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Summary of “Open Source: A case for transition economies”

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Open source, or free software as it was originally called, has become in recent years one of the most talked about phenomena in the ICT world. This is remarkable, not only for the usual reasons – that open source has been around for many years as a volunteer driven success story before being discovered by big business and now government – but also because free software has largely developed quietly on its own without the headline coverage and glare of international attention that it now receives.

This in turn makes it more attractive to governments and policy makers – what is the special value of open source, and how can it be harnessed? The Free/Libre/Open Source Software (FLOSS) study which I coordinated with the support of the European Commission in 2002, the most comprehensive study of developers and users, showed that the most important reason for developers to participate in open source communities was to learn new skills – for free. These skills are valuable, help developers get jobs and help small businesses. The most important reasons given by users of open source software were not the lower costs but the higher security and better performance as compared to proprietary software.

Inexpensive skills development is an important reason for transition economies to promote open source software. But another reason is, contrary to surveys in richer countries, cost. Total Cost of Ownership (TCO) studies show varying results in rich countries, where labour costs are high and the relative low license fee of open source need not necessarily reduce total costs of using and maintaining software. But in transition economies, even after discounts, the price tag for proprietary software is enormous in purchasing power parity terms. The €338 price of Windows + Office XP in Germany is, in PPP terms, €10201 in Russia and €1849 in Armenia, which is simply unaffordable. In the interest of sustainable long term growth and ICT development, transition economies must adopt and promote open source software in order to develop local skills and businesses and save unnecessary expenditure.

NB: presentation summaries are provided unedited as received from the authors and presenters