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Digital Transformation and Robotics as Drivers of Economic Growth: Commercial Benefits for National Industries and Contribution to GDP

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ABSTRACT

This article examines digital transformation and robotization as important structural factors shaping the modern model of economic growth. It explores their impact on production processes, organizational flexibility, and macroeconomic indicators, including gross domestic product. The contribution of automation and artificial intelligence to labor productivity growth and the reduction of transaction costs in the industrial sector is analyzed. The commercial effectiveness of such solutions is studied using examples from large industrial companies, and a comparative analysis of the digital maturity of developed and developing economies is conducted.

Keywords: digital transformation, robotization, industry 4.0, economic growth.

Introduction

Robotization and digitalization are turning into leading trends of the modernization of the world economy, deeply influencing production processes, consumption, and labor systems. They cover more than just individual companies but entire national sectors as well, modifying traditional value-added chains and creating new drivers of gross domestic product (GDP) growth.

New technologies in artificial intelligence (AI), machine learning (ML), the Internet of Things (IoT), automated manufacturing systems, and cloud computing are fueling greater labor productivity, reduced costs, and accelerated innovation. This is strongly linked with the changing role of industry in shaping GDP. In countries with high technological renewal in the industry, there is a consistent relationship between the growth of high-technology industries and overall economic trends. At the same time, the developing economies are beginning to invest in such infrastructure in order to become more competitive on the global market. The purpose of this article is to analyze digital transformation and robotization as factors of economic growth.

Main part. Theoretical foundations of digital transformation and robotization

The modern development of industry is accompanied by radical changes associated with the integration of technologies into production, logistics, and management processes. In scientific literature, this is defined as digital transformation, which refers to a strategic and systematic transition to operational models based on the use of electronic data, process automation, algorithmic management, and adaptive platform solutions. It covers not only the implementation of individual technological aspects but also the restructuring of business models, organizational structures, as well as interactions with consumers and suppliers.

Its main component is robotization, which involves the introduction of automated technical systems capable of performing tasks without direct human involvement. In industry, this is most often expressed through the use of robots, automatic control systems, sensors, and software to autonomously or semi-autonomously perform production operations. This is the essence of the so-called fourth industrial revolution, or industry 4.0 (fig. 1).



Figure 1 - Technological architecture of industry 4.0.

This concept involves convergence of the physical and digital worlds by cyber-physical systems, IoT, cloud computing, and AI. With this approach comes potential to create smart factories that can independently detect faults, adapt under varying conditions, and optimize the process in real-time.

However, successful implementation of digital technologies in industry requires not only the availability of advanced technical solutions but also a wellthought-out approach that includes several important principles. First and foremost, it must be systematic. This means that the installation should be comprehensive, reaching all aspects of the production process, from macro-level management to workstation-level operations. This integrated approach allows for effective integration of all elements of the system, which helps maximize the potential of technology.

Moreover, an important principle is integration. Industry digital technologies have to closely combine with installed bases, either internal to the firm or external to it. An example is the use of cloud computing in aggregating information at different points within the manufacturing process, as well as providing immediate data access and the ability to respond rapidly when there is a shift in changing market conditions. The use of ML technologies and big data helps in predicting production processes, optimizing logistics, and quality control.

The specifics of implementing digital technologies also involve the need for adaptation. Industrial companies should consider not only the technical characteristics but also organizational features. Particularly this applies to the level of digital maturity of the firm and workers' preparedness to work with new technologies.

This technological transformation also impacts the fundamental economic parameters that shape macroeconomic dynamics. From a theoretical perspective, this is explained by a range of concepts (table 1).

Approach	The main provisions	The role of digital technologies and robotics
The neoclassical growth model	Technological progress is considered as an exogenous factor complementing labor and capital.	Digital technologies are interpreted as an external growth impulse that increases aggregate factor productivity without changing internal economic structures.
Theory of endogenous growth	Innovation is the result of investments in knowledge and human capital. The growth is explained by internal economic mechanisms.	Digitalization is a form of intangible capital with high scalability. Robotization is the result of a conscious growth strategy that enhances the potential of the economy through the introduction of technology.
Theory of innovative entrepreneurship	Economic growth is associated with creative destruction, the emergence of new combinations of factors and innovative business models.	Robotization and digital transformation act as innovation gaps that change industrial practices, creating new markets and disrupting outdated mass production structures.

