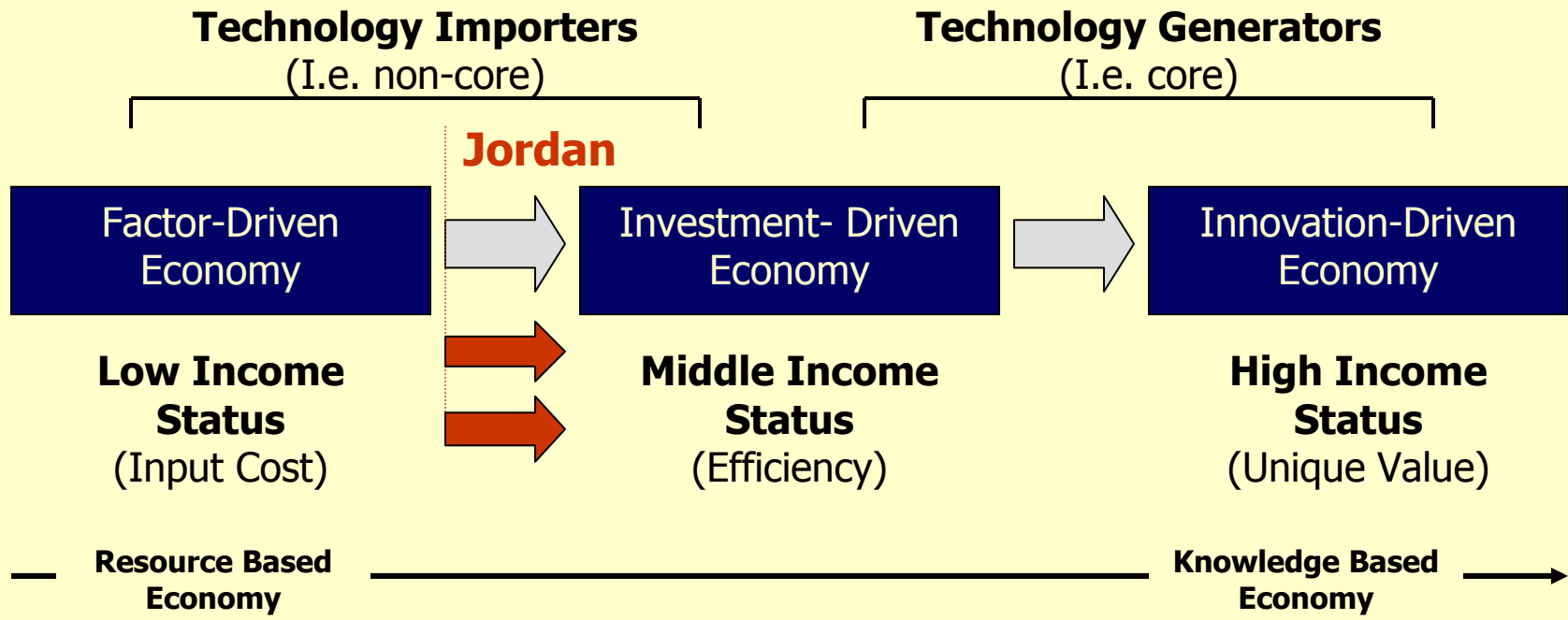




Global  
Competitiveness  
Report  
2001-2002

WORLD  
ECONOMIC  
FORUM

Annual Meeting  
March 3<sup>rd</sup>, 2002

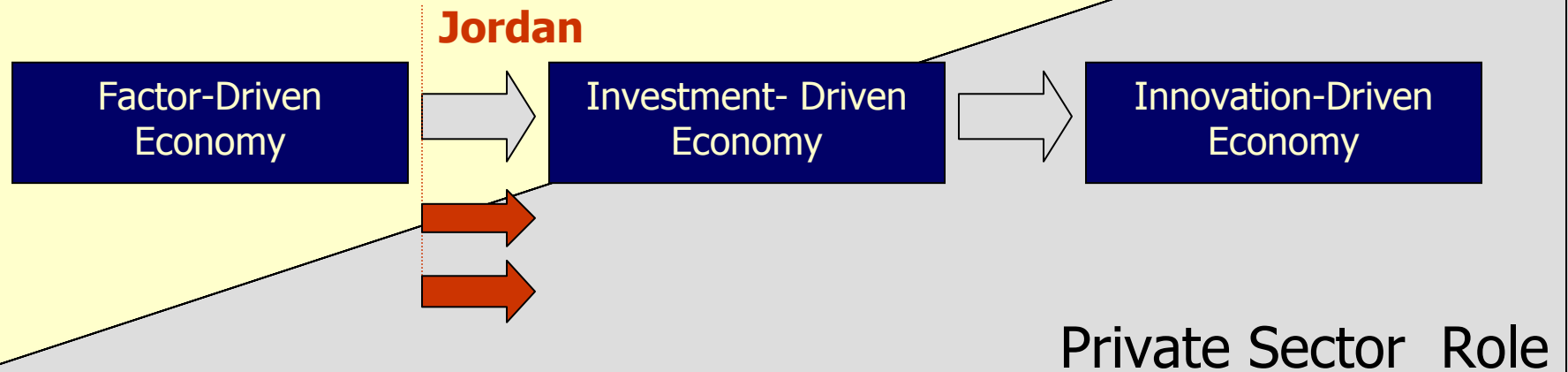


## Stages of competitive development; Jordan:

⇒ **Jordan** is a non-core (i.e. non-innovative; resorts to technology importation rather than technology generation) developing country.

⇒ **Jordan** is a low income country (I.e. Jordan's GDP per capita at PPP is below US\$6500), still in the initial stages of transiting towards middle-income status.

## Government Role



## Public Sector Role:

According to Professor Michael Porter's Stages of Competitive Development Model for nations, the public sector has a variety of positive roles to fulfill at each and every stage outlined. As a country advances through the stated stages however, the role of the public sector tends to become more indirect as the private sector takes the lead. Nevertheless, the importance of the public sector's role should not be underestimated at any stage.



## **The public sector's role at low levels of development:**

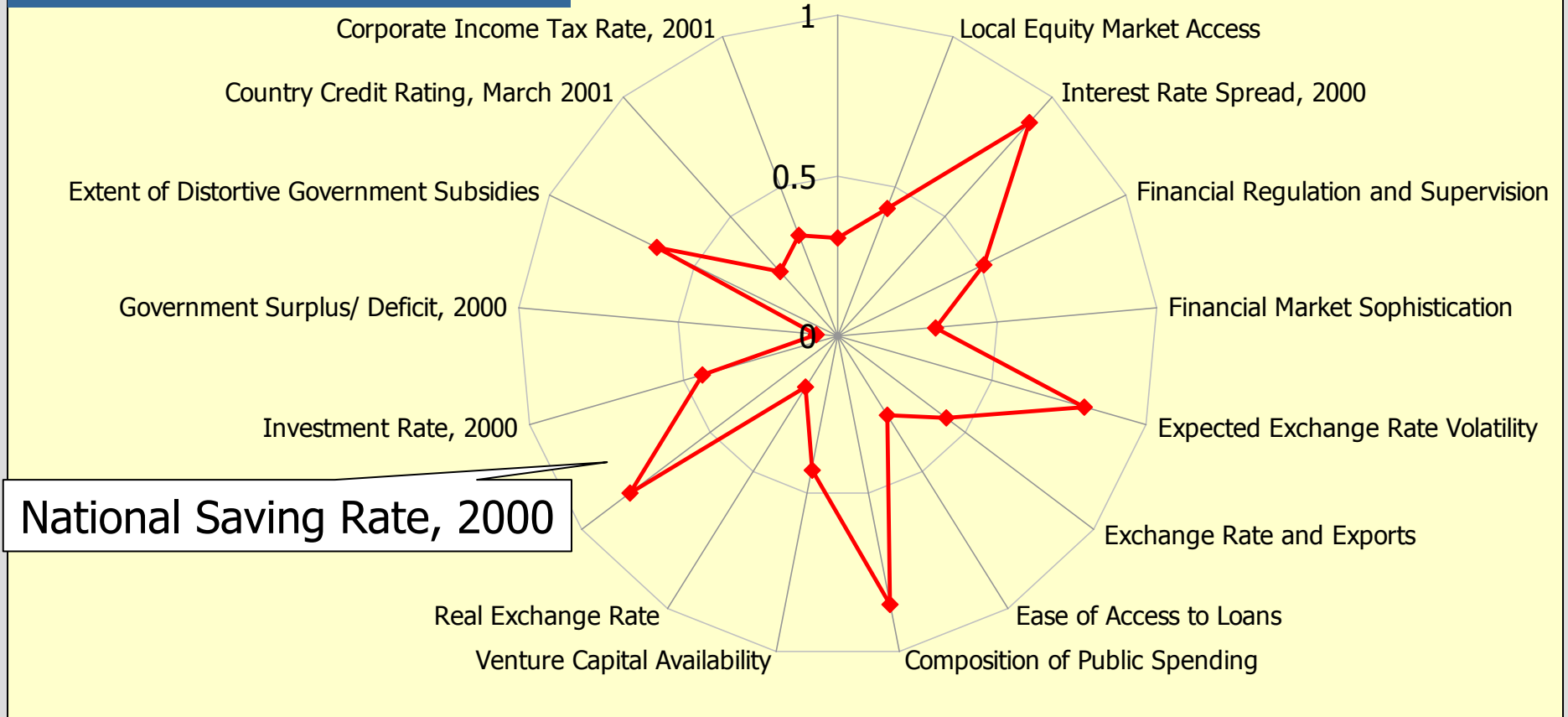
The provision of overall political and macroeconomic stability and sufficiently free markets to permit the effective utilization of primary commodities and unskilled labor both by indigenous firms and by attracting foreign investment.

