

# 1. Introduction

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What are the prospects for and implications of information technology in Latin America? What will be the state of the information revolution in the region in ten to fifteen years? These questions were the themes of a RAND workshop on the information revolution in Latin America held on November 1-2, 2000, in Washington, D.C. Information technology (IT) was defined not just as the Internet or the World Wide Web, but also the entire range of technologies that are reshaping communications - and their implications for business and the economy, politics and governance, and ultimately for how societies evolve.

This workshop was part of a larger project, one asking about the future of the information revolution around the globe. RAND's efforts to address related issues are expected to extend over a three-year period. The first step in this effort was a conference held in November 1999 on the political, economic, social, and cultural trends driven by the information revolution as they manifest themselves globally; the proceedings of this conference were published in Hundley and others (1999). The second step was a conference in May 2000 to explore the technological drivers of the revolution in more detail; the proceedings of that conference were published in Anderson and others (2000). The workshop on Latin America represented a third step toward RAND's over-arching goal of mapping the likely future of the global information revolution over the next one to two decades. This report presents the proceedings of that workshop.

Thirty individuals participated, bringing expertise from business, government, academia and think tanks across the region.<sup>4</sup> The agenda for the workshop was:

- the likely diffusion of the information revolution in the region;
- the economic and business realities in which that process is embedded;
- the extent to which political considerations will spur or constrain the process and, in turn, will be reconfigured by it; and
- the broader impact of the process on Latin American societies.

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<sup>4</sup> Participants' names and affiliations are included in Appendix A.

The workshop sought to give special attention to how the impact of the information revolution might vary within Latin America, as well between Latin America and the rest of the world.

The workshop began with an overview of information technology infrastructure in the region. This session asked: What is the profile of IT infrastructure across Latin America? What are the dominant features of that infrastructure across countries? Which countries are leading, which are lagging? What are the predominant differences across countries? Section 2 of this report summarizes this discussion.

A discussion of the economic and business dimension of the information revolution came next, with particular emphasis on the region's two biggest countries, Mexico and Brazil: What are the sources of financing for IT and for new IT-enabled businesses and services? Who are the major players? Are there critical IT business clusters in the region? Where, and why have they developed? How is e-commerce developing in the region? What are the main differences across countries? What are the driving forces of change? What are the main obstacles? Ultimately, what can be said about the impact of IT on the conduct of business and economic advance in the region? A keynote address on "Information Revolutionaries," by Ernest Wilson of the University of Maryland, followed this discussion. The plenary session and keynote address are summarized in Sections 3 and 4, respectively.

Section 5 summarizes three breakout groups addressing how the impact of the information revolution might vary across the region. Each group dealt with a different subregion of Latin America – Mexico, Central America, and the Caribbean; Northern South America; and the Southern Cone, including Brazil. The first day of the workshop wrapped up with a discussion of the political dimension of information revolution, summarized in Section 6.

Section 7 deals with the first plenary session on the second day of the workshop, addressing the societal dimensions of the information revolution: How will IT affect delivery of health care, education, and other social services? What social or cultural factors prominent in Latin America, if not necessarily unique to it, facilitate or inhibit the diffusion of information technology? How common are these factors across the region? Is the information revolution increasing economic inequalities in the region? Is it increasing social inequalities in this or other ways, for instance by accentuating rural-urban cleavages?

Before wrapping up the workshop, breakout groups again grappled with differences across the region, focussing on the political and societal dimensions,

and this time with each group dealing with all of Latin America. Those discussions are presented in Section 8, and the workshop's major themes and conclusions are laid out in Section 9. Two days are hardly enough to fully apprehend the current state of the IT revolution, much less its future, but the workshop did outline a provocative menu of provisional conclusions.