

# The Europe 2020 Competitiveness Report: Building a more competitive Europe

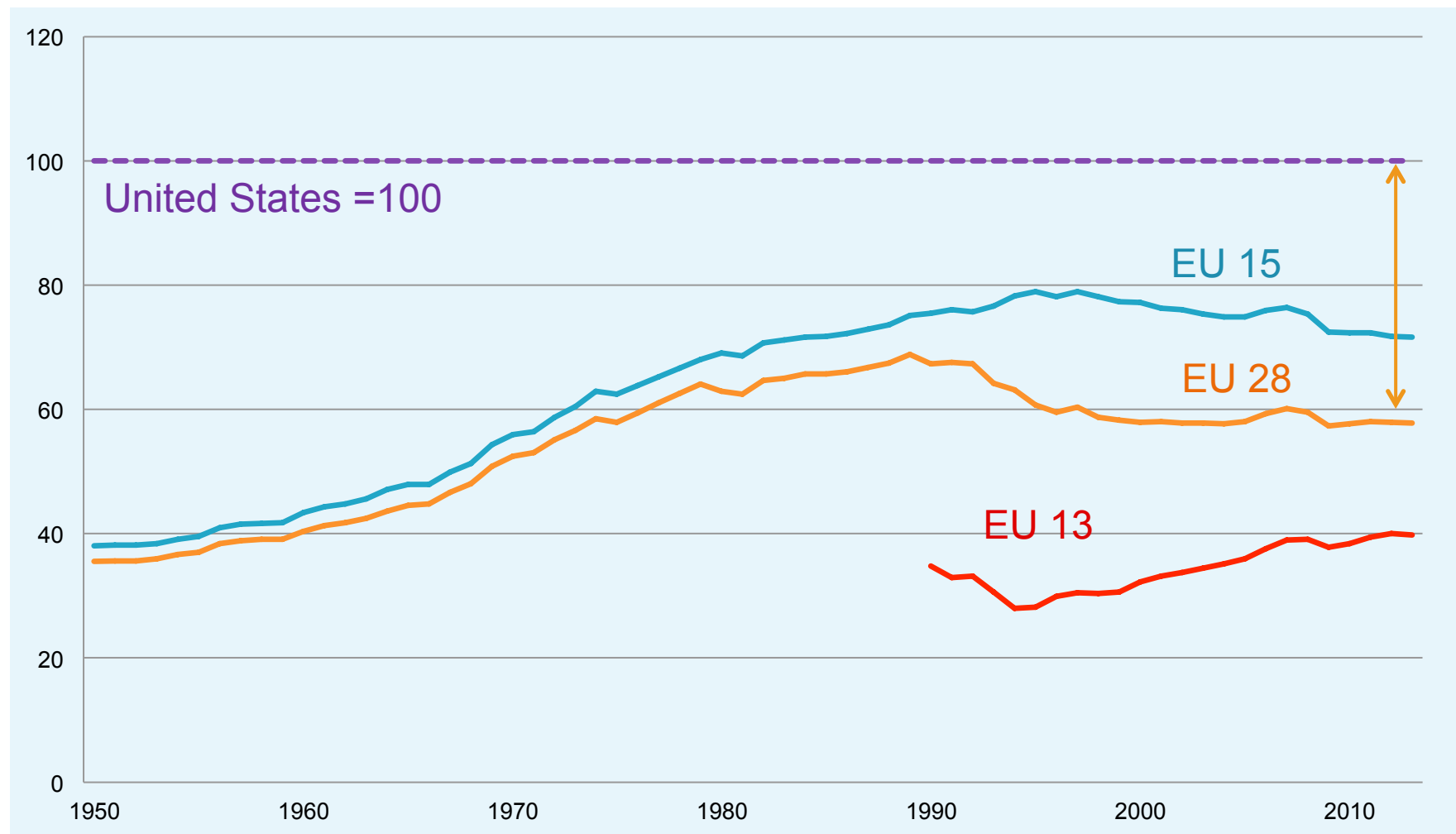
Brussels, 10 June 2014



# The Europe 2020 Competitiveness Report

## Why does Europe need to become more competitive?

EU-US Productivity Gap, GDP per hours worked in Geary/Khamis \$



Source: The Conference Board Total Economy Database™, January 2014

# What is competitiveness?



“

The set of institutions, policies, and factors that determine the level of productivity of a country”.  
*The level of productivity, in turn, sets the level of prosperity that can be earned by an economy.* ”

