Visual 5.2: EQx Indicator table

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
Sub-Index I: Power / Index Area (i): Political Power					
Pillar (i.1): State Capture					
COR	Political corruption	The chosen Indicator dataset "includes measures of six distinct types of corruption that cover both different areas and levels of the polity realm, distinguishing between executive, legislative and judicial corruption. (…) The measures thus tap into several distinguished types of corruption: both 'petty' and 'grand'; both bribery and theft; both corruption aimed at influencing law making and that affecting implementation" (V-DEM, website).	Political corruption (COR) uses data from: Varieties of Democracies (V-DEM) Dataset, sub-set on Political Corruption	Political corruption is a direct measure of Value Extraction facilitated by State Capture, which is anchored in Political Power. It is one of the most blatant and direct forms of rent seeking, as corruption is a form of theft and plunder. Political corruption also erects barriers to the emergence of Value Creation business models, thus distorting the market.	Value Extraction
COC	Control of corruption	The Control of corruption Indicator is derived from the World Bank's Worldwide Governance indicators (WGI) project that: "captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as 'capture' of the state by elites and private interests" (World Bank, website).	Control of corruption (COC) uses data from: The World Bank, Worldwide Governance indicators (WGI)	Control of corruption analyzes the effects of corruption on the public and complements the Political corruption Indicator (COR). Perceptions of the existence of corruption are critical because they influence the level of trust in the political system, with two implications for Value Creation. First, corrupt elites have engaged in successful State Capture through extractive business models at the cost of non-elites. Second, non-elites face barriers, distractions and costs if they wish to invest and engage in Value Creation models that would benefit society at large.	Value Creation
OPG	Open government	Open government, a factor in the World Justice Project's Rule of Law Index, measures "the openness of government defined by the extent to which a government shares information, empowers people with tools to hold the government accountable, and fosters citizen participation in public policy deliberations. This factor measures whether basic laws and information on legal rights are publicized and evaluates the quality of information published by the government" (World Justice Project, n.d).	Open government (OPG) uses data from: The World Justice Project, Rule of Law Index	Open government is associated with transparency, accessibility, and citizen participation, enabling a more equitable distribution of power amongst a country's population. Thus, non-elites are empowered to challenge and check elite power, reducing the permissibility of value extracting business models such as rent seeking. Moreover, transparency and accessibility also enable and boost the participation of non-elites in decision-making and increase trust in institutions, thereby fostering a culture of innovation and enhancing the willingness to invest.	Value Creation
RTC	Government's responsiveness to change	Government's responsiveness to change is measured through an indicator included in the World Economic Forum's Global Competitiveness Index, which is based on the survey question: "In your country, to what extent does the government respond effectively to change (e.g. technological changes, societal and demographic trends, security and economic challenges)?" (WEF, website). The WEF Executive Opinion Survey captures the views of more than 16,000 business executives in 140 countries.	Government's responsiveness to change (RTC) uses data from: The World Economic Forum (WEF), The Global Competitiveness Index	Government's responsiveness to change is a determining factor in incentivizing Value Creation business models. A state free from change-resistant vested interests is open to new possibilities, business models, and emerging interest groups inspired and enabled by technological, economic, geopolitical, etc., trends and disruptions. Value Creation opportunities are recognized and enabled from a regulatory perspective in such an environment.	Value Creation

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EPR	E-Participation Index	The E-Participation Index aims to measure the possibilities offered by governments to its to citizens to participate online; ranging from simply accessing information to engaging with and co-designing policies (UN, website).	The E-Participation Index (EPR) uses data from: The UN's E-Government Development Knowledge Base	The E-Participation Index highlights the involvement of citizens in the policy-making process as well as how effectively they are enabled to be involved in developing forward-looking Value Creation. E-Governments are on the rise as elites leverage increasingly available digital tools for technological transitions. More transparent and participative institutions empower non-elites to check elite Political Power and therefore better challenge rent-seeking business models. Greater participation in the political process also creates more trust in institutions and can foster a culture of innovation; an important factor in Value Creation.	Value Creation
PFD	Press freedom	Press freedom is measured by referencing the World Press Freedom Index and reflects the degree of freedom afforded to journalists in 180 countries. It is determined by pooling the responses of experts to a questionnaire devised by Reporters Without Borders (RSF). The questionnaire covers "pluralism, media independence, media environment and self-censorship, legislative framework, transparency, and the quality of the infrastructure that supports the production of news and information" (RSF, website).	Press freedom (PFD) uses data from: Reporters Without Borders, World Press Freedom Index	The greater the degree of Press freedom within a country, the greater the Value Creation in its political economy. It contributes to the creation of a vibrant market for ideas and enhances competition in the political and economic arenas. The provision of authentic information is critical. A high level of Press freedom puts pressure on rentier elites and shines a light on Value Extraction and rent-seeking activities that disadvantage society.	Value Creation
NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	NJK uses data from the Committee to Protect Journalists. It measures the number of a country's journalists killed, adjusted per million inhabitants. This Indicator includes all instances where journalists lose their lives, whether the death is connected to their professional life or not. This Indicator uses a two-year average.	Number of journalists killed per 1 million people (2 years average) (NJK) uses data from: The Committee to Protect Journalists	Journalists are a knowledge elite that provide checks and balances on political and business elites. When political elites kill journalists, either directly, through surrogates, or by failing to protect them against business elites, this reflects capture of the state apparatus by elites prepared to use the most horrifying of methods to suppress a narrative or information that challenges Value Extraction elite business models.	Value Extraction
PDE	Political decentralization	Political decentralization examines the self-governance powers afforded to local governments and assesses the degree of decentralization at the legislative and executive levels, as well as the provisions for direct democracy (Ivanyna & Shah, 2014).	Political decentralization (PDE) uses data from: Ivanyna & Shah (2014)	Political decentralization spreads Political Power by providing higher levels of autonomy for subnational governments. Local government is likely to be "more accountable to local citizens and more appropriate to local needs and preferences" (Johnson, 2003, p. vi) than a distant, centralized government. A direct local voice in executive and legislative institutions better supports local Value Creation models. On the other hand, Value Extraction is more likely if centralized legislative executive functions control relatively large budgets. As a counter argument, high levels of Political decentralization can be inefficient, eroding state capacity to provide public goods and leading to redundancy. *An optimal level for this Indicator might be established in the future.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
ADE	Administrative decentralization	Administrative decentralization measures "the ability of local governments to hire and fire and set terms of employment of local employees as well as having regulatory control over own functions" (Ivanyna & Shah, 2014, p.17).	Administrative decentralization (ADE) uses data from: Ivanyna & Shah (2014)	Administrative decentralization spreads out administrative power as local governments employ local people more sensitive to implementing rules that are consistent with local needs. This produces an additional layer of checks and balances to avoid the occurrence of State Capture and Value Extraction business models. More distributed power impedes rent-seeking activities by geographically removed officials and administrative elites. As a Weberian counter argument, local administrations might be captured by local elites who may then compromise the implementation of inclusive rules and regulations. *An optimal level for this Indicator, moderated by institutional quality, might be established in the future.	Value Creation
PGL	Political globalization	Political globalization is measured by using the political dimension of the KOF Globalization Index. It encompasses factors such as the number of embassies and international NGOs located in a particular country, as well as participation in UN peacekeeping missions. Moreover, it is comprised of variables relating to the membership of international/ multilateral organizations and international/multilateral treaties.	Political globalization (PGL) uses data from: ETHZ, The KOF Globalization Index	The higher the level of Political globalization, the more constrained the Political Power of national elites becomes in the context of the sovereign state. International norms and accountability to supranational institutions such as the WTO limit elite power. International institutions are assumed to be inclusive.	Value Creation
WPI	Women's Power Index	The Women's Power Index measures the access of women to Political Power at the top echelons of the state. "It analyzes the proportion of women who serve as heads of state or government, in cabinets, in national legislatures, as candidates for national legislatures, and in local government bodies" (CFR, website).	The Women's Power Index (WPI) uses data from: The Council on Foreign Relations (CFR)	The higher the levels of gender equality in the leading positions of Political Power, the higher the diversity of interests, business models and constituencies that will *a priori* be represented and considered for institutional legitimacy in the political economy. The Women's Power Index is an effective Indicator when considered in combination with other measures, such as Social mobility or Government responsiveness to change, that jointly constrain the potential for State Capture by narrow elite groups. As a counter argument, a high Women's Power Index score might signify the hold on power of family-based elites.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
MOB	Social mobility (upward) (dev. fm optimum)	Social mobility (upward) references the Global Database on Intergenerational Mobility (GDIM) to measure the differences in economic mobility across generations. The main current focus of the EQx is on the social mobility of education. At present, MOB measures the proportion of individuals from the 1980s cohort, born into the bottom half that have now reached the top quartile in terms of educational achievement (World Bank, website).	Social mobility (upward) (MOB) uses data from: The World Bank (Development Research Group), Global Database on Intergenerational Mobility (GDIM)	A population's social and economic mobility reflects the use of Political Power by elites. Across countries, the possibility of climbing the economic ladder varies significantly. Low levels of social mobility point to State Capture and a lack of political will to invest in measures that enable the less privileged within society to advance. The provision of education is one such measure. If access to education is restricted, incumbent elite status is less challenged, thereby impeding elite circulation and preventing the emergence of new Value Creation agents. Existing elites deter competition to retain the benefits of holding leading political and economic positions. Moreover, higher levels of incumbent elites reduce the competitive pressures for elite Value Creation, thus facilitating rent-seeking behavior and Value Extraction business models.	Achievement of the optimum represents maximum Value Creation
INE	Top 10% share of pre-tax national income	Top 10% share of pre-tax national income measures the share of pre-tax national income accruing to the 90-100 percentile of adult individuals (over 20 years old). Pre-tax national income is the sum of pre-tax labor income and pre-tax capital income.	Top 10% share of pre-tax national income (INE) uses data from: The World Inequality Lab, World Inequality database (WID)	Top 10% share of pre-tax national income is a measure of inequality. Excessive or structural inequality might reflect the fact that the rules of the game are rigged, acting as a disincentive to invest in Value Creation activities, including investments in new businesses or human capital. Excessive equality creates a different set of problems such as free riding which also disincentivizes Value Creation. Further research will determine other measures of inequality that reflect Value Extraction to enrich and increase the precision of this Indicator in the Taking Income Pillar. *The measures of inequality might require an optimum value to be established and further research may be needed to reflect both sides of the argument in a balanced fashion.	Value Extraction
GWL	Gini coefficient on net national wealth dist. - level	The Gini coefficient on the distribution of net national wealth (level) references the World Inequality Database. It is a measure of the inequality of wealth distribution in a population. In particular, it is related to net national wealth, which is the total value of non-financial and financial assets (housing, land, deposits, bonds, equities, etc.) held by households, minus their debts. This Indicator considers the most recent wealth Gini coefficient.	The Gini coefficient on net national wealth dist. - level (GWL) uses data from: The World Inequality Lab, World Inequality database (WID)	For all Gini coefficient Indicators, the assumption is that wealth inequality is the result of Political Power. Elite business models that capture the state will impede wealth accumulation by non-elites and engage in disproportional value transfers favorable to their models. Thus, the EQx views and assesses greater wealth equality as a positive.	Value Extraction
GWC	Gini coefficient on net national wealth dist. - 3-year growth rate	The Gini coefficient on the distribution of net national wealth (3-year growth rate) references the World Inequality Database. It is a measure of the inequality of wealth distribution in a population. In particular, it is related to net national wealth, which is the total value of non-financial and financial assets (housing, land, deposits, bonds, equities, etc.) held by households, minus their debts. This Indicator considers the 3-year growth rate.	The Gini coefficient on net national wealth dist. - 3-year growth rate (GWC) uses data from: The World Inequality Lab, World Inequality database (WID)	For all Gini coefficient Indicators, the assumption is that wealth inequality is the result of Political Power. This WID Indicator measures changes in wealth inequality and hence assesses the dynamics of elite business models' state capture to impede value appropriation by non-elites and make disproportional value transfers favorable to their models. Thus, the EQx views and assesses moves towards greater wealth equality as a positive.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
GIL	Gini coefficient on income dist. - level	The Gini coefficient on the distribution of income (level) references the World Bank's Poverty and Inequality Platform. The distribution of income Gini coefficient is a measure of the inequality of income in a population and is constructed using primary household survey data. This Indicator considers the most recent income Gini coefficient.	The Gini coefficient on income dist. - level (GIL) uses data from: The World Bank, Poverty and Inequality Platform	For all Gini coefficient Indicators, the assumption is that income inequality is the result of Political Power. Elite business models that capture the state will supress non-elite incomes and engage in disproportional value transfers favorable to their models. Thus, the EQx views and assesses greater income equality as a positive.	Value Extraction
