



The Haves and Have-nots

ACCELERATED BY THE PANDEMIC, the digital future is coming at us faster than ever before, and maybe faster than we can imagine. In this issue, we explore the possible consequences—the good, the bad, and the gray.

For millions, technology has been a lifeline, changing the way we work, learn, and shop. In a year like no other, it has spurred game-changing digital shifts. Governments moved quickly, using mobile solutions to provide cash assistance; financial technology has helped the survival, and in some cases, growth of small businesses; and the first national digital currency, in The Bahamas, provides a glimpse of the future of money.

But technology can also drive unequal outcomes in education, opportunities, and access to health care and financial services. Automation has destroyed jobs, some permanently. The chasm between the digitally connected and the unconnected—across and within countries and between rural and urban areas—has amplified social and economic inequalities.

Daron Acemoglu underscores that the government can and should play a regulatory role, with incentives for innovation toward “human-friendly” technologies that produce good jobs. Hyun Song Shin and coauthors elaborate on smart policies that can bring more people—particularly the poorest—into the financial system. Clearly, as Cristina Duarte emphasizes, countries must scale up investment in digital infrastructure, such as access to electricity, mobile and internet coverage, and digital ID. Affordable internet access is now almost a basic right.

Still, there are real risks: Tim Maurer focuses on addressing cyber threats to the financial system. Yan Carrière-Swallow and Vikram Haksar suggest that commercial interests must be balanced with protection of privacy and data integrity. Other contributors illuminate digital taxation, data bias and ethics, the need for global tech cooperation, and how the pandemic will alter thinking about economics and the social contract.

Digitalization can transform economies and lives. But innovation needs to have public value and be shaped to bring everyone into the digital age. **FD**

GITA BHATT, editor-in-chief



ON THE COVER

For the March 2021 cover on technology, artist Davide Bonazzi imagines a digitally smart city of the future.



FINANCE & DEVELOPMENT
A Quarterly Publication of the
International Monetary Fund

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Finance & Development
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Washington, DC 20090, USA
Telephone: (202) 623-7430
Fax: (202) 623-7201
E-mail: publications@imf.org

Postmaster: send changes of address to *Finance & Development*, International Monetary Fund, PO Box 92780, Washington, DC 20090, USA.

The English edition is printed at Dartmouth Printing Company, Hanover, NH.

Finance & Development is published quarterly by the International Monetary Fund, 700 19th Street NW, Washington, DC 20431, in English, Arabic, Chinese, French, Russian, and Spanish. English edition ISSN 0145-1707



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