



Digital Economy Working Group
Issue Note



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BACKGROUND

Technology change throughout history has often brought about hope for a better future, while simultaneously raising the fundamental concern that the benefits of such transformations on society and the economy rarely are equitably distributed within countries and around the world, consequently deepening inequalities.

The current digital transition is no different. The accelerated pace of the ongoing technology evolution and the prevailing asymmetries among countries in terms of information and capacities are justified reasons for renewed concern. Especially when taken into account the fact that one third of the global population – approximately 2.9 billion people - remains on the margins of the debate, with no access to the basic tools and services that underpin the present transformation.

The G20 workstream on the digital economy came about at a time when the development perspective enshrined at the World Summits on the Information Society celebrated a decade. Now, as another decade of the WSIS process approaches completion, the international discussion, while updated in the face of new technologies, is proof that its agreed principles, agenda and call to action are as relevant as 20 years ago.

With this background, the presidency of Brazil is the third step of a cycle initiated in 2022, marked by the G20 leadership of developing countries, to last until 2025. It thus represents a unique opportunity to ensure visibility to the priorities of the Global South regarding the digital economy agenda. It is also a chance to imprint this development perspective in the parallel digital governance negotiations at the United Nations and elsewhere.

As we embark on this journey, Brazil welcomes the opportunity to collaborate with G20 member states and international organizations, having as a primary commitment the goal to foster a debate on the digital economy whence technology's transformative potential becomes a force for inclusive development, leaving no one behind. This shall be the cross-cutting, horizontal element of every deliverable of the Brazilian DEWG presidency.

In light of this, and building on the achievements of past presidencies, Brazil proposes the following key areas under the DEWG in 2024:

1. Digital Inclusion, Universal and Meaningful Connectivity
2. Digital Government: Building a Trustworthy and Inclusive Digital Public Infrastructure
3. Integrity of Information Online and Trust in the Digital Economy
4. Artificial Intelligence for Sustainable Development and Inequalities Reduction



PRIORITY ISSUES

(1) DIGITAL INCLUSION, UNIVERSAL AND MEANINGFUL CONNECTIVITY

Despite the growing access to digital connectivity, a significant proportion of the world population remains unconnected. Even among many G20 members, the challenge of connecting populations living in rural and remote areas remains very much relevant, as well as providing digital skills to a part of the population that is not online, despite living in areas where Internet access is available.

The International Telecommunications Union (ITU) has been an important forum for discussion, statistics collection, development of proposals to “connect the unconnected” and ensuring that “no one is left behind”. In a recent document, issued jointly by the UN Office of the Secretary General’s Envoy on Technology and the ITU, the concept of “universal and meaningful connectivity” was defined alongside a framework for its implementation and a set of digital inclusion targets to be met by 2030¹.

According to the definition by ITU, the universal connectivity component means connectivity for all, whereas meaningful connectivity corresponds to a level of connectivity that allows users to have a safe, satisfying, enriching and productive online experience at an affordable cost. These two dimensions – universality and meaningfulness – are complementary and require a balanced approach. Thus, neither a low-quality universal service, nor a meaningful connectivity that is only available to a few will bring the broad benefits to the whole of society. In fact, these two dimensions reinforce one another – the more universal the access, the more meaningful is the connectivity and the more meaningful the connectivity, the faster we will reach the universal service.

The ITU has devoted significant efforts to develop a basic set of metrics – identified as Aspirational Targets for 2030² - for universal and meaningful connectivity and is currently in the process of developing and formalizing a broader set of indicators and metrics. This work could support discussions at the G20 DEWG level, aiming at reaching agreement on a set of comparable indicators that would assist in identifying and closing the gaps in universal and meaningful connectivity.

It is within this context that during the 2024 G20 presidency, Brazil proposes a joint effort by the G20 DEWG to identify and discuss guidelines for a set of broad indicators and metrics for universal and meaningful connectivity, as well as to identify good practices in promoting digital connectivity and examine innovative financing mechanisms developed by plurilateral and multilateral financial institutions.

¹ https://www.itu.int/itu-d/meetings/statistics/wp-content/uploads/sites/8/2022/04/UniversalMeaningfulDigitalConnectivityTargets2030_BackgroundPaper.pdf.

² <https://www.itu.int/itu-d/meetings/statistics/wp-content/uploads/sites/8/2022/04/UniversalMeaningfulDigitalConnectivityTargets2030.pdf>.



