Economic Commission for Latin America and the Caribbean

Information Society Programme (DDPE, ECLAC, United Nations)

Latin American and Caribbean Information Societies:

Challenges and Opportunities for a Developing Region

Lunch Talk at Columbia Institute for Tele-Information

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@LIS EUROPEAID CO-OPERATION OFFICE

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eReadiness of Latin America and the Caribbean

as percentage of world leading region

Occupying the middle field

Region/ eReadiness Index	High income: OECD	High income: non OECD	Europe & Central Asia	Latin America & Caribbean	East Asia & Pacific	Middle East & North Africa	South Asia	Sub Saharan Africa	LAC rank among developing regions
ArCo	1.00	0.69	0.60	0.49	0.35	0.42	0.25	0.22	2
DAI	1.00	0.84	0.61	0.61	0.43	0.48	0.36	0.25	2
DOI	0.97	1.00	0.64	0.52	0.53	0.52	0.39	0.39	3
EIU	1.00	0.87	0.60	0.60	0.51	0.42	0.46	0.57	1
HDI	1.00	0.93	0.83	0.82	0.73	0.73	0.64	0.51	2
IKS	1.00	0.94	0.77	0.69	0.72	0.65		0.40	3
KEI	1.00	0.77	0.62	0.49	0.43	0.38	0.25	0.23	2
MDG	1.00	0.75	0.36	0.29	0.13	0.15	0.05	0.05	2
NRI	1.00	0.88	0.36	0.19	0.50	0.43	0.25	0.14	5
Orbicom	1.00	0.68	0.44	0.36	0.22	0.23	0.11	0.12	2
TAI	1.00	0.83	0.72	0.50	0.53	0.41	0.28	0.26	3
UNCTAD	1.00	0.79	0.48	0.47	0.39	0.39	0.37	0.31	2
UNPAN	1.00	0.63	0.62	0.57	0.37	0.39	0.37	0.30	2
AVERAGE	**0.998**	**0.824**	**0.595**	**0.521**	**0.456**	**0.442**	**0.324**	**0.294**	**2.3**

Source: ECLAC, 2006, Michael Minges, Evaluation of eReadiness Indices in Latin America and the Caribbean, www.eclac.org/SocInfo .

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eReadiness of LAC Sub-regions

as percentage of LAC region

Neighboring Southern Cone and Andean at the two ends

Region/ Index	LAC	South Cone	Caribbean	Central	Andean
ArCo	1	1.19	0.91	0.97	1.03
DAI	1	1.11	1.07	0.85	0.93
DOI	1	1.12		1.09	0.88
EIU	1	1.13	1.01	1.10	0.87
IKS	1	1.02	0.82	1.11	0.91
KEI	1	1.26	0.93	0.91	0.89
NRI	1	1.62	1.74	0.69	0.31
Orbicom	1	1.35	0.99	0.84	0.88
TAI	1	1.14	0.97	1.00	0.93
UNCTAD	1	1.14	1.03	0.90	0.90
UNPAN	1	1.28	0.91	0.95	1.07
WBICT	1	1.11	0.94	0.97	0.98
HDI	1	1.06	1.00	0.96	0.97
AVERAGE	**1**	**1.19**	**1.03**	**0.95**	**0.89**

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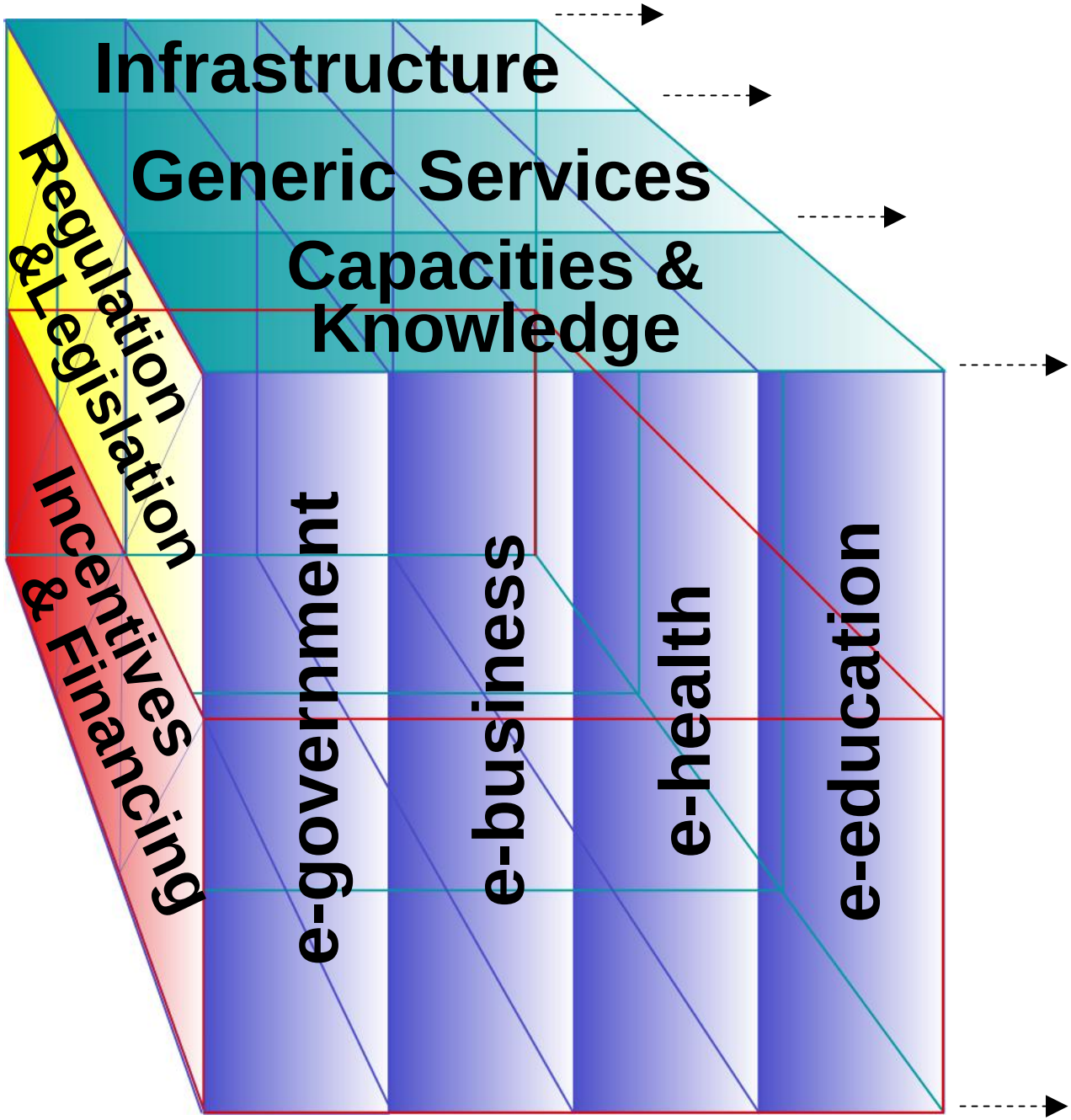
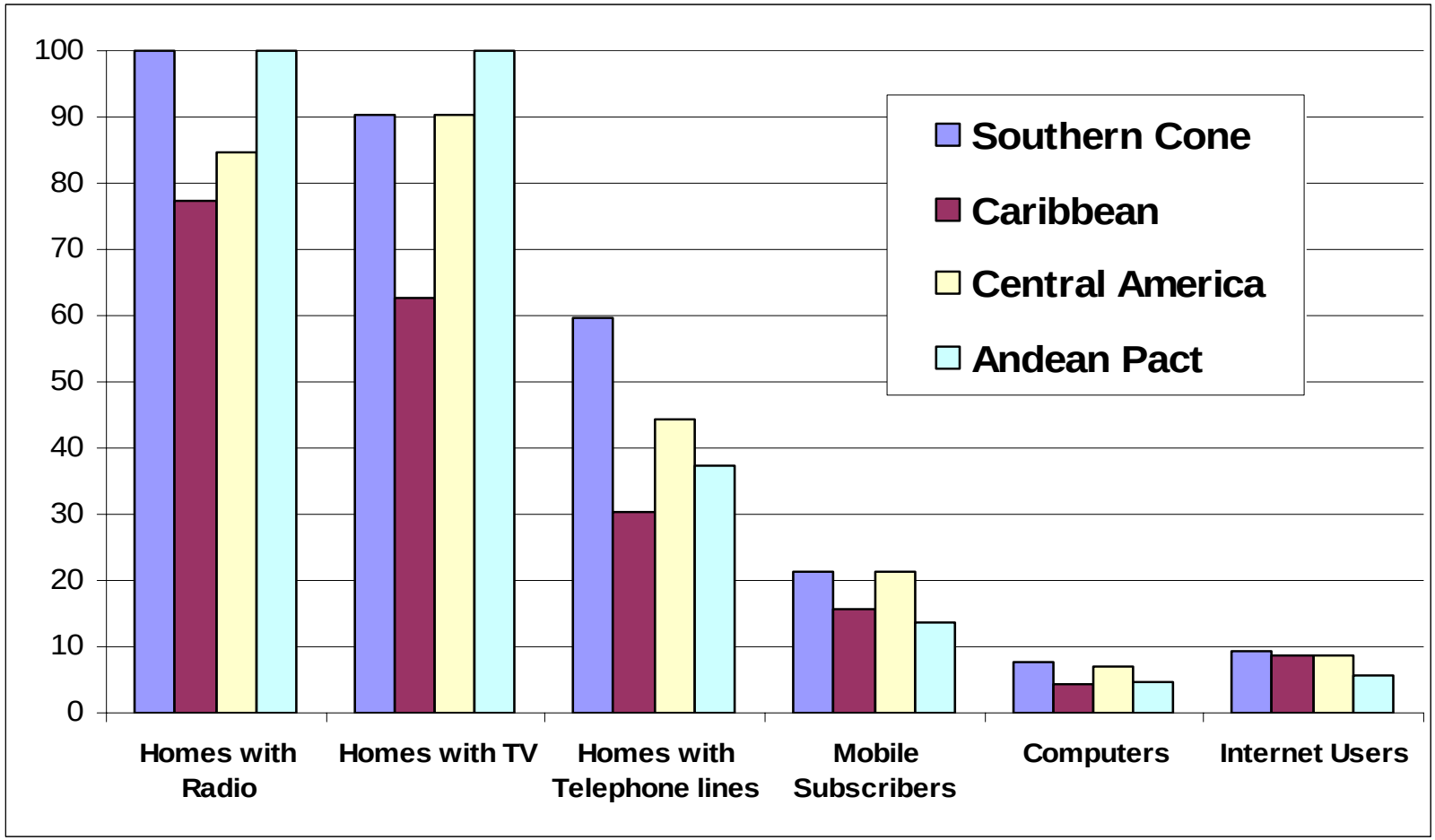
Source: ECLAC, 2006, Michael Minges, Evaluation of eReadiness Indices in Latin America and the Caribbean, www.eclac.org/SocInfo .



