



Part 4



4.2 Policy brief 13

Developing a Strategic Policy Framework (SPF) using the 17 Sustainable Enterprises Policy Pillars

INFORMATION AND COMMUNICATION TECHNOLOGY

- ❑ Information and communication technology (ICT) has enabled greater connectivity for people all over the world. The Internet has enabled the rise of new business models and outsourcing/offshoring opportunities.
- ❑ Ensuring connectivity through telecommunications and information technology has become particularly important in recent years, helping to overcome some of the barriers of inadequate physical infrastructure.
- ❑ The development of labour-intensive, high-tech service industries helps countries to gain high-income services jobs and boosts economic growth.
- ❑ The cross-border supply of IT and business process services helps to transfer technology and to reduce the technological divide.
- ❑ Through foreign investment, technology and know-how can be diffused. A multinational may train a local recruit, who later leaves to join another enterprise. Conversely, it may share technology with a supplier, who then serves rival customers.
- ❑ ICT can lower transaction costs by reducing information asymmetries and open up market possibilities for previously excluded groups. Mobile phones are increasingly being used to dispense market information (payment mechanisms, etc.). The use of mobile phones for banking can be used to pay for purchases in stores and to transfer funds, significantly reducing transaction costs.
- ❑ ICT can be a key catalyst for market participation and empowerment. By providing people with real-time information mobile phones provide greater leverage both for buyers and sellers (i.e. real-time market prices of vegetables, so they can decide the best time to harvest), and thus eliminating the need for middlemen. Short Message Service (SMS) money transfers allow payments in areas where many lack bank accounts.
- ❑ Poor ICT infrastructure severely limits an economy's ability to grow and connect to external markets.
- ❑ Lack of competition results in higher prices for key services.
- ❑ Poor broad band connectivity reduces enterprises ability to communicate quickly with suppliers and customers.