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“ France has some of the fastest growth rates for Internet usage, PC shipments, and overall IT spending by businesses, consumers, government, and education. The French government has been keen to promote Internet usage by business and education users.”

—*French IT executive*

“ We need to build...the confidence in electronic payment systems to grow B2C e-commerce and get a computer on every desk at school.”

—*Executive, French software firm*

With PC penetration and Internet use below the EU average, the French are seen by many to be laggards in technology adoption. In reality, the country finds itself in a rapid transition state. France is ranked twenty-fourth overall in Readiness for the Networked World. The proliferation of the proprietary Minitel system in the early 1980s led to slower PC and Internet adoption than in many other nations. At the same time, recent government initiatives, greater involvement by foreign ICT multinationals, and integration in international ICT trade have encouraged greater adoption and use of standard international ICT products and services.

In 1982, France Telecom, the telecommunications monopoly at the time, introduced the Minitel, a proprietary network that charges users by the minute to access phone numbers, gather information, make travel reservations, conduct financial transactions, and purchase goods. Its simplicity has attracted an estimated 16 million users in France.¹ The Minitel's popularity delayed adoption of personal computers and related technologies by French households. Government and educational institutions also were slow to implement PC technologies.

Recent government initiatives have been launched to increase adoption of ICTs (Ranking in ICT as Government Priority: 26). In 1998, the French government launched a program to “prepare the entry of France into the Information Society” (PAGSI). The 218 measures of the PAGSI plan address needs in six key areas of ICT development—education, culture, business, local technological innovation, government services, and regulation.²

In 1998, only 2 percent of the French population used the Internet; this figure had risen to 10 percent by 2000. Seventy percent of French businesses now have Internet connections versus 28 percent in 1998.³ In July 2000, the French government reviewed progress to date, revealing

that 100 percent of high schools and 65 percent of middle schools were connected to the Internet (Ranking in Internet Access in Schools: 29).⁴ France also made great progress in developing e-government services, with 78 percent of state services now online (Ranking in Online Government Services: 22).⁵

This furious pace of technology adoption shows no signs of abating. Although in 2001, PC sales are expected to fall by 4 percent in Europe as a whole, France's PC sales are expected to grow by 3 percent.⁶ Total ICT spending is also expected to grow by 10 percent in France versus 8 percent in Europe as a whole.⁷ Decreasing Internet access prices have helped to fuel Internet and technology adoption in France.⁸ There has been a growing perception of tremendous activity in Internet-related businesses (France ranks among the top five nations in Dot-com Competition, Internet Start-ups, and VC Funding, driving its overall ranking in e-Commerce micro-index to eighth).

Despite this growth, use of the Internet's capabilities is still conservative. The Minitel aside, Internet-based B2C e-commerce has been slower to take hold. At the end of 2000, 2000 websites were e-commerce enabled, but only 20 percent had significant turnover.⁹ Only 15 percent of French Internet users buy online versus 44 percent in the U.S., and only 4 percent of French households shop over the Internet versus 18 percent in the EU overall.¹⁰

Key Facts

Population	58,800,000
Rural population (% of total population) 1999	24.58 %
GDP per capita (PPP)	US\$24,032
Global Competitiveness Index Ranking, 2001–2002	20
UNDP Human Development Index Ranking, 2001 (adjusted to GTR sample)	11
Main telephone lines per 100 inhabitants	58.01
Telephone faults per 100 main telephone lines	5.90
Internet hosts per 10,000 inhabitants	190.89
Personal computers per 100 inhabitants	30.48
Piracy rate	40.00 %
Percent of PCs connected to Internet	6.26 %
Internet users per host	7.57
Internet users per 100 inhabitants	14.46
Cell phone subscribers per 100 inhabitants	49.40
Average monthly cost for 20 hours of Internet access	US\$18.86

RANK

Networked Readiness Index **24**

Network Use component index **27**

Enabling Factors component index **14**

■ Network Access **13**

Information Infrastructure 14

Hardware, Software, and Support 12

■ Network Policy **15**

Business and Economic Environment 18

ICT Policy 12

■ Networked Society **19**

Networked Learning 26

ICT Opportunities 15

Social Capital 15

■ Networked Economy **10**

e-Commerce 8

e-Government 19

General Infrastructure 3