

DOI: <https://doi.org/10.30525/978-9934-26-220-3-5>

**Bohdanna Kosovych**

*PhD in Economics, Associate Professor,  
Associate Professor of Economy of Enterprise Department  
Ivan Franko National University of Lviv*

## **KNOWLEDGE ECONOMY: HUMANIZATION ASPECTS**

### ***Summary***

*The research focuses on the analysis of the humanization aspects of the knowledge economy. It is stated that one of the features of the modern economy is a high level in the broad sense of intellectualization, which gives grounds to call it the knowledge economy. Based on the analysis of the definitions of the knowledge economy, a number of concretizing features of this economic phenomenon are proposed, namely: the subjects of economic relations are endowed with high consciousness, based on a set of economic knowledge; the basis of economic growth has not a quantitative but a qualitative emphasis; economic development must be inseparable from the development of applied science; the main economic «players» must ensure the functioning of an effective mechanism for implementing scientific advances in economic practice; innovative and creative nature of the economy; the knowledge economy and the successful economy are inseparable from the intellectual society. Attention is drawn to the fact that building a human-oriented knowledge economy is a strategic vector of Ukraine's development in the global context. A system of defining directions of formation of the domestic knowledge economy has been developed. The author's vision of the possibilities of its supplementation with factors of humanistic character is offered, namely: obligatory ecological education; orientation of professional training of specialists on mastering advanced technologies based on the most advanced achievements of science; teaching the art of economic activity; practicalization of economic knowledge; expanding the range of economic knowledge.*

## **Introduction**

Modern society is a society of rapid technical development, the result of which is the growth of an artificial environment – the technosphere. The explosion of digital processes, artificial intelligence, cloud technologies and so on radically change the centuries-old economic relations. Digitalization of products and services opens wide opportunities for innovations, investments and the creation of new enterprises and jobs. Digitalization processes are having an increasing impact on the socio-economic development of countries almost all over the world, changing approaches to solving problems at different levels and in different spheres of life. At the heart of this is the human mind and knowledge, which are in a state of constant evolution.

A technological breakthrough based on innovative scientific researches, however, has a downside. There is a destruction of the natural environment – the biosphere. Climate change, which is a threat to the entire planet, is now a reality. Man himself becomes a part of the all-encompassing technological process. The spiritual and cultural values of human society are materializing. All this requires the search for precautionary factors, among which economic knowledge should take an important place today. It is knowledge in a broad sense that gives the modern economy a human-oriented (humanistic) character. Today, humanization serves as a new strategy for the development of society, which is not based on the accumulation of material goods and values, but primarily focuses on spiritual values, culture, science, without which life loses meaning and future prospects.

Knowledge has thus become an important factor in socio-economic development. The serious transformation is necessary for the very economic knowledge of person, which should meet the requirements of an industrial, high-tech market economy, and at the same time be filled with humanistic content. Therefore, the study of the knowledge economy needs additional attention in the prism of humanization orientation.

With this intention it will find out which humanization principles are laid down in the very essence of economic knowledge and which human-oriented direction their individual components contain, the prospects for the formation of economic knowledge in Ukraine will be determine.

The methodological basis of the study is formed by such methods as: analysis (used to identify basic features of the knowledge economy), synthesis (this method is used to determine the humanistic characteristics of intellectual economy), forecasting (needed to determine additional ideological plan for promising ways to establish knowledge economy in Ukraine).

The importance of economic awareness of society for the establishment of universal values in the socio-economic sphere provides researches on economic knowledge relevant and practical character.

## **Part 1. The knowledge economy: origins and understanding**

A modern manifestation of the influence of cultural factors on the economic development of society is the concept of the economy of knowledge (intellectual) – an economy of a qualitatively new type. The key advantages of the knowledge economy are increasing the level of technology and innovation, as well as the welfare of the country – creating conditions for the formation and realization of creative and intellectual potential of a person. The smart economy is a model of the economy based on knowledge, innovations, information and social protection of population.

