

Welcome!



GLOBAL LAUNCH EVENT

& SUSTAINABLE VALUE CREATION DISCUSSION

10:00-12:00 AM, 29th APRIL 2022 @SQUARE, Room 11-0111 University of St.Gallen + Webinar

“Whether one likes it or not, elites play a big role in a nation’s success or failure. They can promote all-round well-being; but they can also be exploitative, stalling the nation’s overall progress. The newly created Elite Quality Index (EQx), under the academic leadership of the University of St.Gallen, is an exciting experiment in scoring and ranking the quality of elites in different nations. This work can potentially play a role in helping nations reform their leadership, thereby contributing to overall social welfare.”

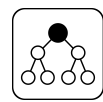
**Kaushik Basu, Professor of Economics and Carl Marks Professor of International Studies, Cornell University, Ithaca, United States
Former Chief Economist of the World Bank**



“Mainstream economic theory might have reached its limits in terms of practical application. Fiscal stimuli packages have indebted many countries, while monetary policies have given rise to the bane of inflation. At the same time, sustainable value creation at the micro-level is all too often ignored in macroeconomic policymaking. In China we believe that courageous structural reform is an effective way forward out of crises and in support of inclusive economic development. Reforms must then be based on adjusting the incentive system so that elite business models create rather than transfer value. The elite theory of economic development provides a framework for such structural reform and captures complex trade-offs that require state capacity while at the same time referencing culture and history. Comparing countries based on elite quality and their creation of value is both innovative and difficult. The Elite Quality Index (EQx) is a first valuable initiative in this direction and should inspire debate between researchers, policymakers, and the concerned general public across the world.”

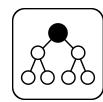
**Prof. Zhang Jun, School of Economics, China Center for Economic Studies,
Fudan University, Shanghai, China**





Session I EQx2022 Launch





An international research project 151 countries, 120 indicators

Free download:

EQx2020:

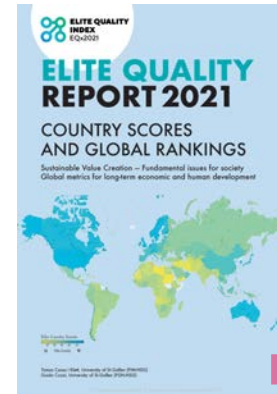
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3676776

EQx2021:

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3845376

EQx2022:

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4085752



**„Eliten schöpfen ihr Potenzial nicht
„Deutschland AG“ braucht im globalen
Wettbewerb ein Update**

von: Torsten Riecke
Datum: 01.09.2020 20:00 Uhr

Опубликован глобальный рейтинг элит. Украина в середине списка

Университет Сент-Галлена (Швейцария) опубликовал рейтинг качества элит. Украина заняла 76-е место в списке из 151 государства. В прошлом году показатель нашей страны не рассчитывали



Den norske eliten, ved noen av dem. Denne gjengen er 8. best i verden, ifølge en fersk rapport. Foto: Terje Pedersen, Torstein Bøe, Berit Roald, Torstein Bøe, Terje Pedersen, Thor Nielsen, Terje Bendiksbø, Håkon Mosvold Larsen/ntb

Ledelse og elitekvalitet | Norsk lederskap er rangert på åttende plass i verden

I en ny analyse, har universitetet St. Gallen rangert den politiske og økonomiske eliten i 151 land. Norge plasseres på en pen åttendeplass. Vår styrke er sterke institusjoner, men vi bør kvitte oss med oljeavhengigheten og unngå å verdie

Opinion: How Elites Could Respond to Populist Backlash Against Intellectualism Post-Pandemic

By Tomas Casas Klett and Lee Howell



Public have been stunned by a "populist backlash against experts who have become identified with elitism and intellectual arrogance," write Tomas Casas Klett, a professor at the University of St. Gallen and Lee Howell, a managing director at the WEF. Photo: WEF

The Covid-19 pandemic continues to challenge public and private sector leaders around the globe. The cautious optimism around mass vaccination programs is countered by growing concerns over the spread of more contagious variants. Public health experts understand that they are in a race against time, but what has stunned them is a "populist backlash against experts who have become identified with elitism and intellectual arrogance."

Diário de Notícias

Portugal a meio da tabela no Índice de Qualidade das Elites

Primeiro indicador mundial do género tem chancela da FEP em Portugal e quer mostrar como elites ajudam ou prejudicam o desenvolvimento do país.

DIE OSTSCHWEIZ

MEHR!

Die Ostschweiz
Die neue Publikation für die Kantone SG, TG, AR und AI ging Ende April 2018 online. Sie vermittelt Stimmungen und Meinungen aus der Region.

www
E-Mail

HSG publiziert ersten «Elite Quality Index» – Was hat es damit auf sich?

HSG-Forschende haben in Zusammenarbeit mit einem internationalen Netzwerk von akademischen Partnern und Institutionen einen Weg gefunden, die Qualität von Eliten zu messen.

Die Ostschweiz
Publiziert am 02. September 2020

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Elite Quality Index (EQx) Measures Value Creation by Country

Business Wire 9 September 2020

Singapore
Switzerland
New political
network provid
The non-profit F
covering 32 cour
No.1, followed by
This press release
https://www.busines

MARGINAL REVOLUTION
SMALL STEPS TOWARD A MUCH BETTER WORLD.

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The Elite Quality Index
September 29, 2020 at 12:31 am in Data Source, Political Science

by Tyler Cowen
https://www.bu.edu/equ05709/en/

SMU SINGAPORE MANAGEMENT UNIVERSITY

Home Press Releases Highlights SMU in the News Features Faculty Directory

Singapore takes top spot in the Elite Quality Index

International political economy ranking from the University of St. Gallen provides insights into the development of their societies, and their expected value creation in a post-COVID world

24 May 2021



Singapore, 24 May 2021 (Monday) – The Elite Quality Index 2021 (EQx2021) seeks to measure the way in which elites globally contribute to the development of their societies. It specifically measures the economic and political

THE ECONOMIC TIMES

The Edit Page
How Really Influential is Our Elite?

4/28/22

SWI swissinfo.ch

Life & Aging
Swiss perspectives in 10 languages

Swiss elites among best

Forbes

НОВОЕ МИЛЛИАРДЕРЫ РЕЙТИНГИ БИЗНЕС ФИНАНСЫ СВОЙ БИЗНЕС ТЕХНОЛОГИИ ВИДЕО ПОДКАСТЫ БИЗНЕС

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Article Opinión

La calidad de nuestra elite

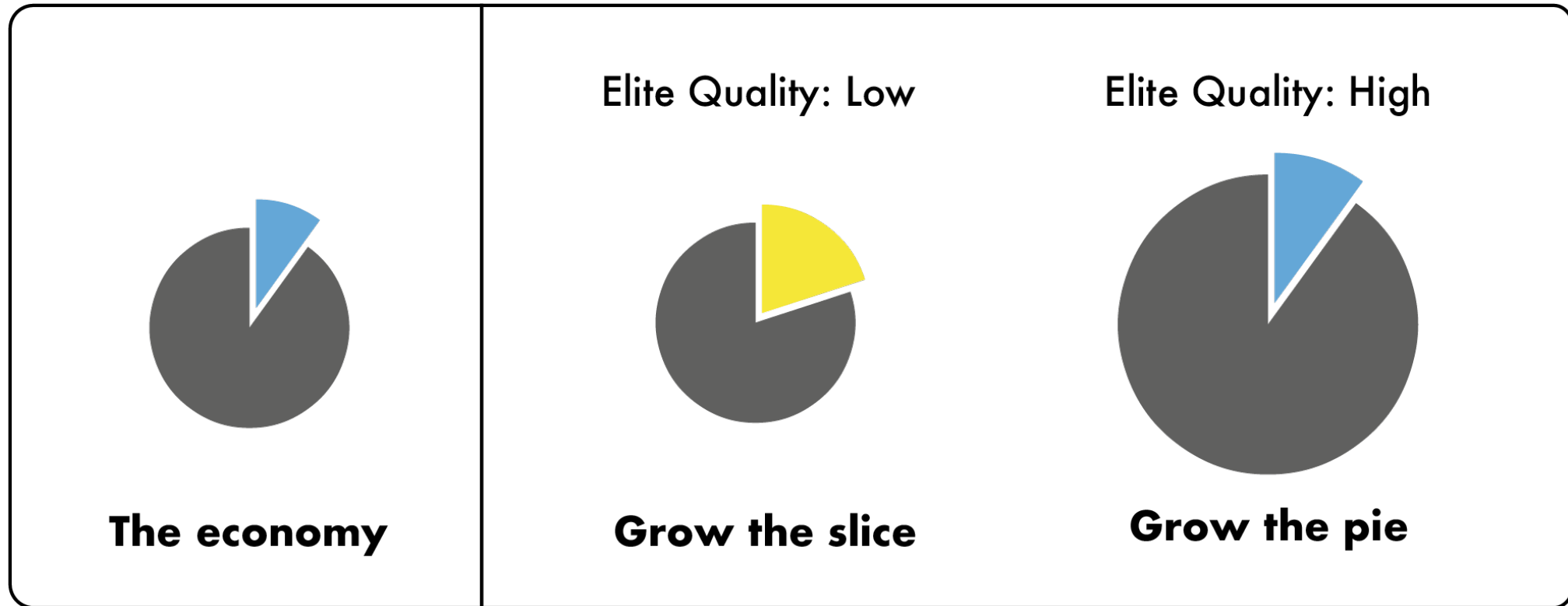
OPINIÓN | La Argentina está en el antecítmimo puesto de un novedoso instrumento que mide la capacidad de los modelos desarrollados por cada país para crear valor.

por Sergio Beremstein
14 de Octubre 2020, 13:29hs

- Elites understood as (elite) business models
- Characterized by coordination capacity (size matters)
- Human & economic development requires elite quality



High quality elites enlarge “the pie”



Not all elite business models are the same

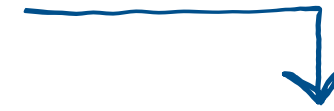
Elite business model activity types <i>(potential wealth accumulation)</i>	
Value creation <i>Producer of first-order activity</i>	Value extraction <i>Transferee of second-order activity</i>
<ul style="list-style-type: none"> • Production • Specialization • Exchange • Productivity enhancements • Incremental innovation • Radical innovation • Human capital development • Value co-creation <small>incl. crowdfunding, social e-commerce, co-design</small> 	<ul style="list-style-type: none"> • Exchange restrictions <small>incl. tariffs, non-tariff barriers, quotas</small> • Regulation, licensing and patents • Discrimination • Corruption <small>incl. bribery, embezzlement, nepotism</small> • Taxes and subsidies • Monopolies and cartels • Litigation • Environmental destruction • Criminal activity <small>incl. theft, extortion, murder</small>



Inflation

Produces winners and losers, so its an elite business model

1. EQx2022 shows a positive correlation between lower inflation and a **lower government debt** to GDP ratio (DBT, iii.9). Why?
 - ✓ Because elites of indebted governments pressure their central banks for monetary expansion, which then leads to inflation
2. Negative correlation between Inflation control (DOI, iv. 11) and **tax moderation** (DTR, iii.8).
 - ✓ If a political elite wants to subsidize the poor and troubled SMEs, they should tax the rich rather than future generations
3. Collective bargaining coverage (CBC, ii.4) and a higher Unionization rate (UNI, ii.4) negatively correlate with inflation
 - ✓ **Trade unions** coordinate towards more disciplined policies



United States

2021 fiscal deficit: 12.4% of GDP
Current inflation: 8.5% inflation

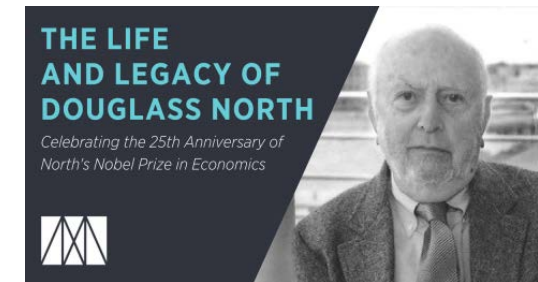
China

2021 fiscal deficit: 3.1% of GDP
Current inflation: 1.5% inflation

The richest countries are those with ... (finish sentence)

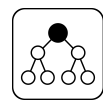
(luck aside ... Singapore, Switzerland, the United States)

Greatest institutions



“the rules of the game in a society [...] the **humanly devised** constraints”

(Institutions, Institutional Change and Economic Performance. Cambridge University Press. North 1990, p. 3)