GIC	Gini coefficient on income dist. - 1-year growth rate	The Gini coefficient on the distribution of income (1-year growth rate) references the World Bank's Poverty and Inequality Platform. The income Gini coefficient is a measure of the inequality of income in a population and is constructed using primary household survey data. This Indicator considers the 1-year growth rate.	The Gini coefficient on income dist. - 1-year growth rate (GIC) uses data from: The World Bank, Poverty and Inequality Platform	For all Gini coefficient Indicators, the assumption is that income inequality is the result of Political Power. This WID Indicator measures changes in income inequality and hence assesses the dynamics of elite business models' state capture to supress value appropriation by non-elite labor and make disproportional value transfers favorable to their models. Thus, the EQx views and assesses moves towards greater income equality as a positive.	Value Extraction
Pillar (i.2): Regulatory Capture					
ECR	Ease of challenging regulations	The Ease of challenging regulations Indicator is derived from the World Economic Forum's 'Global Competitiveness Index' and based on the survey question posed to more than 16,000 business executives in 140 countries: "In your country, how easy is it for private businesses to challenge government actions and/or regulations through the legal system" (World Economic Forum, website).	Ease of challenging regulations (ECR) uses data from: The World Economic Forum (WEF), The Global Competitiveness Index	Ease of challenging regulations by private businesses implies Regulatory Capture through legal avenues. Businesses can successfully defeat in courts regulations previously enacted to limit their rent-seeking activities; that is, rules that foster competition or otherwise keep Value Extraction activities in check. A counter argument is that a flexible legal system could serve as a contest arena to act as a check and balance on the Power of political elites. *An optimal level might be established for this Indicator in the future.	Value Creation
CGP	Constraints on government power	"Constraints on government power measures the extent to which those who govern are bound by law. It comprises the means, both constitutional and institutional, by which the powers of the government and its officials and agents are limited and held accountable under the law. It also includes non-governmental checks on the government's power, such as a free and independent press. Governmental checks take many forms; they do not operate solely in systems marked by a formal separation of powers, nor are they necessarily codified in law. What is essential, however, is that authority is distributed, whether by formal rules or by convention, in a manner that ensures that no single organ of government has the practical ability to exercise unchecked power" (World Justice Project, n.d).	Constraints on government power (CGP) uses data from: The World Justice Project, Rule of Law Index	In the absence of constraints on government power, there is a higher risk that elites use their power to benefit themselves at the expense of non-elites, leading to Value Extraction. A high level of constraints on government power indicates that there is a robust set of checks and balances to preserve the integrity of institutions and reduce the opportunities for Value Extraction, thus enhancing Value Creation.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
REQ	Regulatory quality	This Indicator measures the quality of national regulations as "perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development" (The World Bank). It is based on the 'Regulatory Quality' category of the Worldwide Governance Indicators (WGI).	Regulatory Quality (REQ) uses data from: The World Bank, Worldwide Governance indicators (WGI)	Sound regulations enable Value Creation and reduce the possibility of Value Extraction by business elites. The perception that effective policies are in place to support private sector development is a reflection of the existence of a robust set of checks and balances and that regulators have not been captured by special interest lobbies.	Value Creation
REN	Regulatory enforcement	Regulatory enforcement, the 6th factor of the World Justice Project's Rule of Law Index, examines and measures "the extent to which regulations are fairly and effectively implemented and enforced. Regulations, both legal and administrative, structure behaviors within and outside of the government. This factor does not assess which activities a government chooses to regulate, nor does it consider how much regulation of a particular activity is appropriate. Rather, it examines how regulations are implemented and enforced". (World Justice Project, n.d).	Regulatory enforcement (REN) uses data from: The World Justice Project, Rule of Law Index	The fair and effective implementation and enforcement of regulations is crucial to control elite power and prevent Regulatory Capture and value extracting behavior such as rent seeking, the establishment of monopolies, or corruption. Moreover, by reducing the Political Power of elites, effective and fair regulatory enforcement creates a trustworthy environment that spurs business innovation and incentivizes Value Creation agency.	Value Creation
PRI	Property rights	The Property rights Indicator is based on the property rights sub-indicator of the 'Index of Economic Freedom' compiled by the Heritage Foundation. This assesses the "the ability of individuals to accumulate private property, secured by clear laws that are fully enforced by the state" and subsequently measures the protection of property by governments and the risk of expropriation (The Heritage Foundation, website).	Property rights (PRI) uses data from: The Heritage Foundation, Index of Economic Freedom	Property rights are a core incentive to encourage activities and behavior that are conducive to Value Creation. Businesses, wage earners or artists retain the products of their Value Creation when their property rights are secure. If property can be expropriated by rapacious elite business models through Institutional Capture and unsecured property rights, society will be bereft of individuals willing to undertake risks and engage in productive Value Creation activities, with dire outcomes for economic development.	Value Creation
CRO	Crony capitalism	The Crony capitalism Indicator measures the wealth accumulated by a nation's billionaires from activities in industries classified as 'crony' by The Economist, whereby "Industries that have a lot of interaction with the state are vulnerable to crony capitalism" (The Economist, 2016). *Gulf states have been manually excluded from the calculation due to data quality concerns.	Crony capitalism (CRO) uses data from: Forbes, World's Billionaires List and The World Bank (GDP data)	Crony capitalists are defined as "individuals who earn their riches thanks to their chumminess with government", where "activities are often legal but always unfair" (The Economist, 2016). Thus, the Crony capitalism Indicator serves as a measure of the number of economic rent seekers. The assumption behind this is that because of favorable political policies set by government officials, tycoons are increasing their wealth and interests. As a result, they receive a larger part of people's fruits of labor, instead of generating more wealth for society as a whole. Large rent producing industries are usually heavily regulated. When financial elites (billionaires) in a country derive a comparatively large part of their wealth from such industries it signals successful Regulatory Capture on the back of having access to Political Power. Otherwise, institutions and their regulators would limit the financial returns of these activities, pre-empting the large rents that convert Political Power into Economic Power.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
INO	Informal output as a % of GDP	Informal output as a % of GDP reflects the estimated size of the informal sector as a percentage of official Gross Domestic Product (GDP) using the model of Schneider, Buehn, and Montenegro (2010). This approach enables international and intertemporal comparisons by removing units of currency.	Informal output as a % of GDP (INO) uses data from: The World Bank	Informal economic activity is often associated with Value Extraction by elites from value creators (through corruption, excessive taxation, unfair regulation, etc.). Economic agents become informal because their Value Creation business models are not protected and value is transferred away from them. On average, economies with larger informal sectors have tended to have less access to finance for the private sector, lower levels of productivity, slower accumulation of physical and human capital, less educated workforces, and scant financial resources. It is important for policymakers to focus on implementing policies that help to reduce informality, not by banning it outright, but by gradually tackling the institutional failures that drive informality in each country.	Value Extraction
Pillar (i.3): Human Capture					
GSI	Global Slavery Index	The Global Slavery Index is "an independent assessment of government progress towards achieving UN Sustainable Development Goal 8.7 (eradication of modern slavery)" (GSI website). The estimated prevalence of modern slavery per 1,000 people is measured, whereby modern slavery "refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, abuse of power or deception" (GSI, 2018, p. 7). It is an umbrella term that encompasses phenomena such as forced labor, human trafficking and other practices that are akin to slavery (e.g. forced marriage).	The Global Slavery Index (GSI) uses data from: The Minderoo Foundation's Walk Free Initiative, The Global Slavery Index	Modern slavery is an intolerable form of rent extraction where wealth is transferred from those that are exploited to those whose Value Extraction business models benefit from free labor or wages below the market equilibrium. Moreover, the Global Slavery Index goes beyond forced labor and also measures Human Capture in family settings (forced marriage) and a despicable form of trade (human trafficking).	Value Extraction
FDP	Forcibly displaced population as % of population	The Forcibly displaced population as % of population Indicator is informed by the UNHCR's Refugee Population Statistics Database that provides information on the proportion of people that have been forced to leave their country of origin (UNHCR, website). The Indicator is adjusted for the country's population.	Forcibly displaced population as % of population (FDP) uses data from: UNHCR, Refugee Population Statistics Database (for forcibly displaced populations) & The World Bank (Population data)	The Human Capture Pillar of Political Power provides data on people that that have been forced to leave their country. Forcibly displaced people have lost all power, including even the right to remain in their homeland. The political and business elites that permit this state of affairs often benefit from such tragedies. Value is transferred from those who leave to those who remain, who then dominate domestic affairs and often enrich themselves as they take over the land and assets of the displaced.	Value Extraction
HRI	Human Rights Index	The Human Rights Index is based on data from the 'Fragile States Index' created by the Fund for Peace, that looks at widespread abuses of legal, political and social rights, including those of individuals, groups and institutions (e.g. harassment of the press, politicization of the judiciary, internal use of the military for political ends, repression of political opponents). The Indicator also considers outbreaks of politically inspired (as opposed to criminal) violence perpetrated against civilians (FSI, website).	The Human Rights Index (HRI) uses data from: The Fund for Peace, Fragile States Index	Human Rights are a universal right. Low levels of human rights compliance in a country results in Value Extraction from its own citizenry. The abuse of fundamental human rights strengthens the power of political elites at the cost of incumbents and is a device used to prevent elite circulation. Large parts of society are powerless and excluded from full participation in the political economy.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
AFI	Academic Freedom Index	The Academic Freedom Index, produced by the Global Public Policy Institute, is designed to provide an aggregated measure that captures the *de facto* realization of academic freedom, including the degree to which higher education institutions are autonomous.	The Academic Freedom Index (AFI) uses data from: The Global Public Policy institute (GPPI), Academic Freedom Index	The power and freedom of knowledge elites in the political economy is reflected in the Academic Freedom Index. Academic freedom contributes to a robust market for ideas, which enables knowledge elites to balance the power of political and business elites within a country.	Value Creation
GRI	Religion - Government Restriction Index	The Government Restriction Index (GRI) "measures government laws, policies and actions that restrict religious beliefs and practices. The GRI comprises 20 measures of restrictions, including efforts by governments to ban particular faiths, prohibit conversion, limit preaching or give preferential treatment to one or more religious groups" (Pew, Report, 2020).	The Government Restriction Index (GRI) uses data from: Pew Research Center, Government Restriction Index (GRI)	Institutionally sanctioned discrimination, in this case taking a religious form, is a form of Human Capture. Those discriminated against face barriers to realize Value Creation. Moreover, they might face specific taxes and other costs that are directly extracted from them. Society suffers a serious loss, while the overall Value Creation potential of the economy is compromised.	Value Extraction
LIN	LGBT+ inclusiveness	The LGBT+ inclusiveness Indicator is based on the 'Franklin & Marshall Global Barometer of Gay Rights' which classifies countries into five groups depending on the level of protection they offer to LGBT+ rights.	LGBT+ inclusiveness (LIN) uses data from: The Franklin & Marshall Global Barometer of Gay Rights	The LGBT+ community represents a sizable proportion of available human capital. In the US, people self-identifying as LGBT+ has increased from 1.4% for people born before 1945 to 8.2% for those born between 1980 and 1999 (OECD, 2019). Offering equal rights to the LGBT+ community as part of society as a whole allows for general Value Creation, from better overall company performance (Hunt et al., 2018) to greater creativity and innovation (WEF, 2019).	Value Creation
WSB	Women self-made billionaires	Women self-made billionaires reflects the percentage of female self-made billionaires as a percentage of the total number of self-made billionaires.	Women self-made billionaires (WSB) uses data from: Forbes, World's Billionaires List	As is the case for another Indicator: Billionaires self-made number per million people (BSG), the business models of Women self-made billionaires are likely to involve Value Creation and be based on innovation and the incorporation of emerging technologies. The Indicator is also a reflection of power and therefore part of the Human Capture Pillar. Since billionaires are evidently powerful individuals, the existence of a large percentage of women self-made billionaires provides evidence of gender advancement at the elite level.	Value Creation
WBL	Women, business and the law	The Women, business and the law Indicator measures "gender inequality in the law" as outlined in a series of publications by The World Bank. The dataset identifies "barriers to women's economic participation" by analyzing "laws and regulations affecting women's economic inclusion" (World Bank, website).	Women, business and the law (WBL) uses data from: The World Bank, Women, Business and the Law	Laws and regulations affecting the inclusion of women are a blatant form of Value Extraction, limiting competition in the labor market. These barriers to Value Creation, potentially capturing up to half of the available human capital in an economy, are all the more detrimental because they are institutionally explicit and formalized.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
WMA	Proportion of women in senior and middle mgmt positions (dev. fm optimum)	"The female share of employment in managerial positions conveys the number of women in management as a percentage of employment in management. Employment in management is defined based on the International Standard Classification of Occupations. This series refers to senior and middle management only, thus excluding junior management (category 1 in both ISCO-08 and ISCO-88 minus category 14 in ISCO-08 and minus category 13 in ISCO-88). This Indicator is calculated based on data on employment by sex and occupation" (ILO, website).	Proportion of women in senior and middle management (dev. fm optimum) (WMA) uses data from: International Labour Organization, ILOSTAT Database	Management talent is a driver of Value Creation. Nations that cannot access the full potential management talent pool because of the imposition of gender glass ceilings are both extracting from the discriminated gender while not fulfilling the Value Creation potential of the economy, which hurts all of its participants. The conceptual optimum for this indicator is 50%, and the closer that there is a zero deviation from 50%, the better the score.	Achievement of the optimum represents maximum Value Creation
