

# Conceptual framework of state economic policy in the technological and social transformation conditions

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**Abstract.** Current economic development trends are based on a modernization concept. This concept provides a transition to an innovative path of economic development. The priority is to increase the strategic competitiveness necessary to ensure a technological breakthrough. These changes cause an institutional and technological transformation. The result is the formation of a transformational economy. Transformation processes caused by the transition of many countries to the post-industrial era (this era is based on fundamentally new information and communication, bio, nano and other technologies) affect the economy and are reflected in state economic policy. The article forms the conceptual foundations of the implementation of state economic policy in the era of technological and social transformation. The authors substantiated the basic principles of politics, taking into account the challenges of the 4th industrial revolution. The article provides a comparative analysis of Russia and individual countries of the world to achieve the goals of implementing state economic policy in the conditions of technological and social transformation. The purpose of the study is to justify the modern directions of the implementation of state economic policy of digital globalization.

## 1 Introduction

Global trends require the activation of ways to increase the competitiveness of any country, which objectively implies the need for innovation and digitalization of all spheres and areas of economic activity. World experience shows that the economic and social well-being of a country can be achieved only on the innovative path of development, as a result of which new technologies for manufacturing products, industries, goods, etc. appear. As practice shows, one of the main factors holding back this development of both a particular region and the country as a whole is currently the imperfection of the ongoing socio-economic reforms [1, 2, 3, 4]. In this regard, there is a need to justify current trends in the implementation of state economic policy and its tools.

The purpose of the study is to justify the modern directions of the implementation of state economic policy of digital globalization.

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To achieve this goal it is necessary to solve some research tasks:

- 1) the study of the evolution and nature of state economic policy, as well as a comparative analysis of Russia and individual countries of the world to achieve some of the applied goals of its implementation in modern conditions of development;
- 2) the conceptual foundations of the implementation of state economic policy in the era of technological and social transformation are formed, aimed at substantiating its basic principles taking into account the challenges of the fourth industrial revolution;
- 3) perform a comparative analysis of Russia and individual countries of the world to achieve some of the applied goals of the implementation of state economic policy in modern conditions of development.

## **2 Literature review**

The implementation of state economic policy in the context of technological and social transformation is relevant and practically significant in modern economic conditions. Certain aspects of the problem under study were studied by economists in various aspects and directions.

The essence of state economic policy, its structure, directions, forms and methods of implementation were studied by M. Mintshev, I. Ilina, S. Parfenova, V. Dolgova, E. Zharova, E. Agamirova [5], E. Windholz [6], J. Chandler [7], L. Alderman [8] and many others. The consideration of the features of state economic policy and the justification of the mechanisms for its implementation in various fields of management are reflected in the works of various scientists, including O. Kryzhanovskaya, L. Sevriukova, V. Plotnikov, Y. Vertakova [9], A. Volkova, Y. Nikitin, V. Serba, G. Detkov [10], M. Golovko, G. Fedotova, M. Rukinov [11], O. Grechenyuk, A. Grechenyuk [12], A. Polyenin, T. Golovina [13] and others.

But, despite the presence of significant research and fundamental approaches in this area, modern science is still not able to fully substantiate and methodologically provide a solution to a number of development management problems caused by the current change in the socio-economic environment. This study substantiates the modern directions of the implementation of state economic policy from the point of view of the effective use of transformational processes to achieve the goals of the country's economic development in the context of digital globalization.

## **3 Results and discussion**

World trends require the activation of ways to increase the competitiveness of any country, which objectively implies the need for innovation and digitalization of all spheres and areas of economic activity caused by the transition of the world economy to a new technological structure within the framework of the fourth industrial and technological revolution. The world is forecasting the formation by 2020 of the sixth technological order, aimed at individualizing production and consumption, a sharp decrease in energy intensity, material consumption of production, design of materials and organisms with predetermined properties, etc.

