Development Policy Forum

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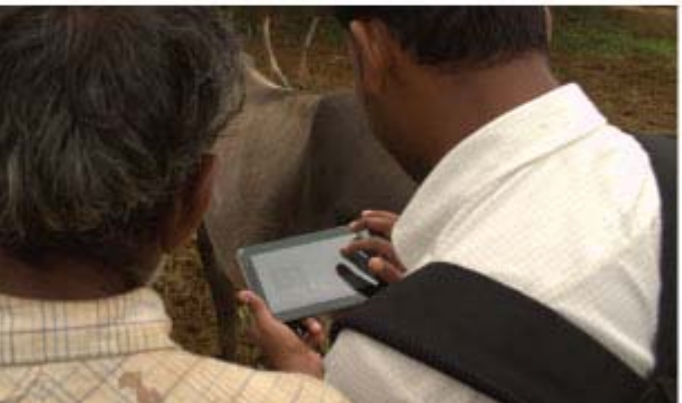
MAKING THE DIGITAL REVOLUTION WORK BETTER, FASTER FOR DEVELOPMENT

REPORT



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This event is part of our Development Policy Forum (DPF), which brings together a number of crucial development actors, including the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the Agence Française de Développement (AFD), the Japan International Cooperation Agency (JICA), the European Investment Bank (EIB), the United Nations and the World Bank to contribute to the global and European conversation on development. Through its activities and publications, the DPF reflects the rapidly-changing global debate on growth and development and seeks to encourage fresh, up-to-date thinking on the multiple challenges facing the development community.

THE DIGITAL REVOLUTION CAN CONTRIBUTE TO DEVELOPMENT

Access to digital technologies can empower poor and disadvantaged people, create jobs and widen access to health and educational services. But the first step must be to find digital applications that solve practical problems and make a difference to people's lives.

That was the message of a Friends of Europe Development Policy Forum event on 7 November, where development actors and technology experts discussed how the digital revolution is impacting international development – and how it could have an event greater impact in the future.

The digital revolution is transforming the world. While it is often regarded with trepidation in industrialised countries, where it is seen as a potential destroyer of jobs, digitisation should be unambiguously a positive force in the developing world. Access to digital technologies and the Internet can empower the world's poor and disadvantaged people, creating jobs and allowing more women to participate in the labour market. It means that people can transfer money quickly and efficiently, and it provides millions with access to health and educational facilities.

As a result, digitisation is already having a strong impact on the global development agenda, and it could become an even more powerful force for change and growth in the coming years. New, digitally-controlled machines such as drones are also becoming tools for development activities in areas such as conservation, health, transportation and data collection. They are also aiding humanitarian work in developing countries, especially in the aftermath of natural disasters.

"Digitisation is changing the way we approach development," said moderator **Shada Islam**, Director for Europe and Geopolitics at Friends of Europe. "It is being turned upside down by the digital revolution."

"Digitisation is changing the way we approach development"

Shada Islam
Director for Europe and Geopolitics
at Friends of Europe

“Digital systems don’t discriminate against users. They don’t know your gender, nationality or disability, so they can contribute to more inclusive societies”

Jüri Seilenthal
Director-General for Foreign Economic Policy and Development Cooperation at the Ministry of Foreign Affairs of Estonia

EUROPE’S DIGITAL STAR

To make digitisation work for developing countries, it is essential to form bridges with those European countries that are exploiting the technology to the full. Estonia is famous for its advanced e-government, providing every public service digitally by default. Now, it is helping other countries build up digital systems that will deliver public services better. “We believe the UN Sustainable Development Goals will benefit from digitalisation,” said **Jüri Seilenthal**, Director-General for Foreign Economic Policy and Development Cooperation at the Ministry of Foreign Affairs of Estonia. Universal healthcare comes under SDG Goal 3, for example, and digital solutions can make healthcare systems more efficient and effective. “Digital systems don’t discriminate against users. They don’t know your gender, nationality or disability, so they can contribute to more inclusive societies.”

Digital skills have become a key to job markets throughout the world, so young people who have not learned them will have reduced opportunities. That is not just a problem for developing countries said **Dana Schurmans**, Digital Inclusion Expert at the ACP Young Professionals Network. “Inclusiveness has always been one of the key questions,” she said. “There are huge differences within and between social groups in terms of the skills they have. I did a study of the Brussels-Capital Region, and some young people between 15 and 25 years old are being excluded.”

There are big differences even among young people with a low level of digital literacy. “There is not just one profile of digitally excluded young people,” said Schurmans. “There are lots of variables, and much depends on things like social-support education and the need they have to use digital tools. There are young people who are poor, and digital media help them to find a job and do their homework.”

