IRM PRESS
701 E. Chocolate Avenue, Hershey PA 17033-1117, USA
Tel: 717/533-8845; Fax 717/533-8661; URL-http://www.irm-press.com
ITB9169

Chapter XI

Social Responsibility and the Transition Toward a Knowledge-Based Society in Latin America

Heberto J. Ochoa-Morales
University of New Mexico, USA

ABSTRACT

In Latin America, the proliferation of regional and multilateral agreements with integration as a purpose has generated a high flow of goods, services, and investments among these countries. From the economic perspective, the outcome is trade and, therefore, stimulus to economic growth. Information technology is a relevant parameter in this endeavor. The "digital gap" between developed countries (DC) and less developed countries (LDC) is greater than the gap in the "standard of living" between them. The uneven distribution of wealth among and within countries, and the lack of communication infrastructure and computer-based power, situate them at a transitional stage within the "knowledge-based society," which emanates social changes, and therefore new roles to be achieved by private and public institutions within the framework of social responsibility.

INTRODUCTION

In Latin America, regional as well as multilateral integration schemes have a predominant role within integration agreements. Good representations of the above include MERCOSUR: Brazil, Argentina, Uruguay and Paraguay. The Andean Community (AC) is composed of Bolivia, Ecuador, Colombia, Peru, and Venezuela, and the Group of Three (G3): Colombia, Mexico, and Venezuela. These organizations have the intent to establish, among other components, free trade areas, customs unions, common markets, and economic unions — all covenants that, in the future, may evolve into a political union (S.C.A. et al., 1998).

Under the scheme of regional integration, a high flow of goods, services, and investments between countries will be originated primarily under the format of foreign direct investments (FDIs). From the economic perspective, the outcome is trade and, therefore, stimulus to economic growth. By the year 2000, Latin America's regional agreements AC and MERCOSUR, without considering other regional pacts with Chile, had a potential market of 310 million consumers (UN-CEPAL, 1999a). Chile's contribution alone is 15.2 million potential customers. It should be emphasized that the AC countries will have, by the period 2000-2005, an average increase in population rate of 17.98 per thousand, while MERCOSUR will have 13.96, and Chile 11.8 per thousand increases, respectively (UN-CEPAL, 1999b).

The research literature concurs in the importance of technology as a main factor imbedded in the productivity equation. The "digital gap" between developed countries (DC) and the less developed ones (LDC) is greater than the gap built by economic indicators, such as productivity, and socio-economic ones, like "standard of living." In March 2000, the number of users on the Internet was approximately 304 million. The United States of America and Canada have 45%, Europe 27%, the Asia-Pacific region 23%, and Africa and the Middle East 1.5%. Latin America and the Caribbean hold 8% of the world population, but only 3.5% of Internet users and less than 1% of the global e-commerce. Although, in the year 1999, a noticeable increase in Internet host computers was extant. The growth rate has been the highest in the world, and the number of users is 14-fold within the 1995 to 1999 period (UIT, 2000).

The literature emphasized the growth of e-commerce in the decade of the 1990s that has occurred by improvement of computer-based power and the convergence taking place with telecommunications. Nevertheless, there are other factors associated with the developments, which include, but are not limited to, the role and social responsibilities of the public and private sectors in driving and sustaining infrastructure development. Currently, businesses that transact on the Internet have had relevant cost reduction, and an increase in revenues. A high correlation does exist between the growth of benefit and the increase of businesses performing such transactions within the network (U.S.D.C., 1998). E-commerce has shown a rapid development in Latin America. Brazil reached 4 million users in 1999. This