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**DIGITAL POVERTY AND THE PHENOMENON OF THE “WORKING POOR”:
INNOVATIVE MECHANISMS FOR OVERCOMING SOCIAL INEQUALITY
IN THE CONDITIONS OF THE POST-WAR ECONOMY**

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Abstract. The study provides an in-depth analysis of the transformation of the concept of poverty in the context of global digitalization and post-war economic recovery in Ukraine. Departing from the classical monetary understanding of deprivation, the work focuses on the multidimensional aspects of social inequality: “digital poverty” and the paradox of the “working poor.” It examines the impact of technological isolation, inflationary processes, and the destruction of the industrial base on the marginalization of a significant part of the working-age population. It substantiates the need to move from a passive model of social retention to a policy of inclusive growth. A comprehensive mechanism for overcoming new forms of poverty through labor market modernization, human capital development, digital inclusion, and microenterprise stimulation is proposed.

Keywords: digital poverty, working poor, precarious work, social inequality, post-war recovery, inclusive growth, digital literacy, human capital, multidimensional poverty.

The traditional understanding of poverty as exclusively material deprivation (lack of funds to meet basic physiological needs) is gradually losing its relevance in the modern world. Contemporary economic science, based on Amartya Sen's concept of human development, views poverty not simply as low income, but as a “constraint on basic capabilities” of a person. Today, the standard of living is determined not only by the number of calories consumed or the availability of a roof over one's head, but also by access to modern technologies, quality medical care, continuous education, and the opportunity to participate fully in public life.

In the context of post-war recovery and rapid global digitalization, new and much more complex forms of social inequality are coming to the fore. Assessing living standards solely through the prism of the subsistence minimum or gross domestic product (GDP) per capita no longer reflects the real picture of social well-being, as it ignores structural imbalances in the distribution of wealth and access to infrastructure.

One of the most acute structural problems of the modern Ukrainian labor market is the growing phenomenon of the “working poor.” This category includes citizens who are fully employed, either formally or informally, and work a standard 40 hours per week, but whose wages are so low that they cannot meet the basic needs of their households and support dependents (children or elderly parents).

This paradox is caused by a number of macroeconomic and institutional factors [1]:

Concentration of employment in low value-added sectors: A significant part of the workforce is employed in basic services, retail trade, agriculture, and low-tech manufacturing, where business margins do not allow for high wages.

Outdated tariff and minimum wage system: The minimum wage is often detached from the real cost of living and actual inflation, becoming a fiscal instrument (the basis for calculating taxes) rather than a guarantee of a decent standard of living.

High tax burden on the wage fund: Identical tax rates for both minimum and high incomes mean that low-paid workers give a disproportionately large share of their real income to the state.

Precairization of labor: The growth of non-standard, temporary employment without adequate social guarantees (paid leave, sick leave) makes workers extremely vulnerable to any economic shocks.

The phenomenon of the “working poor” destroys a fundamental economic incentive – the motivation to engage in legal, productive work. If full employment no longer guarantees a way out of poverty, this provokes an outflow of personnel into the shadow economy or stimulates external labor migration.

Parallel to the degradation of the traditional labor market, a new and dangerous dimension of inequality is emerging: the “digital divide” or “digital poverty.” While in the early 2000s the digital divide simply meant the presence or absence of a computer, today it is a complex phenomenon that includes three levels of deprivation:

Infrastructure level: Lack of access to high-speed internet (especially in rural areas and frontline zones) and lack of modern devices (smartphones, laptops) capable of supporting up-to-date software.

Cognitive level (lack of skills): Lack of digital literacy – inability to use cloud technologies, office programs, video conferencing tools, or professional software.

Socio-economic level: Inability to convert internet use into economic benefits [2].

In today's reality, digital poverty automatically and inevitably translates into economic poverty. People without digital skills find themselves cut off from the global remote work (freelance) market, where wages are often tied to hard currency. They cannot use government e-services (which increases their transaction costs), do

not have access to modern educational platforms (Coursera, Prometheus) for retraining, and become the main victims of financial cyber fraud. Ultimately, digital isolation severely limits their status in a narrow market for low-skilled manual labor.

