

**Policy Frameworks for the  
Knowledge-based Economy  
ICTs, Innovation and Human Resources  
Brasilia 16-17 September 2002**

**Session 2.2. ICTs and e-business  
National strategies, regional challenges**

**Graham Vickery**

**Information Economy Group**

**Information, Computer and Communications Policy Division**

**OECD**



# The challenge

- **ICTs, innovation, human resources are the knowledge base to develop new goods and services, raise productivity, create wealth**
- **Distribution unequal among and within countries**
- **Economic challenge in Latin America**
  - **Few firms compete by using knowledge along value chains**
    - innovating in new products, processes, management
    - product differentiation, increasing loyalty
    - managing logistics and distribution
  - **Few firms are first movers or rapid followers**



## Meeting the challenge

- **Structural imperative: Latin American firms and industries have to increase their use of knowledge to add more value and improve long-term competitiveness**
- **Interlinked policies with focus on ICTs**
- **ICTs - network economies, growth and productivity impacts in ICT supply / using sectors**
- **ICT infrastructure is building block for growth**

# ICT policy: common elements

- **Policy visions, universal access**
- **ICT development**
  - R&D programmes (general R&D subsidies), venture capital, government use (e.g. electronic identity), e-procurement
- **ICT diffusion (most common, increase demand and use, spread network benefits, raise growth)**
  - Households, business, small firms, skills, e-government
- **ICT environment**
  - Security, authentication, privacy, consumer protection
  - Intellectual property rights

# Policy emphasis differs among OECD countries

- **From digital divide to nations on-line**
- **English-speaking group:** pro-competition market mechanisms, infrastructure in disadvantaged areas, e-government
- **Northern Europe:** market mechanisms, small firms, ICT training
- **Southern Europe:** ICT training, small firms, public access (schools, institutions)
- **Asia:** ICT training, access for elderly / disabled
- **Other OECD:** ICT training, education and school access, co-ordination of early government on-line efforts

