The Global Information Technology Report 2015

Highlights
The Networked Readiness Index 2015 Rankings

The Global Information Technology Report 2015 features the Networked Readiness Index which assesses the factors, policies and institutions that enable a country to fully leverage information and communication technologies (ICTs) for increased competitiveness and well-being.

### The Networked Readiness Index 2015 Rankings

**Economy**

<table>
<thead>
<tr>
<th>Rank</th>
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<th>Score⁴</th>
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Only \( \frac{1}{2} \) of the world population has ever gone online; at current growth rates, it will take about 12 years to reach 80–90% Internet penetration by income group.
Under the theme “ICTs for Inclusive Growth”, The Global Information Technology Report 2015 showcases solutions to allow everyone to benefit from and participate in the ICT revolution and to contribute to a more prosperous and inclusive world. Below are 3 key messages.

The Transformative Power of ICTs

As a general-purpose technology, the impact of ICTs extends well beyond productivity gains. ICTs are vectors of economic and social transformation. By improving access to services, enhancing connectivity, creating business and employment opportunities, and changing the ways people communicate, interact, and engage among themselves and with their governments, ICTs can transform our world.

Yet only widespread and systematic usage of ICTs by all stakeholders—individuals, businesses, and government—can trigger such transformation. The Networked Readiness Index (NRI) reveals the almost perfect correlation between a country’s level of ICT uptake and the economic and social impacts ICTs have on its economy and society.

ICT usage and impact

The Myths of Ubiquitous ICTs

ICTs are neither as ubiquitous nor spreading as fast as many believe. This explains in part the persistence of the digital divide across and within countries. Indeed, a stubbornly high correlation between income level and performance in the NRI exists.

There are as many mobile subscriptions as human beings on the planet. But half of the world’s population do not have mobile phones and 450 million people still live out of reach of a mobile signal. In developing countries, a huge divide exists between well-connected urban centers and off-the-grid rural areas. Finally, most mobile phones are of an older generation. The ICT revolution will not be carried over voice and SMS but will require universal and fast Internet. Yet some 90% of population in low-income countries and over 60% globally have never gone online.

The Low-Hanging Fruit of Policymaking

To achieve the ICT revolution and bridge digital divides, countries need to develop their ICT ecosystems. This implies long-term, costly investments in infrastructure and education. But low-hanging fruits do exist. Governments can create an enabling environment by promoting competition through sound regulation and liberalization.

Many sub-Saharan African countries have fully liberalized their ICT markets. Indeed, in terms of liberalization the region is doing better on average than several others. This strategy bodes well for the future. Some countries—including Kenya and Tanzania—are already reaping the benefits of liberalization in the form of increased private investments and use and the introduction of new business models and services.
The Networked Readiness Landscape in 2015

Baltics
Thanks to the strong performance of Estonia (22nd) and the steady rise of Latvia (33rd, up six), which is catching up with Lithuania (31st), the Baltic countries are now among the best performers in Europe – a remarkable achievement for the three former soviet republics.

Latin America
The picture for Latin America remains very mixed, with Haiti trailing Chile (38th) by almost 100 places. Overall, though, the trends are encouraging: 19 of the 23 countries in the region have increased their score since 2012, including Costa Rica (49th), Panama (51st), El Salvador (80th), Peru (90th), and Bolivia (111th), which have posted some of the largest score gains.

Sub-Saharan Africa
Sub-Saharan Africa’s performance is still disappointing with only Mauritius ranking in the top half of the ranking (45th). Countries like Kenya and Tanzania have recently improved their performance thanks to liberalized markets and well-defined government strategies that spurred investments in the sector. Public-private cooperation remains key for the development of ICTs in sub-Saharan Africa.

Did You Know?
Only 39% of the world population has ever gone online; at current growth rates, it will take about 12 years to reach 90%.

