

Bahrain in Key Global Indices 2019



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Introduction

This report aims to shed light on the current state of Bahrain in key global indicators which issued by specialized international organizations and entities. It is a quick reading of the Kingdom's situation as it appeared in the reports of those indicators.

The indicators that have been selected, are characterized by diversity of their subjects and aspects that have been touched upon. Some of the indicators, such as the global competitiveness index ,are comprehensive and covered most of the areas related to the competitiveness of countries. Others are characterized by specialization in evaluating a specific area of the economy like Doing Business Indicator.

The importance of these indicators stems from the fact that they identify the deficiencies and weaknesses that limit the capabilities of countries to improve their performance, as well as the strengths and advantages they enjoy. Moreover, these indicators give the opportunity for many countries to learn and benefit from their experiences towards achieving their targets.

The report has been prepared to facilitate the decision-making process and to encourage those interested in the Kingdom to begin discussing and evaluating such indicators and using them to achieve national strategies.

While the Strategy Optimization Consulting aware the importance of these indicators at the global level, the office is not biased with any of them. The image has been taken as it was appeared in its sources.

We hope from this offer that we have been successful in presenting an important aspect related to the position of Bahrain in the global indicators.

We hope that we have successfully presenting an important aspect related to Bahrain's current status in the global indicators.

The Global Indicators and its Sources

Index	Source
Global Competitiveness Index	World Economic Forum
Human Development Index	United Nations Development Program
Doing Business	World Bank Group
Sustainable Development Goals Index SDGs	United Nations
Global Governance Indices	World Bank Group
Global Innovation Index	INSEAD, Cornell University, WIPO
Economic Freedom Index	Institute for Economic Freedom
E Government Indicator	United Nations
World Happiness Index	John Helliwell, Richard Layard, Jeffrey Sachs ,Jan-Emmanuel De Neve, Haifang Huang and Shun Wang
Legatum Prosperity Index	Legatum Institute
Global Entrepreneurship Index	Global Entrepreneurship and Development Institute
Environmental Performance Index	Yale University, Colombia University , World Economic Forum

The Global Competitiveness Index

Global Competitiveness Index (GCI)

Description:

According to the World Economic Forum, competitiveness is the set of institutions, policies, and factors that determine the country's level of productivity. The level of productivity, in turn, determines how prosperous a given economy can be. It also determines the rates of returns that investments receive in this economy. These returns are essential drivers of the pace of growth in it. In other words, the higher competitive economy is likely to grow with time more quickly.

The Global Competitiveness Index 2019, which covers 141 countries, has been developed to measure progress in the competitiveness of countries based on a set of factors, each covering an aspect of competitiveness, and issued in an annual report called the Global Competitiveness Index (GCI).

Structure and Computation:

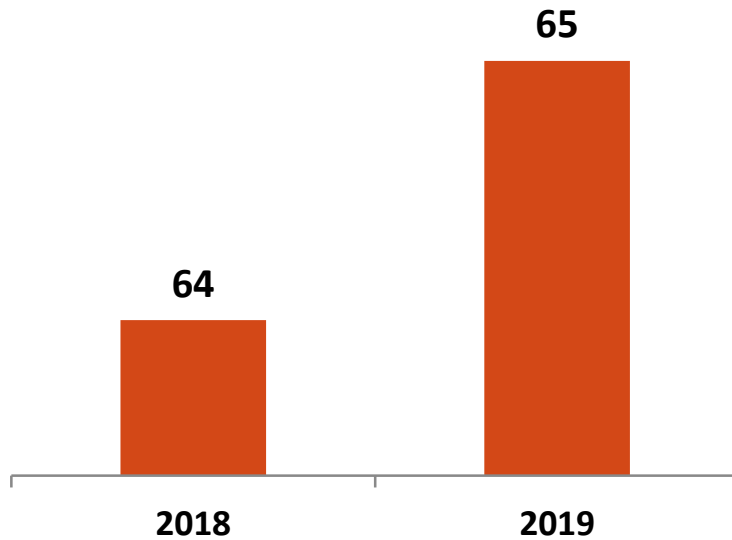
The Global Competitiveness Index comprises more than 140 indicators that related to the country's productivity and prosperity in the long term. These indicators are classified under twelve pillars (institutions, infrastructure, ICT Adopter, Macroeconomic Stability, Health, Skills, Product Market, labor market, Financial System, Market Size, Business Dynamism, innovation Capability) .These pillars were also grouped under four categories: Enabling Environment, Human Capital, Markets, and Innovation Ecosystem.

The computation of the GCI is based on successive aggregations of scores, from the indicator level to the overall GCI score. At every aggregation level, each aggregated measure is computed by taking the average (i.e. arithmetic mean) of the scores of its components. The overall GCI score is the average of the scores of the 12 pillars. For individual indicators, prior to aggregation, raw values are transformed into a progress score ranging from 0 to 100, with 100 being the ideal state.

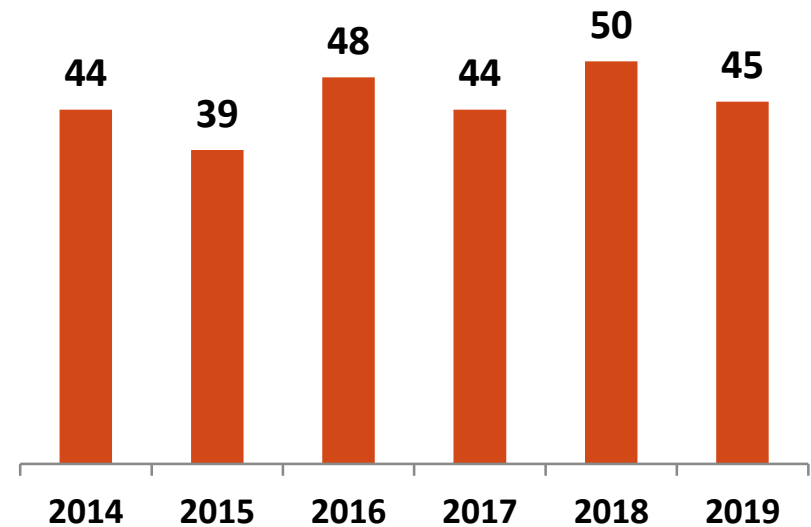
Bahrain Overall Performance 2019

The Rank of Bahrain improved to 45 in 2019 from 50 in 2018

Score (0-100)