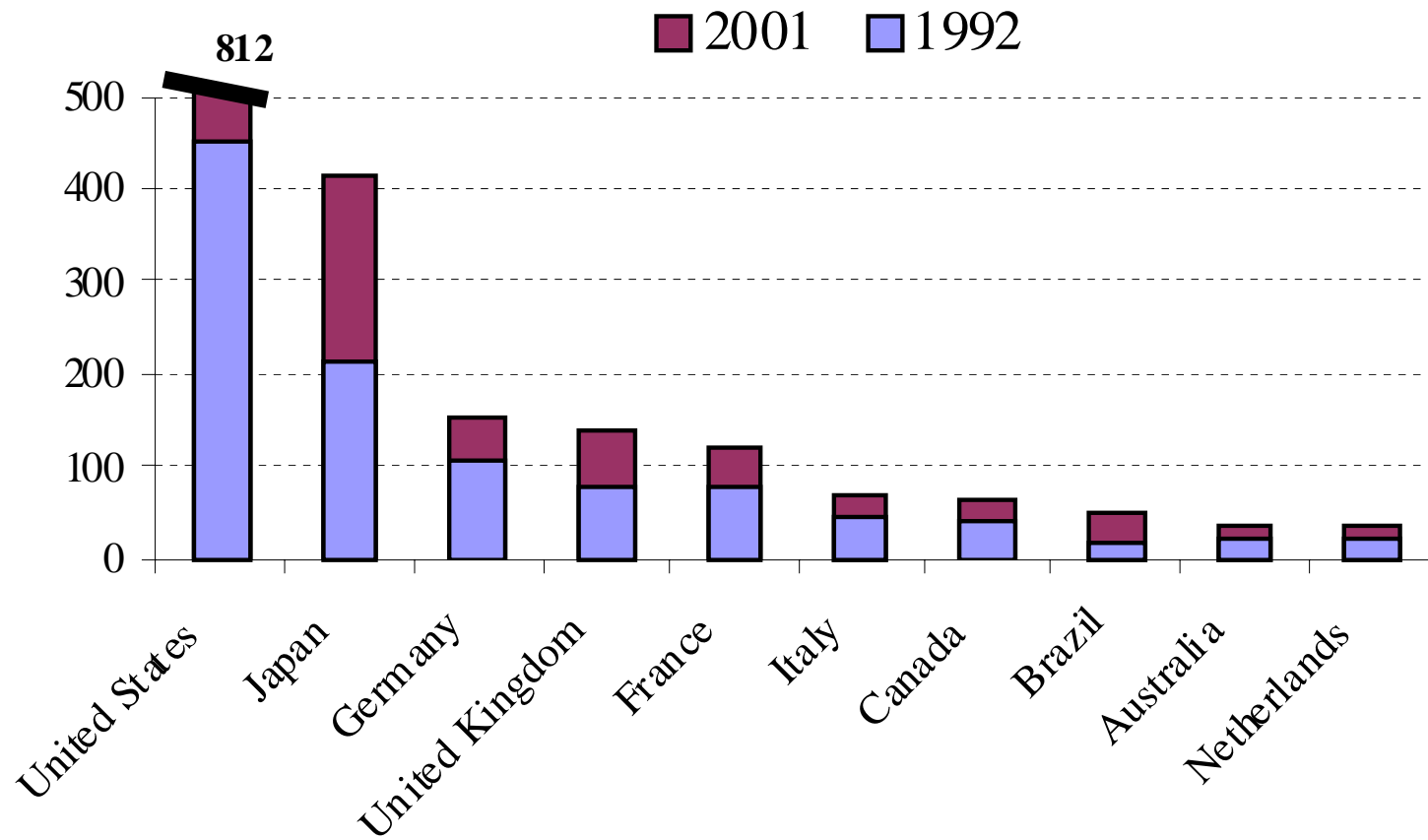


# ICTs in Latin America

- **Less-developed supply side**
