

## **The constant process of a changing culture**

**Threats and opportunities of the engagement of private capital in ICT4D**



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## Introduction

*“Are the INtels, the Nokias and the big boys in IT seeking ways to track / bluetooth (-- as a verb), systemize, and then capitalize? Are the new targets P2P, open source? Secondly, are these all a part of a larger effort to map 'innovative' terrains that may threaten their own products and markets? Are these trends reflective of new ways of social control when inter-linked with GIS based mapping? (...) Thus, one of the main issues is seen as to how to 'map culture', as a way to transform these into new markets – but not before the 'designers' had a go at it, adding that special touch.”*  
(Benjamin: 2005)

My internship at the Institute of Network Cultures (research institute of the Hogeschool van Amsterdam, Interactive Media) introduced me to the topic of ICT for development. The internship consisted of the production of the working conference Incommunicado 05. This research is conducted as part of the internship.

During my internship I've learned to understand that there is no common definition of the term 'ICT for Development' (ICT4D). In order to generate a better understanding of my research essay it's important to outline and describe my vision of ICT4D. ICT4D is the application of different types of ICTs to contribute to the elimination and/or reduction of the growing digital divide between the North and the South. It builds the view that access to information and knowledge is a major precondition for improving the position of the poor and - at a higher level - for creating properly functioning democracies, as formulated by Hivos. Access to information and knowledge is becoming an indispensable tool for poverty reduction and development aid for societies in development areas.

Because of my economical background (student Integrated communication management, former professional school of economics HEAO) I am especially interested in a more economical approach of the contemporary development aid. Can a sustainable outcome of development aid be realised, and does the interference of private capital bring self-sustainability? The open letter to John Thackara (director of Doors of perception) by Solomon Benjamin, stimulated me to start this research. Benjamin questions the motive of multinationals in the world of ICT4D. Are they providing a certain form of development aid, or are they just mapping new cultures in order to transfer them into new markets? (Benjamin: 2005) This question emphasizes my exact personal motive to conduct this research. What is their true motive to get involved in ICT4D projects? Are they merely transforming

cultures into new markets? Or will the interference of private capital contribute to sustainable development aid? Does their interference affect the local culture in a harmful way? To investigate this topic I travelled to India. To achieve my objectives I conducted interviews with Solomon Benjamin and Aditya Dev Sood and other people in the field ICT for Development and visited different types of ICT for Development projects.

The current rise of ICT for Development (ICT4D) is becoming an increasingly important program line for several governments and institutions. Providing people with access to information and knowledge through the implementation of ICT in development areas, is being globally applied to improve the living standard of communities in development areas, and is seen as an indispensable component of a thriving democracy.

An additional tendency shows an increasing number of multinationals emerging in the field of ICT for Development. At the same time governments and institutions involved in development aid, often regard the local culture as an important resource, or starting point for development aid. The fact that these two program lines occur simultaneously, feeds the assumption that ICT and ICT4D shouldn't affect the local culture in a harmful way. But is this correct? Or do the different strategies of poverty reduction hinder each other? And is there a difference to distinguish, when it concerns a (commercial) sponsored project? Which role should private capital play in the process of development aid? Is the increasing number of multinationals involved in development projects creating new opportunities (access to new capital) or are they just mapping new cultures in order to transform them into new markets, and should we be suspicious about these developments?

## **The constant process of the changing culture**

During my research trip to India I've learned to understand that sustainable development aid always will affect the local culture and will result in a certain change of the local culture. If there is no cultural change, I believe that the development aid isn't sustainable.

