OECD

OECD CONTRIBUTION TO THE
WORLD SUMMIT ON THE INFORMATION SOCIETY

Foreword

The OECD has long-standing experience with analysis and providing policy guidance for the development of the Information Society in its 30 Member countries. Important issues include telecommunications policy and infrastructure, broadband development, Internet governance, online trust and security, innovation, human resource and skill development, and the Digital Divide. Outreach to non-member economies has allowed the OECD to gain experience with many aspects of the challenges to developing countries. These together enable the Organisation to contribute substantively to the content of the World Summit on the Information Society with, hopefully, a consequent improvement in the extent to which it will achieve its objectives concerning the contribution of ICTs to meeting the Millennium Development Goals.

OECD work has concluded that coherent policy frameworks are a fundamental condition for the use of ICTs for growth and development and consequent poverty reduction. However, the OECD had decided not to attempt to propose a global solution to the draft WSIS instruments, but instead to select a number of particular policy domains, identified by the OECD Member countries themselves on the basis of current OECD work, and to suggest draft wording. These are:

- ICTs as Key Enablers of Economic Growth
- Mainstreaming ICTs into ODA and National Development Strategies
- ICTs and Trade
- Developing Trust and a Culture of Security
- Capacity Building through Human Resources Development and E-Learning
- Civil Society and Business as Partners for Decision Making
- The E-Government Imperative
- Peer Review as a Key to Evaluating E-Strategy Goals and Progress
- Statistics in the Information Society

The format has been, for each domain, to present a fact sheet that proposes text for the *Declaration of Principles* and / or the *Plan of Action* and supports such text by explanatory notes that make a bridge between the proposed text and the basic documents and publications that the OECD has produced.

OECD proposals for the *Plan of Action* are restricted to concrete actions that the OECD is realistically capable of delivering. The OECD functions primarily as an intergovernmental think-tank and policy forum, rather than engaging in operational activities in non-member countries. The OECD will continue its practice in seeking co-operation with non-member countries as well as other international and regional entities in order to fully exploit its competencies and extend their scope beyond its own membership. Our experience has illustrated the high degree of applicability of our approach and the receptiveness of our partners to it.

Selected references to published OECD work are provided with each fact sheet below. An exhaustive library of documents and publications on this subject can be accessed via the Organisation's website at *www.oecd.org/sti/ict* and *www.oecd.org/sti/working-papers*.

The OECD believes that policies for the Information Society should be market-driven and that sustainable development has to be based on commercially viable ventures and largely private investment. The OECD statement is consistent with the position of the International Chamber of Commerce's Coordinating Committee of Business Interlocutors (CCBI). The OECD also believes in a consultative policy-making and delivery method, as demonstrated by its long-established work with the Business and Industry Advisory Committee to the OECD (BIAC), and the Trade Union Advisory Committee to the OECD (TUAC). A similar approach should be a core element of the WSIS planning and implementation process, supported by deep partnership with citizens and civil society at large.

Several OECD Committees and directorates of the Secretariat have contributed to this document. However, the contributions are offered on the part of the OECD Secretariat to aid the refinement of the Summit instruments and cannot be considered as the collective statement of the OECD's Member governments.

ICTs as Key Enablers of Economic Growth

Contribution to the WSIS *Declaration of Principles*

The development of the Information Society and broadly-based economic growth are interdependent factors in both developed and developing countries. Comprehensive policy frameworks can foster ICT-driven innovation, growth and productivity gains across all sectors. Better distribution of the benefits from ICT-driven growth will be a major contributor to poverty reduction and social development and an important step towards achieving the Millennium Development Goals.

Contribution to the WSIS *Plan of Action*

The OECD will continue analytical work and identify best policy practices to enhance impacts of ICT on growth and development, in order to further strengthen the case for policy strategies and reforms to generate economic gains and social benefits.

Emerging Issues

ICTs are an important enabler of growth in the Knowledge Economy. Given complementary investments in innovation and human resource development, ICTs increase access to markets, facilitate sharing of information and improve transparency. These shifts empower individuals, expand social and government services, facilitate provision of relevant local content and cultural resources, and provide opportunities for personal development. Building on the foundations of a Knowledge Economy, ICTs enhance efficiency gains and increase productivity. By enabling the creation and distribution of wealth, ICTs have positive implications for development and poverty reduction.

