



Lessons in Digital Inclusion

Pria Chetty, Senior Advisor: Digital Policy and Regulation

19 September 2023

G:ENESIS
25 YEARS OF UNLOCKING VALUE

Table of Contents

Introduction and Context
Digital Opportunity
Digital Inclusion through Work
Dependencies
Recommendations

Introduction and Context

The state of economic and social development is the result of a complex interplay between local and global influences

Trends and developments can be analysed against these important development drivers:

**Economic
environment**

**Human
development**

**Economic
inclusion of
women**



**Infrastructure
development**

**Governance, fragility
and security**

African economies struggle to recover from global shocks with high debt levels with the need to advance investment climate to attract FDI

COVID-19 resulted in **reduced export revenues, disruption in supply chains** and enforced partial or total **lockdowns of economies** which led to disruptions in various sectors.

The continent was projected to recover to the pre-COVID GDP levels towards the end of 2024, however, Russia invading Ukraine has **driven food and energy prices higher** and sparked a **surge in inflation globally** delivering yet another shock.

Debt vulnerabilities

23 African countries are either in or at risk of **debt distress**.

FDI

Many African countries attract **limited FDI** and have a low level of participation in global value chains.

Investment climate

Access to long term capital still remains a **challenge** for many African firms.

Private sector

There are **large gaps** between the performance of the private sector in **African countries** and **developed economies**.

Informality

High informality will remain a challenge in Africa in the near future.

Human development indicators of health, knowledge and standard of living have made progress in the last decade. However, **much more is needed to achieve SDG targets**



Poverty

- The **rate of poverty reduction would need to quadruple** compared to the period between 2013 and 2019 to meet the target by 2030
- COVID-19 caused around **30 million more Africans** to fall into extreme poverty



Healthcare

- Africa bears **24% of the world's disease burden** with only **3% of global healthcare workers** and less than **1% of its financial resources**



Education

- This generation of children could lose a combined total of **USD 21 tn in lifetime earnings** from COVID-19 education losses. This is particularly an issue in low and middle income countries
- Mean **years of education in Africa is expected to rise** over the next two decades



Economic inclusion of women in the economy

- In SSA, only **34% of women have a bank account**.
- World Bank: **gender gap in internet access increased: 21% in 2013 to 33% in 2019** due to barriers (lower income, lower access to education, lower access to formal employment). This **doubled the mobile banking access gap** from 3% to 6% (2014 and 2021) *'beneficial effects have been gender-asymmetric'*

Digital Exclusion and Pathways to Digital Opportunity

Driven by artificial intelligence and the increased use of machines, the 4th IR is changing the way the world produces goods and services

The fourth industrial revolution

Machines may **displace unskilled and semi-skilled labour** in the future, particularly in **manufacturing**

The need to **plan for an alternative path** to development

Need to ensure the continent is **not left to do only low-growth economic activity**

Requires entirely **new skills** to be successful – focusing on the knowledge economy and digital literacy

Need to **revisit how we educate**, particularly our youth

Need to make sure we are able to lay the **infrastructure to participate**

Risk of an ever **increasing technological and digital divide**, which is large and growing

