



# Information Economy Report 2017

Digitalization, Trade  
and Development

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# On the cusp of a new digital economy



The digital evolution has major implications for the implementation of **the 2030 Agenda for Sustainable Development**



**Reduced cost**  
of hard drive storage



**Robotics**



**Artificial intelligence**



**Internet of Things (IoT)**



**Cloud computing**



**Big data analytics**



**3D printing**

# Both **opportunities** and **risks** for developing countries



## Opportunities



**Empowerment  
of women**



**Greater participation in  
global market & value chains**



## Risks



**Widening  
digital divides**  
with increased  
income inequality



**Elimination  
of jobs  
and tasks due to  
automation**



**Consumer  
protection,  
data privacy  
& cybercrime**

# Both **opportunities** and **risks** for developing countries

## The impacts depend on:

- ▶ the readiness of countries
- ▶ the enterprises and people to take advantage of digitalization

## Preparing for the digital economy requires:

a concerted, holistic, cross-sectoral and multi-stakeholder approach to policy making.



Governments



Technical and academic community



International organizations



Private sector

# Digital economy is evolving fast...

Developing economies accounted for nearly 90% of the 750 million people that went online for the first time 2012-2015, India (177 m) China (122m).

Sources: UNCTAD, Cisco, ITU



**\$25 trillion** Global e-commerce sales: in 2015

**66 times higher** Global Internet traffic in 2019 than in 2005



**\$189 billion** Cross-border B2C e-commerce: in 2015



**100 million** people are employed in the ICT services sector

**ICT services exports** rose by **40%** between 2010 and 2015





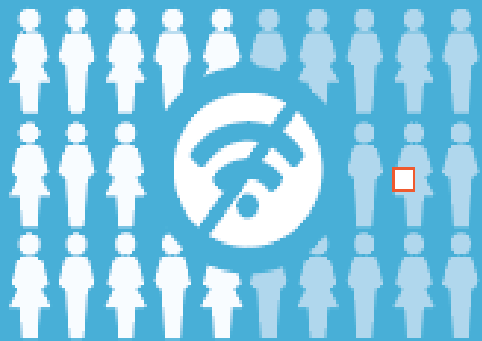
UNITED NATIONS  
UNCTAD

# But at different speeds and there are gaps ...

## Global connectivity gap

**50%**  
remains  
**offline**

only  
**1 in 6**  
in LDCs  
is connected



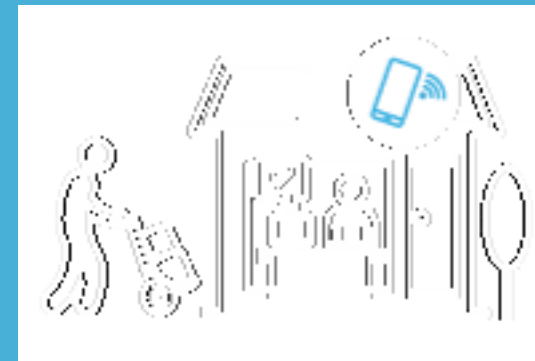
## Gender gap

in Internet use is  
most pronounced in  
developing countries



## MSMEs are less prepared

to take advantage  
of the digital economy



# The Internet can enable more inclusive trade



## Better access to global trade for MSMEs / optimized supply chain



Digital technologies enable to **cut costs**



**Streamline supply chains,** market products and services with greater ease

## More gains if SMEs:

- ▶ Obtain capacity-building, training and other technical assistance
- ▶ Serve a well-defined niche market rather than competing in mass markets

...but digitalization does not remove all barriers




# Online labour platforms and cloud work



## Working conditions

### Benefits of cloud work

#### Independence and flexibility

 on where, how much and when to work

#### People in remote locations

 are offered new labour market opportunities

#### People with disabilities

 are offered possibility to perform digital tasks

### Risks of cloud work

#### Race to the bottom of working conditions and more precarity



Oversupply of jobseekers



**No** maternity and paternity leave



Lack of overtime compensation



**No** paid sick leave



**No** minimum age protection



**No** ability to engage in collective action



Absence of health insurance



# Digitalization changes jobs and skills

4 key changes  
due to increased digitalization

1.

New jobs and occupations created

2.

Some jobs will disappear as a result of automatic...



3.