ICTs affect economic growth in three ways. First, having an ICT-producing sector, although not a prerequisite for growth can be important since the sector is characterised by rapid technological progress and strong demand. More importantly, firm-level investment in ICT adds to the capital stock that is available for workers and helps raise labour productivity, and increase their overall efficiency in combining labour and capital, or multi-factor productivity (MFP). ICT use also contributes to network effects, lower transaction costs and more rapid innovation, further contributing to improve MFP.

The evidence shows that ICTs is no panacea, but enhances business performance if it is made to work in an effective way. Policies that foster productive investment and enable firms to make the changes needed to seize the benefits from ICTs are likely to be the most beneficial.

New challenges are emerging that have major impacts on how ICTs enable economic growth. At firm level the challenges are shifting from improving access, to integrating ICTs and electronic business processes into firm strategies and productive activities, both internally and in their sector value chains. ICTs are a major factor driving firm-level organisational change and sectoral

transformation, and major new challenges are to develop policies that provide an appropriate environment conducive to continuing change and adaptation.

Furthermore, there are continuing differences in access to new technologies across and within countries that are a major brake on global development. The importance of ICT network effects, for example via Internet connection, means that everyone benefits from increasing numbers of ICT-connected citizens and businesses. Reducing and overcoming these digital divides is thus a challenge for all.

Applicable OECD Experience

The OECD's multidisciplinary expertise contributes to greater understanding of the role of ICTs in economic growth and social development. The OECD is a forum for stakeholders from government, business, and civil society. It provides an opportunity for non-Member economies to discuss and develop new approaches to policy in a changing world with OECD policy makers and experts. New policy analysis is being developed in the area of e-business that is applicable to a wide range of areas from digital delivery and adoption of new business practices to continuing challenges faced by small businesses. Furthermore, OECD experience in developing policy for dealing with issues of access and the digital divide suggests pro-competitive approaches to network infrastructure combined with targeted measures to overcome particular challenges for lagging groups and regions.

The OECD provides analysis and understanding of growth processes and best practice policy experience, which are communicated through OECD conferences and publications. Analysis and policy guidance is developed and presented in many publications including *Seizing the Benefits of ICTs in a Digital Economy*, prepared for the 2003 meeting of the OECD Council at Ministerial level, the special edition of the *Science, Technology and Industry Outlook*, *Drivers of Growth: Information Technology, Innovation and Entrepreneurship,* and the regular biennial *Information Technology Outlook* and *Communications Outlook*. The OECD organises numerous major international conferences, such as the recent Global Forums held in Dubai, Brasilia and Honolulu, at which non-Member participation is an important component.

Selected OECD References

- *OECD Ministerial Brochure: Seizing the Benefits of ICTs in a Digital Economy (2003)*
- *OECD-APEC Global Forum: Policy Frameworks for the Digital Economy, 14-17 January 2003, Honolulu, HI, USA, Summary Report (2003)*
- *OECD Communications Outlook (2003)*
- *OECD Information Technology Outlook (2002)*
- *Drivers of Growth: Information Technology, Innovation and Entrepreneurship (2001)*
- *www.oecd.org/sti/information-economy*
- *www.oecd.org/sti/measuring-infoeconomy*

Mainstreaming ICTs into ODA and National Development Strategies

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Contribution to the WSIS *Declaration of Principles*

ODA has a crucial role to play in helping developing countries attract ICT investment and build the capacity to use ICTs to help achieve the Millennium Development Goals (MDGs). ICTs can contribute to each of the MDGs. Access to ICTs is not an end in itself, but ICTs need to be fully taken into account when formulating and implementing development strategies. In short, ICTs should be fully mainstreamed into ODA strategies.

Statements to the WSIS *Plan of Action*

The OECD will continue its vital work in helping to mainstream ICTs in development programmes through more effective donor information-sharing and co-ordination, and through analysis and sharing of best practices and lessons learned from experience with ICT-for-development programmes.

