ELITE QUALITY INDEX
EQx2025

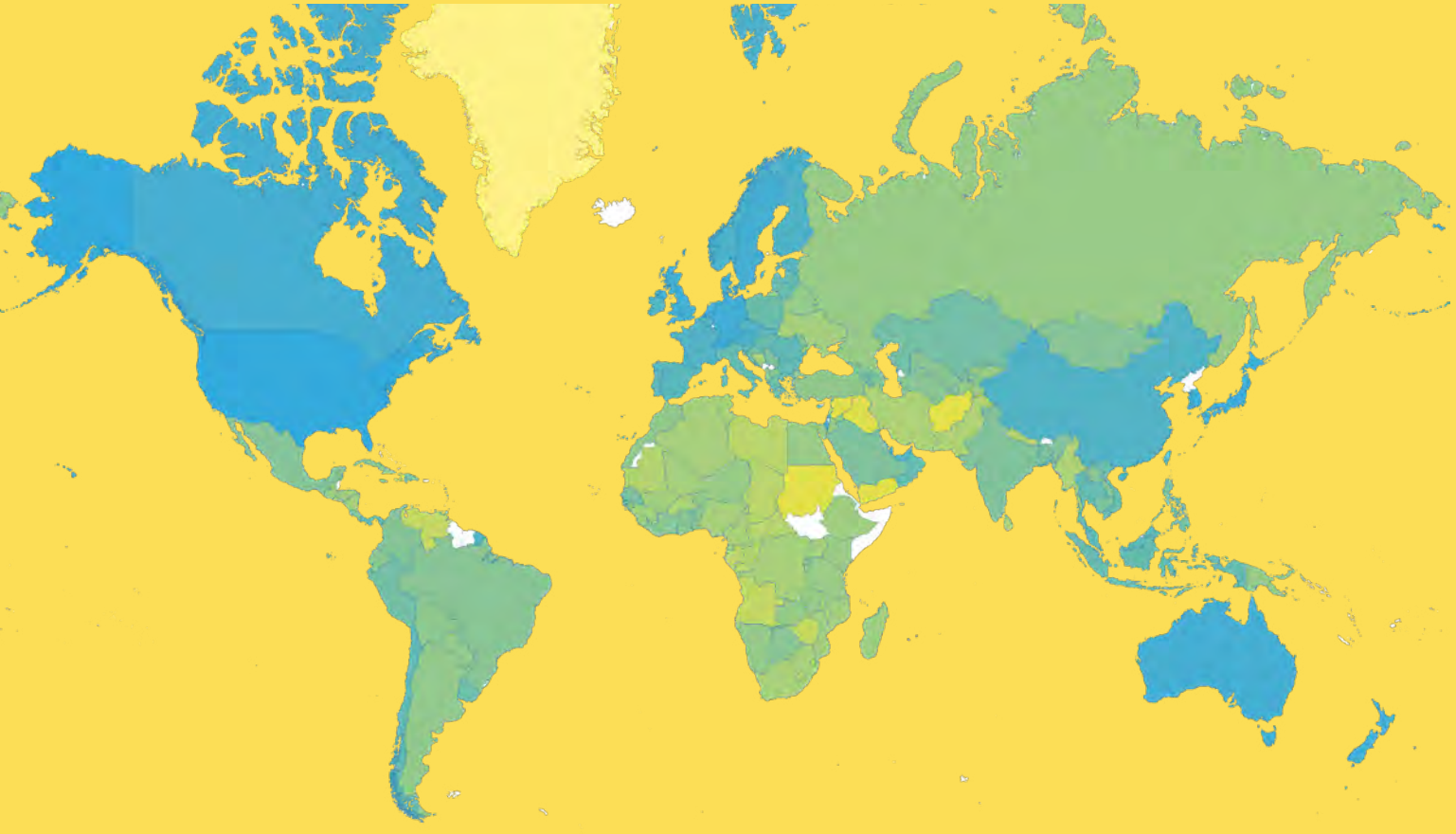
ELITE QUALITY REPORT 2025

The Sustainable Value Creation of Nations

151 COUNTRY SCORES AND GLOBAL RANKINGS

Measuring long-term economic and human development prospects

149 Indicators + ; 12 Pillars; 4 Political Economy Index Areas; and Power and Value Sub-Indexes



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SIXTH YEAR EDITION

Power

Value

Political

Economic

This report is the result of a collective research and writing effort by its editors and contributors. Substantial contributions are recognized in the corresponding sections of the report.

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The Sustainable Value Creation of Nations