According to Aditya Dev Sood, founder of the Indian Center for Knowledge Societies, "Development aid is by definition an intervention outside of normal social economic processes. It cannot and must not therefore be sustained indefinitely, nor can it be the principal source of sustenance for any economy or society. Aid can and should be used, however, for transforming civic, regulatory, juridical and other super-structural functions of a society undergoing industrial or informational transformations

that put grave pressures on its normal functioning.” (Dev Sood: 2005) This transformation of the civic, regulatory, juridical and other super-structural functions in the local society will result in a changing local culture of the society. Aid must be used to realise a positive change on a local level, which will then result in cultural change. Thus, society is able to react to the current market demands, which will result in economical development, and may lead to poverty reduction. With the current tendency of globalisation, contemporary economies undergo rapid changes in short periods. The question remains how the contemporary development aid should respond to this tendency. Dev Sood stresses that these economies require more complex forms of social organisation and intellectual resources than have been imagined before. External assistance (development aid) can serve to engender, support, and even guide these processes. (Dev Sood: 2005)

If societies have to respond to the rapid and tremendous changes of their economies through an increasing and more complex social organisation, this ought to result in a change of the local culture. It seems impossible to disconnect local culture from the society as an entity. Any kind of economical change or social change will influence the local culture, so ‘local culture’ must be regarded as in an ongoing process of change. Only if you take this assumption as a starting point, you can regard local culture as a tool and resource to improve the wellbeing of local communities in development areas.

According to George Yúdice, professor of American Studies at New York University, “investments in culture will strengthen the civil society, which in turn serves as the ideal hot for political and economical development.” In his book ‘The Expediency of Culture’ George Yúdice argues that culture must be regarded and used as a resource. (Yúdice: 2003) Besides the possibility of empowering civil society in development areas, it can be used as an economical resource. “Physical and expressive culture is an undervalued resource. It can earn income, through tourism, crafts and other cultural enterprises.” (Worldbank: 1999, quoted by Yúdice) The contemporary tendency is that powerful institutions like EU, Worldbank, IADB and the major international foundations begin to understand culture as crucial sphere for investment; it’s increasingly treated like any other resource. (Yúdice: 2003) If you see culture as a static mechanism and any kind of change as harmful, you can’t invest in local culture, let alone treat it as a resource. Investments will strengthen the local culture, and will facilitate the application of local culture as a tool or resource for development aid.

To realise an improvement in living standards of communities in development areas, economical development is indispensable. Economical development will

increase purchasing power, which brings more possibilities and different needs for the members of the local community. Any kind of improvement of the living standard of a community will simultaneously result in a cultural change.

## **Influence of ICT on culture**

Manuel Castells, professor of sociology, and of city and regional planning at the University of California, Berkeley, describes in his discussion paper 'Information Technology, Globalisation and Social Development' how the contemporary information and communication technology is stimulating a new system of interacting network, which includes or excludes people, territories and activities. Castells stresses the extreme flexibility of the system, which allows it to link up everything that is valuable according to dominant values and interests, while disconnecting everything that is not valuable, or becomes devaluated. "The most critical distinction in this organisational logic is to be or not to be in the network. Be in the network, and you can share and, over time, increase your chances. Be out of the network, or become switched off, and your chances vanish since everything that counts is organised around a worldwide web of interacting networks. (...) It is urgently necessary to reverse the downward spiral of exclusion and to use information and communication technologies to empower humankind. The reintegration of social development and economic growth in the information age will require massive technological upgrading of countries, firms and households around the world a strategy of the highest interest for everyone, including business."(Castells: 1999) If we take this as a starting point, ICT for Development is nothing more than providing access and connecting local communities to the global network. If we invest in connectivity, the social economical upgrade of the development countries can be realised. Of course this statement would be too simplistic. Only investing and implementing ICTs will not change the inequality in the world. ICT can't do the trick alone. To realise sustainable improvement there must be a certain change taking place in the society and the culture of the society. The social unevenness is more than a mere lack of access to the network. To get connected to the network there is a need for education, knowledge, language, and skills. Thus there is little chance for a country, or region, to develop into a 'new economy' without its incorporation into the technological system of the information age. Although this does not necessarily imply the need to locally produce information technology hardware, it does imply the ability

to use advanced information and communication technologies, which in turn requires an entire reorganisation of society. (Castells and Tyson: 1988-1989)

“In a nutshell, cultural and educational development conditions technological development, which conditions economic development, which conditions social development, and this stimulates cultural and educational development once more. This can be a virtuous circle of development or a downward spiral of underdevelopment. And the direction of the process will not be decided by technology but by society, through its conflictive dynamics”. (Manuel Castells: 1999) Castells stresses that to use ICTs effectively for social development, there must be certain changes taking place within the local culture. Without this change social development aid can't be realised.

