



# Bottom of the pyramid and other development delusions of the information age

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# The trajectory of 'digital technology for development'



- Based on a techno-euphoria not completely unfounded
  - Wealth of Networks - Digital space and unbounded potential
  - Early 90s – the promise of openness, information equality and uncensored knowledge (origin of the net)
  - Access to info, participation and voice, collaboration
- '*Creating a development dynamic*' – Accenture leads the way on MDGs and ICTs.
- The discourse of digital technology for development converges with the ascendance of neoliberalism
  - Privatization of telecoms companies, Deregulation of telecoms, No regulation of the internet

# The network society



- The digital world is a world of mergers and monopolies, with spectacular incentives to privatise the Internet
  - Google, for example, holds 70 percent of the search engine market, and its share is increasing
  - In early 2011, Comcast (largest ISP) merged with NBC (owner of Universal film studios as well as television interests);
  - Walled gardens that fleece those within
- Most monopolies are in the North, ensuring Northern domination over digital futures

# The network society



- Monopoly power, crony capitalism (ironically, anti-neo-liberal!) and digital feudalism
  - Ensure dominance of electromagnetic spectrum licenses
  - Create ISP and telecoms bottle-necks to access
  - Create IP and copyright regimes to create scarcity of content (even though info and knowledge are non-rivalrous)
  - DRM technologies to impose artificial limitations on the functionalities of digital devices and software
  - Develop proprietary software that charges for access
  - And of course, bring in money from ads to push the digital realm into the heart of the entertainment industry and private consumption (violating individual freedoms)!!

# BoP as the method of choice in ICTs for development



- Development adapted to the new economics of network society, riding on digital infrastructure
- 2007, World Bank Report – Shell, Intel, Visa and Microsoft
  - ICT BOP Markets 51.4 billion
  - The distorted logic that the poor can pay for clean water, better transport, ICT access, education, housing, energy etc etc.. all at once
- The Fortune at the Bottom of the Pyramid - the Next 4 Billion poor, waiting to be 'tapped'
  - Proliferation and growth of the microfinance industry which went awry in India
  - Unfortunately, the default approach to development futures

# The logic of big systems riding on the digital



- E-choupal India
  - Network of farmers controlled by ITC, aggregating procurement,
  - Locks-in local communities, creating dependency, demonising traditional intermediaries,
  - Monopolistic Corporatisation of agri markets and knowledge
- The 'win-win of PPP'
  - Common Services Centres of Govt of India – 200,000 internet enabled centres run by private sector
  - Commoditizing ertwhile 'public' information, re-programming state-citizen relations
  - Plans afoot for privatised back-ends/ information utilities

# Mobiles - distraction or liberation?



- Mobiles – digital architecture
  - Corporate control of infrastructure – unlike internet
  - Vertical integration (hardware, applications etc) and monopolisation
  - Cloud computing and remoteness of 'intelligence'
- In South Africa for eg. - in rural and urban populations not connected by the Internet, youth access data services through a closed privately owned network call Mxit
  - those wanting to share content, beyond chatting, must rent space from the Mxit corporation.
  - completely outside of the traditional net neutral internet.
- SEWA – a women's labour union describes the mobile as a 'bubble' – even as the SEWA district centres have given up on the long struggle to make good corporate partnerships in ICTs.

# Development Contradictions



- The rise of monopolies and oligopolies that undermine the democratic potential of the Internet
  - The myth of “friction-free capitalism,” (Bill Gates!) – unleashing entrepreneurs, slaying monopolies and promoting innovation
- The illogic of scarcity of the Internet paradox in a capitalist society - *Lauderdale Paradox* – contradictions bet `public wealth and private riches – capital accumulation overtakes democratic possibility; public morphs into private
  - Electromagnetic spectrum remains extensive and largely unutilised !!!
  - In 2011 AT&T alone had license to \$10 billion worth of spectrum that is fallow, while it lobbies to have more spectrum diverted to it.
- State-corporate alliance that makes a mockery of traditional economics and political thought

# Development Contradictions



- International political economy and vacuum in global public policy on the Internet
- Cooption of private / community entrepreneurship for enhanced surplus extraction – The example of 'co-creation'
- Institutionalisation of techno-managerialism in governance – Indian HR Commission objects to UID
- Collaborative potential, arguably the democratic genius of the Internet, runs up against the pressure of capital to consolidate monopoly power, create artificial scarcity, and erect fences wherever possible.

# Development Contradictions



- Complete disconnect with community-centric local development models, which is about social capabilities, local autonomy and sustainable futures
- Maintained through the perpetuation of the 'digital divide' – of those not connected, and the bottom of the pyramid that desperately wants to be connected but must pay what it takes
- The logic of the current digital technology regime is - "get big, stay big and squelch the small".
- Its method is to create scarcity and coopt openness to serve capitalist accumulation
- Membership in digital ecologies is thus
  - Voice without agency
  - Presence without politics
  - Labour without appropriation

# 'Network publics' as a framework for development



- In terms of dev policy and practice - reclaiming publicness / public openness in the digital - not the commodified, privatized world of capital accumulation
- Retrieving the 'corrupt netherworld of government regulation and bureaucracy' in new democratic models for 'local' control.
- Openness – has a negative rights meaning
- Commons – Shareable resource
- Public – positive rights connotation, implies a complex institutional ecology for creating and preserving the commons, public goods and for redistributive justice

# Meso level interventions



- Public digital and socio-technical platforms using community labour for common good
- Open source platforms, open search engines, opensocial networking applications, open APIs and open content platforms
- Public investment the starting point but network publics much more and derives from participatory, community embedded development methodologies
- Appropriate policy regimes – where the overriding logic is developmental