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**International Labour Organization (ILO)**

**Social Issues of the Information Society:  
ILO's contribution to the themes under examination at the  
World Summit on the Information Society**



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1. The ILO wishes to draw attention to the social consequences of information and communication technologies (ICTs). The adoption of these technologies is modifying the relative competitiveness of different economies, potentially changing employment patterns around the world. These changes have profound effects on income distribution within and across countries: The “digital divide” is yet another contributing factor to widening social inequity.
2. ICTs are improving the functioning of markets by reducing transaction costs, allowing flexible production processes and strengthening competition. This allows those enterprises with access to - and competence to exploit - ICTs to gain competitive advantage over less privileged firms and economies. Furthermore, new information technologies are altering the demand for workers at different skill levels by automating low-skilled and repetitive tasks, developing new occupations and emphasising rapid adaptation. This calls for massive efforts to train and retrain the labour force. Most developed countries have the social protection and training systems to achieve this transformation over the medium term. Many developing countries lack such systems, thus losing ground to their more advanced competitors.
3. The rapid dissemination of ICTs has enhanced the value of supply chains. The survival of both the rural economy and the production of goods and services in the third world could depend on their effective integration into global supply chains. Failure to do so would arrest economic development. This can only be achieved if a number of very specific conditions are met. Access to transport and communication infrastructure are required. Managerial, logistics and, in general, qualified personnel are indispensable. Finally, certification and trust mechanisms and financial systems play a critical role too.
4. ICTs are only tools. They are only useful if both the access and the ability to use them are guaranteed. The fall in prices of hardware and software offer the South real development possibilities. This can only be achieved if societies are prepared to manage change effectively. There is no doubt that extensive use of ICTs can generate new quality employment. Extensive social dialogue is imperative to attain this goal. Education and life-long training are indispensable too. A particular effort should be made to train the young, give them entrepreneurship skills and provide them with an easy transition from school to work.
5. Developing countries must identify policies and programmes that will allow all workers, employers, women and the young to fully exploit the potential of

information and communication technologies. The industrialised world must show the way adopting social policies that minimise the pain of adjustment and that permit all sectors in the economy to benefit from the gains accrued from the use of ICTs. They should make deliberate efforts to share these experiences with the developing world. The challenge for the Summit is to adopt practical collaborative plans of action that will exploit ICTs to provide decent work to the most vulnerable segments of the population. After all, decent employment is the only sustainable way of reducing poverty and achieving the Millennium Goals. For these reasons, the ILO believes that a Summit on the Information Society should propose:

- The strengthening of publicly funded education and permanent training solutions that cater to the needs of enterprises;
- The adoption of strategies that facilitate mobility and skilling of the labour force. These should include enhancing social security and unemployment benefits policies, and setting up adequately remunerated internships for the young;
- The reinforcement of dialogue between workers, employers and government. This would facilitate change and ease the adoption of the social and economic policies required to effectively mobilise ICTs as development tools;
- The implementation of concerted and sustainable business development services geared towards the modernisation of enterprises and the provision of both ICTs access and know-how to small and medium sized enterprises;
- The review of comprehensive infrastructure investment policies to enhance logistics and financial, systems;
- With a view to strengthening of enterprises to generate employment and incomes, the development of certification and quality control structures to enhance the marketing potential of SMEs;
- The strengthening of arbitration and contract enforcement mechanisms and the adoption of legal tools to ensure secure communications and the privacy of individuals;
- The promotion of initiatives that will lead to the effective integration of ICTs within activities aimed at facilitating access of the poor to priority services of water, energy, health, agriculture and bio-diversity- the so-called WEHAB priorities - from the Johannesburg Summit; and
- A coordinated effort to teach and adopt as a standard open source software.