

# “Summer Davos” in Asia

## Annual Meeting of the New Champions 2010

### Driving Growth through Sustainability

Tianjin, People’s Republic of China 13-15 September



# Report

The Annual Meeting of the New Champions 2010 report is also available in electronic form:

<http://www.weforum.org/pdf/summitreports/newchampions2010> (HTML)  
<http://www.weforum.org/pdf/summitreports/newchampions2010.pdf> (PDF)

The electronic version of this report allows access to a richer level of content from Meeting, including photographs, session summaries and webcasts of selected sessions.

Other information on the Annual Meeting of the New Champions 2010 can be found at the following links:

Interviews	<a href="http://www.weforum.org/newchampions2010/interviews">www.weforum.org/newchampions2010/interviews</a>
KnowledgeConcierge	<a href="http://www.weforum.org/newchampions2010/knowledgeconcierge">www.weforum.org/newchampions2010/knowledgeconcierge</a>
Partners	<a href="http://www.weforum.org/newchampions2010/partners">www.weforum.org/newchampions2010/partners</a>
Photographs	<a href="http://www.weforum.org/newchampions2010/photos">www.weforum.org/newchampions2010/photos</a>
Programme	<a href="http://www.weforum.org/newchampions2010/programme">www.weforum.org/newchampions2010/programme</a>
Session Summaries	<a href="http://www.weforum.org/newchampions2010/summaries">www.weforum.org/newchampions2010/summaries</a>
Webcasts	<a href="http://www.weforum.org/newchampions2010/webcasts">www.weforum.org/newchampions2010/webcasts</a>
WorkSpace	<a href="http://www.weforum.org/newchampions2010/workspace">www.weforum.org/newchampions2010/workspace</a>
IdeasLab	<a href="http://www.weforum.org/newchampions2010/ideaslab">www.weforum.org/newchampions2010/ideaslab</a>

## Sub-themes

Improving Competitiveness through Science and Technology

Creating New Value from Business Models and for Future Markets

Facilitating Economic and Social Change

Designing Effective Global, Industry and Regional Solutions

## Session Series at the Summer Davos



The **Rethinking Asian** Growth series explored the evolution of trade, investment and business ties across China, India, Japan, South Korea and ASEAN



The **Cultural Programme** explored the role of various forms of art and culture within the Asian context.

### World Economic Forum

91-93 route de la Capite  
CH-1223 Cologny/Geneva  
Switzerland  
Tel.: +41 (0)22 869 1212  
Fax: +41 (0)22 786 2744  
E-mail: [contact@weforum.org](mailto:contact@weforum.org)  
[www.weforum.org](http://www.weforum.org)

© 2010 World Economic Forum  
All rights reserved.

No part of this publication can be reproduced or transmitted in any form or by any means, including photocopying and recording, or by any information retrieval or storage system.

REF: 290910

# Contents

<b>Preface</b>	Page 3
<b>Executive Summary: Driving Growth through Sustainability</b>	Page 4
<b>Improving Competitiveness through Science and Technology</b>	Page 6
<b>Creating New Value from Business Models and for Future Markets</b>	Page 10
<b>Facilitating Economic and Social Change</b>	Page 14
<b>Designing Effective Global, Industry and Regional Solutions</b>	Page 18
<b>IdeasLab</b>	Page 22
<b>Acknowledgements</b>	Page 24





# Preface

## André Schneider

Managing Director and Chief Operating Officer  
World Economic Forum



The World Economic Forum's fourth Annual Meeting of the New Champions returned to Tianjin, this time to the Meijiang Convention Center. Built in less than a year, the rapid construction of this impressive venue underscored the support and hospitality of the host city and the close partnership between the Forum and the People's Republic of China. Premier Wen Jiabao again demonstrated his commitment to the "Summer Davos" by offering opening remarks to the 1,500 business, civil society and government leaders from more than 85 countries – most of them the New Champions of the global economy, including Technology Pioneers, Social Entrepreneurs, Young Global Leaders, Young Scientists and chief executives of dynamic Global Growth Companies.

"Driving Growth through Sustainability" is a mission that all countries, companies and individuals must embrace in their own way. But to achieve this global imperative will require unprecedented multistakeholder collaboration to produce creative approaches to solving problems, new business models to boost productivity, and groundbreaking innovations that enhance value. Finding these new sources of growth is even more urgent in the wake of the global economic crisis and the pressing need to create jobs. In his speech, the Premier pledged that China, which he acknowledged is "an important engine of world economic recovery", will "continue to conserve resources, protect the environment and raise the efficiency of resources utilization and the capacity to tackle climate change."

This report aims to summarize the ideas and insights that emerged during the discussions and debates in Tianjin. It also tries to capture the level of engagement of participants and their determination to explore ways to balance growth and sustainability. Sustainability requires revisiting current values and norms, challenging long-held economic assumptions, rethinking business models, exploring scientific and technological solutions to foster innovation and creativity within organizations, and shaping more effective and representative institutions and mechanisms of global and regional governance.

As the global population continues to increase, the world must embrace a broad definition of sustainability that looks beyond ecological impact and, instead, develop a more holistic, systemic and integrated approach to leadership and the management of productive relationships among stakeholders. Driving growth through sustainability is fundamental for global, national and business competitiveness in the 21st century. This year's Summer Davos was designed to prepare leaders from business, government and civil society for this important opportunity.

The World Economic Forum looks forward to your continued engagement and to welcoming you to the Annual Meeting of the New Champions 2011 in Dalian, People's Republic of China, on 12-14 September.

## Mentors

**Hari S. Bhartia**, Co-Chairman and Managing Director, Jubilant Bhartia Group, India; President, Confederation of Indian Industry (CII)

**Peter Brabeck-Letmathe**, Chairman of the Board, Nestlé, Switzerland; Member of the Foundation Board of the World Economic Forum

**Cynthia Carroll**, Chief Executive, Anglo American, United Kingdom

**Eckhard Cordes**, Chairman of the Management Board and Chief Executive Officer, Metro Group, Germany

**Kris Gopalakrishnan**, Chief Executive Officer and Managing Director, Infosys Technologies, India

**Jack Ma Yun**, Chairman and Chief Executive Officer, Alibaba Group, People's Republic of China

**James E. Rogers**, Chairman, President and Chief Executive Officer, Duke Energy Corporation, USA

**John S. Watson**, Chairman of the Board and Chief Executive Officer, Chevron Corporation, USA

**Wei Jiafu**, Group President and Chief Executive Officer, China Ocean Shipping Group Co., People's Republic of China

# Executive Summary: Driving Growth through Sustainability



At the Annual Meeting of the New Champions, the World Economic Forum brings together emerging global leaders and Mentors willing to share the knowledge and perception that only come with experience. It is this powerful mix of questioning, insight and resilience that makes the Summer Davos unique.

This year's Meeting focused on "Driving Growth through Sustainability", an opportunity that confronts every business, government, civil society organization and individual. From the start of the three-day event, it was clear that participants understood the key factors needed to achieve this goal, especially in the post-crisis context.

Throughout the Meeting, the nature of innovation and creativity in institutions, policies, systems and technologies was explored. To drive the innovation necessary to achieve balanced growth and sustainability requires many inputs, including a high degree of collaboration among all players, even rivals. This is an era of massive institutional and societal transformation; but the most intractable challenges the world faces – from climate change to security in the Middle East or on the Korean Peninsula

– are not technical. They must be addressed by behavioural changes. The most important shift now playing out is in how government, business and civil society relate to each other.

Participants at the Meeting examined these relationships and debated how they must evolve to spur the innovation necessary to tackle enormous challenges, such as how to embed sustainability in culture. Education will certainly have to be a part of the solution, but the world cannot wait for the benefits of education reform to emerge over a long term. The challenge of sustainability and the post-crisis growth imperative are immediate – and the need for behaviours to change is urgent.

The Summer Davos agenda was organized according to four sub-themes:

**Improving Competitiveness through Science and Technology**

**Creating New Value from Business Models and for Future Markets**

**Facilitating Economic and Social Change**

**Designing Effective Global, Industry and Regional Solutions**

## Improving Competitiveness through Science and Technology

Preparing for a world of 9 billion people requires the foresight to invest in scientific research and develop breakthrough technological solutions.

- Innovation is the only way to resolve the growth-sustainability dilemma. A "new" innovation is called for, where sustainability is a competitive advantage driven by innovative processes, social technologies and institutions.
- Innovation does not just happen; it is enabled by ecosystems that support risk-taking individuals. Countries and companies alike need to shift their focus from "made by" to "created by". There is no growth without innovation.
- The payoff from investing in science and technology is many times the original investment. As the Chinese proverb goes: "The best time to plant a tree was 20 years ago; the next best time is now."