The paradigm of the «knowledge economy» or, as named by experts the «intellectual economy», has its long history. The foundations of the knowledge economy were laid by three graduates of the University of Vienna, who, however, continued to live and work in the United States: J. Schumpeter, F. Hayek and F. Mahlup [1, p. 225]. V. L. Svitlichna, summarizing scientific positions, notes that the term «knowledge economy» was first introduced into scientific usage by the American scientist Fritz Mahlup in 1962, including into it the sphere of education, research and development, communications, information engineering and information activities. He considered the knowledge economy as one of the sectors that plays a key role in the functioning of the economic system. In the 70's, the knowledge economy is a new type of economic organization of society, in which the decisive role belongs to the knowledge sector, and the production of knowledge is a source of economic growth. In the 1980s, revolutionary changes in the spheres of computer technology, communication systems, and the general high level of the scientific technological process became a prerequisite for the development of «information society» theory within the framework of «post-industrial» theory. By the mid-90s of the XX century. a new concept is formed, «an economy that creates, disseminates and uses knowledge to ensure its growth and competitiveness» [2, p. 2].

In his writings [3], Friedrich von Hayek noted that doing business is impossible without knowledge. The knowledge economy in business is necessary in order to navigate the business processes, behavior of people, consumers, market situations. F. Hayek focused his attention on the use of knowledge in society, their impact on business activity, division of labor, market freedom and competition. F. Hayek considered competition as a way to discover new knowledge. The importance of such knowledge is growing due to the complexity and diversity. Knowledge creates new values, beliefs, changes the culture, mode of action and orientation of behavior (according to F. von Hayek the latter allows you to navigate in a world which is volatile), change relationships between people, interaction with nature.

Today, scientists offer a number of definitions of «economic knowledge»<sup>1</sup>, more often «knowledge economy». First of all, it should be noted that in general, knowledge at the level of science is interpreted as a system of ideas, concepts and terms that reflect the patterns, laws and theories, worldviews, etc. Economic knowledge, obviously, like other types of knowledge, has its own specifics associated with production, distribution, consumption and so on. Probably this is why it is not difficult to see many interpretations of the term «knowledge economy» in the literature.

The knowledge economy is an economy in which both specialized and everyday knowledge is a source of growth. The application of such knowledge together with natural resources, capital and labor make the processes of their accumulation and use as the dominant factor, as a result of which the competitiveness of the economy is constantly growing. In the knowledge economy, the determining factor is the intellectual potential of society, on which it is based and which is a set of everyday and specialized (scientific) knowledge accumulated in the minds of people and materialized in technological methods of production [4, p. 5].

The knowledge economy is a stage in the development of the post-industrial economy, in which human intelligence and knowledge, informational and other high technologies become a decisive factor that determines the trends of industrial and socio-economic transformation of society [5].

According to the World Bank definition, the knowledge economy is able to capture, generate, disseminate and use knowledge effectively and accelerate the pace of economic and social development [6]. The OECD notes that the knowledge economy is directly based on the production, distribution and use of knowledge and information [7].

The knowledge economy (intellectual economy) is a fundamentally new economic development that should replace the economy of destruction and exploitation of nature, the economy of blind human desire to maximize profits [8, p. 124]. It is based not on the consumer motive of human, but on the desire to meet needs in a way that does not harm the environment, while contributing to its revitalization.

In the knowledge economy, the determining factor is the intellectual potential of society, on which it is based and which is a set of everyday (customary) and specialized (scientific) knowledge accumulated in the minds of people and materialized in technological methods of production.

Modernity determines the latest trends in the development of the knowledge economy by the formation of digital quotient. Digital Quotient (DQ) is a skill in digital technologies, i.e. digital intelligence (similar to IQ or EQ, which are used to measure the level of general and emotional intelligence). Education is one of the basic elements of the digital innovation ecosystem and the digital

---

<sup>1</sup> The question arises whether these concepts are identical in their content? The answer needs a separate study, so we will consider the terms "economic knowledge" and "knowledge economy" as synonyms.

economy in general. Training, gathering and retaining a sufficient number of professionals who possess knowledge of new digital technologies is needed to achieve a competitive advantage in the global digital environment. With the advent of new technologies, there is a demand for newer competencies and knowledge, which requires constant learning and improvement.

Knowledge, unlike other economic resources, is a resource that increases, self-grows, because the transfer of knowledge of the individual does not involve their reduction, but on the contrary, the consolidation of acquired and accumulation of new ones. Knowledge is the process of acquiring and consolidating information in a particular field, their reproduction in the process of work, which is characterized by inalienability, self-growth and the creation of potentially new products [9, p. 28].

The most important subjective basis for moral and law-abiding behaviour is knowledge. The existence of objectively common values and moral norms requires a person to know them. Only a person who knows what justice is can be just, and one who knows the essence of virtue is virtuous. Socrates also believed that knowledge is the path to moral behaviour, and ignorance is the path to vices and crimes.

