World Economic Forum: New Framework to Measure Sustainable Competitiveness

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- New Sustainable Competitiveness Index (SCI) developed to highlight the importance of economic, social and environmental sustainability for long-term economic performance
- With the concept evolving, feedback is encouraged via Facebook, Twitter, Forumblog: www.weforum.org/sci
- Download the full chapter on the SCI in the Global Competitiveness Report 2011-2012 here
- A detailed structure of the SCI is available here

Geneva, Switzerland, 5 October 2011 – To measure the impact of sustainability on economic competitiveness, the World Economic Forum is developing a new analytical framework – the Sustainable Competitiveness Index (SCI). The SCI takes a long-term approach to highlight factors that could represent vulnerabilities to national competitiveness and productivity in the future.

Through its flagship *Global Competitiveness Report*, the World Economic Forum has over the course of the last three decades studied and measured the drivers of national competitiveness, including a wide range of factors such as governance, infrastructure, education, innovation and the proper functioning of markets. To supplement this traditional analysis, the new SCI accounts for elements required to make competitiveness sustainable over the longer run, in economic, social and environmental terms.

The SCI maintains almost all of the elements already captured by the Forum's existing competitiveness work, which are important over both the shorter and longer term, but it also integrates a number of additional concepts, including social cohesion, environmental policy, resources efficiency, management of renewable resources and environmental degradation. The resulting broader index provides a deeper understanding of the drivers of long-term sustainable competitiveness.

With the goal of contributing to the discourse about the drivers of sustainable competitiveness, and also of encouraging feedback at this early stage that can serve as input for refining and further developing the concept, the World Economic Forum decided to release the preliminary results of this evolving work in the latest edition of the *Global Competitiveness Report*.

The SCI currently covers 100 countries, and an analysis of how the results of the SCI differ from those of the traditional competitiveness ranking provides a sense of which countries are not only competitive now, but are also preparing well for their future competitiveness. A preliminary data set for the different sustainability variables, such as water stress, air pollution or forest cover change is available here.

Sustainable competitiveness is a nascent area of research, and the Forum's initial work has shown that much of the data measuring the key concepts is not yet available. It will take a multi-year effort to properly capture the concept of sustainable competitiveness through reliable indicators that can be gathered for a large number of countries.

The World Economic Forum will update and refine this work over time, integrating feedback and the latest research on an ongoing basis. A first step in this process is the creation of an online site where feedback on the preliminary methodology can be collected from the public. To this end, the Forum has set up a dedicated page, www.weforum.org/sci, to collect responses and comments, and the public is encouraged to provide their thoughts and input. Other ways to contribute feedback is via Facebook and the Forum's blog http://wef.ch/SCIComments.

To ensure that this issue is approached in a comprehensive way, the World Economic Forum has created a high-level Advisory Board on Sustainability and Competitiveness to provide guidance and input into the process. Advisory Board members are drawn from the Forum's Network of Global Agenda Councils, and represent the perspectives of leaders from government, business, academia and civil society.

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