## Creating New Value from Business Models and for Future Markets

The economic crisis sparked a renewed emphasis on developing sustainable models and multistakeholder relationships that are based on trust and shared values. The question is, how can sustainability be embedded in our cultures?

- A key recommendation for action is to embed sustainability in companies, mindsets and cultures. Organizations are trying many different ways of accomplishing this goal, but it is not clear if there is one “right” way.
- The need for innovation and creativity is also widely recognized. Again, the big question is how. Beyond the typical remedies, such as education that emphasizes teamwork, collaboration, communication and research skills, innovation in business models will have to come from a shift in mindset from benchmarking performance to “benchbreaking”, the incorporation of emerging markets into core strategy, and a sea change in relationships, particularly with competitors and stakeholders.
- The Summer Davos Mentors have demonstrated the importance of leadership in creating new value and sustainable companies that are resilient enough to weather major crises. Enterprises, governments and other organizations have to give more consideration to managing across cultures, turning diversity – including gender inclusiveness – into a competitive advantage and cultivating entrepreneurial mindsets among staff.

## Facilitating Economic and Social Change

To drive growth through sustainability will require not only innovative business models for the development of new markets, but also catalysts of real economic and social change.

- The paradigm shift that transformed computing and telecommunications – from producing expensive and difficult-to-access products to portable and low-cost ones – has yet to happen in the energy sector. The development of accessible and affordable solutions to renewable energy and clean power production will transform the industry and be a catalyst of green growth.
- New investment and funding methods, such as carbon taxes or carbon trading schemes, should be devised to support and bring to market promising technologies that will help achieve the energy efficiency gains needed to have a significant impact in mitigating the effects of climate change.
- Because of its size, China is shaping up to be a laboratory for the adoption of clean technology, a market where low-cost, clean-energy solutions are scaled up. India, another large market, could play a similar role, although it is at a different stage of development and has a markedly different political system.
- Companies that fail to adopt sustainable practices today may not exist a decade from now. Corporate citizenship needs to be part of strategies and business models.

## Designing Effective Global, Industry and Regional Solutions

Among participants’ top concerns are how to balance the twin goals of growth and sustainability, the future of the Sino-US relationship, and the role of the G20 in countering the ever-present threats of social unrest and protectionism.

- Emerging economies are set to become the main engine for global growth. However, economic growth is not enough. Balancing the growth imperative with sustainability and resource efficiency is fundamental for global, industry and regional competitiveness in the 21st century.
- The futures of the United States and China are intimately entwined. A positive symbiotic relationship will underwrite global peace and security, ensuring that the next 100 years will be the world’s first truly “global century”.
- The G20 represents a giant leap forward in global governance and international cooperation, with historic representation in the group of 10 emerging countries. The G20 now needs to rise to the task of ensuring stability and a sustainable recovery.



# Improving Competitiveness through Science and Technology



Preparing for a world of 9 billion people requires the foresight to invest in scientific research and develop breakthrough technological solutions. Ministers of science and technology, environment, energy, climate and natural resources joined the Forum's communities of Global Growth Companies, Young Scientists, Technology Pioneers, Young Global Leaders, Social Entrepreneurs and experts to drive forward the global agenda on innovation and sustainable growth. The New Champions agreed that there is only one solution to the growth-sustainability paradox: innovation. To paraphrase Albert Einstein, the significant problems of the world cannot be solved with the same type of thinking and technology that created them.

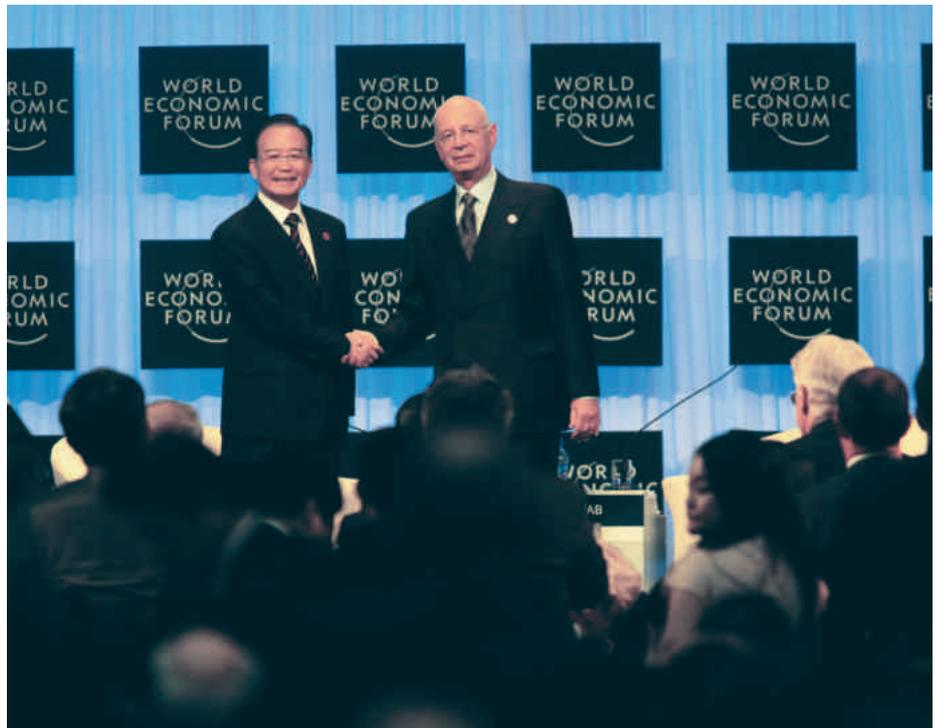
## Highlights

- **Innovating Innovation** – Innovation is the only way to resolve the growth-sustainability dilemma. A “new” innovation is called for, where sustainability is a competitive advantage driven by innovative processes, social technologies and institutions.
- **Enabling Innovation** – Innovation does not just happen; it is enabled by ecosystems that support risk-taking individuals. Countries and companies need to shift their focus from “made by” to “created by”. There is no growth without innovation.
- **Looking into the Future** – The payoff from investing in science and technology is many times the original investment. As the Chinese proverb goes: “The best time to plant a tree was 20 years ago; the next best time is now.”

## Innovating Innovation

The only way to balance economic growth with sustainability is through innovation and creativity – not just by creating new technologies, but also through innovation in policies, systems and institutions. Moreover, no nation, region, city or company can remain competitive if it fails to invest in innovation. The mantra: no growth without innovation.

Sustainability, therefore, must be addressed in a creative, multifaceted, multistakeholder way. The rapid pace of technological change and globalization has rendered it impossible for any one organization to master and deploy new technologies. All innovations themselves must be achieved in increasingly creative ways.



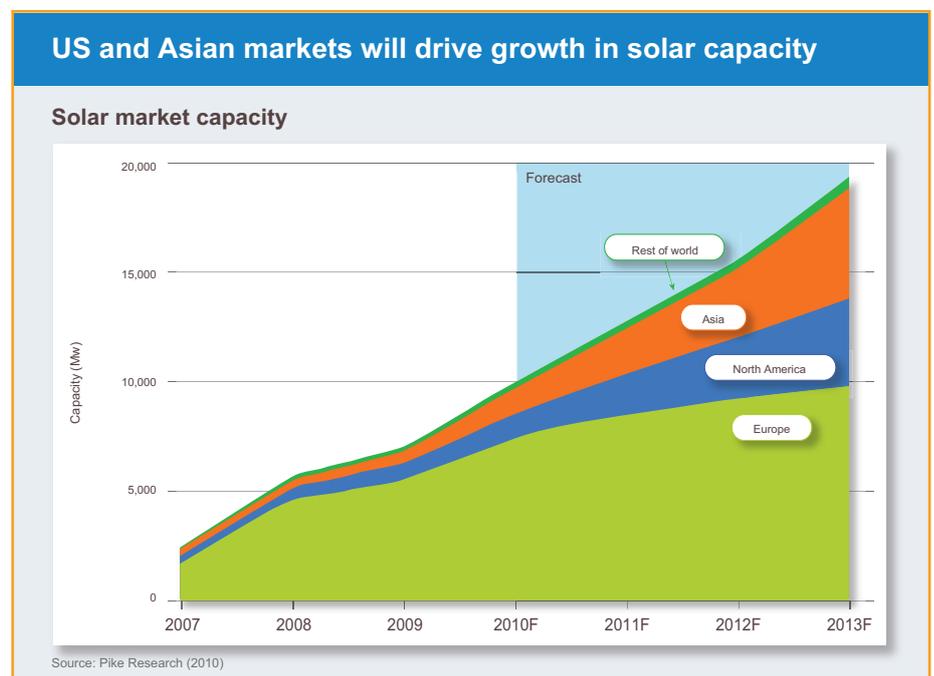
The “new” innovation will require a revolution in human relationships and how people and organizations relate to each other. A tectonic shift is occurring in the area of social networking – now the most popular online activity – as the creative process migrates from large enterprises, universities and governments to diffuse, decentralized collaborative networks of people. Such processes rely on sustainable relationships grounded in shared values.

