Секция 3. Экономика и управление национальным хозяйством, модернизация национальных моделей экономических систем.

Sheiko Iryna, Associated Professor of Economic
Cybernetics and Economic Security Management
Department, Kharkiv National University of
Radioelectronics, Kharkiv, Ukraine
Storozhenko Oleksandra, Associated Professor of
Economic Cybernetics and Economic Security
Management Department, Kharkiv National
University of Radioelectronics, Kharkiv, Ukraine

NATIONAL DIGITALIZATION PROGRAMS IN EUROPEAN UNION: EXPERIENCE FOR UKRAINE

The development of the digital economy and society of Ukraine is a crucial factor for the success of not only all reforms, but also Ukrainian business on the world stage. Ukraine is an important player in the global digital market, but unfortunately, solely as an

exporter of IT services and brains. High developed traditional sectors can be a good basis for providing elements of digitalization.

The concept of i4.0 is based on linkage of virtual and physical parts of business processes along a supply chain. The virtualization is gained by Internet of Things (IoT), Internet of Services (IoS) and Internet of people (IoP).

Industry 4.0 readiness is considerably greater in western and northern Europe than in other parts of Europe [3]. As the founder of the movement, Germany scores particularly high. Combining readiness with the importance of the manufacturing sector reveals four types of European markets [2]. We have analyzed the objectives and main results of industrial policies at Belgium and Czech Republic. Even Eastern European countries appears mainly at zones of "Traditionalists" and "Hesitators", the experience of them will be useful for making clear the way Ukrainian economy should pass.

The Belgian federal system is highly decentralized in policy making, in particular regarding competences for innovation and industrial policies. As result the federal and regional governments have complementary competences and act as direct interlocutor with the EU on those competences. 'Digital Belgium' is an initiative of the Belgian Federal Government, launched in April 2015, to boost the digital economy and expand prospects for growth and jobs. There is an important (generous) tax deduction mechanism for innovation (in 2016 the income deduction for patents was extended to software and other IP); also deduction for R&D wagecost; investment allowances. The tax reform of 2017 will lower company revenue tax rates and increase deductions for investments [3].

In Czech Republic Průmysl 4.0 (Industry 4.0) is a national initiative aiming to maintain and enhance the competitiveness of the 4th Industrial Revolution. The goal is to prepare not only the industry but the

whole society for the economic and societal changes related to the fourth industrial revolution. It has a wide focus on the creation of business and social environment, in which the Czech economy can reach its full potential. [1].

As about reality of Ukrainian enterprises, our country has a strong position at manufacturing industry, which could make them promising Industry 4.0 markets. However, these industries continue to focus on traditional manufacturing and are not ready for digitalization.

On January 17, 2018, the Cabinet of Ministers of Ukraine during its regular meeting the concept for the development of the digital economy and society of Ukraine for 2018-2020 was approved [4]. According to the plan, within the next three years, the government will modernize digital infrastructure, promote the development of Internet technologies and provide incentives for high-tech projects. The roadmap aims to cover 80 percent of the Ukrainian

territory with broadband Internet by 2021 and carry out the digitalization of such sectors as education, medicine, ecology, infrastructure and transport.

Referenses

- 1. Czech Republic: "Průmysl 4.0" *Digital Transformation Monitor*. May, 17

 <u>URL:https://ec.europa.eu/growth/tools-databases/dem/monitor/sites/default/files/DTM_Prumysl%204</u>

 <u>0_CZ%20v1.pdf</u>
- 2. Industry 4.0 in Europe. CBI. Ministry of Foreign Affairs URL: https://www.cbi.eu/market-information/outsourcing-itobpo/industry-40/
- 3. Jan Larosse Analysis of National initiatives of Digitising of European Industry, October, 2017 URL:

https://ec.europa.eu/futurium/en/.../be_country_analysis.pdf

4. Про схвалення Концепції розвитку цифрової економіки та суспільства України на 2018-2020 роки та затвердження плану заходів щодо її реалізації: розпорядження Кабінету Міністрів України від 17 січня 2018 р. № 67-р