Questions for discussion

Given this context, the G20 DEWG could discuss the following questions relating to universal and meaningful connectivity:

- Can we agree on guidelines for a set of comparable indicators and metrics that would assist in closing the existing gaps in digital connectivity?
- Can we identify a set of applications that would enhance the users' perception of meaningful connectivity (e.g., education, health, digital government services, among others)?
- What kind of innovative financing mechanisms could the plurilateral and multilateral financial institutions implement to accelerate our reaching the target of universal and meaningful connectivity by 2030?

Key Outcomes and Deliverables

To allow an in-depth analysis of these issues, the G20 DEWG presidency of Brazil proposes the following outcomes and deliverables in 2024:

A. A workshop with the participation of high-level experts covering the topics of: (i) a framework for meaningful connectivity; (ii) measuring universal and meaningful connectivity; and (iii) innovative financing for the expansion of digital connectivity. This workshop will assist in informing G20 DEWG delegates as to the maturity of the indicators under development and provide insight into the benefits of comparable indicators in achieving the current targets. The outcomes of this workshop would be summarized in a report by the presidency. The Workshop would be held during the first or second in-person meeting of the G20 DEWG; and

B. A document on proposed guidelines for indicators and metrics for universal and meaningful connectivity, compiled with the support of the ITU, which would support discussion by G20 members. This document could provide the basis for an Annex to the Digital Economy Ministerial Declaration, to be introduced in preparation for the third in-person meeting of the G20 DEWG.

(2) DIGITAL GOVERNMENT: BUILDING A TRUSTWORTHY AND INCLUSIVE DIGITAL PUBLIC INFRASTRUCTURE

In the past decade, especially during and immediately after the COVID-19 pandemic, numerous national and subnational governments have devoted efforts to adapt the delivery of public services to the new needs and expectations of societies increasingly influenced by the advancement of new digital technologies. Enhancing the government's relationship with its citizens, providing high-quality public services, and leveraging the opportunities of the digital economy, in turn, require a smart public administration and a secure, reliable, and inclusive Digital Public Infrastructure (DPI).



Nevertheless, 850 million people in the world lack an official identity³ and this gap can be substantially reduced with the implementation of digital identities. The absence of identification poses multiple barriers to accessing services, whether public or private, and to the exercise of rights. Digital identity systems often serve as the 'gateway' to meaningful digital inclusion, opening channels for citizens to have easy access to a wide range of public services and serving as crucial tools for effectively integrating individuals into the digital economy, whether as consumers or entrepreneurs. Therefore, the provision of Digital Public Infrastructure addressing the issue of identification becomes central to the evolution of digital government and the promotion of development, inclusion, and innovation.

It has also become evident that such identification systems, as well as relevant citizen data, should be interoperable, within both the public sector and the private sector. Interoperability within the public sector enables the 'once only' principle, through which citizens provide information to the government only once, resulting in simpler, more inclusive, faster public services with fewer errors and instances of fraud. The potential for data sharing not only enhances the effective delivery of public policies and sustains evidence-based decision making, but also creates opportunities to foster a business-friendly environment and stimulate innovation and entrepreneurship across society as a whole.

Moreover, digital identity and data sharing necessarily involve the establishment of secure and reliable systems that protect personal data and privacy.

Addressing the theme of digital government and Digital Public Infrastructure focusing on the components of digital identification and data sharing as enablers is thus essential to promote inclusion, enhance the digital economy and generate new opportunities for economic growth and development.

These topics of utmost importance for the Digital Economy Working Group will be among Brazil's G20 presidency contributions.

Questions for discussion

Given this context, the G20 DEWG could discuss the following questions relating to digital government:

- Can we agree on a set of High Level Principles on the Governance of Digital Identity?

³ <https://blogs.worldbank.org/digital-development/850-million-people-globally-dont-have-id-why-matters-and-what-we-can-do-about>.



- Which are the relevant parameters that govern data access and data sharing across public institutions and with the private sector?
- How can Digital Public Infrastructure foster a thriving business environment and stimulate societal meaningful engagement?

