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MAIN FACTORS INFLUENCING THE DIGITAL ECONOMY: A LITERATURE REVIEW

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Abstract. In response to the challenges of our time, our research aims to understand and analyse the trends of digitalization of the economy in the current context. It is important to note that this topic is becoming increasingly relevant in the context of the rapid development of technology and its impact on the global economy as a whole. To achieve the goals and objectives of the current study, a wide range of scientific sources were used, namely articles in periodicals, theses, books, etc. The global objectives of this research discourse are to study the impact of digitalization on the modernization of the international economy at both the micro and macroeconomic levels. Thus, one of the essential aspects of this movement is to understand and analyse the technological innovations that transform traditional industries and business models. The increasing role of digital technologies in the modern economy and their impact on the competitiveness of enterprises and countries in the global economic space is a pressing issue. Both technical and socio-economic consequences of digital transformation should be addressed when analysing this issue. The impact of digitalization on the employment structure and labour market is also important. Changes in the technological landscape can affect both the distribution of jobs and the development of skills required for a successful career, as well as lead to the emergence of new forms of labour.

Keywords: digital transformation, the role of digital technology in the modern economy is increasing, and the main issues in the digital transformation process.

JEL Classification: L86.

INTRODUCTION

The digital economy is a type of economy where digital data, including numerical, textual, etc., serves as the key production factor. Utilizing them as a resource enables a significant enhancement of efficiency, productivity, and the value of services and goods, contributing to the construction of a digital society.

The digital economy encompasses a broad spectrum of economic activities based on the use of digital technologies and information systems (Fig. 1.1). In the contemporary world, it serves as a key catalyst for changes in various sectors, made possible by the creation of new mechanisms to improve the efficiency of economic processes and implement innovations in the modern world.

