

## **The Digital Divide: what does the research tell us?**

### **Introduction**

Good morning everyone. I'm Dr Gemma Burgess from the University of Cambridge. We partner with CHS Group on the New Horizons Programme. Thank you to the Cambridgeshire Digital Partnership for inviting me to speak today. I have decided not to use powerpoint today since we are using this online format, but just to talk to you. I will however make what I say available with links to all the sources I refer to. And in the spirit of digital inclusivity, I have only referred to online publicly available resources, nothing is behind an academic paywall.

I run the Cambridge Centre for Housing and Planning Research (CCHPR). We are a research centre in the Department of Land Economy at the University of Cambridge. It is our 30th anniversary this year, marking 30 years of research, policy evaluation and analysis.

Our research is dedicated to understanding and tackling social and spatial inequalities. Housing and planning sit at the heart of many wider social issues. We are an academic centre but our purpose is to carry out research that is relevant for policy and practice. We aim to provide an evidence base for making positive change with a view to reducing inequality, improving housing conditions and improving housing affordability.

### **Why digital exclusion and housing?**

In my view digital exclusion is a new form of social deprivation, exacerbated by and contributing to existing lines of inequality and poverty, and as the world gets 'smarter', the divide gets wider. Cambridgeshire's highest-scoring reason for deprivation is housing affordability and homelessness. In our work we grapple with questions such as how do we prevent homelessness, how do we improve housing security, affordability? But we are also involved in work around digital innovation, in how we develop inclusive smart cities. For me, digital exclusion is a crucial topic that needs more attention.

### **What is digital exclusion, what is the digital divide?**

The digital divide is the gap between those who have access to the latest technology and those who do not<sup>1</sup>.

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<sup>1</sup> <https://www.bbc.co.uk/bitesize/guides/zkhykqt/revision/5>



In an increasingly digital age, those who are not engaging effectively with the digital world are at risk of being left behind<sup>2</sup>.

So much of our day to day life requires digital connectivity. This includes many jobs in today's places of work, the digital world is now a very important economic driver. We need digital connectivity to find information and to access goods and services, and, importantly, to connect with and communicate with others.

However, what we are seeing is an increasing divide between those who have access to information and communications technology and those who do not, giving rise to inequalities in access to opportunities, knowledge, services and goods<sup>3</sup>.

Access to the internet is one component of digital exclusion. This tends to be shaped by having sufficient income to access the internet and buy the necessary equipment, by geography as we know that network coverage and high-speed broadband can vary greatly depending on where you live and there tends to be a rural/urban divide, and by IT literacy, knowing how to use technology.

But rather than think of a binary digital divide, it is perhaps better to think about digital inclusion and exclusion, a spectrum of digital engagement from internet access, to skills, to really being able to make use of online resources for beneficial outcomes.

### **Essential Digital Skills**

It is more than just having internet access. The Department for Education produced guidance in wide consultation which states that there are five categories of Essential Digital Skills for life and work<sup>4</sup>:

1. Communicating - sending a message via email or online messaging service or making comments and sharing information online.
2. Handling information and content - using a search engine to look for information, finding a website

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<sup>2</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/articles/exploringtheuksdigitaldivide/2019-03-04>

<sup>3</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/articles/exploringtheuksdigitaldivide/2019-03-04>

<sup>4</sup> <https://www.gov.uk/government/publications/essential-digital-skills-framework>

3. Transacting - buying items or services from a website or buying and installing apps on a device
4. Problem solving - verifying sources of information online or solving a problem with a device or digital service using online help
5. And running through all of this being safe and legal online

They also produced guidance on national standards for essential digital skills<sup>5</sup>

### **So what is the scale of problem and who does it affect?**

Digital exclusion is not just a generational issue. Even before COVID-19, digital exclusion was a reality for a fifth of the UK's population of all ages<sup>6</sup>. In 2018, 8% of people in the UK (4.3 million people) were estimated to have zero basic digital skills (being unable to do any of the activities described in the five basic digital skills). A further 12% (6.4 million adults) were estimated to only have limited abilities online (missing at least one of the basic digital skills)<sup>7</sup>. Although there is a pattern of declining numbers of people lacking digital skills over time it is estimated that 7.9 million people will still lack digital skills in 2025<sup>8</sup>.

Of the eight million in the UK who don't use the internet, 90% suffer from other kinds of economic or social disadvantages. They are also more likely to be in the lowest income bracket and/or be disabled with long-standing health conditions<sup>9</sup>.