This creates a **risk that Africa will fall behind**

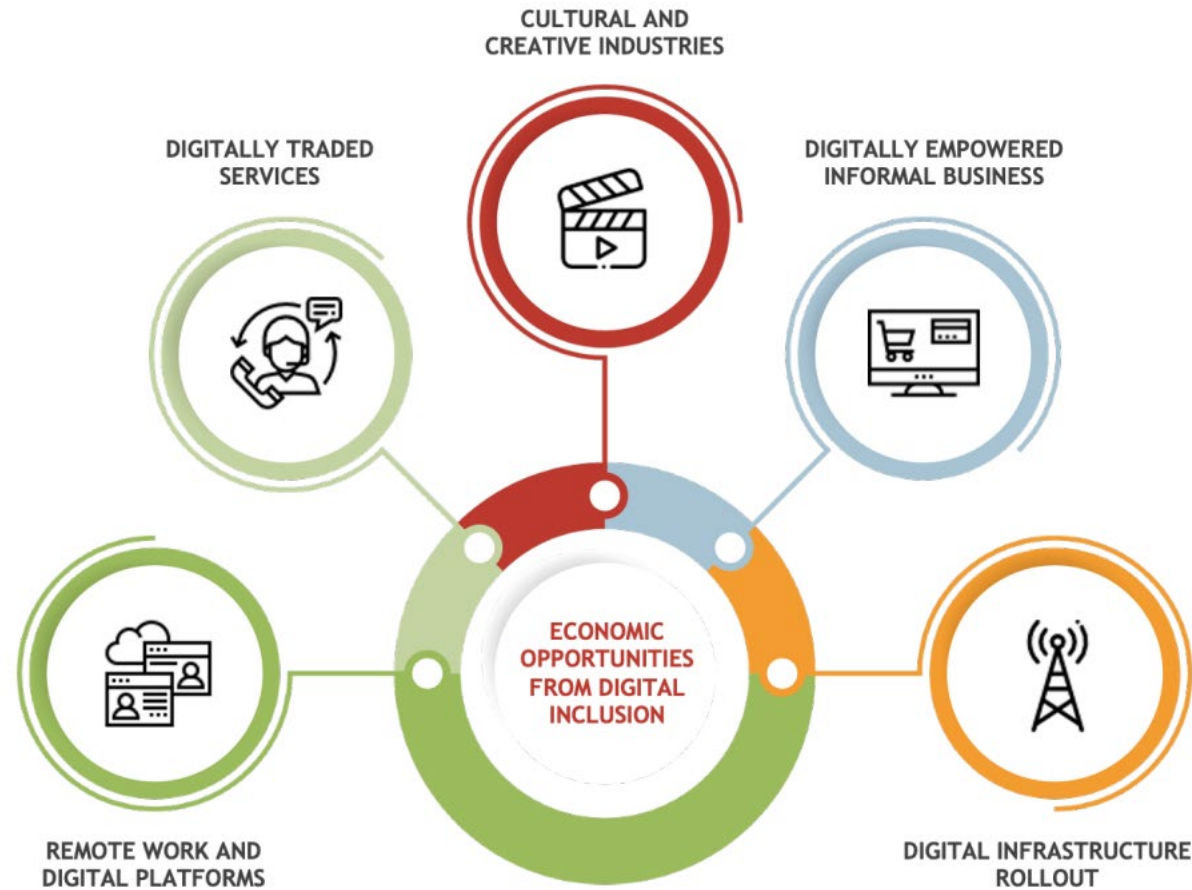
Places immense **pressure on government** to plug the gap, whilst not having access to the resources to do so

Opportunities to address development challenges with new technologies

Can **artificial intelligence help with tasks** in medicine, policing, state administration, etc.

What **development challenges** do new technologies pose?

