



# Institutions Behind Competitive Global Indicators

## Why Nations Improve?

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Primarily based on [CEA analysis](#)

# Institutions

Institutions are stable and valued patterns of behavior (Huntington, 1968).



Institutions exceed the legal framework; government policies toward freedom and market are also important (Porter & Schwab, 2008)

# Competitiveness

Competitiveness is a set of policies, institutions and factors driving productivity (World Economic Forum, 2018)



Social trust derives from well-functioning and fair institutions  
(Nordic Council of Ministers, 2017)

Acemoglu &  
Robinson:  
Why Nations Fail

## Policy inputs for developed institutions

Inclusive political and economic institutions

Property rights, law and order

Efficient use of skills and talent

Freedom of exchange and contract

Technological change and innovation

Broad opportunities

Low entry barriers and free commerce

Ferguson:  
Civilisation +  
The Square and  
the Tower

## Policy inputs for developed institutions

Printing and scientific revolution

Protestant work ethic

Rational organizations & capital accumulation

Freedom of worship & religious toleration

Individual freedom & Enlightenment networks

Upward mobility & transatlantic trade

Representative constitutional government

World Economic  
Forum:  
Competitiveness

Terrorism, police & security

Social capital & policy stability

Transparency, regulations & meritocracy

Property rights & infrastructure

Labor market & business dynamism

Starting a business & competition

Education, skills, R&D & innovation

Global  
methodologies &  
indicators

Global Competitiveness Report

Economic Freedom of the World

Democracy Index

World Competitiveness Ranking

Index of Economic Freedom

Human Freedom

Fraser Institute:  
Economic  
Freedom

Self ownership, personal choice & security

Limited government & taxes

Rule of law & property rights

Sound money & inflation

Free trade & investment

Labor & business deregulation

Voluntary exchange



Economist  
Intelligence  
Unit:  
Democracy

Electoral pluralism

Functioning government

Political participation

Political culture, knowledge & values

Civil liberties

Rule of law

Free media

Economist  
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Free media

## TOP 20 average ranking

1. Switzerland

2. Denmark

3. New Zealand

4. The Netherlands

5. United States

6. Canada

7. Australia

8. United Kingdom

9. Finland

10. Taiwan

11. Ireland

12. Germany

13. Japan

14. Sweden

15. Iceland

16. Norway

17. Luxembourg

18. Austria

19. Spain

20. Estonia

## TOP 20: dominant policy pattern(s)

>2/3: European (Nordic & Continental) + the rest: Anglo-Saxon & East Asian

All: NATO + associated & allies

(Almost) all: OECD & Transatlantic alliance

(Almost) all: Western societal and political-economic legacy

# Policy solutions

Policy learning  
and improvements

Deep understanding of  
values in the background

Talent attraction and  
open opportunities

Multidisciplinary approach  
to governance