

How Country Profiles Work

This section presents a two-page Networked Readiness profile with selected data for each country included in the *Global Information Technology Report 2001-2002*.

To increase the relevance and level of insight in each profile, researchers at the Center for International Development at Harvard University identified (in most cases) in-country experts to serve as coauthors or reviewers. Collaborators come from different sectors and backgrounds, but are united by their profound understanding of the Networked Readiness landscape in their respective countries. Reviewers are distinguished from coauthors by the “with” designation before their names. The country profiles describe the Networked Readiness situation as of the fall of 2001. Obviously, the situation in some countries will have changed only somewhat by our January 2002 press date, but in others (such as Argentina, in which the results of recent political and economic turmoil are yet to be determined), it may change dramatically.

In such short profiles, we do not pretend to have discussed every issue related to Networked Readiness—we have highlighted those elements that have seemed most relevant and noteworthy in each case, and sought to contextualize information and communication technology (ICT) initiatives and challenges within other national goals and interests. In particular, we have emphasized the use of ICTs to address social and economic development goals within each country. Our coauthors and reviewers were invaluable in ensuring accuracy, helping to identify the most important subnational trends and important issues, and in achieving a balanced discussion of both opportunities and challenges for each country.

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There is a need to understand what the future of the Argentine economy is. Investment in IT increases competitiveness not only in companies but in the whole economy. The increase of competitiveness leads to economic growth. So there are just two options for the future: to remain behind or to close the gap. (Closing the gap) is the scenario that we imagine for Argentina.

—CEO of an IT company, Argentina

While Argentina ranks first among Latin American nations in Readiness for the Networked World, and thirty-second overall, the nation faces a number of serious challenges. Most notably, Argentina has been suffering recently from severe economic and financial crises. Low household income, high prices for technology equipment and services, and limited government programs promoting ICTs (Ranking in Effectiveness of Government ICT Programs: 52) constrain the ability of the new technology to help support the economy.

Argentina's Network Access indicator is among the best in the region, and the country's telecommunications infrastructure has improved since the privatization of the state-owned firms in 1995. Indicator for fixed-line access has grown from 100 lines per 1000 people in 2000 to 130 lines per 1000 people in 2001. Most (77 percent) of Argentina's Internet users are located in Buenos Aires. Internet access rose 23 percent between 1999 and 2001. A number of ISPs provide free Internet access by sharing resources with telecommunications firms. It is estimated that 27 percent of all dial-up accounts belong to free ISPs. The government has helped to extend access by creating a dial-up profile for telephone numbers to offer nationwide Internet telephone calls at a discounted rate.

There are promising early-stage access initiatives targeting technology by education, but observers point out the need to enhance and link them with training efforts. A paid-up access and training scheme, known as *el plan de acceso* to all citizens, offers an initial access to all citizens. *Redif* is a public initiative that aims to reach 40,000 citizens in five years. Higher education is top-notch, creating a

good of human resources with a high level of technical expertise, although job opportunities are limited.

Argentina is one of the 100 core leaders of Latin America, and the number of Argentine Internet start-ups is higher than in most of the region (Ranking in Proximity of Internet Start-ups: 27). E-commerce is thriving. It is estimated that Argentina will spend US\$2.1 billion online in 2001.

Argentina's software and software services companies compete globally. However, software piracy is rampant, and tax evasion in the hardware industry is common. Taxes and trade barriers make software, technology equipment, and services unaffordable to many Argentines. Funding is hard to find, and credit is expensive.

Argentina lacks a viable long-term national strategy for technology innovation. The lack of trust in the Argentine government further inhibits the government's ability to attract ICT use. Critics argue that Argentina needs to improve its legal framework for ICT firms, at the same time, reducing competition and building trust in government. Intellectual property laws are not in place, and laws that do exist are not always enforced.

There is evidence that the Argentine government is taking initial steps toward building the legal and economic framework necessary for promoting the technology industry. A Digital Signature Law was enacted in late 2001. The Ministry of Economy is considering final legislation in the software and IT services industry in the context of a national competitiveness plan.

Key Facts

Population	37,000,000
Fixed population (% of total population) 1999	70.92 %
GDP per capita (PPP)	US\$12,314
Global Competitiveness Index Ranking, 2001-2002	49
UNDP Human Development Index Ranking, 2001 (adjusted to GDP sample)	28
Main telephone lines per 100 inhabitants	21.31
Telephone fixed-line per 100 main telephone lines	17.29
Internet hosts per 10,000 inhabitants	17.98
Personal computers per 100 inhabitants	5.13
Privacy rate	18.00 %
Percentage of population connected to Internet	14.25 %
Percentage of population with Internet access	4.25 %
Internet users per 100 inhabitants	6.75
Internet users per 100 inhabitants	18.23
Cost for 20 hours of Internet access	US\$20.75

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Readiness for the Networked World

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1 The central component of each profile consists of an executive summary of the country's Networked Readiness situation. Each Readiness snapshot highlights the major trends and events within the country, and makes reference to particularly important elements from the Networked Readiness Index and its subindexes and micro-indexes.

2 Each profile presents two quotations by national ICT and business and policy leaders that lend insight into a country's national Networked Readiness situation. These quotations in most cases were gathered using our Global Information Technology Survey, which was distributed to several thousand ICT leaders around the world in the summer of 2001.

3 The Country Profiles section includes key facts and results for each country that either relate directly to Networked Readiness or help place the discussion in a broader social and economic development context. These facts include GDP per capita, total population, and a country's ranking on both the Growth Competitiveness Index, developed jointly by the CID and the World Economic Forum, and the Human Development Index of the United Nations Development Programme. It is important to note that not all of the listed key facts were considered in the calculation of the Networked Readiness Index and rankings.

4 We include in the profile the country's ranking within the Networked Readiness Index, the component indexes (Network Use and Enabling Factors), the subindexes, and the micro-indexes. The rankings are organized by index, subindex, and micro-index name.

5 In keeping with the development of the Networked Readiness identity of each country, we also have included the top-level country code Internet domain for each country.