

CHAPTER 12

Inclusiveness and Poverty Reduction



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Outline

Is poor connectivity one of the factors keeping people in poverty?

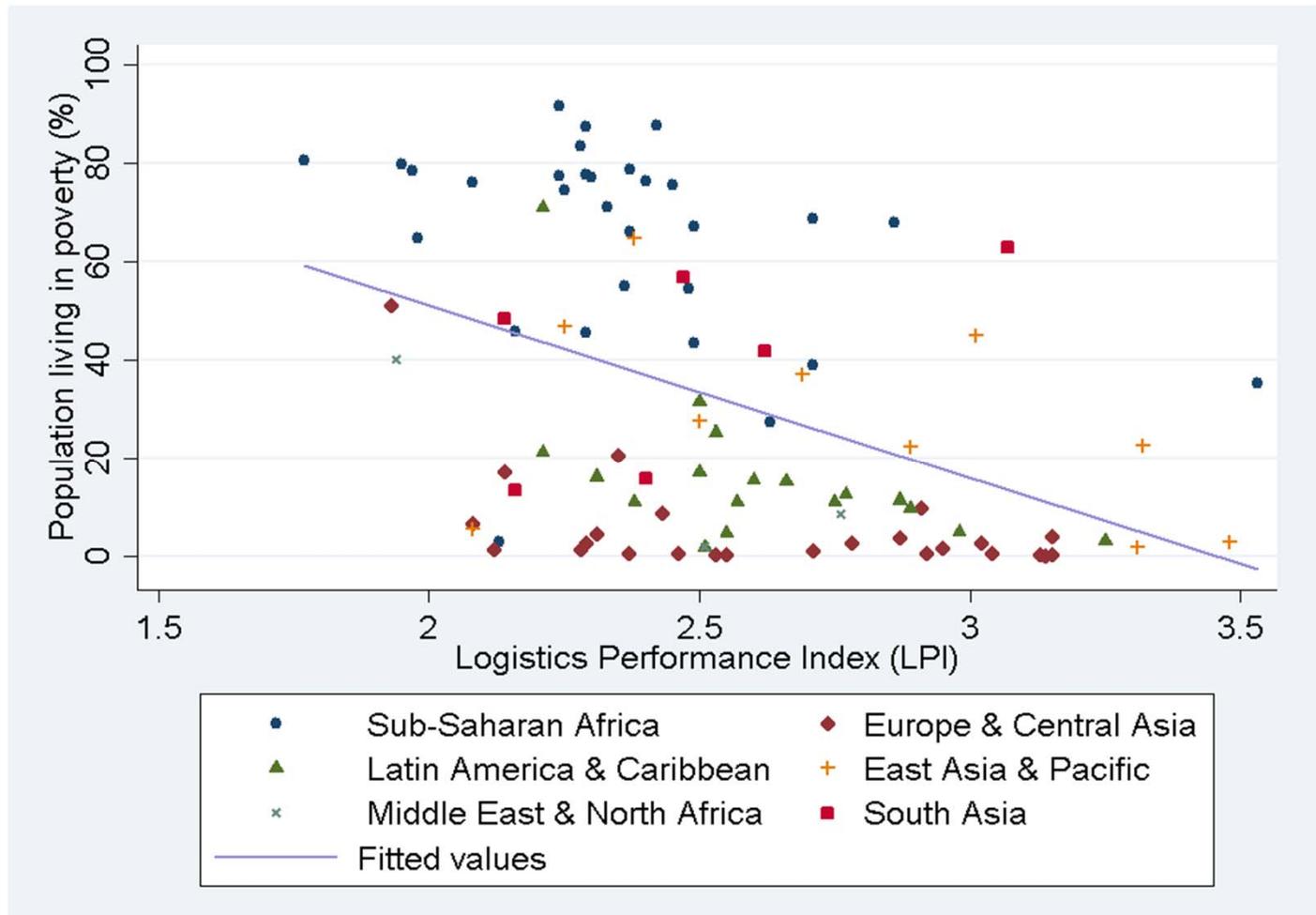
1. How does the incidence of poverty map with that of connectivity – both physical and digital?

