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The Inclusive Internet Index 2020

Executive summary

Written by

The
Economist

INTELLIGENCE
UNIT

Introduction

The apparent ubiquity and universality of the Internet for those who have access to it masks a hard truth: nearly half the world remains unconnected and is at risk of further missing out on the benefits the Internet can bring. In many places, often within the same country, inequalities persist, and only concerted effort and large-scale change can ameliorate this.

The Inclusive Internet Index (3i), produced annually since 2017 by The Economist Intelligence Unit and commissioned by Facebook, benchmarks countries on the Internet’s availability, affordability, relevance and the readiness of people to use it. In so doing, the index identifies gaps between different population groups and reveals actionable insights into the state of Internet inclusivity for policymakers and other stakeholders. The index covers 100 countries, representing 91% of the world’s population and 96% of global GDP.

Accompanying the index, and helping to inform some of its indicators, is the 2020 Value of the Internet Survey. This year the survey results provide additional insight into how thousands of individuals from around the world use the Internet, with a particular focus on engagement in the digital economy.

The results of this year’s index and survey demonstrate that even as Internet access increases globally, the pace of growth is slowing, particularly in lower-income countries where expansion is needed most.¹ More than half the world is connected, but the remaining share—comprised largely of women and those in the poorest places—will be harder to reach.² Bridging the access gap between genders is a particularly urgent goal—one that is moving closer, but remains frustratingly distant.

To explore the index and download the full dataset, visit www.theinclusiveinternet.eiu.com. For more details on the survey demographics, see the “About the research” section at the end of this report.

¹ Country income groupings cited in this report are based on World Bank [definitions](#).

² “[Internet milestone reached, as more than 50 per cent go online: UN telecoms agency](#)”, UN News, December 7th 2018.

Figure 1: Wired world

The Inclusive Internet Index 2020 top ten countries by income bracket (ranks and final composite scores out of 100)

High income			Upper-middle income			Lower-middle income			Low income		
1	Sweden	86.0	1	Romania	80.3	1	India	71.7	1	Uganda	49.6
2	New Zealand	85.8	2	Russia	79.0	2	Vietnam	71.0	2	Tanzania	49.5
3	United States	85.4	3	Bulgaria	77.4	3	Mongolia	68.1	3	Rwanda	46.8
4	Australia	84.2	4	South Africa	76.2	4	Indonesia	66.4	4	Ethiopia	41.8
4	Denmark	84.2	5	Brazil	75.9	5	Morocco	65.5	5	Mozambique	41.1
6	South Korea	84.0	6	Malaysia	75.4	6	El Salvador	63.5	6	Burkina Faso	34.0
7	Canada	83.9	7	China	75.1	7	Philippines	63.1	7	Malawi	31.4
8	United Kingdom	83.4	8	Thailand	74.8	8	Kenya	62.8	8	Madagascar	30.3
9	France	83.3	9	Argentina	73.8	9	Egypt	62.0	9	Liberia	26.9
10	Spain	83.1	10	Colombia	72.0	10	Nigeria	61.2	10	Burundi	26.7

Source: The Economist Intelligence Unit

Commentary by Facebook

A diagnosis for the future

This year's 3i and Value of the Internet Survey call to mind the adage that “if you wish to go fast, go alone; but if you wish to go far, go together”. The Internet has grown incredibly quickly over a short period of time, now reaching over half of the world's population. Overall household connectivity continues to grow, led by sustained growth in lower-middle and upper-middle income countries. The price of mobile data has become more affordable to more people while mobile coverage, including 3G and 4G, has spread.

But for the Internet to fulfil its promise as a truly beneficial and transformative technology, the world's unconnected populations must safely join the journey. Across the world, men are still far more likely than women to have access to the Internet, particularly in developing regions. In addition, growth in household connectivity has sputtered in the world's lowest-income countries. Given the massive divide that already exists between these countries and their more affluent peers, the meagre rate of growth threatens to permanently leave unconnected populations behind.

