

## Ten Myths of ICT4D

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# "Kids in the developing world need the newest technology..."

"Can the **cellphone** help end global poverty?"

"The **Internet**should be a human right in and of itself."

## Myths of ICT4D

"... X has never been used to its full capacity in support of economic development. It may be financially

impossible to use it in this way still the possibility i is the full power a teaching were to be schools develop educational pattern persuasive and inst X were to be us community developmedernization of

modernization of would the break-even point come? Where would the saving in rate of change catch up with the increased cost?"

X = "television"

Source: Schramm, Wilbur. (1964) Mass Media and National Development: The Role of Information in the Developing Countries. Pp. 231

## Technology X will save the world.

Wasn't true for X = radio, TV, or landline phone, despite initial expectations and significant penetration.

Doesn't seem true for X = PC.

How about X = mobile phone?

- There are still poor communities with no phones.
- Many poor villages have only a few phones.
- Ownership ≠ usage
- Usage ≠ sophisticated usage
- Sophisticated usage ≠ increase in welfare



Given your current financial status,\* would you pay 20% of your income on an ongoing basis for any of the following...?

- Customized news
- Premium banking services
- Tutoring services
- Better health plan

## Poor people have no alternatives.

## Costs of goods and services in peri-urban Bangalore.

| PC/Internet capability  | Existing Alternative                 | Cost<br>(US\$ per hour) |
|-------------------------|--------------------------------------|-------------------------|
| Search for information  | Social networks                      | Free                    |
| Health information      | Government health clinic             | Free                    |
| Agriculture information | Government agricultural extension    | Free                    |
| Accounting              | Notebook and calculator              | 0.01                    |
| Data exchange           | Bicycle (local 10 kms, few hours)    | 0.10                    |
| Entertainment           | Movie in a theatre                   | 0.10                    |
| Music                   | CD player + buying pirated CDs (MP3) | 0.12                    |
| News                    | TV + cable                           | 0.12                    |
| Education               | Private school in Bangalore          | 0.12                    |
| PC/internet access      | 1 hour in an Internet café           | 0.25                    |

If you had 20% of your annual income to spare right now, and had to spend it on one of the following, which would you spend it on...?

- a) A part-time personal assistant
- b) Travel and tourism
- c) iPhone or other gadget

## Needs are more pressing than desires.



"Needs" are relative. Bill Gates needs his personal assistants and might think we relatively poor people to be foolish to spend on travel or gadgets and other "frivolous" expenses.

"Needs assessments" typically reveal the same needs, though no one spends on them...

- Better healthcare
- Better education
- Better income opportunities
- Etc.

The same populations often spend lavishly on...

- Ring tones
- Music and movies
- Weddings and funerals
- Customized photos
- Etc.

In which of the following businesses does Google make a profit...?

- a) Search
- b) YouTube
- c) Google Maps

## "Needs" translate to business models.

#### People don't always pay for "needs."

- E.g., children's education
- E.g., water purifiers
- E.g., health insurance

"Poverty premium" exists for a reason. Poor populations are...

- Harder to reach
- A greater risk
- Poor! (Less disposable income)

#### Someone has to pay.

- The poor are poor.
- Their governments are poor.
- Their donors are limited.
- Even ads are ultimately paid for by customers, who in this case, are poor.



## Do you consistently...?

- a) Exercise
- b) Avoid unhealthy foods
- c) Wear a seatbelt
- d) Start assignments early enough to do a good job

## If you build it, they will come.



People don't do what's "best" for them.

- Spend today versus save for tomorrow
- Children's education versus extra labor in field
- 10% of curable blind don't go to have surgery, even when cost-free.
- Many people don't wear seatbelts or stop smoking, although they understand the implications.

You and a poor rural farmer are each given a single e-mail account and asked to raise as much money for the charity of your choice.

Who would be able to raise more money?

## ICT undoes "rich getting richer."

Or, "the Internet democratizes..."

