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Geoffrey Kirkman, *Harvard University*

> " There is poor telecommunications deployment over the country, and most of the population doesn't have access to technology or Internet."
>
> ***—Senior executive, Dominican Bank***

> " Our primary setback is education."
>
> ***—Sales executive, Dominican IT company***

There is a growing desire in the Dominican Republic to build on a decade of economic success and to become a service-oriented, Networked Ready economy. The nation faces a number of major challenges, particularly in rural-urban disparities, education, income distribution, and effective coordination between the government and the private sector. The Dominican Republic ranks forty-seventh overall in the Networked Readiness Index, and eighth within Latin America.

In general, information infrastructure in the Dominican Republic is fairly well developed in affluent and urban locales, but poor elsewhere (Ranking in Information Infrastructure micro-index: 45). The country has good international connectivity, driven largely by the demand for communication with the large Dominican diaspora in the United States.

Many ICT business leaders want greater dialogue with the government to improve Networked Readiness (Ranking in ICT as Government Priority: 45). The recent establishment of Indotel, a quasi-independent telecommunications regulatory agency, was a positive step toward creating a competitive telecommunications environment (Ranking in Effect of Telecommunications Competition: 11). The local, long-distance, cellular, and ISP markets are dominated by the former state monopoly, CODETEL. The cellular sector is the most competitive, and mobile telephony has boomed in recent years.

There are only three major ISPs operating in the Dominican Republic. Although DSL service was rolled out during 2001, broadband is almost nonexistent (Ranking in Availability of Broadband: 38). There is very little Internet use outside of Santo Domingo and Santiago, the nation's two largest cities.

Reliability of the electricity supply is poor, even in urban areas. Many ICT users have had to invest in their own power generators and universal power supply units to protect their ICT equipment against blackouts (Ranking in General Infrastructure micro-index: 64).

The Dominican government has initiated several innovative ICT projects. The Little Intelligent Communities (LINCOS) program focuses on establishing community ICT centers that offer telephone and Internet access as well as telemedicine, community-oriented ICT applications, and Internet radio. The Santo Domingo Cyber Park and the Instituto de las Américas were established to attract foreign direct investment in the ICT sector and to train workers in ICT skills. Finally, computer laboratories were established in several hundred high schools.

There is very little e-commerce, in either the B2C or B2B sectors (Ranking in e-Commerce micro-index: 55). This is due primarily to the low penetration of PCs in both the commercial and consumer markets, a lack of credit card use, the small middle class, and high cost of access. Limited financing sources and high interest rates discourage start-up businesses, especially nascent ICT-related companies.

Many in the Dominican private sector feel it is difficult to find and attract qualified ICT workers. The university-level ICT curriculum remains outdated, and rigid curriculum revision guidelines hamper efforts to introduce the latest ICT skills. Many ICT graduates leave the country for the higher wages they can find elsewhere (Ranking in IT Brain Drain: 43). Computers are common in private schools at the primary and secondary levels, but, in the public schools, there are serious deficiencies in the ICT curriculum, teacher training, and student access to computers (Ranking in Internet Access in Schools: 57). Most Dominican schools continue to grapple with more fundamental needs, such as basic supplies, electricity, and qualified teachers.

Dominican Republic

Key Facts

Population	8,372,695
Rural population (% of total population) 1999	35.64 %
GDP per capita (PPP)	US$5,962
Global Competitiveness Index Ranking, 2001–2002	50
UNDP Human Development Index Ranking, 2001 (adjusted to GITR sample)	59
Main telephone lines per 100 inhabitants	10.39
Telephone faults per 100 main telephone lines	133.20
Internet hosts per 10,000 inhabitants	9.44
Personal computers per 100 inhabitants	NA
Piracy rate	68.00 %
Percent of PCs connected to Internet	NA
Internet users per host	3.80
Internet users per 100 inhabitants	0.30
Cell phone subscribers per 100 inhabitants	7.73
Average monthly cost for 20 hours of Internet access	US$30.42

	RANK
Networked Readiness Index	**47**
Network Use component index	**42**
Enabling Factors component index	**51**
Network Access	**38**
Information Infrastructure	45
Hardware, Software, and Support	31
Network Policy	**48**
Business and Economic Environment	58
ICT Policy	38
Networked Society	**54**
Networked Learning	55
ICT Opportunities	45
Social Capital	63
Networked Economy	**58**
e-Commerce	55
e-Government	56
General Infrastructure	64