2. How is connectivity reducing poverty?

3. What have we learnt from 2017 AFT programs and projects?

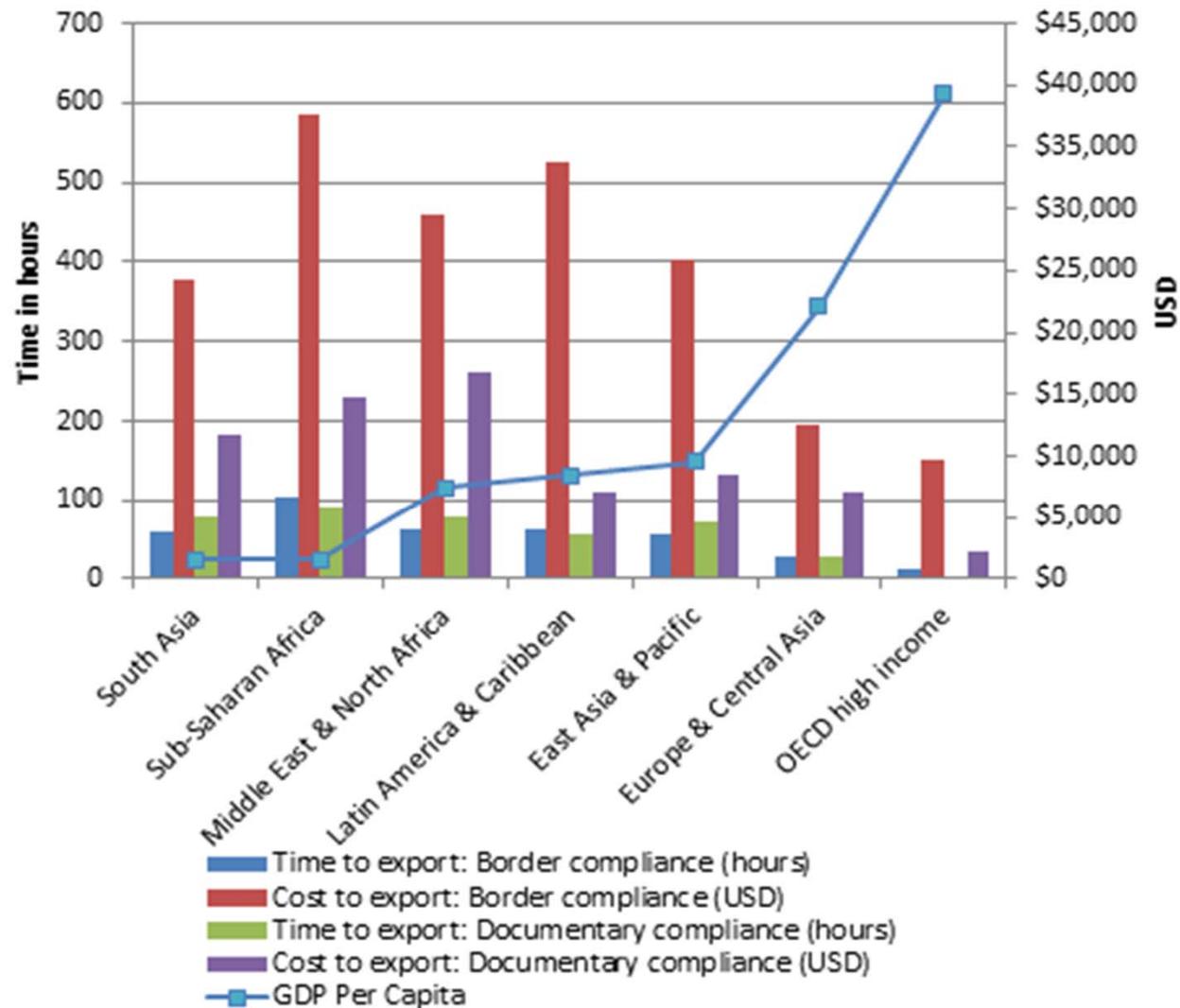


Poverty Rates and Logistics Performance



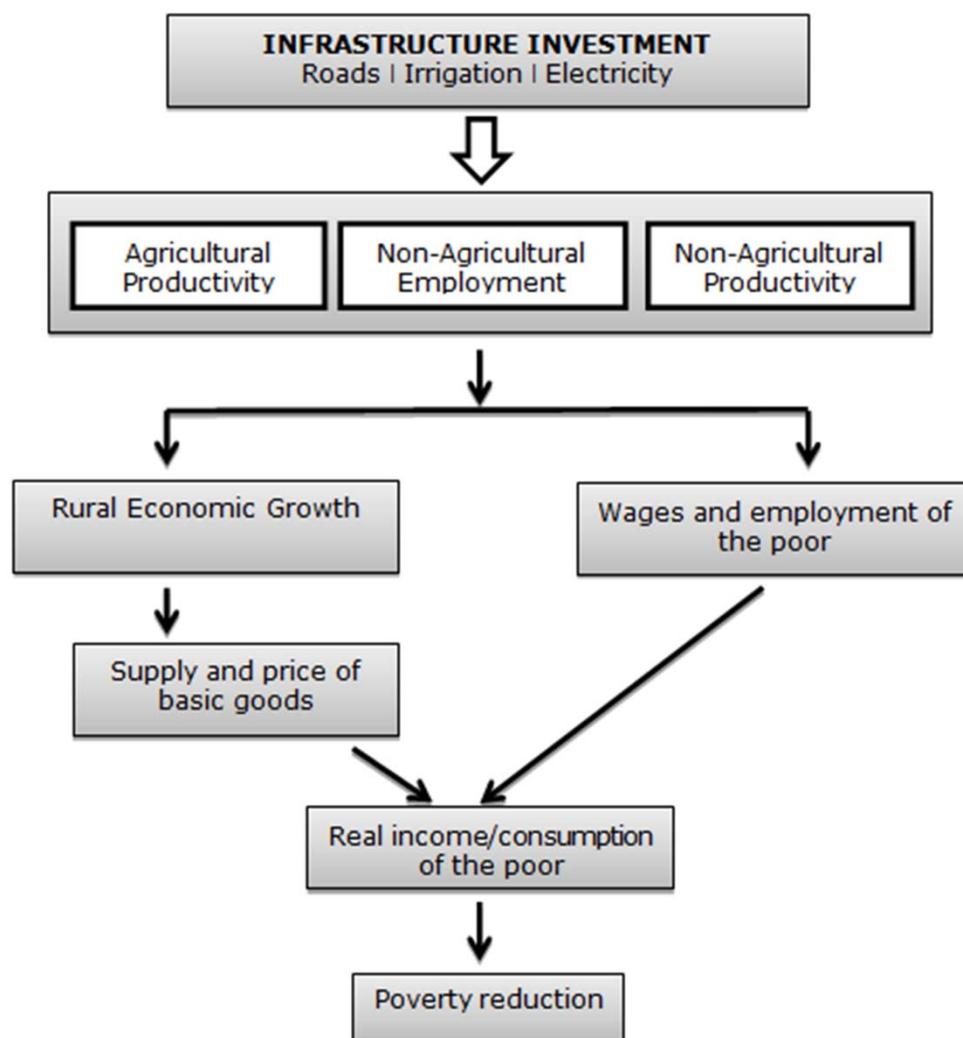
Source: World Development Indicators, Poverty Rates (2008-2014 average); Logistics performance (2007)

Time and Cost to Export and GDP per capita



Source: World Bank Doing Business (2016) and World Development Indicators (2015)

Infrastructure and Rural Development



73% of Partner Countries identify Transport Infrastructure as a National Development Priority

61% of Partner Countries identify Energy-related Infrastructure as a National Development Priority

