ADDRESS BY THE EXECUTIVE SECRETARY OF THE ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN (ECLAC), MR. JOSÉ LUIS MACHINEA

at the parallel event

Building Regional Partnerships for the Information Society: Regional Perspectives and Global Dimensions
during the

World Summit of the Information Society
Tunis, 16 November 2005

“LATIN AMERICA AND THE CARIBBEAN: ADVANCING TOWARDS A REGIONAL INFORMATION SOCIETY OPEN TO THE OUTSIDE WORLD”

H.E. P. Kagame, President, Republic of Rwanda,
Mrs. Merwat Tallawy, Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA),
Mr. Kim Hak-Su, Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP),
Mr. Abdouli Janneh, Executive Secretary of the Economic Commission for Africa (ECA),
Dr. Supachai Panichpakdi, Secretary-General of UNCTAD,
Mr. Carlos Afonso, Planning Director, RITS, Brazil,
Representatives of Governments, intergovernmental organizations, non-governmental organizations and civil society,

Ladies and gentlemen:

I would first like to thank the Government of Tunisia for the warm hospitality extended to us, and also express our appreciation to the International Telecommunication Union (ITU) and the organizers of the World Summit of the Information Society for their excellent work in preparing this meeting, which is an opportunity for us to compare the experiences of our regions in the progress towards the information society.

Latin America and the Caribbean is the most unequal region in the world, and this inequality is also expressed on ICT development. But before discussing it, let me give you a brief overview of the situation. Slides 2 and 3 show a brief picture of the socio-economic situation of the region.
With respect to connectivity, significant progress has been achieved. Slide 4 shows that the region is catching up with the developed countries. However, this rapid growth—especially among Internet and computer users—has predominantly been in the richest 20% of the population and also in large and medium-sized businesses.

More complex and difficult challenges are now coming to the fore: the need to ensure access to rural and remote areas, the necessity to reach middle and low income population concentrated in urban areas, and the requirement to reach small and micro businesses.

Experience has shown that depending on the country, around 60% to 80% of the population cannot imitate the pattern of individual consumption seen in developed countries, except in the case of cell phones which are usually prepaid. The tens of thousands of community access centers and Internet cafés that exist in the region attest to this fact. That is why in some countries, 80% of the low income young people that use Internet, do so in schools, community access centers or in Internet cafés.

In terms of electronic government, experience in the region shows that the public sector has an important role to play. Almost all countries have electronic government programs. Slide 5 shows that five countries rank among the top 25 in the world, according to the Web Measure Index of the United Nations Global E-Government Survey, in spite of relatively low income per capita. This phenomenon is not only contributing to State and public policy efficiency and transparency, it also encourages businesses and individuals to hook up to the Internet to obtain valuable information and carry out electronic transactions with the government, facilitating the expansion of electronic markets. This shows that the role of the State is to provide leadership through example, thereby acting as a catalyst for modernization of the economy and society.

Considering ICT development in the private sector, the region has not become a major exporter of hardware, software and Internet services, except in a few countries. Nevertheless, the expansion of the domestic market is fuelling its growth. Meanwhile, ICTs are spreading rapidly to the business sector. Already all large and medium-sized businesses are connected to the Web. Internet access is increasing very rapidly in small businesses, but, as slide 6 shows, the majority of the micro enterprises still lag very far behind.

This is the position in Latin America and the Caribbean. What are the implications? The fundamental conclusion is that public policies for digital development and inclusion must be adopted. This new type of public policy must satisfy three fundamental criteria.

First, since ICT are generic technologies, public policies for digital development and inclusion are cross-cutting and they should include multiple spheres of action such as: access, education, e-government, promotion of ICT industries, and adaptation of the legal and regulatory frameworks to the needs of the information society.

Second, government efforts must be based on international referenced standards, and should be coordinated in order to obtain complementarities and avoid redundant efforts between ministries and government services. Similarly, there is need for cooperation between the public
and private sectors and civil society. This is a fundamental condition for effective and efficient
government policies.

Third, the policy for digital development and inclusion must be based on a high degree of
citizen participation. As this Summit has rightly shown, moving towards information societies is
a multi-stakeholder process. For this reason, participation is vital to boost creativity and social
initiative, not only among enterprises and markets, but also among NGOs and civil society
associations.

Several of the regional commissions –including the Economic Commission for Latin
America and the Caribbean (ECLAC)-- have been supporting regional initiatives and agreements
on the information society. This has involved a great deal of consensus-building, coordination
and technical assistance. ECLAC understands that such efforts must be approached from the
perspective of growth with equity.

Let there be no misunderstanding: new technologies do not automatically generate more
growth and more equity. Without the appropriate institutions and public policies, the
technological gap between large and small enterprises could actually widen, social inequalities
could become more pronounced and the division between large metropolitan regions and the rest
of a country could increase.

To put it very clearly, it is not only a matter of installing more computers and more
fiber-optic cables. It is mainly a question of institutions and public policies that must be based on
major national and regional agreements, and also on international agreements such as those that
will be discussed at the forthcoming ministerial meeting of the World Trade Organization, and
those that are being discussed at this Summit.

