"Development Implications of Digital Economies" (DIODE) Workshop Report (Oxford, 9-10 Oct 2017)

Report of the second workshop of the ESRC GCRF strategic research network, "Development Implications of Digital Economies" (DIODE), held in Oxford, UK.

A. Research Themes

The following research themes relating to digital economies and development emerged from presentations and discussions during the first day of the workshop, and from individual-identified areas for research priority during the second day.

Cross-Cutting Digital Economy

Measuring the Digital Economy in Developing Countries
- The lack of breadth and depth of data on the digital economy including basic statistics e.g. on size, employment, no. enterprises, etc
- The lack of evidence around cost/benefit analysis of the digital economy including return on investment from digital infrastructure

Digital Inequality
- The extent to which involvement in the digital economy closes, reproduces or widens existing inequalities
- Inequalities of many supply chains, with global North-based multinationals capturing most of the value in production of digital goods and services consumed in the South
- Inequality of risks and opportunities within the digital economy, esp. favouring capital rather than labour
- Are pro-equity interventions like impact sourcing delivering development value to marginalised populations?
- Are digital platforms leading to a concentration of value capture and hence to inequality?

Global South as Different
- Institutional differences between digital economy context of global South vs. global North
- Contrast of "book realities" vs. "field realities" of developing country digital economy: assumptions of global North researchers that are not matched by realities in the global South – either more positive or more negative
- The challenge of applying digital economy strategies (policy, enterprise strategy, activism) formed in the global North to the global South

Digital Labour

Digital Activism
- Formation of principles, standards and organisational forms to improve working conditions and employment outcomes for digital labour

Impact Sourcing
- Need to develop more of a market from local and regional clients, rather than relying on those from the global North

Digital Policy

Policy Content
- Need for both greater support and greater regulation of digital economy in developing countries
- Taxation: the potential for loss of income from digital multinationals (e.g. via transfer pricing) and from digital enterprise and labour (e.g. due to invisibility of activity)
- Infrastructure: limitations on human and technical infrastructure are still a brake on digital economy growth
- Human Infrastructure: the need for guidance on the longer-term human capital and training priorities
- Innovation: the challenge that policy gaps or obsolescence arise due to the continuous nature of change in technology and digitally-enabled business models

Policy Process
- The value of multi-stakeholder approaches to policy making
- The challenge of changing political interests and agendas in terms of overall priority for the digital economy, and specific priorities within the digital economy
- The challenge of moving from verbal political commitments to actual commitment to implementation e.g. around digital economic inclusion for women

Policy Structure
- The challenge of legacy Ministry/Department structure that mismatch emerging digital trends and needs
- The challenge that the "digitalised economy" is part of all economic and most social (and political) sectors, so requiring a broad and coordinated approach to policy-making

Digital Enterprise

Developing Country-Specific Challenges
- Absence of intermediaries to context developing country digital enterprises to foreign markets, capital, etc
- High cost of, and low access to capital
- Small size of local market
- Lack of access to technological and human capacity, including knowledge/R&D capacity
- Need for multi-dimensional action in order to develop a local digital economy eco-system
- Need for digital enterprises to be institution-makers not just institution-takers i.e. they often need to create digital eco-system components themselves because they are not yet in place
- Need to adapt entrepreneurial methodologies such as Lean Start-Up to fit specificities of global South context

B. Policy/Practice Issues

+ indicates items from research discussions and presentations above, including general point that must not follow one-size-fits-all approach that assumes policy/practice strategies formed in the global North will be appropriate in the global South

Digital Economy Policy

- Need to clarify who leads: digital economy cross-cuts various Ministerial responsibilities but needs a clear driver
- Value of a flexible process e.g. Singapore 'sandbox' approach (e.g. http://www.mas.gov.sg/Singapore-Financial-Centre/Smart-Financial-Centre/FinTech-Regulatory-Sandbox.aspx)
- Need to improve measurement of the digital economy which may include new structures (e.g. multi-stakeholder such as Brazil's Internet Steering Committee (https://www.cgi.br/about/) which uses income to commission digital economy measurement) and new methods (e.g. use of big data sources to measure digital economy)
+ Need for specific evidence on cost/benefit balance of particular policy interventions (digital infrastructure, training, hubs/incubators, tax breaks/subsidies, etc)
+ General absence of, and need for policy; and need for continuous development and revision of policy due to technological/business innovation
+ Specific interventions needed on taxation, digital and human infrastructure
+ Process: use multi-stakeholder approach; challenge of political agendas and lifecycles including gap between rhetoric and reality on implementation
+ Structure: problem of legacy government structures, and breadth of Ministerial interests touched on by digital economy

Digital Enterprise Strategy

- Still a requirement for improved technical infrastructure in global South
- Key role for hubs, incubators, accelerators, etc
- Importance of multi-stakeholder process, but question of who (esp. who in government) drives this
- Need for different types of support at different stages of the enterprise lifecycle
- Training needed in skills such as market-scoping, and costing
- Mentoring needed, esp. via links to larger firms
+ Need for development of: intermediary links to foreign markets/capital; better/cheaper sources of financing; local market size; knowledge/R&D capacity; developing country-specific entrepreneurial methodologies
+ Local enterprises may themselves need to develop local institutional ecosystem

Digital Labour Activism

- Co-production of research between researchers and activists/workers to ensure evidence produced meets worker needs
- Creation of worker forums to allow collective voice
- Alongside rating systems for workers and clients, ensure rating systems for platforms
+ Development of local and regional client market esp. for ethical/fair/impact sourcing

