

Digitalization as a common good

Contribution to an inclusive recovery

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INTRODUCTION

The outbreak of COVID-19, and the way it has been confronted, has not only accelerated the digitalization of large parts of societies and economies and the process of transformation into digital societies, but has also highlighted that connectivity and other essential digital services are cross-cutting technologies that have become common goods (which could also be described as public or collective). Connectivity, which most of the time is provided by private companies, should be global and therefore produced in sufficient amount and at the right price.

It is a phenomenon comparable to that of electricity or running water and sewage, as well as cable telephony, which were once luxury services for the few, and are now necessary for all. Even more so in this case, as digitalization affects the very meaning of modern democracy in our societies, as far as inclusiveness is regarded. A lack of internet access with sufficient capacity to cope with new needs and the demands imposed by the COVID-19 pandemic leads to people being cut off from society, education and the economy. Digitalization and connectivity are an integral part of the plans and policies for economic, social and health recovery from the current crisis. Already, digital wireless connectivity has allowed entire territories to save huge investments in telephone networks, and 5G can be another leap in this direction. But while 93% of the world's population lives in areas that are within the physical radius of coverage of broadband services for mobile devices or the internet, only 53.6% of the world's population currently uses the internet, meaning that 4.1 billion people are deprived of access. The least developed

countries, where only 19% of the population has access to the internet, are the least connected, reinforcing digital gaps within and between regions.¹

»The pandemic and the way of coping with it has emphasized and aggravated different types of digital and connectivity gaps and divides.«

The pandemic has accelerated the urgency of a new social contract for this era at national, regional and global levels, and such a pact clearly requires a digital dimension. The Spanish government,² for example, proposes that by 2025, 100 megabits per second should be achieved for 100% of the population. A company like Telefónica, for its part, proposes a “Digital Deal to build back better our societies and economies” to achieve a “fair and inclusive digital transition,” both for Spain³ and Latin America.⁴

The pandemic and the way of coping with and overcoming it has also emphasized and aggravated the significance of different types of digital and connectivity gaps and divides, between countries and regions of the world, between rural and urban areas, between social groups,

including income and gender-related gaps, and between companies (large and small), which need to be addressed and bridged in these new social digital contracts. For the combination of digital divides and the pandemic amplify social disparities and inequalities in various spheres of life. Digitalization can contribute to enlarge those divides, but also to overcome them.

COMMON GOOD

In 2016, the UN, through its Human Rights Council and General Assembly, qualified access to the internet as a basic fundamental human right, from which all human rights can also be defended.⁵ In 2021, the Italian Presidency of the G20 has set universal access to the internet as a goal of the group.

We use the concept of common good, in a non-legal but economic sense, following Nobel Laureate Elinor Ostrom⁶ who refers to the nature of use and not of ownership. In line with Ostrom, digitalization and connectivity as a common good responds to three characteristics⁷:

- It is non-rivalrous: Its consumption by anyone does not reduce the amount available to others (which in digitalization and connectivity is true to a certain extent, since it also relies on huge but limited storage and processing centers, and also on network capacity, both in the access and backbone network. It is the definition of service, where a distinction has to be made between the content of what is transmitted and the medium used.)

- It is non-excludable: It is almost impossible to prevent anyone from consuming it.

- It is available, more or less, all over the world.

The UN Secretary General has produced a “roadmap for digital cooperation.”⁸ This speaks of a “digital public good.” However, we prefer the term “common good,” although it is not about collectivizing ownership, but about ensuring services for the community, which, as we have said, are often provided by private entities, for the community as a whole, for the community or communities, in pursuit of common interests. The way to work for the common good is in line with the awareness of the sense of community advocated by the economist Raghuram Rajan.

In its communication, *Shaping Europe’s digital future*,⁹ the European Commission does not speak of a common global good but bases its policy on three pillars: 1) a technology that works for the people; 2) a fair and competitive digital economy; and 3) a democratic and sustainable open society. It goes along the idea of the “mission” recommended by the economist Mariana Mazzucato.¹⁰ All this can be useful for other parts of the world.

