

Present Situation and Countermeasures of Digital Economy

Development in Anhui Province

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Abstract: With the rapid development of information technology, the digital economy has shown a trend of vigorous development. Anhui Province has always paid attention to the development of the digital economy. The penetration effect and integration effect of the digital economy on the industry have brought new development opportunities for the economic development of Anhui Province, and become an important driving force for economic development of Anhui Province. This paper analyzes the application of the digital economy in the development of Anhui Province and puts forward some suggestions on the application of the digital economy in the development of Anhui Province. Utilizing consulting materials and collecting data, this paper analyzes the current situation of the development of the digital economy in Anhui Province, analyzes the challenges in the development process of the digital economy, such as imperfect policy support system, unbalanced development of prefecture-level cities, and the need to build digital industry ecology. Then it puts forward measures such as increasing the role of the government in the digital economy and regional development, taking advantage of the "Belt and Road" initiative, and promoting "enterprises on the cloud" to promote the high-quality and high-speed development of digital economy in Anhui Province and provide a new path for the economic and social development of Anhui Province.

Keywords: Digital Economy; Anhui Province; Big data

1. Introduction

Over the past 40 years of reform and opening up, China's GDP has risen from US\$149.5 billion in 1978 to US\$13.6 trillion in 2018, a nearly 90-fold increase, which can be called the "world growth miracle"(Sheng et al., 2020). In the process of transformation of old and new economic growth modes, several emerging economies, such as the digital economy, high-end equipment manufacturing, biopharmaceutical, and cultural creativity, are accelerating their growth. China's digital economy is widely assumed to be on a long-term and steady upward trajectory(Li et al., 2022). In the face of the transformation of China's economic development mode, the information construction started by Anhui Province has brought great opportunities for the economic development of Anhui Province. It not only drives the digital and intelligent industry but also gives birth to a series of new industries, which has greatly promoted the economic development of Anhui Province. However, it also brings great challenges to the industrial transformation and upgrading of Anhui Province. This paper analyzes the problems existing in the informatization construction of Anhui Province and puts forward corresponding countermeasures. Starting from the current situation of the development of the digital economy in Anhui Province, this paper analyzes the challenges in the development process, puts forward corresponding countermeasures such as taking advantage of the "One Belt and One Road" and improving the policy support system and provides reference and suggestions for the high-quality economic development of Anhui Province by analyzing the development situation of the digital economy in Anhui Province.

2. Overview of the Digital Economy

2.1 The concept of the digital economy

Since the 1940s, with the advent of computer technology and the rapid development of communication tools, technology, and

social economy have undergone dramatic changes, which is considered the third industrial Revolution. Digital economy, a new economy relying on information and communication technology and using the Internet as the carrier to realize resource production, distribution, exchange, and consumption through information networks, has begun to enter human life and attracted the attention of the world.

The definition of the digital economy generally follows the G20 Digital Economy Development and Cooperation Initiative adopted at the G20 Hangzhou Summit. That is, the digital economy refers to a series of economic activities that use digital knowledge and information as key factors of production, modern information network as an important carrier, and the effective use of information and communication technology as an important driving force for efficiency improvement and economic structure optimization. The digital economy is the product of the integrated development of modern digital technology and all aspects of economic operation. The digital economy represents a series of economic activities based on digital technology, carried out by digital platforms as a communication mode and supported by digital public infrastructure. Driven by a series of new information technologies, the scope of the digital economy continues to expand, and the industries involved in the digital economy have gradually penetrated non-information industries and played a great role, in the development of information technology can bring new business models. From the traditional information industry to the non-information industry, now, intelligent manufacturing, modern agriculture, and other fields have emerged digital economy.

2.2 Digital economic development characteristics

2.2.1 Data becomes a factor of production

In the digital economy era, a new production factor -- data. With economic and digital economic integration, data began to grow wildly. The information extracted from the data becomes an important basis for the decision-making of the enterprises in the new era, and the means of social governance of the government, and the information in the data also brings value appreciation in production. The data can be replicated and unlimited, and these two characteristics allow the data to be infinitely increased and saved, and because of the characteristics of the data, the data can be used as a production factor to break through the limited limits of production factors and then break through the limited amount of production factors to the limit of economic growth, which makes the digital economy can provide an infinite possibility for the continuous development of the social economy.

2.2.2 Digital technology innovation provides motivation.

Digital technology follows Moore's law, which is that every 18 months of comprehensive computing ability doubled, so active innovation ability, gives digital economic development infinite possibility.

2.3 Overview of the development of the digital economy

The digital economy is an important engine to promote sustainable economic growth (Liu et al., 2022). In today's transition period of China's economy, the digital economy has become an important driver to promote high-quality economic development due to its permeability and industrial correlation effect. Therefore, the digital economy has been paid close attention to by our country from the very beginning. The driving role of the digital economy in economic growth has never been ignored by China. The Digital China development plan is about to be launched, and the construction of digital government and digital society is in full swing. The 14th Five-Year Plan has taken the digital economy as one of the priorities of development, and the development of industrial Internet and 5G construction have also been put on the agenda. A series of policies conducive to the development of the digital economy has emerged, and the digital economy will become an important means to stimulate consumption and help economic recovery in the post-epidemic era.