At stake is nothing short of the ability to participate in the modern global economy. A majority of people in this year's survey said that they would be unable to do their jobs without the Internet, while many others said that their job simply would not exist without it. In developing regions in particular, the ability to use the Internet to transfer money or make payments leads to financial inclusion and independence for people that were historically unserved by traditional banking infrastructure.

Narrowing the digital divide will require broadening our thinking when it comes to connectivity solutions. Although innovation is commonly associated with the newest and fanciest kit from private-sector actors, policy innovation from governments is a critical element to improving Internet inclusivity. Governments that are bold enough to think beyond legacy telecommunications regulations can address specific challenges facing their countries by unleashing innovative new business models and technologies that presently lack regulatory certainty or permission. New business models can, in turn, generate new waves of investment, including from non-traditional players. Together, all of these stakeholders can work to forge a shared journey towards a truly inclusive global Internet.

Key findings

Worldwide internet inclusion

Internet access is increasing globally, but vast disparities remain and the rate of uptake is slowing in the hardest-to-reach areas.

Across the 100 countries covered in this year's index, average household connectivity has risen by a staggering 44.8% over the past several years.³ Growth in connectivity has been especially substantial in less-developed regions—it has risen by 57.6% across countries in Latin America and 74.0% across countries in Sub-Saharan Africa.⁴

The low-income countries in the index have made particularly impressive gains: household Internet access there has increased by 85.1% on average, resulting in a compound annual growth rate (CAGR) of 18.8%. Yet much of this progress took place during the index's early years: the past 12 months of available data show growth in access in low-income countries increasing by only 3.8%. This is all the more worrying as the gap separating the world's Internet "haves" and "have-nots" remains sizeable: on average, only 9.9% of households in low-income countries have access to the Internet compared with 88.5% of those in rich countries. More clearly needs to be done to accelerate growth in connectivity so that the world's poorest people can catch up to their rich-world counterparts in basic access.

Mobile data has been a game-changer for lower-income groups, but access is still too expensive.

On average across the indexed countries, the cost of a fixed-line broadband connection amounts to 18.6% of monthly gross national income per-capita—a far cry from the 2% target for entry-level broadband services set by the United Nations Broadband Commission for Sustainable Development.⁵ Mobile data is considerably more affordable: 3.9% for post-paid and 2.9% for pre-paid packages. The latter are enormously popular in the developing world, and are helping to bridge the affordability gap between the high- and low-income nations. Across low-income countries, fixed broadband tariffs are on average 140.1% of income, while prepaid mobile plans account for 11.5% of income—considerably more affordable than fixed options for the least affluent.

³ Unless otherwise noted, figures in this report that cite longitudinal change are based on data available within the most recent five-year time period. For household connectivity, this is 2014-18; for gender gap, this is 2015-19.

⁴ Figures in this report assessing growth in household connectivity represent the average change in the percentage of households connected across all countries in this year's index.

⁵ "UN Broadband Commission sets global broadband targets to bring online the world's 3.8 billion not connected to the Internet", International Telecommunication Union, January 23rd 2018.

Although narrowing, the gender gap in access remains stubbornly wide.

On average across the indexed countries, men are 12.9% more likely than women to have Internet access.⁶ In the lowest-income countries, this figure has declined by 4 percentage points but is still formidable at 34.5%.⁷ Across the countries in Sub-Saharan Africa covered in this year's index, the average gender gap for Internet access shrunk by 10.2 percentage points—an encouraging development—even as men there are still 26.1% more likely than women to have access. This is by far the biggest gap of all regions and nearly twice that of Asia, the next-highest region.

The spread of mobile devices is a positive trend, but its role as an enabler for the world's poorest women is not assured.

Evidence abounds as to the benefits that access to a mobile device can confer to women, particularly in the developing world.⁸ This year's index reveals that, on a global level, men are 6.3% more likely than women to have access to a mobile phone,⁹ a much narrower gap than the overall access divide described above.¹⁰ The rate of progress here remains frustratingly slow, however: the average gender gap for mobile access has closed by less than 1 percentage point.

