SPECIFIC ASPECTS AND BEST PRACTICES OF DIGITALIZING THE ECONOMIES OF DEVELOPED COUNTRIES

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Abstract: *This article systematically investigates the specific characteristics and best practices of digitalizing the economies of developed countries under the conditions of global economic relations. It analyzes the mechanisms of ensuring gross domestic product growth rates, increasing labor productivity, and modernizing traditional sectors through the implementation of innovative technologies. Based on the successful experiences of developed nations, the paper formulates scientific and practical proposals and recommendations aimed at improving the infrastructure for digitalizing economic sectors.*

Keywords: *Digital economy, best practice, economic growth, innovative strategies, developed countries, digital infrastructure, modernization, labor productivity.*

INTRODUCTION

In the current era of global transformations, the systemic development of the world economy and the enhancement of intersectoral efficiency remain directly dependent on the level of deepening of innovative technological solutions. The obsolescence of traditional management and production models is compelling developed nations to elevate economic processes to an entirely new stage. The experience of benchmark countries in this regard demonstrates that transitioning economic relations onto a digital foundation is not merely a technological upgrade, but the primary criterion for increasing labor productivity, reducing transaction costs, and optimizing connections among market entities.

A review of leading international practices reveals that systemic modernization processes have shaped differently based on each country's unique institutional environment, state programs, and intellectual potential. While some nations focus primarily on automating industrial sectors, others place emphasis on service delivery and increasing the flexibility of management systems. However, in the general approach of developed countries, ensuring infrastructure stability, guaranteeing sectoral security, and continuously upgrading human capital emerge as strategic priorities. The integration of the digital environment into the national economy allows for the rational utilization of resources and a fundamental improvement in market competitiveness.

The relevance of this topic lies in the significant scientific and practical importance of systematically studying the models and strategic approaches formulated by developed nations that have demonstrated high efficacy in practice.

Comparatively analyzing the specific aspects of advanced international practices, identifying structural barriers on the path toward economic modernization, and synthesizing successful preventive measures serve as an essential foundation for transition economies to design more comprehensive and effective national programs.

Research Methodology

To identify the specific characteristics of the economic digitalization processes in developed countries and to systematically synthesize their best practices, a complex of interconnected and complementary scientific and methodological approaches was utilized in this study. The methodological foundation of the research comprises a systemic approach, comparative and structural analysis, logical reasoning, and statistical grouping methods. To objectively evaluate the effectiveness of strategic programs implemented by developed nations, the reports of internationally recognized organizations—specifically the Organisation for Economic Co-operation and Development (OECD) and the World Economic Forum (WEF)—indices from the International Telecommunication Union (ITU), and official data from leading foreign think tanks were adopted as the empirical database.

During the study, a comparative-logical analysis was performed on the experiences of leading countries possessing diverse institutional and economic models in terms of developing digital infrastructure, enhancing human capital, and achieving intersectoral efficiency. Based on the principles of inductive and deductive reasoning, the successful preventive measures and strategic approaches of these states were synthesized, and the possibilities of utilizing them within the framework of the national economy were scientifically substantiated. This applied combination of methodological approaches serves to ensure the reliability, objectivity, and practical significance of the obtained research results.

Literature Review

The technological upgrading and systemic transformation processes of economic systems constitute one of the fundamental directions continuously studied in economic theory. Robert Solow, who substantiated the impact of technological progress on economic growth and intersectoral efficiency at the macroeconomic level, identified exogenous technological change as the primary driver of long-term development in his fundamental growth model. In his view, rather than a mere quantitative increase in production factors, their technological modernization serves as the sole source for fundamentally raising labor productivity. Subsequently, Paul Romer and Robert Lucas, proponents of endogenous growth theory, demonstrated that technological innovations and the integration of intellectual capital into economic sectors generate a spillover effect, thereby elevating the competitiveness of an entire economic system to an entirely new level.

