



Brand South Africa
Research - Internal Analysis
The Inclusive Internet Index (3i) 2022

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1. Executive Summary

The 2022 Inclusive Internet Index is the sixth annual report developed by Economist Impact, commissioned by Meta. The report continues to provide a rigorous benchmark to measure, track and assess country-level progress towards creating an accessible, affordable and relevant Internet that all citizens are ready to use. Important to note is that compared to the 120 countries measured the 2021 report, the 2020 report only measures 100 countries across four categories, namely: Availability, Affordability, Relevance and Readiness.

Reflecting on the 2021 index, it became evident that the COVID-19 pandemic compelled the world to make use of the Internet more than ever before. Therefore, the relationship people had with the Internet grew at a rapid pace, forcing governments and businesses to make amends towards ensuring that citizens have equal access to the Internet. 800 million people came online between 2019 and 2021. However, 2.9 billion people are still offline according to the International Telecommunications Union (ITU).

The above is an indication that there are a number of gaps that still need to need to be closed in order to get more people connected, especially those that reside in developing countries. In February 2022, Economist Impact published a report which assesses the progress made over five years of the 3i. Findings made in the report highlighted that, despite

the notable progress made in terms of Internet Inclusivity in benchmarked countries, the digital divide persists.

In previous years, insufficient network coverage was the main barrier to Internet access in many low-and lower middle-income countries. Data shows that coverage has expanded significantly since 2017, but growth in the number of people who use the Internet has not been to par, creating a gap in Internet usage. As the 2022 rankings and scores have been revised in accordance to the performance of the benchmarked countries. The 100 countries in the index represent 97% of the global GDP and 99% of the global population.

South Africa ranks 49/100 countries in the 2022 Si. Considering that 20 countries have been cut out of the index this years, South Africa's score is relatively stable as it still remains in the top 50 compared to the 47/120 ranking in 2021. Moreover, the country still remains the highest ranking amongst the Sub-Saharan African countries.

2. About the Si Index

The availability category broadly unpacks the state of infrastructure quality according to what is necessary to enable internet access, and further assesses level of access in quantifying the amount of people connected to the internet. In assessing the breadth and quality of enabling infrastructure, the index unpacks the availability of 2G-5G network coverage, the level of internet exchange points, and the quality and availability of a population to electricity. The “infrastructure” sub-category also assesses the level of private and public sector initiatives to ensure Wi-Fi is available, which includes assessing whether the necessary policies have been developed and the extent of the policies impact in ensuring the country's population has better quality and more widespread available infrastructural environment. Further, the availability category assesses “usage” and “quality.” “Usage” includes unpacking the number of internet users, fixed-line broadband subscribers, mobile subscribers, and the gender gap in internet and mobile access. Finally, the quality assesses the speed and latency of broadband, as well as the mobile upload and download speed.

The affordability category is primarily based on assessing 1) the cost of access in relation to income, 2) and the level of competition in the marketplace. The pricing estimates the overall cost of a smartphone, fixed monthly costs of broadband and the cost of prepaid and post-paid mobile data per 1gb. The competitive environment is assessed in terms of the average revenue per user (APRU), the market share of wireless operators and the market share of broadband operators.

In the relevance category, 1) local content and 2) relevant content are assessed. Local content looks at the availability of content in local languages, the amount of e-government services in local languages and the number of websites using local domains. Relevant content assess the variety of online resources available (availability of news, finance, health, entertainment and business information).

The readiness category assesses the country's capacity to "access the Internet, including skills, cultural acceptance, and supporting policy." The readiness indicators include literacy, trust and safety as well as a policy component. The level of literacy in a country will determine to what extent people will be able to access the internet. Therefore, the literacy indicator measures a country's level of literacy, the amount of educational attainment and the level of support for digital literacy. In terms of "trust and safety," the index measures the level of trust and cultural acceptance of the internet by evaluating privacy regulations, trust in online privacy, trust in government and/or non-government webs and apps, trust in information from social media, and e-commerce safety. Finally, the policy sub-category assesses national female inclusion policies, the government e-inclusion strategy, the national broadband strategy and funding thereof, the spectrum policy approach, a country's national digital identification system and the government efforts to rollout 5G.

