
THE ROLE OF DIGITAL ECONOMY AND ITS INFLUENCE ON THE DEVELOPMENT OF SOCIETY

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Annotation:

This article explores the topic's importance in light of how the digital economy has impacted many aspects of our lives and how information and communication technologies are developing and becoming more widely used. The article also includes information on the fundamentals of the digital economy.

Key words: digital economy, information, internet, technology.

The information and communication technologies that support the global network of economic operations, corporate dealings, and professional relationships is known as the "digital economy" (ICTs). That can be summed up in one word: digital economy. Due to its reliance on internet access, the digital economy has also been referred to as the new economy, the web economy, and the internet economy in the past. The internet economy, which is defined as simply being the economic value gained through the internet, is more complicated and advanced, according to economists and business executives, than the digital economy. The digital economy refers to such a system of economic, social and cultural relations, the basis of which is the widespread use of digital technologies. There are many definitions of the digital economy.

The growth of the digital economy is one of the objectives of the national economic strategy in Uzbekistan. The Decree of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev dated July 3, 2018 No. PP-3822 "On measures to develop the digital economy in the Republic of Uzbekistan" serves as evidence for this claim and states that "the state is taking large-scale measures to develop the digital sector of the economy, introducing electronic document management systems, developing electronic payments, and improving the legal base in the field of e-commerce" [1].

The digital economy is a network of links between commercial organizations that is methodically arranged from a global perspective. It encompasses the field of developing and utilizing new information, technology, and products as well as telecommunications services, electronic marketplaces, electronic business, and other elements. The transition from the third to the fourth industrial revolution is reflected in the digital economy. The shift from analog electronic and mechanical devices to digital technology, often known as the third industrial revolution or the digital revolution, occurred around the end of the 20th century. The digital revolution is the foundation of the fourth industrial revolution. The digital economy is more developed even though some people utilize technology to quickly do existing activities on a computer. It involves more than merely using a computer to complete tasks that were previously completed manually or with analog equipment. The opportunity and necessity for businesses and individuals to

use technology to complete tasks more efficiently, quickly, and frequently in novel ways are highlighted by the digital economy. The word also refers to the use of technology to carry out jobs and take part in activities that were previously impractical. This idea of digital transformation encompasses chances for existing businesses to achieve more, do better, do things differently, and do something entirely new. The digital economy encompasses much more than automation and digitization. Instead, this new paradigm makes use of a number of cutting-edge technological platforms. Hyper connectivity, advanced analytics, wireless networks, mobile devices, and social media are just a few of these technologies and platforms.

These technologies are combined and used separately by the digital economy to reuse old transactions and develop new ones. Organizations will require people that can innovate and use digital technology to compete, whether they are for-profit firms, service-oriented industries like the healthcare industry, or non-profit and governmental organizations. Markets that prioritize digital technology are referred to as being part of the "digital economy" as a whole. They are frequently linked to the e-commerce trade in informational commodities and services.

A crucial area of the economy that is experiencing substantial expansion is the digital economy. The effects of the digital economy extend beyond information products and services to other economic sectors as well as to general lives. The spread of the Internet in society has been significantly boosted by the emergence of mobile devices in particular. As a result, problems with competition that occur in the digital economy are becoming more prominent. Some unique characteristics characterize the competition in digital markets. Major digital markets frequently experience fairly unique forms of competition.

First, competition between platforms or business models is frequently more significant than competition between business models. In other words, commercial success nearly always results from Internet platform dominance or even monopoly.

Second, strong network effects and economies of scale are frequently present in digital markets, which support this aspect of competition through dominance.

Third, since many online markets are bidirectional, using them benefits at least two different user groups. For instance, search engines are used by both individuals and advertising to obtain information on the Internet.

Fourth, the industry experiences quick technological development because of the high rates of investment and innovation that characterize digital markets. Digital market competition has a history of being cyclical. The market domination that a successful company may achieve may be susceptible to the following cycle of innovation. The way people interact, the economic climate, the qualifications needed to secure a successful job, and even political decision-making are all impacted by the digital economy. The developing digital economy has the potential to lead to new discoveries and research that will support employment creation and economic expansion. There are different definitions of the "digital" economy today, but there is no universal understanding of it.

This idea has scientific definitions as well. Consequently, according to some scientists, the digital (electronic) economy is one in which all participants' wants are met to the fullest extent possible through the use of information, including personal information. This is made possible by the advancement of information, communication, and financial technologies as well as the accessibility of infrastructure, all of which together allow for full interaction between all participants in economic activity, including the subjects and objects of the process of producing, distributing, exchanging, and consuming goods and services, in the hybrid world [2]. The use of digital information and communication technology is the foundation of a system of economic, social, and cultural linkages, according to the World Bank's definition of the term [3]. Some researchers divide the digital economy into three fundamental parts: infrastructure, which includes hardware, software, and telecommunications [4]; electronic business transactions, which refer to a business process carried out through computer networks within the framework of virtual interactions between the subjects of the virtual market and e-commerce, which entails the delivery of goods via the Internet and is currently the largest sector of the digital economy[5].

The following factors influence the key characteristics of the digital economy:

- the economic activity is focused on the platforms of the "digital" economy;
- the personalized service models;
- the direct interaction between producers and consumers;
- the spread of the sharing economy;
- the significant contribution of individual participants.

The definition of a particular concept is a reflection of time and contemporary trends, especially in the field of technology. The essence of definitions is also influenced by the specifics of a particular historical period.

The initial definitions were developed in opposition to older ideas like the "information economy" and the related, more general idea of the "information society." For instance, Don Tapscott said that there are two different sorts of economic activity included in the digital economy.

The first category, referred to as informational, entails the execution of fundamental tasks, like loading static data onto network resources.

The second category, referred to as communications, contains actions made possible by the Internet. According to Eric Bryndjolfson and Brian Kahin, the phrase "information economy" currently refers to a wide, long-term trend of increasing the value of information- and knowledge-based assets as well as tangible assets and goods related to the agricultural, mining, and manufacturing industries.

The phrase "digital economy" only refers to the ongoing, unfinished change of all economic sectors brought about by the digitalization of information through the use of computer technology. The writers aimed to show that there is something going on that goes beyond earlier ideas. The Internet's capabilities for carrying out commercial transactions were also considered at the same time and entered definitions of the digital economy as a result.

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