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Benchmarking Inclusive Growth and Development
Discussion Paper

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World Economic Forum Discussion Paper

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Abstract

The extent to which economic growth generates broadly shared economic opportunity and outcomes is influenced by an interdisciplinary mixture of structural and institutional aspects of economic policy. This discussion paper presents a preliminary Inclusive Growth and Development Benchmarking Framework that compares indicators of performance and enabling environment conditions in six principal policy domains and fourteen subdomains on a cross-country basis. It is a tool intended to help make discussions about socioeconomic inclusion and inequality less vaguely aspirational and more concretely actionable by providing a clearer sense of the extent to which a country is exploiting available policy space across the full spectrum of levers potentially available to increase the contribution of economic growth to more broadly based progress in living standards based on the experience of its peers or other countries.

Keywords: Inclusive Growth; Inequality; Poverty; Development Policy; Benchmarking

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I. Overview

Since the onset of the financial crisis, the question of how to unlock new sources of productive employment and strengthen the contribution of economic growth to progress in broad living standards has become an increasingly important concern for political and business leaders in developed and developing countries alike. These challenges have been at the top of the World Economic Forum Global Risks Report survey in recent years. But while there is widespread international consensus on the need to develop new and improved growth and development models in this respect, little in the way of concrete policy guidance has emerged. There is a growing need for analytical frameworks and evidence-based solutions suited to this purpose.

The Forum seeks to make a contribution by drawing upon its relevant capabilities in partnership with key international organizations in order to improve understanding of how countries make use of the diverse spectrum of policy incentives and institutional mechanisms available to expand social inclusion in the process and benefits of economic growth without dampening incentives to work, save and invest. This analysis is intended to serve as a point of departure for a series of dialogues among leaders in the Forum's multistakeholder summits and potentially at meetings of international organization partner(s).

As a first step, building upon the existing empirical and benchmarking work of the Forum and its partners, over 120 quantitative indicators have been assembled on a cross-country comparative basis to provide an initial illustration of performance and enabling environment conditions in multiple policy domains relevant to the challenge of fostering inclusive economic growth and development. This initial set of quantitative measures covers 96 countries across six pillars and fourteen subpillars. It is a very preliminary version intended as a discussion draft for consultation, comment and refinement, leading to the release of the beta version of the framework by the summer of 2015. A second phase of the project will seek to qualitatively benchmark policy and institutional approaches in many of these domains for the purpose of framing best practice and stimulating multistakeholder discussion about the practical pathways available to societies to strengthen growth and equity simultaneously.

This benchmarking framework is intended to help make discussions about inequality among policymakers, business leaders and other stakeholders less vaguely aspirational and more concretely actionable by giving them a clearer sense of the extent to which their country is exploiting the available policy space and "best practices" based on the recent experience of its peers or the historical experience of other relevant countries. Discussions in the Forum's Regional and Annual Meetings over the next two years will be designed to refine and consider the implications of this analytical framework. The dialogue will continue on the Forum's new interactive Global Agenda Platform and engage its Global Agenda Council community[2], all in an effort to support a more informed and ultimately more productive debate about the options available to countries to strengthen and sustain broad-based progress in living standards.

With its uniquely interdisciplinary intellectual and multi-stakeholder decision-making communities, the Forum aspires to make a contribution to the international community on one of the most complex and politically pressing challenges of our time. By convening economists, policymakers and other experts and leaders from multiple policy domains and countries for a structured series of evidence-based discussions, we hope to contribute to a better appreciation within societies of how an aspiration for a more inclusive model of economic growth and development can be translated into a practical national strategy.

[2] The Forum's Global Agenda Platform is a new digital interaction system aimed at facilitating the collaboration of multistakeholder communities of key decision makers and experts on specific global challenges. Its Network of Global Agenda Councils is the world's foremost interdisciplinary knowledge network dedicated to promoting innovative thinking and cooperation on critical global issues, regions and industries.

II. Benchmarking Inclusive Growth and Development

The international community has made significant progress in defining inclusive growth. One widely accepted definition is *output growth that is sustained over decades, is broad-based across economic sectors, creates productive employment opportunities for a great majority of the country's working age population, and reduces poverty*.[i] Reductions in excessive income inequality have also emerged as a prerequisite for inclusive growth, supported by mounting evidence that inequality undermines growth.[ii] In summary, inclusive growth is about both the pace and pattern of economic growth.[iii]

However one defines it, there is no policy challenge that preoccupies political leaders around the world more than that of how to expand social participation in the process and benefits of economic growth and integration. The recent financial crisis has taught no more fundamental lesson than the need to rebalance the relative emphasis placed by economists and policymakers on efficiency-enhancing measures and top-line economic performance (growth in GDP/capita), on the one hand, and institutional frameworks and incentives that strongly influence bottom-line economic performance (i.e., sustainable, broad-based progress in living standards), on the other. In rich and poor countries alike, it has become increasingly clear that the former is a necessary but not sufficient condition for the satisfaction of societal expectations of national economic performance.

Strong economic growth is the *sine qua non* of improvements in living standards. However, the extent to which it generates broadly shared economic opportunity and outcomes is influenced by an interdisciplinary mixture of structural and institutional aspects of economic policy, including but by no means limited to the two areas most commonly discussed in this context: education and redistribution. One of the principal objectives of this project is to widen the angle of the lens through which we understand how economic policy influences socioeconomic inclusion, shedding light on the full spectrum of policy levers potentially available to increase the contribution of economic growth to more broadly based progress in living standards and vice versa.

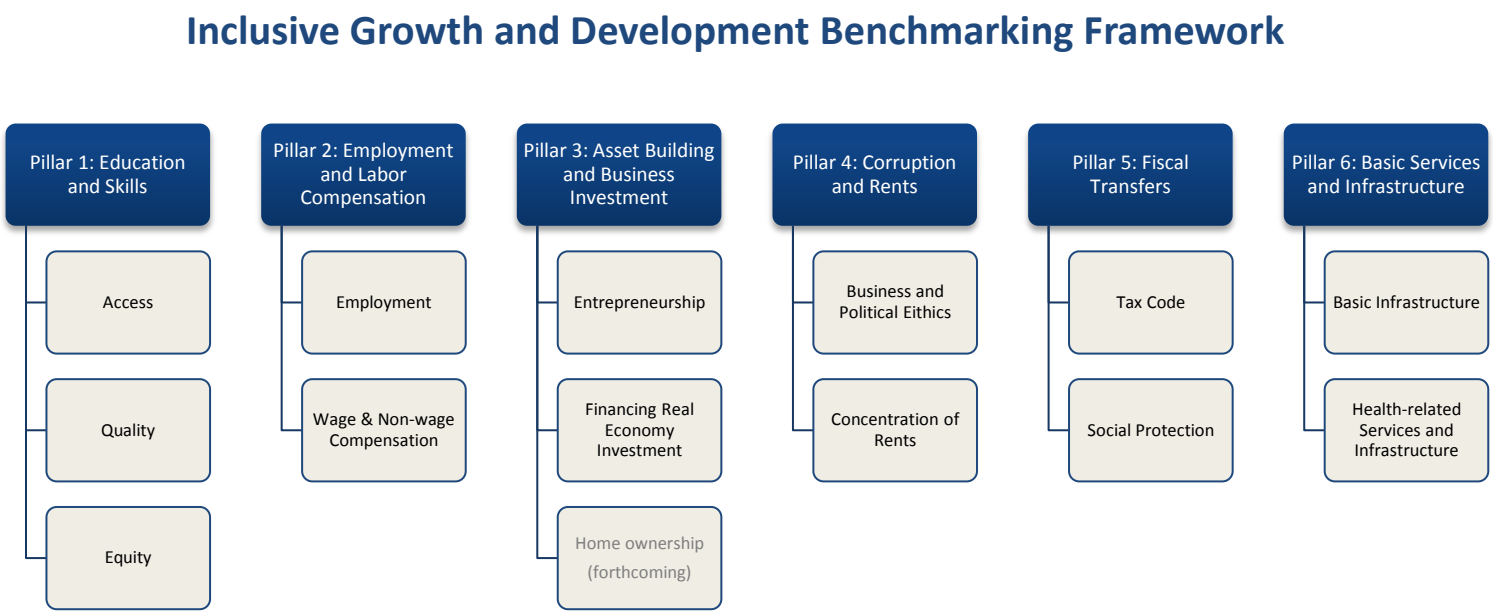
This discussion paper presents a preliminary Inclusive Growth and Development Benchmarking Framework that compares indicators of performance and enabling environment conditions in six principal policy domains (pillars) and fourteen subdomains (subpillars). Societies that have had success in building a robust middle class and reducing poverty and social marginalization have tended to create effective economic institutions and incentives in many of these areas at the same time that they have pursued efficiency enhancing reforms to boost growth.

Since the essential measure of the inclusiveness of a society's growth model is the extent to which it produces broad gains in living standards before fiscal transfers are taken into account, the Benchmarking Framework places significant emphasis on policy and institutional factors that influence the composition of private sector activity and the distribution of outcomes within the market itself. In particular, since wages and returns to self-employment and small business ownership constitute a very high percentage of the income of all but the wealthiest households, factors that shape these elements of national income figure prominently in the indicators that have been assembled.

At the same, since the focus of this exercise is inclusive growth and development rather than social inclusion, *per se,* the set of policies and institutions it highlights must be consistent with economic dynamism and growth. An inclusive growth strategy can only be effective if it does not undermine economic incentives. This is a further reason why the Benchmarking Framework concentrates in large part (but by no means exclusively) on policy levers that influence relative incentives within the private sector rather than those that effect direct transfers through the public sector.

a. Methodology

The Benchmarking Framework consists of indicators in six principal pillars and fourteen subpillars:



Many determinants are thought to influence growth outcomes and the way in which they are distributed. While all of these factors are likely to be important for ensuring inclusive outcomes from growth, they are not mutually exclusive—two or more of them can be significant at the same time, as shown in the economic literature.[iv] Although we have grouped the six pillars separately, it is important to keep in mind that they are not independent—they tend to reinforce each other, and a weakness in one area often has a negative impact in others.

Results are grouped into the three broad categories of countries based on the World Bank's income classifications: high, middle and low income. This is intended to facilitate comparisons among countries within their peer group. It also reflects somewhat different available data sets and policy challenges for each group. Further technical details on the methodology can be found in the appendix along with several illustrative examples.

Results can be displayed by pillar as well as by country (scorecards). The former is intended to enable the reader to benchmark a given score against a peer group of countries in a given policy domain and across other policy domains. The latter is intended to provide a comprehensive picture of a country's performance and enabling environment conditions across the full spectrum of policy domains covered by the Benchmarking Framework. In addition to numerical values, a five-color system of shading is applied to ease interpretation of the data and comparisons across countries and indicators in particular.

Certain methodological caveats are in order. First, the principal policy domains and sub domains that have been chosen for cross-country examination have not necessarily been demonstrated theoretically or empirically to have a direct, causal link to increased social equity either individually or collectively. Research of this nature is ongoing elsewhere but remains at a formative stage.[v] As such, it is important to note that the selection of these domains represents a key assumption of the project based on available research and best judgment of historical experience. Second, nothing should be inferred from this Benchmarking Framework as suggesting that there is a single, ideal policy and institutional mix for the pursuit of inclusive growth and development. Our view is very much to the contrary and it is for this reason that, in contrast to the Forum's other benchmarking studies, the Benchmarking Framework does not include an overall aggregate ranking or league table of countries. For the same reason, the Benchmarking Framework does not assign different weights to the pillars, subpillars and indicators. This reflects

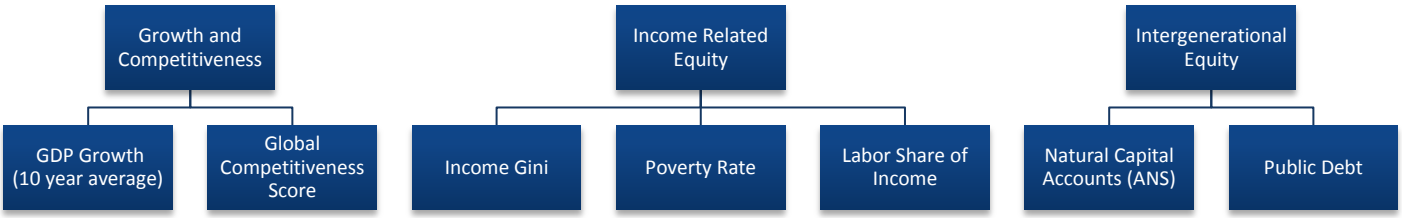
our view that no single pillar or factor therein is dispositive of inclusive growth and development. Rather, we consider the indicators as simple proxies for prevailing conditions and the extent of policy space utilization. As such, scores at the pillar level should be interpreted by the reader merely as markers or signposts for where further investigation of the country's policy or institutional framework might be warranted by virtue of a weak or strong score *in that specific domain* relative to its peer group.