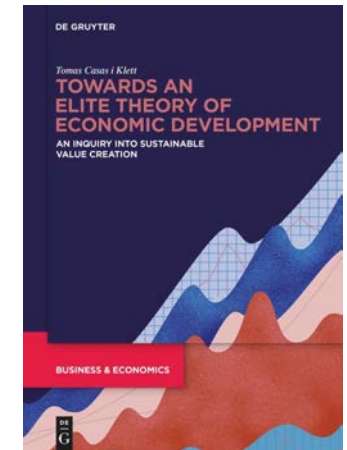
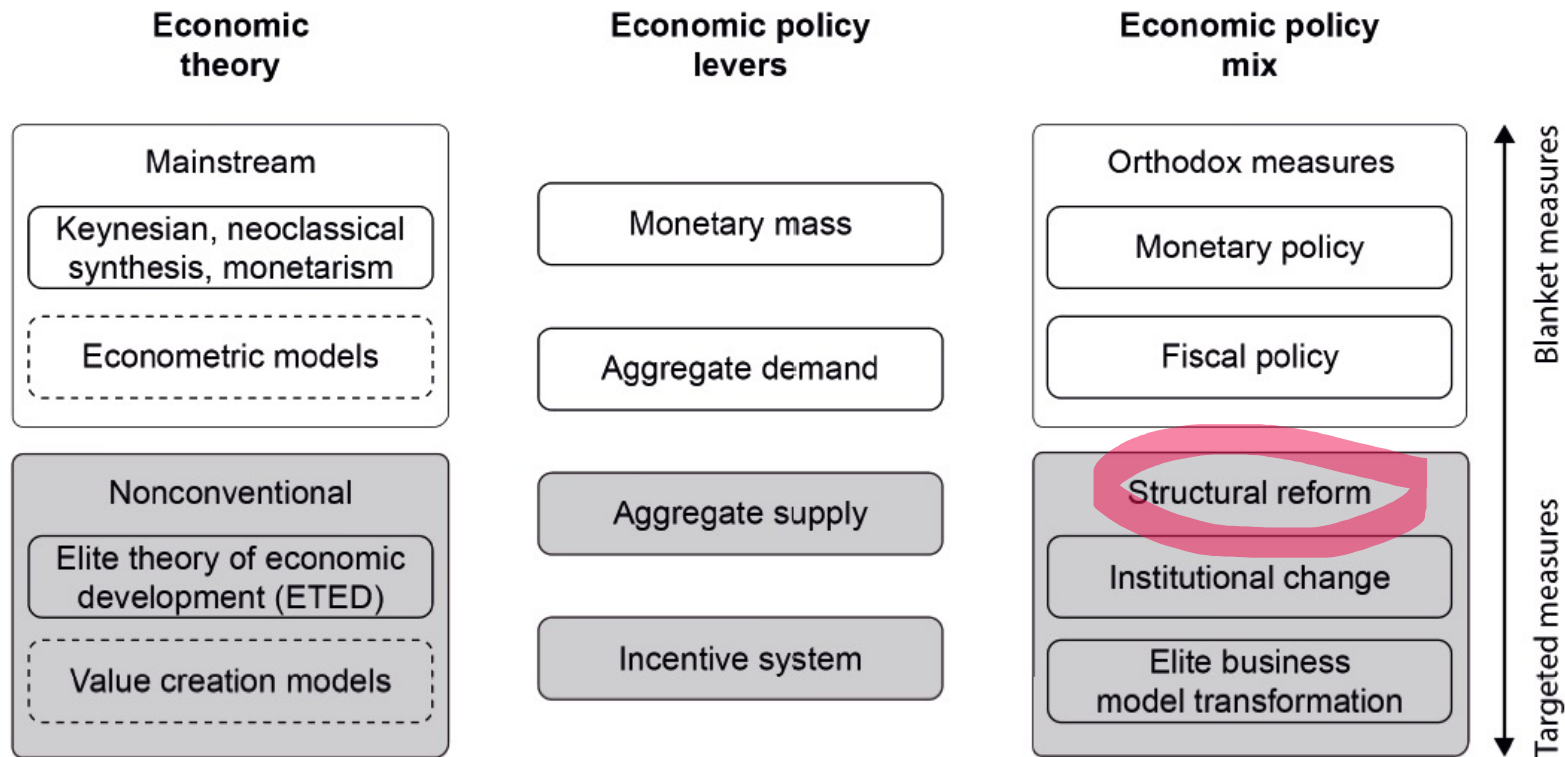


Elite quality and economic developement

1. Institutions determine busienss models (what you can/can't do)
2. Elite business model preferences determine institutions
3. Elites business model preferences determine economic developement



If the *elite theory of economic development* (ETED) is right, there are policy implications



Elite Quality operationalized

Level 1
Index (x1)
EQx



Level 2
Sub-Indices (x2)
Power & Value
Index Areas (x4)
Political Power & Economic Power,
Political Value & Economic Value

Level 4
Variables (xN)

Aggregation level	Method	Weights	
<i>Sub-index</i>			
Sub-index I: Power	CD 1	33.3%	33.3%
Sub-index II: Value	CD 1	66.7%	66.7%
<i>Index area</i>		<i>Within sub-index</i>	<i>Within EQx</i>
<i>Sub-index I: Power</i>			
i. Political Power	CD 2	33.3%	11.1%
ii. Economic Power	CD 2	66.7%	22.2%
<i>Sub-index II: Value</i>			
iii. Political Value	CD 3	33.3%	22.2%
iv. Economic Value	CD 3	66.7%	44.4%
<i>Pillar</i>		<i>Within index area</i>	<i>Within EQx</i>
<i>Sub-index I: Power</i>			
<i>i. Political Power</i>			
i.1 State Capture	BAP	36.0%	4%
i.2 Regulatory Capture	BAP	37.0%	4.1%
i.3 Human Capture	BAP	27.0%	3%
<i>ii. Economic Power</i>			
ii.4 Coalition Dominance	BAP	21.0%	4.7%
ii.5 Firm Dominance	BAP	23.0%	5.1%
ii.6 Creative Destruction	BAP	56.0%	12.4%
<i>Sub-index II: Value</i>			
<i>iii. Political Value</i>			
iii.7 Giving Income	BAP	36.4%	8.1%
iii.8 Taking Income	BAP	36.4%	8.1%
iii.9 Unearned Income	BAP	27.2%	6%
<i>iv. Economic Value</i>			
iv.10 Producer Value	BAP	29.0%	12.9%
iv.11 Capital Value	BAP	34.0%	15.1%
iv.12 Labor Value	BAP	37.0%	16.4%
<i>Indicator</i>		<i>Within pillar</i>	<i>Within EQx</i>
	BAP	See Report	See Report

Note: Table indicates the underlying weighting method (Conceptual Deliberation (CD) or Budget Allocation Process (BAP)) and the resulting weighting for each aggregation level. The within EQx weights anticipate the linear aggregation scheme. Percentages, rounded to one decimal, may not add up to 100 due to rounding.



Research: Statistical evaluation

 Springer Link

Original Research | [Open Access](#) | [Published: 16 February 2022](#)

How Meaningful is the Elite Quality Index Ranking?

[Céline Diebold](#) 

[Social Indicators Research](#) (2022) | [Cite this article](#)

491 Accesses | 1 Altmetric | [Metrics](#)

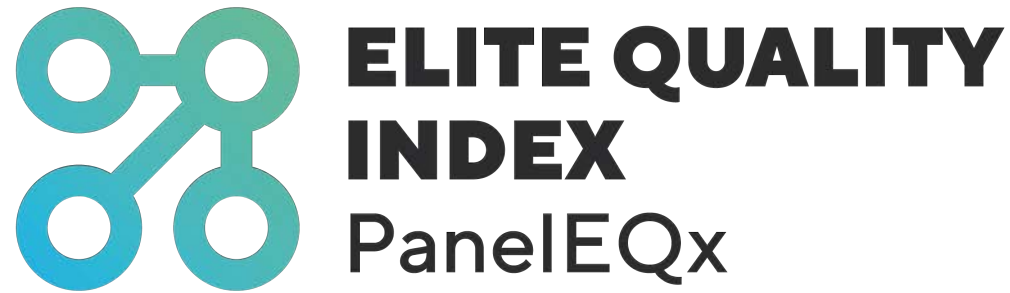
Abstract

The Elite Quality Index (EQx) attempts to measure the propensity of elites—on aggregate—to create value, rather than to rent seek. The index has attracted worldwide media and press attention. In their articles, journalists have based their analyses primarily on their own countries' position in the EQx ranking. But how meaningful is the EQx ranking? How do the uncertainties underlying some of the assumptions made in the index propagate to the country rankings? We conduct a global uncertainty and sensitivity analysis (UA and SA) of the EQx and compute Sobol' first and total order sensitivity indices using state of the art estimators, in order to scrutinise the implications of index assumptions and assess the reliability of the EQx ranking. The UA suggests that the EQx ranking of 2021 (EQx2021) is largely stable for the top 50 countries, but exhibits considerable uncertainties especially for middle and lower performing countries. The SA highlights the handling of missing data, the normalisation process and the weighting scheme as most important methodological choices, while the largest potential for improvement is observed in how raw missing indicator data is handled.

Table 1: Summary of the uncertain input factors and their distribution

Input factor	Definition	Distribution
X_1	Imputation of missing values	$\mathcal{DU}[1,2]$ where 1 \equiv handling of missing values according to EQx2021 methodology, 2 \equiv missing values fully imputed using predictive mean matching.
X_2	Measurement error	$\mathcal{DU}[1,2]$ where 1 \equiv original raw data is used, 2 \equiv normally distributed random error with mean 0 and standard deviation (std. dev.) equal to 1/5 th of an indicator's observed std. dev. is added to raw data.
X_3	Omission of individual indicators	$\mathcal{U}[0,1]$ where $[0, \frac{1}{(q+1)})$ \equiv no indicator excluded, $[\frac{1}{(q+1)}, \frac{2}{(q+1)})$ \equiv exclude indicator I_1 , (...) $[\frac{q}{(q+1)}, 1]$ \equiv exclude indicator I_q .
X_4	Choice of conceptual optima	$\mathcal{DU}[1,2,3]$ where 1 \equiv EQx conceptual optima where applicable, 2 \equiv EQx optima plus one std. dev. of the indicator's raw data, 3 \equiv EQx optima minus one std. dev. of the indicator's raw data.
X_5	Normalisation scheme	$\mathcal{DU}[1,2]$ where (prior to rescaling, values to range from 0 to 100) 1 \equiv EQx normalisation, 2 \equiv MinMax.
X_6	Weighting scheme	$\mathcal{DU}[1,2,\dots,9]$ where 1 \equiv EQx weighting, 2 \equiv equal indicator weights (Altern. 1), 3 \equiv equal pillar weights (Altern. 2), 4 \equiv equal indicator and pillar weights (Altern. 3), 5 \equiv equal indicator, pillar and index area weights (Altern. 4), 6 \equiv equal indicator, pillar, index area and sub-index weights (Altern. 5), 7 \equiv equal final indicator weights (Altern. 6), 8 \equiv Sub-index Power & Value at 0.25 & 0.75 (Altern. 7), 9 \equiv Sub-index Power & Value at 0.5 & 0.5 (Altern. 8), 10 \equiv equal index area and sub-index weights (Altern. 9).
X_7	Aggregation scheme	$\mathcal{DU}[1,2]$ where 1 \equiv EQx aggregation (linear), 2 \equiv geometric aggregation at sub-index level.

Note: \mathcal{U} stands for uniform, and \mathcal{DU} indicates a discrete uniform distribution.



How has Elite Quality
evolved over time?

