

## РОЗДІЛ 1. СВІТОВЕ ГОСПОДАРСТВО І МІЖНАРОДНІ ЕКОНОМІЧНІ ВІДНОСИНИ

### MECHANISM FOR COORDINATION OF DIGITAL TRADE POLICY IN GLOBAL MARKETS

### МЕХАНІЗМ КООРДИНАЦІЇ ПОЛІТИКИ ЦИФРОВОЇ ТОРГІВЛІ НА ГЛОБАЛЬНИХ РИНКАХ

*The work examines the current mechanism of coordination of the digital transformation policy and provides recommendations that will help ensure a coordinated nationwide approach to the digital transformation policy. The purpose of the study is to reveal the meaningful elements of the mechanism of coordination of the policy of digital trade in global markets with the aim of building a nationwide approach to the policy of digital transformation. The research revealed scenarios of strategic forecasting that form key strategies for the development of digital trade in global markets with the aim of creating a mechanism for a nationwide approach to the policy of digital transformation. The implementation of the strategies will ensure the strengthening of the country's strategic partnership for digital transformation, the formation of competent approaches to education in order to adapt and adjust the population to digitalization, identify ways to an inclusive digital state, and increase the potential to benefit from access to personal data and its use, while ensuring digital security and privacy. The strategies considered in the study will ensure the transition of the population to digitalization, which in turn contributes to the creation of an inclusive digital state. In Ukraine, there are all prospects for creating favorable conditions that would ensure the development of digital trade on global markets. It is proposed to change the elements of the coordination mechanism of the digital trade policy on global markets by separating them. Among these elements, the author includes: privacy enhancement, digital security policy, digital technology, digital innovation, digital government and policy and legal framework and strengthening of rights protection. For each element, which are described above, the author proposed changes, the implementation of which will provide an effective mechanism for coordinating digital trade policy on global markets. The direction of further research, in the opinion of the author, should be the development of strategies for the development of digital trade in global markets.*

**Key words:** digitalization, globalization, digital security, digital technologies, digital government.

*В роботі розглядається чинний механізм координації політики цифрової трансформації та надаються рекомендації щодо підходу до політики цифрової трансформації. В дослідженні розкрито сценарії стратегічного передбачення, які формують ключові стратегії розвитку цифрової торгівлі на глобальних ринках з метою створення механізму загальнодержавного підходу до політики цифрової трансформації. Мета дослідження полягає у розкритті змістовних елементів механізму координації політики цифрової торгівлі на глобальних ринках з метою побудови загальнодержавного підходу до політики цифрової трансформації. Реалізація стратегій забезпечить зміцнення стратегічного партнерства країни для цифрової трансформації, формування компетентнісних підходів до освіти, визначення шляхів до інклюзивної цифрової держави, нарощення потенціалу до вигоди від доступу до персональних даних та їх використання. Запропоновано зміни елементів механізму координації політики цифрової торгівлі на глобальних ринках шляхом їх виокремлення. До цих елементів, автором віднесено: підвищення конфіденційності, політика цифрової безпеки, цифрові технології, цифрові інновації, цифровий уряд і політика та нормативно-правова база та посилення захисту прав. До кожного елемента автором запропоновано зміни. Встановлено, що розвиток цифровізації та трансформації торгівлі на глобальних ринках можна досягти шляхом підвищення ефективності складових елементів цього механізму. В роботі розкрито ключове питання – стратегію розвитку цифрової торгівлі на глобальних ринках з метою створення механізму загальнонаціонального підходу до політики цифрової трансформації. Автор зробив висновки щодо необхідності просування стратегії цифрової безпеки на найвищому державному рівні та активізації участі владних міністерств в ініціативах цифрової безпеки, а також покращення інтеграції стратегії цифрової безпеки з розробкою інформаційне суспільство. Досить важливим є розширення багатосторонньої співпраці щодо розробки політики цифрової безпеки через партнерство.*

**Ключові слова:** цифровізація, глобалізація, цифрова безпека, цифрові технології, цифровий уряд.

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**Formulation of the problem.** Digital transformation is causing rapid changes on an unprecedented global scale. In times of rapid change and high uncertainty, strategic foresight is designed to help better anticipate disruptive changes, identify critical factors

of uncertainty, develop new innovative strategies and policies, and stress test existing plans and practices.

