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AUTHOR(S)	Zahorodnia A. S., Reznik N. P., Neklyudova T.
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THE INFLUENCE OF THE DIGITAL ECONOMY ON THE DEVELOPMENT OF THE DOMESTIC ECONOMY

Zahorodnia A. S., Postgraduate of Department of Management named after Professor Yosyp S. Zavadsky, National university of life and environmental science of Ukraine, Kyiv, Ukraine, ORCID ID: <https://orcid.org/0000-0003-2741-1953>

Reznik N. P., Doctor of Economic Sciences, Professor, Professor of Department of Management named after Professor Yosyp S. Zavadsky, National university of life and environmental science of Ukraine, Kyiv, Ukraine, ORCID ID: <https://orcid.org/0000-0001-9588-5929>

Neklyudova T., Chief specialist, Money Circulation Department of the National Bank of Ukraine, Kyiv, Ukraine, ORCID ID: <https://orcid.org/0000-0002-8928-7313>

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ABSTRACT

The article examines the problems and prospects for the development of the digital economy in Ukraine.

The current trends of new technological solutions and opportunities are identified, because global informatization intensifies this process.

The effective use of digital economy tools, the means of which is to ensure information security and stability in the country, is described.

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Introduction. The study of problems and prospects for the development of the digital economy in Ukraine is quite relevant, because now there is a decisive transition from the raw materials economy to high-tech production.

Modern trends of new technological solutions and opportunities, global informatization intensify this process. At the same time, the digital economy focuses on international, European and regional cooperation in order to enter the European and world markets.

In addition, the effective use of digital economy tools is a means of ensuring information security and stability.

These factors cause considerable interest in the study of this area.

Research purpose. The main purpose of the research is to reveal the essence and features of the formation of the digital economy and its impact on the development of the domestic economy.

Research materials and methods. In this article uses general scientific methods of analysis and synthesis of action induction and deduction, the transition from abstract to concrete, as well as special methods of analysis: grouping, comparison, systematic and others.

Results. In the third wave of globalization, the digital economy plays an important role in the development of countries, the most important factor of which is information and knowledge, as well as ways to access them. The digital economy is not a separate industry, but a virtual environment that complements our reality.

Increasingly, the digital economy is intertwined with the traditional economy, making clear demarcations increasingly difficult. The main products of the digital economy are the same goods and

services of the traditional economy provided by computer equipment and digital systems such as the global Internet. This has its advantages, the main of which is to increase the availability of ordinary users to certain markets (goods or services), not just large companies, reduce transaction costs, increase efficiency and competitiveness [2]. At the same time, it should be noted that among scientists and practitioners there is no single approach to defining the concept of digital economy.

In the classical sense, the «digital economy» is an activity in which the key factors (means) of production are digital data and their use, which can significantly increase efficiency / productivity in various economic activities. The «digital economy» is also called the economy that uses digital technologies and services [3]. The terms «data economy», «internet economy», «new economy», or «web economy» are often used.

As for the digital skills of Ukrainians, domestic IT specialists are among the five best specialists in the field in the world. And Ukrainian IT companies are associated with the international space of innovation. However, digital skills are a person's ability to use information technology. Such skills apply not only to professionals in the field of information and computer technology, but also to citizens in general.

It is digital skills that should facilitate the use of technology in everyday life. Such skills include the ability to search, evaluate and process information, interaction and correct use of technologies for communication in the relevant online environment, as well as skills of creating and editing digital content [4].

The introduction of digital technologies is accompanied by certain challenges that society and the state must overcome for the successful implementation of the digital economy: short-term decline in productivity from the introduction of new technologies; reduction of the number of employees, in particular highly paid and low-skilled workers and increase of technological unemployment; temporary growth of unevenness in the distribution of income for the period of professional development of employees to the required level of qualification; significant changes in the regional structure of the location of productive forces, the necessary education and qualifications of staff, infrastructure; transformation of norms and rules (strengthening the protection of intellectual property rights, improving antitrust law, etc.), lifestyle [11].

The role of the state in the implementation of the digital economy is two fold. First, as a regulator that introduces and establishes norms, principles and bases of coexistence of elements of digital economy along with the existing realities in the state, controls and checks the methods of their use, carries out technological changes that strengthen digital relations between society and government. Second, the state can use the internet and information technology directly in providing its services in online commerce, e-government [9].

However, the peculiarity of Ukrainian digital development is that individual users and businesses are significantly ahead of the state and industry. Domestic small and medium-sized businesses are already working on the Internet in one way or another and mostly use digital methods to promote their services, while the state and large industry in Ukraine are far behind.

Within the framework of the «EU's Europe 2020 strategy», one of the important development initiatives has been the Digital Single Market Strategy (Digital Single Market Strategy). The program contains a list of 100 specific actions for the development of the digital single market, trust and security of users of online transactions, improving electronic skills, using information technology to solve social problems, stimulating research and innovation. In the context of Ukraine's European integration aspirations and the introduction of a number of reforms on the path to democratization and European progress, the development of elements of the digital economy can become an important mechanism for transforming and moving away from the old pro-Soviet system of governance and relations [7].