# The Global Competitiveness & Benchmarking Network



The World Economic Forum's work on competitiveness has started in 1979 with a focus on European competitiveness

Today: GCR 2013-2014: 148 economies



Lisbon Review Series 2002-2010



Europe 2020 Competitiveness Report: Since 2012

# The Europe 2020 Competitiveness Index

## Structure

### Europe 2020 Flagship Initiatives

An industrial policy for the Globalization Era  
A Digital Agenda for Europe  
Innovation Union  
Youth on the Move

An agenda for New Skills and Jobs

European Platform Against Poverty

Resource-Efficient Europe



### The Europe 2020 Competitiveness Index – Seven pillars

#### SMART

Enterprise environment  
Digital agenda  
Innovative Europe  
Education and training

#### INCLUSIVE

Labour market and  
employment  
Social inclusion

#### SUSTAINABLE

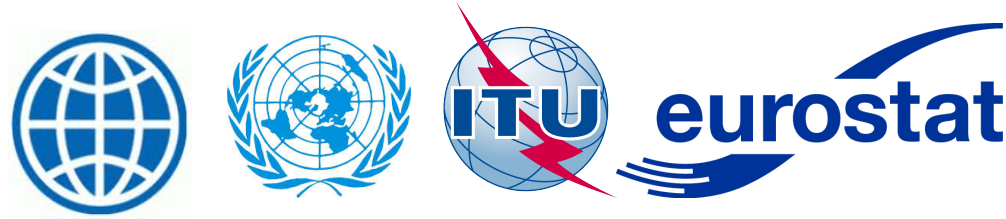
Environmental sustainability

# The Europe 2020 Competitiveness Index

## 71 indicators



Quantitative data: sourced from international organizations



Qualitative data: Annual Executive Opinion Survey carried out by the network of the World Economic Forum's Partner Institutes.

- ❖ Allows to capture data that is statistically scarce or non-existent
- ❖ The EOS also allows capturing the critical perspective of business leaders