Economic Opportunities from Digital Inclusion

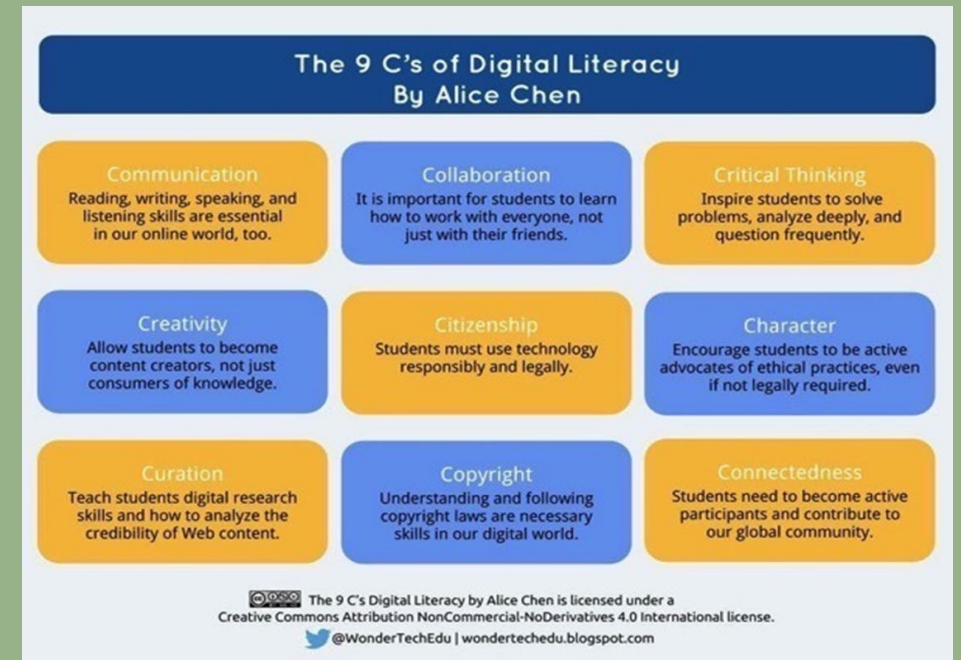


SOURCE: The ***South Africa in the Digital Age (SADA) initiative*** convened stakeholders to address the opportunity of scaling income-generating work through the digital economy. Genesis Analytics and Digital Pathways at Oxford University developed a paper to deliver an inclusive tech-driven development pathway contributing to the development of the country's national ICT and Digital Economy Masterplan.

Accessing Digital Opportunity in South Africa

Digital literacy is “the ability to use information and communication technologies to find, evaluate, create, and communicate information, requiring both cognitive and technical skills.”

ALA.ORG



Core Dependencies

01

Broadband Connectivity: the internet connection requirements (e.g. mobile network, FTTH, WiFi hotspot), speed and reliability

02

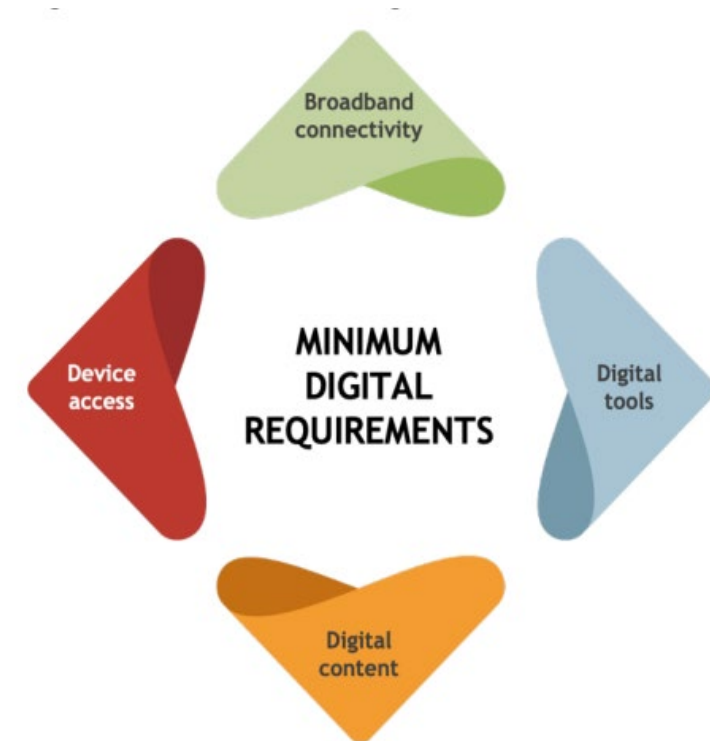
Digital Tools: the applications and platforms, like e-commerce, digital payments, job matching and communications

03

Device Access: the hardware (smartphone, tablet, laptop) and the software required to run specialist applications or virtual working solutions

04

Digital content: the data and creative information that is generated by and shared on digital platforms and websites which much be relevant and accessible to local users



Other Dependencies: Security

01

Security of Person: threats to the individual using digital technologies including physical threats to their safety and online safety

