

THE ROLE OF THE DIGITAL ECONOMY IN THE WELFARE OF SOCIETY

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Abstract

The article discusses the role of the digital economy in the well-being of society.

Keywords: Digital technologies, information technologies, artificial intelligence technologies, educational technologies, economy, prosperous life.

RAQAMLI IQTISODIYOTNING JAMIYAT FAROVONLIGIDAGI O‘RNI

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Annotatsiya:

Maqolada raqamli iqtisodiyotning jamiyat farovonligidagi o‘rni xaqida gap boradi.

Kalit so‘zlar: raqamli texnologiyalari, axborot texnologiyalari, sun’iy intellekt texnologiyalari, ta’lim texnologilaryai, iqtisodiyot, farovon hayot.

Introduction

The information space of any country is intended to perform certain strategic and tactical functions. Strategic functions aimed at protecting against the infiltration of foreign information, creating a social identity are implemented through artistic and news communications. Tactical functions that serve to fulfill specific tasks of social management, organize support for government initiatives, and inform the population about short-term events are mainly implemented through news communications. Both strategic and tactical functions serve to develop general models of interpreting reality, especially in times of crisis.

Different periods of society's development have their own positive and negative sides. In accordance with different aspects of the informatization of society, the World Bank in its 2016 "Digital Dividends" review includes the following among the positive sides of the development of the digital economy:

increase in labor productivity;
increased competitiveness of companies;
reduction in production costs;
creation of new jobs;
poverty and social inequality.

These are just a few examples of how the digital economy can positively affect our lives, providing many opportunities for the average user and thus expanding market opportunities.

However, along with numerous advantages, digital transformation is not without certain risks:

- risk of cyber threats;
- use of data about people to control their behavior;
- increase in unemployment, disappearance of certain professions;
- disruption of digital education and, as a result, disruption of well-being, etc.

The vital interests of subjects (states, legal entities and individuals) participating in automated interaction processes are, as a rule, that the information part related to their economic, political and other aspects of their activities, confidential commercial data and personal data should be open and protected from illegal use. The main positive and negative aspects of the information society are presented.

Companies that are at the forefront of the digital revolution not only gain significant advantages, but also take on significant risks. One of the most pressing issues today is ensuring the information security of various state structures and commercial organizations, personal data. Recently, an increasingly large amount of information, including information that is important for individuals, organizations or countries, is stored, processed and transmitted using automated information processing systems. An information processing system is a set of technical means and software necessary for automated information processing, as well as personnel actions and methods of information processing. Even fifteen years ago, when the information economy was at the initial stage of implementation, according to research by information security specialists, by this time there have been significant changes in the concepts of information protection. When talking about the economic feasibility of measures to support information security, many people first of all mean protection against viruses and hackers, but according to reports from leading organizations, the greatest damage in the last decade has been caused by insiders (company employees), as indicated, for example, in the annual FBI reports on Computer Crime and Security Survey.

Thus, according to these studies, the damage caused by carelessness and illegal actions of employees is several times greater than the damage caused by virus and hacker attacks, as well as the introduction of programs that directly cause damage to information. This was in 2007, when the number of incidents caused by internal and external offenders was comparable.

Ensuring strict requirements for information security implies appropriate measures at all stages of the life cycle of information technologies. The development of these measures is carried out after the risk analysis and the selection of response measures are completed. Periodic



verification of the compliance of the current regime with the security policy, certification of the information system (technology) for compliance with the requirements of the established security standard are mandatory components of these plans. All of the above is risk management. In general, to manage a system of any complexity, it is necessary to create strict but simple regulations for servicing the system and ensure control over changes to system settings in accordance with these regulations. When implementing such systems, it is assumed that the organization has a clearly defined security policy. This policy, together with information about information systems, will serve as the cornerstone of the management system in the future. As for the description of the information system itself, it is usually necessary to know the following:

- list of information resources. A resource is understood as specific servers and folders on them, applications used, equipment and even network segments;
- those responsible for the security of these resources. These may be resource owners, heads of departments, curators from the security service, etc.;
- those responsible for managing these resources;
- how the resources of the information system are interconnected. Sometimes a complex of settings is required for the normal operation of the application - from the application settings to switching equipment. After all, even if we make all the settings, but forget to write down the permission rule on the internal network screen, the solution to the task will fail;
- the company's staff structure. What resources and how can a person holding a certain position connect to.