Source: Hilbert, Martin, ECLAC, 2002.

Infrastructure

Penetration of traditional and digital communication technologies, per 100 inhabitants, 2004



Almost universal radio and TV access, very low digital ICT penetration

Source: ITU, 2005, World Telecommunications Database

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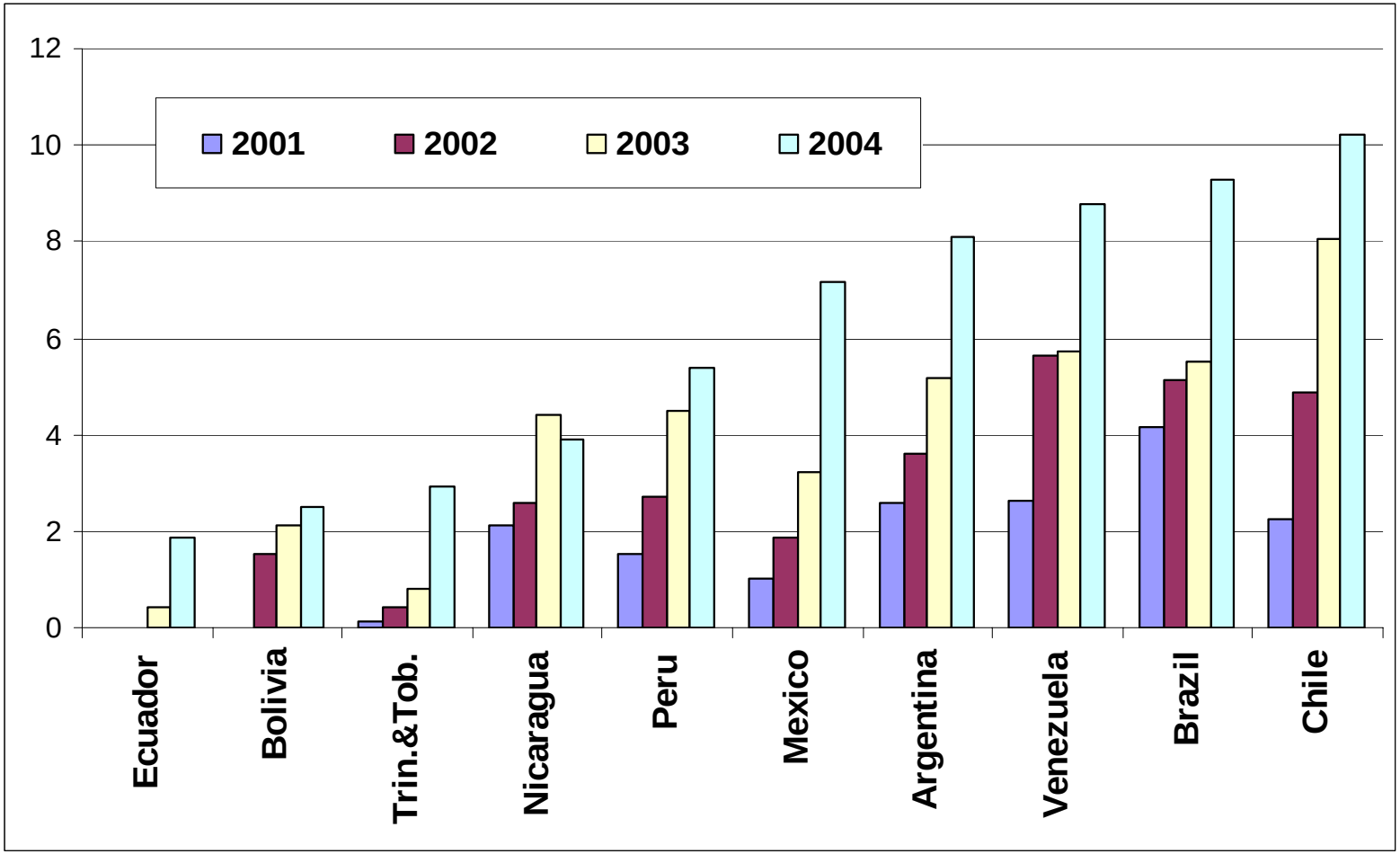
Generic Services

Broadband (cable modem, DSL, ISDN) as % of Internet users



Very incipient, but rapidly growing broadband penetration

Source: ITU, 2005, World Telecommunications Database.

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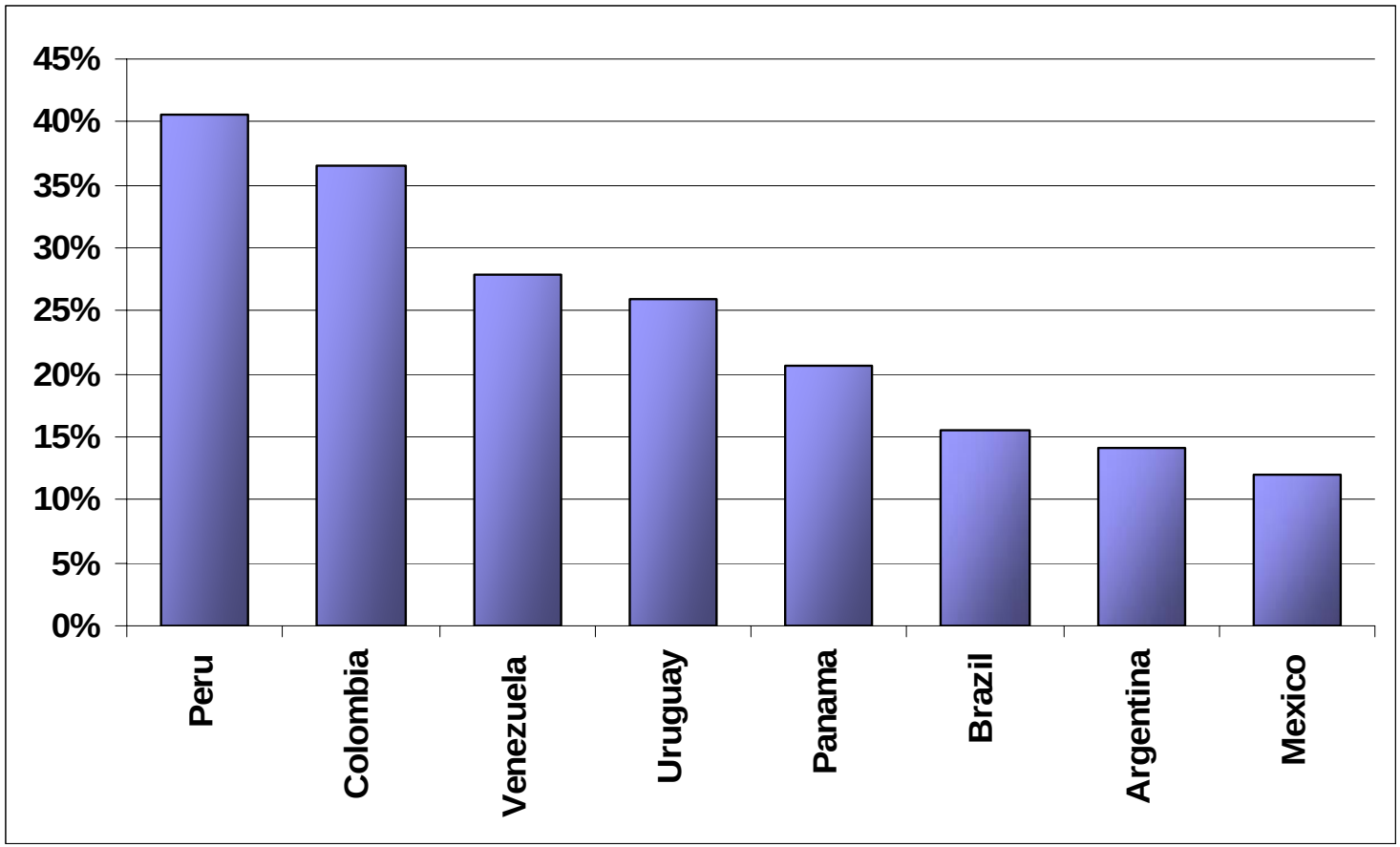
Generic Services

Proportion of monthly broadband tariff (256Kb/s)

as % of monthly income p.c., 2005



Only affordable for the richest part of society

Source: OSILAC, ECLAC, based on commercial tariffs December, 2005.

