

# IMPACT OF ECONOMIC SENTIMENT ON WEF'S ASSESSING NATIONAL COMPETITIVENESS IN THE PRE- CRISIS AND POST-CRISIS PERIOD

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## Abstract

The competitiveness rankings are a widely used method of international comparison among countries. The changes in these rankings can not only serve as a reflection of a country's economic performance but can also indicate improvement (or deterioration) in key assumptions for the country's future success in global competition. Reliability of this prediction depends on the quality of the model applied for the international comparison. Global competitiveness rankings differ in the representation of hard and soft data and in the importance (weight) attributed to both types of data during the calculation of the composite indicator (CI). The sensitivity of the final CI on the quality and the explanatory power of soft data depends on the representation of this type of data in the collection of variables and the statistical relevance of the opinion survey. The 2012 audit of the WEF's Executive Opinion Survey (EOS) addressed an important aspect related to the impact of national culture - the so-called cultural bias - which may have been influencing interviewee responses. Due to this cultural bias (different economic sentiment among countries), the informational value of soft data could be considered problematic. The aim of this paper is (1) to identify advantages and disadvantages of soft data, (2) to find reasons for the rather negative sentiment in the new EU member states, and (3) to compare the economic sentiment in the pre-crisis and post-crisis period. To achieve these aims, the countries' results in the selected WEF pillars (i.e. pillars based solely on soft data) were analysed.

**Key words:** Executive Opinion Survey, Global Competitiveness Report, national competitiveness, soft data

**JEL Code:** E29, F43, O57

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## Introduction

Our analysis is based on the indicators published by the World Economic Forum (WEF). However, we consider it fitting to introduce the concept of competitiveness from a broader

perspective. WEF's attitude is inspired by M. Porter's view on this phenomenon. Therefore, WEF defines competitiveness as a set of institutions, policies, and factors which determine the level of productivity of a country. The level of productivity, in turn, is a key assumption for the level of prosperity that can be reached by an economy. Delgado et al. (2012) accentuate three ideas connected with the evolution of the competitiveness debate: market share, costs, and productivity. Aiginger et al. (2013) establish a definition of competitiveness which is adequate if economic policy strives for a new, more dynamic, socially inclusive, and ecologically sustainable growth path. As e.g. Sirucek and Dzbankova (2018) show, this new growth path should respect the following changes (megatrends) in the world economy: shift in the global economic power<sup>1</sup>, demographic shifts, acceleration of urbanisation, improving in technology, climate change, and lack resources.

Aiginger et al. (2013) examine the evolution of the concept from a focus on 'inputs' at the firm level (price or cost competitiveness) to economic structure and capabilities at the national level and finally to 'outcome' competitiveness. They propose to define 'outcome' competitiveness as the 'ability of a country (region, location) to deliver the beyond-GDP goals for its citizens'. As an analysis of Aiginger et al. (2015) shows, this new attitude to defining competitiveness changes the policy conclusions drawn from the quest for competitiveness. Countries are ranked according to costs, structure, and capabilities (drivers of competitiveness) as well as according to economic, social, and ecological performance (performance pillars).

Policies to reduce costs prove inferior to 'high-road strategies' built on skills, innovation, and supporting institutions. Ecological ambition and social investment are not costs, but enablers of competitiveness for high-income countries. (Aiginger et al., 2015)

All aspects of competitiveness mentioned above are taken into account in the most famous international competitiveness rankings (the World Competitiveness Yearbook, the Global Competitiveness Report). These rankings point out the role of productivity and the capacities of countries to compete in world markets to improve their economic performance and standards of living. The final competitiveness indicator is constructed as a multidimensional composite indicator. Global competitiveness index (GCI) for the country is computed as a weighted average of 12 pillars: 1. Institutions, 2. Infrastructure, 3. Macroeconomic environment, 4. Health and primary education, 5. Higher education and training, 6. Goods market efficiency, 7.

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<sup>1</sup> E.g., Rusmichova (2018) reminds the topicality of Galbraith's view on the increasing role of multinational corporations in the post-industrial society, namely connection between the level of wealth in the society, the power of corporation, the productivity growth, and the creation of consumer needs (Galbraith's concept of forced consumption).

Labour market efficiency, 8. Financial market development, 9. Technological readiness, 10. Market size, 11. Business sophistication, 12. Innovation. The first five pillars are also referred to as basic requirements, the second five pillars are also designated as efficiency enhancers and the last two pillars are known as innovation and sophistication factors. The weights of the pillars depend on the stage of development of the particular economy<sup>2</sup>.