Or, "the world is flat (because of technology)"

 Technology is multiplicative, not additive (e.g., Tichenor et al., 1970)



Which of the following will have the most impact on making you fitter...?

- a) Buying a treadmill
- b) Self-imposed exercise regimen
- c) Hiring a physical trainer

## Technology permits socio-economic leapfrogging.



### Some things do leapfrog:

- Upper class capacity
  - E.g., recent Indian upper class
- "Adopted" poor children
  - E.g., Shanti Bhavan
- New technology over old technology
  - · E.g., broadband over dial-up
  - E.g., mobile phone over landline phone

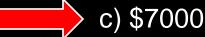
#### But...

- Human capacity develops slowly
- Role of technology in education is poorly understood.
- Owning an treadmill doesn't make you fitter in itself.

Education and human capacity are the critical things.

How much does a typical US corporation spend on its IT budget per user per year...?

- a) \$70
- b) \$700



d) \$70000

## Hardware and software are a one-time cost.

Conservative, back-of-the-envelope calculations for actual costs per child per year, for a "\$100 PC" per child, amortized over 5 years.

| Total                                       | \$250<br>\$1250 | per child, per <i>year</i> cost<br>per child, every five years |
|---|-----------------|--|
| Teacher training                            | \$50            | Maine laptop project cites 1/3 total cost for teacher training |
| System administration, maintenance          | \$100           | = \$10,000/yr / 100 kids                                       |
| Connectivity and power                      | \$15            | Low estimate   |
| Breakage, theft, unintended sale            | \$20            | e.g., 1 in 5 each year   |
| "Losses" in distribution                    | \$20            | Conservatively, 20%  |
| Distribution, installation, power stability | \$25            | Low estimate   |
| Hardware/software (replaced every 5 years)  | \$20            | \$100 / 5 years  |

## What is this man's job?



## Automated is cheaper and better.

#### Issues with full automation:

- Barriers of literacy, cost, unfamiliarity, etc.
- User preferences for voice and human-mediated systems
- Accuracy of data collection better through call centers?
- Cost of human system < cost of technology?</li>



## Are you as rich as you'd like to be?

Results 1 - 10 of about 41,100,000 for how to be rich. (0.24 seconds)

Are you as educated as you'd like to be?



Are you as compassionate as you'd like to be?

A Guide to Cultivating Compassion in Your Life, With 7 Practices



## Information is the bottleneck.

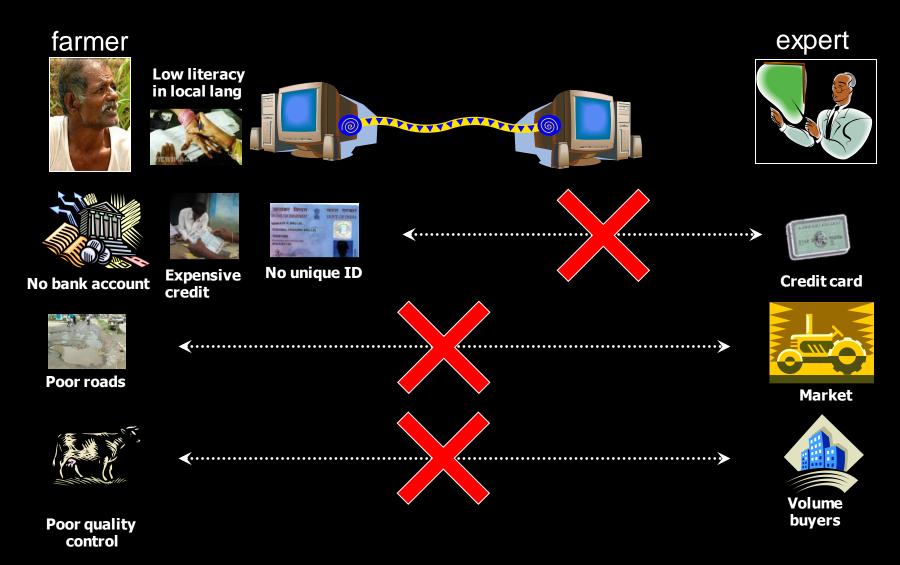


Information is just one of many deficiencies in developing world.