**Analysis of recent research and publications.** The work reveals the works of such scientists as: Yu. V. Dzyuba, O. A. Doronina [1] and I. L. Lytovchenko.

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[2] on the transformation of the global market. The work also studied and took into account the Law of Ukraine [3]. To fully disclose the research topic, the works of foreign scientists such as: Ittelson P. [8], Wreford M., Louat N. [10] and Zu W., Gu G., Lei S. [11] were analyzed, in which attention was paid general principles of functioning of digital trade on global markets. However, it is worth noting that today there are no developments regarding the coordination of the policy of the development of digital trade in global markets.

**Formulation of the goals of the article.** The purpose of the study is to reveal the meaningful elements of the mechanism of coordination of the policy of digital trade in global markets with the aim of building a nationwide approach to the policy of digital transformation.

**Presentation of the main research material.** A strategic foresight that will facilitate the development of digital commerce in global markets begins with the disclosure of a set of three scenarios. The first scenario is to realize digitalization conditions through the population by forming a comprehensive online community with powers that provide a counter-

balance to states and markets. The second scenario is for the government to create digital platforms that become the backbone of the economy and facilitate exchange between countries and use the same system, but create barriers for those who do not. The third scenario is the future, which consists of the operation of multinational digital conglomerate corporations that will be able to serve their users, taking into account the financing by non-state actors of industries that are usually carried out by the state (education and social security). These scenarios form key strategies for the development of digital commerce in global markets. Four strategies were formed by the author. The implementation of the strategies will ensure the strengthening of the country's strategic partnership for digital transformation, the formation of competent approaches to education in order to adapt and adjust the population to digitalization, identify ways to an inclusive digital state, and increase the potential to benefit from access to personal data and its use, while ensuring digital security and privacy. The formation of outlined strategies for the development of digital trade in global markets based on strategic forecasting is shown in Fig. 1.

