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“Holland is well poised to become the leading European e-commerce nation given the Dutch propensity to be effective traders.”

—Dutch IT analyst

“Despite the hype, online procurement is limited to only a handful of multinational companies.”

—IT executive, Netherlands

The Netherlands has shown itself to be a global leader in adopting and using ICTs, as its sixth ranking in the Networked Readiness Index indicates. Both the private and public sectors have played an active role in cultivating the nation's strengths, such as capitalizing on its highly skilled, multilingual workforce.

Since 1994, the Dutch government has taken steps to support ICT development, culminating in The Netherlands Goes Digital, a national e-commerce initiative launched in 2000 that broadly focuses on infrastructure, know-how and innovation, access and skills, regulatory aspects, and the use of ICTs in the public sector. The private sector has effectively built out an advanced telecommunications infrastructure (Ranking in Information Infrastructure micro-index: 7), and a subsector of ICT start-up incubation has been nurtured successfully (Ranking in VC Willingness to Invest in e-Commerce: 7). Even small and medium enterprises (SMEs) have adopted the Internet rapidly.

The Netherlands has a liberalized telecommunications environment in both fixed-line and mobile telephony, but the telecommunications sector is dominated by KPN Telecom, the former state-run incumbent telecommunications company (Ranking in Effect of Telecommunications Competition: 18). Dutch mobile penetration rates are close to those of the Nordic countries. In July 2000, the Dutch mobile telephony market was among the first in Europe to issue third-generation (UMTS) licenses. With more than 100 ISPs, a high cable television density, the development of Kenniswijk (government-backed Smart City Project), and two key European Internet exchanges, the Netherlands is a leader in information infrastructure. Moreover, the Dutch government is committed to continuing improvements in overall connectivity, particularly in educational institutions.

In 1999, the government set forth policies to bolster Networked Learning, one of which aims to connect all schools, libraries, and museums to a national Intranet, Kennisnet (Knowledge Network) by the end of 2001 (Ranking in Internet Access in Schools: 16). Several Dutch schools have been identified for best practices under the ICT School Portraits program for innovative use of multimedia, teacher training, and curriculum development.¹

The Netherlands has a competitive e-commerce landscape in which the B2B e-commerce sector is well poised for growth (Ranking in e-Commerce micro-index: 7). Signaling this trend, several major non-ICT multinationals are shifting to online procurement. B2C e-commerce is mostly conducted over Dutch websites, with music, books, and software being the most popular online purchases.² Women and the elderly are the fastest-growing segments of online users.³ Low credit card penetration, security issues, and logistical constraints have been barriers to greater e-commerce adoption, although most online retailers in the Netherlands simply send a bill and even advertise that credit cards are not necessary. In general, however, Dutch online banking, virtual marketplaces, and e-government services are some of the most sophisticated in Europe.

Efforts to create a Dutch Digital Delta are well underway, with the government taking the lead on developing virtual desks, portals, and Intranets for public and private use. For example, the Overheidsloket 2000 (Government Desk 2000 Initiative) provides citizens with information on housing, health, and employment, among others. The government's goal is to be able to deliver almost 25 percent of its services online by 2002⁴ (Ranking in Online Government Services: 16).

Key Facts

Population	16,000,000
Rural population (% of total population) 1999	10.68 %
GDP per capita (PPP)	US\$25,598
Global Competitiveness Index Ranking, 2001–2002	8
UNDP Human Development Index Ranking, 2001 (adjusted to GTR sample)	8
Main telephone lines per 100 inhabitants	61.91
Telephone faults per 100 main telephone lines	0.50
Internet hosts per 10,000 inhabitants	1017.49
Personal computers per 100 inhabitants	39.48
Piracy rate	40.00 %
Percent of PCs connected to Internet	25.77 %
Internet users per host	4.48
Internet users per 100 inhabitants	45.62
Cell phone subscribers per 100 inhabitants	67.11
Average monthly cost for 20 hours of Internet access	US\$15.41

RANK

Networked Readiness Index **6**

Network Use component index **6**

Enabling Factors component index **4**

■ Network Access **9**

Information Infrastructure **7**

Hardware, Software, and Support **10**

■ Network Policy **9**

Business and Economic Environment **8**

ICT Policy **10**

■ Networked Society **5**

Networked Learning **6**

ICT Opportunities **3**

Social Capital **7**

■ Networked Economy **8**

e-Commerce **7**

e-Government **13**

General Infrastructure **5**