## 1 Evidence of negative European sentiment in WEF's survey data?

As we said in our text above, the WEF evaluates the national competitiveness of the countries using the composite indicator, the Global Competitiveness Index (the GCI). For the construction of the GCI, both hard and soft data are used. The sensitivity of the GCI on the quality and explanatory power of soft data depends on the representation of this type of data in the whole amount of variables and on the statistical relevance of the opinion survey. The most often mentioned advantages and disadvantages of using soft data in the evaluation of national competitiveness are summarised in Table 1.

**Tab. 1: Advantages and disadvantages of soft data**

Advantages of soft data	Disadvantages of soft data
<ul style="list-style-type: none"> <li>- they are not encumbered by a time lag</li> <li>- they allow evaluating the rating of the elements of competitiveness which are otherwise difficult to measure (management practices, labour relations, relationship to the environment, quality of life)</li> <li>- explanation and refinement of hard data</li> </ul>	<ul style="list-style-type: none"> <li>- subjectivity - soft data are distorted by the different ability to perceive and evaluate the problem - the influence of media coverage (corruption cases, the pessimism of entrepreneurs)</li> <li>- cultural (national) bias related to the standard of living in the evaluated country</li> <li>- subjective attitude of evaluators to different institutions, different sample sizes (fewer evaluators = more distortion)</li> <li>- no possibility for comparison with other countries</li> <li>- form of assessment (usually scoring) and time limit</li> <li>- frequent changes in methodology</li> </ul>

Source: own elaboration

Most questions in the WEF's Executive Opinion Survey (EOS) ask respondents to evaluate, on a scale of 1 to 7, one particular aspect of their operating environment. At one end

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<sup>2</sup> Due to the dynamic changes of the economic environment in conditions of globalisation, WEF innovates the attitude to the measurement of national competitiveness. The Global Competitiveness Report 2017-18 is the last edition based on the above-mentioned methodology (The preliminary version of the new index, the GCI4.0, was published together with this last edition of GCI). Starting from the GCR 2018, WEF changes its methodology and publishes the new composite index, the GCI4.0.

of the scale, 1 represents the worst possible situation; at the other end of the scale, 7 represents the best. Partner Institutes include recognised research or academic institutions, business organisations, national competitiveness councils, or other established professional entities, and, in some cases, survey consultancies. The WEF's respondents include firms in proportion to the share of GDP accounted for by the sector, i.e. agriculture, manufacturing industry, non-manufacturing industry (mining and quarrying, electricity, gas and water supply, construction), and services. The EOS is reviewed every year and its methodology has been audited by survey experts. More detailed audits were realised by Gallup in the years 2008 and 2012. The 2012 audit addressed an important aspect related to the influence of national culture (national sentiment) - the so-called cultural bias -, which may have an impact on interviewee responses. However, editors of the GCR decided '...not to re-weight the data using anchoring mechanisms because of the limited effectiveness of such a procedure and to prevent adding further noise to the data'. (Browne et al., 2013, p. 85) From our point of view, the above-mentioned attitude of the WEF can produce some unintended effects, which are evident from the comparison of the obtained soft data - distortions not only among individual countries but also among the world regions (see Table 2). Some studies – e.g. Lemmens et al. (2005) – proved the existence of cross-country influences between economic sentiment and real economic performance. Another study of Lemmens et al. (2007) ascertained the homogeneity of the EU countries in the consumer confidence indicators. The authors found that the consumer confidence indicators became much more homogeneous as the planning horizon is extended and that the homogeneity is inversely related to the economic and cultural distance among the various member states. As written above, the economic and culture distance among countries can cause the so-called national bias (Browne et al., 2013), which enters into the respondents' answers in the EOS.

Regarding the higher vulnerability of the small opened EU economies, rather negative self-assessment in the new EU member countries (NMC) compared to the developing countries (especially in the period after the economic crisis) may be expected. While the respondents from the new member countries (NMC) of the EU28 compare themselves with the developed countries and, therefore, negatively evaluate, e.g. the quality of institutions or the rate of corruption, respondents from the developing countries (where we can expect objectively deeper institutional problems) perceive and evaluate relatively small partial improvements positively. Their positive evaluation means a better ranking in relevant indicators compared to, e.g. NMC. Table 2 shows the chosen results of the adjusted version of the EOS. This WEF's alternative attitude to the presentation of the EOS data was shown in the GCR 2016-17 (Browne et al., 2016). The answers of each respondent have been normalised as the distance (in percentage

terms) from the respondent-specific average. These distances have been re-aggregated through simple averages to form areas of analysis which reflect the components and subcomponents of the GCI. A negative distance indicates that in the region, given pillars were assessed as relatively more problematic.