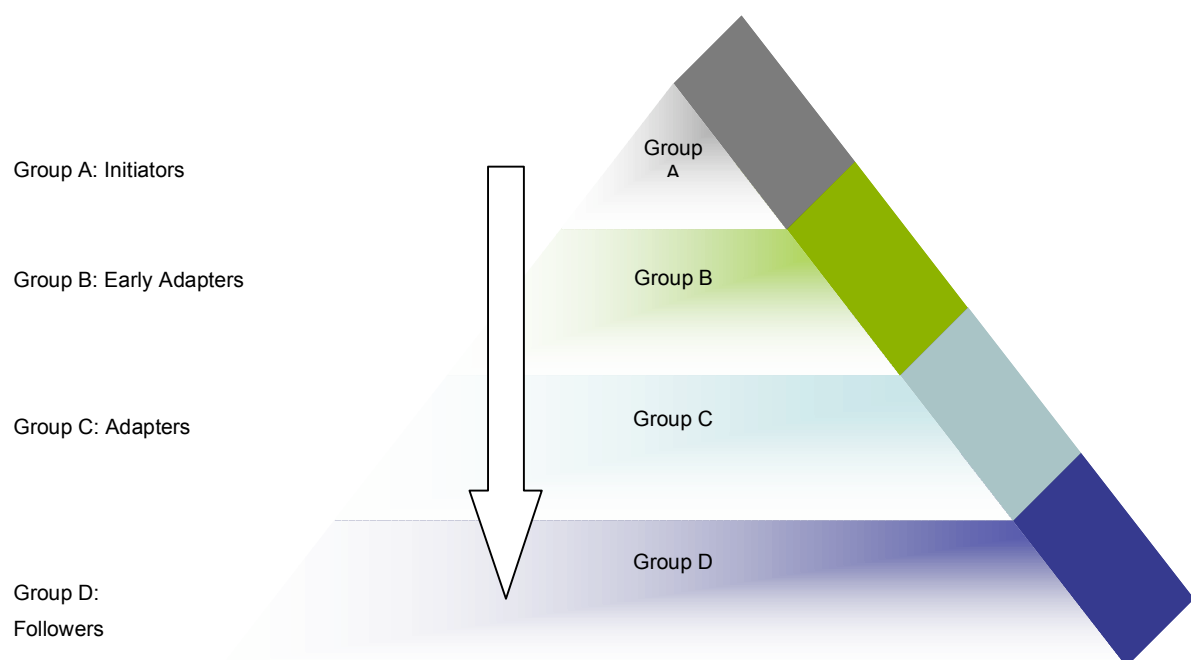
Building on this theory, we have to conclude that cultural change is an indispensable pillar in the cycles to achieve social development. Benjamin questions this theory, because this positioning emphasises a dirigisme of the State or the market too heavily. Who is to decide on the form of reorganisation for society? According to him this is a key process. (Benjamin: 2005) I agree with Benjamin's criticism that this theory lacks a certain nuance, and is a simplified representation of the process of social and economical development. But in order to understand, it would be useful to at least attempt to unravel this complex process and its mechanisms. Of course the society isn't as manageable as described in the theory, but for me it clarifies the need for cultural change and directs us to the important focal points of development aid. It reveals that technological development must always be accompanied by educational and cultural development. As stated before, aid must be used to transform the super-structural functions of a society, to assist in the creation of a reliable and independent market.

Can we disconnect ICT from culture as an entity? According to Aditya Dev Sood technologies should not be viewed as determinants of culture. They are also aspects and instruments of culture. (Dev Sood: 2005) To answer this particular question it is important to make a distinction between ICTs and ICT for development. The CKS project titled 'Made in India' provides a good view on how ICTs in different local societies can be determinants of their particular local culture. It provides us with a clear view how on ICTs are customised to the different needs of the different local societies. 'Used in India' is a multimedia installation, which showcases both media devices and narratives of their use, to illumine the nature of street innovation, technology production and social exchange in India. (CKS, 2005) But if we speak about ICT4D, when ICTs are completely top-down implemented in a complete rural area, we can't regard ICTs as determinants of the local culture. Members of these

societies will be exposed to ICTs for the first time in their life. This unnatural interference of ICTs in the local culture of societies will have an affect on the local culture. But as I stressed before, culture is and must be in a continuous process of change.