The aim of the Inclusive Internet Index is to provide researchers and policymakers with the information they need to enable users to benefit from the Internet, irrespective of their age, gender, location or background.

3. The global 3i landscape

The rapid transition into the digital economy has tested the Internet Inclusivity of countries around the world. Therefore, countries around the world have made it their mandate foster an enabling environment citizens to have have access to effective, efficient and affordable Internet. It is in this case that the 2022 data shows more people being connected to the Internet and highlighting expectations that that the Internet will remain central post-pandemic the COVID-19 pandemic.

Please refer to the snapshow below for the top five performing countries in the 2022 3i:

1 st	Singapore
2 nd	South Korea
3 rd	United States
4 th	France
5 th	United Kingdom

Source: 2022 Inclusive Internet Index: <https://impact.economist.com/projects/inclusive-internet-index/2022/country/United-Kingdom>

Globally, Singapore leads with a 1st ranking, followed by South Korea at 2nd. The United States ranks 3rd and France 4th, with the United Kingdom closing the top 5 countries with a 5th ranking. In comparison to the 2021 data, only the United States remains in the top five, welcoming the countries mentioned above with it:

- Singapore ranks 1st in the 2022 global index, it retains its first place in Availability category. It has also experienced exceptional improvement in the Affordability category where it ranks 2nd from last year's 27th position.
- South Korea ranks 2nd in the 2022 global index, The most significant improvement was seen in the relevance category where it ranked 11th from last year's 59th position. In the Local content and Relevant content, it moved upwards from 74th and 33rd position last year to 16th position this year.
- United States ranks 3rd in the 2022 index, after holding the 2nd position last year. In the Affordability pillar, the United States plunged from 5th place last year to the 10th place this year. Within Readiness category, the trust and safety indicators dropped to rank 49 from the 5th place last year. However, in Policy the country moved up from the 54th place to rank 15th this year.
- France ranks 4th in the 2022 index, the country improved its positions in all the categories except Affordability. Comparatively it still lags in Readiness category as it is positioned at 29th place. Within Affordability, France improved in Infrastructure where it lies in 11th position after 31st position last year.
- United Kingdom ranks 5th showing significant improvement in its performance. The country topped the affordability indicator after being second last year. The improvement its overall ranking can also be attributed to Readiness category where it ranked 8th after being 24th last year.

It is important to note that in order for countries to be competitive in internet inclusion and have well-established systems for their people to have access to affordable, efficient and effective Internet, there needs to be relevant legislative frameworks put in place, investment and infrastructural capacity to ensure that citizens rights to access the Internet are fulfilled.

Of the 100 countries included in the index this year, 71 saw their scores increase, 1 saw no change, and 28 saw scores decline. As indicated above, Singapore remains a global leader in Internet inclusiveness, followed closely by South Korea and the US. Notably, South Korea moved up eight points in the 2022 index, as greater availability of local content drove up the category-level scores for relevance.

Brazil also moved up 12 positions overall which highlights as the largest improvement among upper-middle-income countries, as improvements to trust and safety boosted the country's readiness score. In the lower-middle-income group, Indonesia and Morocco moved up by six positions overall, driven largely by improvements in readiness and relevance respectively.

4. South Africa's 3i landscape

The advent of the COVID-19 pandemic compelled the world to rapidly move into a digital age. As a result, the technology sector saw a rapid rise in the utilization of digital devices and an expansion of the digital economy. With countries having noted the on-going digital divides in their continents and jurisdictions, measures had to be taken to create and maintain a conducive environment for citizens to have sufficient access to the internet, resting on availability, affordability, relevance and readiness.

Noting the digital competitiveness of countries in both the developed and developing countries. South Africa's overall performance in the 2022 3i ranks 49/100 countries. Compared to previous years, the 3i only ranks 100 countries in its 2022 report, whilst it ranked 120 countries in previous reports. Therefore, in 2021 South Africa ranked 47/120 countries. This is an indication that the country's ranking has relatively been stable between the two years. Moreover, South Africa still enjoys being the highest ranking country amongst the Sub-Saharan African countries due to its performance in the 3i.