Thus, based on the information received, the management system builds an ideal model of the enterprise's information network that meets information security standards. This opportunity can be considered the beginning of the work of the security management system. Now all communications on issues of changing the settings of the information system will be under the control of the information security department, which will be part of the security management system, a specialized document management system.

If we come to the information security market itself in our country, the situation here is as follows. In Uzbekistan, information protection issues are most relevant for companies related to information technology, the banking sector, mobile communications, and companies that carry out operations with securities. As for other organizations, according to the results of various studies, the leaders of most of these organizations know about the main types of threats, but if there are no visible threats, they believe that there is no point in ensuring information security. That is, the main problem in the field of information protection is the lack of sufficient attention paid to it by the management of companies and, as a result, the resulting shortages in its financing.

Turning to the structure of systems used to ensure comprehensive information security, it is worth noting that, despite significant development, the main part of the country's information security market is currently made up of network firewalls, intrusion detection systems (IDS) and antivirus systems. However, these tools often fail to meet modern requirements for protection systems in the current information security environment.

The long-term study of the digital economy and the competence of experts in this field allow us to say that it is impossible to understand the essence of the digital economy without a deep



look at technologies, such as their association with the digital economy. The digital economy is characterized by the emergence of new types of services and the growth of their share in GDP, new business models, dependence on the capitalization of companies conducting business on the Internet, the number of users - content consumers, participants, the emergence of aggregators and other new types of companies in the market, and a change in the nature of the competitive struggle. The introduction of Industry 4.0 technologies into the production cycle, the reduction of horizontal value chains, the transition to customized products and services, personalized service, the reduction of the innovation lifecycle, and the difficulty of predicting new technologies are of great importance. The signs of the digital economy also include the growing role of social networks in forming opinions about products (services) in the minds of consumers, the emergence of new technologies that allow using collective consciousness, the joint use of material resources, conducting business without a warehouse and on the basis of requests according to the drop shipping model, the use of new licenses for intellectual property, the speed of fragmentation of the competences of graduates of educational institutions and real jobs. This list can be continued.

Today, the digital economy, e-business and e-commerce management are included in the interdisciplinary field of scientific knowledge. It is they who are of interest to modern youth and those who not only follow the evolution of the digital economy, but also participate in it.

1. First of all, the emergence of new types of services that were not available before the advent of the Internet. From 1990 to the present, new markets for goods and services based on the use of online technologies and the capabilities of the Internet have been formed, for example, messengers, aggregators, Internet search, Internet advertising, Internet trading, electronic coaching, electronic training, etc.

2. The capitalization of companies representing electronic business directly depends on the number of users (content consumers, participants) and the rate of their growth. This leads to higher sales revenues for companies.

3. Changing the nature of competition. The emergence of aggregators and other new types of companies on the market.

It can be said with absolute certainty that business models will change under the influence of new technologies of electronic commerce and the digital economy. This is manifested in a significant, and sometimes serious, change in the structure of the service offering on the market and is reflected in the nature of the competitive struggle

4. The digital economy allows businesses to search for new ideas based on rapid business analysis and implement rapid feedback with customers, which allows companies to respond promptly to the innovative wishes of potential customers. This was facilitated by the emergence of Google Analytics, Yandex.Metrics and other free services

5. The digital economy is characterized by a reduction in the life cycle of innovations. This has led to a race of mass manufacturers to release new models of smartphones, computers, new mobile applications, new versions of computer games, which is characterized by a frequent replacement of the model range and leads to a rapid change in the range of products and services.

6. One of the main features of the digital economy is the difficulty of predicting the emergence of new technologies, which means that under certain conditions they can manifest themselves



as advanced innovative technologies that lead to the destruction of existing socio-economic systems. The higher the speed of these processes, the more difficult it is for businesses to respond to the challenges of a complex and highly dynamic market environment, where the technological component is considered the most dangerous, but at the same time opens up new prospects for the new development of the economy.

7. The emergence of purely new phenomena that allow using collective consciousness to generate innovative ideas, produce goods and services (crowdsourcing) and analyze the possibilities of a collective "wallet" for financing innovative projects.

8. Thanks to the Internet, the share of services in the GDP of developed countries has increased further due to the emergence of new opportunities for business.