- Other deficiencies:
  - human capacity
  - economics
  - infrastructure
  - institutional capacity
  - political clout
  - etc.
- Information ≠ education
- Communication ≠ commerce

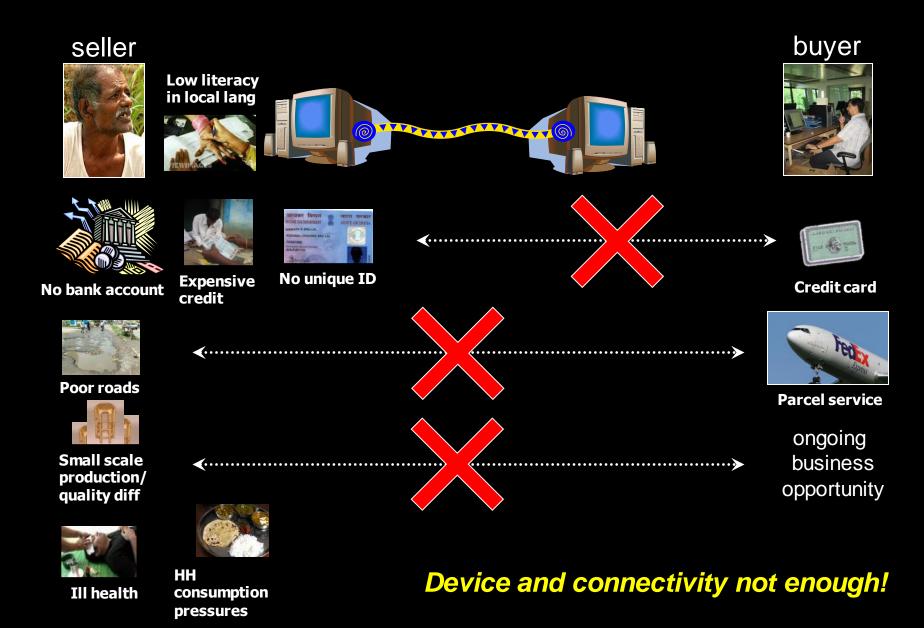
## Conclusion

## Agricultural Systems?

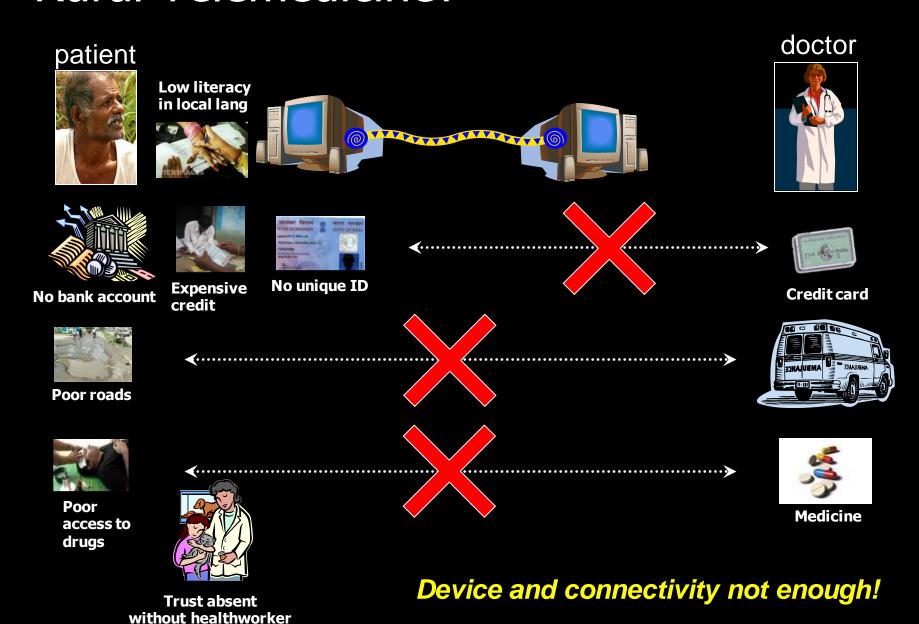


Device and connectivity not enough!

