



International Trade Centre



**International Labour Organization
International Trade Centre
Organization for Economic Co-operation and Development
United Nations Conference on Trade and Development**

**Joint contribution to the document to be prepared by
the Group of Friends of the Chair (GFC) of the PrepCom of WSIS
2 November 2004**

This contribution¹ reflects the views of four intergovernmental organizations, the ILO, ITC, OECD and UNCTAD. These four organizations are working together to organize a WSIS Thematic Meeting on the "Economic and Social Implications of ICT" in January 2005 in Antigua, Guatemala. The topics to be discussed at this meeting are considered to be critical to the development of the information society, and particular to the role of ICT for economic growth and enterprise development, an area which the four organizations consider has not received sufficient attention during the first phase of the WSIS.

The contribution speaks to the WSIS Geneva Plan of Action, which requests all stakeholders to promote development-oriented ICT applications for all. In particular, it calls for action to encourage the use of ICT by SMEs to foster innovation, to realize gains in productivity, to reduce transaction costs and to fight poverty. It identifies a number of areas where action is needed, such as the development of a policy and legal framework to enhance participation by SMEs, and the promotion of the use of e-business and international trade in developing countries.

Political Chapeau

Reaffirming that "ICT-supported productivity gains and applied innovations across economic sectors should be fostered", we note that a key to poverty reduction is the development of economically competitive activities through productivity gains and innovation, which results in the growth of productive and freely chosen jobs. ICTs can help enterprises, notably SMEs, achieve these gains. It requires a range of complementary investments, including a general economic environment that provides an incentive to invest, affordable access to the communications infrastructure, skilled staff that can fully exploit the technology and the ability to adjust how a firm operates to make the most out of the technology. The exact mix of policies varies across countries and businesses, but these key factors need to be incorporated into ICT-led development plans.

¹ This short note provides a first outline of text, as an input to the document being prepared by the GFC for its meeting on 15 November. Further submissions of text will be submitted for the meetings of the GFC in December and January.

Operational part

Chapter 1: From words to action: a Summit of sustainable solutions

The work done by all stakeholders in implementing the Geneva decision

A joint WSIS Thematic Meeting on the "Economic and Social Implications of ICT" will be organized on 18-19 January 2005. The meeting will be hosted by the Government of Guatemala and supported by IDRC Canada and the Government of France. The objective of the meeting is to assess the impact of ICTs on economic performance and trade competitiveness of developing countries; explore policies and best practices to enable enterprises – and particularly SMEs – to rise their productivity and competitiveness through the use of ICTs; review strategies to integrate SMEs into national and international supply chains using ICTs; and examine the impact of the enterprises' structural changes on local, national and international labour markets and identify strategies to ease the transition.

The outcome of the meeting will provide practical suggestions on policies and programmes that can help countries to utilise ICTs for effective poverty eradication through the growth of economically sustainable enterprises and the quality employment they generate. This will permit policy makers to integrate ICTs into the broader MDG agenda.

Definition of appropriate mechanisms for the implementation of the Plan of Action

On the basis of the work carried out by the four organizations, which will be reflected in the agenda of the Thematic Meeting mentioned above, concrete suggestions for policies, practices, technical cooperation programmes, advocacy and knowledge dissemination, to ensure the adoption of ICTs for sustainable economic growth, a precondition for poverty reduction, will be provided.

The following is an outline of such policies and practices. Further details on each of the suggestions will be provided in subsequent text submissions to the GFC.

- Policies to foster the impact of ICT on economic growth in both developed and developing countries
- Policies and practices that enhance the trade competitiveness of countries through the use of ICTs, including in the area of ICT-enabled services
- Policies and practices that raise the productivity and competitiveness of SMEs through ICTs
- ICT applications and the selection and implementation of market entry strategies of SMEs
- Policies to ease the application of ICTs at the workplace that result in poverty eradication, taking into consideration the advantages and drawbacks associated with the introduction of ICTs.