# Jordan



## Macroeconomic Environment

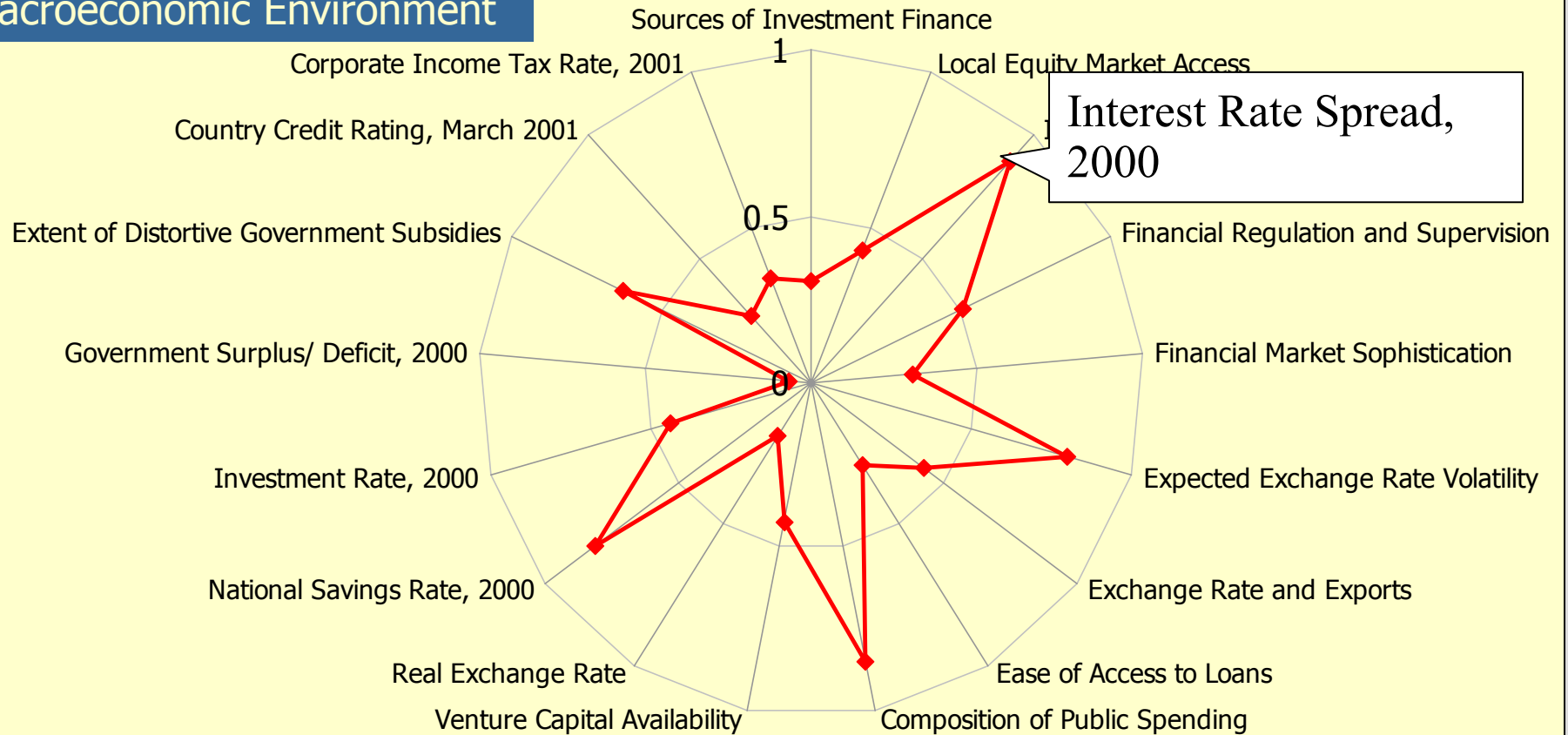
### Sources of Investment Finance



# Jordan



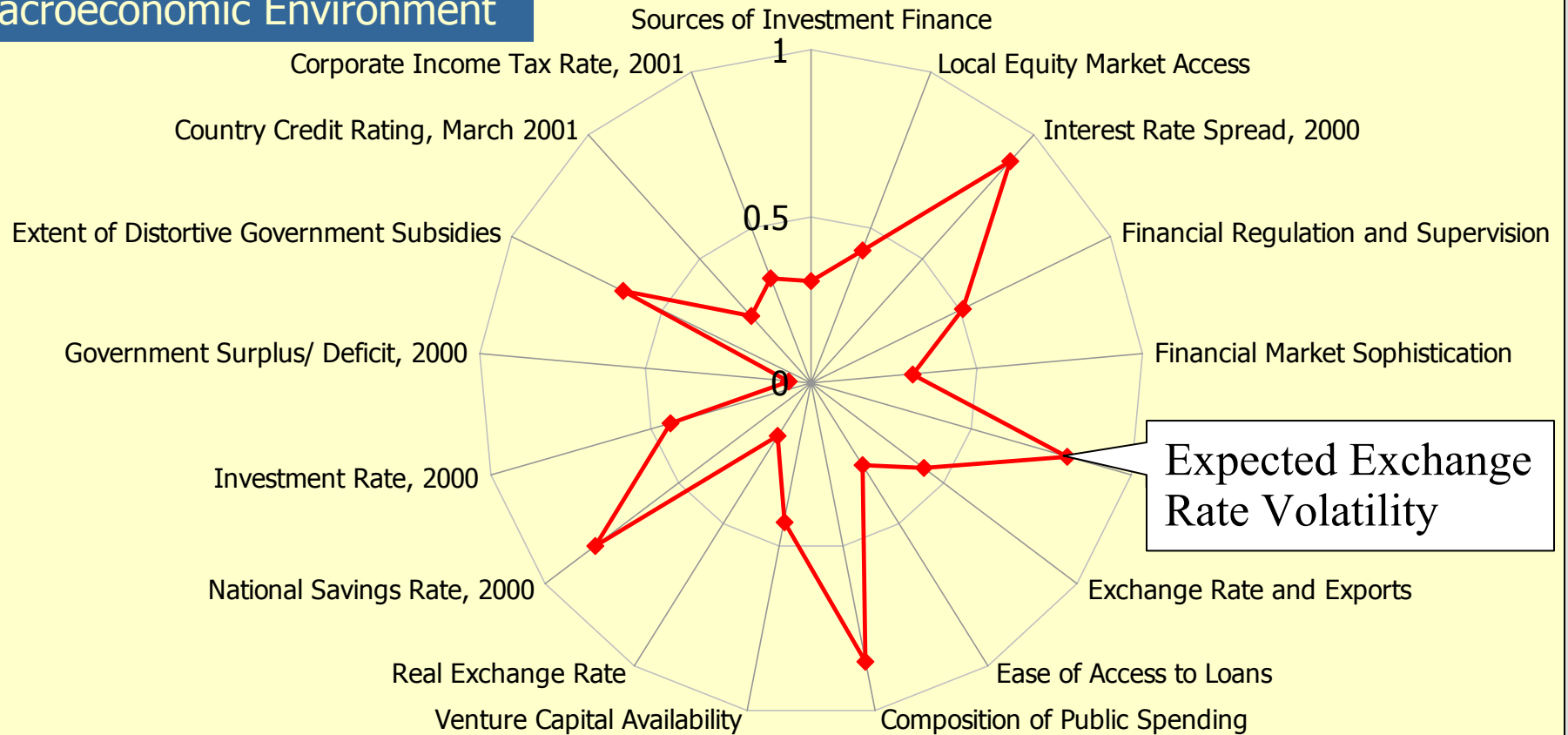
## Macroeconomic Environment



# Jordan



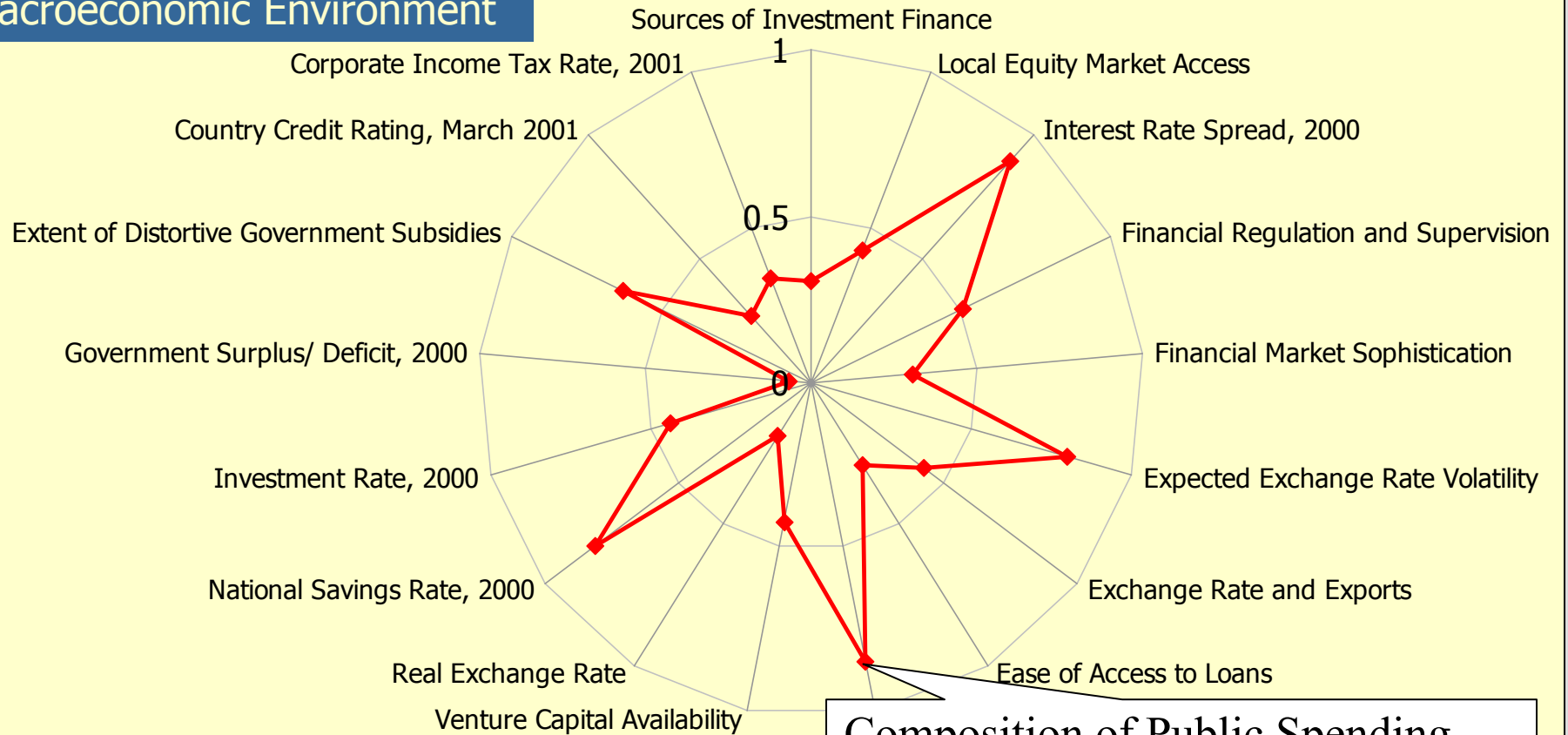
## Macroeconomic Environment



# Jordan



## Macroeconomic Environment

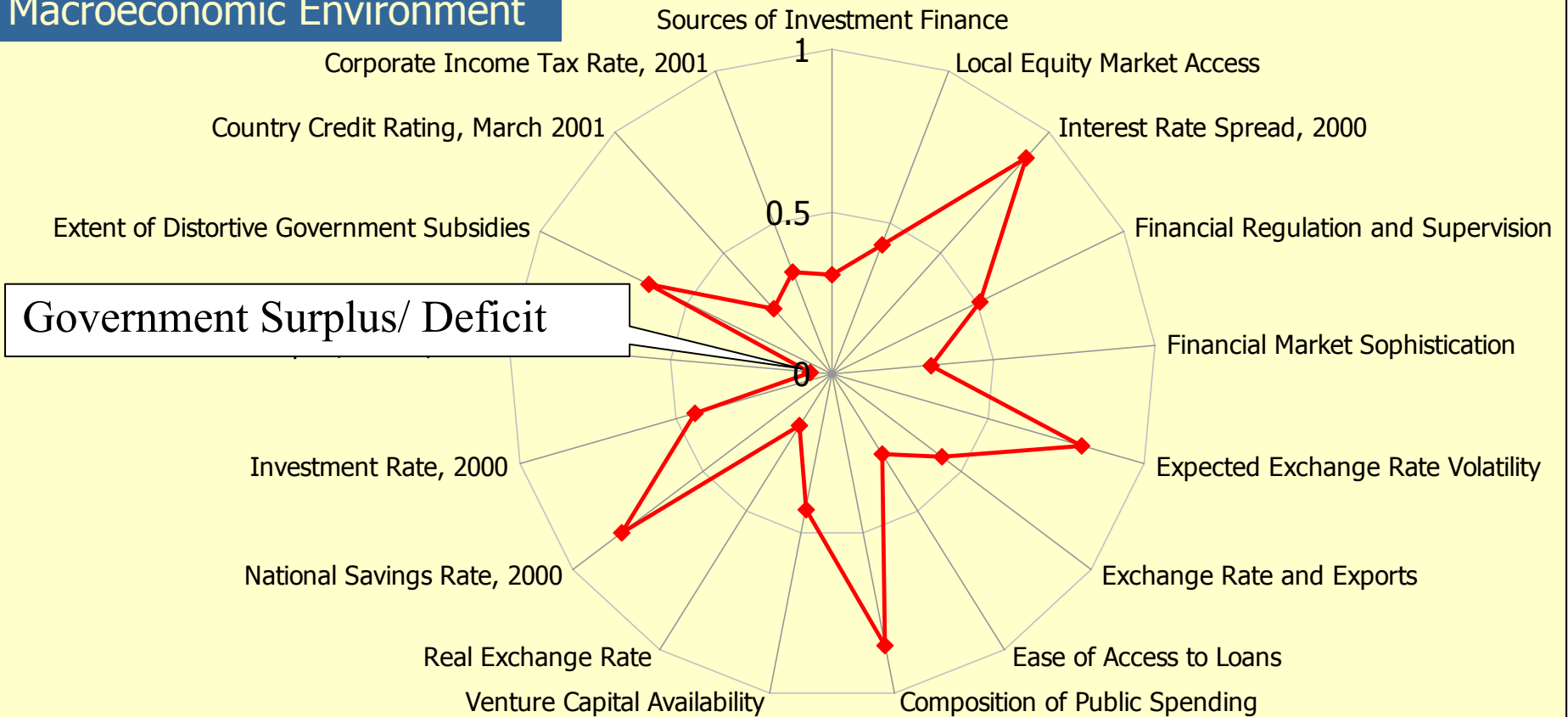


Composition of Public Spending

# Jordan



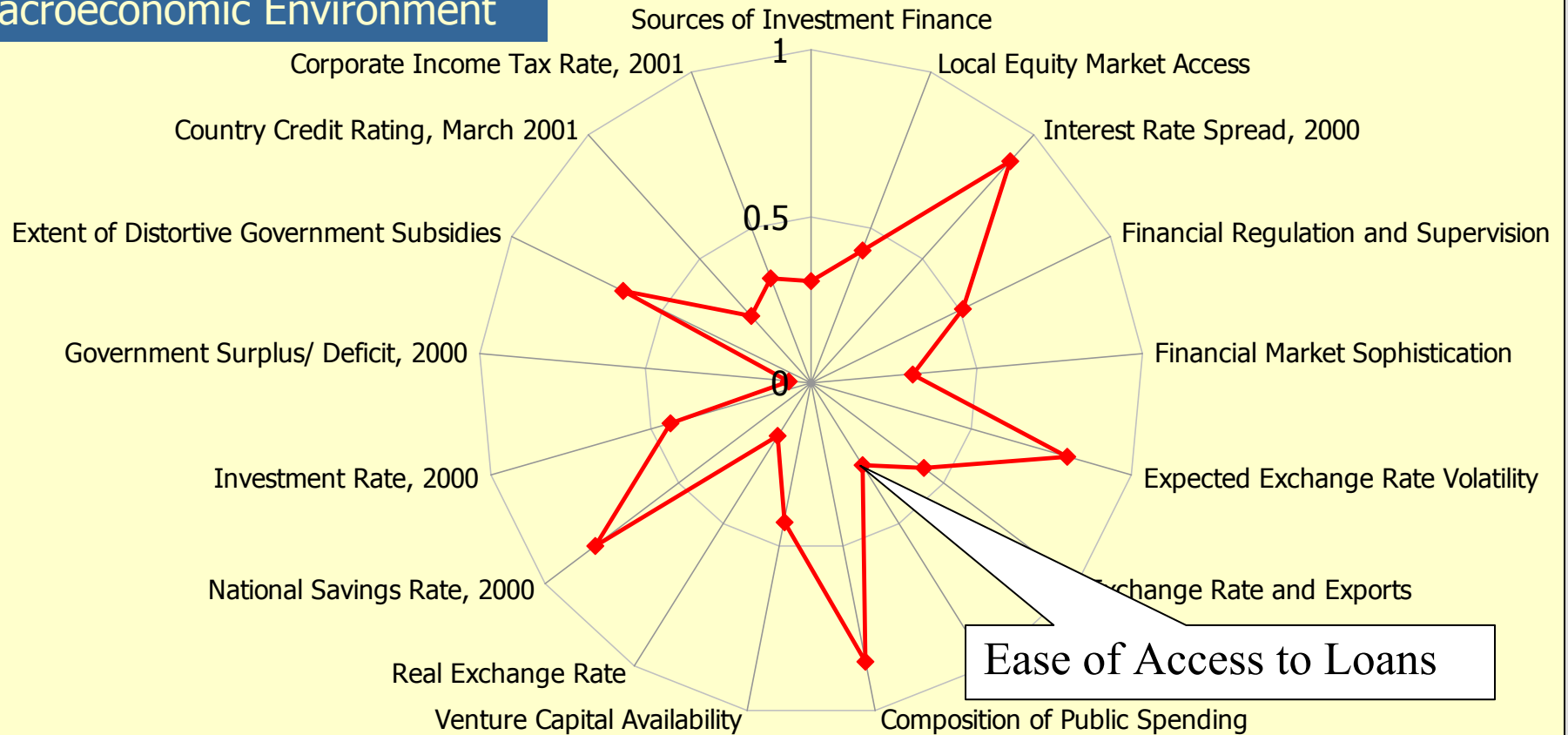
## Macroeconomic Environment



# Jordan



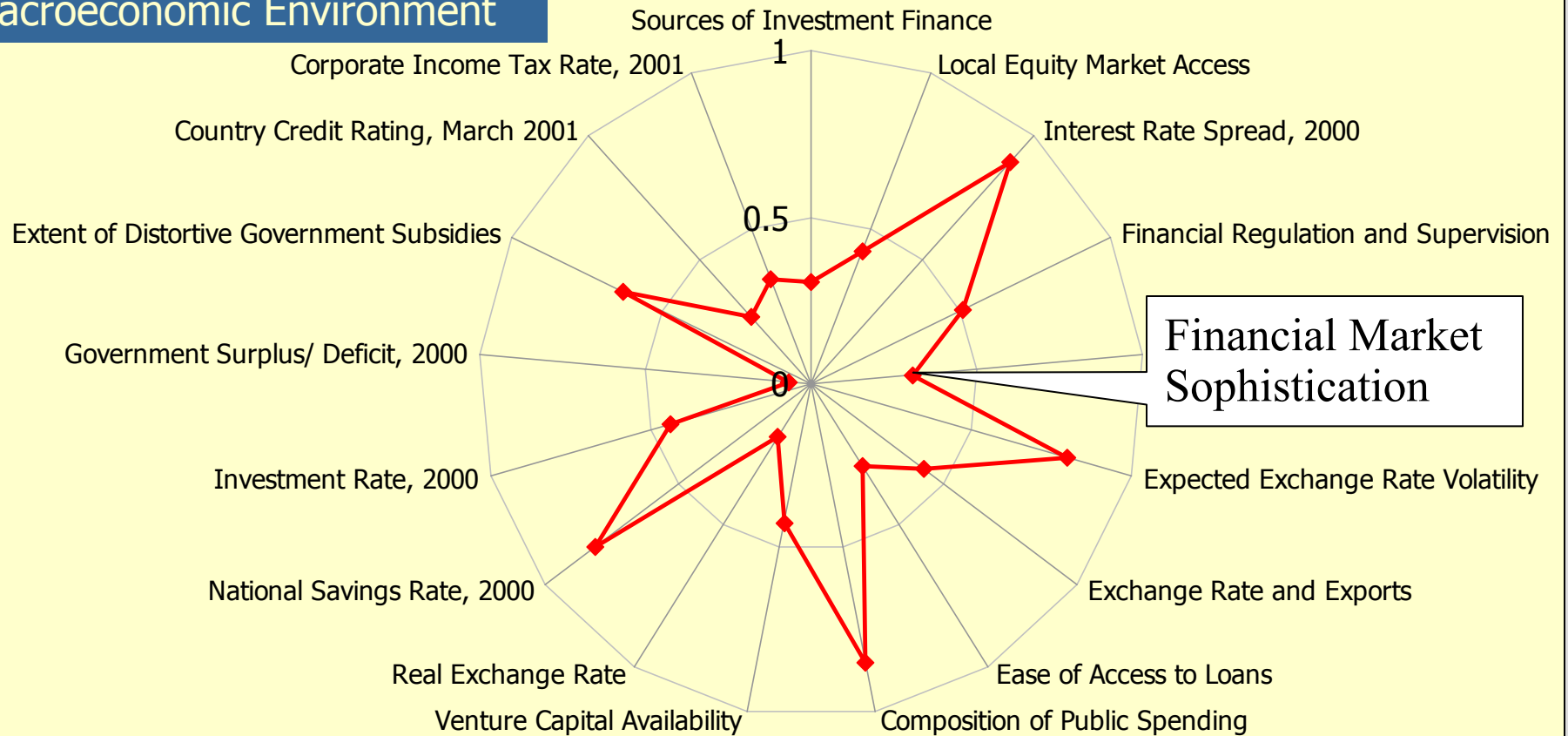
## Macroeconomic Environment



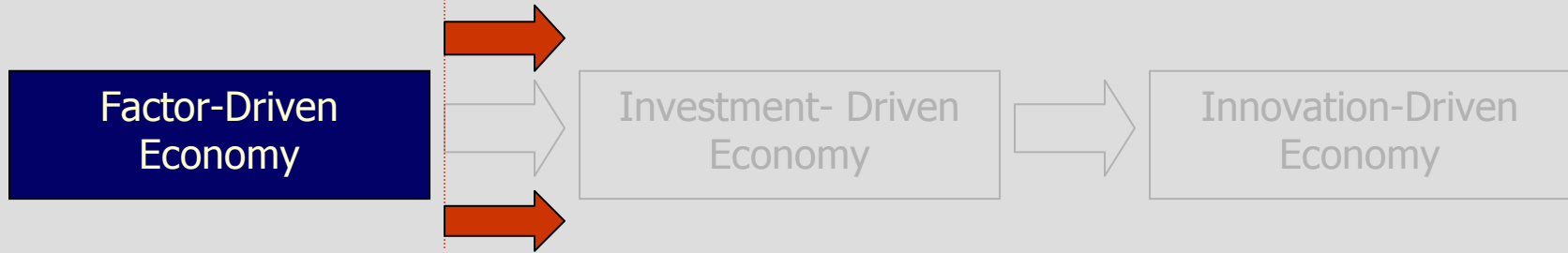
# Jordan



## Macroeconomic Environment

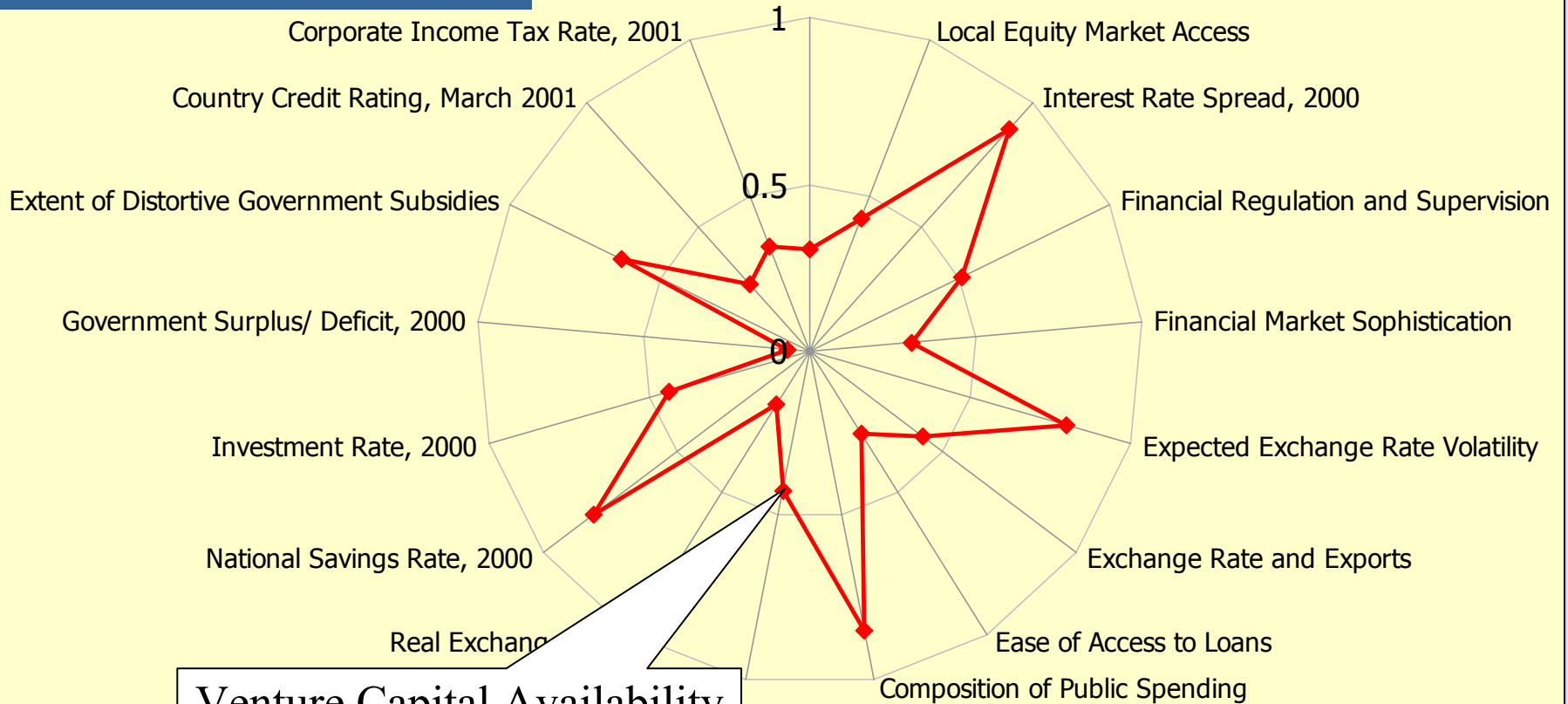


# Jordan



## Macroeconomic Environment

### Sources of Investment Finance

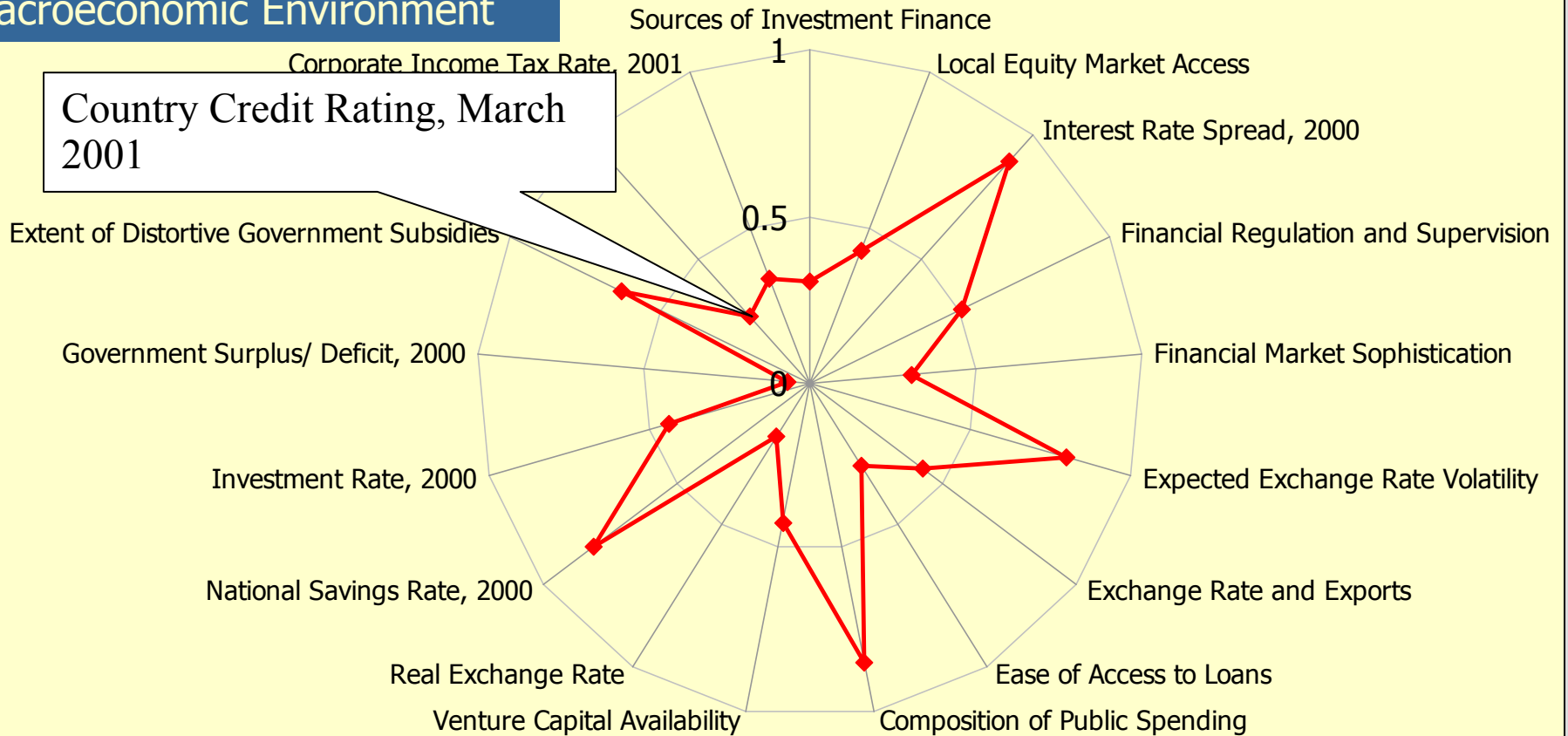


# Jordan



## Macroeconomic Environment

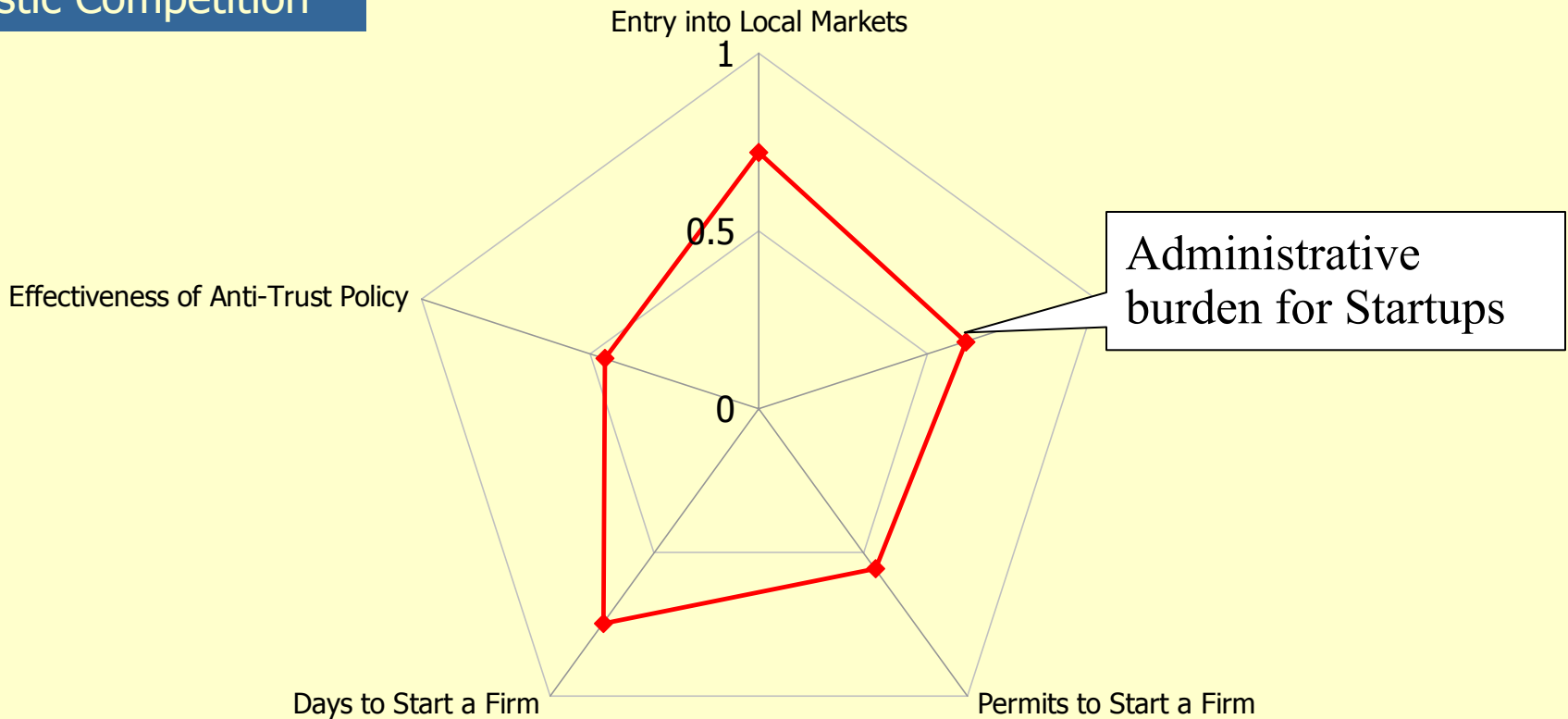
Country Credit Rating, March 2001



# Jordan



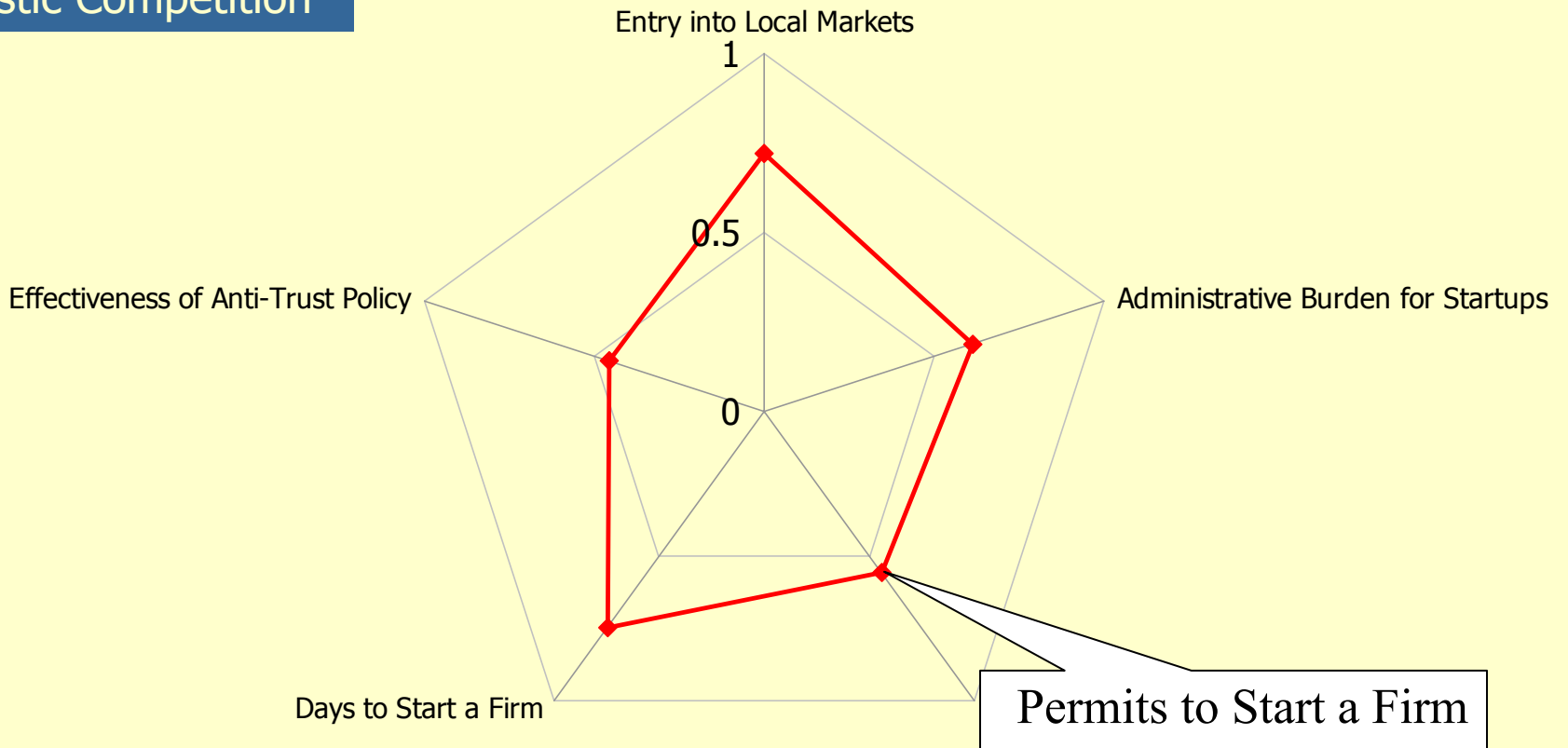
