



2022 Financing for Development Forum

Session on Digital transition: opportunities and risks

Lead Discussant: Input by Anita Gurumurthy, IT for Change, on behalf of the Civil Society Financing for Development Group (including Women's Working Group on FfD)

28 April, 2022

We are in the throes of a paradigmatic flux – a realignment of the geo-economic and geo-political order being effected by digital technologies. Digital infrastructure is central to this transition and concerns every aspect of the SDGs.

In 2003, at the World Summit on the Information Society, countries of the South lobbied for the Digital Solidarity Fund (DSF) to reap the opportunities of the digital paradigm – but the Fund, a voluntary initiative, simply dissolved. Subsequently, the market did ostensibly usher in the mobile 'revolution', but this was a Faustian deal. We lost the public internet to a dystopian tollway that ruthlessly extracts our data.

Not only are we far from a just and inclusive digital transition, today – but thanks to the inordinate social power of the digital behemoths – also bereft of imagination and resolve to reclaim the digital commons.

Substituting public financing and traditional ODA (Official Development Assistance) with initiatives led by non-state actors for the creation of digital public goods comes with grave risks to rights-based development. Private players who build solutions on top of digital public goods are in the unique position of being able to unilaterally determine techno-governance standards for these digital infrastructural building blocks. They also free ride on, and capture, common-pool based innovation ecosystems.

The role of public finance in the struggle for global digital justice is hence, non-negotiable, and calls for [priority increase to ODA](#), even if private sector contributions may be pooled into public funds where necessary. The UN Secretary General's [proposal for a digital development tax](#) would also be vital in this regard.

What is also clear is the urgency for a bold governance framework for the digital commons. Today, the absence of a global data governance framework is poised to lead us to a catastrophic situation wherein dominant countries and their corporations impose digital and data standards on the rest of the world. Twenty first century injustice is about tech sovereignty for some and a destiny of dependence for the rest. This is not tenable.

The resource allocation debate in the digital arena is not only about financing mechanisms, but also about sovereign parity in data rules. Today, a mindless juggernaut in the domain of crypto has raised deep concerns about macroeconomic implications, including monetary sovereignty of nations. What [research](#) also tells us is that these innovations have very little, if any, societal or financial inclusionary value.



It would augur well for the proposed Global Digital Compact to be attentive to these realities so that the digital epoch is anchored in democratic institutional arrangements commensurate with the rights and aspirations of all peoples and nations.