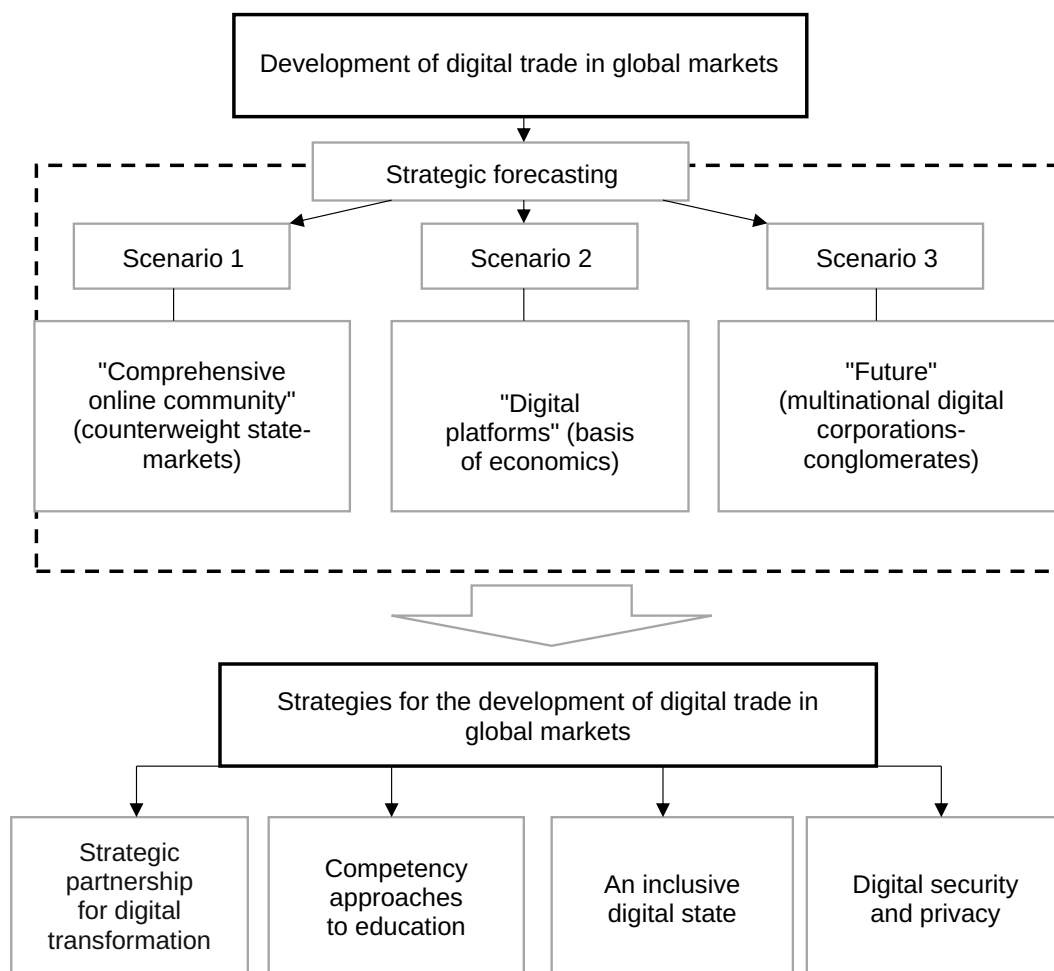


Fig. 1. Formation of strategies for the development of digital trade in global markets

Source: developed by the author [4; 5; 6]

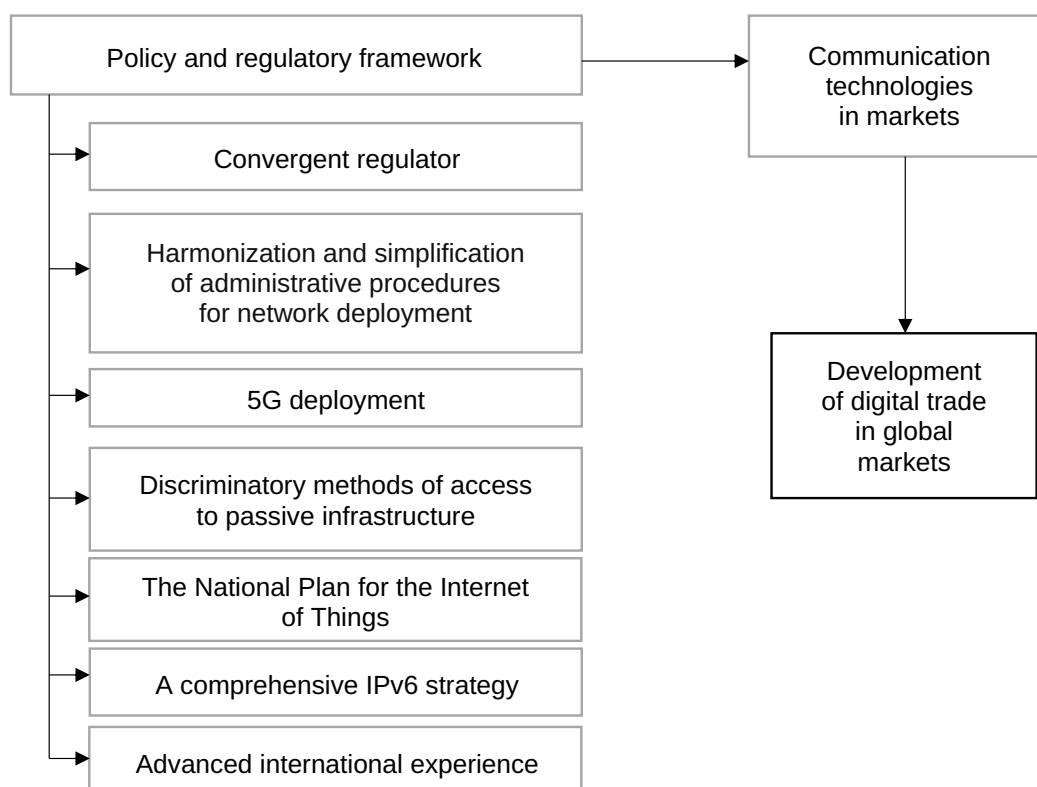
As can be seen from Fig. 1. strategies for the development of digital trade in global markets ensure the transition of the population to digitalization and contribute to the creation of an inclusive digital state. Considering the Ukrainian environment, we can conclude that there are all prospects for creating favorable conditions that would ensure the development of digital trade on global markets. From the point of view of the deployment of both fixed and mobile broadband high-speed networks, it is reasonable to suggest that changes in the development of policy and regulatory framework can help Ukraine prepare for future changes in communication technologies and markets (Fig. 2)/