Sub-Index I: Power / Index Area (ii): Economic Power					
Pillar (ii.4): Industry Dominance					
IEE	Top 3 industries exports as % of exports	Top 3 industries exports as % of exports reflects the sum of the exports of a nation's 3 top exporting industries adjusted by the country's overall exports.	Top 3 industries exports as % of exports (IEE) uses data from: United Nations, Comtrade Database	The influence of an industry, as measured by the Top 3 industries exports as % of exports, depends on its level of industrial power (Coalition Dominance) in a national economy. This power can be derived from a high-level of competitiveness, historical origins, or geography (e.g., access to natural resources, maritime access). Excessive economic concentration can be a warning of potential future Value Extraction. A diversified range of exports indicate low industry dominance and broad Value Creation across an economy. A counter argument posits that specialization in the context of international markets is beneficial, especially for smaller countries, even if it ensures that ultra-dominant exporting elites develop an extractive domestic model that complements their Value Creation activities. *An optimal level might be established for this indicator in the future.	Value Extraction
IEO	Top 1 industry exports as % of exports	Top 1 industry exports as % of exports reflects the sum of the exports of a nation's top exporting industry adjusted by the country's overall exports.	Top 1 industry exports as % of exports (IEO) uses data from: United Nations, Comtrade Database	The influence of an industry, as measured by the Top 1 industry exports as % of exports, is assumed to depend on its level of industrial power (Coalition Dominance) in the economy. This power can be derived from high levels of competitiveness, historical origins, or geography (e.g., access to natural resources, maritime connectivity). Excessive economic concentration is a warning sign of potential future Value Extraction. A diversified range of exports indicates low industry dominance and broad Value Creation across an economy. A counter argument posits that specialization in the context of international markets is beneficial, especially for smaller countries, even when it results in highly dominant export elite business models with privileges including extractive value transfers that complement their Value Creation activities. *An optimal level might be established for this indicator in the future.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
IVA	Top 3 industries as % of value added	Top 3 industries as % of value added is the sum of the revenues of a nation's 3 biggest industries divided by the country's total value added, i.e., the net output of a sector after adding together all outputs and subtracting intermediate inputs.	Top 3 industries as % of value added (IVA) uses data from: United Nations Statistics Division (Economic Statistics Branch), National Accounts Estimates of Main Aggregates	Top 3 industries as % of value added reflects the Economic Power of leading industries without providing any indication of their competitiveness (as does, for example, Top 3 industries exports as % of exports, IEE, ii.4). This measure of Coalition Dominance is an Indicator of industry concentration that is based on the relative size of an activity. Such power affords increased leverage over the national political economy to leading industries and thus implies that there is the potential for future Value Extraction.	Value Extraction
HHI	Domestic market diversification	The Herfindahl-Hirschman Index (HHI) for domestic industry is defined as the sum of the squared shares of sub-sectors in total manufacturing output. It indicates the diversification of a nation's economy across different economic sectors.	Domestic Market Diversification (HHI) uses data from: The World Bank's World Integrated Trade Solutions	A diversified economy reduces its vulnerability in volatile market conditions and can thus safeguard a country against externally induced economic shocks (OECD & WTO, 2019). Poorer countries often suffer from a lack of market diversification by being over-reliant on the extraction of natural resources and agriculture. Thus, according to the OECD and WTO (2019), diversification is an important step for sustainable economic development. Lastly, diversified economies tend to boost innovation by spreading ideas and technologies between companies and industries.	Value Creation
ECI	Economic Complexity Index	The Economic Complexity Index, developed by Cesar A. Hidalgo from MIT Media Lab and Ricardo Hausmann from Harvard, analyses and ranks countries on the amount of productive knowledge implied in their export structures, i.e. "the relative knowledge intensity of an economy" (OEC, website).	The Economic Complexity Index (ECI) uses data from: The Observatory of Economic Complexity (OEC), Economic Complexity Index	The Economic Complexity Index is a measure of inclusive Value Creation as it measures the diversity of specialized knowledge and organizations throughout an economy, reflecting distributed Economic Power. Elites in countries with high economic complexity are Value Creators and their cashflows do not depend on Economic Power but rather on the rich, diverse, and broad economic ecosystems to which they contribute.	Value Creation
PUE	Public employees as a % of total employment	"The employed comprise all persons of working age" while, "Public sector employment covers employment in the government sector plus employment in publicly-owned resident enterprises and companies, operating at central, state (or regional) and local levels of government. It covers all persons employed directly by those institutions, regardless of the particular type of employment contract". For more information, refer to the concepts and definitions page (ILO, website).	Public employees as a % of total employment (PUE) uses data from: International Labour Organization, ILOSTAT Database	Public employees are necessary to provide state capacity but in excessive numbers become an elite coalition that extracts salaries and privileges from the state at the cost of taxpayers, with limited Value Creation quid pro quo. This Indicator measures the power of public sector employees and signifies their potential Value Extraction as a result of such Coalition Dominance.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
MIL	Military expenses as % of GDP (dev. fm optimum)	Military expenses as % of GDP (dev. fm optimum) measures a country's total military expenditure (on the armed forces, defense ministries, paramilitary forces and military space activities) divided by the country's GDP.	Military expenses as % of GDP (MIL) uses data from: Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database	Security is a necessary public good that some countries overinvest in, while others underinvest. Overinvestment in military expenditure could be an indication of a powerful military-industrial complex. Underinvestment is equally problematic as it may endanger national security and the basis of socio-economic life and indicate sub-optimal levels of the power of military elites to the detriment of other elites. *The optimal MIL is linked to levels of income and conflict. For low- and lower-middle-income countries, it has been set at 1% of GDP; for upper-, middle- and high-income countries it has been set at 2%; for 'great' powers and superpowers (CHN, GBR, RUS, USA, DEU, FRA) it has been set at 3%; for Israel and the countries of the Middle East it has been set at 5%. Russia and Ukraine have been manually excluded.	Achievement of the optimum represents maximum Value Creation
UNI	Unionization rate (dev. fm optimum)	Unionization rate (dev. fm. optimum), i.e., the trade union density rate (%), represents the total membership of trade unions in a nation as a percentage of all employees.	Unionization rate (UNI) uses data from: International Labour Organization, ILOSTAT Database	The Unionization rate relates to Political Power and the bargaining power or lack thereof of trade unions. High unionization rates result in a higher likelihood that unionized employees, civil servants etc., engage in Value Extraction. On the other hand, low unionization rates enable the exploitation of labor surpluses by business elites, especially under certain socio-economic situations where workers rights are unprotected, and they are disallowed from engaging in collective action. *The optimal UNI level has been set at 10%.	Achievement of the optimum represents maximum Value Creation
BSN	Barriers in service & network sectors	Barriers in service & network sectors measures the qualitative and quantitative barriers firms face when entering and operating in specific key economic sectors.	Barriers in service & network sectors (BSN) uses data from: OECD Product Market Regulation Statistics	Closely linked to administrative burdens on start-ups, the existence of Barriers in services and network sectors enables rent seeking by established market players. New incumbents are prohibited from actively challenging these sectors through Value Creation based on new ideas or technologies. While these barriers may be reasonable (i.e. consumer protection), they reflect the Political Power of an industry coalition whose dominance makes it more challenging (i.e., expensive or difficult) for new players to enter and participate in key economic sectors.	Value Extraction
CRA	Criminal actors	"This indicator assesses the structure and influence of four types of criminal actors: mafia style groups, criminal networks, state embedded actors and foreign criminals" (Global Organized Crime Index, 2021). The EQx considers the Criminal actors (average) score.	Criminal actors (CRA) uses data from: The Global Initiative against Transnational Organized Crime, Global Organized Crime Index	Criminal coalitions can amass considerable power and constitute elites that run business models exclusively based on extractive Value transfers.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
Pillar (ii.5): Firm Dominance					
SME	SMEs per 1,000 people	The SMEs per 1,000 people Indicator is based on a subset of the SME Finance Forum's MSME Database recording the number of formally registered small and medium-sized enterprises (SMEs) per 1000 people in an economy.	SMEs per 1,000 people (SME) uses data from: SME Finance Forum, MSME Economic indicators.	SMEs per 1,000 people is a measure of how distributed an economy is in terms of whether it has a diversity of Value Creation models, enabled by limiting the levels of Economic Power enjoyed by large organizations. SME business models must rely on Value Creation as their low levels of Economic Power don't allow them many possibilities for Value Extraction. As a counter argument, SMEs have been found to be less efficient than large firms and their survival may be indicative of collective power levels. *An optimal level might be established for this Indicator in the future.	Value Creation
FAM	Family business revenues as % of GDP	The revenue of family business for the largest 500 family firms in the world from the Global Family Business Index is aggregated for countries and then divided by GDP to establish the weight of leading family businesses in the overall economy.	Family business revenues as percentage of GDP uses data from: The Global Family Business Index which comprises the largest 500 family firms around the globe. It provides unique evidence of the economic clout and relevance of family firms in the world. The index is compiled by the Center for Family Business at the University of St.Gallen, Switzerland, in cooperation with EY's Global Family Business Center of Excellence (Zellweger, Klein, Robertsson, & Weber, 2026).	Family businesses represent a distinct form of ownership and governance that points to diversified Economic Power in the political economy. When family firms scale they can create substantial value as is attested to by the fact that they "are growing faster than the global economy - at nearly twice the rate of advanced economies and around 1.5 times the rate of emerging market and developing economies" (see Family Business Index Website https://familybusinessindex.com). The EQx assumption is that the higher the weight of leading family businesses in the economy, the stronger the voice of family business ownership structures in the political economy and hence the diversity of its coalitions.	Value Creation
BIW	Billionaires' wealth as % of GDP	Billionaires' wealth as % of GDP measures the sum of a nation's billionaires' total accumulated wealth (as of the last day of the calendar year) as a percentage of GDP.	Billionaires' wealth as % of GDP (BIW) uses data from: Forbes, World's Billionaires List & The World Bank (GDP data).	Billionaires' wealth as % of GDP shows Firm Dominance by depicting the weight of elite firm and asset owners' wealth relative to total national income. A billionaire is the narrowest type of coalition in terms of how Firm Dominance is conceived, traceable to a single individual. Such powerful individuals and the descendants of founder families might switch their business models over time from Value Creation to Value Extraction if they don't innovate and incorporate the possibilities afforded by emerging technologies into their business empires.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
FKG	Top 10 firms market cap as % of GDP	Top 10 firms market cap as % of GDP reflects the sum of the market capitalization of a country's 10 largest firms—defined by market capitalization (as of the last day of the calendar year)—divided by the country's GDP.	Top 10 firms market cap as % of GDP (FKG) uses data from: Refinitiv Eikon	The relative size of leading firms measured by Top 10 firms market cap as % of GDP is a proxy measurement of the level of Economic Power enjoyed by the 10 largest firms in a country. The Indicator belongs to the Firm Dominance Pillar and identifies relative concentrations of power that might be potentially converted into future Value Extraction.	Value Extraction
FRG	Top 3 firms revenues as % of GDP	Top 3 firms revenues as % of GDP measures the sum of the revenues of a country's 3 largest firms relative to its GDP.	Top 3 firms revenues as % of GDP (FRG) uses data from: Refinitiv Eikon	The relative size of leading firms measured by Top 3 firms revenues as % of GDP is a proxy measurement of the level of Economic Power for the largest three firms within a country. The Indicator belongs to the Firm Dominance Pillar and identifies relative concentrations of power that might potentially be converted into future Value Extraction. The three leading firms may have high systemic relevance. As a counter argument, such giant organizations may benefit from economies of scale and be national champions in delivering public goods such as innovation, highly paid jobs and knowledge spillovers. *An optimal level might be established for this Indicator in the future.	Value Extraction
FRR	Top 30 firms revenues as % of GDP	Top 30 firms revenues as % of GDP measures the sum of the revenues of a country's 30 largest firms relative to its GDP	Top 30 firms revenues as % of GDP (FRR) uses data from: Refinitiv Eikon	The relative size of leading firms measured by Top 30 firms revenues as % of GDP is a proxy measurement of the level of Economic Power for a broad definition of a country's leading 30 firms. The Indicator belongs to the Firm Dominance Pillar and identifies relative concentrations of power that might potentially be converted into future Value Extraction. As a counter argument, leading firms may benefit from economies of scale and be national champions delivering public goods such as innovation, highly paid jobs and knowledge spillovers. *An optimal level might be established for this Indicator in the future.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
Pillar (ii.6): Creative Destruction					
ENT	Entrepreneurship	The Indicator for Entrepreneurship is captured through the Global Entrepreneurship and Development Index (GEDI), which measures "the entrepreneurial attitudes, abilities and aspirations of the local population (weighted) against the prevailing social and economic infrastructure" (GEDI, website).	Entrepreneurship (ENT) uses data from: The Global Entrepreneurship and Development Institute (GEDI), Global Entrepreneurship & Development Index	This Indicator evidences institutional and social support for new ventures with the potential for Creative Destruction and disruption. High levels of Entrepreneurship indicate that incumbents have low levels of Economic Power and cannot prevent being disrupted. This Indicator is the measure of Schumpeterian Creative Destruction par excellence in economic terms. A counter argument takes issue with the broad definition of Entrepreneurship as it includes starting an enterprise not only from aspiration or opportunity, but also as a last resort, which is often an indication not of Creative Destruction but of an underdeveloped economy. *An optimal level might be established for this Indicator in the future.	Value Creation