The underlying assumption or philosophy of the Benchmarking Framework is that different approaches and policy mixes will be appropriate to different countries depending on their historical, cultural and political economy circumstances. However, what countries often do have in common is an unexploited opportunity to think more systematically about the full range of instruments and approaches available to address the problem. There is a long and successful tradition of governments achieving greater social inclusion through concerted economic institution building across many of these domains as their economies industrialized and became more nationally integrated. This approach was a hallmark of the development model in the early decades of the 20th century in many of today's advanced industrialized countries. It was a central lesson they drew from the economic convulsion in the 1930s following the last worldwide financial crisis. The Benchmarking Framework seeks to bring the full spectrum of such opportunities into sharper relief on a country-by-country basis as a means of enabling a more productive conversation within societies about how to achieve greater social inclusion with stronger and more resilient growth in today's context of rapid technological change and international economic integration.

Contextual Dashboard

To provide added context for these performance and policy indicators, an additional Dashboard of top-line indicators measuring key components of inclusive growth and development – Economic Growth and Competitiveness, Income Related Equity and Intergenerational Equity – is provided for each country. This contextual Dashboard provides a quick, birds-eye view of the general contours of a country's inclusive growth and development profile. It is intended to be complementary to the Benchmarking Framework, which provides a bottom-up examination of both performance and enabling environment conditions within specific domains of economic policy that bear upon the inclusivity of a country's growth and development model – i.e., the extent to which it generates broad-based progress in living standards.

Inclusive Growth and Development Dashboard



b. Description of Benchmarking Framework Pillars

The following section describes the types of indicators contained in each pillar and their importance or relevance for delivering inclusive outcome from growth. The boxes below provide a brief rationale of what each pillar intends to measure. A full description of indicators and sources can be found in the appendix.

Pillar 1: Education and Skills Development

a) Access
b) Attainment
c) Equity

- To what extent does the country create an enabling environment which provides high quality education and the equal/broad participation of all members of society including vulnerable or marginalized groups (e.g., low income individuals and women)?
- This pillar seeks to measure whether or not education is accessible, of high quality and inclusive in terms of attainment and learning outcomes.

Labor is the primary, and in most cases exclusive, source of income for citizens of rich and poor countries alike. Strong and rising labor productivity is therefore necessarily the cornerstone of any strategy to strengthen broad-based progress in living standards and reduce social marginalization. This is all the more important in the presence of rapid technological change that is automating, disintermediating and enabling remote performance of many functions. Such change both disrupts existing jobs and creates new opportunities for labor income at every stage of economic development, favouring in both cases workers able to acquire and adapt skills. The challenge to societies in this environment is to create an enabling environment for broad-based access to and steady improvement in skills acquisition.

As such, the Benchmarking Framework includes indicators that gauge the breadth of enrolment in early, basic, vocational and tertiary education as well as the availability of training services (Access subpillar). It includes measures of educational system quality such as the proficiency of secondary students, pupil-teacher ratio, internet access, public expenditure levels and employer perceptions (Quality Subpillar). And it incorporates information on pre-primary, primary and secondary completion rates as well as basic reading and math proficiency by quintile of parental income as well as other measures of the equity of educational opportunity in a society, reflecting a view that education is the main vehicle for disrupting the transmission of inequality in life chances from one generation to the next (Equity Subpillar).

Pillar 2: Employment and Labor Compensation

a) Employment
b) Wage and Non-wage Labor Compensation

- To what extent is the country succeeding in fostering widespread economic opportunity in the form of robust job creation and broad labor force participation?
- How well does its enabling environment support a close correlation between growth in the productivity and compensation of labor, helping to ensure that a rising tide lifts all boats?

As stressed above, productive employment is central to achieving inclusive growth. This pillar includes indicators measuring the extent of labor force participation (including for women) and unemployment (including for youth), the prevalence of vulnerable and informal sector employment as well as employer perceptions of the ease of finding and retaining skilled employees, as well as measures of social mobility (Employment and Labor Force Participation Subpillar). It also measures enabling environment factors potentially influencing the pace and distribution of wage

and non-wage labor compensation (Wage and Non-wage Labor Compensation Subpillar). For example, it includes indicators measuring labor's share of national income, to what extent pay is perceived to be linked to worker productivity median and minimum wages as a proportion of the mean (wage dispersion) as well as factors such as trade union density, collective bargaining coverage and labor-employer cooperation and social dialogue. Finally, it incorporates measures of key aspects of non-wage benefits such as child care costs, maternal and parental leave and (forthcoming) private pension and health care coverage.

Pillar 3: Asset Building and Business Investment

a) Entrepreneurship
b) Financing of Real Economy Investment
c) Home Ownership (forthcoming)

- To what extent is the enabling environment conducive to broad-based asset accumulation and employment- and productivity-enhancing entrepreneurship and capital formation in the real economy?

Small business entrepreneurship and home ownership are typically the first means by which working families accumulate wealth beyond savings from wages and pension contributions. For many, they provide the primary ladder to the middle class and beyond. The Benchmarking Framework includes a range of indicators assessing the ease of starting and running a business with respect to regulatory and cultural factors as well as the availability and cost of cellular and broadband internet connectivity, which is an increasingly important enabler of business (and hence employment) creation and financing (Entrepreneurship Subpillar). Another important factor in the robustness of a country's entrepreneurial climate is the extent to which it efficiently intermediates the flow of private savings to profitable business investment opportunities, including but not limited to small and medium-sized firms, as opposed to financial assets or real estate, most of which results in little net new capital formation. Such real economy business investment typically requires a medium to long term investment horizon. The Benchmarking Framework includes indicators gauging the availability of debt and equity finance to individual entrepreneurs as well as other economy-wide measures illustrating the extent to which the financial system is geared toward non-residential private investment and business capital formation (Financing of Real Economy Investment Subpillar). We plan to add a third Subpillar measuring the extent of and enabling environmental conditions for Home Ownership pending data quality and availability.

Pillar 4: Corruption and Rents

a) Business and Political Ethics
b) Concentration of Rents

- To what extent do the country's policies and institutions cultivate broad-based economic opportunity and efficient economic allocation of resources through zero tolerance of bribery and corruption as well as low barriers to entry and fair competition in product and capital markets?

Corruption has a chilling effect on personal initiative, entrepreneurship and hence investment, job creation and purchasing power. Its effects, both direct and indirect, are borne most heavily by ordinary citizens. It is corrosive, even antithetical, to both social inclusion and economic growth. The Benchmarking Framework gauges perceptions of the business and political ethical climate of countries as well as the effectiveness of their measures to combat corruption and bribery (Business and Political Ethics Subpillar). Undue concentration of market power and high barriers to entry discourage entrepreneurial initiative and the recycling of resources in an economy toward uses that have the most potential to contribute to productivity gains. As such, they also suppress economic growth and progress in broad living standards. The Benchmarking Framework includes indicators measuring perceptions of the extent of market dominance, intensity of local competition and concentration of land ownership (Concentration of Rents Subpillar).

Pillar 5: Fiscal Transfers

a) Tax Code
b) Social Protection

- To what extent does a country's tax system countervail income inequality without undermining economic growth? How much of its tax burden falls on labor, capital, consumption and pollution relative to its peers?
- To what extent do a country's public social protection systems mitigate poverty, vulnerability and marginalization?

A nation's fiscal policy—the way governments collect and spend public resources—can play a major role in reducing poverty and inequality. Taxation is an important source of revenue to fund social protection programs and provides a means of directly redressing market inequalities. However, taxes must be well designed to minimize loopholes and ensure progressivity, and transfers must be well targeted to adequately reach those most in need to ensure inclusive outcomes without dampening incentives to work, save and invest. The Benchmarking Framework includes indicators measuring the incidence of taxation on various forms of income, wealth and consumption, the tax system's overall progressivity and perceptions of its effect on incentives (Tax Code Subpillar).

Promoting social inclusion requires governments to provide social safety nets to mitigate the effects of external and transitory livelihood shocks as well as to meet the minimum needs of the chronically poor so that they too can participate in and benefit from growth. Labor market policies and programs reduce the risks of unemployment, underemployment, or low wages resulting from inappropriate skills or poorly functioning labor markets. Social insurance programs are designed to cushion risks associated with ill health, disability, work-related injuries, and old age. Social assistance and welfare schemes such as cash or in-kind transfers intended for the most vulnerable groups with no other means of adequate support, such as single-parent households, victims of natural disasters or civil conflicts, handicapped people, or the destitute. The Benchmarking Framework includes indicators that comparatively assess the extent of budgetary effort, benefit incidence and perceived effectiveness of public social protection expenditures (Social Protection Subpillar).

Pillar 6: Basic Services and Infrastructure

a) Basic Infrastructure
b) Health-related Services and Infrastructure

- To what extent does a country provide its citizens with a core, common endowment of infrastructure and other basic services that enable productive engagement in the economy and provide often budget-relieving and quality-of-life enhancing contributions to their standard of living?

The common availability of basic services and infrastructure underpins equality of economic opportunity. For example, a well-developed transport infrastructure network is a prerequisite for the access of less-developed communities to core economic activities and services. A healthy workforce is also vital to a country's competitiveness, productivity and inclusivity. Workers who are ill cannot function to their potential and will be less productive. Investment in the provision of health services, clean water and sanitation is thus critical for clear economic, as well as moral, considerations. The Benchmarking Framework includes indicators gauging the level of access to and degree of public support for power, water, transport, and shelter, sanitation and basic healthcare services. It also measures perceptions of the quality of infrastructure and health care as well inequality-adjusted life expectancy and undernourishment.

III. Preliminary Results

The following section provides several illustrative examples demonstrating the relative performance of countries according to their level of development. We have chosen a total of 17 high, middle and low income countries and provide dashboard, pillar and subpillar scores in the tables below. The traffic light shading captures the relative performance of each country to its peers in a specified pillar or sub-pillar. Red corresponds to the lowest relative performance and green to the best relative performance in each income group. Please note the tables below present the results for only a small sample of countries. However, the shading is based upon the performance of the full sample. As a result, the full spectrum of colors, from dark red to dark green, is not always shown.

The countries selected intend to provide a representative sample covering all regions including examples of both relatively strong and poor performance in each respective group. A more detailed deep dive and associated country profile can subsequently be found for each income group as an illustrative example. A key take away involves the diversity in performance both across countries and within countries. It is rare for a country to score well in every pillar indicating the utility of the tool in identifying both strengths and areas for improvement in delivering inclusive outcomes. It reflects one potential source of information with which policy makers can better inform decision making.

a. Preliminary Results for a Sample of High Income Countries

Contextual Dashboard:

	I. Growth and Competitiveness		II. Income-Related Equity			III. Intergenerational Equity	
	GDP growth, (10 yr avg.)	Competitiveness Score (1-7)	Income Gini	Poverty Rate (%, below 1/2 median)	Labor Share of Income, %	Natural Capital Accounts (ANS, %)	Public Debt, % GDP
Australia	2.94	5.08	32.42	0.15	0.56	10.53	28.79
Chile	4.75	4.60	52.06	0.18	n/a	-4.89	12.18
Finland	1.13	5.50	25.90	0.08	0.69	8.25	57.04
France	1.10	5.08	30.50	0.07	0.69	8.71	93.88
Japan	0.82	5.47	33.58	0.16	0.61	3.17	243.22
United States	1.72	5.54	38.88	0.17	0.64	5.74	104.52

High Income Country Performance (Scores: 1- 7):

	Pillar 1: Human Capital	1A. Human Capital : Access	1B. Human Capital : Quality	1C. Human Capital : Equity	Pillar 2: Employment and Labor Compensation	2A: Economic Participation and Opportunity	2B: Wage and non-wage labor compensation	3rd pillar: Entrepreneurship & Investment	3A: Entrepreneurship	3B: Investment	4th pillar: Corruption and Concentration of Rents	4A: Business and Political Ethics	4B: Concentration of Rents	5h pillar: Fiscal Transfers	5A: Tax Code	5B: Social Protection	6th pillar: Basic Services and Infrastructure	6A: Basic Infrastructure	6B: Health Services
Australia	5.55	6.75	5.12	4.77	4.91	5.62	4.05	4.90	4.92	4.88	5.20	5.32	5.08	4.28	4.67	3.90	6.05	5.53	6.58
Chile	3.47	5.73	3.68	1.00	4.39	4.47	4.09	3.89	3.71	4.08	4.06	4.93	3.19	3.95	4.59	3.31	4.69	3.86	5.52
Finland	6.46	6.45	6.15	6.78	5.68	5.78	5.73	4.84	5.21	4.47	5.68	6.25	5.12	4.48	3.81	5.16	5.98	5.31	6.64
France	5.08	6.09	4.97	4.18	4.46	4.80	4.45	4.46	4.55	4.37	4.65	4.75	4.56	4.19	3.53	4.84	5.79	5.16	6.43
Japan	5.64	5.83	5.17	5.92	4.78	5.42	3.88	4.81	4.94	4.67	5.84	5.63	6.05	4.11	4.39	3.84	5.63	4.93	6.34
United States	5.19	6.42	5.10	4.06	4.52	5.31	3.73	5.03	5.35	4.70	4.49	4.58	4.40	4.01	4.82	3.20	5.79	5.32	6.25

Japan

Despite two decades of economic stagnation, Japan has begun to rebound. The country grew 1.5% over the last two years and exhibited strong performance in terms of its competitiveness (ranking 6 of 144 economies), which bodes well for its future. However, inequality remains an issue of growing concern. The country has experienced limited wage growth and has one of the highest poverty rates[3] among advanced economies at 16%. Intergenerational equity is also a concern due to the high level of public debt and an ageing population. Given these (fiscal and demographic) constraints, Japan must find ways to promote greater inclusion without relying too heavily on public finances.

