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## THE CURRENT STATE OF THE DIGITAL ECONOMY: PROBLEMS AND SOLUTIONS

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### **Introduction**

The digital revolution has changed our lives and societies at an unprecedented level, causing some problems in 25 years, along with enormous opportunities. The development of the digital economy is one of the priorities for such leading countries as the USA, Great Britain, Germany, Japan. In recent years, a new wave of development in the activities of the business and social sphere has been taking place with the help of a new generation of digital technologies, namely artificial consciousness, robotics, wireless communication technologies. New technologies can greatly contribute to the implementation of Sustainable Development Goals, but we may not get the expected positive results. If we want to achieve the full social and economic potential of digital technologies, it is necessary to develop cooperation between states with integrity, without allowing unexpected consequences. In our country, too, special attention began to be paid to the development of this industry. Head of State Sh.Mirziyoyev in his appeal to the Oliy Majlis on December 28, 2018 proposed to implement the program “Digital Uzbekistan-2030” until 2030.

### **Analysis of our literature on the topic**

The concept of digital economy was first used by a Japanese professor during the Japanese crisis in the 1990s. In 1995, the work of Don Tapscot in Europe “tsifrovaya ekonomika: obetshanie I opasnost V epoxy setevoy intelligence” and the 1995 study of Nicholas Negroponte (Masachusetts, USA), it should be noted first of all that the digital economy consists of a chain of interconnected production and management processes, an integral element of which is the exchange of information carried out using inter-chain (human, inter-machine, through clouds, data Inter-Center) digital technologies. The main goals of the Digital Economy Program are highlighted. The digital economy is the conduct of economic activities,

in which the main factor in production and service is data in the form of numbers, using the processing of large amounts of information and the analysis of the result of this processing to implement more efficient solutions from the previous system in the supply of various types of production, services, technologies, devices, storage, products. By the way, the digital economy is an activity linked to the development of digital computer technology in the field of online services, the implementation of electronic payments, internet commerce, crowdfunding and other types . In our opinion, the digital economy is an economic activity that is carried out and managed using digital technologies in the context of a shortage of economic resources. In the digital economy, where the main problem facing any economic system is the shortage of resources, the main attention should also be paid to solving this problem.

### **Research methodology**

The article used comparative evolutionary analysis in the study of the position of digital platforms in the world economy, market capitalization of higher and lower-ranking companies, statistical mathematics in the analysis of development trends of transnational companies based on digital platforms, statistical grouping and comparison methods of Internet coverage in the cross-regions. Also, on the basis of the development of the digital economy, the state of the use of internet traffic is highlighted on the basis of a dynamic analysis. Analysis and results:

The digital economy has the following advantages:

- \* predicts an increase in labor productivity by up to 40;
- the digital economy has the ability to collect, use and analyze data (digital data) that a huge amount of machine can read;
- \* the emergence of new forms of work that are sold through online platforms;
- the digital economy has generated enormous wealth in a very short time, but this wealth is concentrated around a small number of individuals, companies and countries.

Based on current policies and regulations, this trajectory can continue, but this will lead to an increase in inequality. However, there are also some conflicting aspects of this economy. They are as follows:

- new technologies, especially artificial intelligence, will inevitably lead to major changes in the labor market, including the disappearance of jobs in some industries and the creation of opportunities on a large scale in others;
- the digital economy requires a number of new and different skills, a new generation of social protection policies, a new relationship between work and leisure;

Digital platforms provide mechanisms for uniting multiple parties on the Internet to move together. There are transactional platforms and innovative platforms, transactional platforms are a two – or multilateral market, it is an online infrastructure that supports exchanges between different parties. They have become the main business model for those who prefer large digital corporations (such as Amazon, Alibaba, Facebook and eBay), as well as digital support networks (Uber, Didi Chuxing or Airbnb). In the form of innovative platforms, such as operating systems (such as Android or Linux) or technology standards(MPEG video), the application creates an environment for the production of code and content for the development of applications and software packages. Over the past decade, many digital platforms have appeared around the world using digital data-based business models, which have replaced existing industries. The advantage of the platforms is that seven of the world's eight leading market capitalization companies use platform-based business models. The economic geography of the digital economy does not show the traditional difference between the North and the South. It is managed by the developed and consistently developing – the USA and China. For example, these two countries account for 75% of all patents related to blockchain technologies, 50% of the cost of Internet of things and more than 75% of the world market of cloud technologies in the nationwide market, and most surprisingly, they account for 90% of the market capitalization value of the 70 largest digital platforms in the world. Europe's share is 4%, while Africa and Latin America's only 1%. These are "super platform" – Microsoft, and then Apple, Amazon, Google, Facebook, Tencent, Alibaba make up 3/2 of the total market value. Thus, in many digital technological developments, the rest of the world, especially Africa and Latin America, lags far behind the United States and China. Some of the existing trade frictions reflect the desire to dominate the field of the latest technology on a global scale. The value of the digital economy, the creation and acquisition of the values associated with it, may have some difficulties. First, there is no universally accepted definition of the digital economy. Secondly, developing countries do not have reliable statistics on its main components and sizes. Although several initiatives are being implemented to improve the situation, they are not enough and are resisting the rapid development of the digital economy. The dimensions of the digital economy have changed from 4.5 percent to 15.5 percent of the world's gross domestic product. As for the added value in the field of information and communication technologies, the United States and China together account for about 40% of the world's GDP. The share of this network in the gross domestic product is the highest in the Chinese province