Another key to large-scale innovation lies in improving education. For example, to improve innovation in policy-making, one thought leader on learning and leadership proposed that conventional business schools be replaced by “tri-sector leadership

schools” that focus on developing “social technology” and enhancing the relationships among business, government and civil society.

## Enabling Innovation

Scarcity may be the mother of invention, but limited resources do not always lead to innovation and creativity. Indeed, most of the innovations in the world are “micro-innovations”. The really big ideas require a supportive innovation ecosystem, including sources of angel and venture capital, investment in fundamental research and development, a risk-taking culture and “can-do” spirit.





Creating an ecosystem that enables innovation to take root requires a progressive, multi-pronged approach. Innovation in government would be enhanced by encouraging risk-taking and providing some budgetary freedom. Innovation within companies would benefit from longer-term financial incentives. In academia, the “publish or perish” approach to research needs to leave room for “tinkering” and experimentation. Finally, caution needs to be applied in the case of “accepted best practices” – conformity and me-too processes are anathema to creativity.

One message was repeated: that talent is essential for innovation. Talent can come from anywhere – from within a company or across borders – and training and attracting the right people is critical for achieving sustainable growth.

## Looking into the Future

A selection of cutting-edge technological innovations was profiled by Young Scientists, Technology Pioneers, Global Growth Companies and others, providing a unique perspective on the art of innovation.

### Cloud Computing

- By 2020, almost one-third of all data created will pass through the cloud.
- Cloud computing reduces costs and speed-to-market for start-up companies, while encouraging invention of new business models and spurring a “tsunami of innovation”.
- There are also challenges and risks in the areas of privacy, data security, governance, regulation and data transmission speed.

### Digital Health

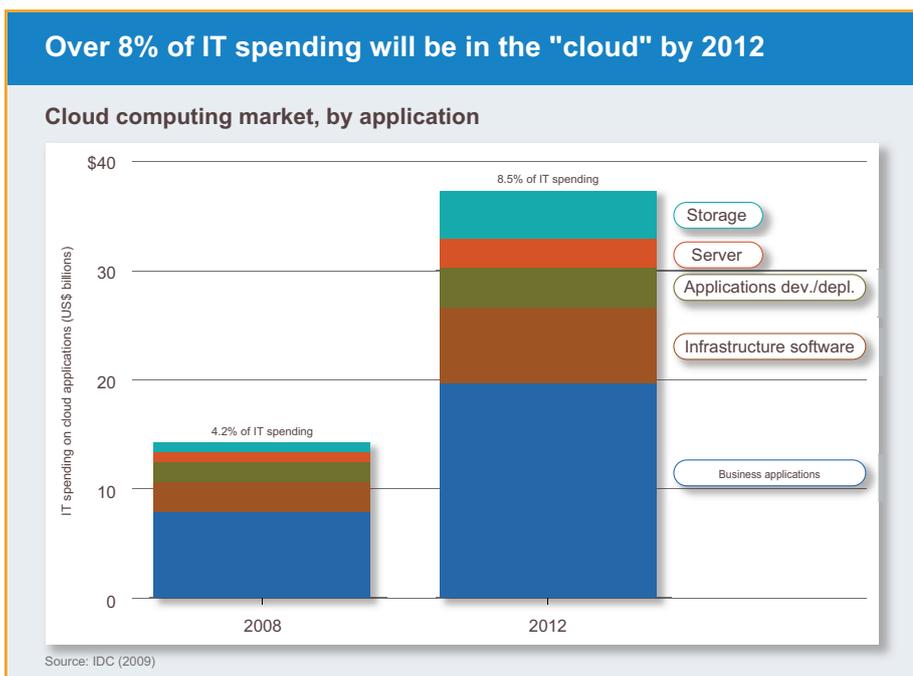
- Mobile devices and other advances in digital technologies promise to revolutionize how healthcare is paid for and delivered.
- Breakthrough technologies include capsules patients swallow that monitor multiple markers of wellness internally and automatically transmit the information to mobile devices.
- The fundamental conditions are in place for the digitalization of healthcare, even in emerging markets. China Mobile alone has 560 million subscribers and covers 98% of China’s vast geography.

### Mixed Reality

- Researchers are exploring ways to merge the real with the virtual, e.g. by transmitting information that can be not only seen or heard, but also felt, tasted or smelled virtually.
- Mixed reality could further enhance long-distance education and healthcare by increasing the kinds of sensory information that can be shared between people over the Internet.

### Predictive Models

- Powerful predictive models fueled by “smart” datasets are allowing governments and business to identify and react more quickly to the problems that define our complex age.
- Extensive datasets allow risk managers to develop complex forecasting models for certain kinds of phenomena, such as the weather or electricity demand. But other types of events, such as future oil prices – which are subject to “unknown unknowns” – are very hard, if not impossible, to forecast.





### Robotics

- Researchers are creating virus-sized robots to perform microsurgery, clean the environment and augment human capabilities.
- Neuro-prosthetic devices that restore hearing are commercially available, but more work is needed to develop extremely tiny electrodes made from nano-materials that human organs will completely accept.

### Solar Energy

- People’s “energy wisdom” will change as they receive full information about energy use, costs, pricing and environmental impact.
- Solar energy might be the mobile phone of the next decade: an accessible and affordable technology that changes the way people interact with the world.
- Efficiency has doubled in five years, and when the “holy grail” of grid parity is reached – equal in price or cheaper than grid power – it will then become mainstream.



## Ministerial Meeting on Innovation and Sustainable Growth

In Tianjin, the Forum hosted its first-ever Ministerial Meeting on Innovation and Sustainable Growth in partnership with the Chinese Ministry of Science and Technology. Ministers of science and technology, environment, climate, natural resources, energy, economy and human resource development joined leaders and experts to discuss driving forward the global agenda on innovation and sustainable growth.

Chinese Science and Technology Minister Wan Gang emphasized that scientific and technological progress can help promote sustainable development. Energy-saving and environmentally-friendly products will lead the future market, as well as technological innovation. Today, the challenge is ensuring coherent and efficient implementation of green strategies.

Determining the roles of government and business, markets and regulation, and global and local institutions is an important next step. Global institutions should provide a clear framework for adoption of green technologies, defining appropriate standards, regulations and incentives. At the national level, governments should tailor policies to their own context; at the industry level, companies need support for innovation through a combination of incentives and regulation. Creating the ecosystem for green growth requires a progressive approach and set of actions.

The debate continues on how to finance the transition to a green economy, who would pay and what incentives should be offered. Opinions among the ministers differed on how expensive such a transition would be. Some contended that green technology is currently too expensive to be adopted by many countries and companies, while others said it can yield both immediate benefits and savings in the long run. Importantly, there was consensus on the need for more openness towards financing SMEs.

Coordinated pricing mechanisms could be a key driver of behavioural change for countries, companies and consumers. However, care must be taken to ensure inclusive policies that do not price businesses and individuals out of pursuing economic and sustainable objectives.

Talent came up consistently as an essential driver of innovation, a factor that is sometimes even more important than funding or technology itself. Additional action is needed to feed bright ideas from the local to the global context.

Read the news release (English and Mandarin Chinese) here: [www.weforum.org/en/media/Latest%20News%20Releases/index.htm](http://www.weforum.org/en/media/Latest%20News%20Releases/index.htm)

# Creating New Value from Business Models and for Future Markets



The economic crisis has sparked a renewed emphasis on developing sustainable models and relationships that are based on trust and shared values. The question is, how can sustainability be embedded in our cultures?

## Highlights

- **Embedding Sustainability** – New growth in the post-crisis context will require embedding sustainability in companies’ strategies, government policies and people’s mindsets. But what does it mean to create a meaningful systemic acceptance of sustainability that would truly invade our cultures? To truly embed sustainability in cultures requires trust between companies and their stakeholders, between governments and their citizens, and between individuals.
- **Innovative Business Models** – The need for innovation and creativity is also widely recognized. Again, the big question is how. Beyond traditional solutions, innovation in business models will have to come from a shift in mindset to “benchbreaking”, incorporating emerging markets into core strategy, and a sea change in relationships, particularly with competitors and stakeholders.



