

# Information Chain In The Development Of The Digital Economy Using Cryptocurrencies

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**Annotation:** *This article describes the digital economy and its infrastructure, which is currently developing rapidly and causing a lot of controversy. It provides information on the issues that underlie the digital economy, the mechanism for the transition to the digital economy, and the hashing functions that are an important element of cryptography.*

**Keywords:** Bitcoin, investments, cryptocurrencies, innovation, digital money, development.

## Introduction

We can also call cryptocurrency protected digital electronic money. They cannot be held in the hand, but can be exchanged for ordinary money and other transactions specific to different currencies can be made, including the ability to sell or buy something through them.

Cryptocurrency is involved not only as a means of payment, but also as an investment method - the price of cryptocurrencies has risen and fallen significantly in recent months, forcing them to be seen as a high-risk way to make good money in a speculative way. The most downside to this type of investment is that it is not possible to predict what the price of digital money will be tomorrow. By the way, the chain of blocks in which information systems are stored in cryptocurrency systems operates on the basis of blockchain technology, organized according to the rules specified in the specified sequence.

Cryptocurrencies are not tied to either oil or gold. Let's say the only factor that raises the price of bitcoin is the limited issuance and the increase or decrease in demand, and the amount of bitcoins is limited. It can be compared to minerals like gold or silver - its quantity in the world is limited and it cannot be produced artificially. The main advantage of cryptocurrency is the same - it can not be counterfeited. However, financial experts continue to emphasize that such investments are risky, and many countries continue to ban transactions with cryptocurrencies in their official markets.

## Research methodology

The central bank is mainly embarrassed by the unpredictable exchange rates of cryptocurrencies, as well as the fact that they do not look like ordinary currencies, and in the property sense they do not have the concepts that give them the right to regulate ethereums and bitcoins. It is also questionable whether the local regulator has the ability to control cryptocurrencies. However, trends in the modern economy are forcing the government to think about the localization of digital electronic money.

According to preliminary data, transactions with cryptocurrencies in the country will be officially carried out only by investors who have shown themselves on the stock exchanges, the cryptocurrency itself will be equated with "other property", and capital owners will be forced to declare digital currency in cryptocurrencies. Security also plays an important role in the world of cryptocurrencies - often criminals use it to "launder" money earned through criminal means using cryptocurrency.

How to earn cryptocurrency? After a series of publications and news in the media about the fact that the exchange rate of cryptocurrencies began to rise in geometric progression at the beginning of the year, some entrepreneurs began to think about making money using digital electronic money. Rather, they began to think about finding cryptocurrencies, owning them, and selling them at a profit.

Cryptocurrencies can be developed at home in several ways: the first is the independent development of cryptocurrencies, the second is the financing of forging miners, and the third is the simple purchase of cryptocurrencies. Now let's think about cryptocurrency exchanges. If you want to have a few bitcoins or etherium anyway, and you want to make something out of it, you need to get on the right exchange. Cryptocurrency exchanges often operate in the same order as ordinary exchanges.

The main difference in these trading platforms is that if people on a regular exchange cannot do anything without brokers, they can participate in trades on a cryptocurrency exchange without involving others. Other operations on the exchange are similar, that is, it is possible to register, open an account in a specific currency, which is quoted on the exchange, and then carry out transactions.

The main thing is to remember that there are two different types of cryptocurrency exchanges. In the first type of exchanges, cryptocurrency is sold for "live" money - dollars, euros, pounds and even rubles. In the second type - cryptocurrencies are sold for digital electronic money. Electronic money acts as a cryptocurrency exchange point where you can exchange bitcoin for etherium (or another cryptocurrency) online at the current exchange rate, where you can earn money. you will need to contact the outlet.

Such outlets are simple services that allow you to convert cryptocurrency into another type of currency at the current exchange rate. When choosing a cryptocurrency exchange, keep in mind that the number of fraudsters specializing in

cryptocurrency has recently increased significantly. Therefore, a serious approach should be taken to the selection of the site for the exchange. You can easily find ratings of cryptocurrency exchange offices and opinions about them on the Internet. Now let's look at the issue of cryptocurrency capitalization.

The main mistake people make when dealing with cryptocurrencies is not understanding or not knowing the meaning and essence of the terms. Many confuse capitalization with the exchange rate, which is a gross mistake. Yes, cryptocurrencies capitalization depends on the exchange rate of cryptocurrencies, but the two are not the same thing.

For all this, it will be necessary to create a compatible infrastructure, in other words, an ecosystem of global information platforms. However, there is a risk of data loss, business loss, job losses, security breaches and the need for modernization. These issues need to be addressed urgently, as delays in this regard lead to serious risks. It is not whether the digital economy is a myth or a reality that plays an important role in the changes that are taking place, but how these changes serve society.

#### **Analysis and results**

Generally, the higher the exchange rate rises, the faster the capitalization grows. However, some experts agree that it is impossible to determine the market value of any cryptocurrency according to existing schemes, because the capitalization of cryptocurrencies is a controversial issue. The disappearance of cryptocurrencies raises doubts among experts. Businesses operating under the nickname "Satoshi Nakamoto" believe that a few years ago, along with a million bitcoins disappeared. There have also been reports of cryptocurrencies "burning" on previously compromised devices.

The fact that the state has chosen the path of development of the digital economy opens up new directions in the field of information technology and electronic document management in general. The shift towards "digital technologies" was caused by the development of the global Internet and quality communication. As a result, it has become possible to share and collect large amounts of data, which in turn allows the collected information to be processed, predicted, made informed decisions, and benefited in a variety of ways.

#### **Conclusions and suggestions**

Nowadays, we are seeing how technology is radically changing the public service sector. New business models are emerging, such as Uber, which remove intermediaries and lead to direct customer-supplier relationships. Earlier, similar changes took place in the financial sector and telecommunications.

There are also a number of fundamental changes in the industry, as the emergence of digital enterprise and the digital image of man - robots - can seriously change the functional model of the whole of humanity. This shows that information technology is gradually taking the place of people. The same is true of the digital economy.

True, no one knows yet what dramatic changes will take place in our country due to the digital economy.

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