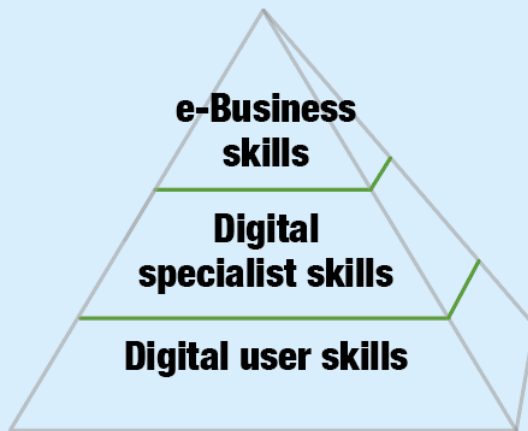
The conditions of work will be affected

4.

More work will involve digital skills

# New skills needed in the digital eco

New skills & education adjustments required



- Strong non-cognitive, adaptive and creative skills

Strategic jobs needed

- Data scientists & analysts

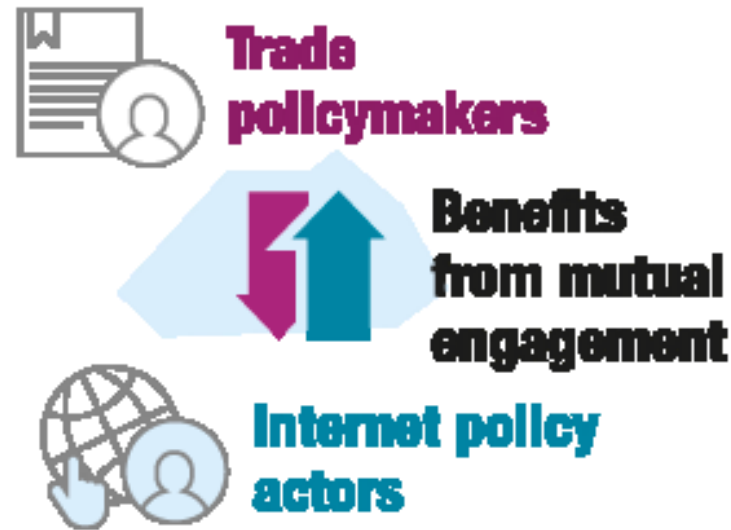


Challenges:

- Cybersecurity vacancies: 1 million now; 1.5 million in 2019
- Changes in labour regulations may be needed to facilitate new jobs and skills transitions

# Connecting trade policies

# and Internet policies



Trade negotiations are  
**government  
to government**

New ways  
should be  
explored  
to strengthen  
the dialogue

Internet governance  
discussions  
are **multi-stakeholder**



# The policy challenge is multifaceted

## Coordination

Effective cross-sectoral collaboration needed within the government and with other stakeholders.

## A better measurement

Need to build the capacity of developing countries, and especially LDC, to collect more and better data on relevant aspects of the digital economy.



# The policy challenge is multifaceted

## Expand ICT Connectivity

- Secure an open, transparent telecommunications market
- Attract investment

## Adapt trade promotion policies to the digital economy

- Trade promotion organizations can embed digital tools in their services offered to small businesses

## Education and skills

- Retrain and upgrade the skills of workers and teachers
- Make use of redistribution policies

## Trade logistics, digitalization and e-commerce

- Adapt to tsunami of parcels
- New technologies
- Cross-border data flows

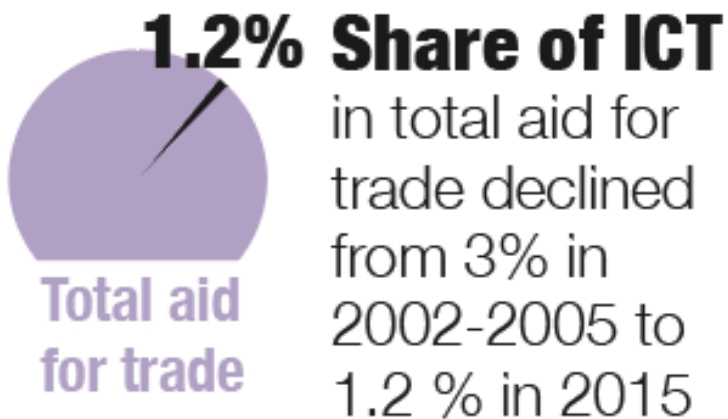


# Boost international support

To prevent widening digital divides and greater income inequalities, the international community will need to expand its support on a massive scale.



