

Digital exclusion may worsen inequality in SA

South Africans must become digitally enabled or they will be left behind economically, thus exacerbating inequality in the country. This is the view of Dr Miriam Altman, commissioner of the National Planning Commission in the SA Presidency.



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According to Altman the negative implications of digital exclusion are far reaching and require urgent action. “[Digital inclusion] has to be delivered urgently. Either it can help us drive a new source of competitive advantage for industrial development and job creation, or Africa can be consumers of foreign technology and foreign capability,” said Altman.

Speaking at AfricaCom 2016, Altman and other industry leaders highlighted the necessity for all levels of the population to be able to access, utilise, communicate and transact over the internet to fully partake in the new economy. Though efforts are still hamstrung by smartphone penetration, data costs and internet accessibility.

Digital skills development

Skills development and education are some of the key drivers. Nurturing the skills that can enable Africans to develop African-specific solutions must be a priority.

Charles Murito, Google country manager for Kenya, added that, “Education is a critical component for us. What holds Africans back is the lack of digital skills. Earlier this year we announced a commitment to train 1 million Africans in digital skills. As of two weeks ago we struck the half a million mark of people trained and we’ve also launched portals in three different languages, which are accessible for people all across Africa to receive these basic digital skills.”

Simple, inclusive transactions

Mckinsey last year reported that by 2020 Africa could benefit to the tune of \$340 billion of GDP value, due to the growth of the eCommerce and digital ecosystem and the equivalent of an additional \$340 billion in productivity gains.

For this to happen, online and mobile transactions must be secure, simple and inclusive. Karen Nadasen, CEO of PayU South Africa, an online payment provider, believes that accessing digital platforms to buy and sell goods and services offers the biggest opportunity in SA and across the continent.

“Real grassroots upliftment can occur once people are able to transact easily and securely. As long as companies are making it easy for users to buy and sell online we will see the ecosystem grow and communities flourish. This will lead to higher levels of innovation and real utility that will lead to improved living standards in all areas,” maintains Nadasen.

Roadmap for digital roll-out

Altman asserts that we need a firmer push towards broadening the scope of digital uptake, something likened to a roadmap to digital roll-out. “Government is going to have to step in, not on the back of universal service obligations, but to roll it out the way they roll out other infrastructure. Government is going to have to drive demand. The countries that have successfully embraced digital have done it that way,” Altman said.

Altman proposes implementing measures to compel people to get online and get familiar with the digital world. Enforcing the use of digital material in, for example, schools, at home affairs and health services registration will drive the transition at the required levels.

What is clear among industry experts is that the current situation could give rise to global centres of excellence on African problems, just as South Africa’s industrialisation developed off the back of solving problems for the mining industry. The ultimate goal being to solve local problems that offer niche capabilities that can be exported. We don’t hear enough of this in the digital world. Altman says the idea of using procurement to achieve this is something her team is driving from a policy perspective in South Africa.

Nadasen concludes, “As we move into the cloud, new and unique models of doing business will emerge in the region. In order for this to benefit the majority of people with the most impact, we must ensure that there is a shared vision.”

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