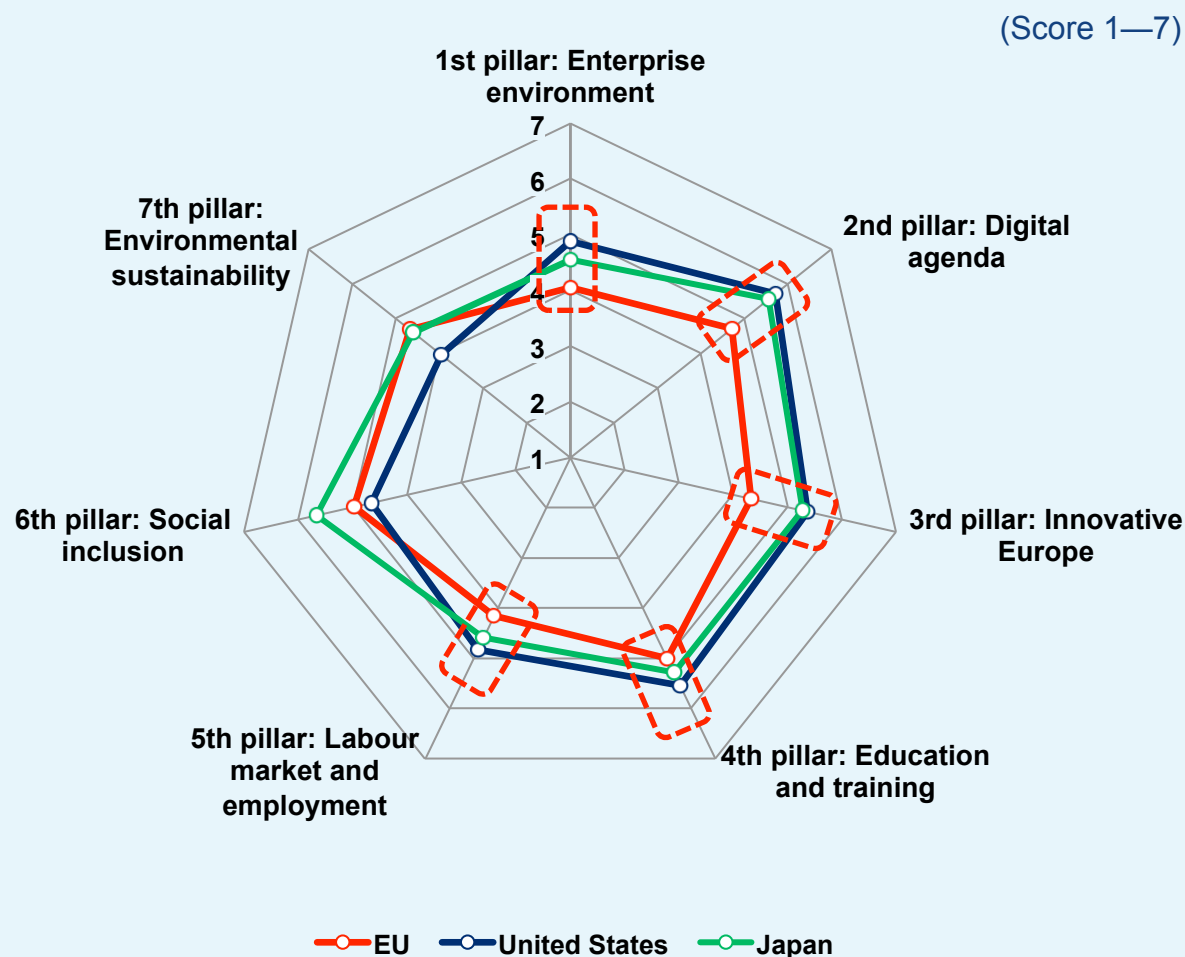
# The Europe 2020 Competitiveness Index

## Results 2014

Rank	Economy	Score	Rank	Economy	Score
1	 Finland	5.7	15	 Portugal	4.4
2	 Sweden	5.5	16	 Slovenia	4.4
3	 Netherlands	5.4	17	 Lithuania	4.4
4	 Denmark	5.3	18	 Czech Republic	4.3
5	 Germany	5.3	19	 Latvia	4.3
6	 Austria	5.2	20	 Cyprus	4.2
7	 United Kingdom	5.1	21	 Italy	4.0
8	 Luxembourg	5.1	22	 Poland	4.0
9	 Belgium	4.9	23	 Slovak Republic	3.9
10	 France	4.8	24	 Croatia	3.9
11	 Ireland	4.7	25	 Hungary	3.8
12	 Estonia	4.7	26	 Greece	3.8
13	 Spain	4.5	27	 Bulgaria	3.7
14	 Malta	4.4	28	 Romania	3.6

# The Europe 2020 Competitiveness Report

## Europe trailing globally in smart growth & labour market



### SMART GROWTH

Switzerland	5.47
United States	5.38
Norway	5.28
Japan	5.17
Korea, Rep.	5.13
Canada	4.94
<b>EU28</b>	<b>4.53</b>

### INCLUSIVE GROWTH

Switzerland	5.74
Norway	5.64
Canada	5.29
Japan	5.13
United States	4.75
<b>EU28</b>	<b>4.57</b>

