

# Preface

**RICHARD SAMANS**

Head of the Centre for the Global Agenda and Member of the Managing Board, World Economic Forum

*The Global Competitiveness Report 2015–2016* is being launched at a pivotal time for the global economy. On the one hand, economic development is characterized by the “new normal” of higher unemployment, lower productivity growth, and subdued economic growth that could still be derailed by uncertainties such as geopolitical tensions, the future path of emerging markets, energy prices, and currency changes. On the other hand, other recent developments show great promise—the so-called fourth industrial revolution and new ways of consuming such as the sharing economy could lead to another wave of significant innovations that drive growth. At the same time, across countries we are witnessing economic policymaking become increasingly people-centered and embedded in overall societal goals.

Whether economies get trapped in the new normal or harvest the benefits of the latest innovations for their societies will crucially depend on their levels of competitiveness. Policymakers, businesses, and civil society leaders must work together to ensure continued growth and more inclusive outcomes of economic development. Enhancing competitiveness requires not only well-functioning markets; other keys to success include strong institutions that ensure the ability to adapt, the availability of talent, and a high capacity to innovate. These essential ingredients will become even more important in the future because economies that are competitive are more resilient to risks and better equipped to adapt to a rapidly changing environment.

For over 35 years, the *Global Competitiveness Report* series has shed light on the key factors and their interrelations that determine economic growth and a country’s level of present and future prosperity. By doing so, it aims to build a common understanding of the main strengths and weaknesses of an economy so stakeholders can work together to shape economic agendas that address challenges and enhance opportunities.

The Global Competitiveness Index has served to assess country performance since 2004, a time frame that has seen great changes in the global economic landscape and seen also an exploration of new avenues in how we think about economic growth. In order to maintain our cutting-edge value, we need to take into account the latest ideas about competitiveness.

Chapter 1.2 of this *Report* therefore presents our current thinking about the drivers of competitiveness from a conceptual point of view and suggests a set of preliminary measurements toward an updated index. The chapter is the result of a multi-year research project of the World Economic Forum. Its goal is to provide a basis for discussing the evolving concepts and measurements of competitiveness. In the course of the coming year, we plan to validate the concepts and measures with experts, policymakers, and businesses.

This year’s *Report* provides an overview of the competitiveness performance of 140 economies and thus continues to be the most comprehensive assessment of its kind. It contains a detailed profile of each of the economies included. This *Report* is one of the flagship publications of the Forum’s Global Competitiveness and Risks Team, 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 related to competitiveness and global risks.

*The Global Competitiveness Report 2015–2016* has benefitted from the thought leadership of Professor Xavier Sala-i-Martin at Columbia University, who has provided ongoing intellectual support for our competitiveness research and its future directions. Furthermore, 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*, and in 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 the Survey.

Appreciation also goes to Professor Klaus Schwab, Executive Chairman, who developed the original concept back in 1979; Jennifer Blanke, Chief Economist; and Margareta Drzeniek Hanouz, Head of Global Competitiveness and Risks, as well as team members Ciara Browne, Roberto Crotti, Attilio Di Batista, Caroline Galvan, Thierry Geiger, Tania Gutknecht, and Gaëlle Marti.