Discussion Group on Inclusive Development and Capacity Building

Summary note

Co-Chairs

- Minister Bogolo Kenewendo, Panel Member
- Minister Nikolai Astrup, Panel Member

Moderator

- Amandeep Singh Gill, Executive Director & Co-Lead of the Secretariat

Guiding Questions

The meeting sought to address the following questions:

- How is cooperation among stakeholders working so far? Where it is working well -- what are the key elements of success and its enablers? Where it is not working well -- what obstacles have you come across in your organization’s efforts to collaborate with other stakeholder groups?
- What are the issues where greater cooperation among stakeholders would be required to make further progress?

Executive Summary

The discussion group brought together inputs from a host of stakeholders including international organizations, grassroots level activists and academia. Examples from India, China and Africa highlighted the immense potential of digital technology in positively impacting the achievement of international development objectives. The divide in access to benefits -- with only less than half of the world connected to the internet -- and risks related to deployment of digital technologies at scale were raised. The discussion highlighted several areas in which there is a need for greater cooperation. These included:

- Digital readiness, including an emphasis on capacity building;
- Channeling of resources for education and skills, as digital technology continues to impact the types of work opportunities available in the future;
- Acknowledging the cost of cooperation and channeling the resources needed to enable genuinely multi-stakeholder cooperation;
- Aligning intent and incentives behind cooperation;
● Ensuring that government regulation is responsive and relevant to broader social and economic interests, while also enabling the transformative potential of the digital economy and empowering entrepreneurs;
● Being aware of the unintended consequences of digital technology, especially when technologies are combined;
● Bringing the continued gap in internet access at the forefront of conversations around cooperation.

Meeting Summary

Minister Astrup highlighted Norway’s commitment to digital cooperation through the country’s funding of global digital public goods such as health information, weather and digital identity systems. Minister Astrup also highlighted a new multi-stakeholder initiative seeking to leverage the potential of global digital public goods to accelerate the achievement of the Sustainable Development Goals (SDGs). This initiative will be run in partnership with UNICEF, Wikimedia Foundation, Mozilla Foundation and others and will seek to map existing global digital public goods and the principles underpinning them, and identify ways to ensure that stakeholders can access, deploy, and adapt them.

A short introductory presentation by Infosys/iSPIRT highlighted three current trends in India; 1) Indian citizens are going digital, 2) digital infrastructure is currently being built as public goods, and 3) Indian citizens are becoming data rich. Within the context of digital infrastructure built as public goods, the ‘India stack’ example emerges as an entirely digital software platform framed around how technology can best serve the user. Aadhaar, India’s digital ID programme, is a unique example of a digital platform that has three main features: first, it has been entirely built by the government with volunteer contributions such as the ‘India stack’ project. Second, it has given rise to other platforms that otherwise didn’t exist due to high costs; these include platforms enhancing the accessibility of health insurance, data platforms used to aggregate and share health data, education platforms, and digital savings platforms. Third, thanks to its open source nature it can be replicated in other contexts (e.g. Morocco).

A short introductory presentation from Alibaba highlighted the role played by the digital economy in furthering inclusive economic development in China. For example, 49% of all business owners in Alibaba’s e-commerce platforms are female, as opposed to 19% of business owners in the traditional space, and 1.8 million jobs have been created as a result of the digital economy.

Current state of digital cooperation

Minister Kenewendo highlighted the role that digital cooperation has played in acting as an impetus for national economic growth in Botswana. The evolution of global value chains has enabled the economic transformation of a country that was once landlocked and uncompetitive with minimal trade advantages.

ITU serves as a convening platform for partnerships between different stakeholders including governments, private companies (more than 800 industry members), academia, etc. to address digital issues.
Some examples of digital cooperation include the EQUALS partnership, a global partnership bringing women to technology and technology to women; and a partnership with the International Labour Organisation (ILO) on a Digital Skills for Youth campaign to provide 5 million youth with job-ready digital skills.

