

Figure 1 – Graph showing points of countries and regression line

Note – Source: Author's development based on data from Eurostat.

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THE ROLE AND PROBLEMS OF THE DIGITAL ECONOMY DURING COVID-19

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The COVID-19 outbreak has been a huge challenge for many industries, many of which have been hit hard, but the digital economy has played a big role during the pandemic, it has also found some problems. Based on some data, this paper analyzes the important role of digital economy such as online sales and online teaching, discusses the problem such as digital divide caused by the rapid development of digital economy, and puts forward corresponding countermeasures and suggestions.

Keywords: COVID-19; digital economy; countermeasures; digital divide.

РОЛЬ И ПРОБЛЕМЫ ЦИФРОВОЙ ЭКОНОМИКИ ВО ВРЕМЯ COVID-19

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Вспышка COVID-19 стала огромной проблемой для многих отраслей промышленности, многие из которых сильно пострадали, но цифровая экономика сыграла большую роль во время пандемии и вскрыла некоторые проблемы. Основываясь на статистических данных, в этой статье анализируется роль цифровой экономики: онлайн-продажи и онлайн-обучение, обсуждается такая проблема, как цифровой разрыв, вызванный быстрым развитием цифровой экономики, и выдвигаются соответствующие контрмеры и предложения.

Ключевые слова: COVID-19; цифровая экономика; контрмеры; цифровой разрыв.

On March 11, 2020, the Director-General of the World Health Organization declared that the COVID-19 disease can be called a global epidemic. The COVID-19 pandemic is a fast-spreading respiratory illness that has affected almost everyone in the world. It has caused significant economic losses globally. The pandemic has affected almost all industries in the world. Many employees in these sectors are struggling to find work. Despite the economic pressures that most industries are facing, digital economy industries are well-placed to mitigate the impact of the COVID-19. The figure 1 shows that there has been a gradual increase in digital economy share of total gross domestic product from 2016–2019.

What can be clearly seen in this figure 1 is the continual growth of digital economy share of GDP from 2016 to 2019. The digital economy's share of the gross domestic product remained stable at around 9.6 % in 2019, up 2.9 % from 6.5 % in 2016. The proportion of digital industry in gross domestic product remained stable when the epidemic hit. This shows that the digital economy is the main driver of economic growth during COVID-19.

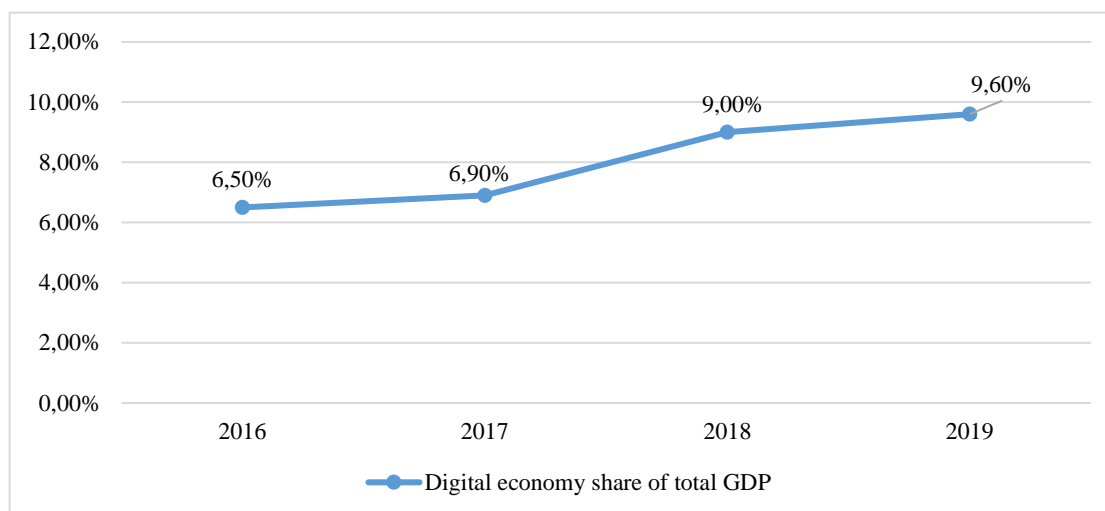


Figure 1– Digital economy share of total gross domestic product from 2016–2019

Note – Source: Bureau of economic analysis [1].