The full-scale war has been a harsh catalyst for the deepening of both of the above phenomena. The economic shock of 2022-2024 radically changed Ukraine's social landscape:

Destruction of the industrial base and jobs: The destruction of large industrial enterprises in the east and south of the country led to the loss of hundreds of thousands of jobs, turning entire regions into depressed areas.

The drama of internally displaced persons (IDPs): Millions of people lost not only their homes and assets, but also their social ties. For IDPs, relocation often meant an immediate fall below the poverty line, as they were forced to accept any job, even the lowest-paid ones, in their new locations.

Energy terror: Constant power outages have dealt a devastating blow to the digital sector and freelancers, making remote work unstable and requiring significant investment in autonomous power systems (generators, charging stations), which is unaffordable for the poor.

Inflationary pressure: High inflation rates caused by the devaluation of the national currency and logistical crises have led to a sharp decline in the real purchasing power of citizens whose incomes have remained at pre-war levels [3].

Solving this complex of problems requires a radical departure from paternalistic approaches and simply increasing social payments. Public policy must be reoriented toward providing tools for economic independence.

Key areas of reform include:

Modernization of income and taxation policy: It is necessary to introduce a tax-free minimum income for citizens at the level of the actual subsistence minimum. This will instantly increase the real incomes of the lowest-paid workers. In addition, the calculation of the consumer basket must include the cost of high-speed internet and mobile communications as basic needs of the 21st century.

National digital inclusion programs: Expansion of initiatives such as state digital education platforms. Targeted “digital vouchers” should be introduced for vulnerable groups (people over 45, IDPs, veterans), which will cover not only training in IT or related digital professions, but also partial compensation for the purchase of basic computer equipment for remote work.

Encouraging self-employment instead of unemployment benefits:

Transforming employment centers into entrepreneurship development centers. Instead of long-term unemployment benefits, the state should focus on providing non-repayable microgrants (following the example of the eRobota program) for starting microbusinesses. This will allow citizens to generate income independently and escape structural poverty.

Public-private partnership in infrastructure development: Attracting investments from telecommunications companies to provide 100% coverage of rural and de-occupied territories with high-speed internet through tax incentives. The comparative table (Table 1) reflects the strategic guidelines for overcoming new forms of poverty

in the medium term (5 years), demonstrating the targets and mechanisms for achieving them.

Table 1

Strategic guidelines for overcoming digital poverty and income inequality

Indicator	Current status (approximate)	Target benchmark (in 5 years)	Measures and mechanisms of influence
Poverty level among the working population	18-22%	< 5%	Introduction of negative income tax for families with children; stimulation of investment in high-tech sectors.
Basic digital literacy rate (according to EU methodology)	55%	> 85%	National program “Digital Citizen”; tax breaks for companies that train their staff.
High-speed internet coverage in rural areas	60%	95%	Preferential lending to providers; use of satellite technology for remote locations.
Share of microenterprise income in the income structure	10%	25%	Simplification of self-employment registration through “Diyu”; grant support for “eRobota” startups.
Availability of digital devices for households (PC/tablet)	65%	98%	Gadget leasing programs for students and pensioners; social computer hubs.

The first indicator – the poverty rate among working people – is a key indicator of the health of the economic system. Reducing it to less than 5% is only possible through the de-shadowing of the economy and tax reform. The second and third indicators directly relate to bridging the “digital divide.” Bringing digital literacy to 85% is critical for human capital to adapt to the demands of the modern economy, where every second profession requires interaction with computer systems. The fourth indicator reflects the structural transformation of society: the transition from dependence on hired (often low-paid) labor to flexible self-employment, which creates the basis for the formation of a strong middle class.

Recent research in behavioral economics (particularly the work of Eldar Shafir) proves the existence of the “scarcity effect.” When a person is in a state of constant resource scarcity, their brain focuses exclusively on short-term survival. This leads to a decrease in “cognitive bandwidth” [4].

