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Wrong solution

Technology is not what the Third World hungers for

Software engineer Kumar Venkat says it is unlikely that we'll be able to turn the eradication of poverty into a business proposition based on technological solutions.

BY KUMAR VENKAT

``What does the phone allow people in the village to do that they couldn't do otherwise?'' asked the moderator on a radio program, referring to how telephones might benefit the rural poor in developing countries.

``Well, imagine what you would use a phone for,'' replied the representative of a think tank that has been involved in the recent debate on the digital divide and the role of technology in fighting poverty. ``If you need a doctor, how are you going to get one in time to help somebody who is sick?'' He went on to cite other examples, including how a poor villager could use a phone to arrange for money transfer from a brother working overseas.

But such common uses of telephones are not very

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relevant for the world's poorest people. For the 1.3 billion people who live on less than one dollar a day, calling a doctor is usually not an option, even if they had free access to telephones. Most of them can't afford to pay for medical care. And those who are able to get money from overseas relatives are unlikely to be among the poorest people.

As I waited for my turn to speak on this radio program, it was apparent to me that, in addition to the digital divide, there is also a divide in how poverty is perceived within the high-tech industry. The topic of discussion was whether access to technologies such as the Internet and cell phones could lift the vast numbers of poor out of poverty, while also making money for the high-tech industry. As a technologist and a businessman, I would have liked nothing better than to support such a proposition. And yet, everything I have learned about poverty has convinced me that it is easy to oversell technology as a solution.

Growing up in a middle-class home in India, I saw grinding poverty all around us on a daily basis. Today, as India is turning into a major development center for technology and a growing consumer market for cars, computers and cell phones, it continues to have the highest concentration of poverty in the world.

A staggering 360 million Indians live below the poverty level, with many living on as little as 25 cents a day. These poor are typically landless laborers or subsistence farmers, who often lack basic literacy and have limited skills. Over 70 percent of India's poor are in rural areas, often in small villages with populations under 2,000. This scenario of rural poverty repeats itself around the developing world.

Microsoft Chairman Bill Gates spoke out on the issue of global poverty last fall, insisting that technology and capitalism wouldn't address the needs of the world's poorest people.

He added that he didn't see the rural poor in developing

countries as a significant business opportunity for high-tech companies. While Gates' message may sound commonsensical, it was received with much irritation by an industry that is seeking new markets in the developing world.

Some companies, such as Hewlett-Packard, believe that they can meld broad social objectives with their profit motive as they do business in poor regions. Local information technology companies in India, such as Wipro and Infosys, seem equally determined. The head of Wipro has suggested that technology could transform India in the next five years.

There is no question that technology can help streamline both the private sector and the massive public sector in developing countries. In some parts of India, citizens can now use the Internet to do routine business with government agencies, such as registering land transactions, applying for driver's licenses, and even filing complaints against government officials. In a country known for corrupt government officials, this does put some power back in people's hands.

Farmers may also benefit by such things as checking the fair market price for their products through Internet or telephone services available at public locations in their villages.

As valuable as such commonly cited applications are, they would benefit only those who have moved beyond obtaining the basic necessities of life. There are hundreds of millions of poor Indians who don't have much of anything to sell, let alone use the Internet for it. So the larger question remains: Can technology, driven by market forces, help these large numbers living in dire poverty?

Our experience from the technology boom in the United States can shed some light on this. After a decade of unprecedented economic growth, fueled in large part by new technologies, the national poverty rate in this country is still around 12 percent -- essentially where it

was before the computer revolution in the mid-1970s.

As many as 17 percent of American children are growing up in poverty today. If it is possible for technology to act as a major catalyst in eradicating poverty, as some claim, then it is fair to ask why this hasn't happened in the United States under the best of economic conditions.

The simple answer to this is that businesses are not in the business of reducing poverty; their main purpose is to maximize return to shareholders. Technology companies, like all businesses, will ultimately go after paying customers who can make them profitable.

The poorest 1.3 billion human beings, however, are a long way from becoming consumers of high-tech products. They first need help in many fundamental ways, starting with employment that can use their existing skills and provide a living wage. Better nutrition, basic health services, and literacy have been consistently identified as other key priorities by international anti-poverty organizations such as Oxfam and various United Nations agencies. None of these issues necessarily requires high-tech solutions, but they all require significant commitment and funding from both public and private sources.

The most that technology companies can realistically hope to do in developing countries is to repeat what they have done successfully in the developed world: sell to those who are doing fairly well and can afford, and benefit from, the new products. There is plenty of money to be made doing just this and the process is already under way. But this would have nothing to do with addressing the needs of the poorest people.

It is unlikely that we'll be able to turn the eradication of poverty into a business proposition based on technological solutions. Any serious solution to poverty must be built around meeting basic human needs -- such as sustainable livelihoods, health care and education -- and cannot be predicated on specific technologies or
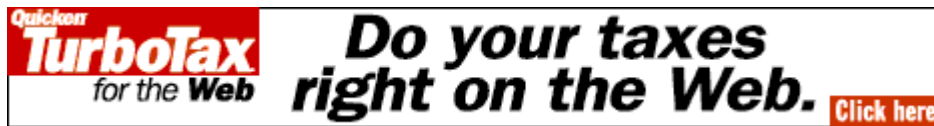
business models.

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