In terms of delivering inclusive outcomes from growth, Japan performs well in the education domain. The county excels in providing its citizens with high quality institutions and equity of opportunity. Students score well on PISA examinations and Japan tops the ranking in terms of social inclusion in education with a high proportion of resilient students (those performing well in spite of their socioeconomic background). Even so, Japan can improve its access to education and provide children with an even stronger head start by placing more emphasis on pre-primary education. Likewise, it has lower vocational and tertiary enrolment than its peers. These are important areas of focus going forward if Japan is to increase labour productivity via upgrading skills, especially in science and technology.

At present, Japan's strong talent base translates into relatively strong labor market outcomes. This is largely driven by low levels of informality and unemployment (at 4.3%). Yet the country suffers the risk of labor shortages in the future (as the working aged population is projected to decline by over 25% by 2025). As a result, Japan must continue to address the gender gap in terms of employment and wages. Japan is also one of the countries with the highest earnings inequality between men and women. This is largely driven by its labor market dualism with many women employed in non-regular jobs. Child care could also be made more affordable to incentivise greater participation. At present it costs over 50% of the average wage to provide full time childcare for a two year old attending an accredited program.

The country performs well in terms of access to quality health and transport infrastructure, both of which are positively linked to education and employment outcomes. Japan has one of the highest life expectancies even among low income individuals. However, overcrowding and pollution in cities remain public health concerns. Japan also has a high number of dwellings without basic facilities for its level of development (6.4%).

In terms of entrepreneurship and investment, Japan has a high level of patenting activity and technological readiness, yet negative attitudes towards entrepreneurial failure remain prevalent which can perhaps explain the relatively low number of new businesses registered. Nevertheless, the country scores relatively well in terms of financial access and affordability. This translates into a high level of real economy investment. Yet, relatively few bank accounts are used for business purposes among low income individuals. This reflects a promising area for both growth and equity.

On fiscal policies, Japan ranks 27th out of 32 countries in terms of the tax to GDP ratio with a tax burden of 27.6% (compared with the OECD average of 33.7%). However, the overall tax mix is less progressive than it could be with a high level of taxation on goods and services, following recent VAT hikes. The government has begun to place more emphasis on improving the redistributive impact of the tax and benefit system. For example, tax on capital is relatively high and the tax wedge on labor is relatively low, which reflect steps in the right direction towards a more inclusive fiscal policy.

Japan also has strong institutions, trust in its politicians and anticorruption mechanisms (scoring in the top 3 in terms of its business and political ethics). There is also relatively low concentration of rents. In terms of social protection, the government is perceived to use resources efficiently in reducing poverty and inequality. However, more can be done to improve labor protection to ensure a stronger social safety net in the future.

[3] Share of the population with less than 50% of the respective median national income (after taxes and transfers and adjusted for size of household (OECD, 2012).

Japan

2014-2015

Inclusive Growth © World Economic Forum

INDICATOR, UNITS	RANK (of 32)	VALUE
1st pillar: Human Capital	**11**	**5.64**
1A: Access	**28**	**5.83**
Mean years of schooling	20	11.50
preprimary enrollment (gross, %)	23	87.87
primary enrollment (net %)	2	99.92
secondary enrollment (gross, %)	16	101.81
tertiary enrollment (gross, %)	26	61.46
vocational enrolllment (post-secondary, percentage)	28	12.00
Availability of training services	9	5.64
Gender gap education (subindex)	29	0.96
1B: Quality	**18**	**5.17**
Quality of the educational system	18	4.43
Quality of primary education	7	5.55
Internet access in schools	25	5.33
Expenditure on education as % of GDP	31	3.78
Pupils to teacher ratio (primary)	24	17.50
PISA Reading Score	1	538.05
PISA Math Score	2	536.41
1C: Human Capital _Equity	**7**	**5.92**
Resilient students, % (PISA)	2	11.29
Social Inclusion (PISA)	13	77.80
2nd pillar: Employment and Labor Compensation	**18**	**4.65**
2nd pillar A: Economic Participation and Opportunity	**11**	**5.42**
labor force participation rate (%) 15-64 yrs	23	58.90
unemployment	4	4.30
youth unemployment	1	7.93
Vulnerable employment	16	10.53
Informal sector	6	6.1
Country capacity to retain talent	14	4.41
Ease of finding skilled employees	14	4.68
Social mobility	12	5.68
Social mobility (hard)	n/a	n/a
Gender gap economic (subindex)	29	0.62
2B: Wage and non-wage labor compensation	**30**	**3.88**
Minimum to median w age (dispersion)	20	0.39
Low pay rate	9	14.40
Cooperation in labour-employer relations	4	5.58
Trade union density	19	17.97
Collective bargaining coverage rate	n/a	n/a
Labor productivity GDP per person employed (constant 1990 PPP $)	20	44,851.00
Pay and productivity	4	4.81
Child care fee as a percentage of average w age	23	50.27
enrollment in formal daycare	19	25.90
Maternity leave, paid (number of days)	20	98.00
3rd pillar: Entrepreneurship & Investment	**14**	**4.81**
3A: Entrepreneurship	**9**	**4.94**
New businesses registered, density	27	1.15
Property rights	8	5.94
Attitudes tow ards entrepreneurial failure	15	3.55
Intellectual property protection	5	5.95
Barriers to Entrepreneurship (PMR)	17	1.67
ABS: Administrative burdens on startups	12	1.54
RPI: Regulatory protection of incumbents	27	1.65
CRP: Complexity of regulatory procedures	16	1.83
Number of patent applications	4	258.45
Internet users	10	86.25
Fixed broadband Internet subscriptions	16	28.84
Internet bandw idth	28	39,210.95
Active mobile broadband subscriptions	2	120.54
Mobile cellular tariffs, PPP $/min.	24	0.40
Fixed broadband Internet tariffs, PPP $/month	4	20.01
B3: Investment	**13**	**4.67**
Affordability of financial services	17	5.13
Availability of financial services	16	5.35
Recent access to credit	7	4.63
Local equity market access	6	4.86
Venture capital availability	11	3.45
depth of credit information index (0=low to 6=high)	1	6.00
Account at a formal financial institution (%) Bottom 40%	13	95.07
Account used for business purposes (%; Bottom 40)	21	6.78
Domestic credit to private sector by banks (% of GDP)	18	104.30
Non-residential private investment	5	6.68
Extent of financial leverage	n/a	n/a
4th pillar: Corruption and Concentration of Rents	**3**	**5.84**
4th pillar: A-Business and Political Ethics	**8**	**5.63**
Measures to combat corruption and bribery	5	5.88
Diversion of public funds	10	5.61
Irregular payments in tax collection	10	6.2
Ethical behavior of firms	6	6.01
Public trust of politicians	12	4.48
Ethical behavior of firms	6	6.01
4B: Concentration of Rents	**1**	**6.05**
Extent of market dominance	2	5.73
Intensity of local competition	1	6.37
land inequality gini	n/a	n/a
5h pillar: Fiscal Transfers	**18**	**4.11**
A. Tax Code	**14**	**4.39**
Extent and effect of taxation on incentives to w ork	11	3.76
Extent and effect of taxation on incentives to invest	16	3.73
tax burden % GDP	27	27.60
Taxes on incomes, profits and capital gain (% of total tax revenue)	4	45.96
tax on goods and services (as percent of total revenue)	24	35.71
Progressivity index	27	0.07
Total tax w edge (as % of labor cots)	11	31.64
tax on social security (as percent of total taxation oecd)	3	41.59
Tax on property	5	9.12
5B: Social Protection	**19**	**3.84**
Government effectiveness in reducing poverty and inequality	7	4.68
Social safety net protection	17	5.12
Wastefulness of government spending	12	4.14
Total social public expenditure (as % of GDP)	13	21.38
Purchased agriculture insurance (% w orking in agriculture, age 15+)	n/a	n/a
Strictness of employment protection – individual and collective dismissals	29	1.37
unemployment insurance (NRR)	25	22.91
government expenditure on health as % of total expenditure on health	7	82.13
6th pillar: Basic Services and Infrastructure	**21**	**5.63**
6A: Basic Infrastructure	**19**	**4.93**
Quality of overall infrastructure	6	6.16
Quality of domestic transport netw ork:	2	6.41
transportation infrastructure (public investment as % of GDP)	8	1.10
rooms per person (overcrow ding)	15	1.80
dw ellings w ithout basic facilities	30	6.40
6B: Health Services and Infrastructure	**19**	**6.34**
Quality of healthcare services	4	6.26
Accessibility of healthcare services	5	6.65
Particulate Matter (2.5) concentration	23	8.22
Out of pocket (% of total health expenditure)	15	16.40
Inequality adjusted life expectancy (HDI)	3	3.20
access to drinking w ater (%)	1	100.00
access to sanitation (%)	1	100.00
Gender gap health (subindex)	29	0.97

Note: Indicators listed in grey are intended to provide additional context, but are not included in the final pillar aggregation. Results are preliminary and subject to further refinement.

b. Preliminary Results for a Sample of Middle Income Countries

Contextual Dashboard:

	I. Growth and Competitiveness		II. Income-Related Equity			III. Intergenerational Equity	
	GDP growth, % (10 yr avg.)	Competitiveness Score (1-7)	Income Gini	Poverty Rate ($2/day)	Labor Share of Income, %	Natural Capital Accounts (ANS, %)	Public Debt, % GDP
Costa Rica	4.67	4.42	50.73	6.00	0.50	15.40	37.00
India	7.53	4.21	33.90	68.70	0.27	17.00	66.72
Malaysia	5.00	5.16	46.21	2.30	n/a	15.86	58.15
Mexico	2.64	4.27	47.16	4.50	0.28	10.67	46.48
Nigeria	8.28	3.44	48.83	84.50	0.04	17.71	19.36
Turkey	4.93	4.46	40.03	4.70	0.26	8.53	35.85

Middle Income Country Performance (Scores 1-7):

	Pillar 1: Human Capital	1A. Human Capital : Access	1B. Human Capital : Quality	1C. Human Capital : Equity	Pillar 2: Employment and Labor Compensation	2A: Economic Participation and Opportunity	2B: Wage and non-wage labor compensation	3rd pillar: Entrepreneurship & Investment	3A: Entrepreneurship	3B: Investment	4th pillar: Corruption and Concentration of Rents	4A: Business and Political Ethics	4B: Concentration of Rents	5h pillar: Fiscal Transfers	5A: Tax Code	5B: Social Protection	6th pillar: Basic Services and Infrastructure	6A: Basic Infrastructure	6B: Health Services
Costa Rica	4.48	5.24	4.34	3.86	4.61	5.16	4.05	3.63	4.06	3.19	4.35	3.89	4.80	3.19	3.38	3.01	5.64	5.22	6.07
India	3.21	3.54	3.31	2.78	3.54	4.24	2.85	3.42	2.89	3.96	3.84	3.48	4.20	3.82	4.15	3.49	3.67	3.87	3.46
Malaysia	3.96	4.74	4.37	2.76	4.21	5.33	3.09	4.48	3.86	5.10	5.16	4.98	5.33	4.61	5.22	4.01	5.93	6.01	5.84
Mexico	4.05	5.04	3.20	3.90	3.87	4.68	3.05	3.37	3.19	3.55	3.59	2.98	4.19	2.88	2.87	2.90	4.67	4.21	5.13
Nigeria	2.20	2.71	2.89	1.00	3.80	4.23	3.37	2.67	2.32	3.02	3.42	2.30	4.54	3.01	4.31	1.71	3.05	2.98	3.13
Turkey	4.39	4.74	3.44	5.01	4.24	4.20	4.27	3.99	3.75	4.24	4.16	3.69	4.62	3.32	3.62	3.02	5.31	4.97	5.64

Costa Rica

Costa Rica has experienced relatively high growth and competitiveness in recent years yet continues to exhibit a high level of inequality and poverty relative to other middle income countries. Nevertheless, the country has a relatively high labor share of income compared to its peers (approximately 50%). Costa Rica also scores well in terms of intergenerational equity driven by its favourable stewardship of natural resources and the environment.

Costa Rica performs exceptionally well in terms of employment and the provision of basic infrastructure and health services. The country also has strong institutions and anticorruption mechanisms.

The country makes efficient use of its talent and as a result has relatively low levels of unemployment and high levels of social mobility, as well as one of the lowest levels of vulnerable employment. Costa Rica exhibits strong collective bargaining and good labor-employer relations. On the other hand, it could benefit from reducing youth unemployment and further boosting female labor force participation through additional incentives in order to reduce the gender gap.

In terms of basic services and infrastructure, Costa Rica has a relatively high quality and accessible health care system. It also boasts high life expectancy rates and low levels of pollution indicating a healthy living environment. It also has limited urban slums, with electricity, sanitation and clean drinking water quite accessible and thus providing a good environment for public health. At the same time, transportation infrastructure could greatly be improved to enhance mobility and connectivity. Private infrastructure investment remains somewhat low and could also help in this regard.

