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Role and prospects of the digital economy in the labor market

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Abstract

In the article, the impact of the digital economy on the nature and development of the modern labor market is associated with a pressing problem. The article provides an overview of various methodological approaches to the concept of digital economy. The author's approach to the concept in which the digital economy is studied on the basis of the impact on the labor market is presented. The consequences of the transition of society to the digital economy are comprehensive, as well as the skills that digital economy personnel should possess, the professions that will be needed in the near future are analyzed.

Keywords: Employment, society, mobile phones, education system, economy model, investments

Introduction

In the context of the transition to market relations in the Republic of Uzbekistan, an employment strategy focused on human interests has been developed. This strategy requires that every able-bodied person demonstrate his or her abilities and provide a good living environment for himself or herself and his or her family.

The spread of coronavirus infection has affected the lifestyles of people in almost every country in the world. Even some sectors are on the verge of a serious crisis.

The situation in the world labor market and the issues of unemployment remain an area where only the most attention should be paid and serious measures should be taken to improve the situation in today's pandemic period and beyond. Due to the pandemic, the world labor market is experiencing the most serious crisis after the Second World War. According to the calculations of the International Labor Organization (ILO), quarantine measures caused temporary, complete or partial closure of enterprises that affected 81 percent of World workers, that is, 2,7 billion people. Despite all the negative factors, the pandemic has accelerated the processes of business automation and digitization. Public administration bodies were able to quickly adapt to the new reality: all meetings are held online, and many leaders are working remotely.

Interest in the digital economy has grown significantly due to serious changes in society and the economy. Modern technologies and platforms have helped reduce costs for enterprises and individuals on account of minimizing personal communication with customers, partners and government organizations, as well as provide an opportunity for faster and easier interaction. As a result, a digital or electronic economy arose, based on network resources.

The crisis caused by the pandemic is promising for the development of information technology, especially in the areas of remote communication and education, as well as delivery services. In other words, all areas that are active in the self-isolation mode develop.

Over the past decade, the evolution of IT in the world, the automation of mobile phones and smartphones and technology has radically changed the life of society, socio-economic development. In particular, the connection to the Internet has reached a completely new level, and from now on we live in parallel with the "real" and "virtual" world. Due to the comprehensive connection, even the distance will no longer be a topical issue. Digitization leads to and facilitates knowledge-based and decentralized production, as well as the development of technologically advanced services ("smart-smart services").

The issue of increasing labor productivity in the conditions of deepening the competitive environment in the world is increasingly recognized as an urgent problem. According to the International Conference Board research organization, "the average annual increase in labor productivity in the world is 3.5-4.0 percent.

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In recent years, high labor productivity in industrial production has been observed in countries such as Germany, Ireland, Norway, China and the United States. According to expert calculations, labor efficiency in industrial production innovative development in the production of growth acceleration and the creation of an active investment climate”^[1].

The study of the impact of the digital economy on the labor market and the role of the Fourth Industrial Revolution in this are of great importance. It is known that the first industrial revolution was a steam engine, the second - electrification and mass production, the third - a computer and the fourth "Industry 4.0" - a digital revolution of ICT, the production of cyberphysical systems and mass introduction into industry, or in other words, mass manual labor indicates the transition to the car. Like any technological change, these technological developments in history have a great impact on the labor markets. This increases the number of countries that support the simplification and facilitation of the transition from informal to official economy through the wide introduction of the ICT.

The year 2020 will be called the Year of Science, Enlightenment and Digital Economy, the adoption of the Digital Uzbekistan-2030 Strategy and the Resolution of the President of the Republic of Uzbekistan dated April 28, 2020 "On measures to introduce digital economy and e-government." formation of the economy, improvement of e-government, development of human capital in the field of information technology; digitalization of public services and improvement of the information ecosystem; aimed at ensuring openness and transparency of government agencies and organizations, as well as the prevention of corruption and bureaucracy. The main mechanisms for the implementation of the social contract of the twentieth century are standardized professions, standardized education in these professions, the local labor market, a certain wage system, the employment of university graduates by distribution, and so on.

It is almost impossible to eliminate the qualification gap under such a social contract. Because the uneven distribution of human capital lies at the heart of the idea of standardization. This problem can be solved only in the case of a radical change in the social contract between the employee, the employer, the state and the education system. The main task of the new social contract is to provide employees with a wide range of opportunities for study and employment. In turn, the employee takes full responsibility for the maximum implementation of his capacity. To do this, the education system should be an intermediary between the needs of the employer, the state and the person. Such a system should form a set of tools and methods necessary for the education of a person for all his life. The task of the employer is to choose employees based on their Real skills and skills, and not on formal education, taking into account their personal dignity and creating opportunities for them to manifest themselves at work in the workplace. And the state should create opportunities for employment and development for each person, taking into account his wishes.

