

Remarks by Alicia Bárcena, Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC), at the opening of the fifth Ministerial Conference on the Information Society in Latin America and the Caribbean

Mexico City, 5 August 2015

José Antonio Meade Kuribreña, Secretary of Foreign Affairs of Mexico,

Alejandra Lagunes, Coordinator of the National Digital Strategy of Mexico,

José Clastornik, Executive Director of the Agency of Electronic Government and Information Society Agency of Uruguay (AGESIC),

Ambassador Benedicto Fonseca Filho, Director of the Department of Scientific and Technological Affairs of the Ministry of External Relations of Brazil,

Ambassador Daniel A. Sepúlveda, Deputy Assistant Secretary of State and Coordinator for International Communications and Information Policy, Department of State of the United States,

Zoran Stančič, Deputy Director-General of the Directorate-General for Communications Networks, Content and Technology (DG Connect) of the European Commission,

Fadi Chehadé, President and Chief Executive Officer (CEO) of the Internet Corporation for Assigned Names and Numbers (ICANN),

Kathy Brown, President and CEO of the Internet Society (ISOC),

Ministers and authorities,

Heads of delegation and representatives of the countries of Latin America and the Caribbean,

Observers from international agencies and the private sector,

Civil society organizations and representatives,

Friends,

It is an honour to open the fifth Ministerial Conference on the Information Society in Latin America and the Caribbean. It is moving for me that this meeting is taking place in this magnificent city, in Mexico, my home country, where information technologies intertwine with the roots of history. Here, where our identity hails back to the nation's founders, who made strategic use of the tools available to spread their ideas, portray realities, foster dialogue between cultures and drive dreams of change. In September 1816, Miguel Hidalgo raised the call for a new, Independent Mexico from the court of the Dolores Church. He was heard by just a small handful of citizens, but many more joined the cause of

emancipation on reading his pamphlet *El Despertar Americano*, the blog of the time, whose modest print run of just 2,000 went viral by dint of copying, forwarding and word of mouth. Social networks spreading the word, outside the conventional channels, that a new era had come.

We are living through something similar in the region today.

I would like to thank the Government of Mexico, and in particular the Secretariat of Foreign Affairs, represented here by José Antonio Meade, for the warm welcome extended as host of this Conference, and congratulate them for assuming the chairship of eLAC2018. I extend special congratulations to Alejandra Lagunes, the great architect of the National Digital Strategy of Mexico within the Office of the President of Mexico, who has shown immense commitment and support for this regional initiative, jointly with ECLAC. I also avail myself of this opportunity to commend Alejandra and the Government of Mexico upon the successful conclusion of the Regional Preparatory Meeting for the Internet Governance Forum, which took place here yesterday and the day before and in which many of you were involved. We agreed to organize that meeting back-to-back with the Ministerial Conference precisely in order to tap synergies and strengthen our regional position on the matters which have brought us here today.

I would also like to convey our gratitude to José Clastornik, Executive Director of the Agency of Electronic Government and Information Society Agency of Uruguay (AGESIC), and the Government of Uruguay, whose support and dedicated engagement during Uruguay's chairship have been crucial in this process.

This is a very particular Conference: on the one hand, it marks 10 years of eLAC, the region's digital agenda, a process which ECLAC has been honoured to support as technical secretariat, and, on the other, it is being held in a country which is rolling out a digital strategy aimed at making technology and innovation work for its major development goals. The main pillars of Mexico's strategy are geared towards providing access to information and communications technologies (ICTs) —including broadband and Internet— as a fundamental right.

There can be no doubt that we are experiencing a sweeping revolution marked by rapidly expanding technologies and the convergence of new technologies. At the same time, the region is in the midst of a challenging economic slowdown, with tight fiscal resources requiring innovation and new partnerships between the State, market and society.

Our projections for 2015 show that GDP will expand by just 0.5% this year. This has to do with both external and internal factors.