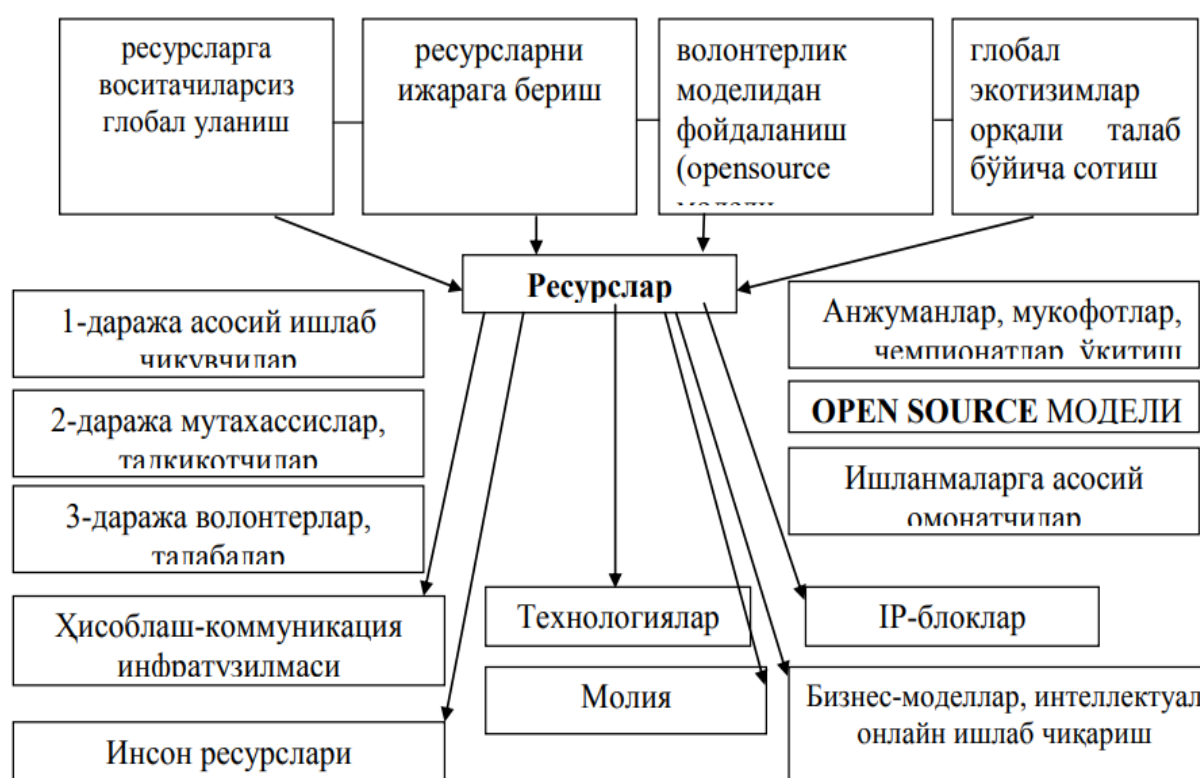


Figure 1. Basic principles of the digital economy

Negative aspects of the digital economy. From the point of view of the lobbying approach, we consider the digital economy not as a self-existing part of the economic sectors, but primarily as a means of exporting US state lobbying, consisting of a million tons of virtual gold, a \$ 1,000 trillion unsecured derivative that brought the world economy to the brink of a second Great Depression after the abandonment of the gold-dollar standard. Thus, based on the lobbying approach, taking into account the moral factor, we will try to reveal the scale of the serious danger hanging over humanity when assessing the digital economy. The risks discussed in the study are somewhat greater than the risks of the digital economy that are revealed in the traditional view of it.

From a moral point of view, we can see that the task of the digital economy is to eliminate the world monetary system. To eliminate all money. Today, money is a conditional thing, like glass beads in Papuans, not backed by anything. We have numbers in banks, not money. We transfer these numbers again. The virus can destroy all the numbers, make us and our country poor in one day. All these are possible negative aspects. To come to such assumptions, we had to turn to the basics of the digital economy together with the listeners and students and understand what lies at the heart of the development of the digital economy.

In our opinion, this is a step that will make the state friendlier with its goals, business interested in science, which can determine the needs of the economy from its results. In other words, the digital economy is the integration of the state, business and science.