With the introduction of digitalization and the expansion of the on-demand economy, work has become less tied to space and time, which creates more autonomy for workers, weakens control over the progress of its implementation by

the employer, creates more comfortable conditions for accounting for the arrival and departure of workers (everywhere in the world in large and medium-sized companies use electronic accounting working hours through electronic badges), monitoring of the work of employees through the use of webcams is being introduced. However, there are problems that can negatively affect the rights of workers, the maintenance of their health and psychological comfort in the workplace.

The Government of the Republic of Uzbekistan considers the implementation of the digital economy program as a key issue in solving the problem of overcoming the rental economy model. This issue is very serious, because the backwardness of the industry will lead to long-term negative consequences in a situation where the world economy is developing in line with new trends and the country is doomed to lose competitiveness.

In addition, by 2025, the share of the global digital economy will reach 23 trillion. It reaches USD. Its share in world GDP will increase from the current 17.1% to 24.3%, the number of enterprises using cloud technologies will increase by 58%, artificial intelligence - by 86%, digital data - by 80%. Network standards: The data transfer rate of 5G standard mobile networks reaches 20 Gbit/s, which is 4 times higher than 4G standard networks^[2].

At the moment, we turn to the opinions of influential people about what is happening in the labor market in the world. K. Schwab writes in his famous book: "The fourth industrial revolution will create fewer jobs in new industries compared to previous revolutions. Only 0.5% of the AKJU labor force is engaged in industries that did not exist at the beginning of the century; less than 8% of new jobs were created in the 1980s and 4.5% of new jobs were created in the 1990s. Investing in information and other advanced technologies serves to increase productivity by replacing existing workers, rather than creating many more labor-intensive products”^[3].

The question of how labor market silences improve human labor, what personnel resources should be in demand, what educational models should 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 be of urgent importance.

The analysis of the impact of the fourth industrial revolution on the formation of the digital economy made it possible, to a certain extent, to clarify the state of the transformation processes of the labor market as an economic environment for the supply of new personnel for new business models. Thus, the transformation processes of cities give rise to a series of acute questions, in particular: how will human labor be improved; what personnel resources will be in demand; what educational models are needed for the new digital economy; what the lot of people who have not found a place for themselves in the new conditions of the economy, since they are deprived of creative capacity expressed by special social and communication skills, do not know how to work in conditions of uncertainty and rapid change^[4].

Interest in the digital economy has grown significantly due to serious changes in society and the economy. Modern technologies and platforms have helped reduce costs for enterprises and individuals on account of minimizing personal communication with customers, partners and

government organizations, as well as provide an opportunity for faster and easier interaction. As a result, a digital or electronic economy arose, based on network resources.

In foreign studies, there are discussions about the impact of the digitalization of the economy on the labor market. Opinions were divided especially among those who are convinced that improving the efficiency of the economy is possible only through digitalization. This is especially true when assessing the impact of digitalization on employment. On the one hand, techno-optimists believe that higher productivity due to technological innovation leads to cheaper production, higher consumption, economic growth, higher employment and higher welfare. On the other hand, techno pessimists tend to believe that technological innovation leads to job losses caused by automation, reduced consumption and, as a result, shrinking markets, reduced welfare and higher unemployment.

By its nature, the digital economy is, on the one hand, the last stage of the process of replacing mechanical, repetitive labor with technical means, and on the other – a new stage, characterized by the replacement of human labor associated with the search and processing of a large volume of constantly changing information with artificial intelligence [5].

The main reason for the expansion of the digital economy is the growth of the transaction segment in public administration, consulting and information services, finance, wholesale and retail trade, various utilities, personal and social services. Studies show that the digital economy is causing tremendous change for more than 50 percent of the various sectors. ICTs and platforms increase their efficiency by radically changing business models, removing intermediaries and optimizing them.

New production technologies, new business practices and management models that have arisen in connection with the introduction of digital technologies are transforming the structure of the labor market and changing the requirements for professional qualities and competencies of employees. As a result of digitalization, this market, like the economy as a whole, receives new opportunities for development, but at the same time new threats and risks may arise that affect both employees and employers, and the state as a market regulator [6].

Conclusion

The digital economy creates new opportunities for entrepreneurship and non-standard employment, including self-employment. In many cases, investments in ICT development serve to receive dividends in the form of economic growth, create new jobs, create new types of services for the population and business, and reduce government spending on e-government projects.

The advantages of the interaction of horizontal networks over hierarchical networks are the basis of new economic growth, which is constantly dependent on the speed and diversity of exchange. The International Labor Organization notes that over the past decade, more and more countries have pursued targeted policies to transition to the formal sector, and that these policies, along with economic growth and structural change, are helping to reduce informality in these countries.

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