## **Part 2. Signs of the knowledge economy, their humanistic nature**

Analysis of the definitions of economic knowledge gives grounds to outline its main features as an economic phenomenon. These, in our opinion, include the following:

– *subjects of economic relations are endowed with high consciousness, which is based on a set of economic knowledge*, for example, on the one hand the employer's or manager's possession of skills of employee motivation (Japanese experience may be interesting in this regard), on the other the appropriate professional qualifications of the employee skills and abilities necessary for the creation of a competitive product and the effective use of modern intelligence-rich technology (computerization and robotization of production processes requires highly educated administration of the employee-operator);

– *the basis of economic growth is not a quantitative but a qualitative emphasis*. The example is relevant for Ukraine: increasing the amount of grain harvest not due to increased sown areas, depletion of land or fertilizers, but due to the development of breeding and agricultural technologies;

– *economic development must be inseparable from the development of applied science*. As the experience of many countries that have experienced economic downturns for various reasons shows, recovery begins with investment in education and science;

– *the main economic «players» must ensure the functioning of an effective mechanism for implementing scientific advances in economic practice*. Today there is a lot of information about the progressive developments and inventions of Ukrainian scientists and craftsmen, such as simple and affordable models of

wind turbines. It seems that domestic business is very cautious about the introduction of innovations and economic risk, usually earns (operates) through shady schemes, saves on the quality of products and services, wages. The public sector of the economy also looks completely inert. Here, in our opinion, the decisive word should be given to the state apparatus endowed with power, for example, through government procurement or the establishment of preferential taxation for innovation projects;

– *innovative nature of the economy*. Today it has become a kind of axiom. In the conditions of all-encompassing economic globalization and fierce competition, an economy based on old technologies, methods, rules and so on is doomed to lag behind and decline. Unfortunately, in the domestic economy many such examples could be observed;

– *the creative nature of the economy*. Economic creativity should be based on the development of basic knowledge. The lack of creativity seems to have a negative impact on the competitiveness of the economic product at some stage. Taking, for example, China and such a branch of its economy as car production. There is no secret that the basis of Chinese car production is successful copying. Nothing of their own and nothing creative. Today, this industry is thriving on cheap cars sold in third world countries and the domestic market. As soon as this retail space is filled up, the Chinese car production will have problems;

– *the knowledge economy and a successful economy are inseparable from the intellectual society*. The future stands for this combination. Today a slightly different approach could be observed. China, India, Brazil are the new successful economies through cheap labour. In order to make a profit, investors did not spare resources for the development of profitable industries in these countries, even to the detriment of their national interests. In our opinion, the prospect stands for a skilled workforce, which can only be in societies with a high level of education and science.

The humanization of the economy means, first of all, its socially-oriented development and coordination of the interests of the individual, social group, society. This is manifested in those spheres of social life in which people fulfil their economic and social needs. [10, p. 337] In an intellectual society, smart values, higher standards of morality, signs of responsibility and behavior are formed.

It is in these features that the essence of the intellectual economy as a kind of human-orientation is manifested. This is illustrated in the proposed table 1.

Economic knowledge covers a variety of economic phenomena. Yes, today the issues of knowledge management are being actively discussed. The process of knowledge management is influenced by a number of factors: human factor, learning factor, individual, technological, organizational, philosophical, systemic, global, biological factors, time factor, rationality of knowledge [1, p. 226–230]. It seems that the list of components of economic knowledge by various criteria can be offered indefinitely. In our opinion, it is expedient to take as a basis the initial construction of economic relations based on

knowledge – the subject, object and content of such relations. That is, it is necessary to talk about: entities endowed with economic knowledge; filled with knowledge (intellectually rich) tools (in the broadest sense) of economic activity; a set of those rights and responsibilities of entities based on economic knowledge (related to production, distribution, exchange, etc.).

