

	Policy area	Selected European Example	
		Country	Rationale
1	Restructuring private debt	Sweden	Reduction of household indebtedness (131% of disposable income in 1988–89 to 90% in 1996) and household expenditure on interest (10% of disposable income in 1990 to 5% in 1997).
2	Managing financial FDI	(EU) Poland	Effective macroprudential policies (profitable banks, the highest average GDP growth of 3.5% in CEE 2008–2010, average nonperforming loans to total loans below 7% 2008–2010) despite high financial FDI inflows: from 1991 to 2003, one in five cross-border M&A in Poland involved banks; foreign ownership stands at 2/3 of total banking sector assets.
3	Crisis-proofing financial integration	Czech Republic	Sound banking sector despite the crisis (in 2009 ROE of 26.4%, ROA of 1.5%). Lowest ratio of nonperforming loans to total loans (4.6) in CEE in 2009 (Slovakia, 5.3; Poland, 7.6), low CDS spreads. Impressive results given country's financial integration with the EU (as of January 2010, 96% of banking sector assets were foreign owned).
4	Increasing value-added	Slovak Republic	High FDI facilitated VA growth (2.8% average in 1995–2009). Successful in attracting worldwide investments (top FDI investors 2002–10: (1) Germany and (2) South Korea). 3rd highest GDP per capita in the region, after Slovenia and Czech Republic.
5	Job creation	Ireland	Annual average employment participation growth rate of 1.6% 1995–2009. In absolute terms the country (with 4.5 million population) added a million jobs in 1986–2008. Transformation from an outmigration country to immigration destination (share of the foreign-born doubled from 3.1% in 1999 to 6.3% in 2005).
6	Export generation	Germany	World third largest merchandise exporter, number one in Europe: exports to GDP rate of 42% in 2009. In 2009 accounted for 9.0% of world merchandise exports, record value of total exports in March 2011 since the 1950s (nearly 100 billion euros).
7	R&D policy	Switzerland	European leader in innovation (in 2007 the highest number of patents per million inhabitants among industrialized countries (118 vs. OECD average of 42). 1st in the European Innovation Scoreboard 2009 (Swiss innovation performance growth: 3.3%, EU27 average: 1.8%).
8	Tertiary education	United Kingdom	2nd in SJTU Academic Ranking of World Universities, after the US (number of UK educational institutions in the top 100 grew from 9 in 2003 to 11 in 2010). 3 out of the world's top 10 universities in Times Higher Education Ranking were British. High attainment levels for tertiary education (33% in 2008 compared to OECD average: 28%). 2nd most popular location for international students.

¹ Rankings in this row by Nicholas Bloom and John Van Reenen, "Why Do Management Practices Differ across Firms and Countries?" Journal of Economic Perspectives 24 (2010): 203–24.



	Policy area	Selected World Example	
		Country	Rationale
1	Restructuring private debt	South Korea	Reduction of indebtedness in the corporate sector (manufacturing-debt-to-equity ratio decreased from 396% in 1997 to 211% in 2000). The ratio of nonperforming loans to total loans decreased from 8.3% in 1999 to 1.9% in 2002. Return to GDP growth of 10.7% in 1999.
2	Managing financial FDI	(Non-EU) Croatia	Effective macroprudential policies given the magnitude of financial FDI (foreign ownership of banks jumped from 7% in 1998 to 90% in 2002) as well as economic and financial circumstances (2000–2008 household loans grew on average by 23%; exchange rate regime restrained the usefulness of monetary policy).
3	Crisis-proofing financial integration	Canada	Sound banking system despite the crisis: 1st in WEF GCR in soundness of banking system 2008–11, 1st in 2008 Moody's ranking of banking systems' soundness. Banking sector survived the crisis without a taxpayer bailout. Low ratio of nonperforming loans (1.3% of total loans in 2008–2009) despite economic and financial integration with the US.
4	Increasing value-added	Singapore	High VA growth (2.4% average 1995–2009). High level of productivity in 2009 at \$58.1 (thousands US\$, constant 2005), in comparison to \$38.1 in Korea, \$6.1 in China. Global leader in port efficiency. Successful attraction of MNCs (3rd in the WEF GCR 2010–11).
5	Job creation	New Zealand	Annual average employment participation growth rate of 0.9% 1995–2009. Reduction of unemployment rate (from 11% in 1991 to 4% in 2008). High labor force participation (70.3%). 5th in the Global Entrepreneurship Index that captures business formation processes in 71 world economies.
6	Export generation	South Korea	High growth of exports—one of top 10 world exporters in 2009, high exports to GDP rate of 52% in 2009). Benefits due to exports: high real GDP growth: 4.1% per year 1995–2009, GDP per capita of US\$1,110 in 1960 vs. US\$15,444 in 2009.
7	R&D policy	United States	Global leader in innovation: US companies accounted for nearly a half of 2010's 50 most innovative companies in the world, according to Business Week. Home to big IT innovators (Google, Yahoo, Facebook): in 2008, 8 out of the world's 10 largest Internet companies were based in the US. Strong innovative performance by high-level R&D intensive industries (US enterprises employed 1 in 4 people working for 250 of the world's biggest ICT companies and accounted for nearly a third of total revenue).
8	Tertiary education	United States	World leader: US accounted for a third of total OECD population having higher education. 72 out of 200 universities listed in the Times Higher Education World University Ranking were American; each university from the top 5 was from the US. In 2008 the US tapped the highest share of international students among OECD countries.