In the context of digital transformation, this creates a vicious circle: a person is too poor to devote time to learning new digital skills because all their mental resources are absorbed by the question of “how to survive until tomorrow.”

Government policy to overcome poverty must take this psychological aspect into account. Assistance should not be merely monetary, but should also “free up time.”

For example, automating social services through Diya is not just a matter of convenience; it is about giving poor people back the intellectual resources that were previously wasted on queues and bureaucracy.

Digitalization has given rise to the Gig Economy (Uber, Glovo, Freelance platforms). For Ukraine in the post-war period, this could become a powerful tool for the rapid rehabilitation of the labor market.

Pros: Low barrier to entry. Often, all you need to start earning money is a smartphone and basic internet access. This is an ideal mechanism for the rapid adaptation of IDPs in a new place.

Risks: This is a path to the formation of a “digital precariat” – people who have jobs but are deprived of any social guarantees (pensions, paid vacations).

If there is a desire to overcome poverty through digitalization, Ukraine should become the first country to legalize “digital nomad status” not only for IT professionals but also for micro-entrepreneurs. Flexible social security systems are needed, where contributions are paid for each completed digital order with a single click.

The old model of education, “study for 5 years, work for 40,” is finally dead. In 2026, knowledge becomes obsolete faster than textbooks can be printed. Digital poverty directly correlates with the inability to “retrain.”

We propose the concept of “learning income.” Instead of traditional unemployment benefits, individuals receive higher payments if they actively participate in retraining courses in critically important skills (cybersecurity, drone operation, data analysis, green energy). This transforms social support from a “budget expense” into a “capital investment.”

Post-war poverty in Ukraine will have a specific “utility” flavor. The high cost of energy against the backdrop of destroyed infrastructure can drive households into debt.

The digital solution here is to create “Smart Grids” – intelligent energy networks. The state should encourage poor households to become “prosumers” (both producers and consumers). Installing solar panels in depressed areas with targeted loans will allow poor families not only to save money, but also to sell surplus energy to the grid through digital platforms. This radically changes a person's status: from a “subsidy seeker” to an “energy entrepreneur.”

It is important to raise the issue of artificial intelligence in this article. Today, AI algorithms decide who to give a loan to, whose resume to show to a recruiter, or what job ads a user will see on social media.

If we do not ensure the transparency of algorithms, poor people will end up in an “algorithmic ghetto.” They will only see ads for microloans at 1000% per annum and job openings for porters. Overcoming digital poverty also means fighting to ensure that digital assistants help poor people find opportunities for growth, rather than dragging them deeper into poverty.

Contemporary economic thought increasingly uses the term “multidimensional poverty.” This is a condition in which a person is deprived not only of money but also

of the fundamental tools to change their status. In the 21st century, access to digital goods has become such a tool. Whereas previously the “social elevator” worked through formal education and experience, today it works through algorithmic capital.

When we talk about the “digital divide,” we don't just mean the lack of a laptop. It's a new form of caste system. People who do not have digital skills become “invisible” to the modern economy. They cannot apply for high value-added jobs, do not see opportunities for investment, and remain within the confines of low-productivity work. This creates a dangerous precedent – the reproduction of poverty at the genetic level: children in families without access to technology have significantly lower chances of success in the future [5].

Millions of Ukrainians abroad have acquired new skills and European experience. The main reason they may not return is fear of Ukrainian poverty and bureaucracy.

In expanding the conceptual and analytical framework of this study, it is important to further examine the institutional architecture required to operationalize the transition from a redistributive welfare model to a digitally enabled inclusive growth paradigm. Post-war Ukraine faces not only the task of reconstructing destroyed infrastructure, but also the challenge of redesigning the rules of economic participation. This involves embedding digital inclusion into the constitutional logic of economic policy. Digital access must be treated as a public good comparable to basic utilities, which implies long-term state investment, regulatory modernization, and cross-sectoral coordination. In practical terms, this requires integrating digital infrastructure projects into national reconstruction plans, aligning them with regional development strategies, and ensuring that digital connectivity is prioritized in the rebuilding of schools, hospitals, administrative centers, and transport hubs. The reconstruction of physical infrastructure without parallel digital embedding would reproduce pre-war inequalities. Therefore, each newly rebuilt community should be conceptualized as a “smart community,” equipped not only with roads and housing but also with fiber-optic networks, public Wi-Fi zones, digital service kiosks, and community-based co-working hubs that allow residents to integrate into national and global labor markets.