**Tab. 2: Businesses' assessment of the drivers of competitiveness in their country, per cent distance**

	East Asia and the Pacific	Eurasia	Europe	Caribbean and the Latin America	Middle East and North Africa	North America	South Asia	Sub-saharan Africa
<i>1.A. Public institutions</i>	-3	-3.1	-4.2	-13	1.9	-5.3	-2.5	-0.2
<i>1.B. Private institutions</i>	1.1	3.5	2.6	5.6	4.4	1.9	4.3	7.2
1. Institutions (0/21)	-2	-1.5	-2.5	-8.4	2.5	-3.5	-0.8	1.7
<i>8.A. Efficiency</i>	-7.7	-22.1	-18	-9.5	-12.8	-4.4	-5.5	-17
<i>8.B. Trustworthiness and confidence</i>	8.7	-10.5	4.3	36.1	10.4	7.2	10.7	10.1
8. Fin. market development (0/8)	0.6	-16.4	-6.8	13.2	-1.2	1.4	2.5	-3.5
11. Business sophistication (0/10)	-0.9	-1.9	1.7	4.4	-1.2	3.1	0.4	-2.6

Source: Browne et al. (2016), own elaboration

The WEF's experts point out that the obtained results (see Table 2) do not indicate the level of development of each element in the region. Two similar negative scores insinuate that business executives in different regions perceive this element similarly. In the chosen pillars and sub-pillars, the assessment of competitiveness is exclusively based on soft data. Therefore, we can presume that the results reflect the above-mentioned 'cultural bias' (national sentiment). Empirical studies using the WEF's results for the analysis of the V4 countries' competitive advantages or disadvantages (e.g. Necadova and Soukup, 2013) find that pillars based on soft data could act as substantial impediments to the improvement of competitiveness.. In Europe, public institutions receive low scores in many Central and Eastern European countries, while financial market efficiency attracts most of the private sector's discontent in the Western European countries, particularly in the southern economies. (Browne et al., 2016) In the developing countries (e.g. Sub-Saharan Africa), the improvements in institutional quality or in financial market development are perceived more positively compared to, e.g. the V4 countries. Papers dealing with the changes in WEF's evaluation of V4 countries after the economic crisis (e.g. Necadova, 2015) identify worse results in the pillars which are based on soft data. Cihak and Mitra (2009) describe other examples of changes in economic sentiment. Their analysis shows that the crisis has led to the disappearance of the so-called 'halo effect'

(the extinction of this effect is connected with the change of spreads during the crisis, i.e. change of the difference between the fundamentals and the actual sovereign bond rates). Economic optimism based on the expectation of positive institutional changes and positive future economic performance connected with the EU accession can be perceived as the background for the explanation of the 'halo effect'. According to Hauner et al. (2007), the EU halo effect is linked to the EU membership and is connected with the optimism arising from better institutions and processes (such as fiscal rules) which have been introduced before the EU accession.

### **1.1 Aims of analysis**

Due to the above-mentioned consequences and the developed countries' stronger tendency to criticism in the, especially in the post-crisis period, the comparability of soft data from countries on a different level of development can be considered questionable. In this context, the following questions are crucial for this paper:

1) Could unsatisfying results of Europe (compared to, e.g. Sub-Saharan Africa) in the pillars evaluating Institutions or Financial market development (see Table 1) be explained by more negative sentiment in the developed countries?

2) Is it possible to detect the negative changes in the economic sentiment of the EU countries (primarily the V4 countries) in the post-crisis period?

### **1.2 Methods of analysis**

The homogeneity of the EU member states in the WEF's group of countries (we compared 131 countries with the whole data from the period 2007-2017) is evaluated using the frequency distribution and descriptive statistics for chosen WEF's pillars (1, 8, 11). In our analysis, the comparison of the rankings was performed on the broader (131 WEF's countries) and smaller (the EU28) sample of countries. For comparison, we used the following methods. Firstly, the ranking of all WEF's countries (131) and the EU member states according to the average value of pillars (1, 8, 11) and sub-pillars for the whole period (2007-2017) was constructed. The results of the EU28 were summarised in the frequency distribution graphs<sup>3</sup>. Secondly, the graphs with difference between the average values in the 1<sup>st</sup> (2007-2010) and the 2<sup>nd</sup> period

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<sup>3</sup>. The frequency distribution is presented as a frequency bar chart. This method provides a visual display using columns, with the y-axis representing the frequency count (the number of countries) and the x-axis representing the variable to be measured (the average value for individual pillars in the whole period, i.e. 2007 - 2017). The individual column's legend indicates which countries are included in a given quantile. Reading the legends from right to left allows following the EU ranking according to the average value of the given indicator. The number in brackets signifies the country's position in the WEF's group of countries (131 countries).

(2011-2017) were thought as a suitable tool for the assessment of the impact of economic crisis on economic sentiment<sup>4</sup>. The graphs with above-mentioned differences were added by standard deviations of variables in both periods to describe the differences in variability among the EU member states and compare the changes in variability in both periods.