02

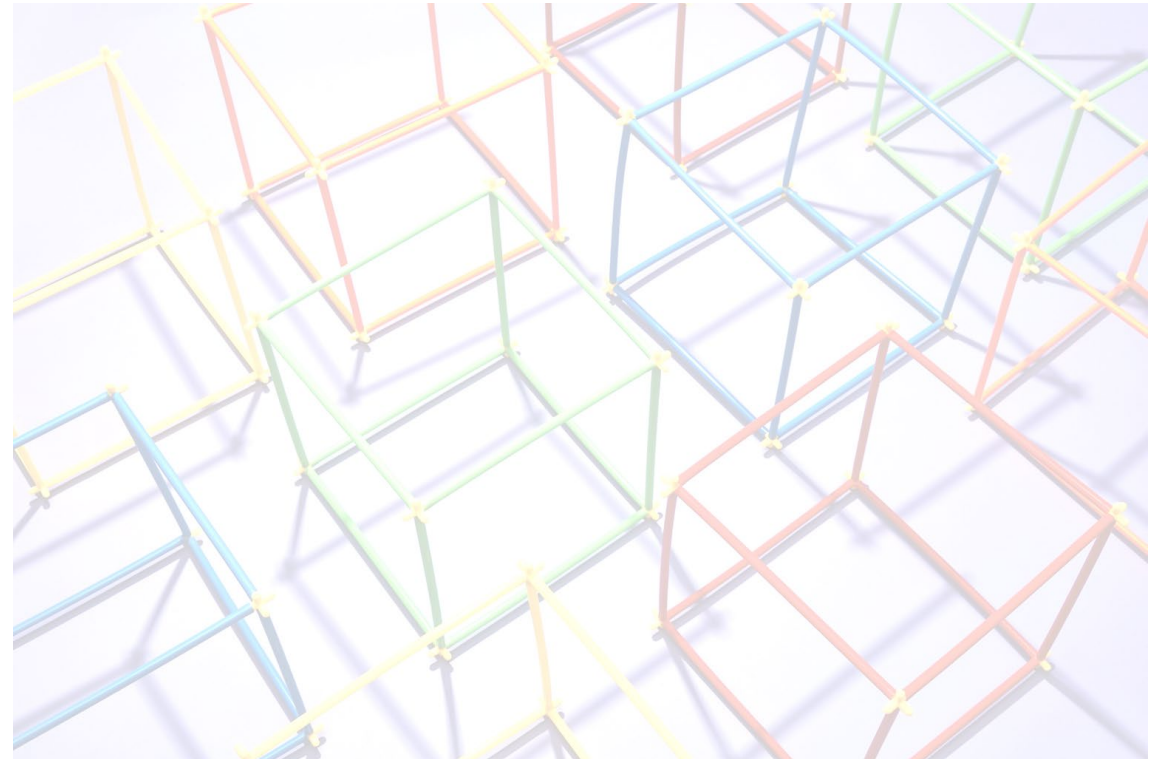
Security of Data: including personal and sensitive personal data when compromised impairs the privacy, identity integrity, dignity of the individual.

03

Security of Device: security of the hardware (smartphone, tablet, laptop) and the software

04

Security of the Infrastructure: including national, external infrastructure and localised infrastructure



Recommendation 1: Digital Ecosystem Building

Digital Ecosystem: Relevant and Adapted

Network connectivity and digital devices combined with digital tools and content create digital ecosystems.

Ecosystem of suppliers, customers, trading partners, applications, third-party data service providers and all respective technologies.

A range of digital services and solutions that are particularly suited to requirements of the users in the ecosystem

Recommendation 2: Segmented Contextual Responses to Digital Inclusion

Segmented and Contextual: Relevant and Adapted

The digitally excluded and their needs cannot be considered as one homogenous group.

Digital exclusion occurs in different contexts, and for different reasons, and the connectivity, device and tools/content needs of various groups of the digitally excluded can vary greatly.

Thinking about digital inclusion plans in different segments is a powerful tool for understanding the minimum digital requirements for the segment to unlock economic and socio-economic opportunities.

Ambitious Students



Students across all levels of education from pre-primary to tertiary level constitute one of the largest and least-resourced groups requiring devices and learning content

THEY NEED TO

access online educational and entertainment content to learn from home and stay engaged while observing social distancing.

