

Development of the digital economy and its impact on labour market

Dilmurod Abdulloevich Nasimov¹

¹Researcher, Samarkand State University, Uzbekistan

Correspondent author: uzdilmurod@yahoo.com DOI 10.31150/ajebm.Vol3.Iss3.191

Abstract: The article considers the effects of technology on the level and composition of employment. Technological progress, by increasing the productivity of factors of production, expands an economy's production possibility frontier but also decreases the number of existing workplaces. So the aim of the paper to consider the opportunities to the positive impact of the ICT on the labour market.

Keywords: labour market, digital abilities, education, the ICT field, employment.

Introduction

A digital economy is an innovative option for the development of the country, and, accordingly, the labour market. The digitalization of the economy presupposes an increase in the differentiation and flexibility of labour market segments under the influence of ICT factors, the formation of new non-standard forms of employment, the formation of new types of labour relations and the globalization of the labour market.

The digital economy is not simply the development of information technology, it is the emergence of completely new business models, the effectiveness of which can be increased on account of intermediaries and optimization. Business dynamics increases and becomes more complicated, today there is not a single correct answer in general, depending on how it is necessary to organize its activities in the information economy. Companies that develop new technologies and make use of various innovations will change business rules and destroy any obstacles.

The digitalisation of the economy changes all spheres of the economy, so it does impact on the labour market. The digital economy requires new competencies, new job opportunities and new regulation options.

Literature review

N.Negroponte [1] studied the influence of digital technologies into the transformation of modern society; Internet's impact on business studied by D. Tapscott [2]; the transformation of labour relations are studied in the works of U.Huws [3]; the particular aspects of the digital transformation of business are described by N.Fenwick [4]; the peculiarities of digitalization of labour market are studied by the OECD Directorate for Science, Technology and Innovation (STI) [5]; the influence of information and communication technologies on formation of the digital economy is analyzed by International Telecommunication Union [6]. Following the mentioned scientists and much other research, we tried to cover the aspects of digitalization of the economy and its impact from the perspective of developing countries.

Results

According to ILO experts "Technological advances – artificial intelligence, automation and robotics – will create new jobs, but those who lose their jobs in this transition may be the least equipped to seize the new opportunities" [7].

According to scientific results factors for the development of the digital economy are:

- + Development of the mobile internet;
- + automation of intellectual work;
- + cloud services;
- + Internet of things.

The introduction of digital technologies will allow to significantly accelerate all economic processes, but what will happen in the country as a result of the acceleration of these processes – whether the economy will flourish or collapse-will depend on the vector of development of human capital. In the era of the digital transformation of the economy, society is experiencing fundamental changes in the series while the value of information is growing rapidly.

Klaus Martin Schwab comments that the future universe will be characterized not only by the Fourth Industrial Revolution but also by factors not related to technology, including the

emergence of new specialities and professions based on demographic problems, geopolitical changes and new socio-cultural norms [8]. It is for this reason that the lack of human capital, and not the lack of in-depth knowledge, is a limitation that limits innovation, competitiveness and growth. Schwab noted that the problems shown will force the concept of "high qualification of personnel" to reconsider itself from the Fourth Industrial Revolution. Traditional definitions of skilled labour are based on the availability of a high level of knowledge or specialized knowledge, as well as the availability of a set of characteristics established within the sphere of expertise or profession. Taking into account the rapid development of technology, the Fourth Industrial Revolution draws special attention to the constant adaptation of employees and the mastering of new skills and approaches from different perspectives. Although these processes are quite difficult, but will inevitably accompany the development of the digital economy.

The state should create optimal management of the digital economy with the involvement of representatives of all stakeholders (state, government agencies, business, civil society and scientific and educational societies) in the creation and development of the digital economy. The program of the digital economy is necessary to provide for the implementation of several directions, but one of the main directions of this – what specific work should be carried out in areas related to the science of the digital economy on education has not yet been thoroughly considered. We think that the most basic measure of the digital economy can also be the training of qualified personnel in this field and the creation of a digital information infrastructure. Therefore, it is of great interest to prepare a roadmap for training, and we can also face a lot of difficulties in this. Technical and managerial personnel working in the digital innovation sector have their characteristics, which must be prepared in a specific way, especially at the intersection of state and business, which is of great importance.

"Digital technology, the Internet of Things (IoT), Big Data (Big Data), the use of mobile devices and other devices changed the methods of social interaction, economic relations and institutes. Coordinates economic agents to jointly solve the identified tasks and new methods of cooperation will emerge (sharing economy)."