Table 1

**Signs of the knowledge economy and their humanistic orientation**

<b>Signs of the knowledge economy</b>	<b>Its human-oriented (humanistic) nature</b>
The subjects of economic relations are endowed with a high consciousness, which is based on a set of economic knowledge	Provide material needs of a person as a subject of economic relations, including the right to work, adequate remuneration, income, professional development, etc.
The basis of economic growth has not a quantitative but a qualitative emphasis	Provide protection of the natural environment, balance of human needs and laws of nature.
Economic development must be inseparable from the development of applied science	Ensure economic progress in accordance with the achievements of the human mind in the interests of person and society
Existence of an effective mechanism for the implementation of scientific achievements in economic practice	Provide the implementation of progressive human-oriented ideas in the economic reality
Innovative nature of the economy	Create preconditions for successful economic development, opportunities for maximum provision of socio-economic human rights
Creative nature of the economy	A form of realization of human knowledge, talents, advanced ideas
Knowledge economy as a component of intellectual society	Provides consensus of interests and sustainable development of person, civil society, state

Again, these economic components are to some extent «saturated» with humanistic characteristics. For example, «smart» means of production facilitate human labour, replace people in harmful and dangerous activities, save human resources (this is very important for the aging population of Europe and Ukraine, where as experts predict a third of the population will soon be retired), create prerequisites for recreation, improvement and development of man himself (because today the employee is forced to constantly learn). Another example, the Analytical Report states: «the system of Sustainable Development Goals, the achievement of which is in the common interest of society, determines their achievement only on the basis of partnerships between government, business, local self-administration, civil society, citizens of Ukraine» [11, p. 32]. Such relations (they are manifested in particular in the mutual economic rights and responsibilities of these entities) can become a reality only subject to the high economic consciousness of all market participants, based on their knowledge of current economic laws and regulations.

### **Part 3. Approval of economic knowledge (main directions) as a component of humanization of the Ukrainian economy**

The humanizing significance of economic knowledge leads to the definition of the main directions of their establishment in the domestic society. Today certain directions of formation of economic knowledge of the Ukrainian society are already developed: awareness of advantages of innovative model of economic development, development of systems «knowledge – production – knowledge» (knowledge new or supplemented with new ideas of knowledge received by approbation in real conditions); formation of a new worldview of Ukrainian society, development of innovation culture at all levels of government (at the levels of state, each individual, and of enterprise personnel); protection of domestic producers and introduction of fundamentally new practices to the definition of «Ukrainian product», «Ukrainian technology»; improvement of the normative-legal framework governing the implementation of innovation and investment activities; strategic approach to planning methods of achieving project indicators at the micro and macro levels, determining specific time intervals [12]. These proposals remain relevant today. This means that innovation and investment activity in Ukraine has not yet progressed. Generation of innovations will provide new opportunities for the development of knowledge among youth, will contribute to the competitiveness of economic processes. However, the development of knowledge through education accumulates experience and sharpens one's own sensuality of moral virtues and paves the way for a humanistic environment.

Building a knowledge economy is a strategic vector for Ukraine's development in a global context. The dominant of this concept is the creation of a new production system based on the latest technological base, the widespread use of information and communication technologies, a combination of a number of models and network forms of cooperation. The reformatting of production will lead to a chain of changes in the economy and will be accompanied by the intensification of innovative entrepreneurship, a number of qualitative social changes. A separate direction of the strategy of building a knowledge economy in Ukraine is to consider changing approaches to the organization of human life and improving life support systems – the construction of noosphere cities. Of particular importance for the construction of economic knowledge in Ukraine is the use of modern information and communication technologies (ICT), which will improve the informative environment of innovative activity [8, p. 457–458].

Modern technologies and rising education levels have expanded access to information on all continents. Communication, business negotiations between different continents today is possible in one click, you only need to have access to the Internet. The driving force of such new systems is knowledge in the form of intellectual capital and information technology. And this creates an opportunity for the formation of economic systems with new markets, new types of commerce – virtual, innovative ways of delivering goods and methods



of doing business. Digitalization creates fundamentally new opportunities to improve the well-being and address social issues in education, entrepreneurship, health care and the environment, public administration, transport and other areas of human life.

The national innovation network should be a platform to facilitate the transition to a knowledge economy. An important area of action is the development of the information block of the innovation infrastructure. The tools for intensifying the processes of knowledge generation and use in the country should be: national platforms for scientific cooperation in various fields; tools of scientific communication; systems to support communities of scientists; industry platforms for foresighting; systems of organization of joint work; automated systems of scientists work. It is objectively necessary to strengthen state support for the national industry of data collection and processing, active use of international factors (investments, global innovation networks, migration, technology imports, etc.) [8, p. 457].

An important place in this list belongs to raising public education. Probably that is why the Analytical Report of the Annual Address of the President of Ukraine to the Supreme Council of Ukraine in 2021 among the strategic objectives indicated the need to ensure comprehensive and equitable quality education [6, p. 47–52].