By comparison, Costa Rica's requires efforts to boost its human capital. Although education on average is of high quality and a priority in terms of public spending, wide equity gaps persist due to large differences in mean years of schooling of those in the top versus bottom income quintiles. In terms of access, Costa Rica tops the ranking in secondary education enrolment and vocational/training programs and does well on PISA and other exams assessing basic reading and mathematics at this level.

Although benefiting from above average entrepreneurship (driven by strong innovation and technological readiness), the country could benefit from additional real economy investment. Costa Rica has accessible and affordable credit but suffers from underdeveloped financial markets and a lack of more sophisticated types of products (e.g., venture capital).

The tax code is also an area which could benefit from further reform. The country only manages to collect a moderate amount of tax revenue (13.6% of GDP). Taxes on income, profits and capital gains remain low relative to its peers. Nevertheless, the country has slightly stronger social protection and provides its citizens most in need with a relatively developed social safety net. In fact, social expenditure is among the highest in the region with over 44 anti-poverty programs. Yet, coverage remains at only 60% of low income individuals. In addition business leaders perceive a high level of waste in government spending. This reinforces the need for better targeting and design of social spending in order to bring down poverty and inequality, which have failed to improve significantly despite strong growth in recent years.

Costa Rica

2014-2015

INDICATOR, UNITS	RANK (of 49)	VALUE
1st pillar: Human Capital	**21**	**4.48**
1A: Access	**14**	**5.24**
Mean years of schooling	25	8.40
preprimary enrollment (gross, %)	18	73.84
primary enrollment (net %)	27	91.98
secondary enrollment (gross, %)	1	103.61
tertiary enrollment (gross, %)	16	46.74
vocational enrolllment (post-secondary, percentage)	11	17.82
Availability of training services	2	4.86
Gender gap education (subindex)	39	0.95
1B: Quality	**8**	**4.34**
Quality of the educational system	2	4.67
Quality of primary education	5	4.67
Internet access in schools	14	4.67
Expenditure on education as % of GDP	5	6.28
Pupils to teacher ratio (primary)	16	17.34
PISA Reading Score	8	440.55
PISA Math Score	15	407.00
1C: Human Capital _Equity	**33**	**3.86**
difference in mean years schooling (q5-q1)	26	7.09
difference in primary completion (q5-q1)	19	0.15
difference in low er secondary completion (q5-q1)	27	0.60
difference in basic reading comprehension score (q5-q1)	1	0.00
difference in basic math score (q5-q1)	14	0.14
Resilient students, % (PISA)	15	1.87
Social Inclusion (PISA)	13	61.80
2nd pillar: Employment and Labor Compensation	**5**	**4.61**
2 A: Economic Participation and Opportunity	**4**	**5.16**
labor force participation rate (%) 15-64 yrs	24	62.90
unemployment	30	7.60
youth unemployment	27	18.42
Vulnerable employment	8	20.21
Informal sector	7	4.85
Country capacity to retain talent	2	4.8
Ease of finding skilled employees	3	5.01
Social mobility	4	5.15
Social mobility (hard)	1	0.36
Gender gap economic (subindex)	39	0.62
2B: Wage and non-wage labor compensation	**12**	**4.05**
Low pay rate	5	21.40
Cooperation in labour-employer relations	1	5.42
Trade union density	n/a	n/a
Collective bargaining coverage rate	6	11.80
Labor productivity GDP per person employed (constant 1990 PPP $)	14	18,913.00
Pay and productivity	23	4.2
Maternity leave, paid (number of days)	15	120.00
3rd pillar: Entrepreneurship & Investment	**12**	**3.63**
3A: Entrepreneurship	**5**	**4.06**
New businesses registered, density	10	3.55
Property rights	6	4.58
Attitudes tow ards entrepreneurial failure	10	4.26
Intellectual property protection	**8**	**4.03**
Number of patent applications	14	1.70
Cost to register property	25	3.40
Cost to start a business	28	11.40
Cost of enforcing a contract	19	24.30
Cost of resolving insolvency	23	15.00
Internet users	21	45.96
Fixed broadband Internet subscriptions	19	9.72
Internet bandw idth	7	73,491.21
Active mobile broadband subscriptions	1	72.06
Mobile cellular tariffs, PPP $/min.	9	0.09
Fixed broadband Internet tariffs, PPP $/month	18	21.59
3B: Investment	**23**	**3.19**
Affordability of financial services	16	4.14
Availability of financial services	15	4.38
Recent access to credit	21	3.40
Local equity market access	40	2.43
Venture capital availability	37	2.21
depth of credit information index (0=low to 6=high)	1	6.00
Account at a formal financial institution (%) Bottom 40%	15	35.29
Account used for business purposes (%; Bottom 40)	21	2.14
Domestic credit to private sector by banks (% of GDP)	16	49.13
Private investment in infrastructure (US$ Millions)	36	2,395.00
4th pillar: Corruption and Concentration of Rents	**3**	**4.35**
4A: Business and Political Ethics	**7**	**3.89**
Measures to combat corruption and bribery	13	3.60
Diversion of public funds	8	3.66
Irregular payments in tax collection	10	4.72
Ethical behavior of firms	5	4.47
Public trust of politicians	17	3.01
Ethical behavior of firms	5	4.5
4B: Concentration of Rents	**5**	**4.80**
Extent of market dominance	3	4.42
Intensity of local competition	13	5.18
land inequality gini	n/a	n/a
5h pillar: Fiscal Transfers	**25**	**3.19**
5A: Tax Code	**32**	**3.38**
Extent and effect of taxation on incentives to w ork	21	3.72
Extent and effect of taxation on incentives to invest	24	3.79
tax burden % GDP	30	13.64
Taxes on incomes, profits and capital gain (% of total tax revenue)	33	15.07
tax on goods and services (as percent of total revenue)	17	32.15
5B: Social Protection	**20**	**3.01**
Government effectiveness in reducing poverty and inequality	22	3.15
Social safety net protection	9	3.85
Wastefulness of government spending	36	2.41
Purchased agriculture insurance (% w orking in agriculture, age 15+)	38	0.00
Strictness of employment protection – individual and collective	n/a	n/a
coverage: social protection and labor	20	57.97
adequacy social protection and labor	6	42.10
6th pillar: Basic Services and Infrastructure	**3**	**5.64**
6A: Basic Infrastructure	**8**	**5.22**
Quality of overall infrastructure	34	3.55
Quality of domestic transport netw ork:	33	3.93
Access to electricity	6	99.10
slum population (%, urban)	1	10.93
6B: Health Services and Infrastructure	**2**	**6.07**
Quality of healthcare services	2	5.35
Accessibility of healthcare services	2	5.99
Particulate Matter (2.5) concentration	3	2.35
Out of pocket (% of total health expenditure)	12	27.22
Prevalence of undernourishment (% of population)	17	8.20
Inequality adjusted life expectancy (HDI)	3	7.30
access to drinking w ater (%)	19	96.00
access to sanitation (%)	9	94.00
Gender gap health (subindex)	38	0.97

Note: Results are preliminary and subject to further refinement.

c. Preliminary Results for a Sample of Low Income Countries:

Contextual Dashboard:

	I. Growth and Competitiveness		II. Income-Related Equity			III. Intergenerational Equity	
	GDP Growth, (10 yr avg.)	Competitiveness Score (1-7)	Income Gini	Poverty Rate ($2/day)	Labor Share of Income, %	Natural Capital Accounts (ANS, %)	Public Debt, % GDP
Bangladesh	6.17	3.72	32.12	76.50	n/a	24.77	39.74
Cambodia	7.93	3.89	36.03	49.50	n/a	-0.20	28.12
Haiti	1.50	3.14	59.21	77.50	n/a	14.99	21.32
Kenya	5.09	3.93	42.50	67.20	0.35	4.81	50.45
Mali	3.77	3.43	33.02	78.70	n/a	8.48	31.51

Low Income Country Performance (Scores 1-7):

	Pillar 1: Human Capital	1A. Human Capital : Access	1B. Human Capital : Quality	1C. Human Capital : Equity	Pillar 2: Employment and Labor Compensation	2A: Economic Participation & Opportunity	2B: Wage and non-wage labor compensation	3rd pillar: Entrepreneurship & Investment	3A: Entrepreneurship	3B: Investment	4th pillar: Corruption and Concentration of Rents	4A: Business and Political Ethics	4B: Concentration of Rents	5h pillar: Fiscal Transfers	5A: Tax Code	5B: Social Protection	6th pillar: Basic Services and Infrastructure	6A: Basic Infrastructure	6B: Health Services
Bangladesh	3.00	2.99	2.55	3.46	3.60	4.21	2.99	3.13	2.78	3.47	3.07	2.26	3.89	2.70	3.32	2.07	3.37	3.23	3.50
Cambodia	3.08	3.34	2.43	3.47	3.97	4.49	3.45	2.73	2.38	3.08	3.50	2.82	4.18	2.69	3.17	2.20	3.03	2.53	3.54
Haiti	2.83	3.37	2.52	2.59	3.16	3.61	2.71	1.99	1.89	2.09	2.85	2.53	3.17	2.79	3.49	2.08	2.60	2.05	3.14
Kenya	4.07	3.63	3.86	4.71	3.40	4.24	2.57	3.22	2.64	3.80	4.10	3.29	4.90	3.45	4.41	2.49	3.62	3.38	3.86
Mali	2.83	2.32	2.73	3.45	3.72	4.07	3.37	2.15	1.93	2.37	3.66	2.85	4.47	3.31	3.69	2.94	3.40	3.29	3.52

Kenya

Kenya is one of the top performers among countries at its income level in terms of growth, competitiveness and inclusivity. Yet, as for many low income countries, poverty and inequality remain an issue. Only 35% of income accrues to labor, while government debt remains high at 50.4%. Combined with relatively low national savings, and the depletion of natural resources, this could prove a threat to intergenerational equity in the long term.

The country has a relatively strong human capital base, with strong entrepreneurship and investment compared with its peers. ICT plays an important role in this favorable performance. The country has high levels of connectivity with affordable mobile and fixed broadband rates relative to countries at its stage of development. The country also has relatively high investment and financial inclusion rates, perhaps not surprising in light of its leadership in the area of mobile finance. Lowering the cost of doing business remains an important area for improvement to enhance entrepreneurship.

Kenya also does a relatively good job at providing its citizens with basic services and infrastructure (especially in terms of transportation). Yet the provisioning of basic necessities continues to be an issue. Only 61% of individuals have access to clean drinking water and 29% to improved sanitation. Heath care is perceived to be of high quality for those who can afford it, although accessibility is limited by high out-of-pocket expenses incurred by individuals. Improving these areas should improve life expectancy and help to close the gap between low and high income individuals.

Kenya benefits from the highest average years of schooling of low income countries—with most students completing at least 6 years. Yet tertiary and vocational enrolment rates remain low relative to peer countries. The quality of the education system is also perceived to be good apart from a high pupil to teacher ratio. Kenya is also equitable in terms of attainment rates and learning outcomes between individuals in different quintiles (ranking 3rd of 15). Nevertheless, a further push can be made with respect to secondary education (in terms of both access and equity).

Despite strong performance in many dimensions, the country suffers from a moderate level of labor force participation and above average unemployment rates especially among young people. Although, it does benefit from strong inclusion of women in the workforce, and mandates 90 days of paid maternity leave. Further investment in labor intensive sectors could help generate productive employment opportunities for unemployed and less skilled individuals.

The country manages to collect a significant amount of tax revenue (approximately 20% of GDP) but stands to improve in terms of social protection. Coverage remains relatively low compared to peers. Few individuals purchase agricultural insurance, which can provide income support in case of crop failure, although more than half of the population is employed in this sector. The country is perceived to have fairly high levels of public trust in politicians compared with its peers, which should help to further drive the reform process and build upon Kenya’s relative strengths.