To tackle the adverse external context, it will be essential to choose carefully among short-term priorities. We believe it is crucial to galvanize both public and private investment—and investment associated with innovation, because there is a proven link between innovation and productivity, investment and the creation of quality jobs. Investment is the bridge between the short and the medium

terms, as well as the engine driving growth and the construction of societies of well-being, in which inequality is overcome through genuine productivity, with more rights-based employment.

In the medium term, this task will take structural change, with a vision for the future and an emphasis on innovation and development to continue driving the knowledge-based economy, in which digital technologies are used intensively as inherent parts of economic, social and environmental action.

We are facing a new model of global economy, and as a region we need to adapt quickly. For the transition, we need to develop the digital ecosystem, improve connectivity within the region, generate the right human capital and build an enabling business environment for investment, innovation and enterprise.

Such the progress of digitization that today the global economy is a digital economy. There is evidence that between 2005 and 2010, the Internet represented between 0.5% and 5.4% of GDP in the developing countries, and between 7% and 21% of GDP in the more advanced economies.

This broader diffusion of digital technologies has fuelled an exponential increase in data generation and in the digital components of economic activities.

Because of its capacity to reduce transaction, marginal and distribution costs, the impact of digitization is shifting from the mere creation of goods and services to adding digital value to goods and services that in principle are not digital, and to the development of platforms for production, exchange and consumption, with disruptive effects on the economy overall.

Over 1,700 applications are downloaded per second from the Internet, resulting in an average of about 60 applications per user in late 2014. In that same second, over 44,000 Google searches and over 1,700 Skype calls are made; over 2 million e-mails are sent, over 300,000 IP messages are transmitted over WhatsApp, and over 8,500 tweets are sent; more than 1,800 publications appear in Tumblr and 50,000 in Facebook; over 1,900 photos are uploaded and over 98,000 videos are watched on YouTube and 655 hours of video on Netflix.

Thus, the countries' ability to develop the digital economy is having a direct impact on their growth. The wealthiest countries with more mature ecosystems, in which public and private investment encourages digital innovation in industrial and organizational processes, are the ones obtaining productivity and competitiveness gains.

The combined use of broadband, cloud computing, the Internet of Things and big data analytics, is giving rise to a new digital revolution, which is transforming markets, industries and value chains. Although the Internet has thus far been mainly a platform for consumption, the development of the Internet industry creates platforms not only for new business models, but also for new models for industry in all sectors of the economy, from agriculture to manufacturing and services. This is why we need to make the shift from the Internet of consumption to the industrial Internet, as we discuss in the position paper I will be presenting at the next session. Big data and real-time information create value

at each link of the value chain and in industrial activities. The value lies in the application of smart solutions that link the physical and digital worlds.

The impact of this revolution is not confined to business but is also a tool for innovation in service provision and timely decision-making in social and government domains.

This is why it is time to rethink and address issues facing the region's countries, using homegrown digital-era solutions.

In times like ours, when conventional policy encounters serious difficulties, when the link with the citizenry seems eroded and the notion of representation is challenged, what could be more welcome than ways of obtaining better information on issues that affect the common interest and underpin collective action? This is fertile ground for revitalizing good policymaking—for crafting policies not made with a view to the regular ballot box. Policymaking born of commitment and day-to-day engagement by citizens who are increasingly connected and informed. The idea is to build solidary societies free of the culture of privileges, and develop instead a culture of rights.

For this, we need active policies to close existing gaps and prevent inequity in digital resources from generating yet more inequality.

Friends, let me be clear: in our region, access to Internet—like the great majority of goods and services—is still highly unequal between the richest and poorest households.

We have made progress, to be sure.

Mobile broadband is more widespread in the region than fixed broadband, owing to the large range of accessible mobile devices and the greater coverage of mobile networks. In 2013, the penetration of mobile broadband in the countries of the Organization for Economic Cooperation and Development (OECD) averaged 79% and fixed broadband, 29%; for Latin America the figures were 30% and 9%, respectively. The number of Internet users doubled in a decade and now represents over 50% of the population.