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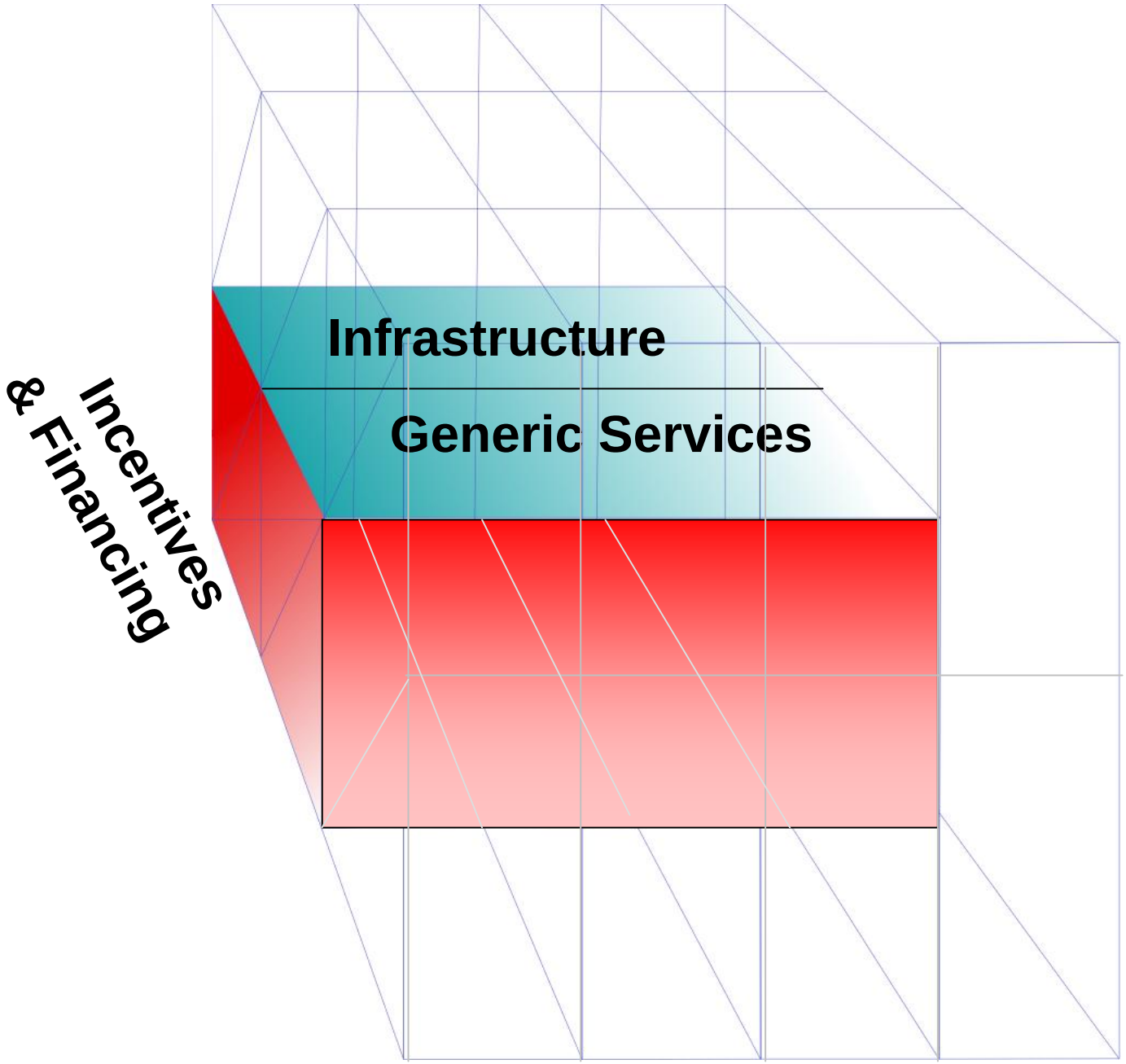


Source: Hilbert, Martin, ECLAC, 2002.

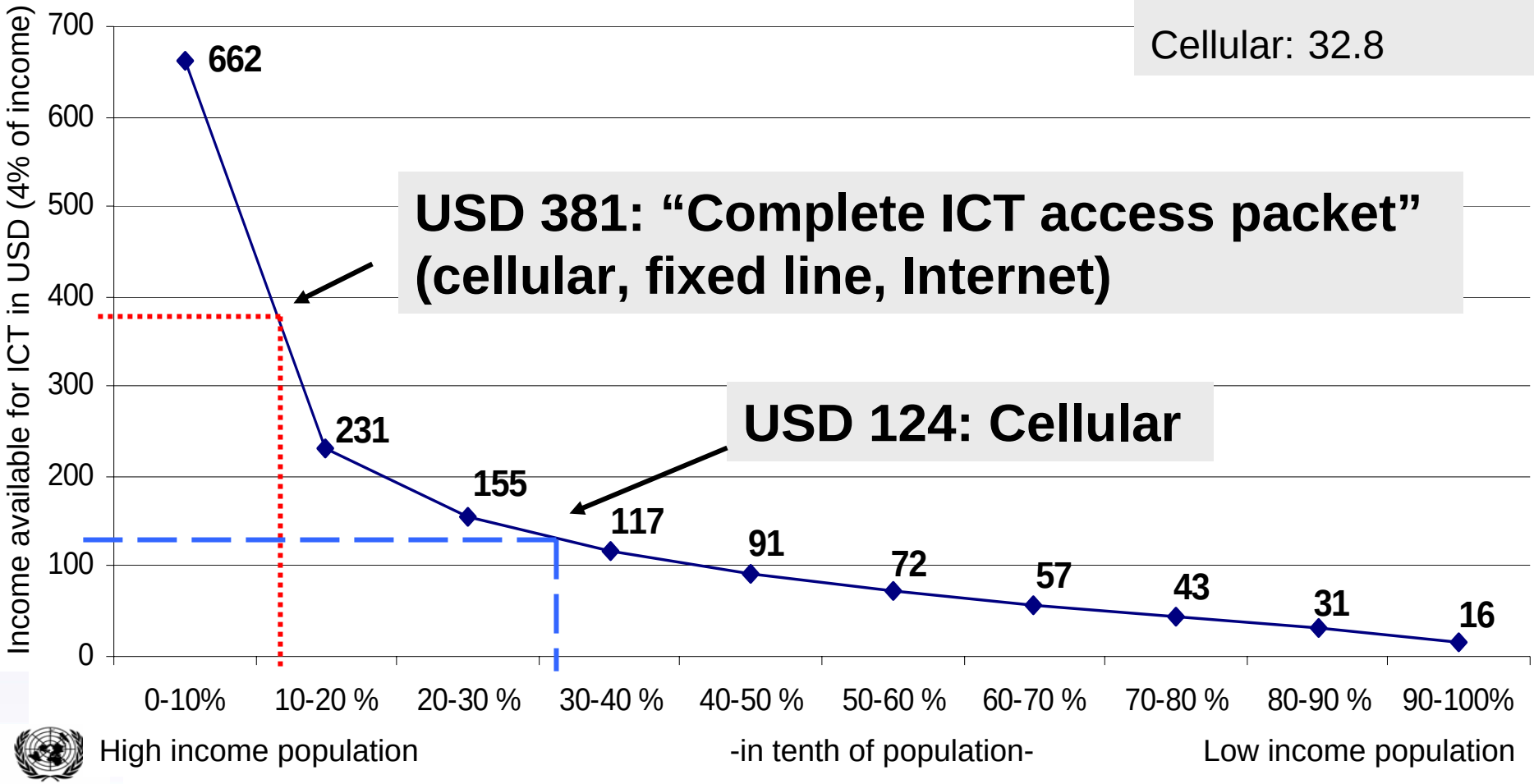
Incentives and Financing

Available resources for ICT expenditures per year in USD, per income segment, Latin America, 2004