Table 1 - Theoretical approaches to assessin	g the impact of technological modernization on econom	ic growth [1].

Thus, this is not just a technological trend. It is a profound structural shift that leads to the redistribution of economic power and changes in traditional growth models.

Economic benefits of digitalization and automation

The economic advantages of digitalization and automation lie in the qualitative transformation of production systems and management structures of enterprises. A central element is the reduction of transaction costs. In traditional production, most costs are associated with ensuring coordination across

various links of the production and distribution chain, e.g., logistics, quality control, data processing, and contract negotiation. The use of such solutions reduces them, as they automate business processes of data exchange, provide a single digital environment for interaction between departments and suppliers, and also use algorithms for predictive analysis and optimization of business processes.

Besides, digitalization and automation contribute to enhancing the resilience of businesses in conditions of uncertainty and external risks. Implementation of similar solutions provides for faster adjustment to market variability and minimizes the impact of global economic crises, which is an important component of supporting business stability.

Further, efficiency of production is increasing. Continuous operation is possible with automated lines, downtime is minimized, the effect of the human factor is eliminated, and the product quality is ensured uniformly. Robotic systems equipped with machine vision and touch control ensure high accuracy of operations. This also leads to a reduction in costs associated with defects and overproduction, which helps increase margins and overall production profitability.

Business process digitalization has a major impact on the commercial agility of companies. One of the most precious advantages is reduced time to market for products. Virtual testing platforms and design enable the modeling and optimization of product solutions at the development phase, reducing reliance on expensive prototypes. This is especially relevant in industries where the pace of technological overhauls requires rapid adaptation to changes in consumer demand. Besides, supply chain automation and digital twin utilization enable prompt matching of production capacity to arising demand, significantly enhancing the competitiveness of business firms in global markets.

Digitalization also serves to reduce the carbon footprint and environmental sustainability of manufacturing. Process optimization, reduced energy and resource consumption, and improved waste processing become valuable advantages for companies pursuing sustainable development and compliance with environmental policies. All of this can enhance their market reputation and help attract investments.

These technologies also help to reduce personnel costs. This is happening not only by reducing staff, but also by redistributing functions in favor of a more skilled and efficient workforce. Released resources can be directed toward developing the company's innovative potential, improving logistics schemes, and enhancing customer service.

There is empirical evidence to support high returns on investment in these technologies for industry-wide applications. For example, in the automobile sector, applications of such tools in production lines are known to increase productivity levels by 30-50% via reduced operational time and avoided downtime [2]. In General Motors manufacturing plants is the instance where they have deployed AI technologies to detect anomalies from live sensor readings, alert to upcoming failures, and allow fixing even before real-world failures. This has significantly reduced the number of unplanned downtime and maintenance costs [3].

Another example is the John Deere plant, which has significantly accelerated its initiatives to digitalize production processes. One of the transformations includes employing AI for automatic welding and painting robots' calibration as well as optical quality inspection of parts. All these initiatives have significantly reduced equipment downtime, and overall production efficiency increased by the first year of refurbishing. In addition, the company uses digital twins of production equipment and systems actively to test and simulate changes on virtual copies before implementing them in the real world. This not only avoids the expenses of implementing new solutions but also minimizes the risks of errors during the production process [4].

Thus, digitalization and automation represent not only technological modernization but also sources of significant commercial benefits, strengthening the market positions of companies and ensuring an increase in economic returns. Their application allows for not only improving production indicators but also transforming the economic logic of business operations, creating a foundation for long-term competitive advantage.

Impact of digital transformation and robotization on GDP

The impact of robotization and digitalization on economic growth becomes increasingly apparent, especially in the case of well-developed infrastructure economies. The transformation significantly enhances economic advancement, leading not only to the development of overall factor productivity but also to the appearance of new sectors of economic activity. An example of this is the USA economy, where the integration of such solutions into production and service chains contributes to the creation of new high-tech industries. According to Statista data, in 2022, the digital economy added \$2,57 trillion to the total economy of the country, confirms the important role of technology in stimulating GDP growth (fig. 2).

