

THE ORGANIZATIONAL AND ECONOMIC MECHANISM OF ENSURING THE SUSTAINABLE DEVELOPMENT OF THE ECONOMY IN THE CONDITIONS OF DIGITALIZATION

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Abstract. The prepared section substantiates the relevance of the organizational and economic mechanism for ensuring the sustainable development of the economy in the context of digitalization. Its main elements are revealed. Proven versatility, complexity, commitment to holistic ownership and implementation. The main ways of introducing and implementing the organizational and economic mechanism for ensuring the sustainable development of the economy in the context of digitalization are proposed and justified.

Keywords: organizational and economic mechanism, the sustainable development, economy, digitalization.

Sustainable economic development refers to the process of improving the economic well-being and quality of life for present and future generations. It is characterized by its focus on meeting the basic needs of all people, reducing poverty and inequality, and promoting economic growth that is inclusive, environmentally friendly, and socially responsible.

The key features of sustainable economic development include meeting the basic needs of all people, including access to food, water, shelter, and healthcare; promoting social inclusion and reducing poverty and inequality; encouraging economic growth that is environmentally sustainable and supports natural resource conservation; building resilience to climate change and other environmental challenges; investing in human capital and promoting lifelong learning.

It is important now because the world's population is expected to continue growing and the earth's resources are becoming increasingly scarce. Therefore, it is crucial to ensure that economic growth is sustainable, to meet the needs of current and future generations. Additionally, climate change and other environmental challenges are posing a growing threat to our planet, so it is important to focus on sustainable economic development to build resilience and mitigate these risks.

We assume that it will be possible to solve these problems with the help of an innovative, effective organizational and economic mechanism for ensuring the sustainable development of the economy, which will be based on modern approaches.

One of the most striking modern approaches is the digitalization of the economy.

Digitalization is transforming various sectors of the economy around the world, so it is important to understand how to effectively manage and use these changes for sustainable economic growth.

Development and implementation of the organizational and economic mechanism for sustainable development in the digital age is highly relevant and important to today's economy, as digital technologies are transforming the way we live and work, and it is essential to understand how to effectively manage and harness these changes for sustainable economic growth. This includes designing and implementing policies, strategies, and regulations that balance economic growth with social and environmental sustainability, as well as addressing the potential challenges that may arise from the incorporation of new technologies in the economy. This topic has practical implications for business and government as they need to understand how to adapt their strategies and policies to the digital age. Overall, this topic is crucial for businesses, governments, and society to ensure that the benefits of digitalization are realized in a sustainable and equitable way.

In addition, the topic of sustainable development in the digital age is also relevant in light of global challenges such as climate change and inequality, as digital technologies can be leveraged to address these issues, but they can also exacerbate them if not managed properly. The use of digital technologies can help to improve efficiency, reduce resource consumption, and promote the implementation of sustainable development goals. Thus, it is important to understand how to design and implement organizational and economic mechanisms that promote sustainable development in the digital age, including policies, strategies and regulations that balance economic growth with social and environmental sustainability.

The development of organizational and economic mechanisms for sustainable development in the digital age is also relevant to the concept of the "Fourth Industrial Revolution", which refers to the current era of rapid technological change and its impact on society and the economy. The Fourth Industrial Revolution is characterized by the convergence of digital, physical, and biological systems, leading to new technologies and innovations such as artificial intelligence, the Internet of Things, and 3D printing, etc.

The incorporation of these technologies in the economy could bring benefits such as increased productivity, improved services, and improved living standards, but it could also bring challenges such as increased inequality, job displacement and privacy concerns. Therefore, a comprehensive and well-designed organizational and economic mechanism is needed to make sure that these technologies are adopted in a sustainable way and that the benefits are distributed equitably.

It's worth to mention that it's not only government's role to ensure sustainable development in the digital age but also the private sector and citizens. Companies should also play an important role in fostering sustainable development by

implementing sustainable practices, promoting fair labor conditions, and protecting the environment. Moreover, citizens should also be encouraged to adopt sustainable lifestyle and consumption choices to reduce their environmental impact.

