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# Digital Literacy

## ECONOMIC GROWTH AND TRADE

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### Digital Literacy and Economic Growth and Trade<sup>1</sup>

Digital tools are transforming how firms of all sizes do business. In addition to facilitating the free flow of information, they also help firms access new customers and recruit new employees which enhances their efficiency and increases their competitiveness. Meanwhile, e-commerce tools and platforms have emerged as powerful tools to help firms deliver services to a broader audience. Similarly, key aspects of international trade processes—such as the clearance of goods for import, export, and transit—are digitizing so that goods move more efficiently across borders. Equipping more firms, and their employees, with digital skills will bring prosperity to diverse groups of workers and customers across the globe. Mainstreaming digital literacy is therefore critical to achieving digitally enabled international trade and e-commerce.

### Definition of Digital Literacy

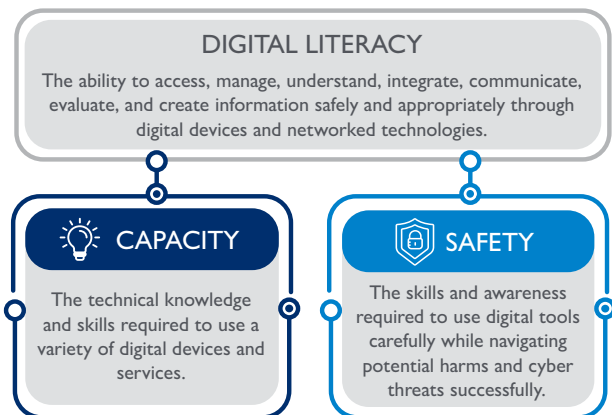


USAID, building on [UNESCO's definition](#) of the term, defines digital literacy as “The ability to access, manage, understand, integrate, communicate, evaluate, and create information safely and appropriately through digital devices and networked technologies for participation in economic, social, and political life.”

### USAID's Digital Literacy Framework

To effectively and equitably achieve access, USAID's approach to digital programming must extend beyond infrastructure and devices to ensure that users possess a nuanced set of skills to meaningfully, responsibly, and safely participate in their digital ecosystem. Two pillars underpin USAID's definition of digital literacy: capacity and safety.

- **Capacity** refers to the technical knowledge and skills required to use a variety of digital devices and services such as mobile phones, tablets and computers; the internet and social media services such as WhatsApp, Twitter, and Facebook; and audio and visual tools.
- **Safety** refers to the skills and awareness required to use digital tools carefully while navigating potential harms and cyber threats successfully. This pillar includes, but is not limited to, strategies for strengthening [cyber hygiene](#),<sup>2</sup> countering [mis- and disinformation](#).



1 Unless otherwise cited, all information in this sectoral brief comes from USAID's Digital Literacy Primer. Full citation: “Digital Literacy Primer: How to Build Digital Literacy into USAID Programming” (USAID, 2022), <https://www.usaid.gov/digital-development/digital-literacy-primer>.

2 Cyber Hygiene definition: The practices and steps that users of computers and other devices take to maintain system health and improve online security. These practices are often part of a routine to ensure the safety of identity and other details that could be stolen or corrupted.

As explained in the [Digital Literacy Primer](#), USAID takes two primary approaches for incorporating digital literacy into program design:

### FOUNDATIONAL ACTIVITIES



Foundational digital literacy activities build digital literacy skills applicable to all aspects of users' economic, social, and personal lives—a goal in and of itself.

### TACTICAL ACTIVITIES



Tactical digital literacy activities prepare target populations to use digital tools in particular sectors to ensure that a specific digital intervention is effective (though digital literacy may not be the singular goal of the activity).

## Digital Literacy in USAID's Economic Growth & Trade Portfolio

To promote inclusive and resilient economic growth in USAID partner countries, the Agency promotes digital literacy across its Economic Growth and Trade portfolio:

- **Trade facilitation:** USAID activities typically take a tactical digital literacy approach to developing frontline customs officers' and border agents' digital literacy; specifically, building their capacities to use cloud computing, border process management software, blockchain ledger systems, and customs data systems so that they can facilitate cross-border trade. However, corruption can be a key barrier: in some instances, employees may resist adopting USAID-supported digital tools designed to remove their discretionary authority. To address mindset and behavior barriers like this one, some USAID trade activities work with senior government leaders to help lower-level employees understand the value of and the mandated use of digital tools. To build digital literacy for trade facilitation, USAID's Yemen Economic Stabilization and Success (YESS) activity piloted the [United Nations Conference on Trade and Development's Automated System for Customs Data \(ASYCUDA\)](#) at the country's Aden Port. YESS worked with Yemeni officials to ensure that ASYCUDA's implementation was informed by context-specific customs, trade, and tax policies, and delivered training on the system to the Yemen Customs Authority and stakeholders in the public and private sectors.
- **E-commerce and digital transformation:** USAID e-commerce activities build tactical digital literacy by delivering training on digital tools like social media and e-commerce platforms, sourcing and logistics applications, and electronic payment services that can increase business operational efficiency and improve access to finance and markets. These digital literacies are important for micro, small, and medium enterprises (MSMEs) or entrepreneurs looking for opportunities to expand their markets and become more efficient. For example, the [E-Trade Alliance](#)—a global development alliance between USAID and 11 private sector companies like Etsy, UPS, Visa, and Google—identified digital skills as a priority for increasing digital trade. The Alliance works to increase SMEs' access to the internet and to devices, trains them to utilize digital tools like e-commerce platforms, and partners with technology companies to offer scholarships and training. In Georgia, the E-Trade Alliance worked with Etsy and Paypal to offer phone training to more than 100 entrepreneurs about growing their online business presences.
- **Business enabling environment (BEE):** USAID's digital literacy programming for BEE targets all relevant stakeholders—from government employees to businesses and individuals—with tactical digital literacy interventions that build their capacity in specific digital tools that promote a thriving business environment. For example, [USAID's Revenue Generation for Governance and Growth \(RG3\) activity](#) in Liberia promoted a new tax e-filing platform for businesses and individual taxpayers through virtual and in-person outreach. The RG3 team visited large taxpayer companies—the majority of Liberia's tax base—to help these companies enroll in the new e-filing system and show them how to use it. With the general



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public, RG3 sent thousands of SMS messages to taxpayers to inform them about the new system and conducted outreach roadshows to demonstrate how the platform works. On the government side, RG3 conducted tactical digital literacy training for Liberia Revenue Authority employees on using Oracle APEX, Visual Basic, Java Script, and other software packages to manage the Authority's data processing center.

## Key Considerations for Digital Literacy in USAID's Economic Growth and Trade Portfolio

Considerations vary based on the maturity level of local digital ecosystems.

- ✓ Assess the current digital literacy levels of the target audience for the digital literacy intervention, then customize the intervention accordingly.
  - » This typically requires interviewing or surveying the target audience about which devices, platforms, and digital tools—and which of their functionalities—they use, if any. This could also include speaking directly with experts, such as retired customs officials, who can characterize target users' readiness to adopt specific tools.
  - » If the target audience's digital literacy levels are highly variable, segment the interventions into different levels.
- ✓ Institutionalize longer-term digital capacity-building (not only digital literacy training) when delivering digital technology-related interventions. Incorporating mentoring, coaching, or long-term technical assistance provides longer-term support than training alone, increasing the likelihood that the target audience will apply their new digital knowledge.
- ✓ Engage senior government officials and/or business leaders to ensure that the low- and mid-level employees understand the importance and value of digital tools. With leadership buy-in and willingness to shepherd organizational change, low- to mid-level employees are more likely to learn and adopt new systems.
- ✓ Conduct cost-benefit analysis (CBA) to quantify and compare the total costs and expected benefits of digital technology and training investments.
  - » This will require collecting data on the expected costs of digital technology investments (e.g., costs for new technology installation and maintenance or for staff training and upskilling) and the expected benefits (e.g., improved efficiency and reduced losses). This data may be activity-specific, or can be drawn from secondary sources.
  - » While it is not mandatory to use these resources, USAID's [2015 CBA Guidelines](#), the [2022 CBA Guidelines Review](#), and [2023 Guidelines on Assessing Risk and Uncertainty](#) provide technical guidance on best practices when conducting CBA.
  - » For further information on available CBA training, guidance, and technical support, please contact USAID's Center for Economics and Market Development at [economics@usaid.gov](mailto:economics@usaid.gov).
- ✓ Specifically for digital literacy trainings:
  - » Conduct specialized training to operate digital technologies that support global trade, such as e-commerce platforms and automated systems for customs data.
  - » Provide training materials available offline (e.g., mobile applications that don't require internet or data to use).
  - » Partner with private entities or organizations with expertise in building capacity in e-commerce tools.

**For more information**, on the digital literacy and economic growth and trade nexus in USAID programming, please reach out to [digitaldevelopment@usaid.gov](mailto:digitaldevelopment@usaid.gov).



### USAID'S DIGITAL STRATEGY

USAID's [Digital Strategy](#) was launched in April 2020 with the goal of supporting USAID partner countries through their digital transformations. It aims to improve measurable development and humanitarian assistance outcomes through the responsible use of digital technology and to strengthen the openness, inclusiveness, and security of partner country digital ecosystems.