



Brand South Africa

Research - Internal Analysis 2021 Network Readiness Index

13 December 2021

1. About the Network Readiness Index

Since network readiness is a multi-dimensional concept, the Network Readiness Index (NRI) is a composite index constructed with three levels.

The primary level consists of four pillars that make up the fundamental dimensions of network readiness. Each of the fundamental pillars divides into additional sub-pillars that constitute the second level. The third level consists of individual indicators distributed across the different sub-pillars and pillars of the primary and secondary levels. All indicators used within the NRI belong to a pillar and a sub-pillar.

1. **Technology:** is at the heart of the network economy. This pillar, therefore, seeks to assess the level of technology that is a sine qua non for a country's participation in the global economy.
2. **People:** the availability and level of technology in a country is only of interest insofar as its population and organizations have the access, resources, and skills to use it productively
3. **Governance:** is all about, how safe individuals and firms are in the context of the network economy, regulation and digital inclusion.
4. **Impact:** ultimately, readiness in the network economy is a means to improve the growth and well-being in society and the economy.

2. Background

The 2021 Network Readiness Index (NRI) is the third edition of the updated model that addresses trust, governance, inclusivity and the potential impact on Sustainable Development Goals. For this year's report, the NRI reflects and reviews a few effects induced by the COVID-19 pandemic that contributed to the new pace and depth of digital transformation around the world. With the pandemic continuing to deepen inequalities around the world and require rapid shifts- it is too early to predict the full impact of the digital change induced by the virus. However, the NRI provides a first glance at the potential significance of accelerated digital technologies on governments, businesses, and individuals.

For the 2021 NRI report, three primary principles defined by the NRI Technical Advisory Group in 2019 once again serves as a guideline to keep the NRI model future-proof, which is to maintain constant execution with major components of the NRI from previous years, to reflect the current issues concerning ICT deployment that the NRI model of 2016 or previous models did not capture adequately and to future-proof the NRI model regardless of developing future technology trends.

The NRI 2021 model reflects its staple four-pillar structure: Technology, People, Governance, and Impact. South Africa's overall ranking in the 2021 NRI report is 70/130 with an overall score of 48.88- placing the country in the "upper middle-income" group economy. South Africa also South Africa earned the first position in Africa for 2021.

3. Key Global Findings

Compared to previous years, the ranking of the top 10 performers in the NRI 2021 experienced some significant shifts in its composition. While the countries within the top 10 remain the same, specific countries made notable movements within the upper group. In particular, the Netherlands climbed three spots to take the top position from Sweden, which has held the number one position since 2019.

The United States also shifted, increasing four rankings to earn a place among the top five for the first time in the 2019-2021 period. With Singapore falling out of the top five, four out of the five most network-ready economies in 2021 are from Europe. The top 10 performers all demonstrate solid performance metrics across the highest number of dimensions of the NRI. This makes Europe the leading region with with four countries in the top 5 in the world.

The United States remains the undisputed global leader when it comes to Future Technologies, ranking in the top 5 in each sub-pillar (Access, Content, Future Technologies), China is now a global leader in in key areas such as AI, e-commerce, 5G and education quality and it is assisting to bridge the digital gap between higher and middle income economies.

The African continent continues to lag behind other regions , especially when it comes to access, affordability and the usage of ICT’s. However, some of the most noteworthy efforts in overall performance identified this year are among African countries of the middle and lower-income groups.

The report futher states that digital transformation is creating new divides that call into question the previous progress made towards reducing the gaps between distinct groups. Nonetheless, technology can help equalise global recovery if it is harnessed properly. With a growing number of large economies adopting massive fiscal stimulus packages, it has become easier to predict how the global recovery will unfold.

4. 2021 NRI Key Findings on South Africa

South Africa’s overall ranking in the 2021 NRI report is 70/130 with an overall score of 48.88- placing the country in the “upper middle-income” group economy. Its main strength relates to Governance. The greatest scope for improvement, meanwhile, concerns Impact.

The table below presents findings on South Africa’s performance in the 2021 NRI report:

South Africa’s Overall Ranking and Pillars in the 2021 Network Readiness Index	
Overall Ranking	70/130
1. Technology	63/130
1.1 Access	73/130
1.2 Content	69/130
1.3 Future Technolgies	45/130
2. People	70/130

2.1 Individuals	85/130
2.2 Business	70/130
2.3 Governments	62 /130
3. Governance	51/130
3.1 Trust	60/130
3.2 Regulation	51/130
3.3 Inclusion	51 /130
4. Impact	103/130
4.1 Economy	67/130
4.2 Quality of Life	123/130
4.3 SDG Contribution	86/130

As presented in the table above, South Africa's highest ranking in its 2021 NRI pillars is Governance at 51st, followed by Technology at second place with a ranking of 63. The People pillar is ranked 70th, which is at third place and Impact being the lowest ranking pillar at 103rd.

South Africa earned the first position in Africa for 2021. It outperforms its region in each of the four pillars. The highest ranked economies in Africa are:

- South Africa ranking 70th;
- Mauritius 71st; and
- Kenya 84th

References

1. Portulans Institute. 2021. The Network Readiness Index. https://networkreadinessindex.org/wp-content/uploads/reports/nri_2021.pdf

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12 Jan 2022