The following tables illustrate South Africa's internet inclusivity rankings overall and in the main categories (Availability, Affordability, Relevance and Readiness), and further provides a breakdown of some of the sub-indicators that fall under the main categories.

South Africa's Performance in the main 2022 3i Index Categories	
Overall Performance	49/100
Availability (Measures the quality & breadth of available infrastructure and the level of internet connectivity)	44/100
Affordability (The cost of internet access relative to income, and the level of competition in the internet marketplace)	43/100
Relevance (Existence and extent of local and relevant content)	59/100
Readiness (The capacity of people to access the internet based on "skills, cultural acceptance and supporting policy)	21/100

Source: 2022 Inclusive Internet Index: <https://impact.economist.com/projects/inclusive-internet-index/2022/country/South-Africa>

As presented in the table above. South Africa continues to perform well in the Readiness sub-indicator followed by Affordability, Availability and Relevance, respectively.

As presented in the table above, South Africa performs best in the Readiness sub-indicator, followed by Affordability, Relevance and Availability, respectively.

In 2021, the Readiness sub-indicator was still the best performing at 27/100, followed by Affordability at 44/100;

- Relevance ranked 57/100; and
- Availability 45/100.

A reflection on South Africa's performance in the 2021 and 2022 3i main categories indicates a stable performance in the country's four sub-indicators which depicts a picture that the country has potential to perform better in the next coming years.

South Africa's Performance in Sub-Categories of the 2022 3i Index		
Categories	Sub-Indicator Title	Sub-Indicator Ranking
Availability	Usage	50/100
	Quality	49/100
	Infrastructure	21/100
	Electricity	64/100
Affordability	Price	42/100
	Competitive Environment	55/100
Relevance	Local Content	44/100
	Relevance Content	58/100
Readiness	Literacy	22/100
	Trust and Safety	20/100
	Policy	36/100

Source: <https://theinclusiveinternet.eiu.com/explore/countries/ZA/>

As presented in the table above. South Africa's performance in the 3i index indicates great potential for the country. The country has evidently become a strategic role-player in the digital revolution, especially the development of the African continent at large. Noting the developments and progress made through its overall ranking and sub-indicators, the country still needs to make a number of fundamental changes to perform better in its sub-indicators.

In 2021, the country's Readiness category was still the best performing. However, the "Trust and Safety" sub-category was a concern as it indicated that citizens, businesses and non-governmental organisations do not have trust in utilizing the internet. However, this year, "Policy" is noted as an issue in relation to South Africa's Readiness. The attention of policy-makers to intervene with introducing laws and regulations is needed to ensure that South Africa's performance in the Readiness category out-performs both developed and developing countries as there seems to be a lot of potential for the country.

Evidently, there are transitions that are taking place in the South African environment. This be reflected on the "Availability" category having been the worst performing in 2021.

However, in this years report. The category comes second with the country “Infrastructure” as a sub-indicator being the best performing. However, as the country’s power utility, Eskom still continues to struggle with providing sufficient electricity which has led to more blackouts. The “Electricity” sub-indicator is the worst ranking, highlighting that South Africa’s level of electricity access is extremely low, which ultimately affects the usage of the Internet to being limited and unreliable.

On 8 December 2021, the South African government publicised all the minister’s signed performance agreements in accordance to their respective departments. Amongst the agreements was the Department of Communications and Digital Technologies (DCDT), Minister Stella Ndabeni-Abrahams work plan indicating that the DCDT will work towards boosting South Africa’s Internet penetration to 80% by 2024.

In addition, the Minister must oversee the implementation of phase two of SA Connect, focussing on 42 000 government sites to 10MPB’s. This will be achieved as a result of reviewing the model of SA Connect to increase private sector participation with government as buyer of the service. Among the targets, the minister must introduce the state Digital Infrastructure Company Bill and amend the Electronic Communications Act (replace it with the Digital Infrastructure Bill), to ensure transformation, competition and more investment in infrastructure, according to the performance agreement.

Therefore, it is evident that while South Africa moved into a digital age with the rest of the world due to the COVID-19 pandemic, there are still a number of establishments and developments that need to be made in order for the country to catch-up with the world’s most competitive countries and have a well-established infrastructure of internet connectivity, internet availability, affordability, relevance and readiness.

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