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C.E. Fernandez. Postgraduate student specialty 051 Economics**Academic supervisor: Kalina I.I., Doctor of Economics, Professor of the Department of Marketing***(Interregional Academy of Personnel Management, Kyiv, Ukraine)***THE IMPACT OF DIGITAL TECHNOLOGY ON THE DEVELOPMENT OF THE FINANCIAL MARKET**

The impact of digital technology on the financial market has been significant and far-reaching. In recent years, we have seen a rapid adoption of digital technologies such as blockchain, artificial intelligence, and big data analytics, which have transformed the way financial services are delivered and consumed. Digital technologies are transforming the financial sector and improving efficiency and the quality of life for people. They allow for time-saving and improved labor productivity by intensifying processes and saving time at all stages of transactions, resulting in more transactions per unit of time. An increase in labor productivity is shown by a reduction in total labor cost per worker or per unit of product. With the development and implementation of new technologies in the financial sector, the speed of transactions increases and the variety of financial products sold on digital platforms becomes more diverse. High-performance equipment is used, increasing the return on assets. Under these conditions, the share of past labor consumed increases and the amount of living labor decreases, which is characteristic of the stage of production development where manual labor is actively replaced by machine labor. In other words, from a theoretical point of view, one can speak of the industrialization of the financial sector of the economy [1].

Digital technologies are increasingly becoming the driving force behind the economy, leading to significant changes in economic connections and reducing the need for human involvement. One example of this is the Internet of Things, which is a network of physical objects connected by a computer network and equipped with specialized software and hardware that allows them to communicate with each other and the external world, and is being utilized in various industries. It is estimated that the Internet of Things connects around 26 billion devices and the Internet economy generates around 9 trillion US dollars [2].

One of the most significant changes brought about by digital technology is the growth of online trading platforms. These platforms have made it easier for individuals to invest in financial markets, and have also made it possible for small investors to access the same markets and products that were previously only available to large institutional investors. This has increased competition in the financial market and has led to more opportunities for small investors to make a profit. Another major impact of digital technology on the financial market has been the establishment of fintech and Digital Banking. Fintech refers to the integration of digital technology in the financial sector. This encompasses a wide range of areas, including banking, payments, and investments. Advances in technology have led to the development of new products and services, such as blockchain and digital banking, which are changing the way financial institutions operate. Fintech companies are increasingly utilizing digital tools like chatbots and budgeting apps to modernize financial services, with 52% of businesses utilizing fintech solutions from 2016 to 2018 [3]. Digital banking refers to the use of digital technology to provide financial services and products to customers. In the past, opening a bank account typically came with physical perks like a checkbook or debit card. However, digital advancements have led to a shift in the financial services industry, providing consumers with more than just basic mobile banking and credit card options. The integration of digital technology has expanded beyond online account access, with the emergence of digital-only banks that don't have physical branches. This digital transformation has raised questions about the necessity of traditional brick-and-mortar banks in

today's digital age, as digital solutions and increased mobility have changed the way consumers interact with their financial services. Digital technology has also greatly increased the speed and efficiency of financial transactions. Blockchain, in particular, has revolutionized the way financial transactions are processed by providing a secure, decentralized, and tamper-proof way to record and verify transactions. This has greatly reduced the need for intermediaries and has made it possible to conduct transactions in real-time. Big data analytics has also had a significant impact on the financial market. Financial institutions are now able to gather and analyze large amounts of data on consumers, allowing them to better understand their needs and tailor their products and services to meet those needs. This has led to the development of new financial products and services, such as personalized investment portfolios and customized insurance policies. Artificial intelligence is another digital technology that is having a major impact on the financial market. Machine learning algorithms are being used to analyze vast amounts of data and make predictions about financial markets. This is helping financial institutions to make more informed investment decisions and to identify and mitigate potential risks.

However, with the benefits of digital technology also comes a number of challenges and risks. Cybersecurity concerns have risen as digital technologies have become more prevalent in the financial market, as it has become more vulnerable to hacking and data breaches. Additionally, the automation and digitization of financial services has led to concerns about job loss and the need for retraining in the financial sector.

