

**MORINO INSTITUTE**

**Policy & Philanthropy:**

**Keys to Closing the Digital Divide**

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Technology Opportunities Program (TOP)  
National Telecommunications and Information Administration (NTIA)  
United States Department of Commerce  
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Thank you. I'm very pleased to be here and to be part of today's conference, Networks for People 2000. Today takes on a special importance for me as we've had the opportunity to be a part of and to observe the positive impact NTIA has had from TIIAP to TOP, having been at the first of these meetings. The Morino Institute also was fortunate to have been part of a collaboration that was awarded one of the larger TIIAP grants in the first year of the program. Working with social entrepreneurs like Henry Fernandez of LEAP in New Haven, CT, Bart Decrem of Plugged In in East Palo Alto, CA, and scores of others, we learned firsthand the great challenges of infusing technology into low-income communities. One of the most important things we learned was that technology itself was the least of the challenges. This is why I was so enthused by the title of TOP's annual conference: Networks for People. It is a very simple, yet profound, focus—one that is long overdue. And this title sets the perfect segue for the thoughts I would like to share with you today.

The movement to close the Digital Divide may well close the gap in access to technology—the Internet and information technology, including emerging wireless technologies—within this decade. As the 21<sup>st</sup> century opens, the movement is gaining strength with a growing base of financial support, promising programs and concerned participants, from corporations to community activists.

Now, just a few years after this movement first asked whether everyone would have access to technology, another question needs to be posed: To what end?

For the most part, today's movement remains focused on closing the gap in access to technology as an end in itself. But isn't the real promise more profound and far more important? Isn't the real challenge about what people and institutions do with the technology once they have access to it? Isn't the ultimate possibility to apply the technology's potential to address the underlying challenges that are the true source of fundamental social divides in America?

To be sure, technology access is an important issue. Wiring schools, giving students laptops, setting up community technology centers and processing used computers all are important actions. But now the Digital Divide movement is presented with a new challenge: to reach beyond these issues of access and cut to the heart of social divides themselves.

We have the opportunity to turn one of the farthest reaching and fastest growing civic movements of our time into a true social force—one that helps to close core educational, economic and social divides. And, by fully tapping the potential technology offers us, this movement can make great strides to ensure that everyone can enjoy the opportunity for economic mobility, personal advancement and a higher quality of life. That is the ultimate challenge for the New Economy—and the ultimate opportunity for those eager to give back to a society in which they have prospered.

This is what I want to explore with you today: How to turn a movement focused on closing the gap in access to technology into a force for social change, one that will provide people living in our lowest-income areas the chance to improve their lives.

The odds against the poor today are staggering. One of six children in the world's 29 wealthiest nations lives in poverty, including 13 million in the United States.

Poverty, of course, is as old as humanity. But so is the aspiration to climb out of it. Many people in low-income communities are working heart and soul to overcome these social divides. But today, a new set of problems makes that tall hurdle even more difficult to clear.

The prosperity of a technology-driven New Economy has made it easier for those who are benefiting to ignore these problems. The irony is that the same New Economy that makes this prosperity possible also is exacerbating these formidable social divides. Like the agricultural and industrial eras before it, the transition to this new age is benefiting society overall. But especially in our lower-income areas, it risks leaving more people further behind, if not cementing a permanent underclass in America. As a result, these people's potential to live productive lives within the New Economy is being squandered, while this same economy is unable to find the skilled workers it needs.

The great majority of people in America who are privileged to live well—or at least consistently are able to make ends meet—need to better understand that many people in our lowest-income areas live in a vastly different world.

In more prosperous communities, strong families, job and career opportunities, good schools and cohesive neighborhoods create a web of support that provides the resources, motivation and education that enable people to make the most of their lives. But in many low-income areas in America, this web of support is frail and, for some, nonexistent. Severe underemployment, cutbacks in social services, the breakdown of the family, drugs, violence and inadequate schools have all contributed to the decline ... and to a growing isolation, not only in cities, but rural America as well.

And there is an important difference today as these factors create a cycle of poverty. Now, we see second and third generations of children having children and repeating the cycle. In the aftermath of the agricultural and industrial revolutions, many immigrant families managed to get their children out of poverty by letting them stand on their shoulders and leave the ghetto. This does not seem to be happening as frequently as in the past.