The OECD will provide a forum for international co-operation, information-sharing, harmonisation of strategies and sharing of best practices in fostering the growth of a global Information Society that includes and empowers the poor, in the period from the Geneva 2003 first phase of WSIS to the Tunis 2005 second phase.

Emerging Issues

There is broad agreement that information and communication technologies (ICTs) can play a vital role in combating poverty and realising the Millennium Development Goals (MDGs). The ongoing challenge is to integrate ICTs effectively into national development and poverty-reduction strategies, to co-ordinate more effectively Official Development Assistance (ODA) from various donors in this domain, and to share knowledge on "what works and why" in harnessing ICT-for-development and poverty reduction.

Recognising the information and communication dimensions of poverty, and the dramatic ways in which ICTs can improve the performance of institutions and markets and empower the poor, provides the basis for understanding the real meaning of *mainstreaming* ICTs in development programmes. ICTs are not an end in themselves. Rather, they are a component of a growth engine that includes policy frameworks to encourage and support innovation and investment in human capital. As such, they are a powerful tool in creating wealth, making markets and institutions (including governments) more efficient and transparent, and in empowering the poor with information, knowledge, and the ability to communicate their needs and desires. The benchmark in ICT-for-development programmes, therefore, must remain progress on the MDGs, on the alleviation of poverty, and on the creation of vibrant markets and institutions in developing countries. Access to ICTs, by itself, is a poor proxy for these more fundamental goals.

Many multilateral and bilateral donors have been active in the ICT-for-development field in recent years, in areas ranging from policy and regulatory capacity-building and financial support for privatisation and competition, to pilot projects and ICT access in a number of sectors (health, education, agriculture, environment, etc.) Yet co-ordination and knowledge sharing has been weak. A greater focus is needed on the contribution that ICTs can make to the MDGs, and on the *impact* of donor programmes rather than their *inputs*. Donors need to increase awareness of the potential of ICTs within their organisations and foster both sectoral and cross-cutting approaches to integrating ICTs in development programmes. In all these efforts, the focus should be not on technology but on information, communication and knowledge as tools of development and poverty reduction.

Applicable OECD Experience

The OECD can play a valuable role in advancing international efforts to harness ICT-for-development, and in fostering the co-operation and co-ordination that are vital to these efforts. The OECD has already made a substantial contribution to this effort by developing a comprehensive matrix of bilateral and multilateral ICT-for-development strategies. This matrix forms a useful point of departure for more comprehensive efforts to share information about ICT initiatives, to measure more clearly the various inputs to the ICT-for-development effort, and to reduce overlap and unnecessary duplication of efforts. In this fashion, the OECD can provide a useful forum for co-ordination of international ICT-for-development efforts in the period between the first and second phases of the World Summit on the Information Society, and for monitoring of progress on the WSIS Action Plan. At the same time, OECD can help to strengthen international co-ordination and joint effort on ICT-for-development by exercising leadership in mainstreaming ICT-for-development issues and strategies within the Development Assistance Committee (DAC), providing policy leadership, awareness raising and benchmarking.

Selected OECD References

- *Donor Information and Communication Technology Strategies, Summary Matrix (2003)*
- *Main Conclusions of Joint OECD/UN/World Bank Global Forum on Knowledge Economy: Integrating ICT in Development Programmes (2003)*
- *How ICTs can Help Achieve the Millennium Development Goals (2003)*
- *ICT in Poverty Reduction Strategy Papers (PRSPs) as of January 2003 (2003)*
- *www.oecd.org/dac/ict*

ICTs and Trade

Contribution to the WSIS *Declaration of Principles*

Liberalisation of trade in ICT and related services, together with domestic regulatory reform, promotes investment and innovation and makes technology more readily available for use in the economy by governments, organisations, and individual users. All countries should join the international trade policy mechanisms developed to implement and facilitate liberalisation and regulatory reform.

Emerging Issues

ICT is both an important component of trade and a means by which trade in other goods and services can be expanded or facilitated. Growth in ICT trade has been strong, considerably higher than total trade in goods and services, and remains high despite the recent slow-down. ICT has also had dynamic impacts on global investment and supply chains, creating additional trade in other goods and services. Foreign investment in the ICT sector remains strong, with new investment shifting from manufacturing to services and creating new opportunities for small specialized services firms. Key ICT services, such as telecommunications and computer services, are increasingly open to foreign investment and competition and this trend is likely to continue, leading to reduced costs and improved service quality.