This confirms the validity of the adoption in January 2007 of the Law of Ukraine № 537-V «On the basic principles of development of the information society in Ukraine for 2007–2015 r.» and a number of bylaw normative legal acts. The main task of these legislative acts was to provide legal support in Ukraine for the construction of an information society directed at the interests of people, open to all and aimed at the development, in which everyone could create and accumulate information and knowledge, have free access, use and share them to enable everyone to realize their full potential by promoting social and personal development and improving the quality of life.

These normative legal acts implement the European experience of legal support of information society development. The European Union's socio-economic development strategy for the period up to 2020 «*Europe2020*», adopted by the European Council in the spring of 2010, is considered to be the main programmatic legal document for the development of the EU's information sphere; one of its seven flagship initiatives – the «Digital Agenda for Europe» was approved [13]. The «Agenda» identifies 101 measures within the «seven pillars» of the strategy, i.e. seven key areas for further work on «restarting the EU economy and getting the most out of digital technologies for citizens and businesses», namely: creating a single digital market; achieving interoperability (operational compatibility) of software and content, optimization of relevant standards; increasing the trust and security of users; development of high-speed Internet; development of scientific research and innovations; further dissemination of digital literacy and IT skills among EU citizens; IT to solve social problems [14].

Today in Ukraine there are many constructive developments on the possibilities of using the international experience of informatization of the economy and on improving the legal regulation of the process of its knowledge content filling [15].

Supporting the defining directions of the establishment of the knowledge economy in Ukraine proposed by experts (these directions, in our opinion, are more materialistic in nature), we consider it expedient to offer some more directions of a more pronounced humanization direction, in particular:

– *compulsory environmental education*. Climate threats of the third millennium oblige to form a public attitude to the preservation of the natural environment, which can become a reality only with the possession of appropriate knowledge. Environmental knowledge should be possessed by both responsible officials and all citizens. Otherwise, Ukraine will not stop deforestation, barbaric amber mining, river pollution, etc;

– *formation in society of humanistically oriented knowledge about nature as an economic resource*. Is a certain addition to the previous direction. The modern economy operates largely through exhaustible natural resources. The axiom today is that their use should be rational and reasonable, as reproducible as possible. Many scientists are already expressing concern about the possible problem of insufficient fresh water for human needs in the near future. Interesting (in our opinion, not very realistic) proposals for possible solutions to this problem could be mentioned, such as transportation and use of fresh iceberg resources (by the way, the area of glaciers is declining at a catastrophic rate). This requires to study and implement the advanced technologies for the use and reproduction of this natural resource, such as the experience of Israel. The rule should also be established in society – the necessary part of the profits from the use of natural resources should be invested in their restoration, such as planting forests to replace deforestation (maybe then we will stop seeing the constant «baldness» of the Ukrainian Carpathians). Nature has already given humans an ultimatum today: acquire such knowledge that allows person to live in harmony with nature and properly use its riches. The paradigm of knowledge of the attitude to nature is forced to change the vector of movement with the use of natural gifts in the direction of preservation and revitalization;

– *orientation of professional training of the specialist on mastering of the advanced technologies based on the most progressive achievements of science*. The qualifications of the worker, engineer and manager, etc. must meet the latest international standards. Only under such conditions the competitiveness of the business entity and the competitiveness of its product could be discussed;

– *orientation of the educational process on the scientific research format*. This is actually one of the objective factors in ensuring an element of creativity in multifaceted economic activity. Today there are a lot of publications about the future implementation of groundbreaking scientific ideas, which may seem even fantastic. Among educators today a discussion on-goes about the relationship between the educational process of practical and scientific research

components. It is important for the employer to get a specialist with practical skills suitable for executing specific tasks. However, it is equally important that this specialist is able to do creative work, to perceive and implement the achievements of scientific and technological progress, to generate new ideas. The robot person will never be able to compete with the person creator. That is why modern economic education should be a combination of practical and scientific oriented knowledge. Development of innovations that have a humanistic component is crucial;

– *economic knowledge today must receive a creative nature, has the ability to self-development.* It is about the need to focus on economic laws that have a methodological and prognostic nature;