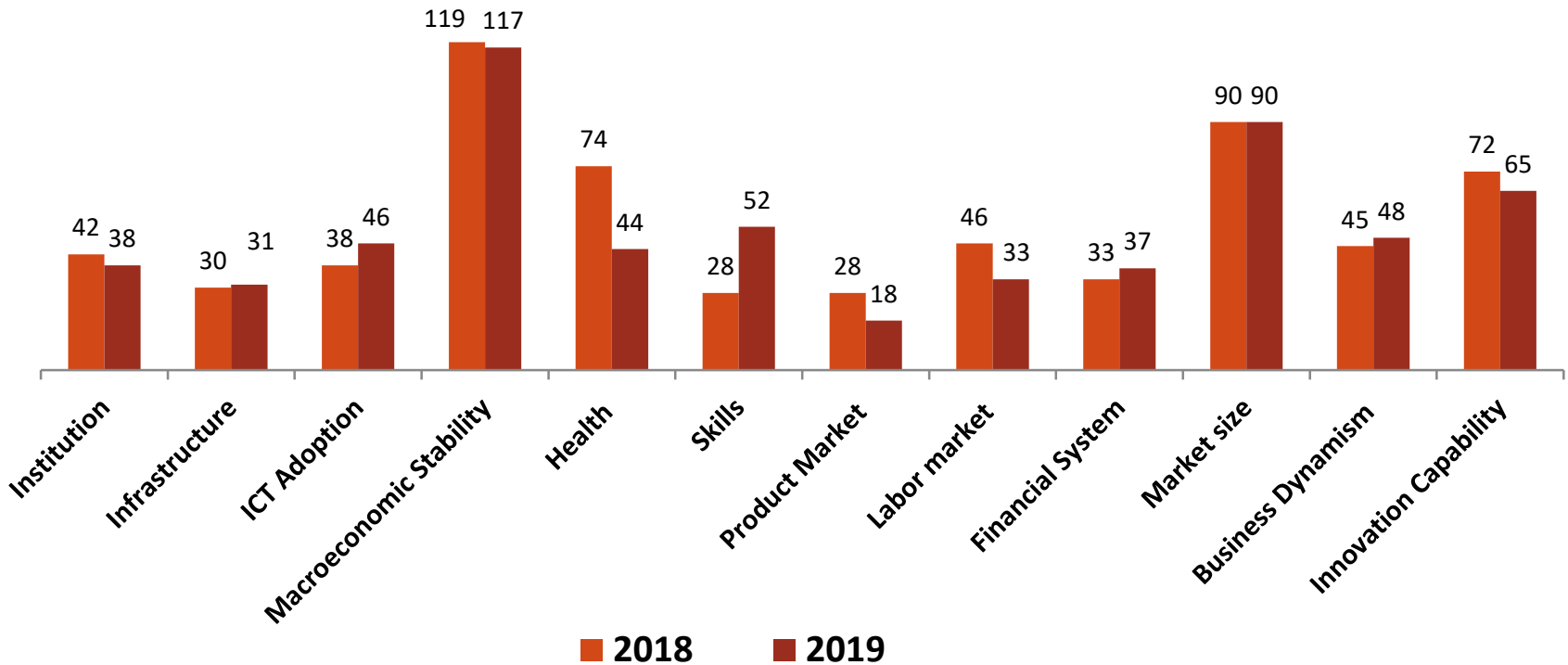
Rank



Source: http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

Overall Performance: Key Pillars

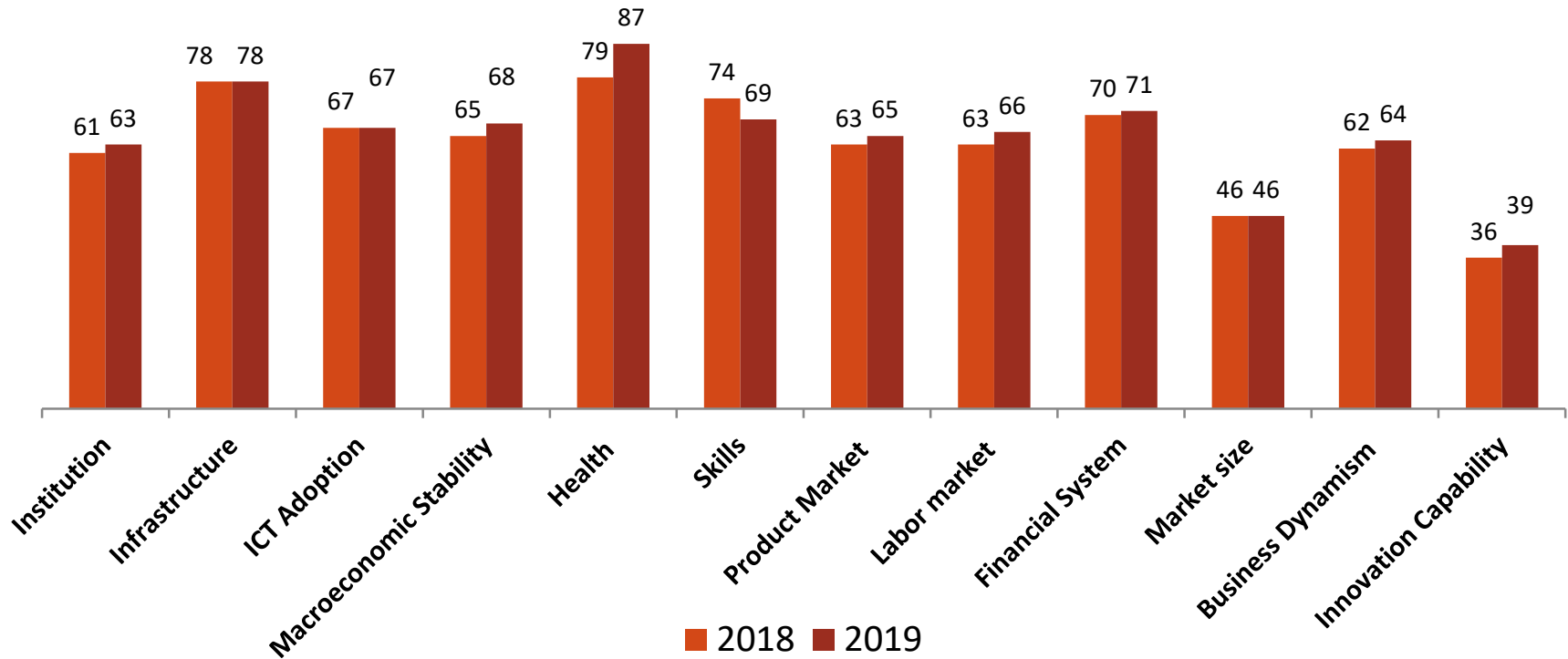
BAHRAIN RANK IN KEY PILLARS 2018-2019



Source: http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

Overall Performance: Key Pillars

BAHRAIN SCORE IN KEY PILLARS 2018-2019



Source: http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

Human Development Index (HDI)

Human Development Index (HDI)

Description:

The Human Development Index (HDI) is a statistical tool used to measure a country's overall achievement in its social and economic dimensions. The social and economic dimensions of a country are based on the **health** of people, their level of **education** attainment and their **standard of living**

The Index is found in the annual Human Development Reports produced by the United Nations Development Programme (UNDP).

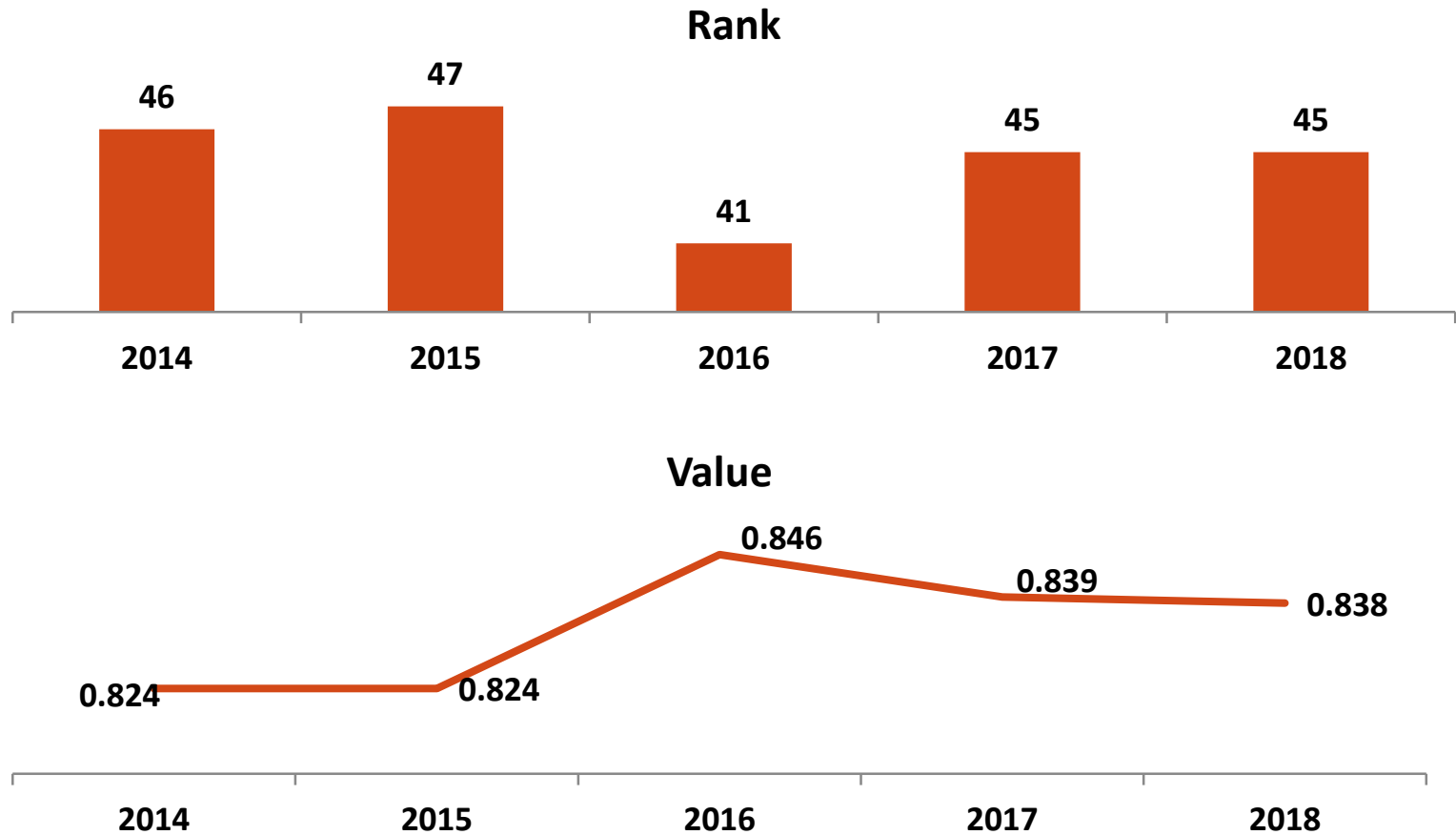
Structure and Computation:

The HDI is calculated by combining three dimensions (indicators):

- Long and healthy life: Life expectancy at birth
- Education : : Mean years of schooling and Expected years of schooling
- A decent standard of living: Gross National Income (GNI) per capita (US\$)

Each dimension is given a value, called the value of development index, and ranged between 0 and 1. The closer the value is to 1, the better the human development of the country is.

Bahrain Overall Performance (HDI)



Source: Human Development Report, UNDP, <http://hdr.undp.org/sites/default/files/hdr2019.pdf>

Bahrain in Human Development Indicators



Source: Human Development Report, UNDP, <http://hdr.undp.org/sites/default/files/hdr2019.pdf>

Doing Business

Doing Business

Description:

The ease of doing business index measures the regulatory environment that enhance the commercial activities in top 10 factors facing the entrepreneurs, namely: Starting a business, Dealing with construction permits, Getting electricity, Registering property, Getting credit, Protecting minority investors, Paying taxes, Trading across borders, Enforcing contracts, and Resolving insolvency.

Structure and Computation:

The index is calculated by ranking the economies, from 1-190. The rankings are determined by sorting the aggregate scores on 10 factors, and giving equal weight to each. Countries are scored by giving a value of 0 (lowest performing) to 100 (most performing) for each indicator and factor.

A high ease of doing business scoring means the regulatory environment is more conducive to the starting and operation of a local firm.

Components of Doing Business

Topic	Description
Starting a business	All procedures officially required, or commonly done in practice, for an entrepreneur to start up and formally operate an industrial or commercial business, as well as the time and cost to complete these procedures and the paid-in minimum capital requirement.
Dealing with construction permits	All procedures required for a business in the construction industry to build a warehouse along with the time and cost to complete each procedure. In addition, It measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements.
Getting electricity	all procedures required for a business to obtain a permanent electricity connection and supply for a standardized warehouse (figure 1). These procedures include applications and contracts with electricity utilities, all necessary inspections and clearances from the distribution utility as well as from other agencies, and the external and final connection works between the building and the electricity grid.
Registering property	The procedures necessary for a limited liability company (the buyer) to purchase a property from another business (the seller) and to transfer the property title to the buyer's name. It also measures the time and cost to complete each of these procedures, and the quality of the land administration system in each economy.

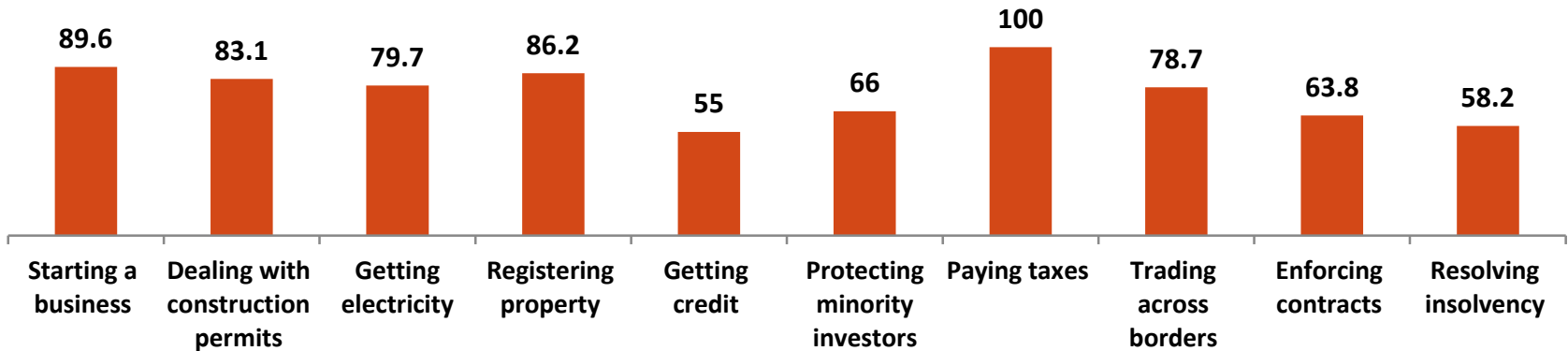
Components of Doing Business

Topic	Description
Getting credit	<p>the legal rights of borrowers and lenders with respect to secured transactions through one set of indicators and the reporting of credit information through another.</p> <p>The first measures whether certain features that facilitate lending exist within the applicable collateral and bankruptcy laws. The second measures the coverage, scope and accessibility of credit information available through credit reporting service providers such as credit bureaus or credit registries.</p>
Protecting minority investors	<p>The protection of minority investors from conflicts of interest through one set of indicators and shareholders' rights in corporate governance through another</p>
Paying taxes	<p>The taxes and mandatory contributions that a medium-size company must pay in a given year as well as measures of the administrative burden of paying taxes and contributions and complying with postfiling procedures</p>
Trading across borders	<p>The time and cost associated with the logistical process of exporting and importing goods.</p>
Enforcing contracts	<p>The time and cost for resolving a commercial dispute through a local first-instance court and the quality of judicial processes index</p>
Resolving insolvency	<p>The time, cost and outcome of insolvency proceedings involving domestic entities as well as the strength of the legal framework applicable to judicial liquidation and reorganization proceedings</p>