Penetration 2004

Internet: 11.5

Cellular: 32.8



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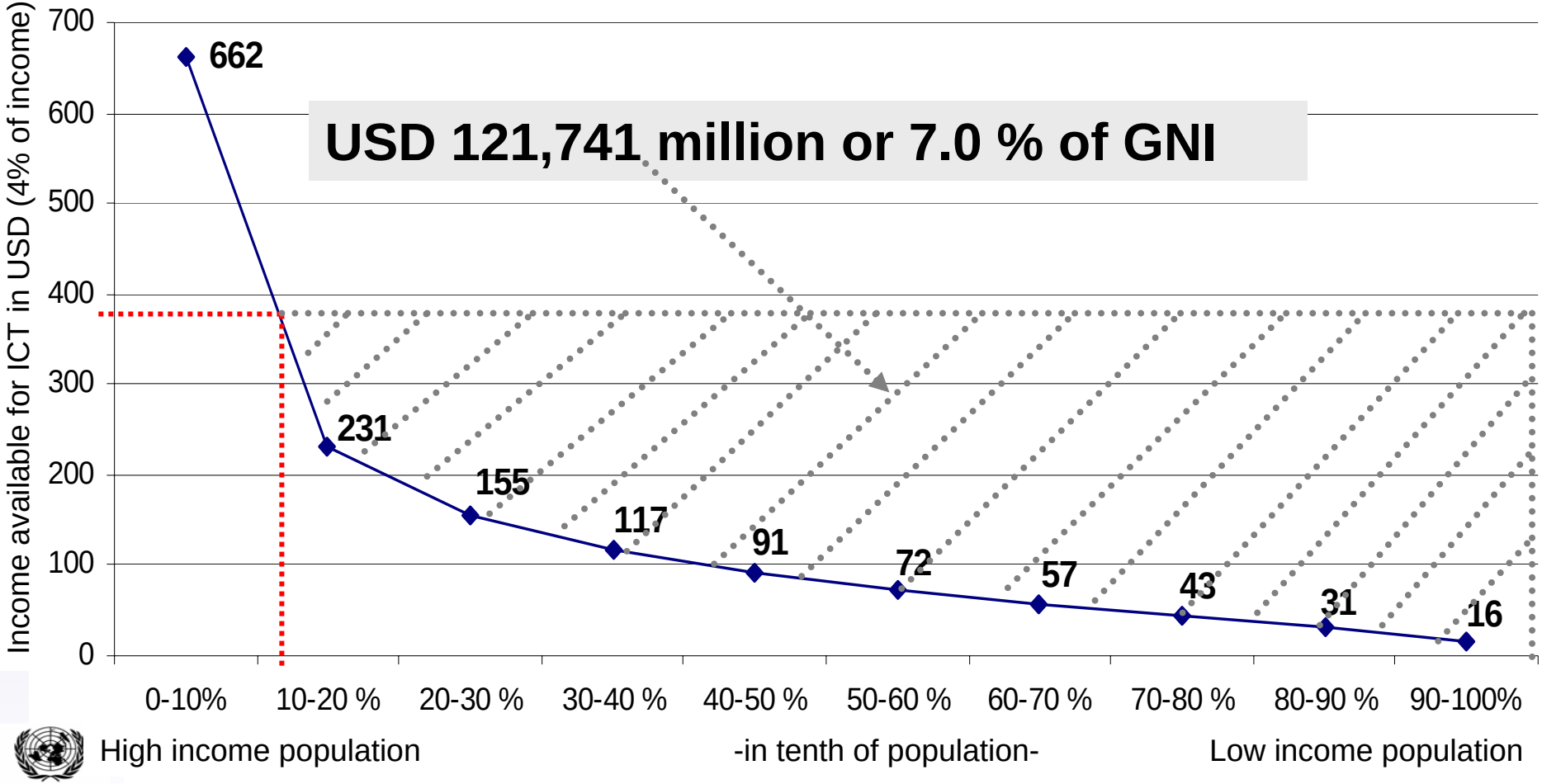
Source: Martin Hilbert, unpublished, based on ECLAC and ITU, 2006.

Incentives and Financing

Available resources for ICT expenditures per year in USD, per income segment, Latin America, 2004

=> Cutting cost or subsidizing?

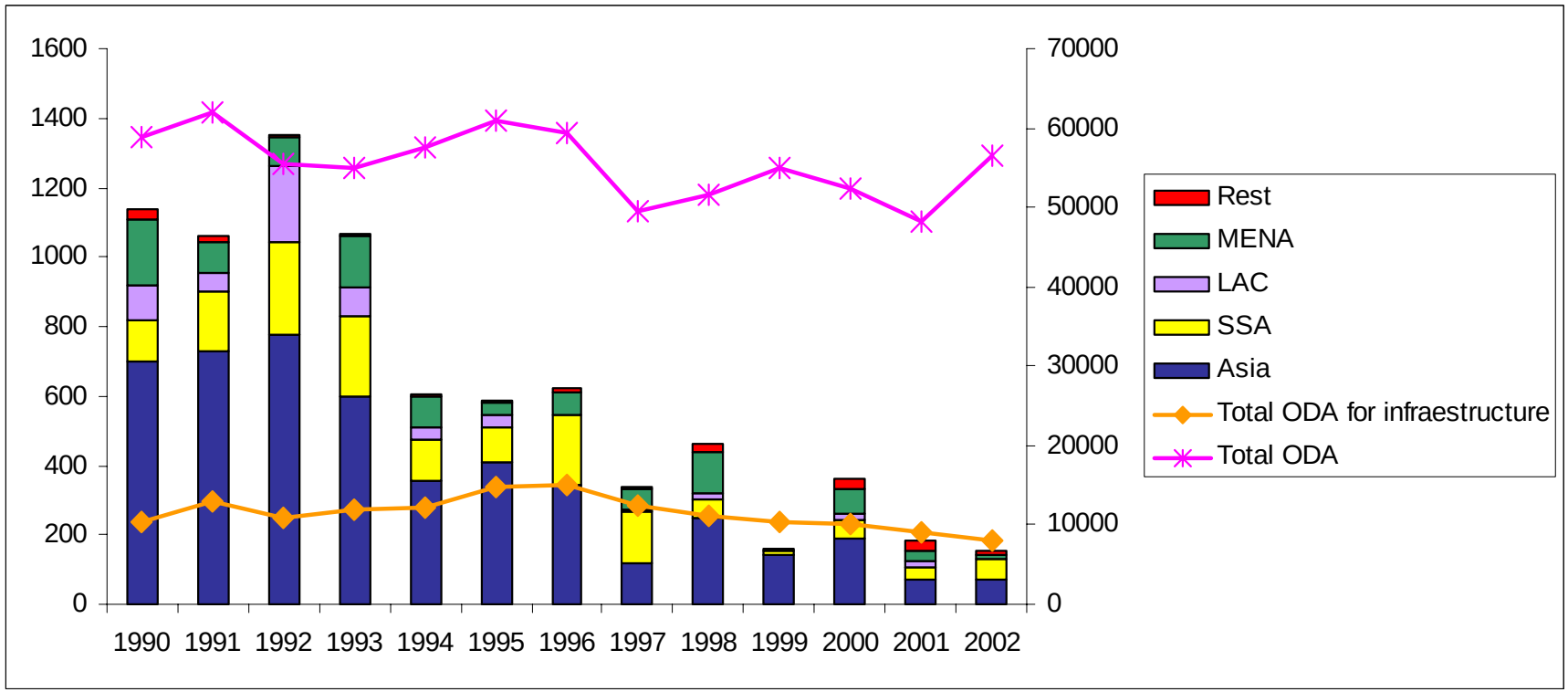


Source: Martin Hilbert, unpublished, based on ECLAC and ITU, 2006.

Incentives and Financing

Tendencies in bilateral Official Development Assistance (ODA)

General infrastructure vs. ICT



ICT is not anymore considered as a public infrastructure deserving public support

Source: Development Assistance Committee (DAC), Financing ICTs for Development, Efforts of DAC Members, OECD, 2005.

