



Digitalization and inequality: territorial disparities and policy effectiveness

Organisers:

Benedetta Coluccia, Pegaso Telematic University, 80143 Naples Italy
Benedetta.coluccia@unipegaso.it

Valentina Cattivelli, Pegaso Telematic University, 80143 Naples Italy
Valentina.cattivelli@unipegaso.it

Track Overview

Digital transformation is reshaping societies, offering opportunities for growth and innovation while simultaneously exacerbating existing inequalities and creating new forms of exclusion (Li et al., 2023; Liu et al., 2024). Urban areas, with advanced infrastructures, tend to benefit disproportionately from digital transformation compared to rural and remote regions, where inadequate broadband access, lower digital literacy, and weaker policy implementation hinder progress (Lembani, 2020; Brandano et al., 2023).

This divide is not solely territorial but also reflects broader socio-economic inequalities. Marginalized groups, including low-income households and the elderly, face significant barriers to accessing digital tools, perpetuating disparities in education, employment, and participation in the digital economy (Tewathia et al., 2020). Gender inequality further compounds these issues, as systemic barriers prevent women—especially in rural and low-income settings—from fully engaging in digital opportunities (Mariscal et al., 2019).

Digital transformation also intersects with economic policy, shaping and being shaped by fiscal and investment strategies (Dyba and Maria, 2024). Public policies, such as subsidies for digital infrastructure and investments in digital literacy programs, are critical for reducing territorial disparities and fostering inclusive growth (European Commission, 2022; Reggi and Gil-Garcia, 2023). Tax incentives for technology adoption illustrate how economic instruments can stimulate regional development (d'Andria and Savin, 2018). However, poorly targeted measures risk exacerbating inequalities by disproportionately benefiting technologically advanced regions or larger firms, leaving SMEs and peripheral areas struggling to compete (Morris et al., 2022). While digital transformation enhances access to services and fosters innovation, it can also negatively impact citizen well-being by deepening inequalities. Smart city projects, for example, often prioritize urban centers, leaving rural areas

underserved (Wuth, 2023). Disparities in digital skills and access also affect the reach and effectiveness of e-governance initiatives, often excluding marginalized communities from their benefits (Liu et al., 2024). Initiatives like the EU's Digital Compass 2030 aim to address these disparities, yet regional divides persist, limiting economic opportunities and social cohesion (European Commission, 2021).

This track explores the nuanced impacts of digitalization on inequality, focusing on territorial, socio-economic, demographic and gender dimensions, and critically examines the effectiveness of policies designed to foster inclusivity. Submissions are encouraged to explore how fiscal measures, public investments, and regional development strategies can mitigate digital disparities while fostering sustainable economic growth. By examining territorial diversity, socio-economic disparities, and demographic challenges, the discussion aims to advance understanding of how digitalization can be harnessed to foster equitable, inclusive, and sustainable development.

Key Research Questions

- How does digital transformation influence citizens' well-being and societal inequalities?
- How can digital policies and fiscal strategies reduce territorial and socio-economic disparities to promote inclusive growth?
- In what ways can digitalization address or deepen the digital gender gap and disparities across regions and demographics?
- How can urban, rural, and remote areas benefit equitably from digital transformation initiatives?
- What is the role of education, digital literacy, and skills development in fostering digital inclusion and reducing inequalities?
- How do fiscal and investment strategies contribute to reducing regional digital inequality and fostering inclusive growth?

Key-words

Digital transformation; Digital divide; Territorial inequality; Rural development; Urban-rural divide; Smart cities; E-governance; Socio-economic inequality; Gender inequality; Digital gender gap; Digital literacy; Regional development; Fiscal policies; Public investments; Broadband access; Economic growth; Marginalized communities; Social cohesion; Digital inclusion; Sustainable development; ESG.

Submission Guidelines

We invite researchers, practitioners, and policymakers to submit original contributions, including:

- Empirical studies (quantitative or qualitative).
- Case study analyses of specific regions, cities, or policies.
- Theoretical and conceptual papers.
- Comparative analyses across countries or regions.
- Interdisciplinary research combining economics, public policy, and territorial studies.

Future opportunities

Authors presenting their research at the conference may then be invited to submit their full paper for publication as a special issue in an international peer-reviewed journal.

References

- Brandano, M. G., Mastrangioli, A., & Palma, A. (2023). The digital divide and the growth of the hospitality industry: The case of Italian inner areas. *Regional Science Policy & Practice*, 15(7), 1509-1532.
- d'Andria, D., & Savin, I. (2018). A Win-Win-Win? Motivating innovation in a knowledge economy with tax incentives. *Technological Forecasting and Social Change*, 127, 38-56.
- Dyba, W., & Di Maria, E. (2024). Assessment and support of the digitalization of businesses in Europe during and after the COVID-19 pandemic. *Regional Science Policy & Practice*, 16(1), 12717.
- European Commission. (2021). 2030 Digital Compass: The European Way for the Digital Decade. Retrieved from https://ec.europa.eu/commission/presscorner/api/files/document/print/en/qanda_21_984/QANDA_21_984_EN.pdf
- European Commission. (2022). *Responsible digitalisation*. Retrieved from https://international-partnerships.ec.europa.eu/policies/digital-and-infrastructure/responsible-digitalisation_en
- Lembani, R., Gunter, A., Breines, M., & Dalu, M. T. B. (2020). The same course, different access: the digital divide between urban and rural distance education students in South Africa. *Journal of Geography in Higher Education*, 44(1), 70-84.
- Li, R., Xu, S., & Zhang, Y. (2023). Can digital transformation reduce within-firm pay inequality? Evidence from China. *Economic Modelling*, 129, 106530.
- Liu, H., Wang, X., Wang, Z., & Cheng, Y. (2024). Does digitalization mitigate regional inequalities? Evidence from China. *Geography and Sustainability*, 5(1), 52-63.
- Liu, Q., Li, Z., & Wang, Y. (2024). The heterogeneous impact of economic policy uncertainty on export recovery of firms: The role of the regional digital economy. *Regional Science Policy & Practice*, 100044.
- Mariscal, J., Mayne, G., Aneja, U., & Sorgner, A. (2019). Bridging the gender digital gap. *Economics*, 13(1), 20190009.
- Morris, J., Morris, W., & Bowen, R. (2022). Implications of the digital divide on rural SME resilience. *Journal of Rural Studies*, 89, 369-377.
- Reggi, L., & Gil-Garcia, J. R. (2021). Addressing territorial digital divides through ICT strategies: Are investment decisions consistent with local needs?. *Government Information Quarterly*, 38(2), 101562.
- Tewathia, N., Kamath, A., & Ilavarasan, P. V. (2020). Social inequalities, fundamental inequities, and recurring of the digital divide: Insights from India. *Technology in Society*, 61, 101251.
- Wuth, J. (2023). (Why) Do digital startups move to rural regions?. *Regional Science Policy & Practice*, 15(4), 845-863.