G20
SOUTH AFRICA 2025

Solidarity
Equality
Sustainability

Sherpa Track

ISSUE NOTE

Digital Economy Working Group

December 2024

Digital Economy Working Group (DEWG)

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1. INTRODUCTION

The South African Presidency of the G20 comes at a time of increased international focus on the digital economy, particularly its instrumental role in development and economic and social reconstruction following the COVID-19 pandemic. The recent United Nations (UN) Summit of the Future and its Global Digital Compact (GDC) set out objectives, principles, commitments and actions for a new global digital cooperation that will lead to more equitable and just outcomes. In 2025, the 25th review of the foundational framework for global digital cooperation provided by the World Summit on the Information Society (WSIS) outcomes is a pivotal opportunity for global action to strengthen and broaden efforts towards an inclusive digital economy and society that is people-centred and that meets the development aspirations of the international community.

The South African G20 Presidency follows a sequence of developing countries that have provided leadership to the G20. Since this will be the first time the G20 has come to Africa in its current format, this is an invaluable opportunity to consider the particular challenges and opportunities facing people on the African continent.

South Africa welcomes the opportunity to continue discussions with G20 members, international organisations, knowledge partners, and invited guests on how to harness the transformative power of digital technologies to bring about inclusive development for all. We will also continue to consider the importance of having suitable frameworks to guide their adoption of new technologies in a way that will optimise their benefits and limit potential harms.

In this context, South Africa looks forward to building on the achievements of past presidencies, focusing on the following key issues:

- Connectivity for inclusive digital development
- Digital public infrastructure and transformation
- Digital innovation ecosystems: unleashing the potential of Micro, Small and Medium Enterprises (MSMEs)
- Equitable, inclusive, and just artificial intelligence (AI).

2. PRIORITIES AND DELIVERABLES

2.1 Priority 1: Connectivity for inclusive digital development

Redressing digital inequality is a prerequisite to ensure that digital technologies are beneficial for all and that everyone can participate in the digital economy. Universal broadband connectivity is widely accepted as a global priority within the UN system and is incorporated in the Sustainable Development Goals (SDGs). This priority has resonated within G20 declarations, including most recently during the Brazilian Presidency.

It will be important to consider further practical steps that we can take towards the attainment of universal and meaningful connectivity. While it has been demonstrated that broadband roll-out can stimulate economic growth, there are still significant impediments to overcome. Socio-economic inequalities and low income, together with the landscape characteristics of many countries, continue to inhibit the attainment of universal and meaningful connectivity in many countries. Inadequate funding remains the biggest impediment to broadband rollout.

During the South African Presidency, we will examine some of the continuing challenges inhibiting the attainment of universal broadband connectivity and look at possible responses in terms of information gaps, mapping, and monitoring broadband usage by government institutions, funding mechanisms, technology choices, and the potential offered by different business models. Failure to connect everyone will cause existing inequalities to be further exacerbated, as people will be left further behind, disconnected from the development of the digital economy, and vulnerable to disasters and shocks, including pandemics. Without connectivity, people are increasingly unable to access employment, skills, information, government services, and markets. One-third of the world's population is still offline and faces being excluded from the digital future that is unfolding.

Some countries have infrastructure deficits that prevent Internet uptake outside major centres. However, many low- and middle-income countries have broadband coverage of over 90% but have Internet usage rates below the critical mass estimated to be 20% of the population necessary to generate the network effects associated with economic growth and development. This demonstrates

that a range of other factors can impact use, including awareness, affordability (including the price of smartphones and data), digital literacy, digital skills and financial access.

As we connect the unconnected, it is also essential to put in place measures to ensure online security, information integrity, and skills development so that people can benefit from the digital economy with confidence, safely, and effectively.

A lack of data or digital indicators means that it is difficult to assess the progress being made towards the SDGs and the ICT sub-targets that underpin them. There are also challenges with poor data, both with regard to accuracy and detail, which is potentially damaging when used to make decisions affecting people's lives. Existing data reveals stark differences in the capacity to access and use the Internet across different regions and countries, and across different groups within countries, suggesting the potential of policy to change digital outcomes.

More effective data collection, disaggregated based on gender, income, education, employment, age, and other relevant factors, is essential for informed and innovative policy development to achieve more equitable outcomes.