As can be seen from Fig. 2. The necessary changes in the development of the **policy and regulatory framework** are to assess the benefits of creating a converged regulator for both telecommunications and voice services, especially with regard to increasing the convergence of services in IP networks. Improvements in spatial planning will allow the promotion of a one-time excavation policy, granting permits for the construction of new towers and planning new routes for optical fiber and cables, which in turn will contribute to the harmonization and simplification of administrative procedures for network deployment. Improving coordination between government and agencies to overcome bottlenecks in fixed and mobile network

deployment and prepare for network densification in line with 5G deployment. Reducing the asymmetry of information about the existing infrastructure and monitoring potentially discriminatory methods of access to passive infrastructure will make it possible to develop communication technologies. Through the development and implementation of a national plan for the Internet of Things (IoT), there will be an opportunity to identify problems and stimulate demand from businesses and consumers. A comprehensive IPv6 strategy in collaboration with civil society, the private sector and technical stakeholders will strengthen opportunities in global markets. By analyzing the state of traffic exchange and promoting the deployment of neutral IXPs based on international best practices, it will allow to harmonize national digital commerce with foreign requirements.

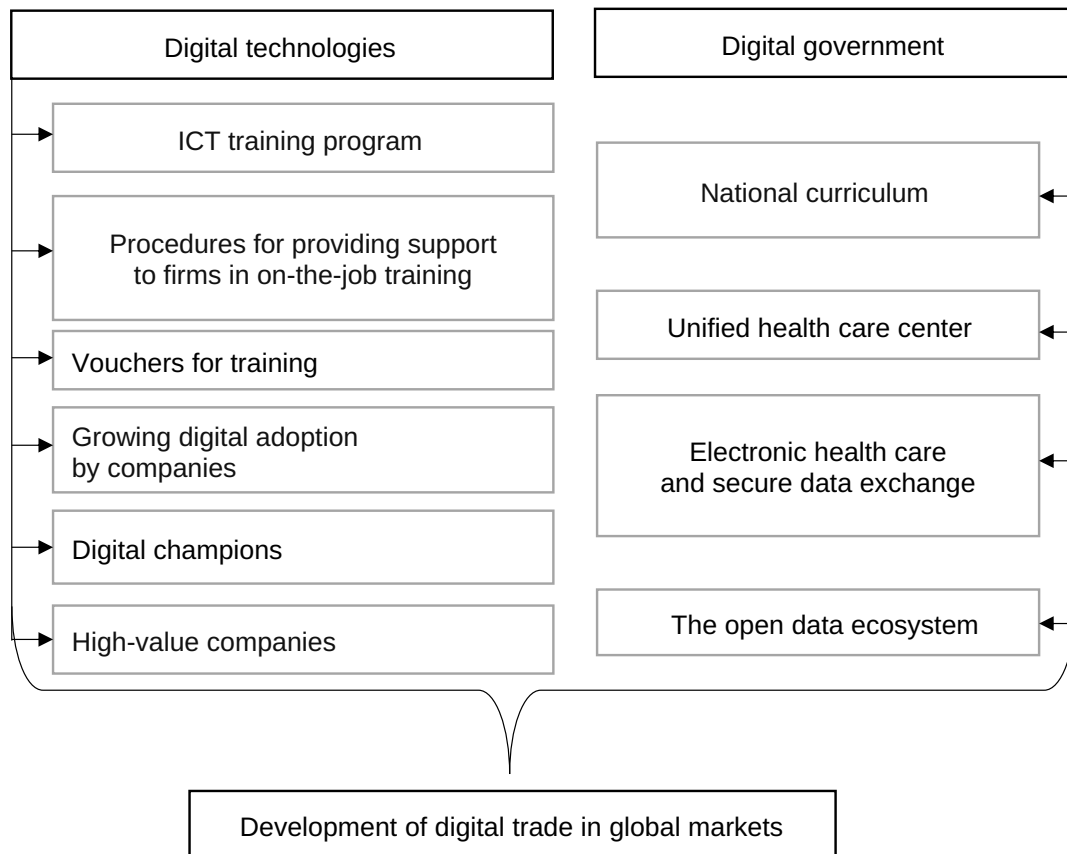
As can be seen from Fig. 3, **digital technologies and digital government** are the next element in the mechanism, increasing the efficiency of the components of these elements will ensure the development of digital trade on global markets.

