



2020 Edition of Network Readiness Index Report Key Messages

Key message No. 1 – Digital transformation needs to be “system-wide.” The best-performing countries in the index typically do well in many dimensions. A case in point is that eight of the top 10 in the overall rankings also feature in the top 10 in at least three of the four pillars. Similarly, at the other end of the rankings, seven of the bottom 10 in the overall rankings are in the bottom 10 in at least three of the four pillars. This underlines the importance of adopting a multi-dimensional approach in improving network readiness and indicates that economies should take steps to address a broad range of issues—from access to technology through matters of trust to the application of digital technologies in healthcare—rather than focusing on just a few policy areas.

Key message No. 2 – Digital transformation may create new forms of digital divides. As in previous years, the NRI rankings show remarkable stability at the top: All of the top 10 countries in the NRI 2020 were also in the top 10 last year. In fact, the same can be said about the top 25 economies in this year’s NRI. At the same time, specific regions continue to lag. Most notably, Africa trails all regions, especially when it comes to access and usage of ICTs. Once the “ripple effect” of COVID starts to hit international trade and investment flows, such divergences between “network-ready economies” and “laggards” may be amplified.

Key message No. 3 – Trust and security are central to successful digital transformation. High levels of trust and security are strongly associated with performance in the NRI for economies in the top quartile, which suggests that these are among the most important factors that separate the most advanced economies. For instance, 18 of the top 20 economies in the NRI are also among the top 20 performers when it comes to trust, which is the highest number of all sub-pillars (along with the use of digital technologies by governments). In this regard, the NRI also carries a strong message for other economies: Trust and security need to be at the core of digital transformation strategies to allow them to generate their full expected benefits, be it in electronic transactions (including e-commerce) or in broader areas such as education (certification, grading). A novelty in this year’s index is that it emphasizes that there are various facets in building digital trust; in particular, it draws attention to the importance of fostering a trusting environment and trusting behavior. As the protection of privacy is becoming crucial as big data and AI continue to develop, global lessons can be drawn from Europe’s experience with GDPR.

Key message No. 4 – The COVID crisis is accelerating digital transformation. It is still too early to see any impact on the NRI data due to COVID (national accounts and annual reports will only start showing comparable evidence at the end of the calendar year). Yet, the rapid development of tele-working in locked-down economies, as well as the substitution of tele-conferencing for physical meetings and events have shown that the potential to digitize a number of activities (including education, for example) was generally far greater than anticipated. The resulting practices, for the majority, are here to stay, and will continue to affect the way we work, learn, compete, and cooperate.

Key message No. 5 – Education and re-skilling are critically important for successful and sustainable digital transformation. In all types of economies, investments in technology alone cannot guarantee higher levels of network readiness. New technologies, equipment, and services require that the corresponding skills be available locally. The ability of national economies to sustain efforts to allow a constant re-skilling and up-skilling of their local workforce and talents is key to their future. The example of NRI top-ranking economies shows that education is a central tenet of global competitiveness. As jobs continue to change, education needs to be seen as a life-long process. Curricula and methods need to be constantly updated, and increased attention should be

brought to the certifications needed to ensure that efforts to re-skill and up-skill (both by employers and employees) are properly rewarded. This will be critically important in new areas such as AI.

Key message No. 6 – Digital transformation can help the accelerated implementation of SDGs. Each and every one of the 17 UN Sustainable Development Goals adopted in 2015 (SDGs) can be accelerated through the adequate use of digital technology. A truly planetary digital transformation would be one that strives to end poverty and inequality, tackle climate change and environmental degradation, and strive for peace and justice. Available data, however, show that a new acceleration of policies and efforts is needed to trigger such a transformation. The new NRI model proposed in 2019 includes a sub-pillar that aims to monitor efforts towards that end. One of the takeaways of that sub-pillar is that it highlights the positive impact digital technologies can have on sustainable development, as well as on issues related to health, well-being, and education. This strong connection between digital transformation as a tool to accelerate the realization of SDGs is further underlined in the NRI 2020 by making explicit the SDGs where ICTs have most impact.

Key message No. 7 – Digital transformation can help rebuild global cooperation and redefine globalization. The last decade has been marked by a continuous erosion of multilateral cooperation and increasing tendencies toward protectionist—and sometimes nationalistic—policies. In such a context, digital technologies have come to be seen as instruments of domination, interference, and sometimes as weapons, rather than as vectors of cooperation and openness. Available data show that successful innovators tend to be open economies, encouraging the free flow of ideas and innovations. Network readiness is one dimension of the ability of national economies (as well as other players such as cities, including smart cities) may have to rebuild globalization around a set of shared values, including environmental sustainability, reduced inequality, and faith in a shared global future. As such, it deserves to be closely monitored and supported in all types of economies.