Digital Nomads



Medium-to-high skilled and largely urban-based remote workers that are either already providing or looking to provide digitally traded services

THEY NEED TO

access fast, reliable and affordable broadband internet with professional hardware and software to conduct work remotely

Informal Businesses



About 3 million South Africans earn an income in the largely cash-based informal sector, 44% as informal business owners and the rest as employees

THEY NEED TO

access digital platforms and tools to manage their business, access competitive suppliers and sell to new customers segments



Unemployed Job Seekers

30.1% of the labour force was unemployed in Q1 of 2020, but this is expected to escalate to up to 50% due to the COVID pandemic, representing the largest segment

THEY NEED TO

search for job vacancies online, prepare CVs, and upskill themselves using digital training tools

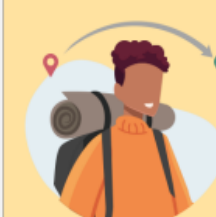


Gig Economy Workers

Suppliers on platforms like Uber, Airbnb, SweepSouth and Kandua providing low-skill services independently through a digital platform

THEY NEED TO

utilise smartphone apps that connect them to sources of income in the gig economy



Migrant Families

Over 2.4 million migrants and their families whose breadwinner travels to urban areas to earn an income for the family and send funds back home

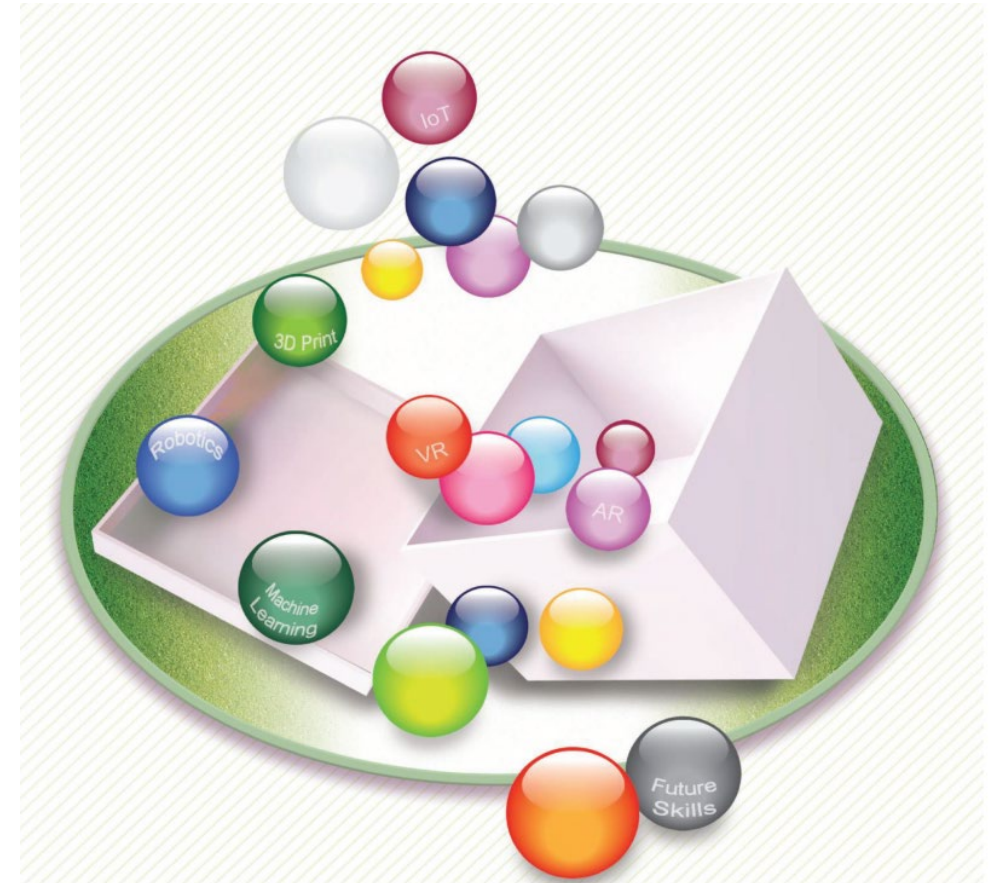
THEY NEED TO

use digital communication tools to manage family responsibilities remotely and remit funds

Recommendation 3: Leverage National Strategies and Frameworks

Leverage: National Digital Skills References

- Recommendations: Presidential Commission on the Fourth Industrial Revolution
- National Digital and Future Skills Strategy





Pria Chetty, Senior Advisor: Digital Policy and Regulation
E: priac@genesis-analytics.com
M: 083 384 4543

Thank You

G:ENESIS
25 YEARS OF UNLOCKING VALUE