GSE	Governmental support to entrepreneurship	The Governmental support to entrepreneurship Indicator is based on the 'Government Support and Policies' sub-indicator of the Entrepreneurial Framework Conditions, the methodological foundation developed by the Global Entrepreneurship Monitor (GEM). It measures "the extent to which public policies support entrepreneurship" (GEM Website).	Governmental support to entrepreneurship (GSE) uses data from: Global Entrepreneurship Monitor (GEM), 'Government Support and Policies' sub-indicator of the Entrepreneurial Framework Conditions	Entrepreneurial activities are essential for the process of Creative Destruction, which ultimately creates value for all. Governments support Creative Destruction on the basis that a healthy entrepreneurial ecosystem enlarges the pie for all. At the same time, such policies create competition for existing elite business models. Thus, the higher the degree of government support for entrepreneurs and the Value Creation that they bring to an economy, the lower the level of power enjoyed by incumbent elites.	Value Creation
VCK	Venture capital finance	Venture capital finance measures venture capital (VC) investment in high-growth companies in relation to the total investment in an economy.	Venture capital finance (VCK) uses data from: Refinitiv Eikon	Venture capital finance funds entrepreneurial and disruptive Value Creation business models which foster Creative Destruction and the emergence of new elites (and the renewal of incumbent elites). This is the principal (and leading) Indicator of Schumpeterian Creative Destruction in an advanced economy. There is a counter argument that sees Venture capital finance as being agnostic in terms of Value Creation/Extraction; that is, VCs will fund any business models (e.g., 'dominance plays') as long as they generate wealth. *A future EQx research project might consist of assessing VC activity on the basis of the Value Creation of investees.	Value Creation
VCA		The Venture capital availability Indicator is derived from a survey question in the World Economic Forum's (WEF) 'Global Competitiveness Index': "In your country, how easy is it for entrepreneurs with innovative but risky projects to find venture capital?" (WEF, website). The WEF Executive Opinion Survey captures the views of more than 16,000 business executives in 140 countries.	Venture capital availability (VCA) uses data from: World Economic Forum (WEF), The Global Competitiveness Index	The Venture capital availability (VCA) Indicator measures the perceived ease of access to venture capital and therefore captures a different aspect to the related VCK Indicator that measures the actual amount of venture capital invested in an economy. Both relate to the existence or not of Creative Destruction within an economy, with VCA possibly reflecting forward sentiment and having a leading Indicator quality.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
API	AI private investment	AI Private Investment measures the total amount of private investment received for AI startups (nominal USD).	AI private investment (API) uses data from: Stanford University, the Global AI Vibrancy Tool and the Artificial Intelligence Index.	AI startups are pursuing growth at the cutting edge of disruptive technology and have the potential to challenge the power of incumbent elite business models. The higher the per capita investment there is in AI startups the higher the number of Value Creation bets that are placed by a country's business and technical talent pool.	Value Creation
APC	AI private investment per capita	AI private investment per capita measures the total amount of private investment received for AI startups (nominal USD) on a per capita basis.	AI private investment per capita (APC) uses data from: Stanford University, the Global AI Vibrancy Tool and the Artificial Intelligence Index.	AI startups are pursuing growth at the cutting edge of disruptive technology and have the potential to challenge the power of incumbent elite business models. The higher the per capita investment there is in AI startups the higher the number of Value Creation bets that are placed by a country's business and technical talent pool.	Value Creation
RND	R&D as a % of GDP	This Indicator reflects research and development expenses as a percentage of a country's total GDP. "R&D expenditures include both capital and current expenditures in the four main sectors: Business enterprise, Government, Higher education and Private non-profit" (World Bank, website).	R&D as a % of GDP (RND) uses data from: The UNESCO Institute for Statistics, Global Database on Research and Experimental Development (R&D) (Retrieved from the World Bank)	R&D represents investments in innovation that replace older, less valuable alternatives that are likely to be creatively destroyed (along with the organizations that own or run them).	Value Creation
EXR	Firm exit ratio	Firm exit ratio uses data from the World Bank's closed firms density. It measures the death rate of companies and is defined "as the number of deregistered firms per 1,000 working-age people (those ages 15–64). The units of measurement are private companies with limited liability." (World Bank, Website)	Firm exit ratio (EXR) uses data from: The World Bank, Entrepreneurship Database	A high Firm exit ratio releases resources, which are potentially used by new entrants more effectively than by organizations that have been discontinued. Moreover, firm exits are a stimulus for firm entries. A counter argument states that firm exits do not stimulate firm entry as much as they enable dominant players to achieve greater Economic Power (similar to Mergers & Acquisitions). Consolidation processes might also be accelerated by economic downturns, with Value Creation non-elites exiting as a result of being comparatively disadvantaged (e.g., in not being able to access financial resources to mitigate the effects of COVID-19). *An optimal level might be established for this Indicator in the future.	Value Creation
BCD	Billionaire's creative destruction	The Billionaire's creative destruction Indicator reflects the turnover in a country's billionaires over the last 3 years. The turnover is measured as the sum of all entries and exits from this category divided by the overall number of billionaires in the base year.	Billionaire's creative destruction (BCD) uses data from: Forbes, World's Billionaires List	This Indicator measures Creative Destruction at the individual level. The emergence of new billionaires in a political economy are a challenge to the Economic Power of incumbents and indicate an absence of barriers within a political economy and possibilities for the circulation of elites.	Value Creation
IWE	Index of Women Entrepreneurs	The Index of Women Entrepreneurs "provides measures of how women in business are progressing globally, highlighting the socio-economic factors propelling and inhibiting their success across 12 indicators" (IWE, website).	Index of Women Entrepreneurs (IWE) uses data from: Mastercard, Index of Women Entrepreneurs	This Indicator combines the Creative Destruction of Entrepreneurship with the Creative Destruction associated with breaking gender-based existing Economic Power structures.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
Sub-Index II: Value / Index Area (iii): Political Value					
Pillar (iii.7): Giving Income					
LEW	Life expectancy women	This Indicator measures the life expectancy of women from birth.	Life expectancy women (LEW) uses data from: United Nations, Department of Economic and Social Affairs	Life expectancy is a key measure of human development and one of the most important indicators of inclusive Value Creation provided by governments for non-elites.	Value Creation
LEM	Life expectancy men	This Indicator measures the life expectancy of men from birth.	Life expectancy men (LEM) uses data from: United Nations, Department of Economic and Social Affairs	Life expectancy is a key measure of human development and one of the most important indicators of inclusive Value Creation provided by governments for non-elites.	Value Creation
SCI	UHC Service Coverage Index	An index (0-100) which represents the geometric mean of 14 indicators regarding coverage of essential health services. The sub-indicators cover the following four areas: 1. Reproductive, maternal, newborn and child health, 2. Infectious diseases, 3. Chronic diseases, and 4. Service capacity and access.	The UHC Service Coverage Index (SCI) uses data from: The World Bank and the World Health Organization's Global Health Observatory Data Repository	Essential health services make up the bulk of any national healthcare system. Many diseases that may lead to suffering or even death can be cured relatively easily if the proper staff, facilities, and resources are available. The UHC Service Coverage Index is an expression of Political Value since it assesses and rates national healthcare systems on their capability to deal with standard health issues.	Value Creation
PTR	Pupil-teacher ratio	This Indicator measures the average number of students per teacher at the primary school level.	Pupil-teacher ratio (PTR) uses data from: UNESCO Institute for Statistics	Class size reduction has a significant and positive impact on student achievement (Ehrenberg et al., 2001). Furthermore, smaller class sizes disproportionally benefit children from disadvantaged backgrounds as teaching practices change when their are fewer students (Mathis, 2017). Thus, an important form of Political Value is a lower pupil-teacher ratio. This is mostly the responsibility of the state, which should consider the far-reaching beneficial impacts that it has on educational quality, the accumulation of human capital, and ensuring Value Creation.	Value Creation
EDU	School life expectancy	School life expectancy reflects the "total number of years of schooling (primary through tertiary) that a child of school entrance age can expect to receive" (UNESCO, website).	School life expectancy (EDU) uses data from: UNESCO Institute for Statistics	The more developed and effective a government's education system is in the framework of Giving Income, the more competitive the labor markets, providing wider opportunities to develop Value Creation business models on the basis of human capital. This Indicator therefore accounts for future Value Creation. In addition, the existence of a highly educated public with greater understanding of Value Extraction models may deter future rent-seeking behavior.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
PIS	PISA mean scores	PISA mean scores reflect the PISA survey data. "PISA is the OECD's Programme for International Student Assessment. PISA measures 15-year-olds' ability to use their reading, mathematics and science knowledge and skills to meet real-life challenges." (OECD, website).	PISA mean scores (PIS), uses data from: OECD, 2023 PISA results	Basic educational literacy and numeracy skills are the cornerstone of Value Creation for a broad section of the population. Government programs and state institutions directly or indirectly provide such basic education and are therefore Giving Value.	Value Creation
UNV	Top universities	Top universities considers the number of universities in each country that are included in the top 500 universities worldwide per 1 million people.	Top universities (UNV) uses data from: QS World University Ranking	Universities are where knowledge, a key source of value, is both created and disseminated. The knowledge of leading universities allows Value Creation by both individuals and organizations. Top universities depend on sophisticated political institutions, which are thus Giving Income.	Value Creation
GEE	Government education expenditure	General government expenditure on education is expressed as a percentage of GDP.	Government education expenditure (GEE) uses data from: UNESCO Institute for Statistics	Increasing education expenditure has a positive impact on improving both the access to and the level of attainment achieved in school (Gupta et al., 2002). Investing in education improves a nation's human capital which is one of the most important determinants of economic growth. Thus, this Indicator serves as a proxy for measuring the quality of human capital of the next generation and a country's willingness to invest in the present and future Value Creation of its citizens.	Value Creation
GAR	Government AI Readiness Index	The Government AI Readiness Index measures how prepared a country's national government is for implementing Artificial Intelligence in the delivery of public services.	The Government AI Readiness Index (GAR) uses data from: Oxford Insights, the Government AI Readiness Index	AI will transform and supercharge Value Creation as well as patterns of investment, R&D, and business models. Cutting-edge AI technologies and AI firms are thus critical determinants in international competition. A government's capacity for utilizing AI reflects its performance in creating Economic Value.	Value Creation
AIP	AI patent grants	AI patent grants measures the number of patents related to AI.	AI patent grants (AIP) uses data from: Stanford University, the Global AI Vibrancy Tool and the Artificial Intelligence Index.	AI patents are a form of Political Value deemed to be the result of state capacity and government efficiency, both directly via research initiatives and the support of academia, as well as indirectly via the institutions and policies that coordinate the private and public sectors.	Value Creation
OSI	Online Service Index	The Online Service Index assesses the "scope and quality of online services" offered by states. It measures "their use of information and communications technologies to deliver public services" (UN, website).	The Online Service Index (OSI) uses data from: The UN, Department of Economic and Social Affairs, E-Government Development Knowledge Base	If the quality and scope of online services offered by a government is high this leads to Value Creation. The working assumption is that governments are responsible, through their political elites and institutional processes, for providing incentives that lead to the development of a nation's online infrastructure and business models.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
NRI	Network Readiness Index	The Network Readiness Index measures how various stakeholders (governments, businesses and citizens) "cooperate (and/or compete) to fully leverage the possibilities offered by technological innovation to tackle current and upcoming challenges" (NRI, website). It is based on four fundamental dimensions: Technology, People, Governance and Impact.	The Network Readiness Index (NRI) uses data from: Portulans Institute, Network Readiness Index (NRI)	The higher the Network Readiness Index score for a given country is, the greater the likelihood of higher Value Creation. The working assumption is that the government is responsible through its political elites and institutional processes for network readiness.	Value Creation
INT	Internet access	Internet access measures the "percentage of Individuals using the Internet" (as a percentage of the total population) (ITU, website).	Internet access (INT) uses data from: International Telecommunication Union (ITU)	Access to information and communication can be considered a basic human right, and one that leads to Value Creation. Information availability also leads to increased competition. The working assumption is that the government is responsible for delivering Internet access through its political elites and institutional processes. This Indicator, included in the Giving Income Pillar, asserts that the higher the access to information the greater the potential for citizens to contribute to a knowledge economy.	Value Creation
GHI	Global Hunger Index	The Global Hunger Index, as used in the EQx, measures hunger at the national level. It is calculated based on indicators that address undernourishment, child stunting, child wasting and child mortality.	Global Hunger Index (GHI) uses data from: The Global Hunger Index	Hunger is an unacceptable form of Value Extraction. Governments are responsible if there is insufficient food to satisfy the needs of their citizens. This may be a sign of rent seeking in land management and the allocation of agricultural resources and, ultimately, a lack of state capacity.	Value Extraction
FSQ	Global Food Security Index - availability, quality & safety	Global Food Security Index - availability, quality & safety is based on the average of the 'availability, quality and safety' sub-rankings of the Global Food Security Index (GFSI). The GFSI measures the drivers of food security across both developing and developed countries.	Global Food Security Index - availability, quality & safety (FSQ) uses data from: The Economist Intelligence Unit, Global Food Security Index (GFSI)	Food security is essential for life. This Political Value Indicator is part of the Giving Income Pillar. The working assumption is that the government is responsible through institutional processes for food availability, as well as its quality and safety.	Value Creation
