

Lords Select Committee on International Relations inquiry into 'UK foreign policy in changed world conditions'

Response submitted by: Ashleigh Milson and Rhodri Davies on behalf of Charities Aid Foundation

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Introduction

- 0.1 Charities Aid Foundation (CAF) is a leading international civil society organisation (CSO). Our mission is to motivate society to give ever more effectively and help transform lives and communities around the world. We work to stimulate philanthropy, social investment and the effective use of charitable funds by offering a range of specialist financial services to charities and donors, and through advocating for a favourable public policy environment.
- 0.2 CAF campaigns to improve the operating environment for civil society both in the UK and internationally.
- 0.3 We believe one of the most significant global trends happening at the moment is the growth of the global emerging middle classes. This presents an opportunity to grow giving, build domestic civil society. For the UK there are opportunities to utilise soft power and to position itself as world leader in its treatment of civil society by encouraging giving amongst this demographic.
- 0.4 We have only answered questions relevant to where we feel changed world conditions should consider the role that civil society plays within the UK's international policies. We wish to highlight the potential of these changed world conditions and technological advancements are having for charities.
- 0.5 For further information, please contact Ashleigh Milson at CAF on amilson@cafonline.org or Rhodri Davies on rdavies@cafonline.org

Britain and global diplomacy in the digital age

Question 2: What impact have digital technologies and the on-going communications revolution had on global affairs, both economic and political?

- 2.1 Digital technologies are having a profound effect around the world. And this is not limited to the governmental or commercial spheres: they are also having a major impact on of civil society.
- 2.2 This impact can be seen in three ways:
 - Offering new ways of addressing social and environmental problems
 - Opportunities for existing organisations to run more effectively and efficiently, or to create new organisational forms to tackle long-standing problems
 - Creating entirely new needs and challenges that civil society will have to play a major part in addressing.
- 2.3 In terms of new ways of addressing social and environmental problems, this can be seen in the various incarnations of the "Tech for Good" movement and in individual examples of civil society organisations (CSOs) harnessing new technologies in innovative ways. Examples include using Artificial Intelligence to improve anti-poaching initiatives, using blockchain technology to secure land rights, or using low-cost solar power generators to bring electricity to remote communities. It can also be seen in a more fundamental sense in the way that many emerging economies are now "leapfrogging" more traditional economies in terms of adoption of new technologies and thus reaping the early benefits they can bring. For instance, the widespread adoption of mobile banking in sub-Saharan Africa has meant that large numbers of people who were previously not part of the mainstream financial system

because they could not access traditional banking have instead been able to move straight to phone-based mobile banking, without the need for an intermediary step.

- 2.4 The immediate challenge is to ensure that a divide does not open up- between those people and communities that are able to take advantage of these kinds of initiatives and those who are not. We have already seen this happen with the internet, where the ability to access the web has become so important in determining social and economic opportunity that the UN declared it a basic human right in 2016. The same may happen for other technologies such as AI, but the divide between the haves and the have-nots may be even starker.
- 2.5 When it comes to making existing organisations more efficient, civil society organisations can take advantage of many of the same technological developments that are currently transforming other sectors. For instance: AI chatbots can be used to deliver advice services and replace traditional call centres; machine learning can be applied to vast data sets on social and environmental need to identify new ways of tackling problems; blockchain technology can be used to reduce transaction costs by disintermediating the flows of money and goods within international development, whilst also offering vastly enhanced transparency; and the Internet of Things can be used to deliver real time data in a wide range of contexts that can be used to adapt and target approaches.
- 2.6 The immediate challenge here is that civil society organisations often struggle when it comes to adoption of new technology. This may be because they lack awareness, technical skills or financial resources; or it may be that their appetite for risk prevents them from engaging with things that are perceived as high risk. Whatever the reason, CSOs need support from government and the tech sector if they are to engage effectively with these potentially transformative new technologies. This may mean training to develop the necessary skills or support to create pilot projects, or it may mean investment in civil society infrastructure bodies that can help smaller organisations to access the benefits of new technologies. It may also mean giving broader consideration to the needs of civil society when it comes to developing policy, legislative and regulatory approaches to new technology.
- 2.7 Although many of the disruptive technologies that are currently emerging have the potential many positive and transformative developments, we are increasingly aware that they may bring unintended negative consequences too. For instance:
 - o Algorithmic decision-making procedures can entrench historical bias and thus disadvantage already marginalised individuals and communities.
 - o The “mining” processes currently used to maintain Bitcoin and other cryptocurrencies are wasteful by design and many are beginning to worry about their environmental impact if the technology becomes more widely adopted.
 - o Existing social media technology is creating “filter bubbles” that lead to greater division and to more extreme views becoming normalised. The addition of new technologies like Virtual and Augmented Reality (VAR) or conversational AI could exacerbate these problems further.
 - o At a macro level, new technologies such as AI could lead to vastly increased inequality within society as many jobs are automated and those that own and control the technology gain ever more power and wealth.
- 2.8 Civil Society Organisations (CSOs) often exist to help the most marginalised or disadvantages individuals and communities in our societies, by providing them with services or advocating on their behalf. Given that these individuals and communities are likely to be among the

worst affected by the negative impacts of new technologies, it is vital that governments and the tech industry engage with CSOs so that they can help to shape the development of new technologies in such a way that the negative consequences can be minimised or avoided. Even if some of these consequences are unavoidable, engaging with CSOs will hopefully mean that they have the understanding of the issues and the technical expertise to meet the needs of their beneficiaries in this new context, and thus ensure the impact of these adverse consequences can be kept to a minimum.

The UK's bilateral relationships

Question 9: How should the UK re-position itself in relation to emerging powers such as India and Brazil, or others in Latin America, Asia and Africa?

- 9.1 Emerging powers pose a huge opportunity for the UK to utilise its soft power objectives and position to promote a thriving global civil society. The UK has long been a leader in its treatment of civil society, and it should promote the growth of civil society as part of the international objectives.
- 9.2 As nations develop and emerge as strong economic powers, there are vast numbers of their populations who are joining the middle classes and earning money for the first time. Research by the Brookings Institute estimates that nearly 2.4 billion people will join the middle classes by 2030, which is equal to the current population of the Commonwealth.
- 9.3 Now is the time to facilitate an association with this new wealth and giving back, as CAF's research has shown that if the global emerging middle classes gave at the same rate as people do in the UK that could represent \$350 billion a year going to good causes by 2030.
- 9.4 As the UK moves away from aid relationships with emerging powers, a key means to promote the UK's soft power is to promote the growth of domestic civil society. Through investment into civil society infrastructure organisations that provides services such as training, validation, and financial services, the UK can improve the effectiveness of and trust in civil society and promote giving amongst the masses. Such infrastructure organisations would include training for CSOs on technological advancements.
- 9.5 Too often, philanthropy in emerging powers can focus on high net-worth individuals, however the key to a sustainably resourced civil society sector is to promote support amongst the local populations. By growing a global culture of giving through investment into infrastructure, the UK can position itself as world leader in civil society and promote positive relationships that promote sustainable development for emerging powers.
- 9.6 **Our recommendation:** The UK Government should promote the importance of civil society in its international policies and objectives. It should invest in civil society infrastructure that supports the growth of locally supported civil society as part of their transition planning for emerging powers as aid relationships change. This would have positive implications on the shape and conduct of Britain's overseas and international policies, alliances and objectives, as it would create conditions for sustainable development of domestic civil societies that help and reach some of the world's most vulnerable people.