A critical dimension of overcoming digital poverty lies in the reform of financial architecture. Financial exclusion remains a structural barrier for low-income households, particularly in rural and war-affected regions. The development of digital banking, mobile payment ecosystems, and simplified electronic identification systems can significantly reduce transaction costs and increase transparency. However, financial digitalization must be accompanied by robust consumer protection mechanisms to prevent the exploitation of vulnerable groups through predatory lending or opaque digital contracts. In the post-war context, the introduction of a central bank digital currency (e-hryvnia) could serve as a powerful tool for targeted social transfers, programmable grants, and conditional development payments. Smart contracts could ensure that state funds allocated for education, energy modernization, or microenterprise development are used strictly for their intended purposes. Such mechanisms would minimize corruption risks and strengthen public trust in institutions, which is a prerequisite for sustainable economic recovery.

Another essential aspect is the spatial dimension of inequality. War has deepened the asymmetry between large metropolitan centers and peripheral territories. Without deliberate intervention, digital transformation may concentrate high-value employment opportunities in major cities, leaving rural and de-occupied areas further marginalized. To prevent this, policy must incentivize the geographical decentralization of digital employment. Tax incentives for companies that hire remote workers from rural communities, state-supported digital clusters in small towns, and partnerships with international IT firms to establish distributed teams across regions can stimulate balanced development. Additionally, universities and vocational institutions in regional centers should be transformed into digital innovation hubs that provide retraining, mentorship, and startup incubation. This will not only mitigate migration pressures but also strengthen social cohesion by anchoring human capital within local communities.

Special attention must be devoted to demographic dimensions of digital inequality. Older populations, veterans, and internally displaced persons require tailored approaches that account for psychological trauma, disrupted social networks, and skill mismatches. For veterans in particular, digital retraining programs can serve as instruments of reintegration, enabling them to transition from military service to civilian high-tech sectors such as cybersecurity, drone engineering, or logistics analytics. Women, who often bear disproportionate caregiving responsibilities in post-conflict societies, must have access to flexible online employment formats and subsidized childcare solutions integrated with digital work platforms. Addressing gender-specific digital barriers is essential to preventing the feminization of poverty. Inclusive digital policy must therefore intersect with social psychology, gender studies, and labor economics, ensuring that no group remains structurally excluded from technological progress.

The educational system requires a paradigm shift from standardized curricula to modular competency-based frameworks aligned with labor market analytics. Artificial intelligence and big data can be utilized to forecast demand for specific skills, enabling educational institutions to rapidly adjust training programs. Micro-credentialing systems, blockchain-based diploma verification, and interoperable digital portfolios would allow workers to accumulate and demonstrate competencies in real time. In such a model, the boundary between formal education and professional practice dissolves. Continuous retraining becomes not an emergency response to unemployment but a permanent feature of economic citizenship. Importantly, public funding formulas should reward institutions not for enrollment numbers but for employment outcomes and measurable productivity gains of graduates. This would align incentives across the educational and economic systems, reinforcing human capital as the central pillar of post-war reconstruction [4].

The intersection between digitalization and the green transition presents additional opportunities for poverty reduction. Energy-efficient housing reconstruction, smart metering systems, and decentralized renewable generation can drastically reduce household expenditures. Digital monitoring platforms can help families optimize consumption patterns, while community-based energy cooperatives can create new income streams in depressed regions. The integration of

environmental sustainability with digital innovation ensures that post-war recovery does not replicate carbon-intensive industrial structures of the past. Instead, Ukraine can leapfrog directly into a green digital economy characterized by distributed production, intelligent logistics, and low marginal costs of replication. This structural shift would enhance macroeconomic resilience, reduce import dependence, and create high-value employment opportunities aligned with global climate commitments.