International cooperation and collaboration are essential to address the global challenges of sustainable development in the digital age. This includes sharing best practices, knowledge, and technologies, and coordinating policies and regulations at the international level.

All this ensures the relevance and timeliness of the topic.

Our previous studies, which preceded the study of issues of development and implementation of an effective organizational and economic mechanism for ensuring sustainable economic development in the digital era, are outlined in the following scientific works¹⁹⁶.

In summary, the topic of organizational and economic mechanisms for sustainable development in the digital age is multi-faceted and requires a comprehensive and holistic approach that involves the participation and collaboration of different actors: government, private sector, and citizens, as well as international cooperation.

Another important aspect to consider when discussing organizational and economic mechanisms for sustainable development in the digital age is the role of education and training. As digital technologies continue to evolve and change the way we live and work, it is essential to ensure that individuals have the necessary skills and knowledge to participate in the digital economy. This includes not only technical skills but also digital literacy, critical thinking, and problem-solving skills.

Moreover, education and training programs must also adapt to the new digital reality, with more emphasis on digital skills and online learning, to prepare students for the future digital workforce. Furthermore, education and training programs should also focus on providing students with the knowledge and skills to understand and navigate the ethical, social, and environmental implications of digital technologies.

In summary, education and training are essential components of an organizational and economic mechanism for sustainable development in the digital age. It is important to ensure that individuals have the necessary digital skills and knowledge to participate in the digital economy and to understand the ethical and social implications of digital technologies.

Another important aspect of organizational and economic mechanisms for sustainable development in the digital age is the concept of digital governance. Digital governance refers to the set of policies, processes, and institutions that govern the use and management of digital technologies. It includes issues such as data privacy, security, and protection, digital rights and freedoms, and the regulation of digital platforms and services. So, effective digital governance is essential for sustainable development as it helps to ensure that digital technologies and services

¹⁹⁶ Goel A.K., Marchenko M., Iefremov A. (2022). Digitalization of economic planning of competitive marketing activities in the conditions of globalization, p.58-59; Lomovskykh L., Marchenko M., Goel A.K. (2019). Digitalization of economic business-processes while making management decisions in marketing activity, 104-110.

are developed, deployed, and used in a way that promotes the public good and supports sustainable development goals.

Effective digital governance is essential to ensure that digital technologies are used in a responsible and sustainable way and that their benefits are shared equitably. It plays a crucial role in addressing the potential negative impacts of digital technologies such as digital divide, surveillance, and the erosion of privacy.

Furthermore, digital governance also involves the participation of different stakeholders, including government, private sector, civil society, and international organizations. Collaboration and participation of these stakeholders are important to ensure that digital governance policies are inclusive, responsive, and effective.

However, digital governance can be challenging in the digital age as digital technologies and services are constantly evolving and can have a significant impact on society and the economy. This makes it difficult for governments and other stakeholders to keep pace with the changing digital landscape, and to ensure that digital governance is effective.

To address this challenge, governments and other stakeholders must develop policies and regulations that are adaptable to the changing digital landscape, and that promote sustainable development. This includes initiatives such as the development of digital governance frameworks, and the creation of digital governance institutions such as regulatory bodies and oversight committees.

In addition, there is a need for greater international cooperation on digital governance to ensure that digital technologies and services are developed, deployed, and used in a way that promotes sustainable development globally.

In conclusion, digital governance is a vital component of organizational and economic mechanisms for sustainable development in the digital age. It is essential to establish effective digital governance policies, processes, and institutions that govern the use and management of digital technologies in a responsible and sustainable way, and that address the potential negative impacts of digital technologies.

Another important aspect of organizational and economic mechanisms for sustainable development in the digital age is the concept of digital innovation. Digital innovation refers to the process of creating, developing, and applying new digital technologies, products, and services. This includes not only technological innovation but also organizational, business model, and policy innovation.