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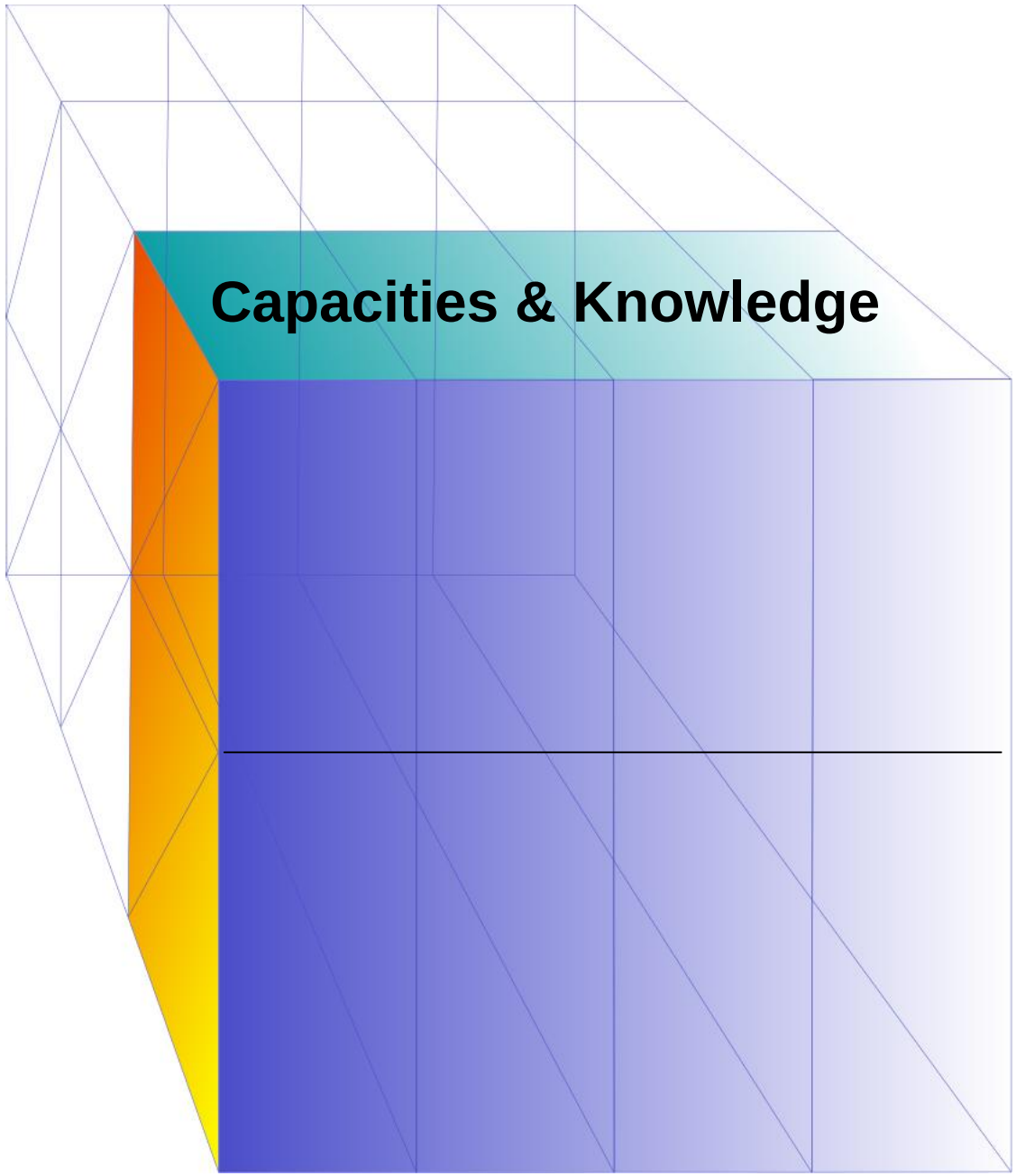
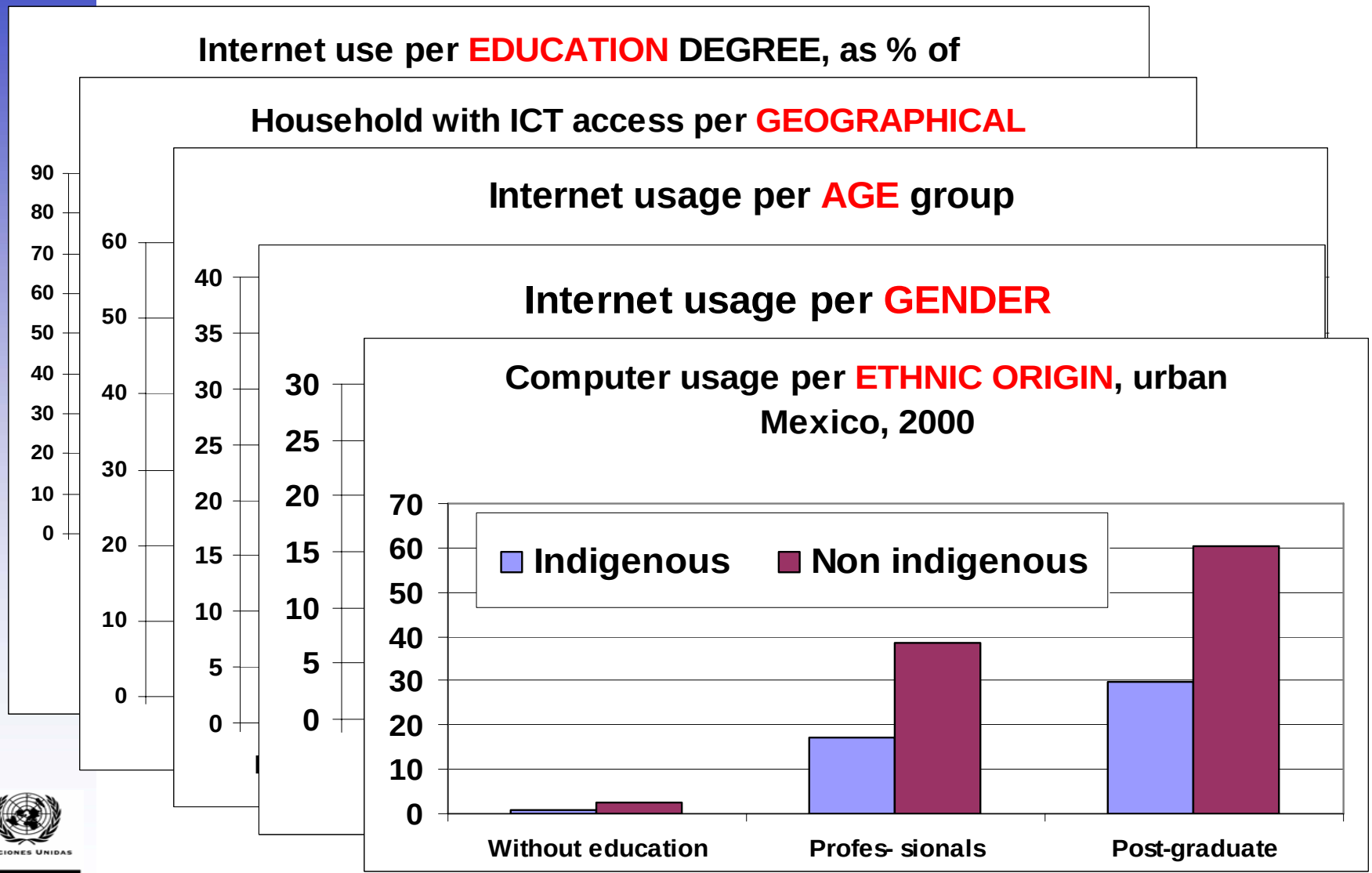


Source: Hilbert, Martin, ECLAC, 2002.

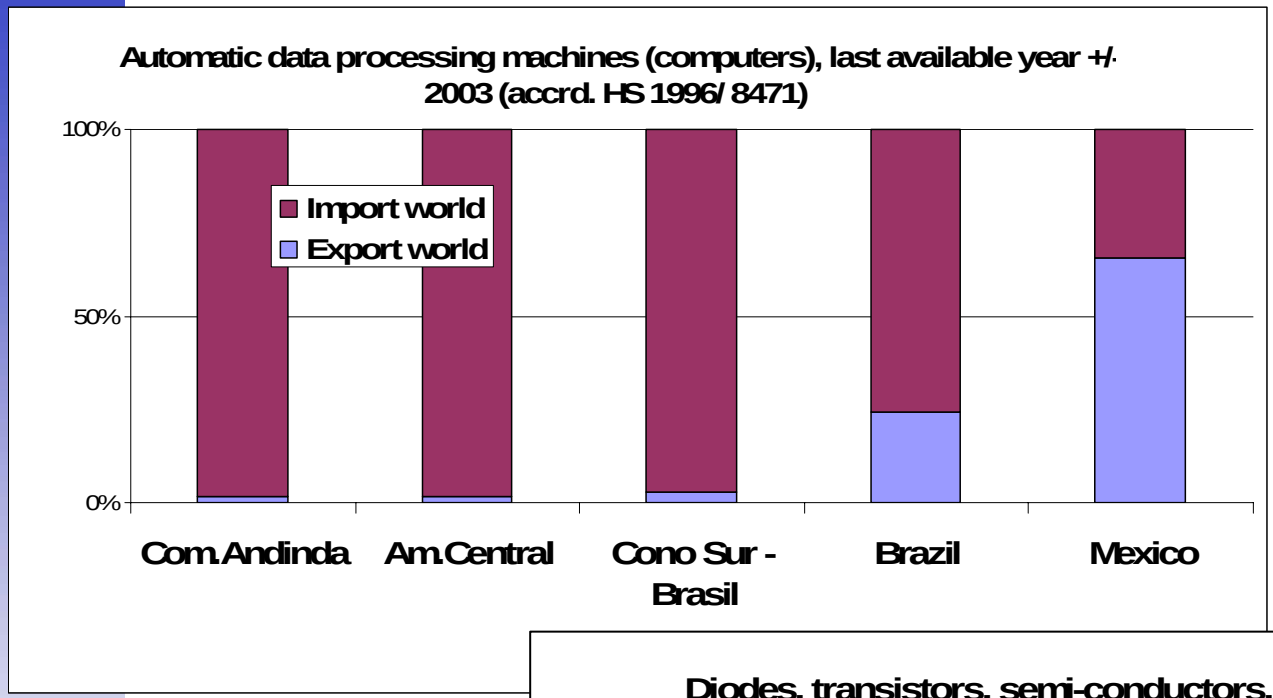
From Infra & Generic Services to Capacities