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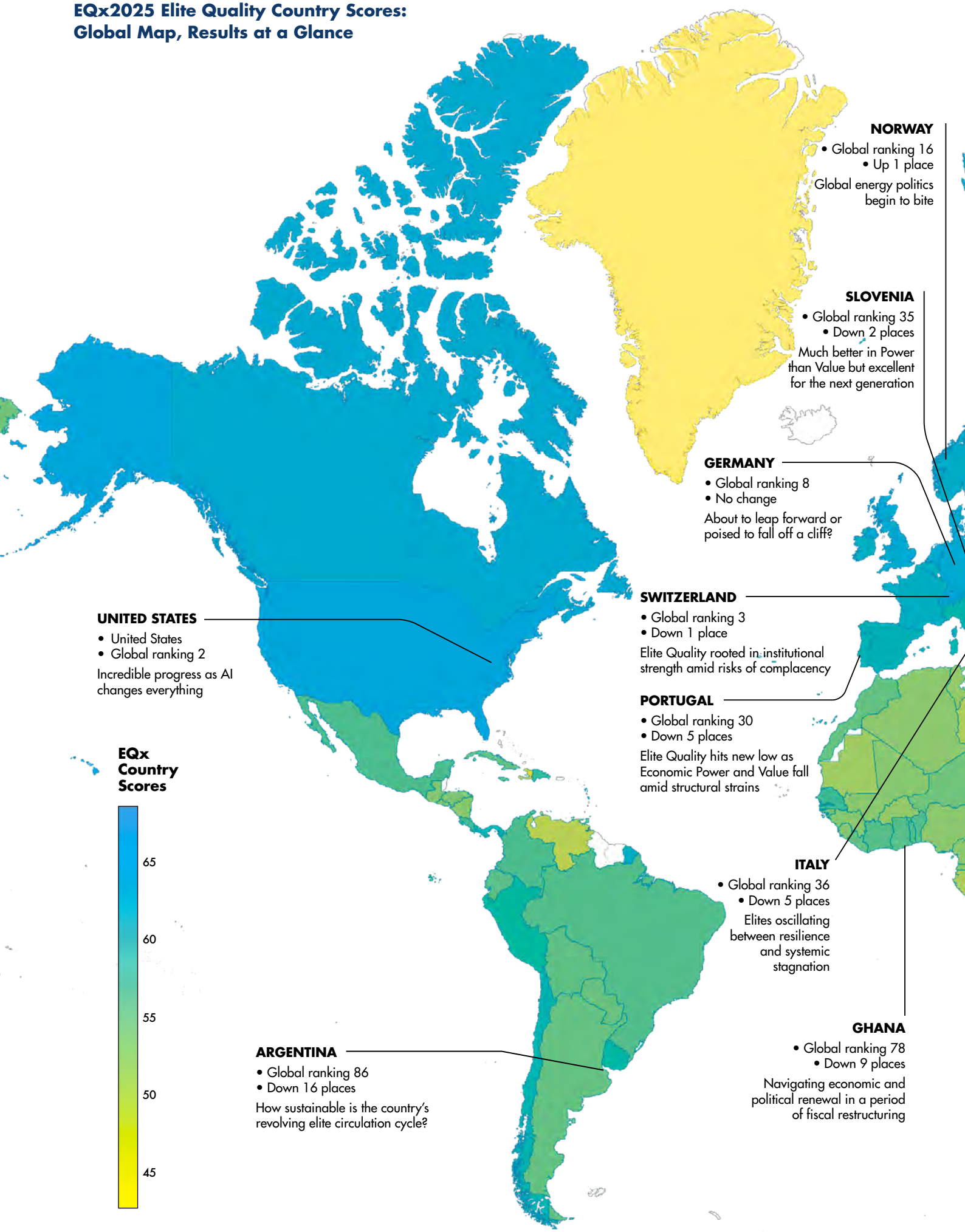
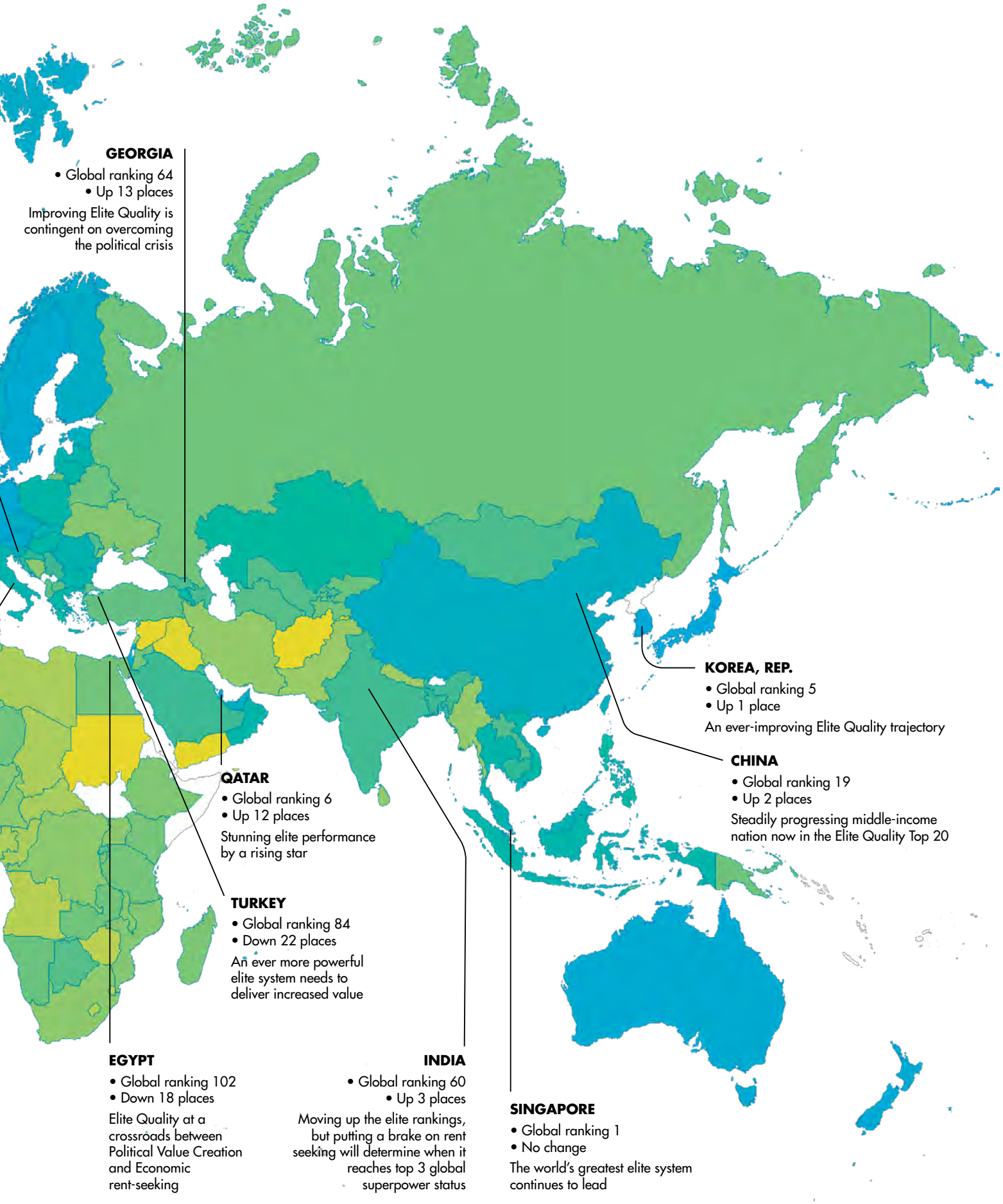
EQx2025 Elite Quality Country Scores: Global Map, Results at a Glance