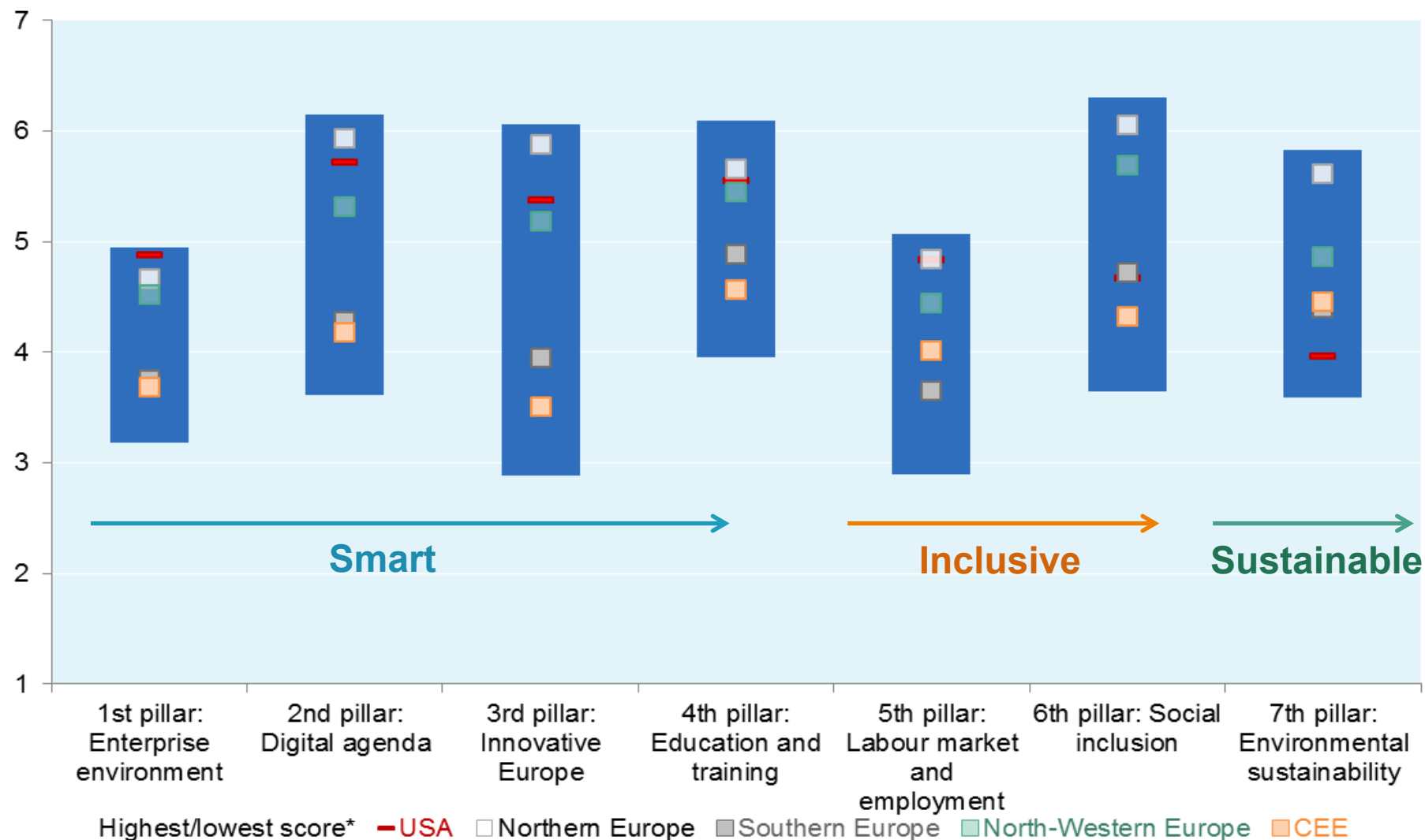
Korea, Rep.

### SUSTAINABLE GROWTH

Norway	5.97
Switzerland	5.83
Canada	5.11
<b>EU28</b>	<b>4.68</b>
Japan	4.60
United States	3.96
Korea, Rep.	3.41