The role of the digital economy in the context of COVID-19

Wearing masks does not prevent the spread of COVID-19 completely. It can still be spread by droplets and contact with objects. In 2020, many countries developed COVID-19 vaccines but nobody knows how they will work. So, many countries have implemented home quarantine to the safety concerns. Students and employees can work from home. Many customers avoided visiting a physical store after the outbreak due to the safety and convenience of e-commerce. As a result, many people switched to online shopping. How can I work, study and shopping from home? That's

where the digital industry comes in our life. The figure 2,3 will show that the growth of online education and e-commerce during the outbreak of COVID-19.

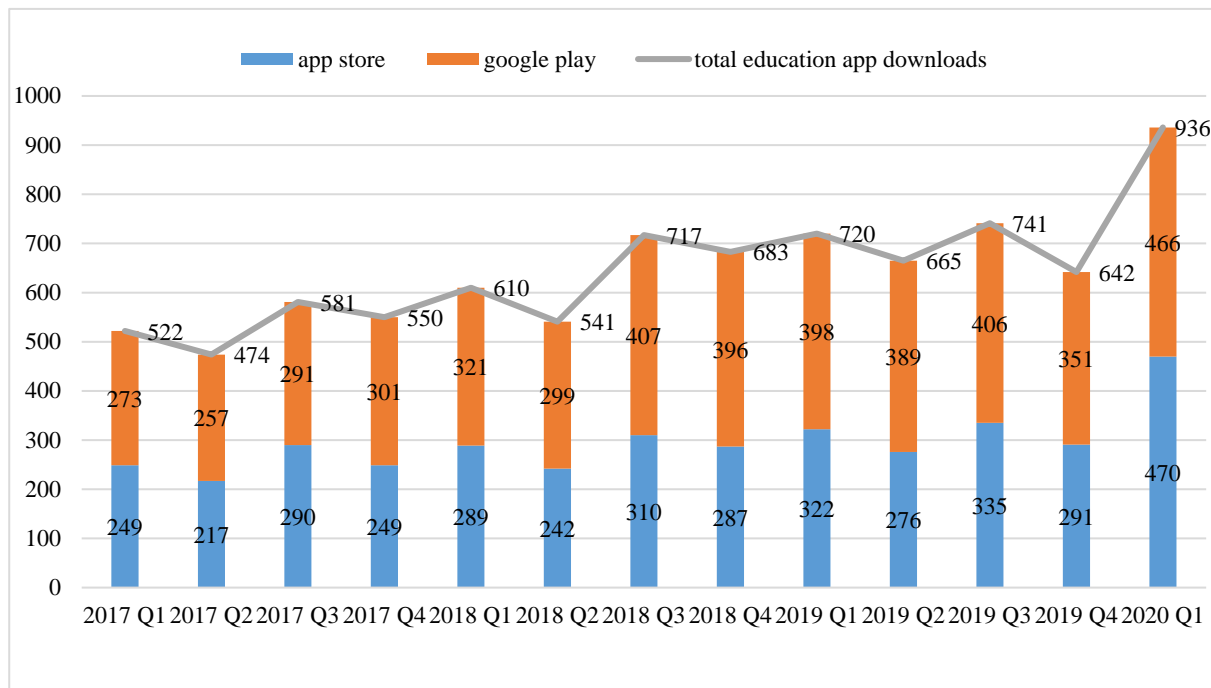


Figure 2 – Worldwide mobile education app downloads from 1st quarter 2017 to 1st quarter 2020 (in millions)

Note – Source: Statista [2].

The differences between 2020 Q1 and 2019 Q4 are highlighted in Figure 2, the worldwide mobile education app downloads is 936 millions in 2020 Q1 greater than 642 millions in 2019 Q4. The COVID-19 pandemic led to a surge in the number of educational app downloads in the first quarter of 2020.