Five additional dimensions of the digital divide, beyond income



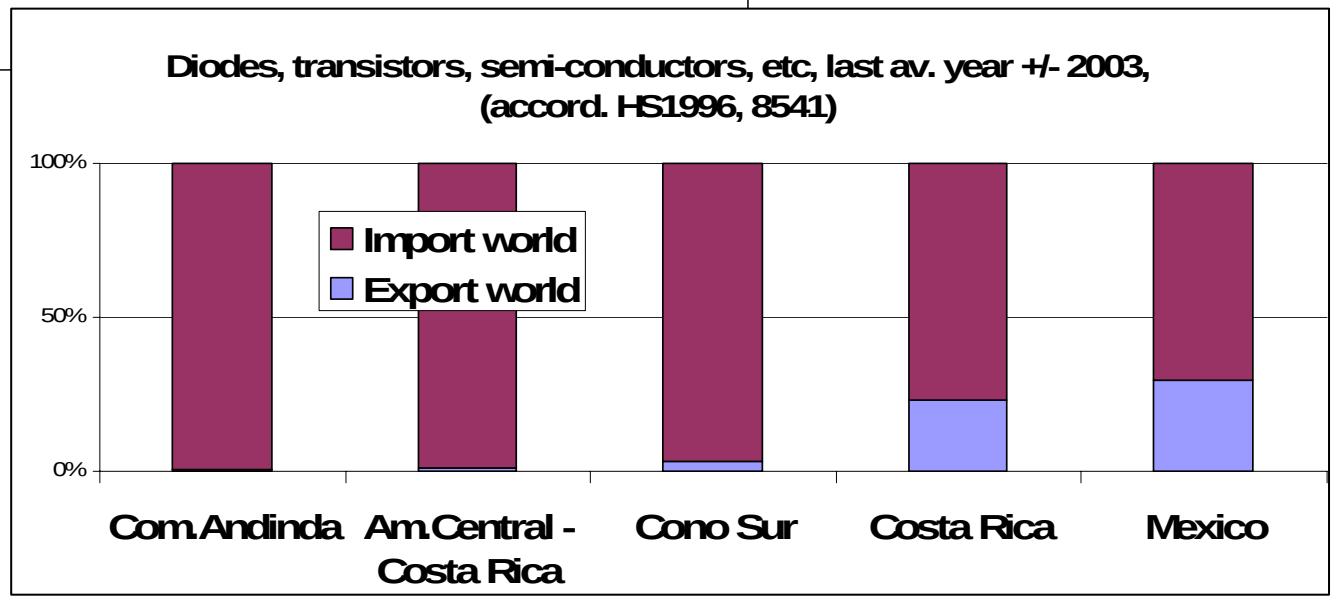
Source: OSILAC, own calculations, based on: Mexico, INEGI 2004; Colombia, National survey of Culture 2002; Argentina, Irol D'Alessio 2003; T&T, NECS 2003; Chile, University of Chile 2000, Dom.Rep., ONE 2005; Brazil, NIC 2005.

Capacities and knowledge

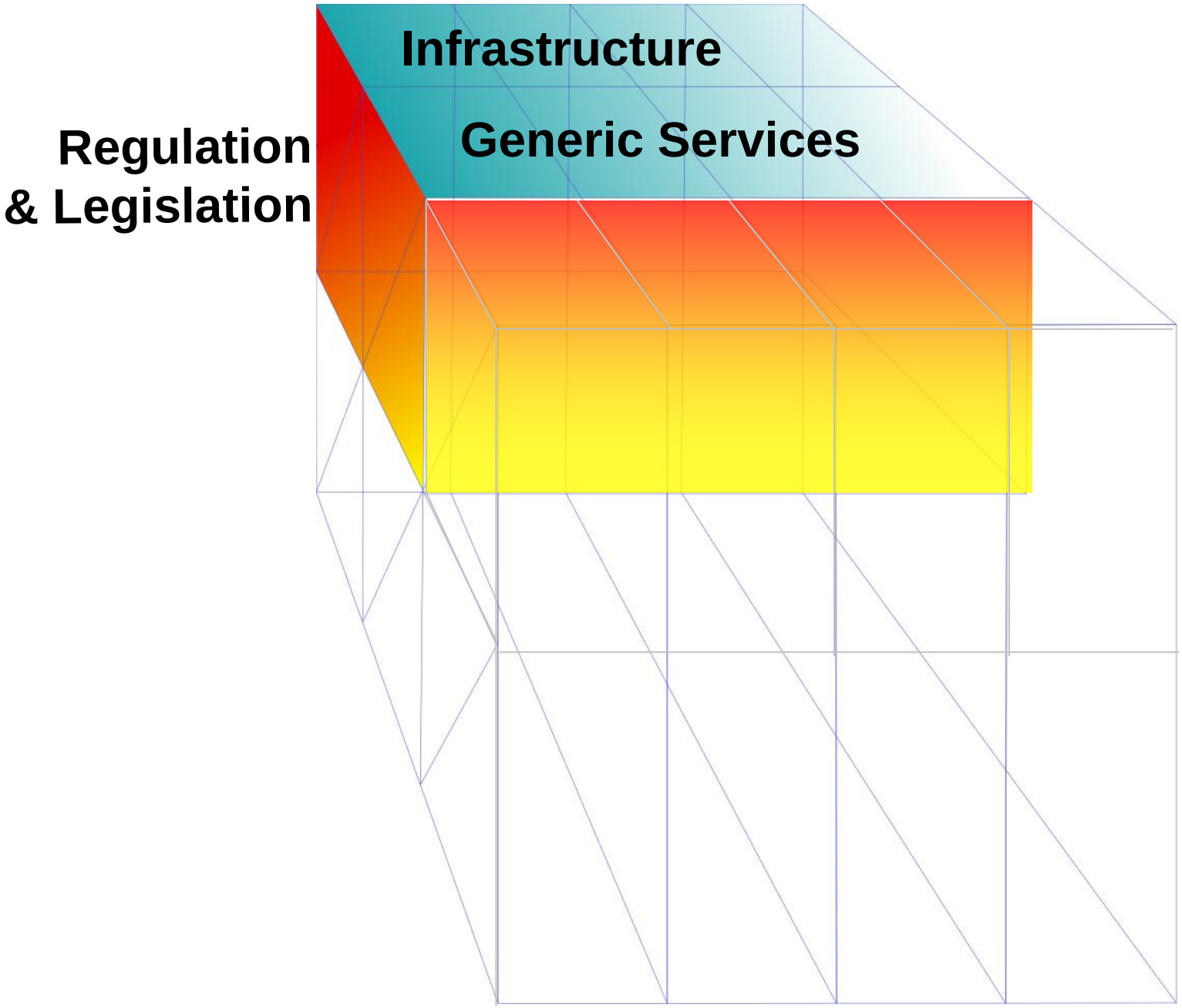


Technology import vs. export

Technological trajectories are almost completely exogenous factors for the region.



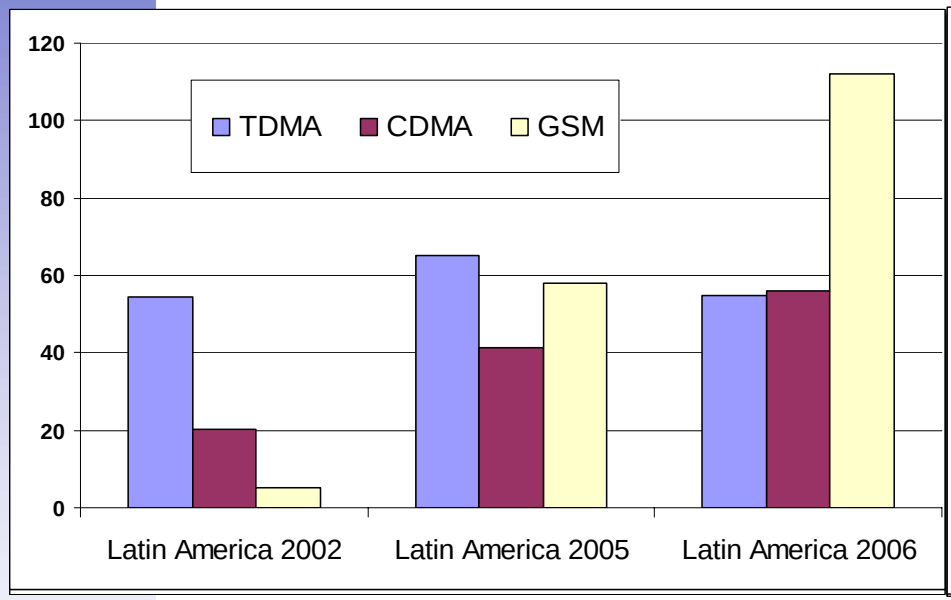
Source: United Nations COMTRADE, 2005.

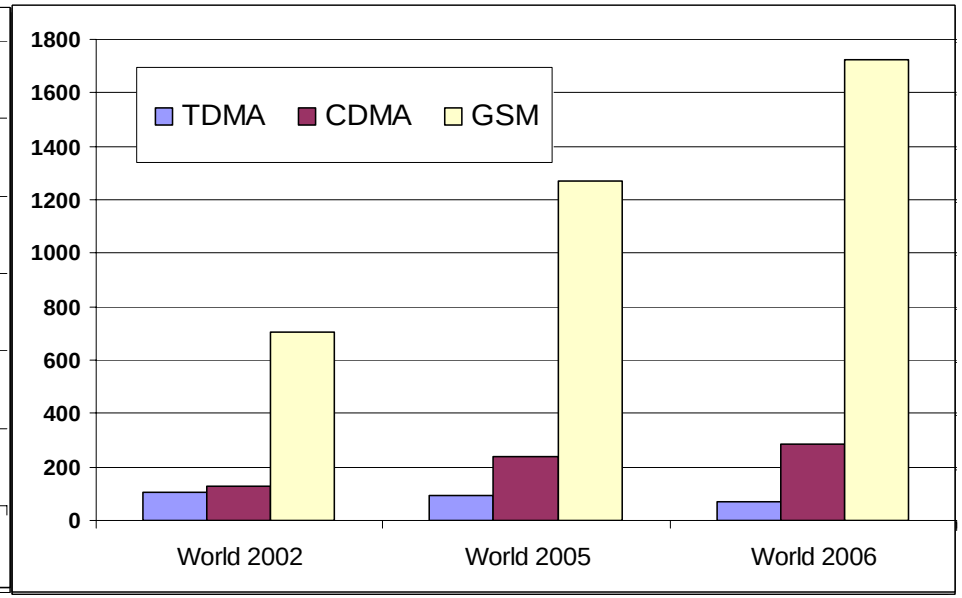


Source: Hilbert, Martin, ECLAC, 2002.