Furthermore, ICT can make an important contribution to the process of regional
integration, since they can reduce transaction costs related to intraregional trade, increase the
transparency of each country’s procedures and regulations, support the development of
e-commerce, facilitate the exchange of information and electronic transactions between
governments of the region, and consolidate scientific-technological cooperation networks. In
other words, ICTs are a powerful tool for convergence and integration among countries of the
region.

Once again, this will not be an automatic process or one that is solely determined by
ICTs. Political will is needed, together with public policies, that ensure the convergence of legal
standards and norms, integration of infrastructure that provides a high degree of interoperability,
integrated research and development efforts, as well as the joint promotion of human resource
training.

In this regard, the countries of the region have spent several years building political
consensus in the enabling environment generated by the World Summit on the Information
Society. The most significant landmark was the Rio de Janeiro Commitment and Plan of Action
for the Information Society in Latin America and the Caribbean, eLAC 2007, adopted in June
2005 (slide 8). The existing Plan of Action contains 30 goals, encompassing 70 concrete
initiatives, organized under headings such as access and digital inclusion, capacity-building and knowledge creation, public transparency and efficiency, policy instruments and enabling environment.

The Plan of Action contains several initiatives oriented towards access, e-government development and ICT industry promotion, bearing in mind the diversity of the region. All of these initiatives will be reviewed in El Salvador in 2007, which will lead to new agreements that are expected to extend to 2015.

eLAC 2007 embodies an important consensus on the region’s progress towards digital development and inclusion, including priority actions and the characteristics of the public policies that are required. The eLAC 2007 Plan of Action is of historic significance, as it demonstrates that not only countries of the region are guided by shared values and principles, (slide 9), but also, despite the heterogeneity of situations, they face common public policy challenges and are capable of agreeing a set of initiatives aimed at promoting digital development for growth, equity and democracy.

Mr. Chairman, I should like to conclude my statement with a general reflection.

The digital revolution has produced a convergence of expectations among vast sectors of the society at the global level; such occurrences are rare in the history of humanity. At the same time, however, it should be noted that ICTs will not, of themselves, resolve the challenges of growth, equity, democracy and justice. Admittedly, they open up an extraordinary range of opportunities, but they can only be implemented if the world, the regions and the nations are capable of building appropriate strategies and institutions for development, equal opportunities and citizens’ rights.

Meanwhile, just as physical infrastructure allows us to travel without fear, information infrastructure must also allow us to travel freely in cyberspace, so that we can communicate, express ourselves and carry out our economic and social activities without fear of being robbed, watched or recorded, and without our right to privacy being infringed. Consequently, technical issues relating to networks and digital technologies cannot be separated from public policies or from modalities for institution-building and drafting regulations. They must be oriented towards growth with equity and efficiency and transparency of institutions.

From the perspective of Latin America and the Caribbean, the promises of the Internet will depend on a combination of solid democratic institutions, sound public policies, a climate conducive to innovation and creativity and an active and organized civil society; this is what will disseminate the fruits of growth, generate equal opportunities, extend more transparent markets and promote the development of more democratic states.

Thank you very much.
A perspective from Latin America and the Caribbean

Dr. José Luis Machinea
Executive Secretary
ECLAC
Tunis, 16 November, 2005
Overview of Latin America and the Caribbean

• 32 countries
• 20 million square kilometers
• 541 million (8.5% of world population)
• Almost 5% of world GDP
• 70% of our people live in urban areas
Latin America has 215 million people living in poverty condition

- Low growth over long periods.
- High rates of unemployment and informality.
- The most unequal region in the world.
- Progress in achieving some MDGs (gender equality, malnutrition and child mortality), but ...
- Lagging in others, such as poverty reduction.
## Comparison LAC/OCDE

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Coefficient LAC/OCDE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1998</td>
</tr>
<tr>
<td>Fixed lines per 100 inhabitants</td>
<td>0.20</td>
</tr>
<tr>
<td>Mobiles per 100 inhabitants</td>
<td>0.16</td>
</tr>
<tr>
<td>Internet users per 10,000 inhabitants</td>
<td>0.07</td>
</tr>
</tbody>
</table>

The gap has diminished
In spite of low per capita income, there are LAC countries that are leaders in e-government.
INTERNET ACCESS IN SME: CENTRAL AMERICA (Percentages) (2004)

As bigger the size of firms, higher is the use of Internet.
What are the implications?

- **Public Policies** for digital development and inclusion must be adopted.
- Should include multiple spheres of action: access, education, e-government, ICT industry and legal-regulatory framework.
- Based on international standards.
- Efficient government coordination.
- Citizen participation and consensus building is critical.
eLAC 2007

30 goals, 70 concrete initiatives

- e-government
- Knowledge creation
- Enabling environment
- Capacity Building
- Access
The historical relevance of eLAC 2007

- eLAC 2007 Plan of Action is a historic landmark that reflects important political consensus.
- It demonstrates that countries of the region are guided by shared values and principles.
- Despite the heterogeneity of situations, countries are facing common public policy challenges.
- eLAC 2007 is an agreement on digital development for growth, equity and democracy.