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How digitalisation can leave the poor behind

In the pandemic, governments created digital solutions for access to social support — a risk for those on the wrong side of the digital divide

For all its devastation, the Covid-19 crisis does have a silver lining: it has shone a spotlight on important policy lapses – beginning with the lack of social protection for the world's two billion informal workers. But addressing this failure will require more than social programmes; it will also require governments to bridge the digital divide.

During the pandemic, social programmes supporting the 'missing middle' – informal workers who are excluded from standard employment-linked social security and often do not qualify for social programmes that target the very poor – relied heavily on digital technologies. Registration happened on smartphones. Governments verified beneficiaries using digital identification systems. Payments landed in e-wallets.

This welcome use of digital technology streamlined procedures and enabled workers to avoid face-to-face interactions when they applied for or collected benefits. But this approach also implies an obvious risk: exclusion of those on the wrong side of the digital divide.

The problem with digitalisation

The experience of informal waste reclaimers here in Johannesburg is instructive. When the South African government introduced the Social Relief of Distress cash grant for adults excluded from other forms of government support during the pandemic, applications were to be submitted by a website form, email, WhatsApp, or an Unstructured Supplementary Data code. This promised efficiency, but also kept the application out of reach for many waste reclaimers. According to Steven Leeuw, a former member of the African Reclaimers Organization (ARO), '90 per cent of the people we work with don't have a cell phone. If they do, it's usually an old one that doesn't really work, or they don't have money for data, or anywhere to access free Wi-Fi'.

Fortunately, the ARO stepped in to help members apply. That meant not only filling in and submitting applications, but also performing any additional administrative steps if the initial application was rejected. According to Leeuw, 'it would have just been easier if [the South African Social Security Agency] had sent officials around to our workplaces to help people sign up for the grant'.

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There are similar stories around the world. In Mexico City, the cash grant offered to non-salaried workers was initially accessible only through an online application. 'I went three times to the internet cafe to scan documents and send emails', said one worker. 'How are those who don't know how to read and write and who can't pay for the internet cafe going to do it?' After protests by workers' organisations, the government added a manual application option.

Likewise, in Delhi, informal workers struggled with digital applications for the Pradhan Mantri Street Vendor's *Atma Nirbhar Nidhi* (SVANidhi) scheme – a government loan programme designed to support street vendors. Not only was the application available only online, it was also not written in colloquial Hindi, and the website crashed frequently.

Moreover, applicants were initially required to have an Aadhar Card (a form of digital identification linked to biometric and demographic data) linked to a mobile phone number, which created a host of other problems. 'Not all workers have an Aadhar Card', according to Shalini Sinha, Delhi Coordinator for *Women in Informal Employment: Globalizing and Organizing*. 'Or if they are migrant workers, the card might be back in the village, and then they might not have the same mobile phone number, and have to go through the process of linking a new number to the card'.

A digitally induced wealth gap

These are hardly isolated incidents or cherry-picked anecdotes. A 2019 report by the then-United Nations Special Rapporteur on extreme poverty and human rights, Philip Alston, found that the digitisation of welfare often leads to 'deep reductions in the overall welfare budget, a narrowing of the beneficiary pool, [and] the elimination of some services'. In fact, Alston warned, digital welfare systems often 'punish the poorer classes'.

For example, unrestricted data matching is used to expose and penalise the 'slightest irregularities' in the records of welfare beneficiaries, sometimes resulting in denial of critical services. Technological solutions cannot be used as a means to slash budgets and shift responsibility from the state to grassroots organisations serving the poor. Governments that apply digital technologies to social-welfare programmes must also ensure equity in the systems and institutions in which these programmes are embedded.

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For starters, as governments invest in the digital transition (including by directing large amounts of funds to the private sector), they must also support the work of grassroots organisations providing essential last-mile services to connect people to their entitlements. As it stands, few grassroots organisations in the Global South are able to raise the financial resources needed to sustain their work.

Moreover, governments must create mechanisms for meaningful consultation with these organisations, in order to design programmes that meet target groups' needs, monitor and assess progress, and make necessary changes. Frontline bureaucratic workers, such as social workers and registration officials, will also need greater support, including to expand their ranks in some cases.

Of course, closing the digital divide should also be a high priority. That means expanding access to digital technologies, including mobile phones and broadband internet, and ensuring that people have the knowledge to use them. And grassroots organisations have a vital role to play here as well. But, in the meantime, the digital divide must be bridged to enable the most vulnerable to access crucial government support.

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