In the lowest-income countries, progress on this front may even be moving in the opposite direction: the gap widened by 3 percentage points in the last 12 months of available data, and currently sits at 19%. This finding should galvanise policymakers and other stakeholders to do more to ensure that gender parity does not move further out of reach.

⁶ Refers to access over any device.

⁷ Figures in this report measuring the change in the Internet gender gap represent the average percentage point change in the Internet gender-gap ratio across 97 countries in this year's index (data were not sufficient for Cuba, Oman and Sudan).

⁸ *Bridging the Digital Gender Divide: Include, Upskill, Innovate*, OECD, 2018.

⁹ Refers to mobile devices that can make or receive calls and may or may not be connected to the Internet.

¹⁰ Figures in this report measuring the change in the mobile gender gap represent the average percentage point change in the mobile gender-gap ratio across all countries in this year's index.

Financial inclusion

The digitisation of finance can be an economic game-changer for traditionally disenfranchised cohorts like women and low-income groups. This year's Value of the Internet Survey focuses on the extent to which people use financial services online and the opportunity this provides for people to leapfrog brick-and-mortar means of access.

The Internet is facilitating people's management of their money and finances and their inclusion in the broader economy.

Among the respondents surveyed, 57% perform the majority of their personal finance-related tasks over the Internet. This includes 68% who use the Internet to pay bills, 61% who buy or sell goods or services, 58% who transfer money between family and friends, and 73% who check account balances. As many as 70% globally (and 77% of Asian respondents) perform these tasks several times a week; one quarter (26% globally, and 34% in Asia) perform them several times a day. Among respondents with a bank account, 69% are more keen to access it online rather than in-person at a local branch.

Innovation in payments systems has proliferated in recent years, allowing the so-called "unbanked" to participate in economic activity that may have previously been inaccessible. Our survey reflects how much of an impact this trend has had in low-income countries in particular: 12% of Sub-Saharan African respondents—a much higher share than in any other region—say they use text message-based mobile payments services, of which M-Pesa, founded in Kenya in 2007, is a prominent example.¹¹ Its spillover effects on the broader economy are also apparent: over half of entrepreneur and business-owner respondents in Latin America, Asia, the Middle East and Africa credit digital payments systems or mobile money accounts with helping them start or grow their business.

Internet use is expanding financial opportunities for individuals, particularly in the developing world.

Just over half of the survey respondents (51%) say their use of the Internet has helped them become more financially independent. This suggests that many are able to earn income directly online—managing their own small business, engaging in online trading or contracting gig work, for instance—and to control their own finances. Considerably more respondents in Latin America, Asia and Sub-Saharan Africa (57%, 55% and 53%, respectively) than in Europe (42%) or North America (36%) credit the Internet with expanding their financial independence.

¹¹ "[M-Pesa Definition](#)", Investopedia, July 23rd 2019.

