Chapter 6
E–Readiness and Its Assessment

INTRODUCTION

The level of e-readiness of the digital economy is expected to vary across different jurisdictions. The e-readiness ranking of nations, which has been a regular undertaking by various agencies since 2000, demonstrates that the world is, indeed, moving steadily into a new digital era, and that by extension, businesses are increasingly operating in the digital economy. The 2008 e-readiness ranking of nations and similar previous rankings suggest that collectively, the world is steadily moving up the e-readiness charts; for example, average e-readiness rose by 0.15 to 6.39 in the 2008 rankings, up from 6.24 in the previous year, with the United States being the 2008 global e-readiness leader (with 8.95), followed closely by Hong Kong, which advanced up by two places (The EIU/IBM Business Institute for Business Value, 2008).

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Countries that are leaders in e-readiness rankings, such as the US, Hong Kong, the Netherlands, Australia, Denmark, Switzerland, etc.; have made significant improvements in the expansion of connectivity in broadband and WiFi, and have also enhanced the security of Internet connections. The 2008 e-readiness report reads that “…the gap between the “haves” and “have-nots” in [the e-readiness] rankings narrowed again in 2008, a hopeful indication of a contraction in the digital divide between developed and developing countries and movement into the digital economy”. The move of the world towards the digital economy is also reflected in the increasing penetration of mobile phones in regions that were traditionally marginalized in telecommunications ubiquity, especially in parts of the developing world such as Africa (The EIU/IBM Business Institute for Business Value, 2008).

The 2006 e-readiness report noted the following: “The world in 2006 is ever more “e-ready” — there are over 1bn Internet users and 2bn mobile-phone users worldwide, and most countries continue to make steady progress in most qualitative indicators of technology-related development” (The Economist Intelligence Unit and IBM Corporation, 2004. p. 3). Virtually all the countries included in 2006’s e-readiness rankings improved their scores over the next year. Moreover, both in relative and absolute terms, the improvement was greater in the lower tiers of the rankings than at the top. As a result, the distance separating the best from the rest was narrowed. Moreover, poorer countries were moving up the e-readiness scale faster than richer ones. Without a doubt, the commercialisation of the Internet and World Wide Web (WWW) has made significant contribution to the increasing use of this medium, especially with regard to communications, government and e-commerce.

Internationally, the phenomenon of e-readiness is regularly assessed by various agencies in government, academia, business and the NGO sector, and the results are then either published on an annual basis, or two years thereafter. For example, in 2004, The Economist Intelligence Unit and IBM Corporation (2004, p. 3) ranked 64 countries according to their e-readiness using both quantitative and qualitative indicators, including technological infrastructure, the business environment, degree to which e-business was being adopted by consumers and companies, social and cultural conditions that influenced Internet usage, and the availability of services to support e-business. The results are shown in Table 1, Table 2, and Table 3.

**E-Readiness Status in Europe**

With the exception of Greece (27th), most countries in Western Europe made it into the top 25 list for that year, as shown in Table 1.

The countries in the top 25 tier were characterised by thriving economies, sophisticated infrastructure, coordination between government and the private sector, and
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