

Look to the Internet to fight poverty

TIPSHEET FOR OBAMA | ELAINE KAMARCK

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AS PRESIDENT-ELECT Barack Obama begins to put together his government, one question reigns supreme. How can he possibly deal with the economic crisis and the war in Iraq, and still have anything left over for the social justice initiatives that are so dear to many of the Democrats who elected him?

The challenge is tough but not impossible. In the past decade, information technology has begun to transform anti-poverty efforts and bring to the poverty world some of the increases in productivity that have been common in the private sector. If Obama can expand on this, the chances for him to make good on a broad social justice agenda will increase in spite of the other challenges he faces.

In the past two decades, electronic database and Internet technologies have driven down the cost of government overhead while significantly elevating the productivity of the nation's anti-poverty programs. Fraud has been reduced while the needs of the economically distressed are addressed in a more timely manner. This has freed up money for other pressing anti-poverty needs.

For example, the nation's food stamps and housing programs have been transformed by information technology. The food stamps program adopted the use of "smart cards" - electronic benefit transfer technology - to streamline benefits and eliminate fraud. The Department of Housing and Urban Development saved billions of dollars after adopting computer matching programs to handle housing assistance cases.

America's public-assistance system has gone from being plagued by problems to a program that has made great strides in helping the poor. Part of the change was the result of government action in the 1990s to shift the incentive structure of the system. But the transformation of how welfare is administered, how cases are handled and processed, would have been impossible without information technology. This is one area where the investment has more than paid for itself, and, as welfare cases increase, this would be a good place for the new Congress to invest.

Benefit eligibility is only one area where the Internet has helped improve anti-poverty work. It has also expanded the effectiveness of more traditional anti-poverty efforts. For example, the Internet has allowed the poor and their advocates to better navigate the complex bureaucracies that are characteristic of modern welfare states. In addition, it has helped poor children in underserved schools and poor adults seeking jobs, financial skills, or small-business opportunities. Through Beehive, a multi-lingual self-help portal created by One Economy Corporation, thousands have

been able to find employment tools such as a business plan helper, and information on unemployment benefits and financial literacy.

In the developing world, where anti-poverty programs are either small or nonexistent, the Internet has allowed non-government organizations to bridge the social, economic, and physical isolation of the poor. In countries like El Salvador and India, the Internet has helped to more effectively link farmers with markets, getting rid of costly and sometimes corrupt middlemen. One program in India provides Internet access to farmers via solar panels and satellites, allowing them up-to-the-minute information about weather, soil testing, and other factors that will increase productivity. And the Internet is becoming a critical tool for health workers who often work in remote areas far from doctors and specialists. Armed with PDAs, these workers can offer better medical care than ever before.

Internet innovation has transformed business, entertainment, and even government. In an Obama administration, it can transform approaches to poverty at home and abroad. The government's efforts should be focused on expanding access to Internet and other technologies for as many Americans as possible while continuing to develop our national broadband capacity. An expanded technological infrastructure will help Obama make good on a broad social justice agenda as he confronts the myriad problems he has inherited.

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