## 2 Results

Our analysis is concentrated primarily on the pillars which are based on the soft data. The following subchapters start from the brief description of the chosen pillars. For the evaluation of the EU28 (primarily the V4 countries) results, these methods were applied: 1) frequency distribution (which is based on the average values for the whole period), 2) differences between the average values from the 1<sup>st</sup> and the 2<sup>nd</sup> period, and 3) comparison of standard deviations from both periods.

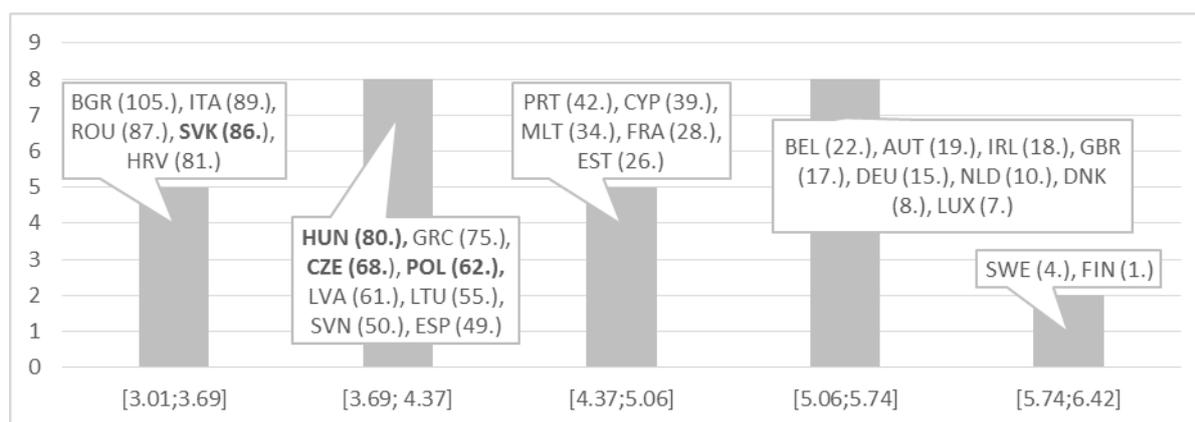
### 2.1 1<sup>st</sup> pillar: Institutions

The pillar Institutions deals with the quality of private and public institutions. WEF is persuaded that the institutional environment of a country depends on the efficiency and the behaviour of both public and private stakeholders. It is assumed that the legal and administrative framework within which individuals, firms, and governments interact determines the quality of the public institutions of a country and has a strong bearing on competitiveness and growth. (WEF, 2017) According to the average value for the whole period (see Figure 1), the old member countries are leaders in quality of institutions not only in the EU28 but also in the group of WEF's countries. The quality of institutions is seen by the respondents as one of the biggest weaknesses in the national competitiveness of the V4 countries during the whole period. Deeper criticism of respondents is usually connected with the public institutions. The country's positions in WEF's group are the following: POL (63.), CZE (67.), HUN (79.), SVK (89.). A slightly less pessimistic view of Polish and Czech respondents on the quality of private institutions is projected in these ranks: POL (52.), CZE (67.), SVK (83.), HUN (90.).

### Fig. 1: 1<sup>st</sup> pillar: Institutions - frequency distribution

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<sup>4</sup> The differentiation between the pre-crisis (2007-2010) and post-crisis period (2011-2017) is determined by delay of hard data in the pillars. The Global Competitiveness Report 2010-2011 contained hard data from the previous year (2009) in which the impact of the economic crisis was apparent.