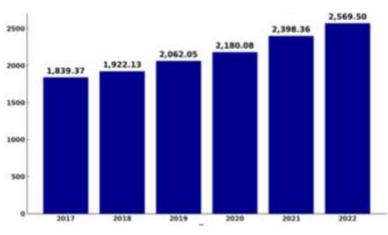
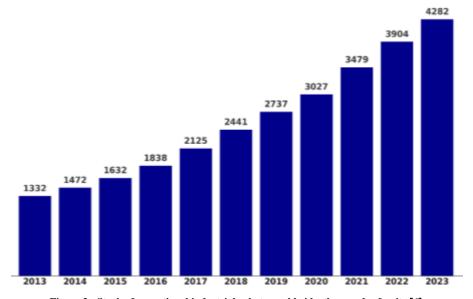


Figure 2 - Contribution of the digital economy to GDP in the USA, trillions of USD [5].

It encompasses not only information technology and telecommunications but also includes electronic logistics, platform commerce, automated manufacturing, and the fintech sector, this demonstrates the significant impact of digitalization on economic activity. Furthermore, within the framework of transformation, the role of industrial robotization comes to the forefront. The density of its implementation worldwide has reached a historic high, having doubled in the last seven years to 162 robots per 10000 employees in 2023. According to the World Robotics report, 4 282 000 units of equipment are working in factories around the world, which is 10% more than last year (fig. 3).





In 2023, the USA accounted for 68% of installations in North and South America. The number of installed robots decreased by 5%, yet this still represents the third-largest figure in the history of observations. The demand from the automotive industry fell by 15% to 12421 units, reaching the level of the tenyear average. The metallurgy and mechanical engineering sectors saw the rise in installation by 8%, while the electrical and electronics sectors remained at previous levels. It not only goes towards reducing operational costs but also contributes towards the move towards the idea of smart manufacturing models, a long-term driver in the development of economic structural change. The transition to smart manufacturing and the increase in flexibility of models also become important factors for GDP growth. In the context of global competition, it is crucial for countries to develop technologies focused on high adaptability and product personalization, which helps create new markets and increase the value of added products.

A comparative analysis with other leading economies shows that the USA retains competitive advantages due to the early adoption of digital platforms and the active role of the private sector in research and development. Germany, with a similar level of industrial automation, demonstrates slower growth in value-added, which is partly due to its high dependence on traditional machine building and a more conservative approach to the adoption of digital ecosystems. In Japan, despite a high density of robots and a strong engineering school, demographic constraints and a slowdown in domestic demand have a dampening effect on GDP growth associated with these innovations [7].

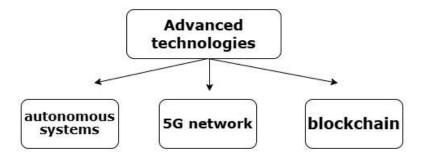
Against the backdrop of developed countries, developing economies show divergent dynamics. China is actively increasing the digital component of its GDP through the expansion of the platform economy and the widespread adoption of automation in production. In India, the contribution of technologies is also growing, but limited infrastructure, a low level of automation in manufacturing, and a fragmented market hinder the potential for robotization [8].

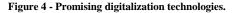
Thus, the quantitative assessment of the contribution of digital transformation to GDP confirms a strong correlation between the level of technological maturity of an economy and sustainable growth rates. The most systematic and effective approach is demonstrated by the USA, which simultaneously ensures productivity growth, the development of new markets, and strengthens national competitiveness. This experience points to the need to transition from isolated initiatives to a strategy of full transformation of the production and institutional foundations of the economy as a condition for long-term and sustainable economic growth.

Prospects and challenges for the development of the digital economy and robotization

The development of the digital economy and robotization has a powerful impact on all areas of the world economy. In particular, in industrial sectors, its use implies an enormous increase in productivity, supply chain optimization, and product quality. However, not all industries are developing equally. In the future, the most intensive development will be seen in financial technologies, telecommunications, and logistics, in which blockchain, AI, and ML are already being applied successfully. In more traditional industries like agriculture or heavy industry, the process may not be as intensive, as introduction requires greater investment in infrastructure and retraining staff.