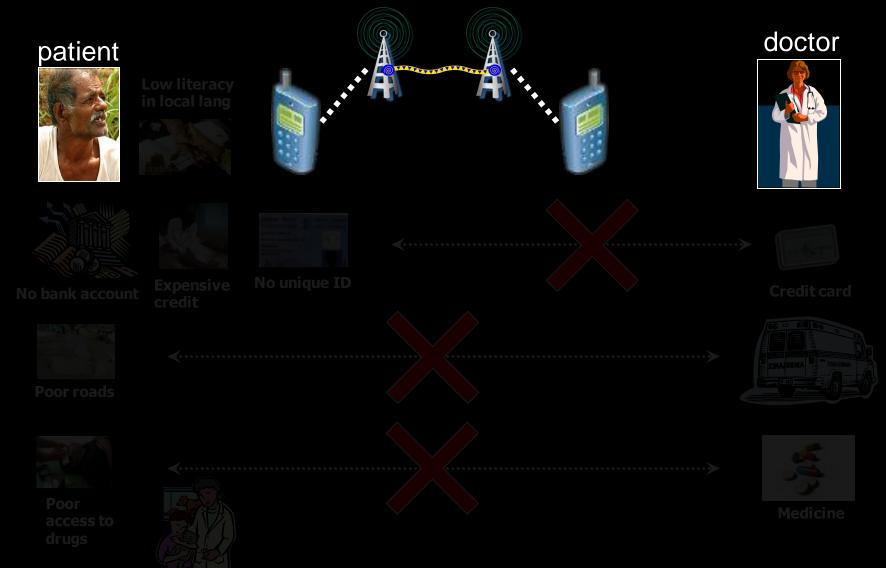
## E-commerce?



## Rural Telemedicine?



## Rural Telemedicine with new device?



Device and connectivity not enough?

## Successes Exist

#### PCs for NGO / MFI back ends

Unsung success

### Grameen Village Phone

– Mobile killer app: voice!

#### M-PESA

Money transfer (\$160M in first year)

### Same-language subtitling for literacy

Better literacy for 200M+ people

### Long-distance WiFi for eye care

Enabled 50,000+ consultations

Etc.



## Technology is Just One Part

#### **Physical**

building, goods, transport, roads

#### **Human**

education, computer literacy, motivation, awareness

#### **Social**

institutions, norms, political support

#### **Financial**

operational costs, maintenance, training

### **Digital**

hardware, software, connectivity, content



## In the Developed World...

(includes wealthier segments of developing countries)

