

Technology case study: Virtual lifestyles and sustainable economic development

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Abstract. The paper analyses the opportunity cyber space and virtual technologies provide for improvement of lifestyles of rural and urban poor in developing countries. The paper floats the term ‘virtual tourism’ that suggests that developing countries can connect with each other and the developed world through world wide web and provide opportunities of cultural, economic and social exchange between populations through development and facilitation of locally developed virtual applications and technologies that has partly created the social media outlets like face book and Twitter and commerce spaces like Amazon and Ali Baba.

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“Is information Technology going to widen the gap between the rich (those with Internet access) and the poor (those without access), or is it going to close it by becoming an opportunity lever for all?”... José Maria Figueres Olsen (President of Costa Rica)

1. Introduction: Social and economic welfare and need for awareness

Knowledge, awareness and education are one of the imperative concepts for the empowerment of the people who fall within the different definitions of poverty. Never does a mere poverty alleviation policy can achieve its objective unless and until the poor themselves are engaged in the process of decision making. The world has learnt this lesson especially in the 1980s and 1990s, when growth was assumed to trickle down to alleviate poverty. As the neoliberal paradigm lead to liberalization of markets in developing countries, the world did saw many of them performing well on the growth front e.g. China and India, but it is highly controversial whether that growth has also lead to significant poverty alleviation.: ‘if China is excluded, poverty appears to have declined in developing and transitional world by a meager 0.18 percent points a year between 1987 and 1998, whereas over the last two decades, inequality has risen in most of the developing countries (Cornia & Court, 2001).’ Thus it is no surprise that the inception of new millennium has witnessed an increased importance to such policy options of poverty alleviation which directly engage the poor in the process e.g., the micro-finance schemes following the prototype of Grameen bank is probably the most widely used policy tool where the problem of poverty is dealt with at grass roots level by empowering the low income groups in the society in a most debonair manner by providing them monetary resource to enable them achieve a decent and proper livelihood. Thus micro- finance is a mode to empower the poor in monetary terms.

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However, poverty is much more than just a mere monetary/quantitative concept. Being not able to get basic facilities from education to health also indicates towards poverty and deprivation. Social exclusion, Gender discrimination and violation of rights are all qualitative, and more important and intricate forms of poverty. Thus one can safely say that all forms of powerlessness are poverty. Thus the understanding of the determinants of powerlessness is imperative to propose a dynamic poverty reduction strategy.

Before 1950's, human capital as a term did not even exist when economists saw capital as the machines, the tools and the money. Then the concept of capital got wider to human capital and it was not until recently years that people began to speak also about social and cultural capital. Mainly it is by investment in education and training that human capital can be developed and improved. Therefore it depends on how much interest a country puts on education for people. On the way to economic development, human capital has also a major influence that in return depends on the human knowledge, on the human capabilities and on the health of the population.

Currently, there is lot of public sector emphasis on human capital. It is recognized as an important and useful element through which development can be achieved. Human capital among other factors such as agrarian reforms made the so-called South Asian model to become successful. This region puts a lot of emphasis on human capital concentrating on primary education and primary health. Especially in India, this has created a relatively healthy and skilled labor force, which together with an equal land distribution led to a very favorable scenario for high rates of economic development and economic growth.

2. Lifestyle in technology

Last century has witnessed a rapid progression of human society from Industrial Revolution to Technology boom. Since last couple of decades, Western countries have become more service oriented where as new technologies are increasingly applied as means to bring efficient electronic transformation to consumer and business activities. However, now the world is also divided into capital intensive production activities and labor intensive produce where the later being a trend dominant in Southern economic system. This divide between efficient resource procurement would then trickle down to create economic and technology divide between the North and the South, as we witness it today. Western life styles are increasingly becoming a matter of science fiction for most of the down trodden populations of the East, who in larger cases are still struggling to make both ends meet even if most survive above extreme poverty levels.

In this context and with increasing populations skewed towards developing countries, fair development practices would mean increase in global produce of consumption and industrial goods to cater to the billions who dwell in modest economic circumstances. This is exactly what new economic, technology and corporate global strategies intend to do. Improvements in the livelihoods of larger populations in developing countries by means of economic and social empowerment would not only lead to fair development but would also create further demand for high technology production systems and products. Thus, consumerism is the future. Though, in the short to medium term, the world will be divided into three groups: 1. Countries with high end technology, 2. Countries with medium technology level and mix of labor and capital intensive production systems, 3. Countries with low end technologies or labor intensive production systems. More and more developing countries want to lie in category 2, much like India and China. Both countries have seen high levels of growth rates with significant poverty alleviation as more Northern Industries are relocating their businesses in these countries to cut their costs.