The number of Internet users in China is huge and still growing. This means that the digital economy still has a great space for development in China, and the scale of Internet users in China is a high-quality soil for the growth and development of digital enterprises. In the past two decades, excellent digital enterprises have appeared in people's sight and played an extremely important role in the production and life of the public. In the field of the Internet economy, several new business models such as e-commerce, sharing economy, and instant messaging have emerged in recent years and developed into huge markets. In 2019, China's online retail sales reached 10.63 trillion yuan, accounting for 20.7% of the total retail sales of consumer goods in society.

From the perspective of the differences in the development levels of the digital economy in different regions, the development levels of the digital economy are closely related to the economic levels of the regions in which they are located.

2.4 The role of the digital economy in promoting economic development

The digital economy has unique penetration and integration effects, so it can promote high-quality economic development by improving technological innovation ability, industrial integration ability, and market expansion ability in economic development. The characteristics of the digital economy can transform some traditional industries and optimize the operation process of the economy, thus helping China in the period of change between the old and new growth modes. The development of the digital economy can not only improve the technological content and innovation ability of traditional industries but also expand the profit space and market share with the help of new business models. In the post-epidemic era, the international economic situation is not ideal, which requires China to transfer the industrial structure dominated by labor-intensive industries and heavy industries to a structure dominated by industries that are more in line with market demand and factor advantages, with higher technological content and more environmentally friendly.

3. Challenges faced by the development of the digital economy in Anhui Province

3.1 Digital industry system planning is insufficient

Since the People's Government of Anhui Province supported the development of the digital economy, the digital economy has become a new driving force and an important thrust for regional economic development. With the improvement of the development trend of the digital economy, a series of problems also emerge. In 2019, the total digital economy of Anhui province ranked 11th in China, and the total digital economy of Anhui province ranked last compared with other provinces in the integration of the Yangtze River Delta, among which Jiangsu province ranked second and Zhejiang ranked third in the provincial ranking.

Compared with other provinces and cities in the Yangtze River Delta, although the digital economy of Anhui Province is developing continuously, it still has the disadvantages of a small economic aggregate and a low proportion of GDP. Compared with other provinces in the Yangtze River Delta, Anhui's digital economy is inferior to Jiangsu and Zhejiang in terms of scale, and the proportion of the digital economy in GDP is also inferior to that of Jiangsu, Zhejiang, and Shanghai. In addition, the integration of real economy and information technology is not enough, the information management mode does not adapt to the new needs of development, and the industrialization of information technology needs to be accelerated, which is also one of the problems in the development of digital economy in Anhui Province.

3.2 The development of the digital economy in Anhui Province is seriously unbalanced

The development of the digital economy is also a significant problem in Anhui Province, and the development of the digital economy is positively correlated with the development of the regional economy. Hefei, as the best-developed prefecture-level city in Anhui Province, leads the economic development in the whole province, and the development of the digital economy in Hefei is also significantly ahead of other prefecture-level cities. The development level of the digital economy in each prefecture-level city is closely related to the economic development level of the city.

3.3 The digital industry ecology needs to be built

In Anhui province, there are three aspects of the shortage of digital industry ecology. According to the survey, the development of the multi-digital industry is still in the status of "small and weak", the main enterprises are less and less competitive, and the concentration and the driving ability are less than the weak. The second is that traditional industries are not highly digital. Most traditional enterprises and manufacturing enterprises are still weak, and the enterprise USES digital technology lacks the obvious sense of the concept of the traditional industry, and the development of industrial integration still has a large gap compared with the "chang-trilateral" region. Third, the cooperation between the industry is not close, and the association of digital industry and manufacturing is not much, especially since the industrial enterprise's industry can not meet the needs of the design enterprise.

4. Countermeasures and suggestions for the development of the digital economy in Anhui Province

4.1 Increase the role of the government and promote the coordinated development of the digital economy and regions

The development of the digital economy is closely related to regional development. The government should ensure the high-quality development of the regional economy and digital economy, ensure the smooth circulation and reasonable allocation of production factors, and reduce the transaction costs of production factors lost in the flow process.

4.2 Take advantage of the Belt and Road Initiative to promote the development of the digital economy

Digital technology is less affected by the geographical environment, so distance cannot inhibit the development of digital enterprises. Anhui Province should not only use the Belt and Road Initiative to introduce new technologies and resources, but also take advantage of the international market layout it brings to seize the market.

4.3 Increase policy and strengthen the enterprise

Cloud technology in the enterprise is very helpful in the management of the cloud, and the Anhui provincial government should increase the strength of the digital intelligent transformation and transformation upgrade of traditional industries. In addition, Anhui province has launched a reward for the top cloud companies, but the incentives and scope of the incentives are significantly less than the number of clouds, and it is recommended to expand the scope and strength of the cloud enterprise rewards to improve the company's enthusiasm for the cloud. On the other hand, it is also the point of the Anhui province to focus on reducing the difficulty of the cloud. In reducing the enterprise's cloud difficulty, it is recommended to reduce the cost of the cloud in Anhui province, and use the financial funds at all levels to reduce the resistance of private enterprises in the cloud. In the future, Anhui province should accelerate the cloud atmosphere of enterprises, and let all kinds of enterprises take advantage of the digital economy and realize the cloud of consciousness. To improve the use of cloud computing technology in the course of operation, promote the development of intelligent cities and e-commerce.

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