Further engagement with the International Telecommunications Union (ITU) and other international organisations, together with development finance institutions, the private sector, academia, and government agencies, will be useful to make progress on the issue of the universal provision of and access to ICTs. This can also help to promote the production of standardised, accurate and inclusive data sets for public planning, research, and use among broader economic participants.

2.2 Deliverables

- Workshop on modernising statistics and sustainable financing models
- Paper on regulatory, business, and community strategies to ensure the provision of connectivity as the foundational requirement for effective social and economic participation of citizens.
- Drawing on international experiences, develop a framework for analysing and measuring the socio-economic impact of, and funding models to achieve universal and meaningful connectivity through the connecting of government institutions and piloting the implementation of this framework to connect the unconnected.

2.3 Priority 2: Digital Public Infrastructure (DPI) and transformation

The second priority is to build on the work on DPI initiated under the Indian Presidency and continued under the Brazilian Presidency. DPI was recognised in the GDC of the Summit of the Future because of its potentially transformative effect on public sector delivery and broader economic development by providing opportunities for innovation and broader economic participation in higher value-added activities in the digital economy.

The South African Presidency intends to examine the different aspects of policy, regulation, and data governance required for DPI to be transformational. We will consider an incremental approach to investment in the critical infrastructures of DPI, focusing on underlying digital and trusted data exchange, digital identity, digital financial payments, and other possible areas such as digital wallets and the need to ensure universal access to them. Without the institutional, human and financial resources and without innovative economic regulation to redress digital inequalities, the efficiencies offered by DPIs will disproportionately benefit those with access to these infrastructures and the services they offer. DPI has the potential for both public and private data value creation, but this will be dependent on the development of common principles.

Data justice requires redressing not only the possible harms that can occur from the use of data-driven technologies deployed in developing DPIs but also addressing the possible uneven distribution of opportunities that can arise in the deployment of DPI solutions, such as procurement, research, and development.

Finally, the DPI concept requires the development of common and open standards to ensure interoperability across and between infrastructures, services, and applications and to facilitate the use of open-source software.

During the South African Presidency 2025, we can focus on the different applications of DPI across government and new developments in areas like e-wallets, which is an area of development that could be useful for countries to make tangible and beneficial progress in DPI, as well as DPI blueprints for different sectors.

2.4 Deliverables

- A virtual workshop on applications of DPI from G20 members and others, as well as a research or survey document providing an update on the different experiences and initiatives in DPI implementation globally and drawing on key learnings
- Development of possible instruments to support DPI implementation, such as a readiness self-assessment tool and roadmap, and DPI blueprints that reflect regional context for the development of sector-specific DPIs.
- Templates for cost-benefit analysis, among other tools, to measure benefits to the citizens and government in designing citizen-centric digital services using DPI.
- Guidelines on Integrated Governance Frameworks for Equitable DPI.

2.5 Priority 3: Digital Innovation Ecosystems and unleashing the potential for MSMEs

Here we will look at how digital innovation ecosystem initiatives can assist innovative MSMEs to develop forward-thinking concepts in the digital economy. The ITU and other international organisations have done significant work on this issue through their programme on digital innovation ecosystems. These ideas have been derived from experiences in other countries with their own versions of "Silicon valley"-styled development programmes for innovative entrepreneurs and start-ups. This work recognises the propensity of start-ups and digital entrepreneurs to lead innovation at different levels, and the nature of the ICT sector to be innovation-driven and enabling.

We will further examine the opportunities for MSMEs that can arise from DPI and measures to encourage innovative MSMEs and tech entrepreneurs to engage in DPI-based solutions, drawing on best practices from around the world. Data sharing models for MSMEs can also be a valuable contribution to enabling their effective participation in the digital economy.

In addition, recognising that many MSMEs are barely digitalised, we will also consider how to remedy the marginalisation of microenterprises or informal sector firms that are unable to harness technological advances to improve

livelihoods. This sector could potentially drive demand for broadband roll-out in underserved communities and for the uptake of DPI solutions.

Digitalising the informal sector will not only enhance livelihoods, but there is also increasing evidence that if digitalisation of the informal sector is linked to education and social investment programmes it can improve life opportunities. Digitalising the informal sector through DPI exposure and inclusion will make the sector visible to the state, enabling it to receive relief, training and financing. The aspiration is that, in time, significant numbers of informal SMME will be able to contribute to digital innovation.

