Digital revolution has brought many private benefits

A typical day in the life of the internet

- **186 million** Instagram photos
- **152 million** Skype calls
- **36 million** Amazon purchases
- **2.3 billion** GB of web traffic
- **803 million** tweets
- **8.8 billion** YouTube videos watched
- **207 billion** e-mails sent
- **4.2 billion** Google searches

**SOURCE:** WDR 2016 team; http://www.internetlivestats.com/one-second/ (As compiled on May 29, 2015)
Connectivity + Complements → Digital Dividends

Digital development strategies need to be broader than ICT strategies

- Regulations that allow firms to connect and compete
- Skills that leverage technology
- Institutions that are accountable and capable

Digital technologies add two important dimensions

- They amplify the impact of good (and bad) policies → Failure to reform means falling further behind
- While not a short-cut to development, they can be an accelerator, by raising the quality of complements

The payoff

- Increasing digital dividends: Faster growth, more jobs and better services
Are countries reaping sizable digital dividends?

DIGITAL DIVIDENDS

- Growth
- Jobs
- Services

AGENTS

- Business
- People
- Government

Are the benefits reaching everyone, everywhere?
Digital technologies hold benefits as well as risks

**DIGITAL TECHNOLOGIES**

- **with complements**
  - **COMPETITION**
  - **SKILLS**
  - **ACCOUNTABILITY**

  - **INNOVATION**
  - **EFFICIENCY**
  - **INCLUSION**

- **without complements**
  - **CONCENTRATION**
  - **INEQUALITY**
  - **CONTROL**
Race between technology and complements

Complements: Index of quality of institutions, skills and regulations.

Technology: Digital adoption index - businesses, people and governments.

SOURCE: WDR 2016 team. For more details see figure 5.3 in the full Report.
The WDR 2016 proposes policies at three levels
SECTORAL POLICIES

SUPPLY SIDE ISSUES

• Competition policy
• Public-private partnerships
• Effective telecom & internet regulation

Making internet access universal, affordable, open and safe

Mobile cellular subscriptions in the Horn of Africa

Source: ITU.

[1] number of mobile operators in each country
Making internet access universal, affordable, open and safe

DEMAND SIDE ISSUES

• Protecting personal privacy
• Cybersecurity
• Censorship and content filtering

1993

“On the Internet, nobody knows you’re a dog.”

2014

“Now Google and its like are surveillance machines that know not only that you’re a dog but whether you have fleas and which brand of meaty chunks you prefer.” (Economist)
Analog foundations for a digital economy

**NATIONAL PRIORITIES**

**REGULATIONS**
that promote competition and entry

**SKILLS**
to leverage digital opportunities

**INSTITUTIONS**
that are capable and accountable

**EMERGING**
- Remove barriers to adoption
- Foundational skills and basic ICT literacy
- Mobile phone-based services and monitoring

**TRANSITIONING**
- Competition regulation and enforcement
- Prepare for careers instead of jobs
- e-government delivery and citizen engagement

**TRANSFORMING**
- Platform competition
- Facilitate lifelong learning
- Participatory policy making and digital collaboration

**SOURCE:** WDR 2016 team.
A role for trade policy: barriers to technology products can be removed, autonomously or via reciprocal negotiations, to promote productivity-enhancing adoption and diffusion.

Digital products are taxed as luxury goods in some countries.

**SOURCE:** WITS 2014
• A governance model for an open and safe internet
• Removing barriers to a global digital market
• Leveraging information for sustainable development
  • Get wired
  • Build platforms
  • Go global