Promoting the effective use of digital technologies is enabling progress in the use of the Internet, and government is a leading user of digital technologies in Europe. The country sees a need to increase digital skills by: creating a community-based ICT training program for groups with low digital literacy.



**Fig. 2. Changes in the development of policy and regulatory framework as an element of the coordination mechanism of digital trade policy in global markets**

Source: proposed by the author



**Fig. 3. Changes in digital technologies and digital government as elements of the coordination mechanism of digital trade policy in global markets**

Source: proposed by the author

Strengthening links between vocational training institutions and firms employing ICT specialists and simplifying the procedure for providing firms with on-the-job training support. The introduction of training vouchers for employees, financed by employers' contributions to gross wages. Increasing digital adoption by companies by creating a digital champions program and providing management consultancy and advice to help firms catch up with highly digital firms.

**Promotion of digital government** is provided through the creation of a national curriculum on the use of ICT and the development of e-government services. Development of rules, procedures and standards for the use of telemedicine, through the creation of the Law on electronic health care and secure data exchange. Creating a one-stop shop for those who want to access health and social care data for research. Promoting the open data ecosystem by awarding prizes to higher education students and researchers who use open data to solve social problems.

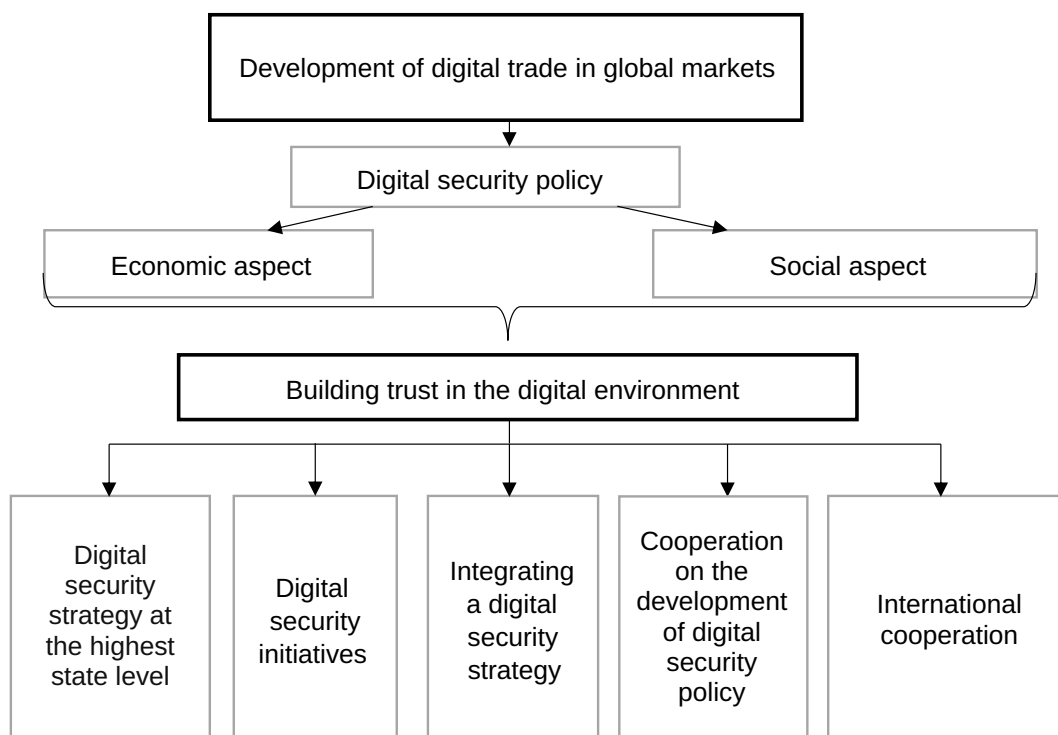
**Promoting digital security** by increasing trust in the digital environment is one element of the coordination mechanism for digital trade policies in global markets. Digital security policy in Ukraine

is still narrowly focused on national security, while not enough attention is paid to economic and social aspects of digital security (Fig. 4).

As can be seen from Fig. 4, in order to ensure changes, it is necessary to promote the digital security strategy at the highest state level and activate the participation of ministries with cross-cutting powers in digital security initiatives, as well as improve the integration of the digital security strategy with the development of the information society. Expand multilateral cooperation on digital security policy development through partnerships. Strengthen international cooperation in the field of digital security for economic and social prosperity.