# The Europe 2020 Competitiveness Report

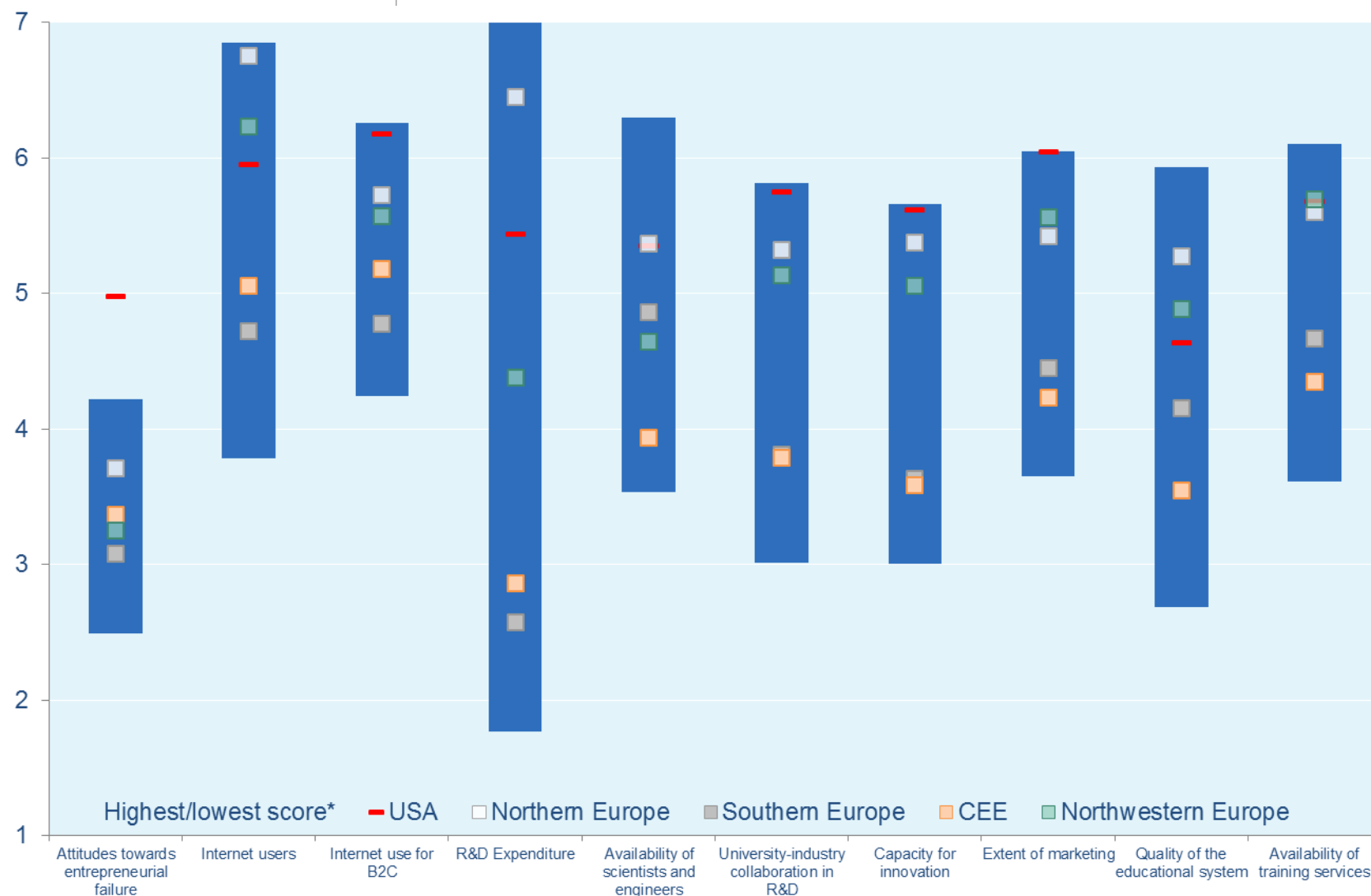
## Large divergences within Europe (Score 1–7)



Source: World Economic Forum, 2014. The length of each bar is determined by the score of the best and worst performing EU Member State