... coming soon

Country Scores & Global Rankings

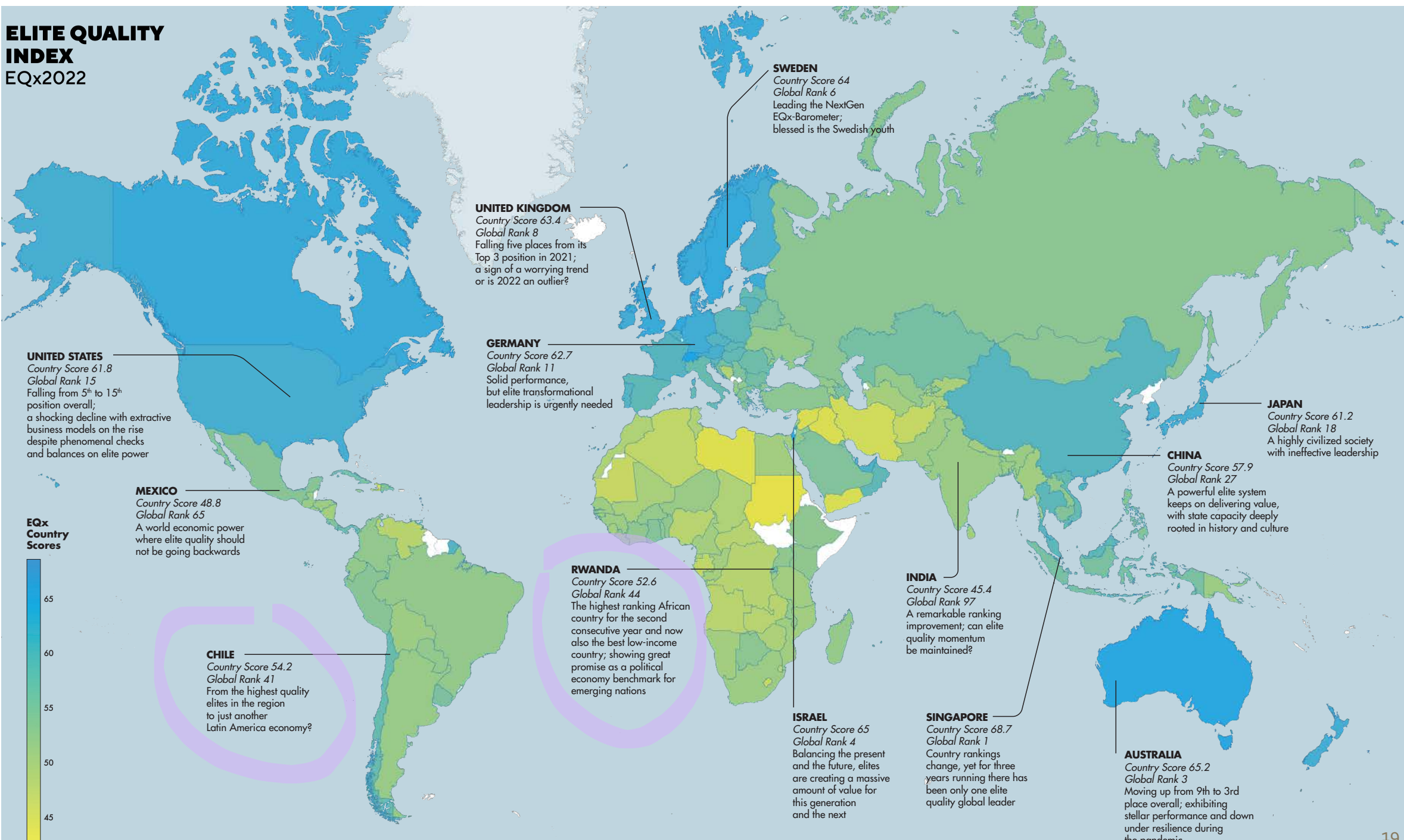
Country	EQx			Sub-Indices						datapoints #/120
	Global Rank	Trend vs EQx2021	Country Score	Power (I)			Value (II)			
				Rank	Trend vs EQx2021	Score	Rank	Trend vs EQx2021	Score	
Very High Quality Elites										
Singapore	1	⇒ 0	68.7	14	↑ 1	65.1	1	⇒ 0	70.4	103
Switzerland	2	⇒ 0	67.4	11	⇒ 0	66.4	2	⇒ 0	67.9	115
Australia	3	↑ 6	65.2	6	↑ 7	67.5	4	↑ 2	64.0	116
Israel	4	↑ 3	65.0	5	↑ 3	68.3	6	↑ 2	63.3	113
Netherlands	5	↓ -1	64.4	7	↓ -2	67.2	7	↓ -3	63.0	115
Sweden	6	⇒ 0	64.0	10	↓ -3	66.8	8	↑ 1	62.6	117
Canada	7	↑ 4	63.7	2	↑ 4	70.4	17	↓ -2	60.3	116
United Kingdom	8	↓ -5	63.4	4	↓ -1	69.3	15	↓ -3	60.4	119
Norway	9	↓ -1	63.4	22	↓ -4	62.4	5	↓ -2	63.8	115
Estonia	10	↑ 2	63.1	3	↓ -1	70.0	19	↑ 3	59.6	104
High Quality Elites										
Germany	11	↑ 4	62.7	9	↑ 1	67.0	14	↑ 2	60.6	117
Denmark	12	↓ -2	62.5	15	↓ -6	65.1	11	↓ -1	61.2	119
Ireland	13	↑ 7	62.3	29	↑ 3	56.8	3	↑ 4	65.1	116
New Zealand	14	↓ -1	62.1	18	↑ 2	63.6	10	↓ -5	61.4	114
United States	15	↓ -10	61.8	1	⇒ 0	72.6	29	↓ -11	56.3	117
Finland	16	↓ -3	61.6	8	↑ 6	67.0	21	↓ -8	58.9	117
Austria	17	↑ 2	61.2	20	↑ 1	63.1	18	↓ -1	60.3	117
Japan	18	↓ -1	61.2	21	↑ 1	62.9	16	↓ -5	60.4	114
Korea, Rep.	19	↓ -3	60.2	12	↑ 4	65.9	24	↓ -10	57.4	109
UAE	20	↓ -2	59.7	13	↓ -9	65.4	27	↓ -1	56.9	101
Bahrain	21	↑ 13	59.3	39	↑ 8	54.9	9	↑ 19	61.5	78
Qatar	22	↓ -1	59.1	36	↓ -11	56.0	13	↑ 6	60.7	89
Belgium	23	↑ 9	58.5	19	↑ 9	63.3	32	↑ 3	56.1	115
France	24	↓ -1	58.2	17	⇒ 0	63.9	35	↓ -6	55.3	119
Portugal	25	↑ 3	58.1	23	↓ -11	60.8	28	↑ 14	56.8	113

Country	EQx			Sub-Indices							datapoints #/120
	Global Rank	Trend vs EQx2021	Country Score	Power (I)			Value (II)				
				Rank	Trend vs EQx2021	Score	Rank	Trend vs EQx2021	Score		
Quality Elites											
Czech Republic	26	↓ -4	58.1	46	↓ -13	52.5	12	↑ 8	60.9	115	
China	27	↓ -1	57.9	27	↑ 7	57.5	23	⇒ 0	58.1	109	
Lithuania	28	↓ -4	57.0	16	↑ 3	65.1	48	↓ -15	53.0	103	
Poland	29	⇒ 6	56.9	31	↓ -1	56.6	26	↑ 11	57.1	114	
Thailand	30	⇒ 0	56.6	54	↓ -1	51.7	20	↑ 1	59.1	108	
Slovenia	31	↓ -2	56.5	24	⇒ 0	59.7	39	↓ -9	55.0	102	
Cyprus	32	↓ -1	56.4	44	↓ -2	53.0	22	↑ 5	58.1	103	
Malaysia	33	↓ -8	56.2	34	↓ -5	56.2	30	↓ -6	56.2	110	
Spain	34	↓ -7	56.0	26	↓ -3	58.9	42	↓ -11	54.5	118	
Oman	35	↑ 4	55.8	32	↑ 35	56.6	34	↓ -2	55.4	87	
Slovak Republic	36	↑ 4	55.6	30	↑ 8	56.7	38	↑ 8	55.0	105	
Hungary	37	↓ -4	55.2	35	⇒ 0	56.0	41	↓ -7	54.8	115	
Vietnam	38	↓ -2	54.6	60	↑ 14	49.5	25	⇒ 0	57.1	98	
Latvia	39	↓ -1	54.3	25	↑ 1	59.1	52	↓ -2	51.9	102	
Italy	40	↓ -3	54.2	41	↓ -5	54.5	43	↓ -2	54.1	116	
Chile	41	⇒ 0	54.2	37	↓ -10	55.5	45	↑ 13	53.5	116	
Mauritius	42	↑ 8	53.5	65	↓ -4	48.3	31	↑ 18	56.1	90	
Romania	43	↑ 5	53.2	59	↓ -3	49.7	40	↑ 11	54.9	104	
Rwanda	44	↑ 8	52.6	53	↓ -13	51.8	47	↑ 18	53.1	82	
Bulgaria	45	↑ 4	52.3	48	↓ -3	52.4	51	↑ 6	52.3	103	
Kazakhstan	46	⇒ 0	52.0	66	↑ 2	48.2	44	↓ -6	53.9	107	
Panama	47	↓ -2	51.9	81	↓ -23	45.4	36	↑ 8	55.2	93	
Croatia	48	↓ -5	51.7	47	↓ -1	52.5	55	↓ -10	51.2	101	
Indonesia	49	↓ -5	51.4	43	↑ 5	53.2	59	↓ -12	50.6	116	
Cuba	50	↑ 3	51.1	93	↑ 9	43.4	37	↓ -1	55.0	59	
Uruguay	51	↑ 11	50.9	33	↑ 10	56.3	79	↑ 4	48.2	96	
Azerbaijan	52	↓ -10	50.9	71	↑ -14	46.8	49	↓ -10	52.9	88	
Dominican Republic	53	↑ 21	50.5	76	↑ 14	46.4	50	↑ 15	52.5	89	
Belarus	54	↓ -3	50.2	85	↓ -15	44.5	46	↑ 2	53.1	87	
Saudi Arabia	55	↑ 9	50.1	45	↑ 6	52.7	73	↑ 7	48.8	92	
Serbia	56	↑ 14	50.1	38	↑ 22	55.1	87	↑ 2	47.6	98	
Costa Rica	57	⇒ 0	49.9	50	↑ 4	52.2	72	↓ -3	48.8	102	
Cambodia	58	↑ 15	49.8	130	↑ 6	37.7	33	↑ 10	55.9	90	
Greece	59	↓ -12	49.7	51	↑ 1	52.2	75	↓ -23	48.5	115	
Ghana	60	↑ 3	49.5	56	↑ 9	50.6	69	↑ 1	49.0	95	
Philippines	61	↑ 6	49.4	62	↑ 19	49.1	64	↓ -2	49.5	104	
Kuwait	62	↓ -8	49.0	74	↓ -15	46.4	61	↓ -2	50.3	89	
Peru	63	↓ -3	48.9	82	↓ -27	45.4	58	↑ 14	50.6	108	
Timor-Leste	64	↑ 30	48.8	89	↑ 9	43.8	54	↑ 39	51.3	59	
Mexico	65	↓ -10	48.8	52	↓ -15	51.9	89	↓ -10	47.2	115	
Mongolia	66	↓ -4	48.4	84	⇒ 0	44.7	62	↓ -9	50.3	89	
Russia	67	↓ -2	48.3	92	↓ -19	43.5	57	↑ 6	50.8	109	
Moldova	68	↑ 1	48.1	61	↑ 2	49.1	85	↓ -3	47.6	84	
Botswana	69	↓ -13	48.1	57	↓ -18	50.5	94	↓ -17	46.9	87	
Turkey	70	↑ 17	48.0	67	↓ -1	48.0	80	↑ 35	48.1	108	
Ethiopia	71	↑ 48	47.7	77	↑ 30	45.9	74	↑ 43	48.7	87	
Côte d'Ivoire	72	↑ 9	47.5	102	↓ -20	41.9	60	↑ 31	50.4	77	
Togo	73	↑ 12	47.4	80	↑ 36	45.4	76	↓ -12	48.4	74	
Liberia	74	↑ 53	47.4	119	↑ 18	40.1	56	↑ 57	51.1	73	
Uganda	75	⇒ 0	47.4	83	↑ 23	45.3	77	↓ -16	48.4	91	