Digitalization as a common good, in our era, has several components: networks, services, software, hardware – including devices – and content. Often they live off other private (such as connectivity) or public goods. In this sense, the economist Dani Rodrik¹¹ points out that “large, productive firms have a critical role to play,” but they must recognize that their success depends on the public goods that their national and sub-national governments provide everything from law and order and intellectual property rules to infrastructure and public investment in skills, research and development. If there is a common good in the age of digital communication, it is the internet (and it is in our interest to maintain a sin-

gle, neutral internet, despite the geopolitical rivalries between the great powers).

»The idea of common good should be approached in a non-legal but economic sense. It is non-rivalrous, non-excludable, and generally available.«

Thus, the idea of common good cannot be sustained in a vacuum. It requires a multi-stakeholder approach, a multi-dimensional, multi-actor, multi-level, polycentric governance, which will necessarily be not just top-down but bottom-up.¹² Microsoft's CEO, Satya Nadella,¹³ believes that "neither the public nor the private sector alone can provide the answers" to the digitalization that has come with the pandemic and the one that is on its way out. "The challenges we face require an unprecedented partnership between business and the state," she says.

The contribution of business to the common good must be strengthened. But these goods require large investments, and it is legitimate for the companies that have made them to want to recoup them in profits. The economist Jean Tirole¹⁴ ad-

dresses the question of when these profits are excessive: Must high profits be the cost of providing these valuable services (as the culture of Silicon Valley claims)?

There is an issue of price. In 19 of the least developed countries, the price of a 4 GB fixed broadband connection exceeds 20% of monthly per capita gross national income. Yet, there are solutions to this. Myanmar, before the recent coup that cut connectivity, is one example. The creation of a competitive market cut the cost of SIM cards for subscribers from USD 150 in 2013 to USD 1.50 in 2015 and brought millions of new subscribers into the market.

The idea of the common good does not necessarily imply more public regulation, but it does imply the need for public interest oversight, something that has even been raised in the United States.¹⁵ There must be public participation in the establishment of rules and standards beyond purely corporate interests, albeit with input of the latter. There needs to be a strong public-private relationship in some areas of ICT. Business must be involved in regulation and have a seat at the table, in what must be an agile regulation.

FINANCING THIS COMMON GOOD

Some estimates suggest that to achieve universal, affordable, quality internet access across Africa by 2030 could cost as much as USD 100 billion. To connect the 4.1 billion people in the world who are currently deprived of access, the cost would be much higher. How can we meet these needs? Private investments are essential, but public funding could also act as a mission-oriented catalyzer.

One way is to use the funds that states, groups of states (such as the EU), inter-

national organizations, NGOs and foundations are devoting to digitalization as part of the recovery from the economic consequences of the pandemic. For instance, the EU is proposing that 20% of its Next-Generation recovery package goes toward digitalization.

Also, if progress is made in collecting taxes from digital platforms, as some countries are already doing and the OECD is going to propose globally, dedicating part of these revenues to digitalization would help. The OECD estimates that tax avoidance by these companies to states in the world amounted to USD 240 billion in 2019.

»Digital skills must be part of the consideration of digitalization as a global good.«

Digitalization needs to be further mainstreamed into the development agenda. It is being done in the Ibero-American Summit system. A digital connectivity and digitalization agenda should be introduced in the Official Development Assistance of the EU (the European Commission has committed to present a “comprehensive digital cooperation strategy” by 2021), and in other countries and organizations as proposed in a report by the Clingendael Institute.¹⁶ Revolution will drive inclusive growth in the recipient countries too, including control over their own data, and, in terms of digital infrastructure and cy-

bersecurity, will make it easier for them to adapt to European standards, rather than those of other economies, especially China. For in this issue of the digital commons, there is also a question of competition between norms and standards.

DIGITALIZATION AND SDGS

Connectivity and the idea of digitalization as a global common good has a lot to do with the Sustainable Development Goals, and with the idea of “technological justice.”¹⁷ The SDG agenda mentions “ensuring inclusive, equitable and quality education and promoting lifelong learning opportunities for all” (Goal 4), access to innovation (Goal 9), but does not establish a gateway to justice and equality (Goal 10). However, they have to be connected. The G20 and the UN can push this forward.