## Domestic Competition



# Jordan



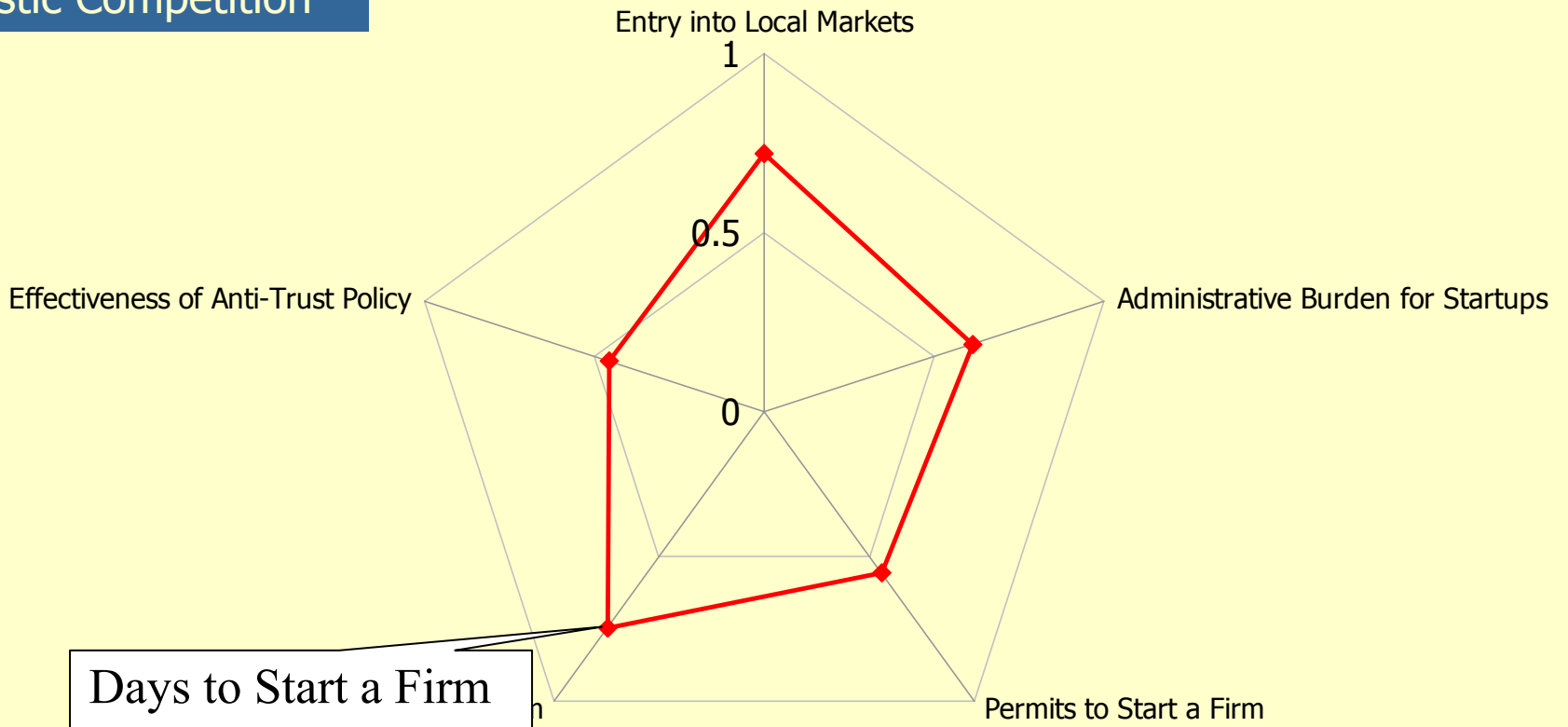
## Domestic Competition



# Jordan



## Domestic Competition

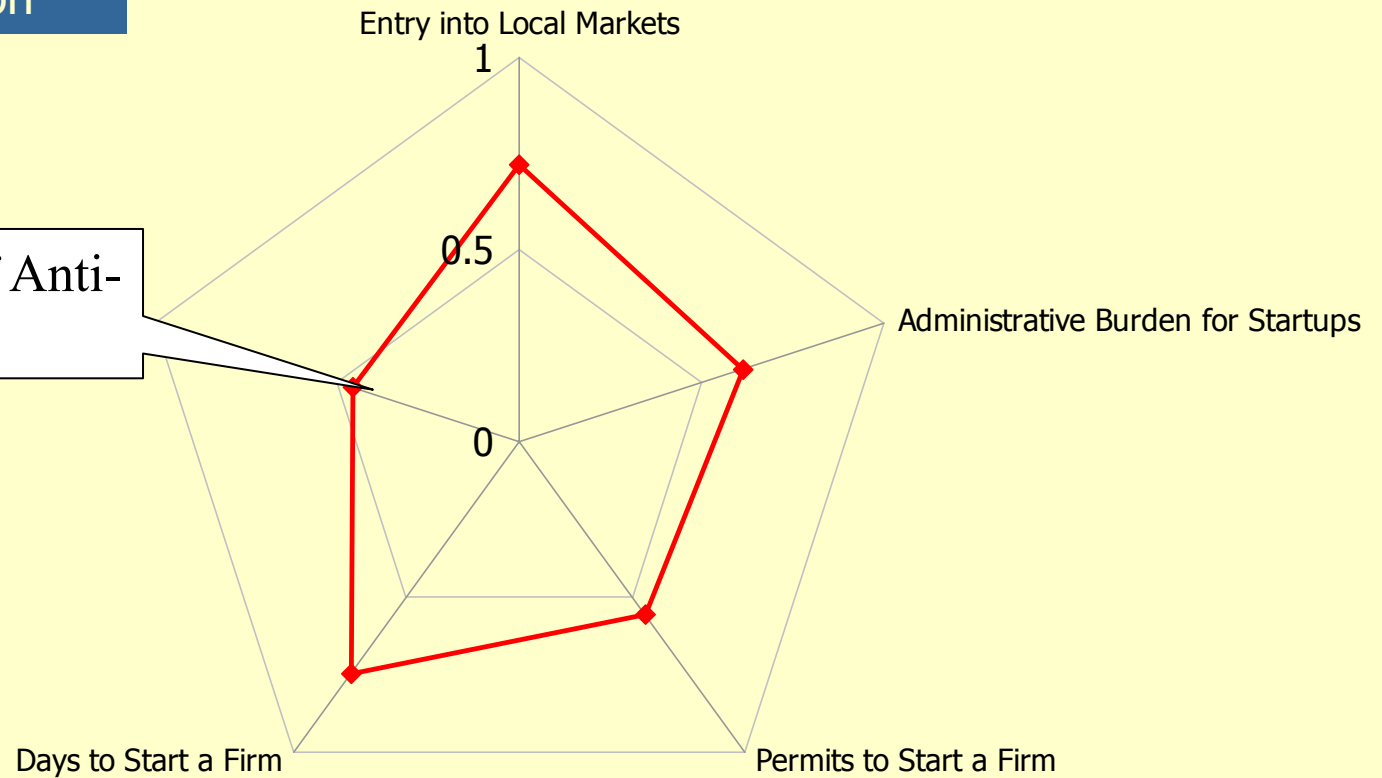


# Jordan



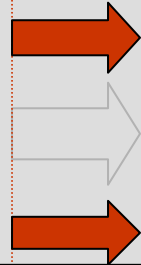
## Domestic Competition

Effectiveness of Anti-Trust Policy



# Jordan

Factor-Driven Economy

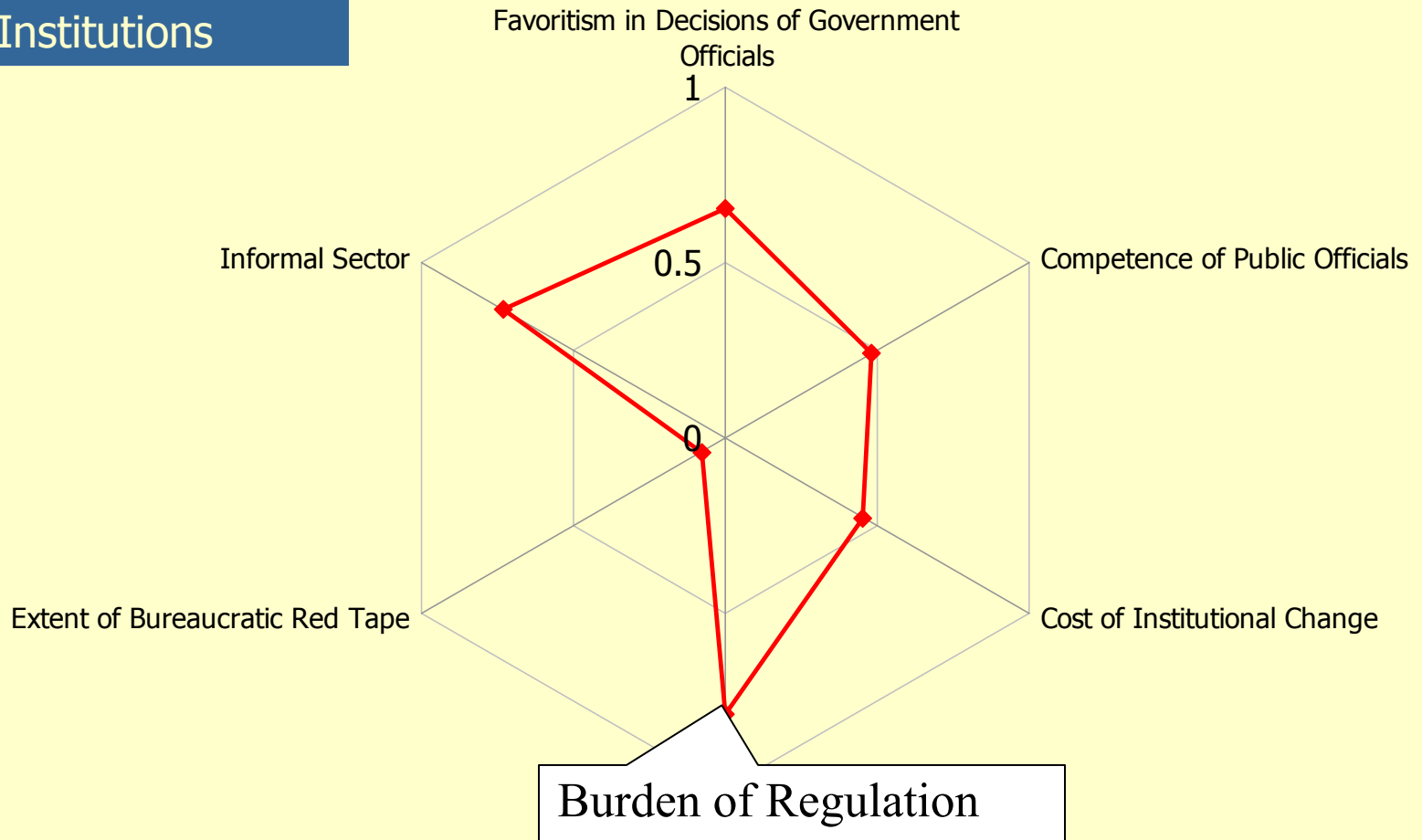


Investment-Driven Economy

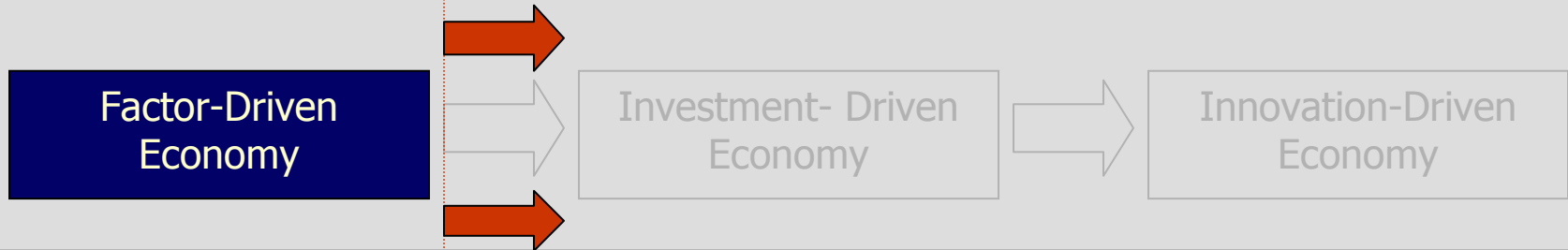


Innovation-Driven Economy

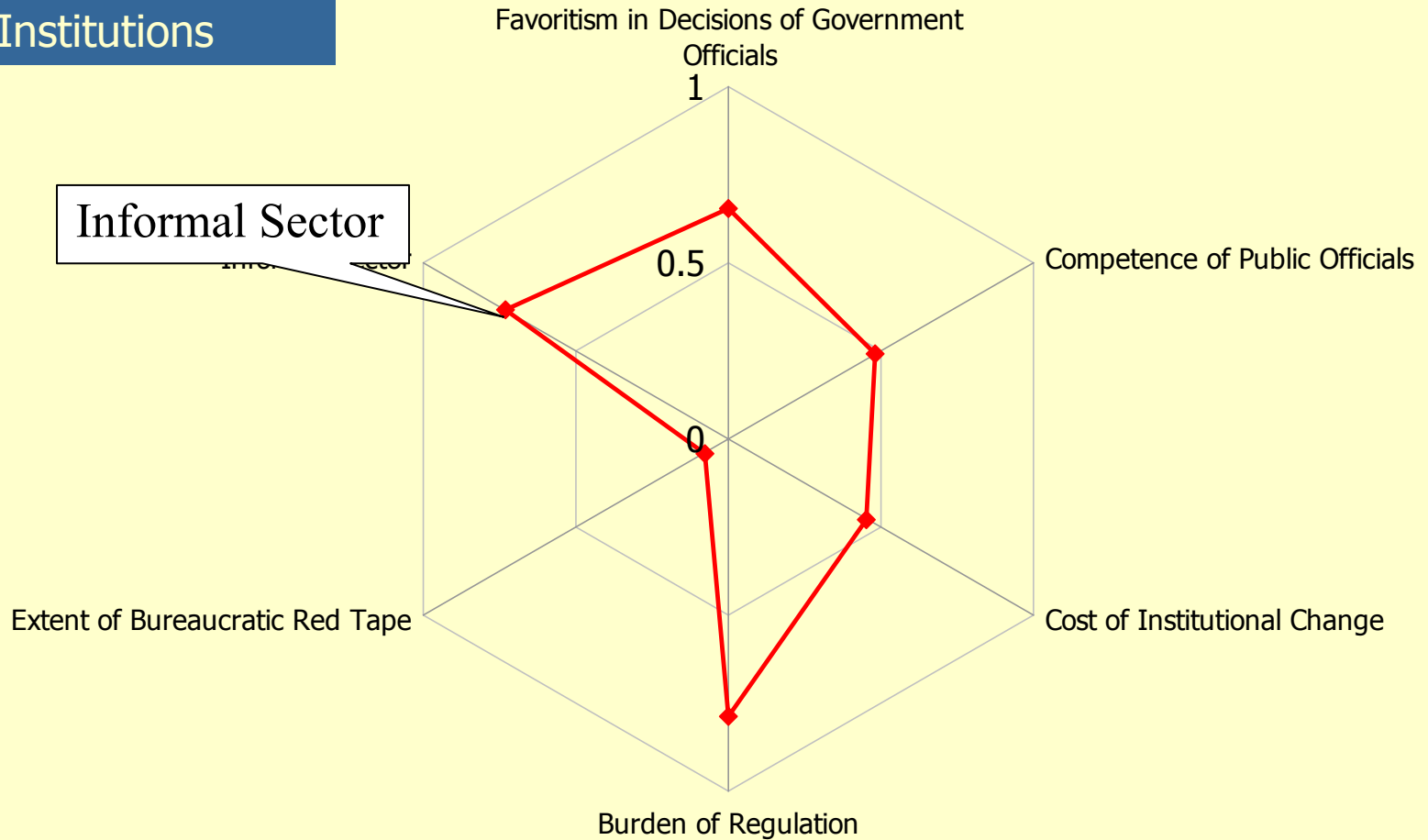
## Public Institutions



# Jordan

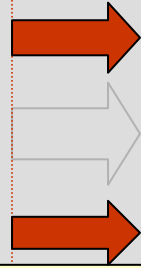


## Public Institutions



# Jordan

Factor-Driven Economy



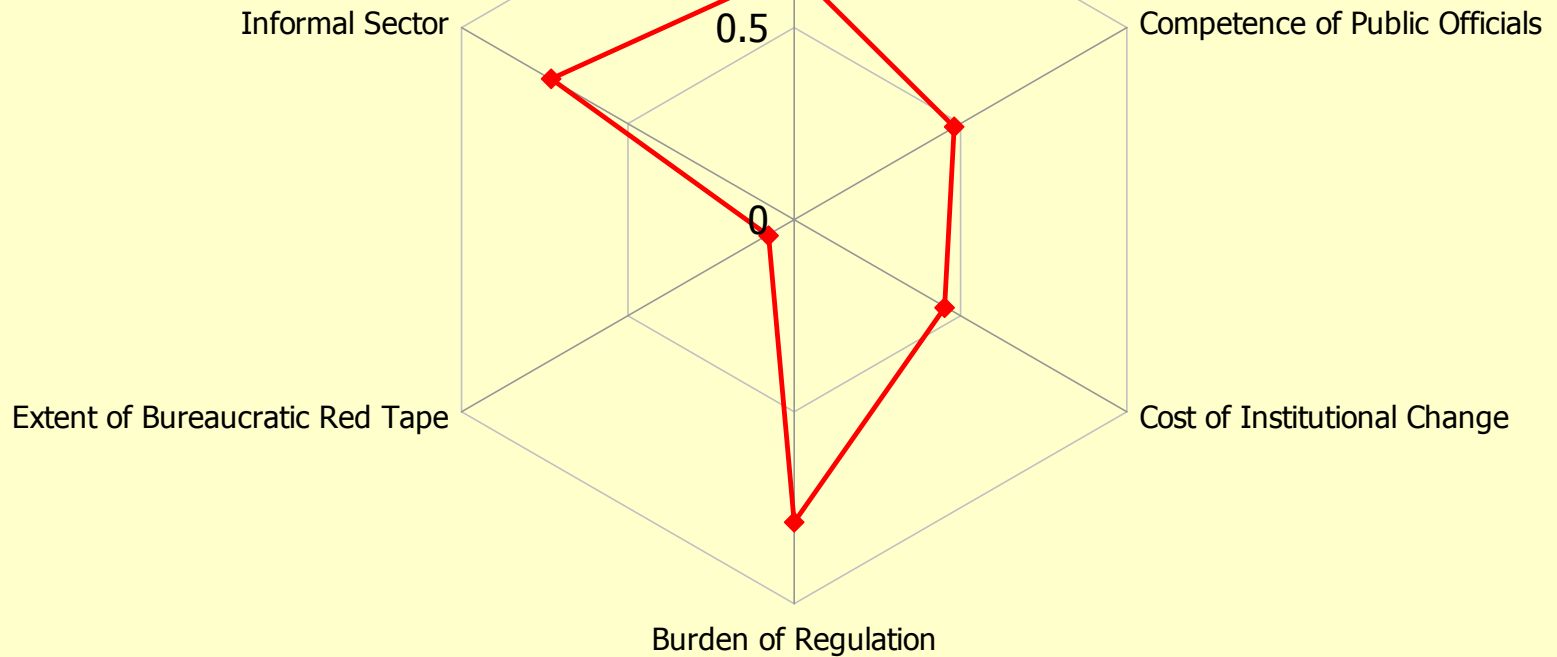
Investment-Driven Economy



Innovation-Driven Economy

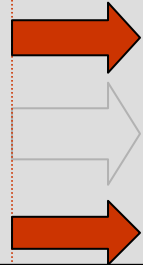
## Public Institutions

Favoritism in Decision of Government Officials



# Jordan

Factor-Driven Economy

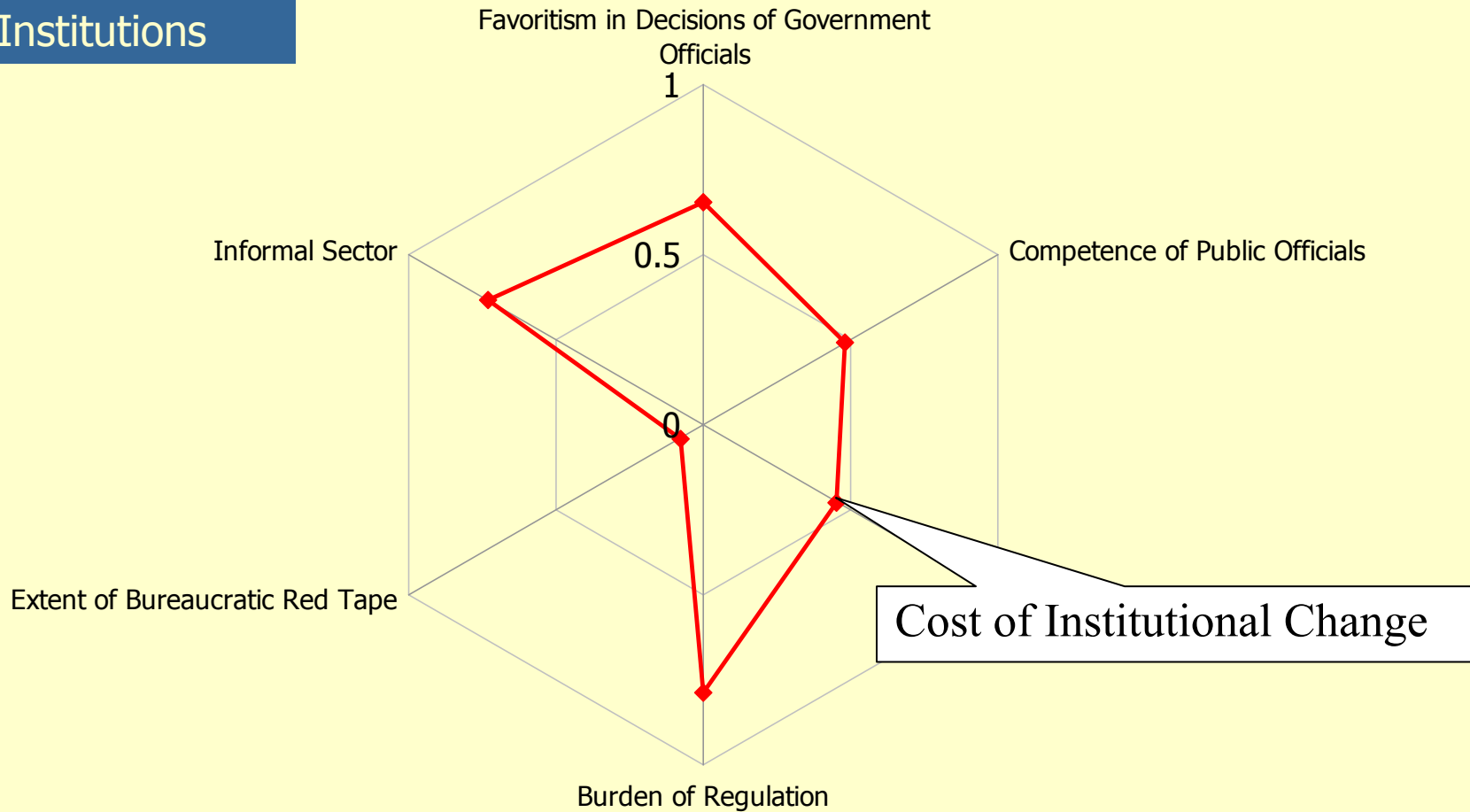


Investment-Driven Economy



Innovation-Driven Economy

