DIGITAL TECHNOLOGY AND ITS IMPACT ON THE COUNTRY’S ECONOMIC SECURITY

Abstract. The paper discusses the role of digital technology in modern man’s life and its impact on the country’s economic security. Various types of digital technology and its application in almost all spheres of people’s activities are shown. The authors emphasize the the country’s economic security.

Key words: digital technology, economic security, virtual platform, cryptocurrency, e-book.
"Digital technology" - what is it? In the broadest sense, digital technologies are a complex of tools and techniques used to collect, store, process and distribute information in geographical space [5].

The modern world cannot be imagined without the various types of digital media, such as television, mass media or virtual platforms, which in turn have a strong impact on the lives and activities of ordinary people. Our century is justifiably called the century of digital technologies, as they have become an integral part of the life of modern man. Every morning we check e-mails to see business or newsletters, update social networking pages with hope to find out the latest news, and etc. Nowadays the information is updating with extraordinary speed that completely new one appears spontaneously, even while we are reading newspapers or article.

Thus, the modern age is rich in opportunities for people to extract necessary and useful information, in its possession (ways of transferring information and storing it), as well as in access "with one click", both to mastered knowledge, and to any other information stored in all different forms.

Today mobile phones have become the main type of communication used by people of all ages, including the elderly, for whom special simplified and modified models are produced. On the contrary, the younger generation uses smartphones most of their time, using all the options of their gadget. On average, teenagers spend up to 9 hours a day on social platforms, and 60% of this time they spend using mobile phones [8].

In addition, the electronic books replaced their electronic analogues - portable devices that support various text formats, digital libraries and digital archives, and it is incredibly convenient to use in terms of transportation and cost reduction, such as renting rooms for libraries, book stores, archives and so on.

It is also worth noting that digital technology has also penetrated to the educational system. Modern schools provide distance learning services. Any
student and even a teacher can get the necessary knowledge without leaving home. However, online education is not only common in schools. According to EduMarket in 2016, distance education in the field of studying foreign languages and further training earned the greatest popularity: its share is about 7% of all programs on the market. You just need to have a phone, or a computer, or a laptop and Internet access. Moreover, online learning is very important for disabled people, because they can receive the necessary information thanks to the modern distance learning technology.

Due to the rapid development of information technology, it is relevant and necessary to identify its positive and negative impact on the economic security of the country. Currently, many private companies and banks use virtual platforms or other cloud spaces where they store all the important information and use it for their purposes. It is also beneficial for state structures to store and use information electronically, as this helps to reduce paper use and transaction costs. Today it is much easier and more convenient to use electronic analogues of paper documentation, since the previous ones do not require much effort and money. At the same time, electronic transactions for most cases do not have legal force, therefore, heads of states and other representatives of the administration need to hold formal meetings to sign and confirm a business, trade or compensatory transaction.

Another example can be a change in the money function, which at the modern stage acts as a mean of payment. This led to the creation of an electronic payment system. There were also such concepts as virtual money and banks, electronic stock markets were formed, which play a huge role in the economic activity of the state. According to the Internet Banking Rank 2017 in terms of the convenience of interfaces and functionality leaders were Internet banks of Binbank (formerly the Internet bank of MDM Bank), Tinkoff Bank, Promsvyazbank, Alfa-Bank and VTB [10].
Nowadays cryptocurrencies are not regarded as an absolutely new means of payment. These digital types of currency exist exclusively in the network and aren’t connected in any way either with existing currencies or with any state currency system. There has been an increase in the number of customers who use this type of payment (in 2017, the distribution of cryptocurrencies in North America reached 49.85%, in Europe - 32.99%, in Asia - 9.36%) [3], which reduces the need for real money.

The most appropriate example is the use of cryptocurrency (bitcoin, to be more specific) by the modern population, which threatens economic security. Bitcoin is used for payment by people who make a purchase or sale of various types of prohibited goods (drugs, weapons, etc.). To carry out such transactions, one of the characteristics of bitcoin, anonymity, becomes very threatening. Thus, illegal money transactions are committed incognito, and it is impossible to track down the person, from whom the virtual money comes from, and the person, who receives it.

Most countries have responded extremely disapprovingly to the growing popularity of bitcoins. The officials of many countries try to protect the population from the use of such an unstable currency; warn citizens that the absence of a controlling state body will lead to the fact, that their funds with possible virtual machinations will be lost forever. This way governments hope to protect their financial systems from unexpected crises and fluctuations. Many organizations support the creation of a negative image around the use of this cryptocurrency, a striking example being the Central Bank of the Russian Federation. According to the information letter "On the use of "virtual currencies" in transactions, in particular, Bitcoin ,which is issued by the Central Bank of the Russian Federation in 2014, it is a monetary surrogate (and according to the article 27 of the Federal law " on the Central Bank of the Russian Federation (the Bank of Russia)", monetary surrogates in the territory of the Russian Federation are prohibited); it can be used by terrorist organizations;
also, bitcoin is a tool of money laundering, and the use of cryptocurrencies by Russian citizens will be equal to complicity in "laundering".

The introduction of cryptocurrency, bitcoin in particular, can lead to involuntary financing of terrorist organizations. Cryptocurrencies are not tied to any state and are not a part of any banking system. Bitcoin transactions, which are gaining popularity every day, carry the risk of destroying all anti-terrorist measures ever taken by government to ensure the security of the country, since it is almost impossible to trace the personal information of the individual, who is carrying the bitcoin transaction.

Bitcoin jeopardizes the national economy, because of the high probability of money-laundering, which is formed illegally, tax evasion and financial support for terrorism. Of course, ordinary citizens can also become victims of such financial fraud. The population can be unwittingly involved in criminal activities, as bitcoin is produced by an anonymous unlimited range of subjects. In cases of system failure or "blowing bubbles" through the virtual currency it is impossible to determine the guilty party and prosecute legal liability.

At the same time, the role of digital technologies in the economic activity of ordinary people and the state as a whole cannot be underestimated. It has many positive functions, which are difficult to evaluate, so it is very important to consider further prospects for the development of digital technology in the world's economies and its direct impact on the national economic security.

Firstly, in the postindustrial (informational) world humanity cannot reject the use of digital technology, because nowadays any information appears on the Internet, which covers the entire globe.

Secondly, electronic information is much easier and faster to analyze, because modern gadgets allow you to get the necessary data regardless of location.
However, the state needs to toughen its regulation on digital technology. First of all, it will help to create a more stable economy, which is less affected by one or another activity of digital innovation.

In addition, in order to ensure a "healthy" economy, the country's population needs to have sufficient education in the field of finance and economics in order not to allow themselves to fall for the tricks of scammers, speculators and terrorist organizations, that use the media and social networks for their selfish purposes regularly.

Thus, the country's economic security is connected not only with the security of the state, but also with the citizens of this country, because people form and contribute to the economic strength.

References


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