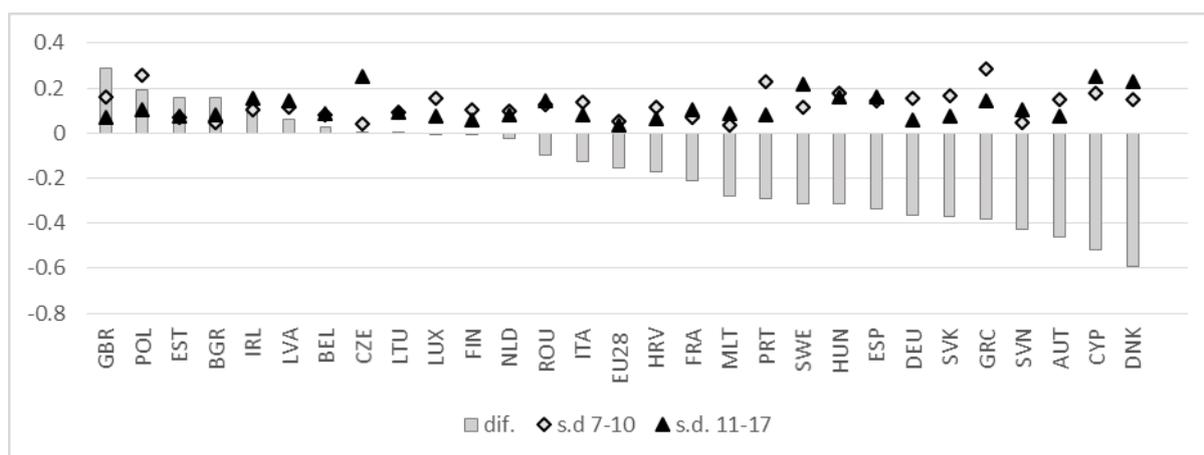


Source: WEF (2017), own elaboration

The comparison of above-mentioned results with the results of the developing countries could serve as a suitable argument promoting our assumption that the developed countries evaluate themselves more pessimistically. E.g. Azerbaijan (56.), India (53.), Indonesia (59.), or Zambia (60.) have better positions than Poland; the ranks of Tajikistan (63.), Ghana (64.), Malawi (65.), or Kazakhstan (67.) are more favourable compared to the Czech Republic (68.); the institutions in Tanzania (79.), Jamaica (78.), Vietnam (77.) and Senegal (74.) are evaluated better than institutions in Hungary (80.); the Slovak Republic (86.) is overtaken by, e.g. Benin (85.), Burkina Faso (84.) or Lesotho (83.). Compared with the other EU28 countries, bigger rate of respondents' pessimism in the V4 countries is evident (see Table 1 in Annex).

The prevailing stronger negativism of the EU respondents after the crisis is evident from Figure 2 (improvement in the post-crisis period was observed only in nine from the EU countries). This deterioration is partly linked with the critical attitude of respondents to government's decisions during the crisis and with the following macroeconomic imbalances, partly with small open economies being more sensitive to the economic fluctuation. This pessimism could determine the negative changes in Slovak and Hungarian results and cause the unfavourable position (according to the rate of deterioration) in both sub-indices: the 113<sup>th</sup> position for Hungary and the 118<sup>th</sup> position for the Slovak Republic (bigger deterioration was monitored only in 13 countries in the whole WEF's sample) in the sub-index of public institutions; the 119<sup>th</sup> position for Hungary and the 94<sup>th</sup> position for the Slovak Republic in the sub-index of private institutions.

**Fig. 2: 1<sup>st</sup> pillar: Institutions - differences between both periods**



Source: WEF (2017), own elaboration

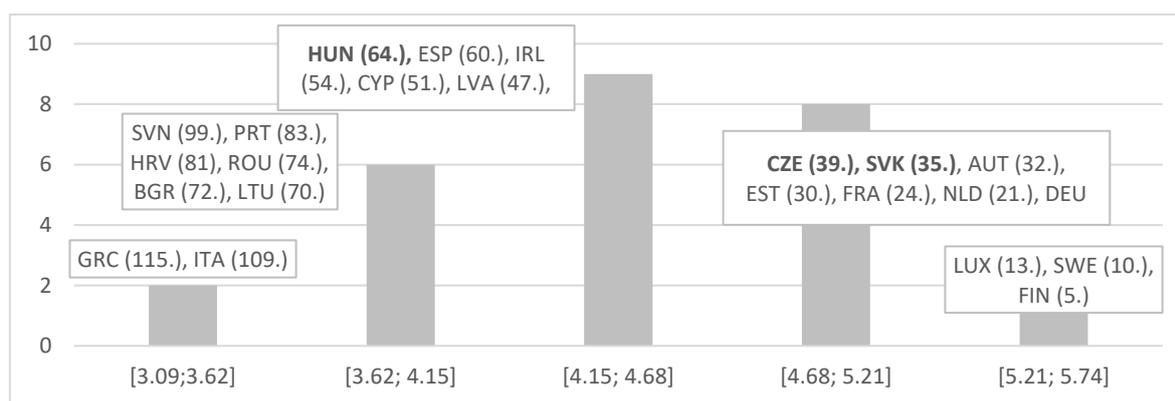
Higher variability of values in the post-crisis period is noticeable in the countries with better average value, while lower variability was found in the countries with worse evaluation in the 2<sup>nd</sup> period. The biggest standard deviation for the Czech Republic in the post-crisis period is connected with respondents' pessimism caused by the so-called second recession in the years 2012 and 2013.

## 2.2 8<sup>th</sup> pillar: Financial market development

An efficient financial sector is considered to be the necessary assumption for rational allocation of the resources saved by the nation's population as well as those entering the economy from abroad. Sophisticated financial markets can make capital available for private-sector investment from such sources as loans from a sound banking sector, well-regulated securities exchanges, venture capital, and other financial products. To fulfil all those functions, the banking sector needs to be trustworthy and transparent, and - as has been made so clear recently - financial markets need appropriate regulation to protect investors and other actors in the economy at large. (WEF, 2017)

The evaluation based on the average value for the whole period (see Figure 3) marks a positive perception of the conditions on the financial markets in the most of the EU countries (20 countries from the EU are in the first-half of the WEF's sample).

