

# Preface

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The global economy is being changed in profound ways by the onward march of science and technology. Technological change has, of course, always been a central engine of economic growth, but what is significant about the past decade is the acceleration in the pace of change and, as more and more countries have made efforts to improve their macroeconomic and policy environments, technology and technological innovation appear to have entered a “golden age”, a time when they are emerging as the key drivers of growth and development.

There are, to be sure, still many basic battles to be won in the developing world, addressing fundamental issues of development from reducing poverty levels and the incidence of disease to enhancing opportunity and the quality of life for large segments of the world’s population. But, as economists are prone to point out, what matters most is what happens “at the margin”, and at the margin technologies today—particularly information and communication technologies (ICT)—are increasingly playing the central catalytic role in pushing the development process forward.

The release of the *Global Information Technology Report 2004–2005* comes at a time of guarded optimism about the near-term evolution of the global economy. World GDP has entered a phase of strong expansion nearly everywhere, and the technology sector, having gone through a period of streamlining and consolidation in the early part of the decade, is making its contribution increasingly felt. Whether this period of economic expansion will be sustained over the next few years, creating the conditions for improvements in per capita income worldwide, or whether it will falter under the weight of uncertainties associated with existing macroeconomic imbalances is, perhaps, the key question confronting businesses and governments everywhere.

But, regardless of how this issue is resolved—and we count ourselves among those who feel that a combination of good macroeconomic policies and ambitious structural reforms will go a long way toward ensuring a sustained recovery—it is clear that ICT will continue to play a growing role in boosting the efficiency of the increasingly integrated global economy and enabling countries to improve resource allocation and boost growth prospects.

The *Global Information Technology Report* series of the World Economic Forum aims to monitor the progress of networked readiness in more than 100 countries, highlighting the policy, institutional, and structural obstacles that prevent countries from fully capturing the benefits of ICT. It is thus a benchmarking tool that also gauges the extent to which best practices are spreading all over the world. Beyond the mere provision of an annual international cross-section of networked readiness, the publication of the Report also may be seen as a vehicle

whereby governments, businesses and individuals can assess progress on a regular basis.

We commend the contributors to this Report for their energy and commitment to producing a valuable resource for policy makers and business leaders engaged in the task of promoting networked readiness. We especially thank the editors of the Report, Soumitra Dutta of INSEAD and Augusto Lopez-Claros of the World Economic Forum, for their leadership roles in this project.

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