# The Europe 2020 Competitiveness Report

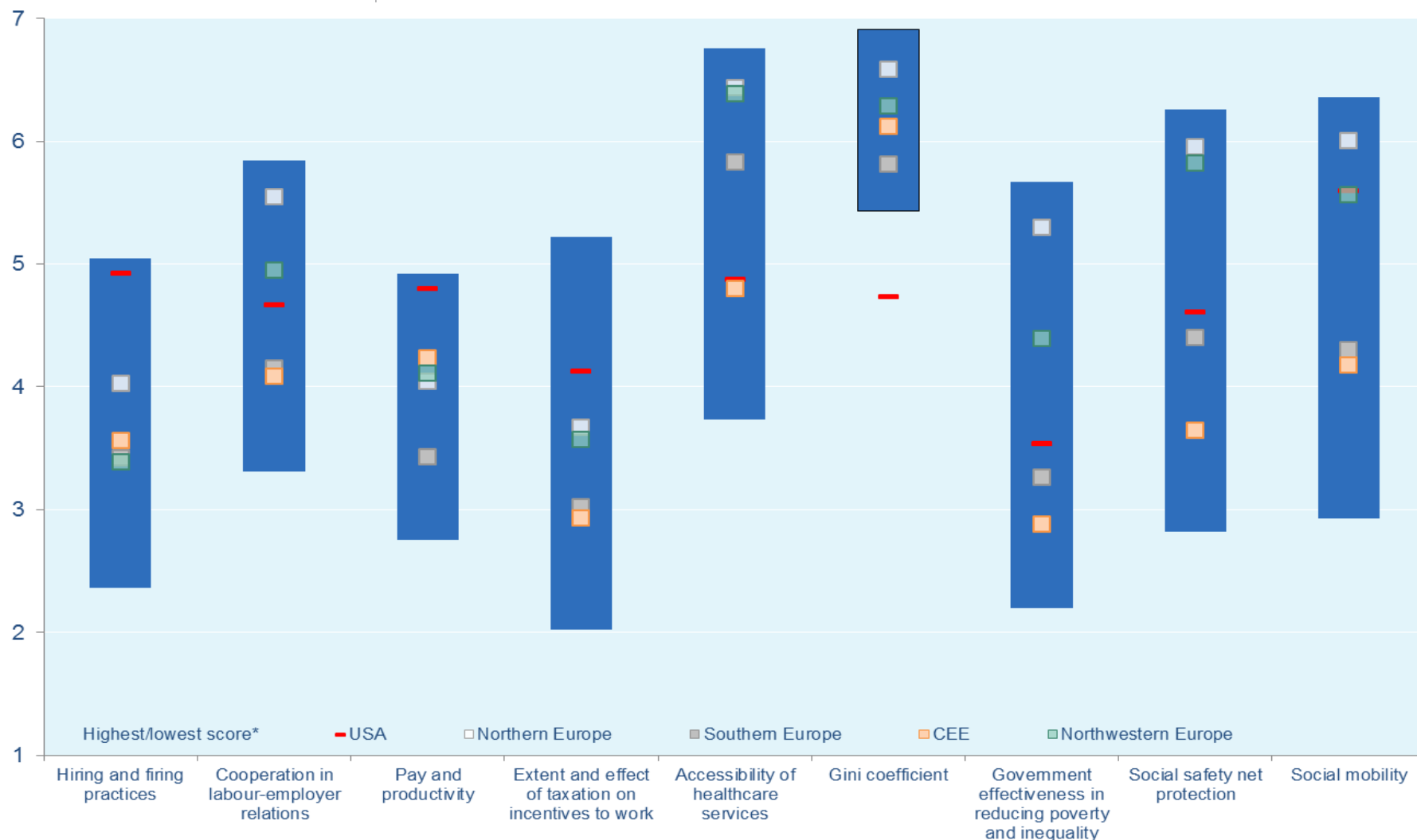
## Selected smart indicators (Score 1–7)



Source: World Economic Forum, 2014. The length of each bar is determined by the score of the best and worst performing EU Member State

# The Europe 2020 Competitiveness Report

## Selected inclusive indicators (Score 1–7)



# The Europe 2020 Competitiveness Report

## Key messages

***Investing in knowledge-intensive assets is key...***

***... both in innovation rich and innovation poor economies.***

***Reforms need to be supported by strengthening institutional capacity...***

***... and shared commitment from all stakeholders.***

Smart and inclusive growth are mutually reinforcing: In the long-run investments and policies for smart growth will create the opportunities for gainful employment and cater to a socially inclusive Europe.

Despite the more benign economic outlook, this is also no time to be complacent in well-performing economies.

Closing the innovation divide within Europe will allow Europe to harness assets from different parts of Europe

Effective governance mechanisms are needed at regional, national and European level.

Long-term thinking: Now is the time to invest in competitiveness-enhancing long-term measures

Strong and clear communication plans to explain the rationale of reforms to citizens and stakeholders.

# The Europe 2020 Competitiveness Report

## What next? Key questions for policy makers

### **Diverging Europe?**

How can the huge variance in performance of EU Member States be overcome? What does it mean in the context of the Eurozone?

### **A new Europe 2020?**

How can the Europe 2020 Strategy be retrofitted for the post-crisis world? Are new targets needed or do the old need to be primarily enforced and implemented.

### **What way for reforms?**

How can enforcement of reform commitments be ensured without triggering backlash against Brussels “diktat”?

The logo features a blue arc that starts to the left of the word 'WORLD', curves around the word 'ECONOMIC', and ends to the right of the word 'FORUM'.