However, concomitant regulatory reform will remain essential to ensure that liberalisation results in genuine competition and important public policy objectives are safeguarded. ICTs have also contributed to the overall growth of trade in services, expanding the range and type of services which can be traded cross-border. Expansion of ICT uptake via trade, and, in turn, expansion of other trade enabled or facilitated by ICT can play an important role in helping developing countries achieve growth and poverty reduction.

Several instruments for facilitating liberalisation have been developed by the international community, particularly as a part of the World Trade Organisation (WTO). These include the Information Technology Agreement (ITA), Agreement on Trade Related Intellectual Property Rights (TRIPS), the General Agreement on Trade in Services (GATS), as well as the GATS Agreement on Basic Telecommunications and its Reference Paper. These agreements provide both frameworks for market openings and proven, ready-made regulatory policy formulas that can help countries, particularly in the developing world, realise the benefits to be derived from that market opening. Negotiations now under way under the WTO Doha Development Agenda present an important opportunity for countries to undertake further reform and market opening.

Industry highlights four core principles for trade negotiations. First, it is important to promote the development of the domestic and global infrastructures necessary for e-commerce, while avoiding barriers that would hinder such development. Second, there should be commitment to the full implementation of existing and future plans for liberalization of key services, such as basic and value-added telecommunications and computer and related services. Third, trade in goods and

services via e-commerce need to be developed. Finally, there should be effective protection for intellectual property rights made available over digital networks.

Governments have concentrated on liberalisation of key infrastructure services to enhance competition and expand rollout, as well as on strengthening the trust framework (security, authentication, privacy). These are complemented with focused policies to foster ICT innovation, encourage diffusion and use (businesses/households, ICT skills, development of software, services and content, IPRs), and to maintain a healthy business environment, with openness to trade and investment underpinned by regulatory reform.

Applicable OECD Experience

The OECD has measured the trade and investment dimensions of the new economy, showing that countries with the highest ICT expenditure are more open and frequently obtain the best overall trading results, with emerging countries achieving better results in ICT trade than in other sectors. A survey of non-tariff barriers to trade in ICT products showed how trade liberalisation can promote participation, including by SMEs, in the global electronic marketplace. Work has also focused on the key role of ICT in trade facilitation, with automation, e-customs and e-government tools reducing the costs and time associated with moving goods across borders, and enhancing the efficiency and integrity of Customs operations. Finally, work has explored whether services traded electronically face particular problems from common restrictions on cross-border supply of services; and issues for the protection of intellectual property rights in the context of technological change and the new economy.

Selected OECD References

- *OECD Communications Outlook (2003)*
- *Trade Facilitation Principles in GATT Articles V, VIII and X: Reflections on Possible Implementation Approaches (2002) (2003)*
- *Regulation of Services Traded Electronically (2002)*
- *Intellectual Property Rights in the New Economy (2002)*
- *OECD Information Technology Outlook (2002)*
- *Measuring the New Economy: Trade and Investment Dimensions (2001)*
- *Non-Tariff Measures in the ICT Sector (2001)*

Developing Trust and a Culture of Security

Emerging Issues

Trust and security are central to developing the Digital Economy. They hinge on assuring all users, from consumers to businesses and governments, that their use of systems and network services is secure, reliable and verifiable. Just as in the real world, an environment of trust is needed in the digital world, if it is to fulfil its enormous potential as a major medium of economic and social activity.

While there remain limitations on what can be expected of end users, there is no question that all economies must develop a Culture of Security — a way of thinking about, assessing and acting on the operation of information systems and networks — and that active participation is required from all members of society. Each user of information systems and networks should be aware of relevant security risks and preventive measures, and should assume a portion of the responsibility to take the steps necessary to enhance the security of those systems and networks. This involves continued and improved risk management, including both proactive and reactive approaches. A Culture of Security needs to be ingrained in day-to day behaviour.

Applicable OECD Experience

The OECD has been working on building trust online since the Information Economy was in its infancy, and several of its policy Guidelines serve as international benchmarks in this area (concerning privacy protection, information security and consumer protection).