- **Leadership Matters** – The Summer Davos Mentors have demonstrated the importance of leadership in creating new value and sustainable companies that are resilient enough to weather major crises. Enterprises, governments and other organizations have to give more consideration to managing across cultures, turning diversity – including gender inclusiveness – into a competitive advantage and cultivating entrepreneurial mindsets among staff.



## Embedding Sustainability

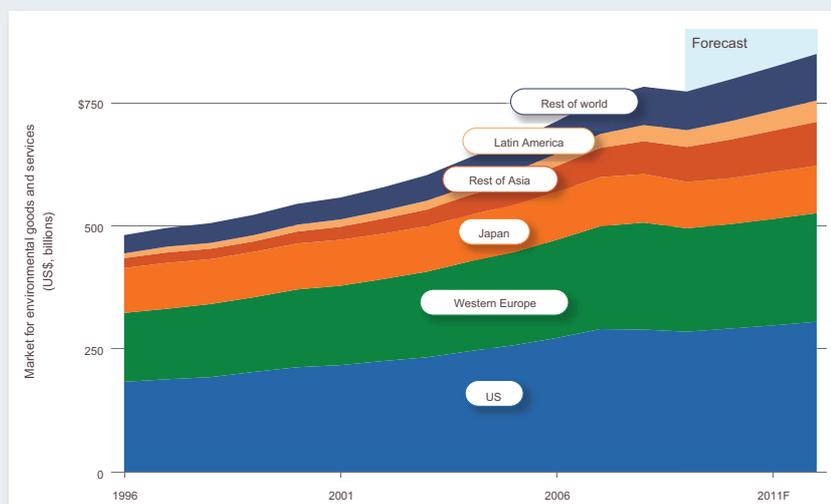
From the beginning of the Annual Meeting of the New Champions, it quickly became clear that participants strongly believe that driving new growth in the post-crisis context will require embedding sustainability in companies’ strategies, in government policies, in people’s mindsets – in short, in our cultures.

There are many ways to achieve such a far-reaching goal. For example, proponents of sustainable best practices in corporations have long stressed how important it is for companies to accept that meeting environmental responsibilities can actually enhance profits. They have also underscored how crucial it is for enterprises to ensure that their contractors and suppliers maintain the same social responsibility standards that they do. The idea is that the ripple effect will bring the consciousness of the boardroom down to the village level.

As the Meeting progressed, New Champions and thought leaders focused on the basics of what it means to create a meaningful systemic acceptance of sustainability that would truly pervade our cultures.

### The market for environmental goods and services is forecast to approach US\$ 900 billion by 2012

#### Global environmental market



Source: Environmental Business International (2009)



In a session with two Mentors and a Young Global Leader among the panellists, discussions focused on how the 21st century corporation will be accountable not only to its shareholders and the government where it operates, but also to its workers, customers, suppliers, the local community, non-governmental organizations and other stakeholders. This is, after all, a hyper-connected “flat” world. Gone are the days when size mattered and companies aimed to take over the competition and gain scale to become too big to fail.

To achieve sustainability, companies will have to shift from asking *how much* to determining *how* to create sustainable relationships with their stakeholders. A good product or service is no longer enough to build that lasting bond with customers and loyalty among employees. People are looking for meaningful and rich experiences and connections that are deep, not superficial. In an interconnected world, where the social media explosion has revealed how much people want to feel like they belong somewhere, there is ethical interdependence: your problem is somehow my problem.

So it has to be with sustainability. Embedding the consciousness of sustainable living will require building sustainable relationships among stakeholders. In several sessions, participants cast China as a showcase for mobilizing a large number of people to embrace clean technology and sustainability. The Chinese government has employed several policies to promote sustainable practices, including tax incentives, subsidies, closure of energy-inefficient factories, punishment of CEOs for failing to meet

emission-reduction targets, and setting up energy conservation supervision centres across the nation that both enforce and educate. The leadership believes that this approach is the best way to drive sustainability home to the public. The question is whether, in the end, this will be effective and lasting.

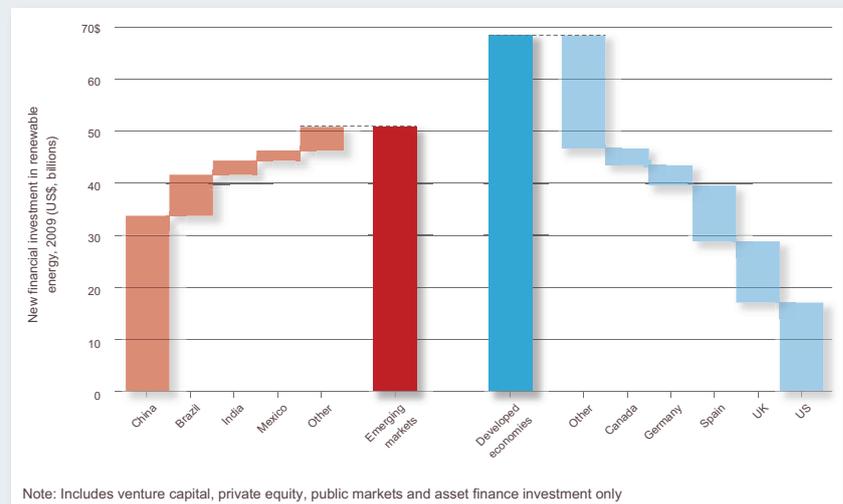
To embed sustainability in cultures requires trust between companies and their stakeholders, between governments and their people, and among individuals. There has to be confidence among stakeholders that they are working together and that one side is not just out to gain a competitive advantage. To build that trust takes time and requires basing relationships on shared values and common goals, going beyond the merely transactional.

### Innovative Business Models

Widely recognized across multiple sessions was the need for creativity in developing new business models and optimizing markets. But the central question is how. Beyond remedies such as education that emphasizes teamwork, collaboration, communication and research skills, innovation must come from a shift in mindset from benchmarking performance to “benchbreaking”, incorporating emerging markets into core strategy, and new relationships, particularly with competitors and stakeholders.

### 42% of renewable energy investment took place in emerging markets in 2009

Clean energy investment in developed and emerging markets



Note: Includes venture capital, private equity, public markets and asset finance investment only  
Source: Bloomberg New Energy Finance (2010)

The standard application of benchmarking to assess performance could lead to complacency. A leading company should aim to do more than just match the successes of others. It should instead be “benchbreaking” – striving to set the highest possible standards. Such a strategy is riskier and requires effective communications across the company.

The economic crisis underscored the vigour and resilience of emerging markets, as well as the enormous opportunities for generating growth and creating value in these developing economies. Emerging markets may not only drive growth, but also innovations, products and services designed to meet the demands of customers there. While sustainability may not yet be a key concern of the emerging market consumer – who may care more about value for money, freshness and brand trustworthiness – there are opportunities for companies to help developing countries leapfrog into a sustainable future.

## Leadership Matters

For sustainability to become part of corporate culture, the CEO must embrace it and be seen to be leading the way. In short, as the Mentors amply demonstrated, leadership matters in the success of a company. In their exchanges with New Champions, several Mentors stressed the importance of confidence in a crisis and adhering to social responsibility principles.

The definition of what makes a good leader is changing. There are now many non-traditional skills that leaders must have to build enterprises that are innovative and therefore likely to be sustainable and drive growth. Enterprises, governments and other organizations will have to focus on how their leaders manage across or bridge cultures, whether they are able to turn diversity – including gender inclusiveness – into a real competitive advantage, whether they can cultivate “intrapreneurial” mindsets among staff, and whether they can deliver efficiency and success.

Good leaders foster a sense of openness in their organizations so rivalries do not become zero-sum games, but are turned into opportunities for collaboration whenever synergies exist.



### Ideas with Enormous Impact: Asia's Social Entrepreneurs of the Year

In Tianjin, the Schwab Foundation for Social Entrepreneurship and the World Economic Forum recognized the three winners of the Asia Social Entrepreneur of the Year Awards. Each one has demonstrated that, by combining innovation and business acumen with a social goal, it is possible to create sustainable enterprises that also help people.

For Gemma Bulos of A Single Drop for Safe Water in the Philippines, the idea was to teach rural communities to build and run their own clean water systems by transferring affordable technologies to the people in these areas and training individuals to run hygiene and sanitation seminars.