Key Outcomes and Deliverables

To allow an in-depth analysis of these issues, the G20 DEWG presidency of Brazil proposes the following outcomes and deliverables in 2024:

C. General Principles on the Governance of Digital Identity;

D. Compendium on data access and data sharing, across public institutions and with the private sector for public interest; and

E. Virtual Workshop on Digital Government on Digital Government and Inclusion, featuring panels on the topics of Digital Public Infrastructure (DPI), digital identity and data sharing. The event is tentatively scheduled to take place in May 2024.

(3) INTEGRITY OF INFORMATION ONLINE AND TRUST IN THE DIGITAL ECONOMY

The virtual omnipresence of global digital platforms has reshaped the landscape of mass communications and transformed economic, social, cultural and political interactions worldwide, fostering inclusion, growth and prosperity through technological innovation, while amplifying voices and facilitating collective action around issues that are relevant not only to local communities but also to humanity as a whole.

However, the prevalent business model of most digital platforms produces negative externalities, since it often pursues the maximization of advertising revenues having as byproducts the proliferation of distorted and false information, as well as hate speech, which tend to generate more “views” among users, whose data is in turn explored and monetized by technology companies.

Consequently, the observed widespread dissemination of misinformation, disinformation and hate speech at high speed through "content virality" represent a significant threat not only to trust in the digital economy but also to social cohesion, democratic values and institutions, and human rights. It also undermines the confidence in traditional media and in scientific and historic knowledge. This phenomenon contributes to ideological polarization across various segments of society, particularly affecting developing countries and their respective minorities, vulnerable, and marginalized groups, holding the potential to further exacerbating digital divides, trends of political and economic instability, radicalization, extremism and violent acts. Disinformation can also undermine important multilateral efforts, such as the collective pursuits in addressing climate change



or combating poverty, and erode trust in multilateral organizations and international regimes.

Access to the products and services of digital platforms may in fact be a step in the path towards meaningful connectivity, provided that users have the abilities to navigate them and are aware of associated risks. As digital inclusion expands around the world, special attention should be given to the promotion of media and digital literacy of vulnerable groups, particularly children, adolescents and the elderly, boosting their confidence in using the Internet, allowing a safe and productive online experience and contributing to build trust in the digital space. The improvement of digital skills is a critical component for a meaningful participation online and for citizen empowerment.

In facing these new challenges, the Brazilian presidency proposes a discussion in the DEWG around the need to encourage the adoption of transparent and responsible policies by technology companies, especially regarding content moderation, recommendation algorithms and the handling of users' personal data, aiming at minimizing the proliferation of harmful and illegal content, promoting information as a public good and protecting the rights of consumers of these services, including preserving privacy and personal data protection, in accordance with existing legal and regulatory frameworks. Such policies on transparency and accountability of digital platforms are basic and necessary tools to accurately evaluate the systemic risks entailed by their business model and to enable the adequate mitigation measures.

The proposed exchange of experiences and good practices among G20 countries may be useful in identifying insights on different strategies and governance approaches to tackle the above-mentioned challenges. This effort will also facilitate future evidence-based collaboration in this field, as technical and expert analyses can potentially feed into ongoing multilateral discussions and multistakeholder consultations on the topic.

Ultimately, the work under the Brazilian presidency should amplify the call for digital platforms to assume a stronger commitment to information integrity, while underscoring, at the same time, the fundamental importance of freedom of expression and opinion in the digital environment.

Questions for discussion

Given this context, the G20 DEWG could discuss the following questions relating to integrity of online information and trust in the digital economy:

- What are the different strategies and governance approaches available to tackle the issue of online information integrity?

- What level of commitment should digital platforms abide by regarding information integrity and the promotion of information as a public good?
- What kind of technical and expert analysis of policies on disinformation and hate speech and the business model of digital platforms should be fostered as a way to provide well-informed inputs to multilateral discussions?
- How can countries cope with the pressing challenge posed by generative Artificial intelligence systems to the integrity of online information?

Key Outcomes and Deliverables

To allow an in-depth analysis of these issues, the G20 DEWG presidency of Brazil proposes the following outcomes and deliverables in 2024:

F. Report on the current stage of the debate on information integrity and trust in the digital environment in multilateral organizations, regional blocs and G20 member countries; and

G. Document with possible approaches to promoting information integrity and trust in the digital environment

H. Open seminar, in São Paulo, to debate information integrity and trust in the digital environment, in April or May 2024. The event will address the impact of current economic structures and business models of the digital environment on information integrity; the harm caused by misinformation in vulnerable groups; Artificial Intelligence and disinformation; and global efforts to combat disinformation.