GEORGIA
• Global ranking 64
• Up 13 places
Improving Elite Quality is contingent on overcoming the political crisis
KOREA, REP.
• Global ranking 5
• Up 1 place
An ever-improving Elite Quality trajectory
CHINA
• Global ranking 19
• Up 2 places
Steadily progressing middle-income nation now in the Elite Quality Top 20
QATAR
• Global ranking 6
• Up 12 places
Stunning elite performance by a rising star
TURKEY
• Global ranking 84
• Down 22 places
An ever more powerful elite system needs to deliver increased value
EGYPT
• Global ranking 102
• Down 18 places
Elite Quality at a crossroads between Political Value Creation and Economic rent-seeking
INDIA
• Global ranking 60
• Up 3 places
Moving up the elite rankings, but putting a brake on rent seeking will determine when it reaches top 3 global superpower status
SINGAPORE
• Global ranking 1
• No change
The world's greatest elite system continues to lead

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The Elite Quality Index® (EQx) and the 'Elite Quality Report 2025: The Sustainable Value Creation of Nations' ('EQx2025' or 'Report') provide a unique interpretation of political economies across the world and their mid- to long-term prospects. The EQx2025 is based on a methodology that starts with the collection and collation of relevant, up-to-date datasets from a variety of organizations and sources (see Chapter 7.2 for the complete list). The datasets conceptually fit with the EQx and its theoretical basis (Casas-Klett, 2025, in Press).

The detailed EQx methodology is described in 'Measuring Elite Quality' (Casas-Klett, Cozzi, Diebold, & Zeller, 2020), a paper whose main tenets have evolved since it was first written to support the EQx2021, with changes summarized in Chapter 2.4. It was developed and inspired by a team of academics and practitioners with the aim of supporting Value Creation business models in elite systems and incentivizing the institutional arrangements that foster such models. The analysis and interpretations of the results contained in the Elite Quality Report 2025, such as the commentaries on the country scorecards, are the result of individual or collective work and do not necessarily represent the views of the editors, the project team or other project participants.

The EQx2025 is the sixth in a series of annual reports that aim to elicit a discussion among academics and initiate conversations with a broad range of other interested stakeholders. The EQx project is an innovative and timely initiative in our age of disruption, positioned at the intersection between academia, business and policymaking.

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The Sustainable Value Creation of Nations

Measuring long-term economic and human development prospects

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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 'Macro-level Sustainability'

- Elites are conceptualized as the business models that generate the most income—as such they leverage human, financial, and knowledge resources to provide the necessary coordination capacity that realizes the full development potential of an economy.
- High-quality elite systems are sustainable and their leading business models rely on Value Creation, delivering more value for society than they appropriate; low-quality elites increase political and economic risk by operating rent-seeking Value Extraction models based on value transfers.

What are the Main Findings of the EQx2025?

1. **Singapore** continues to hold the #1 spot in the EQx2025, but thereafter there has been a momentous change, with the **US** leaping from #16 to #2 overall, ahead of **Switzerland**, now down one place to #3. This radical reset has been greatly influenced by the addition of five new AI indicators. **China** also benefits from its technological leadership in AI and moves up two spots to #19, an incredible achievement for a middle-income country. **India** is also advancing, now reaching #60 (up 3 places from 2024 and a major advance on its 2021 ranking of #118).

2. Asian economies continue to do well in the EQx. **Japan** retains its position at #4 overall, while **Korea** is now close behind, having risen to #5. On the other hand, **Israel** has fallen 7 places to #14, while some European countries also experienced significant falls: the **Netherlands** is now at #9 (down 6 places); **Denmark** is now at #15 (down 5 places); and **Finland** has dropped to #18 (down 3 places). Two surprising big winners are from the Middle East: **Qatar** has shot up 12 places to #6, and the same advance has been made by the **UAE**, now up to #20.

