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"ICT & E-Commerce Strategies for Development"

Statement by Mrs. Brigita Schmögnerová,
Executive Secretary

Excellencies, Distinguished Delegates, Ladies and Gentlemen, it is my pleasure to thank you for attending this important meeting, co-hosted by UNCTAD and UNECE on ICT and E-Commerce Strategies for Development.

Information and Communication Technologies (ICT)

The rapid progress and expansion of information and communication technology has dramatically affected economic and social life, changed ways of doing business, and has a profound impact on competitiveness and economic and social development. It has also been one of the main driving forces behind the globalization process.

As you have discussed, new technologies help to improve economic efficiency and open up new business opportunities. They facilitate the diffusion of technical progress and new ideas, and establish direct “real-time” links between people and enterprises across different countries and regions, stimulate scientific progress, and so on. ICT arguably contributes to economic performance growth through productivity gains arising from its rapid and universal development and diffusion.

At the same time, ICT can have a number of unwanted negative effects. To mention a few: The dynamic growth of sales through Internet may seriously distort consumption patterns, and makes it more difficult to fight against tax evasion, etc. Trade via the Internet and other means of electronic commerce need a regulatory framework to ensure an adequate protection of consumer rights and security in transactions, and sustain trust in electronic business.

Moreover, the emerging digital divide creates risks of further widening economic and social disparities between individual countries.

The need to ensure that ICT contributes to economic and social development and to identify means to prevent possible negative implications has now emerged as an important and urgent task for governments, business and community leaders, as well as international organizations. Well conceived and effectively enforced policies and regulatory measures are necessary at national and international levels in order to maximize the positive impact of ICT on economic and human development.

In Europe, this challenge has acquired an important regional dimension, arising from the rapidly expanding interrelations between the more ICT-advanced countries of Western Europe, and countries with economies in transition at varying stages of reforms. Catching up to west European income and wealth levels is an important goal and component of the EU enlargement strategy. Apart from the digital gap between EU and non-EU members, we witness growing digital gaps within transition economies which do not necessarily reproduce the differences in economic and social developments and in reform progress. The main explanatory factor is the commitment of relevant stakeholders - with the specific role of Governments – to ICT development. It is essential to ensure that further progress in integration and cooperation in Europe is accompanied by a balanced and region-wide development of ICT.

The UNECE is in a good position to contribute to ICT for development and aims at providing assistance to Governments in developing national strategies and goals for the Information Society. In this context, the UNECE would like to emphasize the importance of supporting transition economies in adopting the economic and social reforms and ICT policies needed to fully exploit the ICT technologies in order to build a knowledge based economy, which has become an engine of growth in developed market economies. The coming WSIS, we assume, will underline the role of the regional dimension of ICT. In view of this the UNECE will extend its efforts to develop a regional strategy for the Information Society. I would like to remind you that UNECE contributed considerably to the preparation of the Bucharest Declaration, “Towards an Information Society: Principles, Strategy and Priorities for Action”, that was adopted at the Pan European Regional Ministerial Conference in the UNECE region in preparation for the WSIS in November 2002.

Country Assessment reports

What is the current situation and what are the economic prospects of ICTs in countries with transition economies? UNECE tried to answer these questions by launching the Country Readiness Assessment Reports on knowledge-based economy in transition economies. This initiative includes 16 country reports prepared to assist member States, particularly from transition economies, in developing and implementing e-strategies, e-policies and e-regulatory framework towards a knowledge-based economy [The reports are on Albania, Azerbaijan, Bulgaria, Estonia, Hungary, Kyrgyzstan, Latvia, Lithuania, Poland, Republic of Moldova, Romania, Russian Federation, Slovakia, Slovenia, The former Yugoslav Republic of Macedonia, Ukraine].

The reports highlight several key areas that decision makers in transition economies should consider when formulating policies on the Information Society.

One of the main messages of the reports is that while the role of the private sector is becoming more relevant, public policy plays a role at national and international levels in creating an enabling environment for the Information Society.

As for the current situation, the reports highlight a differentiated advancement in ICT fields among different countries with transition economies, as I indicated earlier.

However, it is also important to note that the reports provide strong evidence that the initial gaps with more developed countries are reversible. Any country, regardless of its size and the initial level of development in the knowledge-based economy, has the capacity to close digital gaps.

The Wider Europe

Two other relevant factors that can assist countries with transition economies in their efforts towards the Information Society are the enlargement of the European Union and the Wider Europe Programme.

Six years ago, in December 1997, the fifteen Member States of the European Union decided to open up to include east European countries. As a result, ten new Member States will join the European Union in May 2004 [: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia]. Moreover, two Applicant Countries (Bulgaria and Romania) are likely to join the Union during the year 2007, and perhaps Croatia will follow them within a short time. The accession of Turkey is under discussion.

Inclusion in the European Union offers the acceding countries a unique opportunity to bridge the digital gap. To leverage fully the benefits of the Information Society, the European Commission has set up e-Europe 2005, a comprehensive action plan to foster ICT development in the European Union. The e-Europe Action Plan is one of the central elements of the Lisbon strategy adopted at the Lisbon European Council in 2000, which set the objective for the EU to become the most dynamic knowledge-based economy in the world by 2010. This initiative will be extended to the new member countries. Their efforts and progress towards the knowledge-based economy will be monitored by an open method of coordination. The UNECE fully supports this project and is working in close collaboration with the EU.

On the other hand, those countries who do not currently have a perspective of membership in the EU but who will soon find themselves sharing a border with the Union can also benefit from the Wider Europe Programme. The latter consists in a clear vision for the development of closer and more coherent relations with the Union’s new neighbours over the medium and long terms. The Wider Europe Policy proposes that, over the coming decade, the EU should aim to work in partnership to reduce poverty and to develop a zone of prosperity and values based on deeper economic integration and intensified political and cultural relations.

UNECE sees this Wider Europe initiative as a building block for the future of a stable, prosperous and secure Europe. We advocate that the Wider Europe Project be further extended so that it also includes Caucasus and CA countries. Under the umbrella of a “wider Europe” UNECE has also launched a series of workshops on various topics, such as trade, energy, environment, transport and regulatory convergence, allowing its member States to look “beyond enlargement” and to assess opportunities for enhanced economic cooperation and integration. In mid-May 2004 – just two weeks after the EU enlargement - the UNECE will organize an International Forum dedicated to some important issues related to post-enlargement economic cooperation in its region, such as trade and enterprise development. The forum, as part of the Committee for Trade, Industry and Enterprise Development, will also address ICT issues and its potential for the promotion of regional market integration.

Conclusions

The Information Society technologies represent a major opportunity to implement changes. All countries, and particularly transition economies, are now facing a demanding challenge to translate and exploit this opportunity for economic development.

I would like to conclude by underlining that the UNECE is well placed to contribute to ICT for development and can offer assistance to Governments in the development of national strategies and setting goals based on ICT. It can further strengthen the application of ICT for development and transition to support improved economic performance in the region as well as to support capacity building programmes for the integration of all countries into the world economy.

Thank you again for your participation. I look forward to meeting you again at the World Summit for the Information Society.

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