Regulation and Legislation

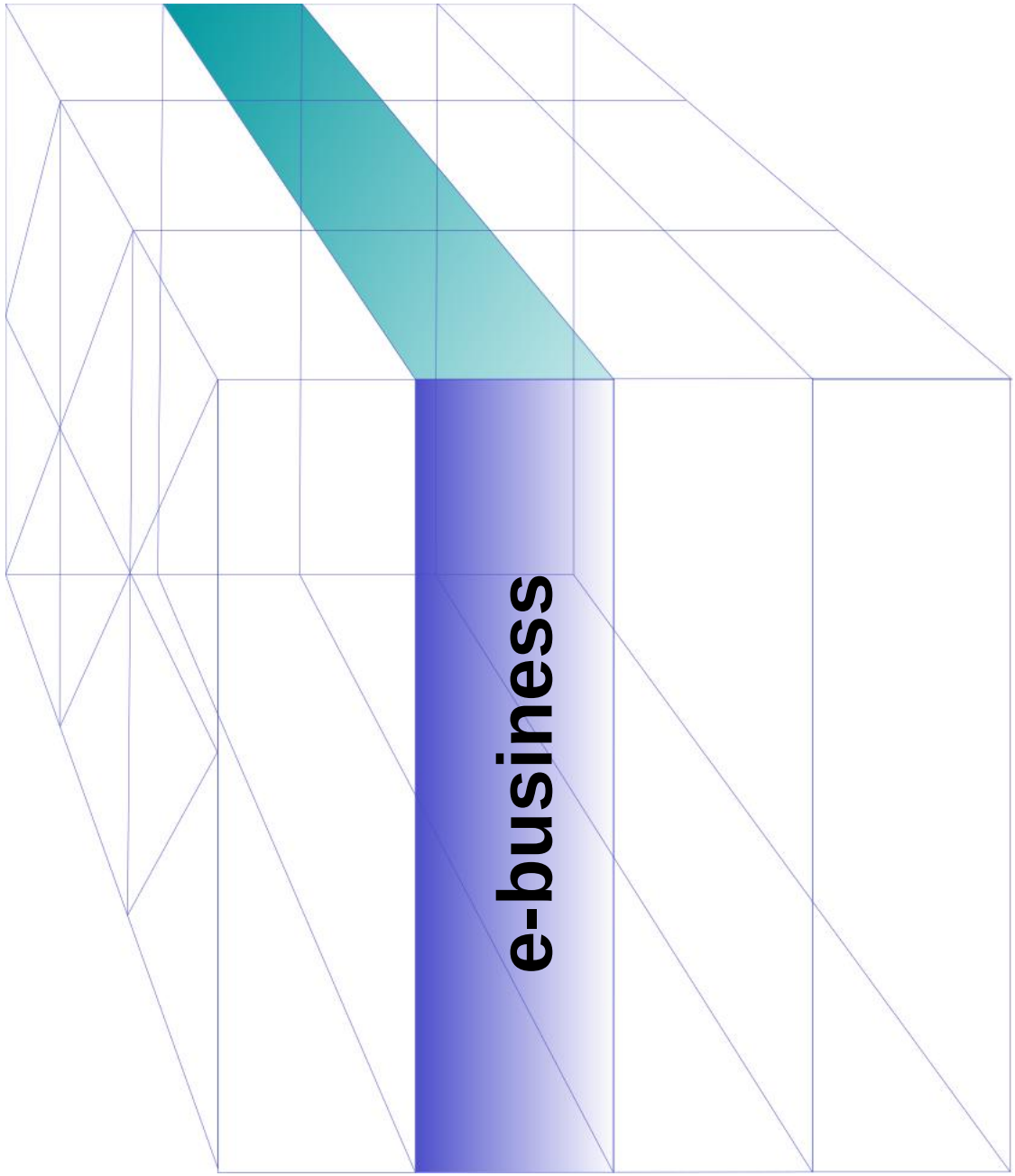
Cellular subscribers in millions by technology, January of each year





Political decisions that introduce the technology are endogenous to their institutional and socio-economic environment

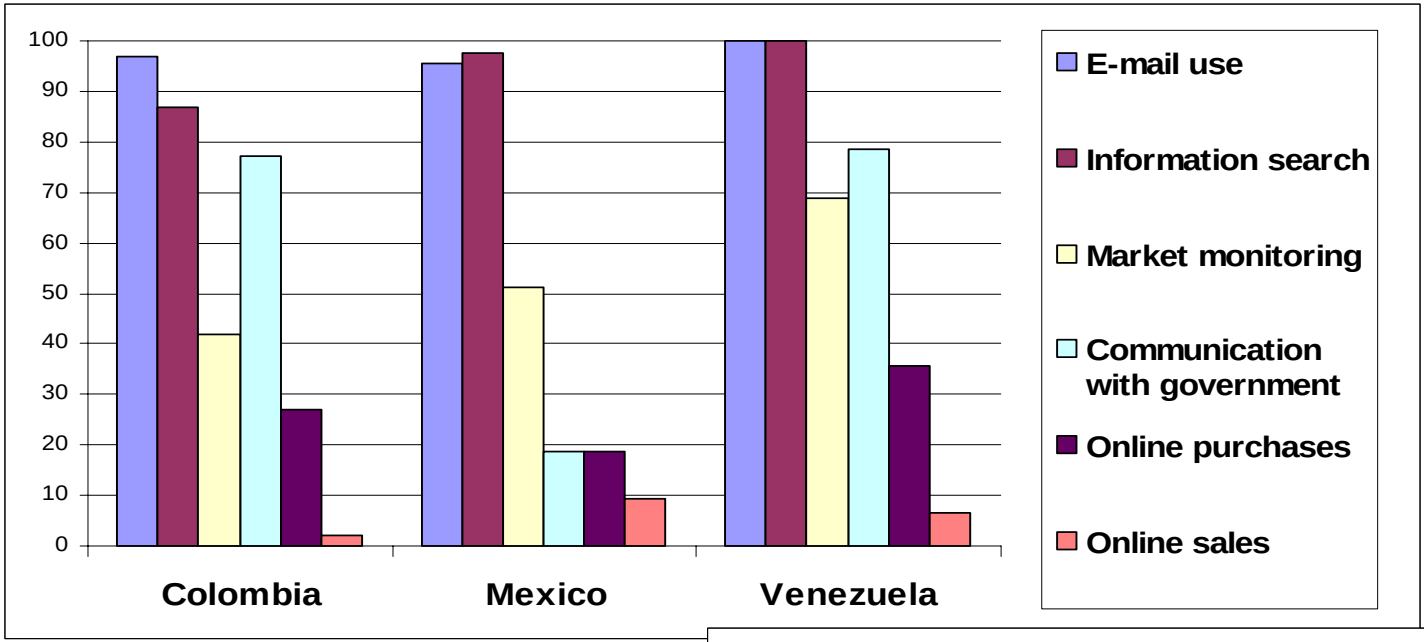
Source: 3G Americas, www.3gamericas.org, 2002, 2005, 2006.



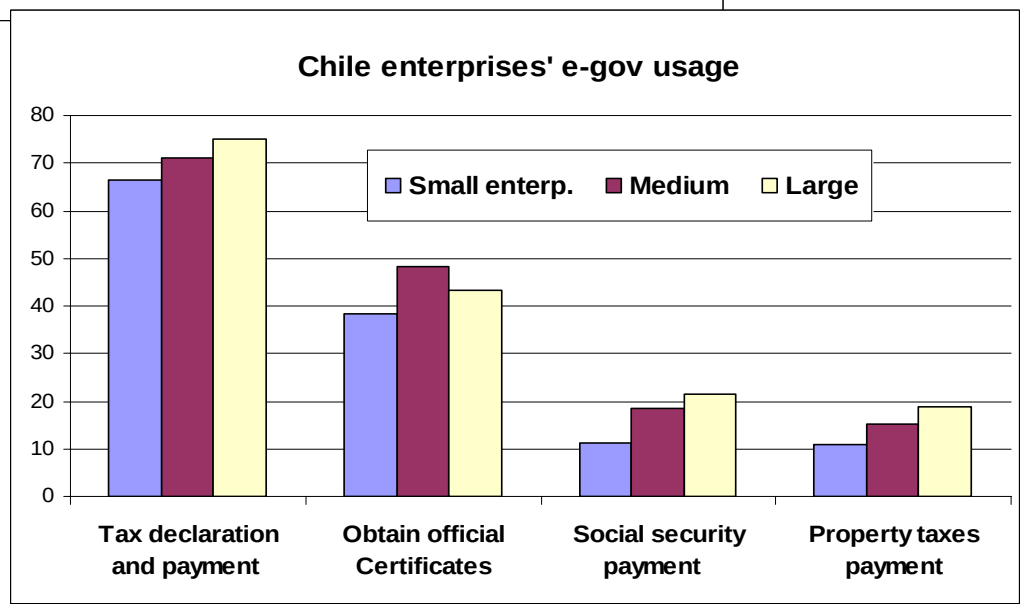
Source: Hilbert, Martin, ECLAC, 2002.