Country	EQx			Sub-Indices							datapoints #/120
	Global Rank	Trend vs EQx2021	Country Score	Power (I)			Value (II)				
				Rank	Trend vs EQx2021	Score	Rank	Trend vs EQx2021	Score		
Middle Quality Elites											
Kenya	76	↓ -10	47.4	63	↓ -22	48.6	97	⇒ 0	46.7	91	
Benin	77	↓ -19	47.2	86	↓ -15	44.0	71	↓ -16	48.8	74	
Paraguay	78	↑ 6	47.1	103	↑ 7	41.9	63	↑ 8	49.7	87	
Lao PDR	79	↑ 4	47.1	98	↑ 29	42.5	65	↓ -10	49.4	77	
Colombia	80	↓ -9	47.1	55	↑ 8	50.9	109	↓ -23	45.2	113	
Brazil	81	↑ 5	46.8	42	↑ 8	53.8	120	⇒ 0	43.4	117	
Jordan	82	↑ 16	46.8	49	↑ 13	52.4	115	↑ 9	44.0	97	
Ecuador	83	↑ 9	46.7	78	↑ 14	45.6	88	↑ 11	47.2	94	
Georgia	84	↓ -12	46.6	110	↓ -11	41.3	67	↓ -7	49.3	96	
Burkina Faso	85	↓ -6	46.6	113	↓ -12	41.1	66	↑ 7	49.3	85	
Ukraine	86	↓ -10	46.6	79	↑ 6	45.5	90	↓ -14	47.1	102	
Madagascar	87	↑ 8	46.5	137	↑ 3	36.1	53	↑ 1	51.7	85	
Uzbekistan	88	↓ -6	46.4	109	↓ -26	41.4	70	↑ 18	48.9	83	
North Macedonia	89	↓ -30	46.3	70	↓ -21	46.9	101	↓ -27	46.0	87	
Malawi	90	↑ 12	46.0	122	↓ -18	39.9	68	↑ 41	49.1	89	
Argentina	91	↑ 25	45.9	58	↑ 14	50.5	119	↑ 14	43.7	109	
Albania	92	↓ -14	45.9	73	↑ 3	46.6	107	↓ -26	45.5	93	
Trinidad and Tobago	93	↓ -13	45.8	88	↓ -1	43.9	96	↓ -11	46.8	73	
Guatemala	94	↑ 15	45.8	90	↑ 28	43.8	92	↑ 8	46.9	95	
El Salvador	95	↑ 35	45.8	112	↓ -4	41.2	82	↑ 45	48.0	90	
Niger	96	↓ -3	45.6	97	↓ -1	42.8	91	↑ 6	47.0	76	
India	97	↑ 21	45.4	40	↑ 4	54.7	133	↑ 11	40.8	107	
Papua New Guinea	98	↓ -30	45.1	123	↓ -1	39.8	84	↓ -45	47.7	70	
South Africa	99	↑ 1	45.1	28	↑ 3	57.4	141	↓ -4	38.9	112	
Bangladesh	100	↑ 26	45.1	120	↑ 19	40.0	86	↑ 20	47.6	86	
Bolivia	101	↓ -4	44.9	114	↓ -5	41.0	95	↓ -11	46.9	87	
Guinea	102	↓ -6	44.8	94	↑ 32	43.4	106	↓ -38	45.6	75	
Armenia	103	↓ -4	44.8	72	↑ 14	46.7	116	↓ -5	43.8	89	
Burundi	104	⇒ 0	44.8	131	↑ 7	37.5	78	↓ -11	48.4	76	
Honduras	105	↑ 5	44.7	101	↓ -12	42.0	99	↑ 19	46.1	87	
Guinea-Bissau	106	↓ -28	44.7	100	↓ -7	42.3	102	↓ -24	46.0	65	
Pakistan	107	↑ 35	44.6	75	↑ 53	46.4	118	↑ 22	43.7	94	
Senegal	108	↓ -16	44.6	69	↑ 11	47.1	121	↓ -13	43.3	87	
Mozambique	109	↓ -6	44.3	135	↓ -18	36.7	83	↑ 12	48.0	86	
Myanmar	110	↑ 10	44.2	136	↓ -6	36.6	81	↑ 26	48.0	85	
Tanzania	111	↓ -22	44.2	107	↑ 4	41.4	105	↓ -30	45.6	87	
Nepal	112	↓ -22	44.0	116	↓ -21	40.4	104	↓ -8	45.8	87	
Egypt	113	↑ 9	43.9	95	↑ 17	43.0	113	↑ 6	44.4	102	
Cameroon	114	↓ -9	43.9	124	↑ 1	39.8	103	↓ -16	46.0	86	
Namibia	115	↓ -9	43.9	64	↑ 10	48.3	130	↓ -5	41.6	87	
Sri Lanka	116	↑ 1	43.9	106	↓ -9	41.8	111	↑ 11	44.9	96	
Nicaragua	117	↑ 6	43.7	128	↓ -4	38.8	98	↑ 16	46.1	84	
Turkmenistan	118	↑ 21	43.5	134	↑ 15	36.8	93	↑ 23	46.9	54	
Congo, Rep.	119	↓ -7	43.5	121	↑ 8	40.0	108	↓ -16	45.3	71	
Sierra Leone	120	↓ -7	43.4	87	↑ 1	43.9	123	⇒ 0	43.2	73	
Mali	121	↓ -6	43.1	105	↑ 16	41.8	117	↓ -14	43.8	77	
Tajikistan	122	↑ 19	43.0	125	↑ 8	39.8	112	↑ 17	44.6	78	
Kyrgyz Republic	123	⇒ 0	42.9	118	↓ -18	40.1	114	↑ 12	44.2	88	
Gambia, The	124	↑ 7	42.8	99	↓ -5	42.5	126	↑ 10	43.0	70	
Jamaica	125	↓ -37	42.7	96	↓ -18	42.9	128	↓ -27	42.6	84	



ELITE QUALITY INDEX
EQx2022



UNITED STATES
Country Score 61.8
Global Rank 15
Falling from 5th to 15th position overall; a shocking decline with extractive business models on the rise despite phenomenal checks and balances on elite power

MEXICO
Country Score 48.8
Global Rank 65
A world economic power where elite quality should not be going backwards

CHILE
Country Score 54.2
Global Rank 41
From the highest quality elites in the region to just another Latin America economy?

UNITED KINGDOM
Country Score 63.4
Global Rank 8
Falling five places from its Top 3 position in 2021; a sign of a worrying trend or is 2022 an outlier?

GERMANY
Country Score 62.7
Global Rank 11
Solid performance, but elite transformational leadership is urgently needed

RWANDA
Country Score 52.6
Global Rank 44
The highest ranking African country for the second consecutive year and now also the best low-income country; showing great promise as a political economy benchmark for emerging nations

SWEDEN
Country Score 64
Global Rank 6
Leading the NextGen EQx-Barometer; blessed is the Swedish youth

ISRAEL
Country Score 65
Global Rank 4
Balancing the present and the future, elites are creating a massive amount of value for this generation and the next

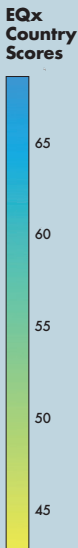
INDIA
Country Score 45.4
Global Rank 97
A remarkable ranking improvement; can elite quality momentum be maintained?

SINGAPORE
Country Score 68.7
Global Rank 1
Country rankings change, yet for three years running there has been only one elite quality global leader

JAPAN
Country Score 61.2
Global Rank 18
A highly civilized society with ineffective leadership

CHINA
Country Score 57.9
Global Rank 27
A powerful elite system keeps on delivering value, with state capacity deeply rooted in history and culture

AUSTRALIA
Country Score 65.2
Global Rank 3
Moving up from 9th to 3rd place overall; exhibiting stellar performance and down under resilience during the pandemic





The Abbey Library of St.Gallen (Stiftsbibliothek) in Switzerland has roots that can be traced back to medieval times, serving as a repository of knowledge for over a millennium.
Luca Zanier Photography, Corridors of Power Project

Executive Summary

Elite Quality is Sustainable Value Creation

- Elites are an empirical inevitability, dominating all political economies. They provide the necessary coordination capacity for an economy's resources, whether human, financial or knowledge based.
- High-quality elites run Value Creation business models that give back more to society than they take. Low-quality elites do the opposite and operate Value Extraction models based on value transfers.

What are the main findings of the EQx2022?

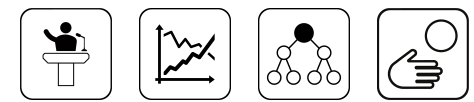
1. **Singapore** (rank # 1) and **Switzerland** (rank # 2) retain the two top positions for the third year running. Both are leaders in the Value Sub-Index, their respective weaknesses being Political Power for Singapore (rank # 20) and Economic Power for Switzerland (rank # 15).
2. Small is beautiful when it comes to Elite Quality. Excelling this year are **Australia** (rank # 3, up 6 places), **Israel** (rank # 4, up 3 positions) and **Canada** (rank # 7, up 4 places). Of the countries in the Top 10, only the **UK** has a population larger than 30 million.
3. The **UK** (rank # 8) and **US** (rank # 15) are EQx2022 surprises, having dropped many places (down 5 and 10 places respectively). The reason for such precipitous falls is not because of overly dominant elites as Anglo-Saxon checks and balances remain robust (EQx Power Sub-Index, rank # 4 and # 1 respectively). The fundamental problem is that Anglo-Saxon political elites are not creating enough value [EQx Political Value, rank # 17 and a dismal # 66 respectively].

EQx2022 Top 20 Countries			
Country	Rank	Trend vs EQx2021	Score
Singapore	1	⇒ 0	68.7
Switzerland	2	⇒ 0	67.4
Australia	3	↑ 6	65.2
Israel	4	↑ 3	65.0
Netherlands	5	↓ -1	64.4
Sweden	6	⇒ 0	64.0
Canada	7	↑ 4	63.7
United Kingdom	8	↓ -5	63.4
Norway	9	↓ -1	63.4
Estonia	10	↑ 2	63.1
Germany	11	↑ 4	62.7
Denmark	12	↓ -2	62.5
Ireland	13	↑ 7	62.3
New Zealand	14	↓ -1	62.1
United States	15	↓ -10	61.8
Finland	16	↓ -3	61.6
Austria	17	↑ 2	61.2
Japan	18	↓ -1	61.2
Korea, Rep.	19	↓ -3	60.2
United Arab Emirates	20	↓ -2	59.7

EQx is the global political economy index

- This is the 3rd international ranking and measurement of Elite Quality. The EQx2022 covers 151 countries and uses 120 Indicators to describe the global landscape of Value Creation and Extraction during the second year of COVID-19.
 - Elite Quality is an analytical framework designed to inform policymakers in reforming and incentivizing Sustainable Value Creation and elite business model transformation.
4. **China** (rank # 27) is the leading upper-middle income economy; **Vietnam** is the leading lower-middle income country (rank # 38), and **Rwanda** is the top low-income country (rank # 44). All three are poised to see further growth based on the Value Creation of their elite business models.
 5. **EU** countries do not particularly distinguish themselves as EQx2022 leaders, although three countries make it into the Top 10 (**Netherlands**, rank # 5, **Sweden**, rank # 6, and **Estonia**, rank # 10). **Germany** has improved by 4 places from last year (rank # 11), a solid but not outstanding performance.
 6. The **NextGen Value Creation Barometer**, developed in conjunction with the St.Gallen Symposium (see page 4), reflects value transfers across generations. The NextGen country rankings differ from those of the overall EQx and point to the need for an 'intergenerational contract' to ensure that the present generation desists from extracting value from future ones. Human, natural and other forms of capital form a legacy to support an inclusive future.
 7. Latin America has a clear winner in **Chile** (rank # 41). Certain small countries in the region also do well irrespective of their political system—see **Panama** (rank # 47) and **Cuba** (rank # 50). The largest economies urgently need to improve their Elite Quality if they are to develop, including powerhouses such as **Mexico** (rank # 65) and **Brazil** (rank # 81).

Leading Latin American Countries			
Country	Rank	Trend vs EQx2021	Score
Chile	41	⇒ 0	54.2
Panama	47	⇒ -2	51.9
Cuba	50	↑ 3	51.1
Uruguay	51	↑ 11	50.9
Dominican Republic	53	↑ 21	50.5
Mexico	65	↓ -10	48.8
Colombia	80	↓ -9	47.1
Brazil	81	↑ 5	46.8
Argentina	91	↑ 25	45.9
Venezuela, RB	134	↓ -9	40.4



- The EQx project has two parts:
 - Empirical
 - Interpretation
 - The EQx team does not have an explanation for all country results hence we rely on a team of partners, academics, experts to support interpretation
 - **29 contributions** in the EQx2022 edited work

EQx2022 Top 20 Countries			
Country	Rank	Trend vs EQx2021	Score
Singapore	1	⇒ 0	68.7
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Netherlands	5	↓ -1	64.4
Sweden	6	⇒ 0	64.0
Canada	7	↑ 4	63.7
United Kingdom	8	↓ -5	63.4
Norway	9	↓ -1	63.4
Estonia	10	↑ 2	63.1
Germany	11	↑ 4	62.7
Denmark	12	↓ -2	62.5
Ireland	13	↑ 7	62.3
New Zealand	14	↓ -1	62.1
United States	15	↓ -10	61.8
Finland	16	↓ -3	61.6
Austria	17	↑ 2	61.2
Japan	18	↓ -1	61.2
Korea, Rep.	19	↓ -3	60.2
United Arab Emirates	20	↓ -2	59.7

Main findings (1/3)

- I. Singapore** (rank # 1) and **Switzerland** (rank # 2) retain the two top positions for the third year running, *despite* many changes across the EQx
 - Both are leaders in the Value Sub-Index
 - Weaknesses are Political Power for Singapore (rank # 20) and Economic Power for Switzerland (rank # 15)
- 2. Small is beautiful** when it comes to Elite Quality? Excelling this year:
 - **Australia** (rank # 3, up 6 places)
 - **Israel** (rank # 4, up 3 positions)
 - **Canada** (rank # 7, up 4 places).