The family, social networks and supports that were so critical in helping people climb out of poverty in years past have broken down. Today, those in low-income areas cannot depend on this human web of support to help raise themselves out of poverty. Yet in these low-income areas there are institutional supports: community-based, religious and health and human-services organizations; schools, community colleges and universities; worker-training programs and many other nonprofit groups that provide resources and support. This community infrastructure can never fully replace the human support web more prosperous communities often enjoy, but it does serve as a vital lifeline to help many in low-income areas better their lives. An essential part of overcoming social divides is investing in strengthening this community infrastructure.

## **The Role of Technology**

To this end, technology is a potentially powerful lever for change in three important ways. First, the application of technology can enable the individuals, organizations and institutions that serve low-income areas—the schools, community centers, health clinics and others—to transform and improve the way they work. Second, the technology enables these organizations and institutions to work together much more effectively, to share resources, benefit from each other’s strengths, gain a collective voice to better advocate their needs, and in so doing to help build on their sense of community. Third, a stronger, more robust community infrastructure can, in turn, encourage and enable the people it serves to learn and apply technology in ways that improve their own lives—educationally, economically and socially.

The lessons corporate America learned in its use of technology over the past three to four decades should guide our actions today. Starting in the 1960s and through the 1970s, technology spread throughout corporate America. Computing systems were ushered in, corporate technology groups were established and billions of dollars were invested in technology. Yet the productivity that has given rise to the New Economy probably did not truly start to take hold until well into the 1980s.

It took a long time for people and businesses to learn the full potential of this technology. Old practices and ingrained attitudes made it hard to usher in the profound change technology enables. Such resistance still exists today, because change is hard. It’s easy to install technology—to place a computer in a learning center—but it’s difficult to change what people do in order to apply and benefit from that technology.

As technology became more pervasive with the PC in the 1980s and the Internet and browser in the 1990s, and after business had invested billions in training and development, a funny thing occurred. The people within organizations began to understand what they had. Their imagination and resourcefulness, their entrepreneurship, kicked in. Enabled by technology, they triggered a fundamental revolution. Technology’s real benefits emerged when people and organizations began to understand and apply its potential for returns like increased productivity, greater market share, improved scalability, lower cost and the ability to do things they couldn’t do before.

But that change took time. It went well beyond giving them access. The “magic” occurred when people understood the potential and had gained the skills to use the technology. And that’s when the “magic” will occur within the web of social support.

Through our work at the Morino Institute, we’ve learned that doing things with technology in the social sector takes time—and efforts in this sector don’t move at Internet speed. We learned that until leaders and staff can see the potential of technology, and programs are invested in to provide them with skills and understanding, the “magic” doesn’t happen.

Since the mid-1990s, we’ve worked with LEAP to implement learning centers in New Haven, supported efforts to empower displaced agricultural workers using community networks in Nebraska and led a comprehensive two-year effort to establish networked learning centers in community-based organizations here in the District of Columbia. And those efforts have

shown us that it takes time—at least a year and often much longer—and major investments in organization and staff development to effectively implement technology-enabled efforts.

This is the lesson we must carry to the movement to close the Digital Divide. The divide never has been about technology, but rather about people's understanding of what technology can do and the knowledge essential to apply it.

And therein lies our opportunity today—to move from access to application to outcomes.

The real opportunity is applying technology to produce more than incremental change. The application of technology can enable quantum change with enough of an impact to break the status quo. Now that we're close to ensuring everyone has access to technology, let's ask—and answer—another question. To what end?

## **The Opportunity for Change**

Our goal should be nothing less than cutting to the heart of social divides. And if the path to closing those divides runs through the community infrastructure that is the lifeline for people living in low-income areas, we must go through that lifeline too. We can make the community infrastructure stronger, more highly effective and more sustainable by exploiting the potential of technology to achieve better outcomes for the people it serves.

The movement to close the Digital Divide provides the opportunity for change. The movement has growing financial support, promising programs and concerned participants. It is gaining momentum. *If* we lift our vision beyond access to technology alone, we can rally and focus these resources on the community infrastructure that helps individuals in low-income communities improve their own lives. We can apply technology to strengthen, to scale and even to redefine this infrastructure.