The 2002 OECD Guidelines for the Security of Information Systems and Networks in particular aim to building trust online by raising awareness and advocating shared responsibility for security among participants at all levels who use information systems, particularly through networks. The Guidelines were developed with the awareness that the issues they address are also of concern beyond OECD countries — in fact wherever there is access to networked information systems — and have since attracted wide support as a global standard. The General Assembly of the United Nations adopted a Resolution on the *Creation of a Global Culture of*

Cyber-security in December 2002 based on the OECD Security guidelines, and thus their endorsement should be a goal of this World Summit. Similar recognition has been achieved in forums as diverse as APEC and the Council of Ministers of the European Union.

Future OECD work in this field will include workshops on developing a Culture of Security. These include an event to be held in Oslo, Norway in October 2003, which would present an opportunity to bring an elaborated statement to the discussions at the World Summit. A follow-up workshop is being planned for Asia in 2004.

Privacy and consumer protection online is another central element of trust. In December 2002, the OECD produced a publication *Privacy Online*: *Policy and Practical Guidance*, to reflect the most recent and effective approaches to ensuring respect of privacy and the free flow of information in the global online environment. Furthermore, building on its 1999 *Guidelines for Consumer Protection in the Context of Electronic Commerce*, the OECD is finalising New Guidelines to enhance enforcement co-operation to protect consumers from cross-border fraudulent and deceptive practices.

Selected OECD References

- *OECD Guidelines for the Security of Information Systems and Networks: Towards a Culture of Security (2002)*
- *OECD Privacy Online: Policy and Practical Guidance (2002)*
- *OECD Guidelines for Consumer Protection in the Context of Electronic Commerce (1999)*
- *OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data (1980)*
- *www.oecd.org/sti/security-privacy*
- *www.oecd.org/sti/consumer-policy*

Capacity Building through
Human Resources Development and E-Learning

> **Contribution to the WSIS *Declaration of Principles***
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> The use of ICTs in education should be promoted at all levels of education and learning globally. In doing so, it is crucial not only to focus on the availability of technologies. Human capacity building to promote the integration of ICTs in teaching and learning in the form of skilled teachers, interaction between producers and users on developing e-learning and knowledge about best practices of ICT use are essential.
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> **Contribution to the WSIS *Plan of Action***
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> The OECD will continue to work on exchanging practices, innovations and policies of how best to use technologies in education and learning across institutions, enterprises and countries to improve the educational outcomes of pupils, students and learners globally.

The use of ICTs in education and learning is increasingly important for human resource development in the global Information Society. Access to education and knowledge is essential for economic, social and cultural development. The use of ICTs in education and learning has enormous potential. It offers new and more flexible ways of both teaching and learning, potentially better learning outcomes, and increased cost-efficiency in some circumstances Moreover, these possibilities are growing with the technological developments of the Internet. Furthermore it can help to meet the huge demand for post-secondary education, not least of which in developing countries.

It is therefore a major policy concern that access to ICTs is very unevenly distributed amongst people based on whether they are poor or rich, living in rural or urban areas, or in developing or developed countries. The Digital Divide cannot only be seen as a narrow technological problem about having access to a computer and the Internet. Its solutions go beyond the provision of the technological infrastructure to focus on people, skills, education and training.

Some developed and many developing countries still lack sufficient human skills (ICT skills of teachers, ICT support staff, etc.) to take real advantage of technology use in education. E-learning is therefore currently not the main answer to many of the most pressing educational problems faced, particularly by poorer developing countries. Other strategies, such as investment in more access to schools and better teacher training, and for post-secondary education in traditional open distance universities, can provide greater access, improvement and more cost-effective delivery of education.

Over the last five years the use and management of ICTs in schools have increasingly become "mainstream" education policy in many developed countries with large investments in ensuring that all pupils have access to ICTs in schools, and growing investments by universities and companies to meet the demand for higher education and corporate training. The OECD has been

working on ICT use in schools over many years to identify good practices, innovations and policies. There is still tension between traditional curricula – based on well-defined content and rules to learn and be able to reproduce – and the open, skills-based, student-centred approaches supported by ICTs. Education has so far tended mainly to use ICTs to underpin traditional ways of teaching. Not just teaching methods have to change, but education technologies also need to change to accommodate good educational practices.

