GLOBAL DEVELOPMENT NETWORK (GDN)
AI STRATEGY · INCLUSIVE DIGITAL TRANSFORMATION HUB

AI AND DEVELOPMENT IN THE GLOBAL SOUTH

A statement of ambition

STRATEGY
GDN's AI strategy, launched at GDC 2026, Tokyo

LED BY
GDN's Inclusive Digital Transformation Hub

LOOKING AHEAD
First country studies presented at GDC 2027

01 THE AMBITION

AI is already changing how economies, governments and workplaces operate. For low- and middle-income countries (LMICs), the stakes are particularly high. AI could accelerate development, but it could also widen inequality, disrupt established employment pathways and concentrate economic power.

Research is not keeping pace with these developments. Existing evidence is fragmented, drawn largely from a handful of high-income countries, and focused on individual applications rather than wider economic and social change. Policymakers in Dhaka, Cotonou or Lima often draw on evidence from contexts very different from their own. Donors, for their part, have little basis for judging what their AI investments can achieve, or have achieved. Both are making decisions with potentially significant and lasting consequences.

GDN's Inclusive Digital Transformation Hub exists to close this gap. We bring together researchers and institutions across the Global South to produce evidence grounded in local realities, and to put it in front of the people who decide. Counting who adopts AI is the easy part. We want to understand how AI is changing economies and societies, who gains and who loses, when it helps development, and how countries can steer it towards more inclusive and sustainable growth.

02 WHY A GLOBAL SOUTH-CENTRED RESEARCH AGENDA?

Four gaps stand out:

1 ECONOMIC TRANSFORMATION

How will AI affect productivity, employment, firms and growth across very different economic contexts?

2 DISTRIBUTION OF BENEFITS AND RISKS

Who gains, who loses, and how might AI reshape existing inequalities?

3 TECHNOLOGY AND INSTITUTIONS

How do infrastructure, markets, data and public institutions shape what AI does?

4 LOCAL RESEARCH AND POLICY CAPACITY

How can countries generate their own evidence and use it to shape decisions and investment?

This is where GDN can contribute: our international network spans more than 100 low- and middle-income countries. This allows us to examine the same research questions across diverse settings, rather than extrapolating from a handful of advanced economies.

We can connect local institutions, economists, specialists from other disciplines and policymakers around shared questions and methods. Each country team can then interpret its findings within its own context. The aim is to move past isolated pilots and sweeping predictions to a clearer view of what works, for whom and under what conditions.

03
WHERE WE COULD ADD VALUE

The agenda remains open. The five areas below illustrate where GDN's approach could add distinctive value. They are starting points for discussion, not fixed priorities. Each includes an illustrative research question or study.

> *The examples are illustrative; final questions will be set with researchers, policymakers and partners.*

A JOBS, FIRMS AND THE PATH TO GROWTH

Many countries have grown by leveraging lower labour costs, first in manufacturing and later in services such as call centres and software outsourcing. If AI erodes that advantage, what takes its place? Occupation lists built for the United States say little about economies where most work is informal and firms are small, so exposure has to be measured locally. A fiscal question follows: when labour income shrinks or shifts, what happens to the tax bases that pay for health, education and social protection?

Illustration. *A panel following firms and workers in an AI-exposed sector, such as business-process outsourcing, in several countries at once, with local teams using a common instrument.*

B AI IN PRACTICE: FROM APPLICATIONS TO OUTCOMES

Pilot applications of AI in clinics, classrooms, farms and public offices are increasing, with promising early results. Much less is known about what happens once a tool leaves the pilot and meets overstretched staff, patchy connectivity, many languages and tight budgets. Research can follow deployments after launch, ask why the same tool performs differently across settings, and identify what lets good results last or spread.

Illustration. *Following an AI-assisted triage tool in primary health clinics, or an adaptive tutoring programme in schools, across several countries with one evaluation design and teams that know the local institutions.*

C WHO GAINS FROM AI, AND WHO IS LEFT BEHIND

AI may redistribute opportunity along familiar lines (income, gender, region, language) and along new ones, such as whether the models understand you at all. Building on our digital inclusion work, this priority looks at what AI does to people's lives, including those who cannot reach or use it, and not only at who has access.

> **Illustration.** *Extending our inclusivity measurement work from digital identity and payments to AI-mediated public services, so that exclusion becomes visible in the data governments already hold.*

D THE INSTITUTIONS AND MARKET STRUCTURES BEHIND AI

What AI does depends heavily on who controls computing power, data and models, how markets are organised, and how well public institutions can respond. Our work on digital public infrastructure and Open Transaction Networks is a natural starting point: it already asks whether open, interoperable systems keep markets contestable, and the same question applies to AI.