The United States is the recognized technological leader in the world, where 60% are attributed to the fifth technological structure and 5% to the sixth. The main competitor of the USA at present is China, which has overtaken most of the countries of the world in many different socio-economic indicators. Also among the countries - technological leaders also include: Japan, Germany, England and France. In Russia, only 10% of technologies belong to the fifth mode, and even then in the most developed sectors (military-industrial

complex and aerospace industry), and more than 50% belong to the fourth level, and almost a third to the third [14].

To bridge the technological gap, Russian industry has set a state priority goal aimed at a qualitative breakthrough into the sixth technological order. This is reflected in the priority areas of the development of science and technology in this country, as well as in the main strategic program documents of the country [15].

It should also be noted that the configuration of global markets is undergoing significant changes under the influence of digitalization. Many traditional industries are losing their importance in the structure of the global economy amid the rapid growth of new sectors generating radically new needs. As a result, the world is implementing a new economy, called the “digital”. Its features are the use of digital technologies and other information management approaches, which leads to the digital revolution [16].

As a result, not only theoretical economists, but also practitioners - state managers have developed an understanding of the need to activate state economic policy.

Any country in the world implements state economic policy. But due to the diversity of its goals, the configuration of tools and priorities in the countries of the world are significantly different, due to the different visions of national elites of key national interests in the economic sphere. Therefore, the formation of the state’s economic policy takes place on the basis of critical reflection and use of the experience gained in domestic economic theory and business practices, taking into account global trends in the development of economies in the world.

There are various approaches to the definition of economic policy, for example, in its most general form, economic policy can be defined as a system of intentions (interests, goals) and actions implemented by state authorities and local self-government in conjunction with business and civil society institutions, designed to provide an effective solution to key problems spatial development of the country, economic growth and improving the quality of life of the population of the state.

The temporary transformation under the influence of political and socio-economic changes has led to differentiation of state economic policy, the development of its tools and a variety of models. As a result, there are various interpretations of state economic policy in theoretical developments and regulatory legal acts of countries. After studying and comparing them with current development trends, the authors propose by state economic policy to understand the activities of state authorities and public administration aimed at developing productive forces and improving production relations, ensuring the achievement of social welfare growth and implementing the chosen national economic development strategy by applying a set of methods, the choice of which is due to the prevailing socio-eco the nominal situation in the country and its changing trends.

When implementing its policy, any country uses a variety of tools to ensure the implementation of specific goals, generally aimed at economic growth and achieving maximum social welfare. This requires certain guidelines - development indicators, which, for example, according to the UN Commission on Sustainable Development, are divided into four groups that provide social, economic, environmental and institutional aspects of the country's sustainable development. As practice shows, these indicators are most often aimed at ensuring:

- growth of gross domestic product (GDP);
- improving the structure of the national economy;
- full employment of the country's population;
- increase the life expectancy and the level of mental and physical health of people living in this country;
- an acceptable level of inflation (often this is 1-2% per year);
- foreign economic equilibrium;

- effective distribution of income;
- technological breakthrough, etc.

A comparative analysis was carried out of the implementation of individual development guidelines, reflecting certain areas of the implementation of state economic policy, of individual countries of the world (Austria, Azerbaijan, Armenia, Belarus, Bulgaria, Great Britain, Hungary, Germany, India, Italy, Kazakhstan, Canada, China, Kyrgyzstan, Poland, USA, Tajikistan, Turkey, Uzbekistan, Ukraine, France, South Africa, Japan, Latvia, Belgium, Sweden, Israel, European Union (as a whole, at the level of the entire integration group), Zimbabwe, Cambodia, Lebanon, Papua New Guinea, Yemen, Qatar, Burma, Somalia).