(4) ARTIFICIAL INTELLIGENCE FOR INCLUSIVE SUSTAINABLE DEVELOPMENT AND INEQUALITIES REDUCTION

Artificial Intelligence (AI) has recently sparked vivid international debates, mostly centered on generative models and their potential, risks and governance challenges. Significant benefits for developing countries can stem from AI numerous applications, also contributing to the attainment of the Sustainable Development Goals (SDGs).

From the perspective of developing countries, however, current international debates overlook important challenges and leave unaddressed key questions, such as the concentration of capacities, datasets and infrastructures under the control of a small group of actors. Also, discussions on possible alternatives to ensure that the developing world have access to and contribute to further develop these technologies and can fully benefit from them should also be at the top of the agenda. As well as the concern that AI systems, while global in reach, should be able to reflect a diverse range of linguistic, cultural, racial and geographical contexts and be able to address existing biases and avoid new biases

altogether. All countries should have the opportunity to promote the development and deployment of AI systems with a view to enhancing the quality of life for their peoples by applying innovative solutions in critical areas such as healthcare, education, food security, economic development, job creation and income generation. It is essential to regard AI as an instrument of inclusion rather than a tool for exclusion, and a valuable ally in the fight against poverty.

Through the work of the DEWG, G20 member countries can contribute to the discussion around these challenges and search for ways to strengthen global efforts for the responsible and ethical use of AI, focusing on opportunities for international cooperation through knowledge dissemination, capacity-building initiatives or through joint efforts aiming at the development, deployment and adaptation of AI systems to local realities. To accomplish this and to be able to design effective national policies, there is an urgent need to gather more information on where countries are in terms of their readiness to develop, deploy, use or implement AI ethically, for all their citizens. This entails looking beyond economic or infrastructure elements. The impact of AI is such that societal, scientific, educational, cultural, legal and regulatory elements should be equally considered. There are tools that are being deployed internationally to gather this information, and the G20 can tap into this expertise.

The exchange of good practices in terms of human-centric AI regulation attempts and incentive policies directed at public services delivery and research and development schemes also merits discussion in the DEWG. The focus should be placed on the capacities of governments to deliver quality services through AI solutions.

Finally, the Brazilian presidency will commission a report on the assessment of national capabilities required in AI so that countries and their populations may access the benefits of the digital economy, ensure their sovereignty, reduce inequalities and successfully integrate into global AI-related value chains.

Questions for discussion

Given this context, the G20 DEWG could discuss the following questions relating to Artificial Intelligence:

- How can Artificial Intelligence systems be effectively used by governments and businesses with a view to improving the living conditions of different social groups, particularly the marginalized?
- Are there ways to mitigate inequality among countries in terms of national capabilities in Artificial Intelligence, including in relation to computational infrastructure?



- How can we ensure that datasets used to train artificial intelligence systems are representative of local contexts?
- Are open-source AI models an opportunity to provide widespread access to this technology?

Key Outcomes and Deliverables

To allow an in-depth analysis of these issues, the G20 DEWG presidency of Brazil proposes the following outcomes and deliverables in 2024:

I. Framework methodology for the assessment of national capabilities in AI, to be applied to G20 member countries; and

J. Mapping exercise of G20 countries' good practices in using AI solutions for public services.

K. International event on the challenge of globally unequal distribution of AI assets and infrastructure, and how to equip governments with the capacities and practical tools to address this challenge. A discussion paper will be prepared outlining the current distribution of these assets and infrastructure to highlight key gaps and possible synergies. A chair summary will be produced afterwards.

THE WAY FORWARD

Brazil's presidency invites G20 members to engage in the debate around these four thematic areas, to be arranged in four DEWG meetings in 2024 (three of which presentational meetings) and complementary videoconferences, as well as the final Ministerial Meeting, as tentatively scheduled below:

January 31st to February 1st – I DEWG (Videoconference)

April 18th to 20th – II DEWG (Brasília, Federal District)

June 11th to 13th – III DEWG (São Luís, Maranhão)

September 9th to 11th – IV DEWG (Maceió, Alagoas)

September 13th – Ministerial Meeting (Maceió, Alagoas)

This schedule is to be complemented by side events organized by Brazil's presidency.