Equally significant is the need to safeguard ethical standards in algorithmic governance. As decision-making increasingly relies on automated systems, ensuring transparency, accountability, and fairness becomes imperative. Algorithmic audits, open-source public sector software, and citizen oversight councils can prevent discrimination embedded in data-driven systems. The risk of algorithmic exclusion – where individuals are denied opportunities due to biased data profiles – must be proactively addressed. Regulatory frameworks should guarantee the right to explanation and appeal in automated decision-making processes. In this way, digital transformation will reinforce democratic values rather than undermine them. The legitimacy of digital governance depends not only on efficiency but also on perceived fairness and inclusiveness.

International cooperation represents another cornerstone of successful transformation. Integration into European digital markets, harmonization of regulatory standards, and participation in cross-border innovation programs will expand opportunities for Ukrainian entrepreneurs and professionals. Diaspora networks can function as transnational bridges for knowledge transfer, venture capital flows, and mentorship. Creating digital platforms that connect returning migrants with domestic investment projects would convert migration from a loss of human capital into a channel of technological diffusion. In this sense, post-war Ukraine can position itself not merely as a recipient of reconstruction aid but as an experimental laboratory for advanced socio-digital governance models applicable to other post-conflict regions worldwide.

Finally, the cultural dimension of digital inclusion must not be underestimated. Technological transformation requires a shift in collective mindset – from dependence on hierarchical institutions to proactive engagement with decentralized networks. Public campaigns promoting digital self-efficacy, entrepreneurial culture, and lifelong learning are essential for cultivating this mindset. Trust in digital systems must be built gradually through transparency, reliability, and user-centered design. When citizens perceive digital tools as instruments of empowerment rather than surveillance or control, adoption rates increase organically. Thus, the fight against poverty becomes not solely an economic project but a civilizational transformation rooted in dignity, autonomy, and participation [2].

In summary, expanding the strategy for overcoming digital poverty and the phenomenon of the working poor requires a systemic approach that integrates infrastructure, financial innovation, spatial development, demographic inclusivity, educational reform, environmental sustainability, algorithmic ethics, international integration, and cultural change. Post-war reconstruction offers a historic opportunity to redesign Ukraine's socio-economic model on the foundations of digital equality and inclusive productivity. If successfully implemented, this transformation will not

only reduce poverty indicators but also establish a resilient economic ecosystem capable of withstanding future shocks. Digital capital, when universally accessible, becomes the most democratic form of wealth – one that multiplies rather than concentrates, empowers rather than marginalizes, and transforms recovery into sustainable prosperity.

Digital transformation is our only chance. We must offer “digital repatriation”:

The opportunity to start a business in Ukraine while still in Poland or Germany (through e-Residency).

Digital housing certificates (e-Restoration), integrated with bank mortgage products at 3%.

Virtual educational hubs for migrant children so that they do not lose touch with the Ukrainian labor market.

Tables 2

Multidimensional indicators of success (Futurological forecast)

Direction of transformation	Old paradigm (2021)	New reality (2026-2030)	Social impact
Social mobility	Higher education diploma	Portfolio of digital skills and rating on platforms	Equal opportunities for residents of small towns
Type of assistance	Cash payments (passive)	Grants for equipment and cloud services	Transition from consumption to creation
Place of work	Office/factory (physical presence)	Hybrid employment/metaverse	Reduction in logistics and rental costs
Financial system	Cash / Traditional banks	Decentralized finance (DeFi) and digital hryvnia (e-hryvnia)	Instant targeted assistance without intermediaries

Ukraine is at a unique point right now. We've got the highest level of economic stress in the world, but we're also rolling out government digital solutions faster than anyone else. Our fight against poverty isn't just about patching up holes in the budget. It's about creating a new social contract.