C. Concentrated Research Actions

Within the themes, four topic areas were identified with critical mass and momentum, to be taken forward for development by research sub-groups:

1. Analysing and Reforming Digital Labour: this can combine the interests of the two Indonesia sub-groups:
- Development Impacts of Digital Work: analysing qualitative, quantitative and longitudinal livelihood impacts of digital work in developing countries (Presenter: Helani Galpaya: helani@lirneasia.net)
- Institutions and Platform Labour in the Global South: identifying ways in which labour, government and other institutions can reduce the inequalities associated with platform-enabled work in developing countries (Presenter: Richard Heeks: richard.heeks@manchester.ac.uk)
- This latter component was developed further at Oxford around the decent/fair work agenda seeking more effective mechanisms for worker empowerment and improvement of work standards, including mechanisms for worker collectivisation or collaboration, and active engagement of researchers (Presenter: Lilly Irani: lirani@ucsd.edu)
>Potential scoping study around ex-workers, to provide an insight into problems that lead to cessation of digital working

2. The Development Value of Digital Platforms: identifying how to realise the development potential of digital platforms (including finance / data platforms) for users in developing countries. Basic indicators: the numbers, types and size of digital platforms in the global South; including new data sources for measurement e.g. Alexa data (Presenter: Carla Bonina: c.bonina@surrey.ac.uk)
>Potential scoping study around traditional and new data sources and methods for measurement of the platform economy in the global South

3. Digital Enterprise and Development: understanding the different types of trajectory of digital enterprise, and the different 'hybrid' types of embedding between local and global contexts, and between digital and analogue/physical contexts. Understanding the impact of digital enterprise, particularly the impact on inequality. Understanding the role of digital enterprise in "institution-making" of the local digital ecosystem. (Presenter: Nicolas Friederici: nicolas.friederici@oii.ox.ac.uk)
>Potential scoping activity: revisiting existing datasets to understand issues of embedding, trajectory, inequality impact and institution-making. Or a workshop on the same topic.

4. Improving Digital Policy in the Global South: research agenda on four main issues – Content of policy (elements of policy and their content including infrastructure, taxation, regulation); Structure of policy (locus of responsibilities; structural drivers and enablers); Process of policy (the how of multi-stakeholder policy development; implementation processes); Impact of policy (especially on inequality). (Presenter: Chris Foster: christopher.foster@sheffield.ac.uk)
>Potential scoping study: comparative mapping of digital economy policy in different developing countries

D. Workshop Timetable

Monday 9th October 2017

Timing	Content
9:00 - 9:30	Introductions: Richard Heeks
9:30 - 10:45	Session 1: Talks 1-3 Mark Graham, Sanna Ojanperä, and Amir Anwar: Changing connectivity and global knowledge economies Vili Lehdonvirta: Where are online workers located? The international division of digital gig work Brian Nicholson: Understanding the development implications of online outsourcing
10:45 - 11:15	Tea
11:15 - 12:30	Session 2: Talks 4-6 MN Ravishankar: Can digital-age work in the Global South move beyond exploitative arrangements? Neha Gupta: Crowdsourcing and India's Informal economy Six Silberman: Fair standards for digital labor platforms
12:30 - 13:30	Lunch
13:30 - 14:45	Session 3: Talks 7-9 Torbjorn Fredriksson: The Information Economy Report 2017: Digitalization, Trade and Development Helena Barnard: Digitisation, multinational corporations and economic development Lilly Irani: Entrepreneurial citizenship: ideologies of work and labor in Indian development
14:45 - 15:00	Tea
15:00 - 16:15	Session 4: Talks 10-12 Emmanuel Fiagbenu: Policy influence on digitalization and economic development – the case of Ghana Kasititorn Pooparadai: Digital transformation in Thailand: policy and institutional reforms Rauf Jabarov: The role of multi-stakeholders' intervention in the sustainability of digital start-ups: case of Azerbaijan
16:15 - 17:00	Session 5: Talks 13-14 Norman Schraepel: Translating the (doubtful) promises of the digital economy for development cooperation: some insights from practice Anita Gurumurthy: Data in digital trade debates: the RCEP negotiations as an exemplar

Tuesday 10th October 2017

Timing	Content
9:00 - 9:15	Introductions: Richard Heeks
9:15 - 10:30	Session 5: Talks 15-17 Nicolas Friederici: Digital entrepreneurship in Africa: an uneven and challenging landscape Lukonga Lindunda: Building an ecosystem for digital entrepreneurs Adetayo Bamiduro: Sharing economy and crowdsourcing for inclusive growth
10.30 - 10.50	Tea
10.50 - 11:40	Session 6: Talks 18-19 Carla Bonina: Open data platforms and collective engagement in Latin America: evidence from Buenos Aires, Mexico City and Montevideo Richard Heeks: Ethical standards for digital labour platforms
11:40 - 13:00	Policy/Practice Priorities: - small groups then plenary to identify priorities for a) Government policy-makers; b) Digital enterprises; c) Digital economy practitioners
13:00 - 14:00	Lunch
14:00 - 15:00	DIODE Research Activity Workshop 1: setting individual and cross-cutting priorities
15:00 - 15:20	Tea
15:20 - 16:20	DIODE Research Activity Workshop 2: development of flash research proposals, and next steps

E. Workshop Photograph