

**Shifts in Global Digital Governance: Integrating Dual Core Finance and Frugal Innovation into the WSIS+20 Framework to Empower the Base of the Pyramid**

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**Abstract**

As the World Summit on the Information Society (WSIS) approaches its twenty-year review (WSIS+20), the global digital landscape faces an existential recalibration driven by the advent of Artificial Intelligence (AI). This paper argues that for the Information Society to remain relevant, it must undergo a paradigmatic shift that centers on human agency, autonomy, and franchise, particularly for the Base of the Pyramid (BOP). We propose "Dual Core Finance"—a hybrid mechanism blending traditional microfinance with blockchain transparency—as a solution to the USD 4 trillion financing gap in developing contexts. By comparing this model with UNCTAD's 2025 digital priorities and conducting a spatial analysis of the WSIS+20 Rev1 Compilation draft, we identify a critical "implementation gap." While current negotiations reflect a divide between advanced nations favoring voluntary principles and lower-income nations seeking binding equity, the draft largely omits enterprise-driven, frugal innovation strategies. We conclude by offering specific propositions to bridge these spatial and thematic gaps, advocating for market connectivity that transforms BOP populations from passive beneficiaries into active producers in the global digital economy.

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## 1. Introduction: The Imperative for Existential Recalibration

The WSIS+20 process represents a pivotal moment in international law and development. After two decades of digital evolution, the rapid ascent of AI necessitates a profound re-examination of global governance structures. This is not merely a technical review but an "existential recalibration." The central premise of this paper is that the current trajectory of the Information Society risks irrelevance if it fails to protect and empower the human individual within the symbiotic relationship between humanity and technology (2025-2027 window).

The prevailing disconnect between global policy frameworks and the realities of the Base of the Pyramid (BOP)—where 4 billion people navigate resource scarcity—undermines organic innovation. Without distinct mechanisms to foster Human Agency (the capacity to act), Autonomy (self-governance), and Franchise (the right to participate in value creation), digital divides will calcify into permanent economic exclusion.

## 2. Dual Core Finance: A Mechanism for Empowerment

To address the economic disenfranchisement of the BOP, we propose the Dual Core Finance model. This experimental mechanism is designed for lower-income contexts to bridge the gap between grassroots needs and global capital flows.

### 2.1 The Hybrid Structure

Dual Core Finance operates on two simultaneous levels:

- \* The "Core" of Community Lending: deeply rooted in traditional microfinance principles (e.g., the Grameen Bank model), this layer utilizes social collateral to serve MSMEs and individuals who lack traditional credit histories.
- \* The "Core" of Blockchain Transparency: A digital layer that provides immutable records of transactions. This ensures accountability, reduces the overhead costs of verification, and mitigates predatory practices that often exploit the digital illiteracy of the BOP.

## 2.2 Economic Impact and Frugal Innovation

This model facilitates Frugal Innovation—high-impact, low-cost solutions tailored to resource-constrained settings. By connecting rural entrepreneurs to global supply chains, Dual Core Finance enables access to advanced tools. For example, marginal farmers can access AI-driven predictive analytics, potentially increasing crop yields by 20-30% (FAO, 2025). This shifts the narrative from aid to enterprise, turning the BOP's estimated USD 5 trillion in purchasing power (Prahalad, 2012) into a driver of sustainable growth.

## 3. Synergies and Divergences with UNCTAD Priorities

An analysis of the United Nations Conference on Trade and Development (UNCTAD) 2025 agenda reveals significant synergies with the Dual Core Finance model, alongside critical divergences in approach.

\* Synergies: UNCTAD's Accelerating Reforms for an Inclusive and Sustainable Digital Economy (2025a) and World Investment Report (2025b) prioritize bridging digital divides and addressing the USD 4 trillion financing gap. Both frameworks aim to catalyze MSME growth, acknowledging that digital tools could boost GDP by 5-10% in developing regions (World Bank, 2024).

\* Divergences: While UNCTAD advocates for high-level policy reforms in trade and investment, Dual Core Finance emphasizes a bottom-up, grassroots layer. The paper argues that top-down policies often impose solutions without individual input—evidenced by the 40% abandonment rate of digital health initiatives in lower-income areas (WHO, 2025). True empowerment requires enterprise-driven approaches where technology transfer enhances human autonomy rather than entrenching dependency.

## 4. Spatial Analysis of WSIS+20 Negotiations

A comparative analysis of the WSIS+20 Rev1 Compilation against the specific interventions proposed by the AI for Africa Thinktank (AIFAT) reveals a "spatial gap" in the negotiation text.

#### 4.1 Concentration vs. Diffusion

\* AIFAT Intervention: Characterized by highly concentrated, propositional language targeting specific paragraphs (e.g., 4, 6, 25, 81-83). It explicitly links AI governance to BOP market access and financial inclusion.

\* Rev1 Compilation: Characterized by "spatial diffusion." Key themes like sovereignty and inclusion are scattered across the preamble, introduction, and bracketed text. This dilution weakens the link between AI ethics (Para 81-83) and concrete economic mechanisms for the poor.

#### 4.2 The Geopolitical Divide

The current text reflects a stalemate:

\* Advanced Countries: Favor voluntary, multi-stakeholder approaches with non-binding language to maintain market flexibility.

\* Developing/Lower-Income Countries: Advocate for sovereign equality, mandatory technology transfer, and specific financing mechanisms to address inequities.

While the draft complies with broad principles of AI ethics, it exhibits significant shortfalls regarding market connectivity and enterprise-driven models. The absence of specific language regarding "frugal innovation" risks leaving the 2.2 billion people currently offline (ITU, 2025) permanently disconnected from the value-creation aspects of the AI era.

### 5. Propositions for an Equitable Information Society

To bridge these gaps, WSIS+20 must move beyond declarations and embed enterprise-driven approaches into the final outcome documents. We propose the following integrations:

\* Mandate Blockchain-Microfinance Hybrids: Financial sections (Paras 25, 28) should explicitly encourage hybrid models like Dual Core Finance to allow BOP individuals to exercise franchise in global supply chains.

\* Institutionalize Frugal Innovation: The text on Innovation and Technology (Paras 81-83) must recognize and support BOP-centric innovations (e.g., low-cost water purifiers, solar-powered AI) as legitimate contributions to the global digital economy, rather than just recipients of aid.

- \* Public-Private Partnerships for Digital ID: To solve the "access" crisis where 850 million lack digital IDs, the framework should promote enterprise-led solutions similar to India's Aadhaar, which enabled financial inclusion for 1.3 billion people.
- \* Market Connectivity Hubs: The Internet Governance Forum (IGF) mandates (Para 95) should be expanded to include the creation of "Enterprise Hubs" that connect BOP MSMEs directly to global markets, bypassing predatory intermediaries.

## 6. Conclusion

The separation of the "Base of the Pyramid" from global markets and enterprises undermines the organic innovation ecosystems where human agency thrives. By integrating Dual Core Finance and prioritizing Frugal Innovation within the WSIS+20 agenda, stakeholders can ensure that the AI era does not replicate colonial dependencies but instead fosters a truly equitable, human-centered information society. The goal is clear: to transform the BOP from passive consumers of technology into autonomous architects of their own digital futures.

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