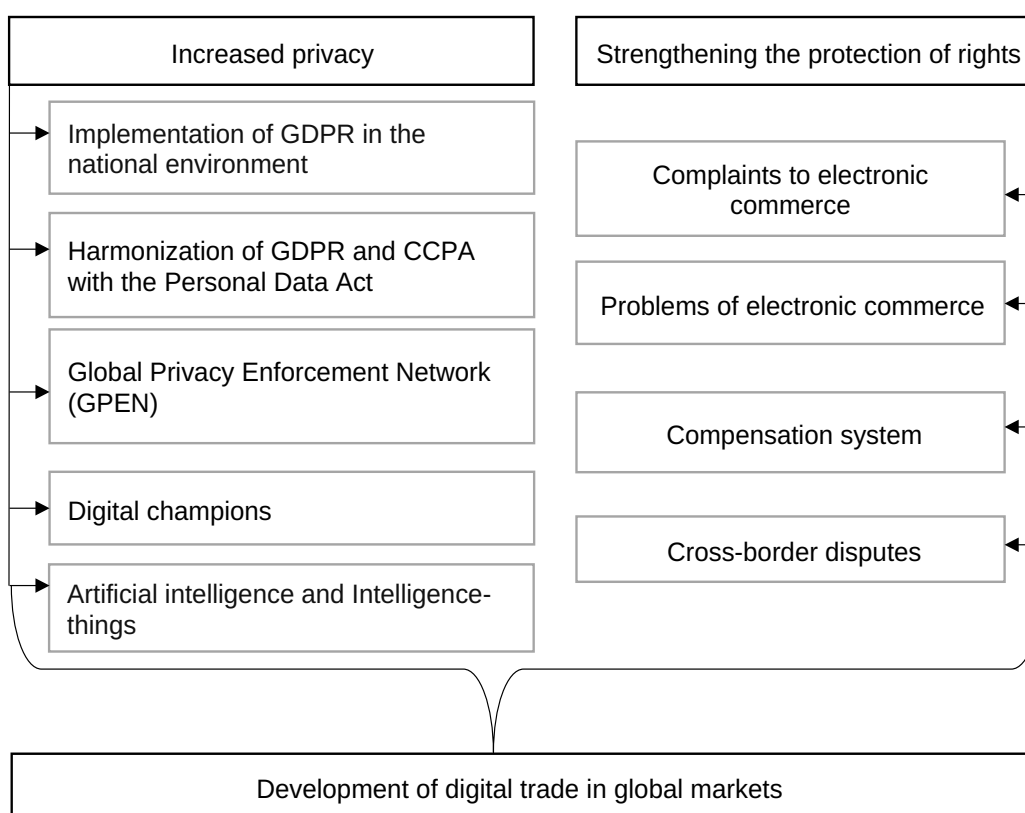
In recent years, significant progress has been made in ensuring that individuals' rights to privacy and data protection are respected. That is why increasing data privacy is a priority direction (Fig. 5).

As can be seen from Fig. 5, the author proposes to increase privacy by implementing the General Data Protection Regulation (GDPR) in the national environment. It is worth noting that this is a regulation of the European Union, with the help of which the European Parliament, the Council of the European Union and the European Commission strengthen and unify the protection of personal data of all persons



**Fig. 4. Changes in the policy of digital security as an element of the coordination mechanism of the policy of digital trade in global markets**

Source: proposed by the author



**Fig. 5. Increasing privacy and strengthening rights protection as elements of the coordination mechanism of digital trade policy in global markets**

Source: proposed by the author

in the European Union (EU). Considering the issue of subject jurisdiction, it is worth noting that the Law of Ukraine "On the Protection of Personal Data" [3] states that its effect extends to legal relations related to the protection and processing of personal data, in particular to processing that is carried out in whole or in part with the use of automated or non-automated means. The GDPR has a similar scope, while at the same time detailing such a provision and indicating a list of relationships to which the GDPR does not apply. Compared to this scope, the California Consumer Privacy Act ("CCPA") establishes a broader subject matter jurisdiction, specifying that the act extends to legal relationships regarding the collection, processing, and sale of individuals' personal information, including disclosures for the purpose of achieving business – goals. If we analyze the norms of these acts regarding the territorial scope of action, it should be noted that the Law does not define the territorial scope of its action in its provisions. However, taking into account the fact that the Law is an act of national level legislation, its effect extends to relations with the processing of personal data on the territory of Ukraine. Instead, the GDPR clearly defines the limits of its territorial jurisdiction. That is why, in the opinion of the author, it is expedient to harmonize GDPR and CCPA with the Law on Personal Data. Encouraging cooperation with countries, including outside the European Union, for example by joining the Global Privacy Enforcement Network (GPEN). Establishing proper data management of artificial intelligence (AI) and the Internet of Things, including through further participation and cooperation with international forums.

