

**CHAPTER
SECOND**

**FROM AUTOMATION TO DIGITAL
TRANSFORMATION
OF THE ECONOMY**

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**2.1. Digital coordinate system
of the 4th Industrial Revolution**

Digital transformation opens up fundamentally new horizons and opportunities for value added in virtually all areas of the economy. Digital transformation is not only about technology, but also about business strategy towards Industry 4.0 in urban production and urbanization. At the present stage, digital technologies are an integral part of the socio-economic life of society and determine key vectors of development of modern cities.

Digitalization is becoming a driver of their development, as it is able to ensure their innovation, quality and standard of living in them. Big cities are the engine of the world economy, cultural, historical, spiritual, political and innovation centers, where the most acute global problems of today are often posed and solved experimentally. At the same time, large cities are under considerable pressure from factors such as migration, social inequality, environmental pollution and climate change.

Digitalization of business and industry is the core of digital economy and a major driver of growth, including the formation of Industry 5.0 (*Britchenko et al., 2019; Kraus, 2018; Andrusiak et al., 2020*). The use of digital technologies starts the process of modernization of traditional spheres of economy and stimulates the emergence of new innovative industries that accelerate economic growth of cities and increase the level of competitiveness of the country in the world economic system.

Fourth Industrial Revolution is reflected in the change of industry and training. Thus, small and medium-sized businesses use digital sales methods, and large industrial enterprises carry out deep digitalization of production, urbanization is accelerating. Training of specialists in digital entrepreneurship and urban economics and urban planning is announced in educational institutions.

Industry 4.0, which is part of the Fourth Industrial Revolution, provides a number of new technologies that lay the foundations for the formation of virtual-real space for data exchange, testing new quality processes and objects, creating robotic systems in conjunction with Internet technologies in format of smart factories, “smart” enterprises, smart cities.

Industry 4.0 will change people's lives beyond recognition. This will be the most global transformation in human history. And those countries that want to have high competitiveness and an efficient production system in the future should take part in it. This transformation will lead to a change in economic relations and customer needs, the way of production. Therefore, the city of Kyiv needs to take an active part in the global trend of development in order to occupy an important place among developed cities.

We hope that ahead of us is the wide implementation of innovative technologies in production, increasing the efficiency of business operations and, accordingly, increasing its competitiveness. Of course, for this it is necessary to overcome a number of challenges that the modern world poses to Ukraine, but main thing is that the country is on the right path, which will not only significantly increase the level of business, but also help accelerate economic development of the entire country.