Size doesn’t matter
Seven of the NRI’s top 10 countries have a population of 20 million or less. Are “smaller” nations better at leveraging ICTs? Considering the full sample shows that it is not the case.

Note: Unless mentioned otherwise, the ranks cited in the country and regional highlights are the Networked Readiness Index 2015 overall rank among 143 economies.
This strategy bodes well for the future. Some countries—including Kenya and education. But low-hanging fruits do exist. Governments can create an enabling ICT ecosystems. This implies long-term, costly investments in infrastructure.

Source: World Economic Forum

ICT usage and impact

Its economy and society.

Yet only widespread and systematic usage of ICTs by all stake-

holders—individuals, businesses, and government—can trigger

engage among themselves and with their governments, ICTs can

As a general-purpose technology, the impact of ICTs extends

to contribute to a more prosperous and inclusive world. Below are 3 key messages.

Key Findings

NRI 2015 IMPACT SUBINDEX SCORE

2

3

6

7

NRI 2015 USAGE SUBINDEX SCORE

of population in low-income

and SMS but will require universal

older generation. The ICT revolu-

a huge divide exists between

phones and 450 million people

population do not have mobile

NRI exists.

Source: ITU, World Economic Forum analysis

The state of ICT service liberalization

Competition

Monopoly

Competition

Partial

69% 55% 33% 29% 29% 18% 63%

The Networked Readiness Landscape in 2015

Percent of individuals using the Internet, by income group

Source: World Bank, World Economic Forum

Networked readiness and income

GROSS NATIONAL INCOME PER CAPITA, 2013, US$ (LOG SCALE)

NRI 2015 SCORE

20

30

40

50

60

2

5

0–10%

30–40%

20–30%

40–50%

0–10%

20–30%

30–40%

40–50%

50–60%

60–70%

70–80%

80–90%

90–100%

Afghanistan

Australia

Austria

Belgium

Bolivia

Brazil

Bulgaria

Cambodia

Canada

Chile

China

Colombia

Côte d’Ivoire

Czech Republic

Denmark

Democratic People’s Republic of Korea

Estonia

Ethiopia

Finland

France

Georgia

Germany

Ghana

Greece

Hungary

India

Indonesia

Iran, Islamic Republic of

Ireland

Israel

Italy

Japan

Jordan

Kenya

Kosovo

Korea, Republic of

Kuwait

Laos People’s Democratic Republic

Latvia

Lebanon

Lesotho

Lithuania

Macedonia, FYR

Mexico

Moldova

Monaco

Montenegro

Morocco

Myanmar

Namibia

Netherlands

New Zealand

Nicaragua

Nigeria

North Korea

Norway

Oman

Pakistan

Paraguay

Peru

Philippines

Poland

Portugal

Qatar

Romania

Russia

Rwanda

Scotland

Senegal

Serbia

Seychelles

Singapore

Slovakia

Slovenia

Somalia

South Africa

South Korea

Spain

Sri Lanka

St. Kitts and Nevis

St. Vincent and the Grenadines

Sweden

Switzerland

Syrian Arab Republic

Tajikistan

Thailand

Togo

Trinidad and Tobago

Tunisia

Turkey

Uganda

Ukraine

United Arab Emirates

United Kingdom

United States

Uruguay

Uzbekistan

Vanuatu

Venezuela

Viet Nam

Yemen

Yugoslavia

Zambia

Zimbabwe

Armenia is the most improved country since 2012

Ten most improved countries in order of score differences

COUNTRY

NRI 2012

RANK

SCORE

(1–7)

Armenia

94

3.49

58

4.29

0.76

Georgia

88

3.60

60

4.23

0.63

United Arab Emirates

30

4.77

23

5.30

0.54

Kazakhstan

55

4.02

40

4.54

0.52

Russian Federation

56

4.02

41

4.53

0.51

El Salvador

103

3.38

80

3.89

0.51

Macedonia, FYR

86

3.91

47

4.42

0.51

Mauritius

53

4.06

45

4.49

0.42

Kazakh Republic

112

3.32

98

3.54

0.22

Latvia

41

4.35

33

4.75

0.40

Source: World Economic Forum

Urbanization and ICT usage

The deep rural-urban gap is one of the many facets of the digital divide. Higher urbanization rate corresponds to higher ICT usage.