The results of a comparative analysis of individual countries of the world to achieve some of the applied goals of the implementation of state economic policy for 2016-2018 (Table 1):

1. In terms of GDP per capita, Qatar was in first place in 2016, and Somalia was in last; Russia - on the 16th place, the USA - on 2, China - on 24, the European Union - on 3. In 2017, as well as in 2018, the first place for this indicator remained for Qatar, and the second - for the USA. The last place in 2017 in this ranking was occupied in Tajikistan in 2017, and Zimbabwe in 2018. China took the 20th place in 2017, and in 2018 weakened its position, dropping to 24th place. Over the past two years, Russia has improved its position from 18th place to 17th, and the rank of the European Union has dropped to 12th place in 2017 and has not changed in 2018.

2. With regard to the unemployment rate, in the border up to 4% in 2016 were: Cambodia, Qatar, Belarus, Papua New Guinea, Tajikistan and Japan, and only the last three had an unemployment rate in the required range (from 1.5 to 4.0%). In the remaining countries under consideration, the unemployment rate in 2016 was higher: Russia was in 22nd place (8.2%), the United States - at 9 (4.7%), China - at 7 (4.2%), the European Union - at 26 (9.5%). In 2017, Russia improved its unemployment position to 16th place and 14th place in 2018. The United States has dropped to 10th place over the past two years, and China to 13. The position of the European Union has remained virtually unchanged over this period.

4. In 2016, the state of Somalia was in first place in terms of inflation, and Yemen was in last. In general, 20 countries at that time fell into the corridor of achieving the inflation target, including the United States occupying 17th position, the European Union - 10-11. In 2016, Russia occupied 29th place with a level of 7.2%, China - 21st place with a level of 2.3%. In 2017-2018 Yemen also remained in the leading positions, and France was in last place in 2017, and Israel in 2018. Russia improved its position in 2017-2018. took 14th place. Trends in the United States: 19th in 2017 and 26th in 2018.

5. In 2016, industrial production growth was observed in 31 countries, with significant growth in Burma (12.2%). According to this indicator, Russia ranked 28th, the USA - 16th, China - 4th, the European Union - 18-21th. In 2017-2018 the leaders in the growth of this indicator were India, China and Pakistan.

To give systematic development and implementation of state economic policy, it is proposed to implement it in several stages, the main ones are:

1) preparatory, in the framework of which the collection, synthesis and analysis of the source data, as well as the justification of the possible directions of state economic policy are carried out;

2) organizational and planning, designed to determine the priorities of state economic policy, the selection of measures taken and the timing of their implementation;

3) the main, during which the implementation of state economic policy is carried out, control over the achievement of targets and possible adjustment of plans and programs. In this regard, expert assessment and the formation of tools used in strategic and indicative

planning for the implementation of state economic policy measures can be carried out after the second stage. However, in some cases it seems appropriate to consider the use of certain approaches adopted in the framework of strategic and indicative planning, and at the first stage. This will ensure the optimization of resources to achieve the required targets for some measures of state economic policy.

**Table 1.** Ranks of individual countries of the world to achieve some of the applied goals of the implementation of the GEO for 2016-2018

