

Connectivity Scorecard 2011

Ireland



Ireland
6.08

	Score	Weight
Consumer Infrastructure	0.63 (0.95)*	0.09
Consumer Usage and Skills	0.58 (0.79)*	0.09
Business Infrastructure	0.63 (0.86)*	0.52
Business Usage and Skills	0.59 (0.83)*	0.22
Public sector Infrastructure	0.49 (0.79)*	0.05
Public sector Usage and Skills	0.54 (0.79)*	0.02

*The score of the leading performer for this component

Table 1: Component Scores & Weights 2011

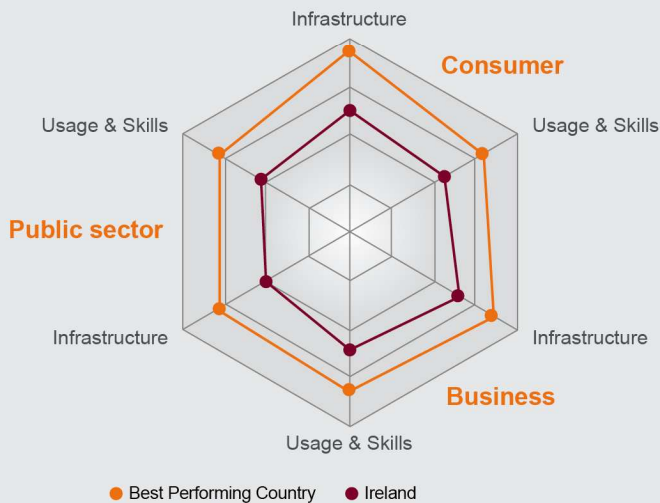


Fig 1: Component Scores 2011

Overview

Ireland scores 6.08 and falls two places to rank 14th amongst the Innovation-driven¹ economies on the Connectivity Scorecard 2011 index. In 2010, Ireland was ranked 12th with a score of 6.37. The country outperforms several big European countries like France and Spain, but has been overtaken by Germany this year.

Ireland is a respectable ICT performer without standing out in any particular area. Despite reasonable scores on most metrics, weaknesses in consumer infrastructure, particularly broadband related, hold the country back somewhat from fully harnessing the power of ICT.

Strengths

In the consumer infrastructure metric, Ireland performs strongly in the area of fixed telecom penetration. One of the reasons for this is that DSL broadband is sold along with line rentals in some countries including Ireland. Also, due to the inclusion of metrics on coverage of broadband and 3G networks, Ireland witnesses a general upward trend in consumer infrastructure scores this year. In terms of consumer usage, Ireland's usage levels are quite high in the areas of mobile phones, voice, text and wireless Internet.

From a business perspective, Ireland has a reasonable penetration of secure Internet servers, and scores well on the implementation of new data protocols such as Ethernet and IP VPN. In terms of business usage, the country is not a leading performer on any metric but does reasonably well in terms of corporate data services spending per capita and the proportion of businesses with websites. Development of human capital is another strong area – the country produces a large number of graduates, including doctorates in science and engineering, relative to its population.

The public sector in Ireland performs reasonably well in

¹ As defined by The World Economic Forum www.weforum.org

terms of government spending on IT infrastructure and services spending in both the healthcare and education sectors. Another area in which the country does well is in enterprise use of e-government services, which is almost 90%.

Weaknesses

Many of Ireland's key weaknesses lie in the consumer infrastructure component. Although Fixed broadband coverage is over 90%, it is still among the lowest in Europe. Wireless telephony (on a "unique user" basis) and 3G penetration are also low by European standards, which is surprising given the country's relatively high GDP per capita. In terms of consumer usage and skills, Ireland performs poorly on most measures of Internet usage. Just 40% of the population are reported to be regular Internet users compared to 60%-70% elsewhere in Western Europe. Moreover, the proportion of Internet banking penetration is less than half that of the leading innovation-driven economies. On the same note, however, Ireland performs respectably well on measures of Internet commerce, showing that Irish consumers are willing to go online.

Ireland is a reasonable performer on most business metrics. However, per capita investment in ICT is lower than one might expect, given the fact that the country's income levels are reasonably good. Also, the business uptake of mobile data services has been slow to develop. Another area in which the country lags behind among leading nations is employment in the science and technology fields. This is surprising as Ireland boasts of a high profile pharmaceutical and bio-tech industries.

From a government perspective, although Ireland is a top performer in terms of the proportion of enterprises using e-government services, according to European Commission data, less than 30% of the general population does so. This is below the European average and is supported by the low score given to Ireland on the UN's e-Participation index.

Conclusions

To sum up, Ireland is a respectable ICT performer with average or above-average scores in most categories. Ireland has attracted significant foreign investment in recent years which has helped the country transform into one of the most affluent economies in Europe in per capita terms. The results of this investment can be seen in some of Ireland's business and government component scores.

