

THE PECULIARITIES OF THE USE OF DIGITAL SERVICES IN UKRAINE DURING THE WAR PERIOD

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As conventional sectors face unprecedented challenges due to the war, digital services emerge as vital economic lifelines, offering resilience and adaptability. They not only contribute significantly to the national economy but also provide essential opportunities for individuals to earn a sustainable income under strained circumstances. Unlike physical infrastructures, digital platforms remain more resilient to the physical barriers and dangers imposed by the war, making them indispensable for maintaining economic stability and supporting the livelihoods of countless Ukrainians. The paper provides a short overview on peculiarities of the use of digital services during the war, as well as their role in the country's economic landscape.

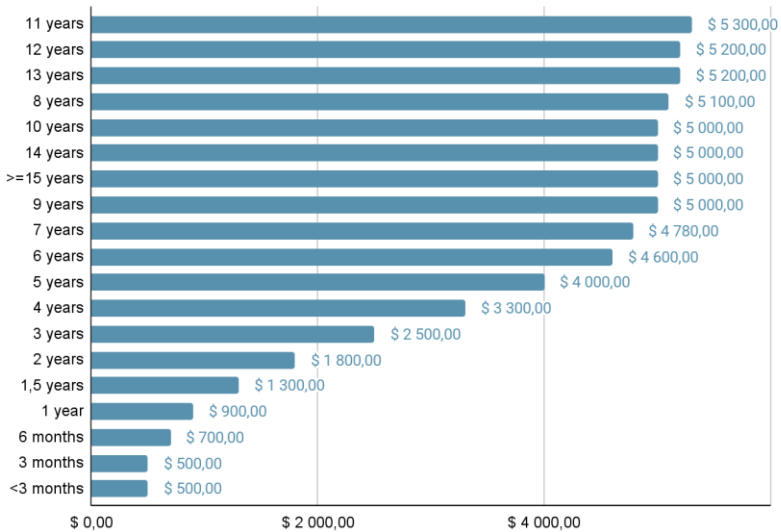
In the Law of Ukraine "On Electronic Communications" as of January 1, 2024, the following definition of an electronic communication service is provided: "A service consisting of the reception and/or transmission of information through electronic communication networks, excluding services with editorial control over the content of the information transmitted using electronic communication networks and services." A user of electronic communication services is recognized as "a legal or natural person, or a sole proprietor, who uses or orders an electronic communication service" [1]. This definition encompasses a vast number of services that businesses and the population cannot do without—internet banking, television, access to social networks, marketplaces, educational services, etc.

In our opinion, despite all the dangers and risks of war, Ukraine already has a strong foundation for the implementation and development of digital services. This includes the availability of broadband Internet, an increasing number of personal computer and smartphone users, and a high level of education among the population. This applies to both commercial and government sectors: people actively use digital banking services, electronic government services, educational platforms, Internet TV services, and more.

For instance, in 2019, the volume of broadband Internet access services reached 13.3 billion hryvnias, and mobile communications reached 37.59 billion hryvnias [2]. The average download speed of fixed (broadband) internet

connection as of April 2024 was 75.70 Mbps, and mobile was 27.23 Mbps, while in August 2022, these figures were 55.52 Mbps and 23.05 Mbps, respectively [3].

A striking example of the importance of digital services during wartime is that in 2022, Ukrainian IT companies exported services worth 3.7 billion USD, which is a 7.9% decrease compared to 2021 figures, while the export in the metallurgy sector was only 6 billion USD and fell by more than 62.5% compared to 2021 [4]. At the same time, in 2023, the median income of a Ukrainian IT specialist with 5 years of experience was 4,000 USD (see graph 1).



Graph 1. Median Income of IT Specialist (USD) Based on the Total Number of Years of Experience in the Industry as of 2023 [5]

The diagram depicts median income in the IT industry in Ukraine based on years of experience. It shows a clear upward trend in salary as experience increases. Individuals with less than three months to up to 1.5 years of experience have median incomes ranging from \$500 to \$1,300. Salaries then rise incrementally from \$1,800 for two years of experience to \$3,300 for four years. The growth in income becomes less steep from five years onward, starting at \$4,000 and increasing to \$4,780 by seven years of experience. The highest incomes range between \$5,000 and \$5,300 for professionals with eight to fifteen or more years of experience, suggesting a plateauing effect in salary increments beyond eight years in the field.

We believe that Ukraine possesses significant potential for the development of the digital services market. However, reaching this goal requires systematic efforts to create a favorable investment climate, support national producers, and stimulate educational activities in the IT sector. Despite the risks associated with war, these efforts can lead to successful development and progress. Key factors identified include the presence of a developed mobile infrastructure providing access to high-speed internet and a highly educated population that facilitates the adoption of new technologies. These elements are crucial for the country's digital transformation and economic resilience, especially in times of adversity. With strategic focus and investment in these areas, Ukraine can not only sustain but also significantly enhance its position in the global digital economy.

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