- **Lower ICT penetration and use**

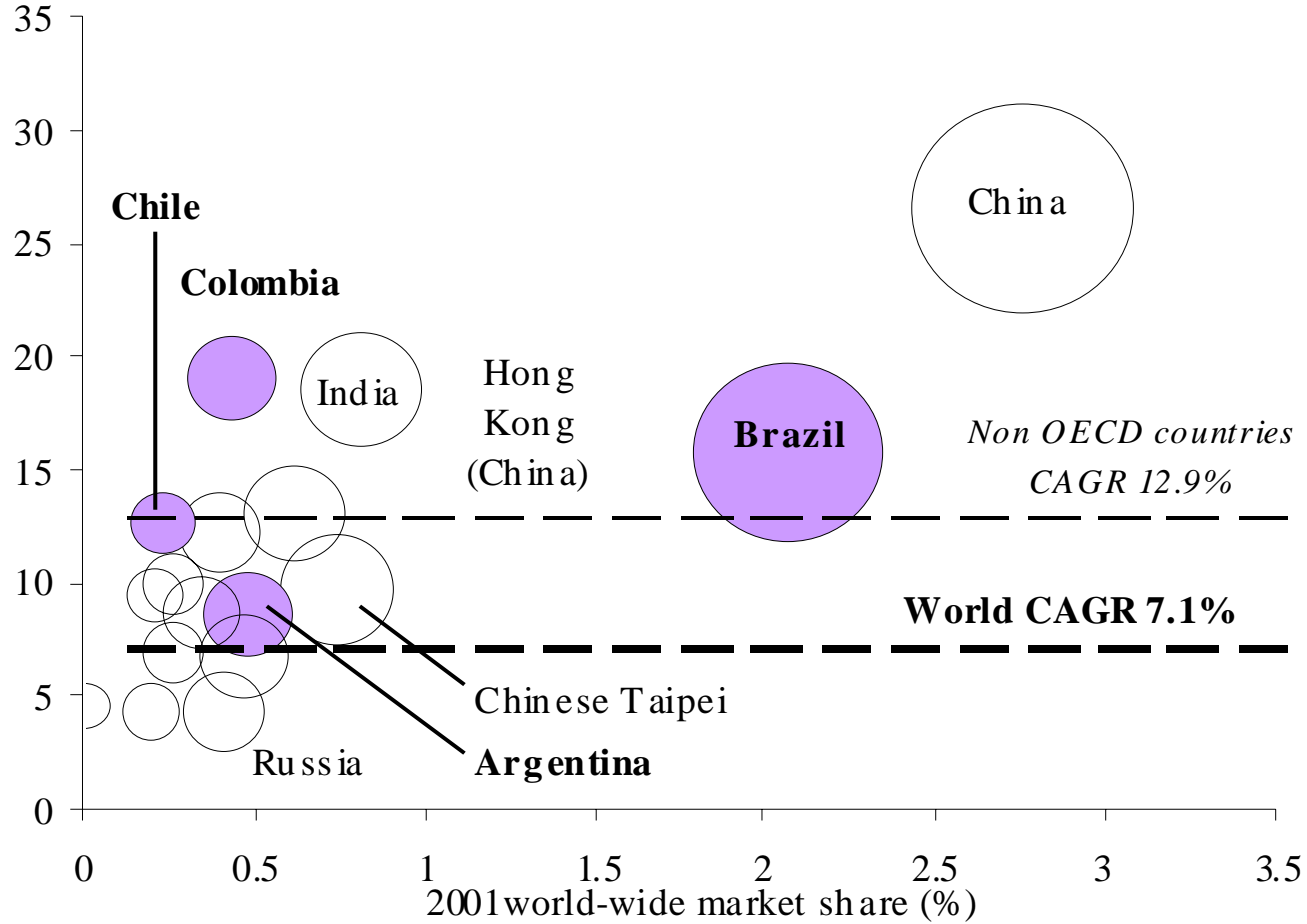
# ICT markets in selected economies

Billion USD