## The deviating process of ICT4D

In a way ICT4D projects are deviating from the normal marketing process of product implementation, and the implementation of new technologies. The basic and standard marketing theories about product implementation divide the consumers in four groups. These different groups are reflected in the pyramid mentioned below.



The first group of initiators will always adapt the implementation of a new technology. In the case of a new technology this group will mainly consist of relatively rich people who are well educated and are able to make rational decisions. Of course the character of the groups is depending of the product what is implemented. After the new technologies are adopted by this group, the second group (early adapters) will adopt the new product and this process will go on down through the pyramid until eventually the final group (followers) has adapted the new technology. (Antonides and Van Raaij: 2002)

In many cases of ICT4D projects, the standard process is not applied. The product (for instance software) isn't designed for this process, but focuses directly on the D group, of the followers. The top-down process, as represented by the pyramid,

doesn't take place. The question is if this affects the effectiveness of the outcome of development aid. Because the normal process of product implementation isn't being applied it will result in a smaller outreach of the product. The technology doesn't reach the different social layers of a society. For instance the product isn't accessible for the C group (adapters). This strategy therefore can't be applied to increase the wellbeing of a society as an entity.

If the technology is focused on the 'followers,' the technology isn't a component of the local culture. The new technology is designed for a particular group of the society and isn't accessible for the society as an entity. In many cases the target group of projects is exposed to the new technology for the first time. Of course this will influence the character of the local culture of a society. As I stated before, I truly believe we have to approach culture as something, which is always in a constant process of change. I believe that the implementation of ICT4D in rural areas will affect the local culture, but not in a particular harmful way. Both strategies can be applied without hindering each other.

## **Benefits for multinationals engaged in development projects**

There are several benefits for multinationals to get engaged in development projects. Of course it all draws back to making profit, but there are other motives for long-term involvement. Publicity purposes are in many cases the reason to get involved in development projects. A socially engaged image becomes increasingly important for multinationals because in competitive markets, taking social responsibilities is a way to distinguish yourself from your competitors. Image is an increasingly important factor in realising business success.

Another motive can be market acceptance. When foreign companies enter national markets there is often a need to engage in philanthropic activities in the pursuit of market acceptance. This can mean the promoting a positive image of the company amongst consumers, but also creating a positive view of the company amongst national regulatory authorities. (Oneworld International: 2005). With the contemporary globalisation, investment in 'development areas' becomes indispensable in the search for new markets.

The companies understand more than ever that they are stakeholders in the market and communities they are serving. They must promote innovations that advance the needs of new users in these regions of the world (development areas) at the level of the device, as well as the array of services offered on these devices.

Economic growth and societal change, in this case, can proceed in a mutually beneficial and ecologically responsible manner. (Dev Sood: 2005)

## **The risk of the involvement of private capital**

Publicity reasons, the opening up of new markets, market acceptance, and social justification are motives for multinationals to get involved in development projects, but in the end all these different motives must contribute to the pursuit of profit. The constant effort of multinationals to create a market demand for their products or services is also regarded as a new way of social control. The question is raised that if the multinationals create market demands, to what extent they make people dependant on their product or service? And what is the result of the implementation of the new products/ services of multinationals in rural areas for the local community culture? Does the market demand for their products or services truly contribute to the wellbeing of the society, or are they just mapping the new cultures in order to transform them into new markets?

