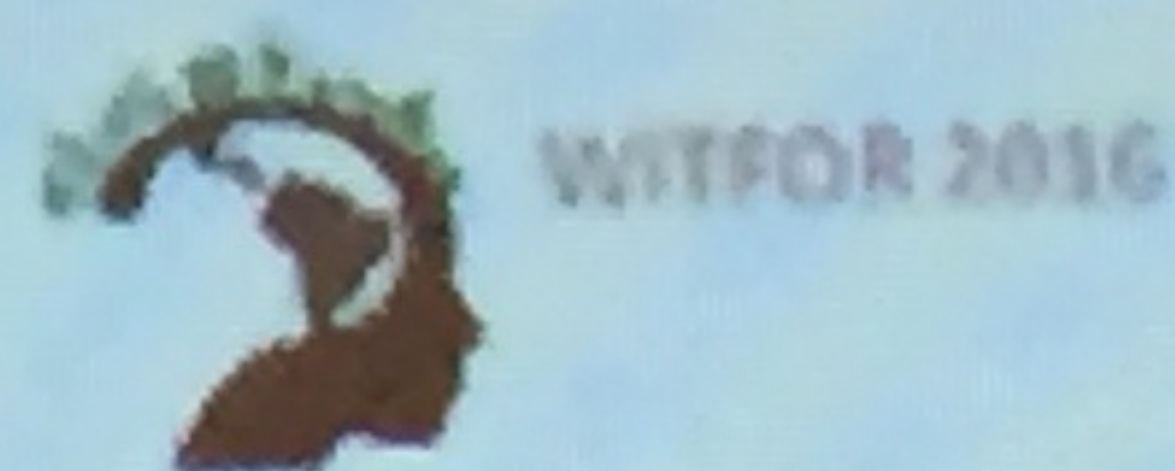


Prospects of socio-economic development in the digital era

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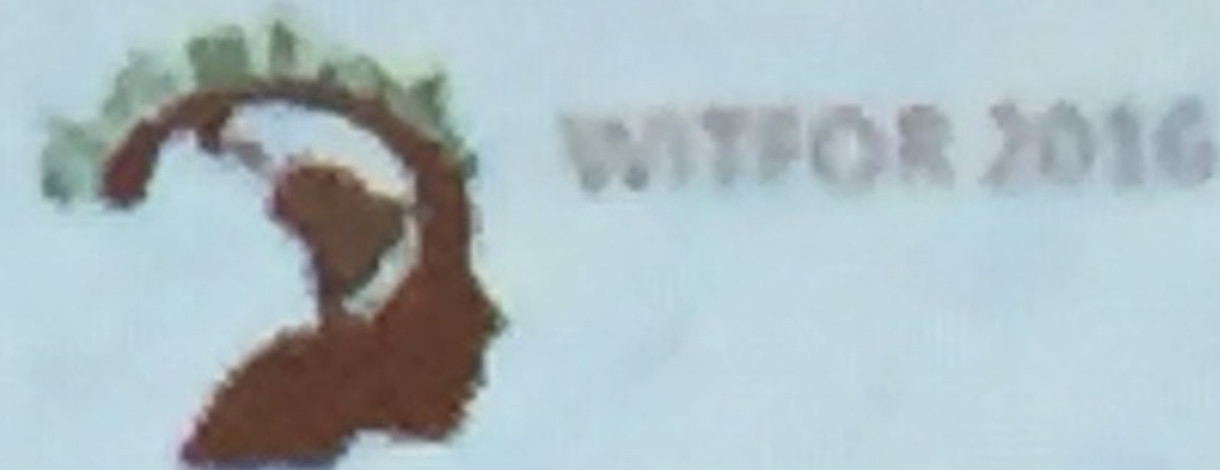
The ongoing “digital revolution”

A mix of high opportunities and risks resulting from the integration of supercomputers, the internet and robotics

Potential transformation of everything!

“humanity faces a future between immortality and Armageddon”

Prof Anthony Giddens, LSE, Oct 2015



Potential major economic changes

- Productivity increases
- New ways to engage in productive activities on the basis of new business models – the advent of digital business ecosystems
- Unemployment - ‘intelligent machines’ doing professional jobs, such as those of the accountants, lawyers, university lecturers

Will they happen?