EQx2025 Top 20 Countries

Country	Rank	Trend vs EQx2024		Score
Singapore	1	→	0	65.6
United States	2	↑	+14	64.1
Switzerland	3	↓	-1	63.2
Japan	4	→	0	63.1
Korea, Rep.	5	↑	+1	62.7
Qatar	6	↑	+12	62.6
New Zealand	7	↓	-2	62.2
Germany	8	→	0	62.2
Netherlands	9	↓	-6	62.1
United Kingdom	10	↑	+1	62.0
Australia	11	↑	+2	62.0
Sweden	12	↓	-3	61.8
Canada	13	↓	-1	61.7
Israel	14	↓	-7	61.6
Denmark	15	↓	-5	61.4
Norway	16	↑	+1	60.1
Austria	17	↓	-2	60.0
Finland	18	↓	-4	59.6
China	19	↑	+2	59.1
U. Arab Emirates	20	↑	+12	59.0

The EQx is *the* Global Political Economy Index

- The EQx2025 is the sixth annual comparative international ranking of Elite Quality. It covers 151 countries, uses 149 indicators, and measures unique conceptual elements like Power, Creative Destruction, and Unearned Income.
- Elite Quality is the transmission mechanism between micro-level agency and macroeconomic performance. The EQx's sister research project is the 'Sustainable Value Creation of Firms' (see Value Creation Ratings Pilot Report, VCr2024), that provides a benchmark for CEOs, capital suppliers, and policymakers seeking to transform their business models towards higher long-term profitability and inclusive social impact.

3. AI is a major source of value creation, and in keeping with rapid technological and social shifts, the EQx2025 has increased the number of AI indicators from two to seven. The **US** leads the AI field by a large margin, followed by three Asian nations: **Singapore** at #2, **Korea** at #3, and **China** at #4. Meanwhile, Europeans are punching below their weight in AI with the **UK** at #5 and **Germany** at #8.

4. **Europe** does excel elsewhere, particularly in terms of minimizing intergenerational value transfers. **The NextGen Value Creation Barometer (NGVCb)** is based on a set of 33 indicators that collectively measure which elite systems leave the greatest legacies to their young people. The 2025 iteration is led by **Denmark**, **Israel**, **Netherlands**, **Switzerland**, and **Sweden** (in that order). These results paint a contrasting picture to the overall EQx rankings and provide considerable food for thought. Many of the EQx leaders do not enable their young to create sustainable value and even transfer value away from them. For example, the **US** and **China** are placed at #55 and #68 respectively, with even **Singapore** in the comparatively low position of #23 in the NGVCb. **Switzerland** is the most balanced political economy in the world, being the only nation that ranks in the top 5 of both the EQx and the NGVCb.

5. The EQx2025 points to major challenges for the elite systems in many of the world's emerging economies: **Brazil** is down 8 places to #72; **Turkey** falls a precipitous 22 places to #84, one of the largest declines of all the 151 countries covered; **Russia** remains poorly ranked at #99, even though this represents an advance of 4 places; **Egypt** is down 18 places to #102; while **South Africa** has fallen 10 places to #127.

Country	AI Rank	AI Score	EQx Rank	EQx without AI	Difference
United States	1	85.2	2	9	+7
Singapore	2	78.5	1	1	0
Korea, Rep.	3	74.1	5	12	+7
China	4	71.2	19	25	+6
United Kingdom	5	68.9	10	14	+4
Cyprus	6	67.5	28	31	+3
Israel	7	65.7	14	15	+1
Germany	8	62.0	8	10	+2
U. Arab Emirates	9	61.5	20	20	0
Costa Rica	10	61.0	61	63	+2

1. Introduction

The introductory Chapter offers a series of general reflections on the EQx, its main findings, and how these link to the future. First, data analysis is discussed to illustrate how the measurement of Elite Quality provides novel analytical perspectives for predicting a country's future. Next, the critical subject of Artificial Intelligence (AI) and elites is considered with discussions on its emergence and the technocratic prospects of how it might contribute to policymaking based on the elite theory of economic development. Intergenerational transfers are also analyzed, and the NextGen Value Creation Barometer (NGVCb) is presented.

In subsequent chapters, the EQx2025 is unpacked in Chapter 2 with a deep dive into its structure and associated methodological issues. In Chapter 3, the full global rankings and scores for 2025 are provided. The crux of the report lies in Chapter 4: the analysis and interpretation of the EQx2025 results by a community of EQx contributors—this year comprised of 28 authors—who consider the outcomes on a country, Indicator, and EQx-Indicator Family basis. Chapter 5 delves into the Indicators used in the report, providing detailed explanations, the rationale for their inclusion and how they are weighted. Chapter 6 presents the151 country scorecards, each using up to a maximum of 149 Indicators and 17 aggregate measurements (including scores for the 12 Pillars, 4 Index Areas, and the 2 Sub-Indices of Power and Value). The report closes with the full set of references in Chapter 7.

Basic Notions about Elites and Elite Quality

Definition: Elites are narrow, coordinated groups that run the largest income generating business models in an economy and which successfully accumulate wealth.

Surprise 1: Elites are a mathematical certainty; they are inevitable

Surprise 2: Elites supply essential coordination capacity to societies

Fact 1: Elites can be high-quality value creators

Fact 2: Elites can also be low-quality value extractors

Hypothesis: Elite Quality determines economic and human development

Action: We measure Elite Quality through the Elite Quality Index (EQx)

Takeaway: The EQx is a political economy index that measures the ability of national elite business models – on aggregate – to create value, rather than extract it.

