Foreword

It is a new world. In the old world, industrialization was a *sine qua non* to development and poverty alleviation or eradication. Countries needed to possess or acquire natural resources, transform them through processing into higher value manufactured products, and export them to other countries. This was the way the first world attained its preeminence in industrialisation and growth. That was the model of development that made many newly independent countries in Africa and Asia adopt industrialization as the route to economic development and growth. Apart from the low level of technological knowledge and skills that constrained the success of this model, there were problems of infrastructural inadequacy, poor road networks, inadequate electricity, foreign market inaccessibility, and low levels of marketing knowledge.

In the new world, the paradigm has shifted. The most prominent factor that has contributed to this shift has and continues to be advances in technology, particularly in information and communications technologies (ICTs), which have made instant communication possible, thereby facilitating and accelerating the globalisation of the world. The advances in ICT created a new industry, opened new vistas of opportunities in knowledge, and changed the approach in many areas of human endeavour (e.g., business, healthcare, manufacturing, government, education, architecture, services, etc.). In the process, ICT has also expanded the concept of infrastructure beyond roads, ports, and rail lines to include e-infrastructure (i.e., access to computer facilities, availability of broadband Internet connectivity, and the development of human knowledge). It is doubtful whether any country can aspire or attain development and poverty alleviation in the new world without embracing ICT.

Two young Americans, Sergey Brin and Larry Page, created Google, "the biggest media company in the world" (Time, 2006), not by processing any raw material into any physical product, but by creating a product of the mind, a service to store, find, and retrieve information. While still studying for his degree, another young American, 20-year old Shawn Fanning wrote file-swapping music software which was commercialised into a music exchange service that gained over 80 million

subscribers in two years (O'Connor and Solomons, 2001). This is the new face of global exports. They depend less on natural or physical capital, or even experience, and more on knowledge and ideas.

Jeffrey Sachs (2005) attributed the cause of extreme poverty in India to a lack of six major kinds of capital, one of which is "knowledge capital: the scientific and technological know-how that raises productivity in business output and the promotion of physical (roads, power, water and sanitation, airports and seaports, and telecommunications systems) and natural (arable land, healthy soils, biodiversity, and well-functioning ecosystems) capital." The focus on the development of "knowledge capital" in India has demonstrated an alternative route to economic development and poverty alleviation in developing countries. While India's textile industries still record substantial exports, it is the export of the new information technologies that has driven the recent rapid growth of the country's economy. India's massive investment in technological education has produced first class engineers and information technology scientists who dominate the ICT service industry and who have availed themselves to the opportunities provided by the liberalisation of the Indian economy to set up ICT service industries in India, to which several large western corporations outsource their services, particularly labour intensive services. The remittances of Indian workers abroad and the increased employment opportunities at home have substantially helped to promote growth and reduce poverty.

What is of interest here is the nexus between the new technologies and economic development. In many economies (both developed and developing), small and medium-sized enterprises (SMEs) account for a disproportionately large contribution to economic growth and development. In general, SMEs are more labour-intensive, depend more on local materials, and utilise low level technologies that are easily accessible to a larger population. They therefore provide greater opportunities for more people to earn an income and leave the poverty zone. However, SMEs, particularly those in developing countries, often suffer from a number of constraints. Their operations are often limited to domestic markets, and they often do not have adequate resources or skills to explore and exploit international markets. What Professor Mutula has done in this book, "*Digital Economies: SMEs and E-Readiness,"* is to analyse the opportunities provided by ICT knowledge to develop SMEs and enable them to function in an increasingly globalised, 'technomanic' world. The book adopts a development and global focus. It summarises the developments and growth of the digital economy and its components, and analyses the readiness of the various sectors and geographical regions of the world before focusing on the applications of e-knowledge to government, commerce, industries, records management, and so forth.

The detailed consideration of the growth potential and challenges of SMEs in availing themselves to the opportunities provided by ICT is of special interest.

The policy recommendations on capacity building in SMEs and the examples of best practices in the developed world present a road map for SMEs in developing countries to transform themselves into greater participants in the global economy, thereby leveraging the pace of development and accelerating the rate of poverty reduction. In "*Digital Economies: SMEs and E-Readiness,"* Professor Mutula has presented ideas, challenges, and policy changes, which, if accorded the seriousness they deserve, can "cheetah pole-vault" (Spio-Garbrah, 2008) the e-readiness of the third world and its crucial SME sector.

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