

RISKS AND THREATS OF THE DIGITAL ECONOMY

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ABSTRACT

The digital economy is rapidly transforming the global economy, offering new opportunities for growth and innovation, but with it come significant risks. This article discusses the main threats of the digital economy - data leaks, structural unemployment, barriers to digital transformation and digital inequality. These challenges are associated with the rapid development of technology, changing labor market structure and widening social gaps. It is noted that there is a need for an integrated approach from business, government and society to minimize the negative effects of digitalization and ensure sustainable development.

Keywords: Digital economy, data leakage, structural unemployment, digital inequality, digital transformation, digitalization risks.

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The digital economy is rapidly changing the landscape of the global economy, offering many new opportunities for growth and innovation. However, along with these prospects come significant risks, such as data leakage, structural unemployment, digital transformation challenges and digital inequality. These threats require serious attention from companies, governments and society to ensure sustainable development and protect the interests of all participants in the digital ecosystem.

In the 40s of the 20th century, the advent of computers marked the beginning of a new era - the digital economy. With the development of the Internet, the digital economy began to take its original forms, relying on innovations in digital technology. In the mid-1970s, technological advances led to a reduction in the size of computers, and the subsequent proliferation of personal computers greatly accelerated their use. This period was marked by the development of standalone digital solutions. Since that time, digital technologies began to evolve rapidly. The commercial use of the Internet opened up the possibility of producing, sharing, and distributing huge amounts of data, which contributed to further technological progress [3].

Today, the digital economy is based on digital information as the main production resource. In response to market demands, a new economy is emerging, based

on innovations in technology and business models. Key digital technologies include cloud computing, big data, the Internet of Things, artificial intelligence and 5G. The widespread use of these technologies in industry has not only improved the managerial efficiency of traditional industries, but also facilitated the precise synchronization of supply and demand and the creation of new industries and business models. Innovations change the structure of employment and transform social and economic relations, which significantly affects the logic of society's work.

The digital economy is based on the use of big data technologies, which are inextricably linked to the collection, analysis and transmission of users' personal information. Data leakage poses a threat to user privacy, trust in companies and confidentiality of business secrets. On an economy-wide scale, it can lead to serious negative consequences, including a slowdown in the digital economy due to mistrust and social panic. The problem of data leakage can arise from accidental actions such as clicking on a suspicious link or sharing personal information with third parties. Therefore, data protection is a priority for all participants in the digital economy: people, business and government [1].

Another significant risk associated with the development of the digital economy is structural unemployment. The introduction of digital technologies, automation and artificial intelligence not only accelerate production processes, but also displace workers, especially those whose skills have become obsolete. This is causing profound changes in the labor market, where the demand for skilled workers with digital expertise is growing, while people with basic, routine skills are not in demand.

Employees in traditional industries such as manufacturing, agriculture and logistics are particularly at risk. These areas are the most susceptible to automation, leading to a reduction in jobs that previously involved standardized and repetitive tasks. While highly skilled professionals remain in demand, middle and lower skilled workers face a high risk of unemployment. This phenomenon is creating a new type of social inequality - a digital divide in access to skills and opportunities.

In addition, the digital economy requires new types

of vocational training, which must be more flexible and adaptive to changing market demands. Traditional training programs are no longer able to fully meet the needs of today's digital world. This exacerbates the problem of structural unemployment, as the speed of change exceeds the rate of employee retraining. Thus, the labor market will have to undergo a major transformation in order to minimize the social costs of digitalization and support those who are least protected in the face of these changes.

Another key risk is the problem of market entry barriers and the possibility of eliminating entire segments of the economy that fail to adapt to new conditions. Companies unable to quickly adopt digital technologies may lose competitive positions and even leave the market. An example is traditional retailers, which in the context of the rapid growth of e-commerce were unable to adapt to new consumer needs and technologies in a timely manner, which led to their extinction [2].

For SMEs, digital transformation is becoming a real challenge. Unlike large corporations, which have the necessary resources to implement new technologies and train employees, small companies are often limited in capabilities and knowledge. They face a shortage of specialists, a lack of a systematic approach to innovation, and limited financial capacity to invest in digitalization. This creates additional risks that entire industries may be on the verge of extinction before they can adapt to the demands of the digital economy.

The digital transformation process also varies in complexity by industry. Industrial enterprises face the greatest challenges due to their high share of fixed capital and the need for large-scale investments in technology. At the same time, service industries, such as education and health care, go through digital transformation much easier, as their activities are less capital-intensive and require less investment in digitalization of processes.

The most important social risk of the digital economy is the deepening of digital inequality. The development of technologies and the transition to digital formats inevitably creates a gap between those who have access to new technologies and those who, for various reasons, cannot take advantage of them. This gap manifests itself not only at the level of individuals, but also at the level of regions, where the differences between urban and rural areas are particularly acute.

One of the causes of the digital divide is the lack of infrastructure in rural and remote areas. While cities

are actively integrating into the digital economy, rural residents face limitations in their access to the Internet and new technologies. In addition, their level of knowledge of digital products and services is often significantly lower, preventing them from fully integrating into the modern labor market and economy.

The gap is exacerbated at the business level as well. Companies located in large cities have greater access to investment, skilled labor and new technologies, while SMEs in rural areas are often left out of the digital ecosystem. This limits their opportunities for growth and innovation, leading to an even greater gap between urban and rural economies in the long term.

Moreover, differences in access to financial and digital services are also an important aspect of inequality. Urban enterprises receive credit and investment faster, allowing them to develop rapidly, while rural entrepreneurs, deprived of these opportunities, find it difficult to grow. This leads to the fact that the digital economy, instead of narrowing the gap between rich and poor, sometimes exacerbates it by widening the economic gulf.

Thus, while the digital economy offers enormous opportunities in today's world, it also brings with it many serious risks. Data leaks, structural unemployment, barriers to digital transformation and digital inequality - all these challenges require a comprehensive approach and strategies to mitigate them. Only with the active cooperation of business, government and society can we ensure the sustainable development of the digital economy, minimizing its negative consequences for individuals and society as a whole.

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