In higher education, e-learning is also mainly used as a means to improve the quality and diversity of teaching and often not as a means for fundamental change in the organisation of the institutions and the ways in which they teach. More radical and innovative examples of ICT use can be found in adult education and corporate training. So far e-learning has therefore often proven not to be cost-efficient in schools and universities in contrast to adult education and corporate training. The jury is still out on whether ICTs will radically change the organisation and teaching of schools and universities. If the tensions and shortcomings mentioned can be solved, ICTs has the power to facilitate vast changes in instruction in communities, schools, universities, and in the home, as has been demonstrated in many cases in adult education and corporate training.

Selected OECD References

- *ICTs and the Quality of School Learning (2001)*
- *E-learning: the Partnership Challenge (2001)*
- *Learning to Bridge the Digital Divide (2000)*

Civil Society and Business as Partners for Decision Making

Contribution to the WSIS *Declaration of Principles*

Strengthening relations with civil society and business is a sound investment in better policy-making and a core element of good governance.

Emerging Issues

Strengthening relations with citizens and business is a sound investment in better policy-making and a core element of good governance. It allows government to tap new sources of policy relevant-ideas, information and resources when making decisions. Equally important, it contributes to building public trust in government, raising the quality of democracy and strengthening civic capacity. Such efforts help strengthen representative democracy, in which parliaments play a central role.

In strengthening their relations with civil society and business, governments must ensure that: (1) Information (defined as a one-way relation and considered as a precondition) is complete, objective, reliable, relevant, easy to find and to understand; (2) Consultation (defined as a two-way relation and recognised as central for policy making) has clear goals and rules defining the limits of the exercise and government's obligation to account for its use of citizens' input; and (3) Participation (the new frontier based on partnerships with government) provides sufficient time and flexibility to allow for the emergence of new ideas and proposals by citizens, as well as mechanisms for their integration into government policy-making processes.

Additionally, governments must invest adequate time, resources and commitment in building frameworks for engaging citizens and businesses in policy making. This involves robust legal, policy and institutional frameworks, developing appropriate tools and evaluating their own performance. Poorly designed and inadequate measures for information, consultation and active participation in policy-making can undermine government-citizen relations. For example, governments may seek to inform, consult and engage citizens in order to enhance the quality, credibility and legitimacy of their policy decisions. However this may produce the opposite effect if citizens discover that their efforts to stay informed, provide feedback and actively participate are ignored.

The first step in the design of successful information, consultation and active participation in policy-making is to clearly define the objective of the exercise - on the basis of which the target group (e.g. all citizens, rural communities, youth) may be identified and an appropriate tool chosen.

No single tool or approach will be suitable for every country or situation. Often a mix of tools will be required, and these may need to be adapted to local traditions and practices. The choice of tools will also depend upon the resources (e.g. financial and human), time and skills available.

Applicable OECD Experience

The OECD has been working in this area since 1999 and produced a report *Citizens as Partners: Information Consultation and Public Participation in Policy Making*, a related handbook for decision makers which was translated in multiple languages. The proposed set of 10 guiding principles for engaging citizens in policy making was a source of inspiration for countries when developing their legislation in this area. Building on this work and in collaboration with the government of Slovenia, the World Bank Initiative (WBI) and the Open Society Institute (OSI) the OECD organised an international round table on *Building Open Government in South East Europe: Information Consultation and Public Participation* in 2002, in Ljubljana Slovenia, which brought together government and civil society. Further recent work has addressed the use of ICTs in engaging citizens and the question of evaluation of information, consultation and public participation in policy making.