1.1 Measuring Sustainable Value Creation to Provide Foresight on a Better Future

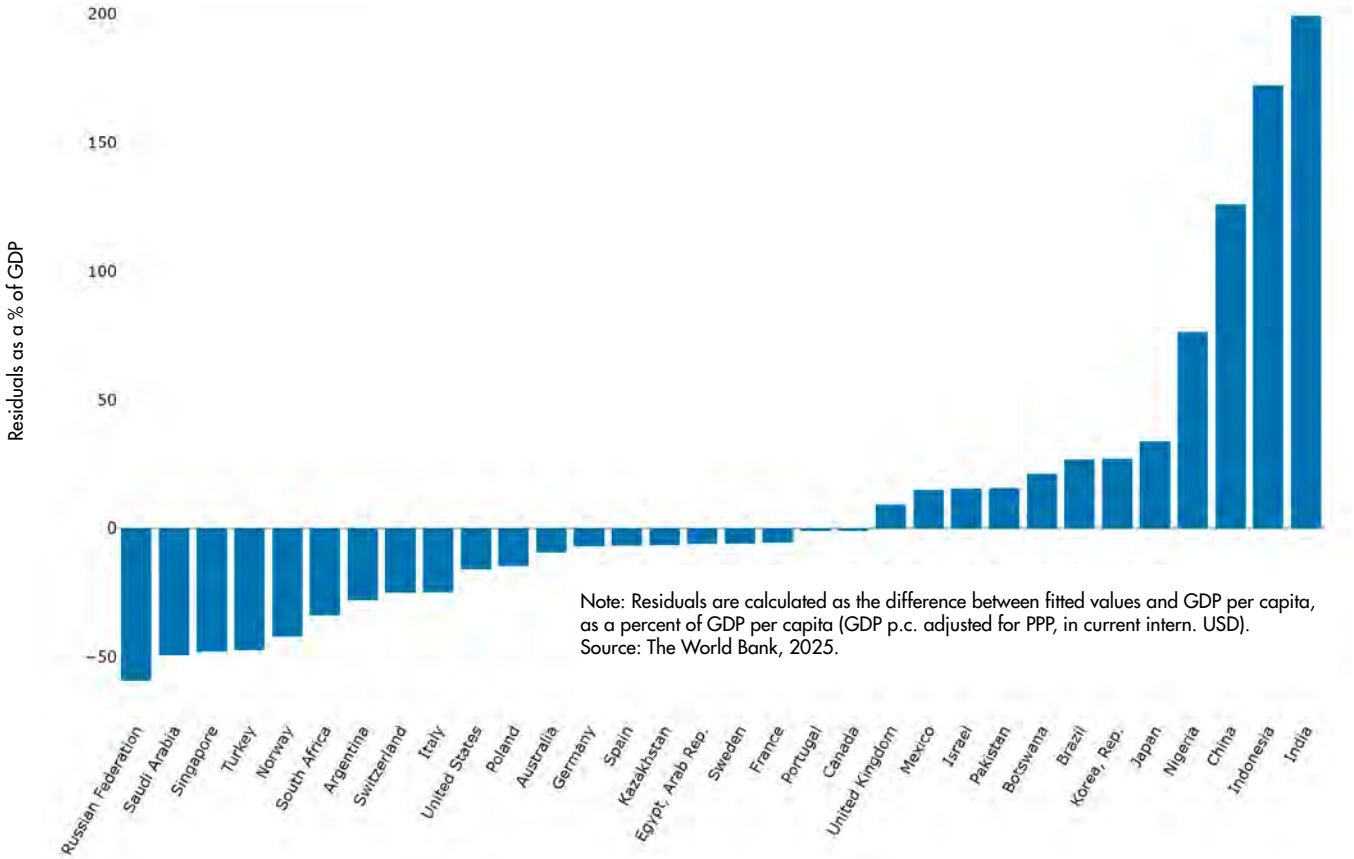
The global comparative Elite Quality Index (EQx) is based on the premise that elite agency and its associated coordination capacity bring prosperity to the political economy and society at large. But this fact does not give elites a free pass. The fundamental assumption of the elite theory of economic development (ETED) is that the Sustainable Value Creation of elite business models—their Elite Quality—not only holds the key to economic and human development but also provides a benchmark for policymakers, business leaders, and the concerned public to measure their contributions to a better future. Now in its the sixth year, the EQx2025 provides Country Scores and Global Rankings for 151 countries, and is based on 149 Indicators. The analysis of the variances of Elite Quality across time, countries, and regions is the core mandate of this report.

Elite Quality Provides an Alternative Analytical Perspective with Predictive Value

The elite theory of economic development (ETED) contends that Elite Quality is the leading indicator of future economic growth and human development. This is because the proportion of Value Creation in relation to Value Extraction (transfers and rent seeking) by elite business models that aggregate at the elite system meso-level is deemed to be the key transmission mechanism between the micro-level economic activities of firms and aggregate macro-level outcomes. As with previous editions of the EQx, the key findings are not the global rankings themselves but the subsequent steps that are taken to analyze the results. These include the interpretation of the fitted regression line that emerges from how the EQx correlates with GDP per capita (PPP) as is depicted in Visuals 1.1 and 1.2.

