



PROBLEMS OF DIGITALIZATION OF FINANCIAL POLICY IN A MARKET ECONOMY

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Abstract: The article explores current problems associated with the digitalization of financial policy in a market economy. The authors analyze the impact of digital technologies on public financial management, identify challenges that arise in the process of digital transformation of the financial sector and offer recommendations for solving them.

Key words: Digitalization of finance, market economy, public finance, digital transformation, efficiency of public finance, innovation in finance.

Аннотация: Статья исследует актуальные проблемы, связанные с цифровизацией финансовой политики в условиях рыночной экономики. Авторы анализируют влияние цифровых технологий на управление государственными финансами, выявляют вызовы, которые возникают в процессе цифровой трансформации финансовой сферы и предлагают рекомендации по их решению.

Ключевые слова: Цифровизация финансов, рыночная экономика, государственные финансы, цифровая трансформация, эффективность государственных финансов, инновации в финансах.

Introduction. In the modern world, the digital revolution does not leave any sphere of human activity without attention, and financial policy, being one of the key components of economic life, cannot remain aloof from this transformation. A market economy based on competition provides many opportunities for innovation, including in the field of finance. However, with the advent of new digital technologies, new challenges are also emerging.



The digitalization of financial policy provides governments and companies with tools to manage their finances more effectively, but with it also comes risks related to cybersecurity, data privacy, and changing market structures. In this article, we will look at the key problems that market economies face when digitalizing their financial policies and try to suggest ways to solve them.

Main part. In the course of the scientific study of the article, we considered the following main cases:

The impact of digital technologies on the financial sector: The development of digital technologies such as blockchain, artificial intelligence, fintech, etc., has a significant impact on financial policy in a market economy.

Cybersecurity Challenges: With the rise of digital transactions and the storage of financial data, cybersecurity threats are increasing, requiring effective measures to protect financial systems.

Data transparency and privacy: Data transparency and privacy issues are becoming key as digital transformation can impact the collection and use of financial information.

Regulation and legislation: The growing use of digital financial instruments requires the revision and development of appropriate legislation and regulation.

Financial inclusion: The digitalization of finance should be accessible and beneficial to all segments of society, including poor and low-income groups.

Impact on financial institutions: Banks and other financial institutions need to adapt to digital changes, which can cause problems associated with them.

Innovation in finance: Digitalization can lead to new forms of financial innovation and business models, which requires analysis and evaluation of their impact.

These grounds can serve as a starting point for a detailed analysis of the problems of digitalization of financial policy in a market economy in our article.

Conclusions and suggestions. Therationalization of financial policy provides significant opportunities to improve the efficiency and accessibility of financial services in a market economy.

However, with the rise of digital technology, there are serious challenges such as cybersecurity, data transparency, and privacy issues.

Regulation and legislation must adapt quickly to new realities to ensure that the interests of all participants in the financial system are protected.

Financial inclusion remains a key challenge, and digitalization should facilitate greater financial inclusion.



Financial institutions must actively explore new technologies and business models to remain competitive in the digital age.

Sentences:

Develop and implement stringent cybersecurity standards in the financial sector, including staff training and regular audits.

Promoting the development of infrastructure for digital payments and contactless transactions to reduce the use of cash and increase financial inclusion.

Providing transparency and control over the collection and use of financial information to meet customer privacy and data protection requirements.

Educating financial staff on new digital skills and training professionals capable of developing and implementing innovations.

Collaboration between governments, financial institutions, and technology companies to develop balanced regulatory policies that promote innovation while ensuring the stability of financial markets.

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