

CAN E-MARKETPLACES BRIDGE THE DIGITAL DIVIDE?

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Abstract: In Australia, small and medium enterprises (SMEs), particularly rural SMEs, are perceived as being on the wrong side of the digital divide. Government at local and state levels have taken a leading role in the development of electronic marketplaces with an aim of improving the lot for SMEs. Many government departments now either own or sponsor electronic marketplaces. Government aims in creating e-marketplaces are often motivated by regional economic development issues. Whilst government entities may think e-marketplaces are an effective channel for implementing government policy a number of complications can arise from this model, not least is being seen as stifling free trade. Despite the community development motivation a major argument for e-marketplace development being put forward is the economic one and this has contributed to a narrow view of the e-marketplace concept and one, which for the time being at least, is likely to restrict its impact. Government sponsored e-marketplaces should consider the value of on-line business networks to share knowledge and potentially increase levels of innovation.

Keywords: SMEs, electronic marketplaces, government, digital divide.

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