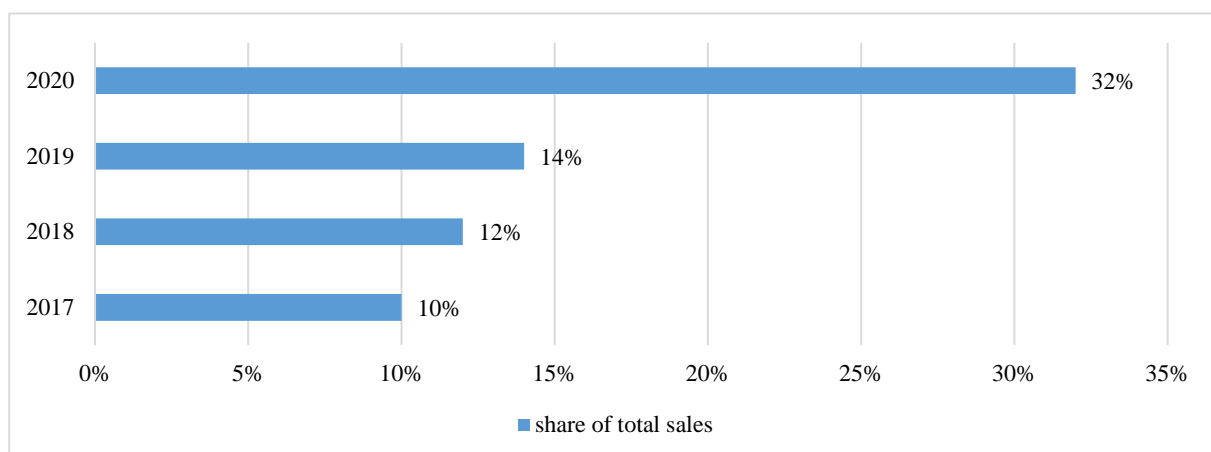


Figure 3 – E-commerce as percentage of index group's net sales worldwide from 2017 to 2020

Note – Source: Statista [3].

What we can know from the figure 3 is that there has been a continuous growth from 2017 to 2019, and there was a significant positive correlation between 2019 and 2020, E-

commerce's share of total sales is 32 % in 2020 more than 14 % in 2019. Online education, online shopping, online meetings and so on have exploded during this pandemic. Businesses, educators and families can choose digital industries to do their job.

The problems and suggestions of the digital economy during the COVID-19

The digital divide is more pronounced. From February 11 at the earliest, Hangzhou city launched «health code» prevention and control measures, residents can obtain a health code from Alipay, pass by the code. The system classifies users' health codes into red, yellow and green based on whether they have been diagnosed as confirmed (suspected) cases in the past, close contacts or travel history in high-risk areas. [4] This can effectively control the number of cases and remind everyone to take protective measures. But in August 2020, a video of some elderly people being prevented from using the subway because they didn't have a health code went viral online. It sparked a public debate on the digital divide. While most people enjoy the benefits of digital technology, the situation of the elderly in front of the digital divide is increasingly difficult. In fact, it is not only the elderly, but also the economic differences between different parts of a country and different cities that cause the digital divide. For example, during the pandemic, students cannot attend classes face to face, but can only take online classes. However, in many poor areas, electronic devices are not always available at home. How can these students attend classes? That means less access to education. So the digital divide was even more pronounced during the pandemic.

The digital divide cannot be completely closed in a short time, but measures must be taken to prevent it from widening during the pandemic. The national government must provide corresponding support, for example, traditional and intelligent services must be carried out simultaneously during the epidemic to provide more convenient traditional services for the elderly. In terms of travel, special channels will be opened for the elderly, who will be allowed to pass as long as relevant certificates are provided. As for the problem that students in poor areas cannot take online courses, the state should not only provide financial support and provide electronic devices to students in poor schools, but also open special teaching TV channels, or make teaching videos recorded by teachers of each school and accurately distributed by mail to ensure that no one is left behind.

Conclusion

The digital economy can not only facilitate people's life and work, but also prevent and control the development of the pandemic. The telecom department will support the efforts of various departments in monitoring and controlling the epidemics by analyzing the changes in the flow of people in various locations. The pandemic is not over globally, and the digital economy will continue to play its role. After the pandemic, digital economy will also have room for development in the recovery stage. Finally, Although the digital economy has contributed a lot to the pandemic, countries should also pay attention how they can deal with the problems that arise from this new industry.

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