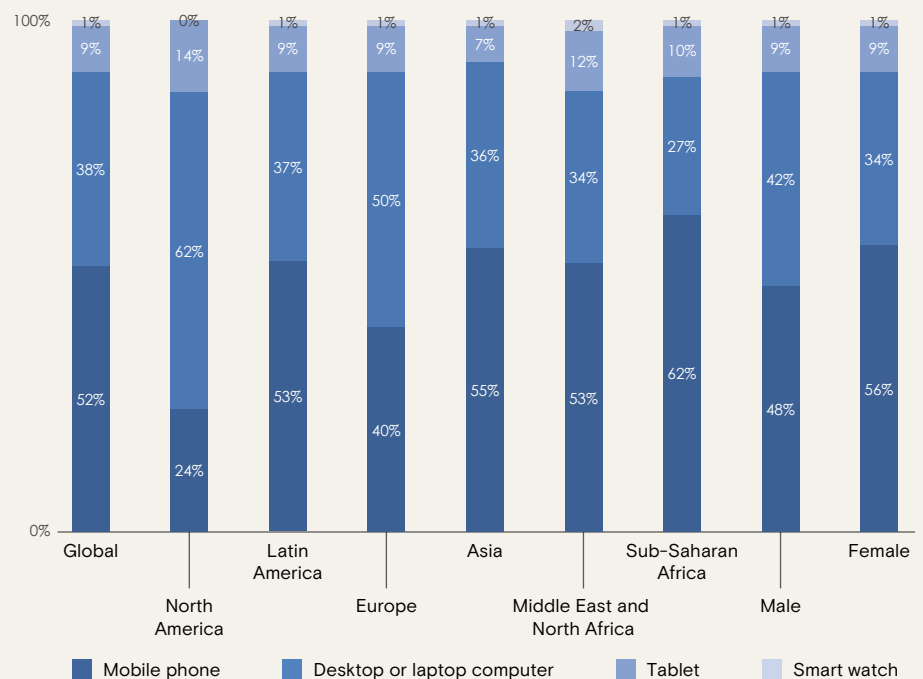
Users in low-income countries (54%) are also more likely than those in high-income ones (45%) to report greater financial independence thanks to the Internet. Certainly, more respondents in high-income nations use the Internet to pay their bills, buy or sell goods or services, make money transfers and check balances. But in low-income countries, where traditional banking infrastructure is likely to be less developed, users may perceive a stronger positive impact of the Internet on their personal financial situation or ability to make and manage money due to its higher marginal utility compared with the developed world.

Mobile connectivity is becoming a financial equaliser.

In low-income countries mobile connectivity is more important for financial inclusion than in high-income countries where people are more likely to perform such tasks on fixed connections. In Sub-Saharan Africa, where there is a large unbanked population, 62% of survey respondents use a mobile phone to check account balances, transfer money or make payments, as do 53% of Latin Americans. Mobile devices are also helping women in similar ways: across the entire index, 56% of female respondents use a mobile phone to perform financial tasks, compared with 48% of men. In some developing regions, this divide is all the more stark: 57% versus 47% in Latin America and 59% versus 46% in the Middle East and North Africa.

Figure 2: Making the world go 'round

Devices people most often use to perform online financial tasks (% of respondents)



Source: The Economist Intelligence Unit

Work and society

People are going online to prepare for the technology-intensive jobs of tomorrow.

Over two-thirds of survey respondents (68%) are leveraging the Internet to develop new skills and a majority (61%) say the Internet has helped them pursue further education. Those living in less-developed regions such as Latin America and Sub-Saharan Africa, where the Internet may partly compensate for a shortage of traditional options, are particular beneficiaries of this trend.

Almost as many (63%) say that this has improved their career prospects. As with online banking and finance, respondents in Sub-Saharan Africa, Asia and Latin America appear to be using the Internet for such purposes more widely than in Europe and North America.

Differences are also evident in a comparison of countries by income level: 72% of residents of low-income countries say they use the Internet for upskilling purposes compared with 62% of those in high-income countries. And 68% of respondents from low-income countries have seen their career prospects improve thanks to the Internet, compared with 56% from high-income ones.

Millennials leverage the Internet more widely than others for immediate work purposes.

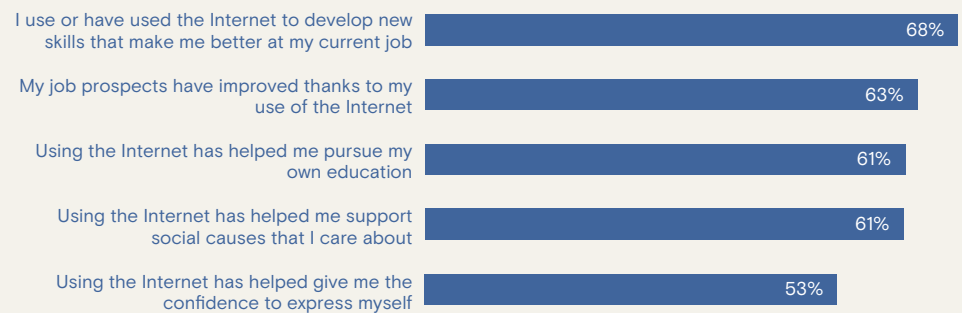
Considerably more millennials (defined as those born between 1981–2001) have used the Internet to search for jobs, compared with baby-boomers (born between 1946–1964). The latter group's closer proximity to retirement may help explain this, but millennials are also more likely to say their job would not exist without the Internet (47% versus 43%). Similar-sized majorities of both age groups (56% and 54%, respectively), agree that they would be unable to do their jobs without it.