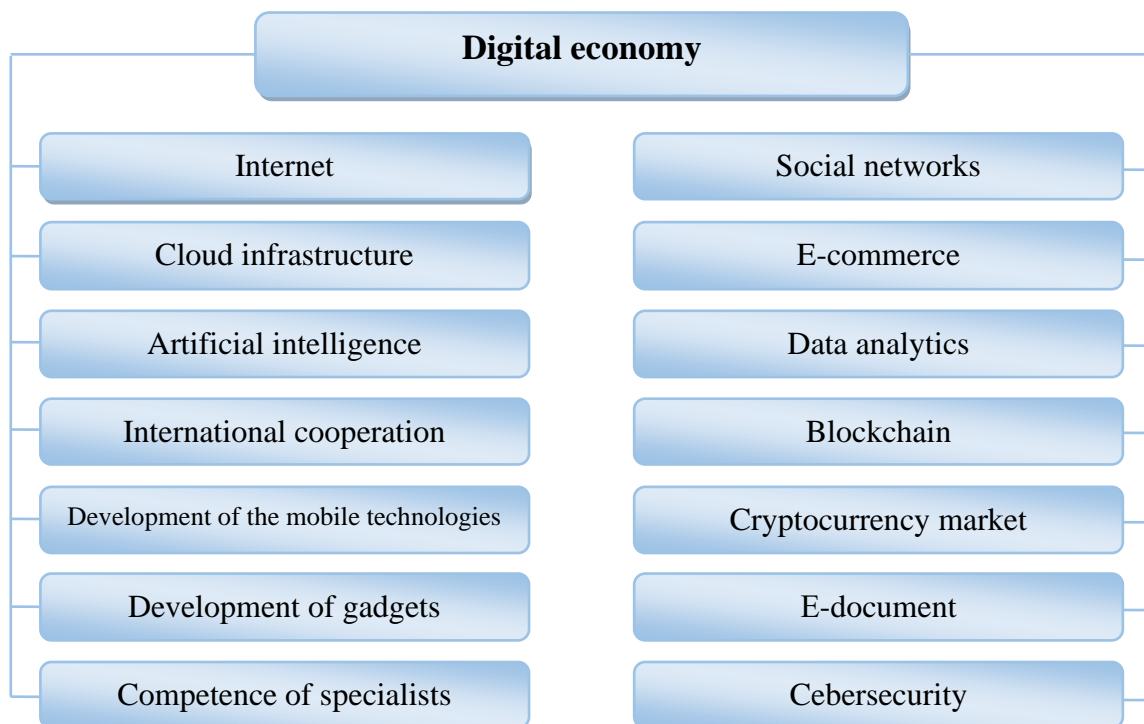


Fig. 1. Key elements of the digital economy

Source: developed by the author

The formation and development of the digital economy are influenced by specific factors that cover all aspects of this type of economy. Thus, one of the key issues considered in the existing scientific works is the need to adapt traditional economic models to the new realities of the digital age. Ukrainian scientists Havrylenko N. G. and Tarasenko I. O. present a well-founded study of the impact of digitalisation on the economy. Their study aimed to analyse the current trends in the field of digitalisation and identify the key issues and prospects for the development of this process. The study examined the current state of the economy and technological innovations, in particular in the context of their interaction and impact on the development of society. In addition, the study identified the main problems that arise in the process of digital transformation of the economy, such as the instability of the regulatory environment, the need to adapt legislation to new technologies, etc. The study analysed key aspects of digitalisation, including the introduction of the latest technologies in manufacturing, financial services, trade and other sectors of the economy.

The scientific study by P. R. Putsenteilo and O. O. Humeniuk was also devoted to the study of the impact of digital transformation on the economy. The study included an analysis and assessment of new opportunities that open up for economic systems due to the use of digital technologies. The authors also studied the processes and trends of digital transformation in the economy, considering their impact on traditional business models and developing conceptual approaches to the adaptation and reconstruction of economic systems under the influence of digital innovations. The study aimed to clarify the role of the digital economy in the modern world and to substantiate development strategies aimed at increasing the competitiveness of economic systems through the effective use of digital technologies.

LITERATURE REVIEW

In today's world, the digital economy also includes aspects of cybersecurity, electronic commerce, cryptocurrency markets, and blockchain technology. Ensuring cybersecurity in the digital environment becomes critical for protecting personal and business information. E-commerce and the development of cryptocurrency markets offer new opportunities for virtual space purchases, investments, and financial transactions, while blockchain technology ensures the security and transparency of these operations.

Determining the study of this process requires an integrated approach covering both technological and socio-economic aspects.

Therefore, one of the key issues considered in existing scientific works is the need to adapt traditional economic models to the new realities of the digital age.

PAPER OBJECTIVE

As of today international economics represents a complex and multi-layered system of economic relations between countries, encompassing a wide range of sectors and industries. It includes not only international business but also export-import operations, currency markets, international cooperation, workforce migration, the formation, and redistribution of international financial flows, e-commerce, and more. The primary goal of international economics is to understand the principles, mechanisms, and consequences of economic relations between different countries and their impact on global economic dynamics.

RESULTS AND DISCUSSION

Based on the studies cited above, several main areas of research in the digital economy can be identified. These include adaptation of traditional economic models to new conditions, which is determined by the impact of digital transformation on the economy; studying the impact of digital transformation on economic systems and their ability to adapt to new conditions; determining the role of the digital economy in the modern world and developing development strategies aimed at increasing the competitiveness of economic systems; determining the potential of digital innovations to stimulate economic growth and improve the efficiency of enterprises in the digital era.

T. D. Hirchenko, I. M. Semeniuk and N. V. Cherikovska [2] addressed the key aspects of the impact of the digital economy on the development of the national economy. The study revealed the role of digital transformation in shaping the country's economic potential and ensuring its competitiveness in the international market. The study was based on an analysis of well-known theoretical approaches and practical experience of countries that successfully implement digital technologies in their economies, which allowed the authors to gain a comprehensive understanding of the opportunities and prospects for digital transformation in a particular national economy. The overall conclusion of the study was an emphasis on the need to further improve digital economy policy and implement innovative measures to ensure sustainable development of the national economy in the context of globalisation and rapid technological change.

In general, digital transformation has an impact on all parts of the economy, from employees and small businesses and industries to international cooperation. The use of international experience in the transformation of the economy under the influence of digitalisation can be extremely useful for developing countries, as it allows them to avoid repeating mistakes and use successful practices that have already been tested in other regions of the world. In particular, the study of innovative strategies adopted in developed countries can serve as a valuable source of information for governments and businesses in developing their digital transformation programmes. In addition, the exchange of experience within the international community helps to promote the formation of

international standards and regulations in the digital economy, which contributes to the unification of approaches and interoperability between different countries. This step is becoming important for ensuring international cooperation, supporting international projects, and developing global technological infrastructures, which contributes to a more efficient integration of countries into the global economic system.