Institutional and legal registration of the development of the digital economy in Ukraine began in 2013, when the Cabinet of Ministers of Ukraine issued an order «On approval of the strategy for the development of the information society in Ukraine».

In June 2015, Ukraine joined the Declaration of the First EU Eastern Partnership Ministerial Meeting on the Digital Economy. The next step was to develop the conceptual framework of the «Digital Agenda of Ukraine – 2020», which defined the key tasks, priorities, initiatives and projects of «digitalization» of Ukraine for the next three years.

In 2017, the Law of Ukraine «On Electronic Trust Services» was adopted (in fact, it is a technical translation of the European Regulation on eIDAS regulation).

On January 17, 2018, the government approved the Concept of Development of the Digital Economy and Society of Ukraine for 2018 — 2020 and approved an action plan for its implementation [4].

The main purpose of the document was to implement the initiatives of the «Digital Agenda of Ukraine 2020» (digital strategy) to remove barriers to the digital transformation of Ukraine in the most promising areas. The strategy was based on stimulating the economy and attracting investment, overcoming digital inequality, deepening cooperation with the EU in the digital sphere and building the country's innovation infrastructure and digital transformation. The development of digital infrastructure as the basis of the digital economy, digitalization of the real sector through the creation of «digital workplace», «smart factories», etc., as well as basic areas of life, the development of digital literacy.

For the successful formation of the digital economy requires three effectively functioning components:		
➤	➤	➤
regulatory framework that would promote competition and market entry of enterprises, allowed enterprises to make full use of digital technologies for competition and innovation;	kills needed by employees, businessmen, civil servants to use the opportunities of digital technologies;	effective and accountable institutions that use the internet to empower citizens.

Fig. 1. qualitative components of the digital economy. Source: [13].

As of 2020, 119 electronic services are available to citizens and businesses in Ukraine. The «single window» of access to state electronic services is the Government portal [1]. Services that are already available online include social services, business services, construction services, security and court services, car owner services, transportation services, and more. In addition, two new portals for public control are already in place: for the use of international technical assistance and for state-owned enterprises. At the same time, according to the rating indicators for the effective implementation and development of digital economy methods in Ukraine, the state is not in the forefront. Thus, according to the Bloomberg Innovation Index [6] - a rating that reflects the key factors of innovative economic development, Ukraine in 2018 entered the top fifty innovative economies and took 46-th place, but in 2019 the level of introduction of elements of innovative economy dropped to 53 position.

We will try to identify the main problems and obstacles during the introduction and development of the digital economy in Ukraine. First, it is not a well-developed infrastructure (according to Speedtest.net, Ukraine's position in the world in terms of Internet connection quality is incredibly low: 114th place in the quality of mobile Internet and 45-th in the quality of broadband internet [12]). Secondly, it is low technological education, accessibility to the benefits and opportunities of the digital world for all citizens, territorial digital inequality (rural population, low-income people and older age groups are more limited in access to the Internet), a small share of innovation in digital economy (only 17% of Ukrainian industries use innovation, while in the EU this figure reaches 49% [5]).

Third, it is the obsolescence of technology in government organizations and structures (if Ukrainian private IT companies can afford the latest equipment, government agencies, small and medium-sized businesses, potential buyers of their goods and services in Ukraine, and ordinary Ukrainians are limited as in technology and finance).

Fourth, the low level of state support for the modernization of fixed assets into digital, the existence of most projects on paper and their lack of implementation in practice, weak progress in approaching the key achievements identified in the harmonization of digital markets by the document "20 expected achievements of the Eastern Partnership by 2020 lack of a coherent strategic approach to policy-making to harmonize digital markets with the EU [10].

In addition, obstacles to the development of the digital economy in Ukraine include the lack of standardization of entire digital systems and the use of the internet of Things, which could guarantee information security both at the individual level and at the level of information services provided by the state. However, the construction of digital systems, platforms and infrastructures to be used by citizens, businesses and the state cannot operate solely on national standards [8].

A number of obstacles to the development of the digital economy in Ukraine include the low level of security and trust of Internet users in the digital economy, high risk of information and cyber-attacks, imperfect antivirus equipment, and a relatively small share of investment in digital infrastructure.

This indicates that the actual implementation of solutions such as e-governance and e-economy is now more declarative and needs concrete reforms. However, the informatization of society can increase the investment attractiveness of the state and economic potential. In particular, increasing the number of services that can be provided online reduces the level of corruption in the state, raises the level of openness of services provided and the level of transparency of government agencies. The advantages of the digital economy include lower prices for goods, their availability and wide variety, saving time and human resources as labor and at the same time almost "infinity" of goods in electronic form.

Conclusions. Thus, today, the digital economy is an effective basis for the development of public administration, economy, business, social sphere and society as a whole.

The formation of the digital economy is also a matter of national security and independence of Ukraine, competition of domestic companies, the country's position on the world stage in the long run. Successful development of the digital economy in Ukraine requires an effective state policy to bridge the "digital divide" and stimulate the development of the digital economy.

The country cannot be successful in the development of the digital economy in the absence of the necessary regulatory framework, economic development strategy based on digital technologies.

But no less important is the formation of professional skills, basic ICT - literacy, preparation for a professional career, promoting lifelong learning.

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