- Predicted major changes may not be realised, or they may be realised only gradually over a long period of time – not as a ‘revolution’
- Beware of the technology determinism!
The effects of technology innovation result from the interaction of the diffusion of technologies and organizational/social change

Earlier predictions of ‘obvious’ effects, such as productivity, are still to be realized in many places

Developing countries and the digital revolution

Many developing countries have the capacity to be prime actors in digital innovation and related socio-economic change

- Increasing diffusion of the internet
- Widespread use of mobile phones – though not many smart phones yet
- Increasing digital infrastructures of government and business services
- Participate in global supply chains in many industries
- Established offshore hubs for digital services

But developing countries have large parts of their population unable to perform socio-economic activities in digital contexts

Digital development in advanced post-industrial countries may pose serious challenges for developing countries

In short:

a mix of risks and opportunities

Main risk: de-industrialization

Diminishing employment opportunities in manufacturing resulting from the use of labour saving 'intelligent machines' in professional tasks, such as legal case processing

Two ways to avoid mass unemployment in areas that offer outsourcing vendor services:

- International regulation delaying/addressing labour replacement effects
- Strengthen other areas of job and income creation

Some important opportunities

Leverage the economic growth significance of **agriculture** with digital innovation

Potential changes in the whole cycle of agricultural production/distribution

- RFID technologies, drones, weather forecasting for improved crops
- Internet enabled access to knowledge on new crops and innovative methods of cultivation
- Access to markets

Leverage entrepreneurial activities on digital business ecosystems

Develop digital platforms for e-commerce suitable for the local culture

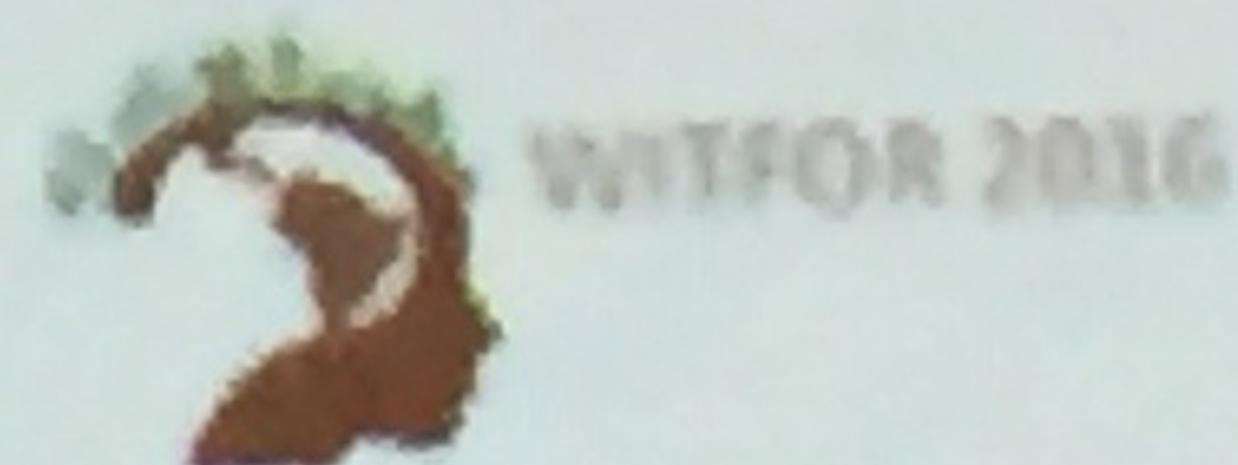
Example: netpreneurs on Chinese e-commerce platforms of Taobao and WeChat

Facilitate participation in existing global ecosystems

Creation of local 'complementors' to international digital platforms

e.g. software development firms supplying apps to major mobile phone platforms

Jobs on crowdsourcing platforms



Relevant policy action

- Education, education, education!
But not any education – education enabling people to live fulfilled lives in digital contexts
- Regulation (and de-regulation) to foster digital innovation and safeguard against risks of privacy and cybersecurity
- International negotiations to alleviate the problems of jobless growth
Some radical ideas:
 - delay automation
 - extend minimal income policies to affected regions of developing countries
 - payments for data