In a modern business equipped with new technologies, all excess is lost, and it increases competitiveness and reduces the cost of production, including the replacement of intermediaries for

automatic network services. In addition to seriously reducing the value of services, such an organization of business leads to a new economic structure in which incomplete employment and various forms of individual production can play a key role. The question of how these types of labour market silences will improve human labour, which personnel resources will be in demand, which educational models will be needed for the digital economy, and, finally, what to do with people who can not work in conditions of rapid changes and uncertainty, as well as lack of creative potential, special social and communicative skills, will remain relevant. In some industries, the situation changes gradually (higher education, gas, chemistry); in others, it is faster (health, transport, consumer goods, public sector/machinery, energy), but in some, this process takes place much faster (banking, Insurance, High Technology, Telecom, media, ritual, sports and entertainment industries, defence).

Undoubtedly, the speed of digital effects spread in the above network groups can vary both to the side and this side, due to the influence of various factors on this process.

One of the most important conditions for the effective development of the digital economy is the formation of a suitable institutional environment for it. It should be noted that in the digital economy, the main asset of the country will be the human capital and its quality, that is, specialists who have deep knowledge in the field of new technologies can apply them to life, can improve the old ones, are considered the main asset. Based on this, it is necessary to improve the training of personnel for the digital economy:

- ✚ training personnel in areas that are in high demand for the development of the digital economy;
- ✚ creation of an education system that can train personnel with in-depth knowledge in these areas;
- ✚ development of mechanisms for the organization of the labour market that meet the requirements of the modern digital economy;
- ✚ training of qualified software developers and engineers;
- ✚ financing the participation of staff in the development of the digital economy and creating a system of high motivation;
- ✚ assimilation of foreign experience in the field of the digital economy and their application

to the economy of the republic;

- ✚ creation of national ecosystems in various sectors of the economy using electronic platform technologies.
- ✚ financing the participation of staff in the development of the digital economy and creating a system of high motivation;
- ✚ assimilation of foreign experience in the field of the digital economy and their application to the economy of the republic;
- ✚ creation of national ecosystems in various sectors of the economy using electronic platform technologies.

Digital economy workers should be able to:

- ✚ generate and process complex information;
- ✚ think systematically and critically;
- ✚ make decisions;
- ✚ be adaptable and flexible concerning new information, creative;
- ✚ identify and solve real problems.

In the context of the development of digital technologies, it is necessary to pay due attention to improving the labour market. Labour market institutions must meet modern requirements. It is worth emphasizing the following main problem areas in the functioning of the world of work:

- ✚ automation of labour processes;
- ✚ problems with decent jobs creation;
- ✚ informal employment and social protection;
- ✚ decent work policy support;
- ✚ sectoral changes in the economy;
- ✚ migration;
- ✚ precarious work.

Improving the labour market and related institutions will help to increase competitiveness, increase human capital and improve the lives of the population.

Conclusion

The main goal in the development of the digital economy is to determine the development of labour issues of the digital economy in the content of the new labour economy.

For the development of the economy in developing countries, the need is assumed:

- + improving the regulatory and legislative framework of labour relations, eliminating its lag behind the real needs of the labour market;
- + development of professional standards, taking into account the emergence of the category of "green" jobs and their signs in the digital economy;
- + updating the requirements for the organization of labour (for example, artificial collectivization of labour through mandatory visits to offices, etc.).
- + the popularization of new knowledge in training programs at all levels of higher education;
- + strengthening control over the implementation of laws and regulations, improving accounting and statistical work concerning new types of employment;
- + strengthening the interaction of subjects of labour relations within the framework of social partnership;
- + identification of new types of employment, formalization of the status of workers employed in new types of labour;
- + providing conditions for highly efficient and socially protected work.

References

1. Negroponte, N. (1995). *Being digital*. New York: Alfred A. Knopf, Inc.
2. Tapscott, D. (2014). *The Digital Economy Anniversary Edition*. New York: McGraw Hill.
3. Huws, U. (2014). *Labour in the Global Digital Economy: The Cybertariat Comes of Age*. New York: NYU Press.
4. Fenwick, N., Matzke, P., Mulpuru, S., Gill, M., Wang, C., Klehm, R. and Traikovich, K. (2015). *The State of Digital Business, 2015 to 2020. By 2020, Execs Expect to See the Majority of Their Revenues Driven by Digital – Are You Ready?*. [online] Forrester Research, Inc.
5. New Forms of Work in the Digital Economy. (2016). OECD Digital Economy Papers, No. 260. [online] Paris: OECD Publishing.

6. Measuring the Information Society Report 2018 – Volume 1. (2018). [online] Geneva: International Telecommunication Union.
7. Work for a brighter future – Global Commission on the Future of Work International Labour Office – Geneva: ILO, 2019.
8. Schwab K. The fourth industrial revolution. – Currency, 2017.