative role. It helps optimize processes, reduce costs, and deliver personalized experiences, making it a valuable tool for innovation and growth.

However, the development and use of AI also present important challenges. Concerns around data privacy, ethical responsibility, and algorithmic bias must be carefully addressed to ensure that AI technologies are used fairly, transparently, and responsibly. As AI becomes increasingly embedded in modern life, balancing its benefits with thoughtful oversight is essential.

On December 24, 2024, President of Uzbekistan Shavkat Mirziyoyev got acquainted with the presentation of plans for the development of artificial intelligence and telecommunications technologies.

The Strategy **"Uzbekistan – 2030"** defines the task of turning our country into a regional IT hub. As part of this goal, digital technologies are consistently developing: IT parks have been organized in all regions, and opportunities for training and work in this field have expanded. The speed and coverage of Internet access have increased. More than 190 thousand people are employed. In recent years, the industry has absorbed 3 billion dollars of investments. The number of enterprises with the participation of foreign capital increased 8.5 times compared to 2017 and exceeded one thousand. Today, every tenth enterprise in the field is an international company. If seven years ago there were only 12 exporting enterprises in the country, this year there are already 650 of them. By the end of the year, the volume of exports of information technology and telecommunications services will exceed 900 million dollars. The use of artificial intelligence in various spheres of life is also expanding. More than 20 projects have already been implemented based on this technology, and 70 more projects have been developed for individual industries and large enterprises. Uzbekistan has risen by 17 positions in the international index of readiness for artificial intelligence.

In continuation of the attention paid to this area, on October 14 of this year, the Strategy for the Development of Artificial Intelligence Technologies until 2030 was adopted by the decree of the President of Uzbekistan. It defines measures to increase the share of AI-based software products and services, expand the technical infrastructure and increase human resources.

At the meeting, the Minister of Digital Technologies presented plans for the next year.

In particular, cloud data centers will be launched in Bukhara, Ferghana and Tashkent regions. Artificial intelligence laboratories will be opened at Tashkent University of Information Technology and Inha University to support startups. Three thousand employees of government agencies, as well as khokims and their deputies, will undergo advanced training in this field.

The responsible persons are tasked with bringing the number of projects based on artificial intelligence to 100, and the volume of software products and services to $ 50 million.

The transformation initiated in industry enterprises is showing positive results. This year alone, the volume of telecommunications services has grown by 16 percent and reached 21 trillion soums. Uzbektelecom's revenues exceeded 9 trillion soums.

It was noted that next year the company needs to fully digitalize its management system, reduce costs, implement principles of environmental, social and corporate governance, and obtain an international rating.

Changes are also taking place in the Uzbekistan Post system. This year, revenues have increased 1.4 times, and exports have grown by 20 percent. Thanks to the introduction of new types of services, the number of shipments has increased by 50 percent.

According to the plans, next year 1,600 post offices will introduce a service for issuing goods to electronic trading platforms. A digital sorting center will be opened, which will improve the quality of processing such goods and mail. Funds from the European Bank for Reconstruction and Development will be raised to achieve these goals.

The law "On Telecommunications", adopted in a new edition, will serve as an important basis for the industry. Based on it, a two-year digitalization program will be developed across all industries and regions.

In particular, it is planned to build 6,000 new base stations next year. 30,000 kilometers of fiber-optic cables will be laid, which will increase the coverage of services to 98 percent. Measures will be taken to increase the volume of exports in the sphere to $ 1.2 billion.

Another important event in the industry will be the development of the law on the International Center for Digital Technologies, created on the initiative of the head of state. The center, called Enterprise Uzbekistan, introduces the principles of English law, free movement of capital, international labor standards, and establishes the activities of branches of foreign banks.

The presentation gave instructions on the creation of legislative frameworks in the field of artificial intelligence, the development of education in the field of digital technologies.

The development of artificial intelligence technologies is accompanied not only by significant achievements in economics, science and the social sphere, but also by a number of serious risks that can have a negative impact on society. These risks are particularly relevant in the context of changes in the labor market,

increasing economic inequality, threats to cybersecurity, as well as the social consequences of the introduction of intelligent systems. This text examines the main economic and social risks associated with artificial intelligence, both globally and in Uzbekistan.