Source: Asian Development Bank

Tourism Development and Poverty Reduction

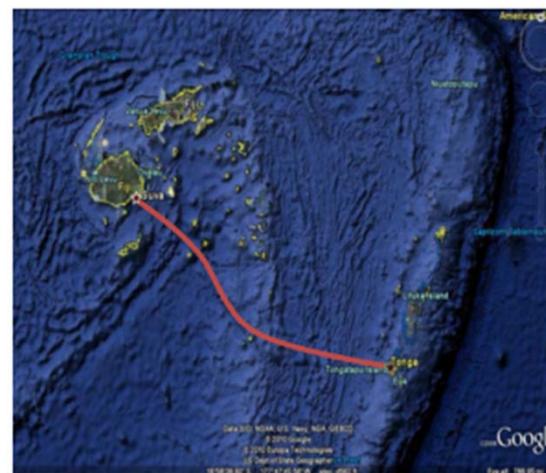


60% of Partner Countries noted that Tourism and Travel Related Services can contribute to Women's Economic Empowerment

Source: UN Steering Committee on Tourism for Development

Infrastructural Developments

- ❑ In Uganda, Kenya, Mali and Senegal - streamlined and automated customs processes have reduced trade costs and increased revenues for local traders, transporters, and women (CS 65, 71, 79)
- ❑ In the Pacific - access to fibre-optic cables have improved access to education and health services, and international trade opportunities in tourism and business outsourcing in Tonga (CS 97)