Digital innovation plays a key role in driving sustainable economic growth by increasing productivity, efficiency, and competitiveness. However, it is important to ensure that digital innovation is inclusive and promotes sustainable development by creating opportunities for all, reducing inequalities, and addressing environmental and social challenges.

One way to achieve this is through the concept of inclusive innovation. Inclusive innovation refers to innovation that focuses on creating new products, services, and business models that specifically target the needs and aspirations of marginalized or under-served communities, such as low-income populations, and rural areas.

In addition, there are different types of policies and regulations that governments can use to foster digital innovation that promotes sustainable development. These include funding and support for R&D, tax incentives, and innovation-friendly regulations.

In summary, digital innovation is a critical component of organizational and economic mechanisms for sustainable development in the digital age. It is important to ensure that digital innovation is inclusive and promotes sustainable development by creating opportunities for all, reducing inequalities, and addressing environmental and social challenges.

Another important aspect of organizational and economic mechanisms for sustainable development in the digital age is the concept of digital infrastructure. Digital infrastructure refers to the physical and virtual infrastructure that enables the use and delivery of digital technologies and services. It includes elements such as broadband and mobile networks, data centers, cloud computing, and cybersecurity.

Access to reliable and affordable digital infrastructure is essential for sustainable development as it enables the digital economy and digital society to function and enables individuals and businesses to access and participate in the digital world.

In conclusion, digital infrastructure is a crucial component of organizational and economic mechanisms for sustainable development in the digital age. It is essential to ensure that all regions and communities have access to reliable and affordable digital infrastructure to enable the digital economy and digital society to function, and to enable individuals and businesses to access and participate in the digital world.

Having the right digital skills is essential for sustainable development as it enables individuals to participate in the digital economy and digital society, and to access the opportunities and benefits that digital technologies and services provide.

However, not all individuals have the same level of digital skills. This can lead to digital skills divide, where certain individuals and communities are left behind in terms of their ability to use digital technologies and services effectively. This is a significant challenge for sustainable development, as digital skills are closely linked to economic and social development.

To address this challenge, governments and other stakeholders must invest in digital skills development and policies that promote universal access to digital skills training. This includes initiatives such as the development of digital skills training programs, and public-private partnerships to support the development of digital skills in underserved communities.

Consequently, digital skills are a crucial component of organizational and economic mechanisms for sustainable development in the digital age. It is essential to ensure that all individuals have access to the digital skills training they need to participate in the digital economy and digital society and to access the opportunities and benefits that digital technologies and services provide.

The key elements of the organizational and economic mechanism for ensuring sustainable economic development in the digital age include:

1. Digital transformation of the economy: This involves the integration of digital technologies into all aspects of economic activity, including production, distribution, and consumption.

2. Development of digital infrastructure: This includes the creation of high-speed digital networks, data centers, and cloud computing services.

3. Support for digital innovation and entrepreneurship: This includes the provision of funding, training, and other resources to entrepreneurs and start-ups working on digital technologies.

4. Digital skills development: This involves the training and education of workers in the digital economy, including in areas such as big data analysis, artificial intelligence, and blockchain.

5. Digital governance: This includes the development of policies and regulations to support the digital economy, such as data protection laws, intellectual property laws, and competition laws.

6. Digital data management: This includes the development of data management systems that can be used for decision-making, forecasting and risk management in the digital economy.

7. Collaboration and coordination between the government, private sector and civil society: This includes the development of public-private partnerships and other initiatives to promote the digital economy.

Sure, one aspect of an organizational and economic mechanism for ensuring sustainable development in the digital economy is the concept of the "digital twin." A digital twin is a virtual replica of a physical asset, such as a factory or transportation system, that can be used for simulation and analysis. This allows for more efficient use of resources and better decision making in terms of operation and maintenance. Another aspect is the development and implementation of digital platforms, which can facilitate the exchange of goods and services and create new business models. Additionally, the integration of advanced technologies such as artificial intelligence and the Internet of Things can lead to increased automation and optimization of processes. However, it is also important to consider the potential negative impacts of digitalization, such as increased inequality and the displacement of jobs, and to address them through appropriate policies and regulations.