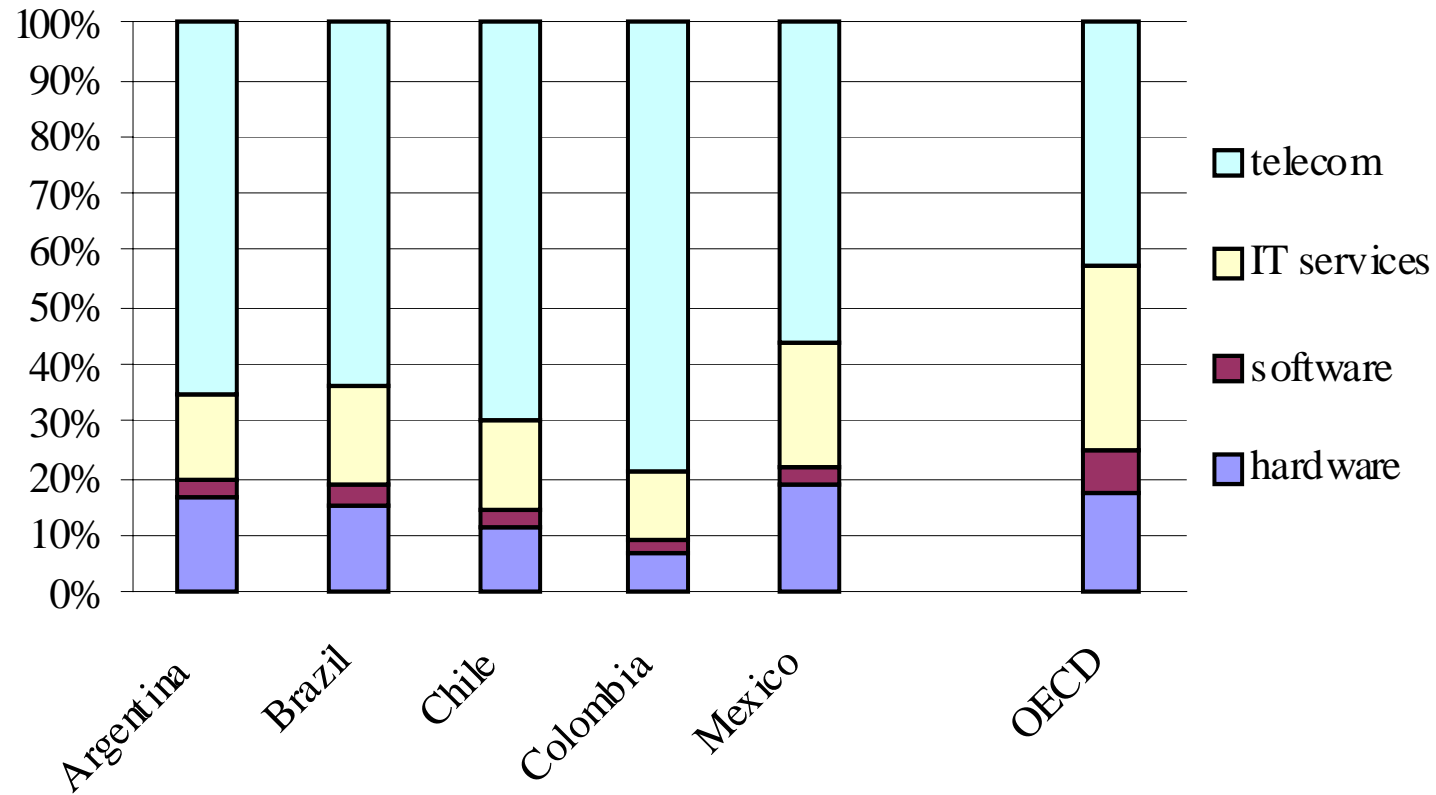


# ICT markets in non-OECD economies

1992-2001 CAGR (%)