Kenya

2014-2015

INDICATOR, UNITS	RANK (of 15)	VALUE
1st pillar: Human Capital	**2**	**4.07**
1A: Access	**3**	**3.63**
Mean years of schooling	1	6.30
preprimary enrollment (gross, %)	2	51.06
primary enrollment (net %)	10	81.76
secondary enrollment (gross, %)	4	60.12
tertiary enrollment (gross, %)	11	4.05
vocational enrolllment (post-secondary, percentage)	13	0.27
Availability of training services	1	4.80
Gender gap education (subindex)	1	1.00
1B: Quality	**2**	**3.86**
Quality of the educational system	1	4.51
Quality of primary education	1	3.77
Internet access in schools	3	4.07
Expenditure on education as % of GDP	1	6.67
Pupils to teacher ratio (primary)	8	46.78
1C: Equity	**3**	**4.71**
difference in mean years schooling (q5-q1)	4	4.64
difference in primary completion (q5-q1)	4	0.40
difference in low er secondary completion (q5-q1)	11	0.52
difference in basic reading comprehension score (q5-q1)	2	0.08
difference in basic math score (q5-q1)	2	0.09
2nd pillar: Employment and Labor Compensation	**11**	**3.40**
2nd pillar A: Economic Participation and Opportunity	**8**	**4.24**
labor force participation rate (%) 15-64 yrs	13	67.10
unemployment	14	9.20
youth unemployment	8	27.90
Vulnerable employment	1	63.43
Informal sector	3	4.13
Country capacity to retain talent	2	3.8
Ease of finding skilled employees	1	4.91
Social mobility	6	3.98
Gender gap economic (subindex)	2	0.81
2B: Wage and non-wage labor compensation	**11**	**2.57**
Low pay rate	n/a	n/a
Cooperation in labour-employer relations	5	4.29
Trade union density	1	4.10
Collective bargaining coverage rate	4	0.40
Labor productivity GDP per person employed (constant 1990 PPP $)	6	3,134.00
Pay and productivity	3	4.1
Maternity leave, paid (number of days)	5	90.00
3rd pillar: Entrepreneurship & Investment	**1**	**3.22**
3A: Entrepreneurship	**5**	**2.64**
New businesses registered, density	3	0.84
Property rights	2	4.21
Attitudes tow ards entrepreneurial failure	3	3.75
Intellectual property protection	3	3.69
Number of patent applications	1	0.11
Cost to register property	3	4.30
Cost to start a business	8	40.40
Cost of enforcing a contract	7	47.20
Cost of resolving insolvency	8	22.00
Internet users	1	39.00
Fixed broadband Internet subscriptions	4	0.13
Internet bandw idth	1	49,859.92
Active mobile broadband subscriptions	7	3.04
Mobile cellular tariffs, PPP $/min.	4	0.09
Fixed broadband Internet tariffs, PPP $/month	6	65.18
3B: Investment	**1**	**3.80**
Affordability of financial services	2	4.16
Availability of financial services	1	4.69
Recent access to credit	1	4.02
Local equity market access	1	4.27
Venture capital availability	3	3.05
depth of credit information index (0=low to 6=high)	3	4.00
Account at a formal financial institution (%) Bottom 40%	4	18.89
Account used for business purposes (%; Bottom 40)	3	3.76
Loan from a financial institution in the past year, income, bottom 40% (% age 15+)	8	4.20
Domestic credit to private sector by banks (% of GDP)	4	36.52
Private investment in infrastructure (US million)	2	8,827.00
4th pillar: Corruption and Concentration of Rents	**2**	**4.10**
4A: Business and Political Ethics	**3**	**3.29**
Measures to combat corruption and bribery	4	3.30
Diversion of public funds	3	3.01
Irregular payments in tax collection	4	3.21
Ethical behavior of firms	3	3.93
Public trust of politicians	3	3.02
Ethical behavior of firms	3	3.93
4B: Concentration of Rents	**1**	**4.90**
Extent of market dominance	2	4.14
Intensity of local competition	1	5.66
land inequality gini	n/a	n/a
5h pillar: Fiscal Transfers	**2**	**3.45**
5A. Tax Code	**1**	**4.41**
Extent and effect of taxation on incentives to w ork	6	3.58
Extent and effect of taxation on incentives to invest	3	3.64
tax burden % GDP	2	19.88
Taxes on incomes, profits and capital gain (% of total tax revenue)	1	40.89
tax on goods and services (as percent of total revenue)	6	34.32
5B. Social Protection	**9**	**2.49**
Government effectiveness in reducing poverty and inequality	3	3.30
Social safety net protection	5	3.23
Wastefulness of government spending	3	3.29
Purchased agriculture insurance (% w orking in agriculture, age 15+)	10	3.33
Strictness of employment protection – individual and collective	n/a	n/a
coverage: social protection and labor	9	18.20
adequacy social protection and labor	6	15.57
6th pillar: Basic Services and Infrastructure	**4**	**3.62**
6A: Basic Infrastructure	**4**	**3.38**
Quality of overall infrastructure	1	4.35
Quality of domestic transport netw ork:	2	4.82
Access to electricity	6	19.20
slum population (%, urban)	1	54.75
6B: Health Services and Infrastructure	**3**	**3.86**
Quality of healthcare services	2	3.82
Accessibility of healthcare services	5	4.00
Particulate Matter (2.5) concentration	4	4.89
Out of pocket (% of total health expenditure)	8	46.38
Prevalence of undernourishment (% of population)	7	25.80
Inequality adjusted life expectancy (HDI)	8	31.50
access to drinking w ater (%)	10	61.00
access to sanitation (%)	7	29.00
Gender gap health (subindex)	1	0.98

Note: Results are preliminary and subject to further refinement.

I. Technical Notes

The computation is based on successive aggregations of scores from the indicator level (i.e., the most disaggregated level) to the sub pillar and pillar level. Methodology is not intended to be scientific but a normative approach aimed at stimulating discussion on policy priorities and stimulating further research endeavors. No overall measure/ final aggregate to emphasize the performance at the pillar level. No judgement call was made with respect to the relative importance of each dimension which is up to the individual country to decide given its unique national context/ societal preferences. All of the subpillars have been given equal weighting to arrive at a pillar level score.

Two types of data are included. The first category is derived from the World Economic Forum's Executive Opinion Survey, which assesses the perspective of more than 14,000 business leaders about their country's business and political environment (between February and June 2014). All included questions from the survey are on a 1-to-7 scale, with 1 representing the worst case, and 7 the best. The second type of data is quantitative data collected from leading international organizations and other respected sources.

Unless noted otherwise, we use an arithmetic mean to aggregate individual indicators within a category. [a] For quantitative data, to make the aggregation possible, these indicators are converted to a 1-to-7 scale (worst to best) in order to align them with the Survey results. We apply a min-max transformation, which preserves the order of, and the relative distance between, country scores. [b]

a. Formally, for a category [i]i[i] composed of [i]K[i] indicators, we have:

$$category_i = \frac{\sum_{k=1}^{K} indicator_k}{K}$$

b. Formally, we have:

$$6 \times \frac{(\text{country score} - \text{sample minimum})}{(\text{sample maximum} - \text{sample minimum})} + 1$$

The [i]*sample minimum[i]* and [i]*sample maximum[i]* are, respectively, the lowest and highest country scores in the sample of economies covered by the GCI. In some instances, adjustments were made to account for extreme outliers. For those indicators for which a higher value indicates a worse outcome, the transformation formula takes the following form, thus ensuring that 1 and 7 still corresponds to the worst and best possible outcomes, respectively:

$$-6 \times \frac{(\text{country score} - \text{sample minimum})}{(\text{sample maximum} - \text{sample minimum})} + 7$$

Some thresholds were adjusted for conceptual reasons (in order to take into account both equity and growth considerations). Although, equity remains a principal focus when assigning rank direction, a cut off has been applied at the point where these policies might dampen growth. This decision was based upon available literature and our read of the data. For example, paid maternity leave is beneficial to female inclusion until it begins to adversely affect wages and (re)integration into the labor market.

II. Data availability:

Country coverage has mainly been driven by data availability—with the exception of Sri Lanka and Venezuela (which do not have data for educational equity sub-pillar (1c) all countries have full coverage on all pillars with no more than a third missing values. However, in most cases, missing values did not exceed 20%. We will strive to expand coverage as more comparable data becomes available, especially for low income countries. For this reason, for some variables we have used two data sets (one for advanced economies and one for developing economies) in order to capture a wide array of concepts (using the best proxies available) for a large range of countries. As a result, pillar level scores are not strictly comparable between income groups.
To improve this ongoing effort, we strongly encourage countries and international organizations to regularly collect better data in these critical areas (especially for low income and marginalized groups).

III. Full indicator list and descriptions

The data in this Report represent the best available estimates from various national authorities, international agencies, and private sources at the time the Report was prepared. It is possible that some data will have been revised or updated by the sources after publication. Throughout the Report, "n/a" denotes that the value is not available or that the available data are unreasonably outdated or do not come from a reliable source.

Contextual Dashboard:

a) Growth and Competitiveness

0.01 **GDP Growth Rate, 10 year average** | 2004-2013
Annual percentages of constant price GDP are year-on-year changes; the base year is country-specific. Expenditure-based GDP is total final expenditures at purchasers prices (including the f.o.b. value of exports of goods and services), less the f.o.b. value of imports of goods and services. [SNA 1993]. 10 year average based on author's calculations.

Source: International Monetary Fund, World Economic Outlook Database (October 2014 edition)

0.02 **Global Competitiveness Score** | 2014-15
Measures the set of institutions, policies, and factors that determine a country's level of productivity. The level of productivity, in turn, sets the level of prosperity that can be reached by an economy. The index is composed of 12 pillars and measured on a scale of 1-7.

Source: World Economic Forum, Global Competitiveness Report 2014-15

b) Income-Related Equity

0.03 **Income Gini index** | 2012 or most recent
Measure of income inequality [0 = perfect equality; 100 =perfect inequality]
This indicator measures the extent to which the distribution of income among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality.

Sources: World Bank, World Development Indicators Online; African Economic Outlook online statistics; Organisation for Economic Co-operation and Development (OECD), Society at a Glance 2014; US Central Intelligence Agency (CIA), The World Factbook; Eurostat, and national sources.

0.04 **Poverty rate** | 2012 or most recent

For advanced economies, relative income poverty is defined as less than half of the respective median national income (after taxes and transfers and adjusted for size of household). For, low income and middle income countries, it is defined as the percentage of the population living on less than $2 a day at 2005 international prices (PPP exchange rates)

Sources: Organisation for Economic Co-operation and Development (OECD) and World Bank, World Development Indicators Online

0.05 **Labor Income Share** | 2012 or most recent
The annual labour income share is calculated for this database as total labour costs divided by nominal output. The term labour income share is used as the total labour costs and is also sometimes referred to as a real unit labour cost. The adjustment for the self-employed made in the calculation of total labour costs (for advanced economies only) assumes that labour compensation per hour (or per person if hours data is not available) is equivalent for the self-employed and employees of businesses.

Sources OECD and United Nations. See Karabarbounis, Loukas, and Brent Neiman. 2013. "The Global Decline of the Labor Share." NBER Working Paper No. 19136.

c) Intergenerational Equity

0.06 **Natural Capital Accounts (Adjusted Net Savings, % GNI)** | 2012 or most recent
Measures the real difference between production and consumption by capturing depreciation of fixed capital, depletion of natural resources, and damage from pollution. Adjusted net savings are equal to net national savings plus education expenditure and minus energy depletion, mineral depletion, net forest depletion, and carbon dioxide and particulate emissions damage. By

accounting for the consumption of fixed and natural capital depletion, adjusted net national income better measures the income available for consumption or for investment to increase a country's future consumption.

Source: World Bank, World Development Indicators Online

0.07 **Public Debt (as a share of GDP)** | 2013 or most recent year available
Gross debt consists of all liabilities that require payment or payments of interest and/or principal by the debtor to the creditor at a date or dates in the future. This includes debt liabilities in the form of special drawing rights, currency and deposits, debt securities, loans, insurance, pensions and standardized guarantee schemes, and other accounts payable. Thus, all liabilities in the Government Finance Statistics Manual (GFSM) 2001 system are debt, except for equity and investment fund shares, financial derivatives, and employee stock options. For Australia, Belgium, Canada, Hong Kong SAR, Iceland, New Zealand, and Sweden, government debt coverage also includes insurance technical reserves, following the GFSM 2001 definition.

Sources: International Monetary Fund, World Economic Outlook Database (April 2014 edition) and Public Information Notices (various issues); African Development Bank, Organisation for Economic Co-operation and Development (OECD), and United Nations Development Programme, African Economic Outlook 2014; national sources.

1st Pillar: Education and Skills Development

a) Access

1.01 **Mean years of schooling** | 2012
Average number of years of education received by people ages 25 and older, converted from education attainment levels using official durations of each level.

Source: UNESCO Institute for Statistics, Data Centre

1.02 **Gross Preprimary Enrollment** | 2012
Total enrollment in pre-primary education, regardless of age, expressed as a percentage of the total population of official pre-primary education age. GER can exceed 100% due to the inclusion of over-aged and under-aged students because of early or late school entrance and grade repetition.

Sources: UNESCO Institute for Statistics, Data Centre

1.03 **Gross Primary Enrollment** | 2012
Total enrollment in primary education, regardless of age, expressed as a percentage of the population of official primary education age. GER can exceed 100% due to the inclusion of over-aged and under-aged students because of early or late school entrance and grade repetition.

Sources: UNESCO Institute for Statistics, Data Centre

1.04 **Gross Secondary education enrollment rate |** 2012
The reported value corresponds to the ratio of total secondary enrollment, regardless of age, to the population of the age group that officially corresponds to the secondary education level. Secondary education (ISCED levels 2 and 3) completes the provision of basic education that began at the primary level, and aims to lay the foundations for lifelong learning and human development by offering more subject- or skills-oriented instruction using more specialized teachers.

Sources: UNESCO Institute for Statistics, Data Centre; UNICEF Childinfo.org (accessed August 07, 2014); Sistema de Información de tendencias Educativas de América Latina (SITEAL); national source

1.05 **Gross tertiary education enrollment rate |** 2012
The reported value corresponds to the ratio of total tertiary enrollment, regardless of age, to the population of the age group that officially corresponds to the tertiary education level. Tertiary education (ISCED levels 5 and 6), whether or not leading to an advanced research qualification, normally requires, as a minimum condition of admission, the successful completion of education at the secondary level.

