



Third Parliamentary Forum on Shaping the Information Society

“ICT and the Global Economic Crisis: Current Situation and Future Perspectives”

3-5 May 2010
Room B - ITU Tower
International Telecommunication Union
Geneva, Switzerland

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Context

In 2008, the world experienced the beginnings of a severe financial and economic crisis, the worst since the Great Depression of the 1930s. The crisis that originated in the US sub-prime mortgage market led to a widespread credit crunch, with spillover effects throughout the global financial and banking sector. Virtually no economy was spared from the economic downturn, with many countries officially entering into recession during 2009. Many governments responded with stimulus packages on an unprecedented scale, which appear to have succeeded in averting the onset of an economic depression. While the most immediate and pressing impact of the financial crisis has been the lack of readily available credit, it is expected that its mid and long-term effects will still be felt in the timing of economic recovery and in persistently high unemployment rates in many countries.

In the ICT sector, the scarcity of credit had an immediate and direct impact on the ability of telecom operators and ICT companies to fund expansion and innovation. During the crisis, new investments were postponed or scaled back, as investors became more cautious. Moreover, ICT companies and telecom operators came under further price pressure for their services as consumers' purchasing power diminished and unemployment rates increased dramatically.

However, demand for ICT services has remained relatively buoyant, and there is evidence to suggest that communication services are now a basic service for many consumers. There are high hopes that the ICT sector will emerge from the crisis as strong as ever. Experience of previous crises in the ICT sector also suggests that there is reason to remain optimistic. The ICT industry has already been severely tested during the *dot.com* crisis in 2001/2002, from which it emerged stronger and more resilient. Crises can often overturn the established order and generate openings for new opportunities: Google was born in 1998, in the midst of the Asian financial crisis and Skype was born in 2003, during the *dot.com* slump.

The economic downturn has posed significant challenges to governments regarding the most appropriate policies to tackle the crisis. Policy-makers have opted for different approaches, based on national contexts and circumstances. Many have adopted stimulus packages emphasizing fiscal policies (e.g., tax cuts, government transfer payments and public subsidies) to help their economies return to growth by increasing demand and creating jobs. Others have made public investments in infrastructure, including broadband and telecommunication highways, as one way of countering the cyclical nature of the economic downturn.

Studies have shown that ICT can contribute greatly to productivity growth across many different industrial sectors and is a key engine driving growth of the overall economy. It can play a vital role in fuelling economic recovery by creating jobs, fostering innovation and promoting competition. ICT can result in the “death of distance”, enable new forms of civic engagement and participation, and provide new opportunities for employment, education, health and public services.

In their stimulus plans, many governments in developed and emerging economies have focused their attention on extending telecommunication services and broadband to un-served and underserved communities, especially in rural areas, to encourage economic growth and promote social returns. On the other hand, in developing countries, where reserves for stimulus packages may be more limited, governments have been driven by more immediate infrastructure needs in traditional sectors, such as housing, education, and health, creating the risk that they may be missing out on investing in a long-term development opportunity. Some authors have suggested that developed countries may benefit more from investments in ICTs, due to their advanced industrialized economic structure and skilled workforce. In contrast, others have emphasized the positive initial growth impact of access to basic ICTs in developing countries, once a critical network penetration is achieved.

Investing in ICT and innovation to enable economies to navigate their way out of the crisis also requires a favorable legal and regulatory environment to promote economic growth and sustainable development. According to ITU data, by October 2008, 152 countries had established a national regulatory authority for their telecommunication/ICT sector. However, many current regulatory frameworks were originally designed to oversee the introduction of competition into state-owned and operated telecommunication environment. Furthermore, regulatory frameworks must be redesigned to cope with the long-term trend towards converged services. At the same time, attention should be placed on the right mix of policy options for government spending vis-à-vis private sector investments or for balanced public-private partnerships.

Overall, ICT policies to promote the use of ICTs, the Internet and broadband networks must be re-examined in the context of broader economic and social strategies to achieve growth, support employment, deliver more affordable services and seek positive socio-economic effects.

In designing and implementing effective measures to combat the crisis, parliaments have a critical role to play, because legislators can help set the right legal and policy framework to curb the negative effects of the crisis, while adopting measures to promote social inclusion and equitable growth. Members of parliaments have the ability to directly influence the policy-making process on these issues and the responsibility to search for solutions taking into account the interest of all citizens and diverse groups in society. In addressing such issues, legislators can help find opportunities for recovery and implement legal frameworks to ensure an inclusive and participative information society, where ICT is a vital tool for sustainable development.

Objectives of the Parliamentary Forum

The Parliamentary Forum "*ICT and the Global Economic Crisis: Current Situation and Future Perspectives*" is the third meeting of members of parliament focusing on issues relating to the Information Society organized within the framework of the Global Centre for ICT in Parliament, a partnership initiative launched by UN/DESA and the Inter-Parliamentary Union (IPU) at the WSIS in 2005.