**Fig. 3: 8<sup>th</sup> pillar: Financial market development - frequency distribution**



Source: WEF (2017), own elaboration

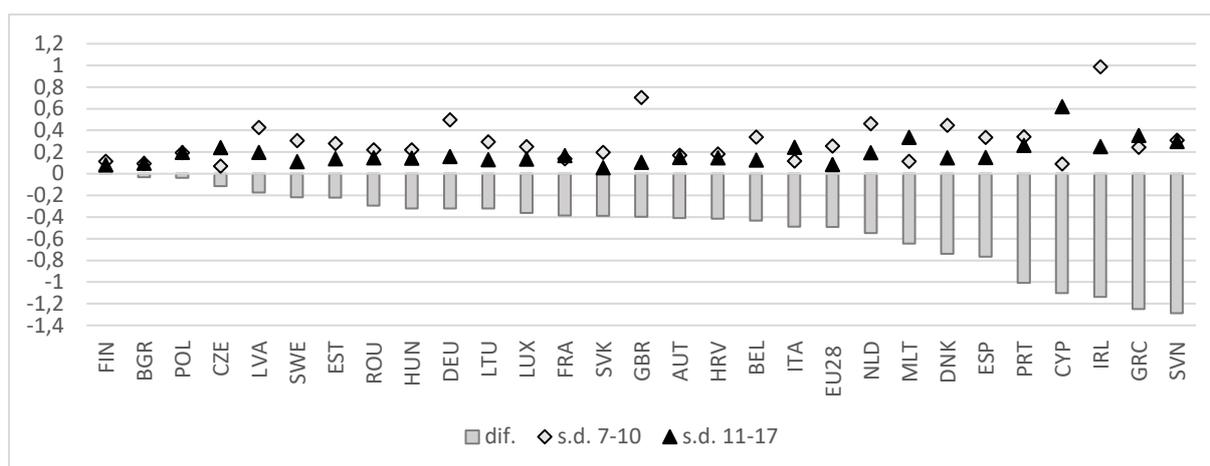
As Figure 3 shows, positions of the V4 countries in the WEF's sample (131 countries with the complete dataset during the period 2007-17) are following: SVK (35.), CZE (39.), POL (45.), HUN (64.). Respondents from the V4 countries perceive and evaluate the trustworthiness and confidence of their financial markets more positively than their efficiency: CZE (32<sup>nd</sup> position vs 44<sup>th</sup> position), HUN (48<sup>th</sup> position vs 76<sup>th</sup> position), POL (35<sup>th</sup> position vs 54<sup>th</sup> position), SVK (20<sup>th</sup> position vs 47<sup>th</sup> position).

Stronger criticism of respondents from the V4 countries is apparent from the comparison with the developing countries. E.g. India (31.) or Mauritius (33.) reach better place than Slovakia (35.); the ranking of Kenya (36.), Peru (37.), or Montenegro (38.) is more favourable compared to the Czech Republic (39.); the financial market development in Jamaica (43.) and Namibia (44.) is evaluated better than financial markets in Poland (45.); according to WEF's respondent, Hungary (64.) is overtaken in this pillar by e.g. Guatemala (46.), Botswana (49.), Zambia (52.), or Honduras (56.).

Bigger wariness of the respondents from all the EU countries, caused by the impacts of the financial crisis on European financial markets, is perceptible from the deterioration of values in the 8<sup>th</sup> pillar (see Figure 4). It is clear that the more pessimistic evaluation of European financial markets in the 2<sup>nd</sup> period had a negative influence on the position of the EU28 in the WEF's sample during the whole period (see Figure 3).

The biggest negative differences between the 2<sup>nd</sup> and the 1<sup>st</sup> period (see Figure 4) were found in countries with macroeconomic imbalances and financial systems more sensitive to the impact of the financial crisis. Relatively positive position of the V4 countries in this pillar in WEF's sample is confirmed by a relatively small deterioration of the evaluation in the post-crisis period.