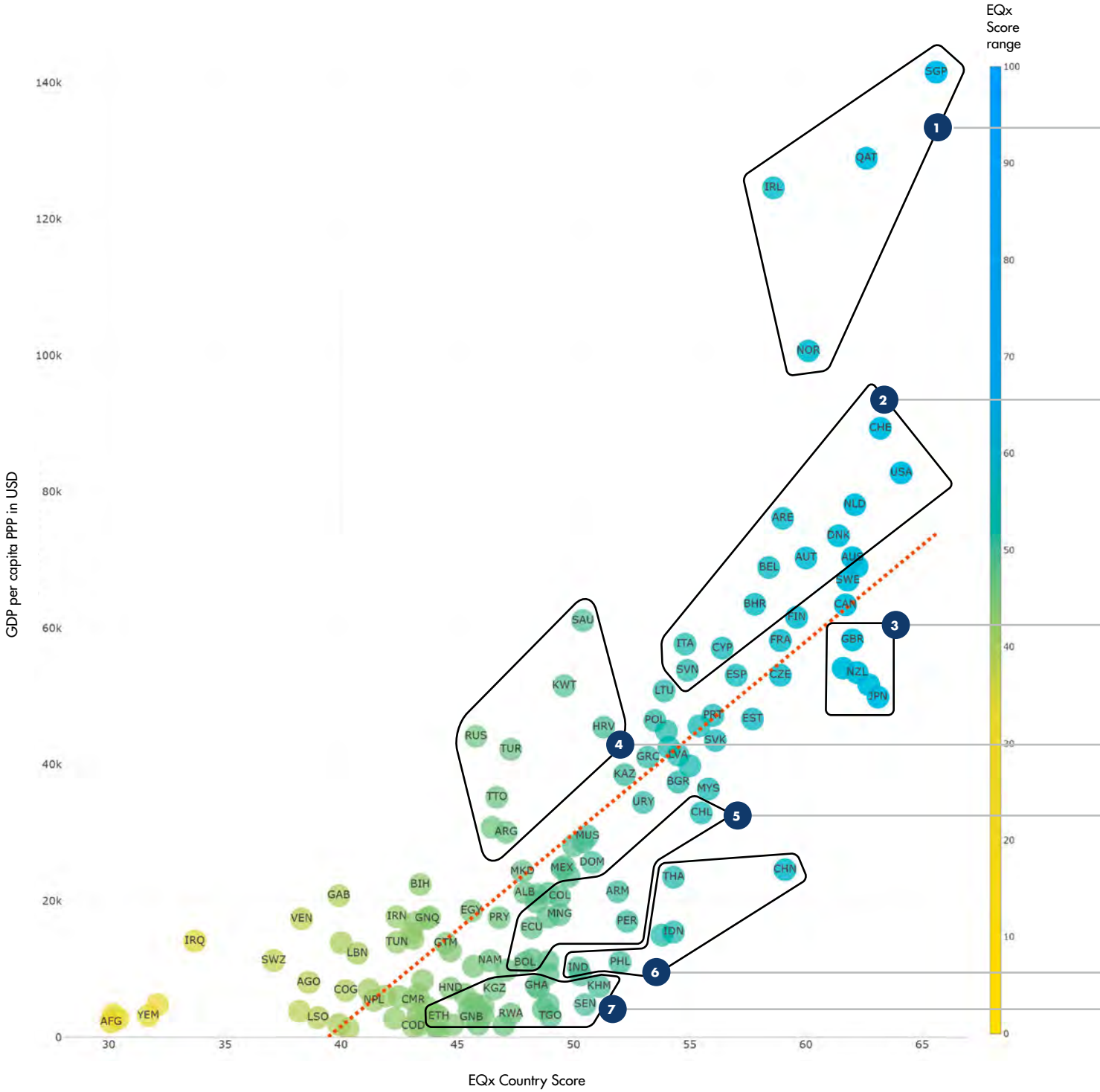
Visual 1.1 provides a first rendition of the data that indicates where future economic growth will likely come from. The EQx2025 claims that India, Indonesia, China, Nigeria, and Japan will grow on the back of the Sustainable Value Creation of their elite business models. Immense amounts, ranging from adding an additional quarter of GDP to their economy to 2.4 times their current PPP could be added. To the extent that the elite theory of economic development can be validated and the EQx does a good job of capturing 'relative' Elite Quality, East and South Asia are set to be the next engines of global economic growth.

Visual 1.1: Residuals (as a % of GDP) as an indication of future growth prospects, sample of 32 countries



Note: Residuals are calculated as the difference between fitted values and GDP per capita, as a percent of GDP per capita (GDP p.c. adjusted for PPP, in current intern. USD).
Source: The World Bank, 2025.

Visual 1.2: EQx correlation with GDP per capita (PPP)



Note: Vertical axis plots the natural log of GDP per capita, adjusted for PPP, in current intern. USD.
Orange dashed line indicates a fitted regression line. Adjusted R-squared: 0.576.
Spearman correlation between EQx scores and GDP: 0.798.
Source: The World Bank, 2025.

1 **The status of 'Very High Quality Elites' today may be insufficient for tomorrow**. Four countries have superb overall EQx rankings—Singapore, Ireland, Qatar, and Norway—that are well above the fitted regression line. That is, they are deep in negative territory when their EQx scores are regressed against GDP per capita (PPP). Prosperous countries have achieved their wealth through high Elite Quality in the past. If they wish to maintain the relative success seen in their PPP increases, these countries must double down on Sustainable Value Creation and be vigilant against the emergence of elite business models based on extractive value transfers. This means that they must engage in continual structural and statutory reforms.

2 **Must keep up in terms of Elite Quality**. A number of rich economies with PPP's between USD 45,000 and USD 80,000, including the US, Switzerland, the Netherlands, Denmark, Australia, Bahrain, the UAE, Italy, and Slovenia are slightly above the fitted regression line. They must therefore strive to make marginal gains in terms of their EQx scores to maintain their quality of life and support their future growth prospects.