The aim of the Forum series is to further dialogue among legislators on parliamentary actions that can contribute to the shaping of the future Information Society in view of the WSIS implementation, follow-up and future 2015 review. It also intends to strengthen the interaction at international level between members of parliaments and representatives of international organizations working in this domain with a view to identifying good parliamentary practices for the advancement of ICT-related policies in favour of the internationally-agreed development goals.

The third meeting will focus on the role that ICT can play in confronting the crisis and facilitating the economic and social recovery by addressing key issues such as: investments in high-speed Internet networks; e-government and competitiveness; the social and economic costs of cybercrime; the liberalization of telecommunication/ICT markets and promoting competition; national responses to regulation challenges; and an assessment of the current status of the ICT industry. It follows a Parliamentary Conference on the Global Economic Crisis organized by IPU in May 2009 (www.ipu.org/splz-e/finance09.htm).

The Parliamentary Forum aims to bring together legislators from developed and developing countries to exchange views and experiences on the different strategic and political priorities implemented at the national level, outline a broad perspective of different national engagements directed at responding to challenges posed by the crisis, delineate the role and responsibilities of parliaments in their legislative and oversight functions on these issues, identify good parliamentary practices and draw recommendations for action by legislatures.

Finally, the Forum wants to provide the opportunity to work towards the development of an International Framework for Parliamentary Actions on the Information Society which will propose common goals and initiatives for legislatures with the aim of enhancing parliamentary engagement with information society issues and strengthening inter-parliamentary cooperation in view of the future 2015 WSIS review.

Meeting venue and format

The Parliamentary Forum will take place over two and half days on 3, 4 and 5 May 2010 at the Headquarters of the International Telecommunication Union in Geneva, Switzerland.

The Forum will be structured around a series of plenary sessions with presentations by experts and legislators. In each session, ample time will be reserved to allow interventions from the floor, interactive dialogues and open debates among participants.

Participation

The Parliamentary Forum expects to attract 200 members of parliament with responsibilities for Information Society issues from all over the world. It is expected that the Chairs of parliamentary committees with responsibility for ICT and/or committees on economic affairs will lead the delegations and participate actively in the debates with peers from other countries and regions.

Other participants will include senior representatives and officials of international organizations dealing with the follow up and implementation processes of the WSIS, as well as experts from international agencies, governments, the ICT industry and academia.

Contributions by Parliaments

To enrich the Forum with information on national experiences, delegations are strongly encouraged to submit in advance written contributions describing the actions undertaken at parliamentary level to tackle the economic crisis through the use of ICT as a tool for economic and social growth. The contributions should focus on the role played by parliaments, parliamentary committees and legislators in representing the electorate's views, in fostering the law- and policy-making process and in ensuring scrutiny on government-led strategies and programmes, rather than concentrating solely on the description of the national responses to the crisis.

Contributions should be submitted in English, French or Spanish following the enclosed template, also available on the web page of the Forum.

Languages

The working languages of the meeting will be English, French and Spanish.

Organizers

The third Parliamentary Forum will be co-organized by the United Nations Department of Economic and Social Affairs (UN/DESA), the International Telecommunication Union (ITU), the Inter-Parliamentary Union (IPU), and the Global Centre for ICT in Parliament.

United Nations - Department of Economic and Social Affairs (UN/DESA)

The United Nations Department of Economic and Social Affairs (DESA) promotes and supports international cooperation to achieve development for all, and assists governments in agenda-setting and decision-making on development issues at the global level. DESA provides a broad range of analytical products and policy advice that serve as valuable sources of reference and decision-making tools for developed and developing countries, particularly in translating global commitments into national policies and action and in monitoring progress towards the internationally agreed development goals, including the Millennium Development Goals.

International Telecommunication Union (ITU)

ITU is the leading United Nations agency for Information and Communication Technology (ICT) issues, and the global focal point for governments and the private sector in developing networks and services. For nearly 145 years, ITU has coordinated the shared global use of the radio spectrum, promoted international cooperation in assigning satellite orbits, worked to improve telecommunication infrastructure in the developing world, established the worldwide standards that foster seamless interconnection of a vast range of communication systems and addressed global challenges, such as mitigating climate change and strengthening

cybersecurity. ITU is based in Geneva, Switzerland, and its membership includes 191 Member States.

Inter-Parliamentary Union (IPU)

The Inter-Parliamentary Union is the international organization of Parliaments. It was established in 1889 and is the focal point for world-wide parliamentary dialogue and works for peace and co-operation among peoples and for the firm establishment of representative democracy. IPU's Headquarters is in Geneva, Switzerland, and it currently has 151 Members and 8 Associate Members.

Global Centre for ICT in Parliament

The Global Centre for ICT in Parliament is a joint initiative of the United Nations Department of Economic and Social Affairs, the Inter-Parliamentary Union and a group of national and regional parliaments established in the framework of the World Summit on the Information Society process in November 2005. Its objectives are a) to foster the role of parliaments and legislators in the promotion of the information society, and b) to reinforce parliaments' capacity to harness ICT tools to better fulfill their democratic functions and to place them at the service of the institutional process and of inter-parliamentary cooperation.