Main findings (2/3)

- The UK (rank # 8) and US (rank # 15) are EQx2022 surprises, having dropped many places (down 5 and 10 places respectively).
- The reason for such precipitous falls is not because of overly dominant elites as Anglo-Saxon checks and balances remain robust (EQx Power Sub-Index, rank # 4 and # 1 respectively). The fundamental problem is that Anglo-Saxon political elites are not creating enough value (EQx Political Value, rank # 17 and a dismal # 66 respectively).

United States

EQx2022 Country Scorecard

Population 329 million
GDP (nominal) 20'894 billion USD
GDP per capita 63'636 USD



Level 1 - Index	EQx Rank / 151	EQx Score	<i>High Quality Elites</i>									
	15	61.8										
Level 2 - Sub-Indices & Index Areas	EQx Sub-Indices				EQx Index Areas							
	Power	Value	Political Power (i)	Economic Power (ii)	Political Value (iii)	Economic Value (iv)						
	Rank / 151	Score	Rank / 151	Score	Rank / 151	Score	Rank / 151	Score	Rank / 151			
	1	72.6	29	56.3	10	76.8	2	70.5	66	50.3	21	59.3

Main findings (3/3)

1. Top position, means growth ahead
 - **China** is the leading **upper-middle income** economy (rank # 27)
 - **Vietnam** is the leading **lower-middle income** country (rank # 38)
 - **Rwanda** is the **top low-income** country (rank # 44)






2. EU countries do not particularly distinguish themselves, although three countries make it into the Top 10
 - **Netherlands**, rank # 5; **Sweden**, rank # 6; **Estonia**, rank # 10
 - **Germany** improved by 4 places (rank # 11), solid but not outstanding performance
 - In **Italy** (rank # 40) politicians are less powerful than dynastic capitalists; hence, and quite strikingly, they produce more value; Political Value # 25 vs. Economic Value # 56

Introduction



- Synergistic collaboration: St. Gallen Symposium and EQx team
- Basic concept: Value creation and depletion for the next generation
- Unique cross-country measurement of intergenerational fairness

Visual 1.3: NextGen Value Creation Barometer, 5 categories and 20 component Indicators.

 Sustainability and Natural Capital	 Equitable Opportunities	 Education and Human Capital	 Health and Well-Being	 Innovation and Technology
iii.9_EPI Environmental Performance Index	iv.11_DOI Inflation	iii.7_EDU School life expectancy	iii.7_LEW Life expectancy women	iii.7_INT Internet access
iii.9_CDO CO2 emissions (metric tons per capita)	iii.9_DBT Government debt as % of GDP	iii.7_UNV Top universities	iii.7_LEM Life expectancy men	ii.6_ENT Entrepreneurship
	iv.12_YUN Youth unemployment rate	iii.7_PIS PISA mean score	iii.8_SUI Suicide rate per 100,000 people	ii.6_RND R&D as a % of GDP
	i.1_MOD Social mobility (downward)	i.3_AFI Academic Freedom Index	iii.8_SUB Death rates from substance use per 100,000 people	ii.6_VCK Venture capital finance
	i.1_MOB Social mobility (upward)		iv.10_HEI Health Efficiency Index	

Findings and analysis

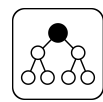


- Intergenerational value relationship is a distinct social phenomenon, warranting attention, research and action
- A comprehensive view of the inter-generational relationship, highlighting what works and what doesn't. E.g., see New Zealand, Australia, Japan
- Basis for action towards a New Generational Contract

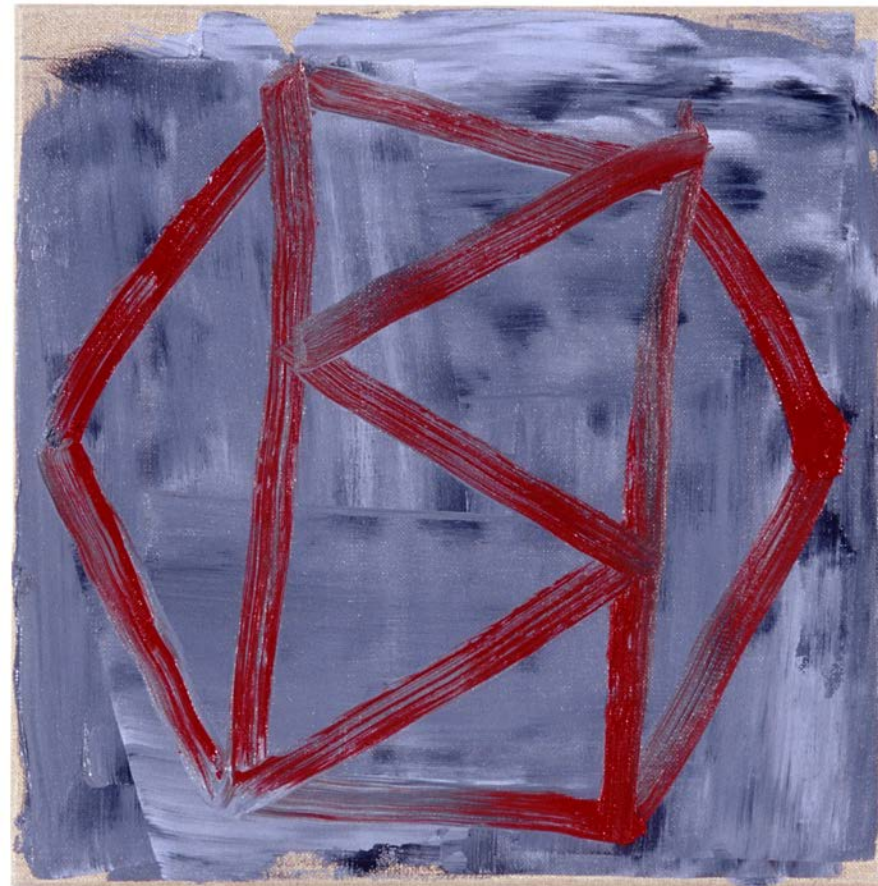
	NextGen Value Creation Barometer Rank	Difference vs. EQx2022	Sustainability & Natural Capital	Equitable Opportunities	Education & Human Capital	Health & Well-Being	Innovation & Technology
Sweden	1	5	7	22	4	58	1
New Zealand	2	12	34	5	3	10	24
Denmark	3	9	16	4	8	78	9
Switzerland	4	-2	9	30	12	40	6
Israel	5	-1	54	23	23	3	2
Netherlands	6	-1	30	8	7	38	12
United Kingdom	7	1	15	36	11	63	4
Finland	8	8	21	45	1	67	5
Australia	9	-6	51	15	5	34	15
Singapore	10	-9	10	128	22	2	13
Norway	11	-2	18	41	9	41	21
Ireland	12	1	35	68	6	30	19
Germany	13	-2	26	9	15	80	11
Belgium	14	9	1	107	2	137	17
Korea, Rep.	15	4	77	20	17	28	16
Japan	16	2	31	44	30	7	20

Q&A





Session II International Perspectives on Elite Quality



EQx Country Scorecards: A unique tool to interpret an economy and society

Switzerland: The right policy mix for an exogenous pandemic shock

As was the case last year, Switzerland scores extremely highly in the EQx2022 (rank # 2). The same factors contribute to this overall positive picture: a very wealthy country with strong international orientation, its citizens benefiting from a high quality of life that can be traced to a number of drivers, such as economic and political stability, favorable business conditions, and a high level of environmental quality.

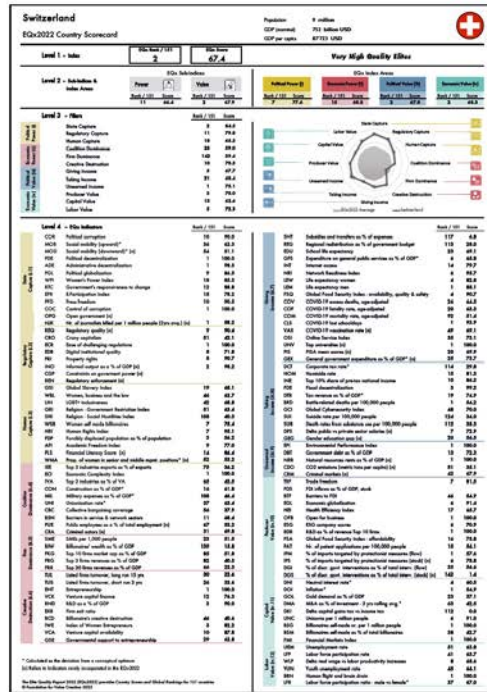
For the first time, some comparisons of Elite Quality can now be made over time, albeit in a limited manner. Starting with the country's performance during the pandemic, the picture looks somewhat brighter than last year. While Switzerland's health issues have remained mediocre given its wealth and the high cost of its health system (COVID-19 excess deaths, age-adjusted_COV, ill.7, rank # 26; COVID-19 fatalities, age-adjusted_COE, ill.7, rank # 20), its citizens have enjoyed an exceptionally high degree of freedom in the second year of the pandemic (some might say too high). The COVID-19 vaccination rate is low by international standards (VAX, ill.7, rank # 47) but obscures two aspects of the country's vaccination campaign that kept mortality rates low despite delays in the booster phase. First, the vulnerable, especially the elderly, were covered very well. Second, Switzerland focused on high quality mRNA vaccines that were rolled out relatively quickly.

A year on, it is possible to get a clearer picture of the economic support measures that were implemented, such as quickly available credit lines to firms and the extension of part-time working benefits, that show an advantageous cost-benefit ratio. With a similar downturn in GDP, Switzerland spent 2.5 times less per capita on support measures than the US. In retrospect, the fear that recovery from the pandemic would be slower than after the 2008 financial crisis did not materialize. While surprising at first, this is most likely due to the fact that this was an exogenous shock and not caused by intrinsic problems within the financial system.

Important for long-run growth, Switzerland tops the list of countries with the lowest number of school days lost to COVID-19 in the second year of the pandemic (CLS, ill.7, rank # 1). Last but not least, the country's institutions of democracy (including two consecutive years on COVID-19 legislation that both passed with a solid majority) seem to have attenuated the disconnection between population and decisionmakers that was observed in many countries during the pandemic. Political Power, I, rank # 7; Economic Power, II, rank # 15; Political Value, III, rank # 2; and Economic Value, IV, rank # 2). Disruptions during the subsequent waves of the pandemic did not jeopardize the important economic and political values upon which Swiss elites have built their Value Creation business models.

In terms of other indicators, Switzerland's standing is remarkably stable with a few notable exceptions. The EQx2022 displays a stronger concentration of large firms as reflected by Top 2 industries exports as % of GDP (EE, ill.4, rank # 75) and Top 10 firms market cap as % of GDP (FKG, ill.5, rank # 85). Whether this is a temporary phenomenon caused by the pandemic or a permanent change remains to be seen. The country has a lower score for Unearned Income (ill.9), but is still at rank # 1, despite to the inclusion of new indicators such as Criminal markets (CMA, ill.9, rank # 42) and CO2 emissions (CO2, ill.9, rank # 81) where Switzerland fares rather poorly. Tellingly, given the strong global rise in Inflation (DOI, ill.11), the most speculatively change in the country's performance is its jump from # 81 in 2021 to leading the global list.

