

Preface

ESPEN BARTH EIDE

Managing Director and Member of the Managing Board, World Economic Forum

The Global Competitiveness Report 2014–2015 is being launched at a time when the global economy seems to be finally leaving behind the worst and longest-lasting financial and economic crisis of the last 80 years. However, this resurgence is moving at a less decisive pace than it has after previous downturns, and heightened risks looming on the horizon could derail the global recovery. Much of the growth in recent years has taken place because of the extraordinary and bold monetary policies in countries such as the United States, Japan, and the United Kingdom. As the economy improves in these countries, a normalization of monetary policy with tightening financial conditions could have an impact on both advanced and emerging economies. Moreover, the strained geopolitical scenarios with rising tensions in a number of regions can also have negative consequences for the global economic outlook. Finally, many countries are suffering from accelerating income inequalities; often these inequalities are lasting effects of the crisis that are creating domestic social tensions with potential global consequences.

Against this backdrop, policymakers as well as business and civil society leaders must work together in order to ensure robust economic growth that supports more-inclusive economies. Economic and social agendas must go hand in hand and focus on reforms that will render economies more productive and open up new and better job opportunities for all segments of the population. Better assigning available resources to productive activities is crucial and requires well-functioning markets. In addition, as indicated in previous editions of this *Report*, strong institutions, available talent, and a high capacity to innovate hold the key for the success of any economy. These elements will continue to be even more essential in the future.

For 35 years, this *Report* has shed light on the key factors and their mechanisms and interrelations that determine economic growth and the level of present and future prosperity in a country. In doing so, since its inception the *Report* has aimed to build a shared understanding of the main strengths and weaknesses of each of the economies covered, so that stakeholders can work together on shaping economic agendas that can address challenges and create enhanced opportunities.

In this context, policymakers, businesses, and citizens increasingly recognize the need for economic growth to be balanced by providing opportunities and benefits for all segments of the population and by being respectful of the environment. In sum, the social and environmental dimensions of an economy need to be fully considered in any growth or development agenda. Although the relationship between productivity, social development, and environmental stewardship is complex, the Forum has continued its research into how sustainability relates to competitiveness and economic performance. Chapter 1.2 of this *Report* presents the current thinking at the Forum on *sustainable competitiveness*, a concept introduced three years ago in our *Report* series, and one that aims to analyze how country competitiveness can be assessed once issues of social and environmental sustainability are taken into account.

This year's *Report* provides an overview of the competitiveness performance of 144 economies, and thus continues to be the most comprehensive assessment of its kind globally. 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* is one of the flagship publications 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 and raising awareness about the need to adopt holistic and integrated frameworks for understanding complex phenomena such as competitiveness or global risks.

The Global Competitiveness Report 2014–2015 could not have been put together without the thought leadership of Professor Xavier Sala-i-Martin at Columbia University, who has provided ongoing intellectual support for our competitiveness research. Further, this *Report* would have not been possible without the collaboration and dedication of our network of over 160 Partner Institutes worldwide. The Partner Institutes are instrumental in carrying out the Executive Opinion Survey, which 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 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*.

Appreciation also goes to colleagues at the World Economic Forum, namely Jennifer Blanke, Chief Economist; and Margareta Drzeniek Hanouz, Head of The Global Competitiveness and Benchmarking Network, as well as team members Beñat Bilbao-Osorio, Ciara Browne, Gemma Corrigan, Roberto Crotti, Attilio Di Batista, Gaëlle Dreyer, Caroline Galvan, Thierry Geiger, Tania Gutknecht, and Cecilia Serin.