Andy Schroeter of Sunlabob Renewable Energy in Laos helps to create public-private partnerships that bring renewable energy technologies to off-grid areas by installing solar stations, solar home systems and village hybrid grids.

Sunlabob not only trains villagers to operate, maintain and rent out lanterns, but also offers consultancy services in Afghanistan, Cambodia and Uganda.

Sakena Yacoobi of the Afghan Institute of Learning (AIL) provides health and education services to women and children. In addition to running clinics, AIL offers primary and secondary schooling, university classes, teacher training and workshops on human rights. It has benefited more than 3.5 million people.

These three individuals are having an enormous impact in a region that, for all its economic success in recent decades, has persistently high levels of poverty.

For more information on the Schwab Foundation for Social Entrepreneurship, visit: [www.weforum.org/en/Communities/SchwabFoundation/index.htm](http://www.weforum.org/en/Communities/SchwabFoundation/index.htm)

# Facilitating Economic and Social Change





To drive growth through sustainability will require not only innovative business models for the development of new markets, but also catalysts of real economic and social change. These include a revolution in the energy sector so power and fuel are easily accessible and affordable; and a revolution in investment and technology to achieve the energy efficiency needed to yield the 35% reduction in emissions required by 2020.

## Highlights

- **Accessible and Affordable** – The paradigm shift that transformed computing and telecommunications has yet to happen in the energy sector. The development of accessible and affordable solutions to renewable energy and clean power production will transform the industry and be a catalyst of green growth.
- **Corporate Citizenship** – Companies that fail to adopt sustainable practices today may not exist a decade from now. Corporate citizenship needs to be part of strategies and business models.
- **Energy Efficiency** – New investment and funding methods must be devised to support and bring to market promising technologies that will help achieve the energy efficiency gains needed to have a significant impact in mitigating the effects of climate change.
- **India and China** – Because of its size, China is shaping up to be a laboratory for the adoption of clean technology in the world, a market where low-cost, clean-energy solutions are scaled up. India could play a similar role, although it is at a different stage of development and has a markedly different political system.

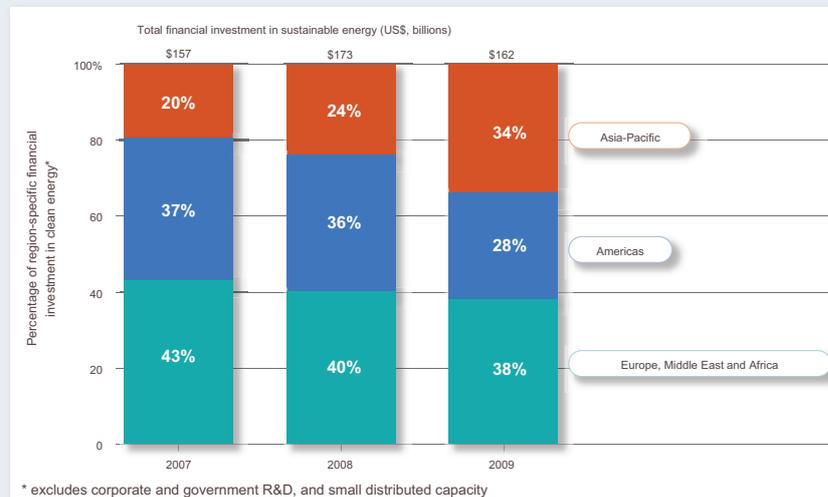
## Accessible and Affordable

In one session, participants were asked to consider the computing and telecommunications industries. Over the space of a few decades, both sectors moved from producing expensive and difficult-to-access products – think about mainframe computers – to portable and low-cost ones, such as laptops and mobile phones. The energy sector has yet to undergo such a revolution in technology and design. The development of accessible and affordable solutions to renewable energy and clean power generation will transform the energy industry and be a major catalyst of green growth.

That mobility revolution is already happening, argue some Technology Pioneers. The energy sector is undergoing a transformation with the development of smart grids, portable and compact energy generators, and powerful batteries that can run motorbikes, cars and trucks. These products are already available, brought to the market by entrepreneurs. Such innovations are needed if a country such as China is to achieve energy efficiency gains to keep it from emulating the consumption levels of the United States.

## Asia is responsible for a growing share of clean energy investment

### Investments in sustainable energy



Source: Bloomberg New Energy Finance (2010)



developed groundbreaking energy-saving technology say they have funding, but they also need long-term contracts to scale up.

A panel of finance ministers is shaping a UN-sponsored report on how to marshal US\$ 100 million to finance climate change mitigation and adaptation in developing economies. Individual countries, too, are moving forward. China plans to use a carbon-trading market to fund green technologies. It is spending heavily to promote energy efficiency through the development of new materials, renewable energy sources, IT systems, advanced manufacturing facilities, biotechnology and electric vehicles.

This comprehensive approach underscores that achieving greater energy efficiency will require a variety of inputs ranging from education of the public to innovative technologies that need to be scaled up quickly.

### India and China

Given the venue of the Annual Meeting of the New Champions, it is not surprising that China was a frequent reference point in the discussions on growth and sustainability. Because of its size and open markets, the country is often cast as a laboratory for the adoption of clean technology, a market where clean-energy solutions are tested and scaled up. The strong commitment of its leadership to promoting energy efficiency and the adoption of renewable sources of energy have bolstered this role.



### Energy Efficiency

New investment and funding methods – such as carbon taxes and carbon trading schemes to support research and development and bring promising technologies to market – are required to achieve significant energy efficiency gains. The financial crisis has made it difficult for green enterprises to obtain financing. In addition, with oil prices well off their peaks, renewable energy is less competitive. At their summit in Toronto in June, G20 leaders dropped a pledge to invest clean energy from their final statement, a consequence perhaps of the failure of the United Nations Climate Change Conference in December 2009. Many small enterprises that have

### Corporate Citizenship

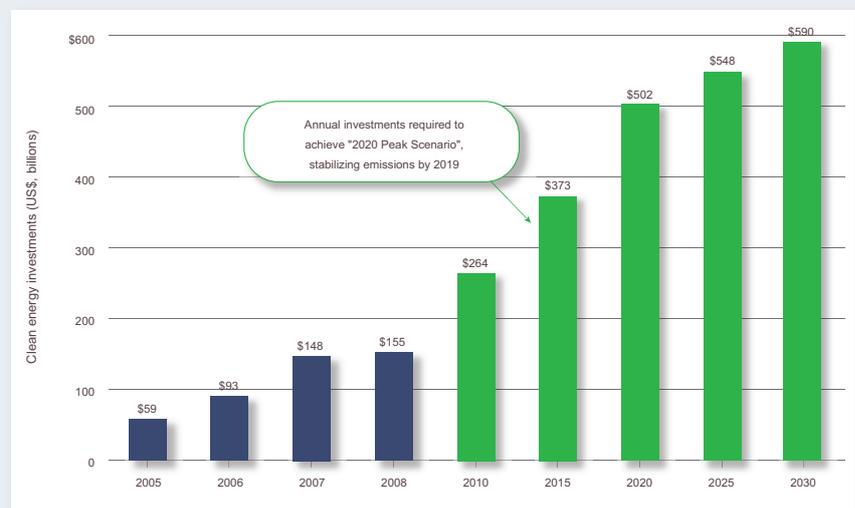
For a global revolution in sustainability to occur, companies must commit to adopting sustainable practices and make corporate citizenship an integral part of strategies and business models. Enterprises that fail to do so may not exist in a decade.

The environment is not the only issue in which they can be involved. To adequately address chronic diseases, poverty and a whole host of global threats will require the participation and contribution of the business sector.

In this interconnected world of social media, the activities of companies will be under increasing scrutiny. Enterprises have no choice but to increase transparency, strengthen accountability, improve the quality of their governance and aim to cultivate more performance-oriented cultures.

### Investments in clean energy will need to double in the next five years to stabilize emissions

Clean energy investment requirements



Source: Bloomberg New Energy Finance (2010)

India could be in a similar position, although its stage of development and the openness of its markets differ markedly from China's. India receives far less foreign direct investment and has more limited financial resources. Its democratic political system also contrasts with China's model, which allows the central government more easily to mobilize the population towards a common goal.

In the long term, China and India may become competitors – as well as collaborators – in developing innovations needed to achieve energy efficiency and sustainability. Both are making great strides in wind and solar power development. The two countries will have to promote innovation and creativity to secure their sustainable future. The dynamic between the two will be interesting to watch in coming years. As one Young Global Leader argued, most people would expect more innovations to emerge from democratic societies than from those with more rigid systems of government.