Economic risks

One of the key economic risks associated with the development of artificial intelligence is job replacement. According to a study by the International Monetary Fund published in 2024, about forty percent of the world's jobs could potentially be automated as a result of the introduction of AI. At the same time, in developed countries this figure can reach sixty percent. This is especially true in areas such as transportation, logistics, accounting, banking, administrative support, and retail. People employed in low-skill professions are more likely to be at risk.

The next significant challenge is the deepening of economic inequality. Modern technologies, including artificial intelligence, are becoming the main source of competitive advantage for companies and states. However, access to such technologies is concentrated among a limited number of individuals and organizations, which leads to a concentration of wealth. Large multinational corporations benefit most from AI due to their access to vast amounts of data, computing power, and highly qualified specialists. This increases the gap between rich and poor, both within and between countries.

In addition, there is a risk of investment bubbles forming in the economy due to excessive expectations of returns from artificial intelligence technologies. In 2023, the total global investment in AI was approximately $154 billion. Forecasts for 2030 suggest a tenfold increase in these investments. However, if investments outpace real technological advances and applied results, this can lead to financial losses and crises in certain sectors.

Social risks

In the social sphere, one of the key challenges is the increasing gender inequality in the labor market. According to a report by the International Labor Organization dated May 2025, professions dominated by women are at significantly greater risk of automation compared to male professions. Thus, approximately nine and a half percent of "female" professions are at risk of transformation due to the introduction of AI, while the same indicator for professions occupied mainly by men is about three and a half percent. This means that women may be more affected by the effects of technological progress.

An equally serious problem is the threat to privacy and the spread of disinformation. The development of AI makes it possible to create fake visual and textual content (so-called "deep fakes"), which makes it difficult to distinguish

between reality and manipulation. In Uzbekistan, the number of recorded cases of dissemination of falsified information created using artificial intelligence increased from 1129 cases in 2023 to 3553 cases in 2024. This indicates the need to introduce legal and technical mechanisms to control the use of AI in the media sphere.

There is also a risk of reducing public confidence in new technologies, especially in countries with low levels of digital literacy or limited access to education. For example, according to international surveys, in countries such as New Zealand and Australia, the level of confidence in AI among the population is only 34 and 36 percent, respectively, which is significantly lower than the global average. Distrust of technology can become a barrier to its implementation and use in the public interest.

The situation in Uzbekistan

Uzbekistan is actively developing the field of digital economy and artificial intelligence within the framework of the national program "Digital Uzbekistan – 2030". According to the program, it is planned to create about three hundred thousand jobs in the IT sector and increase the export of IT services to five billion US dollars. These measures are designed to diversify the economy, increase the country's competitiveness and train personnel for digital transformation.

In 2025, Uzbekistan also adopted a bill aimed at regulating the use of artificial intelligence and protecting personal data. The new law provides for mandatory labeling of content created using AI, as well as administrative and criminal liability for abuse of such technologies, including for the dissemination of falsified information.

Nevertheless, despite the positive steps, the country is facing a number of challenges, including limited digital literacy among the population, a lack of qualified specialists, and the need to modernize infrastructure in remote regions.

Conclusions

The development of artificial intelligence is a dual process that combines both significant potential for improving people's lives and serious risks. Economic threats include the possible loss of jobs, deepening inequality, and the formation of investment bubbles. Social risks include discrimination, the dissemination of falsified information and a decrease in the level of trust in technology.

In order to minimize these risks, systematic work is needed at the level of the state, business and civil society. The key measures should be: development and implementation of effective legislation in the field of AI; implementation of staff retraining and digital literacy programs; creating mechanisms for ethical control and transparency in the use of AI;

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Ensuring equal access to technology and protecting the rights of vulnerable groups.

Only with an integrated approach can artificial intelligence become a tool for sustainable development, rather than a source of new forms of social and economic instability