Prof. Monika Büker, Independent Economist



Western analysts tend to exaggerate the role of the extractive state and see it as a Leviathan with a taking hand, downplaying its flourishing role as the helping hand. Interestingly, China's powerful state is not only a driver of China's economic success, but also an agent of change. China's system adapts and adjusts to changing external conditions and constraints (although the Government responsiveness to change, REC, I.1, at rank # 44 could still be higher). What is essential is that the powerful economic elites—as evidenced by the low Coalition Dominance ranking (II.4, # 138)—are not untouchable, but quite the opposite. This is also shown in the Creative Destruction Pillar where China enjoys a rather high score (II.4, rank # 4). China's elite system supports a dynamic, Schumpeterian process of economic development and renewal. In fact, one must understand that the Chinese model and the agency of its elites is deeply rooted in tradition. Foreigners would not be so surprised at the peculiarities and the working model behind China's rise if they had a better understanding of the country's long history and its state formation some millennia ago.

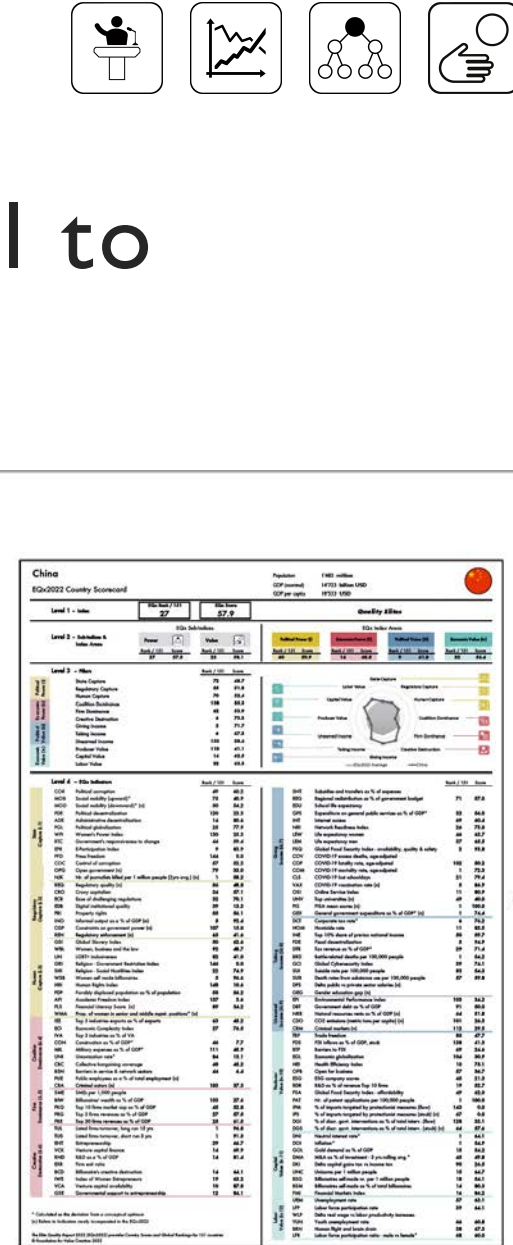
As historian Roy Huang said, China is a politically precocious country and finished the process of becoming a modern state 1,500 years before Europe did. Both Huang and Francis Fukuyama were amazed by the exceptionally short feudal reigns by the Chinese aristocracy. The reason was security: the tiny kingdoms that preceded empire were incapable of resisting frequent invasions from the northern nomads and could not manage natural disasters such as floods. The first Emperor, Qin Shihuang, had high legitimacy for his political unification project to create a powerful, centralized regime, the antecedent of today's modern governance as defined by Max Weber. That includes a bureaucratic system based on impersonal selection and incentives incorporated into a well-developed taxation system. In comparison, Europe did not start a similar political modernization process until the 15th century. Nonetheless, China's political precocity stifled societal vitality and the rise of economic power and civilian merchants, whereas in fragmented Europe, merchants were already powerful before their centralized states consolidated. The kings of Europe could not eliminate these economic elites, and even had to

rely on them to fight against their political rivals, the local nobility. That is essentially the reason why capitalism could not emerge in ancient China despite its modern state institutions. The result was the so-called "Great Divergence," as the West industrialized first and overtook China.

After Qin's unification, thanks to its huge population and efficient bureaucratic system, successive Chinese empires experienced long periods of prosperity and amazing developments in science, technology, and culture. However, and perhaps out of complacency, China sealed itself off from the rest of the world for hundreds of years, which led to its gradual decline. China's experience in the past 40 years demonstrates that it will grow economically if it has the willingness and chance to integrate into the global capitalist system. That process is still ongoing and the road ahead in terms of openness is still long as various EQx Indicators show: Trade Freedom (TR, IV.10 rank # 80), Barriers to FDI (BT, IV.10, rank # 69) or Economic globalization (EGL, IV.10, rank # 104).

China has a long history, and its cultural and institutional legacies are conducive to the quick rise of its economy. The family emphasis on educating the next generation and the higher propensity to save can both be traced back to Confucian traditions. China also owes much of its success to its intelligent state and robust state capacity which includes an efficient bureaucratic system. Today, many economies find growth elusive because incompetent and weak states cannot prevent capture from interest groups or suffer from rampant corruption. Therefore, for any theory of economic development to make sense in applied terms, it must endogenize the behavior and role of political elites along with the principles of the market economy. In this context, the historical viewpoint of state capacity must not be obviated.

Prof. Jun Zhang
School of Economics, China Center for Economic Studies,
Fudan University, Shanghai, China



This year's edited work's contributors include:

Country Commentaries	
Austria: High elite quality but less than top performance	Christian Keuschnigg
Bangladesh: Elites are showing the path for value creation over the next 50 years	Sang Hoon Lee
Chile: From the highest quality elites in the region to just another Latin America economy?	Emiliano Heresi Toni
China: A powerful elite system keeps on delivering value, with state capacity deeply rooted in history	Zhang Jun
Georgia: Political power has weakened, but economic power has grown	Beka Chedia
Germany: Solid performance, but outliers call for transformational elite leadership	Céline Diebold
Ghana: The quest for economic development continues	Michael Asiedu
India: A vaccination champion, but how are the country's women and youth?	Guido Cozzi & Neha Gupta
Italy: Waiting for its private elites to stop extracting value	Guido Cozzi & Silvia Galli
Japan: A highly civilized society with ineffective leadership	Etsuro Shioji
Mexico: A world economic power that should not go backwards	Iván Valdovinos Hernandez
Norway: An energy economy under pressure to transition	Jan Ketil, Janicke Rasmussen & Dag Dalen
Poland: With the transformation now completed, it's time for elites to aim for excellence	Mike Szymanski
Portugal: Strong Southern European performance, but plenty of work ahead	Cláudia Ribeiro & Óscar Afonso
Romania: On the way to improving inherited business models	Olga Cretu
Singapore: State capitalist elite value creation tops the world	Alwyn Lim
Switzerland: The right policy mix for the exogenous pandemic shock	Monika Bütler
The United Kingdom: A challenging year for most, but even trickier for the UK	Maik T. Schneider
The United States: Some improvements mask a precipitous fall	James W. Davis
Indicator Commentaries	
Why smart elites should value transparent trade and investment policies	Simon J. Evenett
Food security in China: Great progress made with further improvements expected	Zhou Weihua & Xu Weijie
State capacity, vaccination rates, and the paradox of selfish elites	Guido Cozzi & Silvia Galli
The many must also create value	José Antonio Clemente Almendros
Agriculture in Ghana: Stunting elite formation while being challenged by extractive elite cross-border business models	Guillem Ollé Majó & Massimo Badi Rahmim
Corruption: Is it always bad? A thought-experiment and empirical evidence	Alexander Tonn
Crony capitalism and the importance of context	Hung Zhen Feng, Johnson
Circular Capitalism's principles of transparency, accountability, and integrity enrich the EQx project	Michael Hilb



Singapore

1. Value creation is largely driven by economic globalization.
 - Economic Value #1; Trade, FDI Indicators

2. The state plays a crucial role in translating value creation to social outcomes.
 - Political Power #1; State capacity

3. Political and social stability offer opportunities for value creation.
 - Political Power “only” #20, powerful elites

EQx Rank / 151 1	EQx Score 68.7
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EQx Sub-Indices

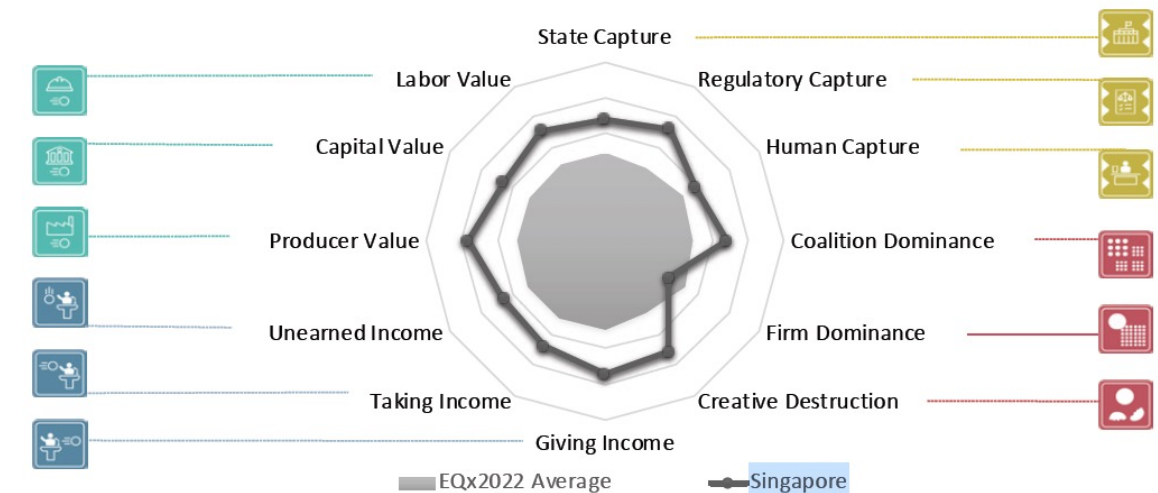
Power		Value	
Rank / 151	Score	Rank / 151	Score
14	65.1	1	70.4



Very High Quality Elites

EQx Index Areas

Political Power (i)		Economic Power (ii)		Political Value (iii)		Economic Value (iv)	
Rank / 151	Score	Rank / 151	Score	Rank / 151	Score	Rank / 151	Score
20	67.2	9	64.1	1	69.5	1	70.9





Bangladesh

1. Elite system, pre-/post-1971 chasm, new political elites

- Institutional consolidation under way, most improved in EQx (#126 to #100)

2. Barriers to Value Creation

- Low Economic Value (#104) with closed knit network and ownership patterns, plus “mainstream Elitism” ... but high Political Value (#41)

3. Recommendations for elite system transformation

- (i) empowerment, (ii) policy-making

EQx Rank / 151 100	EQx Score 45.1
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EQx Sub-Indices

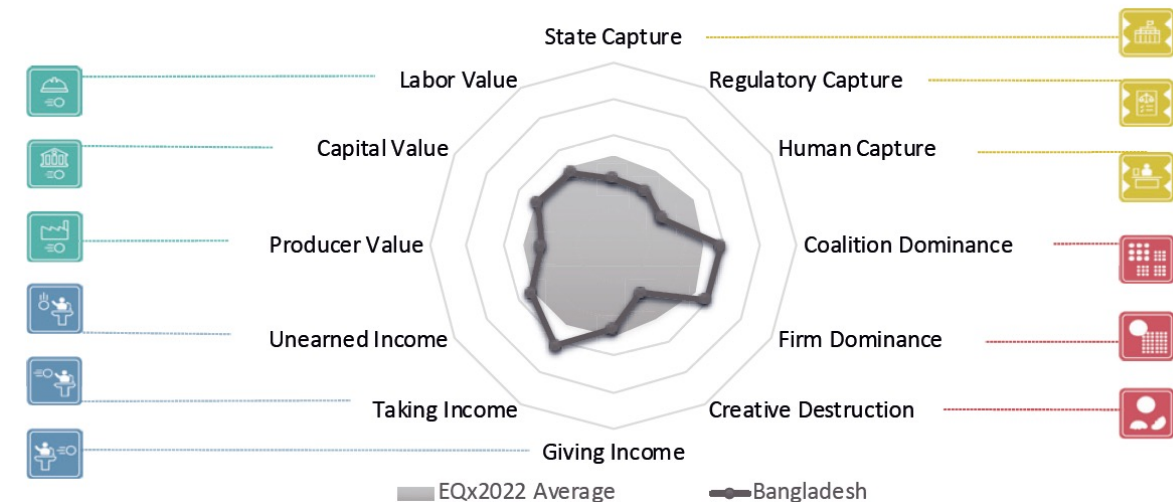
Power		Value	
Rank / 151	Score	Rank / 151	Score
120	40.0	86	47.6