### Global Competitiveness Report 2010-2011

Launched on the eve of the Summer Davos in Tianjin, the *Global Competitiveness Report 2010-2011* provides detailed assessments of the productive potential of 139 nations worldwide. The report assesses key factors determining economic growth, helps to explain why some countries are more successful than others in raising income levels and opportunities for their respective populations, and offers an important tool for improving economic policies and sharpening institutional reforms.

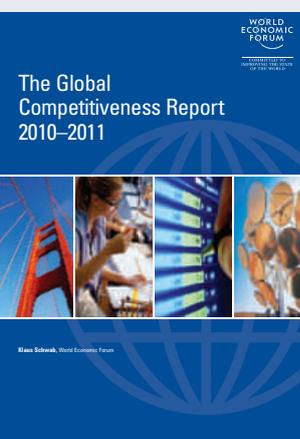
This year, Switzerland topped the overall rankings. After ceding the top place last year, the United States fell two places to fourth position, overtaken by Sweden (2nd) and Singapore (3rd). The People's Republic of China (27th) continued to lead the way among large developing economies, improving by two more places this year, and solidifying its place among the top 30. Among the three other BRIC economies, Brazil (58th), India (51st) and Russia (63rd) remained at the same ranking they had last year.

Despite concerns about the global economy, policy-makers must not lose sight of long-term competitiveness fundamentals amid the short-term challenges. For economies to remain competitive, they must ensure that they have in place those factors driving the productivity enhancements on which their present and future prosperity is built.

One of the key drivers of long-term competitiveness is technological innovation. All other factors – improving institutions, building infrastructure, reducing macroeconomic stability or improving human capital – eventually yield diminishing returns. Firms must design and develop cutting-edge products and processes to maintain a competitive edge. This requires an environment that is conducive to innovative activity, supported by both the public and private sectors.

In particular, it means sufficient investment in research and development, especially by the private sector; the presence of high-quality scientific research institutions; extensive collaboration in research between universities and industry; and the protection of intellectual property. Leaders must look beyond the present uncertainties and resist pressures to cut back on R&D spending – both at the private and public levels – that will be so critical for future sustainable growth.

Download the *Global Competitiveness Report 2010-2011* at:  
[www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm](http://www.weforum.org/en/initiatives/gcp/Global%20Competitiveness%20Report/index.htm)



# Designing Effective Global, Industry and Regional Solutions





The Meeting was held at a crucial time of economic recovery – amid pervasive uncertainty and a continuing shift in the economic centre of gravity away from advanced economies towards developing ones. Among the top concerns of participants are how to balance growth and sustainability, the future of the Sino-US relationship and the role of the G20 in countering the ever-present threats of social unrest and protectionism. In the face of such concerns, leaders were called on to heed the advice of the late Peter Drucker: the best way to prepare for the future is to create it.

## Highlights

- Twin Goals: Growth and Sustainability** – Emerging economies are set to become the main engine for global growth. However, economic growth is not enough. Balancing the growth imperative with sustainability and resource efficiency is fundamental for competitiveness in the 21st century.
- The US and China in the Post-Crisis World** – The futures of China and the United States are intimately entwined. A positive symbiotic relationship will underwrite global peace and security, ensuring that the next 100 years will be the world's first truly "global century".
- Global Governance in an Era of Globalization** – The G20 represents a giant leap forward in global governance and international cooperation, with historic representation in the group of 10 emerging countries. The G20 now needs to rise to the task of ensuring stability and a sustainable recovery.

## Twin Goals: Growth and Sustainability

While the deep structural roots of the Great Recession make it difficult to predict the shape of future growth, one thing is clear: a two-speed economic recovery is underway. The International Monetary Fund is forecasting 6.5% growth this year for emerging markets, significantly outpacing the 2.25% growth in advanced economies.

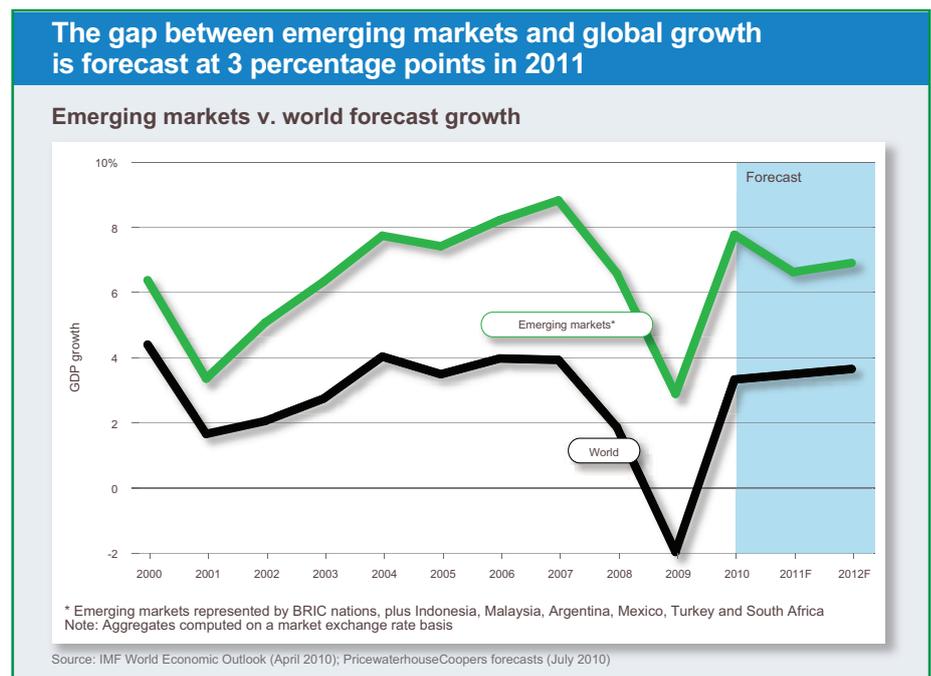
Output in emerging economies has already returned to pre-crisis levels and, by 2012, emerging markets will contribute more than one-half of global GDP and three-quarters of global growth. Some predict a new "age of opportunity" for emerging countries, which continue to focus on domestic reforms: promoting stable financial systems, developing skilled labour, opening consumer markets, expanding trade and fostering innovation.

Countering this rosy assessment is the daunting challenge of balancing growth with sustainability – a pressing issue for emerging countries, given the need to productively occupy 1.2 billion young people who will hit working age over next 10 years – the so-called "youth bulge".

Natural resource pressures also loom large. India and China comprise 30% of the world's population, but hold only 1.8% of the world's petroleum resources. Similarly, severe water scarcity and environmental degradation are threatening livelihoods and risk sparking armed conflict in the longer term.

Seizing the opportunity to grow through sustainability requires new mindsets. China is leading the race towards a low-carbon economy, investing US\$ 736 billion in clean energy, building energy efficient "eco-cities", and moving to implement a carbon tax, which could be in place as early as 2012. This "leading by example" may provide an unexpected impetus to efforts to combat climate change as recalcitrant countries are compelled to play catch up.

The inexorable rise of emerging economies was seen by participants as a "near certain" megatrend. The only certainty: there will be surprises along the way.





## The US and China in the Post-Crisis World

The Sino-US relationship is the fulcrum of the world economy, producing one-half of global output. The United States and China are also the largest two trading nations and the two largest polluters, and stand on opposite sides of the world's largest current account imbalances.

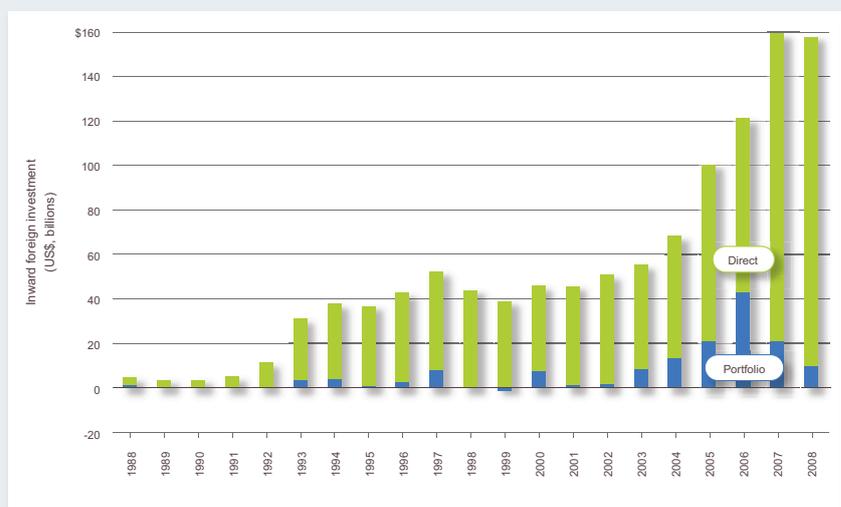
Despite tongue-in-cheek references to the United States as “the (other) superpower”, China in reality remains far behind the United States in economic, political and military influence. Nevertheless, the post-crisis recovery period marks a coming-out of sorts for China. On the economic front, its ability to sustain high growth is now essential to the prosperity of the rest of the world, while politically it has reached a new level of global engagement in areas as diverse as climate change and regulatory reform.