Selected OECD References

- *Measuring Success: Evaluation Tools for Information Consultation and Public Participation in Policy Making, forthcoming (2003)*
- *Policy Brief: Engaging Citizens Online for Better Policy-making (2003)*
- *Policy Brief: Engaging Citizens in Policy-making: Information Consultation and Public Participation (2001)*
- *OECD Report: Citizens as Partners: Information Consultation and Public Participation in Policy Making (2001)*
- *OECD Handbook: Citizens as Partners: OECD Handbook on Information Consultation and Public Participation in Policy Making (2001)*
- *www.oecd.org/gov/citizens*

The E-Government Imperative

Contribution to the WSIS *Declaration of Principles*

Government has an important role as a user of ICTs. ICTs can serve to improve the efficiency and effectiveness of government processes, the delivery of services, and the connection to citizens. Therefore government should have a clearly defined strategy for developing and implementing e-government.

Contribution to the WSIS *Plan of Action*

In addition to providing an analytical framework for the analysis of e-government initiatives, the OECD will continue to provide a forum for discussion and examples of best practice with regard to e-government.

Emerging Issues

E-Government is more about government than about "e". The rise of the Information Society has led to major changes in citizen expectations and organisational structures, cultures and working processes. Governments will have to follow suit and adopt Information Society tools and working practices if they are to remain responsive to citizen needs. The impact of e-government at the broadest level is simply better government by enabling better policy outcomes, higher quality services, greater engagement with citizens, and by improving other key outputs. Governments and public administrations will, and should, continue to be judged against these established criteria for success.

Governments are under pressure, as new technologies are forcing them to be particularly attentive to time. Unlike other aspects of government, technologies evolve very quickly and equipment rapidly becomes out of date. The decisions taken today commit administrations to a future that is changing, and not fully understood. Errors are costly financially, but are especially worrisome in terms of losing the trust of citizens and businesses. The transition to e-government is an opportunity for countries to show their capacity to adapt and overcome barriers. Delays in implementing e-government reforms will penalise economic development in this competitive, rapidly changing world.

E-government initiatives refocus attention on a number of issues: how to collaborate more effectively across agencies to address complex, shared problems; how to enhance customer focus; and how to build relationships with private sector partners. Public administrations must address these issues if they are to remain responsive.

Applicable OECD Experience

Numerous OECD publications delineate the importance of e-government. The forthcoming report, *The E-Government Imperative*, provides a framework for analysis of e-government, and provides practical advice for decision makers, while the forthcoming report, *E-Government in Finland*, is the first in a series of peer reviews of e-government that provide an in-depth analysis of e-government successes and challenges in a national context. Three OECD Policy Briefs are aimed at senior e-government officials, these include *The Hidden Threat to E-Government* (2001), *Engaging Citizens Online for Better Policy-Making* (2003), and The *E-Government Imperative: Main Findings* (2003).

Selected OECD References

- *Policy Brief: The E-Government Imperative: Main Findings (2003)*
- *Policy Brief: Engaging Citizens Online for Better Policy-Making (2003)*
- *The Hidden Threat to E-Government (2001)*
- *www.oecd.org/gov/Egov*

Peer Review as a Key to Evaluating
E-Strategy Goals and Progress

Contribution to the WSIS *Plan of Action*

The OECD has experience in the review of many policy domains for its members and could make available its expertise in helping design reviews for national e-strategies in co-operation with the countries concerned and with relevant international and regional bodies, in particular to NEPAD for implementation among African countries.

Peer Review is a powerful tool to create awareness of actual country performance towards achieving an Information Society for its citizens. There is no other international organisation in which the concept of peer review has been so well developed as at the OECD, where it has been facilitated by the high degree of trust shared among the member countries. The OECD has used this method since its creation and peer review has, over the years characterised the work of the organisation in most of its policy areas.

Peer review can be described as the systematic examination and assessment of the performance of a State by other States with the ultimate goal of helping the reviewed state improve its policy-making, adopt good practices, and comply with established standards and principles. The examination is conducted on a non-adversarial basis, and it relies heavily on mutual trust among the States involved in the review, as well as their shared confidence in the process. When Peer Review is undertaken in the framework of an international organisation, the Secretariat of the organisation also plays an important role in supporting and stimulating the process. Through its inherently reciprocal evaluation process, Peer Review tends to create a system of mutual accountability.