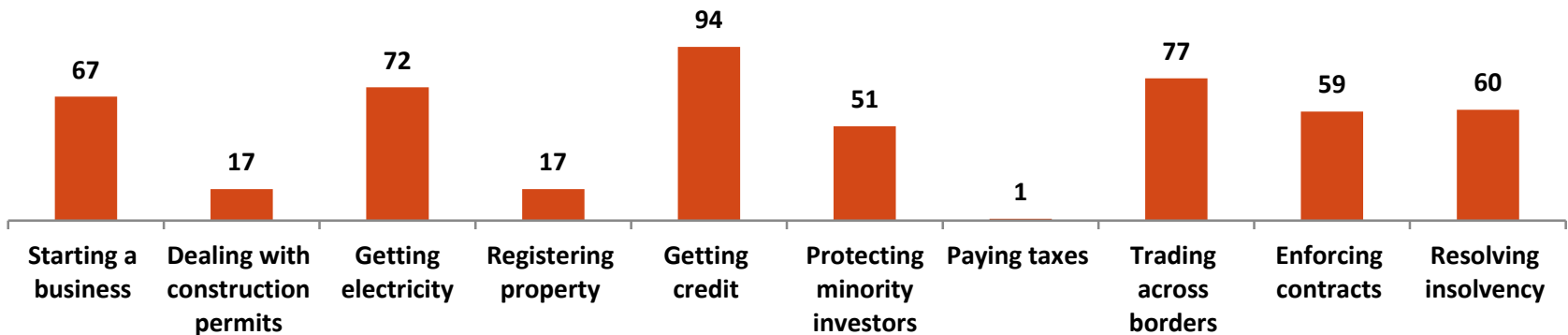
Overall Performance

THE RANK OF BAHRAIN IMPROVED TO 43 IN 2019 FROM 62 IN 2018

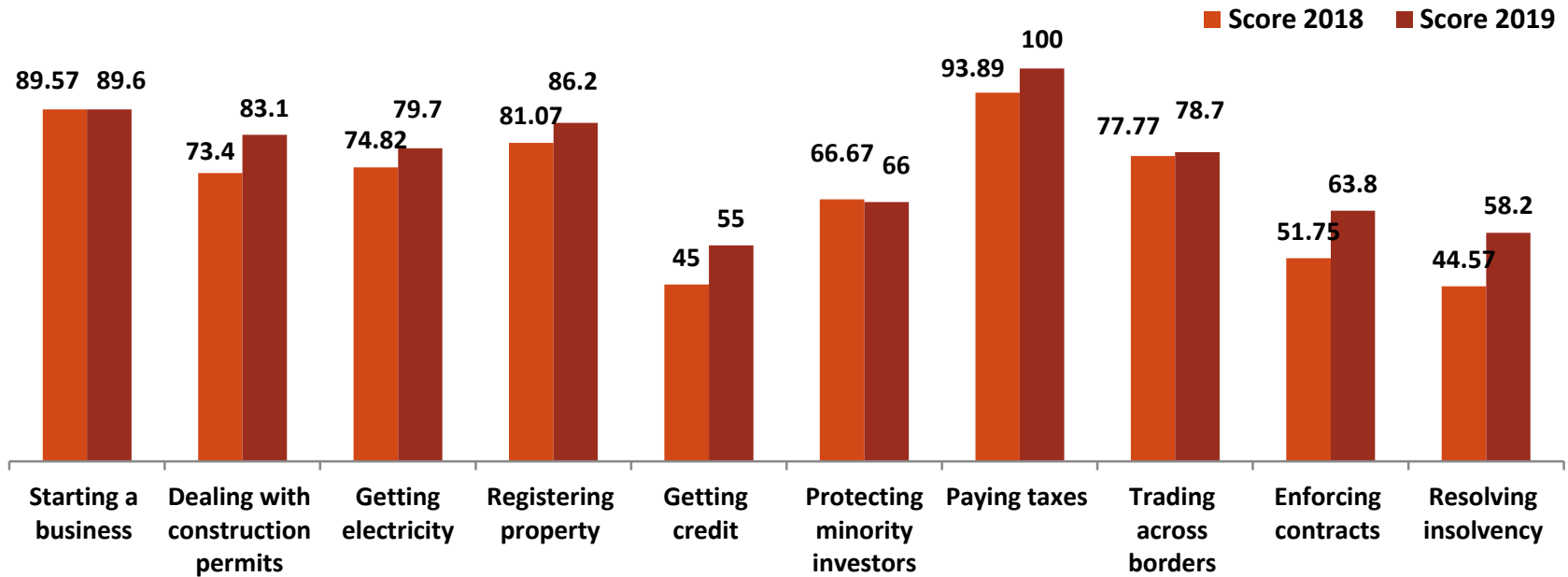
Score 2019



Rank 2019



Doing Business in Bahrain



Source: [Doing Business 2020, World Bank Group](https://www.doingbusiness.org/en/data/exploreconomies/bahrain),
<https://www.doingbusiness.org/en/data/exploreconomies/bahrain>

Sustainable Development Goals Index SDG

Sustainable Development Goals Index SDG

Description:

SDG index measures the performance of the country in achieving a better and sustainable future by monitoring 17 Goals and 169 targets for all UN group. The 17 goals are: No poverty, zero hunger, good health and wellbeing, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation, and infrastructure, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, “peace, justice and strong institutions”, partnership.

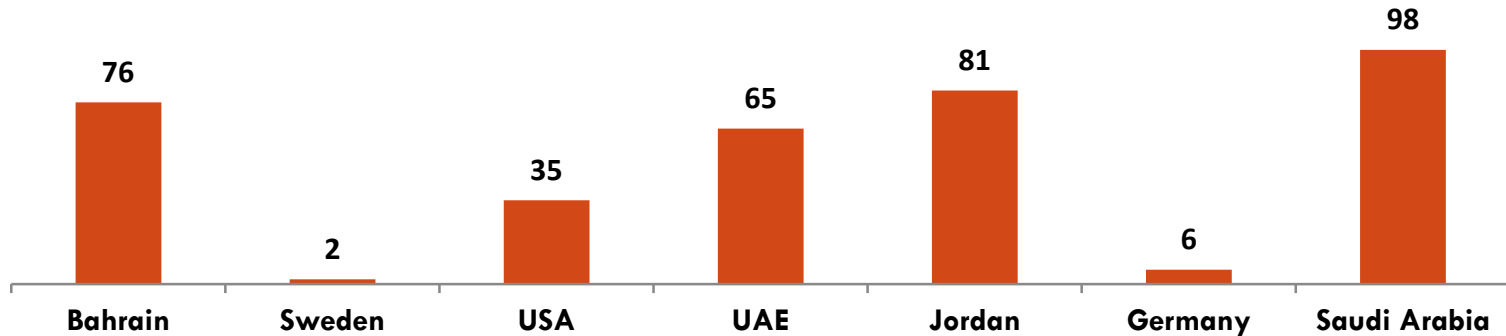
Structure and Computation:

The SDGs Index calculation is based on the average performance of the indicators of the each 17 Goals. The Index is ranking the data of each indicator from worst (0) to best (100).

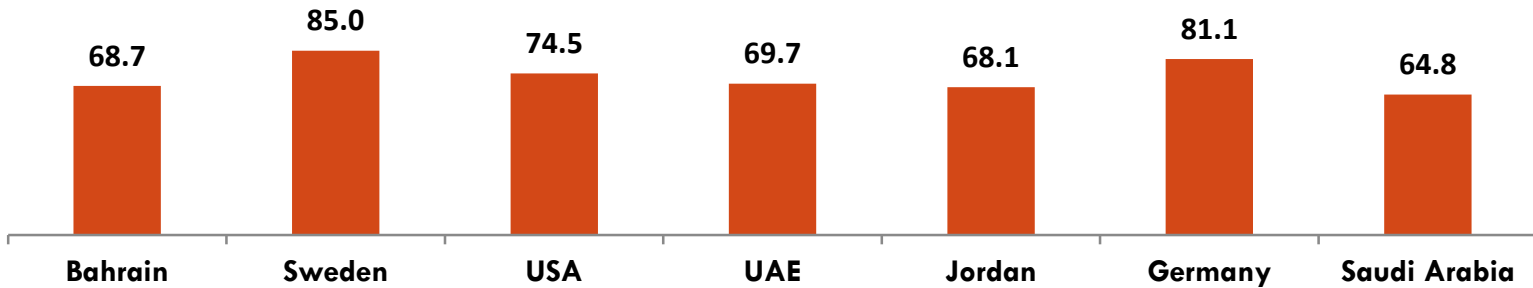
The final result of the index is extracted according to equal relative weights for each of the 17 goals.

Bahrain in SDGs Index

Rank: (162 Countries)



Score: (0-100)



Source: <https://unstats.un.org/sdgs/report/2019/The-Sustainable-Development-Goals-Report-2019.pdf>

Worldwide Governance Indicators

Worldwide Governance Indicators

Description:

The Worldwide Governance Indicators (WGI) reports aggregate and individual governance indicators for over 200 countries for six dimensions of governance: Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, Control of Corruption

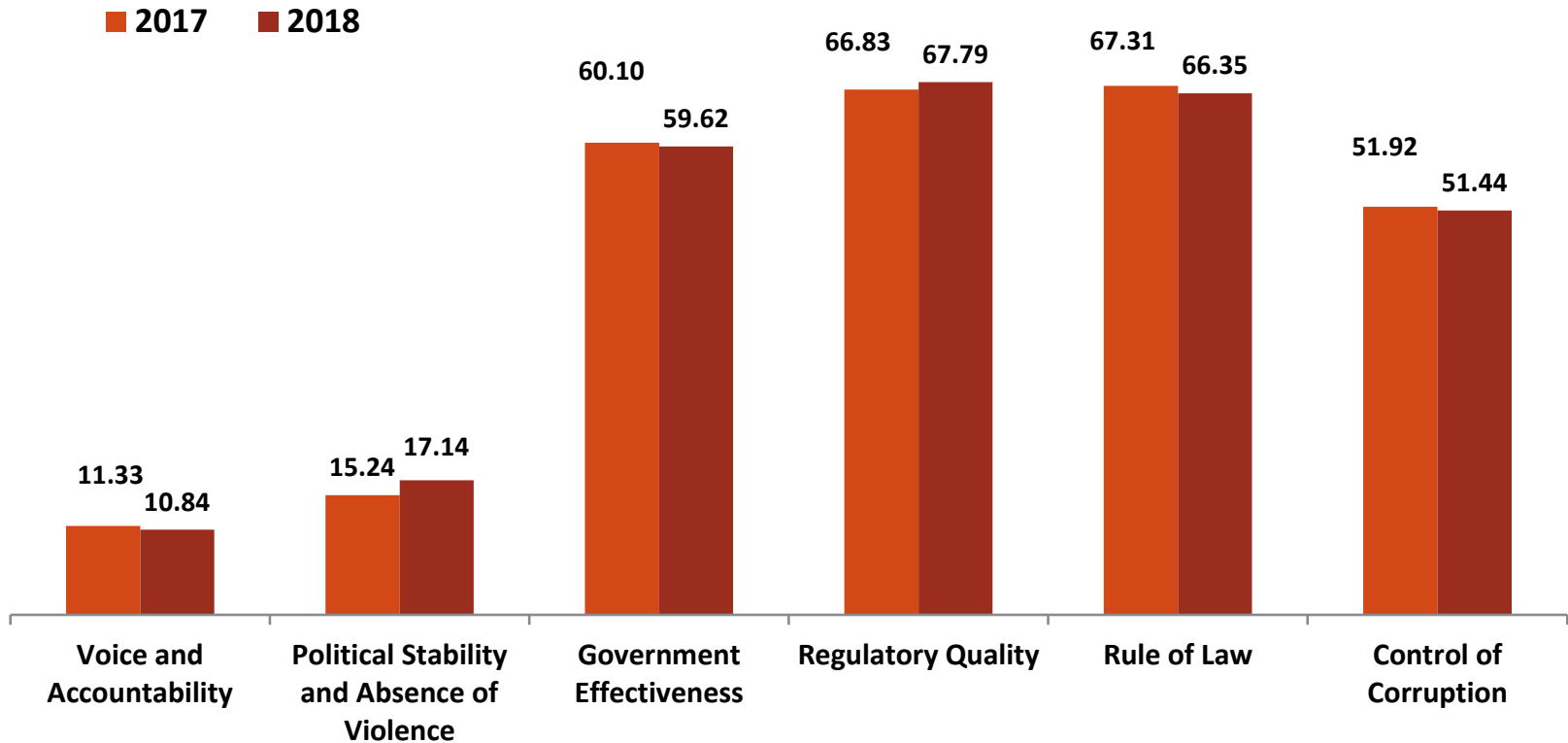
Structure and Computation:

These aggregate indicators combine the views of a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. They are based on over 30 individual data sources produced by a variety of survey institutes, think tanks, non-governmental organizations, international organizations, and private sector firms.

The indicators are calculated by giving a value ranges from (-2.5 very low performance) to (2.5 as a very high performance), and a percentage ordered be between (0) least to (100) the highest.

For example, the government effectiveness indicator of Bahrain in 2016 was 65, meaning that Bahrain government effectiveness is better than 65% of the countries included in the report.

Bahrain in Worldwide Government Indicators



Source: World Bank Group, <https://info.worldbank.org/governance/wgi/Home/Reports>

Global Innovation Index

Global Innovation Index GII

Description:

The Global Innovation Index provides detailed metrics about the innovation performance of 129 countries and economies around the world. Its 80 indicators explore a broad vision of innovation, including political environment, education, infrastructure and business sophistication.

Structure and Computation:

The GII relies on seven pillars: 1- Institutions, 2- Human capital and research, 3- Infrastructure, 4- Market sophistication, 5- Business sophistication, 6- Knowledge and technology outputs, 7- Creative outputs.

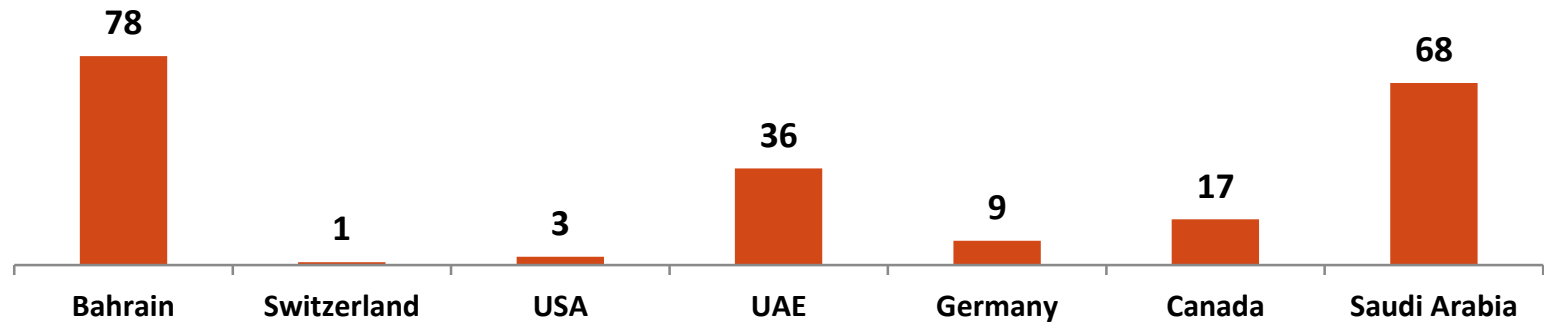
Each pillar divided into three sub-pillars, of which include two to five individual indicators. Sub-pillar scores are calculated using the weighted average of its individual indicators. Pillar scores are calculated using the weighted average of its sub-pillar scores.

The GII includes three indices:

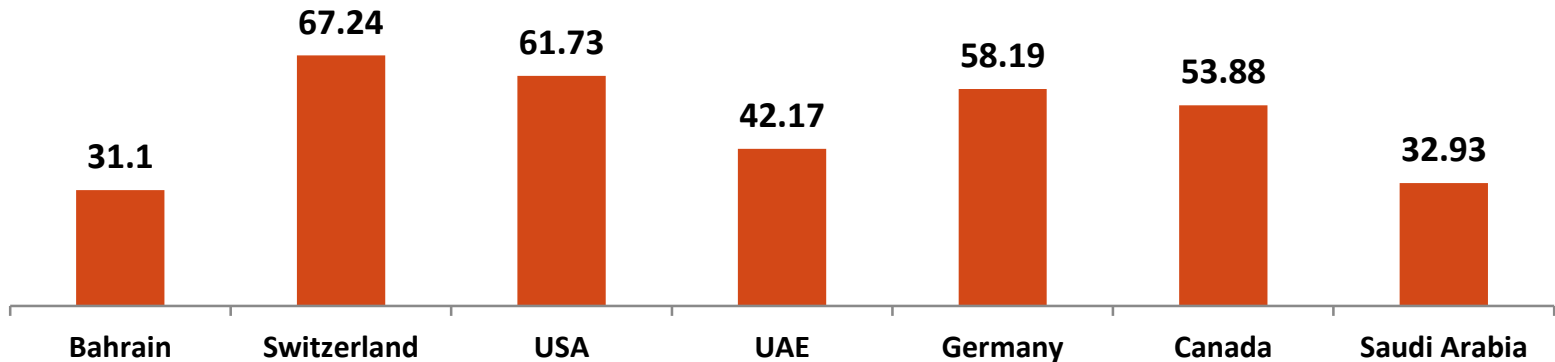
1. The Innovation Input Sub-Index is the average of the first five pillar scores.
2. The Innovation Output Sub-Index is the average of the last two pillar scores.
3. The Global Innovation Index is the average of the Input and Output Sub-Indices.

Bahrain in Global Innovation Index 2019

Rank: 129 Countries

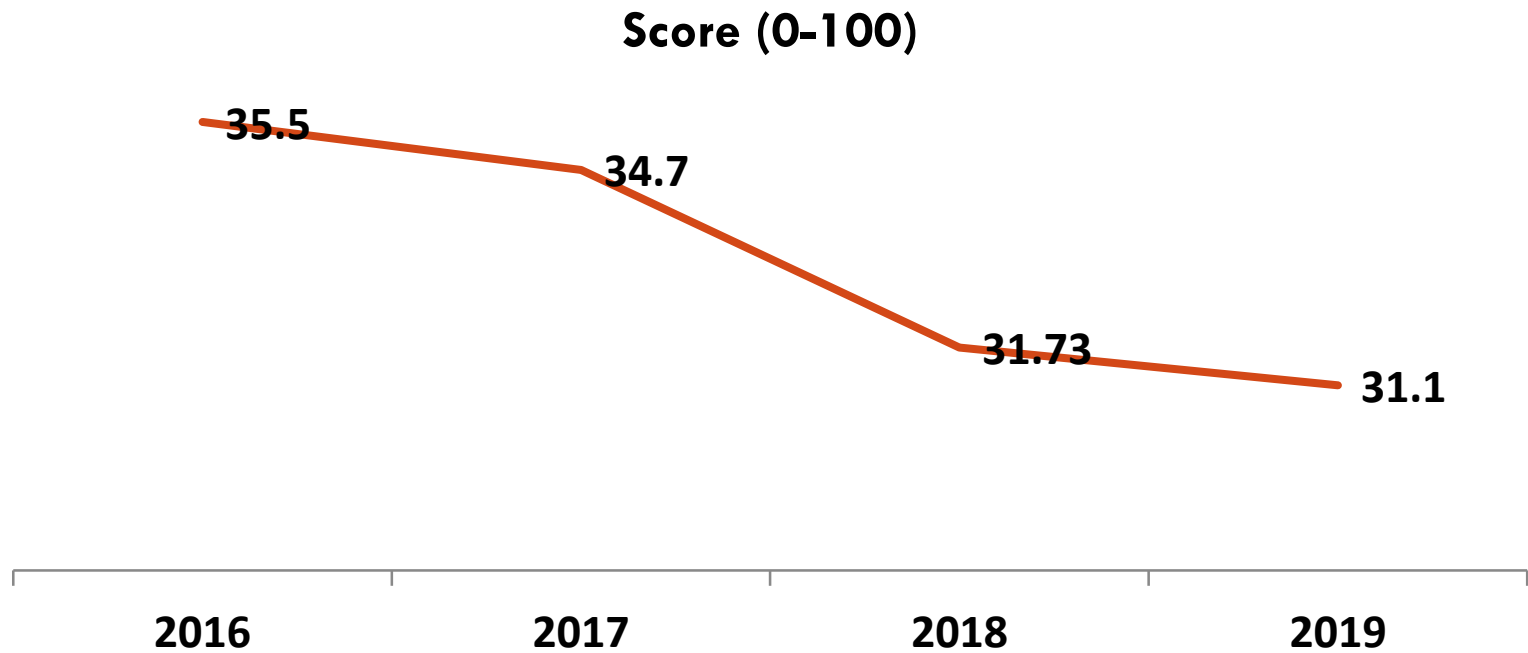


Score (0-100)



Source: https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2019.pdf

Bahrain in Global Innovation Index 2016 - 2019



Index of **ECONOMIC FREEDOM**

Index of ECONOMIC FREEDOM

Description:

The Index of Economic Freedom is an annual guide published by The Heritage Foundation. It documents the positive relationship between economic freedom and a variety of positive social and economic goals. The ideals of economic freedom are strongly associated with healthier societies, cleaner environments, greater per capita wealth, human development, democracy, and poverty elimination.