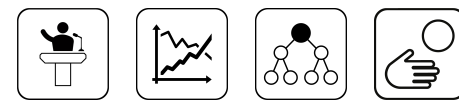


Middle Quality Elites

EQx Index Areas

Political Power (i)		Economic Power (ii)		Political Value (iii)		Economic Value (iv)	
Rank / 151	Score	Rank / 151	Score	Rank / 151	Score	Rank / 151	Score
127	34.6	104	42.6	41	53.5	104	44.7





India

1. State failed to provide sound education infrastructure during COVID-19: combined with worsening unemployment means value extraction from the next generation.
 - COVID 19 school lost days (CLS, iii.7, rank # 134); Unemployment rate (UEM, iv.12, rank # 97)
2. Threats to human rights, academic and press freedom constrain the value creation of intellectual capital.
 - Political Power #73; Economic Value #137
3. Middling scores in almost all women-related indicators; must transform paradigm of economic development on gender biases.
 - Women's Power Index (WPI, i.1, rank # 50); Index of Women Entrepreneurs (WMA, ii.6, rank # 47)

EQx Rank / 151 97	EQx Score 45.4
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EQx Sub-Indices

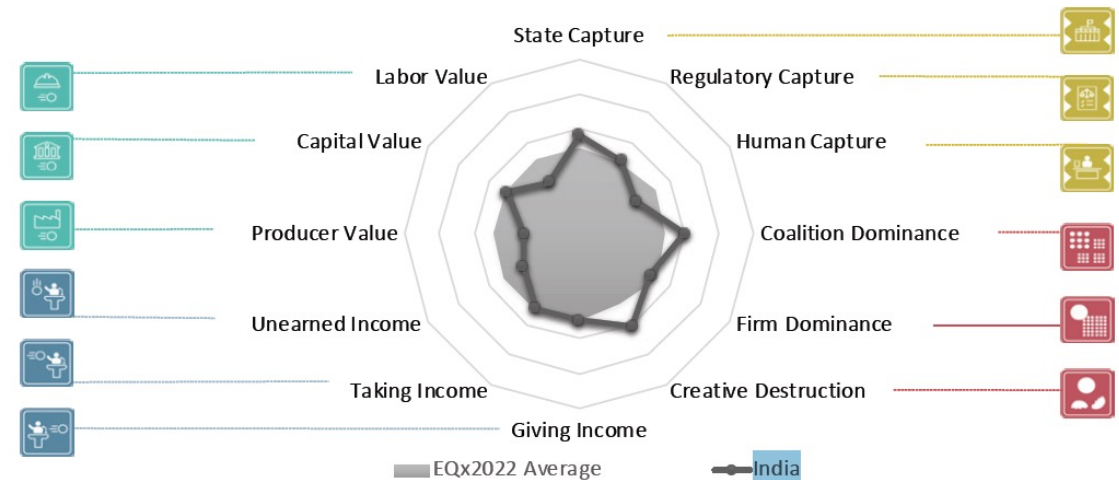
Power		Value	
Rank / 151	Score	Rank / 151	Score
40	54.7	133	40.8



Middle Quality Elites

EQx Index Areas

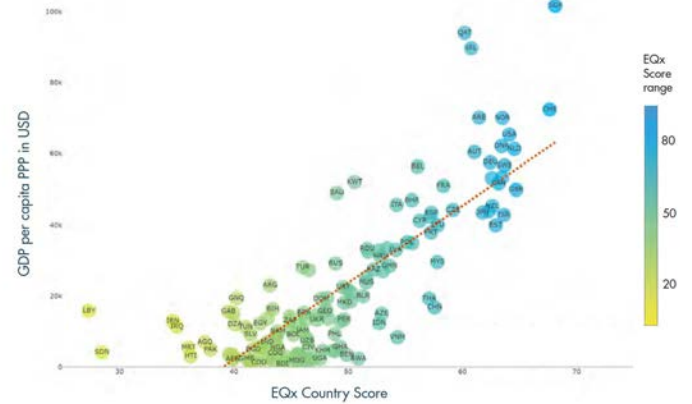
Political Power (i)		Economic Power (ii)		Political Value (iii)		Economic Value (iv)	
Rank / 151	Score	Rank / 151	Score	Rank / 151	Score	Rank / 151	Score
73	48.4	22	57.8	100	46.2	137	38.1



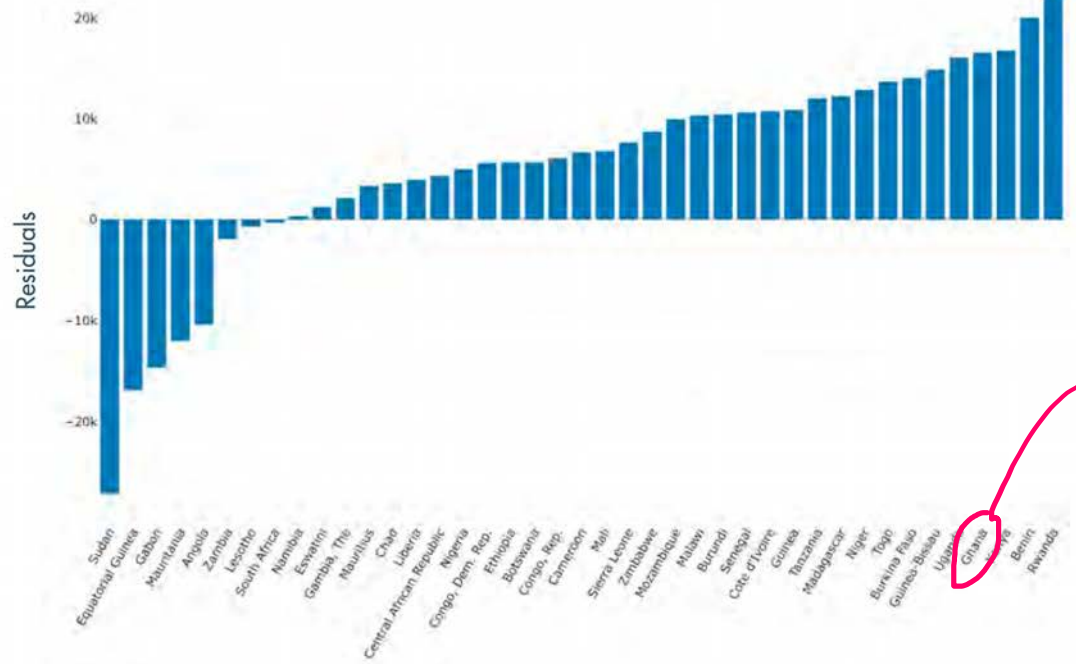


Invest in Africa, EQx “predicts” growth on the basis of the EQx scores and ranks

Visual4.6: The EQx and GDP per capita (ppp, in current intern. USD, 2019 data)
 Note: Orange dashed line indicates fitted linear regression line. Adjusted R-squared = 0.662.
 Spearman correlation coefficient between EQx Scores and GDP = 0.764.
 GDP data retrieved from the World Bank. Random selection of country codes are printed in case of country overlaps.



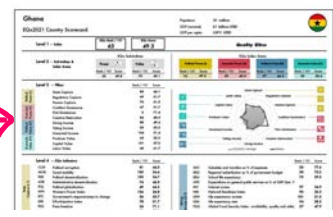
Visual4.8: Fitted value differentials for Sub-Saharan African countries as an indication of their GDP per capital (ppp) growth prospects
 Note: Fitted value differentials are calculated as the difference between the fitted value and the actual GDP per capita (ppp) value. (adjusted for ppp, in current intern. USD).



1992 a return to 1992, a 2.8 point increase between 2019 and 2021, but the country is still ranked highly for GDP per capita on par with respect to inflation. GDP, in 2021, rose to 114, post-COVID economic growth is expected through a recovery in 2021. There is the possibility of labor shortages and the IMF's Debt Sustainability Analysis (MSA) Bank, 2020 points to the country's ability to meet its debt obligations. However, if Ghana's debt to GDP ratio continues to rise, it may result in a loss of investor confidence and a downgrade of its credit rating. The beginning of the 21st century had started exceptionally well for Ghana, but a period of economic stagnation followed. This led to substantial debt and led to the World Bank and the International Monetary Fund's Heavily Indebted Poor Country (HIPC) program in 2002. The country is ranked generally of # 95 in the Government Debt as % of GDP (2019) indicator, illustrating a high debt burden.

Finally, notwithstanding the country's poor performance in 2021, the country's economic growth is expected through a recovery in 2021. There is the possibility of labor shortages and the IMF's Debt Sustainability Analysis (MSA) Bank, 2020 points to the country's ability to meet its debt obligations. However, if Ghana's debt to GDP ratio continues to rise, it may result in a loss of investor confidence and a downgrade of its credit rating. The beginning of the 21st century had started exceptionally well for Ghana, but a period of economic stagnation followed. This led to substantial debt and led to the World Bank and the International Monetary Fund's Heavily Indebted Poor Country (HIPC) program in 2002. The country is ranked generally of # 95 in the Government Debt as % of GDP (2019) indicator, illustrating a high debt burden.

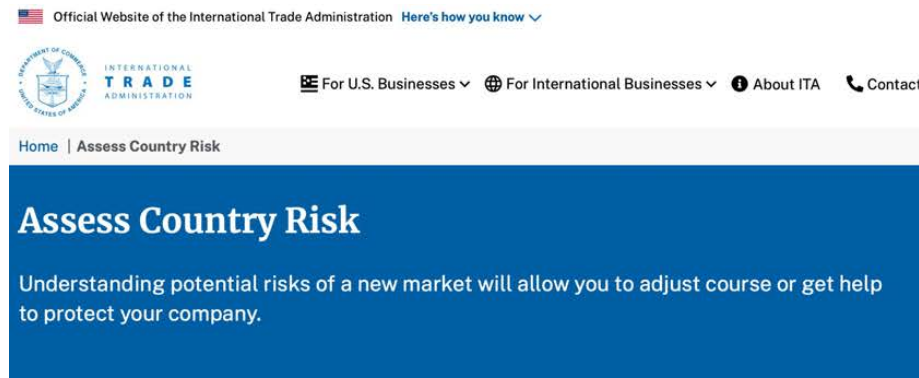
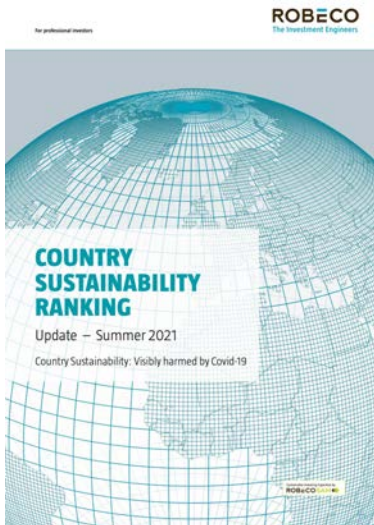
Michael Assali,
University of St. Gallen, Switzerland





Practical application of the EQx

Country risk and sustainability metric? Research required



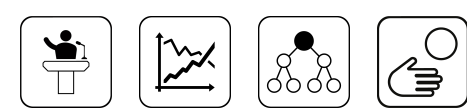
Country Factors to Research

- Political Stability
- Foreign Exchange Risk
- Economic Stability
- Legal System
- Intellectual Property Protection Laws
- Banking Structure
- Tax Implications
- Dispute Resolution Options

Commonly used resources:

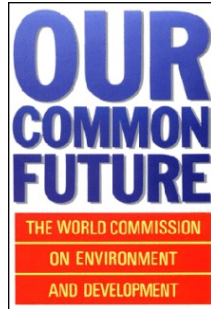
- The World Bank's Ease of Doing Business country ratings.
- International Monetary Fund's country information site.
- Country credit rating from major credit rating firms.
- Ex-Im Bank Country Limitation Schedule.
- OPIC Political Risk Insurance.