Thus, the study of Y. M. Kotelnikova examined the international e-commerce development experience. The main object of the study was to analyse and summarise foreign experience in the field of e-commerce to identify key trends and successful practices that could be useful for the further development of e-commerce in Ukraine. The author systematised the data obtained by considering various aspects of e-commerce development abroad, including technological innovations, marketing strategies, logistics, payment systems, and other important aspects, which allowed her to identify success factors and obstacles faced by companies in e-commerce. The study of Y. M. Kotelnikova contributed to the development of strategies and approaches that can help Ukrainian companies compete effectively in the international e-commerce market.

A Ukrainian researcher, V. V. Apalkova, analysed the strategies and directions of digital economy development in the European Union and their potential consequences for Ukraine. The article analysed the impact of digital transformation on the economic development of countries and identified key aspects and prospects in this context. The author examined the main principles and strategies used in the European Union to stimulate the development of the digital economy and highlighted the main policy areas aimed at facilitating this process. Particular emphasis was devoted to how Ukraine can use the EU experience to improve its digital economy development strategy. V. V. Apalkova emphasises the need to create favourable conditions for the development of innovative technologies, ensure access to digital infrastructures and improve the skills of the Ukrainian population in the field of digital technologies.

The reviewed material reflects only part of the vast field of research on the problems of the digital economy and its impact on the modern economy. A clear direction for future research is a deeper analysis of the main directions of digital economy development and identification of key challenges and problems arising in the context of its transformation. However, it is also worth noting that the existing research in this area already reveals certain trends and directions of development, such as the increasing importance of digital technologies in all sectors of the economy, changes in business models and management strategies, and the growth and importance of international cooperation in the context of the digital economy.

In his work, T. J. Sturgeon covered the strategies for improving the digital economy. The study analysed the approaches and methods that companies can use to adapt to the rapidly changing digital environment. T. J. Sturgeon analysed various aspects of the digital economy, including the use of the latest technologies, digital marketing strategies, the development of digital platforms, and changes in business models. He explored how these aspects interact and influence the success of businesses in the digital environment. Overall, the study by T. J. Sturgeon provided valuable guidance for companies seeking to adapt to current trends and increase their competitiveness.

In general, modern businesses must systematically adapt their operations to the rapidly changing digital environment to ensure their competitiveness and compliance with market requirements. This means implementing the latest technologies, automating processes, improving management and data analysis systems, and developing innovative products and services. Businesses that successfully adapt to the digital environment can gain significant competitive advantages, such as increased production efficiency, improved product quality, reduced costs, and accelerated innovation.

The impact of businesses adapting to the digital environment on the overall state of the economy is also significant. Businesses that adopt digital technologies contribute to the creation of new jobs, increased productivity, and higher living standards. In addition, it contributes to a more favourable innovation environment that promotes the development of new industries and supports

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entrepreneurship. Thus, adapting to the digital environment can be a key factor in ensuring sustainable economic growth and development.

For instance, Ustenko M. O. and Ruskykh A. O. studied the impact of digital transformation on the competitiveness of enterprises. The study aimed to analyse digitisation processes and their impact on the efficiency and success of enterprises in modern digitalisation. The authors examined in detail the strategic aspects of the introduction of digital technologies into the activities of enterprises, identifying key success factors in this process (strategic planning, leadership and adaptability, innovation, and a culture of renewal, as well as cooperation and partnership) and considered practical examples from various sectors of the economy. Thus, the study emphasised how digitalisation is becoming the basis for increasing the competitiveness of enterprises in a rapidly changing economic environment and the intensive development of digital technologies. This study opened up an important topic for the scientific community on the impact of digital transformation on the competitiveness of enterprises.

The study by A. Y. Holoborodko investigated the impact of digital technologies on the management of the processes of integrative development of enterprises in the context of the digital economy. This article covered the topical issue of digital business transformation and the role of technology in this process. The study primarily aimed to analyse the impact of digital technologies on the integrative development of enterprises and identify management strategies that help optimise this process. The researcher examined real examples and practical applications of digital technologies in the management activities of enterprises. Based on this, the author proposed specific approaches and methods aimed at optimising management processes and increasing business efficiency in the digital economy, such as the use of CRM systems, BigData and Blockchain. The results of the study provided a clear picture of the impact of digital innovations on management and allowed the author to propose specific strategies aimed at improving the competitiveness and sustainability of enterprises.

