Digitalisation for People, Planet and Prosperity



2023 marks the midpoint review of the United Nations' 2030 Agenda for Sustainable Development and our shared and universal commitment to deliver on <u>17 ambitious goals</u> for people, planet and prosperity by 2030. Unfortunately, the global community is falling well short of reaching its set objectives¹. Estimates show the initial progress towards the Sustainable Development Goals (SDGs) was already slow and uneven across countries, and lost further momentum during the global pandemic, with the global SDG Index currently at 67%.

At the same time, growing digital adoption has been an ally in transforming quality of life globally, providing access to information, revolutionising various sectors of industry and unlocking new avenues for sustainable development. Connectivity and digitalisation have emerged as indispensable tools to connect, empower, and transform societies.

The International Chamber of Commerce (ICC) firmly believes in this catalytic power of information and communication technologies (ICTs) and digital technologies across areas as diverse as education, healthcare, governance, agriculture, finance, and environmental sustainability. **Our path towards reaching the SDGs in the allotted time can only be digital.**

As the world's largest business organization, with a network of more than 45 million companies in over 170 countries, ICC draws on the experience and evidence of businesses of all sizes and sectors to assess how digitalisation efforts driven by the private sector contribute to advancing the SDGs. Investment, innovation, and capacity-building projects by private companies to deliver digital infrastructure, services and skills enable:

- **Digitalisation for people** by expanding meaningful connectivity, providing access to essential applications, content in local languages and services from health and education, to social services and financial inclusion, and equipping populations with skills, with special focus on gender inclusion to use the Internet safely and productively.
- **Digitalisation for the planet** by driving green transition through innovative digital services, aiming to reduce carbon emissions and preserve biodiversity and climate.
- **Digitalisation for prosperity** by bridging digital divides to enable inclusive growth, incentivise job creation and entrepreneurship and fuelling innovation.

Only by combining the dynamism of industry innovation with enabling policy and regulatory measures can we unleash the boundless potential of ICTs and digital technologies, and realise the full array of the SDGs, leaving no one behind.

¹ Sustainable Development Report 2023, Implementing the SDGs Stimulus, <u>SDG Transformation Center</u>.

Business efforts fuel digitalisation

The private sector is a key driver of digitalisation for sustainable development, leveraging its innovative capacity, resources, and expertise to propel progress towards the SDGs. By **investing in transformative digital infrastructure, expanding meaningful connectivity, and developing affordable and accessible digital products and services**, businesses are instrumental in bridging the digital divide, unlocking green transition, and ensuring that all communities can benefit from the opportunities of the digital age.

Through **investments in research and development, technology adoption, and entrepreneurial initiatives**, businesses are at the forefront of developing and implementing digital solutions that address pressing economic, social and sustainability challenges.

By **harnessing the power of big data analytics, artificial intelligence, and machine learning**, private companies are able to extract valuable insights and make informed decisions that promote inclusivity and sustainability.

Additionally, private sector engagement in **capacity building and skills development** programs equips individuals with the digital literacy and technical competencies necessary to thrive in the digital economy. Moreover, **public-private partnerships and multistakeholder collaborations** have further accelerated the adoption and scaling of digital innovations, paving the way for a sustainable future driven by technology-driven solutions.

See examples of <u>business projects that fuel digitalisation for people, planet and prosperity from</u> <u>across ICC's global membership</u>.

Digitalisation for inclusive and sustainable growth: potential and barriers

Efforts to build a global, seamless, digital ecosystem achieved significant progress to advance inclusive and sustainable social-economic development. Such an ecosystem is built on three closely interconnected and interdependent layers:

- accessible and affordable infrastructure and devices;
- appropriate applications and services built upon the infrastructure; and
- **user ability** to use a device and understand the features of this application and services.

