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KEY SOCIAL CHALLENGES GENERATED BY DIGITALIZATION PROCESSES

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Abstract. *The article examines current social problems arising as a result of current digitalization processes. A new institutional contribution to international regulation of digitalization is shown, in the form of the Global Digital Compact approved by the UN in 2024. The key social challenges of the digital era for national labor markets and employment are revealed. The need to minimize the negative impact of digitalization on social development is emphasized. For this purpose, an approach to the formation of state policy based on the OECD Going Digital Integrated Policy Framework is proposed.*

Keywords: digital technologies; digital economy; social development; social risks; social destruction; cybersecurity.

A notable feature of present-day is the global acceleration of digitalization processes, which involves the creation, dissemination, implementation, and use of digital and emerging technologies, including artificial intelligence (AI), virtual and augmented reality technologies, and others. There are many statistical confirmations of this accelerated dynamics. For example, according to the International Telecommunication Union, the number of Internet users increased from 1.0 billion in 2005 to 5.4 billion in 2023. In addition, according to UNCTAD forecasts, the number of objects connected to the Internet (private, business, public, etc.) will grow from 13 billion in 2022 to 35 billion in 2028 [1].

The accelerated dynamics and scale of digitalization processes have necessitated the formation and implementation of a common global vision for regulating both the processes themselves and their long-term consequences. Recognizing this need, the UN General Assembly, by its Resolution of September 22, 2024, adopted the Global Digital Compact, which sets out the tasks, principles, commitments and practical actions that the global community has undertaken to implement, with the aim of ensuring "an inclusive, open, sustainable, fair, safe and secure digital future for all" [2]. In the context of social and societal development, it is very significant that the Global Digital Compact emphasizes that digital and new technologies, radically transforming our world, provide extraordinary potential benefits for ensuring the well-being and development of people and societies, but at the same time they create new challenges. Among them, social challenges are among the most serious.

Based on the results of thematic studies and taking into account the tasks defined, in particular, by the Global Digital Compact, the European Declaration on Digital Rights and the Principles of the Digital Decade, the OECD Recommendations on Managing Digital Security Risks for Economic and Social Prosperity, as well as on Artificial Intelligence, we can highlight the following crucial social challenges of digitalization of modern economies and societies.

Increasing employment problems and imbalances in labor markets. A study by the European Foundation for the Improvement of Living and Working Conditions [3] substantiates three main vectors of digitalization with the potential for fundamental technological and social changes in the employment sector: automation of work, digitalization of economic processes (based on three key technologies such as the Internet of Things (IoT), 3D printing, and virtual and augmented reality) and digital platformization. These vectors today determine the dynamics of job losses and creation, but experts differ in their forecasts regarding their ultimate impact on quantitative and structural changes in labor markets.

Thus, in the World Economic Forum (WEF) report for 2025 «The Future of Jobs», according to joint estimates with the ILO, during 2025–2030, 170 million jobs may be created in the world under the influence of the digitalization trend, or, in full-time equivalent, 14% of their global number. At the same time, 92 million jobs (8%) will be reduced, that is, an average of 18.4 million annually [4]. Meanwhile, according to the results of a study by the McKinsey Global Institute [5], in the period 2016–2030, digitalization, taking into account AI and robotics, the reduction will potentially reach from 400 to 800 million jobs, or from 28.6 to 57.1 million annually. Obviously, the intensity of the impact of technologies on employment depends on many factors, but one of the determining factors remains the effectiveness of national digitalization strategies.

The need to transform education systems and adapt them to the needs of modern labor markets. Gaining competitive advantages in the digital economy today is largely determined by the level of digital skills and competencies of its participants. That is why, according to the WEF, investing in the development of human capital, including through programs of continuous training, advanced training and retraining of the workforce, as well as digital literacy of the population, is a priority task for national governments and businesses, along with the task of synchronizing the capabilities of education systems with the needs of the labor market. Considering that 39% of the key skills currently required for competitiveness in the labor market are likely to change between 2025 and 2030, the presence of digital skills among employees will become a primary mandatory requirement for employers. Thus, according to the criterion of demand for key skills in the labor market in the next five years, the top three positions in the global ranking compiled by WEF experts are: the ability to use AI and Big Data; skills in working with information and digital networks and ensuring cybersecurity; technological literacy [4]. In order to mitigate the potential negative consequences of digitalization for national labor markets and employment, the priority task of national governments and businesses is to build effective systems of professional training, advanced training and retraining for workers involved in professional occupations affected by digital and emerging technologies.

The intensification of threats associated with human socialization and potentially leading to its social destruction. Thus, at the microeconomic level, scientific research identifies the following key social threats that arise for a person as a result of the digitalization of all spheres of his life [6]:

- Internet addiction, which scientific medicine recognizes as a complex health pathology, manifested in the loss of a sense of the real world, dependence on the virtual world and social networks, the ability to actively manipulate the consciousness and actions of the Internet user;
- degradation of mental abilities and a decrease in a person's mental activity due to the active use of gadgets and online search engines;
- deterioration of mental health due to simplified access to scenes of violence, humiliation of human dignity, immoral content, etc.;
- growth of property inequality, unemployment and social stratification;
- increased state control over the income and expenses of each person, reduced security of personal life;
- increased risk of loss of personal information, financial and other resources as a result of cybercrime or computer illiteracy;
- transfer of the right to make important decisions to machines (robots), which may threaten human life, health and well-being.

Along with the above-mentioned threats caused by digitalization, which potentially lead to the social degradation of the individual, we can also point out other threats, namely: rejection of social relations or communities, which results in social exclusion; replacement of social relations or communities with less valuable alternatives; degradation of social relations due to the use of the Internet and social networks, which manifests itself in social isolation, impoverished communication, rudeness and aggressiveness, malicious social behaviour in digital space (cyber-stalking, cyber-harassment, cyber-bullying, etc.) [7].

In conclusion, it should be noted that in the digital age, an important task for international structures and national governments is to promote social justice and effectively respond to the social challenges of the digitalization of economies and societies. In particular, the OECD Going Digital Integrated Policy Framework (2020) can serve as an effective basis for the formation of the necessary regulatory mechanisms, which includes seven interrelated areas of action [8]:

1) access to communication infrastructure, services and data;
2) effective use of digital technologies and data;
3) digital and data-driven innovation;
4) decent work for all;
5) social prosperity and inclusion;
6) trust in the digital age;
7) market openness in the digital business environment.

It should also be noted that in the case of countries engulfed in full-scale war, in particular Ukraine, and post-conflict countries, the above approaches should be adjusted, taking into account, respectively, the realities of martial law and the tasks of post-war reconstruction.

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