– *teaching the art of economic activity.* An interesting example can be given in this aspect. John A. Allison, CEO of BB&T, one of the largest banks in the United States, said in a commentary on the work «Atlantis Shrugged»: «I have spoken with many CEO's of the Fortune 500 rating and I know that this book had undeniable influence on their business decisions, even if they did not agree with all the author's ideas» [16]. Do many domestic entrepreneurs get acquainted with such publications? It seems that sometimes Ukrainian business operates intuitively and situationally without knowledge of the laws of economics and the market, is afraid of economic risk, does not have the skills of economic forecasting, based on the principle of short-term benefit. How else to explain why privatized refineries do not work, why there are mountains of wood waste on the territory of the woodworking plant, etc.? The lack of economic knowledge, in our opinion, is clearly reflected in the striking difference between investment in employees knowledge in the former Soviet Union on the one hand and Europe, the United States, Canada – on the other. This approach is a way to lag behind, especially in the face of labor shortages in European countries. Even today, some entrepreneurs complain that «there is no one to get employed.» And it will not be, if the owners do not try to bring the level of their own profitability to the standards of developed countries, will not implement the long-standing experience of stimulating effective labor. On the other hand, every employee must understand that his monetary reward should directly depend on the quantity and quality of work performed, the level of his/her professionalism, the ability to constantly update and deepen their professional knowledge. A certain standard in this regard may be a Japanese worker;

– *practicalization of economic knowledge.* Of course, economic progress must be based on fundamental economic laws. At the same time, many rational innovation proposals are present. The coefficient of their usefulness, in our opinion, would be more important if it is practically justified. For example, experts now point to the need to ensure freedom of enterprise. The question is, what are the criteria for this freedom? For example, will the lack of state sanitary control over the process of food production be a freedom (a topical issue in the light of numerous publications on the volume of counterfeiting in

the dairy market)? Noteworthy are the proposals of scientists on the need to reduce the tax burden on business. However, are there relevant financial and economic calculations in many relevant publications that could be used as a basis for adjusting the Tax Code of Ukraine?

– *expanding the range of economic knowledge*. We consider substantiated the proposals of scholars and practitioners that today the economist (as a business entity) should have not only knowledge of economics, but also the basics of law and sociology, the basic principles of international economics and more. In the above-mentioned novel there is an interesting statement that deserves attention: «When you work in a modern factory, you get paid not only for your work, but also for all the productive intelligence through which the company exists: for the work of an industrialist, an engineer, an inventor, a scientist, a philosopher who taught people to think – and whom you do not tire of condemning” [16, p. 446].

The rapid development of technology and scientific and technological progress has led to the evolution of the employee – from the subject of doing manual labour to a highly skilled user of the complicated computerized and robotic technology. And this is already another «more expensive» subject of the production process, the interests of which the employer must take into account, especially in terms of material incentives of work. The formation of the information society, globalization challenges and competition, technological breakthroughs, etc. challenge the employee not just automatically to perform their functions, but more to involve mental and creative work. This requires proper conditions – for work, rest, recovery. And even more: the success of many projects today depends on having a common goal in terms of development between employer and employee. But this is a completely different level of relations. Intensification of labour, increase in the share of mental labour, questionable influence of external factors (harmful production, ecology, radiation of electronic devices and means of labour) – all this negatively affects human health and therefore the efficiency of the main economic resource – labour power. Under such conditions, the employer must take care of his employee in some way. As a result, relaxation rooms, sports rooms and rest rooms appear next to the workplaces [10, p. 338–339].

Today, humanization is of strategic importance for the development of the economy and society as a whole, which, unfortunately, is not yet a fully realized process among the population. One of the reasons for the formation of such a worldview in people is the practical lack of interconnection and systematic interaction of economic development processes and moral values, which should be provided by knowledge based on the ideology of upbringing («moral and spiritual values should become a lifestyle in the third millennium») and education [17, p. 58].

The humanizing nature of the knowledge economy and the main directions of its establishment in Ukraine give grounds to talk about the process of humanization of the knowledge economy as a component of the evolution of

the domestic economy. *This process can be defined as the implementation in the system of economic knowledge and economic relations of fundamental humanistic values.* The formation of a human-oriented economy in Ukraine on the basis of a high level of economic knowledge of all subjects of economic relations, given the existing complex political and social realities, requires additional guarantees.