TECHNOPHOBIA IS COMMON

One universal problem is that many people are natural technophobes: they would prefer to avoid dealing with new, digital ways of doing things. So it’s important that they see the immediate benefits of technology. An example is an Indian service for farmers that provides a variety of information, from weather forecasts to advice on pesticide use. Created 15 years ago, the service is highly relevant to the farmers, but also very simple: instead of smartphones, it works through mobile phone text messages.

“The key thing is that most innovations come from a frugal mentality,” said **G Subramanian**, Principal Innovation Evangelist at Tata Consultancy Services (TCS). “We are looking at solutions that can be low-cost and done on the cheap. The services must be relevant to people. You can take photo of a leaf, send it off and an expert can say which pesticide to use. Now it has expanded to fishermen, too - still using mobile phones, not smartphones. It’s an expanding ecosystem.”

Clear benefits are also essential for setting up nationwide, government digital systems. These are not technically difficult to set up, said Seilenthal. But there has to be a will to implement. “The country itself has to want it,” he said. “Per-person costs are not that huge: a plastic card with a chip costs a dollar. And the biggest cost in infrastructure is the labour. But the key is the minds of people. If they do not take it up it is very hard to do.” From public acceptance, the legal infrastructure can follow, he said.

Still, people can be encouraged towards a more-positive attitude towards digital technology, said Schurmans. “I believe it is difficult to say that is it a personal responsibility,” she said. “More important is the community and the mindset it produces. The research I did in a developed context can also be translated into a development context. Young people, wherever they live, have the same aspirations.”

PRACTICAL SOLUTIONS REQUIRED

However, it is not enough simply to make technology available to young people. They must also be able to do things with the devices. “Often, young people are able to access them but not to use them,” she said. So they need to be trained in digital technology – which first means explaining what it can do for them. “When we talk about disadvantaged youth, they are mainly dropouts,” said Schurmans. “So, we have to find them – in places like youth clubs. Then we can integrate technology into their lives. You have to have a dialogue to understand how you can use technology to change individual lives.”

Digital literacy is, of course, a challenge in developing countries. “As electrification spreads, there are a lot of innovative services in India and Africa providing charging services,” said Subramanian. “But literacy is a big challenge. Mobile penetration helps, but people also need to have computer-based functional literacy.” It is not always easy to persuade people to use digital services, as many still prefer the non-digital variety. “Despite online banking, people come into banks because they want to ask about things,” he said.

So, for digital technologies to promote development and generate digital dividends such as inclusiveness and access to information, it is crucial to find practically-useful solutions that are not too expensive. “It is a question of motivating and finding a solution that is cost-effective,” said Seilenthal.

NO MIRACLES ON OFFER

Despite the hopes pinned on digitisation, countries still need a basic level of infrastructure in order to make a success of it. “Leapfrogging is certainly possible on a citizens’ level,” said Seilenthal. “But as a whole country, you can’t go from a basic agrarian society straight to a high-tech economy. This is not a solution for tomorrow. As with getting all kinds of new technology adopted, the challenge with digital is to prove that the new solution is even better than what you have already. So in African countries, you have to convince the leaders that this needs to be done – for example, that it is an advantage for workers to be able to withdraw their salaries in various different places.”

One hope for digital technology is that the solutions it yields will be easily transferable. That means the flow of expertise will in future be in all directions, he said. “Cooperation in the field of digitisation is not a one-way street. There is a possibility that some problems in Europe we are struggling with have been solved somewhere else in the world.”

And Europe could still benefit from a wider use of digital technology. “Digitisation is one of the main items of our current presidency of the EU,” Seilenthal said. “In Estonia, it takes less than 10 minutes to participate in elections online, and when we looked at what might be the unique thing for us to contribute, it was digitisation. There is no digital single market in Europe yet. So our goal has been to convince the member states of the huge benefits it could bring. When I think about development, I never think of revolutionary changes. We have been moving to digital governance since 2000, but it is now hard to imagine how things were before we went digital.”

“Mobile penetration helps, but people also need to have computer-based functional literacy”

G Subramanian

Principal Innovation Evangelist
at Tata Consultancy Services (TCS)

CONCLUSION

Digitisation has great potential to boost development in poorer countries, and bring jobs and opportunities to millions of disadvantaged people. But this will not happen automatically. To reap the advantages, countries should to take some of the following measures:

1. Develop the wider economy, as technology depends on economic and legal infrastructure.
2. Encourage digital literacy, especially among young jobseekers, and remember that there is a lot of variation within societies.
3. Focus on the use of digital technology to solve practical problems: many people will only be interested in technology if it helps them in concrete ways.
4. Develop trust in and knowledge of digital technology, as these are preconditions for its use in public services.


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