The basics of Ukraine's consumer policy include general principles of digital consumer protection. However, the government could improve its evidence base for consumer protection decision-making and strengthen consumer protection in the European Union and beyond by analyzing data on consumer complaints related to e-commerce to understand the nature and extent of consumer problems related to related to e-commerce transactions. Raising consumer awareness of e-commerce issues by targeting the specific needs of different groups and evaluating the effectiveness of the dispute resolution and redress system by examining consumer usage and satisfaction and analyzing outstanding disputes.

Improving the evidence base on cross-border disputes outside the European Union and strengthening cross-border enforcement cooperation within and outside the European Union. It is these aspects that will ensure the strengthening of **the protection of consumer rights on the Internet**.

Innovation is the key to improving productivity and living standards in the state.

To expand research and development and stimulate innovation in business, it is necessary to:

1. Focus on digitization as a key cross-cutting factor for innovation and growth.
2. Promote innovation in the field of digital services and to solve social and economic problems
3. Increase the level of state support for business and diversify its composition towards a wider use of tax benefits for expenses.
4. Increase the quality of research by increasing the share of funding allocated on a competitive basis.
5. Implement a system of post facto assessment of research projects.
6. Assess the performance of the IT cluster and IT competencies and clearly define their respective roles based on this assessment.
7. Develop a strategy for the protection of intellectual property rights and create a specialized court.
8. Increase business incentives for investment by making existing tax breaks for startup employees less generous but available to all firms.

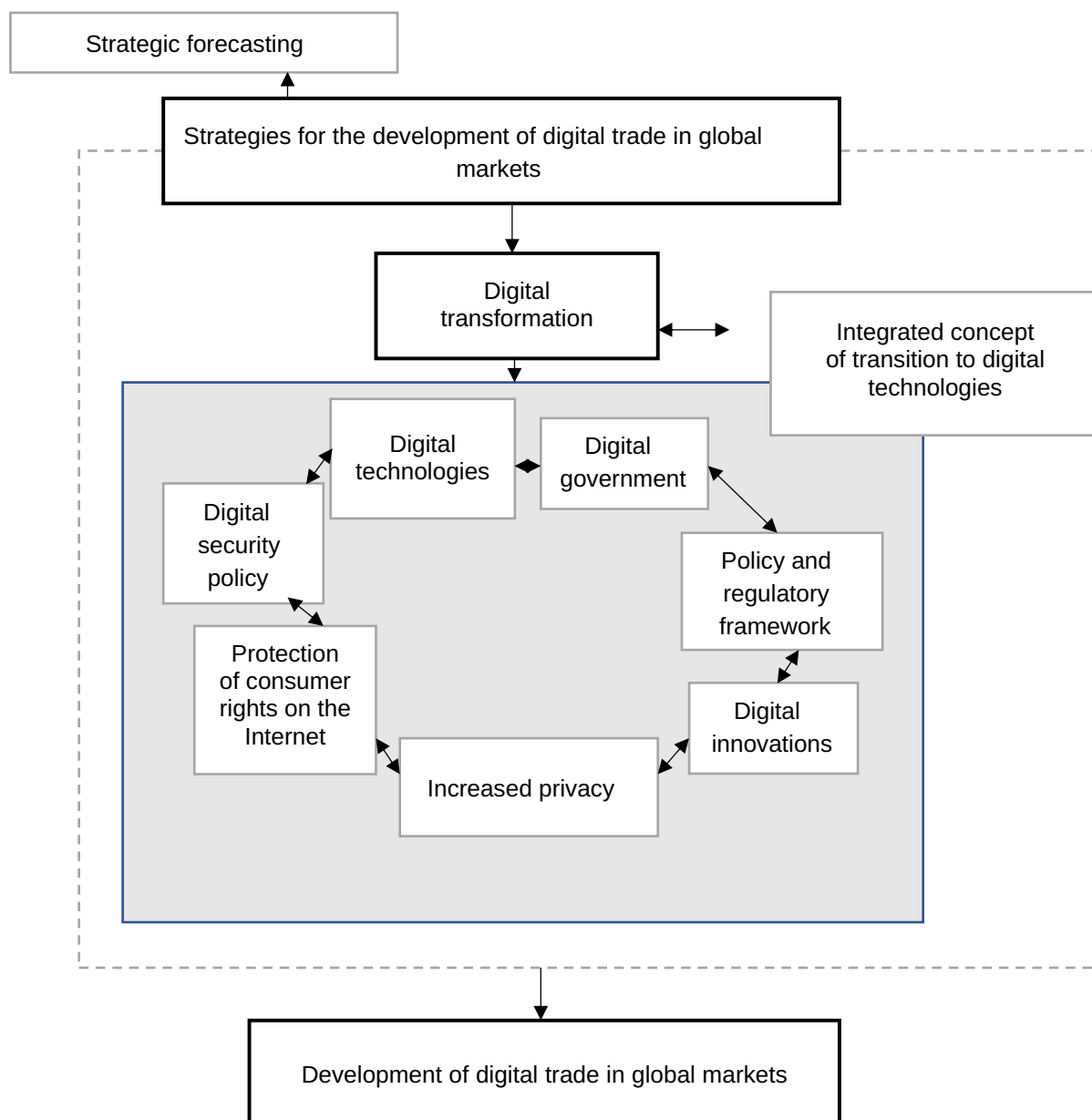
These aspects will be crucial for an enabling environment **to unleash digital innovation**.