GPS	Expenditure on general public services as % of GDP (dev. fm optimum)	Expenditure on general public services as % of GDP (dev. fm optimum) considers the general public services subset of the OECD's Classification of the Functions of Government (COFOG) and reflects governmental expenditure on general public services divided by the respective country's GDP. It encompasses public expenses for the legislative and executive branches, financial, fiscal and external affairs, public debt transactions, transfers between different levels of government, foreign economic aid, etc. Excluded are expenses for defense and public order, economic affairs, environmental protection, health, culture, education and social protection.	Expenditure on general public services as % of GDP (GPS) uses data from: OECD, The Classification of the Functions of government (COFOG)	A government must provide certain public services that are crucial for its citizens. If, however, it offers too extensive a range of services, these might not be delivered efficiently, providing opportunities for rent seeking and competition to the private sector and encumbering economic growth. Political Value ceases to be a factor when Expenditure on general public services as % of GDP goes beyond (or stays below) a certain threshold. *An optimal level is suggested at 4% and results in a v-shaped function for this Indicator.	Achievement of the optimum represents maximum Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
GEX	General government expenditure as % of GDP (dev. fm optimum)	General government expenditure as *% of GDP* refers to the total expenditure and net acquisition of nonfinancial assets by the state at the local, regional, and central level.	General government expenditure as *% of GDP* (GEX) uses data from: The International Monetary Fund (IMF)	Government expenditure allows the state to provide public services. When that level is too high it is "likely to lead to some questionable spending that may be associated with inefficiencies" (Tanzi, 2017, p. 122). When the level is too low, there might be a lack of "administrative capacity to raise taxes and to spend the money raised efficiently" (Tanzi, 2017, p. 122), i.e., Value Extraction occurs. Tanzi (2017, p. 121-122; 2005, p. 637) suspects a "plausible, realistic range for the level of public spending" to be around 30-35% of GDP for advanced economies. While an optimum may differ for less developed countries, the EQx uses an optimal value range of 30-35% of GDP.	Achievement of the optimum represents maximum Value Creation
SNT	Subsidies and transfers as % of expenses	The Subsidies and transfers as % of expenses Indicator establishes the amount of subsidies and transfers that encompass: "subsidies, grants, and other social benefits to private and public enterprises; grants to foreign governments and similar; social security and benefits in cash and in kind", divided by (government) expenses: "cash payments for operating activities of the government in providing goods and services" (World Bank, website).	Subsidies and transfers as % of expenses (SNT) uses data from: International Monetary Fund, 'Government Finance Statistics Yearbook'	Subsidies and other forms of government mandated financial redistributions represent direct wealth transfers and are a form of Giving Income. Subsidies and transfers as % of expenses measures the degree of Political Value taken away from Value Creators. The uses of these extracted resources might be legitimate and necessary (e.g., healthcare or education), that is, Value Creation measured elsewhere in the EQx. Transfers and subsidies, while extractive, are often investments by governments into future Value Creation that enable agents who do not have access to financial resources through market processes. *An optimal level that reflects best level practice might be established for this Indicator in the future.	Value Extraction
REG	Regional redistribution as % of government budget	This Indicator is measured as general government transfers and subsidies as a share of GDP. The rating for this component is equal to: (Vmax – Vi) / (V max – Vmin) multiplied by 10. The Vi is the country's ratio of transfers and subsidies to GDP, while the Vmax and Vmin values are set at 37.2 and 0.5, respectively. The 1990 data were used to derive the maximum and minimum values for this component.	Regional redistribution as % of government budget (REG) uses data from: The Fraser Institute (Transfers and Subsidies dataset from the Economic Freedom Database)	Regional redistribution as % of government budget represents direct wealth transfers and is a form of Giving Income. Such transfers are liable to rent-seeking behavior, as Political Power is leveraged to redistribute income across geographies and to their elites. When Political Value is shifted from high Value Creation regions and elites to less efficient ones, overall allocative efficiency is compromised. However, regional redistribution, while extractive, is often also an investment by governments into inclusive future Value Creation for underperforming regions. *An optimal level that reflects best level practices might be established for this Indicator in the future.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
CSG	Construction supply gap	The Construction supply gap indicator measures the health of a national real estate sector by comparing demand for dwellings in relation to available dwellings. This Indicator therefore measures supply as a percentage of demand. A positive value indicates an oversupply of housing while a negative value indicates an undersupply.	The Construction supply gap (CSG) uses data from: SwissForecast 2026 (proprietary indicator)	Housing is an important public good and its adequate supply affects a nation's economic growth. It plays a key role in wealth creation and preservation and is an important factor in financial crises. The construction industry is a major employer and contributor to GDP. It is crucial to stabilize house prices as on the one hand undersupply leads to price appreciation, reduced affordability, inequality, speculation, and the formation of price bubbles, as well as impaired economic growth. On the other hand, housing oversupply leads to the misallocation of resources, falling prices, and a drop in investment levels, causing a downturn in construction output. When housing supply is in line with demand, it promotes the sustainable development of real estate value, encourages further investment, and ensures affordability. Due to the time lags associated with construction, a slight undersupply of housing in relation to demand is the optimal scenario.	Achievement of the optimum represents maximum Value Creation
SFA	Sanitation facilities	This Indicator measures the proportion of the population with access to safely managed sanitation facilities (not including shared facilities).	Sanitation facilities (SFA) uses data from: WHO/ UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene	Unsafely managed sanitation facilities are closely associated with a wide range of diseases that can lead to increased malnutrition and that are also considered to be one of the leading causes of child mortality (UN, 2021). By providing access to safely managed sanitation facilities, governments (or other elites) are engaging in Value Creation by ensuring a healthier population and enhancing both general welfare and productivity.	Value Creation
ELA	Electricity access	Electricity access measures the proportion of the population with access to electricity.	Electricity access (ELA) uses data from: World Bank Global Electrification Database	Having access to electricity is a key accelerator of sustainable economic development. On the one hand it directly facilitates people's ability to participate in income generating activities, whilst on the other hand it also reduces the strain on undertaking household activities (UN, 2021). This permits greater productivity by the workforce and allows wider participation in Value Creation activities.	Value Creation
FOS	Fossil fuel subsidies	Fossil fuel subsidies refer to the deviation of the actual price paid by consumers from the socially efficient price expressed in terms of a percentage of GDP. This Indicator accounts for deviations from the socially optimum price due to underpricing that arises from consumers paying less than the supply cost, as well as the costs of negative externalities and the opportunity costs from consumption tax revenue which is being foregone.	Fossil fuel subsidies (FOS) uses data from: Parry, Black, & Vernon, (2021) and the International Monetary Fund	Although fossil fuel subsidies are designed to help consumers by lowering costs, they typically also have some damaging consequences. They can lead to fiscal imbalances, steer the economy away from a socially optimal allocation of resources, be harmful to the environment, and exacerbate existing inequalities (Parry, Black & Vernon, 2021). Hence, in the grand picture of promoting sustainable development, fossil fuel subsidies constitute a significant form of Value Extraction.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
Pillar (iii.8): Taking Income					
SUB	Death rate from substance use disorders	Death rate from substance use disorders measures direct deaths from alcohol or illicit drug abuse. Death rates are measured as the number of deaths per 100,000 people. Illicit drugs include opioids, cocaine and amphetamines.	Death rate from substance use disorders (SUB) uses data from: Institute for Health Metrics and Evaluation (IHME), Global Burden of Disease Collaborative Network	Substance abuse deaths are an intrinsic part of extractive elite business models. They reflect the taking of the ultimate form of Value: life itself, and evidence the absence of Political Value.	Value Extraction
BRD	Battle-related deaths per capita	Battle-related deaths per capita are "deaths in battle-related conflicts between warring parties in the conflict dyad (two conflict units that are parties to a conflict). All deaths—military as well as civilian—incurred in such situations, are counted as battle-related deaths" (World Bank, website). The measure is adjusted to account for the size of a country's population. We manually excluded Ukraine.	Battle-related deaths per capita (BRD) uses data from: Uppsala Conflict Data Program (Retrieved from the World Bank)	Battle-related deaths is a proxy for external peace (as a counterpart, the Homicide rate Indicator measures internal peace). The lack of external peace compromises the ability of the political economy's agents to develop Value Creation business models. The absence of external security as Political Value is, in effect, a tax on citizens, hence this Indicator is part of the Taking Income Pillar. War has also been a rent-seeking mechanism for elites throughout history. Finally, if battle-related deaths, like homicides and any other unnatural loss of human life, is a tolerated business model, it results in a measurable economic loss that accrues in the context of immense suffering.	Value Extraction
HOM	Homicide rate	A country's Homicide rate measures the number of homicides per 100,000 people per year.	Homicide rate (HOM) uses data from: The United Nations Office on Drugs and Crime (UNODC)	The Homicide rate is a proxy indicator for internal peace (as a counterpart, the Battle-related deaths Indicator measures external peace). The lack of internal peace compromises the ability of the agents of the political economy to develop Value Creation business models. Furthermore, the absence of domestic security signifies a failure to deliver inclusive Political Value. High crime rates, the effects of which fall disproportionally on non-elites, are effectively a tax on citizens. Hence, this Indicator is part of the Taking Income Pillar. Finally, homicide is an ultimate form of Value Extraction; if crime is tolerated as a business model it results in a measurable economic loss which accrues in the context of immense suffering and social breakdown.	Value Extraction
SUI	Suicide rate	Suicide rate refers to the number of lives taken on a voluntary and intentional basis per 100,000 people per year.	Suicide rate (SUI) uses data from: The World Health Organization (retrieved from The Global Economy)	Suicides represent a form of exit from the political economy. While a proportion of suicides are inevitable, significant differences exist in the rates across countries. Exits as suicide might be the result of mental health issues, despondent life circumstances or as the result of being at the receiving end of Value Extraction business models. Institutions that address the various causes of suicide effectively create Political Value.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
DTR	Tax revenue as % of GDP (dev. fm optimum)	Tax revenues are "compulsory transfers to the central government for public purposes. Certain compulsory transfers such as fines, penalties, and most social security contributions are excluded" (World Bank, website). Tax revenues are divided by the respective country's GDP.	Tax revenue as % of GDP (DTR) uses data from: The World Bank	A deeply studied and debated issue in society—and for the EQx's Taking Income Pillar—is to settle on the appropriate Tax revenue as % of GDP. Tax revenue that is too high can foster a variety of rent-seeking behaviors by the beneficiaries of those unearned income flows while penalizing the Value Creation potential of taxpayers. Tax revenue that is too low in relation to national income may compromise a governments' ability to perform their duties in areas such as education, health or security. *A tentative optimum rate of 11% is suggested (pending further research), resulting in a v-shaped function for this Indicator.	Achievement of the optimum represents maximum Value Creation
DCT	Corporate tax rate (dev. fm optimum)	The Corporate tax rate (dev. fm optimum) measures corporate tax rates by country. The optimum is set at 24%.	Corporate tax rate (DCT) uses data from: Tax Foundation, Corporate tax rates by country (Corporate tax rates table)	A deeply studied and debated issue is operationalized in the EQx's Taking Income Pillar: the optimal Corporate tax rate. Corporate tax rates that are too low can foster a variety of rent-seeking behaviors, including companies free riding on public goods (such as infrastructure) paid for by other sources of government revenue like income tax or debt. On the other hand, corporate tax rates that are too high discourage productive investments. Deviation from an optimal tax rate on either side of the equation sees the emergence of Value Extraction processes that hinder Value Creation maximization. *A tentative optimum (pending further research) of 24% is suggested for this Indicator, resulting in a non-linear function.	Achievement of the optimum represents maximum Value Creation
DPS	Delta public vs private sector salaries	This Indicator measures the public sector salaries' premium when compared to the average salary of all private employees. Data is based on "Public sector wage premium (compared to all private employees)" (World Bank, website).	Delta public vs private sector salaries (DPS) uses data from: Worldwide Bureaucracy indicators, The World Bank	When public sector salaries are higher than those in the private sector for the same work, coalitions of state employees have gained political privileges and are Taking Income and Value they have not created. If their salaries are lower than those in the private sector, Taking Income goes in the opposite direction, probably as a result of rent seeking in private labor markets or by state exploitation of employees who have few alternatives. The optimum for this Indicator is simple: private and public sector salaries must be the same for equivalent work, meaning that there should be no delta between public sector salaries. That is, the closer to zero the better.	Achievement of the optimum represents maximum Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
FDE	Fiscal decentralization	The degree of Fiscal decentralization is measured by averaging the 36 indicators of the IMF's Fiscal Decentralization dataset, which assesses "the degree to which revenue and expenditure functions of the general government are carried out by subnational governments" (IMF, website).	Fiscal decentralization (FDE) uses data from: The International Monetary Fund (IMF)	Fiscal decentralization means Taking Income from where value is generated, thereby forestalling value transfer arrangements across regions from centralized systems. The more traceable the Taking Income processes and the greater the proximity to citizens, the stronger the social impediments to Value Extraction. High fiscal decentralization leads to heterogeneity in the measures or policies implemented by local governments that could lead to either competitive Value Creation or excessive competition and a race to the bottom resulting in rent seeking. The EQx takes the former position.	Value Creation
GCI	Global Cybersecurity Index	The Global Cybersecurity Index measures the efforts and progress made in cyber defense. The index is comprised of 25 comprehensive sub-indicators that range from legal aspects to public awareness campaigns.	The Global Cybersecurity Index (GCI) uses data from: International Telecommunication Union (ITU), The Global Cybersecurity Index (GCI)	High levels of cybersecurity lead to Value Creation. This is especially true in the context of digital transformation. The working assumption is that the government is responsible, through its political elites and institutional processes, for providing the necessary institutions for cybersecurity. Cyber criminality is a Value Extraction business model that results in Taking Income and is an issue that a competent political elite or government should address, either directly or indirectly.	Value Creation