of Taiwan, Ireland and Malaysia. In the ICT sector, computer services are the largest component, accounting for 40% of the added value. The world computer services industry is dominated by the United States; the share of this sector in industrial value added is greater than the total share of nine major economies. India has the largest share among developing countries in this regard. Computer Services, the only network that grows across all regions, are one of the main factors in employment in this area. Value added in ICT production is highly concentrated in East Asia (led by China) and may be limited for developing countries to be able to obtain value from this sector. In the last decade, the global export of ICT services and services that can be delivered digitally has grown much faster than the export of common services, reflecting the growing development of the world economy. Exports of digitally delivered services cost US \$ 2.9 trillion in 2018 (\$1.8 trillion in 2008. US dollar) or accounted for 50% of global services exports. In less developed countries, such services accounted for about 16% of the total export of services, and from 2005 to 2018 they increased three times. Digital platforms are becoming increasingly important in the world economy. The total value of platform companies with a market capitalization of more than 100 million US dollars was estimated at more than 7 trillion dollars in 2017-67% higher than in 2015. Some global digital platforms have achieved very strong market positions in certain areas. For example, Alphabet (Google) has 90% of the internet search market. Facebook accounts for two-thirds of the global social media market and is the best social media platform in over 90 percent of the world's economy. Amazon has a nearly 40 percent share of the world's online retail business, and its share in the Amazon Web Services global Cloud Infrastructure Services Market is as much. In China, WeChat (owned by Tencent) has more than one billion active users, and together with Alipay (Alibaba), its payment solution has taken over almost the entire Chinese market for mobile payments. At the same time, Alibaba has about 60% of the Chinese e-commerce market. Several factors contribute to explaining the rapid rise of these digital giants to dominance: – related to the network effect (that is, the more users there are on the platform, the more valuable it will be for everyone) – the ability to collect, manage and analyze data from platforms like the network effect, the more users mean more information, and the more data means; – once the platform has started to pull and offer a variety of integrated services, costs for users begin to grow when switching to an alternative service provider. Major platforms have also made other major purchases in the retail, advertising and marketing industries as well as non-residential real estate industries. The policy for the functioning of the digital

economy depends on the joint actions of many countries. This is a huge task that requires the adaptation of existing policies, laws and regulatory documents, the adoption of new ones in many areas. For many countries, the digital economy and its long-term consequences remain seasonal. While some problems can be addressed through national policies and strategies, the global nature of the digital economy requires a greater level of dialogue, policy-making at an international level. Data privacy and data security require special care. Laws and regulations are needed to combat identity theft, establish rules on how personal information is collected, used, transmitted or removed, and allow business models based on the digital economy to generate income for the entire society. The European Union's "general rules for Data Protection", which came into force in May 2018, is today a comprehensive approach to protecting data of global importance. Digitization affects different countries in different ways, and individual governments require a political space to regulate the digital economy in order to fulfill the objectives of different legitimate public policies. The processing and regulation of digital information is complex because they concern Human Rights, trade, the creation and acquisition of economic value, law enforcement and national security. It is difficult to formulate a policy that takes into account these different dimensions, but nevertheless it is necessary. In addition, the effective distribution of income and the fight against digital interruptions require more social protection measures and efforts to save workers.

### **Conclusions and suggestions**

Digital transformation is becoming much more important today, especially in the current pandemic situation. Recognizing the role of the digital economy in the economies of countries and its importance in World Economic Development, it is advisable to carry out:

- \* To study more comprehensive methods of support in countries advancing in the digital economy;
- \* creation of the regulatory framework of the digital economy in the country;
- \* creation of the necessary infrastructure for the digital economy, first of all access to the Internet
  - connecting regions with limited or no availability to the system;
- \* improving the activity of the system of training of specialists-personnel necessary for the digital economy;
- \* governments, civil society, Academy, scientific community and technology industry development of joint research work to find new solutions;

\* digital developer strategies and the future of globalization rational use of new technologies to redefine their contours, it is necessary to strengthen partnership relations and strengthen intellectual leadership.

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## THE IMPORTANCE OF ENTREPRENEURIAL TRAINING IN SECONDARY AND HIGHER EDUCATION

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Unemployment is a major cause of concern for governments around the world, especially in the context of the recession that is being announced globally as a result of the pandemic caused by Covid-19 and also because