Other examples include the Broadband Commission, founded by ITU and UNESCO in 2010 as a multi-stakeholder Public-Private Partnership to examine the role of digital development in achieving the Millennium Development Goals (MDGs) and more recently the SDGs. It is comprised of a number of leading CEOs, heads of UN agencies, top policy-makers and academia from different backgrounds. The Commission has succeeded in putting Information and Communications Technology (ICT) for the SDGs on the global policy agenda, especially regarding the inclusion of national broadband plans among SDG targets.

DESA has spearheaded the Technology Facilitation Mechanism, a multi-stakeholder platform that improves how countries approach the SDGs in relation to science, technology and innovation. The platform convenes an annual forum where Member States address thematic areas for the implementation of the SDGs.

Key elements of success in partnerships include a commitment to cooperation at the highest level, common strategic goals and objectives, ensuring representation of different stakeholders, and defining the role of every partner, which ensures that duplication is avoided.

Challenges to cooperation include determining how responsibility and accountability should be allocated within a partnership, and getting the partnership off the ground.

Successful multi-stakeholder cooperation occurs if there is 1) alignment between intent and incentives; 2) an understanding of client needs in developing policy, recognizing that 'one size doesn't fit all'; 3) flexibility and adaptability; and 4) an understanding of the chain of collaboration, i.e. what each partner brings and gets. In thinking about cooperation it is easy to underestimate soft skills such communication, as the ability to persuade depends on it.

Ultimately, the success of multi-stakeholder, multilateral cooperation is determined by the extent to which it is built from the ground up. Local capacity and context is therefore essential.

**Issues requiring greater cooperation**

*Readiness for the future impact of the digital economy*

Minister Bogolo Kenewendo highlighted the need to prepare for the impact of the digital economy on people’s lives. This impact can take the form of job losses, skewed benefits and widening inequalities. It is important to examine what is already in place to safeguard against these impacts, what needs to be done, and how more awareness can be raised about the risks of these impacts. Lastly, more efforts should be made to bring marginalized groups to the table to solve these challenges, which cannot be addressed using traditional means.
Other participants also emphasized the lack of readiness including lack of skills, capacity and talent, and lagging mindset shifts to manage rapid technological changes. Some highlighted the need to rely on regulatory and policy solutions developed by the private sector to avoid the creation of policies unsuitable for private sector innovation and collaboration.

**Partnerships to realize the transformation of the digital economy**

One participant highlighted the need for partnerships between government, business and civil society to realize the transformation of the digital economy. To enable such transformation, there is a need for 1) regulatory sandboxes to enhance innovation and entrepreneurship; 2) access to capital for start-ups and small and medium-sized enterprises (SMEs) through the creation of government funds and taxation policy; 3) access to talent by enhancing education and collaboration between academia and industry around digital capacity building programs; 4) enhanced physical and digital infrastructure to allow for greater connectivity for logistics, payment, e-commerce and big data.

**Policy frameworks for developing countries**

One participant noted that the digital transformation narrative is narrowly focused on developed countries. Referencing that the recent Pathways for Prosperity report “Charting Pathways for Inclusive Growth” highlights alternative pathways to prosperity emerging as a result of new technologies. It spells out the policy frameworks that developing countries can build to boost human skills and build hard and soft infrastructure; ensure inclusiveness to avoid further inequalities; build global frameworks for protection that can address privacy and efficient flows of digital information; limit the gaps between local SMEs and large multinationals; and ensure that developing countries are active participants in the multilateral processes that will emerge in this area.

**Regulation, skills, access to big data and taxation for SMEs**

Further collaboration around regulation will enable SMEs to become integrated in the global labour market (they typically employ 70% of the workforce). Enhanced collaboration around cybersecurity is important in protecting the privacy of customers and their sensitive information. International collaboration is also needed around international or multilateral regulation in order not to design regulations that are incompatible across borders.

Collaboration is also needed to prepare education for the new digital economy, on taxation, and around big data analysis, lest SMEs and others become providers of data without having access to big data.

**Changing balance of power between the private and public sector**

The changing balance of power between the private and public sector was noted. For example, Facebook accounts for over half of the online audience today. Their corporate policy can change overnight (and did, in response to the Cambridge Analytica scandal), whereas governments have to take time to review their policies thoroughly.
Unintended consequences of technology

Participants called for caution about the fact that technologies and databases can be used for other purposes, and for discussing unintended consequences in advance. Most often the combination of technologies can have unintended consequences. For instance, while digital IDs are an excellent enabler, in combination with facial recognition technologies or other national databases they can become an exploitative tool. The increasing availability of cloud services has led to new services but raised questions about data and privacy.