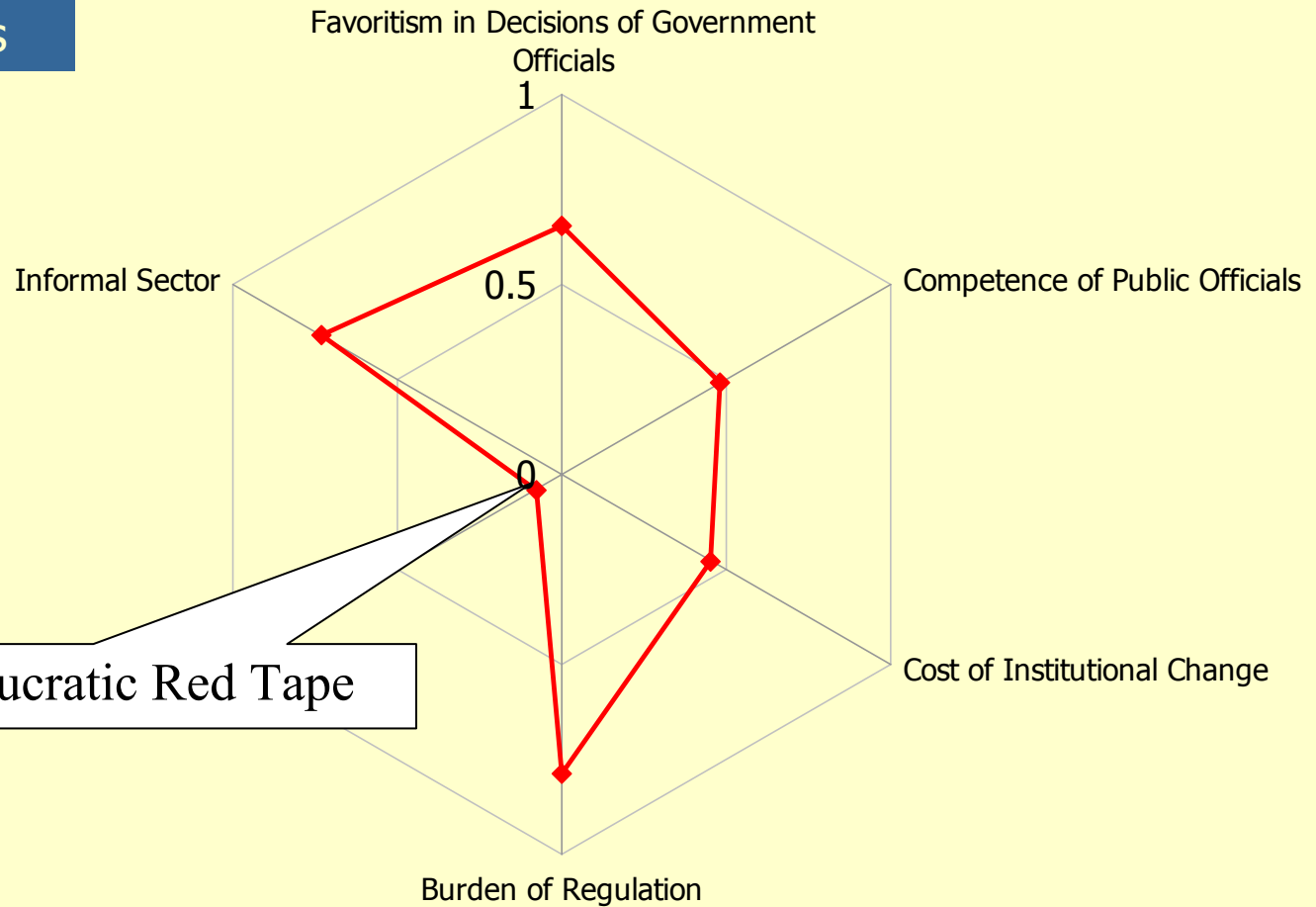
## Public Institutions



# Jordan



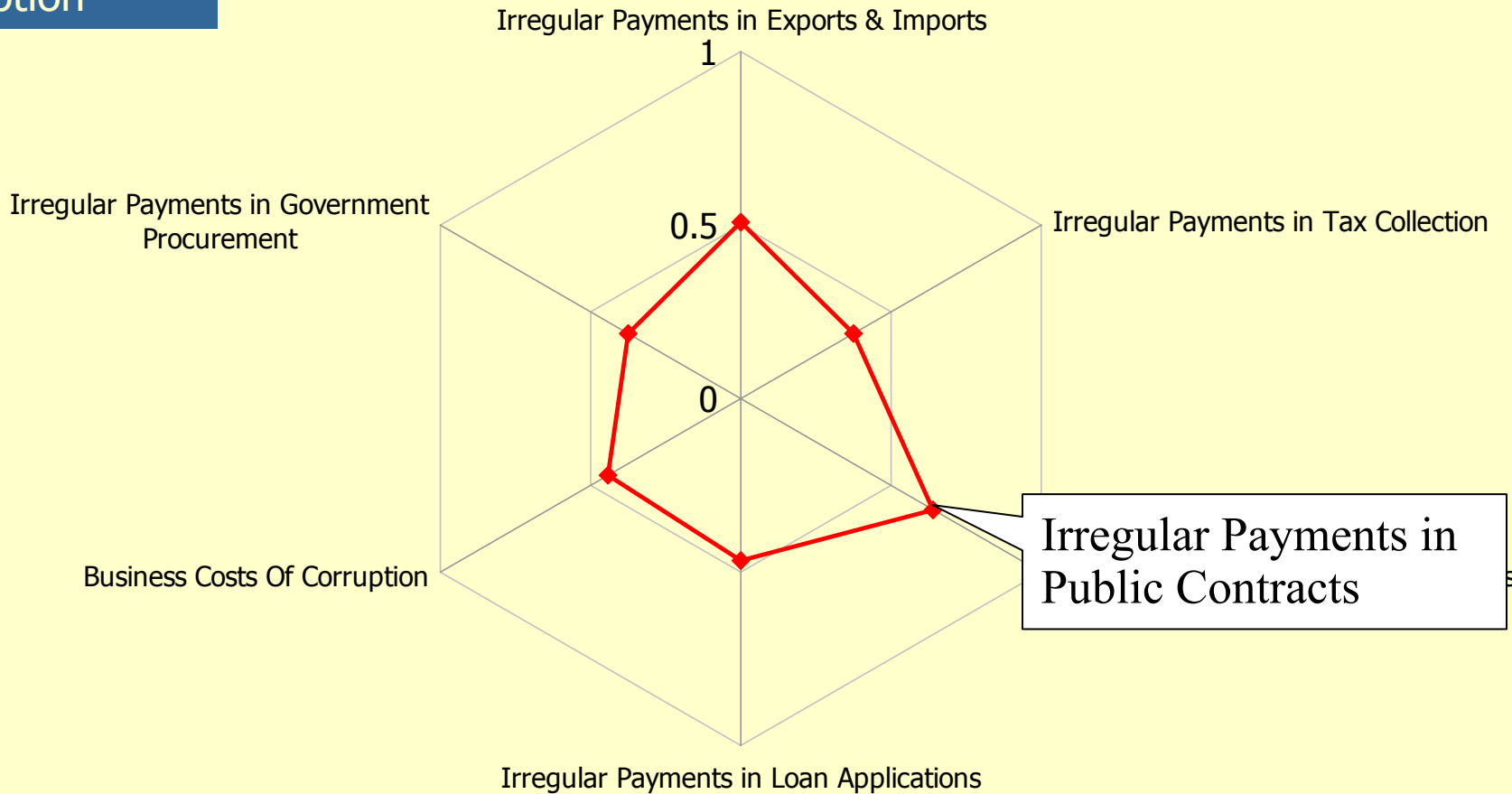
## Public Institutions



# Jordan



## Corruption

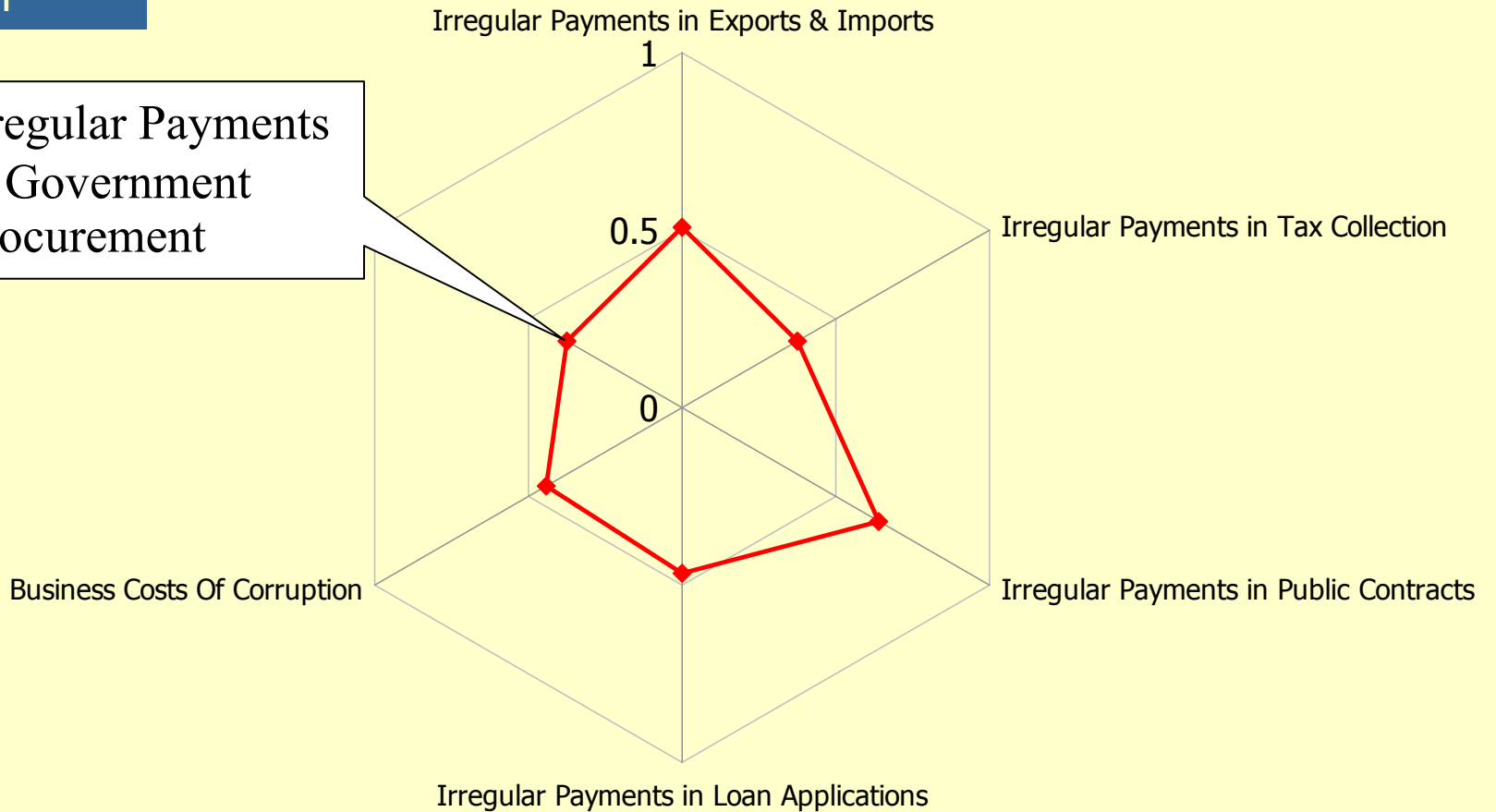


# Jordan



## Corruption

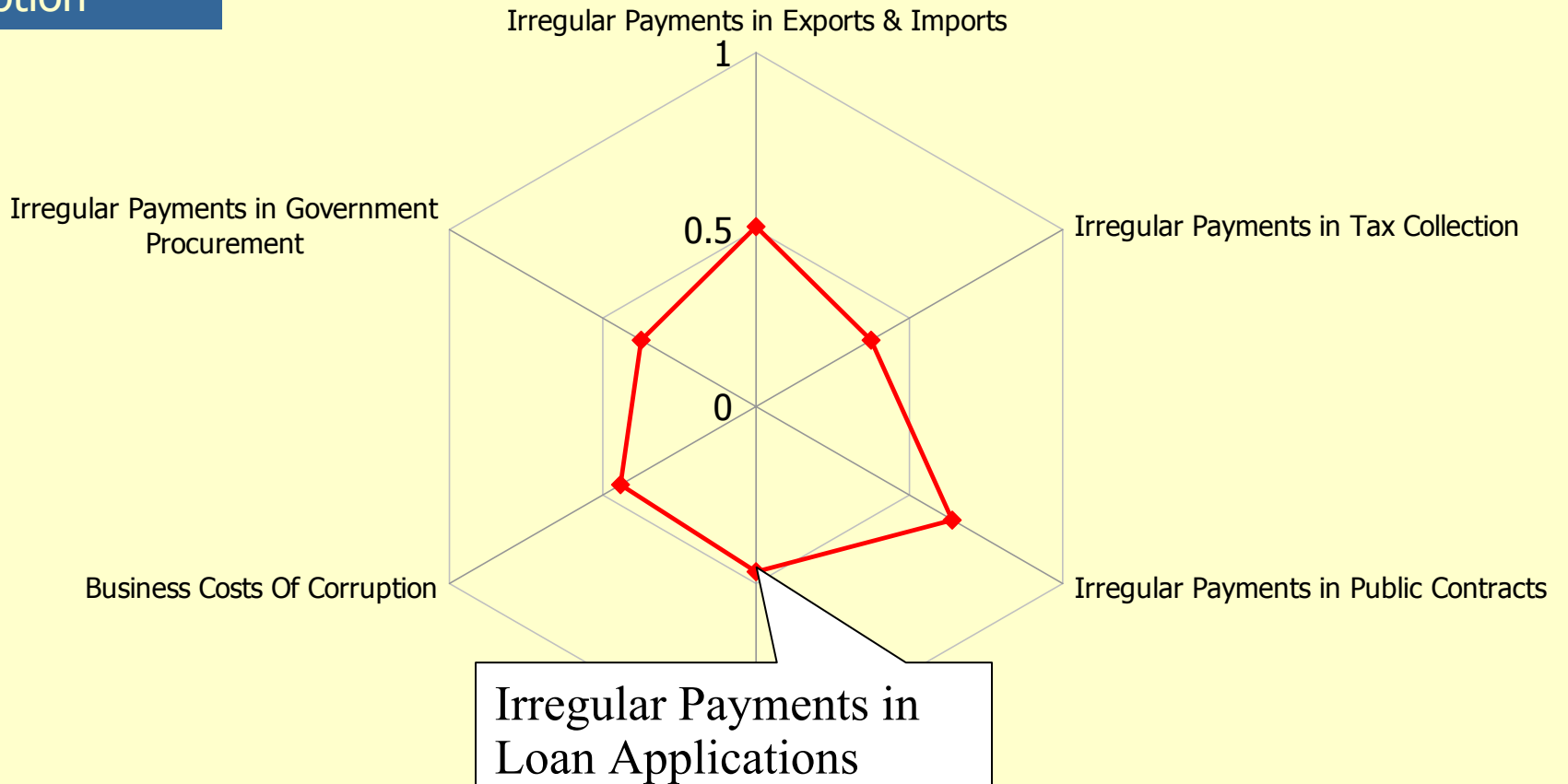
Irregular Payments in Government Procurement



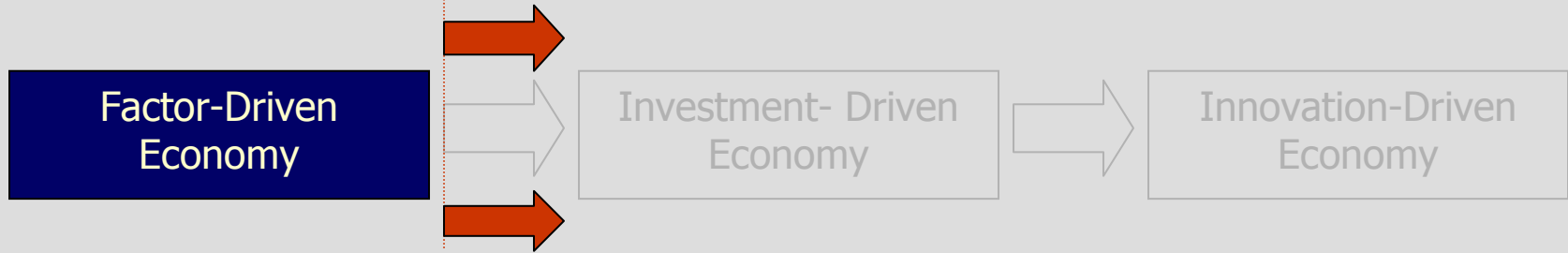
# Jordan



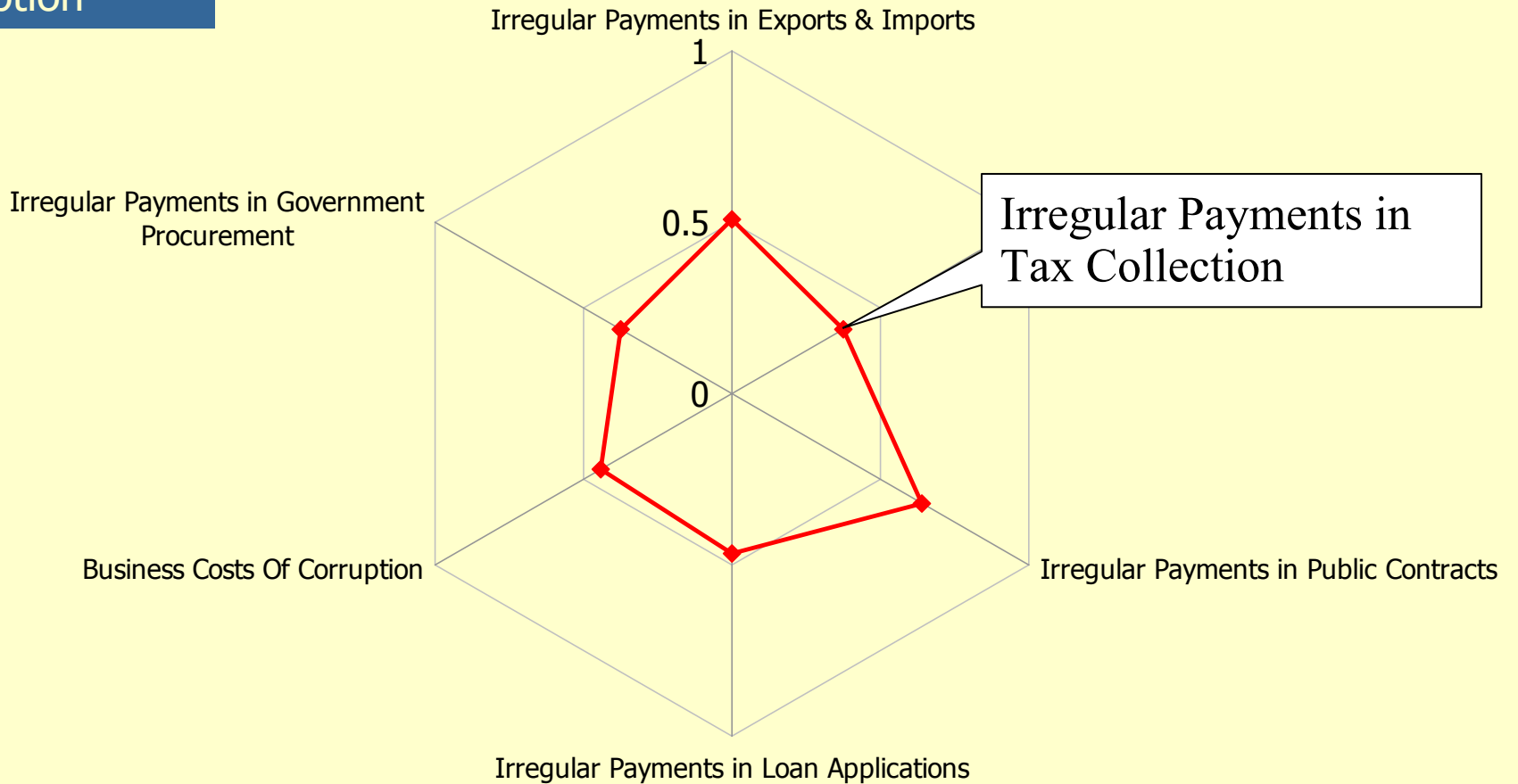
## Corruption



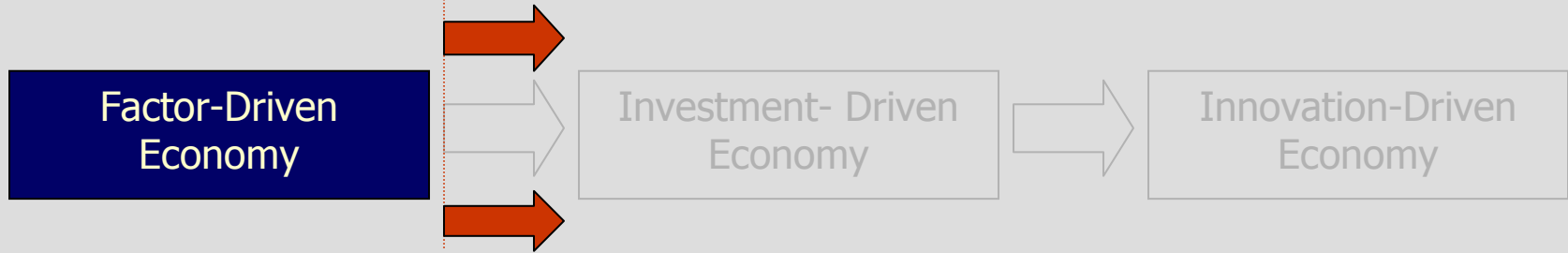
# Jordan



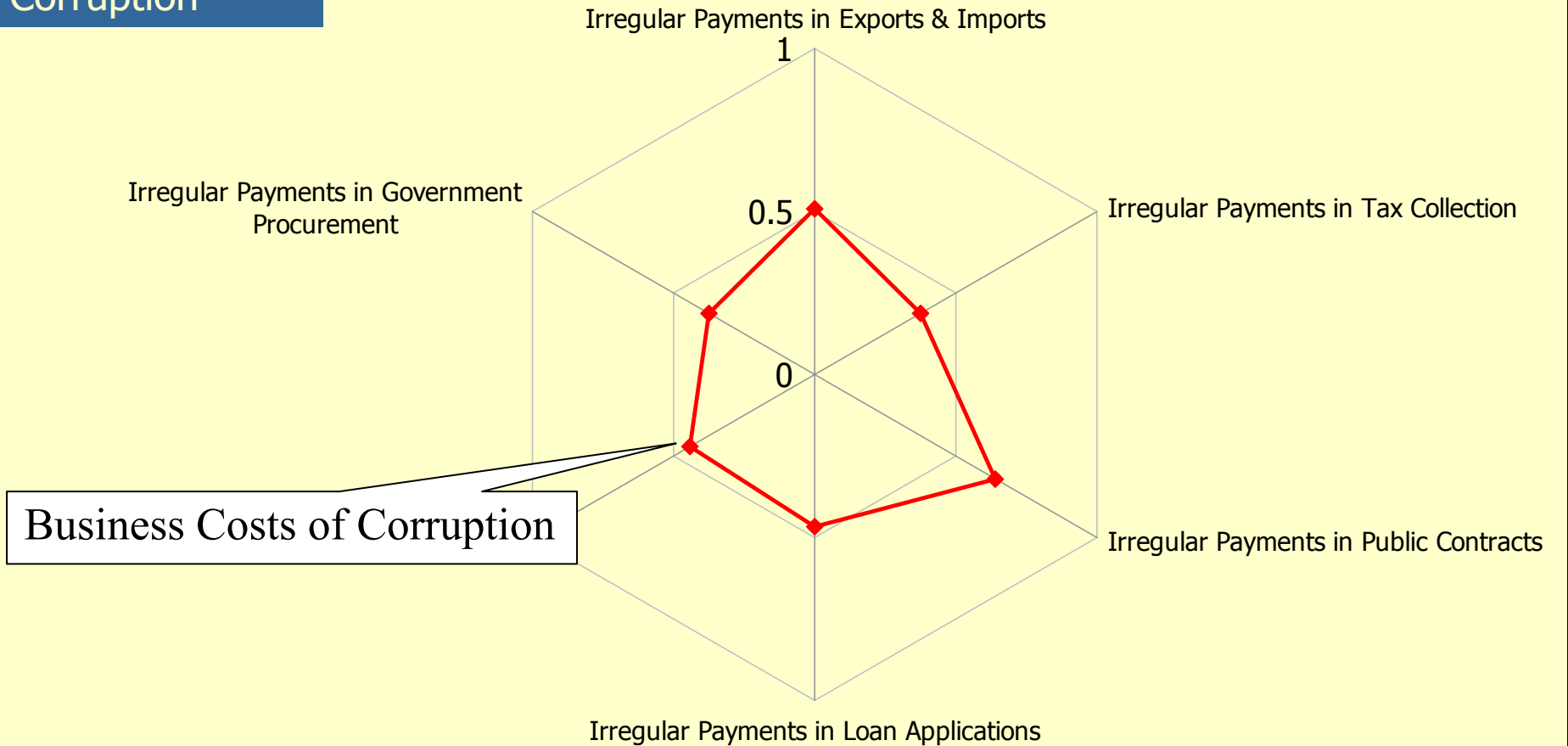
## Corruption



# Jordan



## Corruption





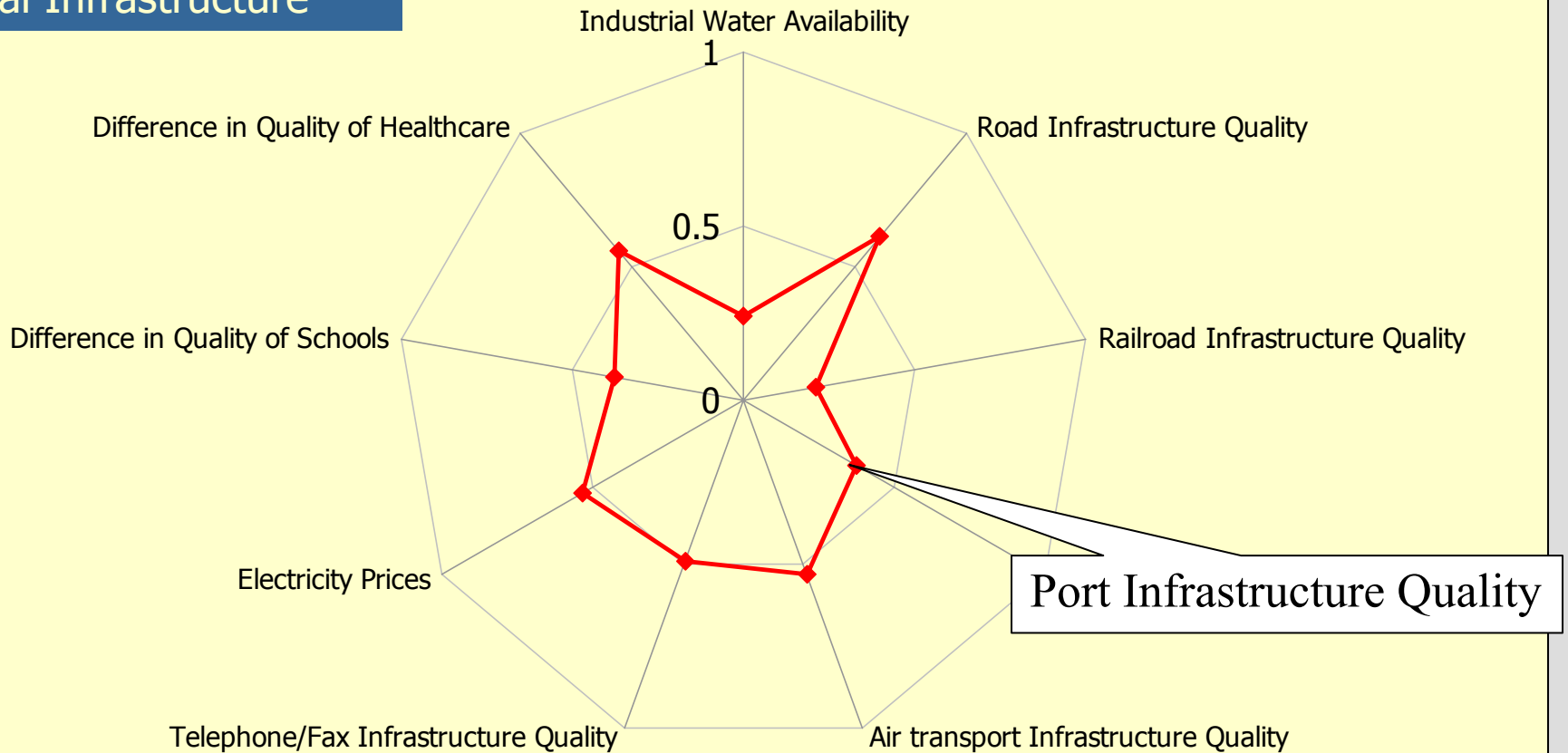
## **The public sector's role as a nation transitions from a factor-driven to an investment-driven economy:**

Government priorities need to focus increasingly on improvements in physical infrastructure (ports, telecommunications, roads) and regulatory arrangements (customs, taxation, company law) to allow the economy to integrate more fully with global markets.