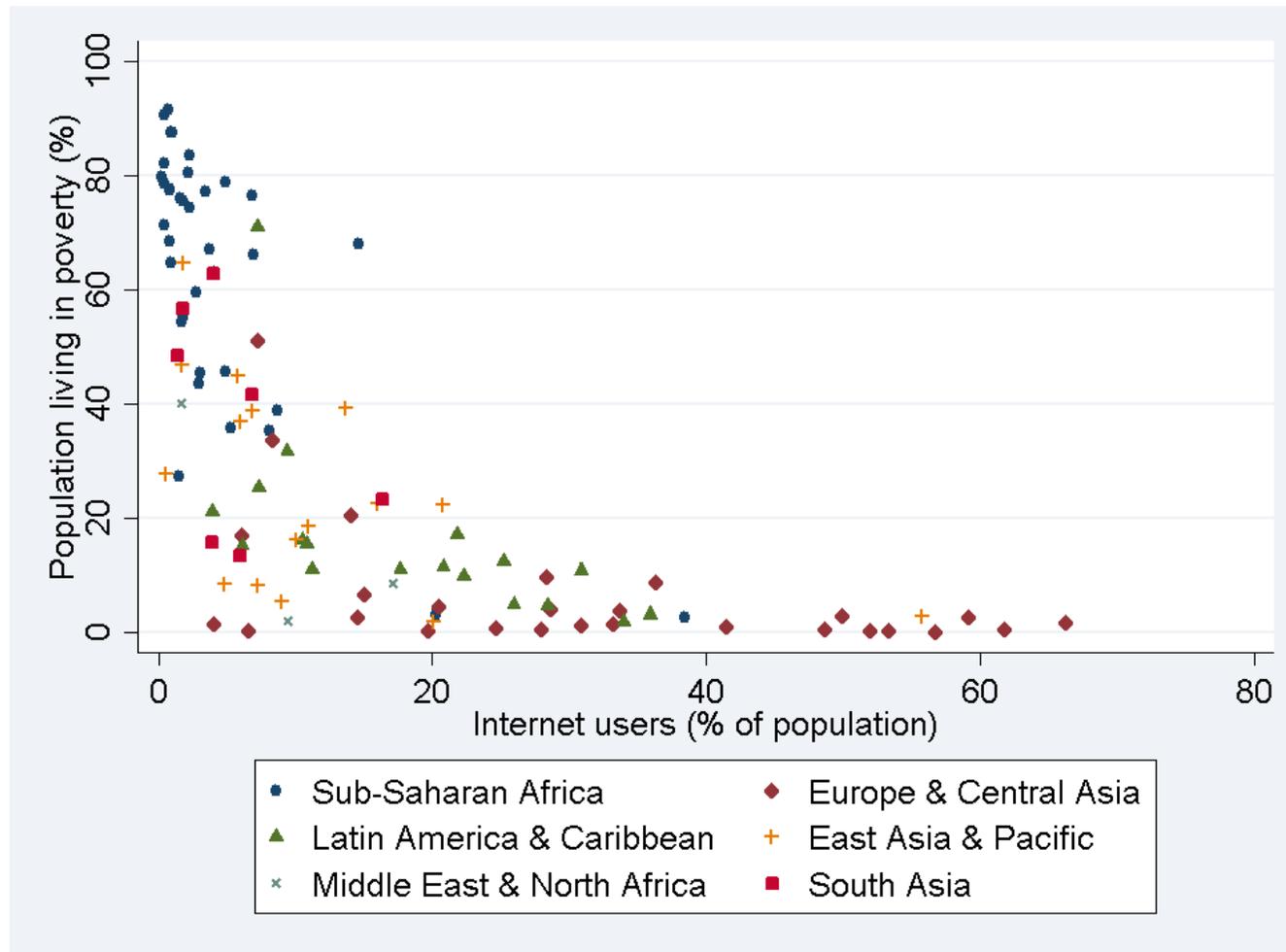


Digital Connectivity

- E-commerce on Jumia Market's platform has increased income for small traders including women in Cameroon (CS 74)
- In China, rural mountain villagers gain revenue selling products from their region on Alibaba's Rural Taobao platform (CS 21)
- In Kenya, automated certification systems have reduced direct trade costs by up to 75%, bringing benefits to farmers (CS 73)
- Digital financial services such as mobile money are increasing access to education for women in Pakistan (CS 87)
- Mobile phone surveys are helping to collect timely data on the challenges of the poor, to better address their needs (World Bank, Listening to Africa)