## Current levels of support are inadequate

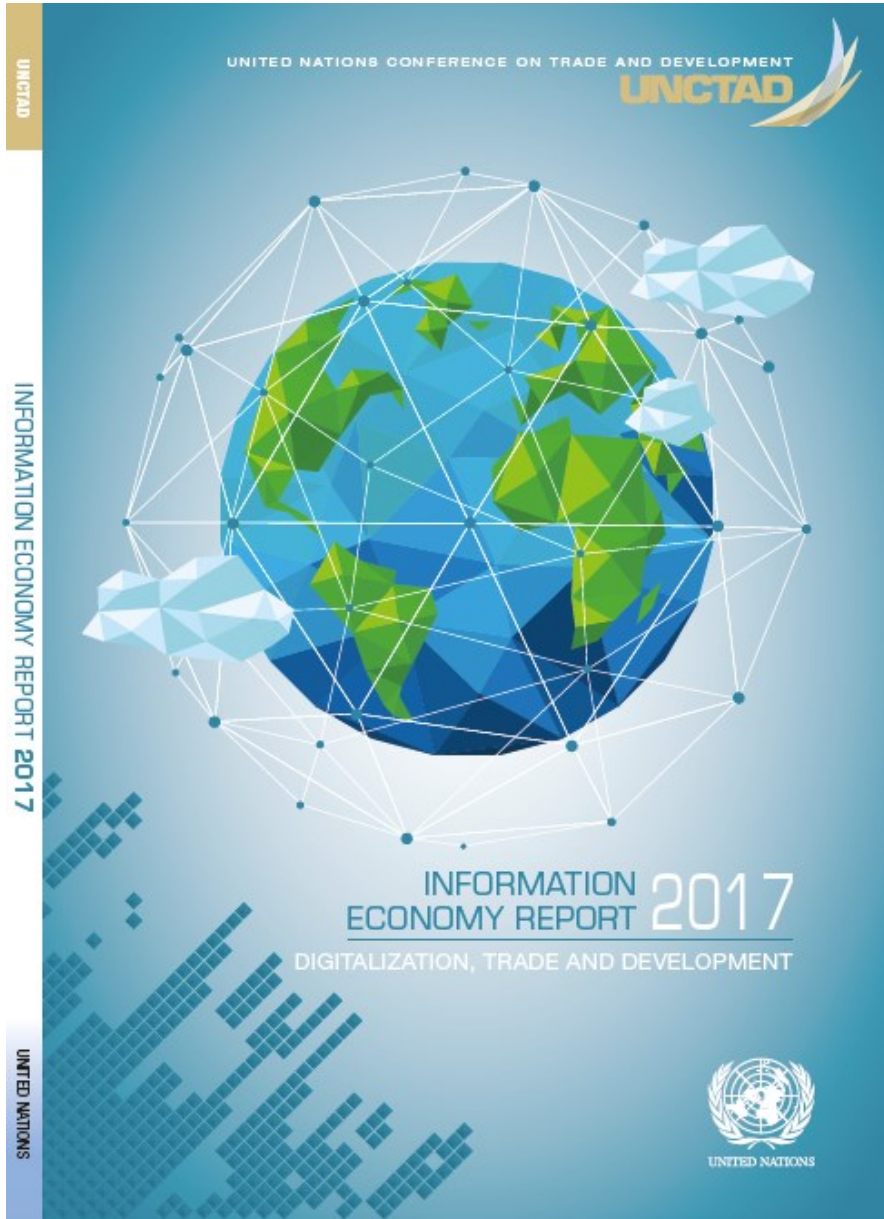


## Boost international support to developing countries

Make use of the eTrade for all initiative ([etradeforall.org](http://etradeforall.org))







Discover the  
Information  
Economy  
Report 2017  
on [unctad.org/ier](http://unctad.org/ier)



# Save the date!

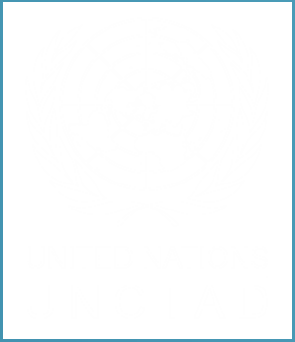
- **E-COMMERCE WEEK 2018**
- 16-20 APRIL 2018 in GENEVA
- Second session of the UNCTAD Intergovernmental Group of Experts (IGE) on E-commerce and the Digital Economy

## Key facts

More than  
1'000 participants  
in 2017

5 day-event including  
a 3-day dedicated meetings  
of experts (IGE 2018) on  
leveraging platforms and  
digital entrepreneurship for  
development

1 high-level  
conversation, eTrade  
for all private partners  
meeting, networking  
opportunities ... and  
much more...



Thank you!