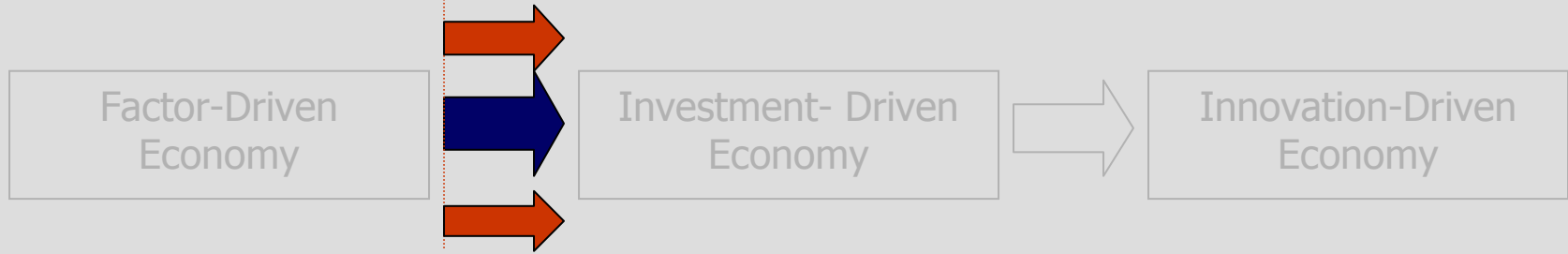
# Jordan



## General Infrastructure

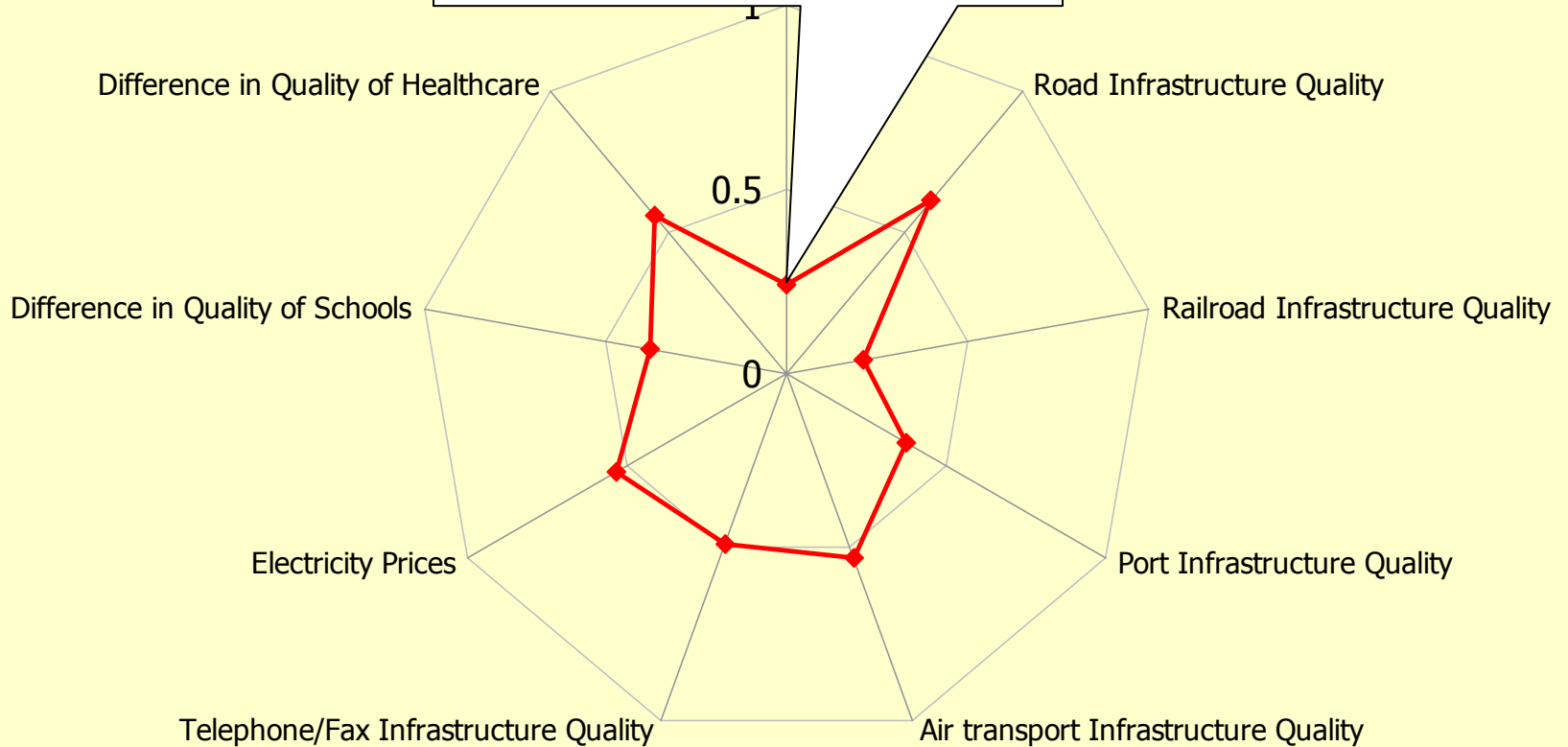


# Jordan

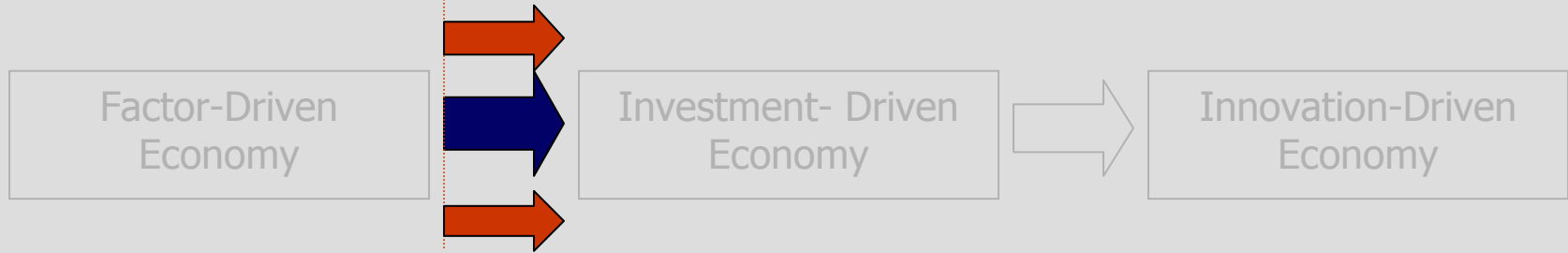


## General Infrastructure

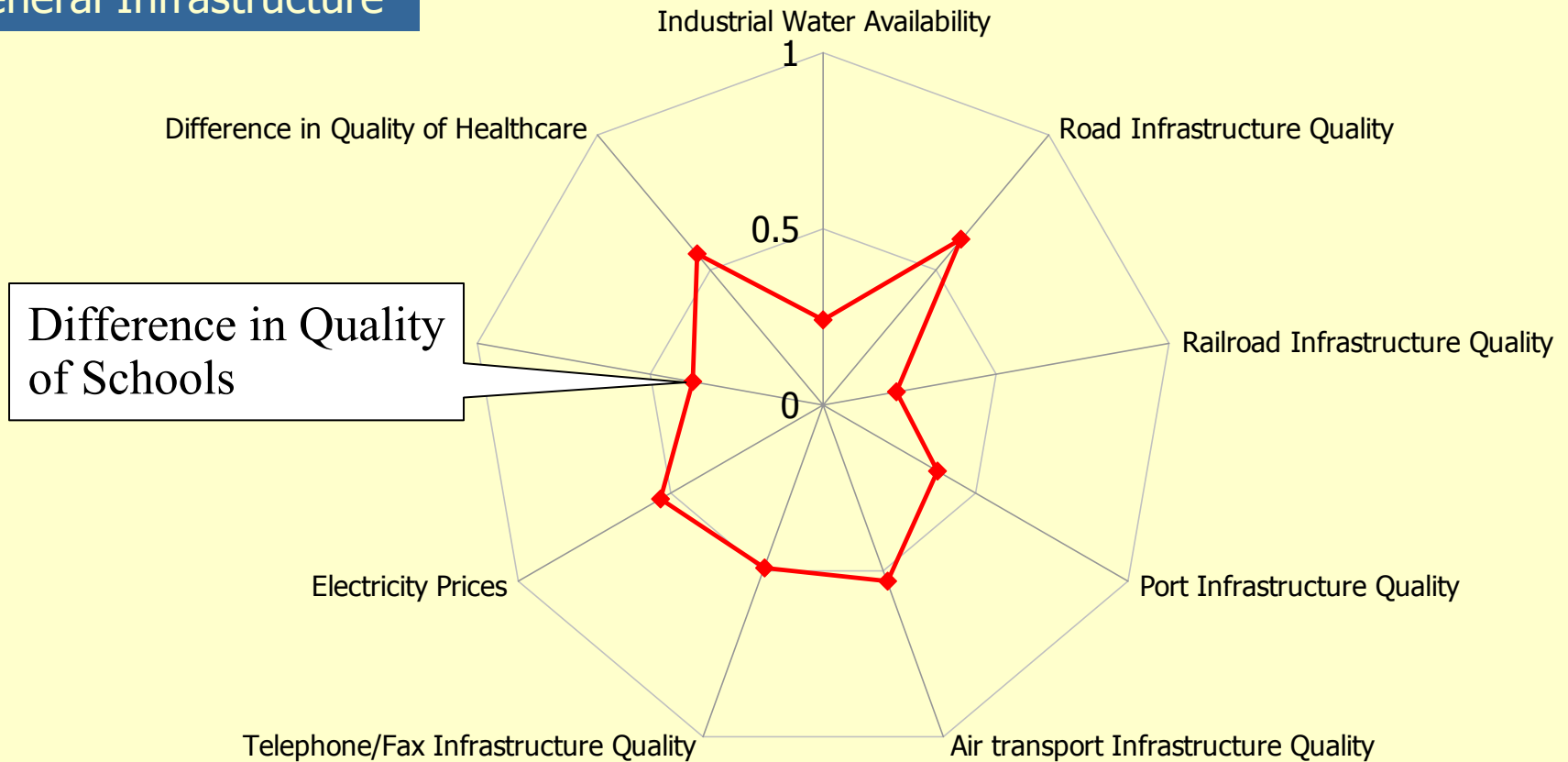
## Industrial Water Availability



# Jordan



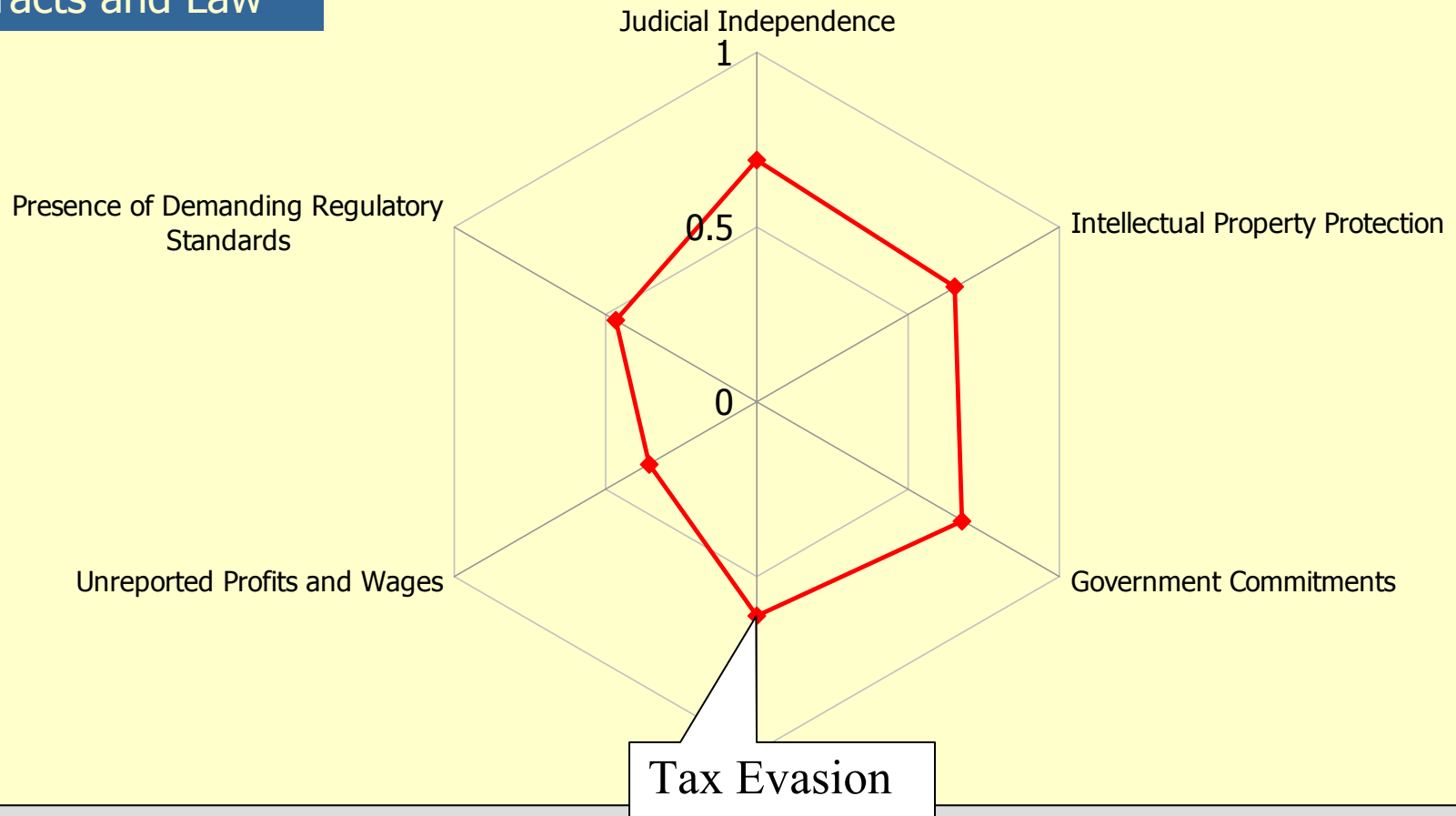
## General Infrastructure



# Jordan



## Contracts and Law



# Jordan



## Contracts and Law

### Judicial Independence

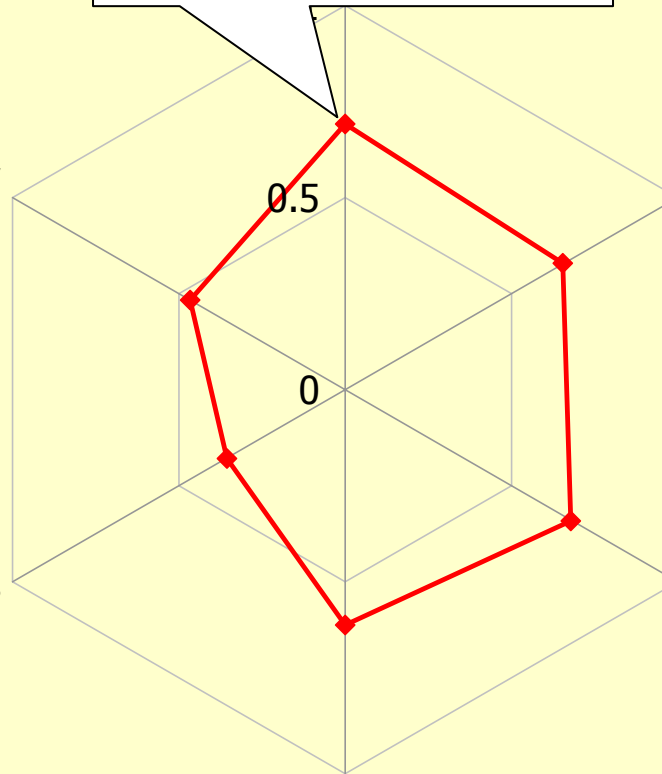
Presence of Demanding Regulatory Standards

Intellectual Property Protection

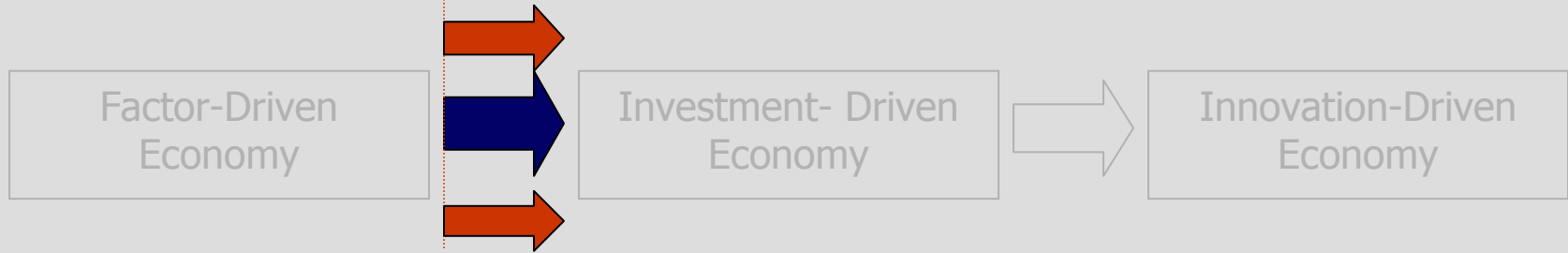
Unreported Profits and Wages

Government Commitments

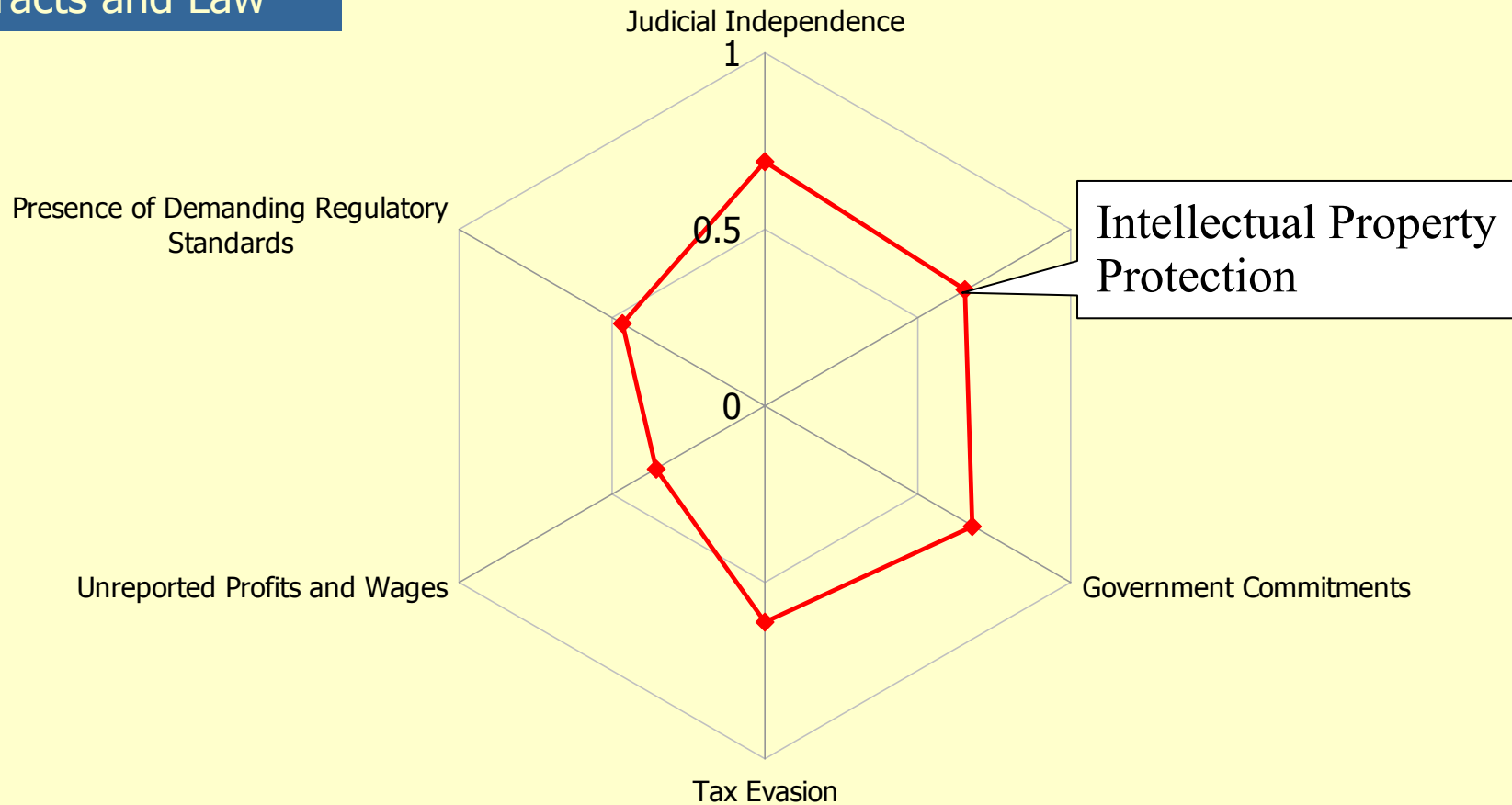
Tax Evasion



# Jordan



## Contracts and Law

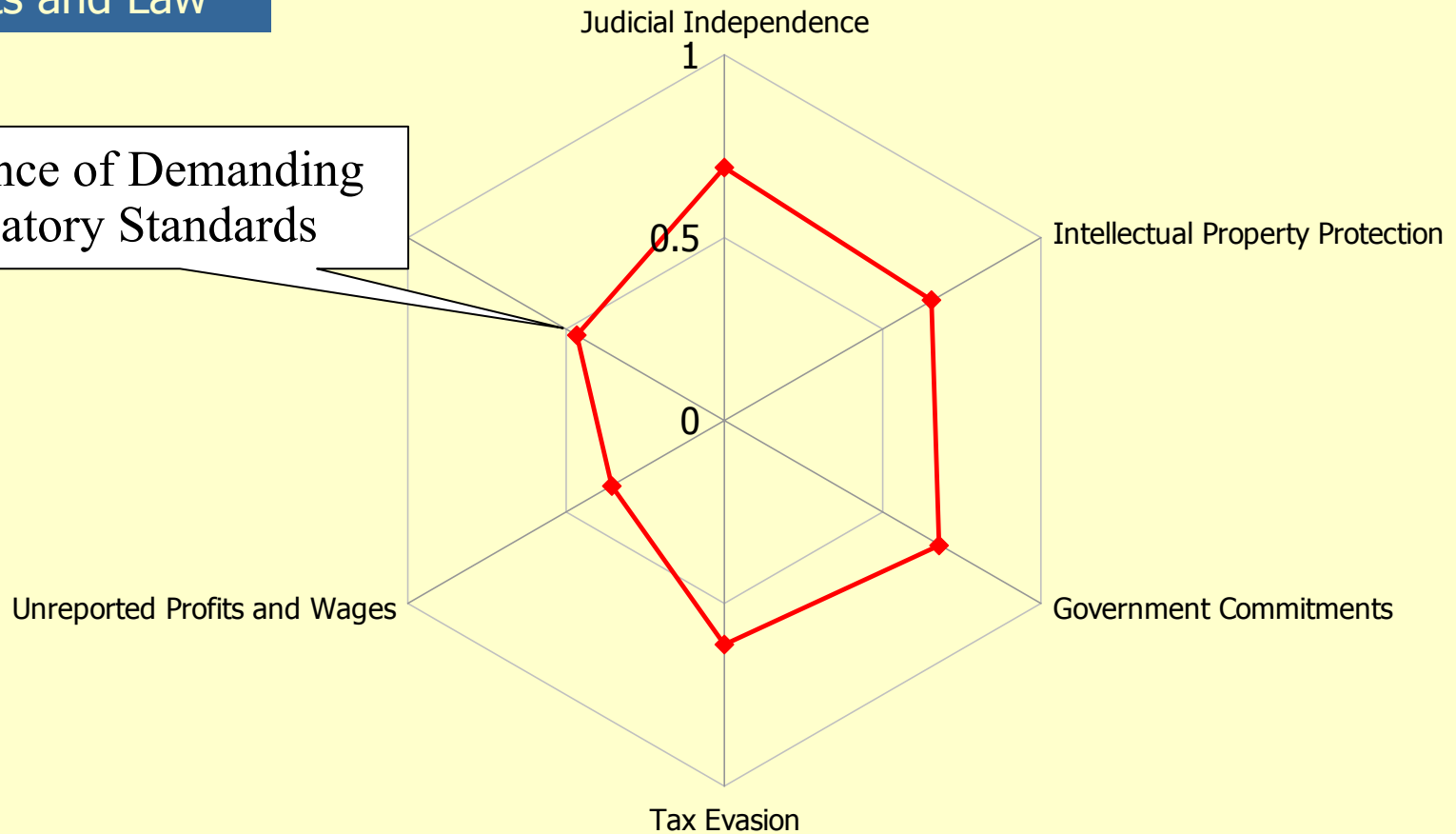


# Jordan



## Contracts and Law

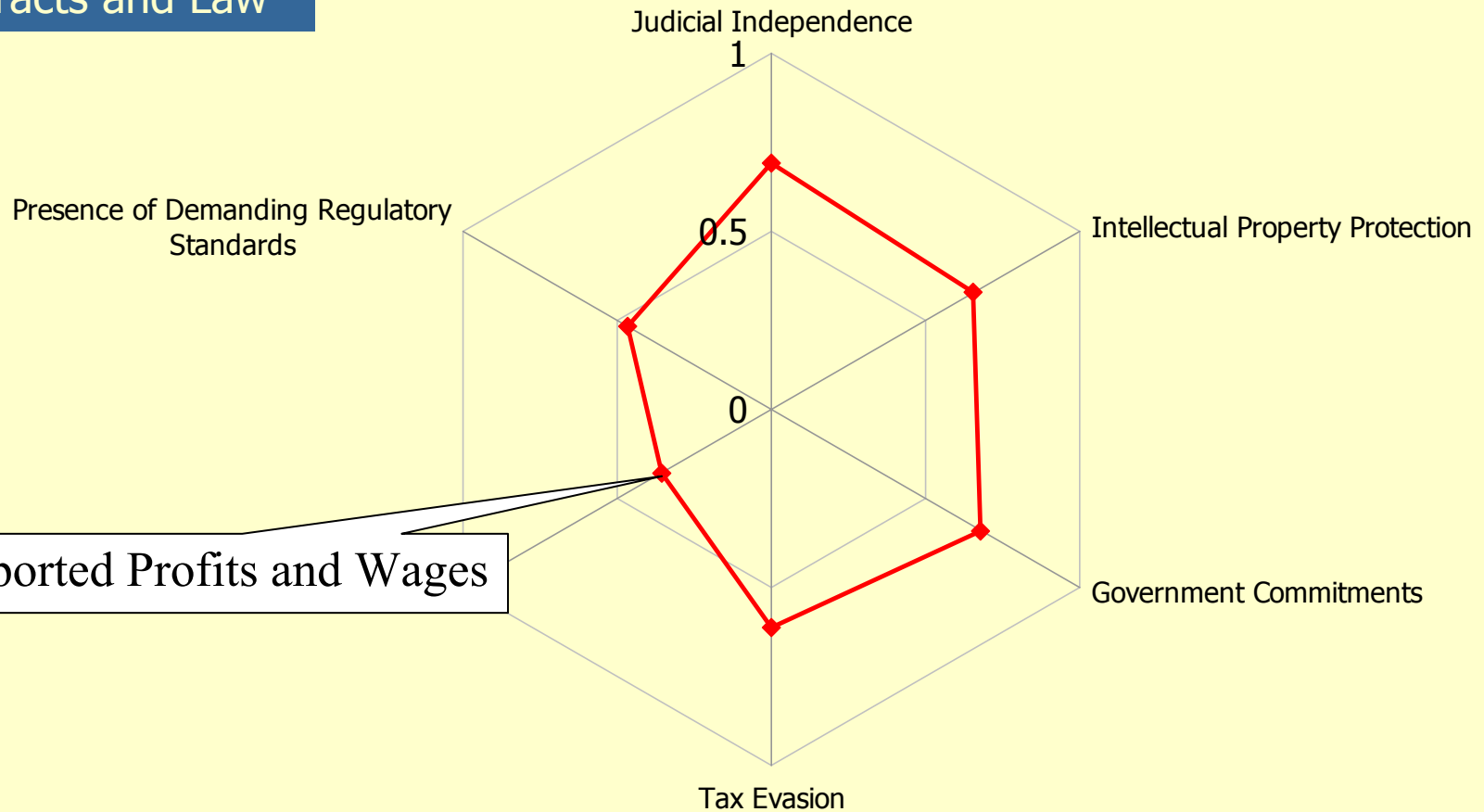
Presence of Demanding Regulatory Standards