In this regard, a broader understanding on how best to use artificial intelligence and other horizontal technologies to support the achievement of these Sustainable Development Goals would also be useful. The ongoing Global Summit on Artificial Intelligence for the Good of Humanity,¹⁸ convened by ITU in collaboration with other UN entities, aims to fill this gap. It is estimated that digital technologies can contribute to 103 of the 169 SDG targets.¹⁹

Digital skills must be part of the consideration of digitalization as a global good. Digital education and skills – basic for citizens and advanced for experts – should be a centerpiece of the digital dimension of recovery, including cybersecurity skills.

CONCLUSIONS: POLICY PROPOSALS

The consideration of digitalization and connectivity as a common good:

- Should be part of the new social contract.
- Has to guarantee universal and quality internet coverage and access.
- A Global Charter of Digital Rights should be designed to ensure, among other things, that digitalization does not leave the most vulnerable unprotected.
- The dimension of digitalization and connectivity in the Sustainable Development Goals should be strengthened as an end in

itself in terms of access and an instrument for the fulfilment of the other goals.

- Digitalization should be integrated into development policies.
- Digitalization should go hand in hand with programs of digital skilling and reskilling.
- Important parts of the public, national and international funding should be directed to these aims, to complete and push for private investments.

¹ <https://www.itu.int/es/mediacentre/Pages/2019-PR19.aspx>

² https://portal.mineco.gob.es/RecursosNoticia/mineco/prensa/noticias/2020/201201_np_conectividad.pdf

³ <https://www.telefonica.com/en/web/public-policy/telefonica-digital-deal>

⁴ <https://www.telefonica.com/documents/341171/145919232/Pacto-Digital-Telefonica-HISPAM.pdf/3c07a827-12ed-f4ca-7531-f5c822baf54b>

⁵ https://www.article19.org/data/files/Internet_Statement_Adopted.pdf

⁶ https://www.nobelprize.org/uploads/2018/06/ostrom_lecture.pdf

⁷ https://t20saudi Arabia.org.sa/en/briefs/Pages/Policy-Brief.aspx?pb=TF11_PB1

⁸ https://www.un.org/en/content/digital-cooperation-roadmap/assets/pdf/Roadmap_for_Digital_Cooperation_EN.pdf

⁹ https://ec.europa.eu/info/publications/communication-shaping-europes-digital-future_en

¹⁰ https://ec.europa.eu/info/sites/info/files/mazzucato_report_2018.pdf

¹¹ <https://www.project-syndicate.org/commentary/reviving-the-left-means-reintegrating-economies-by-dani-rodriguez-2019-01?barrier=accesspaylog>

<https://www.project-syndicate.org/commentary/policymakers-should-influence-course-of-technological-innovation-by-dani-rodriguez-2020-08>

¹² https://t20saudi Arabia.org.sa/en/briefs/Pages/Policy-Brief.aspx?pb=TF5_PB6

¹³ <https://www.ft.com/content/b645d2f8-89f9-11ea-a109-483c62d17528>

¹⁴ https://www.tse-fr.eu/sites/default/files/TSE/documents/doc/by/tirole/competition_and_the_industrial_challenge_april_3_2020.pdf

¹⁵ https://www.brookings.edu/blog/techtank/2020/04/29/covid-19-has-taught-us-the-internet-is-critical-and-needs-public-interest-oversight/?utm_campaign=Brookings%20Brief&utm_source=hs_email&utm_medium=email&utm_content=87187919

¹⁶ <https://www.clingendael.org/publication/digital-connectivity-going-global>

¹⁷ <https://t20argentina.org/wp-content/uploads/2018/05/TF1-1-1-REV-T20-Technological-Justice-31-05-18.pdf>

¹⁸ <https://aiforgood.itu.int/>

¹⁹ https://www.b20saudi Arabia.org.sa/wp-content/uploads/2020/09/Policy-recomendations-to-the-G20_IMG_update_Chair_compressed-min.pdf

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