Digital opportunities for other types of personal improvement are being widely adopted.

Internet use is also helping people become more engaged citizens: 48% of respondents say they have used the Internet to seek information about government and politics at least once in the past year, and 61% say it has helped them support social causes that they care about. More than half (53%) say they have the confidence to express themselves thanks to the Internet. All the aforementioned survey figures are slightly higher than in 2019, an indicator of the Internet’s growing contribution to civic life. Expanding the availability of local-language content will further help this trend.

Figure 3: World wide welfare

Share of respondents agreeing with statements about their use of the internet for personal development



Source: The Economist Intelligence Unit

Trust in the Internet is declining in a number of contexts.

For all the concern about achieving basic access, there is also an ethical dimension to Internet inclusivity that must be addressed. In that context, it is cause for concern that the deficit in online trust identified last year has since increased on three of the four trust questions posed in the survey. Although nearly half of respondents (47%) trust information put online by governments, only 34% say the same about non-governmental websites and apps. At the bottom of the list is information posted by individuals on social media, trusted by only 28% of global respondents. More clearly needs to be done to cultivate trust in a variety of digital spaces.

Looking forward

Insights from 3i and the Value of the Internet Survey underscore the imperative of bringing the Internet to those who still live without it. The Internet is no longer just a tool, but a necessary prerequisite for participating in the modern economy and achieving financial inclusion and independence.

Building a more inclusive Internet can only start with a thorough diagnosis of the specific challenges that face each country. To that end, stakeholders can draw upon the actionable insights from the 3i to help bridge the biggest gaps between those who are connected to the internet and those who are not.

Progress must continue to make Internet connectivity more available and affordable to unconnected communities. Such communities are largely rural and economically disadvantaged. Reaching them will require greater innovation and investment from private sector actors, supported by enabling policy and regulatory environments.

But addressing the supply side is only part of the equation. The most significant gaps remaining for unconnected people are on the demand side. To start, efforts must redouble to close the gender gap depriving women of the benefits of connectivity that men are able to enjoy. Addressing skills and digital literacy gaps can drive demand for the Internet, complemented by improved efforts to make content, applications and services more trustworthy, relevant to the needs of local populations and accessible in their language. Each of these actions will depend upon the efforts and commitment of all stakeholders working together for a better and more inclusive Internet.

About the research

Launched in 2017, the Inclusive Internet Index measures the extent to which the Internet is not only accessible and affordable, but also relevant to all, in a way that contributes to social and economic progress. The index includes conventional and non-conventional indicators by measuring factors such as affordability, relevance to people's lives, and the extent to which policies support its use, including by historically disadvantaged demographic groups such as women and those with disabilities.

The index measures four domains which, taken together, provide a holistic picture of Internet inclusion:

- **Availability:** quality and breadth of available infrastructure required for access and levels of Internet usage.
- **Affordability:** cost of access relative to income and the level of competition in the Internet marketplace.
- **Relevance:** existence and extent of local-language content and relevant content.
- **Readiness:** capacity to access the Internet, including skills, cultural acceptance and supporting policy.

This year's index is published alongside the 2020 Value of the Internet Survey, currently in its third year. The poll gathered views from 4,953 respondents in 99 countries across Asia-Pacific, the Americas, Europe, the Middle East, North Africa and Sub-Saharan Africa. A particular focus of the 2020 survey was how people use the Internet to manage their finances. As in previous years, it also probed respondents about their use of the Internet to develop skills, improve their employment prospects and purchase goods and services, as well as gauging their levels of trust in online sources of information. The index and survey both shine a light on Internet inclusion across social and economic domains, revealing trends and exploring how digital divides between and within countries are evolving.

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