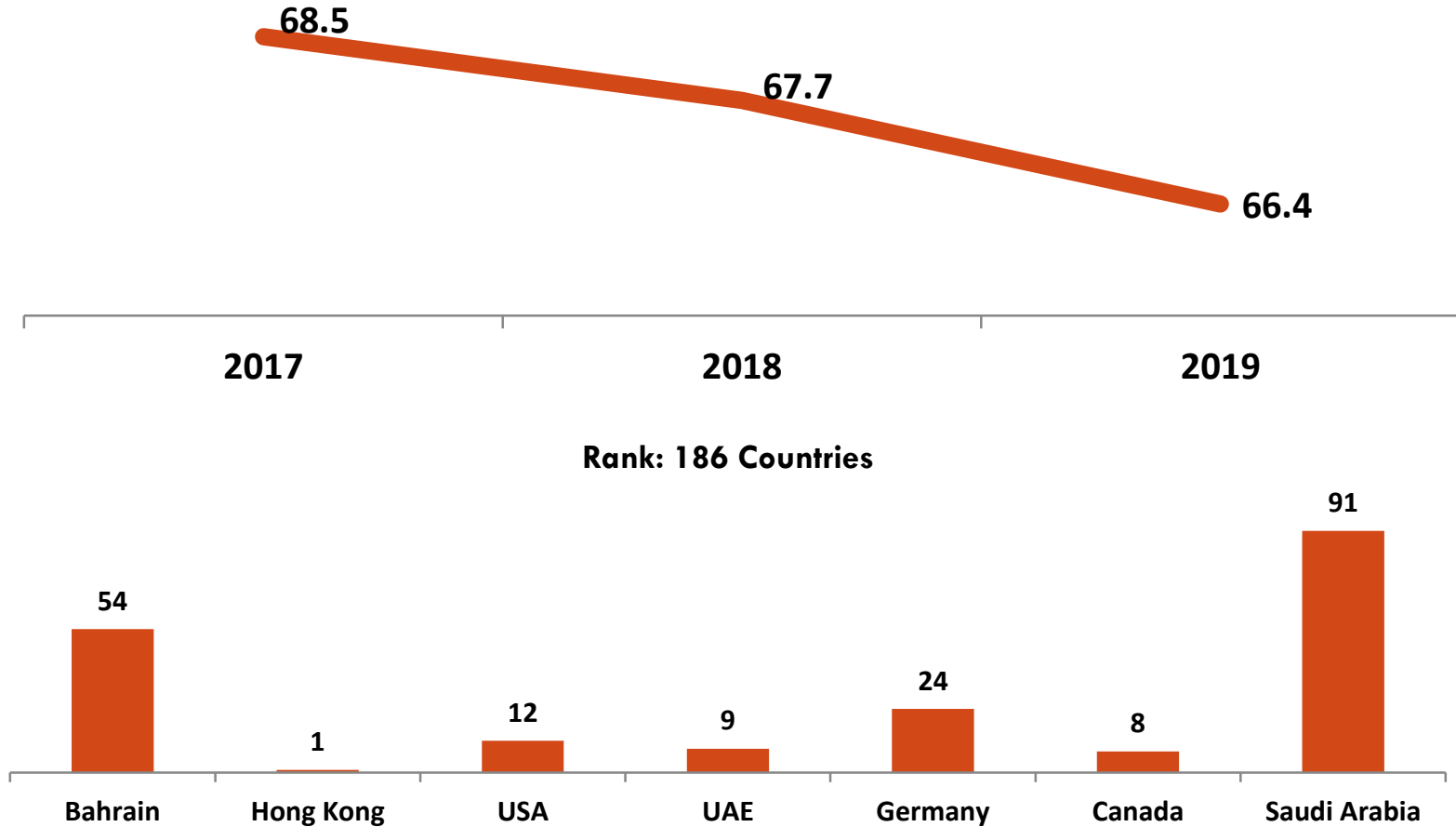
Structure and Computation:

The index based on 12 quantitative and qualitative factors, grouped into four broad categories, or pillars, of economic freedom:

- Rule of Law (property rights, government integrity, judicial effectiveness)
- Government Size (government spending, tax burden, fiscal health)
- Regulatory Efficiency (business freedom, labor freedom, monetary freedom)
- Open Markets (trade freedom, investment freedom, financial freedom)

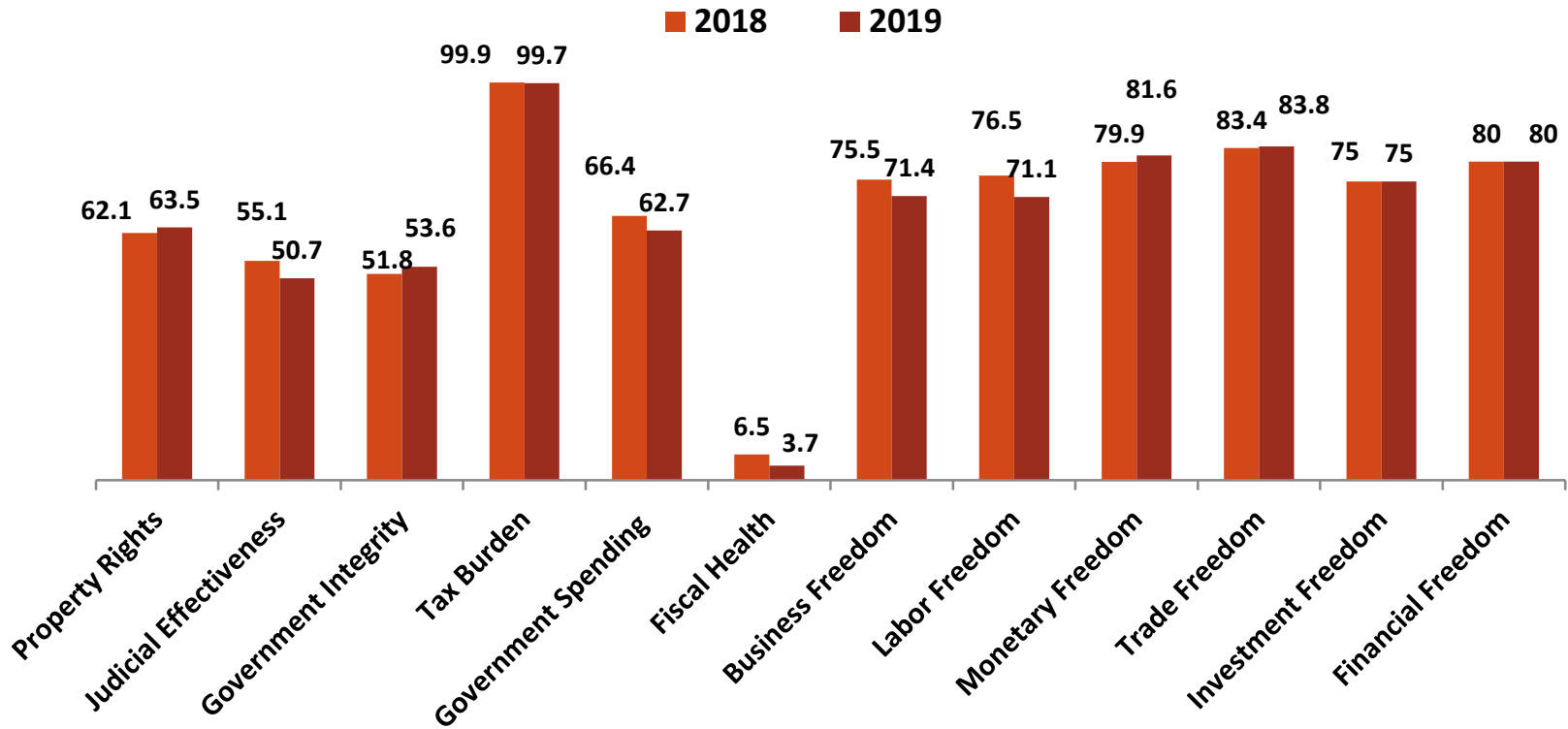
Each of the twelve economic freedoms within these categories is graded on a scale of 0 to 100. A country's overall score is derived by averaging these twelve economic freedoms, with equal weight being given to each.

Bahrain Economic freedom



Source: https://www.heritage.org/index/pdf/2019/book/index_2019.pdf

12 Economic Freedoms



Source https://www.heritage.org/index/pdf/2019/book/index_2019.pdf

E-Government Index

E-Government Index

Description:

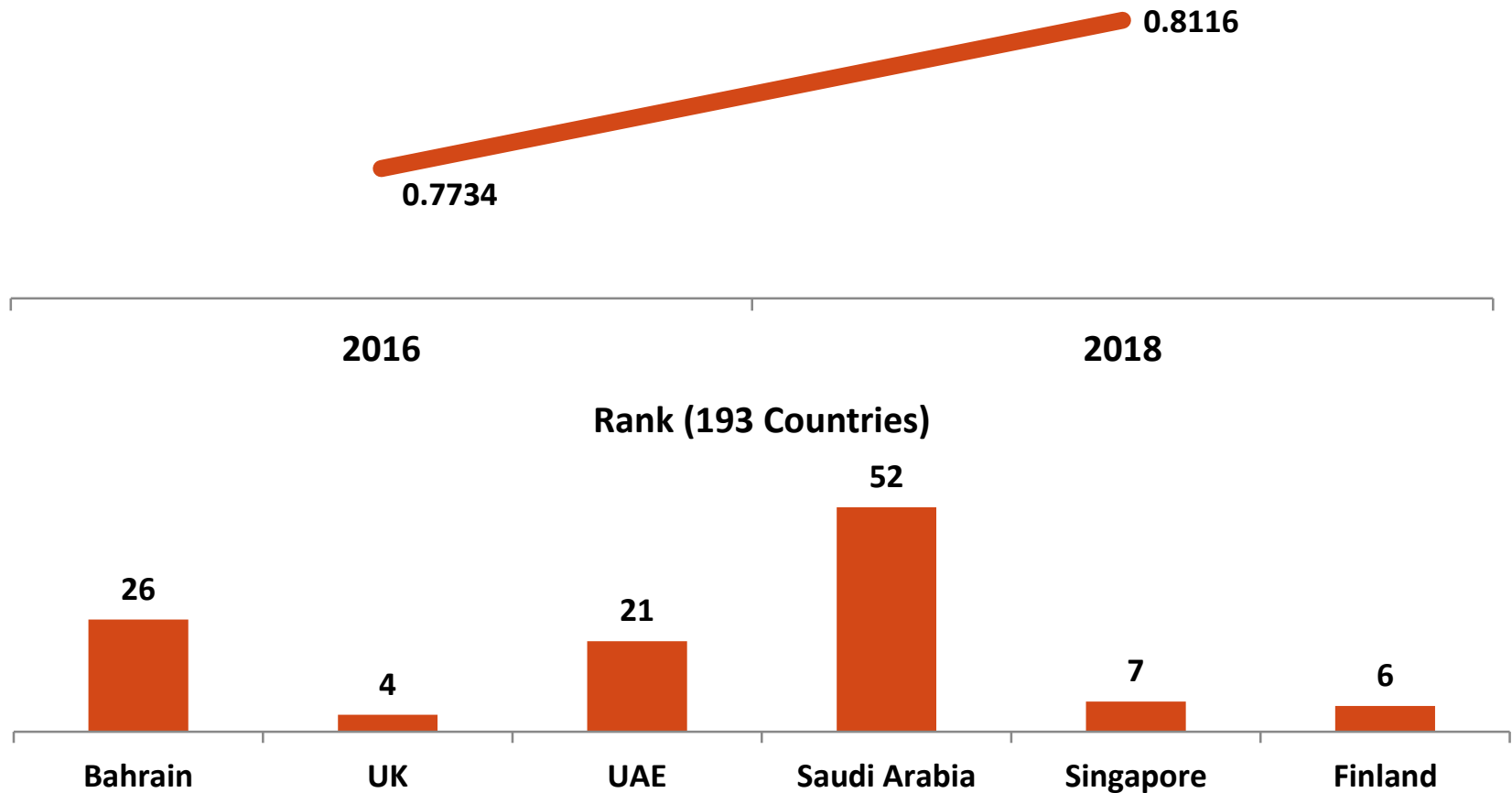
The Index measures e-government effectiveness in the delivery of public services and identifies patterns in e-government development and performance as well as countries and areas where the potential of Information and Communications Technologies (ICT) and e-government has not yet been fully exploited and where capacity development support might be helpful.

