



Global information technology report: Making progress

Denmark and the Nordic countries again dominate the rankings in the Global Information Technology Report, but this year the United States and South Korea make progress in the Networked Readiness Index (NRI) for 2007-2008, which covers a record number of 127 developed and developing economies around the world.

“Today with the benefit of seven years of data, we have concrete, hard data to support the statement that technology does in fact make a country more competitive,” says **Soumitra Dutta**, the Roland Berger Chaired Professor in Business and Technology at INSEAD, who co-authored the report which is published by the World Economic Forum.

Unchanged in scope since it was first published in 2002, the NRI assesses the presence of an ICT-friendly environment by looking at factors such as the regulatory framework and infocomms technology infrastructure. It also looks at the level of ICT readiness and actual use within specific countries by individuals, businesses and governments. The report focuses on how networked readiness can help to foster innovation.

“A lot of the Scandinavian countries tend to have a historical lead in using technology successfully and certainly Finland has been the leader in that area but other countries like Denmark, Sweden have copied and learnt from Finland and today I think the entire Scandinavian region is at the forefront of tech and competitiveness,” Dutta says.

In the NRI for 2007-2008, the US has moved up to fourth place in the rankings from seventh. Dutta says

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the US stands out from the other countries in the top ten as it’s a large country. “A lot of the other countries in the top rankings are typically smaller countries and one can argue that it’s easier for smaller countries to leverage and benefit from technology,” he says.

The US, he says, has a “number of strengths ... typically linked to the business environment (such as) venture capital availability and other kinds of factors.”

South Korea moves up in the NRI rankings to ninth place from nineteenth previously. Dutta says it’s been progressively moving up in the rankings over the last six to seven years from the thirties to the top ten. “That is very much linked to what we know today is the technological sophistication of Korean technology infrastructure, the willingness of Korean population to use new services, for example mobile services, and also the successful growth of home-grown champions like Samsung, LG and other tech global players today.

“The networked readiness index is not just about having a technology provider in your own country. It’s about having the key stakeholders – individuals, business and governments – using technology very

effectively. So you don't need to have global champions like Nokia, or like LG, Samsung and so on," Dutta says. "Clearly it helps if you have that also, but if you have an environment that uses technology very effectively (you can still make progress)."

Citing Singapore, which is ranked fifth in the world for networked readiness, Dutta says "it's a very smooth service-oriented environment that makes it easy for businesses to come in, invest in technology and work effectively. You can have a society that is very advanced in using technology, even though it's not a key producer of core technology itself."

While Singapore and Korea are leading the way, Asian economies are continuing to make progress in terms of their networked readiness. Hong Kong was just outside the top ten in eleventh place, with Taiwan ranked seventeenth and Japan nineteenth.

The Middle East, Dutta says, is another region which has been making great strides in terms of its ICT readiness and usage. "We were very surprised, and happily surprised, to see that the Middle East is the part of the world which has dramatically improved its position the most, as compared to any other part of the world over past six years."

In an interview with INSEAD Knowledge, Dutta said that while it helps to have major home-grown tech companies such as Samsung promoting ICT development in specific countries, governments play a key role as leaders and facilitators. "That's true in Korea where the government has orchestrated many of the key developments in technology. It's true in Singapore where the government has played a very strong role in pushing its vision for the economy. And it's also true in the Middle East, especially in the GCC (Gulf Cooperation Council) countries where governments have realised that technology is very crucial for their future success and competitiveness. "He adds that in places like the United Arab Emirates, Qatar and Saudi Arabia, governments play "a very important role in pushing technology."

So could the Middle East or another region come to rival the Nordic countries in the next decade? "I think it's completely feasible," Dutta says. "You see it happening already in Asia. For example, Korea's moving up rapidly; Singapore has done so in the last five to six years too. And today in the Middle East, Israel is already at position number 18 and the Emirates is in position number 29 (in the NRI rankings). So what you see is these countries, economies are moving up quite rapidly and I would not rule it out that in the next five years some of these economies break into the top 10."

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