2.6 Deliverables

- A showcase of MSME innovation in the ICT event for MSMEs from G20 members, working with the other government departments. It will speak to economic development, local solutions, and higher-value employment in the digital economy.
- A workshop on digital innovation ecosystems, drawing on international best practices and expertise.
- A future-orientated paper on MSMEs and digital innovation ecosystems
- Workshop on strategies, programmes, and initiatives for digitalising MSMEs and encouraging participation in the digital economy.

2.7 Priority 4: Equitable, inclusive and just artificial intelligence (AI)

The Global Digital Compact (GDC) encapsulates the international commitment to govern AI in the public interest and for the benefit of humanity. The South African Presidency will advance the focus of the Indian and Brazilian presidencies on ensuring that AI, in its various forms, is deployed to support people-centred, socio-economic development. To achieve this effectively, associated negative externalities should be mitigated through global cooperation and by building national and regional institutional capacity and human capabilities.

Recognising how decisions today shape prospects for prosperity tomorrow, South Africa will focus discussions on ethical and policy-related issues, including with respect to the private sector and social media platforms, to address the need to institutionalise safeguards and human rights impact assessments as per the UN Guiding Principles for Business and Human Rights. A key consideration is the bias and discrimination that can arise from the design of algorithms, critically from data sets used to train algorithms from which the vast majority of Africans are

excluded. It is therefore important to address inequalities relating to data access and the production of more relevant and inclusive data for the purpose of developing and improving algorithms. There is a strong link between data inequality and the inequality of AI outcomes. It is important to address this because it is currently not possible to have unbiased algorithms that have been developed using substandard and incomplete data.

Data governance, including protection, access, and utilisation issues are at the core of managing AI systems. Given the importance of achieving SDGs, data-sharing approaches that can assist countries, taking into account their socio-economic and development context, should be considered.

On this topic, information integrity is critical to the digital economy. Without it, confidence in the digital economy would be undermined by uncertainty and fraud. Key to information integrity is independent journalism, widespread transparency practices in both public and private spheres, and awareness-raising of people targeted for misinformation and disinformation. Media and information literacy among users and the wider public can play an important role in this respect.

An important part of addressing the public interest can emerge from the concepts of algorithmic transparency and data justice. Public interest regulation requires enabling the right to know and access information in line with transparency principles, standards, and norms, including disclosure practices. This could be applied wherever AI is used, including for the benefit of users of social media platforms.

The rise of economic activity associated with AI can create outcomes that entrench existing inequalities or lead to an unequal distribution of harms or opportunities if left unchecked. As more powerful applications of AI are developed, such as generative AI and the production of synthetic content, the potential benefits and risks of their use increase. This is an important juncture to consider possible responses, including possible regulatory responses, by governments and other stakeholders.

Such responses could include measures to create greater oversight of the development and training of algorithms, their use of data sets, and their performance, including human oversight, as well as the development and deployment of international technical standards for multimedia authenticity and

deepfake detection. It will be important to consider efficient ways to respond to these imperatives, so that they remain affordable.

During South Africa's Presidency, we will consider measures to help address digital inequalities. Initiatives that will enable countries to access AI technologies and to develop the necessary skill bases, coupled with access to data resources and processing capabilities, will contribute significantly to economic development and the attainment of the SDGs across widely divergent economies and societies around the world. This could include the use of indigenous and local large language models as a tool for effective public service delivery, particularly in the context of digital public infrastructure and development.

Skills development in different areas impacted by AI is essential, not only for more informed, literate users of different data-driven technologies but also for more skilled developers and data scientists, more agile regulators with appropriate training for the dynamic innovation environment they find themselves in, and more local knowledge building to inform policymaking, planning and innovation. Skills development for AI will support countries to build the capacity to use, produce and govern AI in ways that are more ethical, transparent, accountable and just.

2.8 Deliverables

- Workshop on AI and inequality
- Toolkit to reduce inequalities connected to the use of AI
- Guidelines for access to data for MSMEs and researchers, and promoting data sharing with and by the public and private sectors
- Workshop on generative AI and its evolving ability to produce high-quality deep fakes at a lower cost, and the impact on information integrity, and consideration of possible recommendations.
- Draw on international experience to identify key elements of strategies, policy and regulatory frameworks to assist countries to respond to AI.

International knowledge partners to include: the ITU, UNESCO, UN Development Programme, UN Industrial Development Organisation, OECD. Local Knowledge Partners are also being identified.