



The IMD World Competitiveness Yearbook 2015: New Criteria

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Competitiveness is dynamic. Such nature makes it necessary to constantly incorporate new indicators to ensure the continuous relevance of our research. In preparation for the upcoming Yearbook we have therefore initiated the review of the current criteria employed to assess competitiveness. Although our list of indicators provides a robust view of the competitiveness of countries, we feel the need to strengthen specific aspects of the analysis. Below we detail the new criteria being considered for the 2015 Yearbook.

Currently we have several criteria that evaluate gender inequality. These indicators include the percentage of female members of parliament, women on boards, a gender inequality index, equal

opportunity and the percentage of female in labor force. We plan to bolster the number of criteria in this regard. One potential new addition to the education sub-factor is the percentage of women graduates with advanced degrees, that is, bachelor and masters levels. This criterion will give us a more precise assessment of the gender inequality status in our sample.

We observe that the technological infrastructure sub-factor is in need of a complement to the high-tech export indicator. A good option is to incorporate a criterion that assesses the percentage of information and communication technology (ICT) services that are exported (i.e., an ICT service indicator). The indicator covers computer and communication services including telecommunications, postal and courier. In addition, information-related services are included (e.g., computer data and news-related activities).

In the past, several observers have brought to our attention that the current measure of consumer price inflation has an undesirable impact on our calculations because it “rewards” deflation. We are thus exploring the construction of an alternative measure which will tackle those concerns.

We are also planning to strengthen the scientific infrastructure sub-factor. A new criterion, researchers in R&D, that covers the number of professionals (including PhD students) engaged in the generation of new knowledge and thus in the conception of new processes and products can be incorporated. Potentially, the institutional framework sub-factor will also include a new criterion that measures the extent to which a society adheres to the law (i.e., a rule of law indicator).

| Potential New Criterion | Relevant Sub-factor | Relevant Factor |
|---|------------------------------|-----------------------|
| Adjusted consumer price inflation | Prices | Economic performance |
| Rule of law | Institutional framework | Government efficiency |
| Women graduates, advanced degrees (%) | Education | Infrastructure |
| ICT service exports | Technological infrastructure | Infrastructure |
| Researchers in R&D (per million people) | Scientific infrastructure | Infrastructure |

The addition of new indicators—to an already strong set—that we are implementing in the 2015 Yearbook, take into account the feedback that we have received during the past year. Our objective in doing so is to strengthen our assessment of the competitiveness of countries and to further the generation of knowledge through interactions with our clients.