**Fig. 4: 8<sup>th</sup> pillar: Financial market development – differences between periods**



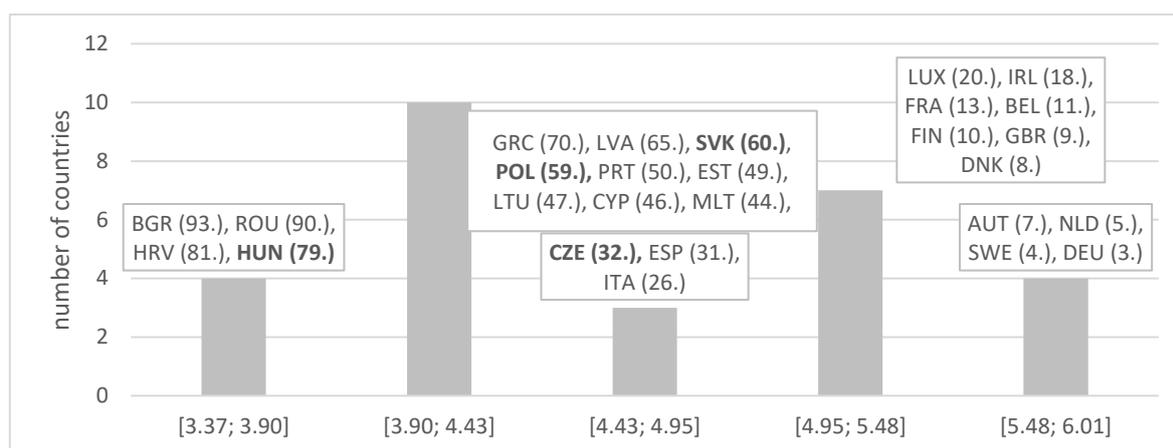
Source: WEF (2017), own elaboration

As the comparison of standard deviation shows, more stable and more negative evaluation is typical for the perception of the European respondents in the 2<sup>nd</sup> period. Higher variability in the post-crisis period was found only in five countries. Four of them (ITA, MLT, GRC, CYP) faced more serious impacts of the financial crisis. Higher variability in the case of the Czech Republic is connected with the positive evaluation in the last three reports (GCR 15-16, 16-17, 17-18) on the one hand and negativism of respondents, which is apparent in the reports capturing the effects of the global financial crisis and the so-called second recession, on the other. Czech respondents were more critical namely in the evaluation of the venture capital availability and the financing through local equity market. During the crisis and the second recession, deterioration was found in the indicators evaluating availability and affordability of financial services.

### 2.3 11<sup>th</sup> pillar: Business sophistication

According to WEF experts, the ambition of the 11<sup>th</sup> pillar is to reliably describe the quality of a country's overall business networks and the quality of individual firms' operations and strategies. The quality of a country's business networks and supporting industries is measured by the quantity and quality of local suppliers and the extent of their interaction. (WEF, 2017) As Figure 5 shows, the EU28 countries' positions in the WEF's group of countries are following: CZE (32.), POL (59.), SVK (60.), HUN (79.).

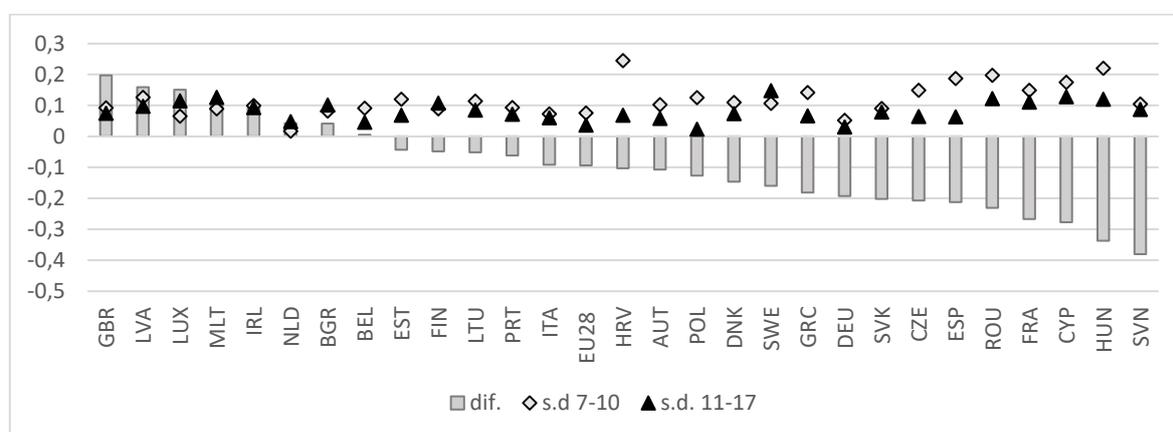
**Fig. 5: 11<sup>th</sup> pillar: Business sophistication - frequency distribution**



Source: WEF (2017), own elaboration

Stronger criticism of respondents from the V4 countries is apparent from the comparison with the less developed countries. E.g. Malaysia (17.) or Puerto Rico (25.) reach better place than the Czech Republic (32.); the ranking of Kenya (58.), Mexico (57.), or Philippines (56.) is more favourable compared to Poland and Slovakia (59., resp. 60.); the business sophistication in Gambia (66.), Senegal (72.), Nigeria (73.) or Morocco (75.) is evaluated more positively in comparison with Hungary (79.).