# Jordan



## Contracts and Law



Unreported Profits and Wages



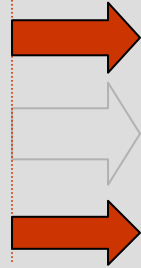
## **The role of the public sector at the investment-driven phase:**

Government, citizens, and firms all invest in an investment-driven economy to upgrade factors from basic to more advanced and create a modern infrastructure.

# Jordan

## Our Target

Factor-Driven Economy

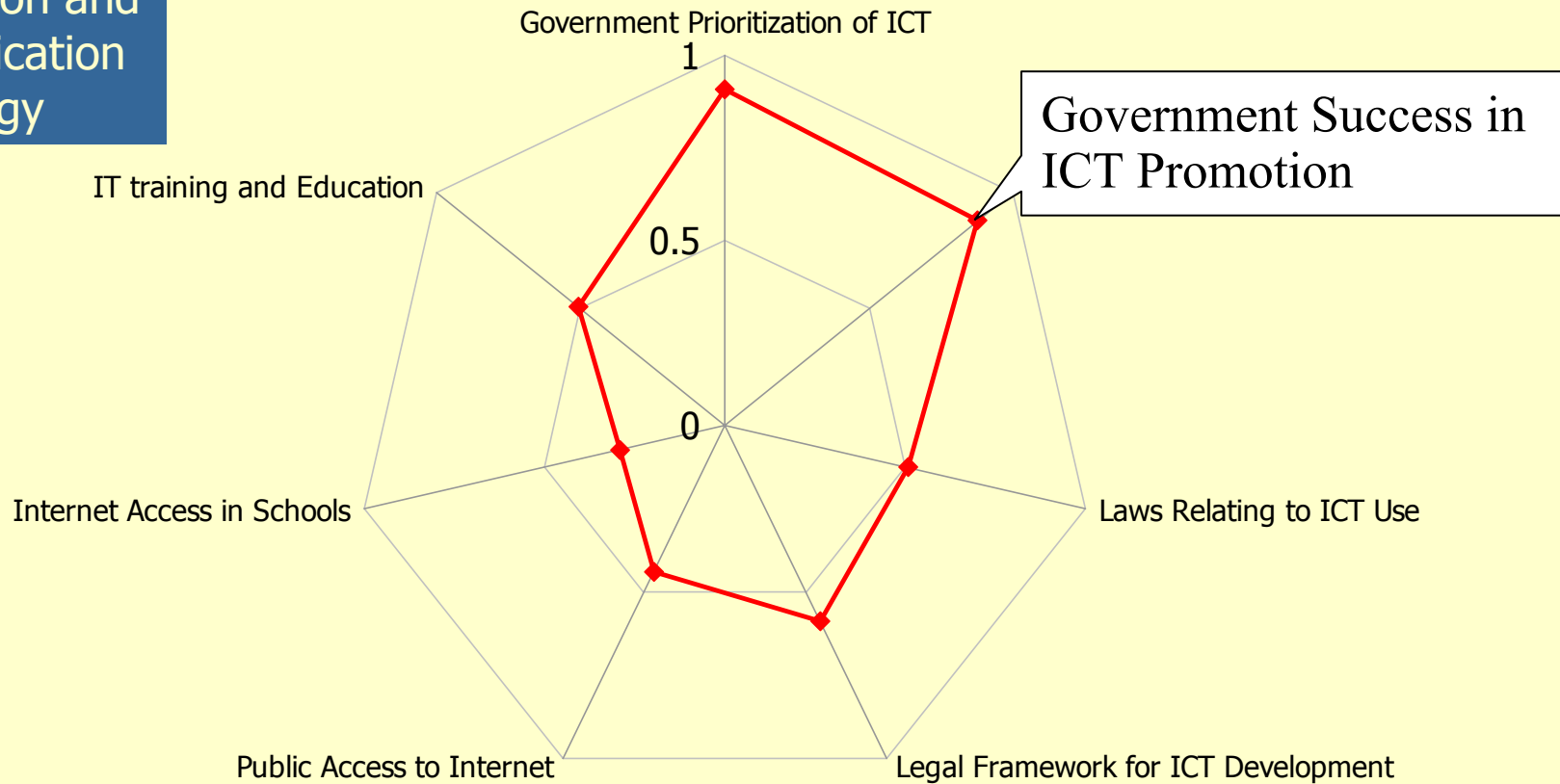


Investment-Driven Economy



Innovation-Driven Economy

### Information and Communication Technology

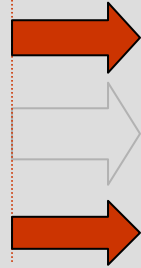


Government Success in ICT Promotion

**Jordan**

**Our Target**

Factor-Driven  
Economy



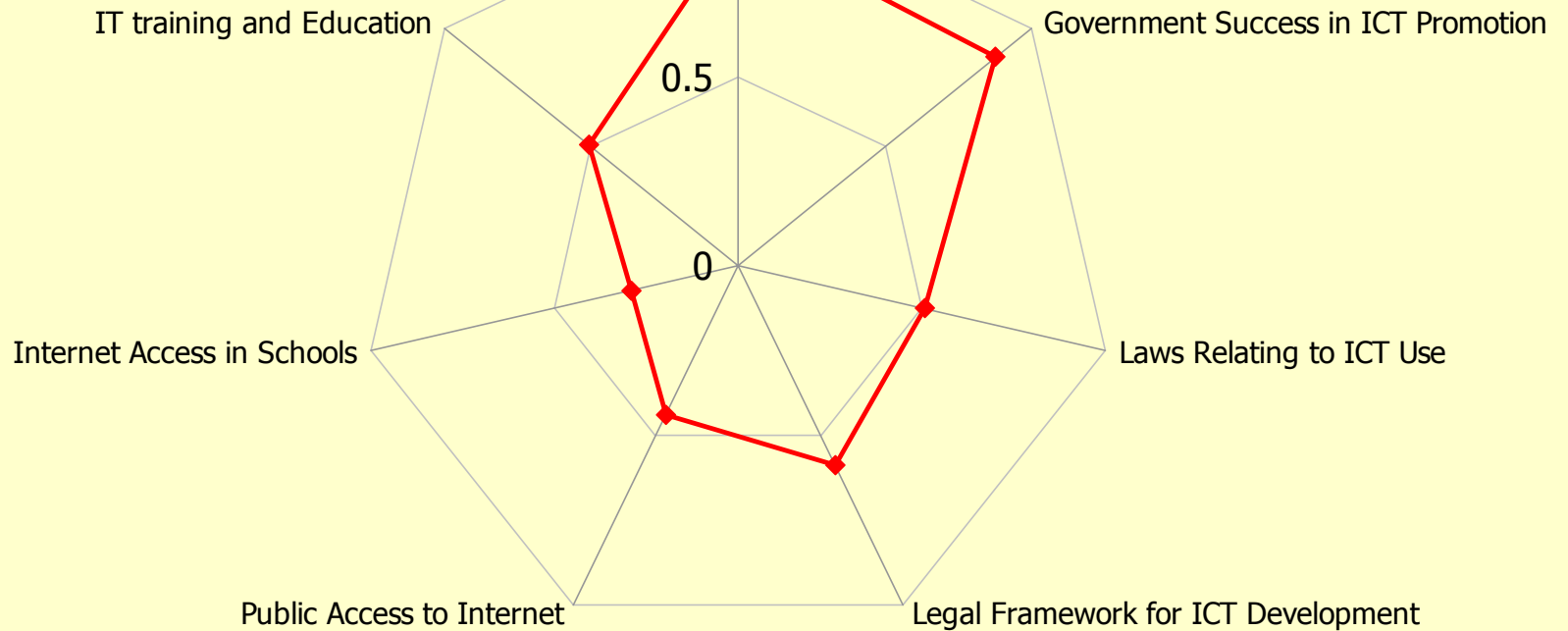
Investment-Driven  
Economy



Innovation-Driven  
Economy

Information and  
Communication  
Technology

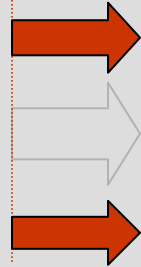
Government Prioritization of ICT



# Jordan

## Our Target

Factor-Driven Economy

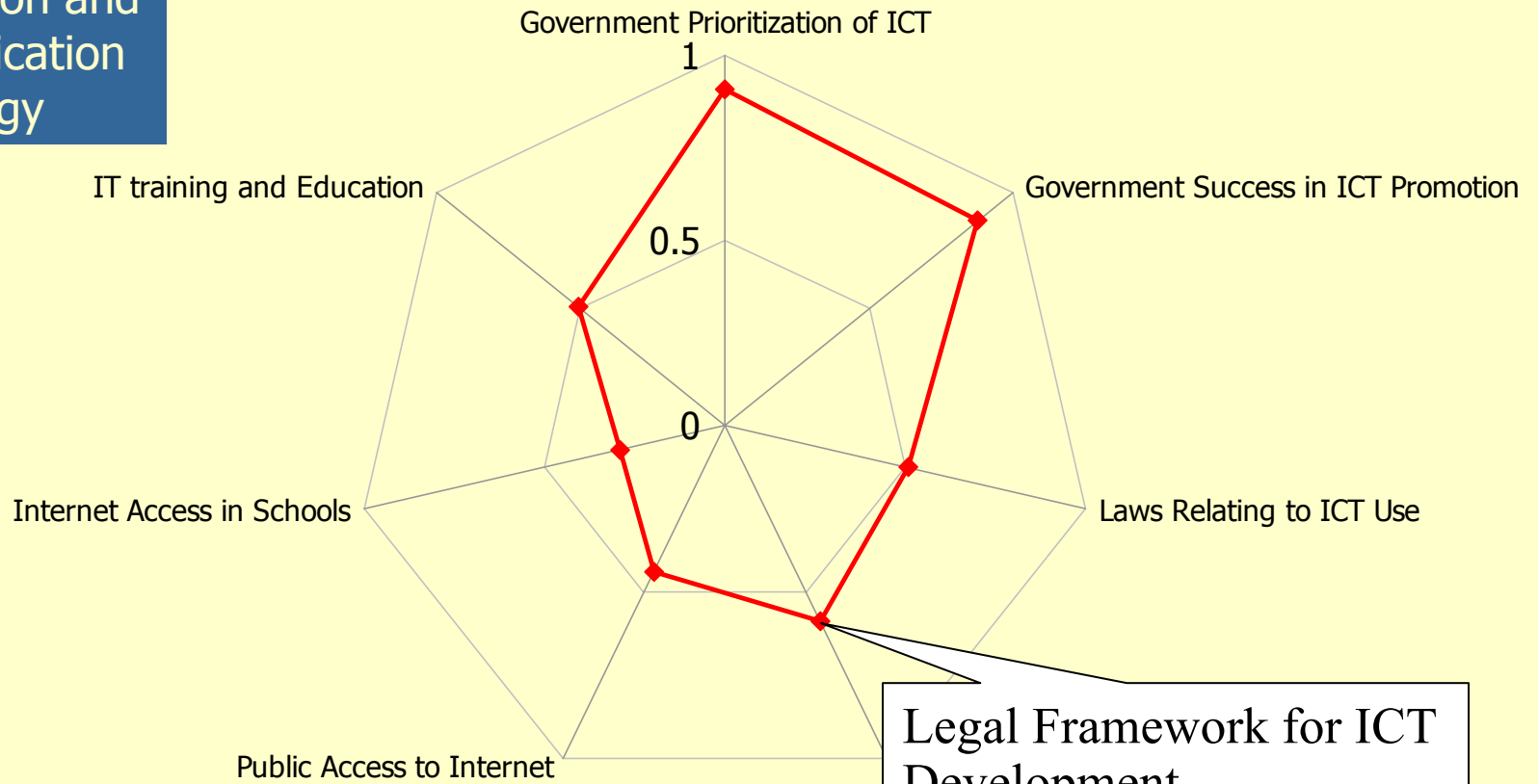


Investment-Driven Economy



Innovation-Driven Economy

### Information and Communication Technology

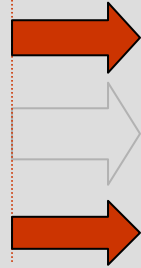


Legal Framework for ICT Development

# Jordan

## Our Target

Factor-Driven Economy

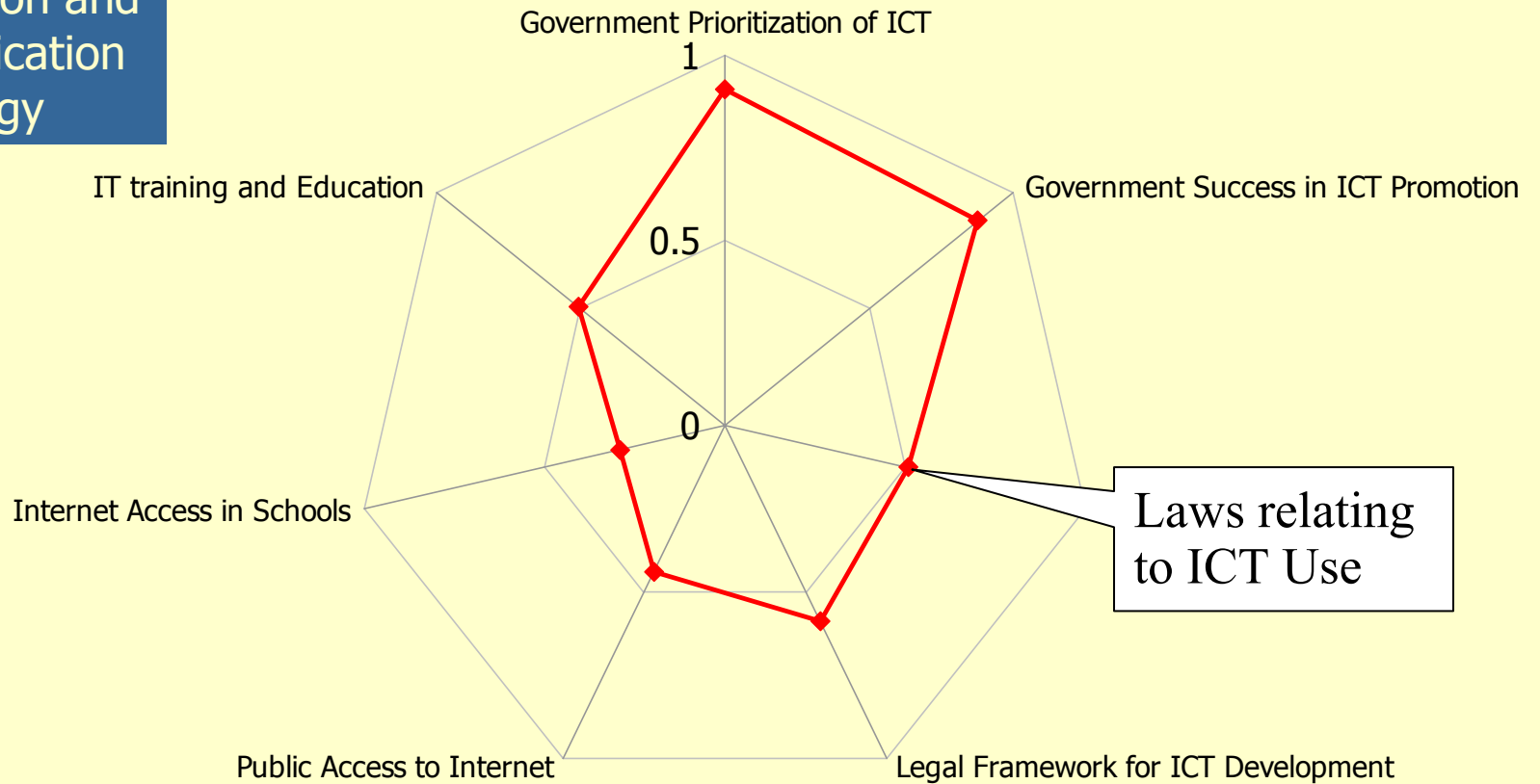


Investment-Driven Economy



Innovation-Driven Economy

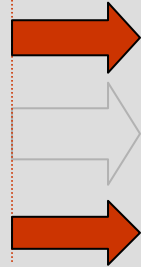
### Information and Communication Technology



