



## Brand South Africa

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### Research - Internal Analysis

### 2021 Global Sustainable Competitiveness Index

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#### 1. About the Global Sustainable Competitiveness Index

The Sustainable Competitiveness Index is based on 5 pillars of equal importance:

- **Natural Capital:** the given natural environment, including the availability of resources, and the level of the depletion of those resources.
- **Social Capital:** health, security, freedom, equality and life satisfaction, facilitating development.
- **Resource Efficiency:** the efficiency of using available resources as a measurement of operational competitiveness in a resource-constraint World.
- **Intellectual Capital:** the capability to generate wealth and jobs through innovation and value-added industries in the globalised markets.
- **Governance Performance** is the provision of a framework for sustained and sustainable wealth generation through resource allocation, infrastructure, market and employment structure guidance.

## **2. Introduction**

As stated above, the Global Sustainable Competitiveness Index utilizes 5 pillars to collate data leading to the overall rankings of 180 economies. The 2021 report is the 10<sup>th</sup> edition, which provides a picture that the world is not in a good state- with an overall average score totalling to 45 out of a possible 100. However, a large gap also equals to large potential- the gap to a perfect sustainable competitive world is 55, making it clear that the road is still long to a green, inclusive and circular society.

## **3. Key Global Findings**

The average global score in the Global Sustainable Competitiveness Index 2021 (GSCI) is 45, out of a possible 100. The state of the World is not particularly good. We are very happy to see - in time for the 10th edition of the Global Sustainable Competitiveness - the fact that sustainability is competitive is finally getting traction. The countries below are the top performing economies in the 2021 GSCI.

The US is scoring in line or slightly under the global average in 3 of the 5 dimensions -, resource efficiency, social capital, and governance performance - reflecting a somewhat mediocre performance. The fact that the US scores comparable high in intellectual capital - the key dimension to maintain competitiveness in an innovation-driven global economy - shows that all hope is not yet lost. A look at the trends reveals a mixed picture: while resource efficiency is improving, more than 50% of indicators in social capital and natural capital show declining trends.

China scores above global averages in social capital and governance performance, and is ranked 2nd globally in intellectual capital. On the other hand, China's development could be negatively affected by low (significantly below global average) scores in both natural capital and resource efficiency. However, a majority of trends in natural capital and resource efficiency are positive, indicating that these dimensions could improve into the future. Trends in social capital, intellectual capital and governance performance show the right direction, indicating that China is on a path to improve its sustainable competitiveness in the future.

Germany shows a good performance in social capital, governance performance, and intellectual capital, while being in the global average in natural capital & resource intensity. In addition, a significant proportion of natural capital trends are negative, adding further pressure. What is more worrying, however, is the percentage of not-improving and negative trends in intellectual capital in an economy that is based on exporting high-tech and quality goods.

Japan ranks somewhat with below-average scores in both natural capital and resource efficiency, while scoring above average in social capital and amongst the global leaders in intellectual capital. On the positive side, nearly 90% of indicators in resource efficiency are going the right direction, indicating that Japan could improve its standing over time with increased efforts in circular economy and renewable energy.

Brazil's performance is in line with global averages in resource efficiency, but below in social capital and governance. Thanks to a rich and diverse natural environment amongst the natural capital score is amongst the highest in natural capital globally. However, nearly 60% of natural capital indicators are negative, indicating that Brazil is chipping away on its main resource, the natural capital. On a positive side, intellectual capital indicators are mostly positive, hopefully translating into improved sustainable competitiveness performance.

India performs in the average in resource efficiency and governance, but significantly below in natural capital, social capital and intellectual capital, resulting in low global ranking. In addition, a majority of natural capital indicators are negative, putting further strain on the densely populated country. On a positive note, more than 70% of intellectual capital indicators are positive, raising hopes that the country can improve its future standing through improved education.

#### **4. Key Findings on South Africa**

South Africa ranks 147/180 economies in the 2021 GCSI report. Although the report does not provide more information on countries benchmarked to understand the background of the rankings and pillars- it is important that we also unpack South

Africa’s goals, which are focused on sustainable development frameworks utilised as mechanisms to ensure a sustainable environment.

The purpose of this Framework is to enunciate South Africa’s national vision for sustainable development and indicate strategic interventions to re-orientate South Africa’s development path in a more sustainable direction. It does not present detailed strategies or actions, but rather proposes a national vision, principles, trends, strategic priority areas and a set of implementation measures that will enable and guide the development of the national strategy and action plan.

It describes in broad terms how the existing activities of government and its social partners will be strengthened, refined and realigned in a phased manner to achieve inter-related sustainable development goals relating to the economy, society and the environment, and how governance systems will be capacitated to facilitate this process.

This Framework provides the basis for a long-term process of integrating sustainability as a key component of the development discourse and shows South Africa’s commitment to the principles developed at international summits and conferences in the economic, social and environmental fields, including the 2002 World Summit on Sustainable Development.

**References**

1. SolAbility Sustainable Intelligence. 2021. The Global Sustainable Competitiveness Index. <file:///C:/Users/LehlohonoloM/Downloads/The-Global-Sustainable-Competitiveness-Index-Report-2021.pdf>

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