The likelihood of having access to the internet from home increases along with income, such that only 51%<sup>10</sup> of households earning between £6000-10,000 had home internet access compared with 99% of households with an income of over £40,001.

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<sup>5</sup> <https://www.gov.uk/government/publications/national-standards-for-essential-digital-skills>

<sup>6</sup> [https://www.lloydsbank.com/assets/media/pdfs/banking\\_with\\_us/whats-happening/lb-consumer-digital-index-2019-report.pdf](https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/lb-consumer-digital-index-2019-report.pdf)

<sup>7</sup> [https://www.lloydsbank.com/assets/media/pdfs/banking\\_with\\_us/whats-happening/LB-Consumer-Digital-Index-2018-Report.pdf](https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/LB-Consumer-Digital-Index-2018-Report.pdf)

<sup>8</sup> [https://cebr.com/wp/wp-content/uploads/2015/11/The-economic-impact-of-digital-skills-and-inclusion-in-the-UK\\_Final.pdf](https://cebr.com/wp/wp-content/uploads/2015/11/The-economic-impact-of-digital-skills-and-inclusion-in-the-UK_Final.pdf)

<sup>9</sup> <https://www.kcl.ac.uk/news/tackling-the-digital-divide>

<sup>10</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/articles/exploringtheuksdigitaldivide/2019-03-04>



The link between poverty and digital exclusion is clear: if you are poor, you have less chance of being online.

### **Digitisation and covid**

Two things have happened as the pandemic has taken hold. One is the increased pace of digitisation, and the second is increased poverty and hardship.

The pandemic and its subsequent lockdowns has shown clearly that we are not all in the same boat. The Joseph Rowntree Foundation has highlighted how households that were already struggling have been pushed deeper into poverty, how health and housing inequalities make some people more vulnerable than others. A study of the impact on low income households found that 8 in 10 respondents to their online survey reported a significant deterioration in their living standards due to a combination of falling income and rising expenditure. Families who responded in July and early August were less optimistic about their financial situation than those who responded in May or June<sup>11</sup>. This report really highlights the multitude of negative impacts the pandemic is having on families, particularly low income households, the findings and the testimonies within it are powerful so if your interested do look it up. It really shows the shock experienced by people encountering the benefits system for the first time.

To quote from the report 'Poverty in the pandemic: the impact of coronavirus on low-income families and children':

*Most of the families we interviewed are already living close to the poverty line. Therefore, it only takes a relatively small fall in income or rise in living costs to push them into poverty and debt. For the minority of households who were previously on relatively high earnings and are now reliant on the social security system, the income shock has been very sudden and severe. How these families cope in future will depend on how long the crisis persists<sup>12</sup>.*

*Parents told us that their children were struggling with online learning because they could not afford the technology, or that the technology they had was broken.*

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<sup>11</sup> <https://cpag.org.uk/sites/default/files/files/policypost/Poverty-in-the-pandemic.pdf>

<sup>12</sup> <https://cpag.org.uk/sites/default/files/files/policypost/Poverty-in-the-pandemic.pdf>

Coming to my other point, the pandemic has hugely increased the rate of digitisation. Since the onset of social distancing in the UK, some semblance of normality – or at least of productivity – has been possible to maintain only because of the networks of digital technologies and platforms already in place. Lockdown has certainly served to highlight our reliance on virtual means of staying in touch. For some, the new norm might mean running a Zoom meeting from a makeshift home office, accessing education online and having a virtual GP appointment.

Increased working, learning and interacting online during the pandemic has widened the gap for those who lack digital skills or access. For the 22% of people in the UK who lack digital skills or access to appropriate technology<sup>13</sup>, this increased shift towards the digital world has excluded them yet further.

### **Why do we need to tackle digital divide?**

Why does digital exclusion matter?

Internet use and digital connectivity now pervades every aspect of daily life.

The Centre for Economics and Business Research have identified five areas in which individuals who acquire basic digital skills are able to benefit<sup>14</sup> and from which people on the wrong side of the digital divide are excluded:

1. Earnings benefits: these relate to increased earnings of between 3% and 10% through acquiring digital skills.
2. Employability benefits: this reflects the improved chances of finding work for someone who is unemployed and an increased likelihood that someone who is inactive will look for work.
3. Retail transaction benefits: shopping online has been found to be 13% cheaper on average than shopping in-store.