The digital economy is defined as: economic activity, the main factors of production of which are information in digital form, the use of large amounts of data and the use of the results of analysis that allow to increase the efficiency of various types of production activities, technologies, equipment, supply, storage and sale of goods and services in comparison with traditional forms of economic activity. In order to achieve interoperability with other international systems and practical mechanisms, information models and documents in the "single window" mechanism should be organized on the basis of international standards and recommendations. When compiling a list of data that includes the initial list of messages and documents to be harmonized, as well as when forming a national data model, it is necessary to identify the corresponding elements, including their description and definition in accordance with the requirements of international standards.

Currently, many definitions have been developed for the term digital economy in the world, and there are also a number of concepts related to this term: "digital economy", "e-economy", "internet economy", "network economy", "virtual economy". In essence, all of them are synonyms.

Digital economy is an economic activity in which digital information is the main factor of production, which, in comparison with traditional forms of economic activity, significantly increases the efficiency of storage, sale and delivery of various types of production, technologies, equipment, goods and services, using the results of their analysis and processing on a large scale.

In our opinion, this definition is quite accurate, but somewhat inconvenient to use. On the one hand, the lack of a clear definition is not an obstacle to a substantive discussion of many private and narrowly specialized questions. But, on the other hand, since the purpose of this book is to form an integral view of the phenomenon of the digital economy, we decided to offer our own definitions.

The "digital" economy is an economy that exists in a hybrid world.

This definition is absolutely correct and reflects the essence, but does not explain the expected changes and, accordingly, is difficult to use in practical situations. That is why we have expressed the following functional definition:

The "digital" (electronic) economy is an economy that maximizes the needs of all participants through the use of information, including personal information, and its distinctive feature is the development of information and communication and financial technologies, as well as the openness of the infrastructure that provides full interaction between all economic entities -



objects and subjects of the process of creation, distribution, exchange and consumption of goods and services - in a hybrid world. Today, achieving stability in the service business is more difficult than ever before. It is not easy to achieve a strong competitive advantage, and having reached the top, to maintain it. In particular, according to American statistics, 52% of the companies that were in the Fortune 500 in 2000 no longer exist. Another important indicator: the average lifespan of companies included in the Standard & Poor's 500, which was 60 years in 1960, will be reduced to 12 years by 2020.

The reason for this five-fold reduction in leadership tenure is the transition of all businesses, including the service business, to a digital basis, and we are now witnessing and participating in this phenomenon. "Digital disruption" is a hot topic among analysts and company boards of directors.

The service business is becoming a "default" digital business. On the one hand, no one wants to repeat the fate of Kodak, which once missed the jump from film to "digital" in the photo business. On the other hand, Amazon, Uber, Airbnb and others show how to use the digital revolution - to invent and implement completely new schemes for doing business. Gone are the days when the Internet was initially considered as an online showcase, and later as an online magazine, as an addition to offline business. The emergence of new generations on the stage of life - young people who "live" on the Internet - forces business to become online ("digital"), first of all, by default.

Humanity has entered a period of global changes. In the near future, the main areas of human activity - economics and management, science and security - will acquire a new form and content. A person will become unique, which will lead to changes in social relations. The continued penetration of digital technologies into our lives is one of the features characteristic of the world of the future. This is explained by the progress in the fields of microelectronics, information technologies and telecommunications. Thus, digitalization is an objective, inevitable process, and it is impossible to stop it.

One of the most serious risks arising from digitalization is the prospect of mass unemployment among medium and low-skilled workers. The middle class may shrink dramatically, as these jobs will be automated and replaced by robots first. A significant part of the active, educated, able-bodied population, accustomed to a fairly high standard of living, will be "left by the wayside in the Western way of life." However, the digital world is developing so rapidly that it is possible to guarantee a shortage of personnel with other qualifications. Therefore, those who are ready for change now still have time to do so. In the long term, the "digital" (electronic) economy may become a tool capable of realizing the centuries-old dream of freedom of people condemned to hard physical labor. Vast opportunities will open up for creativity, science (both fundamental and applied), and art. For many, the demand for the "Soviet" model of an intellectual society will suddenly appear

The digital revolution has affected some sectors and countries earlier and more strongly, while others have been affected later and less. Services, media and entertainment were the first to undergo digitization, followed by telecommunications companies and banks. However, according to the general opinion of analysts and the results of surveys among company managers, ultimately digitization will affect all of us to one degree or another.



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