Connectivity has rapidly become one of the most defining features of our everyday lives, from the way we study, work, do business, consume content, or connect with our communities. It is a critical input for the next wave of industrialisation, social cohesion and low-carbon operations. Connectivity drives economy-wide innovation and boosts competitiveness, it expands the reach of public services revitalising remote and marginalised communities, and is a fundamental lever for meeting climate goals and net zero ambitions.

In recent years we have seen enormous progress in expanding and advancing connectivity and the opportunities it brings across the globe. Today, 95% of the world's population lives within range of a broadband network, effectively reducing the number of people living in areas without any coverage to about 390 million. However, the International Telecommunication Union estimates that one in

three individuals who could go online, does not. In 2022 some 2.7 billion people still remained offline. Inequalities in connectivity are closely correlated with location, economic opportunity, education, awareness and skills, gender as well as social and cultural norms and governance approaches.

Closing the coverage and usage gaps depends on identifying and addressing barriers to any of the three layers of the ecosystem, which should be done with an appropriate mix of economic, technical, and regulatory approaches. For this, dedicated and effective actions are needed on both the supply and demand side of connectivity.

See ICC's <u>White Paper on Delivering Universal Meaningful Connectivity</u> for further information and recommendation on bridging the connectivity gaps.

Furthermore, the essential role of **global data flows** became evident when the pandemic lockdown started in 2020, and companies, organizations and government offices around the world responded by transitioning their operations to online-first or online-only, proving a formidable engine for innovation, competitiveness, and growth and a powerful catalyst for socioeconomic empowerment. Data underpins every aspect of today's global economy, supporting day-to-day business operations, facilitating the delivery of essential government services, and enabling international and multilateral cooperation.

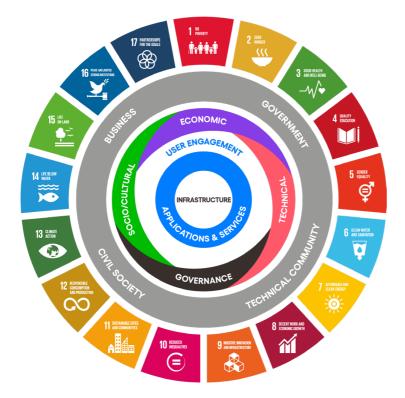
Despite data's core role in facilitating economic activity and innovation, mistrust in data continues to grow. Some of this mistrust stems from the difficulty of understanding data, its nature and consequently the level of risk its handling carries. Trust is also eroded by concerns that national public policy objectives such as security, privacy or economic safety could be compromised if data transcends borders. This increasingly fuels restrictive data governance policies and regulatory measures such as digital protectionism and data localisation. Such approaches deepen Internet fragmentation, segregating information that underpins a broad range of socio-economic activities and undermining cybersecurity protection.

With growth in every industry driven by data flows and digital technology, disruptions in crossborder data flows will have broad reverberations that can lead to reduced potential GDP gains and adverse impact on the local/national digital ecosystems — at a time when economic recovery is at the top of the agenda for every government.

See ICC's <u>White Paper on Trusted Government Access to Private Sector Held Personal Data</u> for more information on how data is generated and used for economic and social development, and recommendations for fostering trust in data flows.

Addressing the barriers to a global, interoperable digital ecosystem, including infrastructure, services and skills is a prerequisite to reaping the benefits of digitalisation and reaching the targets of the 2030 Agenda. Unlocking this potential depends on delivering universal meaningful connectivity and enabling the cross-border flow of data that underpins the functioning of the global digital economy. For this, an appropriate mix of economic, technical, and regulatory approaches is necessary.

Road to the SDGs: pairing business efforts with enabling policy frameworks



Achieving the SDGs requires a holistic approach to policymaking that incentivises business investment and innovation and inspires effective action across the entire digital ecosystem at all its layers: infrastructure, applications, trustworthiness, accessibility, and user ability and skills.

Policy issues impacting digitalisation can be economic, social/cultural, technical or governance related. They are interlinked, cross-cutting and all necessary to support digital transformation.