Country	Ranks of countries for 2016				Ranks of countries for 2017				Ranks of countries for 2018		
	country rank by GDP per capita	country's unemployment rate	country rank by inflation	country rank in industrial production growth	country rank by GDP per capita	country's unemployment rate	country rank by inflation	country rank in industrial production growth	country rank by GDP per capita	country's unemployment rate	country rank by inflation
Russia	16	22	29	28	18	16	14	30	17	14	14
Austria	5	15	16	22-24	4	18	30	17	4	15	30
Azerbaijan	22	16	32	30-31	25	14	15	35	22	18	18
Armenia	26	21	6-7	8-10	26	34	16	8	27	35	13
Belarus	23	2-3	35	35-36	23	3	2	16	23	21	8
Bulgaria	20	25	4	13	22	19	29	13	20	20	20
Hungary	15	17	10-11	12	16	9	18	7	15	8	19
Germany	4	8	13	18-21	6	7	26	29	5	7	31
India	28	23-24	25	3	30	6	13	5	26	6	11
Italy	12	33	8	26-27	13	31	33	32	11	31	29
Kazakhstan	17-18	14	36	22-24	21	13	4	9	18	16	7
Canada	6	19	18-20	33	5	22	22	10	6	22	22
Kyrgyzstan	32-33	20	23	32	34	25	11	1	32	26	16
Poland	14	28-29	3	8-10	15	15	28	12	14	9	25
United Kingdom	8	13	14	30-31	10	8	20	33	8	12	24
USA	2	9	17	16	2	11	19	26	2	10	26
Tajikistan	34	5	30-31	26-27	36	20	9	31	33	33	12
Turkey	19	31	30-31	6-7	19	32	10	19	19	32	2
Uzbekistan	29	11	33	6-7	29	24	3	11	29	19	3
Ukraine	27	32	34	17	27	29	6	15	28	30	4
France	9	30	12	25	9	30	35	24	9	29	32
South Africa	25	3	27	34	24	35	12	34	25	36	10
China	24	7	21	4	20	12	21	6	24	13	23
Japan	10	6	9	29	8	5	34	28	10	5	34
Latvia	17-18	28-29	6-7	14-15	14	28	24	21	16	28	21
Belgium	7	23-24	18-20	18-21	7	26-27	32	27	7	24	28
Sweden	3	18	15	8-10	3	23	27	20	3	25	27
Israel	13	12	5	14-15	11	10	31	14	13	11	35
European Union	11	26	10-11	18-21	12	26-27	25	25	12	27	33
Zimbabwe	36	35	18-20	35-36	35	17	5	22	36	17	5
Cambodia	31	1	22	2	32	1	17	3	31	2	17
Lebanon	21	-	2	22-24	17	21	23	23	21	23	9
Papua New Guinea	32-33	4	26	5	28	5	8	18	35	4	15
Yemen	35	34	37	37	33	33	1	2	34	34	1
Qatar	1	2-3	24	18-20	1	2	-	36	1	1	-
Burma (Myanmar)	30	10	28	1	31	4	7	4	30	3	6
Somalia	37	-	1	11	-	-	-	-	-	-	-

To implement an effective economic policy, certain principles must be observed [17]. It should be noted that highlighting these principles is a debatable issue. Therefore, let us dwell on the approach acceptable to our study.

The desired principles can be defined as methodological imperatives, the implementation of which is designed to ensure the consistency, comprehensiveness and effectiveness of state economic policy. We will name the main of them (Table 2).

**Table 2.** Basic principles for the development and implementation of state economic policy

Principles	Contents of the principle
The scientific validity of the policy	It provides for taking into account the achievements of modern economic and managerial theories, reflecting in the state economic policy real conditions and development potential, in the mechanism of its implementation - effective management tools
Principle of focus	State economic policy should be aimed at implementing the main goals
Consistency of policy	Requires the unity of all components of state economic policy; the integrity of the management cycle (interconnected implementation of all management functions); unity of action of different management mechanisms
The unity of directions of state economic policy	Provides for the interconnected elaboration of different directions of state economic policy, requiring coordination of their objective function and implementation mechanisms
The strategic orientation of the policy	The strategic orientation of the state economic policy is called upon to maintain, through a set of systematic measures (strategic decisions), unity between the declared Strategy (Program) of state development for the future, the goals and objectives of state economic policy and the real trends of the world economy based on the assessment of economic potential (opportunities and chances) of the country in achieving socio-economic growth and strengthening economic security of the state in the conditions of global competition
The unity of the general and special in the content and mechanism of policy implementation	The effectiveness of state economic policy is achieved on the basis of the organic synthesis of the general (invariant) and special in the content of the policy and mechanism for its implementation
Balancing the interests of subjects of state economic policy	Determines the need to identify the significant interests of subjects of state economic policy; selection of tools to ensure their coordination and implementation; formation of an institutional environment conducive to the realization of these interests
The unity of actions of different levels of public authority	Creating a procedure for coordinating the actions of federal, regional and local authorities and administrations in the processes of development and implementation of state economic policy, determines the need for a clear delineation of their competence and responsibility
Partnership of government and business	Provides for the interaction of government and business, as well as the integration of areas of state economic policy with the strategic plans of enterprises (organizations)
The principle of choosing effective property rights	Property rights established by the state must correspond to economic property relations, which are formed independently of the will and desire of people performing public functions. The principle of progressive taxation
The principle of state protection of small and medium-sized businesses	State protection of small business Implementation of a protectionist policy, supporting subsidies, tax and other benefits to ensure employment and welfare of the population
A necessary and sufficient variety of instruments of state economic policy	The composition of the instruments of state economic policy should reflect the diversity of its goals, the specifics of individual areas and objects, the economic and organizational capabilities of various entities to carry out managerial impacts on development processes
Progressive taxation principle	Redistribution of income for the implementation of socially oriented policies

