

Addressing New Digital Divide Key for Balanced Growth

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- [Global Information Technology Report 2014](#) finds little progress in bridging the gap between the world's most networked economies and the rest of the world
- The Nordic countries continue to dominate the Networked Readiness Index; the US improves on the back of ICT infrastructure and innovation capacity
- Most emerging markets struggle to realize their digital potential, which could have a drag on global growth
- Read the [full report](#), view [the rankings](#) or visit www.weforum.org/gitr

New York, USA, 23 April 2014 – Little progress is being made in bridging the digital divide between technology savvy nations and others, according to the 13th edition of the [Global Information Technology Report 2014](#). The stalling of progress is worrisome for emerging and developing nations, which are at risk of missing out on many positive impacts information and communications technologies (ICT) bring, including increased innovation, economic competitiveness and greater social inclusion.

Published under the theme, “ Rewards and Risks of Big Data ”, the report's Networked Readiness Index (NRI) measures the capacity of 148 economies to leverage ICT for growth and well-being. It finds consistency at the top end of the rankings this year, with Finland (1st), Singapore (2nd), Sweden (3rd), the Netherlands (4th), Norway (5th) and Switzerland (6th) all retaining their positions from last year. The United States (7th) continues its upward trajectory, while Hong Kong SAR (8th) and the Republic of Korea (10th) both climb. The United Kingdom (9th) is the only nation in the top 10 to fall.

Lower down the Index, many large emerging economies continue to struggle to realize their full digital potential. China (62nd), Brazil (69th), Mexico (79th) and India (83rd) all drop in the rankings. However, countries that have developed a strong vision to develop their ICT

capacity do well, such as the United Arab Emirates (24th), Kazakhstan (38th) or Panama (43rd), which all improved.

With this year's coverage extending to a record 148 economies, the Global Information Technology Report

(GITR) report remains one of the most comprehensive and authoritative assessments of the impact of ICT on

competitiveness of nations and the well-being of their citizens. One of the key findings of the report is that countries

cannot only rely on ICT infrastructure development to become competitive. Rather, the benefits of ICT can only be fully derived when a country implements a holistic strategy aimed at creating conditions for skills, innovation and entrepreneurship to flourish alongside modern infrastructure.

To measure this, the NRI assesses the preparedness of an economy to fully leverage ICT in terms of:

1. ICT infrastructure cost of access and the presence of the necessary skills to ensure an optimal use
2. Uptake and use of ICT among governments, business and individuals
3. Business and innovation environment, and the political and regulatory framework
4. Economic and social impacts accruing from ICT

“ Over time, the GTR series has become one of the most respected studies of its kind. It is used extensively by policymakers and relevant stakeholders as a unique tool to identify strengths and weaknesses and to define and build national strategies for developing and better leveraging their digital

potential, ” said Soumitra Dutta, Anne and Elmer Lindseth Dean at the Samuel Curtis Johnson Graduate School of

Management at Cornell University and co-editor of the report.

“ In addition to the persistent digital divide across countries, governments should also be wary of

understanding, identifying and addressing potential internal digital divides so that new opportunities can be

created for all and support enhanced social inclusion,” said Beñat Bilbao-Osorio, senior economist at the World

Economic Forum’s Global Competitiveness and Benchmarking Network and co-editor of the report.

In this sense, “ digital strategies should not focus only on developing the ICT infrastructure, but also in

creating the right conditions for an effective use of ICT to boost innovation, competitiveness and higher social

inclusion,” said Bruno Lanvin, executive director of INSEAD’s European Competitiveness Initiative (IECI), and of

Global Indices projects at INSEAD.

“ Nations and organizations need to understand where they stand in terms of a Big Data maturity, assess

their progress, and determine what they need to do to extract greater business and organizational benefits

from the vast volume of data,” said Bahjat El-Darwiche, partner, Strategy& (formerly Booz & Company) and sponsor

of the report.

“ The Internet of Everything and big data applications are ushering in the next wave of technology innovation,”

according to Dr Robert Pepper, vice president of Global Technology Policy at Cisco. "Big data requires big judgement, and the right policies are needed so that the Internet of Everything can deliver on its promise of immense economic and social benefits."

The Global Information Technology Report is the result of a long-standing partnership between the World Economic Forum and INSEAD, and, since last year, with the Samuel Curtis Johnson Graduate School of Management at Cornell University.

The NRI uses a combination of data from publicly available sources and the results of the Executive Opinion Survey, a comprehensive annual survey conducted by the Forum in collaboration with Partner institutes, a network of over 160 leading research institutes and business organizations. This survey of more than 15,000 executives provides insight into areas critical for networked readiness.

Notes to Editors

- Read the report at <http://wef.ch/gitr14>
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View the infographic at <http://wef.ch/gitr14info>

- Download the full Networked Readiness Index rankings (in [PDF](#) or [Excel](#) format)
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