3 **Some advanced economies have further scope for growth**. Put your money on Japan, Korea, New Zealand, or, to a lesser extent, the UK. Despite their diverse challenges, these are already prosperous economies and yet their Elite Quality is ahead of their PPP. Their elites and the derived institutional quality these create will power their future growth. For instance, these countries mostly possess strong innovation systems, robust capital markets, and are open to foreign investors. The EQx2025 predicts comparative growth ahead.

4 **Established and emerging markets that might not grow as quickly**. A group of important countries that have done moderately well this year (and even quite well in the past) and also have GDP per capita that is neither particularly low or high by global standards, risk stagnation. By being above the regression line, Croatia, Saudi Arabia, Kuwait, Turkey, Russia, and Argentina must engage in deep structural reforms and adjust their elite business models if they wish to grow and escape the middle-income trap (and a putative middle Elite Quality trap) that endangers their future.

5 **Solid emerging markets whose futures looks bright**. Some low- and middle-income countries, many in Latin America such Chile, Peru, Ecuador, and Colombia, but also including Armenia and Mongolia, possess elite quality which is ahead of their income levels and that, according to the EQx framework and rankings, will climb higher up the development ladder.

6 **Asia's inclusive elites are poised to continue to drive global growth and prosperity for the next decade and beyond**. China's (rank #19) GDP per capita (PPP) is predicted to hypothetically equal USD 55,520 (well above its current USD 24,569), while India's (rank #60) would put it at USD 30,408 (rather than its current USD 10,166). Indonesia's (rank #39) GDP per capita would increase to USD 41,976 (well above today's USD 15,416). They would be accompanied by another two SE Asian nations, Thailand (rank #40), whose GDP per capita (PPP) would increase to USD 41,976 (vs. today's USD 23,465), and the Philippines (rank #50), whose GDP per capita (PPP) would increase to USD 35,487 (vs. today's USD 10,989).

7 **Maybe poor but not for long**. Watch out for countries like Rwanda, Togo, Senegal, Kirgizstan and Cambodia, but also Ethiopia or Guinea-Bissau. Their elite quality is high relative to their incomes which means that they are well positioned for take-off. It may well be time to invest in these high potential markets. The working assumption is that the relationships between Value Creation, rent seeking, and income, stay as they are as these countries grow.

The EQx2025 Contains Rich Analytical Possibilities: The NextGen Value Creation Barometer (NGVCb), the EQx-Indicator Families and Specific Indicator Sets

The EQx2025's munificent dataset can be conceptually sliced and diced to supply insights on specific social, economic, and political phenomena. Two types of EQx data subsets have been formalized: the 'Barometer' and the 'EQx-Indicator Family'. The 'Barometer' approach refers to a subset of data that has been developed with a partner organization and has a weighting scheme applied to indicators that differs from the relative weights used for the EQx. The EQx-Indicator Family approach retains the relative EQx indicator weights. A third diagnostic method is to select indicator sets to explain a particular elite business model, such as FDI or trade. The EQx2025 includes:

The NextGen Value Creation Barometer (NGVCb)

- Originally developed in conjunction with the St.Gallen Symposium and now run with the Board Foundation, its aim is to establish the Value Creation/Extraction that occurs from this generation to the next. The NGVCb uses 33 indicators distributed over five categories: Equitable Opportunities; Education and Human Capital; Health and Well-Being; Innovation and Technology; and, most importantly, Ecology and Natural Capital. The 2025 iteration is dominated by European countries and led by Denmark, followed by Israel, the Netherlands, Switzerland, the UK, Germany, Slovenia, Norway, and Finland. See the analysis and discussion of the methodology (Chapter 1.4) and a Generation Alpha perspective that hones in on the middling results achieved by the US and China (Chapter 1.5).

The EQx-Indicator Families

The EQx's 149 Indicators can be grouped into conceptual 'families'. Prior to this year, three families had been created: the SDG EQx-Indicator Family; the Ecology EQx-Indicator Family; and the Diversity & Inclusion EQx-Indicator Family. The EQx2025 introduces three new categories: the AI EQx-Indicator Family, the International Business EQx-Indicator Family, and the Health and Well-Being EQx-Indicator Family.

- *The Artificial Intelligence* (AI) EQx-Indicator Family is comprised of five brand new AI indicators that have been added to the two initially included in the EQx2024. This development clearly takes account of the way that AI is radically shifting the Value Creation (and Value Extraction) possibilities of the political economy. While the AI EQx-Indicator Family still requires further development, the Executive Summary of this report highlights the impact that this technology is having on EQx rankings, especially in the case of the US, but also in regard to China. In order to interpret the scores, two further contributions are included: the first considers how AI supercharges Value Creation (page 158), while the second analyzes how China's elites steer AI towards sustainable growth by using Hangzhou's innovation ecosystem, providing a blueprint for policymakers everywhere (page 23).

- The rationale for the *Diversity & Inclusion EQx-Indicator Family* is straightforward: any type of discrimination—from gender to religion—has a business model logic, constitutes a form of rent seeking, and compromises Value Creation. Those discriminated against face barriers that hinder or prevent them from realizing their potential for Value Creation. Moreover, society suffers a serious loss, while as the overall Value Creation potential of the economy is compromised (see the analysis and discussion on page 162).

- *The Ecology EQx-Indicator Family* uses 15 indicators that underscore the need to integrate environmental considerations into elite agency measurements (see the analysis and discussion on page 164). Such an approach not only helps in safeguarding the planet but also ensures that Value Extraction, in whatever domain, is identified, weighted, and mitigated. The EQx advocates for a holistic and balanced view of sustainability and economic development, placing elite business models at the center of inclusive outcomes and growth. The Ecology EQx-Indicator Family is therefore a measure of leadership to bring about an environmentally sustainable future, making the relationship to the nature stakeholder essential in comparatively assessing Elite Quality across nations.