Such guarantees to our belief should be:

1) effective functioning of the apparatus of the state of Ukraine by the head of state to local self-government bodies (these are organizational, executive and administrative functions);

2) quality normative-legal framework. It has been already mentioned above about the legal acts designed to ensure the intellectualization of the Ukrainian economy;

3) an effective civil society. Currently in Ukraine it is only at the stage of formation. Some positive glimpses are, for example, many citizens, realizing the importance of the struggle for the preservation of the environment, actively participate in national measures to overcome the problem of plastic;

4) self-education through self-education in the spirit of «if we want to be a healthy, ecological nation, everyone must take care and make efforts to do so», similarly, «if we want to live in an economically developed country, every citizen must take care of its development». It is not an easy task, as it includes a number of components and in some cases encounters a conflict of private and public interests. Many cities in Ukraine have problems with garbage removal and disposal. However, as soon as the idea of building a waste processing plant arises, the residents of the area where it is designed are categorically opposed. They lack neither awareness of the harmfulness of such an object, nor consciousness. You cannot do without self-improvement here.

The defining ideological guarantee of successful reform of the domestic economy, as noted, is the consciousness of society based on its knowledge. Knowledge is the basis for the formation of appropriate attitudes to certain behaviors. A logical chain emerges: the knowledge economy is formed through knowledge, the higher the level of economic education of society, the higher the level of development of its economy, the higher its humanistic orientation.

### **Conclusions**

One of the features of the modern economy is a high level in the broad sense of intellectualization, which gives reason to call it the knowledge economy (intellectual economy). The knowledge economy creates the preconditions for the successful development of the economy and opportunities for the maximum provision of socio-economic human rights; it is a form of realization of human knowledge, talents, advanced ideas.

The broad pluralism of definitions of the knowledge economy requires outlining their main features as an economic phenomenon. It is in the signs of the knowledge economy that its humanistic character is manifested, in

particular the ability to provide for: the material needs of man as a subject of economic relations (right to work, appropriate remuneration, income, professional development, etc.); protection of the natural environment, balance of human needs and laws of nature; economic progress in accordance with the achievements of the human mind in the interests of person and society; implementation of progressive human-oriented ideas into economic reality; consensus of interests and sustainable development of person, civil society, state. The analysis of these features illustrates the humanistic orientation of the intellectual economy, which manifests itself in ensuring socio-economic human rights, environmental protection, technological progress in accordance with the achievements of the human mind in the interests of person and society, sustainable human development, civil society, state, etc.

The development of knowledge through education accumulates experience, sharpens one's own sense of moral virtues and paves the way for a humanistic environment. Understanding the value role of knowledge in self-improvement, their assimilation and generation of new knowledge to achieve the goals of individual and social development is an important ideological direction.

Knowledge economy (intellectual economy) is a fundamentally new economic development, built on smart humanistically directed solutions, innovative technologies aimed at preserving and revitalizing the environment and the development of Ukraine's economy in the postwar period.

Building a human-oriented knowledge economy is a strategic vector of a strong Ukraine's development in the global context. Today, experts have developed a system of defining areas of formation of the domestic knowledge economy. The author's vision of the possibilities of its supplementation with factors of more pronounced humanistic character is offered.

The future of civilization, as it becomes increasingly clear, depends on reasonable regulation of economic development processes and balanced socio-economic policy. That is, it is necessary to educate a new level of consciousness aimed at overcoming the selfishness of mankind and the practical establishment of planetary life as the highest value, a life built on the principles of spiritual rebirth. Therefore, a new system of economic relations must be built on the basis of fundamental values that are designed for the good of a globalized society. After all, without the dignity of the spirit, the light of which is shed through our actions in life, we will not be able to build a dignified life.

### References:

1. Rak, N. Ye. (2009) *Ekonomika znan: sutnist ta faktory upravlinnia znanniamy* [Knowledge economy: essence and factors of knowledge management]. *Rehionalna ekonomika*, no. 3, pp. 224–232. (in Ukrainian)
2. Svitlychna, V. L. (2015) *Teoretychnyi bazys novoi paradyhmy suspilstva – ekonomiky znan* [Theoretical basis of a new paradigm of society – the knowledge economy]. *Ekonomika*, no. 3(19), pp. 1–10. (in Ukrainian)
3. Hayek F. A. (1999) *Pravo, zakonodavstvo ta svoboda: nove vykladennia shyrokykh pryntsyypiv spravedlyvosti ta politychnoi ekonomii* [Law, Legislation and Freedom: A New Statement of the

Broad Principles of Justice and Political Economy]: u 3-kh t. T. 1. *Pravyla ta poriadok* / per. z anhl. N. Komarova. Kyiv: Sfera, 556 p. (in Ukrainian)