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<sup>13</sup> [https://www.lloydsbank.com/assets/media/pdfs/banking\\_with\\_us/whats-happening/lb-consumer-digital-index-2019-report.pdf](https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/lb-consumer-digital-index-2019-report.pdf)

<sup>14</sup> [https://cebr.com/wp/wp-content/uploads/2015/11/The-economic-impact-of-digital-skills-and-inclusion-in-the-UK\\_Final.pdf](https://cebr.com/wp/wp-content/uploads/2015/11/The-economic-impact-of-digital-skills-and-inclusion-in-the-UK_Final.pdf)

4. Communication benefits: basic digital skills can enable people to connect and communicate with family, friends and the community 14% more frequently.
5. Time savings: these relate to the time saved by accessing government services and banking online rather than in person, estimated to be about 30 minutes per transaction.

In terms of earnings and employability benefits, the Industrial Strategy<sup>15</sup> identified Artificial Intelligence and Data as an important challenge and opportunity for creating good quality jobs and driving economic growth. In 2016 it was estimated that within the next 10 to 20 years, 90% of jobs will require some sort of digital skills<sup>16</sup> and in the Lloyds Bank research, half of those online indicated that the internet had helped them find a job<sup>17</sup>. This highlights that the digitally excluded will be increasingly at a disadvantage in the employment market.

### **New Horizons**

Coming back to housing, and to the New Horizons programme. The programme is aimed at the people who are most vulnerable to running up rent arrears, to not managing their debts, to facing the prospect of a downward spiral towards homelessness. Increasing people's digital skills has proved crucial to getting them back on track.

New Horizons provides one-to-one coaching designed to help individuals to manage their money, get closer to the job market, and overcome digital exclusion. We've carried out research to understand the immediate impact of the coaching and most recently with people some time after they finished the coaching, to understand the longer-term impacts. There are a number of areas in which former New Horizons participants noted continued benefits of the coaching over a year after they finished the programme.

Most were no longer in debt, and we know that clearing debt often has a positive impact on people's mental wellbeing.

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<sup>15</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf)

<sup>16</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/499031/Review\\_of\\_Publicly\\_Funded\\_Digital\\_Skills\\_Qualifications\\_2016\\_FINAL.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/499031/Review_of_Publicly_Funded_Digital_Skills_Qualifications_2016_FINAL.pdf)

<sup>17</sup> [https://www.lloydsbank.com/assets/media/pdfs/banking\\_with\\_us/whats-happening/LB-Consumer-Digital-Index-2018-Report.pdf](https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/LB-Consumer-Digital-Index-2018-Report.pdf)



Generally New Horizons had had a positive impact on their mental health. The mental health benefits of the coaching have been shown to be life-changing in some cases. One interviewee credited New Horizons with saving his life, as he felt that his coach had helped him to envisage a better future, and put his life back 'on track'. To quote from an interview:

*"To be honest, as deep as it may sound, I don't think I would still be here if it wasn't for the help that I received from New Horizons. I really don't think I would have made it this far... [It's helped me] massive amounts." – Fergus*

Improvements in their level of confidence was an area in which many former New Horizons participants saw significant benefits. For some interviewees, the programme had given them the confidence to leave their house, or to learn new skills by enrolling in courses. For some, the coaching had left them feeling confident enough to seek out volunteering opportunities or employment.

New Horizons provided participants with valuable moral support at a time in their lives when they really needed it. Some interviewees indicated that their coach helped them to feel better about themselves and their ability to make changes in their lives. Former participants often commented that they never felt judged by their New Horizons coach. They therefore felt able to ask them any questions without feeling 'stupid'. This is a key positive feature of New Horizons, as people often described their fear of feeling judged when accessing other services.

Several former New Horizons participants had continued to use the budgeting advice given to them by their coach. This can help them to keep their finances in order, helping them to avoid overspending where possible. Knowing where and when expenditures are being made can also afford former New Horizons participants peace of mind, and a sense of control over their money.

Most of the former New Horizons participants interviewed for this study were able to get online and had some level of computer skills after taking part in the programme. Many now have access to wi-fi and internet-enabled devices at home. Being online had several benefits for former participants, including:

- Being able to search for better deals online
- Being able to manage finances more easily via online banking
- Having easier access to job-searching facilities



- Being able to easily communicate with friends, family, and support groups (particularly during the coronavirus lockdown)
- Having a confidence boost as a result of learning a new skill, and gaining an improved sense of their own digital capability

'Polly's' case is indicative of the heightened importance which digital means of communication have taken on in 2020 as a result of the coronavirus lockdown and social distancing measures. For those who have access to the internet at home, digital skills can provide an essential lifeline. To quote from an interview:

*"The internet is a lifeline for me. Because I used to drink at the drop of a hat, and to go back to that – so I'm abstinent – to go back to that, you know, I would die. I've been suicidal. So putting a person that has mental health issues like myself into a disconnected state, you know, it really trips me out. So definitely, my ability to feel a certain confidence of using the computer. Yeah, I absolutely had to [learn to use the internet]." – Polly*

### **How do we tackle the digital divide?**

Today is part of the solution and I very much welcome the Cambridgeshire Digital Partnership. We need practical solutions at every spatial scale from national to very local. We need to raise awareness and understanding of the nature of digital exclusion and its consequences.

