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## **KEY ASPECTS OF DIGITAL ECONOMY DEVELOPMENT**

The widespread introduction of digital technological solutions into management processes has significantly changed economic relations. This is the result of the rapid development of information technology and its impact on various spheres of life [1, p. 112]. Despite this, there is no single definition of the term digital economy today. In general, scientists note that it is associated with the development of information technology, so it is advisable to consider the digital economy as a development process related to technology and economic agents or the Internet [2; 3], but this is not enough, because the digital economy is primarily the development of digital information technology.

For this reason, we believe that a much more complete definition of the digital economy would be to ensure economic and social development through the introduction and effective use of modern information technology achievements in all sectors of the national economy of each country and various aspects of public life.

The digital economy is not limited to e-commerce, the production of goods and services related to information technology, as well as healthcare, science and education, construction, energy, transportation, geology, cadastre, and archives. It ensures high efficiency in each of these industries.

Information technologies are the initial foundation of the digital economy. Their evolution is divided into several stages and has its own peculiarities. Undoubtedly, the emergence and development of digital

information technologies is an objective process that meets the needs of society. Today, the main goal of promoting the digital economy is to create an information technology system at a level that allows solving any strategic tasks, and making decisions on the implementation and optimal management of socio-economic processes. This affects the development of the digital economy.

Currently, the Internet is the most popular and widespread technological means of developing digital information technologies. Technologies of distributed systems, and global, regional, and local networks are actively used in various fields of science, production, and business.

Today, the main goal of the transition to the digital economy is to develop the national economy of each country at the optimal level, and even more so to ensure the material well-being of the people. The rapid introduction of digital technologies in the national economy and all areas of the social sphere is a priority for any modern country.

The rapid digitization of processes has stimulated the development of the digital economy. This type of economy opens up significant opportunities for producers to effectively market in the business and social spheres. It reduces costs to a minimum, allowing for maximum profit and successful sales of goods and services.

According to estimates, the transition to the digital economy will increase the productivity of companies, and their efficiency, increase production, ensure transparency of activities and absolute volume of products, and dramatically reduce their costs, and this is its greatest advantage [4, p. 43].

The digital economy provides quality service to consumers, customers and clients and creates a number of other conveniences. This includes ordering lunch during rush hour, calling a taxi, cross-border business cooperation, e-commerce space, etc.

The introduction of digital technologies and their rapid development have become the top priorities of different countries. They are characterized by a long period of implementation of digital development and continuity of priorities. Starting with the creation of basic

information and communication technologies, countries formulate acceptable policies in this area and support programs for the widespread introduction of digital technologies.

Thus, the characteristic features of the digital economy in the current environment are:

- intellectual capital in the digital economy is beginning to prevail over financial capital. It is becoming one of the main instruments of power at both the public and private levels;

- increased interest of both foreign and domestic investors in new technologies, new developments, and know-how compared to real investment, which is explained by the higher share of profits from successfully implemented new technologies;

- today, the valuation of companies can be based not only on the real capital of the company, but also on forecasts for the development and implementation of new technologies;

- the prevalence of information exchange over real exchange in all spheres of the state's economy, which makes it necessary to increase the level of information security at both the enterprise and state levels. ensuring information security is one of the main components of the economic security of the state;

- the growing development of such concepts as intellectual property, patents, etc., which require the state to revise legislation and develop new tools and methods to protect intellectual property;

- the internet is becoming the main means of communication and information exchange. phones and tablets are becoming an integral part of the work of all employees in virtually all sectors of the economy. the exchange of information via the internet, as well as business correspondence, is now a faster and more efficient way of business communication;

- small businesses are more adaptable to changing market conditions, more efficient, and more sensitive to environmental and internal factors. many large companies are trying to reduce hierarchical levels, making their organizational structure more flexible and efficient;

– small and medium-sized businesses are becoming flexible and efficient in the current economic environment, so the government is downsizing large companies and transforming them into smaller and medium-sized ones;

– information exchange is moving from the regional and national level to the global or world level. therefore, companies that have access to information at the global level are more advanced and efficient.

Global digitalization has transformed the structure of the economy. The digitalization of the economy has created an opportunity for a significant increase in labor productivity, which stimulates economic growth. The integration of digital technologies into all areas of activity allows for the automation of many processes, reduces the cost of resources and time, and improves the quality of products and services.

However, along with the obvious benefits of digitalization of the economy, it is also worth considering possible dangers. For example, as the amount of electronically stored information grows, so does the threat from cybercriminals. The main attacks are on mobile devices and financial mobile applications related to remote banking. This situation requires the development of security and information protection systems. Thus, the opportunities offered by the digitalization of the economy can make life much easier, but it is important to keep in mind the threats that come with the transition to a new stage of human development.

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