	Policy area	Selected European Example	
		Country	Rationale
9	Management quality	Sweden	No. 1 in management quality in Europe (together with Germany); second in the world after the US. World leader in monitoring management. ¹
10	Internal mobility	Ireland	Most mobile country in the EU (nearly 15% of population moved within the EU); one in five Irish moved within the country. 2nd lowest average job tenure—around 10 years—in 2006 in the EU15, after the UK. 2nd highest share of migrants born in the EU (9%), after Luxembourg (34%). Biggest ratio of noncitizens from EU27 to total population in the EU (around 5%, EU15 average around 2%).
11	Labor legislation	Denmark	Low unemployment rate (1995–2008 average of 5%, vs. 7% in Sweden, 10% in Finland), a decrease in unemployment rate from 11% in 1993 to 4% in 2010. The second highest participation rate (80.7 percent) in Western Europe, after Switzerland (82.9 percent). High labor market flexibility: each year 1 in 5 Danes experiences unemployment. One of the most generous unemployment benefit systems in Europe but low incidence of long-term unemployment (9.1% vs. OECD weighted average 23.5%).
12	Immigration policies	Sweden - United Kingdom	UK: The 3rd highest portion of permanent immigration in Europe with 2nd highest quality of immigration in Western Europe (34.8% of all migrants had tertiary education) and one of the biggest shares of international students (average 132.7 thousand in 2003–8) Sweden: High share of immigrants (13.9% of population is foreign born); best migrant integration policy among OECD (1st in MIPLEX III ranking).
13	Social security	Iceland	High pensions with low public spending: one of the highest income-replacement pension rates in OECD (96.9% for average earners) couple with low spending on pensions (1.9% of GDP vs. OECD average of 7%). High pensionable age for men and women (67 years). High average effective age of labor market exit: 69.7 years for men, 65.4 for women.
14	Social service delivery	Finland	Excellent primary and secondary education (3rd in the OECD 2009 PISA), with universal access at limited cost (spending per student US\$7,216 vs. Japan, US\$8,012; UK, US\$8,622; or Australia, US\$7,589). Satisfactory health care (long life-expectancy at birth of 79.5, low infant mortality rate of 2.7 vs. OECD 3.9) with limited spending (public spending 6.1% GDP vs. OECD 6.4%).
15	Reducing public debt	Turkey	Reduction of gross public debt from 77% GDP to 39% in 2008. Reduction in general government deficit from 15% GDP in 2002 to 3.5% in 2010. Price stability: inflation fell from 84% in 1998 to 8.6% in 2010. Lower CDS spreads: 11.45 basis points in mid-April 2001 to around 3 in January 2004.
16	Green growth policies	Germany	One of worlds' leaders in green growth policies: in 2009 reduction of CO ₂ emission by 23 percent relative to 1990 levels; energy consumption from renewables shot up fivefold from 1990 to 2010; the largest solar energy capacity in the world.



	Policy area	Selected World Example	
		Country	Rationale
9	Management quality	United States	World leader in management quality. World leader in people management. 7 out of 10 of the world best CEOs work for American companies, ranking from 2010 by Harvard Business Review.
10	Internal mobility	United States	High mobility rates (average mobility between the states of 3.1% 2000-2005, EU15 NUTS 1 levels: 1%). On average Americans move 11 times a lifetime. In 2010 12.5% (37.5 million) changed their addresses. Mobile business landscape (1 out of 10 US businesses disappears every year).
11	Labor legislation	United States	Successful in delivering jobs and keeping unemployment rate low (1995-2010 average of 5% vs. 9.4% in the eurozone). High level of labor force participation (74.6 vs. OECD weighted average 70.7). One of the most flexible labor markets in the advanced world.
12	Immigration policies	United States -Canada	US: The highest portion of immigration in OECD (in 2000, one in four immigrants in OECD countries lived in the US) with relatively high quality of immigration (26.1% of all immigrants had tertiary education). Canada: High share of immigrants (one in five Canadians is foreign-born), one of the best migrant integration policies among OECD (3rd in MIPLEX III ranking), and 2nd highest share of immigrants with tertiary education (38%) among OECD countries.
13	Social security	Japan	Fastest aging nation in the world: median age is 44 years, life-expectancy is 82.6 years, and those aged 65+ account for 35.5% of working population. High average effective age of labor market exit: men, 69.7; women, 67.3. Higher than average but (considering demographics) relatively modest public pension spending: 9.8% GDP vs. France, 12.5%; Germany, 11.4%; Greece, 11.9%. Successful in gradual adjustments of pensions system (more changes needed).
14	Social service delivery	Singapore	Well-managed health care system (high life-expectancy at birth of 81.4, low child mortality rate of 2.2) at low cost (public spending 1.4% GDP). Excellent education (ranked in top 3 in the TIMSS, 6th in OECD PISA 2009) at low cost (public spending of 3.3% of GDP). Pioneer in e-governance: ranked 1st in 2009 in The Waseda University Institute of e-government ranking.
15	Reducing public debt	New Zealand	Reduction of gross public debt ratio from 62% GDP in 1992 to 17% in 2008. Leads in fiscal prudence (1st in the Sovereign Fiscal Responsibility Index 2010), with government structural balance surpluses 1999-2008.
16	Green growth policies	California (USA)	Regional leader in green growth policies based on energy efficiency: consumes the lowest amount of electricity per capita in the US; accounts for 15 percent of the US total renewable energy.