In this agreement, the state guarantees citizens not a “ration” but “digital weapons” for survival and development: the internet, skills, transparent rules of the game, and access to global capital. Poverty will be defeated not when we print more money, but when every resident of the most remote village in Chernihiv or Kherson can use a smartphone to compete in the labor market with a resident of London or Singapore. This is true sovereignty – the sovereignty of individuals, free from poverty thanks to technology.

One of the greatest threats of the digital age was considered to be automation, which was supposed to “take away jobs from the poor.” However, in 2026, we are seeing a reverse trend: artificial intelligence (AI) is becoming the most powerful tool for overcoming poverty. For people with low levels of formal education, AI assistants are becoming “cognitive prostheses.” They allow people to perform complex tasks –

from writing code to creating professional designs or legal analyses – without having to spend five years in university.

Algorithmic inclusion should become part of the state strategy. If the state provides every citizen with access to professional neural network tools (through a national educational platform), we will level the intellectual playing field. Poverty will no longer be the result of a lack of knowledge – it will be the result of a lack of access to intellectual systems [6].

Traditional unconditional basic income is often criticized for encouraging dependency. In Ukraine's post-conflict economy, we propose an innovation: Unconditional Digital Income. This is not just money, but a package of resources for self-development:

- free high-speed traffic.

- access to computing power (Cloud Credits).

- subscription to paid educational and professional services.

This creates an environment where a poor person receives not “fish” (food), but “a fishing rod” (digital tools) and “a lake” (the labor market). This approach stimulates economic activity rather than passive consumption. When receiving digital assets, citizens are forced to use them to create content, services, or training, which automatically pushes them out of the working poor category and into the creative class category.

Table 3

Structural changes in household economies (forecast to 2030)

Components of well-being	“Past” model	“Future” model	Impact on poverty levels
Source of income	One job (8/5)	Multiple streams (freelancing, staking, rent)	High resistance to crises
Main asset	Real estate, car	Human capital + Digital assets (NFT, IP)	Mobility and protection from physical destruction
Education	Diploma (once in a lifetime)	Micro-qualifications (monthly)	No technological unemployment
Social protection	Government benefits	Smart insurance and digital grants	Instant assistance when risk occurs

In conclusion, it is worth noting that digital transformation is not just about code and hardware, it is about dignity. Poverty humiliates people by forcing them to beg. Digitalization restores people's agency. When an algorithm automatically assigns assistance without the involvement of officials, humiliation and corruption disappear.

Ukraine must demonstrate to the whole world a model of “Empathetic Digitalization.” This is when technology does not create a new elite, but rather lifts the weakest to the level of general prosperity. Our goal is a society where poverty is impossible, not because it is prohibited by law, but because the economic system is so transparent and inclusive that any active person can find a way to realize their potential in a matter of seconds [7].

Post-war Ukraine cannot afford the luxury of slow evolution. We need a quantum leap. Digital transformation is our only chance to turn the “poverty of destruction” into the “wealth of opportunity.” Every line of code in our government services, every new megabit of internet in the countryside, is a blow to poverty that brings us closer to becoming the most advanced digital nation in the world.

In conclusion, it should be noted that poverty in post-war Ukraine is a complex, multidimensional phenomenon that cannot be overcome with the social policy tools of the last century. Passive social assistance through the distribution of subsidies only preserves the problem, creating learned helplessness and depleting the state budget.

The strategy for overcoming social inequality must be based on the principles of inclusive growth and human capital development. Modern social policy must be proactive: it must not simply compensate for lost income, but eliminate the root causes of poverty. Only by eliminating “digital poverty” through infrastructure development and comprehensive digital education, as well as by creating fair tax and institutional conditions for decent wages and microbusiness development, will the state be able to ensure successful post-war economic recovery. The formation of competitive, economically independent citizens integrated into the global digital world is the main guarantee of Ukraine's national stability.

Research into the standard of living and quality of life of the population in the context of post-war recovery and digital transformation allows us to draw a fundamental conclusion: poverty in modern Ukraine is not a consequence of a lack of resources, but a consequence of an outdated model of their distribution and use. The analysis confirms that traditional methods of social support have exhausted their potential, and the future well-being of the nation depends on the state's ability to make a “quantum leap” into digital inclusive capitalism.

