

# Introduction to the dimensions of digitalisation

**Wrap up**

# Digitalisation for Dev. Cooperation

## Wrap Up

- **Digital transformation** effects all dimensions of our lives. This also changes work and stakeholders of Development Cooperation
- **DG DEVCO is getting structured** on digital topics as we speak
  - Most Development Cooperation actors have developed specific digital strategies
  - Wide variety of instruments to achieve aims in the field of digital for development
  - Cooperations through donor alliances including private sector-based actors and multi-stakeholder approaches are quite common
- ICT plays a **key role** in the achievement of all of the **SDGs**
- The **Principles for Digital Development** can help to ask the right questions

# Data

## Wrap Up

- Data comes from **different sources**
  - Data is generated by new technologies such as mobile phones and the emerging “internet of things,” but also includes other data sources, such as social media and citizen-generated data.
- **Data use is valuable** for individuals, businesses and governments
  - Data is now a critical corporate asset
  - The network effects of digital platforms are creating a winner-takes it all dynamic in some markets
  - For developing countries, it opens up new opportunities for convergence, including by leapfrogging intermediate infrastructures of the industrial age

# Data

## Wrap Up

- **Tradeoffs (individuals)**
  - Improved decision-making and more convenience when interacting with organizations and when using digital services
  - Potential loss of privacy, agency and control
- **Tradeoffs (governments)**
  - Lack of technical capacity and incentive to
  - interpret, analyse and disseminate open data
  - Cash-strapped agencies might support themselves by selling data
  - Outdated or poor- quality data might discourage demand
  - Manipulative data use
  - Implications for trust and confidence

# Taxation

## Wrap Up

- The **taxation debate** for the digital economy faces **major challenges**:
  - business can be virtually conducted without any physical presence
  - reliance on intangibles increases the ability of companies to structure themselves to minimise their tax liabilities
  - New delivery channels and business models are hardly matched by existing rules
- The **international community** has agreed on a road map for resolving the tax challenges arising from the digitalisation of the economy, and committed to continue working toward a **consensus-based long-term solution** by the end of 2020.
- The imperative of **technological neutrality** in applying taxes should guide further discussions.

# Intellectual Property Rights

## Wrap Up

- The digital transformation raises novel challenges on **Intellectual Property Rights (IPR) and data**: e.g. commercialisation of data, patentability of data bases and ownership of data.
- The suitability of traditional measures for **incentivizing** the production of IP (patents and copyright) has to be discussed.
- Because of different national circumstances and optimal policy choices, **IPR protection is uneven** across countries.

# Financial Inclusion

## Wrap Up

- Low-income consumers in developing economies have **limited access** and low sustained **usage of financial services**.
- **Fintech** provides an **opportunity to promote the financial inclusion** of low income households in developing countries, whilst recognising the drivers of financial inclusion.
- Greater **financial inclusion** can be a **catalyst for eradicating poverty**, and for developing especially the small **business** sector.
- Fintech must include both **access and usage** of financial services focusing on affordability, appropriateness, financial literacy, regulations and fair competition.



**5 min**

**Open questions?**