

## **4. Global Competitiveness Index 2019**

**Prelims: Economics, Indices & Reports**

**Mains: GS-III- Effects of liberalization on the Economy, Changes in Industrial Policy and their effects on Industrial Growth.**

### **Why in News?**

- ▶▶ The annual Global Competitiveness Index (GCI) compiled by Geneva-based World Economic Forum (WEF) is released.
- ▶▶ India slipped to 68th rank in the annual Global Competitiveness Index 2019. It was ranked 58<sup>th</sup> in the 2018 edition.
- ▶▶ The GCI was launched in 1979, maps the competitiveness landscape of 141 economies through 103 indicators organised into 12 pillars.

### **Highlights:**

- ▶▶ The Global Competitiveness Index 2019 ranks 140 countries on the basis of 98 indicators organised into 12 pillars.
- ▶▶ Singapore with a score of 84.8 took the top spot in this year's index, pushing the United States to the second spot.
- ▶▶ The top-five economies in the Global Competitiveness Index 2019 included Singapore, US, Hong Kong, Netherlands and Switzerland.
- ▶▶ Japan took up the 6<sup>th</sup> spot, Germany ranked 7<sup>th</sup>, Sweden ranked 8<sup>th</sup>, UK ranked 9<sup>th</sup> and Denmark ranked 10<sup>th</sup> to complete the top ten economies in the index.
- ▶▶ China was ranked at the 28<sup>th</sup> spot, while Hong Kong was ranked 3<sup>rd</sup> and Taiwan, which it claims as its own territory, also ranked higher at the 12<sup>th</sup> spot.

### **Global Competitiveness Index 2019: India**

- ▶▶ According to the World Economic Forum, the major reason for the fall in India's rank is due to improvements witnessed by several other economies.
- ▶▶ India was ranked second in shareholder governance and third in terms of market size and renewable energy regulation. In corporate governance also, India was ranked considerably higher at the 15<sup>th</sup> position. In macroeconomic stability also, India was ranked high at the 43<sup>rd</sup> rank.
- ▶▶ However, India was performed poorly in pillars including Information, communication and technology adoption (120 rank), health (110), skills (107), product market (101), labour market(103) and stability (103).

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▶▶ In terms of healthy life expectancy, India was ranked 109 out of 141 countries. In meritocract and incentivization also, India was ranked at the 118th position, largely due to its low ratio of wage and salaried female workers to male workers, in which it was ranked 128<sup>th</sup>. Among its neighbours, India was ranked ahead of Sri Lanka, Pakistan, Bangladesh and Nepal. Only China ranked better at the 28th position.

