The Invisible Billion – How Digital Identities are Supporting Developing Nations

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An estimated one billion people worldwide lack a verifiable digital identity, according to the World Bank, most of which are concentrated in socioeconomically developing nations. This staggering figure begs the question: How can we even begin to empower developing populations through technology when we can't definitively prove that they exist?

In an era where digitalization has become so integral to our lives, it's unbelievable that a significant portion of the world's population remains digitally invisible. And this isn't about a social media presence, but more so about a digital proof of life.

In essence, a verifiable digital identity is defined as a one-to-one relationship between a person and their digital self. And without one, individuals end up invisible in public life. Within the context of the developing world, this pushes people without a digital identity to the fringes of society. This translates to tangible problems such as struggling to access essential services, including healthcare, education and social support, which then limits economic opportunities and compounds issues to gain social acceptance.

The disparities in access here are startling. While more than 90% of citizens in high-income nations accessed the internet in 2022, only one in four in low-income nations could do so. Additionally, one-third of the global population, or 2.6

billion people, have remained completely offline in 2023. With this in mind, what obstacles prevent the widescale implementation of digital identities, and what can we do to address this shortfall?

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A digital safeguard

In developing nations, the rollout of digital identities is typically hampered by a wide range of limitations that mainly center around gaps in infrastructure and technology, which affects digital implementation and adoption. But these factors are not alone, as financial, regulatory, logistical and social obstacles also impact a coordinated rollout.

For example, implementing digital identity systems in many African countries has unique challenges. The continent's fragmented landscape consists of 54 distinct nations, each with distinct political, social and economic contexts, defying a one-size-fits-all solution. In addition, inadequate technological infrastructure in rural areas and issues such as political instability, military conflicts and human rights violations impede the establishment of legal and institutional frameworks for digital identity systems.

Despite these limitations, however, certain nations in Latin America, Asia and Africa still lead in digital identity implementation when compared to more technologically advanced counterparts. The U.S. and countries in the European Union, for instance, have been lagging in digital identity adoption, too, owing predominantly to long-standing bureaucratic measures.

We also can't ignore the global economic impacts that can emerge from digital identities. For instance, it's estimated that digital identities may unlock values equivalent to

between three and 13 percent of GDP, according to a report published by McKinsey. This translates as up to $7 trillion of additional global economic value by 2030, according to the World Economic Forum.

Those figures can make a massive difference in a population's day-to-day reality.

In India, approximately 95% of the nation's 1.4 billion population have a digital identity, which they can use to register at banks and access other essential services. Additionally, around 50% of the population has linked their digital identity to their bank accounts in recent years. Nigeria also uses digital identity services, expected to reach 148 million of its 220 million citizens by 2024, for a variety of needs, including voting. This functionality invariably provides a solution to long-standing concerns of voter fraud, with digital identities helping to ensure civic participation and enhanced data security.

But all these benefits can't reach the people who need it most without meaningfully addressing the obstacles stopping developing nations and their populations from adopting digital identities.

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A collective initiative

Although there are signs of progress on the road to expanding digital identification, a collective initiative can bring about quicker and more widespread implementation by harnessing collective resources, expertise, and technological advancements. This is where private enterprises and intergovernmental organizations can step in to lend a hand.

By joining forces with governments, companies can foster meaningful change to consolidate the most pressing issues

stopping digital identity adoption. In practice, that can manifest through infrastructure investment, financial service integrations, or social impact initiatives.

For example, in October 2023, the UN Development Programme (UNDP) and the Secure Identity Alliance, a global non-profit representing public and private actors in secure identity, signed a memorandum of understanding to help develop digital identity systems in developing nations.

Moreover, investment in innovative solutions to address fundamental gaps in internet connectivity to even bring about digital identity frameworks is also critical here. But that also requires thinking outside the box regarding infrastructure, especially in rural or remote regions. For instance, startups such as World Mobile leverage decentralized identifiers and connectivity infrastructure to give users in these regions control over their digital identities and recently rolled out its first commercial deployment in Pakistan.

Such private and intergovernmental investments are not without reciprocal reward, opening the door to market expansions, economic development, expanded customer bases, and exposure to talent pools. But it takes a shift in focus and a commitment to cooperation to make it happen.

Of course, the challenge of digital identity is not an isolated one. It is intertwined with broader themes of development, access and inclusivity. As the developed world explores how to close this technological gap, it must champion its right to social justice, economic growth and global progress. By bridging the digital divide, we'll be well on the way to creating a more equitable and prosperous world for all.

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