An individual country Peer Review of e-strategies could relate to economics, governance, education, innovation systems, enterprise, e-government and other policies and practices. Peer Review can also be carried out thematically, where several countries are examined at the same time with respect to a particular theme. In either case, Peer Review is typically carried out on a regular basis, with each review exercise resulting in a report that assesses accomplishments, spells out shortfalls, and makes recommendations. For example, the OECD has recently completed the first in a series of country Peer Reviews by examining e-government in Finland, which highlights the openness and innovation in the Finnish system, while pointing out areas where co-ordination and collaboration of e-government activities could be improved. The OECD is also undertaking Peer Reviews in the area of promoting ICT diffusion to business.

At its most effective, the added value of the Peer Review process is its performance by peer States in the truest sense. Focusing on Africa as a particular priority area, this could be implemented through the New Partnership for Africa's Development (NEPAD) and the G8 Africa Action Plan, and also through the proposed Global ePolicy Resource Network (ePolNet), adhering to the notion of a review by Africans for Africans. This implies a convergence of evaluative standards among participating states. Whether based on geographic, economic or other relevant principles, such

convergence helps ensure that there is a common understanding on practical levels, and that attention is paid to those issues specific to a particular regional, cultural or developmental context, and contributes to shared learning among both reviewed and reviewing countries, as well as the supporting organisation.

The performance of a reviewed state can be assessed along criteria such as policy recommendations, specific indicators and benchmarks, and legally binding principles. The review typically moves through the three procedural phases of preparation, consultation, and finally, assessment.

Within the context of the WSIS, the OECD proposes to provide methodological support to partners for organising peer reviews of national e-strategies.

Selected OECD References

- *Peer Review: An OECD Tool for Co-operation and Change (2003)*
- *Peer Review: E-Government in Finland (2003)*

Statistics in the Information Society

Contribution to the WSIS *Declaration of Principles*

Statistical measurements are indispensable for an informed understanding of the implications of a developing Information Society. This highlights the need for the monitoring of progress through internationally harmonised concepts, definitions and indicators, and for frameworks and standards that would guide measurements for international comparability.

Contribution to the WSIS *Plan of Action*

The OECD will make available its statistical expertise, including participation in the Statistical Workshop to the WSIS, where the OECD will seek participating country commitment to various aspects of the *Framework Document for Information Society Measurements and Analysis.* The completed Document will be presented at the second phase of the WSIS in Tunisia in 2005.

Emerging Issues

Statistics are important in the formation, implementation and evaluation of policy. The Information Society requires a major policy-making effort and thus requires the development of the statistical measures and indicators needed for informed decision making and action.

The emergence of the Information Society has generated many questions. Statistical measurements are indispensable for an informed understanding of the implications of all transformations underway. This highlights the need for country benchmarking and the monitoring of progress. Internationally harmonized concepts, definitions and indicators in this area are of particular importance, and there is a clear need for frameworks and standard indicators that would guide measurements for international comparability.

It is becoming apparent that differences exist between developed and developing countries, which extend to the availability of reliable statistical information. It is necessary to examine the significance of the ICT sector and the macro impacts of ICTs on aggregate measures, particularly on productivity. It is also important to assess the access to and the actual use of ICTs in order to have a clearer picture of the Digital Divide.

The rapid and widespread penetration of ICTs among businesses, particularly of the Internet, continues to change the way business is conducted. With the Digital Economy growing, the role of ICTs in general and e-commerce in particular is receiving growing attention in national strategies of competitiveness and economic development. Thus it is important to examine the measures of ICT diffusion and absorption among enterprises that have been undertaken to date by statistical offices, including recent experiences in measuring e-commerce. What has been the scope and methodology, and the consequent challenges and results obtained from such efforts in terms of their analytical usefulness?

Applicable OECD Experience

The OECD has conducted extensive work in the quantification and measurement of ICT-driven economic impacts, cutting across national and sectoral boundaries. Examining all available data on the Information Economy, this work is considered a milestone in setting definitions and developing model surveys of households and businesses. Based on this experience, the OECD is preparing a *Framework Document for Information Society Measurements and Analysis*, which will offer a compilation of methodology covering many aspects of the Information Society, and provide guidelines that will assist in the development of internationally compatible statistical measurement. This document should serve as a reference for newcomers to the Information Society, and way for them to benefit from existing experience in this field.

Selected OECD References

www.oecd.org/sti/measuring-infoeconomy