GEG	Gender education gap (dev. fm optimum)	The proportion of a population with tertiary education is defined as those that have completed the highest level of education by age group. This includes both theoretical programs leading to advanced research, high skill professions such as medicine, and more vocational programs with clear routes to the labor market. The measure is the percentage of same age population that are able to attain these levels, also available by gender. As globalization and technology continue to re-shape the needs of labor markets worldwide, the demand for individuals with a broader knowledge base and more specialized skills continues to rise.	Gender education gap (GEG), uses data from: OECD	The lower the gender difference, the better. As globalization and technology continue to re-shape the needs of labor markets worldwide, the demand for individuals with a broader knowledge base and more specialized skills continues to rise.	Achievement of the optimum represents maximum Value Creation
Pillar (iii.9): Unearned Income					
CRM	Criminal markets	This Indicator measures Criminal markets, which can be defined as "the political, social and economic systems surrounding all stages of the illicit trade and/or exploitation of commodities or people" (Global Organized Crime Index, 2021). Such systems include human and arms trafficking, flora and fauna crimes and the drug trade. The EQx uses the overall average score from the data source.	Criminal markets (CRM) uses data from: The Global Initiative against Transnational Organized Crime, Global Organized Crime Index	Criminal markets generate Unearned Income because the financial residuals earned by criminal actors are exclusively based on extractive Value transfers. The creation of Political Value includes the elimination or minimization of criminal markets.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
DBT	Government debt as % of GDP	Government debt as % of GDP is based on debt which is "the entire stock of direct government fixed-term contractual obligations to others outstanding on a particular date (measured on the last day of fiscal year)" (The Global Economy, website). The level of debt is then divided by the respective country's GDP.	Government debt as % of GDP (DBT) uses data from: The International Monetary Fund	Government debt as % of GDP is an elite business model based on transferring value from the future to the present. Debt is Unearned Income for the state that will have to be repaid by future generations of taxpayers (or offset by indirect means such as inflation) that often have no voice when such obligations are made. Debt allows government spending to be higher than it would otherwise be with consequent and additional rent-seeking opportunities. There are numerous and robust counter arguments (e.g., against austerity) in the policy and academic domains, as taking on additional debt can be appropriate in emergencies and helps to smoothen out economic cycles, providing Keynesian stimuli for the economy. *An optimal level might be established for this Indicator in the future.	Value Extraction
NRR	Natural resources rents as % of GDP	Natural resources rents as % of GDP measures the rents derived from natural resources divided by a country's GDP. These rents, which are computed as "the difference between the price of a commodity and the average cost of producing it", are calculated as the "sum of oil rents, natural gas rents, coal rents (hard and soft), mineral rents, and forest rents" (World Bank, website).	Natural resources rents as % of GDP (NRR) uses data from: The World Bank (Total natural resources rents (% of GDP) data)	A country that benefits from natural resources rents will see substantial rent seeking by aspiring elites for the rights that afford Unearned Income possibilities. These rights will be distributed throughout the political process and are likely to be unrelated to Value Creation. Moreover, natural resources will be exported and distort the rest of economy (e.g., via higher exchange rates hurting the exports of other industries, as is the case with Dutch Disease). These distortions are to the detriment of alternative Value Creation activity.	Value Extraction
GPA	Green patents per capita	This Indicator measures the number of patents for environmentally-related technologies within a given year.	Green patents per capita (GPA) uses data from: OECD	"The development and global diffusion of environment-related technologies is key for cost-efficient achievement of environmental policy objectives" (OECD, website). The more environmentally-related patents a country produces, the closer it will get to achieving environmental policy goals and thus enabling Sustainable Value Creation in the long-run.	Value Creation
EPI	Environmental Performance Index	The Environmental Performance Index "ranks countries on 32 performance indicators across 11 issue categories (covering) environmental health and ecosystem vitality. These indicators provide a gauge at a national scale of how close countries are to established environmental policy targets." (EPI, website).	The Environmental Performance Index (EPI) uses data from: Yale Center for Environmental Law & Policy, Environmental Performance index	The Environmental Performance Index provides a comprehensive set of measures to account for the depletion and spoiling of natural resources such as forests, fisheries, biodiversity, and air and water quality. Such activities signify an intergenerational wealth transfer and a failure to deliver Political Value. Through these Value Extraction processes, older generations and extractive elites benefit from Unearned Income business models based on exploiting the environment. Future Value Creation is also impeded by forestalling the ability of younger generations to benefit from these fundamental resources.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
RES	Renewable energy share	This Indicator measures the share of renewable energy as a proportion of overall energy consumption. "Renewable energy consumption includes consumption of energy derived from: hydro, wind, solar, solid biofuels, liquid biofuels, biogas, geothermal, marine and renewable waste." (UN, website)	Renewable energy share (RES) uses data from: The International Energy Agency and the United Nations Statistical Division	Switching to renewable energies has become a focal point of many countries' strategies to decarbonize and to move away from using non-renewable energy sources such as fossil fuels, the consumption of which has caused a wide range of negative environmental consequences. By increasing the share of renewable energy consumption, elites can counteract the exploitation of the earth's natural resources and thus contribute to Value Creation.	Value Creation
OLI	Ocean litter	Ocean litter is based on a computer model that tracks the flow of various types of marine litter across the world's oceans. In particular, it tracks how many tonnes of domestic beach litter per 1 million inhabitants ultimately end up in the ocean. It serves as a means to measure the extent to which certain countries contribute to the pollution of the world's oceans.	Ocean litter (OLI) uses data from: The United Nations Environmental Programme and University of Florida, Global Model for Monitoring Marine Litter	The pollution of the world's oceans is a severe issue that has a wide range of value extracting consequences, adversely affecting marine life, the environment, and human wellbeing. It is a fundamental element in the United Nations' SDG Agenda (SDG 14) and there are ongoing efforts to better track and regulate marine pollution in order to protect the world's oceans. Elites that take action to prevent litter from reaching the ocean showcases how well they are performing in terms of achieving SDG 14 and practicing effective waste management.	Value Extraction
DER	Deforestation rate	The Deforestation rate is the number of hectares of tree cover loss at a national level, categorized by the percentage of canopy cover in 2000. We only consider countries for assessment if they have a minimum threshold of 5% of total land under forest cover.	Deforestation rate (DER) uses data from: Global Forest Watch	As threats to biodiversity mount, the international community is increasingly focusing on conserving forests. Deforestation is a major cause of the loss of biodiversity, and habitat conservation is vital for stemming this loss. Furthermore, forests are vital to life on Earth. They purify the air, filter water, prevent erosion, and act as an important buffer against climate change. Forests offer a home to much of the world's diverse array of plants and animals and provide essential natural resources such as timber, food, and medicinal plants. Forests also support the lives of local communities and help them to thrive. Forests are therefore a key element in a country's natural capital and highly important for future generations, due to the sustainable value that they create.	Value Extraction
FUS	Fertilizer usage kg per hectare	Fertilizer consumption measures the quantity of plant nutrients (nitrogenous, potash, and phosphate fertilizers) used per unit of arable land. Traditional nutrients (animal and plant manures) are not included.	Fertilizer usage kg per hectare (FUS) uses data from: The World Bank and the Food and Agricultural Organization	Fertilizer consumption constitutes Value Extraction. Heavy fertilizer usage has many adverse effects on the environment such as threatening long-term food security through soil degradation. This destruction of topsoil also releases massive amounts of CO_2 and inhibits carbon sequestration measures. Over-fertilization can further lead to groundwater pollution and thus, threaten human health. Lastly, the fertilizer industry itself is a major GHG producer.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
TLP	Terrestrial land protected	This Indicator measures the percentage of a country's territorial land and marine areas that are protected. Terrestrial protected areas are defined as totally or partially protected areas of at least 1,000 hectares that are designated by national authorities as scientific reserves with limited public access, national parks, natural monuments, nature reserves or wildlife sanctuaries, protected landscapes, and areas managed mainly for sustainable use.	Terrestrial land protected (TLP) uses data from: The United Nations, Statistics Division	Protected areas ensure the preservation of precious natural landscapes for generations to come. They conserve biodiversity and benefit human communities more sustainably when managed correctly (Watson et al., 2014). According to the UN, the amount of a nation's protected terrestrial land is the Indicator with the strongest links to a country achieving the UN's Sustainable Development Goals and thus supporting Value Creation.	Value Creation
CDD	CO_2 emissions embodied in domestic final demand per capita	This Indicator measures CO_2 emissions embodied in domestic final demand per capita. It uses data from the OECD Carbon dioxide emissions embodied in international trade (2021 ed.) dataset.	CO_2 emissions embodied in domestic final demand per capita (CDD) uses data from: OECD	CO_2 emissions represent Value Extraction from future generations. As such, the lower the CO_2 emissions embodied in final domestic demand per capita, the better.	Value Extraction
CDO	CO_2 emissions (metric tons per capita)	This Indicator measures CO_2 emissions as metric tons per capita. It uses data from the World Bank's World Development indicators.	CO_2 emissions (metric tons per capita) (CDO) uses data from: Our World in Data and the World Bank	CO_2 emissions are a negative externality, a form of Unearned Income generated by business models based on exploiting the environment. Such activities signify intergenerational Value transfers from the next generation to the present and a failure to deliver Political Value today. Future Value Creation is also impeded by the burden of climate change and the costs of related alleviation policies.	Value Extraction
AIR	Air Quality Index	This Indicator measures a country's air quality based on their respective annual average PM2.5 concentration ($\mu g/m^3$).	Air Quality Index (AIR) uses data from: iQAir	Poor air quality is a negative externality and a form of Unearned Income, as elite business models that create pollution extract value from the nature stakeholder. The AIR indicator complements the perspective provided by CO_2 emissions (CDO).	Value Extraction
HAZ	Hazardous waste per capita	"Hazardous waste is waste that owing to its toxic, infectious, radioactive or flammable properties poses an actual or potential hazard to the health of humans, other living organisms, or the environment" (United Nations, website).	Hazardous waste per capita (HAZ) uses data from: United Nations Statistics Division	Hazardous waste is a negative externality, a form of Unearned Income generated by business models based on exploiting the environment. Such activities signify intergenerational Value transfers from the next generation to the present and a failure to deliver Political Value today. Future Value Creation is also impeded by the burden of climate change, pollution, and the costs of related alleviation policies.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
WPC	Waste collected per capita	This Indicator measures the percentage of municipal waste collected per capita. "Municipal waste, collected by or on behalf of municipalities, by public or private enterprises, includes waste originating from: households, commerce and trade, small businesses, office buildings and institutions (schools, hospitals, government buildings). It also includes bulky waste (e.g., white goods, old furniture, mattresses) and waste from selected municipal services, e.g., waste from park and garden maintenance, waste from street cleaning services (street sweepings, the content of litter containers, market cleansing waste), if managed as waste. The definition excludes waste from municipal sewage network and treatment, municipal construction and demolition waste" (United Nations, website).	Waste collected per capita (WPC) uses data from: United Nations Statistics Division	Waste collected per capita represents Value Creation as countries that collect more waste better compensate for the negative externalities originating from environmental pollution. The collection of waste is a first step in the compensation chain. This Indicator complements the Municipal waste recycling rate.	Value Creation
MWR	Municipal waste recycling rate	This Indicator measures the percentage of collected municipal waste that is subsequently recycled. Recycling is defined as any reprocessing of waste material in a production process that diverts it from the waste stream, except for reuse as fuel. Reprocessing waste as the same type of product or for different purposes are both included.	Municipal waste recycling rate (MWR) uses data from: The United Nations Statistics Division	An increasing scarcity of the resources that form the bedrock of our society threatens the long-term feasibility of linear economical thinking. Recycling is a key step towards prolonging the life of resources and thus alleviating the limited supply of raw materials. Establishing a national recycling capability is a key step in the transition towards a circular economy. This Indicator complements the Waste collected per capita measure.	Value Creation
FIS	Fishing consumption per capita	This Indicator measures fish and seafood consumption divided by a country's population.	Fishing consumption per capita (FIS) uses data from: Our World in Data and The Food and Agricultural Organization (FAO)	Excessive fish and seafood consumption compromises the planet's ecological boundaries. The higher the per capita level of fish and seafood consumption, the higher the extraction level of ecological resources.	Value Extraction
MET	Red meat consumption kilograms per capita	This Indicator measures red meat consumption in kilograms divided by a country's population.	Red meat consumption kilograms per capita (MET) uses data from: Our World in Data and The Food and Agricultural Organization (FAO)	Excessive red meat consumption compromises the planet's ecological boundaries. The higher the per capita level of red meat consumption, the higher the extraction level of ecological resources.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
Sub-Index II: Value / Index Area (iv): Economic Value					
Pillar (iv.10): Producer Rent					
PAT	Nr. of patent applications per capita	Nr. of patent applications per capita is adjusted for population size (per 100,000 people).	Nr. of patent applications per capita (PAT) uses data from: The World Bank (The World Intellectual Property Organization (WIPO), WIPO Patent Report: Statistics on Worldwide Patent Activity).	Patents reflect a type of legal claim on Value Creation. The EQx assumes that these claims are a factor for sustained economic growth and innovation. The higher the number of patents filed, as measured by the Nr. of patent applications per capita, the larger the number of newly documented and protected ideas. The Indicator therefore provides evidence of current and future Value Creation. A vibrant market for new ideas and innovations is complemented by the legal means to secure this knowledge.	Value Creation