As the financial market becomes more interconnected globally, new technologies and innovations are posing a threat to the stability of national financial institutions and the effectiveness of domestic regulations. The use of digital currency and the use of AI-generated algorithms in portfolio choices and capital allocation are challenging the traditional relationship between central banks and private financial institutions, which have traditionally been responsible for creating the majority of assets and monetary liabilities in financial markets. These innovations are creating uncertainty for financial institutions and without proper regulation, there is an increased risk of instability and recurring financial crises.

The introduction of new technologies in the financial industry typically happens in two stages. At first, these technologies replicate existing activities, such as replacing human tellers with ATM machines. However, their major impact is seen when they disrupt and replace traditional practices with new ones and new institutional structures. Digital currencies like Bitcoin and tokens based on digital ledger technology were originally marketed as more efficient alternatives to traditional banknotes, deposits or bank transfers. But these innovations have the potential to replace bank liabilities as the primary means of payment, and thus threaten the revenue of traditional banking institutions. Additionally, while the use of distributed ledger technology can improve transaction security and transparency, the decision to use private or public platforms will also affect monetary policy. For example, if the system of verifying private transactions and creating digital currency (e.g. via mining) is changed, it would require a revision of monetary policy tools and objectives. Furthermore, the existence of multiple private digital currencies already in circulation (such as Bitcoin, Ethereum, and tokens) poses significant challenges for monetary policy designed for a system controlled by interest rates for regulated institutions. Financial expansions in the past have led to real crises with severe social costs, and traditional solutions such as rules and regulations have not solved the issue of financial instability. Monetary policy has been pulled into an improper dimension and hence has shifted towards unregulated instruments that pose more risks for private savers.

Merely trying to manage financial markets and limit risks for savers within the current institutional framework will not be effective. Keeping the current system in the face of current technological innovations will only lead to risks that threaten the stability and survival of companies and national financial systems. Therefore, proposals for implementing these innovations should not be delayed and should be discussed at an international monetary

conference to consider the possibility of creating a single reference cryptocurrency or an international clearing mechanism linked to exchange ratios between cryptocurrencies [4].

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ЗАБЕЗПЕЧЕННЯ ТРАНСФЕРУ ЗНАНЬ В УМОВАХ ЦИФРОВІЗАЦІЇ ЕКОНОМІКИ

У сучасних умовах розвитку економіки і суспільства країн світу актуалізуються тенденції застосування новітніх інформаційно-комунікативних технологій, цифрових інструментів в усіх сферах. Не виключенням є і сфера вищої освіти, яка виступає одним із ключових продуцентів інноваційних ідей та наукових розробок. Саме тому все більш важливим є забезпечення трансферу знань між освітніми, науковими установами та підприємствами реального сектору економіки, значущість якого ще більш посилюється у зв'язку з прискоренням процесів глобалізації та міжнародної інтеграції, міграції населення та зовнішньоекономічної кооперації.

Цифрову економіку, на думку Котелевця Д.О., варто розуміти «як повністю самостійну економічну категорію, що трактується як новий тип економічної системи, у межах якої процеси виробництва, обміну, розподілу та споживання базуються на сучасних інформаційних технологіях, а основні суб'єкти якої спроможні до генерації, трансферу та ефективного використання інформаційних ресурсів» [3]. Отже, здатність до трансферу знань є однією із основоположних характеристик цифрової економіки, що сприяє її ставленню та розвитку.

Поряд із низкою позитивних наслідків та переваг, становлення цифрової економіки супроводжується також наявністю низки перешкод та проблемних аспектів, пов'язаних із низьким рівнем цифрових навичок громадян, недостатнім та непропорційним розвитком цифрової інфраструктури, недосконалістю стандартів інформаційної безпеки, використанням застарілих техніки і технологій зв'язку, необхідністю постійних фінансових вкладень у розвиток інформаційно-комунікативних технологій тощо [1]. Мінімізувати вплив зазначених негативних чинників частково можливо за рахунок забезпечення ефективного трансферу знань, що дозволить спільно