Digital inclusion

A recently published report by the Alliance for Affordable Internet and the World Wide Web Foundation indicated that the rate at which people are getting online has dramatically slowed down, and access to Internet is still unaffordable to many. Internet penetration rates are 17% in Least Developed Countries (LDCs), as compared to 81% in developed countries. This is very worrying given the LDC target of universal access by 2020. Infrastructure investment is crucial, especially in landlocked developing countries and small island developing states that face particular geographical challenges.

Recommendations

- Align intent and incentives when building multi-stakeholder cooperation
- Prioritise investment in digital readiness of governments and the private sector.
- Emphasize the continued need for digital inclusion; advance a policy framework through the Broadband Commission, ITU and UNESCO particularly targeting women and children, and involve the private sector based on initiatives such as the GSMA Humanitarian Connectivity Charter.
- Conduct an audit of current digital principles and values (digital development principles, G20 principles, W20 principles, etc.) and the extent to which they are recognised and embedded within society.
- Build trust in ICT through global dialogue around regulation and enhancement of cybersecurity.
- Increase the level of development assistance devoted to ICT and policy development.
- Ensure that LDCs play a more active role in global discussion on digital cooperation.
- Break down policy silos. The Organisation for Economic Co-operation and Development’ (OECD) ‘going digital’, and a global multi-stakeholder initiative launched at UNCTAD, are good examples of breaking down policy silos.
- Consider moving towards digitally inclusive national budgets.
- Leverage local actors and pre-existing solutions. Leverage pre-existing resources such as mobile money. Ensure last mile connectivity through community networks.
- Invest in education make e-curricula safe and inclusive for children, and more accessible in developing countries, and focus on digital literacy, especially for people in rural areas supporting local and digital e-content.
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Background Note

Digital technologies are an enabler of inclusive development. They have the potential to revolutionize development outcomes in health, environment, urban planning, education and many other fields. At the same time, the benefits of digital technology are not evenly distributed, and thus present the risk of deepening divides and inequality. Over the years, there have been many calls to action, coalitions and partnerships devoted to building technical capacity and broadening access to digital technology. Some of these have included efforts to:

- design technology solutions for women, children and other vulnerable populations (the disabled, elderly, etc.);
- localize digital technology solutions, and enhance digital literacy of both user communities and policy-makers;
- ensure LDCs have access to new technologies through training, funds and policy advocacy;
- establish training programs to prepare the labour force for work in the digital age;
- advocate to promote more inclusive policies, regulatory frameworks and market interventions.

It is clear that cooperation between actors and stakeholder groups -- from governments and international organizations, to private sector companies, civil society organizations and funders -- is necessary to ensure that the gains of digital technology are fully capitalised on.

Acknowledging that digital technology is likely to fundamentally alter development, and create new development challenges in the future, how do we adapt existing tools and levers (development assistance, aid for trade, etc.) and build new ones to prepare for this transformation?

This discussion group will cover the following questions:

1. Which of the above-mentioned or related issues requires greater cooperation among stakeholders? What primary role does your organization/government/company play in addressing the issues? Has the role changed over time?
2. What does cooperation between stakeholder groups currently look like? What seem to be the key elements of success in addressing the above-mentioned issues? Who or what are the enablers of cooperation?
3. What obstacles have you come across in your organization’s efforts to collaborate with other stakeholder groups in addressing legal, economic or social issues related to digital technology and inclusive development?
4. How can policymaking processes, and the capacity of governments or international organizations to address digital issues be improved? How can digital policy issues be de-siloed and relevant stakeholders engaged more meaningfully?
5. How can we adapt the existing tools and levers (e.g., development aid, aid for trade, etc) or foster new means of cooperation to prepare societies for the digital transformation? What role do industry, government, civil society need to play?

6. What principles or values should underpin cooperative approaches to designing and developing technology, policy, and regulatory solutions that are inclusive, responsive to technological progress, and/or tailored to the context in which they are being implemented?