Digital transformation affects different parts of the economy and society in complex and interconnected ways, making it difficult to find trade-offs between public policy goals. Harnessing the benefits and addressing the challenges of digital transformation requires coordination across all policy areas defined in the **integrated concept of digital transformation**, which includes: assets, innovation, use, labor, society, trust and open markets. It also requires consideration of cross-cutting policy issues (e.g. skills, digital government and data governance) that touch multiple policy aspects of the system [10]. Thus, the above policy recommendations need to be coordinated within a national approach to digital transformation policy (Fig. 6).

Coordination involves the participation of a wide range of actors from different parts and levels of government, as well as the participation of non-governmental stakeholders and international partners. However, a nationwide approach can be problematic. For example, high transaction costs, power and information asymmetries, and different governance approaches at different levels of government can make coordination and negotiation difficult. While good governance is essential for effective coordination [11].

Differences in government institutions, government organization or administrative culture and capabilities should be taken into account. In addition, governance mechanisms are likely to change over time, for example due to changes in government, technological advances and changes in the composition of actors enabling digital transformation.

**Conclusions from this study and further prospects in this direction.** The modern world forces the transformation and digitization of all



**Fig. 6 The mechanism of the nationwide approach to digital transformation policy**

*Source: developed by the author*

sectors of the economy. Thus, the policy mechanism for the transformation of digital trade in global markets consists in the development of a nationwide approach to such a transformation, which will allow the effective and expedient development of digital trade in the world. The study revealed the elements of the coordination mechanism of digital trade policy in global markets. It has been established that the development of digitization and transformation of trade in global markets can be achieved by increasing the efficiency of the components of the elements of this mechanism.

It should be noted that ensuring digital security plays an important role in the coordination mechanism of digital trade policy in global markets. The author

made conclusions about the need to promote the digital security strategy at the highest state level and to intensify the participation of the ministries with powers in digital security initiatives, as well as to improve the integration of the digital security strategy with the development of the information society. It is quite important to expand multilateral cooperation on digital security policy development through partnerships. For the economic and social prosperity of the country, it is very necessary to strengthen international cooperation in the field of digital security.

In order to fully reveal the topic of the research, the author decided to consider in detail the key issue – the strategy of the development of digital trade in global markets with the aim of creating a

mechanism for a nationwide approach to the policy of digital transformation. The implementation of the strategies will ensure the strengthening of the country's strategic partnership for digital transformation. The strategies considered in the study will ensure the transition of the population to digitalization, which in turn contributes to the creation of an inclusive digital state. In Ukraine, there are all prospects for creating favorable conditions that would ensure the development of digital trade on global markets.

The direction of further research, in the opinion of the author, should be the development of strategies for the development of digital trade in global markets.

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