Comment on

"Social Equity & Prosperity: Thailand Information Technology Policy into the 21st Century"

by

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Identical Starting-Points. A consequence of the globalization of our lives is also manifest in the similarities in the discussion about the phenomenon "information society" in such countries as Thailand and Germany, which are so far apart in distance, history and culture. At first glance, the subject-matter, structure and rhetoric of this discussion are the same here as there. The main concern is how to master the fundamentally new potential of information. The fact that, through modern technology, all of the common forms of human communication in the special features of language, writing and pictures can be digitalized and, with virtually no time-loss, made available to any location in the world electronically, challenges all modern organizations to re-consider their self-concept. At the same time, they are challenged to re-consider how their structures and procedures can be adapted to the demands of our time.

This is a repeat of what Joseph A. Schumpeter meant by the "process of creative destruction" of conventional structures on the part of innovative entrepreneurs. Schumpeter described economic history as a "history of revolutions" of a technical and organizational kind, as the "process of industrial mutation..., which continually revolutionizes the structure of the economy *from within*, continually destroys the old structure and continually creates a new one."(1) The modern term "re-inventing"(2) probably expresses a similar context.

Today, a process like the "process of creative destruction" is seen in the paradigmatic transformation from the industrial society to the information society. It is expressed not only in the dramatic change in the international division of labor in the economy, with opportunities and risks for businesses and employees in the traditional locations. On the contrary, it encompasses whole areas of life, e.g., how we transport people and goods, how we educate and entertain ourselves, or how we organize the health-care system and environmental protection. In order for this process to proceed in a truly "creative manner", the state - but not only the state - is taken to task to a special degree as a development agency. The state must organize the social dialog concerning the direction to be taken, guarantee the technical infrastructure, further develop the macro-economic and legal-political framework and, at the same time, remove all obstacles, create incentives and contain risks. Indeed, in both Thailand and Germany, it seems that the efforts are concentrated on fulfilling these tasks.

Different Starting-Points. At second glance, one recognizes that there are, nevertheless, definite differences in the basic requirements and focal points of the action areas intended to lead "the way to the information society". Thailand is enjoying the benefits of a robust and growing economy, whereby the distribution of income and equality in the standard of living do appear to create problems. The title of the "IT-Policy" which is to be commented upon here places "Social Equity & Prosperity" in the top position, so to speak, as a guiding principle. This appears to influence Thailand's strategy for the transition to the information society, for example, when the discussion concerns the differences in equal opportunity which have to be overcome, or the standard of living, access to education, or the availability of telecommunication services, e.g., in reference to the city of Bangkok and in the rural areas.

The initial situation in Germany is different. The economy is stagnant with a relatively high and also acceptably- distributed standard of living. Unemployment has reached a disturbingly high level. In the present global-competition situation, Germany's current location-advantages, like a stable political system, high legal and planning security, the high general and professional qualifications of the workforce, a well-functioning collective bargaining between unions and management which, for the most part, avoids labor conflicts, or the reliability of the civil service has proven, of late, to be incapable of outweighing the ever-growing location-disadvantages.

These are, for example, the relatively high labor costs for short working-hours, high taxes and charges to finance the welfare state, an aging population with the corresponding challenges to the social security system, the deficit in the public household and rising public debt, a dense network of regulations, and the long duration of procedures, for example, for the approval for industrial plants, or the relatively high hurdles to be overcome in order to found a business. In view of this, a structural change in the economy is necessary. This change should be directed toward those products and services of the information society whose distinctive high qualitiy/high yield caliber make the retention of a high standard of living possible. Exactly this structural change has proven itself to be very difficult because - paradoxically, and in, of all places, a welfare state - there is great resistance to adapting and to innovation because vested rights are defended tooth and nail.

Congruities and incongruities in strategies. As the "process of creative destruction" has proven itself to be especially difficult and tenacious in Germany, it is to be expected that this is also apparent in the comparison of the preparation-strategies for the information society. In Germany, these strategies are co-determined to a substantial degree by the relevant endeavours of the European Union.(3)

Without doubt, these strategies are primarily based on economic motivations, especially on the necessity to survive in the triade North America/Asia (with Japan and up-coming states like Thailand)/Europe. In so far, the observations of George, Goodman, Kraemer and Mason that economic interests are, as a rule, at the core of all the rhetoric about the information society is also true here.(4) In the competition for markets and in the efforts to guarantee employment for the European workforce, it is of little help to recall that science and technology came into being in the days of old in Europe, that, for example, the telephone, automobile, computer and telefax were invented in Germany. It must be possible to once again develop technological standards *here* and to put them on the market in good time, instead of limping behind North America and Asia. As Edith Cresson, Member of the European Commission and former Prime Minister of France recently said, the aphorism "invented in Europe, developed in America, marketed in Asia" must be refuted. As far as we

can succeed in doing this, North America and Asia, as substantial and growing regions of the world market, will not only be competitors but also potential buyers of European products.

It is certain that this perception must be transformed into concrete action in the old world. Instead, however, some fall back upon protectionist ideas. Accordingly, clear calls for a return to the "primacy of politics" as a solution to Europe's economic difficulties can be heard. By the "primacy of politics" is meant that one should increasingly wall off one's own economy from the world market. However, this won't work in a globalized economy which affords the state fewer and fewer possibilities to exert influence on a firm's decision concerning manufacturing-locations. On the contrary, the public sector is required to act as a development agency, as a moderator of the coming structural transformation and this is, without question, the direction of the relevant political measures of the European Union and the Federal Republic of Germany. In order to take part in the expected exploding world market for the products and services of the information society, the vicious circle must be broken. At present, this circle is composed, on one hand, of the offerings of multimedia products which are still limited and expensive because few potential markets present themselves to the producers. As a result, the wideband networks are also unprofitable. On the other hand, the demand for such products is still limited because the offerings are limited.