Meanwhile, the United States remains embroiled in domestic issues and risks descending into a “Fortress America” mentality as it tackles its deficit and structural unemployment. The country has also turned its back on international frameworks ranging from the Kyoto Protocol to landmine and handgun treaties. Concerns were voiced that the United States is becoming the “General Motors of nations” rather than the “Google of the world”. Others cautioned against underestimating the capacity of the country for innovation and renewal, predicting it will remain central to globalization in the 21st century.

Above all, participants agreed that the futures of the United States and China are intimately intertwined. Global peace and stability depend on positive symbiosis. Tensions are inevitable, but open conflict is unlikely, most agreed. The world cannot risk resuscitating the spectre of the Cold War. In the short term, a potential flashpoint was characterized as the “10/10 problem” – sustained 10% unemployment in the US versus 10% growth in China – potentially leading to a backlash and fierce protectionism in the United States.

## China received nearly US\$ 160 billion of inward investment in 2007 and 2008

### Foreign investment in China



Source: IMF (2010)

To the question of whether this will be an “Asian” or “American” century, the resounding answer was neither. The next 100 years will be the world’s first truly “global century”.

## Global Governance in an Era of Globalization

The G20 has defied its critics by coordinating an effective global response to the worst financial crisis in two generations. The historic group – half of which are emerging countries – now needs to rise to the task of ensuring stability and a sustainable recovery. While the June G20 summit in Toronto saw much progress, a review is urgently required to ensure that the targets and timetable are relevant and achievable before the Seoul summit in November.

Some argue that the G20 should be more inclusive, pointing out that 90% of countries are not represented. In particular, Africa is seen as needing a greater voice. Others counter that the G20 is not the UN General Assembly, while agreeing that multilateral organizations such as the International Monetary Fund and World Bank need greater representation of emerging economies through voting rights reform.

International financial regulatory reform is seen as a pressing challenge, although G20 leaders should be mindful of the economic costs and potential for unintended consequences. Also important are measures to build better resilience to future crises, e.g. through financial safety nets for countries vulnerable to external shocks and capital flight.

Pragmatic optimism – to remain committed to multilateral processes, while accepting their limitations and not waiting for universal agreement to act – is called for. A case in point is trade. While the Doha Round is seen as a costless stimulus for growth, the proliferation of bilateral, plurilateral and regional arrangements, such as the historic free-trade area that Japan, South Korea and China are discussing, should continue.

To prevent protectionism from taking root, policy-makers need to end the trade charade of “buy national”. Examples include the EU’s anti-dumping duties against Asian clothing manufacturers, which mainly penalize African cotton producers, or the political rhetoric focusing on the “Assembled in China” iPad – retailing at around US\$ 290 with Chinese content of around US\$ 15 – while most of the added value goes to component makers in South Korea, Japan and Taiwan. As global trade becomes ever-more complex and integrated, an “Us versus



Them” approach is outmoded.



*At the Annual Meeting of the New Champions 2010, a series of sessions looked at scenarios that could play out if certain risks were to become reality. These are a selection of what participants thought would be the consequences of certain events and how to be prepared should they occur.*

### WHAT IF

#### ... there is a succession crisis in North Korea?

- Leading experts on the Korean Peninsula at the Meeting in Tianjin ruled out the possibility of such a crisis.
- The failure of the alleged sinking of a South Korean naval vessel to spark wider conflict was seen as a positive sign of stability in the region.
- Given the right assurances and incentives, North Korean leader Kim Jong-Il could embark on China-style economic reforms, opening North Korea to eventual political confederation.

#### ... there is an emerging market crisis in 2011?

- Financial crises inevitably recur, sometimes at seemingly the rosier of times. As such, economies and companies should always have a “Plan B”.
- Financial crises have become globally interlinked and require multilateral, not just local, action. With rising levels of government indebtedness, the world is more vulnerable than ever to the next crisis. There will be few places to hide.
- Companies should put their own house in order and not depend on the government or investors for help, with manageable leverage and a buffer of cash. The days of “lazy” balance sheets (those with low levels of debt) are back.

#### ... the United States remains in a jobless recovery in 2011?

- US output has nearly returned to pre-crisis levels, but employment has not. The reasons are manifold: the surge in productivity, housing overhang and consumer de-leveraging. Construction and manufacturing together have seen more than 5 million jobs lost.
- The majority view is that US unemployment is structural and will remain in the 9-11% range at least until 2012-2013. A minority dissented, seeing the issue as cyclical.
- There would be implications for domestic politics. Structurally high unemployment is likely to lead to social tensions and political partisanship. Asked whether Barack Obama would be a one-term president: the majority of US participants asserted “yes”, while non-US participants said “no”.

For the in-depth summaries of these sessions, please visit: [www.weforum.org/newchampions2010/summaries](http://www.weforum.org/newchampions2010/summaries)





# Acknowledgements

The World Economic Forum would like to thank the Government of the People's Republic of China and the Municipal Government of Tianjin for their generous support in co-hosting the Annual Meeting of the New Champions 2010.

The World Economic Forum wishes to recognize the following companies as Partners or Supporters of the Annual Meeting of the New Champions 2010.

## Strategic Partners

ABB  
Abraaj Capital  
Accel Partners  
Accenture  
Adobe Systems Incorporated  
Agility  
Alcatel-Lucent  
Alcoa  
Apax Partners  
ArcelorMittal  
AT&T  
AUDI AG  
Bahrain Economic Development Board  
Bahrain Mumtalakat Holding Company  
Bain & Company  
Bank of America  
Barclays PLC  
Basic Element  
Bill & Melinda Gates Foundation  
Bombardier  
Booz & Company  
The Boston Consulting Group  
BP  
BT  
CA Technologies  
Chevron  
Cisco  
Citi  
Clayton, Dubilier & Rice  
Clifford Chance  
The Coca-Cola Company  
Credit Suisse  
Deloitte  
Deutsche Bank  
Deutsche Post DHL  
Dogus Group  
The Dow Chemical Company  
Dubai Holding  
DuPont  
Ernst & Young  
Eskom  
Etihad Airways  
Fluor Corporation  
GE/NBC Universal  
Goldman Sachs  
Google  
Hanwha Group  
HCL Technologies  
Heidrick & Struggles

Hewlett-Packard Company  
HSBC  
Huawei Technologies  
Hubert Burda Media  
IHS Inc.  
Infosys Technologies  
Intel Corporation  
Investor  
JPMorgan Chase & Co.  
KPMG  
Kudelski Group  
Lenovo  
Mahindra Satyam  
Manpower  
Marsh & McLennan Companies (MMC)  
McKinsey & Company  
Merck & Co.  
METRO GROUP  
Microsoft Corporation  
Morgan Stanley  
The NASDAQ OMX Group  
National Bank of Kuwait  
Nestlé  
News Corporation  
Nike  
Nomura Holdings  
Novartis  
NYSE Euronext  
The Olayan Group  
Omnicom Group  
PepsiCo  
PricewaterhouseCoopers  
Prudential  
Reliance Industries  
Renault-Nissan Alliance  
Saudi Basic Industries Corporation (SABIC)  
Sberbank  
Siemens  
SK Group  
Standard Chartered Bank  
Swiss International Air Lines  
Swiss Re  
System Capital Management  
Thomson Reuters  
Troika Dialog Group  
UBS  
Unilever  
VimpelCom  
Visa Inc.  
Vision 3  
Volkswagen AG

VTB Bank  
Wipro  
WPP  
Zurich Financial Services

## Global Growth Company Partners

Angermayer, Brumm & Lange Group of Companies  
Boodai Corporation  
Genpact  
Globis Corporation  
Greenberg Traurig  
IDEO  
International Bank of Azerbaijan  
International Personal Finance  
The Kuwaiti Danish Dairy Company KCSC  
Monex Group  
Moser Baer India  
Neusoft Corporation  
Neustar  
QIAGEN  
Saigon Invest Group (SGI)  
SBI Holdings  
Sekunjalo Investments

## Global Growth Company Shapers

Aecon Group  
comScore  
Current Group  
Enso Capital Management  
Gamesa Corporación Tecnológica  
GridPoint  
Grupo ABC  
Marvell Technology Group  
Technogym  
TIBCO Software  
VeriFone Holdings

## Service Provider

Ogilvy Public Relations

## Host Broadcasters

Phoenix Satellite Television  
Tianjin Television





# Contributors

André Schneider is Managing Director and Chief Operating Officer of the World Economic Forum. Jeremy Jurgens is Senior Director, Global Growth Companies. The Annual Meeting of the New Champions 2010 was under their direct responsibility, with Denise Burnet, Senior Director and Head of Events, and Laura De Wolf, Associate Director, Events. W. Lee Howell is Managing Director, Head of Programming and Global Agenda Councils at the Forum.