Furthermore, the participation of all relevant stakeholders in policy-making processes helps generate policies that are timely, scalable and innovation-enabling.

Without sound knowledge of the make-up and functioning of the digital ecosystem, roles of relevant stakeholders and the interplay of policy decisions, countries may miss out on the societal benefits digitalisation has to offer.

See ICC's <u>Policy Paper on ICT, Policy and Sustainable Development</u>, for further information on this policy-setting framework.

Policy and regulatory mechanisms should be non-discriminatory, technology-neutral, and supportive of innovative business models and the development and deployment of a wide range of global technologies, standards, and system architectures, effectively promoting the value of the entire communications and digital services ecosystem. In order to drive sustainable development through the catalytic power of ICTs and digital technologies business encourages policymakers to:

- Mainstream digitalisation as part of the broader development agenda: Policymakers should explicitly recognise the potential of digital technologies and ICTs to address key societal and environmental goals with an appropriate investment-friendly environment and the continued flexibility to innovate. Misguided regulations could stifle innovation and have the opposite effect vis-à-vis economic and social development and the timely attainment of the SDGs.
- 2. **Facilitate investment across the entire digital value chain:** Policies should create an enabling environment that not only promotes, but actively fosters both private and public investment, competition, and innovation in the development and deployment of

broadband services and connectivity devices, and in content that helps drive and sustain adoption, as well as digital literacy and skills development.

- 3. Improve broadband and telecommunication infrastructure and effectively manage spectrum: Modern telecommunication infrastructure and high-speed broadband networks will be a crucial enabler for all industries and essential for leading the way to a low-carbon society. Transparent, fair, and economically efficient spectrum allocation is crucial for broadband availability. Simplifying licensing processes and expanding access to licensed and unlicensed spectrum drives innovation and extends connectivity to underserved areas.
- 4. Enable, and foster trust in, the cross-border flow of data and digital technologies:

Policymakers should ensure all citizens and companies can realise the full potential of digitalisation for innovation and economic growth, by adopting policies that facilitate the adoption of new technologies and the global movement of data that supports them. Establishing clear rules and enforcing roles and responsibilities in the data processing value chain are the keys to maintaining responsibility over compliance irrespective of locality. Certain compelling public policy issues, including privacy and security, are recognised as possible exceptions and may form a legitimate basis for governments to place some limits on data flows if implemented in a manner that is non-discriminatory, is not arbitrary, is least trade restrictive, and not otherwise a disguised restriction on trade. Governments should adopt policies to build trust by ensuring that users have practical mechanisms and appropriate control over how their personal data is used. Companies should ensure that personal data is appropriately secured as technology and services evolve. Increased trustworthiness and certainty will underpin innovation, inclusion, and economic growth, furthering the SDGs.

- 5. **Ground policies in evidence and data:** Policymaking and regulation should be evidencebased, transparent and aimed at improving the ease and predictability of doing business.
- 6. Embrace multistakeholder policymaking: By encouraging the participation of all relevant stakeholders, including business, civil society, and the technical community, in policy-making processes, governments can generate policies that are timely, scalable, and innovation-enabling. Multistakeholder cooperation and in particular, public-private partnerships should go beyond project implementation and actively incorporate diversity of views from the first moments of policy creation.
- 7. Promote international cooperation: Lack of interoperability across the policy and regulatory environment can create needless administrative burdens and compliance inconsistencies across jurisdictions, stifling the opportunities and progress that can be made. Scaling up the adoption of existing principles and widely used industry standards ensures consistent approaches between countries, enable cross-border cooperation, and create certainty and predictability for companies to continue investing and innovating.

About the International Chamber of Commerce

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 170 countries. ICC's core mission is to make business work for everyone, every day, everywhere. Through a unique mix of advocacy, solutions and standard setting, we promote international trade, responsible business conduct and a global approach to regulation, in addition to providing market-leading dispute resolution services. Our members include many of the world's leading companies, SMEs, business associations and local chambers of commerce.



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