4. Heiets, V. (2004) Kharakter perekhidnykh protsesiv do ekonomiky znan [The nature of the transition to the knowledge economy]. *Ekonomika Ukrainy: Polityko-ekonomichni zhurnal*, no. 4, pp. 4–14. (in Ukrainian)

5. Bilotserkivets, V. V. & Liashenko, A. V. (2007) Nova ekonomika: sutnist ta geneza [*New economy: essence and genesis*]. Dnipropetrovsk: «Sich». (in Ukrainian)

6. Building Knowledge Economies: Advanced Strategies for Development. p. cm. «World Bank Institute, Knowledge for Development Program». The World Bank Washington, 212 p. D. C. Available at: <https://about.bgov.com/event/building-big-data-economy-optimizing-government-operations-driving-citizen-engagement> (in English)

7. The Knowledge-Based Economy. OECD. Paris, 46 p. Available at: <https://www.oecd.org/sti/sci-tech.pdf> (in English)

8. Poliakov, M. V. (2019) Hlobalni determinanty stanovlennia ta rozvytku ekonomiky znan [Global determinants of the formation and development of the knowledge economy]. *Doctor's thesis*. Kyiv: DVNZ «Kyivskyi natsionalnyi ekonomichni universytet imeni Vadyma Hetmana». (in Ukrainian)

9. Huzar, U. Ie. (2009) Ekonomika znan ta yii perspektyvy dlia Ukrainy [Knowledge economy and its prospects for Ukraine]. *Rehionalna ekonomika*, no. 1, pp. 27–35. (in Ukrainian)

10. Kosovych, V. Kosovych, B. & Rym, O. (2022) Socialization of the economy as a component of the anthropocene age: economic and legal dimension. *Financial and credit activity: problems of theory and practice. Collection of scientific works*, vol. 2, no. 43, pp. 336–341. DOI: <https://doi.org/10.55643/fcaptop.2.43.2022.3694>. (in English)

11. Analitychna dopovid do shchorichnoho Poslannia Prezydenta Ukrainy do Verkhovnoi Rady Ukrainy [Analytical report to the annual Address of the President of Ukraine to the Verkhovna Rada of Ukraine] (2021) *Natsionalnyi instytut stratehichnykh doslidzhen (NISD)*. Available at: <https://niss.gou.ua/doi.org/10.53679/NISS-analytrep.2021> (in Ukrainian)

12. Soroka, M. V. (2009) Znachennia rozvytku ekonomiky znan dlia Ukrainy [Importance of knowledge economy development for Ukraine]: *Mater. II Mizhnar. nauково-prakt. konf. (27-28 avhusta) «Iakist ekonomichnoho rozvytku: hlobalni i lokalni aspekty»* NTU. Available at: [confcontact.com/2009kach/soroka.php](http://confcontact.com/2009kach/soroka.php) (in Ukrainian)

13. Digital Agenda for Europe. *European Commission*. Available at: <http://ec.europa.eu/digital-agenda/digital-agenda-europe> (in English)

14. Digital Agenda: Commission outlines action plan to boost Europe's prosperity and well-being. *European Commission*. Available at: [http://europa.eu/rapid/press-release\\_IP-10-581\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-10-581_en.htm?locale=en) (in English)

15. Yevropeyskyi dosvid normatyvno-proektnoho zabezpechennia rozvytku informatsiinoho suspilstva: vysnovky dlia Ukrainy (2014) [European experience of normative and project support of information society development: conclusions for Ukraine]. *Natsionalnyi instytut stratehichnykh doslidzhen. Analitychna dopovid*. Kyiv. (in Ukrainian)

16. Ain Rend (2020) Atlant rozpravyyv plechi [*Atlantis shrugged*] / S. Andrukhoanych, Trans. Chastyna tretia. A ye A. Kyiv: «Nash Format». (in Ukrainian)

17. Kosovych, B. (2021) Humanization of entrepreneurship as a defining component of economy of the third millennium: research methodology. Development of scientific, technological and innovation space in Ukraine and EU countries: Collective monograph. Aleskerova, Y., Fedoryshyna, L., Borshchuk, Y., & Vasylyshyn M. et al. Riga, Latvia: «Baltija Publishing», 324 p., pp. 57–76. DOI: <https://doi.org/10.30525/978-9934-26-151-0-20> (in English)