## <u>Physical</u>

building, goods, transport, roads

#### Human

education, computer literacy, motivation, awareness

#### **Social**

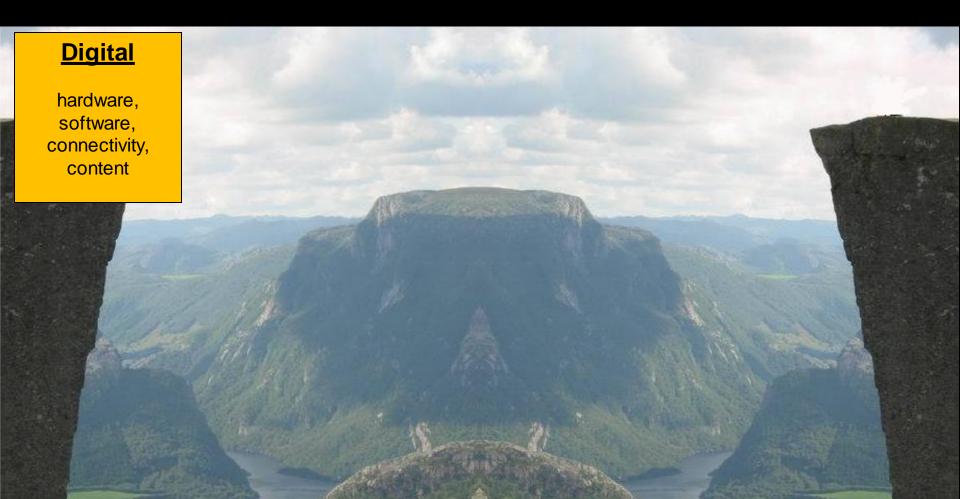
institutions, norms, political support

#### **Financial**

operational costs, maintenance, training



## In the *Developing* World...



Technology magnifies human intent and capability.

Technology itself requires support from well-intentioned, competent people or organizations.

Successful ICT4D interventions work as a part of well-intentioned, competent organizations.

# "Kids in the developing world need the newest technology..."

"Can the **cellphone** help end global poverty?"

"The **Internet**should be a human right
in and of itself."

"Twitter is changing the way we live."

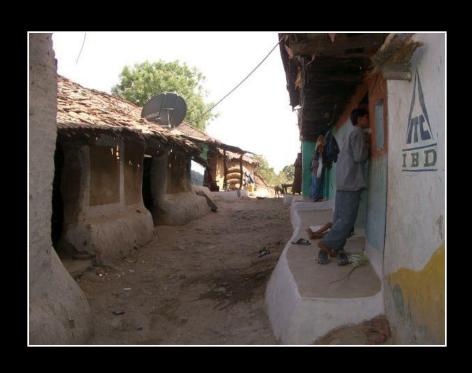
"The Internet democratizes access to information."

"Social networking will transform learning"

"The Internet changes everything."

"Each of us is simultaneously an individual person and a global publisher."

## Why do these myths persist?



Desire for an easy solution

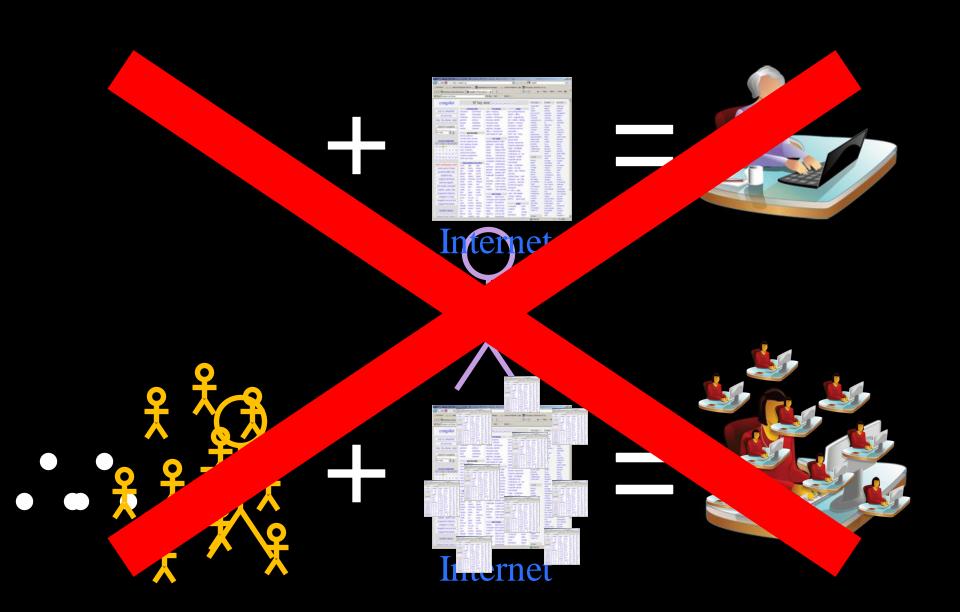
Desire for a one-time, catalytic investment