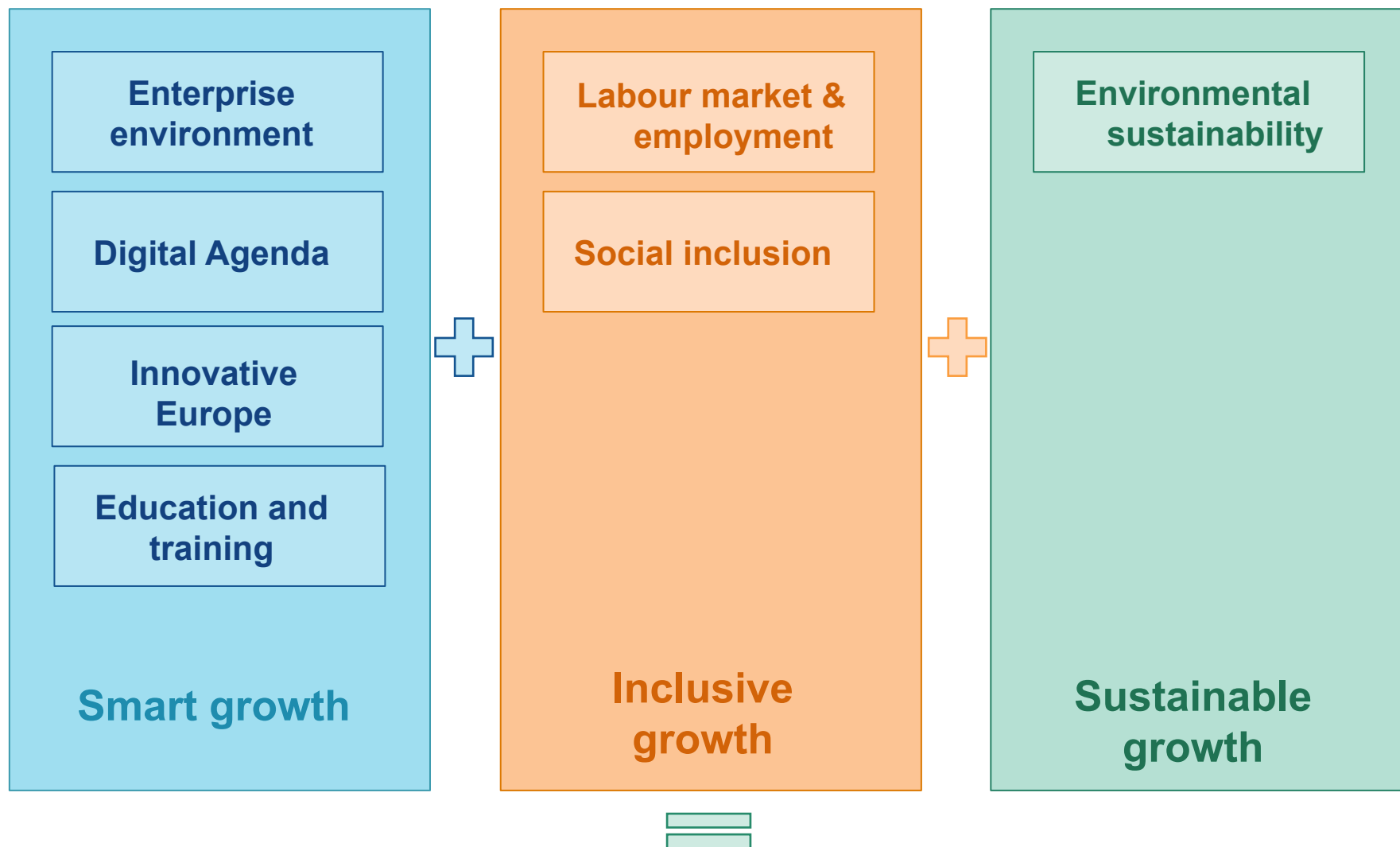
# WORLD ECONOMIC FORUM

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COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

# The Europe 2020 Competitiveness Index

Structure mirroring the Europe 2020 strategy



## The Europe 2020 Competitiveness Index

# Q&A



Visit our website for further information and to download the Report:  
[www.weforum.org/gcr](http://www.weforum.org/gcr)