FBH	Financial burden of healthcare	This Indicator measures the percentage of a nation's population whose out-of-pocket expenditure on healthcare is more than 25% of total household consumption or income.	Financial burden of healthcare (FBH) uses data from: The World Bank and the World Health Organization	A good healthcare system only benefits society if it is financially accessible for the entire population and enables the Value Creation of non-elites. The quality of a nation's healthcare system should therefore not merely be evaluated based on the range of the services provided but also on their affordability. Considering the percentage of people with high proportional healthcare expenditure is a good proxy to determine the relative affordability of healthcare in a particular country.	Value Extraction
HEI	Health Efficiency Index	The Health Efficiency Index is based on the 'Bloomberg Health Efficiency Index' which tracks life expectancy and medical spending to determine which healthcare systems have the best outcomes. "To measure efficiency during the pandemic, the original ranking was adjusted according to two factors: the one year change in GDP based on an October 2019 forecast by the International Monetary Fund, as well as the toll of COVID-19 on each economy" (Miller & Lu, 2020).	The Health Efficiency Index (HEI) uses data from: The Bloomberg Health-Efficiency Index	Inefficient healthcare systems should be considered an example of Value Extraction, as business elites in such a healthcare sector receive money and resources and deliver poor outcomes (i.e., life expectancy). Efficient systems, on the other hand, have elites that coordinate their resources diligently and provide (through quality and affordable healthcare) broad Value Creation for non-elites. Health sector elites in some countries have been criticized for excessive Value Extraction (e.g., high medicine prices paid for by taxpayers), but at the same time may also deliver value through the use of cutting-edge technologies at reasonable costs to society.	Value Creation
DMS	Density of medical staff	Average density of physicians, nurses and midwifes per 1,000 people.	Density of medical staff (DMS) uses data from: The World Bank and the World Health Organization's Global Health Workforce Statistics	Many countries' healthcare systems are threatened by a lack of medical staff. A higher density of medical staff helps to prevent underserved areas and thus improves healthcare coverage and accessibility. While there are concerns around physician surpluses and physician-induced demand, excessive treatment due to higher medical staff density seems to be barely observable in practice (Bickerdyke et al., 2002). The consensus is now that a higher density of medical staff is positively connected with better health outcomes and, as a result, Value Creation.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
FSA	Global Food Security Index - affordability	Global Food Security Index - affordability is based on the 'affordability' sub-ranking of the 'Global Food Security Index (GFSI)' produced by the Economist Intelligence Unit. The GFSI measures the drivers of food security across both developing and developed countries.	Global Food Security Index - affordability (FSA) uses data from: The Economist Intelligence Unit, Global Food Security Index (GFSI)	When food is not affordable, non-elites are prevented from being involved in Value Creation processes. Food profiteering elite business models have developed on the basis of transferring value from the many to the few. Elite business models based on high and unaffordable food prices, natural catastrophes notwithstanding, are a reflection of poor Elite Quality and an inability to develop a competitive food industry.	Value Creation
HAI	Housing Affordability Index	The Housing Affordability Index measures national average house prices against local incomes. A high value in the HAI indicates affordable residential housing prices compared to local incomes. A low value indicates unaffordable house prices compared to local incomes.	The Housing Affordability Index (HAI) uses data from: SwissForecast 2026 (proprietary data)	To be able to afford a house is relevant in relation to the development of children, life satisfaction, and in addressing wealth inequalities. A widening gap between house prices and local incomes represents Value Extraction, as a reduction of affordability raises inequalities, and contributes to the segregation of social classes. House price growth that outpaces income growth translates into the elite business model of capital gains. Eventually, the decoupling of prices from incomes points to unsustainable development and is a predictor of financial (and social) fragility. Affordable housing is Value Creation.	Value Creation
RTD	Rail track density	The Rail track density Indicator is calculated via the formula: total rail track per country (km) divided by population. The RTD Indicator does not account for different types of rail transportation, private vs. commercial, or the type of energy/ commodity that is used as fuel.	Rail track density (RTD) uses data from: The World Development indicators, World Bank	The higher the rail track density in a country, the better, as this suggests an energy efficient, affordable, economically sustainable, and future-oriented transportation system.	Value Creation
GAI	Global AI Index	The Global AI Index measures a country's capacity to utilize artificial intelligence in terms of investment, innovation, and implementation.	The Global AI Index (GAI) uses data from: Stanford University, the Global AI Vibrancy Tool	AI increases the opportunities for investment in R&D across the value chain, and hence the international competitiveness of firms and nations. AI capacity reflects the performance of business elites in terms of economic Value Creation, alignment and safety concerns notwithstanding.	Value Creation
AIM	Number of notable AI models	Number of notable AI models measures the number of machine learning or deep learning AI models in a particular country.	Number of notable AI models (AIM) uses data from: Stanford University, the Global AI Vibrancy Tool and the Artificial Intelligence Index.	Foundation models are frontier outputs of the AI ecosystem, the technological infrastructure that enhances and augments the capabilities of firms and are associated with higher levels of productivity and hence a driver of Producer Value.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
FDS	Inward FDI as a % of GDP (stock)	Inward FDI as a % of GDP (stock), measures foreign direct investment (FDI) that takes "a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor" (World Bank, website). For comparison purposes, FDI inflows are divided by a country's GDP. For this Indicator, the EQx considers only stock.	Inward FDI as a % of GDP (stock) (FDS) uses data from: United Nations Conference on Trade and Development (UNCTAD) Statistics	This Indicator comparatively measures a country's attractiveness to investors over a long-time horizon. Foreign elite business models and foreign investors are allowed to compete against domestic interests and realize Value Creation. For FDI to succeed despite the liability of foreignness it requires Value Creation. On the other hand, the absence of accumulated FDI inflows reflects elite protectionism, as domestic investors limit foreign entrants and the accumulation of their capital stock, thereby diminishing the Value Creation of the overall economic system.	Value Creation
FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	Inward FDI as a % of GDP (flow, 3yrs avg.) measures foreign direct investment that takes "a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor" (World Bank, website). For comparison purposes, FDI inflows are divided by a country's GDP. The Indicator considers the average over 3 years.	Inward FDI as a % of GDP (flow, 3yrs avg.) (FDF) uses data from: United Nations Conference on Trade and Development (UNCTAD) Statistics	A country's attractiveness to investors over a short- to medium-term time horizon is essential. Foreign elite business models and foreign investors are allowed to compete against domestic interests to realize Value Creation. For FDI to succeed despite having liability of foreignness, Value Creation is required. On the other hand, the absence of accumulated FDI inflows reflects elite protectionism, as domestic incumbents limit foreign entrants, thereby improving their own potential for Value Extraction.	Value Creation
BTF	Barriers to FDI	Barriers to FDI (foreign direct investment) are measured by the 'FDI Regulatory Restrictiveness Index' (FDI Index). "The FDI Index measures statutory restrictions on foreign direct investment across 22 economic sectors" (OECD, website) by looking at factors such as foreign equity limitations, discriminatory screening and approval mechanisms, or restrictions on the employment of foreigners as key personnel.	Barriers to FDI (BTF) uses data from: OECD, FDI Regulatory Restrictiveness Index	High Barriers to FDI enable producer rents by protecting domestic investors. The Indicator measures the success of domestic business elites in forestalling foreign competition from investing in Value Creation models in their domestic market. The assumption is that foreign investors have an embeddedness disadvantage that they compensate for with higher levels of efficiency and value advantages, which might potentially disrupt the rent-seeking behavior of local elites.	Value Extraction
OFB	Open for business	The Open for business Indicator is based on the 'Open for Business' sub-ranking of the 'U.S. News, 2022 Best Countries' that considers "cheap manufacturing costs, favorable tax environment, not bureaucratic, not corrupt, transparent government practices" as factors (U.S News, website).	Open for business (OFB) uses data from: U.S. News & World Report, 2022 Best Countries	Open for business is a practice-oriented Indicator that reflects Producer Value rent seeking by domestic elites (or its absence). While not dissimilar to the Indicator for Institutional quality, it has a stronger more direct connection to the actual activities of economic agents and is therefore included in the Economic Value Index Area. Low values for this Indicator describe closed and protectionist Value Extraction elites, while a high level of openness depicts inclusive Value Creation.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
EGL	Economic globalization	Economic globalization is measured by the economic dimension of the 'KOF Globalization Index'. The measure includes both trade and financial flows and encompasses factors such as trade in goods and services, foreign investment, customs tariffs, taxes and trade restrictions, openness of the capital account and international investment agreements.	Economic globalization (EGL) uses data from: ETHZ, The KOF Globalization Index	Economic globalization reflects the degree to which domestic elites are subject to competition from their international counterparts. The higher the degree of economic globalization, the more Economic Value will exist in a domestic economy.	Value Creation
TRF	Trade freedom	Trade freedom is assessed through the 'Index of Economic Freedom' which measures the "absence of tariff and non-tariff barriers that affect imports and exports of goods and services" (Heritage Foundation, website). The measure is based on 12 quantitative and qualitative factors, grouped into four pillars: rule of law, government size, regulatory efficiency and open markets.	Trade freedom (TRF) uses data from: The Heritage Foundation, Index of Economic Freedom (IEF)	Trade freedom encourages exports, one of the highest Value Creation activities in an economy (as non-competitive firms cannot export since they lack power in foreign markets). Trade freedom also reflects global competitiveness and encourages innovation. A lack of free trade indicates local rent seeking and negatively affects Producer Value, creating gaps and distortions in the market for goods and services. Since the publication of Ricardo's theory of comparative advantage, free trade has been accepted as an undisputed mechanism for Value Creation. However, counter arguments are now on the rise and at the moment the world seems to be experiencing a worrying trend towards de-globalization and fragmentation. *An optimal level might be established for this Indicator in the future.	Value Creation
IPM	Share of imports targeted by protectionist measures (flow)	Share of imports targeted by protectionist measures (flow) represents a flow statistic and considers protectionist measures implemented during the year.	Share of imports targeted by protectionist measures (flow) (IPM) uses data from: The Global Trade Alert	The assumption that free trade results in Value Creation means that protectionism favors existing domestic producer elite business models by shielding them from competitive foreign trade. Counter arguments would highlight the benefits of protecting domestic infant industries that will engage in future Value Creation. Further research might be needed to establish an optimum associated with economic development levels and short-term policy needs. At present, the higher the share of imports that are targeted by protectionist measures for this flow Indicator, the lower the level of Value Creation.	Value Extraction
IPS	Share of imports targeted by protectionist measures (stock)	Share of imports targeted by protectionist measures (stock) considers (for the latest available year) imports targeted by protectionist measures implemented since 2009 and still in force. This Indicator represents a stock statistic.	Share of imports targeted by protectionist measures (stock) (IPM) uses data from: The Global Trade Alert, SIAW Institute, University of St.Gallen	The assumption that free trade results in Value Creation means that protectionism favors existing domestic producer elite business models by shielding them from competitive foreign trade. Counter arguments would highlight the benefits of protecting domestic infant industries that will engage in future Value Creation. Further research might be needed to establish an optimum associated with economic development levels. At present, the higher the share of imports that are targeted by protectionist measures for this stock Indicator, the lower the level of Value Creation.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
DGI	Share of discrimn. govt. intervent. as % of total intervent. (flow)	Share of discrimn. govt. intervent. as % of total intervent. (flow), measures interventions implemented over the course of the year. This Indicator represents a flow statistic.	Share of discrimn. govt. intervent. as % of total intervent. (flow) (DGI) uses data from: The Global Trade Alert, SIAW Institute, University of St.Gallen	The annual flow Indicator Share of discrimn. govt. intervent. as % of total intervent. (flow) is an important measure of protectionism. Interventions that are discriminatory form part of the Value Extraction business models of domestic elites. Therefore, the lower the level of discriminatory interventions as a share of total interventions, the better, as there is less Value Extraction from domestic businesses and populations. This flow Indicator can serve as a proxy measure of the appetite of policymakers for offering wider market access.	Value Extraction
DGS	Share of discrimn. govt. intervent. as % of total intervent. (stock)	Share of discrimn. govt. intervent. as % of total intervent. (stock) measures interventions implemented since 2009 and still in force. This Indicator represents a stock statistic.	Share of discrimn. govt. intervent. as % of total intervent. (stock) (DGI) uses data from: The Global Trade Alert, SIAW Institute, University of St.Gallen	Share of discrimn. govt. intervent. as % of total intervent. (stock) is an important measure of protectionism. Interventions that are discriminatory form part of the Value Extraction business models of domestic elites. Therefore, the lower the level of discriminatory interventions as a share of total interventions, the better, as there is less value that has accumulated over the years (since 2009) extracted from domestic businesses and populations. This stock Indicator can serve as a proxy measure of the track record of policymakers to offer wider market access.	Value Extraction
Pillar (iv.11): Capital Rent					
DOI	Inflation (dev. fm optimum)	Inflation (dev. fm optimum) is a measure of the annual percentage change in the headline Consumer Price Index (CPI). The CPI reflects changes in the cost of goods and services which are representative of a private household's consumption.	Inflation (DOI) uses data from: The International Monetary Fund	Inflation and deflation have distributional effects—Value Extraction for those on the losing side of price changes—between borrowers and lenders and constitute a capital rent. For instance, high inflation provides a rent to borrowers at the expense of lenders. *The optimum inflation rate is treated as a U-shaped function "to capture the detrimental effects of high inflation and deflation" (GCI Report, 2018, p.636). Countries with inflation rates between 0.5% and 2.5% receive the highest possible score of 100. Outside of this range, scores decrease linearly (based on an adapted version of the WEF methodology).	Achievement of the optimum represents maximum Value Creation
