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**Contribution from Guatemala, ITC, the OECD, UNCTAD, ILO**

**CHANGES PROPOSED TO CURRENT WSIS TEXT**



International Trade Centre



## Changes proposed to current WSIS text

### **POLITICAL CHAPEAU**

*Add a new paragraph after paragraph 7 that reads:*

We emphasise that the adoption of ICTs by enterprises plays a fundamental role in economic growth. The growth and productivity enhancing effects of well implemented investments in ICTs can lead to increased trade and to more and better employment. For this reason, both enterprise development and labour market policies play a fundamental role in the adoption of ICTs. We invite governments and the private sector to enhance the capacity of SMEs since they furnish the greatest number of jobs in most world economies.

### **OPERATIONAL PART**

*Add after paragraph 5 new paragraph 6*

International organizations could develop their policy analysis and capacity building programmes based on practical and replicable experiences of ICT policies and actions that have led to Economic growth and poverty alleviation through improved competitiveness of enterprises, resulting in greater trade and better employment. Such programmes should result from policy development dialogues that seek to render international and national development strategies coherent

*Replace 6.b. with*

A healthy business environment is fundamental for firms to thrive and benefit from ICTs. This includes an open, transparent and competitive business framework, clear independent rule of law for all firms, easy set-up and dissolution of business, transparent, simple and accessible corporate regulations and equal and stable legal treatment for national and cross border transactions. The availability of transaction facilities, trust mechanisms, logistics and transportation and access to energy and communication facilities are essential;

*Replace 6.c. with*

The introduction of ICTs requires training and retraining of the labour force. It further requires a profound review of education and training systems to ensure that the workforce will be able to adapt to increasingly more frequent changes in work practices;

*Add sub-paragraph 6.h*

The potential of ICTs to facilitate and increase trade should be included in national and multilateral trade policies and negotiations;

*Add sub-paragraph 6.i*

The development of entrepreneurship is an indispensable component of any ICTs implementation policy. E-competences could be integrated by raising awareness, transferring knowledge and building competence of entrepreneurs such that they can make rational decisions as to where and when they should utilize ICTs;

*Add sub-paragraph 6.j*

Particular efforts should be deployed to facilitate the access of SMEs to ICTs. Such efforts should include:

- o Promoting business development services that assist in the design of business models, redefinition of production processes and the assessment of the most cost effective means of implementing ICTs solutions;
- o Exploring effective ways of providing inexpensive access to ICTs;
- o Integrating SMEs into supply chains by adopting industrial and trade policies that seek to expand both exports and local value added; and
- o Encouraging commercial access to reliable, low-cost connections and boosting local content. Reliability and security of the service is important to maintain customer relationships.

*Add sub-paragraph 6.k*

To avoid active and passive rejection of new production processes associated with ICTs it is important to establish full dialogue with workers. Policies that promote labour flexibility should also be adopted in a concerted manner;

*Add sub-paragraph 6.l*

The favourable effects that ICTs can bring to the labour force can be negated by race to the bottom strategies such as those that lower labour standards rather than improve productivity. Social partners can adopt win-win strategies that strengthen the competitiveness of enterprises and at the same time enhance the conditions of work thus contributing to the sustainable alleviation of poverty.

*Add sub-paragraph 6.m*

More socio-economic research is required in order to gain better understanding of the relationships between investments in and use of ICTs, managerial practices, returns on investment, employment, productivity and the competitiveness of firms and clarify the policy implication for governments and consequences for the strategy of firms.

*Add in paragraph 7:*

Among the data that need to be gathered and made available are the following:

- o Longitudinal data at the enterprise level on investments in - and use of - ICTs, the enabling resources that have led to the effective use of ICTs and, finally, the performance of these enterprises;
- o Best practices - in enterprises and in business development services - of enabling policies that have led to improved competitiveness through ICTs and of entrepreneurship strategies that have used ICTs to gain competitive edge;
- o Firm level data on changes in the patterns of occupations and skill requirements demanded of the labour force and general data on the shifts of employment patterns related to changes in production processes.