**Fig. 6: 11<sup>th</sup> pillar: Business sophistication – differences between periods**



Source: WEF (2017), own elaboration

As Figure 6 shows, the improvement of average value was found only in 7 countries of the EU28. Better evaluation in the post-crisis period was identified in 57 countries from the WEF sample (mainly in the developing countries). The relatively big deterioration of evaluation in the V4 countries is evident not only inside the EU but also in the whole sample. The pessimism of respondents from the V4 countries is connected mainly with these indicators: State of cluster development, nature of competitive advantage, value chain breadth, and control

of international distribution. Lower evaluation of business sophistication (on average) is simultaneously more stable (see a comparison of standard deviations in both periods).

## **Conclusion**

This paper shows that the main reason for worse European results in competitiveness indicators based on soft data (compared to the developing world's regions) lies in the so-called cultural bias (differences in cultural and national sentiment), respectively in the more negative sentiment in the developed countries, especially in the post-crisis period. The changes in the sentiment of WEF's respondents for the V4 countries and for the EU 28 countries in the period 2007 - 2017 were described using graphical examination and statistical analysis of chosen WEF's pillars (the 1<sup>st</sup> pillar: Institutions, the 8<sup>th</sup> pillar: Financial market development, and the 11<sup>th</sup> pillar: Business sophistication). Analysis of changes in pillars which are based only on soft data help us to fulfil the aims of our analysis: to identify positive or negative trends in soft data and to verify the existence of (1) the cultural bias in soft data and (2) the equivalent of the so-called halo effect (which is connected with the positive impacts of the EU accession). Graphical examination of average values in the chosen pillars implies more negative sentiment in Hungary and Slovakia in all three pillars. Slightly bigger optimism of Czech and Polish respondents in the post-crisis period was monitored only in the evaluation of Institutions (both countries are counted among 9 of the EU28 countries with better average evaluation in the 1<sup>st</sup> pillar after the crisis). On the other hand, Institutions are perceived as a competitive disadvantage in all V4 countries during the whole period. The position of the EU28 countries in the whole sample (131 countries) and comparison with the results of several chosen developing countries can serve as a convincing argument promoting our assumption, that the rate of criticism of respondents from developed countries is higher, which is reflected in soft data.

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## Appendix

**Tab. 1: Ranking of the EU28 (according to the average values in the GCI, pillars, and sub-pillars)**

		GCI	1st pillar: Institutions	1.A. Public institutions	1.B. Private institutions	8th pillar: Financial market development	8.A. Efficiency	8.B. Trustworthiness and confidence	11th pillar Business sophistication
Austria	AUT	7	9	8	7	12	11	15	4
Belgium	BEL	8	10	10	9	10	6	16	8
Bulgaria	BGR	25	28	28	26	22	23	20	28
Croatia	HRV	27	24	24	25	24	26	22	26
Cyprus	CYP	21	14	14	15	17	17	18	17
<b>Czech Rep.</b>	<b>CZE</b>	<b>14</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>14</b>	<b>13</b>	<b>12</b>	<b>14</b>
Denmark	DNK	6	4	5	3	5	10	2	5
Estonia	EST	12	11	11	12	11	12	10	19
Finland	FIN	3	1	1	1	1	2	1	7
France	FRA	9	12	12	11	9	8	8	9
Germany	DEU	2	6	6	8	7	7	9	1
Greece	GRC	28	22	22	23	28	28	28	24
<b>Hungary</b>	<b>HUN</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>24</b>	<b>20</b>	<b>22</b>	<b>17</b>	<b>25</b>
Ireland	IRL	11	8	7	10	18	14	21	10
Italy	ITA	18	27	26	27	27	27	27	12
Latvia	LVA	22	19	19	20	16	21	11	23
Lithuania	LTU	15	18	18	17	21	20	24	18
Luxembourg	LUX	10	3	3	6	3	3	5	11
Malta	MLT	19	13	13	13	6	9	7	16
Netherlands	NLD	4	5	4	4	8	5	14	3
<b>Poland</b>	<b>POL</b>	<b>17</b>	<b>20</b>	<b>20</b>	<b>18</b>	<b>15</b>	<b>19</b>	<b>13</b>	<b>21</b>
Portugal	PRT	16	15	15	14	25	16	25	20
Romania	ROU	26	26	25	28	23	25	19	27
<b>Slovak Rep.</b>	<b>SVK</b>	<b>24</b>	<b>25</b>	<b>27</b>	<b>22</b>	<b>13</b>	<b>15</b>	<b>6</b>	<b>22</b>
Slovenia	SVN	20	17	17	19	26	24	26	15
Spain	ESP	13	16	16	16	19	18	23	13
Sweden	SWE	1	2	2	2	2	1	3	2
Unit.Kingdom	GBR	5	7	9	5	4	4	4	6

Source: WEF (2017), own elaboration

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