> **Illustration.** *Studying how regulators with limited capacity oversee AI-driven financial services, gig platforms or automated hiring, and what shared infrastructure could help them.*

E AI AND THE MAKING OF KNOWLEDGE

AI is changing who can produce knowledge and how. It may open new opportunities for Southern researchers through cheaper analysis, translation and access to literature, or deepen their dependence on tools, data and computing power controlled elsewhere. We want to know which, and what it means for research quality, skills and participation in global science. These findings will also inform how GDN supports grantees using AI in their research.

> **Illustration.** *Testing, with our own grantees, how AI tools change the speed and quality of social science research, including in local-language settings.*

We expect the list to change as the technology does.

04

HOW WE WORK: RIGOROUS RESEARCH THAT IS LOCALLY GROUNDED AND GLOBALLY RELEVANT

The priorities span different sectors and disciplines but share one objective: credible evidence on how AI affects development and why its outcomes differ.

STEP 1

DEVELOP THEORETICAL FRAMEWORKS AND METHODS

A core group of GDN economists works with senior social scientists from the Global South to build what is missing: frameworks, methods and instruments for measuring economic effects, assessing inclusion, evaluating a specific deployment, or understanding how technology and institutions interact. Researchers from the Global South help shape the research design from the outset. They are not simply handed a finished methodology. The teams conducting the studies contribute directly to developing the tools. Building the instruments is itself training in how to think about and work on AI.

STEP 2

TEST AND REFINE

Research institutions will be selected competitively, based on scientific quality, local expertise and policy relevance. They will adapt the frameworks to their national contexts and test them. Findings feed back into the Theory Unit. Each team works with experienced mentors throughout, from design to analysis.

STEP 3

BUILD REUSABLE TOOLS

Validated methods become reusable toolkits and protocols that donors, governments and other institutions can commission.

METHODS AND DATA	Studies may draw on household and firm surveys, administrative and operational data, experiments and quasi-experimental methods, combining sources where useful rather than relying on one.
COMPARATIVE ANALYSIS	Where feasible, country studies will use comparable methods to examine how AI's effects differ across economic and institutional settings. Common concepts and indicators reveal patterns without losing local context.
POLICY ENGAGEMENT	Policymakers and practitioners help identify questions and interpret findings, so that research feeds into real debates and decisions.

Lasting local capacity

Building local research capacity is as important as generating findings. Because Southern researchers help create the tools and methods, and work with mentors throughout, they build lasting expertise in AI research and not only in running a single study. Each cohort leaves behind teams and institutions better able to study AI on their own terms, so countries can draw on stronger local research expertise as the technology and its consequences evolve.

WHY THIS MODEL MATTERS TO FUNDERS

1. Locally grounded studies that also yield comparative, globally relevant evidence
2. Shared methods, developed by internationally recognised researchers, that make studies comparable and replicable
3. A growing pool of local AI research capacity that donors and governments can call on in the future
4. A direct line to policy. Policymakers help choose and interpret the questions. They do not choose the answers, and scientific independence is protected throughout.

05
WHERE WE GO FROM HERE, AND HOW TO ENGAGE

Tokyo marks the beginning of this process. At GDC 2026, GDN will engage partners on research priorities, funding and initial projects. AI-related concepts emerging from the Co-Creation Labs will contribute practical examples, data and lessons from implementation across sectors.

WHY START AN AI STRATEGY FROM PRACTICAL PROJECTS?

GDN starts from real AI projects because the questions that matter emerge in local contexts and during implementation. In low- and middle-income countries, evidence on AI's effects remains limited, and findings from richer countries are often a poor guide. Following projects beyond the pilot stage helps reveal what works, for whom and under what conditions, including why promising initiatives struggle to scale. The Theory Unit turns recurring questions and lessons into shared research frameworks and methods, building evidence that extends beyond individual projects.

During 2027, GDN aims to establish the Theory Unit's AI research work and launch the first country studies. At GDC 2027, we will present the studies, share any emerging findings and report on progress across projects in the Tokyo Portfolio.

The programme is meant to be a common platform for researchers, governments, development institutions and philanthropic organisations. Partners can come in at different points:

- Funding the Hub as a whole, so it can set its research agenda and mobilise teams around priorities it identifies in-house.
- Funding research on a specific question or sector within the wider agenda.
- Backing the development of methods and reusable research tools.
- Opening access to data, expertise and implementation partners.
- Supporting exchanges between researchers and policymakers, so that evidence gets used.

Partners can support different components of the programme while contributing to a shared research agenda. We seek partners who combine scientific ambition with a clear understanding of countries' and communities' priorities. We want to build a coherent, long-term research programme rather than a collection of disconnected projects.