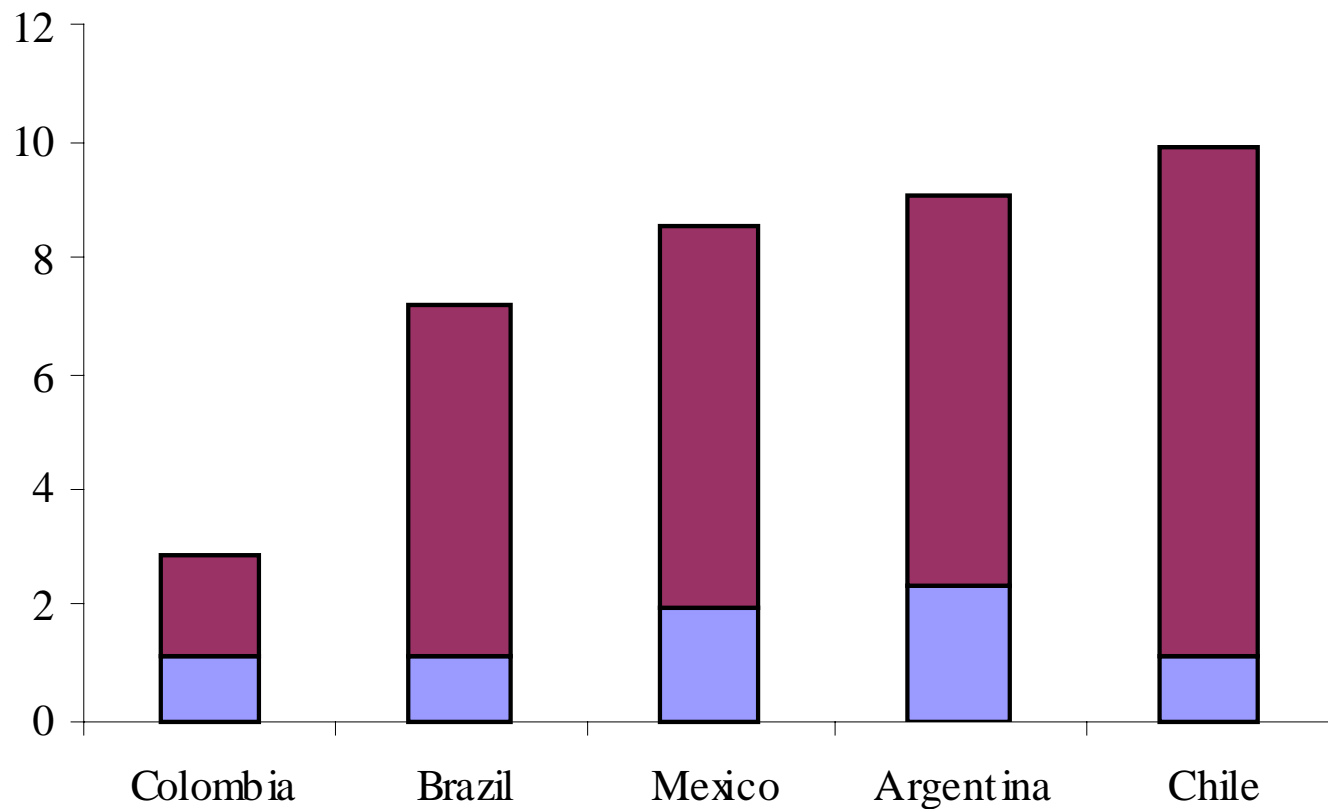


# ICT market structure 2001



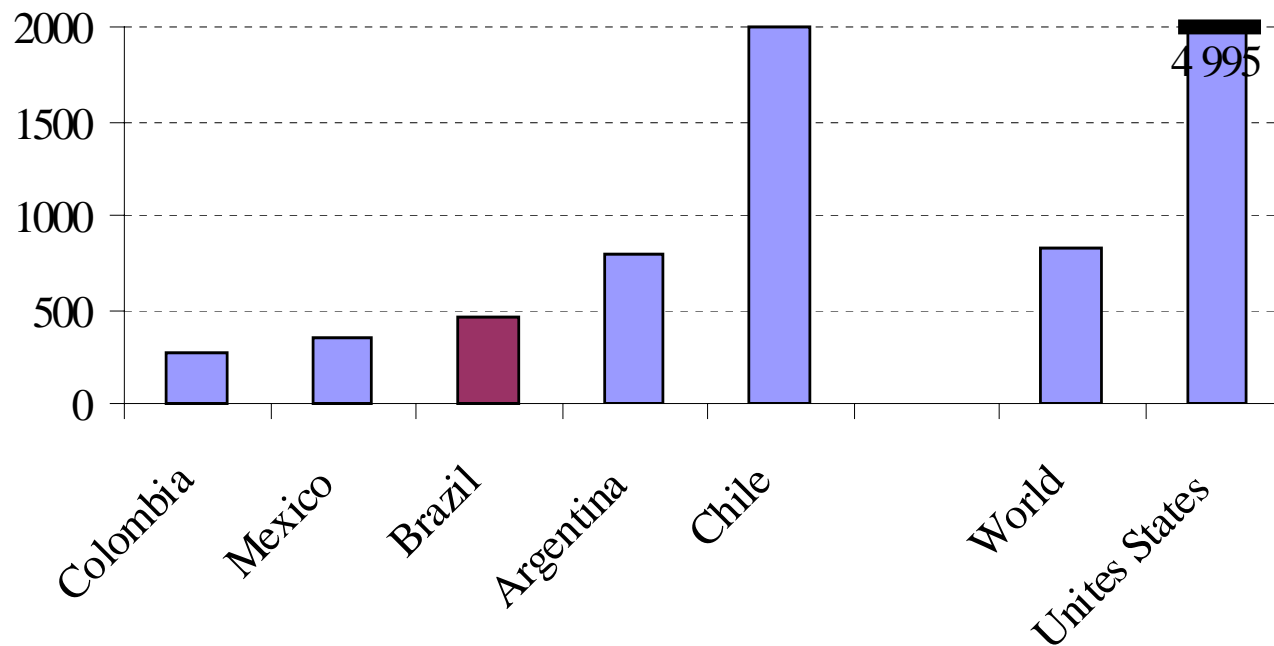
# PCs per 100 inhabitants

1993, 2001



# Internet users per 10 000 inhabitants

## 2001



Source: ITU

# Latin America: Policy directions?

- **What policies can and cannot do ..... Policy agenda emphasising equality of access and use:**
- **Public access (schools, institutions)**
- **Small firm use**
- **ICT training, education**
- **Co-ordination of government on-line efforts**
- **Supply / demand interactions (IT services, software)**
- **Infrastructure - build out and trust**
- **Pulling policy together in frameworks across ICTs, S&T, education**



## **Further information**

**OECD [www.oecd.org](http://www.oecd.org)**

**Directorate for Science, Technology and Industry**

**[www.oecd.org/sti/](http://www.oecd.org/sti/)**

**[www.oecd.org/sti/information-economy](http://www.oecd.org/sti/information-economy)**

**[graham.vickery@oecd.org](mailto:graham.vickery@oecd.org)**