Consider the example of education. The Digital Divide movement has helped schools gain access to technology. To what end? Should we not direct our energies to apply technology to improve the effectiveness of recruitment and professional development for principals and teachers? Should we not explore ways to use technology that make it easier for parents and other caring adults to become more involved with our schools? Should we not drive change that integrates technology into the curriculum and learning experience to enhance learning and improve academic achievement?

Similarly, what can the movement do to advance the use of technology to improve health care, to arm neighborhood watch groups to fight crime more effectively, to make it easier to find and purchase low-income housing and to coordinate transportation? In what ways can we apply technology to better help people starting and running small businesses succeed and for others to simply make a living?

We should focus our efforts on the social outcomes a technology-enabled community infrastructure can make possible and move beyond just ensuring that the technology's there. We must seek purposeful use of the technology.

Making sure technology is in place is only the first step on a long and challenging journey. Again, such change is hard.

Technology, by itself, is a thing. Silicon, wafers and wires are amoral, neither inherently good nor inherently bad. Technology only takes on importance when people apply it to a purpose.

There is no guarantee that access to technology will produce better social outcomes like improved academic achievement or greater access to health care. Today too many people, afraid of being left behind in this increasingly technology-enabled world, blindly support and accept that access to technology is key to their economic future. But that is a leap of faith.

But people and organizations *can be* empowered to achieve improved outcomes with technology. We must always remember that the power of technology is not the computers, the complex of networks or the vast databases of information. Rather, it is people and their imagination, knowledge and resourcefulness that bring about change. Technology enables people to apply their imagination and knowledge and to do so more effectively, on larger scale and, most importantly, in ways not otherwise possible.

## **Rethinking the Potential of Technology**

So how does the movement to close the Digital Divide turn into a force for social change? What can it do to help those organizations, institutions and change agents serving low-income areas tap the remarkable potential of technology for social change?

How do we answer that question: To what end?

To answer the question, “To what end?,” we will have to change some attitudes.

Just imagine that for every Microsoft or Cisco engineer we certify to install technology, we also raise the bar to certify “life engineers” who will be able to apply this technology in innovative ways to address critical human needs—from literacy to health care.

To apply technology to empower the community infrastructure that serves low-income areas and address social divides, the Digital Divide movement should cultivate an environment that is conducive to experimentation, that will stimulate innovation and that will yield high-impact breakthroughs that will, in turn, trigger quantum change. Incremental change that maintains the status quo of our lower-income communities simply cannot be an option.

Such environments and breakthroughs do not come from preordained, centralized plans. This is about providing encouragement. This is about lending a sense of hope that things can change and that resources exist to support those with proven approaches and good ideas. This is about stimulating social entrepreneurship—both those seeking to change existing organizations as well as those hoping to advance new solutions. This is less a matter of public policy planning than of seeding experimentation and encouraging innovation within the community infrastructure. Not every seed will bloom. But some will—and those will serve as catalysts for change across this entire sector.

This is the real potential of the Digital Divide movement—and the direction, in my view, toward which its leadership, energies and resources should be channeled.

In a moment, I'll discuss what the movement can do to create catalysts that will seed broad-based change. First, though, I'll suggest some strategies for the movement to consider that can create the fertile environments in which these seeds for change can flourish.

- We must enable those within the community infrastructure to raise their vision (and that of the people they serve) of what technology can make possible.
- We must drive demand for and create interest in technology for people in low-income areas by demonstrating what it can mean to their lives and needs—through awareness building, community organizing, winning over change agents and demonstrating relevant results that will stand the test of time.
- We must invest in people and in building human capacity—in the development of leadership, in the capacity of organizations and in the skills of individuals, first within the community infrastructure and then among those it serves.
- We must encourage more funding for programs involving technology.
- We must convince those who fund programs involving technology to allocate funding that helps organizations apply technology effectively. Organizations should allocate 70 percent of the funding they receive for technology to staff, process and organizational development and the remaining 30 percent for acquiring the technology itself, the hardware, software and services.