Did You Know? Size doesn’t matter

Singapore earns the top spot of the NRI 2015. The city-state’s performance is remarkably consistent across the various dimensions of the Index, with the government leading the ICT revolution with a clear digital strategy and one of the world’s best offers in terms of online services and e-participation.

Caucasus

Led by Azerbaijan (57th) and with Armenia (58th) and Georgia (60th) among the best performers since 2012, the Caucasian republics represent one of the success stories of the NRI. Improvements were driven by improved government vision and increased affordability, competition, and use of ICT.

South Africa

With a stable score, South Africa slides down five positions to 76th. The overall political and business environment remains one of the strengths of the country, but its readiness is still very low. Overall, the potential of ICTs has not been fully unlocked and their impact on South African economy and society is still limited.
About the Networked Readiness Index

Since 2001 and on an annual basis, the Networked Readiness Index (NRI) has assessed the factors, policies, and institutions that enable a country to fully leverage information and communication technologies (ICTs) for increased competitiveness and well-being. This capacity depends on the conduciveness of its regulatory environment, the quality of its infrastructure, the level of preparedness of its population, the affordability of ICTs, and the extent of ICT adoption by the government and among businesses and individuals.

The NRI is composed of four subindexes, 10 pillars, and 53 individual indicators. Half of those indicators are sourced from international organizations, including the International Telecommunication Union and other UN agencies, the World Bank, and the International Monetary Fund. The other half are derived from the Forum’s annual Executive Opinion Survey. The Survey measures concepts that are qualitative in nature or for which internationally comparable statistics are not available, too scarce, unreliable, or outdated. In 2014, the Survey captured the opinion of over 13,000 business executives.

The NRI Framework
Selected Research

The Global Competitiveness and Risks Team measures the drivers of social and economic development through a set of proprietary global indexes and conducts an annual assessment of global risks. Its research serves as a platform for multi-stakeholder dialogue and public-private cooperation for better policymaking and more resilience.

The Global Competitiveness Report

Launched in 1979, the World Economic Forum’s flagship report series is the longest-running and most authoritative assessment of national competitiveness. Published annually, the report features the Global Competitiveness Index, which assesses the determinants of productivity of over 140 economies. Visit http://gcr.weforum.org

The Global Enabling Trade Report

This report assesses the quality of policies, infrastructure, and services facilitating the free flow of goods over borders and to their destinations. It helps economies integrate global value chains and companies into their investment decisions. It informs policy dialogue and provides a tool to monitor progress on certain aspects of global trade. Visit www.weforum.org/getr

The Travel & Tourism Competitiveness Report

This report assesses the set of factors and policies that enable the sustainable development of the Travel & Tourism sector, which, in turn, contributes to the development of a country. Under the theme “Growing through Shocks,” the 2015 edition examines the latest trends and analyzes the drivers of resilience in the sector. Visit www.weforum.org/tcr

The Global Risks Report

Every year since 2006, this report assesses the global risks landscape and analyzes the complex interconnections among key risks. Drawing on the perspectives of leading experts, the report aims to stimulate multi-stakeholder dialogue around the world on how to address, mitigate, and prepare for the most significant risks. Visit www.weforum.org/risks

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About the World Economic Forum

The World Economic Forum is an international institution committed to improving the state of the world through public-private cooperation in the spirit of global citizenship. It engages with business, political, academic and other leaders of society to shape global, regional and industry agendas.

Incorporated as a not-for-profit foundation in 1971 and headquartered in Geneva, Switzerland, the Forum is independent, impartial and not tied to any interests. It cooperates closely with all leading international organizations.