## 4 Conclusion

1. World trends require the intensification of ways to increase the competitiveness of any country, which objectively implies the need for innovation and digitalization of all spheres

and areas of economic activity. As a result, some traditional industries are losing their significance in the structure of the world economy, but at the same time, there is a rapid growth of new sectors that generate radically new needs. These trends are associated with the transition of countries to a new technological structure. As a result, the world is implementing a new economy, called the “digital”. These trends entail systemic changes that will affect all areas of business, society, politics and will require new forms of organization of work of the government and the private sector of any country.

2. Current trends in the development of the economy dictate the peculiarities of building the process of organizing (and reorganizing) economic activity, form the requirements for tools with which it will be possible to solve the main tasks of any state, thereby satisfying the interests of society. The main role in ensuring these transformations, of course, belongs to the state. Therefore, the implementation of a successful and scientifically sound state economic policy is of particular importance.

3. In the theoretical developments and legal acts of countries, there are various interpretations of state economic policy. After studying and comparing them with current development trends, the authors propose by state economic policy to understand the activities of state authorities and public administration aimed at developing productive forces and improving production relations, ensuring the achievement of social welfare growth and implementing the chosen national economic development strategy by applying a set of methods, the choice of which is due to the prevailing socio-eco the nominal situation in the country and its changing trends.

4. Any country in the implementation of state economic policy uses a variety of tools to ensure the implementation of specific goals, generally aimed at economic growth and achieving maximum welfare of society. To do this, he uses certain guidelines - development indicators, which are most often aimed at ensuring the social, economic, environmental and institutional aspects of the country's sustainable development.

5. A comparative analysis was carried out of the implementation of certain development guidelines, reflecting certain areas of the implementation of state economic policy, of individual countries of the world (Austria, Azerbaijan, Armenia, Belarus, Bulgaria, Great Britain, Hungary, Germany, India, Italy, Kazakhstan, Canada, China, Kyrgyzstan, Poland, USA, Tajikistan, Turkey, Uzbekistan, Ukraine, France, South Africa, Japan, Latvia, Belgium, Sweden, Israel, European Union (as a whole, at the level of the entire integration group), Zimbabwe, Cambodia, Lebanon, Papua New Guards ney, Yemen, Qatar, Burma for 2016-2018.

6. To give systematic development and implementation of state economic policy, the stages of its implementation were substantiated, which include: preparatory; organizational and planning; the main one, during which the implementation of the state economic policy is carried out, monitoring the achievement of target indicators and possible adjustment of plans and programs.

7. To implement an effective economic policy, certain principles must be observed. Highlighting these principles is a debatable issue. Therefore, a classification acceptable to this study has been proposed. The desired principles can be defined as methodological imperatives, the implementation of which is designed to ensure the consistency, comprehensiveness and effectiveness of state economic policy.

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