The index is issued by United Nation every two years and covered 193 countries.

Structure and Computation:

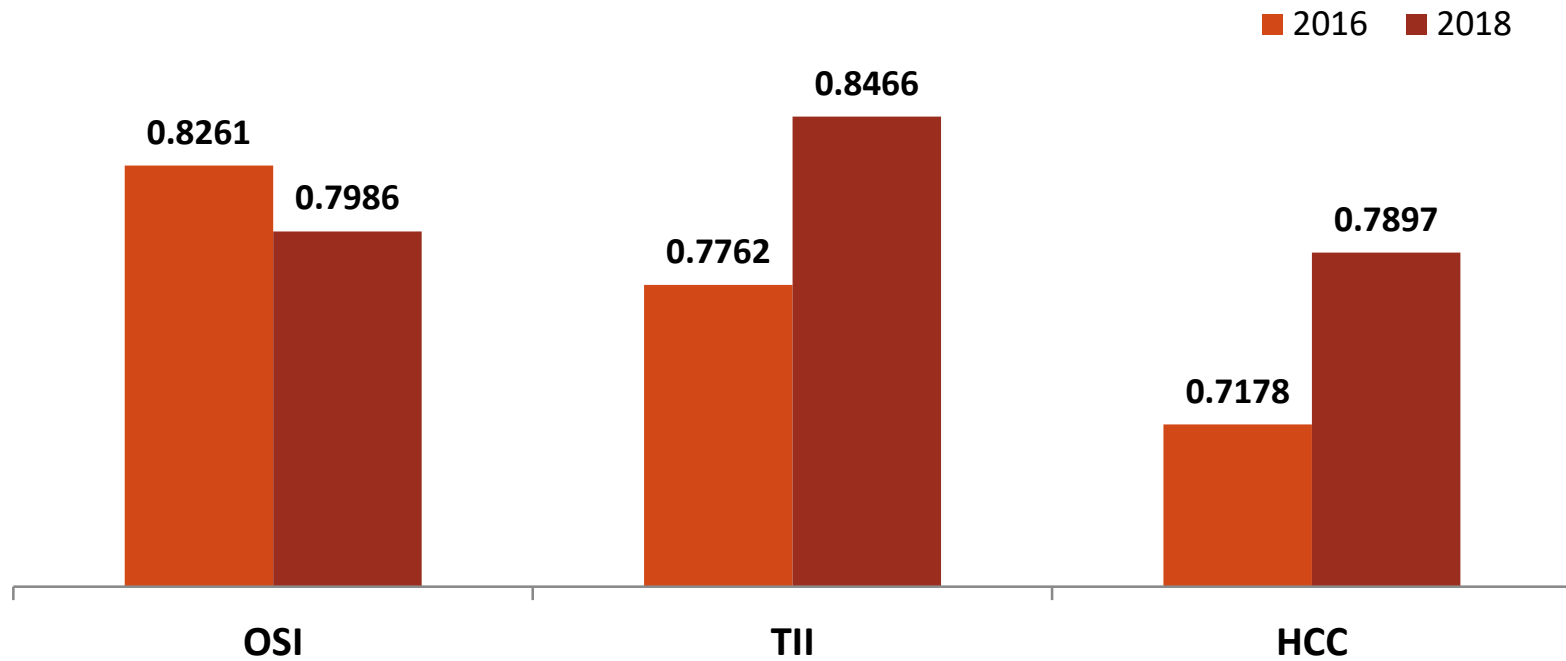
The EGDI, is a composite index based on the weighted average of three normalized indices. One-third is derived from a Telecommunications Infrastructure Index (TII) one-third from a Human Capital Index (HCI) and one-third from the Online Service Index (OSI). The survey questionnaire assesses a number of features related to online service delivery, including whole-of-government approaches, open government data, e-participation, multi-channel service delivery, mobile services, usage uptake, digital divide as well as innovative partnerships through the use of ICTs.

Bahrain IGD I Trend 2018



Source https://publicadministration.un.org/egovkb/Portals/egovkb/Documents/un/2018-Survey/E-Government%20Survey%202018_FINAL%20for%20web.pdf

3 E Government Indicators



Source: https://publicadministration.un.org/egovkb/Portals/egovkb/Documents/un/2018-Survey/E-Government%20Survey%202018_FINAL%20for%20web.pdf

World Happiness Index

World happiness Indicator

Description:

The Index Measures the well-being and happiness among the peoples of the world using the following criteria: Social support, Freedom, Corruption, Generosity, GDP per capita, Healthy life expectancy.

The report is issued by Sustainable Development Solutions Network every year.

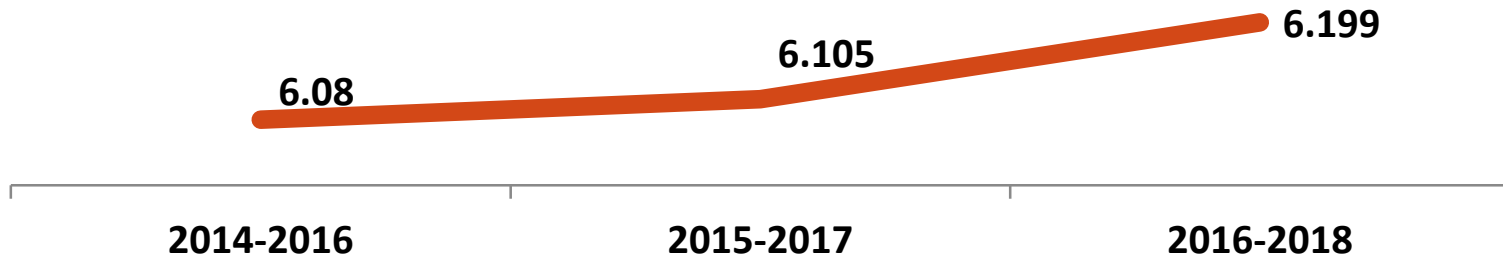
Structure and Computation:

The Global Happiness Index is calculated based on the analysis of the data and questions to the individuals covered by Gallup World Poll, where the people are allowed to express their opinion about the level of satisfaction and well-being.

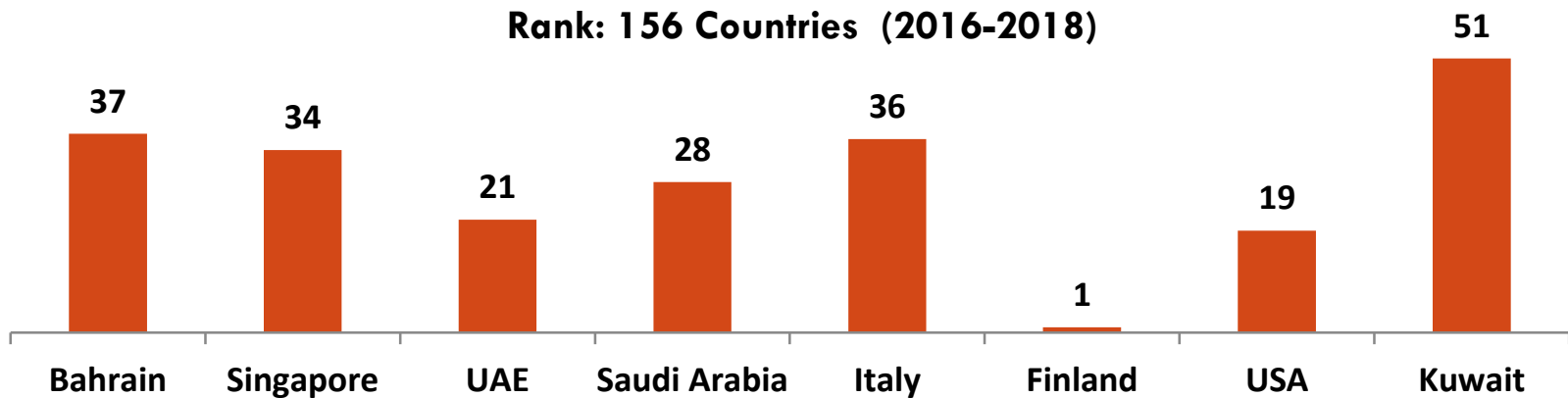
Countries are scored by giving a value from 0 to 10, where 0 indicates the worst or the most unhappy country, and 10 to the happiest country.

Bahrain Happiness Trend and Rank

Score (0-10)



Rank: 156 Countries (2016-2018)



Source: <https://s3.amazonaws.com/happiness-report/2019/WHR19.pdf>

The Legatum Prosperity Index

The Legatum Prosperity Index

Description:

The Prosperity Index has been developed as a practical tool to help identify what specific action needs to be taken to contribute to strengthening the pathways from poverty to prosperity globally. The Index consists of 12 pillars* of prosperity, built upon 65 actionable policy areas (elements), and is underpinned by 294 indicators.

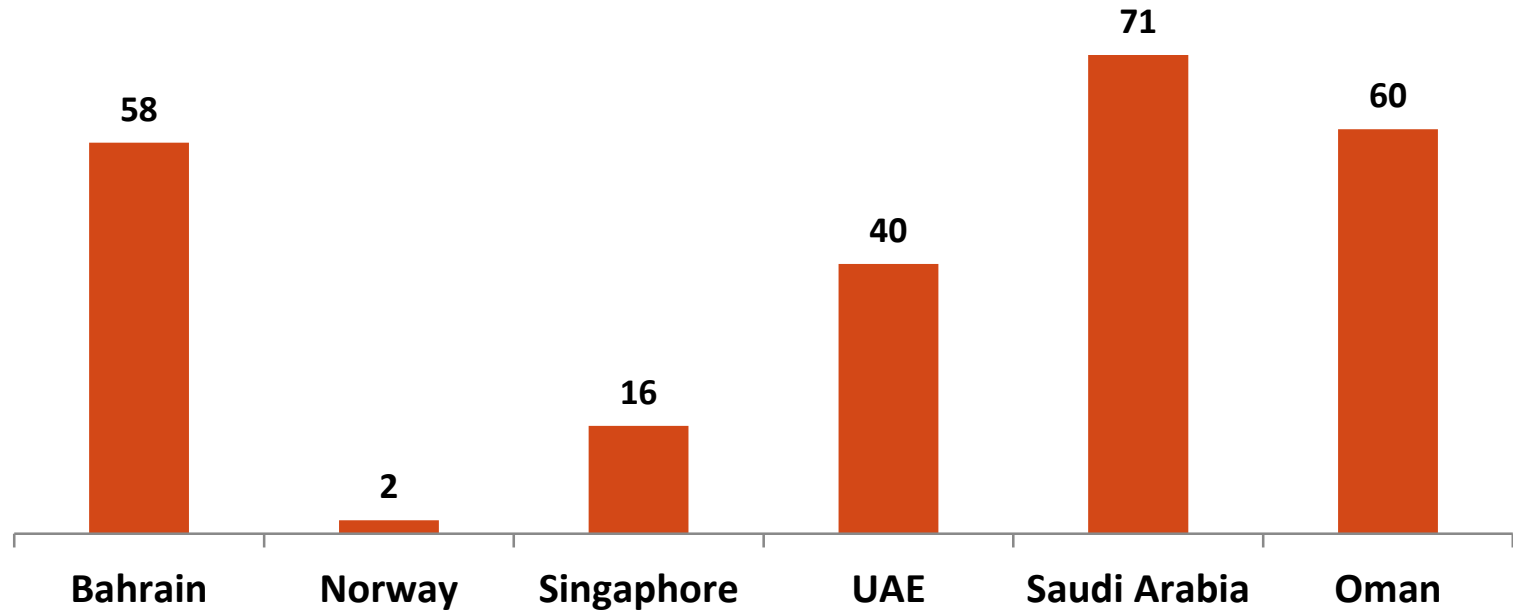
The Pillars are: Safety and Security, Personal Freedom, Governance, Social Capital, Investment Environment , Enterprise Conditions, Market Access and Infrastructure, Economic Quality, Living Conditions, Health, Education, Natural Environment.

