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Measuring the information economy – how ICT contributes to development

Information and communication technologies (ICT) are undeniably gaining ground, even in the remotest corners of the world. The numbers of personal computers and Internet subscribers have soared and are expected to grow even more in the next few years, particularly in developing countries. But the exact figures and the impact of this increase are difficult to quantify.

Phone companies recognize that although more and more people worldwide are using mobiles, barely 15% of the population in developing economies own portable phones, compared to 70% in industrialized countries. It is not uncommon in the developing world for several people to share the same mobile. In India, for instance, rickshaws equipped with mobile phones pedal through the state of Rajasthan offering phone services for a fee.

A similar disparity exists with the Internet. Slow access hampers use, and most enterprises in developing countries resort to the Internet mainly to send e-mails and look for information. Although Internet use remains high in large and medium-sized enterprises, very few small and micro firms are connected, particularly in rural areas. For instance, only 9% of companies in Thailand, where most businesses are small, were connected to the Internet in 2004, compared to 90% in most developed economies.

Few countries have official statistics on ICT, and most of the available data are not comparable internationally. Some statistical offices have started to compile figures on ICT use by enterprises and on e-business, but much remains to be done. In many countries where ICT services are an increasingly important economic sector, data on the international trade of those services do not even exist.

Yet ICT statistics are critical for identifying areas where governments can use ICT to improve and implement their development strategies. Quality data can help them define strategies for more advanced banking and financial services, e-government and e-business. They also help governments monitor their own policies and draw comparisons with other countries.

At the enterprise level, data on ICT use helps companies – particularly SMEs – take business and investment decisions. Appropriate ICT strategies, for instance, can help them increase their productivity and competitiveness, and participate more fully in national and international supply chains.

It is important for governments to support new initiatives to collect ICT data and increase their consistency and comparability. Not only will this make the statistician's task easier but it will also help economists monitor the digital divide between developed and developing countries.

UNCTAD

Issues in Brief are circulated periodically by UNCTAD and cover topical issues pertinent to UNCTAD's work programme

UNCTAD's work on measuring ICT

UNCTAD's mandate on ICT

UNCTAD's work on measuring the information economy focuses on how businesses access and use ICT, as well as the role the ICT sector plays in the development process. Following a request by the World Summit on the Information Society (WSIS), UNCTAD is also developing indicators to monitor progress in the use of ICT for development.

Partnership on Measuring ICT for Development

In June 2004, delegates meeting at UNCTAD's 11th ministerial conference in São Paulo (Brazil), stressed the importance of multi-stakeholder partnerships on ICT applications to improve the economic competitiveness of developing countries and help them take advantage of the opportunities of globalization.

UNCTAD participates actively in the global Partnership on Measuring ICT for Development set up to coordinate international initiatives on ICT statistics and to help developing countries collect data.

In February 2005, the Partnership organized the WSIS Thematic Meeting on Measuring the Information Society. The meeting produced a core list of internationally comparable ICT indicators on Internet usage, infrastructure and access, agreed on by national statistical offices of developing countries. The next phase of the work will focus on increasing capacity building and training activities, and on creating regional and international databases on ICT indicators. This will include developing technical guidelines and training material.

Workshops and meetings

UNCTAD has conducted expert meetings and workshops for participants from developing countries on the subject of measuring ICT. UNCTAD experts also attend meetings and travel to individual countries to explain the need for ICT measurement and provide policy and technical advice, and training.

UNCTAD's Information Economy Report

UNCTAD's annual *Information Economy Report* (former *E-Commerce and Development Report*) points to the relevance of ICT business statistics for policy making and comparative analysis among developing countries. Since 2004, the Report includes data obtained from an annual questionnaire on ICT use by businesses sent to the national statistical offices of selected developing countries.

For more information on the work being done on the measurement of ICT, please check the website <http://measuring-ict.unctad.org/>. This is an online forum for all those concerned with ICT measurement to discuss and share their knowledge and the results of their work.