And there is one overarching strategy that we also must consider: a greater use of strategic investment models by philanthropic and government funders to realize high-impact change to benefit those living in low-income areas.

The Digital Divide movement may be large. But its resources are not infinite. Spreading them across the country in hundreds and thousands of small efforts, with little support, is likely to spread them so thin they will be ineffective.

We must use strategic investments to target resources for maximum effect. We must move beyond funding through grant applications to a more strategic investment management model. Funders must go into the low-income areas, talk with leaders firsthand and, based on their input, find those investment opportunities that offer the greatest potential for a high social rate of return.

We must make significant, long-term investments that are supported by strategic management and technical assistance. These investments should be made over long periods—four to six years—and be tied to performance criteria. They should focus on levers for change, the underlying points at which—if pressure is applied—maximum change will occur. And organizations that *already* have clear missions, strong leaders and proven track records within their communities should have priority for investments. Technology cannot overcome

management problems or replace clear missions. It does children little good to place computers in a school with an ineffective principal. To the contrary, infusing technology into an organization with an unclear mission or ineffective management simply risks—if not ensures—diluting its effectiveness.

Finally, the movement must change thinking and do all it can to remove barriers that stand in the way of the community infrastructure's ability to apply technology effectively. These barriers include the incremental way in which community leaders are forced to think about the future of their organizations; the acute shortage of staff skilled in technology; the lack of funding from traditional sources for building strong organizations and for technology acquisition; and the debilitating complexity and life-cycle costs of technology.

## **Turning a Movement into a Social Force**

These strategies can create an environment in which experimentation can flourish. Now let me suggest five actions to help transform the Digital Divide movement into a social force by serving as catalysts for broader, institutionalized, high-impact change within that environment.

### **1. Make the Case for “Applied Technology”**

We must make explain and demonstrate how technology can be applied with relevance to the needs of people and the organizations that serve them.

To those whose fervor for technology is evangelical, that may sound unnecessary. But we must not forget that many people's enthusiasm, especially in low-income communities, does not match that of those who work in technology fields. Many just see little reason to embrace technology. Others, citing concerns like privacy, distrust it.

A recent report by the Pew Internet and American Life Project found that 57 percent of people without Internet access do not plan to log on. Cost is a factor for some, but less than most suggest. Too much focus is placed on price points, when relevance to people's lives is what is critical.

The Digital Divide movement must make an investment in demonstrating that technology is relevant to the lives of people in low-income areas.

### **2. Create an Academy for Leadership in Technology**

To raise the vision among the people within the web of social support and in low-income communities about what technology can make possible, we propose establishing an Academy for Leadership in Technology.

The Digital Divide movement has begun to address technical training. But it is just as important—maybe even more so—to help organizations and individuals see how technology can drive fundamental, if not transformative, change.

Top executives in corporate America have undergone this “conceptual orientation,” thanks to the efforts of technology vendors and management consultants who must establish a vision of what technology makes possible in order to convey the merits of their solutions.



There is no obvious counterpart in the nonprofit sector. The Academy for Leadership in Technology would serve this role for community leaders and agents of social change.

The academy would help to educate these leaders about the potential, applications and risks of technology. It must be large enough to reach tens of thousands of these catalysts. It would show them tangible, real-life examples of how technology can drive fundamental change. Most of all, it would empower them with a higher vision for what technology makes possible for them and the communities they serve.

### **3. Create a Digital Peace Corps**

We propose seeding experimentation and investing in leadership and skills by creating a Digital Peace Corps to serve lower-income urban and rural areas in the United States. The corps would be composed of committed individuals who would work to empower people and organizations in low-income communities to use technology to improve social outcomes.

These individuals would possess strong expertise in a specific discipline, such as K-12 education, health or micro-entrepreneurship. They would have both an intellectual and a practical grasp of how technology can empower someone working in that discipline. This elite corps would serve as involved advisors, analysts and innovators, *not* as technology specialists.

Just as the Peace Corps' mission is to empower people around the world to improve their lives, the Digital Peace Corps would help to empower those who serve low-income communities to be more effective change agents. Also like the Peace Corps, its members would be experts in their fields. For example, a corps member in education would be foremost a master teacher. But he or she also would be armed with a conceptual understanding of and practical experience in implementing technology-enabled education and learning programs.