There are certain promising technologies that are promising to contribute seriously to the development of the digital economy. They open up new opportunities to increase efficiency, create innovative products and services, and transform various industries (fig. 4).





Autonomous technologies, such as unmanned vehicles, drones, and automated manufacturing lines, are already beginning to reshape industries, and this will have long-term effects on economic structures. They reduce the cost of labor, are more efficient and safer, and they generate new jobs in the areas of development, servicing, and control of such technology. In the future, they can potentially modernize the transport and logistics infrastructure, making it faster and more efficient.

Owing to its minimal latency and heavy rate of data transfer, 5G will enable new kinds of possibilities in the use of IoT, will dramatically accelerate transfer of data between devices, and will create a platform for ubiquitous usage of intelligent factories, self-driving cars, and other transformational solutions. This technology is projected to help develop more flexible and sustainable business models and enhance processes to a considerable extent as per projections.

Blockchain and its ability to offer assurance and security of transactions is also an excellent device for constructing digital markets. It not only revolutionizes financial operations strategies but also enables supply chain management, intellectual property protection, and data management. It solves trust issues and provides new ways for constructing decentralized platforms and services, which expands the digital economy.

However, their adoption is not only opening up new opportunities but also presenting challenges that must be considered in pursuit of sustainable and inclusive economic development. One of the serious dangers is economic inequality. Digitalization and automation have the potential to lead to a widening gap between industrialized and developing countries, but also between highly skilled and low-skilled workers. In countries with more developed digital infrastructures and greater access to technological innovations, there will be significant economic transformations that will lead to GDP growth. In countries with inadequate access, however, there is a risk of widening social and economic inequalities because they can fall behind in the global transformation process.

The other major challenge is the impact on the workforce. The advent of robotization and automation produces a reduction in the number of traditional jobs, where workers have to be retrained and upskilled, particularly in sectors where automation would replace human labor. This requires the establishment of effective education and work programs to acquire new capabilities that will be required in the digital economy. It is not merely the jobs that are being lost but also the rate at which the skills and knowledge requirements are shifting, which can bring tension and uncertainty to the labor market.

No less important is the issue of data confidentiality and security, which assumes particular importance in the context of global digitalization. With more and more data being processed, transmitted, and stored in digital formats, leaks, cyberattacks, and abuse are increasing. Keeping this in view, there is a need to create and enforce good legal and technical data protection mechanisms, along with ensuring transparency and trust within. Protecting personal and business information becomes a significant element in the development of a long-lasting digital platform on which future economy will be based.

Thus, while development opportunities foresee immense growth and improvement in the various aspects of the economy, there is a need to pay attention to the possible challenges that may be faced along the way during this transformation. Due to the possible social and economic inequality risks, human resources in the workforce, as well as data security, there is a need to come up with ways that can minimize these challenges and facilitate sustainable development during digital transformation.

Conclusion

In contemporary times, digitalization and robotization have emerged as irreversible drivers of economic development, revolutionizing the dynamics and composition of national economies. Their advent assists industrial firms to transition from traditional modes of production to highly effective, responsive systems where automation, AI, and big data analysis form a new model for managing resources, quality, and innovations. The financial benefits of such shifts are witnessed in terms of increased labor productivity growth, reduction in costs, improved technological responsiveness, and speed to market, which assumes exceptional importance under the context of increased global competition.

On the level of national economies, industry digitalization contributes to generating new value added sources, defending positions in international markets and the investment attractiveness. The national economies with high technological maturity, primarily the USA, demonstrate higher GDP growth rates as a result of technological development in production and services. In the meantime, to transforming economies, the hallmark requirement for effective transformation remains the presence of an overarching strategy encompassing not only technological modernization but also infrastructure, human resources, and the institutional framework. In the future, it is the systematic digitalization of industry that will form the basis of sustainable economic growth, ensuring stability, innovation efforts, and competitiveness for countries within the framework of global structural shifts.

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