Structure and Computation:

The overall Prosperity Index score is determined by assigning an equal weight of 1 to all 12 pillars for each country. The mean of the 12 pillar scores yields an overall prosperity score for each country. The overall prosperity rankings are based on this score.

* The number of Pillars included in the Index increased from 9 pillars in 2018 to 12 pillars in 2019.

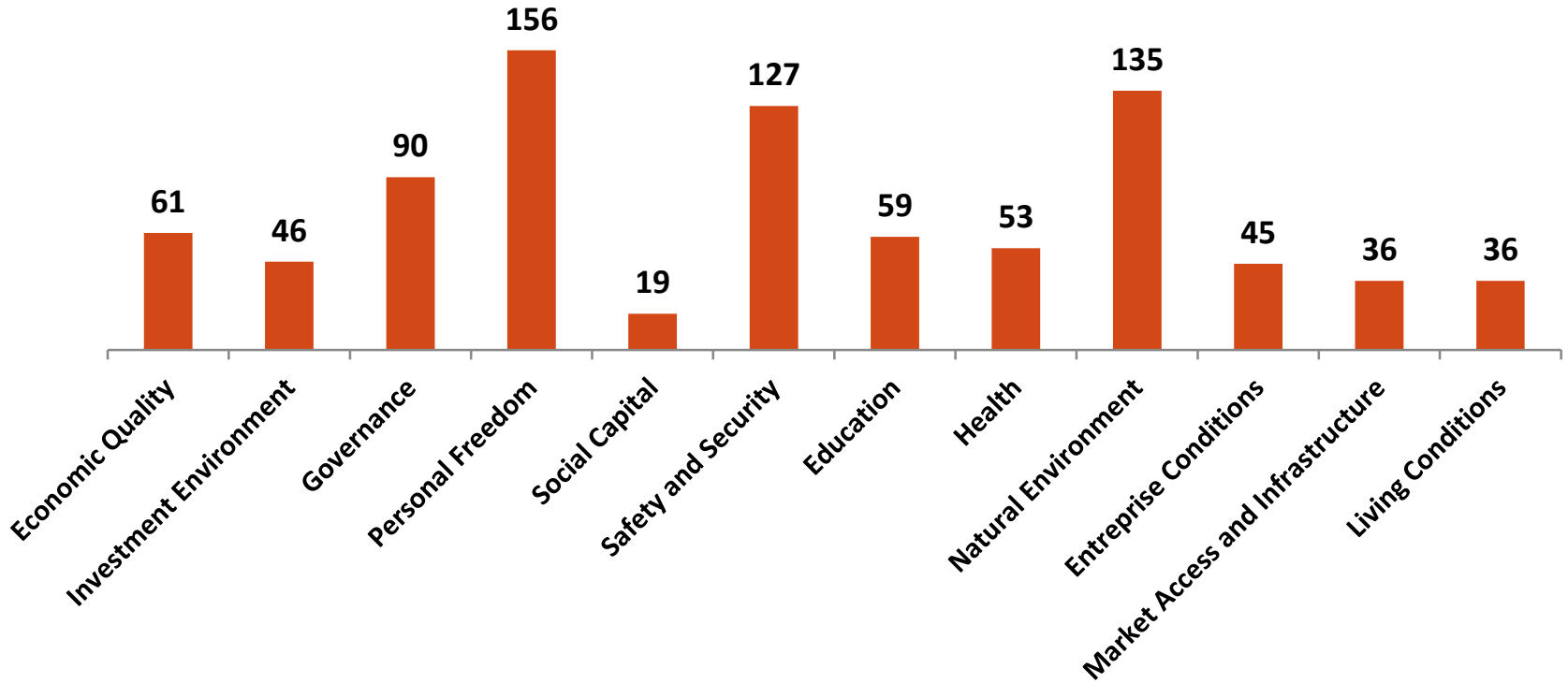
Bahrain Prosperity Rank 2019



Source: https://www.prosperity.com/download_file/view_inline/3690

Bahrain Prosperity Indicators 2019

Rank: (167 Countries)



Source: https://www.prosperity.com/download_file/view_inline/3690

The Global Entrepreneurship Index

The Global Entrepreneurship Index

Description:

The Global Entrepreneurship Index is a composite indicator of the health of the entrepreneurship ecosystem in a given country.

The GEI measures both the quality of entrepreneurship and the extent and depth of the supporting entrepreneurial ecosystem based on the following 14 Pillars: Opportunity Perception, Startup Skills, Risk Acceptance, Networking, Cultural Support, Opportunity Perception, Technology Absorption, Human Capital, Competition, Product Innovation, Process Innovation, High Growth, Internationalization, Risk Capital.

Structure and Computation:

The Index comprises four-level : (1) variables, (2) pillars, (3) sub-indices, and (4) the super-index.

The three sub-indices of Attitudes, Abilities, and Aspirations constitute the entrepreneurship super-index (the Global Entrepreneurship Index).

The index is calculated by giving pillar values ranged from 0 to 100, and summation of the average values of all pillars.

Structure of GEI

	Sub-indexes	Pillars	Variables
	GLOBAL ENTREPRENEURSHIP INDEX	ATTITUDES SUBINDEX	Opportunities perception
Startup skills			SKILL PERCEPTION EDUCATION (TERTIARY EDUCATION*QUALITY OF EDUCATION)
Risks acceptance			RISK PERCEPTION COUNTRY RISK
Networking			KNOW ENTREPRENEURS AGGLOMERATION (URBANIZATION*INFRASTRUCTURE)
Cultural Support			CAREER STATUS CORRUPTION
ABILITIES SUBINDEX		Opportunity Startup	OPPORTUNITY MOTIVATION GOVERNANCE (TAXATION*GOOD GOVERNANCE)
		Technology absorption	TECHNOLOGY LEVEL TECHNOLOGY ABSORPTION
		Human capital	EDUCATIONAL LEVEL LABOR MARKET (STAFF TRAINING*LABOUR FREEDOM)
		Competition	COMPETITORS COMPETITIVENESS (MARKET DOMINANCE*REGULATION)
ASPIRATION SUB-INDEX		Product innovation	NEW PRODUCT TECH TRANSFER
		Process innovation	NEW TECHLOLOGY SCIENCE (GERD*((AVERAGEQUALITY OF SCIENTIFICAL INSTITUTIONS +AVAILABILITY OF SCIENTISTS AND ENGINEERS))
		High growth	GAZELLE* FINANCE AND STRATEGY (VENTURE CAPITAL*BUSINESS SOPHISTICATION)
		Internationalization	EXPORT ECONOMIC COMPLEXITY
		Risk capital	INFORMAL INVESTMENT DEPTH OF CAPITAL MARKET

* **GAZELLE:** The percentage of high-growth businesses that intend to employ at least ten people and plan to grow more than 50 percent in five years

Pillars Description

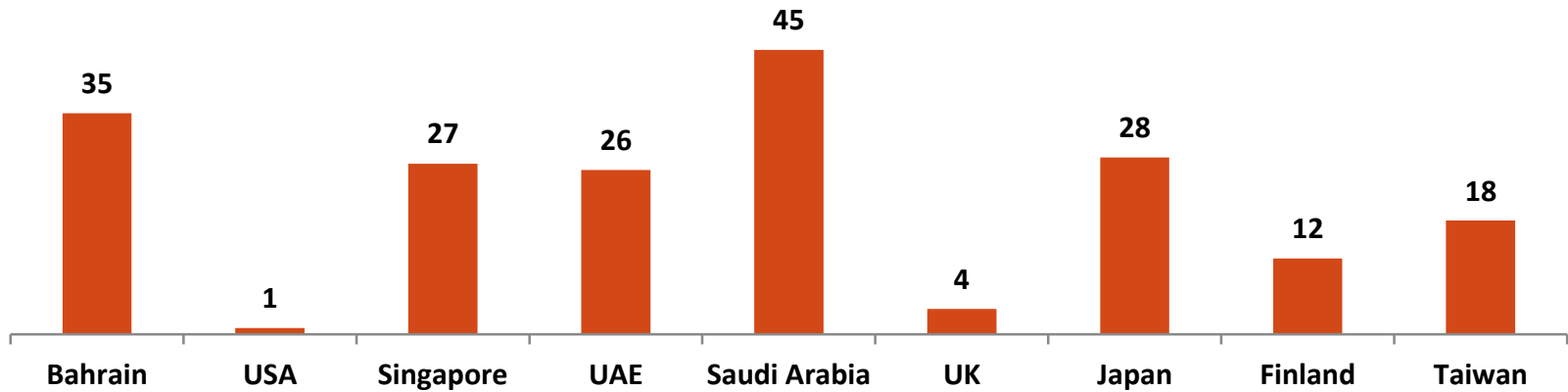
Component of the entrepreneurship ecosystem	What does it measure?
Pillar 1: Opportunity Perception	Can the population identify opportunities to start a business and does the institutional environment make it possible to act on those opportunities?
Pillar 2: Startup Skills	Does the population have the skills necessary to start a business based on their own perceptions and the availability of tertiary education?
Pillar 3: Risk Acceptance	Are individuals willing to take the risk of starting a business? Is the environment relatively low risk or do unstable institutions add additional risk to starting a business?
Pillar 4: Networking	Do entrepreneurs know each other and how geographically concentrated are their networks?
Pillar 5: Cultural Support	How does the country view entrepreneurship? Is it easy to choose entrepreneurship or does corruption make entrepreneurship difficult relative to other career paths?
Pillar 6: Opportunity Perception	Are entrepreneurs motivated by opportunity rather than necessity and does governance make the choice to be an entrepreneur easy?
Pillar 7: Technology Absorption	Is the technology sector large and can businesses rapidly absorb new technology?

