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# The World's Most Talent Competitive Countries



By Paul A. L. Evans , Academic Director of the INSEAD Global Talent Competitiveness Index and Bruno Lanvin , INSEAD Executive Director for Global Indices

**INSEAD's Global Talent Competitiveness Index shows high-income countries leading in fostering knowledge and vocational talent pools. Low-income countries are struggling in both areas.**

Talent is the V8 engine of competitiveness and innovation for today's globally connected mobile economy. Those that have mastered the development of skills inside their countries and lowered the barriers to entry for foreign talent are creating vibrant and sustainable economies. Those that haven't are facing a wide array of challenges, from skills shortages to high joblessness.

INSEAD, in partnership with Singapore's Human Capital Leadership Institute and Adecco, has created the first ranking of 103 countries on their ability to attract and incubate talent. The index shows the top ten slots mostly populated by European and rich countries, plus Singapore and the United States and a wide gap between prosperous and low-income countries.

The top-ranked 20 countries in the [Global Talent Competitiveness Index \(GTCI\)](#) shows countries need both skill sets - global knowledge and

vocational - to build a cutting edge, knowledge-based society, a complex undertaking that in some cases relies on strong educational traditions, and in others on immigration policies.

# GLOBAL TALENT COMPETITIVENESS INDEX

RANK	COUNTRY
1	SWITZERLAND
2	SINGAPORE
3	DENMARK
4	SWEDEN
5	LUXEMBOURG
6	NETHERLANDS
7	UNITED KINGDOM
8	FINLAND
9	UNITED STATES
10	ICELAND
11	CANADA
12	NORWAY
13	BELGIUM
14	AUSTRIA
15	AUSTRALIA
16	GERMANY
17	NEW ZEALAND
18	IRELAND
19	UNITED ARAB EMIRATES
20	FRANCE

## **Swiss formula**

At the top of the GTCI league table sits Switzerland. What sets Switzerland apart is its strength in both vocational and global knowledge skills, and across the entire gamut of indicators, said Paul Evans, Academic Director of the INSEAD GTCI. At the same time, Switzerland has two local specificities, added Bruno Lanvin, INSEAD Executive Director for Global Indices: a thriving apprenticeship programme, and a system where workers can move back and forth from classroom to workplace.

The GTCI measures countries, using 48 variables, split into two groups. The outputs are vocational and technical skills for jobs in fields such as health and engineering; and global knowledge skills, which encompasses a range of positions, including entrepreneurs, researchers, managers and other professionals. The second group addresses how countries enable, attract, grow, and retain talent to foster these output skills.

## **Small-country advantage**

Lanvin said the rankings reflect three distinct types of situation in the leading countries studied. Countries and city states in the top ten employ a strategy that emphasises drawing in talent. These countries include second-ranked Singapore, followed by Denmark, and joined by the Nordic countries, Sweden, Finland and Iceland; plus Luxembourg, the Netherlands, and the U.K. Many of these countries, especially in Europe, have a long history of fostering strong education systems. “They have the income, they have the resources, they have the infrastructure. They just need the people that their demography does not generate,” Lanvin said.

The second is large industrial countries clustered further down in the top 20, which have a well-established tradition of immigration to attract talent, such as the U.S. (9<sup>th</sup>), Canada (11<sup>th</sup>) and Australia (15<sup>th</sup>).

And the third situation is seen in emerging countries that need talent to build infrastructure, develop their economy, and lift GDP growth. Such talent champions such as Montenegro and Malaysia were ranked 26<sup>th</sup> and 37<sup>th</sup> respectively for their focus on skills that their neighbours lack and developing human capital that is in particular demand.

## **Innovation link**

Lanvin notes, as expected, the talent competitiveness performance of countries and GDP per person were tightly correlated in the GTCI - rich countries rose to the top of the GTCI, poor countries ranked at the bottom. But what was surprising was an even stronger correlation between talent competitiveness and innovation performance, he added.

## **Fast learners**

In each world region, there were countries that stood out. For example, even though Germany is ranked 20<sup>th</sup> and is often lauded for its strong industrial base, Belgium is ranked slightly above Germany in the GTCI index, largely on the merits of its education system which leads to a stronger global knowledge workforce, whereas Germany is more weighted toward vocational skills.

Among developing countries, there were emerging economies that bettered their regional peers. In sub-Saharan Africa, which falls at the bottom of the table in GDP per person, South Africa stood out for its large share of women in parliament, a measure of a country's commitment to growing and attracting talent. In Latin America, Chile was noteworthy because of its high social mobility and its open borders. In Asia, China outperforms other countries in the region due to its ongoing efforts to strengthen its higher education system.

The strong performance of these countries indicates that “global competition for talent is going to remain a rapidly-moving field, in which comparative advantages may be hard to keep,” the authors point out.

## **Minding the gap**

The GTCI shows the global spread of talent competitiveness is indeed lopsided. Clustered at the top are rich countries that need to nurture both global knowledge and vocational skills, contrasted with lower-ranked emerging economies. The gap is widest on global knowledge skills, where rich countries are much stronger due to their well-developed ecosystem of universities and institutions that spur innovation, which are difficult for developing countries to replicate in the short term.

There is a virtuous feedback loop in operation in rich countries, which are able to develop, attract and hold onto talent. By contrast, the GTCI shows poor countries may not be able to keep the skilled workers they have

developed and attracted. What is more, many of these emerging countries are striving to expand their pool of the vocationally skilled.

### **The draw of the metropolis**

The index suggests another front is emerging in the global war for talent. To sharpen its competitive edge, a large country can better match the agility of the best-performing small countries and city-states, through strengthening competition among cities within its borders, Evans said.

Evans cites several examples of the increasing clout of cities as top talent draws: Barcelona, which has fashioned itself into a hub for information technology; the fashion industry, where there are now several capitals of “la mode”, with Paris no longer predominant, including London, Milan, New York, and Tokyo; and Singapore, which despite its modest market size, has positioned itself as the gateway to Asia, through building world-class infrastructure and striking partnerships.

“Ten years ago, if you worked for a large U.S. company... people would say are you interested in moving to a management position in China? Today, typically the answer to the question is, are you sending me to Beijing, to Shanghai, to Guangzhou, or to the western provinces?” Evans said.

### **Redressing imbalances**

The authors note that to address the skills gaps evident worldwide, and most acutely in some countries and regions, will require more cross-border mobility of talent, greater access to education for women, the disabled, marginalised ethnic and poor populations, and for companies to reinvigorate apprenticeship programmes to retain skilled workers and create local jobs.

To address the complex and inter-connected challenges necessary to boost talent competitiveness will require government, business, organised labour, educators and individuals to collaborate through forging partnerships, the authors note.

### **Find article at**

<https://knowledge.insead.edu/career/worlds-most-talent-competitive-countries>

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