

Preface

KLAUS SCHWAB

Executive Chairman, World Economic Forum

The Global Competitiveness Report 2013–2014 is being released at a time when the world economy is undergoing significant shifts. The global financial crisis and the ensuing developments have heightened the role of emerging economies in the global context. This has accelerated the major economic transformations already underway, which have fueled rapid growth and lifted millions of people out of poverty. Yet, although the global economy's prospects are more positive than they were when we released last year's *Report*, growth has begun to slow across many emerging economies, and advanced economies in Europe and elsewhere continue to struggle.

In the current context, policymakers must avoid complacency and press ahead with the structural reforms and critical investments required to ensure that their countries can provide a prosperous environment and employment for their citizens. They must identify and strengthen the transformative forces that will drive future economic growth. Particularly important will be the ability of economies to create new value-added products, processes, and business models through innovation. Going forward, this means that the traditional distinction between countries being "developed" or "developing" will become less relevant and we will instead differentiate among countries based on whether they are "innovation rich" or "innovation poor." It is therefore vital that leaders from business, government, and civil society work collaboratively to create enabling environments to foster innovation and, in particular, to create appropriate educational systems.

For more than three decades, the World Economic Forum has played a facilitating role in this process by providing detailed assessments of the productive potential of nations worldwide. The *Report* contributes to an understanding of the key factors that determine economic growth, helps to explain why some countries are more successful than others in raising income levels and providing opportunities for their respective populations, and offers policymakers and business leaders an important tool for formulating improved economic policies and institutional reforms. Going forward, the World Economic Forum will continue these efforts by collecting and curating public-private practices that have proven useful in increasing competitiveness in countries around the world.

In addition, political leaders increasingly recognize the importance of qualitative as well as quantitative aspects of growth, integrating such concepts as social and environmental sustainability into economic decision making. To advance thinking on these issues, the Forum has continued its research into how sustainability relates to competitiveness and economic performance. Chapter 1.2 of this *Report* presents our evolving analysis of how country competitiveness can be assessed once issues of social and environmental sustainability are taken into account.

This year's *Report* features a record number of 148 economies, and thus continues to be the most comprehensive assessment of its kind. It contains a detailed profile for each of the economies included in the study, as well as an extensive section of data tables with global rankings covering over 100 indicators. This *Report* remains the flagship publication within the Forum's Global Competitiveness and Benchmarking Network, which produces a number of related research studies aimed at supporting countries in their transformation efforts.

The Global Competitiveness Report 2013–2014 could not have been put together without the thought leadership of Professor Xavier Sala-i-Martín at Columbia University, who has provided ongoing intellectual support for our competitiveness research. Further, this *Report* would have not been possible without the commitment and enthusiasm of our network of over 160 Partner Institutes worldwide. The Partner Institutes are instrumental in carrying out the Executive Opinion Survey that provides the foundation data of this *Report* as well as imparting the results of the *Report* at the national level. We would also like to convey our sincere gratitude to all the business executives around the world who took the time to participate in our Executive Opinion Survey.

We are also grateful to the members of our Advisory Board on Competitiveness and Sustainability, who have provided their valuable time and knowledge to help us develop the framework on sustainability and competitiveness presented in this *Report*: James Cameron, Chairman, Climate Change Capital; Dan Esty, Commissioner, Connecticut Department of Energy and Environmental Protection; Clément Gignac, Chief Economist and Senior Vice-President, Industrial Alliance Insurance and Financial Services; Jeni Klugman, Director

for Gender, The World Bank; Marc A. Levy, Deputy Director, CIESIN, Columbia University; John McArthur, Senior Fellow, United Nations Foundation; Kevin X. Murphy, President and Chief Executive Officer, J.E. Austin Associates Inc.; Mari Elka Pangestu, Minister of Tourism and Creative Economy of Indonesia; Mark Spelman, Global Head of Strategy, Accenture; and Simon Zadek, Senior Visiting Fellow, Global Green Growth Institute.

Appreciation also goes to Børge Brende, Managing Director at the Forum, and Jennifer Blanke, Chief Economist and Head of The Global Competitiveness and Benchmarking Network, as well as team members Beñat Bilbao-Osorio, Ciara Browne, Edoardo Campanella, Gemma Corrigan, Roberto Crotti, Margareta Drzeniek Hanouz, Thierry Geiger, Tania Gutknecht, Caroline Ko, and Cecilia Serin.

By providing decision makers with a basis from which to reinforce strengths and eliminate weaknesses, we hope to make a contribution in the spirit of our mission—committed to improving the state of the world.