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“ El Salvador is already worlds away from where it used to be.”

—*University professor, El Salvador*

“ In order to incorporate more of the population into an El Salvadoran Internet, the economic playing field must be leveled for all citizens.”

—*IT observer, El Salvador*

While facing issues of physical insecurity, urban-rural discrepancies, and roughly a fifth of the population living in poverty, progressive regulatory policies and the industrious Salvadoran nature have led to rapid growth in a number of areas of Networked Readiness. Despite the legacy of years of war that continue to discourage tourism, the nation has embarked on a path of democracy and economic development. El Salvador ranks fifty-fifth overall in Readiness for the Networked World.

Salvadoran information infrastructure was severely damaged by Hurricane Mitch in 1993 and subsequent earthquakes, which slowed down the build-out of the already underdeveloped telecommunications infrastructure (Ranking in Information Infrastructure micro-index: 51).

The relatively dense population of El Salvador has been especially attractive to foreign investors in the telecommunications markets, mainly in cellular telephony. As fierce competition among mobile operators continues to fuel innovative pricing models and saturate the potential cellular telephone market, mobile wireless telephony has become the dominant telecommunications medium in El Salvador. The positive impact of the country's telecommunications policies has been one of the bright spots in the country's Networked Readiness situation (Ranking in Effect of Telecommunications Competition: 21).

Rural development of the Internet remains overshadowed by the urban concentration of El Salvador's telephony. In 1998, about 80 percent of all lines were in the capital, and most departments outside of the San Salvador metropolitan area had fewer than five lines per hundred people.¹ Additionally, about half of the population lives in rural areas, where access to computers via libraries, schools, or Internet kiosks or telecenters is very rare.

While the country is small, transport infrastructure remains poor and hinders internal movement in the country: less than 15 percent of Salvadoran highways are paved.

Nevertheless, twenty-five public-access Internet centers have opened in various cities and large towns (Ranking in Public Access to the Internet: 40).² This movement has added value to the government and Punto.com initiative of providing free e-mail addresses to all citizens.³

Foreign investments have contributed to improved telecommunications networks, thanks to current ICT policy initiatives (Ranking in Effectiveness of Government ICT Programs: 35). Before the privatization of *Compañía Telecomunicaciones de El Salvador*, the state-owned telecommunications firm (now called TELECOM), customers had to wait for years for installation of a line; today the wait is only days.

With a little more than 20 percent of the population living in extreme poverty, many Salvadorans do not have the income, let alone a reason, to access the Internet.⁴ Additionally, competition among ISPs is increasing. Free Internet access providers are starting to make inroads. However, due to high charges for local telephone calls and a time-metered billing system, frequent (and affluent) Internet users are turning increasingly to fixed-price cable packages with higher speeds and lower overall costs (Ranking in Effect of ISP Competition: 37).

E-commerce is still in its infancy. The public sector also remains behind in e-government initiatives. Most government agencies have helpful websites, and a number of newspapers offer the daily news online. However, due to a lack of local critical mass of users, local content remains a shortcoming.

Education has been recognized as a key development factor in recent years; just under 30 percent of the population over age fifteen has no schooling. In 1998, members from different organizations formed *Conectándonos al Futuro* (Linking Ourselves to the Future), a group to study the best ways to build a learning society in El Salvador (Ranking in Networked Learning micro-index: 52).

Key Facts

Population	6,276,000
Rural population (% of total population) 1999	53.72 %
GDP per capita (PPP)	US\$4,477
Global Competitiveness Index Ranking, 2001–2002	58
UNDP Human Development Index Ranking, 2001 (adjusted to GTR sample)	63
Main telephone lines per 100 inhabitants	9.08
Telephone faults per 100 main telephone lines	36.70
Internet hosts per 10,000 inhabitants	0.92
Personal computers per 100 inhabitants	1.59
Piracy rate	79.00 %
Percent of PCs connected to Internet	0.98 %
Internet users per host	41.03
Internet users per 100 inhabitants	0.65
Cell phone subscribers per 100 inhabitants	6.21
Average monthly cost for 20 hours of Internet access	US\$19.13

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Networked Readiness Index **55**

Network Use component index **56**

Enabling Factors component index **58**

■ Network Access **58**

Information Infrastructure 51

Hardware, Software, and Support 65

■ Network Policy **44**

Business and Economic Environment 51

ICT Policy 37

■ Networked Society **58**

Networked Learning 52

ICT Opportunities 56

Social Capital 65

■ Networked Economy **59**

e-Commerce 64

e-Government 51

General Infrastructure 61