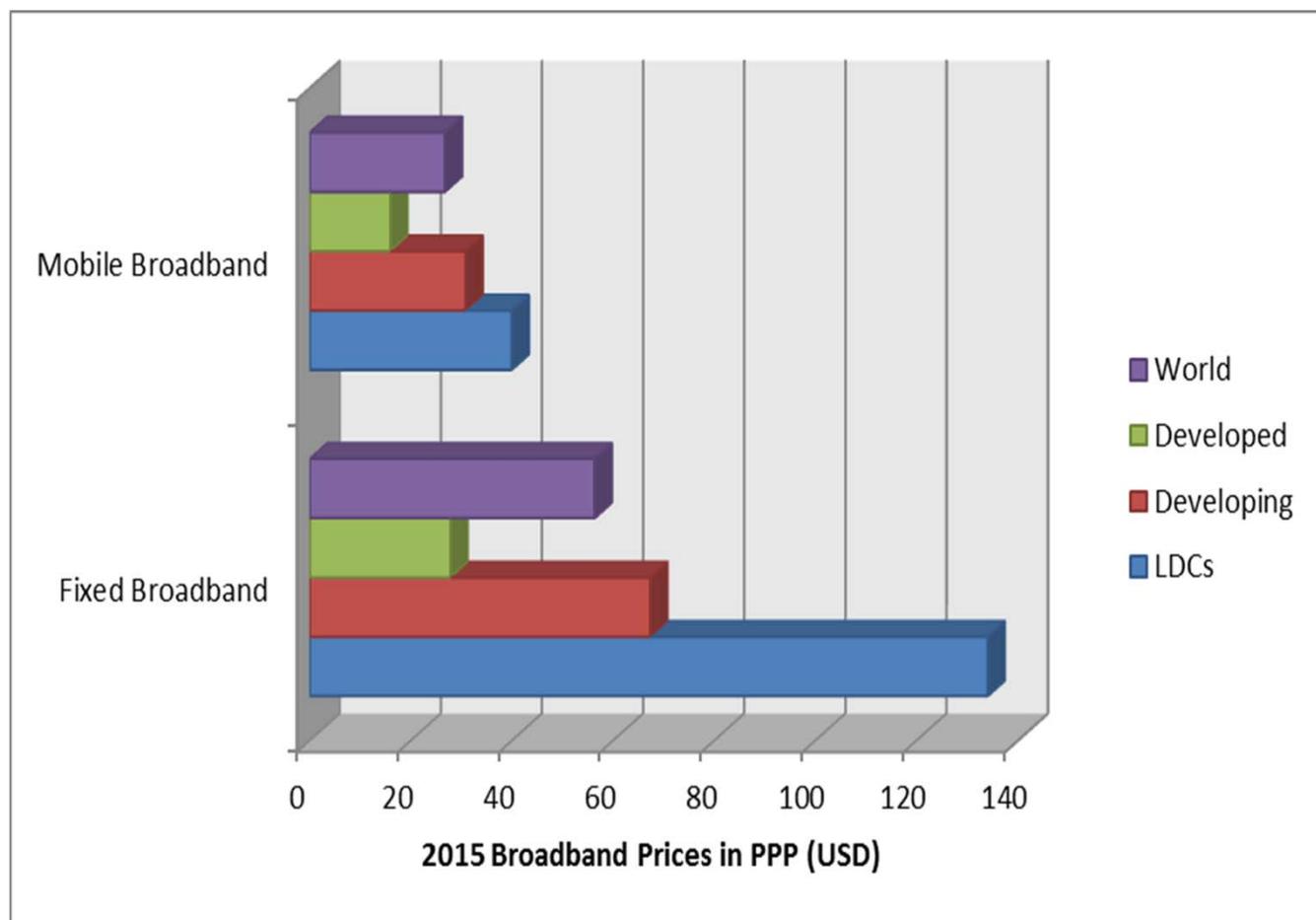


Poverty Rates and % of Internet Users



Source: World Development Indicators (2008-2014 average); ITU, World Telecommunications/ICT Indicators, Internet Users (2007)