There are a number of reasons for this situation. Either, there is so little knowledge about the offerings, or the advantage to users has not yet been recognized, or the costs of telecommunications are too high and the supply of terminals is still too meager. For this reason, promotional programs place a strong emphasis on demonstration projects which show the user-advantages, and on the advantages of developing an economical "information highway". In order to improve the availability of the necessary knowledge, as well as the willingness to change, a great emphasis is also placed on explaining the opportunities created by the information society, and on educational programs. The adaptation of the legal-political framework is being accelerated in order to reduce the offerers' current planning insecurities. One hopes to be able to strike the job-balance in the competition for future markets in such a way that the new employment possibilities in research, development, manufacturing, advice and use of terminals, networks, software systems, and multimedia products compensate for those which will be discarded in out-dated industries.

As far as I can judge from the paper presented to me, the Thai starting-point is, in its concept and objectives, in conformity herewith. However, it appears to me to arrive more quickly at concrete measures, with a framework for time and finances, as well as quantative goals. Discussions about the risks involved in the information society and how they can be contained remain clearly in the background. With reference to the "three pillars" of Thai strategy, differences as well as common areas are apparent.

It is not at all necessary for Germany to develop its "national information-structure" to the extent conceived of in the Thai paper. In addition, the telecommunications offerer is obliged to provide a minimum of universal services. After many years of state monopoly, the liberalization of the telecommunications market stands in the foreground in Germany. Through liberalization, we intend to achieve a drastic reduction in fees and also to improve the offer of attractive products.

With regard to the second pillar "Investment in People", problems concerning equal educational opportunities, the availability of well-trained technicians, or the supply of educational software exist to a lesser degree in Germany. However, the curriculum problems are congruent with those in the Thai paper. Informatics has not yet outgrown its secondary

role in the educational system and now, on all levels of learning and continuing education, weaknesses in the supply of terminals and network hook-ups, as well as in teacher-training are showing up. There is almost total agreement on the third pillar "Informating the Public Sector". Equipping official buildings with technical furnishings and on-line hook-ups is relatively far behind in Germany as well. Systematic planning for information technology does not yet take place everywhere, and electronic hook-ups among the authorities, the economy and the citizens has, until now, been more talked about than acted upon.

Evaluation and perspectives. As with Thailand's National Information Technology Plan, the first statements of the German Federal Government concerning the transition to the information society have just been published. With the report "Info 2000, Germany's Path in the Information Society", published in February 1996, the Federal government founded the "Information Society Initiative, Germany (IIG)". The report presents the Federal government's first comprehensive analysis of the changes in the economy in the information society. It includes detailed information concerning the present situation, goals, action areas and programs planned. The coordination is in the hands of an intra-ministerial committee on the level of the Secretary of State. Any doubt about the fact that Germany is presently in the transitional stage to the information society has, for the most part, disappeared from debates and political speeches. Even though the action-plans have yet to be realized, one must give the political sector credit for having taken up the current problematic topics in special committees and brochures in such a short time. At least one can say that "Our lips are pursed, now we must begin to whistle".

In the final analysis, the results will be influenced by public opinion. A broad-based discussion has begun among the German public as well. However, this discussion has been started by media reports about the Internet, rather than by far-sighted politicians and parties in collective bargaining. Whereas the IT-Plan in Thailand, with its vision of a better society and its concrete, hands-on measures, shows optimism, the public discussion in Germany is, in comparison, characterized by deep concern. It is symptomatic that before the expression "opportunity" appears, the following quotation can be found in the Foreward to the report "Info 2000": "The information society changes the way we live, learn and work. Many people have "Angst" about the accompanying changes. We must take these concerns seriously." The fact that technical inventions easily call up gloomy and apocalyptical thoughts in German minds already surprised the philosopher and sociologist Arnold Gehlen in 1957, when he stated that one "did not expect such a polemically-colored resistance to technology in such an inventive people". This statement was confirmed thirty years ago with the promotion of the computer. Not a few assume that the endless discussions about the pro and contra of this technology threw us back ten years. One is anxious to know whether the current controversy over multi-media products will be a repeat of this. Will automation take work away from human beings? Will they become isolated? Will social ties break down? Won't the art of reading suffer? Won't first-hand, personal experiences lose out to virtual reality? Won't criminals and political extremists make use of the networks? Will it be at all possible to protect the private sphere? Such questions appear to be enjoying special attention once again.

In truth, due to the many positive factors of our production location, we actually are well-qualified to successfully manage the transition to the information society. Will we display the necessary "mental capacity" this time, or will we talk the life out of it? The positive thinking in accepting technology which is explicit in the Thai paper, creates little room for doubt. It creates the impression that they are a good step ahead of Germany in their willingness to accept the challenges presented by the information society, and to use the new possibilities to improve social positions.

Literature

(1) Schumpeter, Joseph A., Capitalism, Socialism, and Democracy, Bern 1946, Chapter 7, pp. 134-142.

(2) Osborne, David and Gaebler, Ted, Reinventing Government - How the Entrepreneurial Spirit is Transforming the Public Sector, New York 1993.

(3) Important papers are, e.g., "Europe and the Global Information Society - Recommendations to the European Council", May 26, 1994 (known as the "Bangemann-Report") and the report of the European Commission "Europe's Path in the Information Society: An Action Plan", July 19, 1994.

(4) George, Joey F., Goodman, Seymur E., Kraemer, Kenneth L., and Mason, Richard O., The Information Society: Image versus Reality in National Computer Plans, in: Information Infrastructure and Policy 1995, pp. 181-192.