Sources: UNESCO Institute for Statistics, Data Centre; national sources

1.06 **Vocational enrolment |** 2012 or most recent
Enrolment in total secondary, Public and private, technical/vocational programmes. Total number of students enrolled in technical/vocational programmes at public and private secondary education institutions expressed as a percentage of total secondary students (based on author's calculations)

Sources: UNESCO Institute for Statistics, Data Centre

1.07 **Availability of training services** | 2013–2014 weighted average
In your country, to what extent are high-quality, specialized training services available?
(1 = not available at all; 7 = widely available)?

Source: World Economic Forum, Executive Opinion Survey

1.08 **Gender gap education** | 2014
The World Economic Forum's Global Gender Gap education sub-index is based on the following indicators:

Ratio: female literacy rate over male value
Ratio: female net primary enrolment rate over male value
Ratio: female net secondary enrolment rate over male value
Ratio: female gross tertiary enrolment ratio over male value

Sources: UNESCO Institute for Statistics, Education database, 2013 or latest data available

b) Quality

1.09 **Quality of the educational system** | 2013–2014 weighted average
How well does the educational system in your country meet the needs of a competitive economy?
(1 = not well at all; 7 = extremely well)

Source: World Economic Forum, Executive Opinion Survey

1.10 **Quality of primary education** | 2013–2014 weighted average
In your country, how would you assess the quality of primary schools?
[1 = extremely poor—among the worst in the world; 7 = excellent—among the best in the world]

Source: World Economic Forum, Executive Opinion Survey

1.11 **Public expenditure on education** | 2012 or most recent
Total public expenditure per student in primary education as a percentage of GDP per capita. Public expenditure (current and capital) includes government spending on educational institutions (both public and private), education administration as well as subsidies for private entities (students/households and other private entities).

Sources: UNESCO Institute for Statistics, Data Centre

1.12 **Pupils to teacher ratio, primary** | 2012 or most recent

Pupil-teacher ratio is based upon the number of pupils enrolled in primary school divided by the number of primary-school teachers.

Sources: UNESCO Institute for Statistics, Data Centre

1.13 **PISA Reading Score** | 2012
Average standardized testing performance of 15 year old students, which aims to measure the capacity to understand, use, and reflect on written texts in order to achieve one's goals and potential, develop knowledge, and participate in society. Available for 65 economies.

Source: Organisation for Economic Co-operation and Development (OECD)

1.14 **PISA Math Score |** 2012
Average standardized testing performance of 15 year old students, which aims to capture the capacity to identify, understand, and engage in mathematics, and make well-founded judgments about the role that mathematics plays in the private, occupational, and social lives of constructive, concerned, and reflective citizens. Available for 65 economies.

Source: Organisation for Economic Co-operation and Development (OECD)

1.15 **Internet access in schools** | 2012–2013 weighted average

In your country, how widespread is Internet access in schools? [1 = non-existent; 7 = extremely widespread]

Source: World Economic Forum, Executive Opinion Survey

c) Equity

1.16 **Resilient students, % (PISA) |** 2012
A student is classified as resilient if he or she is in the bottom quarter of the PISA index of economic, social and cultural status (ESCS) in the country/economy of assessment and performs in the top quarter of students from all countries/economies, after accounting for socio-economic status.

Source: Organisation for Economic Co-operation and Development (OECD)

1.17 **Social Inclusion (PISA) |** 2012
Measures the percent of variation in socioeconomic status between schools. The index of social inclusion is calculated as 100*(1-rho), where rho stands for the intra-class correlation of socio-economic status, i.e. the between-school variation in the PISA index of social, economic and cultural status of students, divided by the sum of the between-school variation in students' socio-economic status and the within-school variation in students' socio-economic status.

Source: Organisation for Economic Co-operation and Development (OECD)

1.18 **Mean years of schooling (by quintile) |** 2013 or most recent
Average number of years of schooling attained for the age group 20–24 years. Expressed as the difference between the top (quintile 5) and bottom (quintile 1).

Source: The World Inequality Database on Education (WIDE); See "EFA: Global Monitoring Report"
http://www.education-inequalities.org/

1.19 **Primary completion rate by quintile |** 2013 or most recent
Percentage of children and young people aged 3-7 years above primary school graduation age and young people aged 15-24 years who have completed primary school. Expressed as the difference between the top (quintile 5) and bottom (quintile 1).

Source: The World Inequality Database on Education (WIDE); See "EFA: Global Monitoring Report"
http://www.education-inequalities.org/

1.20 **Lower secondary completion rate by quintile |** 2013 or most recent
Percentage of children and young people aged 3-7 years above lower secondary school graduation age and (ii) young people aged 15-24 years who have completed lower secondary school. Expressed as the difference between the top (quintile 5) and bottom (quintile 1).

Source: The World Inequality Database on Education (WIDE); See "EFA: Global Monitoring Report"
http://www.education-inequalities.org/

1.21 **Basics in reading comprehension (WIDE) by quintile |** 2013 or most recent
Percentage of children taking part in an assessment (PASEC) who achieved an international minimum learning standard in reading. Expressed as the difference between the top (quintile 5) and bottom (quintile 1).

Source: The World Inequality Database on Education (WIDE). See "EFA: Global Monitoring Report"
http://www.education-inequalities.org/

1.22 **Basics in mathematics by quintile |** 2013 or most recent
Percentage of children taking part in an assessment (TIMSS) who achieved an international minimum learning standard in mathematics. Expressed as the difference between the top (quintile 5) and bottom (quintile 1).

Source: The World Inequality Database on Education (WIDE), See "EFA: Global Monitoring Report"
http://www.education-inequalities.org/

2nd pillar: Employment and Labor Compensation

a) Economic Participation and Opportunity

2.01 **Labor Force Participation Rate** | 2013
Labor force participation rate is the proportion of the population ages 15 and older that is economically active: all people who supply labor for the production of goods and services during a specified period.

Sources: International Labour Organization, Key Indicators of the Labour Market database; World Bank, World Development Indicators Online

2.02 **Unemployment rate** | 2013
Unemployment refers to the share of the labor force that is without work but available for and seeking employment.

Sources: International Labor Organization, ILOstat database

2.03 **Youth unemployment** | 2012 or most recent
Youth unemployment refers to the share of the labor force aged 15–24 without work but available for and seeking employment.

Sources: International Labor Organization, ILOstat database; World Bank, World Development Indicators Online; national sources

2.04 **Child labor** | 2012 or most recent
Children in employment, total (% of children ages 7-14). Children in employment refer to children involved in economic activity for at least one hour in the reference week of the survey.

Source: Understanding Children's Work project based on data from ILO, UNICEF and the World Bank.

2.05 **Vulnerable employment** | 2012 or most recent
Proportion of own-account and contributing family workers in total employment | 2012 or most recent
Vulnerable employment refers to unpaid family workers and own account workers as a percentage of total employment—that is, the share of own-account and contributing family workers in total employment. A contributing family worker is a person who is self-employed in a market-oriented establishment operated by a related person living in the same household, and who cannot be regarded as a partner because the degree of his or her commitment to the operation of the establishment, in terms of the working time or other factors to be determined by national circumstances, is not at a level comparable with that of the head of the establishment.

Source: World Bank, World Development Indicators Online

2.06 **Extent of informal economy** | 2013–2014 weighted average
In your country, how much economic activity would you estimate to be undeclared or unregistered?
[1 = most economic activity is undeclared or unregistered; 7 = most economic activity is declared or registered]|

Source: World Economic Forum, Executive Opinion Survey.

2.07 **Country capacity to retain talent** | 2013–2014 weighted average
Does your country retain talented people? (1 = the best and brightest leave to pursue opportunities in other countries; 7 = the best and brightest stay and pursue opportunities in the country)

Source: World Economic Forum, Executive Opinion Survey.

2.08 **Ease of finding skilled employees** | 2013–2014 weighted average
In your country, how easy is it for companies to find employees with the required skills for their business needs? (1 = extremely difficult; 7 = extremely easy)

Source: World Economic Forum, Executive Opinion Survey.

2.09 **Social mobility** | 2013–2014 weighted average
In your country, to what extent do individuals have the opportunity to improve their economic situation through their personal efforts regardless of the socioeconomic status of their parents? [1 = little opportunity exists to improve one's economic situation; 7 = significant opportunity exists to improve one's economic situation]

Source: World Economic Forum, Executive Opinion Survey.

2.10 **Social Mobility** | 2012
Wage persistence is measured as the distance or gap between the estimated wage of an individual whose father had achieved tertiary education and the wage of an individual whose father had achieved below upper secondary education. A larger number implies a larger gap, thus stronger persistence in wages or a lower degree of mobility across generations.

Source: Organisation for Economic Co-operation and Development (OECD)

2.11 **Gender gap economic** | 2014
The World Economic Forum's Global Gender Gap economic participation and opportunity sub-index is based on the following indicators:

Ratio: female labour force participation over male value
Source: International Labour Organisation, Key Indicators of the Labour Market (KILM), 2012

Wage equality between women and men for similar work (converted to female-over-male ratio)
Source: World Economic Forum, Executive Opinion Survey (EOS), 2014-15

Ratio: female estimated earned income over male value World Economic Forum,
Source: United Nations Development Programme methodology (refer to Human Development Report 2009)

Ratio: female legislators, senior officials and managers over male value
Source: International Labour Organisation, ILOStat online database, 2013 or latest data available

Ratio: female professional and technical workers over male value
Source: International Labour Organisation, ILOStat online database, 2013 or latest data available

b) Wage and Non-wage Compensation

2.12 **Minimum relative to median wage** | 2013
Median rather than mean earnings provide a better basis for international comparisons as it accounts for differences in earnings dispersion across countries. However, while median basic earnings of full-time workers - i.e. excluding overtime and bonus payments - are, ideally, the preferred measure of average wages for international comparisons of minimum-to-median earnings, they are not available for a large number of countries. Data are reported in national currency units, at current prices

Source: Organisation for Economic Co-operation and Development (OECD)

2.13 **Low pay rate** | 2011 or most recent
This measure of earnings dispersion refers to the proportion of employees whose hourly earnings at all jobs were less than two-thirds of median hourly earnings.

Source: International Labour Organization, ILOSTAT

2.14 **Trade union density** | 2012 or most recent
Proportion of paid workers who are union members. Trade union density expresses union membership as a proportion of the eligible workforce and can be used as an indicator of the degree to which workers are organized. For the purpose of this indicator, a trade union is defined as an "independent association of workers, constituted for the purposes of furthering and defending the workers' interests"

Source: International Labour Organization, ILOSTAT

2.15 **Collective bargaining coverage rate** | 2012 or most recent
Total number of workers covered by collective agreements divided by total number of wage earners. This collective bargaining coverage rate conveys the number of workers covered by one or more collective agreements as a percentage of the total number of persons in employment. Collective bargaining coverage is defined as the number of workers in employment whose pay and/or conditions of employment are determined by one or more collective agreements. This number includes, whenever possible, individuals whose pay and/or employment conditions are determined by collective bargaining agreements due to the extension of those agreements. Collective bargaining agreements are all agreements in writing regarding working conditions and terms of employment concluded between an employer, a group of employers or one or more employers; organisations, on the one hand, and one or more representative workers; organisations, on the other. The employed comprise all persons of working age who, during a specified brief period, were in one of the following categories: a) paid employment (whether at work or with a job but not at work); or b) self-employment (whether at work or with an enterprise but not at work).

Source: International Labour Organization, ILOSTAT

2.16 **Cooperation in labour-employer relations** | 2013–2014 weighted average
In your country, how would you characterize labour-employer relations?
(1 = generally confrontational; 7 = generally cooperative)

Source: World Economic Forum, Executive Opinion Survey.

2.17 **Pay linked to productivity** | 2013–2014 weighted average
In your country, to what extent is pay related to worker productivity? (1 = not related to worker productivity; 7 = strongly related to worker productivity)

Source: World Economic Forum, Executive Opinion Survey.

2.18 **Labor productivity** | 2012
Output per unit of labor input. GDP per person employed is gross domestic product (GDP) divided by total employment in the economy. Purchasing power parity (PPP) GDP is GDP converted to 1990 constant international dollars using PPP rates. An international dollar has the same purchasing power over GDP that a U.S. dollar has in the United States.

Source: International Labour Organization, Key Indicators of the Labour Market database

2.19 **Availability of formal child care** | 2010
Average enrolment rate of children under 3-years of age in formal childcare

Source: Organisation for Economic Co-operation and Development (OECD)

2.20 **Cost of child care** | 2012

Childcare fees per two-year old attending accredited early-years care and education services. Expressed as a percentage of the average wage,

Source: Organisation for Economic Co-operation and Development (OECD)

2.21 **Maternity leave** | 2013
Mandatory minimum length of paid maternity leave (in calendar days) that legally must be paid by the government, the employer or both. Maternity leave is defined as a leave available only to the mother.

Source: World Bank, Women, Business and the Law, 2014

3rd pillar: Asset Building and Business Investment
a) Entrepreneurship

3.01 **New businesses registered, density** | 2012
New businesses registered are the number of new limited liability corporations registered in the calendar year. New registrations expressed per 1,000 working aged individuals ages 15-64.