e-business

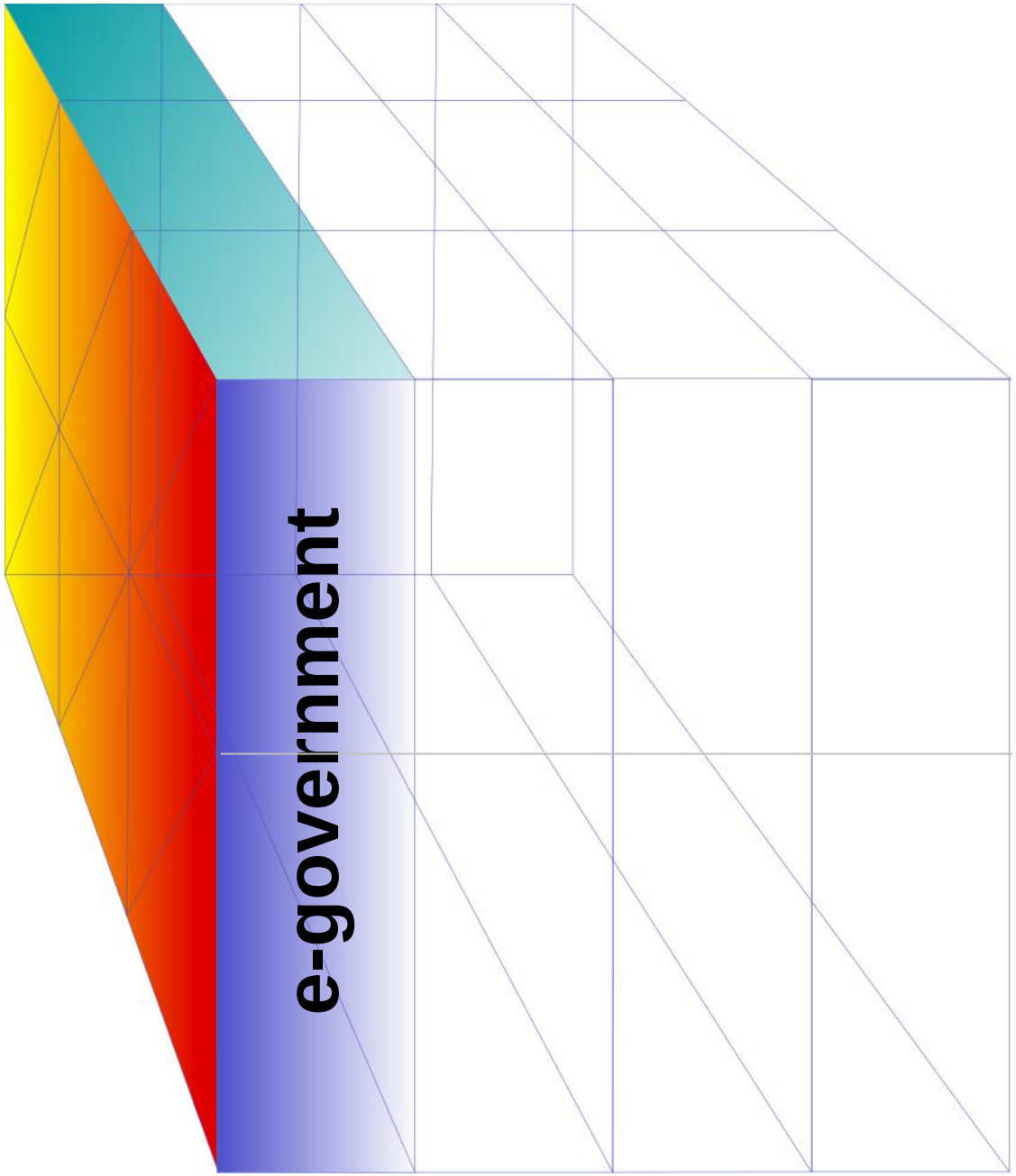
Internet use of enterprises with Internet access, 2004



Little transactions (productivity paradox) and importance of government as catalyst



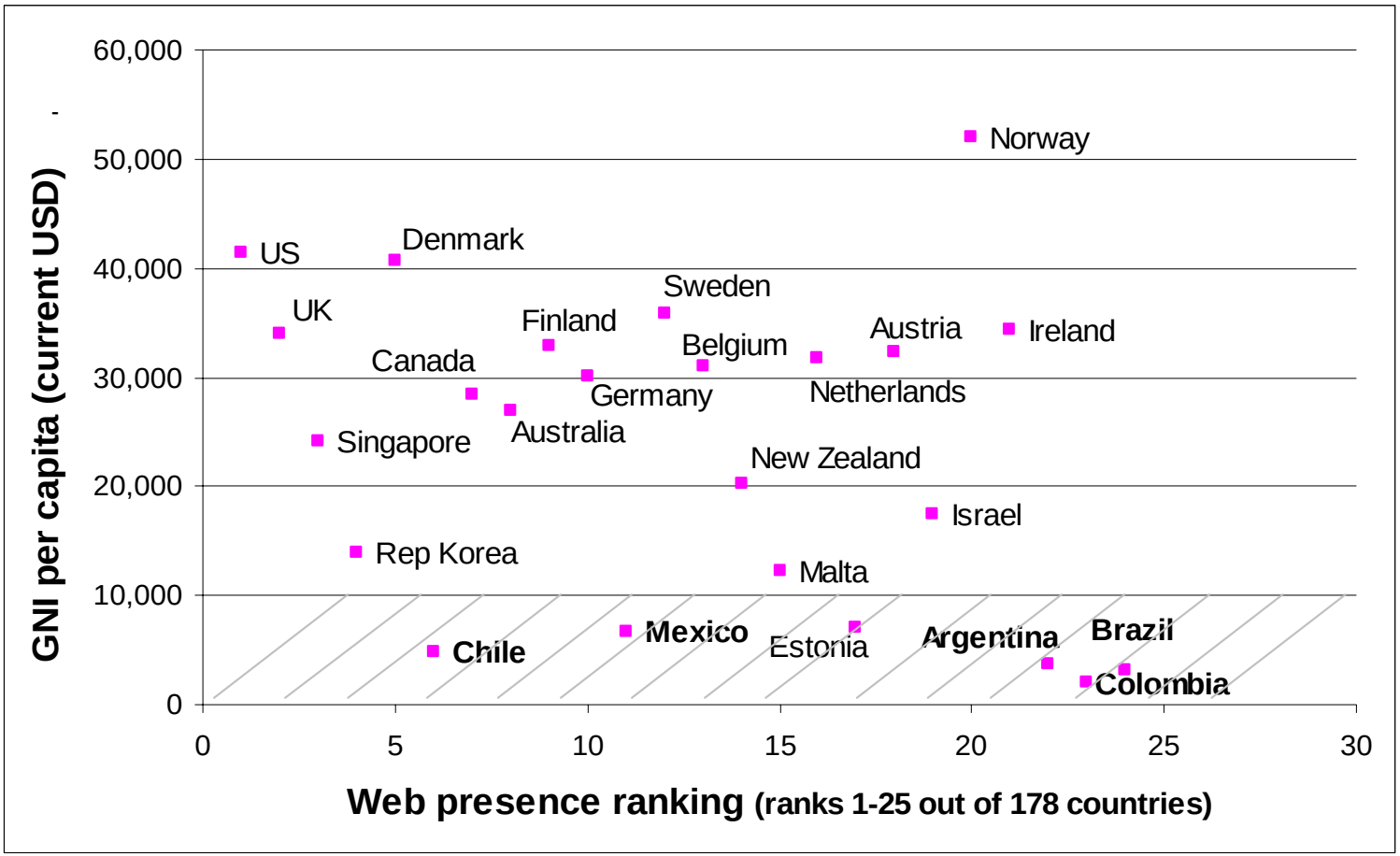
Source: UNCTAD, E-commerce and development report 2004. Subsecretaría de Economía, Gobierno de Chile 2001.



Source: Hilbert, Martin, ECLAC, 2002.

e-government

Web presence ranking of UN DESA 2004 e-government benchmarking report



Five Latin American countries among the most advanced worldwide

Source: OSILAC, ECLAC, based on commercial tariffs December, 2005.

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Conclusions and open research issues

General eReadiness: measuring what and how?

- policy oriented advancement monitoring without solid conceptual model can do major harm to public policy and does not contribute to national coordination of coherent strategies

Structural heritage: technology as the child or parent of wealth?

- structural characteristics of the region seem to repeat the endless vicious circle between inequality and technological modernization, with unclear frontier between market inefficiency and structural exclusion

Catalyzing role of government: big push in the XXI century?

- key postion of public sector in bridging the digital divide and overcoming the productivity paradox, but unclear conseqences of this “institutional leapfrogging” of the public sector

Dealing with uncertainty: technology dependence without choice?

- technological trayectories are exogenous to the region, policy decisions endogenous; technological evolution complex and fast; wrong decisions extremely costly and future studies are not part of the research agenda

Thank you for your attention!

More at: http://www.ECLAC.org/SocInfo

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