But the number of households with access to Internet in the richest households in Argentina, the Bolivarian Republic of Venezuela, Brazil, Colombia and Uruguay was over five times the number in these countries' poorest households. In Ecuador and the Plurinational State of Bolivia, the access rate of the richest households was 14 times the access rate of the poorest households, and in Paraguay and Peru, the multiple was more than 50.

For a number of years, ECLAC has been advancing proposals and possible means to put equality at the centre of the development agenda, with knowledge- and technology-intensive structural change as the path towards achieving it, and policy as the instrument for making this happen, in the framework of a new equation between the State, the market and society.

Diversification towards sectors of the economy with medium and high levels of knowledge intensity is needed to create more productive jobs. This has been achieved by the most successful developing countries, which have managed to keep both productivity and employment growing at high rates.

This is not happening in Latin America. Jobs are being created in low-productivity activities (generally low-skilled personal services), which undermines productivity growth in the economy as a whole. This is another “empty box” in the region: there are few examples of sustained growth in productivity and employment over time.

Around 2010, in Latin America’s most heterogeneous economies, over 60% of the total workforce was employed in the least productive sectors, compared with about 32% in the Republic of Korea, for example. Information and communication technologies, new materials, biotechnology and nanotechnology are the forces that are transforming the production system.

Convergence can be achieved between these technologies and inclusion and environmental objectives, as several successful experiences have shown. Although these experiences are still at a very local scale, they demonstrate the viability of new technology pathways in parts of the production apparatus, in the organization of cities, or in the provision of services to low-income sectors.

Policies on industry and technology should be strategically guided by the need to combine new technological paradigms with a shift in growth patterns towards sustainable and inclusive economies. Policies forged in this manner would enjoy great legitimacy not only within countries, but also internationally, in a world in which the effects of climate change and environmental degradation are increasingly evident.

The region also needs a stronger voice in the discussions on the global standards leading to interoperability between systems, machines and objects, updated regulatory frameworks and, in particular, data flows, protection of intellectual property rights and data privacy and security, if we are to build trust in these technologies. These issues are being discussed intensively by the advanced economies and should be tackled regionally, as well.

Breaking into the digital economy means scalability, which, in turn, needs efforts to set up a regional digital market. Different regulations and normative frameworks create frictions that make it hard to tap the cross-border synergies that a standardized institutional and normative framework would help to achieve.

This meeting of the Ministerial Conference, 10 years into the eLAC process that began with the support of the European Union and has now taken on a life of its own in the region, has guided policymaking for the information society and provided a platform for political, technical and cooperation discussions, generating shared spaces to drive new development paradigms promoting economic growth and social inclusion based on the uptake of ICT in the region.

In the next few days you will agree upon the digital agenda (eLAC2018) that will demonstrate the relevance, importance and maturity of digital affairs in the development agendas of the region’s

countries. This platform for stakeholder dialogue is a unique forum, in which Latin America and the Caribbean may launch efforts to raise awareness of the need for greater regional coordination to pave the way for a regional digital market with harmonized regulations, integrated connectivity, better circulation of digital goods and services, and stronger institutional governance.

In its capacity as technical secretariat, ECLAC stands by its commitment to continue supporting the eLAC process in Latin America and the Caribbean. We also stand firm in our commitment to support the countries of the region in implementing the 2030 development agenda which was adopted in principle last Sunday and will be ratified by Heads of State in September 2015. This new development agenda, entitled, *Transforming our world: The 2030 agenda for sustainable development*, integrates the economic, social and environmental dimensions in the sustainable development goals (SDG). The digital and data revolutions under way—one of the world’s greatest ever paradigm shifts— must contribute to building a new regional vision of sustainable development, one that is truly transformative and brings value to decision-making, in the framework of a new equation between the State, market and society. But, most especially, our regional vision must measure up to the task of “leaving no one behind”.

Thank you very much.