In other words, in this era of technology boom and smart economic and corporate strategies, supply through cost minimization would always create demand substantiating basic New Classical theorem known as 'Says Law' against

Keynesian wisdom. With current trends of economic and financial development and high growth performance in many developing countries, one may quite evidently witness that consumerism is becoming the order of the day especially in urban areas, who are the key facilitators to Western outsourcing stint. Where ever, the economies are performing well in the South, more and more people are taking up goodies of capitalism by consuming low end technical products like mobile technology and alike. Simultaneously, credit creation through electronic banking as a formal financial tool of investment and consumption is becoming more frequent in the South facilitating smoother consumption practices. Even Western countries are witnessing boom in consumerism as the public now has access to cheaper goods due to outsourcing by many a multinational companies in order to decrease their costs.

Not so surprisingly then, global economics is working much against the basic micro economic methodology where producer supplies more if prices are increased. Here producers are looking for cheaper ways to produce their goods and compete with other brands in not only quality but cost efficiency to grab a larger chunk of consumers. In the garb of outsourcing, significant technology transfer may also be happening in the South. Though as of now, outsourcing is more happening in low end technological products in most cases i.e., textiles and automobile industries. High end telecommunications, financial or energy sector activities are primarily carried out in few developing countries like China or India, where technological base is some what more developed than most developing countries. Some countries like Pakistan, Thailand, Indonesia, Malaysia, South Africa, Arab Emirates and Costa Rica etc are jumping into the technological band wagon due to the availability of comparatively higher levels of human capital.

In line with these trends, these days in corporate and energy sectors, technology and innovation is the new buzz word for the futuristic world. However, increase in incidences of poverty and inequality in the larger South as well as worsening of global environmental problem has forced the governments and corporations globally to re-evaluate their technology, industrial, economic and energy policies. With advent of new Millennium, international bodies like United Nations, World Bank, International Monetary Fund, World Trade Organization have recognized the importance of sustainable development and initiated Millennium Development Goals, Poverty Reduction Strategies and Fair Trade all in an effort to devise combinations of corporate and development strategies which may lead to economic and technological progress of both North and the South on fair basis, while production activities would become more environmental friendly.

3. Social application of technology

Corporate social responsibility (CSR) is one of the many out comes of this focus where multinationals, especially the ones who are working in developing countries, are expected to follow their production activities in a manner that they would not cause harm to the welfare of the immediate neighbor hood where their production activity is based. Further more, they are also expected not to exploit lax environmental regulations in the country they are operating as many developing countries in an effort to attract foreign investments have been found to ignore environmental consequences of intensive industrial activities in order to make it cheaper for many foreign firms to work. Nearly all large multinationals have started their own CSR initiatives where sustainable energy consumption is encouraged and many health and education related or cultural activities in developing countries are conducted or encouraged through financial aid to the relevant local organizations, local governments or by means of directly installing facilities like schools and health care centers.

One such major initiative in many developing countries, by many a high technology or energy multinationals, has been the promotion of information technology among the rural populations with help of local and international education institutions. For example, recently in Bolivia Microsoft has helped the

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Bolivian government to introduce digital age to its people by developing software which translates windows into one of the widely spoken regional language Quechua and further plan to translate windows into approximately 47 other regional languages. Microsoft has also helped the government to provide basic digital facilities to rural areas so that the soft ware is utilized by common people around the country. Quechua people are one of the poorest and ignored populace in Bolivia with highest levels of illiteracy. The idea is to educate the people with digital technology as they are expected to access World Wide Web for their interests and entertainment, while indirectly getting a virtual exposure to larger world which is not possible in their real lives due to their economic circumstances.

Thus such initiatives have vast implications in efficient education and information dissemination through enhanced awareness of populations which due to their impoverished livelihoods may fail to inform themselves with the advantages of the new changing world in any other way. Cyber world is a technology heaven where through means of mere knowledge of contemporary human progression and it's cultural and indigenous diversity, tolerance, logic and rationality may be promoted.

Tourism has always been one of the best ways through which we embrace ourselves to the richness of the diversity among cultures and learning practices. In today's world by means of efficient and safer modes of transport, tourism has transformed into a multi billion dollar industry itself. The nations who have better knowledge and understanding of different cultures are also the ones which are more developed. It is also a subtle means to relate to one's own culture in its contemporary and historic context. Thus a world which is increasingly associated with the term 'Global Village', asks us to recognize and respect its cultural diversity. Tourism has a significant social contribution in constructing an intellectual society where people may relate to the larger world in similar respect as they relate to their own societies.