Such a resource for a school could help create technology-enabled teaching programs and enriched learning environments for students; it also could help other teachers become more productive through their personal use of technology. Imagine similar scenarios for health clinics, small business centers, out-of-school programs, community development centers and others.

Corporations—which already are in dire need of talent that can apply technology to deliver solutions—could sponsor Digital Peace Corps members for two years in exchange for the member agreeing to work with the firm afterward. Such an employee benefit could help firms recruit and retain talented personnel.

### **4. Advance Alternative Technology-Delivery Solutions**

We believe the Digital Divide movement should fund the exploration of alternative ways of delivering technology to the community infrastructure. These organizations and institutions must deal with macroeconomic challenges like the complexity of technology and the cost of managing it over time. Yet funders rarely help organizations cope with these issues beyond an initial donation of hardware or software. Meanwhile, these

organizations' ability to attract personnel with the skills to handle those problems is severely constrained by the dire shortage of technical workers in the private sector.

Creative solutions to these problems should seek to enable organizations to deploy and manage technology more cheaply and reliably than they could by themselves. They should also be inherently scaled to handle growth. These alternatives might include options like:

- Standard technology outsourcing, in which information technology systems and support are managed entirely by an outside contractor.
- Business process outsourcing (BPO), in which an outside contractor provides business processes, like fund development or payroll, including all the underlying technology to support and continuously improve them.
- Use of Application Service Providers (ASPs) and Managed Service Providers (MSPs). These concepts are still evolving, but offer great promise in areas like subscription computing, enterprise applications and Internet Portals.

Organizations within the community infrastructure can follow the lesson of the commercial world, which has learned to focus on core competencies and outsource nonstrategic activities. Wouldn't it be nice if a community organization could focus on its mission to help others and know it would have the technology it needs, when it needs it?

## **5. Nurture a Social Entrepreneurs Learning Community**

We must provide a venue in which social entrepreneurs and change agents who are applying technology to improve social outcomes can come together, learn from one another, exchange experiences, codify and continually improve their knowledge and create a web of mutual support. Such a community learning model is difficult for many to grasp and even more difficult for institutions to embrace, let alone fund. But creating a forum for turning individual actions into collective intelligence can be a powerful source of support, growth, learning and change.

For example, the Morino Institute helped to create an evolving, organic environment of learning and support for New Economy entrepreneurs through its Netpreneur initiative. Netpreneur is an example of how a self-organizing, adaptive system can marshal the collective power of an entrepreneurial community. The model for stimulating New Economy entrepreneurs is analogous to what is possible for social entrepreneurs.

These five actions can serve as catalysts for change within the community infrastructure for low-income Americans. There are, no doubt, countless others. In this case, as in most in the New Economy, the most powerful possibilities lie just over the horizon of today's imagination.

Our proposals are intended to be empowering, not limiting. We urge those in the Digital Divide movement not just to do these things, but to undertake and broadly encourage these kinds of actions. We believe that doing so will seed the garden of ideas, enabling breakthrough changes to blossom. And that change, in turn, will become institutional: Rather

than simply disseminating technology, technology will be thoughtfully applied to change the way the community infrastructure in low-income areas works. The change will be organic. It will occur from within, driven by innovation and the creation of demand.

The result will be powerful: The horizon of the Digital Divide movement will be raised from simply extending access to technology to serving as a catalytic force for social change. Individuals will be empowered to better their own lives.

In the mid-1990s, the Digital Divide movement asked a powerful question: Will everyone have access to technology? Now that that question is being answered in the affirmative, our next challenge is to pose another one: To what end?

The movement to close the Digital Divide has unleashed a growing stream of resources and built a momentum aimed at that challenge. The result is a moment of extraordinary opportunity. If we lift the horizon of this movement from technology access to its application to improve outcomes—purposeful results for people—and if we focus our efforts to empower the organizations and institutions that make up the community infrastructure serving our low-income areas, we can close gaps not simply in access to technology, but in access to opportunity itself.

This is the answer to the question: To what end? To *this* end.

Thank you.