As for the use of the latest technologies, it is worth noting the study by k. m. kraus and n. m. kraus, which aimed to determine the role of blockchain technologies in the modern digitalised economy. The article analysed the processes, strategies, technologies, and practices of blockchain application in the financial sector, as well as its impact on the economy as a whole. The authors reviewed in detail the main aspects of blockchain technologies, including their structure, operating principle, advantages, and limitations, analysing how blockchain can change the financial sector and economic dynamics in the context of rapid digitalisation. The focus of the study was the identification of strategies for successful blockchain implementation in the financial sector, covering their technological capabilities and market requirements. The authors also analysed the practical experience of applying blockchain technologies in various sectors of the economy and highlighted the prospects for their further development.

However, despite the significant potential of using the latest digital technologies, there are certain problematic aspects. Thus, in their research efforts, K. O. Buzhymyska and M. V. Zhelikhovska studied the current issues of entrepreneurship development in the context of the digital transformation of the economy. Their study aimed to investigate, analyse, and summarise current trends in the development of entrepreneurship in the context of the digital economy. The authors analysed the impact of digital technologies on modern entrepreneurship and identified new opportunities and challenges that they create for businesses in the digital environment. Their article examined various models of entrepreneurship that are being adapted and improved to meet the demands of the digital economy. The authors explored how these models allow businesses to effectively use digital technologies to achieve their strategic goals and ensure competitiveness. In addition, the paper identifies key success factors and factors that impede the successful implementation of digital initiatives. The key success factors include competent planning, sufficient financial resources, good communication between different departments of the enterprise, etc. Among the factors that can complicate or impede the implementation of digital initiatives are

insufficient staff qualifications, inconsistency of existing processes with new technologies, insufficient management support, and others.

The achieved result of the current bibliographic analysis is the generalisation and systematisation of scientific knowledge on the digitalisation of the international economy, the identification of current problems and development prospects, which makes it possible to broaden the understanding of the digital transformation of the economy and find ways to address the important challenges it poses to the modern world.

CONCLUSION

Thus, by summarising and systematising scientific sources, the key aspects of digital transformation, its impact on various sectors of the economy and the main challenges it poses to the modern world were identified. Furthermore, based on the literature analysis, we revealed the current prospects for the development of the digital economy, in particular, the impact of digital technologies on business processes, changes in consumer behaviour, enterprise competitiveness and overall economic efficiency.

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ОСНОВНІ ФАКТОРИ, ЩО ВПЛИВАЮТЬ НА ЦИФРОВУ ЕКОНОМІКУ: ОГЛЯД ЛІТЕРАТУРИ

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У відповідь на виклики сучасності наше дослідження має на меті зrozуміти та проаналізувати тенденції цифровізації економіки в сучасних умовах. Важливо зазначити, що ця тема стає все більш актуальну в контексті стрімкого розвитку технологій та їх впливу на світову економіку в цілому. Для досягнення мети та завдань даного дослідження було використано широке коло наукових джерел, а саме статті в періодичних виданнях, дисертації, книги тощо. Глобальними завданнями даного наукового дискурсу є дослідження впливу цифровізації на модернізацію міжнародної економіки як на мікро-, так і на макроекономічному рівнях. Таким чином, одним із важливих аспектів цього руху є розуміння та аналіз технологічних інновацій, які трансформують традиційні галузі та бізнес-моделі. Зростання ролі цифрових технологій у сучасній економіці та їх вплив на конкурентоспроможність підприємств і країн у глобальному економічному просторі є актуальним питанням. При аналізі цього питання слід враховувати як технічні, так і соціально-економічні наслідки цифрової трансформації. Важливим є також вплив цифровізації на структуру зайнятості та ринок праці. Зміни в технологічному ландшафті можуть впливати як на розподіл робочих місць, так і на розвиток навичок і вмінь. шляхом узагальнення та систематизації наукових джерел визначено ключові аспекти цифрової трансформації, її вплив на різні сектори економіки та основні виклики, які вона ставить перед сучасним світом. Крім того, на основі аналізу літератури ми виявили поточні перспективи розвитку цифрової економіки, зокрема, вплив цифрових технологій на бізнес-процеси, зміни поведінки споживачів, конкурентоспроможність підприємства та загальну економічну ефективність.

Ключові слова: цифрова трансформація, роль цифрових технологій у сучасній економіці, що зростає, та основні проблеми в процесі цифрової трансформації.