Source: World Bank, World Development Indicators

3.02 **PCT patents applications** | 2010–2011 average
Number of applications filed under the Patent Cooperation Treaty (PCT) per million population. This measures the total count of applications filed under the Patent Cooperation Treaty (PCT), by priority date and inventor nationality, using fractional count if an application is filed by multiple inventors. The average count of applications filed in 2010 and 2011 is divided by population, using figures from the World Bank's World Development Indicators Online.

Sources: Organisation for Economic Co-operation and Development (OECD), Patent Database, World Bank, World Development Indicators Online

3.03 **Intellectual property protection** | 2013–2014 weighted average
In your country, how strong is the protection of intellectual property, including anti-counterfeiting measures?
(1 = extremely weak; 7 = extremely strong)

Source: World Economic Forum, Executive Opinion Survey.

3.04 **Protection of property rights** | 2013–2014 weighted average
In your country, how strong is the protection of property rights, including financial assets?
(1 = extremely weak; 7 = extremely strong)

Source: World Economic Forum, Executive Opinion Survey.

3.05 **Attitudes towards entrepreneurial failure** | 2013–2014 weighted average
In your country, how is a failed entrepreneurial project regarded?
(1 = as an embarrassment; 7 = as a valuable learning experience)

Source: World Economic Forum, Executive Opinion Survey.

3.06 -3.09 **Barriers to Entrepreneurship (PMR)** | 2013
Includes detailed indicators of (a) the features of the licensing and permit system; (b) the communication and simplification of rules and procedures; (c) economy-wide administrative burdens on start-ups of corporate firms; (d) economy-wide administrative burdens on the start-up of sole-proprietor firms; (e) industry-specific administrative burdens on start-ups of retail distribution and road freight companies; (f) the scope of legal barriers to entry (in 24 manufacturing and service industries); and (g) the existence of antitrust exemptions for public enterprises or government-mandated behaviour.

> **Complexity of regulatory procedures:** licenses and permits system; communication, simplification of rules/procedures
> **Administrative burdens on start-ups:** corporations, sole proprietor firms and barriers in service sectors
> **Regulatory protection of incumbents:** legal barriers to entry; antitrust exemptions; barriers in social networks

Source: Organisation for Economic Co-operation and Development (OECD)

3.09 **Cost to register property** | 2014
Cost is recorded as a percentage of the property value, assumed to be equivalent to 50 times income per capita. Only official costs required by law are recorded.

Source: World Bank, Doing Business project (http://www.doingbusiness.org/).

3.10 **Cost to start a business** | 2014
Cost to register a business is normalized by presenting it as a percentage of gross national income (GNI) per capita

Source: World Bank, Doing Business project (http://www.doingbusiness.org/).

3.11 **Cost of resolving insolvency** | 2014
The average cost of bankruptcy proceedings. The cost of the proceedings is recorded as a percentage of the estate's value.

Source: World Bank, Doing Business project (http://www.doingbusiness.org/).

3.12 **Cost of enforcing a contract** | 2014
The cost in court fees and attorney fees, where the use of attorneys is mandatory or common, expressed as a percentage of the debt value.

Source: World Bank, Doing Business project (http://www.doingbusiness.org/).

3.13 **Households with Internet access** | 2012
The share of households with Internet access at home is calculated by dividing the number of in-scope households (where at least one household member is aged 15–74) with Internet access by the total number of in-scope households.

Source: International Telecommunication Union (ITU), ITU World
Telecommunication/ICT Indicators Database 2013

3.14 **Fixed broadband Internet subscriptions** | 2012
This refers to total fixed (wired) broadband Internet subscriptions (that is, subscriptions to high-speed access to the public Internet—a TCP/IP connection—at downstream speeds equal to, or greater than, 256 kb/s) per 100 population.

Source: International Telecommunication Union (ITU), ITU World Telecommunication/ICT Indicators Database 2013

3.15 **Mobile broadband Internet subscriptions** | 2012
Mobile broadband Internet subscriptions per 100 population.

Source: International Telecommunication Union (ITU), ITU World Telecommunication/ICT Indicators Database 2013

3.16 **International Internet bandwidth** | 2012
International Internet bandwidth (kb/s) per Internet user. Measures the sum of capacity of all Internet exchanges offering international bandwidth measured in kilobits per second (kb/s).

Source: International Telecommunication Union (ITU), ITU World Telecommunication/ICT Indicators Database 2013 (December 2013 edition)

3.17 **Prepaid mobile cellular tariffs** | 2012
Average per-minute cost of different types of mobile cellular calls (PPP $). This measure is constructed by first taking the average per-minute cost of a local call to another mobile cellular phone on the same network (on-net) and on another network (off-net). This amount is then averaged with the per-minute cost of a local call to a fixed telephone line. All the tariffs are for calls placed during peak hours and based on a basic, representative mobile cellular prepaid subscription service. The amount is adjusted for purchasing power parity (PPP) and expressed in current international dollars. PPP figures were sourced from the World Bank's World Development Indicators Online (2013) and the International Monetary Fund's World Economic Outlook (October 2013 edition).

Sources: Author's calculations based on International Telecommunication Union (ITU), ITU World Telecommunication/ ICT Indicators Database 2013 (December 2013 edition); International Monetary Fund, World Economic Outlook (October 2013 edition); World Bank, World Development Indicators
(December 2013 edition)

3.18 **Fixed broadband Internet tariffs** | 2012
Monthly subscription charge for fixed (wired) broadband Internet service (PPP $). Fixed (wired) broadband is considered any dedicated connection to the Internet at downstream speeds equal to, or greater than, 256 kilobits per second, using DSL. The amount is adjusted for purchasing power parity (PPP) and expressed in current international dollars. PPP figures were sourced from the World
Bank's World Development Indicators Online and the International Monetary Fund's World Economic Outlook

Sources: Author's calculations based on International Telecommunication Union (ITU), ITU World Telecommunication/ ICT Indicators Database 2013; International Monetary Fund, World Economic Outlook (October 2013 edition); World Bank, World Development Indicators (December 2013 edition)

b) Financing Real Economy Investment

3.19 **Affordability of financial services** | 2013–2014 weighted average
In your country, to what extent are financial services affordable for businesses? (1 = not affordable at all; 7 = affordable)

Source: World Economic Forum, Executive Opinion Survey.

3.20 **Availability of financial services** | 2013–2014 weighted average
In your country, to what extent does the financial sector provide a wide range of financial products and services to businesses? (1 = not at all; 7 = provides a wide variety)

Source: World Economic Forum, Executive Opinion Survey.

3.21 **Ease of access to credit** | 2013–2014 weighted average
In your country, how easy is it for companies to obtain financing for business development?
(1 = extremely difficult; 7 = extremely easy)

Source: World Economic Forum, Executive Opinion Survey.

3.22 **Local equity market access** | 2013–2014 weighted average
In your country, how easy is it for companies to raise money by issuing shares on the stock market?
(1 = extremely difficult; 7 = extremely easy)

Source: World Economic Forum, Executive Opinion Survey.

3.33 **Venture capital availability** | 2013–2014 weighted average
In your country, how easy is it for entrepreneurs with innovative but risky projects to find venture capital?
(1 = extremely difficult; 7 = extremely easy)

Source: World Economic Forum, Executive Opinion Survey.

3.34 **Depth of credit information index** (0=low to 8=high) | 2014
Depth of credit information index measures rules affecting the scope, accessibility, and quality of credit information available through public or private credit registries. The index ranges from 0 to 8, with higher values indicating the availability of more credit information, from either a public registry or a private bureau, to facilitate lending decisions.

Source: World Bank, Doing Business Project (http://www.doingbusiness.org/).

3.35 **Account at a formal financial institution, Bottom 40%** | 2011
Denotes the percentage of respondents with an account (self or together with someone else) at a bank, credit union, another financial institution (e.g., cooperative, microfinance institution), or the post office (if applicable) including respondents who reported having a debit card (income, bottom 40%, % age 15+).

Source: World Bank, Global Findex database

3.36 **Account used for business purposes, Bottom 40%** | 2011
Denotes the percentage of respondents who report using their accounts at a formal financial institution for business purposes only or for both business purposes and personal transactions (income, bottom 40%, % age 15+).

Source: World Bank, Global Findex database

3.37 **Domestic credit to private sector by banks** (% of GDP) | 2013
Domestic credit to private sector by banks refers to financial resources provided to the private sector by other depository corporations (deposit taking corporations except central banks), such as through loans, purchases of nonequity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries these claims include credit to public enterprises.

Source: International Monetary Fund, International Financial Statistics and data files, and World Bank and OECD GDP estimates.

3.38 **Private investment in infrastructure** | 2013
Total private investment commitments including physical assets and payments to government in energy telecom transport and water and sewerage sectors/ projects. Figures based on 10 year average spending, expressed in current US dollars (millions).

Source: World Bank, Private Participation in Infrastructure Database

3.39 **Non-residential private investment** (% GDP) | 2013
Also commonly expressed as fixed capital formation, private sector. The outlays (purchases and own-account production) of industries, producers of government services and producers of private non-profit services to households, on additions of new durable goods (commodities) to their stocks of fixed assets less their net sales of similar second-hand and scrapped goods.

Source: OECD; Organisation for Economic Co-operation and Development

3.40 **Extent of financial leverage** | 2011
Financial corporations' debt to equity ratio, number of times.

Source: OECD; Organisation for Economic Co-operation and Development: National Accounts at a Glance, 2014

4th pillar: Corruption and Concentration of Rents
a) Business and Political Ethics

4.01 **Ethical behavior of firms** | 2013–2014 weighted average
In your country, how would you rate the corporate ethics of companies (ethical behaviour in interactions with public officials, politicians and other firms)? (1 = extremely poor - among the worst in the world; 7 = excellent - among the best in the world)

Source: World Economic Forum, Executive Opinion Survey.

4.02 **Measures to combat corruption and bribery** | 2013–2014 weighted average

In your country, how effective are the government's efforts to combat corruption and bribery?
(1 = not effective at all; 7 = extremely effective)

Source: World Economic Forum, Executive Opinion Survey.

4.03 **Diversion of public funds** | 2013–2014 weighted average
In your country, how common is diversion of public funds to companies, individuals or groups due to corruption?
(1 = very commonly occurs; 7 = never occurs)

Source: World Economic Forum, Executive Opinion Survey.

4.04 **Irregular payments in tax collection** | 2013–2014 weighted average
In your country, how common is it for companies to make undocumented extra payments or bribes in connection with: (a) imports and exports; (b) public utilities; (c) annual tax payments; (d) awarding of public contracts and licenses; (e) obtaining favorable judicial decisions? In each case, the answer ranges from (1 = very commonly occurs; 7 = never occurs)

Source: World Economic Forum, Executive Opinion Survey.

4.05 **Public trust in politicians** | 2013–2014 weighted average
In your country, how would you rate the ethical standards of politicians? [1 = extremely low; 7 = extremely high]

Source: World Economic Forum, Executive Opinion Survey.

b) Concentration of Rents

4.06 **Extent of market dominance** | 2013–2014 weighted average
In your country, how would you characterize corporate activity?
(1 = dominated by a few business groups; 7 = spread among many firms)

Source: World Economic Forum, Executive Opinion Survey.

4.07 **Intensity of competition** | 2013–2014 weighted average
In your country, how intense is competition in the local markets? (1 = not intense at all; 7 = extremely intense)

Source: World Economic Forum, Executive Opinion Survey.

4.08 **Land inequality gini** | 2010 or most recent
Measures the extent of inequality of land holdings in rural areas, among individuals or households.
[0 = perfect equality; 100 =perfect inequality]

Source: Food and Agricultural Organization, FAO

5th pillar: Fiscal Transfers

a) Tax Code

5.01 **Tax burden** | 2012 or most recent
Tax revenue refers to compulsory transfers to the central government for public purposes. Certain compulsory transfers such as fines, penalties, and most social security contributions are excluded. Refunds and corrections of erroneously collected tax revenue are treated as negative revenue. Expressed as total tax revenue as % of GDP.

Source: International Monetary Fund, Government Finance Statistics Yearbook and data files, and World Bank and OECD GDP estimates.

5.02 **Tax on goods and services** | 2012 or most recent
Taxes on production, sale, transfer, leasing and delivery of goods and rendering of services including: general taxes; value added taxes; Sales taxes and other general taxes on goods and services. Expressed as percentage of total tax revenue)

Source International Monetary Fund, Government Finance Statistics Yearbook

5.03 **Tax on income, profits and capital gains** | 2012 or most recent
Taxes on income, profits, and capital gains are levied on the actual or presumptive net income of individuals, on the profits of corporations and enterprises, and on capital gains, whether realized or not, on land, securities, and other assets. Intragovernmental

payments are eliminated in consolidation. Tax revenue expressed as a percentage of total taxation.

Source International Monetary Fund, Government Finance Statistics Yearbook

5.04 **Total tax wedge (as % of labor costs)** | 2013
Indicator is defined as the difference between the salary costs of a single "average worker" to their employer and the amount of net income ("take-home-pay") that the worker receives. The taxes included are personal income taxes, compulsory social security contributions paid by employees and employers, as well as payroll taxes for the few countries that have them. The amount of these taxes is expressed as a percentage of the total labour costs for firms, i.e. the sum of gross earnings, employers' social security contributions and payroll taxes.