4. Case of virtual tourism in Pakistan

In Pakistan tourism has yet to become a common practice. Large segments of the society still fail to afford to incur distant pleasure trips. In rural areas, the best pleasure excursion by the common man would be to view and enjoy the natural landscapes of the country, whereas availability of museums or preserved cultural and historic sights is rarity. However, the government is increasingly trying to improve the situation mainly with help of civil society and foreign donors or multinationals. This will definitely serve a good purpose.

The government also needs to promote information technology and initiatives similar to the one in Bolivia as a matter of its indigenous tourism policy. Bringing a PC to a rural locality, where many must have never traveled furthest than a few miles from their homes, would bring instant global information to their doorsteps. Secondly, detailed websites of Pakistan's many a museums and historic places need to be developed where artifacts or historic spots are covered in detail in pictures. As they say a good image is better than thousand words. What best and efficient way to disseminate and promote indigenous culture and practices than to have some good cultural websites, especially in case of a country where due to harsh economic circumstances many may not afford distant pleasure trips? Information technology is a common culture of the future. In this back ground, privatization and development of telecommunication sector in Pakistan has been timely and in future the country is in good position to exploit information technology to build a vibrant and aware society.

Virtual tourism also makes a good economic sense and helps the case for sustainable development. In today's world where population has exceeded the figure of 3 billion, conventional tourism might have a strong environmental short fall in a scenario where more people would commute to farther locations to make pleasure trips. Virtual tourism is an efficient substitute for conventional tourism.

As computer technology is leaping towards far more advanced imagery technologies, virtual tourism is here to prosper and for all the right reasons.

Virtual Tourism applies not only with presenting the social, economic and natural landscape of country like Pakistan to outside world but an indigenous digital foot print also means development of applications and technologies locally that can create opportunity of social, political and economic interaction in the world wide web with the likes of face book, twitter, Amazon and Ali Baba.

5. Welfare impact of virtual technologies: Costa Rican case study

In the last 10 years, the Costa Rica gap between the rich and poor people has progressively become smaller. By 1990 the 27% of the population was below the poverty limit while in 1998 it was 19.7% from the total population. For this new century the Costa Rica governments have been trying to reduce this gap by introducing programs and projects that provide better opportunities for all its residents. This is mainly the case for the rural areas, since those are usually the communities that are having problems to improve their opportunities that allow them to enhance their personal development.

Over the 50% of the Costa Rica territory is classify as rural part, at the same time many areas from those sectors lack the tools to overcome many of the problems they have to deal with. Hence the necessity to decentralize the administrative part becomes a principal requirement to promote communities' development and to obtain a better use of the local resources so people can get the capacity to overcome their problems.

Therefore the improvement and creation of educational programs is an important key to ensure the human capital that is needed for a local economic activity diversification that allows for different sources of employment. In recent years, a series of initiatives related to the application of informative technology has been pushed. All of these initiatives have the common objective to "democratize" the use of these technologies, and thereby make them accessible for the majority of people. The Costa Rica Foundation for Sustainable Development, directed by José María Figueres Olsen, President of the Republic of Costa Rica (1994-1998), has begun to work on a concrete and highly applicable solution. In 1998, the Foundation underwent serious and intense investigation and as a result, the program LINCOS (Little Intelligent Communities) was presented. The objective was to interconnect the people through new technologies, and to covert communities into a form which would better prepare them to face the challenges of globalization, instead of just leaving them behind.

LINCOS (Little Intelligent Communities) is a second-generation project for marginalized communities in developing countries where single technology platform units with multiple information technologies are integrated. The units are equipped with a group of multifunctional applications, each of which is briefly described as follows:

- ✓ Health and environment components, through which TV medicine, water source and soil samples are offered.
- ✓ An educational information lab equipped with computers connected to the Internet, a printer, a scanner and other services provided, such as personal teleconferences.
- ✓ A videoconference component to bring long distance education through pre-recorded videos or closed circuit TV programs.
- ✓ This group of primarily educational features will be linked with the entertainment activities to create "The Community Center of the New Century".
- ✓ These units in full operation could service over 4.000 people per month.

The beneficiary parties from this initiative are primarily marginal urban communities and rural areas, which do not have access to technology platforms and other basic services. Students from elementary and high school education between

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7 and 17 years of age, community adults, small and medium size farmers (producers), local small business, and healthcare services personnel are beneficiaries. Following benefits were observed in these communities in Costa Rica:

- ✓ generation of employment in the communities
- ✓ improved education for students and locals in the community through the access of technology resources through computers
- ✓ the establishment of alternative channels for commercializing goods and services in the communities through Internet
- ✓ early disease detection, diminishing the pressure in already constraint community health services,
- ✓ future improvement of opportunities for girls and boys,
- ✓ the improvement in the quality of life for its inhabitants and economic development for the community.

References

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