Pillars Description

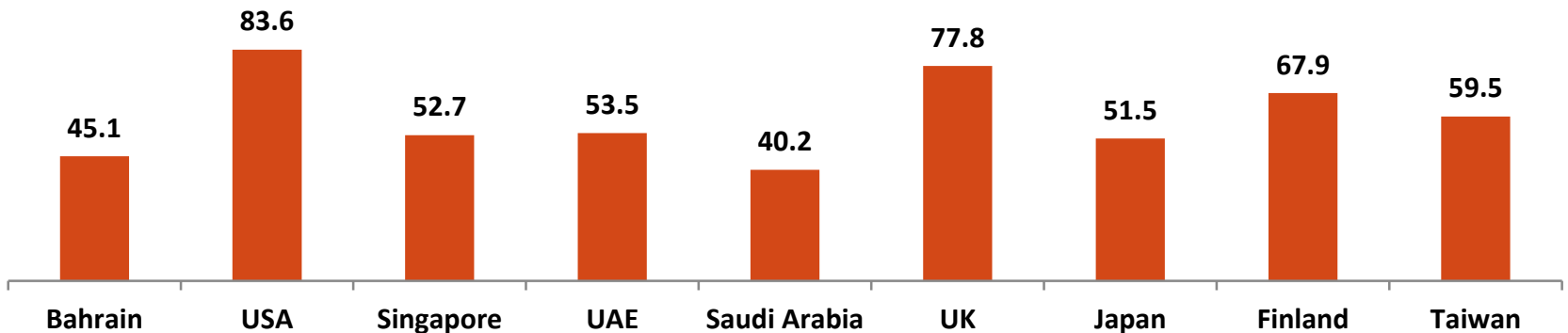
Component of the entrepreneurship ecosystem	What does it measure?
Pillar 8: Human Capital	Are entrepreneurs highly educated, well trained in business and able to move freely in the labor market?
Pillar 9: Competition	Are entrepreneurs creating unique products and services and able to enter the market with them?
Pillar 10: Product Innovation	Is the country able to develop new products and integrate new technology?
Pillar 11: Process Innovation	Do businesses use new technology and are they able access high quality human capital in STEM fields?
Pillar 12: High Growth	Do businesses use new technology and are they able access high quality human capital in STEM fields?
Pillar 13: Internationalization	Do businesses intend to grow and have the strategic capacity to achieve this growth?
Pillar 14: Risk Capital	Is capital available from both individual and institutional investors?

Bahrain Entrepreneurship Index 2018

Rank (137 Countries)

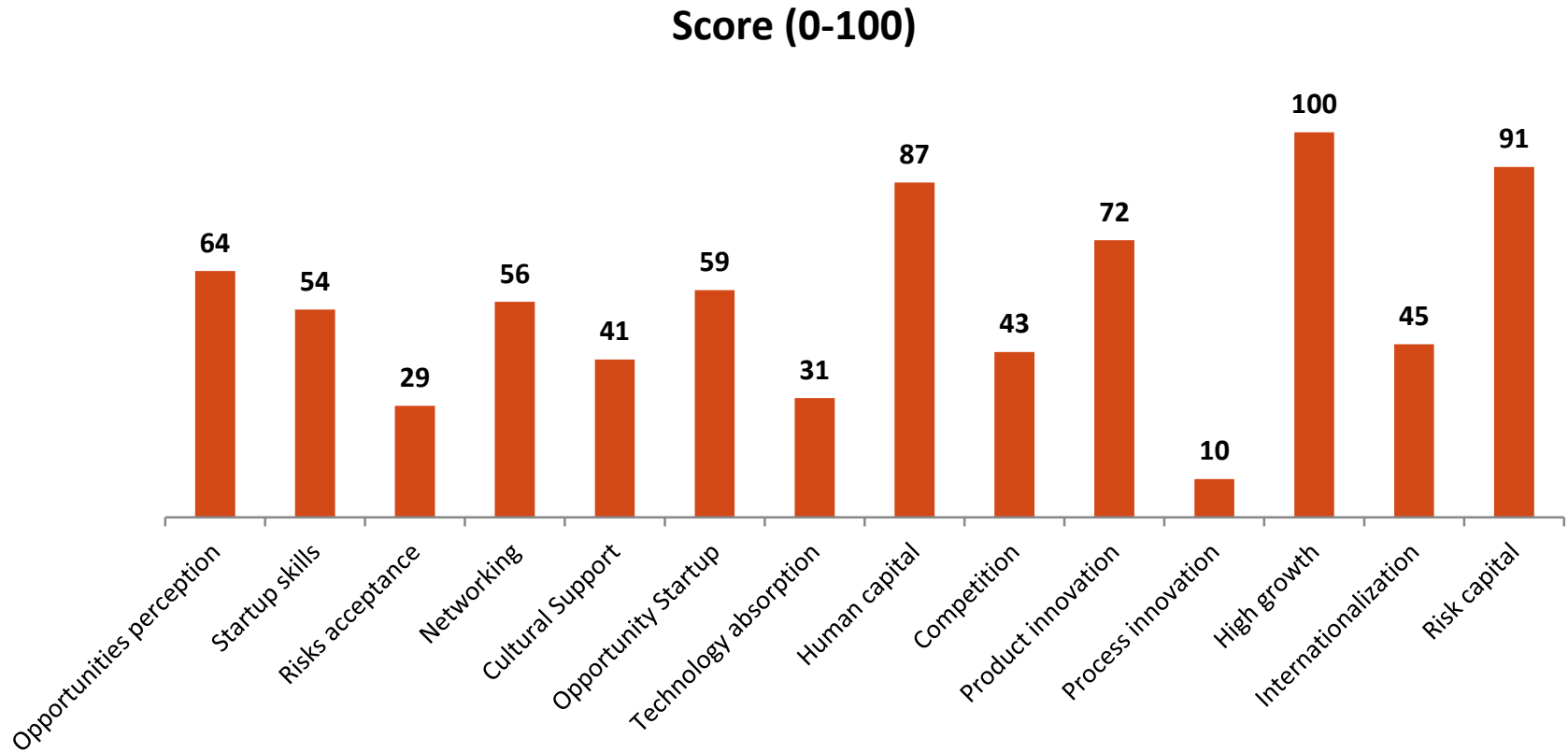


Score: (0-100)



Source: <https://thegedi.org/2018-global-entrepreneurship-index/>

Bahrain Entrepreneurship Indicators 2018



Source: <https://thegedi.org/2018-global-entrepreneurship-index/>

Environmental Performance Index

Environmental Performance Index

Description:

The 2018 Environmental Performance Index (EPI) ranks 180 countries on 24 performance indicators across ten issue categories covering environmental health and ecosystem vitality.

The index is issued by Yale University, Colombia University , World Economic Forum every 2 years.

Structure and Computation:

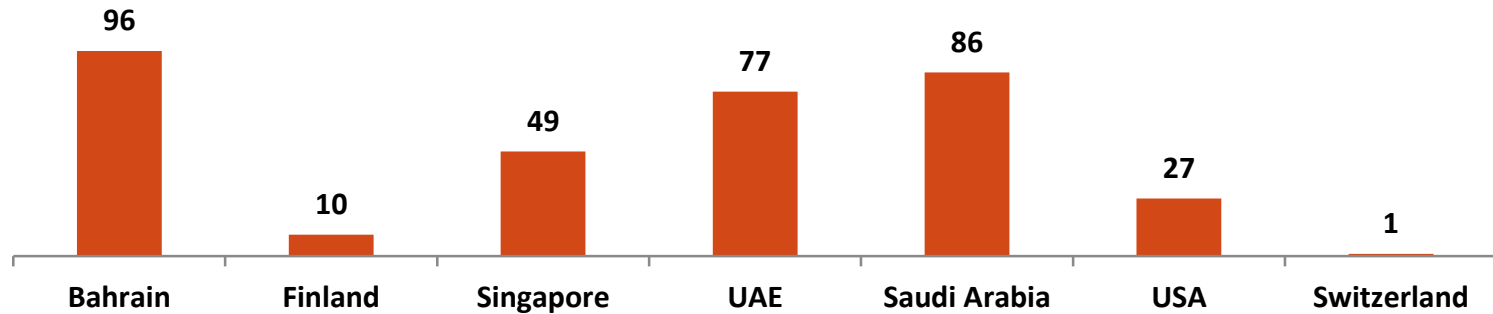
The index construct scores for each of the 24 indicators, placing them onto a common scale where 0 indicates worst performance and 100 indicates best performance. The indicator scores are then multiplied by weights, and added together to produce scores at the levels of the issue categories, policy objectives, and the final EPI.

THE 2018 EPI FRAMEWORK

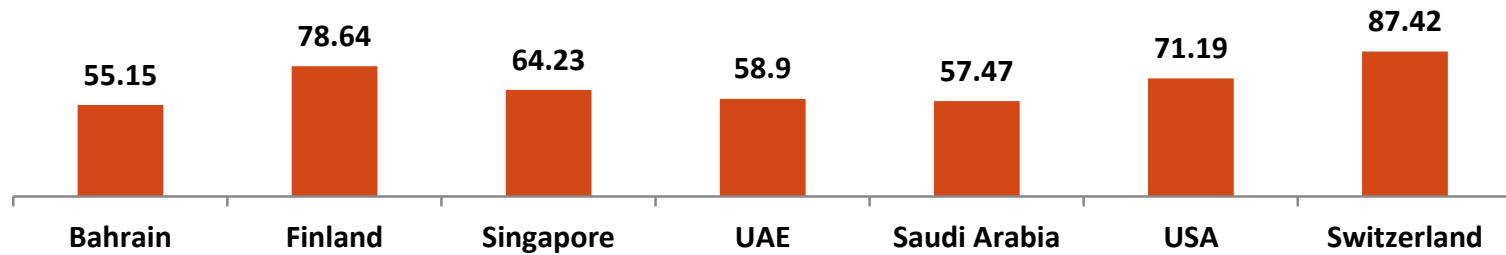
Scope	Issues	Performance Indicators
Environmental Health 40%	Air Quality 26%	Household Solid Fuels 10.4%
		PM2.5 Exposure 7.8%
		PM2.5 Exceedance 7.8%
	Water & Sanitation 12%	Drinking Water 6%
		Sanitation 6%
	Heavy Metals 2%	Lead 2%
Ecosystem Vitality 60%	Biodiversity & Habitat 15%	Marine Protected Areas 3%
		Biome Protection, National 3%
		Biome Protection, Global 3%
		Species Protection Index
		Represent. Index 1.5%
		Sp. Habitat Index 1.5%
	Forests 6%	Tree Cover Loss 6%
	Fisheries 6%	Fish Stock Status 3%
	Climate & Energy 18%	Total CO2 9%
		CO2 from Power 3.6%
		Methane 3.6%
		B.C. 0.9%
		N2O 0.9%
	Air Pollution 6%	SO2 3%
NOX 3%		
Agriculture 3%	Sustainable N Mgmt. Index 3%	
Water Resources 6%	Wastewater Treatment 6%	

2018 Bahrain Environmental Performance

Rank (180 countries)



Score (0-100)



Source: Environmental Performance Index 2018, Yale Center for Environmental Law & Policy, Yale University, Center for International Earth Science Information Network, Columbia University.

<https://epi.envirocenter.yale.edu/downloads/epi2018reportv06191901.pdf>

Final Statement

The effective strategic planning, strategy management, and performance measurement are the main entry towards global competitiveness. It is the only mean by which the organizations can achieve their strategic objectives, realize visions, improve international competitiveness ranking and reputation, and build the confidence in the local investment environment.

The Office, with its accumulated experiences, provides advisory and consultancy services to the government entities and private sector companies in order to develop their Institutional performance and increase their competitiveness at the international level.

The Strategy Optimization Consultancy is an office specialized in strategic planning, strategy management and organizational development.