Another important aspect of a sustainable digital economy is the development and implementation of policies and regulations that promote fair competition, consumer protection, and data privacy. This includes measures such as anti-trust laws to prevent monopolies, data protection regulations to safeguard personal information, and regulations to ensure that all businesses and individuals have equal access to digital technologies and markets.

Another key aspect, as already indicated, is the development of digital infrastructure and skills. This includes investments in high-speed internet access,

digital literacy programs, and training for workers to acquire the skills necessary to participate in the digital economy.

Additionally, it is important to ensure that the benefits of digitalization are distributed fairly across society, including to marginalized and disadvantaged communities. This can be achieved through policies such as progressive taxation, social safety net programs, and targeted investments in education and training.

Moreover, there is a need for international cooperation to address cross-border issues such as data privacy, cyber security, and digital trade. This could involve cooperation among governments, international organizations, and the private sector to establish common standards, regulations, and best practices.

Finally, it is important to keep in mind that the digital economy is constantly evolving, and the policies and regulations put in place will need to be regularly reviewed and adapted to ensure they remain effective in promoting sustainable development.

As can be seen from the above, there is no one single way to implement an organizational and economic mechanism for ensuring sustainable economic development in the digital age that would be most acceptable for everyone. It depends on several factors such as country, region, industry, etc. However, some common approaches that may be useful for implementing an organizational and economic mechanism for ensuring sustainable economic development in the digital age include investing in infrastructure, developing skills, innovative policy and regulation.

Thus, based on the foregoing, we can conclude that this is a multifaceted complex mechanism that should be complex. The main directions of its implementation are:

1. **Developing a national digital strategy:** Governments can develop a national digital strategy that outlines the vision, goals, and actions needed to achieve sustainable development in the digital age. This strategy should include measures to promote digital inclusion, digital skills development, and digital innovation, as well as policies to promote the use of digital technologies in key sectors such as healthcare, education, and government services.

2. **Investing in digital infrastructure:** Investing in digital infrastructure such as high-speed internet access, data centers, and cloud computing services is essential for sustainable development in the digital age. This infrastructure is necessary for the development of digital services and applications that can drive economic growth and social development.

3. **Promoting digital innovation:** Governments and private sector organizations can work together to promote digital innovation by providing funding and support for research and development, incubation and acceleration programs, and startup competitions.

4. **Encouraging digital entrepreneurship:** Governments can encourage digital entrepreneurship by creating an enabling environment for the development of digital businesses, including providing access to finance, mentoring, and training programs.

5. Encouraging responsible digitalization: Governments and private sector organizations should encourage responsible digitalization by promoting the use of digital technologies that are sustainable, inclusive, and respect human rights.

6. Fostering digital skills development: Governments and private sector organizations can work together to invest in digital skills development and policies that promote universal access to digital skills training. This includes initiatives such as the development of digital skills training programs, and public-private partnerships to support the development of digital skills in underserved communities.

7. Promoting data governance: Governments can promote good data governance by ensuring that data protection, privacy, and security laws are in place and enforced. This will help to build trust in digital services and applications and ensure that individuals have control over their personal data.

8. Enhancing collaboration: Governments and private sector organizations can work together to promote sustainable development in the digital age by fostering collaboration and partnerships between different stakeholders. This will help to ensure that digital technologies and services are developed and deployed in ways that benefit all members of society.

In conclusion, the digitalization of the economy requires a new organizational and economic mechanism to ensure sustainable development. This includes the creation of a favorable legal and regulatory environment, the development of digital infrastructure and the necessary digital skills, as well as the active participation of the state in the digitalization process. The development of digital technologies and the creation of a digital economy can bring significant benefits, such as increasing productivity and efficiency, reducing costs, and improving the quality of goods and services.

However, it is important to ensure that the process of digitalization is inclusive, considering the needs of different groups of the population, and the potential negative effects of digitalization on employment and social inequality should be mitigated. Overall, it's important to have a well-thought-out strategy and approach to digitalization to fully realize its potential while minimizing negative consequences.

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