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**DIGITAL DIVIDE AS A CONSEQUENCE  
OF THE TRANSFORMATION  
OF THE DIGITAL COMPETITIVE SPACE**

The basis for the dominance of technological competition entities is the persistent social, property and inter-country differentiation in the global economy. The already existing technological gap between developed and developing countries is increasing many times over as a result of the emergence of the digital economy and the dominance of digital platforms.

In the late 1990s – early 2000s, the theory of three levels of the digital divide gained popularity [1; 2]. The word "level" is part of the term for describing uneven access to something (knowledge, ICT, information obtained via the Internet; technological resources; user resources). The concepts of "digital divide" and "digital inequality" are quite close, but there are some differences between them.

Digital inequality is the unequal receipt of economic and social benefits due to the impossibility of adequately using the achievements of digital technologies, communication and information [1]. According to the most common definition, the “digital divide” is considered as “the gap between those who have regular and effective access to modern information and communication technologies and those who do not.”

Most researchers conceptualize the digital divide primarily as a form of inequality within the framework of sociological theory depending on gender, age (generation), education, income and social class, employment and ethnicity.

In the digital world, social and economic inequality are becoming increasingly interconnected. Internet connectivity alone does not reduce

information and, as a result, economic inequality. The development of ICT infrastructure is a necessary but not sufficient condition for reducing digital inequality and distributing the benefits of digitalization on a more equitable basis, as well as ensuring that all citizens can exercise their rights or participate in the digital economy. The benefits of digitalization are associated not only with the level of connectivity, but also with the intensity of ICT use, as well as the range of goods, services, and activities in the production and consumption of which new technologies are directly involved. This is where we can distinguish a certain difference between the categories of "digital divide" and "digital inequality". The category of "digital divide" is focused more on assessing the degree of inclusion in digitalization and is a form of digital inequality. The category of "digital inequality" in a broader sense can comprehensively assess not only the conditions or determinants of the level of digitalization, but also the intensity of ICT use, as well as the results - digital dividends and their distribution.

Thus, digital inequality is a more complex phenomenon that affects all manifestations of the digital divide [2; 3].

Digital inequality as a manifestation of the digital divide can manifest itself at three main levels:

1) the level of access to the Internet and ICT (the study is most often based on quantitative data on the Internet audience, the number of Internet and mobile subscribers, the level of Internet penetration, speed and cost of access, etc.);

2) the level of digital competencies of users and digital literacy (the emphasis shifts to the digital skills of users – data on the level of digital literacy, including the ability to quickly find the necessary information online, effectively use online resources for business and personal purposes and other factors);

3) the level of social benefits that users receive with the competent and full use of digital technologies in their professional and private lives (in this case, the advantages of online services and services that can increase productivity are analyzed; the range of benefits is not limited to online services only). The theory of three levels of digital inequality is the

most optimal model for a comprehensive study of the digital divide. It focuses not only on the problem of access to the Internet (the digital divide in the world), but also on the social nature of this phenomenon (inequality in skills, opportunities, and advantages of users in society as a consequence and result of the technological gap). This fact allows using the theory of three levels of digital inequality for a comprehensive analysis of the digital divide and makes it possible to study not only the features of access to technologies (the first level), but also the practices of their application (the second level), as well as the effects of using the Internet and ICT for users (the third level) – processes that have previously been practically not considered in a comprehensive manner.

Global economic transformations have predetermined the speed and depth of changes in competitive processes [4; 5]. New conditions and factors modifying the competitive space change the form, severity and scale of interaction between subjects of market competition. In the context of the "new" economy, the neoclassical structural approach is unable to describe all forms of competition. In addition, the definition of market boundaries, the use of market power assessment tools and the establishment of anti-competitive behavior are changing. Overcoming "digital monopoly" is becoming an insoluble task. Digital inequality both within countries and regions and between countries and regions predetermines the dynamics of the integration of the national economy into the global digital competitive space.

Factors transforming the modern global competitive space increase the inconsistency of digital transformations. On the one hand, this is a movement towards a more open competitive market environment, on the other - an ever-increasing diversity of national and regional forms of socio-economic relations, subject-object market transformations and innovative development. Competition is shifting from the sphere of production of the final product (goods, services) and the technological basis of production towards the formation of institutional advantages of the technological development of subjects. The competitive struggle for "patent capital" is reaching the level of hypercompetition, turning into "patent wars" between the world's leading IT companies; competition for

new standards is intensifying, and national jurisdictions that establish them are increasingly drawn into it. Competition in technology markets is acquiring a dynamic character under the influence of: (1) the asymmetry of relationships between competition entities and the multiplicity of their choices; (2) the different competitive potential of participants focused on obtaining high profits; (3) the business environment on the behavior of firms. The dynamism of technology development and the innovative component of products determine the tendency in such markets to a market structure with a dominant firm, and create a situation in which these markets can no longer compete with new participants, and the competitive process moves from competition "in the market" to competition "for the market".

Hypercompetition manifests itself in: (1) the ability of large companies to concentrate resources; (2) the ability of large companies to quickly recoup R&D costs; (3) dominance and market power, which determine the strengthening of the position of large firms due to the reduced risks of non-return of investments; (4) territorial disproportions of technology markets and digital inequality of countries, which gives rise to monopolistic tendencies due to the high cost of forming and maintaining institutional conditions that provide a favorable competitive environment for the development of innovative activities.

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