

*Lysak H., PhD in Economics, Assoc. Prof.,  
State Biotechnological University*

## **THE ESSENCE OF THE DIGITAL ECONOMY AND CONDITIONS OF DIGITAL TRANSFORMATION**

High rates of scientific and technical progress formed the objective conditions for a large-scale transition to the neo-industrial stage of the development of the social production system, the basis of which, along with traditional technologies, are technologies that open up new opportunities for generating economic benefits (nanotechnology, biotechnology, digital technologies, etc.).

The current level of economic, technological and informational development of business requires research into the prospects of its digital transformation and substantiation of the conditions for the initiation of mass processes of its digitalization and assessment of the readiness of business entities to radically modernize their technical and technological base and system of inter-subject relations.

The theoretical and methodological foundations of the study of the problems of the development of the information society and the formation of a digital model of social development were laid in the works of such foreign scientists as D. Bell, E. Giddens, J. Galbraith, P. Drucker, M. Castells, I. Masuda, F. Mahlup, N. Negroponte, S. Papert, D., Tapscott, E. Toffler, F. Webster, et al.

Among the leading representatives of the national school of research on the processes of the formation of the information economy and the digital transformation of economic systems, we can single out A. Buzgalin, L. Hokhberg, T. Yershova, V. Ivanov, V. Inozemtsev, S. Kadomtsev, V. Kupriyanovsky, E. Lenchuk, G. Malynetskyi, V. Minakov, A. Polyanskyi, E. Ustyuzhanina, Yu. Khokhlov, Yu. Yakutin and others. At the same time, it should be noted that a number of issues related to the development and implementation of unified approaches to solving the tasks of digital transformation of business and assessing the prospects of its mass digitalization continue to be at the stage of understanding and developing rational approaches to overcoming the limitations of digital development. In addition, a number of provisions related to the assessment of the conditions for initiating processes of digital business transformation and understanding the prospects of its digitalization remain incompletely worked out, are debatable and require additional research.

The purpose of the study is to analyze and generalize theoretical and conceptual provisions related to the digital transformation of business.

Socio-economic systems belong to the class of self-developing systems, the evolution of which should be considered as a process of conscious destruction associated with the introduction of techno-technological and socio-economic innovations [1, 2].

Scientific and technological progress has the greatest influence on the formation of the system of factors that determine the evolution of socio-economic systems and the development of the productive forces of society.

Traditionally, three basic stages of economic development are distinguished, which determine the level of development of the productive forces of society: agrarian economy, industrial economy, and post-industrial economy. The resources of the post-industrial economy are concentrated in the service sector and increasing the significance of the so-called "creative work".

The transition to a post-industrial economy is characterized by a sharp increase in the introduction of innovative technologies in all spheres of activity [3].

Theoretically, several phases of the stage of industrial development of society are distinguished, caused by differences in the nature of the sources of economic growth.

Increasing the level of informatization and automation of production objectively leads to an increase in labor productivity and a reduction in jobs in traditional sectors of the national economy. In such a situation, it is possible to ensure the employment of the population only through the development of the sphere of services and non-traditional industries and spheres of activity, which significantly increases their role in the public production system, but does not remove from the agenda the need to increase the production of economic goods in accordance with the natural growth of social and individual needs.

Based on this, we share the position of the authors, who consider the use of the terms "post-industrial society" and "post-industrial economy" somewhat premature and propose to talk about new phases of industrial development, which differ in the technical-technological base of the social production system, the structure of employment of the population and the level of its education. sources of economic growth and welfare of the population, etc.

It is in the context of the paradigm of neo-industrial development that it is proposed to investigate the problems of forming a digital economy and digital transformation of economic systems of various levels.

The term "digital economy" is the subject of active discussion by a significant number of researchers. Currently, there are several approaches to its definition.

Within the first approach, it is presented as a set of markets, organized taking into account the wide use of information and communication technologies [4].

Another approach considers the "digital economy" as a branch of social production, which ensures the creation of an elementary base of electronic devices and the development of a complex of technical and software means of informatization of society [5].

Representatives of the third approach interpret this category as a way of organizing and formalizing the system of social relations using means of informatization of various spheres of life [6].

There is an opinion that the "digital economy" is nothing but a system of information technologies for ensuring economic activity and managing the processes of socio-economic development [7].

Contrary to this opinion, the "digital economy" is perceived as a tool for generating transformational effects arising from the use of digital technologies and digitalization of the economy [8].

Some researchers consider the "digital economy" as a new paradigm in social development, which involves a fundamentally different model of digitization of the processes of production and consumption coordination [9]. There is an opinion that the "digital economy" is nothing more than a specially created virtual environment that allows to increase the efficiency of reproductive processes and the quality of life of the population [10].

Within the framework of the eighth, the "digital economy" approach is considered as a way of organizing economic activity based on the technologies of electronic commerce and electronic money circulation [11].

And, finally, the "digital economy" is perceived as a set of economic sectors and market segments in which added value is created taking into account the use of digital technologies [12].

We believe that the study of the content of the "digital economy" category should be based on the primacy of the economy as a set of public relations and practices that determine the order of organization of economic activity, related to the production, exchange, distribution and consumption of economic goods. Since the essence of the category "economy" remains unchanged at all stages of the development of society, the digital economy should be considered as a certain stage of social development associated with a sharp increase in the role of information as a strategic resource and the large-scale introduction of information and communication technologies into all spheres of society. Along with the term "digital economy", the term "digital transformation" entered scientific circulation. In a broad sense, digital transformation is interpreted as the process of transition of socio-economic systems to a qualitatively new level of use of digital technologies for the implementation of priority directions for the formation of the digital economy.

Products created on the basis of the use of digital technologies are traditionally distinguished as objects of digital transformation. Thus, digital technologies constitute a kind of framework of the digital economy.

Conclusions and prospects for further scientific research. The conducted research makes it possible to formulate provisions that determine the content of the transition of socio-economic systems from a traditional economy to a digital one:

- digitization is an objective stage of the evolution of socio-economic systems, due to the mass use of digital technologies;
- the internal content of the economy does not change due to its digitization;
- the transition of socio-economic systems to the digital economy is possible only if a certain level of informatization and development of information infrastructure is achieved;
- management of digital transformation processes should be followed as management of the development of socio-economic systems.

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