

THE DIGITAL ECONOMY AND ITS ROLE IN THE MANAGEMENT OF MODERN SOCIO-ECONOMICS

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ABSTRACT

The persisting complication of communal relations and arrangements, which are considerably laid on modern digital technologies, rooting exponential development in data streams, brings to the forefront the query of the creation of the economy i.e., digital. The significance of the ongoing procedures made it probable to create the list of knowledge of a new kind of economy, where relations with concerning to the processing, transmission, production, storage, and use of a considerable range of information derive main significance. The information becomes the basis for analysis than can be done economically, which inspects the guides of functioning of updated socio-economic processes. As per the range of experts, at current, it is crucial for an economic agent still not consider any resource, nonetheless it have information on this resources as well as the competency to use it to form some main actions. The significance of personnel administration in the modern business environment is greatly summarized in the given research report. The major aim is to determine the essence of modern or digital technologies for successful administration of every businesses organization throughout the world. More adding to the previous, to examine the innovation and the issues for recruitment procedure occurring in the digital economy are further analyzed in the given research report. Considering this, it includes the development of several methods, models, and approaches of personnel management that can allow businesses to successfully improve their growth in the digital economy. It considers some efficient ways of enabling personnel with higher-performance incentives, thus they are more likely to work hard and can perform with their greatest efficiency in the marketplace.

Keywords: Virtual, ICT, European Cloud, Authoritative Experts.

Introduction

The 'digital economy' is the backbone of innovation throughout the globe and heavily impacts industries as varied as retail energy, banking, healthcare, transportation, education, and several others. Some popular technologies that are digital like big data, ICT, the use of mobile devices, the IOT (Internet of Things), and so on are altering the manners of economic relations, communal communication, and corporations as well. While the role of the impact of virtual technologies on the development of socio-economic processes is relatively obvious, however, several issues still have not been understood and determined.

Research Objectives

- To measure the innovation and transformation of the economy i.e., digital by the OECD regions throughout the world.
- To analyze the versatility of the influence of enhancing data flows on the innovation of the community and the economy as well.
- For analyzing whether the virtual or digital economy can be discriminated or not.

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Literature Review

'Digital Economy' is to be considered as the broad concept that was initiated in the previous decade of the 20th century. Nicholas Negroponte from the University of Massachusetts introduced the given term in the year 1995 (Zhu et al., 2023). Across the previous phase in the scientific surrounding, there is a range of strategies to the revelation of the phrase 'digital economy'. More adding to the previous, several regions with a transmittal economy are considerably deriving the evolution to the economy i.e., virtual in compliance with the developed or innovated tools. OECD (The Digital Economy Outlook) considers the mentioned concept as a common phrase for defining markets that are heavily concentrated on digital technologies and processes. It may consist of trade in informational commodities and services, and a rule through digital trade in the market (Rosak et al., 2023). Here, digital technologies signify varied means of collection, combination, and determination of data and exchange in virtual form through the internet. Considerably, there are 3 kind of main elements of the digital economy that could be classified by Thomas Mesenburg:

- E-business (a manner of performing trade practices, any procedure which is adapted by the business firm through different data and communication networks) (Zhu et al., 2023).
- E-business infrastructure (software products, human capital, technical means, networks, and so on) (Zhao et al., 2023).
- E-commerce (exchange of commodities, like, online booking, online sale, etc) (Khalek and Chakraborty, 2023).

In simpler terms, the economy that is virtual or digital can exist as the main section of economic relations that is arbitrated by cellular communication, the Internet, and ICT. Throughout the globe, digital technologies and tools develop fundamentally a range of benefits for the economy. It builds efficient communication between the regions, the community, and businesses, eliminating long connections of intermediaries and fastening up several actions and transactions as well (Rosak et al., 2023). In the digital economy, businesses majorly comply with the 3 elements of the digital economy for their successful functioning. These composite components are passed by some main sections of infrastructure. The virtual economy is to be comprised as an effective and powerful instrument to instigate the world-changing institution strategy (Khalek and Chakraborty, 2023). Additionally, it further derives several gains to lower the transaction outlays among the regions with the main aim of making the entrance to the market easier and more effective.

Research Methodology

The major substance of the purpose of the virtual economy is a worldwide network of social and economic actions that could be adapted through some platforms such as mobile, Internet, and sensor systems. A considerable tool of the digital economy is ICT (Information and Communication Technologies), whose opus can be analyzed below the given table, The volume of sales in the worldwide ICT market is assessed at more than around 3.5 million trillion U.S dollars (Zhao et al., 2023).