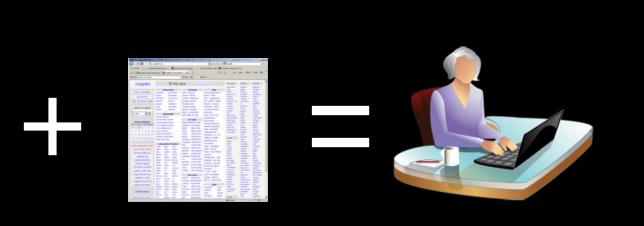
Desire to see ingenuity triumph

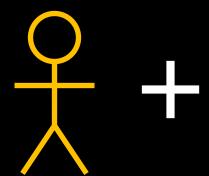
Seductive power of technology in the developed world

Not enough insight into actual poor communities

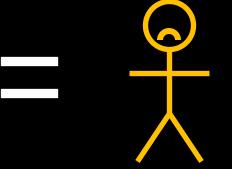
Misleading explanations of successful ICT4D projects – a variation of Al's "frame problem"





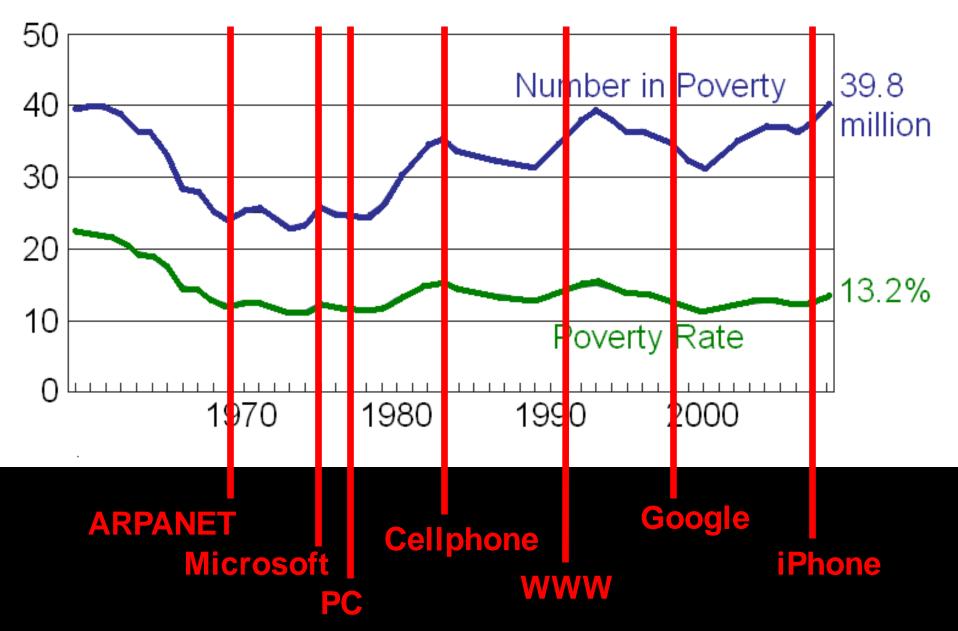








## Poverty in the United States (1959-2008)



## Summary

### Myths of ICT4D

- Technology X will save the world.
- Poor people have no alternatives.
- Needs are more pressing than desires.
- Needs translate to business models.
- If you build it, they will come.
- ICT undoes "rich getting richer."
- Technology permits socio-economic leapfrogging.
- Hardware and software are a one-time cost.
- Automated is cheaper and better.
- Information is the bottleneck.

### Key Lesson

Technology is a magnifier of human will, competence, and institutions.



## Thanks!

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