
Andrej A. Chiaietta**The Paradigm of State Competitiveness and an Analysis of Slovenia for 2006
According to the WEF and IMD Systems**

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Summary

At the Institute of Macroeconomic analysis and development we analyze aggregate competitiveness indices from the year 1997. In 2001 first working paper on the subject of Slovenian national competitiveness was published. Regular yearly analysis of aggregate competitiveness is published in Slovenian Economic Mirror and in Development Report.

In this working paper we attempt to present state competitiveness economic paradigm and methodologies for the calculation of aggregate competitiveness indices with its strengths and weaknesses. Another important aim of the working paper is to introduce basic analysis of »global« and »world« competitiveness in 2006 on the case of Slovenia according to two known systems – World Economic Forum (WEF) and International Institute for Management Development (IMD).

The paradigm of state competitiveness is gaining in importance in the economic theory and policy in the last few years. State competitiveness assessment is widespread among different stakeholders influencing public opinion, economic policies and professional public. Those are additional reasons why state competitiveness is becoming significant referential development parameter.

The field has different systems of economic and non-economic indicators with which aggregate indices are being calculated. Different authors offer one or more aggregate indices composed with the purpose of linear review of factors of growth and development and comparison of different economies. Systems are developing and are in constant change. Therefore we call to your attention that interpretations of the “state competitiveness” phenomenon represents a serious challenge. Complexity of the issue and unclear definitions and limitations of the methodologies raise frequent criticisms and doubts in professional public.

According to the two competitiveness systems, Slovenia is ranked very differently. In the last few years both central methodologies of competitiveness assessment (IMD and WEF) show the stagnation of Slovenian competitiveness. Since 2002, in the WEF’s autumn Global Competitiveness Reports Slovenia has been ranked around the 30th place among up to 125 economies, while in the IMD’s spring World Competitiveness Reports Slovenia has been ranked around 40th place among up to 55 countries. In this working paper we attempt to answer the questions: Does fall in aggregate indices rankings mean also lower competitiveness? Or is it due to weaknesses and limitations of the systems of measurement? How do we interpret state competitiveness when the differences among rankings between two systems occur? What are the basic methodological limitations, which is the date, sample for collecting the poll data and how much this affects the results for Slovenia?