Sales Volume in the global ICT market in the year 2017, billions of dollars	
Computer Equipment	355.7
Telecommunication services	600.0
Software	625.1
Technical outsourcing and hardware maintenance	456.5
Telecommunication equipment	327.7
Technical consulting and services system integration	542.4

For the effectual functioning of the corporation, 3 elements are essential to be present in the digital economy sections. They are infrastructure, e-commerce, and e-business. It can be declared that these substantial components are internal driving forces and are based on electronic technologies. Contrary to this, the innovation of the digital economy is heavily laid on the development of some advanced science-intensive or external technologies (Laudien et al., 2023). These technologies are biotechnology, quantum technologies, nanotechnology, technology of energy systems, and so on. In opposition, additional innovation of Information and Communication Technologies, considering processing technologies, mobile technologies, cloud computing technologies, geo-location technologies, big data technologies, combined networks technologies, the development of high processes in the virtual economy, etc. There are some new concepts concerning this that are depicted below:

- **Cloud Technologies Calculation**

Some provision of services like the application development mediums, using the software for particular customer requests, and resources and infrastructure are present here. The enlargement of cloud services in the European Union is concluded by the approach of the EU Digital Single Market. Considerably, this is to be referred to as the "European Cloud" (Cheng, 2016). It will combine every kind of digitized data and keep the information in European databases. The main objective behind this is to enable all interested parties with the greatest access to cloud creation. Likewise, it could be estimated that cloud creation is protected by both private and communal investments at approximately 6.7 billion Euros across more than around 4 years.

- **Technologies of Large Data**

The given name is not very perfect as it determines manners for routing 'hyper standards' of data and knowledge. Plus, it also indicates ways to define the features of the digital economy. In the digital economy, the expected development is heavily laid on the development of cloud technologies, volumes of digitized data, the accessibility of modern DPC (Data Processing Centers), etc (Laudien et al., 2023). Further introducing the previous, technologies of large data could further concerns with the adaption of numerous clouds, considering hybrid, private, and public. A major element of a unified technological infrastructure of digital government is depicted as a data center.

- **Mobile Technologies**

A major part of the digital economy heavily stands on fulfilling the requirements of the cloud calculations for markers like traffic volume, power consumption, data transfer rate, client network capacity, etc. Moreover, another segment of the digital economy is further laid on the development of cellular networks (Lyaskovskaya and Khudyakova, 2021). As per research, in some regions throughout the world, telecom operators have adapted mobile technologies as it can enable them to gather and process confidential data effectually and successfully. Probably, it helps people to manage household appliances as well as efficiently deal with both individual production facilities and whole corporations.

- **E-location Technologies**

These technologies have created a range of gains and advantages for the provision of data processing, making the consideration of the location of users or customers, like satellite tracking users for individuals and transport. These are GLONASS, GPS, and so on (Richter et al., 2017). Through these technologies, people are capable of making deviations from unauthorized stops, and routes, controlling fuel consumption, reduction in misuse of transport, and so much more. Additionally, people may use high-precision autographic software commodities for Indoor use. For instance, train stations, stadiums, airports, etc.

Analysis and Result

Primarily, the digital economy will develop by the commencement of the innovative direction, implementation, innovation, and commercialization of advanced commodities. The range of internet or digital media users has enhanced by approximately 20% over the previous year. By the opening of the year 2021, there was a huge range of users who were bringing on social networks. Middling of the year 2020, more than 1.5 billion new social IDs of people were created daily, which is roughly 16 new users on a basis of every second. Temporarily, computer devices continuously make up a considerable section of global Internet activity (Lyaskovskaya and Khudyakova, 2021). As per research, more than 37% of web pages were tripped by users in web browsers on their desktops and laptops in the year 2020 in December. While, the ultimate share of the given devices lessened faintly in comparison to the previous year i.e., 2019.

The structure, position, and face of the economy are heavily affected due to digitalization, resulting in the enhancement of gains and markets, breaking the usual business forms, enhancing growing competitiveness and rivalry, and among entire regions and business entities. A prominent instance of this is the information enabled in the Research Report. Likewise, the share of traditional flows of commodities, finance, and services in global GDP decreased from more than around 50% in the year 2007 to more than around 35% in the year 2014 (Richter et al., 2017). Nonetheless, the dimensions of cross-border knowledge combination in the period from the year 2005 to the year 2014 increased more than 40 times (Acquier et al., 2017). More than 11% of world merchandise trade was done with the help of e-commerce or digital commerce; approximately 51% of the world dealing in services was previously digitalized. This is the main reason why numeral marketers agree that transformation that could be

heavily based on digitalization is becoming a major driver of the world's economic development and enhancement. Accordingly, as per the authoritative experts in the ground of digital economy, the BCG (Boston Consulting Group), the section of this economy in the regions that are already developed has grown since the year 2010 by more than around 1% point (Hamari et al., 2016). While this indicator enhanced from around 2.5% to around 4% in the regions that are still developing.

Conclusion and Recommendation

A trend in the global economy that has been widely popular over the past decades is to be depicted as rapid digitalization. The transformation that is virtual or digital dynamically altered the structure and shape of economies, splitting the usual models of businesses, resulting in the creation of a range of opportunities in the market, and becoming the most crucial engine of worldwide economic development and growth. All spheres of human activities and their life faced fundamental transformations due to digitalization. Likewise, technology is becoming an essential engine for the enhancement of new industries throughout the world (Frenken and Schor, 2017). Furthermore, digital technology, also considering essential social roles, derives a necessary contribution to dealing with a range of communal issues. These social problems are identified as social stratification, environmental hazards and climate change, population aging, and so on.

The outcome of the research report allows us to believe that with the greater standard of probability in the upcoming period, the standard of digitalization should analyze the competitiveness of both businesses and entire regions. In a similar context, only those regions and the business firms can maximize the gains of these alterations and can effectually comply with them as well. Moreover, to adapt efficiently to alteration and lessen the technological gap with the competing players, regions are required to create successful responses to the issues and threats of the digital age.

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