DEF	GDP deflator index growth rate (dev. fm optimum)	GDP deflation (dev. fm optimum) is a measure of the annual percentage change of the GDP deflator index. The GDP deflator measures the changes in prices for all the goods and services produced in an economy.	GDP deflator index growth rate (dev. fm optimum) uses data from: The World Bank	Inflation and deflation have distributional effects—Value Extraction for those on the losing side of price changes—between borrowers and lenders and constitute a capital rent. For instance, high inflation provides a rent to borrowers at the expense of lenders. *The optimum inflation rate is treated as a U-shaped function "to capture the detrimental effects of high inflation and deflation" (GCI Report, 2018, p.636). Countries with inflation rates between 0.5% and 2.5% receive the highest possible score of 100. Outside of this range, scores decrease linearly (based on an adapted version of the WEF methodology).	Achievement of the optimum represents maximum Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
DNI	Neutral interest rate (dev. fm optimum)	A measure of the (unobservable) Neutral interest rate (dev. fm optimum) is derived from the following formula: k% + (M1 growth/ GDP growth) with 'k%' corresponding to Friedmann's 'k', set at 2%. The resulting measure yields an interest rate consistent with long-term growth that is determined by the supply and demand for savings (which depend on the money supply from central banks (M1)).	The Neutral interest rate (DNI) uses data from: OECD (Money Supply Data) & World Bank, National Accounts Data (GDP growth)	An interest rate deviation below/above the natural price of money is an extractive capital rent. In the natural price of money, also referred to as the Neutral interest rate or Knut Wicksell's (1898) 'natural interest rate', an R-star (R*) depicts the rate at which investment fully absorbs savings at full employment (Rachel & Summer, 2019). To operationalize this disputed concept in a simple fashion, the EQx takes the increase/decrease in the monetary base effected by central banks that adds/subtracts to/from the money supply and leads to an equilibrium in the price of money (interest rates lower/higher than the free market counterfactual) deviating from the natural rate, causing the aforementioned rents (i.e., for those benefiting from asset deinflation/inflation or from access to capital by non-market mechanisms). *The optimum in the formula [(M1 growth/GDP growth) + k%] sees an (unadjusted at this stage) alignment with Friedman's k monetary policy rule of 2% (pending further research).	Achievement of the optimum represents maximum Value Creation
FMI	Financial Markets Index	The Financial Markets Index Indicator is derived from part of the IMF's Financial Development Index and measures the development level of financial markets according to their access, depth and efficiency.	The Financial Markets Index (FMI) uses data from: The International Monetary Fund, Financial Development Index	The higher the level of development of a country's financial markets, the higher the Value Creation. Developed financial markets enable market participation based on 'fair' market prices and reduce the chance of Value Extraction. Un- or under-developed financial markets restrict or limit access to credit and therefore prohibit entrepreneurial or non-elite economic activities that require financing. Un- or under-developed financial markets also result in allocative problems in an economy, as they allocate financial resources away from the most productive or innovative sectors, benefiting only established or well-connected businesses.	Value Creation
GCF	Gross capital formation	Gross capital formation refers to the net accumulation of inventory and fixed assets within an economy in one year.	Gross capital formation (GCF) uses data from: The World Bank	Harrod-Domar's growth model states that capital formation is the initial step in creating economic growth and employment (Yoshino, et al. 2019) and is hence essential to Value Creation in the economy. New, more productive equipment and infrastructure replaces old assets and enables an increase in production. Thus, higher capital formation allows for the faster growth of an economy's aggregate income.	Value Creation
GOL	Gold demand as % of GDP	Gold demand as % of GDP measures the demand (in tons) for gold bars, coins and jewelry. The measure is then divided by a country's GDP.	Gold demand as % of GDP (GOL) uses data from: World Gold Council	Gold is a mostly unproductive store of value, as the noble metal is rarely used in the credit system or as means for productive investment, thereby tying up capital. Thus, Gold demand as % of GDP reflects a Capital Rent that makes a minimal contribution to Value Creation in the economy.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
CRY	Crypto ownership	Crypto ownership measures the proportion of respondents who owned or used cryptocurrencies via a survey.	Crypto ownership (CRY) uses data from: Statista	The ownership of crypto assets is assumed to be for speculative investment purposes or as a medium for illegal activities. It also reflects a distrust of monetary institutions. Despite their putative and advertised advantages, crypto assets denote Value Extraction in society. The lower the share of crypto usage and ownership, the better.	Value Extraction
UNN	Unicorns	Unicorns counts the number of unicorns within a country, i.e., companies worth at least a billion dollars that are not yet listed on public stock exchanges, per million inhabitants.	Unicorns (UNN) uses data from: The Hurun Research Institute, Hurun Global Unicorn List	Unicorns are start-ups that have achieved private valuations of more than USD 1 billion. Consequently, their products and services reflect Value Creation for both customers and society. The higher the value for the Unicorns Indicator, the greater the value that has and will be created in a country. Unicorns also mean that incumbent elites have not erected barriers to market entry for emerging business models and have instead created a business environment that supports Value Creation and innovation.	Value Creation
UNC	Unicorns as % of GDP	The Unicorns as % of GDP Indicator measures the number of unicorns, i.e. companies worth at least a billion dollars that are not yet listed on public stock exchanges, per million inhabitants divided by a country's GDP.	Unicorns as % of GDP (UNC) uses data from: The Hurun Research Institute, Hurun Global Unicorn List and the World Bank (GDP).	Unicorns are start-ups that have achieved private valuations of more than USD 1 billion. Consequently, their products and services reflect Value Creation for both customers and society. We assume that the higher the value for the Unicorns as a % of GDP Indicator, the greater the value that will be created in a country. This also means that incumbent elites have not erected barriers to market entry for emerging business models and have instead created a business environment that supports Value Creation and innovation.	Value Creation
BSG	Billionaires self-made per capita	The Billionaires self-made per capita Indicator considers the overall number of self-made billionaires in a country in relation to its population. Self-made billionaires are billionaires whose wealth is not inherited.	The Billionaires self-made per capita (BSG) uses data from: Forbes, World's Billionaires List & The World Bank	The Billionaires self-made per capita Indicator measures the ongoing elite circulation process in society by examining self-made billionaires. Their business models are more likely to involve Value Creation and be based on innovation and the incorporation of emerging technologies, accelerating social and technological development. The more self-made billionaires a country has in relation to its population, the more value is deemed to have been created. The comparison with a country's overall inhabitants ensures a representative evaluation of this Indicator.	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
BSM	Billionaires self-made as % of total billionaires	The Billionaires self-made as % of total billionaires Indicator assesses the proportion of a country's overall number of billionaires that are self-made, i.e. whose wealth was not inherited.	Billionaires self-made as % of total billionaires (BSM) uses data from: Forbes, World's Billionaires List & The World Bank	The Billionaires self-made as % of total billionaires Indicator measures the percentage of self-made billionaires in a country. The more self-made billionaires a country has in relation to the overall number of billionaires, the more Value Creation there should be in the economy. The assumption is that self-made billionaires, not having inherited their wealth, can only have emerged through Value Creation business models, as established elites do not cede Value Extraction models to newcomers.	Value Creation
Pillar (iv.12): Labor Rent					
LPG	Labor productivity growth	Labor productivity, also known as workforce productivity, is defined as real economic output per labor hour. Growth in labor productivity is measured by the change in economic output per labor hour over a defined period.	Labor productivity growth (LPG) uses data from: The Conference Board's Total Economy Database	The Labor productivity growth rate reflects a nation's ability at present to invest in and empower its labor force to create more value. The Indicator is determined by three main factors: investment in physical capital, new technology, and human capital. It is also a measure of innovativeness, arguably the main driver of labor productivity. Because every society strives to increase its economic output, improving labor productivity creates value for society and future generations.	Value Creation
WLP	Delta real wage vs labor productivity increases	Delta real wage vs labor productivity increases reflects the portion of labor productivity captured by labor. The real wage is measured through labor compensation per hour worked, while GDP per hour worked is used as a proxy for labor productivity.	Delta real wage vs labor productivity increases (WLP) uses data from: OECD (Labor compensation per hour worked & GDP per hour worked data)	Delta real wage vs labor productivity increases aims to describe possible Value Extraction from these two dimensions. On the one hand, increases in wages above labor productivity indicate labor rent in favor of organized labor (also referred to as 'Baumol's cost disease', Baumol & Bowen, 1966), i.e., the tendency for wages to increase despite stagnating productivity, often in labor-intensive industries. On the other hand, increases in wages below labor productivity indicate an extraction of labor by firms. *The tentative optimum (pending further EQx research), sees wage increases equal productivity increases. This assumption is made considering counter arguments that attribute labor productivity increases partly to investments in capital stock or to innovation for which labor is not directly responsible.	Achievement of the optimum represents maximum Value Creation
LFP	Labor force participation rate	"The labor force comprises all persons of working age who furnish the supply of labor for the production of goods and services during a specified time-reference period. It refers to the sum of all persons of working age who are employed and those who are unemployed. The series is part of the ILO modeled estimates and is harmonized to account for differences in national data and scope of coverage, collection and tabulation methodologies as well as for other country-specific factors. For more information, refer to the ILOSTAT pages on concepts and definitions and ILO modelled estimates and projections" (ILOSTAT, website).	Labor force participation rate (LFP) uses data from: The International Labour Organization, ILOSTAT database	A low Labor force participation rate indicates that there are disincentives for Value Creation by labor. There are many causes for this, including low wages and high unemployment benefits. There may also be barriers to participation in labor markets (e.g. for females) or factors that reflect direct Value Extraction (e.g. under-employment, or exploitation).	Value Creation

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
LFR	Labor force participation ratio - male vs female	The Labor force participation ratio - male vs female Indicator reflects the ratio of females to males within the workforce. The labor force participation rate is the proportion of the population aged 15 and older that is economically active.	Labor force participation ratio - male vs female (LFR) uses data from: The World Bank, World Development indicators	A higher proportion of males within the active workforce implies that males receive Unearned Income through the restrictions and barriers faced by women and their inability to fully participate and compete in the economy's labor markets. This leads to wasted capital as a large part of the population is prevented from full Value Creation. Reduced competition also limits new ideas and innovation. Unequal access to well remunerated occupations occurs in many countries around the world. Labor force statistics are key tools for monitoring gender disparities in employment and unemployment patterns. The lower the disparities, the better for all, on the self-evident assumption that men and women are equally capable of Value Creation.	Value Extraction
ROD	Robot density in manufacturing industry	Robot density measures the number of operational industrial robots relative to the number of employees. It can cover the whole of a country's manufacturing industry or just specific industrial sectors. The number of employees serves as a measure of economic size, so the quotient of operational stock over employees gives the operational stock a uniform base.	Robot density in manufacturing industry (ROD) uses data from: The International Federation of Robotics.	Robots and embodied AI are applications that enhance and augment the capacity of labor and are associated with higher levels of productivity and pay and hence a form of Labor Value.	Value Creation
UEM	Unemployment rate	The Unemployment rate "refers to the share of the labor force that is without work but available for and seeking employment" (World Bank, website). The EQx uses the ILO modeled estimates to account for bias in national estimates.	Unemployment rate (UEM) uses data from: The International Labour Organization, ILOSTAT database (retrieved from The World Bank)	The Unemployment rate is conceptualized in a neoclassical fashion as intra-labor rent seeking by a worker elite. Value Extraction by the employed is achieved via higher than market equilibrium wages and benefits, preventing a market-clearing price for labor and thus causing unemployment for vulnerable suppliers of labor such as non-unionized workers and the young. See also the related Indicator for the Youth unemployment rate (YUN).	Value Extraction
YUN	Youth unemployment rate	The Youth unemployment rate "refers to the share of the labor force aged 15-24 without work but available for and seeking employment" (World Bank, website). The EQx uses the ILO modeled estimates to account for bias in national estimates.	Youth unemployment rate (YUN) uses data from: The International Labour Organization, ILOSTAT database (retrieved from The World Bank	The most vulnerable segment of any political economy are young people. Many elite business models permit the extraction of labor rents from the young. This sub-group is also subject to Value Extraction by older elite workers, such as members of labor unions. Unions increase the price of labor and reduce overall demand with disproportional effects on the young. A high Youth unemployment rate is an extremely worrying Indicator as research shows that extended periods of unemployment can have a lasting impact on an individual in terms of future employment prospects and Value Creation potential.	Value Extraction

	Indicator Name	A. Indicator Description – What we measure	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
BRN	Human flight and brain drain	The Human flight and brain drain Indicator is based on the Fragile States Index and uses the Human Flight and Brain Drain sub-index. It measures the "the economic impact of human displacement (for economic or political reasons) and the consequences this may have on a country's development. On the one hand, this may involve the voluntary emigration of the middle class – particularly economically productive segments of the population, such as entrepreneurs, or skilled workers such as physicians – due to economic deterioration in their home country and the hope of better opportunities farther afield. On the other hand, it may involve the forced displacement of professionals or intellectuals who are fleeing their country due to actual or feared persecution or repression, and specifically the economic impact that displacement may wreak on an economy through the loss of productive, skilled professional labor". (Fragile States Index, website).	Human flight and brain drain (BRN) uses data from: The Fund for Peace, The Fragile States Index	The outflow of skilled and highly educated human capital and talent is a transfer of value out of a country. Consequently, domestic firms are less able to produce Value Creation. The fault for a poor net brain drain ranking lies with national elite systems for failing to establish a domestic business environment that is free of the rent seeking that inhibits value creators from realizing their potential. These individuals therefore move elsewhere. On the other hand, the higher the level of net brain drain inflows, the higher the level of Value Creation.	Value Extraction