Source: Organisation for Economic Co-operation and Development (OECD)

5.05 **Extent and effect of taxation on incentives to work** | 2013–2014 weighted average
In your country, to what extent do taxes reduce the incentive to work:
(1 = significantly reduce the incentive to work; 7 = does not reduce incentive to work at all)

Source: World Economic Forum, Executive Opinion Survey.

5.06 **Extent and effect of taxation on incentives to invest** | 2013–2014 weighted average
In your country, to what extent do taxes reduce the incentive to invest?
(1 = significantly reduce the incentive to invest; 7 = does not reduce the incentive to invest at all)

Source: World Economic Forum, Executive Opinion Survey.

5.07 **Progressivity index** | 2012
Difference between the marginal and average personal income tax divided by (1- average personal income tax rate of a single person)

Source: Organisation for Economic Co-operation and Development (OECD)

5.08* **Tax on property** | 2013
Property taxes include: recurrent taxes on immovable property; recurrent taxes on net wealth (individual and corporate); estate, inheritance and gift taxes; taxes on financial and capital transactions, and other non-recurrent taxes on property. Tax revenue is expressed as a percentage of total taxation.

Source: Organisation for Economic Co-operation and Development (OECD)

5.09* **Social security contributions** | 2013
Total social insurance contributions payable by employers, employees and self-employed which include contributions to social security schemes; actual social contributions to other employment-related social insurance schemes and imputed social contributions to other employment-related social insurance schemes. Tax revenue expressed as a percentage of total taxation.

Source: Organisation for Economic Co-operation and Development (OECD)

b) Social Protection

5.10 **Government effectiveness in reducing poverty and inequality** | 2013–2014 weighted average
In your country, how effective are the government's efforts to address income inequality?
(1 = not effective at all; 7 = extremely effective)
Source: World Economic Forum, Executive Opinion Survey.

5.11 **Social safety net protection** | 2013–2014 weighted average
In your country, to what extent does a formal social safety net provide protection for the general population from economic insecurity in the event of job loss or disability? [1 = not at all; 7= provides full protection]

Source: World Economic Forum, Executive Opinion Survey.

5.12 **Wastefulness of government spending** | 2013–2014 weighted average
In your country, how efficiently does the government spend public revenue?
(1 = extremely inefficient; 7 = extremely efficient in providing goods and services)

Source: World Economic Forum, Executive Opinion Survey.

5.13 **Total social public expenditure** (% GDP) | 2011
Social expenditure is the provision by public (and private) institutions of benefits to, and financial contributions targeted at, households and individuals in order to provide support during circumstances which adversely affect their welfare.
Such benefits can be cash transfers, or can be the direct ("in-kind") provision of goods and services.

Source: Organisation for Economic Co-operation and Development (OECD)

5.14* **Public social expenditure, elderly** (% GDP) | 2011
Social expenditure on services for the elderly encompasses pensions, early retirement pensions, home-help and residential services for the elderly.

Source: Organisation for Economic Co-operation and Development (OECD)

5.15* **Public social expenditure, sick and disabled** (% GDP) | 2011
Incapacity-related benefits – care services, disability benefits, benefits accruing from occupational injury and accident legislation, employee sickness payments

Source: Organisation for Economic Co-operation and Development (OECD)

5.16* **Public social expenditure, family** (% GDP) | 2011
Child allowances and credits, childcare support, income support during leave, sole parent payments

Source: Organisation for Economic Co-operation and Development (OECD)

5.17 **Purchased agriculture insurance** | 2011
Denotes the percent of respondents who are farming, fishing or forestry workers and in the past 12 months have personally paid for crop, rainfall, or livestock insurance (% age 15+).

Source: World Bank: Demirguc-Kunt and Klapper, 2012

5.18 **Strictness of employment protection** | 2013
Synthetic indicators of the strictness of regulation on dismissals and the use of temporary contracts. Incorporating three aspects of dismissal protection: (i) procedural inconveniences that employers face when starting the dismissal process, such as notification and consultation requirements; (ii) notice periods and severance pay, which typically vary by tenure of the employee; and (iii) difficulty of dismissal, as determined by the circumstances in which it is possible to dismiss workers, as well as the repercussions for the employer if a dismissal is found to be unfair (such as compensation and reinstatement).

Source: Organisation for Economic Co-operation and Development (OECD)

5.19 **Unemployment insurance** (NRR) | 2012
Net benefit rate expressed as percentage of previous earnings, (NRR). While Gross replacement rates (GRRs) express gross unemployment benefit levels as a percentage of previous gross earnings. Net replacement rates (NRRs) provide a more complete measure of work incentives and income maintenance, especially when compared over longer periods of unemployment.

Source: Organisation for Economic Co-operation and Development (OECD)

5.20 **Coverage of all social protection** | 2012 or most recent
Percentage of population participating in Social Protection and Labor programs (includes direct and indirect beneficiaries). The indicator is estimated by program type, for the entire population and by quintiles of both the post-transfer and pre-transfer welfare distribution. Programs are aggregated into social assistance, social insurance and labor market according to ASPIRE classification. Indicators for all SPL programs provide the totals summing up the social assistance, social insurance and labor market figures. Specifically, coverage is (number of individuals in the quintile who live in a household where at least one member receives the transfer)/ (number of individuals in that quintile).

Source: World Bank, ASPIRE Database

5.21 **Adequacy of social protection** | 2012 or most recent
The total transfer amount received by all beneficiaries in a quintile as a share of the total welfare of beneficiaries in that quintile. The indicator is estimated by program type, for the entire population and by quintiles of both the post-transfer and pre-transfer welfare distribution. Programs are aggregated into social assistance, social insurance and labor market according to ASPIRE

classification. Indicators for all SPL programs provide the totals summing up the social assistance, social insurance and labor market figures. The indicator includes both direct and indirect beneficiaries.

Source: World Bank, ASPIRE Database

6th pillar: Basic Services and Infrastructure
a) Basic Infrastructure

6.01 **Quality of overall infrastructure** | 2013–2014 weighted average
How would you assess general infrastructure (e.g., transport, telephony and energy) in your country?
(1 = extremely underdeveloped - among the worst in the world; 7 = extensive and efficient – among the best in the world.

Source: World Economic Forum, Executive Opinion Survey.

6.02 **Quality of domestic transport network** | 2013–2014 weighted average
In your country, to what extent does your national ground transport network (e.g. buses, trains, trucks, taxis, etc.) offer efficient transportation? (1 = not at all; 7 = to a great extent)

Source: World Economic Forum, Executive Opinion Survey.

6.03 **Transportation infrastructure |** 2011
Total infrastructure investment and maintenance spending a percentage of GDP (rail, road, maritime and airport).

Source: Organisation for Economic Co-operation and Development (OECD)

6.04 **Access to electricity |** 2010
The percentage of population with access to electricity.

Source: World Bank, Sustainable Energy for All Database from World Bank, Global Electrification Database.

6.05 **Rooms per person |** 2012
This indicator refers to the number of rooms (excluding kitchenette, scullery/utility room, bathroom, toilet, garage, consulting rooms, office, shop) in a dwelling divided by the number of persons living in the dwelling. It serves as a proxy for overcrowding.

Source: European Union Statistics on Income and Living Conditions (EU-SILC); Organisation for Economic Co-operation and Development (OECD)

6.06 **Slum population, urban |** 2009
The Proportion of urban population living in slums is the proportion of urban population living in slum households. A slum household is defined as a group of individuals living under the same roof lacking one or more1 of the following conditions: access to improved water; access to improved sanitation; sufficient-living area; durability of housing; security of tenure

Source: UN-HABITAT

6.07 **Dwellings without basic facilities |** 2012
This indicator refers to the percentage of the population living in a dwelling without indoor flushing toilet for the sole use of their households. Flushing toilets outside the dwelling are not to be considered in this item. Flushing toilets in a room where there is also a shower unit or a bath are also counted.

Source: European Union Statistics on Income and Living Conditions (EU-SILC), Organisation for Economic Co-operation and Development (OECD)

b) Health-related services and infrastructure

6.08 **Quality of healthcare services** | 2013–2014 weighted average
In your country, how would you assess the quality of healthcare (public and private) provided to ordinary citizens? (1 = extremely poor – among the worst in the world; 7 = excellent - among the best in the world)

Source: World Economic Forum, Executive Opinion Survey.

6.09 **Accessibility of healthcare services** | 2014-15
How accessible is healthcare in your country? [1 = limited—only the privileged have access; 7=universal—all citizens have access to

healthcare] | 2013–2014 weighted average

Source: World Economic Forum, Executive Opinion Survey.

6.10 **Out of pocket health expenses** | 2011
Household out-of-pocket expenditure on health comprise cost-sharing, self-medication and other expenditure paid directly by private households, irrespective of whether the contact with the health care system was established on referral or on the patient's own initiative. Expressed as a percentage of total health expenditure.

Source: UNDP, Human Development Index

6.11 **Inequality-adjusted life expectancy** | 2013
Inequality in distribution in life expectancy based on lifetables estimated using Atkinson inequality index

Source: UNDP, Human Development Index

6.12 **Access to improved drinking water** | 2012 or most recent
Share of the population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, or rainwater collection. Unimproved sources include vendors, tanker trucks, and unprotected wells and springs. Reasonable access is defined as the availability of at least 20 liters per person per day from a source within 1 kilometer of the dwelling.

Source: World Health Organization, World Health Statistics 2014

6.13 **Access to improved sanitation** |2012 or most recent
Share of the population with at least adequate access to excreta disposal facilities that can effectively prevent human, animal, and insect contact with excreta. Improved facilities range from simple but protected pit latrines to flush toilets with a sewerage connection. To be effective, facilities must be correctly constructed and properly maintained.

Source: World Health Organization, World Health Statistics 2014

6.14 **Undernourishment** | 2012

Population below minimum level of dietary energy consumption (also referred to as prevalence of undernourishment) shows the percentage of the population whose food intake is insufficient to meet dietary energy requirements continuously. Data showing as 2.5 signifies a prevalence of undernourishment below 2.5%.

Source: Food and Agriculture Organization, FAO: The State of Food Insecurity in the World, available at http://www.fao.org/publications/sofi/food-security-indicators/en/

6.15 **Particulate matter (2.5) concentration** | 2012 or most recent
Population-weighted exposure to PM2.5, also known as fine particulate matter, refers to particles or droplets in the air that are 2.5 micrometers or less in width. Although invisible to the naked human eye as individual particles, PM2.5 can reduce visibility and cause the air to appear hazy when its levels are elevated. Population-weighted average exposure values were calculated using population data from the Global Rural Urban Mapping Project (2011) database.

Source: Yale Center for Environmental Law & Policy (YCELP) and the Center for International Earth Science Information Network (CIESIN) at Columbia University, Environmental Performance Index 2014, available at http://epi.yale.edu/epi/issue-rankings

6.16 **Gender gap health** | 2014
The World Economic Forum's Global Gender Gap Health sub-index is based on the following indicators:

Sex ratio at birth (converted to female-over-male ratio)
Source: Central Intelligence Agency, The CIA World Factbook 2014, data updated weekly

Ratio: female healthy life expectancy over male value
Source: World Health Organisation, Global Health Observatory database, data from 2012

IV. Country coverage:

High Income:
Australia
Austria
Canada
Chile
Czech Republic
Estonia
Iceland
Israel
Italy
Japan
Korea, Rep.
Luxembourg
Netherlands
New Zealand
Norway
Germany
Greece
Ireland
Belgium
Denmark
Finland
France
Hungary
Poland
Portugal
Slovak Republic
Slovenia
Spain
Sweden
Switzerland
United Kingdom
United States

Middle Income:
Albania
Argentina
Azerbaijan
Bhutan
Bolivia
Bulgaria
Georgia
Guatemala
India
Indonesia
Kazakhstan
Kyrgyz Republic
Lao PDR
Latvia
Macedonia, FYR
Dominican Republic
Egypt
Ghana
Armenia
Brazil
Costa Rica
Croatia
El Salvador
Malaysia
Mauritius
Mexico
Moldova
Mongolia
Montenegro
Nicaragua
Nigeria
Pakistan
Panama
Paraguay
Peru
Philippines
Romania
Russian Federation
Serbia
Sri Lanka*
Thailand
Timor-Leste
Turkey
Ukraine
Uruguay
Venezuela*
Vietnam
Yemen
Zambia

Low Income:
Tajikistan
Cambodia
Bangladesh
Nepal
Haiti
Burkina Faso
Kenya
Madagascar
Malawi
Mali
Mozambique
Rwanda
Sierra Leone
Tanzania
Uganda

Endnotes

[i] Commission on Growth and Development 2008; Ianchovichina and Lundstrom 2009.

[ii] Berg and Ostry 2011; Ostry et al. 2014. Cingano, 2014.

[iii] Ianchovichina and Lundstrom Gable 2012.

[iv] World Economic Forum. 2014.

[v] Boushey and Price, 2014; Lopez 2004; Killick 2002; OECD, 2014.

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