The difficulty of this topic becomes visible with the matter of using local culture as an economical resource through tourism, crafts and other cultural enterprises. "Physical and expressive culture is an undervalued resource. It can earn income, through tourism, crafts and other cultural enterprises." (Worldbank: 1999, quoted by Yúdice) On the other hand, many people lament the destructive impact that tourism, fast food, and global entertainment industries have on the traditional ways of life, which Yúdice calls the 'expediency of culture'. Culture is applied as a resource to earn income through tourism, but simultaneously tourism is destroying the local culture. The contradiction in the matter of using local culture as an economical resource is obvious. This clarifies how vulnerable and sensitive this strategy is. Local culture can be used as an economical resource, but the execution of this strategy needs to be performed in a very responsible way. It all comes down to how the cooperation is structured and how the projects are being applied. As stated before, culture must be seen as something that it is in a constant process of change. Of course this doesn't justify the ravage that tourism can impose on the traditional way of live, but globalisation is a fact and will have his impact on the local cultures. The sensitivity and vulnerability of the strategy of using local culture as a resource is similar to the strategy of interfering private capital in development projects. The appearance of multinationals in the world of development aid can create great new opportunities, but isn't without a risk. Threats and opportunities need to be linked to the various actors that are involved in the different development projects. The

situations are so diverse that awareness of generalisation should be on hand. The topic is too complicated to assess with a simple 'right' or 'wrong'.

## **The need for the engagement of private capital**

The interference of private capital in the world of development aid can contribute to the improvement of the wellbeing of societies in development areas. It is important to emphasise that development aid is always an intervention outside of normal social economic processes. It can't and shouldn't become an economical resource on which a society is depending. To avoid this, and to generate access to new capital the involvement of private capital is indispensable.

The appearance of private capital in the world of development aid will contribute to the sustainability of (the outcome of) development projects (Dev Sood: 2002). Sustainability becomes possible only if the outcome of the new services offered will favour the society economically, because of the investment of the private capital. When this happens, the project will spur its own demand, and thus becomes self-sustainable. The main goal of private investors is of course to make a profit, and to do so it has to create or fulfil a market demand. This will finally result in financially independent projects.

The implementation of new products or services by private capital can initiate other processes, which will result eventually in economical development. "Commercial projects become viable when consumers are willing to pay for a product or service at a sustainable cost. In some cases, however, the very existence of this product of service is a precondition to many other kinds of social or economic activities. In such case, the project not only meets the minimum criteria for financial success, but also *provides some additional benefit to its community.*" (Dev Sood: 2002) It is obvious that the engagement of private capital in development projects means access to new capital. The appearance of this new capital can result especially in a great contribution to the expansion of the outreach of the development projects.

Private capital becomes even more important when development projects pursue to reach a larger part of the population. Kenneth Keniston, Professor of Human Development at MIT and Director of the MIT India Program, argues that the importance of sustainability is nonetheless obvious. "In the absence of continuing guaranteed and massive support from the private or public purse, ICT projects for ordinary people must somehow find the means to recover their initial costs, maintain themselves, and finally to replicate themselves in new settings. (...) NGOs may

provide the first few demonstration projects; but soon after that, as we know, NGOs tend to withdraw their support and expect self-financing.” (Keniston: 2003) If we take this as a starting point, the interference of private capital becomes indispensable for the expansion of the outreach of development projects. In that case NGOs are not the only exclusive party to be targeted for financial input. As Stuart Mathison (member of the Foundation for Development Cooperation, Australia) points out in his essay on what he calls the ‘Forever Pilot Syndrome’, the majority of ICT4D pilot will not be eligible for public sector grants for expansion. Consequently, many NGOs need to change their mindset and accept that private sector investments (with a profit motive) will be the only way to expand its outreach. (Mathison: 2003)

Besides the benefits of sustainability, expansion and access to new and alternative capital, there might be another benefit to distinguish. Knowledge sharing could be applied to development projects to achieve their development goals. The involvement of multinationals in development projects could bring a certain professionalisation to the different parties involved. Business skills can be applied to development projects if there is certain cooperation with the local organisation.

## **Conclusions**

Culture is always in a process of constant change. It is impossible to disconnect culture from the society as an entity. Development aid pursues an improvement of the wellbeing of societies in development areas. As stated before aid can and should be used for transforming civic, regulatory, juridical and other super structural functions of a society (Dev Sood: 2005). This transformation should lead to a stable structure of the society. These investments in the structure of the society will influence the character of the society, which will have impact on the local culture. It could stimulate economical development, which in its turn is the core development for poverty reduction. Because of the economical development, there will be an increase of purchasing power, which brings more possibilities and different needs for the members of the local community. We have to give up the idea that culture is a static mechanism, to realise that local culture can be an important resource for development aid.