We need to work together to make sure we don't leave the digitally excluded behind as we become a highly digitised society. We must prioritise the people and places who have, in some cases for many years, been left behind.

Some of this requires more action on the part of national government and needs national investment. The government's ambition to "level up" the nation by providing next-generation fibre broadband to every home by 2025 is a great ambition, but is currently expected to be missed<sup>18</sup>, and the UK is lagging far behind other economies on broadband penetration. Full fibre broadband coverage stands at just 14% across the country as a whole,

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<sup>18</sup> <https://www.smf.co.uk/full-fibre-broadband-for-all-target-at-risk-without-major-reform/>



according to the Social Market Foundation, who warned that the country has a “mountain to climb” to hit the target for universal coverage.

The Internet Access (Children Eligible for Free School Meals) Bill 2019-21, is a Bill to place a duty on the Secretary of State to ensure that all children eligible for free school meals have a broadband connection and facilities to access the internet at home; and for connected purposes. It is a Private Members' Bill and was presented to Parliament on Monday 15 June 2020. The next stage for this Bill, the Second reading, is scheduled to take place on Friday 30 October 2020. Great. But will it be successful, how will it be operationalised, and how long will it take to reach vulnerable children?

And fast broadband alone is not enough to create digital inclusion. There are others, such as the Good Things Foundation, who will speak during this conference about the work they are doing to tackle the digital divide, and who will share with you their thoughts on what needs to change to achieve this.

We need to remember that digital exclusion is a feature of poverty.

**We need to put tackling poverty at the heart of our post-pandemic recovery.** We should make the benefits system less punitive. Increasing benefits, particularly for families, will help to alleviate the worst stresses of poverty, giving people the ‘mental bandwidth’ to tackle learning new skills. On the 30<sup>th</sup> September the Joseph Rowntree Foundation wrote a collective letter to the Chancellor supported by many organisations urging him to make the temporary £20 a week increase to the standard allowance of Universal Credit and Working Tax Credit permanent from April, as well as extend the same uplift to ESA, Income Support and JSA. Their modelling suggests that if the uplift ends as planned in April 2021, 700,000 more people will be pulled into poverty, including 300,000 children, and 500,000 more of those already in poverty will be pushed into deep poverty (more than 50% below the poverty line)<sup>19</sup>.

**We need equal access to the internet across all geographies and social groups.** If access to the internet is a universal entitlement, this means that access cannot be left to the market. National and local government must find ways to ensure that all areas have equal broadband access and that internet access is subsidised or provided free for the households who cannot afford it, and do this quickly.

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<sup>19</sup> <https://www.jrf.org.uk/press/joint-open-letter-chancellor-keep-lifeline>



**We need to raise digital awareness for people who cannot afford the internet, or do not understand its benefits, or are intimidated by a digital world. We need to invest in digital upskilling.** We need to remember the role that libraries, community centres, education settings, volunteers and local digital champions can play in providing digital access, and ensure this support is protected and funded.

**We need to fund more programmes like New Horizons** that seek to tackle the intertwined challenges of digital exclusion, money management, and the skills needed to seek and move into employment.

### **Concluding thoughts**

What we need is more research and more action.

As I said at the beginning, digital exclusion is a new form of social deprivation, exacerbated by existing lines of inequality and poverty, and as the world gets 'smarter', the divide gets wider. What does it mean to live in a Smart City if you are digitally excluded? How do you benefit from the Internet of Things if you cannot afford to access the internet?

And so, as we 'build back better' and build digital, we have an opportunity to take account of the unintended consequences of digitalisation and tackle it now, before it becomes an entrenched part of the already unequal social fabric of the UK.

The pandemic has already changed the way we interact: it looks set to have a lasting effect on the way we communicate. By putting improving digital skills at the heart of post-COVID recovery plans in the UK we have the opportunity to not only boost national productivity, but to improve the lives of millions of households at risk of being left behind in a digital world. By tackling the inequality in digital capabilities, we are future proofing our national skill set and creating resilience against poverty, exclusion and the impact of future pandemics.

Thank you very much and I'm happy to take questions.