# Jordan

## Our Target

Factor-Driven Economy

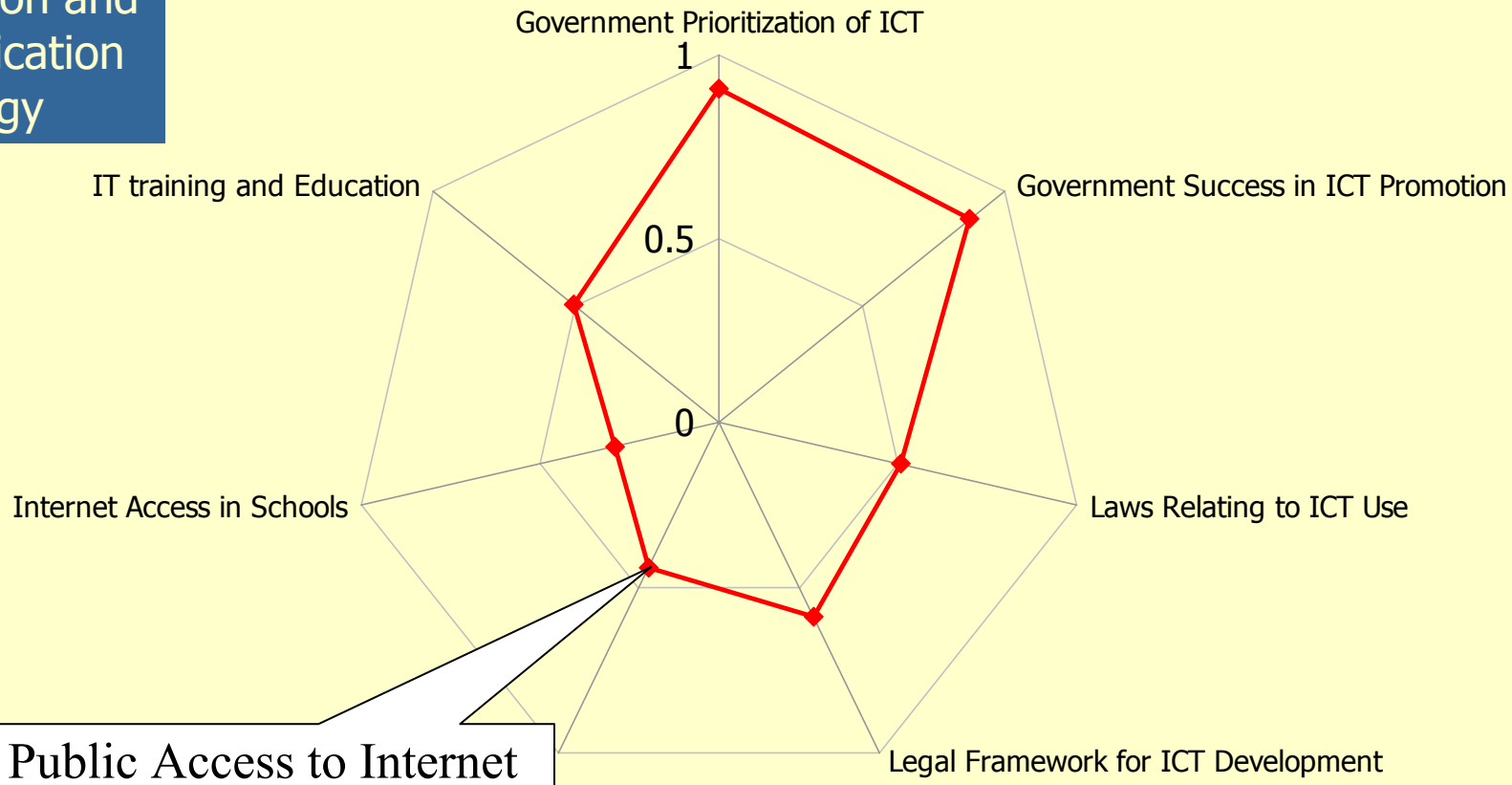


Investment-Driven Economy



Innovation-Driven Economy

### Information and Communication Technology

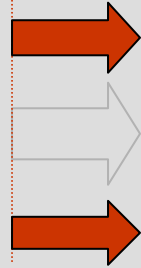


Public Access to Internet

# Jordan

## Our Target

Factor-Driven Economy



Investment-Driven Economy



Innovation-Driven Economy

### Information and Communication Technology

IT training and Education

Government Prioritization of ICT

Government Success in ICT Promotion

1

0.5

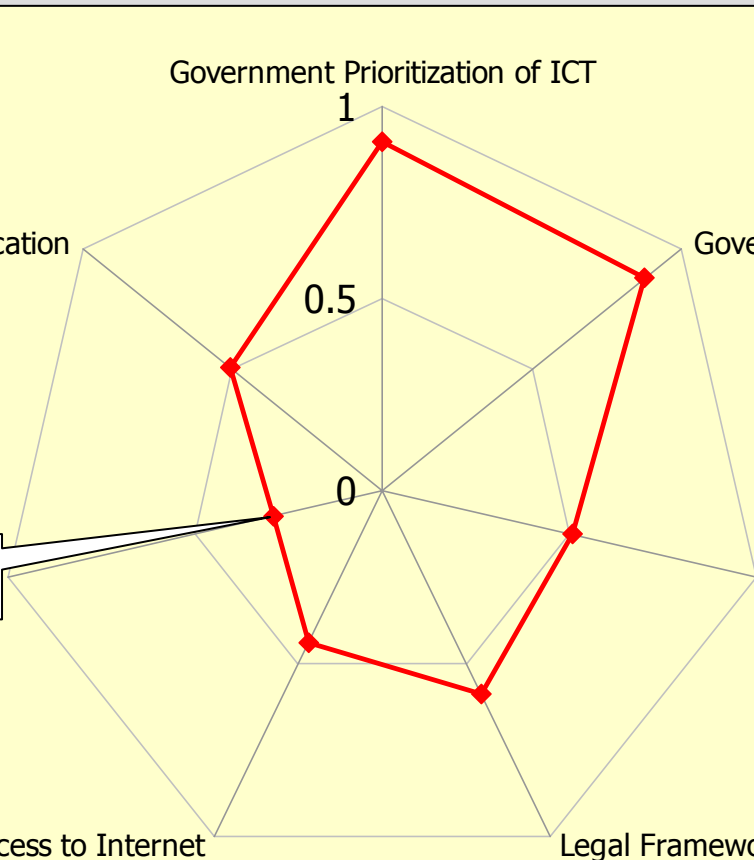
0

Internet Access in Schools

Laws Relating to ICT Use

Public Access to Internet

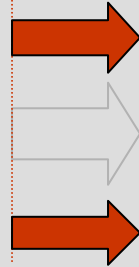
Legal Framework for ICT Development



# Jordan

## Our Target

Factor-Driven Economy

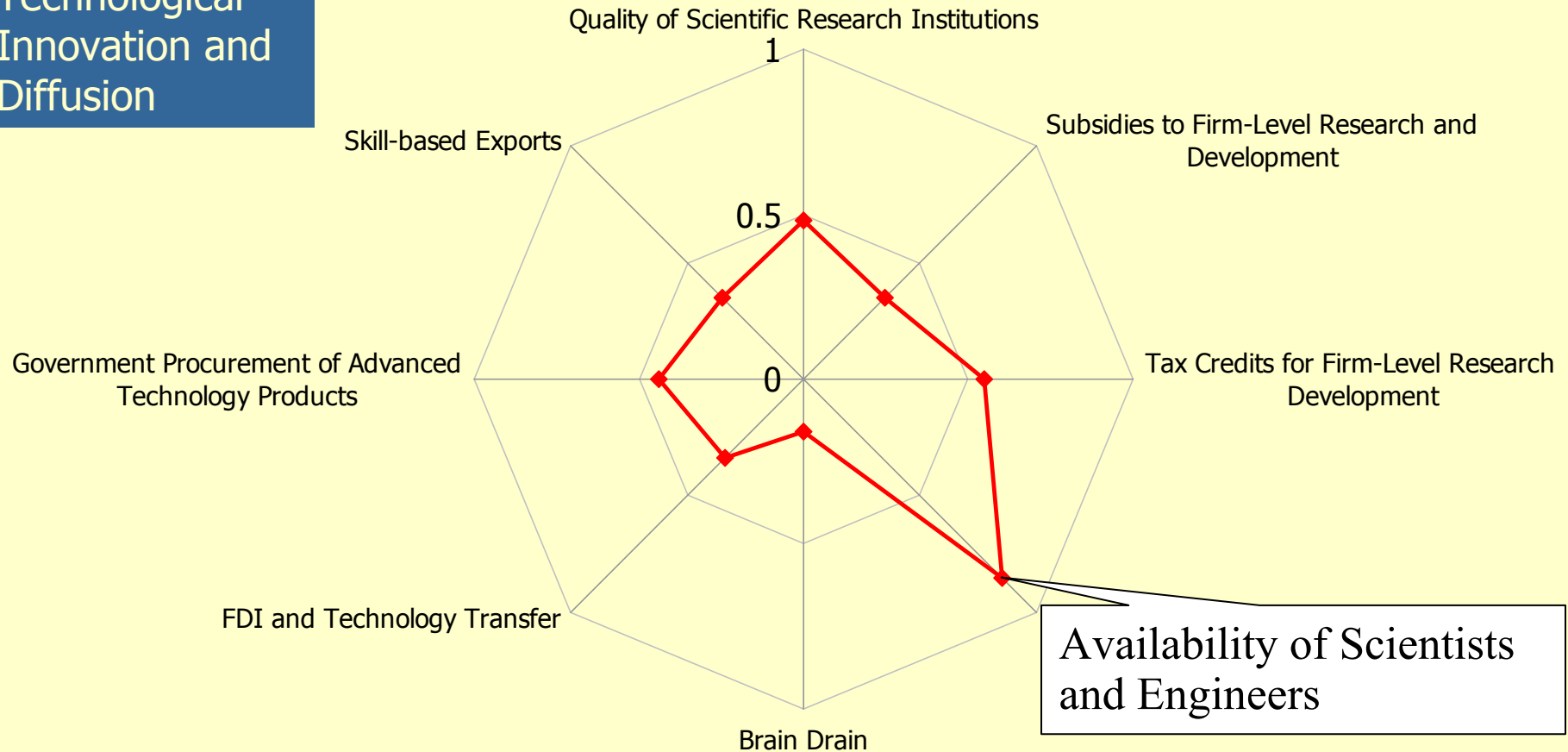


Investment-Driven Economy



Innovation-Driven Economy

### Technological Innovation and Diffusion



**Jordan**

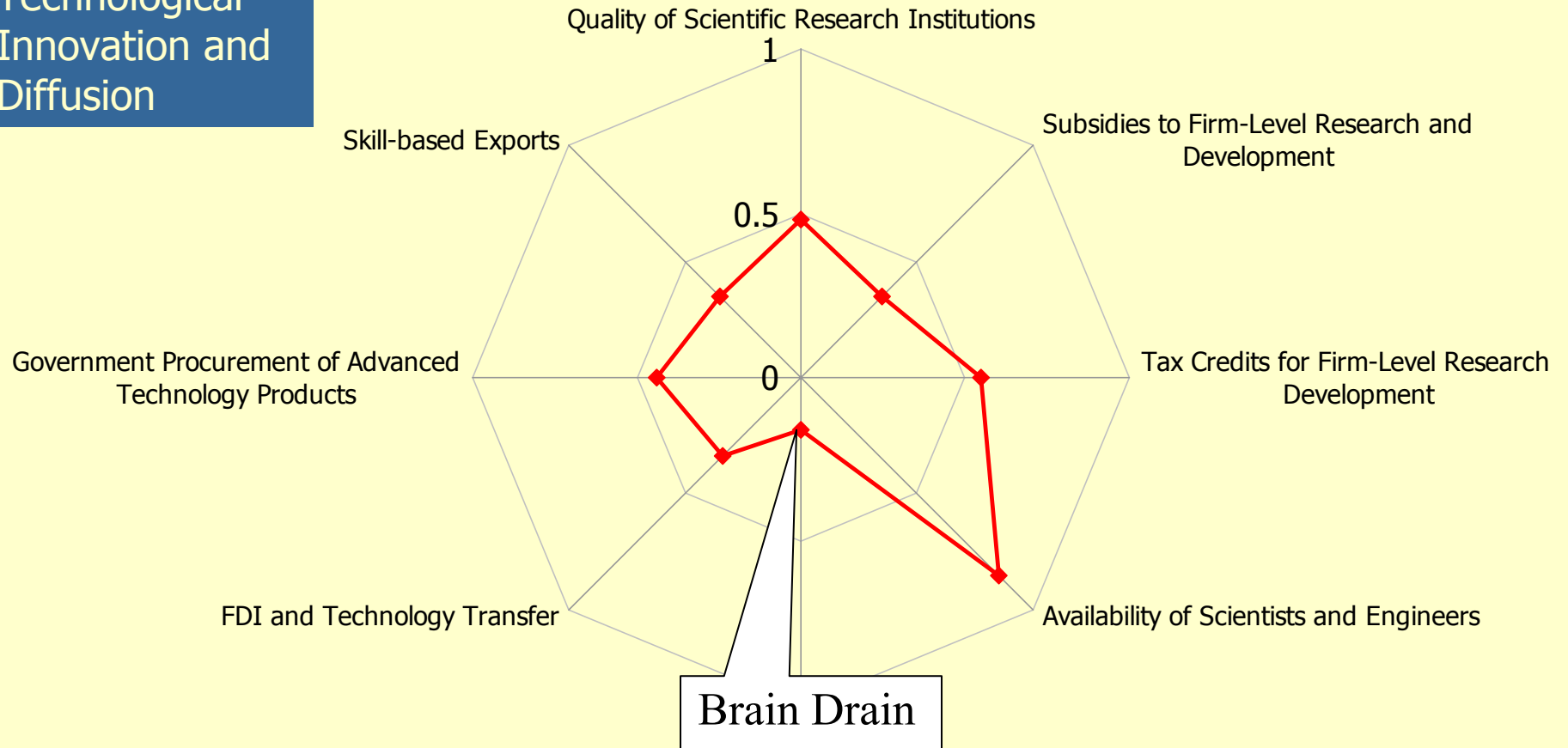
**Our Target**

Factor-Driven  
Economy

Investment-Driven  
Economy

Innovation-Driven  
Economy

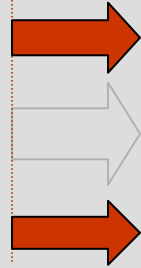
Technological  
Innovation and  
Diffusion



# Jordan

## Our Target

Factor-Driven Economy



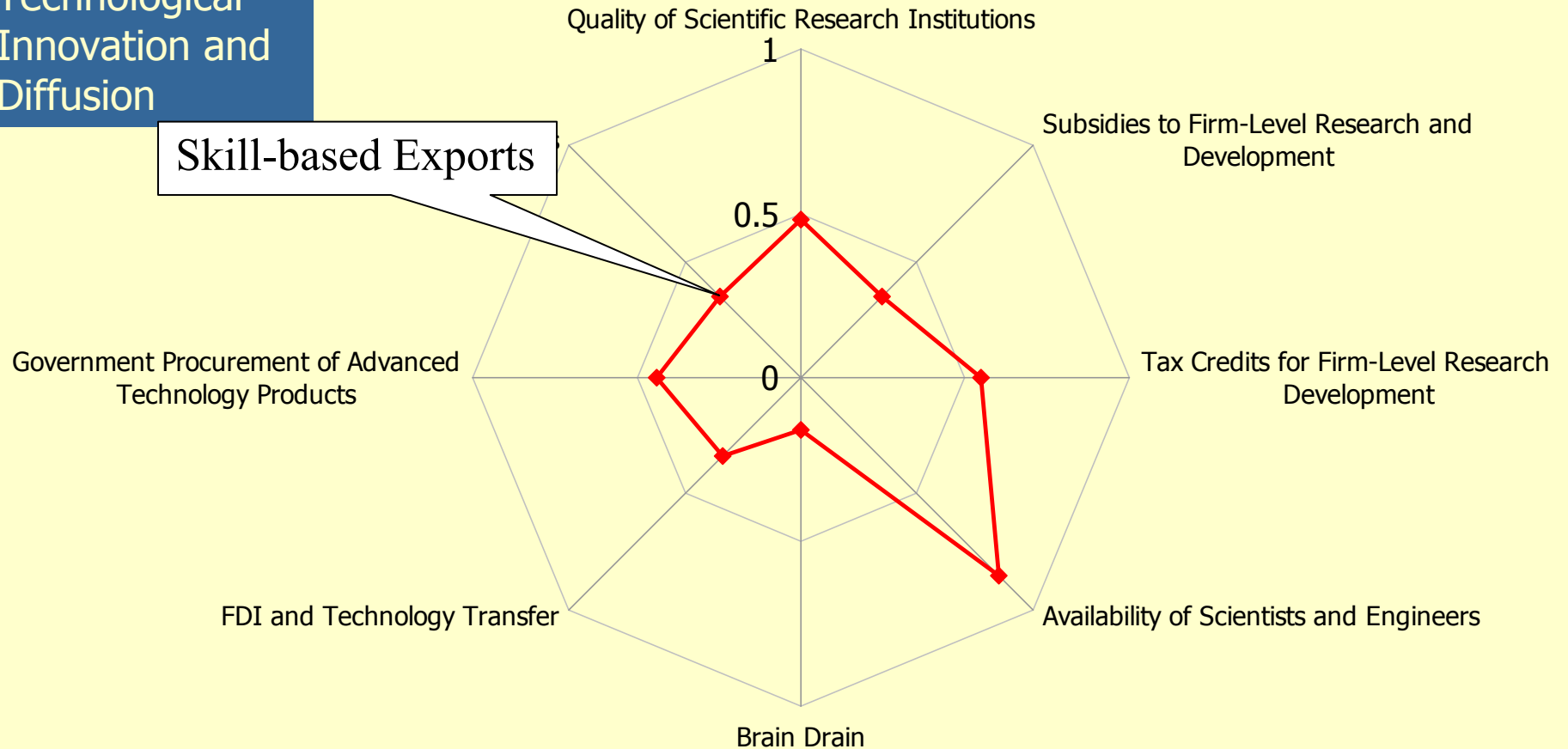
Investment-Driven Economy



Innovation-Driven Economy

### Technological Innovation and Diffusion

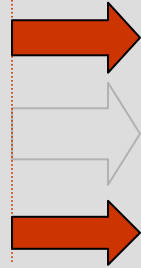
Skill-based Exports



# Jordan

## Our Target

Factor-Driven Economy

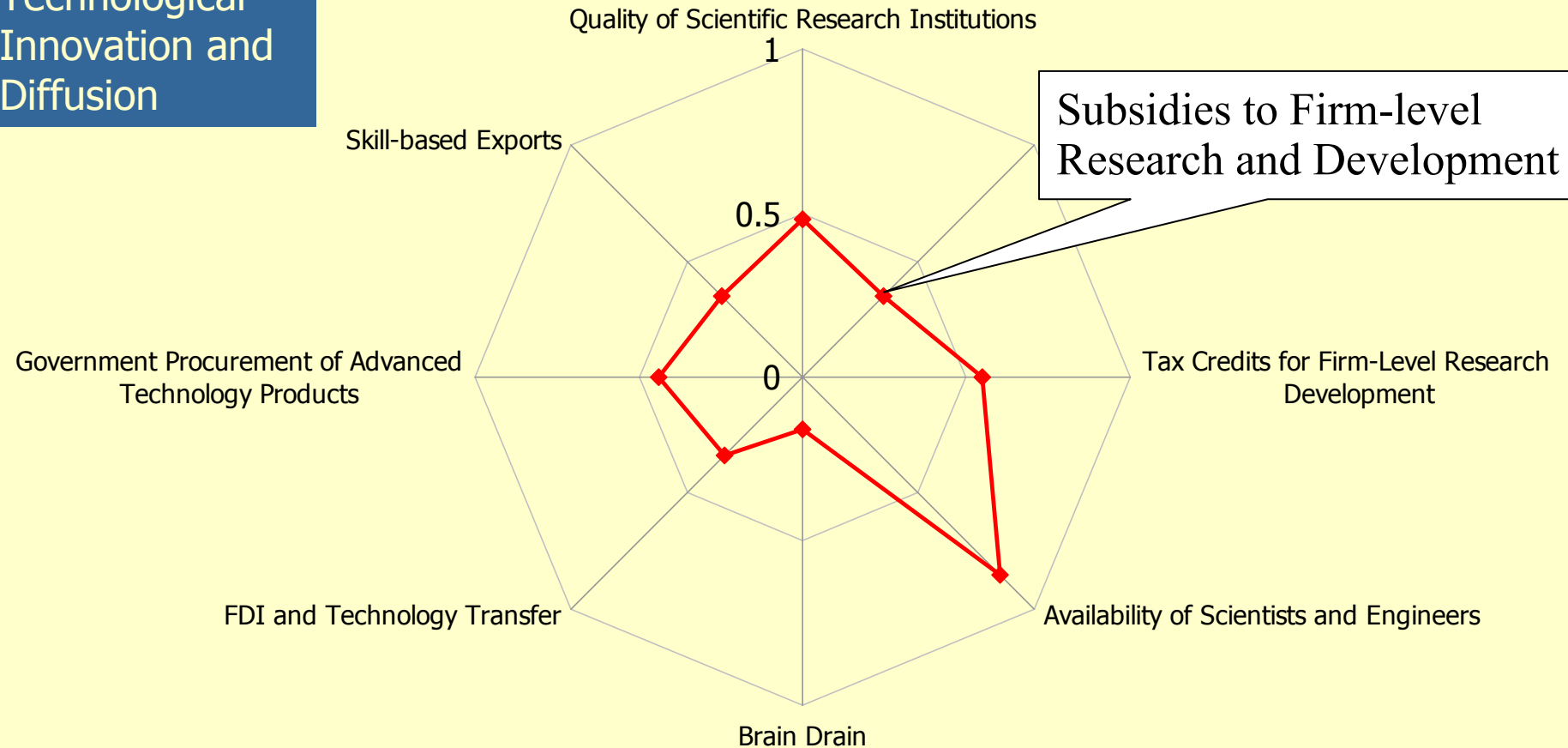


Investment-Driven Economy



Innovation-Driven Economy

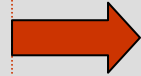
### Technological Innovation and Diffusion



**Jordan**

**Our Target**

Factor-Driven  
Economy



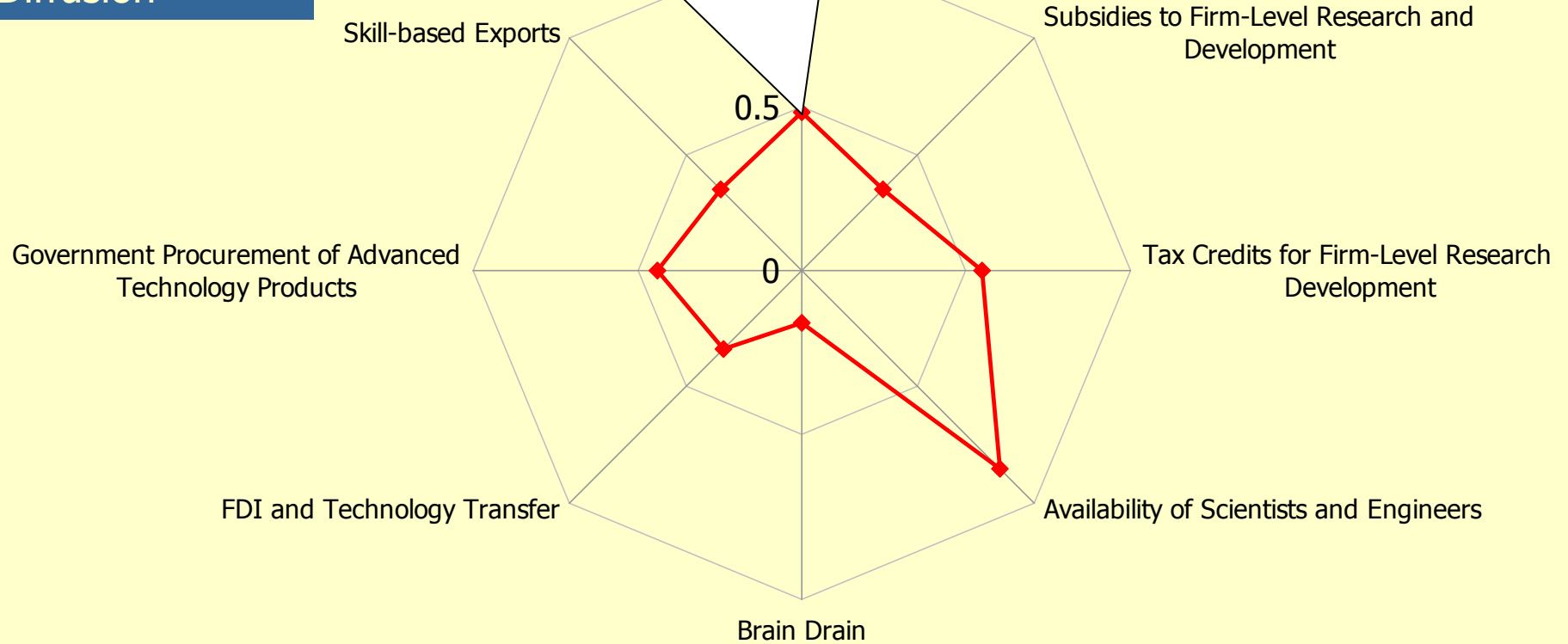
Investment- Driven  
Economy



Innovation-Driven  
Economy

Technological  
Innovation and  
Diffusion

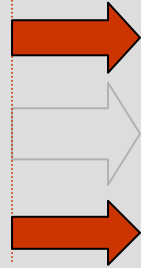
Quality of Scientific Research Institutions



# Jordan

## Our Target

Factor-Driven Economy



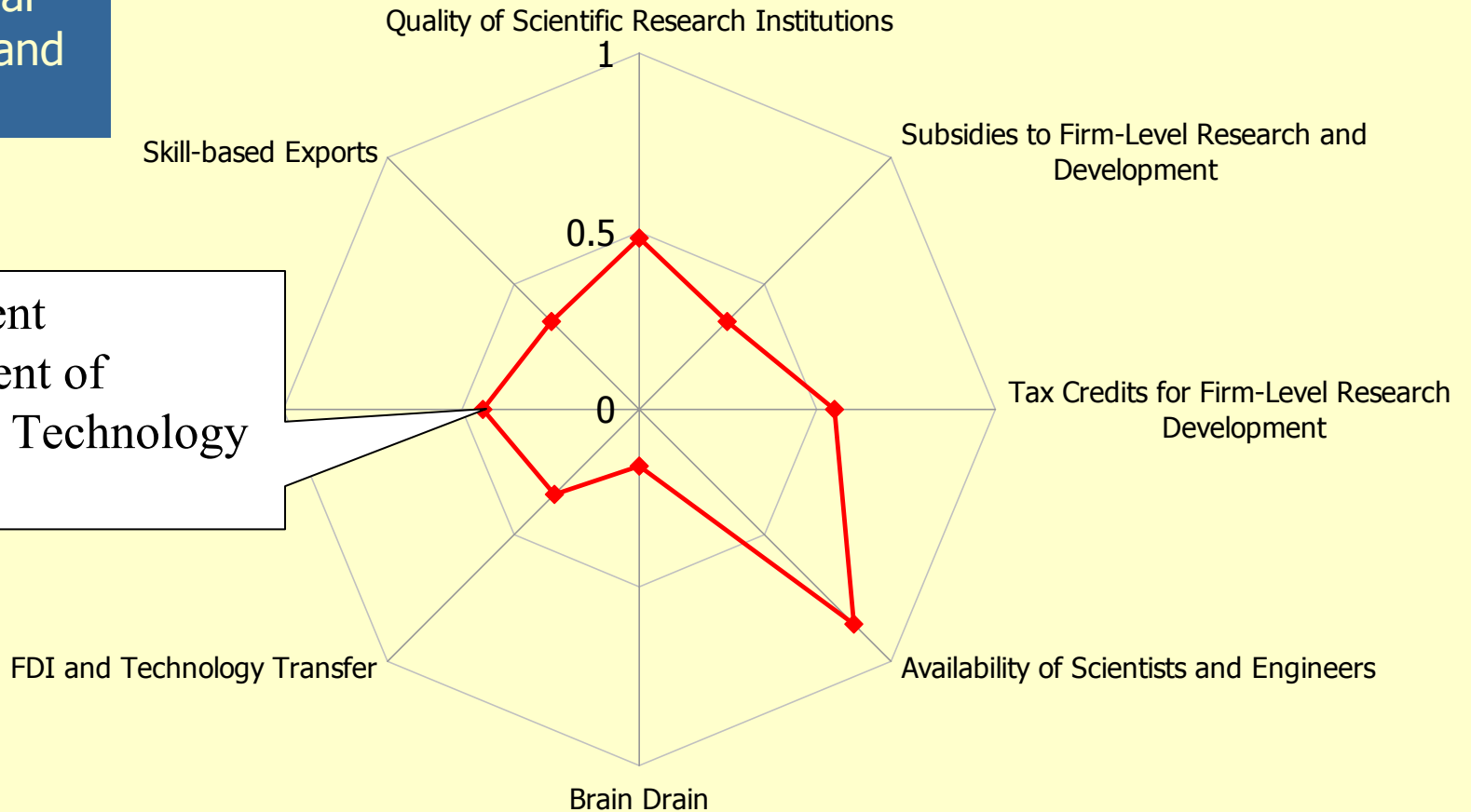
Investment-Driven Economy



Innovation-Driven Economy

### Technological Innovation and Diffusion

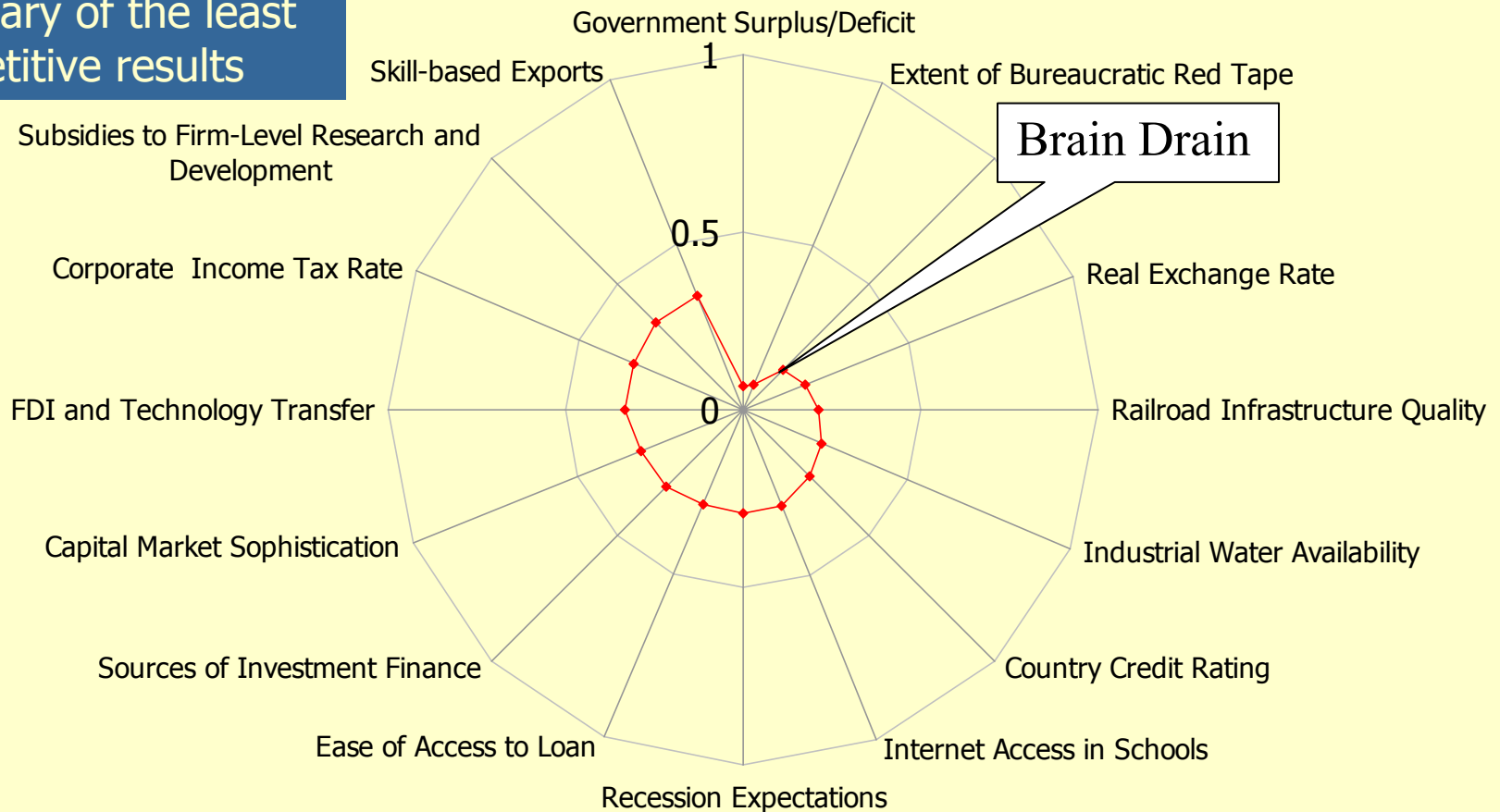
Government Procurement of Advanced Technology Products