Rank [*]	Country	Connectivity Score
1 [1]	Sweden	7.84
2 [2]	United States	7.82
3 [4]	Denmark	7.47
4 [5]	Netherlands	7.45
5 [3]	Norway	7.09
6 [8]	United Kingdom	7.06
7 [7]	Australia	6.93
8 [9]	Canada	6.88
9 [6]	Finland	6.78
10 [11]	Singapore	6.40
11 [15]	Belgium	6.31
12 [n/a]	Austria	6.27
13 [17]	Germany	6.27
14 [12]	Ireland	6.08
15 [18]	France	6.06
16 [10]	Japan	5.89
17 [16]	New Zealand	5.84
18 [13]	Korea	5.80
19 [20]	Spain	5.09
20 [19]	Czech Republic	4.93
21 [21]	Portugal	4.80
22 [22]	Italy	4.79
23 [23]	Hungary	4.50
24 [24]	Poland	4.26
25 [25]	Greece	4.22

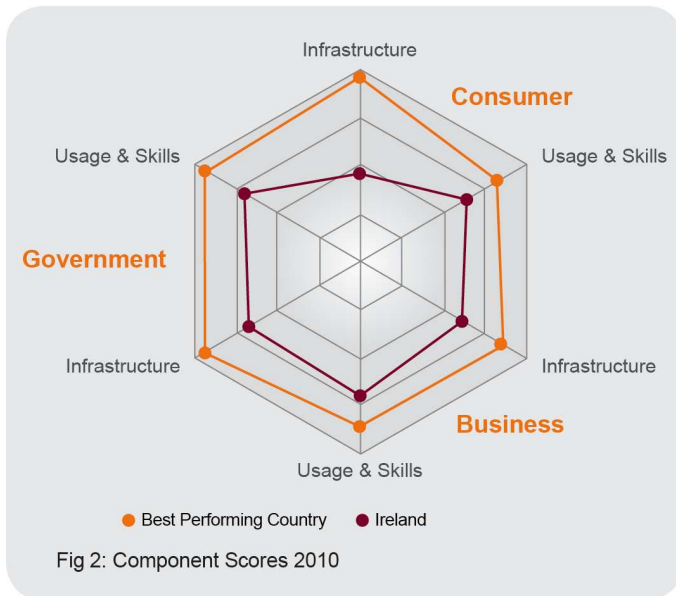
*last year's rank in parenthesis

Table 2: Connectivity Scorecard 2011 Results – Innovation-driven Economies

However, Ireland's boom years are over, and the country confronts an epic economic crisis. In this respect, it should be looking at ways to incentivise ICT adoption among domestic businesses as well as maintaining the policies that have helped Ireland attract so much investment from ICT-intense foreign corporations. While it is unrealistic to expect ICT adoption to turn around Ireland's economic fortunes dramatically, ICT can play a valuable role in sustaining productivity growth and helping the Irish business sector to operate in smarter ways. Further, improvements to consumer-facing broadband infrastructure might also help spur the development of online commerce and online services.

2011 vs. 2010

Ireland scored 6.08 for 14th place in 2011 compared to 6.37 and 12th place in 2010. As a note, if the same weights were used as in 2010, Ireland's total score would have been 6.04 with the same ranking. Of more significance is the change in scorecard component scores, most notably an increase in



consumer infrastructure and a decrease in business usage and both government sector scores.

The change in most countries' consumer infrastructure performance this year² is owed to the inclusion of three indicators which equalize the countries' performance. These three indicators are (a) fixed broadband coverage, (b) 3G coverage, and (c) unique user mobile penetration. On the first two indicators, most "innovation driven" economies have at least 80% to 85% of their population covered by wireless and fixed-line broadband networks. On the third metric, most nations have at least 60% of their population that owns a mobile device, but the proportion seldom, if ever, exceeds 95%. Thus this indicator shows only limited variation. If a more conventional but less merited indicator of "SIM cards per 100 population" (which is how many agencies measure mobile penetration) were used, the "mobile penetration" metrics would have shown some more variation. The reason being that some countries have SIM card penetration rates of 150 per 100 population or more. Ireland benefitted from the revision to the consumer infrastructure metrics, but it did.

The decrease in many countries' government sector scores is due to the inclusion of additional metrics on public sector or quasi-public-sector investments in IT hardware, software and IT services. These new metrics had the effect of creating additional dispersion in country scores, with some country scores on the "public" or "government" subcategories falling substantially as a result. The U.S. and some other countries did not

² For more information download the Connectivity Scorecard 2011 Report from www.connectivityscorecard.org

experience this decline, though some countries like Ireland did.

The Connectivity Scorecard is based on comparative scores between countries, and, therefore, each country's performance is measured in relation to the best performing nation in each component at a given point of time. As with other indices of relative rankings, it is therefore hard to interpret the Scorecard in terms of absolute "improvements" or "deteriorations" and to make comparisons of scores over time.

About Connectivity Scorecard

The Connectivity Scorecard is a global ICT index which, unlike other available research, is the first of its kind to rank countries in terms of "useful connectivity". That is, not only on the deployment of ICT infrastructure but also to measure the extent to which consumers, businesses and the public sector "make use" of connectivity technologies to enhance social and economic prosperity. This "useful connectivity" is defined as the bundle of infrastructure, complementary skills, software and informed usage that makes ICT the key driver of productivity and economic growth.

Commissioned by Nokia Siemens Networks, the study was created by Professor Leonard Waverman, Dean, Haskayne School of Business, University of Calgary, and Fellow, London Business School. The study was conducted by the consulting firms Berkeley Research Group and Communicea.

For more information on the Connectivity Scorecard, visit www.connectivityscorecard.org

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