In contemporary conditions, analyzing the technological strategies and specific models of developed countries remains at the center of attention for international

researchers. Specifically, Erik Brynjolfsson and Andrew McAfee, in their joint research, emphasize that the transition of economic relations to a new technological foundation fundamentally alters traditional market structures, minimizes transaction costs, and optimizes management mechanisms. The scholars substantiated that the success of developed nations is determined not merely by the availability of infrastructure, but by the flexibility of the institutional environment and the readiness of human capital for these changes. Furthermore, economist Carlota Perez, who investigated structural changes on an international scale, examined the wavy nature of technological revolutions and demonstrated that timely systemic reforms implemented by leading nations provide them with a long-term strategic advantage.

From the perspective of the institutional approach, Daron Acemoglu and James Robinson assert that the inclusiveness of state institutions serves as the primary cornerstone for adopting new technologies and modernizing the economy. In the experience of developed countries, it is precisely the guarantee of property rights and a legal environment supportive of innovation that has secured technological leadership. Nevertheless, comparative analyses of the specific models of developed nations and the systemic synthesis of their most effective aspects require continuous research, necessitating a regular update of the analytical framework in line with dynamic shifts.

Analysis and Results

A study of the models for digitalizing the economies of developed countries indicates that the success of technological transformation relies on each state's unique institutional approach and strategic priorities.

Analysis of international economic research and leading rankings reveals that three primary models have emerged in elevating economic relations to a new stage in developed nations: the market-mechanism-driven American model, the European model relying on public-private partnerships, and the Asian model characterized by rigorous state coordination of technological infrastructure[1].

Each of these models has demonstrated high intersectoral efficiency within its respective institutional environment.

In the experience of the United States, private venture capital and the freedom of startup ecosystems manifest as the primary driving forces of digital transformation.

The U.S. government has created favorable conditions for the formation of technological giants in the market mainly by funding fundamental research and strictly protecting intellectual property rights[2].

This approach ensures high market adaptability and the rapid commercialization of innovations into commercial value. Consequently, traditional

[1] OECD (2023). Going Digital: Shaping Policies, Improving Lives. OECD Publishing.
[2] Brynjolfsson, E., & McAfee, A. (2014). The Second Machine Age: Work, Progress, and Prosperity in a Time of Brilliant Technologies. W. W. Norton & Company.

service and management systems have completely transitioned to a technological foundation, leading to a sharp reduction in transaction costs across sectors.

In the experience of South Korea and Japan, which are vivid representatives of the Asian model, the strategic planning and coordinating role of the state held primary importance in building digital infrastructure.

Within the framework of South Korea's "Digital New Deal" program, the state undertook the responsibility of covering all sectors of the economy with high-speed communication networks and creating national technological platforms[3].

This approach laid the groundwork for the country's technological infrastructure to reach the most advanced level in the world within a short period and enabled human capital to adapt rapidly to this environment.

Conducted comparative analyses confirm that digitalization processes in developed countries do not merely consist of implementing technical tools.

Their successful preventive measures demonstrate that systemic upgrading can ensure high labor productivity in the economy only when it is based on three interconnected pillars: a flexible legal environment, high-tech infrastructure, and human capital potential built upon continuous professional development.

Conclusion and Recommendations

A systemic analysis of the experiences of developed countries demonstrates that the successful digitalization of the economy is not limited merely to building technological infrastructure, but demands a flexible institutional environment, targeted state strategies, and the continuous development of human capital.

The advanced models of leading nations, such as the United States, the European Union, and South Korea, have enabled a sharp reduction in transaction costs and an increase in labor productivity within traditional sectors by properly coordinating market freedom, public-private partnerships, and infrastructural integration.

Based on these experiences, the following strategic measures are proposed to ensure the effectiveness of digital modernization in transition economies: first, the state must guarantee the equal and sustainable distribution of high-tech infrastructure across all regions; second, it is essential to strengthen intellectual property protection in the industrial and service sectors while forming a flexible legal and regulatory environment for startup ecosystems; third, mechanisms for continuously upgrading the digital skills of personnel should be implemented by aligning the education system with labor market demands.

Ultimately, it is only through such a holistic and systemic approach that the competitiveness of the national economy can be fundamentally enhanced and high efficiency can be achieved from technological transformation.

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