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“ There is an imbalance between the well-qualified people working in [the] IT field and insufficient investments in [the] ICT industry.”

—*Professor of computer science, Slovak Republic*

“ The Internet has become an effective medium for communication resulting in a greater participation amongst different members of Slovak society.”

—*IT consultant, Slovak Republic*

The legacy of lack of investment and a disproportionate allocation of resources in the former Czechoslovakia have impeded the Slovak Republic's Networked Readiness. After years of political isolation, the Slovak Republic has made significant progress since the election of a new government in 1998: the country ranks thirty-third overall in the Networked Readiness Index. The current government is introducing reforms that have spurred economic development and stabilized democratic institutions. The government's top priorities for economic policy are privatization of banks and energy utilities, initiatives to address the country's ongoing high unemployment rate, and development of the national ICT and telecommunications infrastructure.

In the early 1990s, the Slovak Republic's telecommunications infrastructure was obsolete by Western European standards. By the end of the 1990s, however, new digital networks had supplemented the country's older analog network infrastructure (Ranking in Information Infrastructure micro-index: 34). The incentive for the Slovak Republic to comply with EU standards and technological advancement should spur faster ICT development, and, coupled with Slovak Telecom's (ST) loss of its monopoly over basic voice services in 2003, growth in this sector is expected (Ranking in Effect of Telecommunications Competition: 32). Since the new telecommunications law went into effect, the Slovak Republic has a new regulatory structure that largely complies with EU standards. The Telecommunications Office has become a mostly independent regulatory authority, taking over duties such as licensing from the Ministry of Transport, Post, and Telecommunications and tariff regulation from the Ministry of Finance.

Dial-up service is the most common means used by people in the Slovak Republic to access the Internet. Dial-up users must pay time-metered rates to ST in addition

to ISP usage fees, but ST offers a less costly dial-up tariff specific to Internet calls. Internet service providers must obtain a license to operate in the country. Seventy-four licenses have been issued, and approximately thirty ISPs are connected to the Slovak Republic's Internet exchange, SIX.¹ There is currently one ISP in the Slovak Republic providing free dial-up Internet access, although users must still pay a metered-call charge to ST.

The number of people using the Internet in the Slovak Republic is growing slowly, because PC penetration is low and Internet access is expensive (Ranking in Public Access to the Internet: 43). Internet penetration in the education sector is still low. In an effort to alleviate this problem, the government has launched the Infovek Slovakia Program, which will provide an Internet connection and PCs to approximately 3,000 schools over the next five years.² E-commerce and e-government are still underdeveloped. Although many government organizations and agencies have Web pages, they are primarily static and used for information purposes, rather than to carry out transactions online (Ranking in Online Government Services: 43). The new Law on Telecommunications adopted in May 2000 and the new Freedom of Information Act of 2001 show the government's commitment not only to Networked Readiness, but also to greater overall transparency³ (Ranking in ICT as Government Priority: 45).

Key Facts

Population	5,405,000
Rural population (% of total population) 1999	42.68 %
GDP per capita (PPP)	US\$11,035
Global Competitiveness Index Ranking, 2001–2002	40
UNDP Human Development Index Ranking, 2001 (adjusted to GTR sample)	30
Main telephone lines per 100 inhabitants	31.41
Telephone faults per 100 main telephone lines	27.91
Internet hosts per 10,000 inhabitants	70.16
Personal computers per 100 inhabitants	10.92
Piracy rate	45.00 %
Percent of PCs connected to Internet	5.05 %
Internet users per host	17.14
Internet users per 100 inhabitants	12.03
Cell phone subscribers per 100 inhabitants	23.93
Average monthly cost for 20 hours of Internet access	US\$9.30

RANK

Networked Readiness Index **33**

Network Use component index **33**

Enabling Factors component index **31**

■ Network Access **33**

Information Infrastructure 34

Hardware, Software, and Support 32

■ Network Policy **32**

Business and Economic Environment 32

ICT Policy 32

■ Networked Society **25**

Networked Learning 29

ICT Opportunities 42

Social Capital 4

■ Networked Economy **39**

e-Commerce 44

e-Government 34

General Infrastructure 38