

LEARNING FROM INNOVATION IN LATIN AMERICA AND THE CARIBBEAN:

DIGITALIZATION AS A DRIVER OF INCLUSION

Learning from Innovation in LAC is a thematic knowledge brief series jointly developed by the UNDP Regional Bureau for Latin America and the Caribbean and the UNDP Accelerator Labs. It seeks to advance our understanding of key structural development challenges in LAC by capturing emerging lessons learned from innovative approaches to tackling these issues in countries across the region, with an emphasis on the work being done by the [Accelerator Labs](#).

OPPORTUNITIES AND CHALLENGES IN A RAPID CHANGING SPACE

Digital technology has changed the way we act and interact as a society. While the opportunities it presents for development are substantial— in terms of productivity, inclusion, and governance, for example – if left unchecked it can exacerbate inequalities, corruption, misinformation, and polarization. This calls for a digital transition that is inclusive by design; one that deliberately places people and human rights at the center, mitigating potential risks and ensuring the benefits are accessible to all.

UNDP identifies 5 principles that lay the foundations for an inclusive digital transition, as presented in Box 1.

BOX 1. Inclusive by Design: Accelerating Digital Transformation for the Global Goals



Addresses the needs of the poorest as well as the most vulnerable and marginalized groups, including women and people with disabilities.



Empowers underrepresented groups to take part in meaningful ways and promotes gender equality.



Ensures that digital transformation does not exacerbate existing inequalities, with a vision to leave no one behind.



Protects people from the adverse effects of digital technologies.



Encourages the use and development of digital technology that is open, responsible, and rights-based.

Source: UNDP (2021)

MIND THE GAP: LAC'S DIGITAL DIVIDE

While broadband access and smartphones are widespread across the region, the digital divide in LAC remains a significant challenge, with sharp heterogeneities between and within countries. On average, 84 percent of people in LAC own a mobile phone, however internet usage is lower, with almost 70 percent of people reporting using the internet.¹ The digital divide becomes more pronounced when looking at vulnerable groups. For instance, an estimated 40 percent of women in the region lack internet connectivity.² The disparity is even more prominent in rural regions: in urban areas, 67 percent of households have internet access, but in rural areas, this number drops to 23 percent³. One in four schools in the region does not have an internet connection, and students from low-income households are 6 times less likely to have internet at home. The average proportion of jobs that can be done from home is 20 percent, lower than in other economies with similar income levels⁴. An inclusive digital transition in LAC requires focused efforts on bridging this digital divide.

When digitalization reaches all population groups, including those systematically left behind, it can act as an enabler for reducing social and economic inequalities. Indeed, digital tools can provide greater access to finance and government services, by reducing the time needed to access them. Also, the digitalization of assets, services and finance can generate positive spillovers, such as creating new sources of income for businesses and allowing for more efficient household management.

INCLUSIVE DIGITAL TRANSFORMATION IN LAC

The UNDP Accelerator Labs offer a unique opportunity to advance the way that we think about inclusive digital transformation in the region. Accelerator Labs and UNDP teams in seven countries (Argentina, Barbados, Dominica, Dominican Republic, Ecuador, El Salvador, and

Peru) are working to advance the process of digital transformation through several initiatives, different in nature yet all aligned to the same goal of leveraging digitalization to ensure inclusion through meaningful participation in assets, services, and labour market opportunities.

These initiatives cover a broad range of development policy areas (from capacity building to economic development) and seek to engage a broad range of citizens (i.e. youth, indigenous groups, women) using a broad range of tools. Table 1 provides brief country-specific descriptions of these various initiatives.

TABLE 1. Selected UNDP innovation initiatives related to inclusive digitalization in LAC

Argentina



Con Vos (With You) is a network of local stores where neighbors can find support to complete online forms and processes, with the aim of fostering digital inclusion and saving time for the citizens. Implemented both in Concepción and in Fray Mamerto Esquiú, the initiative acts as an effective tool to expand the scale of several digital district government procedures and to raise public awareness on the importance of breaching the digital divide.

Barbados



Built on UNDP's [SDG Value Chain Project](#), a digital platform and toolkit is helping to build digital literacy for micro, small and medium enterprises (MSMEs) of the Blue Economy.

1 Graph For Thought (2022), "[You are on Mute](#)": Why internet access is not enough for ensuring inclusive digitalization in Latin America and the Caribbean.

2 www.cepal.org/en/pressreleases/eclac-seeks-bring-more-women-stem-close-digital-gap-and-eradicate-gender-cyberviolence

3 OECD (2019). Development in Transition: Latin America Economic Outlook, 2019.

4 www.nber.org/papers/w26948.

Dominica



In collaboration with the Government of the Commonwealth of Dominica **Wi-fi equipment is being provided** to ensure that the indigenous people within the Kalinago Community have equal opportunities for internet connectivity.

Dominican Republic



To bring health services closer to those with most limited access, the eHospital project in **Dominican Republic was launched**, including *PAMELA*, an AI-based virtual doctor capable of assessing and providing guidance to patients.

Ecuador



A **Digital Skills Bootcamp**, a six-month capacity building process on programming and data analytics, to promote employment opportunities for women and young people in the technology sector, was implemented in partnership with the largest technology chamber in Ecuador (CITEC). The bootcamp aimed to position at least 40% of the participants to get a STEM jobs at one of CITEC's 300 affiliated companies.

"My future is today," a platform that provides information on employment opportunities, labour rights and financial literacy to workers and entrepreneurs, and shares the data collected from the users in an open data format to policy makers and other actors to improve policies it in favor of youth, was co-created with Ecuadorian youth.