The contemporary digital technology has proved to be an excellent distribution mechanism for certain types of artefacts. They have found ready markets, not just in the wealthy countries of the North but across the globe: people have always been engaged by stories, human drama, beauty and wonder and mass communications have made sharing them much easier. “The Taliban can smash

televisions, but it is impossible to extinguish human curiosity and creativity”.

(UNESCO: 2001)

ICTs are excellent distribution mechanisms, but besides this quality it also will have their repercussion on the local culture. If ICTS are utilised for development goals, a certain cultural is indispensable. Technological development always must be accompanied with educational and cultural development to become effective.

The conclusion that culture is in a constant process of change, makes it possible to apply both methods (ICT4D and using culture as a resource for development) simultaneously without impeding each other's outcome. Of course this doesn't mean that both methods couldn't hinder each other. Each project consists of different actors in a different environment. It all depends on the execution of the projects and the different situations.

The fact many ICT4D projects are deviating from the normal process of product implementation is questionable. Because the new product or service doesn't go through the standard consumer behaviour pyramid, many layers of society are not covered with the development aid. The aid isn't accessible for the middle class (group C, adapters), which in many societies forms the larger part of the population. The wellbeing of the middle class in countries like India needs to be improved. The contemporary development aid neglects this layer of society. This layer is often completely blocked from any kind of aid and the distribution effect of the regular implementation process is eliminated.

Regular studies about consumer behaviour prove that products or services are passed on to the bottom of the pyramid, the followers. Why should this be different with development aid? To increase the expansion of the outreach of development aid, this group is an undervalued target group. To improve the wellbeing of a society as an entity the focus of development aid shouldn't be only at the bottom of the pyramid, but increase the target group to other layers of the society. Eventually this will increase the effectiveness of the development aid and will improve the wellbeing of the society as an entity.

The involvement of private capital in the world of development aid does result in new threats and opportunities. Access to new capital, opportunities to realise an expansion of the outreach of development aid, and knowledge sharing are benefits that can be utilised with the engagement of private capital. Because the motive of multinationals to get involved in development projects is to make profit, it is important to question permanently if and how the product and services of these multinationals contribute to the wellbeing of a society. This must be the basic assumption for each, individual cooperation. The fear that local cultures are simply transformed into new

markets is appropriate. The multi-stakeholder approach with engagement of local partners is indispensable. If this isn't the basic assumption of the cooperation, societies in development areas become too dependant on the new product or services and a new form of social control starts to exist. It all comes down on how the cooperation is structured and how the projects are being applied. As stated before, threats and opportunities needs to be linked to the various actors involved in the different development projects. Each project consists of different actors in a different environment. The situations are too diverse that awareness for generalisation should to be on hand. The topic is too complicated and too diverse to assess simply with a 'right' or 'wrong'.

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### Online resources

Association for Progressive Communications: <http://www.apc.org/>

Bytes for All: <http://www.bytesforall.org/>

The Center for Knowledge Society: <http://www.ict4d.info>

Cybermohalla, project by Sarai: <http://www.sarai.net/cybermohalla/cybermohalla.htm>

Doors Delhi Website <http://doors8delhi.doorsofperception.com/>

Doors of Perception: <http://www.doorsofperception.com/>

Education Development Center: <http://main.edc.org>

Hivos: <http://www.hivos.nl/>

IICD: <http://www.iicd.nl>

Incommunicado 05: <http://www.incommunicado.info>

Global knowledge partnership: <http://www.globalknowledge.org/>

OneWorld: <http://www.oneworld.net/>

Peoplelink: <http://www.peoplink.org/EN/aboutus.html>

Sarai, The New Media Initiative Delhi India: <http://www.sarai.net>

Stockholm challenge: [http://www.stockholmchallenge.se/omtavling\\_index.html](http://www.stockholmchallenge.se/omtavling_index.html)

World Trade Organisation: <http://www.wto.org/>

Worldbank: <http://www.worldbank.org/>

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