Fixed and mobile broadband prices in Purchasing Power Parity



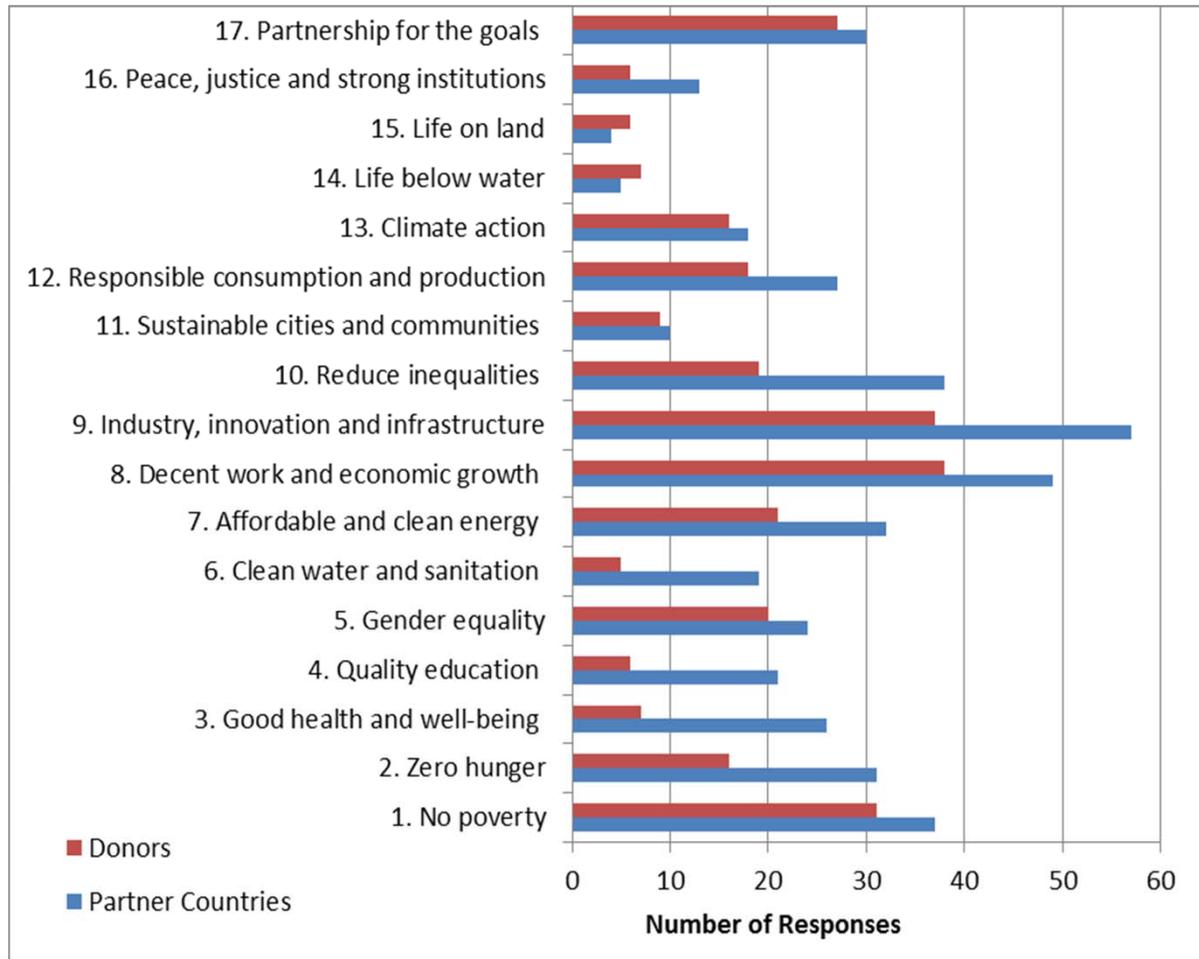
Source: *ICT Facts and Figures 2016*, International Telecommunications Union

Key Points from 2017 AFT Exercise

- ❑ Both physical and digital connectivity are development priorities in developing countries
- ❑ Public and private sectors have inclusive AFT programmes
- ❑ AFT programmes are focusing on measures to improve connectivity, lower trade costs, and connect people to markets
- ❑ The digitally connected poor can access online trade opportunities, benefit from financial inclusion, and capacity building
- ❑ High costs of internet connectivity are affecting the opportunities available to the poor



Which SDGs can AFT help to achieve?



Source: 2017 OECD-WTO AFT survey



Conclusions

- ❑ Poor connectivity is one of the factors keeping people in poverty
- ❑ Improving physical and digital connectivity infrastructure lowers trade costs and increases opportunities available to the poor
- ❑ Poverty reduction outcomes traced at various stages with targeted indicators
- ❑ Need for further data and metrics to understand the impact of connectivity on poverty reduction



Thank You

For more information, please visit:

<http://www.oecd.org/aidfortrade/>

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