El Salvador



Digi-Chiquihuites, in collaboration with the Ministry of Tourism (MITUR) and the Salvadoran Institute of Tourism (ISTU) was launched to provide a basket of digital services to help reduce the digital divide, safeguard livelihoods, and improve the financial inclusion of women entrepreneurs and SMEs in the tourism sector.

Peru



CREANDO is an online learning platform designed for migrant and refugee entrepreneurs, tailored to accommodate their distinctive needs, considering their schedules, lifestyles and aspirations to ensure a customized learning experience that aligns with their unique circumstances and goals. By 2023, the platform saw over 2120 registrants with 180 participants attending 18 live sessions over six weeks. In 2024, CREANDO will offer in-person sessions in Lima and other cities, culminating in a festival celebrating Venezuelan and Peruvian culture. The CREANDO partnership model is inspired by UNDP Peru's **"Innova Tu Mercado (ITM)"**—a program aiding food market entrepreneurs during the pandemic. ITM emphasizes collaborative expertise and design thinking, expanding from two in 2021 to potentially 50 markets by 2023.

EMERGING LESSONS

Learning is central to the process of innovation. While each of these innovative initiatives has resulted in a unique set of context-specific lessons learned, many of these lessons share common elements. In particular, the following four key lessons regarding digitalization as a driver of inclusion are emerging across multiple country contexts:



1 | PEOPLE, NOT TECHNOLOGY, NEED TO BE AT THE CENTER

Inclusive digitalization is not just about providing digital access to everyone; it is about ensuring digital services are adequate, accessible and available for every user. This entails a comprehensive approach that considers the specific needs of vulnerable groups along with their unique contexts and cultural norms.

The *CREANDO* initiative in **Peru** serves as a compelling example, emphasizing the importance of transcending the mere provision of digital equipment, such as smartphones and laptops, for the digitalization process to be truly inclusive. It underscores the need for a tailored, people-centered approach to digitalization that addresses unique challenges and circumstances of vulnerable groups – in this case, migrants and refugees – right from the outset. This approach ensures that digital solutions are thoughtfully designed and effectively implemented, ultimately benefiting all members of society.



2 | SHIFTING FROM DOWNLOADING TO UPLOADING TO MAXIMIZE DIGITALIZATION'S POTENTIAL

While many people in LAC countries have access to the internet and digital services, their use of these

technologies is often limited to social media and communication, leaving the productive potential of digitalization largely untapped. Encouraging users to move 'from download to upload' – i.e., to use digital technologies creatively and productively – is crucial. This can be achieved through effective capacity building, training and awareness programs that highlight the potential of digital technologies for sustainable livelihoods.

Inclusion requires the ability to use digital tools productively and comfortably. The Digital Skills Bootcamp in **Ecuador** demonstrates the importance of promoting a digitally literate society capable of leveraging digital tools for socio-economic development. This is especially crucial in contexts where specific groups, such as women and young people, face marginalization in developing the digital skills demanded in, for example, the job market.



3 | UNLEASHING THE RIPPLE EFFECTS OF INCLUSIVE DIGITALIZATION

Inclusive digitalization has the potential to generate significant positive effects, such as the decentralization of public services. The eHospital in **Dominican Republic** focused on guaranteed access to high-quality services while reducing or eliminating the additional costs associated with logistics and transportation that people typically incur when seeking medical care. It thus allowed many more people to access health services during times of limited accessibility due, for example, the pandemic.

Argentina's AccLab is another example of the multiple positive externalities of inclusive digitalization. Beyond its primary aim of making digital services more accessible, the *Con Vos Network* has generated additional positive spillovers, including decentralizing public services, boosting community markets, and notably, creating equitable service access for women who, due to traditional caregiving roles, often find it challenging to leave their homes and neighborhoods to carry out administrative processes in person.



4 | BUILDING AN INCLUSIVE DIGITAL ECOSYSTEM REQUIRES A WHOLE-OF-SOCIETY APPROACH

Inclusive digitalization requires cultural change and updated processes as much as new technology. Furthermore, it needs a clear roadmap and continuous engagement from policymakers, local communities, and relevant groups. This entails dismantling structural, technical, or regulatory obstacles that disproportionately affect vulnerable groups, making it more challenging for them to fully embrace the benefits of digital transformation.

In **Ecuador**, one of the key learnings from the “*My Future is Today*” initiative is that strengthening digital capacities requires supporting a broad societal digital transformation. This was demonstrated through an integrated approach that resulted in improved infrastructure – specifically, enhancing the Ministry’s server processing power. It also led to the creation of new digital services aimed at the youth, the promotion of open data, and the active involvement of the youth in a user-centric platform design.

At the same time, governments play a critical role in shaping the digital landscape and fostering inclusivity. In **Argentina**, the *Con Vos Network* expanded its reach through active collaboration with municipal governments and the Undersecretariat of Administrative Innovation of the Chief of the National Cabinet of Ministers, the leading entity in public procedure digitalization. Recognizing the potential of *Con Vos*, they seized the opportunity to significantly broaden the reach of digitalization in public procedures.

SUMMING UP

Digitalization is transforming the world but also represents challenges. The pandemic highlighted digital weaknesses in LAC. Despite progress, a significant digital divide remains, worsening inequalities. To overcome this, there need to be investments beyond access and infrastructure. UNDP’s efforts have accelerated the process of digital transformation in LAC, establishing that inclusive digitalization can serve as a powerful tool for empowerment and sustainable growth.

We need to continue to promote inclusive digitalization by prioritizing a people-centered approach, reducing digital inequalities, enhancing digital literacy, leveraging spillover effects, building upon existing foundations, and considering a whole-of-society approach.