The report was written by Alejandro Reyes and Gareth Shepherd. The Forum would also like to thank the summary writers for their work at the Annual Meeting of the New Champions 2010.

## **Programme Team**

Jaclyn Asuncion, Mireille Bertolini, Sebastian Buckup, Antonio Calvosa, Nathalie Chalmers, Johanna Dousse, Anne-Sophie Duprat, Jessica Dyllick, Eva Trujillo Herrera, Rebecca Ivey, Emma Loades, Begona Martinez, Natalie Hendro, Stephanie Nassenstein, Nicolas Ruble, Tiffany West and Xiuying Zhang

## **Editing and Production**

Janet Hill, Senior Editing Manager

Kamal Kimaoui, Associate Director, Production and Design

## **Photographers**

Natalie Behring, Liu Bowen, Doug Kanter, Adam Nadel, Nick Otto and Shen Qilai

The World Economic Forum would like to thank PricewaterhouseCoopers for its help in preparing data and statistics underpinning this report.



The *Global Competitiveness Report* was first launched in 1979. The 31st edition was released ahead of the Annual Meeting of the New Champions 2010. It is an assessment of national competitiveness, providing insights to the policies, institutions and factors that enable robust economic development and long-term prosperity. [www.weforum.org/gcn](http://www.weforum.org/gcn)

## Global Competitiveness Index 2010–2011 rankings and 2009–2010 comparisons

Country/Economy	GCI 2010–2011		countries	rank *	Country/Economy	GCI 2010–2011		GCI 2010–2011 rank among 2009 countries	GCI 2009–2010 rank *
	Rank	Score				Rank	Score		
Switzerland	1	5.63	1	1	Kazakhstan	72	4.12	71	67
Sweden	2	5.56	2	4	Peru	73	4.11	72	78
Singapore	3	5.48	3	3	Namibia	74	4.09	73	74
United States	4	5.43	4	2	Morocco	75	4.08	74	73
Germany	5	5.39	5	7	Botswana	76	4.05	75	66
Japan	6	5.37	6	8	Croatia	77	4.04	76	72
Finland	7	5.37	7	6	Guatemala	78	4.04	77	80
Netherlands	8	5.33	8	10	Macedonia, FYR	79	4.02	78	84
Denmark	9	5.32	9	5	Rwanda	80	4.00	n/a	n/a
Canada	10	5.30	10	9	Egypt	81	4.00	79	70
Hong Kong SAR	11	5.30	11	11	El Salvador	82	3.99	80	77
United Kingdom	12	5.25	12	13	Greece	83	3.99	81	71
Taiwan, China	13	5.21	13	12	Trinidad and Tobago	84	3.97	82	86
Norway	14	5.14	14	14	Philippines	85	3.96	83	87
France	15	5.13	15	16	Algeria	86	3.96	84	83
Australia	16	5.11	16	15	Argentina	87	3.95	85	85
Qatar	17	5.10	17	22	Albania	88	3.94	86	96
Austria	18	5.09	18	17	Ukraine	89	3.90	87	82
Belgium	19	5.07	19	18	Gambia, The	90	3.90	88	81
Luxembourg	20	5.05	20	21	Honduras	91	3.89	89	89
Saudi Arabia	21	4.95	21	28	Lebanon	92	3.89	n/a	n/a
Korea, Rep.	22	4.93	22	19	Georgia	93	3.86	90	90
New Zealand	23	4.92	23	20	Moldova	94	3.86	n/a	n/a
Israel	24	4.91	24	27	Jamaica	95	3.85	91	91
United Arab Emirates	25	4.89	25	23	Serbia	96	3.84	92	93
Malaysia	26	4.88	26	24	Syria	97	3.79	93	94
China	27	4.84	27	29	Armenia	98	3.76	94	97
Brunei Darussalam	28	4.75	28	32	Mongolia	99	3.75	95	117
Ireland	29	4.74	29	25	Libya	100	3.74	96	88
Chile	30	4.69	30	30	Dominican Republic	101	3.72	97	95
Iceland	31	4.68	31	26	Bosnia and Herzegovina	102	3.70	98	109
Tunisia	32	4.65	32	40	Benin	103	3.69	99	103
Estonia	33	4.61	33	35	Senegal	104	3.67	100	92
Oman	34	4.61	34	41	Ecuador	105	3.65	101	105
Kuwait	35	4.59	35	39	Kenya	106	3.65	102	98
Czech Republic	36	4.57	36	31	Bangladesh	107	3.64	103	96
Bahrain	37	4.54	37	38	Bolivia	108	3.64	104	120
Thailand	38	4.51	38	36	Cambodia	109	3.63	105	110
Poland	39	4.51	39	46	Guyana	110	3.62	106	104
Cyprus	40	4.50	40	34	Cameroon	111	3.58	107	111
Puerto Rico	41	4.49	41	42	Nicaragua	112	3.57	108	115
Spain	42	4.49	42	33	Tanzania	113	3.56	109	100
Barbados	43	4.45	43	44	Ghana	114	3.56	110	114
Indonesia	44	4.43	44	54	Zambia	115	3.55	111	112
Slovenia	45	4.42	45	37	Tajikistan	116	3.53	112	122
Portugal	46	4.38	46	43	Cape Verde	117	3.51	n/a	n/a
Lithuania	47	4.38	47	53	Uganda	118	3.51	113	108
Italy	48	4.37	48	48	Ethiopia	119	3.51	114	118
Montenegro	49	4.36	49	62	Paraguay	120	3.49	115	124
Malta	50	4.34	50	52	Kyrgyz Republic	121	3.49	116	123
India	51	4.33	51	49	Venezuela	122	3.48	117	113
Hungary	52	4.33	52	58	Pakistan	123	3.48	118	101
Panama	53	4.33	53	59	Madagascar	124	3.46	119	121
South Africa	54	4.32	54	45	Malawi	125	3.45	120	119
Mauritius	55	4.32	55	57	Swaziland	126	3.40	n/a	n/a
Costa Rica	56	4.31	56	55	Nigeria	127	3.38	121	99
Azerbaijan	57	4.29	57	51	Lesotho	128	3.36	122	107
Brazil	58	4.28	58	56	Côte d'Ivoire	129	3.35	123	116
Vietnam	59	4.27	59	75	Nepal	130	3.34	124	125
Slovak Republic	60	4.25	60	47	Mozambique	131	3.32	125	129
Turkey	61	4.25	61	61	Mali	132	3.28	126	130
Sri Lanka	62	4.25	62	79	Timor-Leste	133	3.23	127	126
Russian Federation	63	4.24	63	63	Burkina Faso	134	3.20	128	128
Uruguay	64	4.23	64	65	Mauritania	135	3.14	129	127
Jordan	65	4.21	65	50	Zimbabwe	136	3.03	130	132
Mexico	66	4.19	66	60	Burundi	137	2.96	131	133
Romania	67	4.16	67	64	Angola	138	2.93	n/a	n/a
Colombia	68	4.14	68	69					
Iran, Islamic Rep.	69	4.14	n/a	n/a					
Latvia	70	4.14	69	68					
Bulgaria	71	4.13	70	76					

(Cont'd.)

\* The 2009–2010 rank shown is the one published last year out of 133 countries. One country that was included last year, Suriname, has been excluded

this year for lack of Survey data. Suriname's rank of 102 from last year is therefore not shown in the table.



---

COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

The World Economic Forum is an independent international organization committed to improving the state of the world by engaging leaders in partnerships to shape global, regional and industry agendas.

Incorporated as a foundation in 1971, and headquartered in Geneva, Switzerland, the World Economic Forum is impartial and not-for-profit; it is tied to no political, partisan or national interests. ([www.weforum.org](http://www.weforum.org))