



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

clTIEs SUPPORT
PROGRAMME

**Gordon Institute
of Business Science**
University of Pretoria

ICT and economic growth



Access to ICT promotes better learning

- Better access to information facilitates learning and communication abilities, which increases the amount and effectiveness of working people
(Lucas, 1993)



“Once I learn how to use Google, isn’t that all the education I really need?”



ICT improves worker and company productivity

- ICT fosters an improvement in labour skills, consumer sophistication and an increased level of broad-based education. This encourages the **improved use** of technology and raises productivity. (*Quah, 2002*)
- Example: The adoption of mobile phones by fishermen and wholesalers in India was associated with a dramatic reduction in price dispersion, elimination of waste, and substantial improvements in both consumer and producer welfare.



Any access to information and communications drives economic growth

- Even before the emergence of ICT, the impact of improved access to information and communications on economic growth was observed in several economies, such as Japan, Korea, Hong Kong, and Taiwan.
- Their outstanding economic growth has been attributed, in part, to the fact that their firms and people had **better access to market information**. In addition, they benefited from **more effective communication with foreign partners and each other**.



Investment in telecommunications infrastructure drives growth

- There is a strong positive relationship between telecommunication infrastructure investment and economic growth.
(Roller and Waverman, 2001)



Major growth drivers

- The effect on growth of the penetration of **internet users** is larger than that of **mobile phones**, which in turn is larger than that of **personal computers**.
(Khuong M. Vu, 2011)
- Penetration rates of telecommunications services significantly improved the productive efficiency of the world as a whole and **particularly in some subsets of low income countries**. *(Thompson and Garbacz, 2007)*



Action: Promoting the diffusion of ICT technology is both urgent and strategic

- Investing in broadband infrastructure, reforming the education system to better prepare people for the information age, and fostering Internet-enabled services, including e-government and e-commerce should be of top priorities. *(Khuong, 2011)*



Agenda for today

- 9:00 Briefing – Ian James
- 9:30 Drive to Dimension Data Campus, Bryanston
- 10:00 Presentation and discussion
– Host: Baxolile Mabinya
- 12:00 Drive to Tshimologong Precinct, Braamfontein
- 12:30 Finger lunch + Presentation and panel discussion
– Host: Prof. Barry Dwolatzky, JCSE
- 14:30 Return to GIBS
- 15:00 Debrief – Ian James





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