

# E-readiness

The Economist Magazine's Intelligence Unit and computer giant IBM this week released their annual "e-readiness" survey, which ranks countries on their e-commerce and information technology standards.

Bermuda was ranked for the first time this year and came 20th, wedged between France and, somewhat surprisingly, Japan, with a score of 7.81 out of ten.

The rankings are derived from six categories, which receive different weightings, and these are connectivity and technology infrastructure (25 percent), business environment (20 percent), consumer and business adoption (20 percent), social and cultural environment (15 percent) legal and policy environment (15 percent) and supporting e-services (five percent).

Telecommunications and E-Commerce Minister Michael Scott said yesterday that Bermuda should be pleased with its ranking, but rightly added that it should not rest on its laurels.

Indeed. It is positive that Bermuda, given its size, should be ranked in the top 20 countries in the world, and it is worth noting that no other jurisdictions of Bermuda's size are even included.

But being 20th is not all that great either. It means that there are 19 countries that are considered to be better equipped than Bermuda is for the so-called "new economy", and this may not be good enough for Bermuda given its heavy dependence on service industries and its lack of labour and natural resources.

It can be argued that Bermuda needs to be on the cutting-edge of technology simply to survive in the modern world. When 19 countries including the US, the UK, Canada, Hong Kong, Singapore, South Korea and Ireland are all ranked ahead of Bermuda, it is somewhat worrying.

Furthermore, the report notes that the so-called "digital divide" is narrowing. Poorer countries are closing the gap with wealthier nations means that the ability of countries like Bermuda to differentiate themselves on the basis of their superior infrastructure is diminishing.

Mr. Scott outlined a range of legislative initiatives that the Ministry will be pursuing which is welcomed, although some are less crucial than others and in some cases are reinventing the wheel.

But the Island continues to face difficulties with higher costs which could damage the Island's ability to compete. To be sure, the Island has some structural costs that cannot be avoided. But continued deregulation of the sector is needed in order to encourage competition. Cellular One's difficulties launching its Internet service is a classic example of how bureaucracy and regulation can stifle competition and harm the consumer.

Government has to lead by example. Most IT experts are not terribly impressed with the Government's own web portal and Government as a whole still does not have a coherent "e-government" strategy.

Mr. Scott rightly said that demand for experienced IT professionals continues to outstrip supply. Putting more emphasis on information technology in the schools and at the Bermuda College so that it is fully integrated into the curriculum is essential.

So Bermuda deserves two cheers for its position in this survey. But it can and must do better.