# Jordan



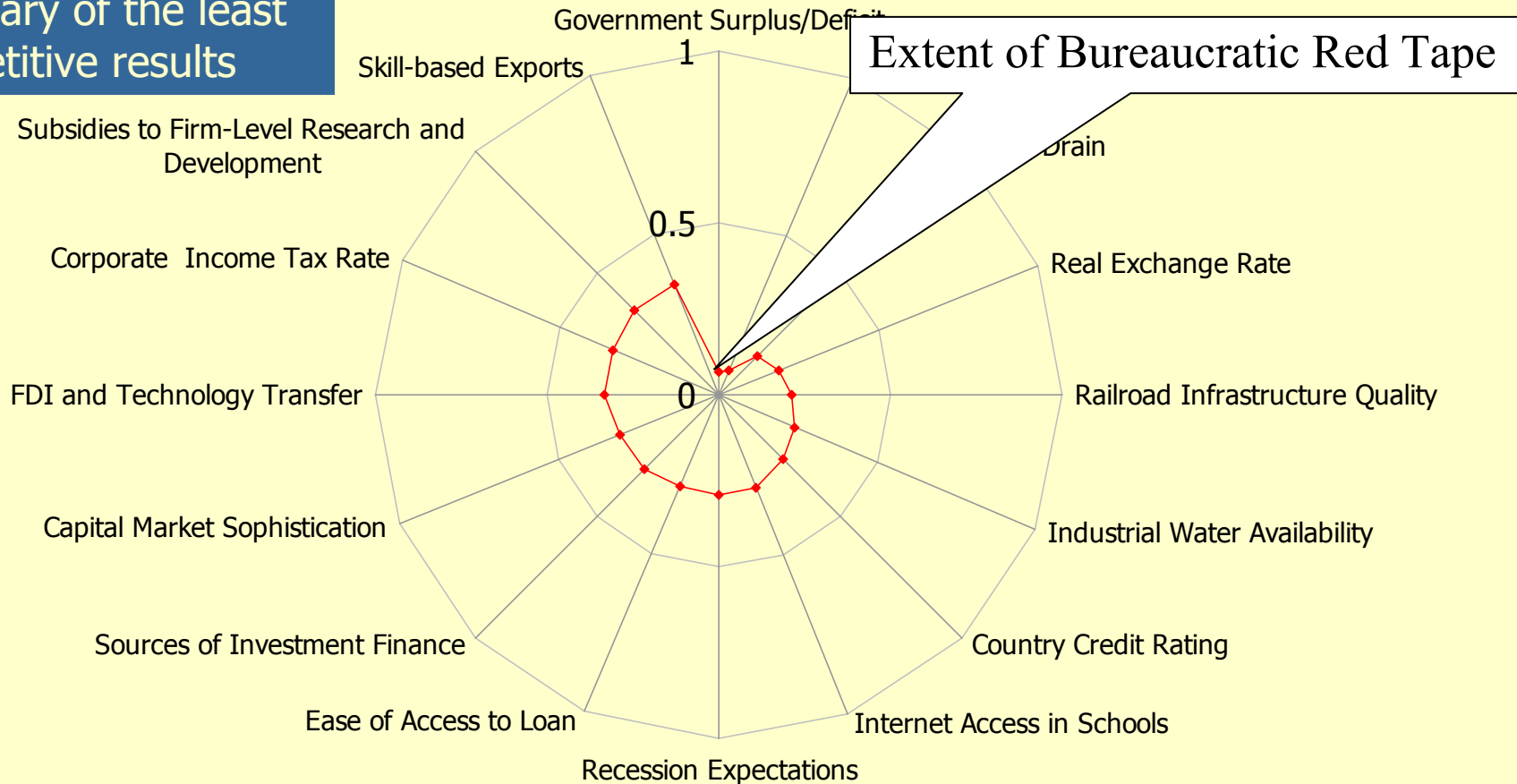
## Summary of the least competitive results



# Jordan



## Summary of the least competitive results

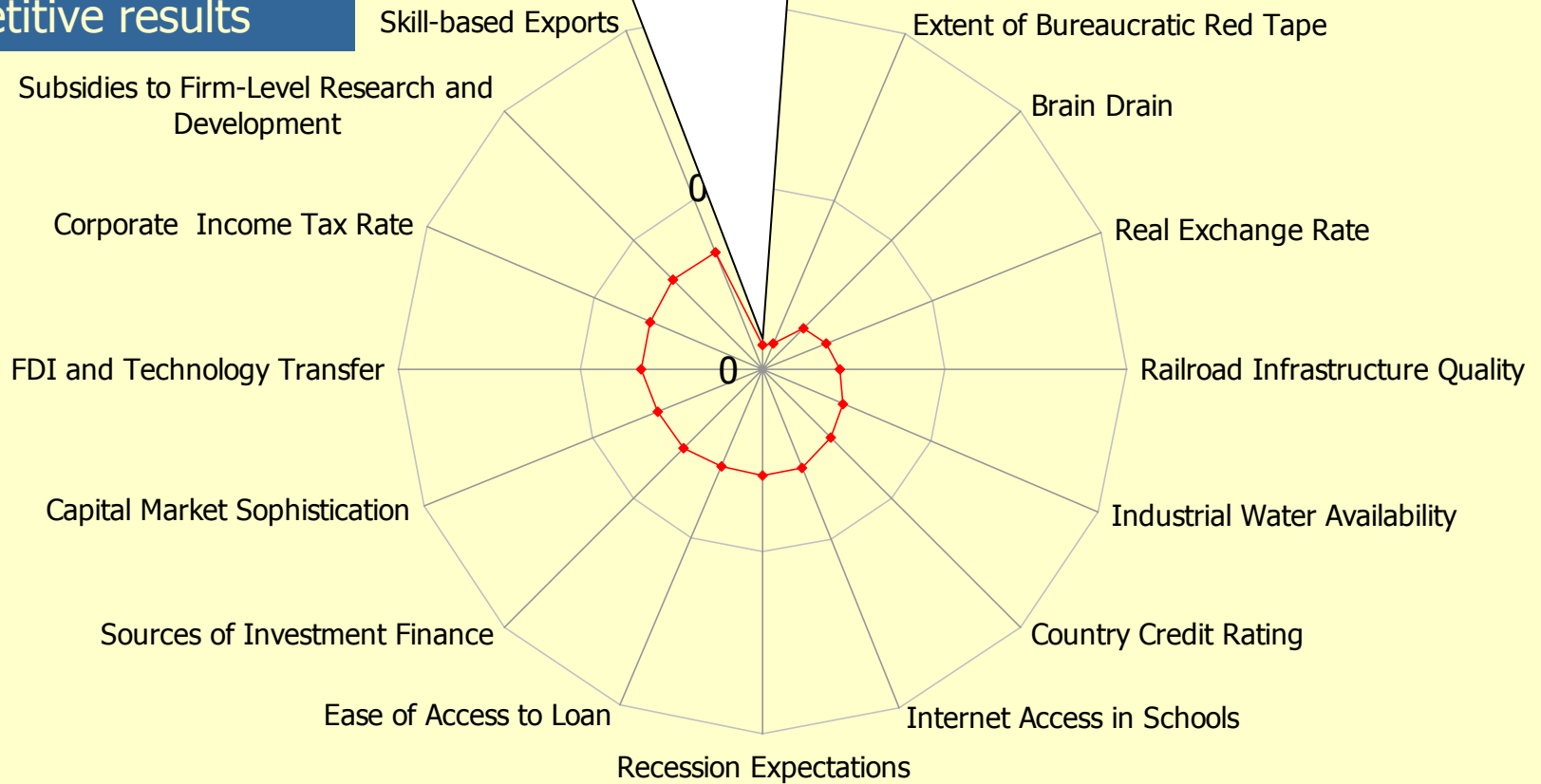


# Jordan



## Summary of the least competitive results

### Government Surplus/ Deficit

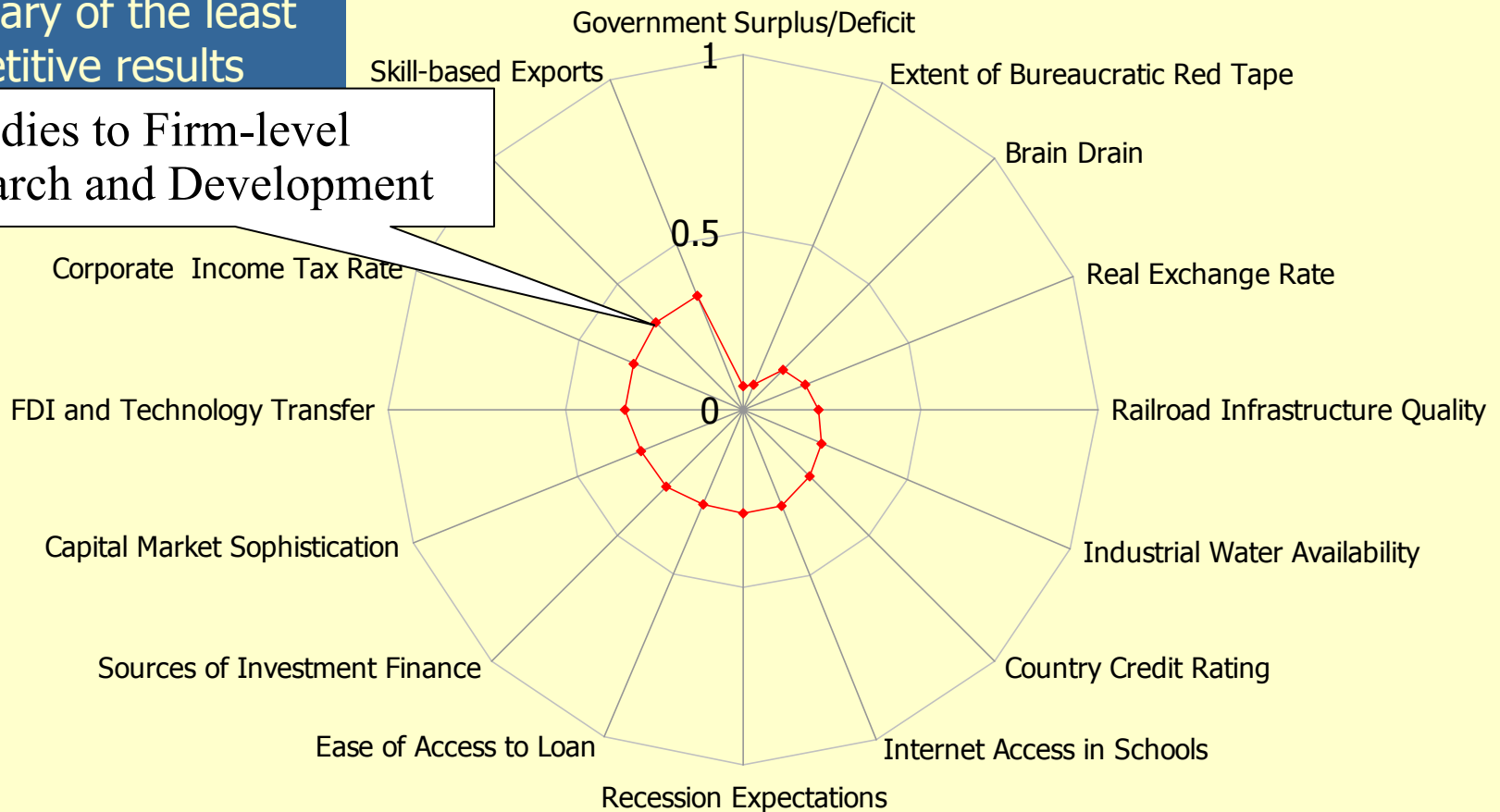


# Jordan



## Summary of the least competitive results

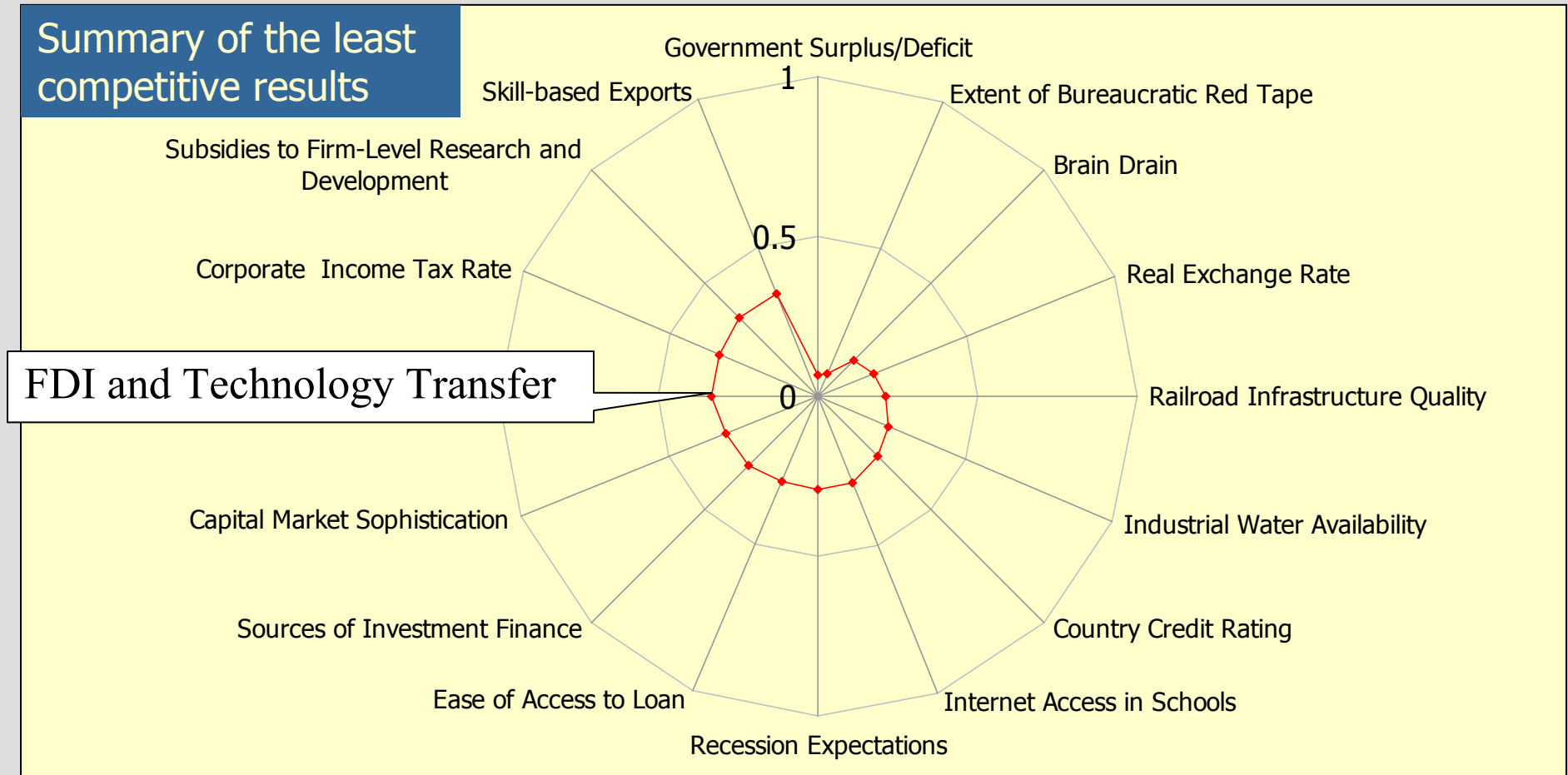
Subsidies to Firm-level Research and Development



# Jordan



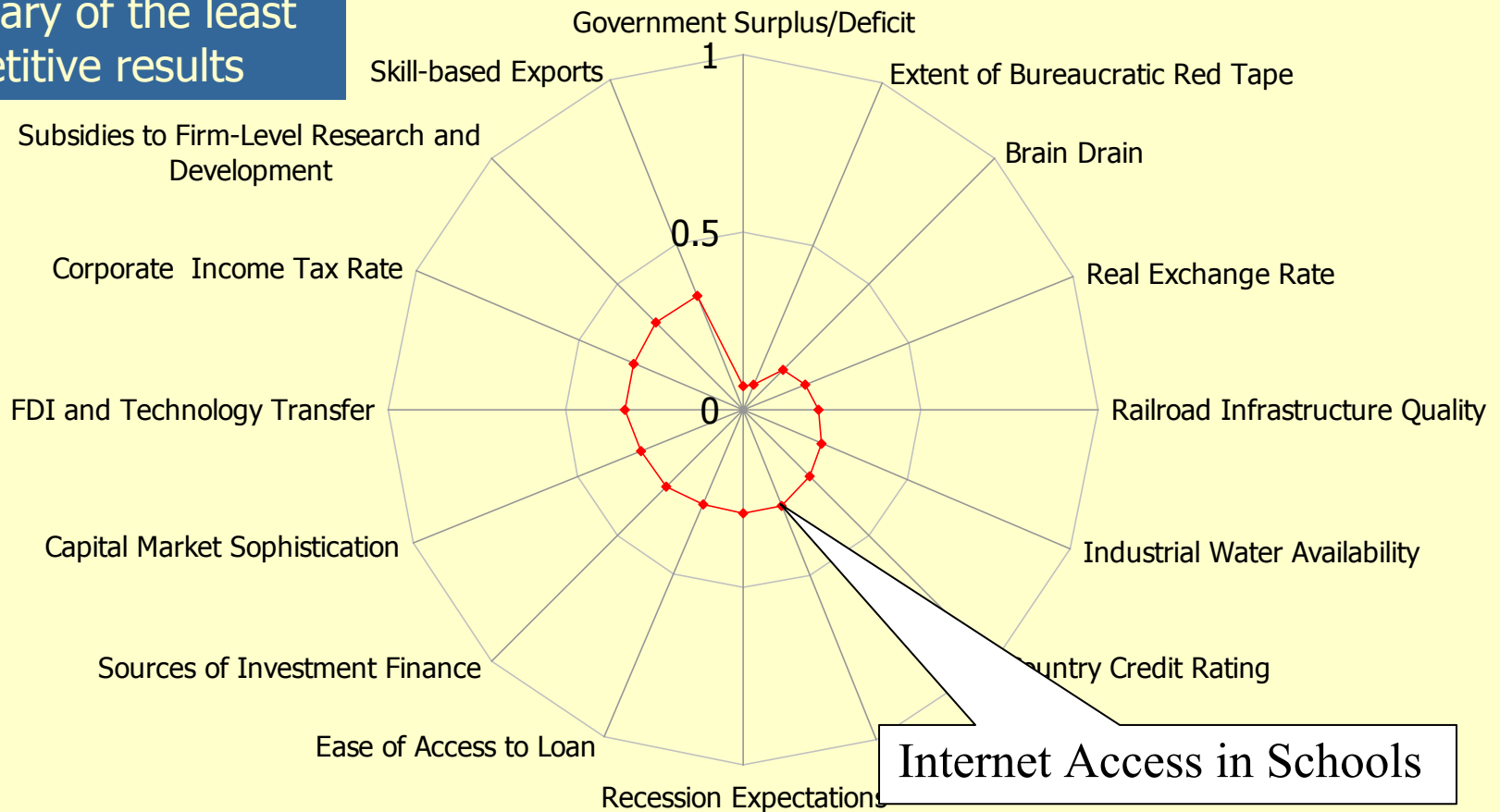
## Summary of the least competitive results



# Jordan



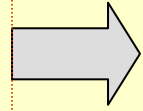
## Summary of the least competitive results



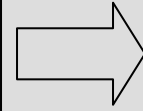
# Government Role

Factor-Driven  
Economy

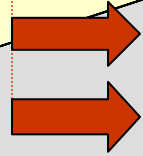
**Jordan**



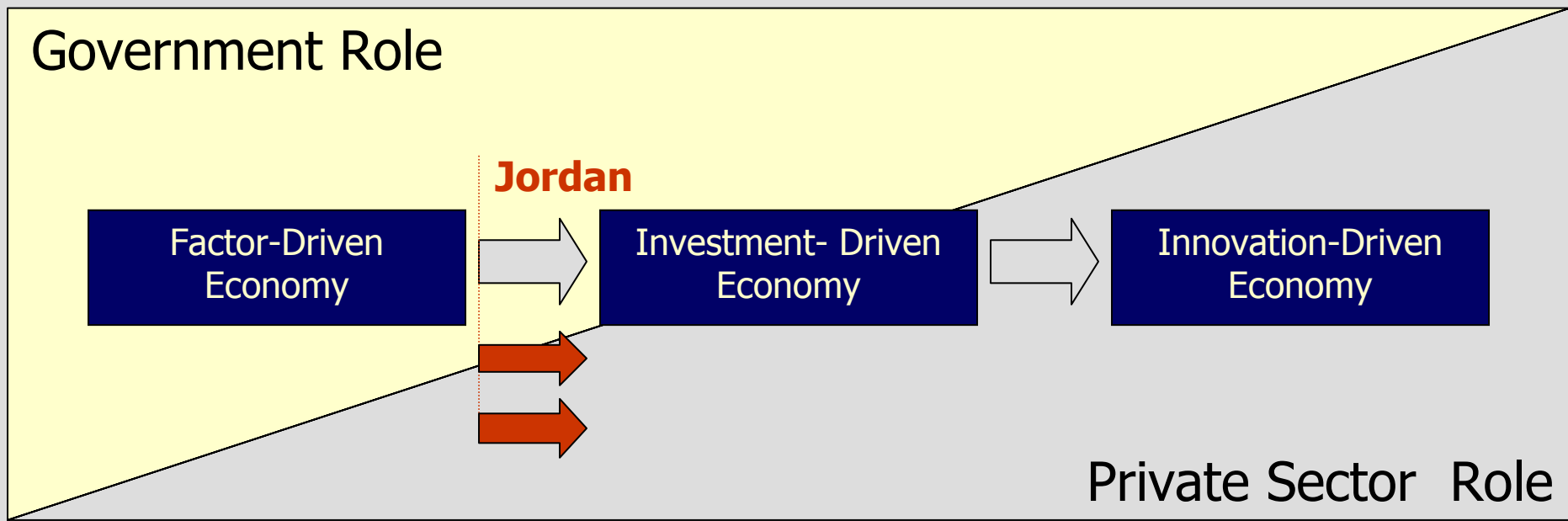
Investment- Driven  
Economy



Innovation-Driven  
Economy



Private Sector Role



# Jordan's Competitiveness Ranks over the years