Source: <https://www.trade.gov/assess-country-risk>



Firm-level ESG frameworks and metrics

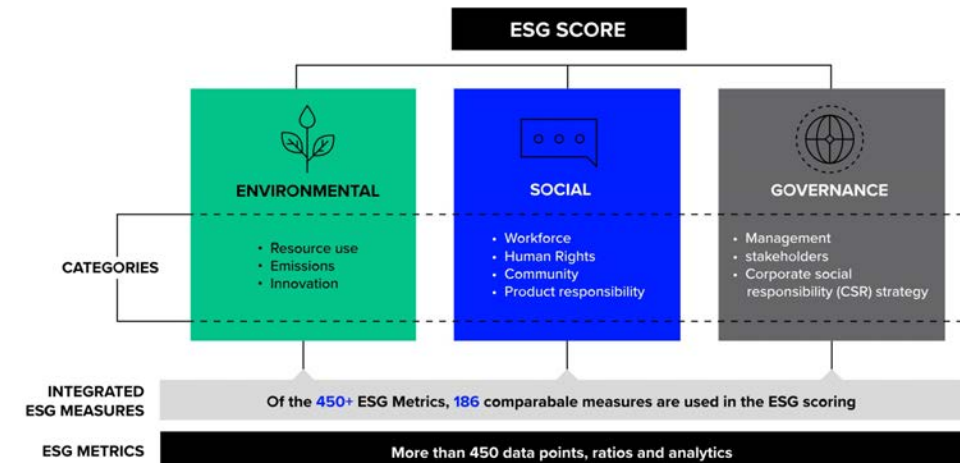
Social and regulatory pressure towards sustainability disclosures



Score range	Grade	Description
0.0 <= score <= 0.083333	D -	"D" score indicates poor relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly.
0.083333 < score <= 0.166666	D	
0.166666 < score <= 0.250000	D +	
0.250000 < score <= 0.333333	C -	"C" score indicates satisfactory relative ESG performance and moderate degree of transparency in reporting material ESG data publicly.
0.333333 < score <= 0.416666	C	
0.416666 < score <= 0.500000	C +	
0.500000 < score <= 0.583333	B -	"B" score indicates good relative ESG performance and above-average degree of transparency in reporting material ESG data publicly.
0.583333 < score <= 0.666666	B	
0.666666 < score <= 0.750000	B +	
0.750000 < score <= 0.833333	A -	"A" score indicates excellent relative ESG performance and high degree of transparency in reporting material ESG data publicly.
0.833333 < score <= 0.916666	A	
0.916666 < score <= 1	A +	



- "Because better sustainability disclosures are in companies' as well as investors' own interests, I urge companies to move quickly to issue them rather than waiting for regulators to impose them"
- "More and more people do understand that climate risk is investment risk. ...When finance really understands a problem, we take that future problem and bring it forward. That's what we saw in 2020, and what we're seeing now"



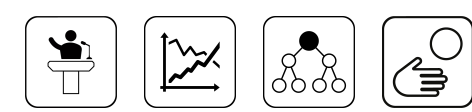


‘Big’ global ESG standard setting organizations

- Global Reporting Initiative ([GRI](#))
- Carbon Disclosure Project (formally named) ([CDP](#))
- Climate Disclosure Standards Board ([CDSB](#))
- International Integrated Reporting Council ([IIRC](#))
- EU Taxonomy for Sustainable Activities ([Taxonomie](#))
- Sustainability Accounting Standards Board ([SASB Standards](#))

Accounting standards and frameworks

- IFRS Foundation’s [proposed amendments](#) “to the IFRS Foundation Constitution to accommodate the creation of an International Sustainability Standards Board (ISSB) to set IFRS sustainability standards.”
 - Supported by the International Organization of Securities Commissions ([IOSCO](#), the umbrella “association of organizations that regulate the world’s securities and futures markets”).
- The Financial Stability Board’s (FSB) Task Force on Climate-related Financial Disclosures ([TCFD](#)), for instance, is a **framework** (rather than a standard) “to improve and increase reporting of climate-related financial information.”



“Sustainability 2.0” at the business model = “Sustainability 0.1” inspired by Carlowitz’ forestry

business model activity types

Value creation <i>Producer of first-order activity</i>	Value extraction <i>Transferee of second-order activity</i>
<ul style="list-style-type: none"> • Production • Specialization • Exchange • Productivity enhancements • Incremental innovation • Radical innovation • Human capital development • Value co-creation <i>incl. crowdfunding, social e-commerce, co-design</i> 	<ul style="list-style-type: none"> • Exchange restrictions <i>incl. tariffs, non-tariff barriers, quotas</i> • Regulation, licensing and patents • Discrimination • Corruption <i>incl. bribery, embezzlement, nepotism</i> • Taxes and subsidies • Monopolies and cartels • Litigation • Environmental destruction • Criminal activity <i>incl. theft, extortion, murder</i>

- ‘Sustainability’ was first coined several hundred years ago by a German forester, Hans Carl von Carlowitz, in his 1712 text *Sylvicultura Oeconomica*, to prescribe how forests should be managed on a long-term basis” (Scoones, 2007, p. 590).
- We propose a **sustainable value creation rating** that goes back to the origins: the **business model** at the analytical center.



Dank regelmäßig durchgeführter Durchforstungen wirken Nadelholzbestände, die im Saumkehrverfahren weisung worden sind, sehr gleichmäßig. Außerdem dürfte bereits damit begonnen worden sein, dieses Baumholz nach den Vorstellungen von Carlowitz zu ästen, um wechtholtes Bauholz produzieren zu können. (S. 209) Für den Autor der *Sylvicultura oeconomica* zeigt diese Abbildung ein vorbildlich gepflegtes Baumholz.

Im Frontispiz seines Werkes über die „Baum-Zucht“ kommentierte von Carlowitz visuell, für wie wichtig er eine frühzeitige Entnahme konkurrierender, schwächwüchsiger Stämme im Wirtschaftswald hielt, um hochwertiges Nutzholz für den Bergbau heranzuzüchten.

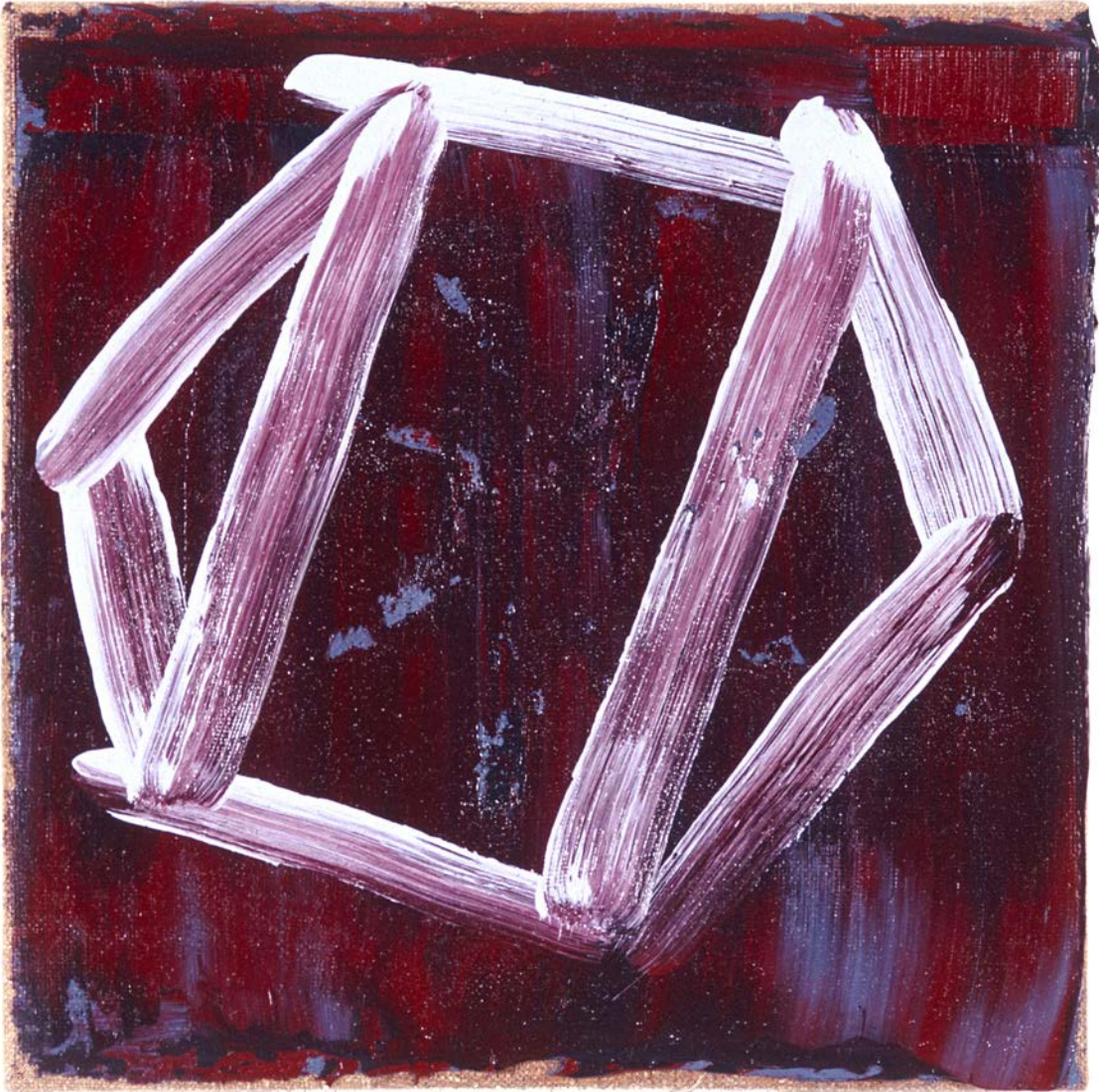
Hannß Carl VON CARLOWITZ
Sylvicultura oeconomica
 Hausswirthliche Nachricht und Naturmäßige Anweisung zur Wilden Baum-Zucht
 Faksimile der Erstauflage
 Leipzig 1713

We'll be back

- 2022 is a most challenging year
- Sustainable value creation must be the focus; extractive business models ought to be transformed
- Elite transformational leadership will be essential
- Ideas, contributions, collaborations are welcome!

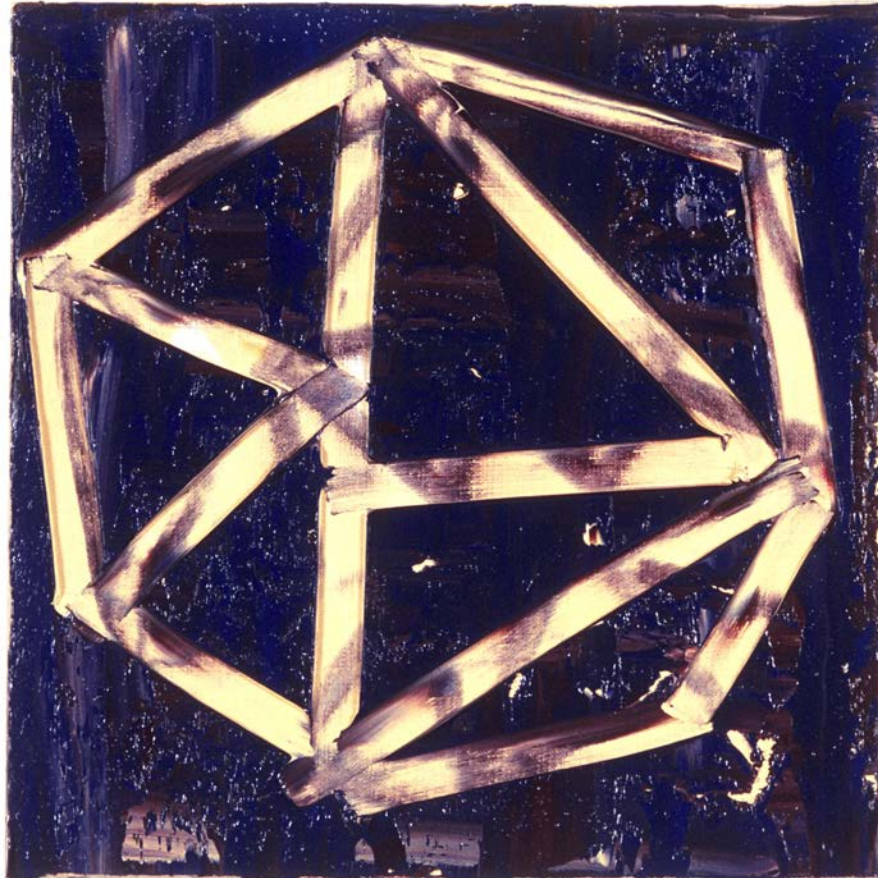


Q&A





Session III 11:20-12:00 Elites across Disciplines: A Dialogue



Thank you



GLOBAL LAUNCH EVENT

& SUSTAINABLE VALUE CREATION DISCUSSION

10:00-12:00 AM, 29th APRIL 2022 @SQUARE, Room 11-0111 University of St.Gallen + Webinar