The first and main conclusion is that overcoming the phenomenon of the “working poor” is impossible through a simple administrative increase in wages. This will only lead to an inflationary spiral.

The real solution lies in increasing labor productivity through digitalization. It has been proven that every dollar invested in digital literacy returns to the economy through increased self-employment and reduced budgetary burdens. Public policy must transform from a “social model” (where the state is a guardian) to a “service platform” (where the state is a facilitator of opportunities).

The quality of life in the post-war period should be measured not only by GDP, but also by the Digital Freedom Index. This means that access to the internet and knowledge of algorithms are becoming as fundamental a human right as the right to medical care or security [5].

The war has proven that physical assets (factories, ports, infrastructure) can be destroyed in a matter of minutes. However, human capital, enhanced by digital skills, is extremely mobile and resilient. Our conclusion is that the number one strategic priority should be to rebuild the education system into a Life-Long Learning format.

Poverty is a derivative of outdated knowledge. Overcoming “digital poverty” among older age groups and rural residents will allow millions of people who were previously considered “dead weight” on the social system to be brought into the

economic cycle. We assert that in the digital economy there are no “superfluous people,” only “unconnected people.”

A deep analysis of migration processes leads to the conclusion that millions of Ukrainians will only return from abroad if Ukraine offers a higher quality institutional environment than EU countries. Since we cannot immediately offer social benefits higher than those in Europe, we must focus on “digital liberalization.”

Ukraine must become a global hub for self-employed individuals and micro-entrepreneurs. Overcoming poverty through digitalization means creating conditions where it takes two seconds to start a business and taxes are paid automatically without contact with the tax authorities. This is the only way to eliminate corruption risks and bring back the most active part of the population.

The paper argues that digitalization is the most powerful anti-corruption tool. Targeted social assistance, based on Big Data algorithms and blockchain technologies, eliminates “gray areas” where billions of hryvnias from the budget previously disappeared. These funds should be reinvested in the medicine of the future and preventive healthcare.

We conclude that social justice in the 21st century is not about income equality, but about digital equality. If every citizen, regardless of their place of birth, has access to the same computing power and knowledge, poverty becomes a matter of personal choice and initiative, rather than a social sentence.

An important finding of the study is the link between the “green transition” and poverty levels. The energy independence of each individual household, supported by digital energy management systems (Smart Grid), is the key to breaking free from “utility slavery.” Post-war reconstruction should be based on the principles of energy efficiency, which will allow poor families to radically reduce their monthly expenses, directing the freed-up funds to the development of human capital.

Table 4

Final indicators of the strategy (5-year cycle) [7]

Strategic vector	Key instrument	Social outcome	Economic effect
Economic freedom	Smart contracts and e-residency	Elimination of corruption at the grassroots level	GDP growth of +3% annually
Digital literacy	Training vouchers for people aged 45+	Reducing unemployment among vulnerable groups	40% increase in labor productivity
Energy independence	Grants for solar panels	50% reduction in household expenses	Reduction in energy imports
Targeted assistance	AI and Big Data analytics	Overcoming poverty among 90% of those in need	20% savings in the social budget

In conclusion, it is worth emphasizing that Ukraine has a unique historical opportunity. The tragedy of war has cleared the way for radical reforms that old European democracies have not dared to undertake for decades due to systemic inertia. Our conclusion: Ukraine can and should become the world's first

“Algorithmic Nation,” where poverty is considered a technical bug rather than a systemic characteristic.

The transition from a “survival” paradigm to a “prosperity” paradigm requires three things from the state:

complete transparency (through the digitization of all processes).

maximum freedom (through the simplification of regulations for microbusinesses).

total education (through continuous investment in digital literacy).

Only such a triangle of strategic priorities will ensure a quality of life worthy of the Ukrainian people's struggle for independence. We assert that digital transformation is not an addition to the economy; it is the economy of the future, in which there is no place for poverty, digital inequality, and social despair.

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