- *The Health and Well-Being EQx-Indicator Family* is a construct formed by 12 indicators (see page 172). The weighting of each indicator is conceptual and is expected to evolve in future iterations of the EQx. The rationale for the Health & Well-Being EQx-Indicator Family is simple. The 12 indicators are not just passive reflections of societal conditions; they are active signals of how power and resources are prioritized and distributed within a society. As such, the indicators double as diagnostic tools, not only measuring human health and well-being, but revealing how societies are governed, who benefits, and which voices shape policy. Elite influence can either perpetuate extractive systems that worsen inequality (e.g., as captured by the Global Hunger Index or the Financial burden of healthcare), or be consciously redirected to support long-term, equitable well-being (e.g., as measured by the Global Food Security Index, Sanitation facilities, or Density of medical staff) thereby aligning moral responsibility with institutional reform and strategic investment.

- *The International Business EQx-Indicator Family* is comprised of 10 indicators that highlight the significance of international business in shaping elite agency and national development (see the analysis and discussion on page 168). The indicators capture the extent to which elites productively engage with global markets, fostering value creation through trade, investment, and multinational integration. The EQx emphasizes the importance of outward facing, competitive, and rules-based business strategies that enable countries to participate in and benefit from global economic systems and penalizes activities that interrupt the free flow of goods and investment. The International Business EQx-Indicator Family thus serves as a way of measuring elite capacity to harness international opportunities while mitigating rent-seeking behavior and aligning with long-term national interests.

- *The SDG EQx-Indicator Family* (see page is based on the United Nations' Sustainable Development Goals (SDGs), a framework comprised of 17 goals, 169 targets, and 232 unique indicators providing tangible ways for both countries and corporations to track their progress towards achieving sustainable development. This Indicator Family, previously featured in the EQx2024, uses 33 EQx indicators to answer questions like: How does Elite Quality influence progress towards the SDGs; and Is there a trade-off between realizing the SDGs and Value Creation in the economy?

The elite business model transmission mechanism that links specific industrial sectors to the macro-level political economy is a key focus of this work and aims to inform policymaking. For instance, Elite Quality in the meso-level elite system is affected by the quality of elite business models at the micro-level. Many EQx indicators are designed to provide insight into specific sectors, sometimes on a stand-alone basis and sometimes in combination with others as part of an Indicator Family that can contribute to furthering the understanding of political economy phenomena, from AI to ecological sustainability.

Indicator Interpretation

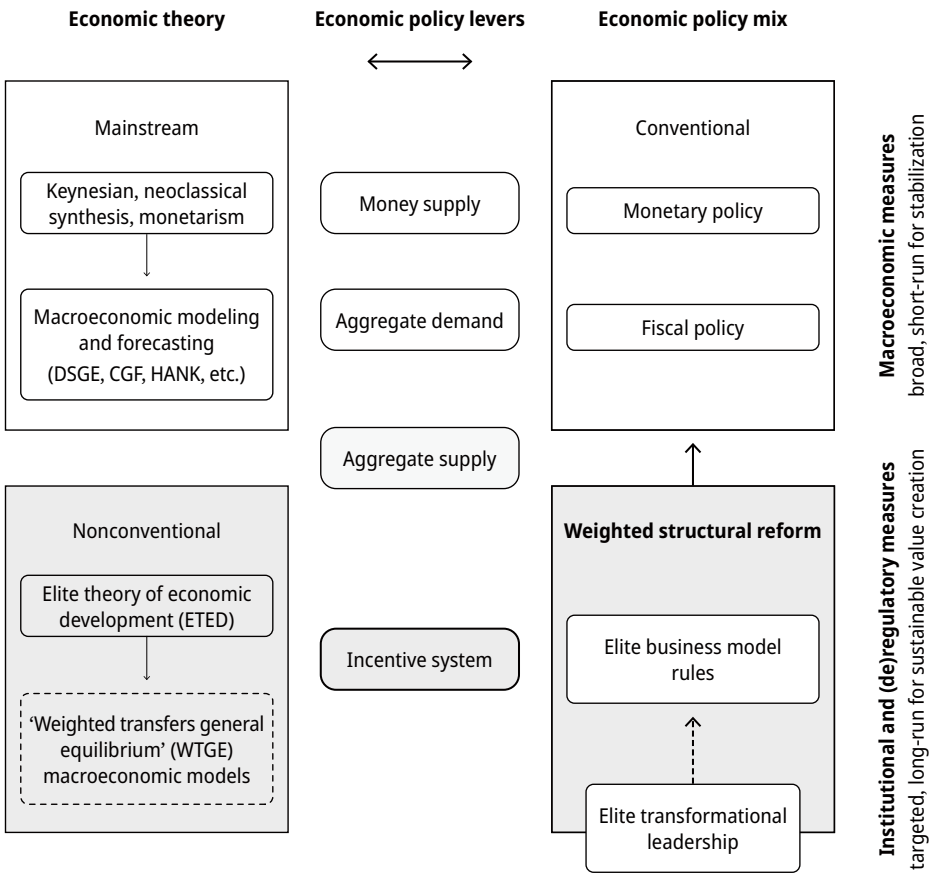
- The EQx2025 continues to provide a stand-alone analytical lens to explain phenomena in the political economy or society as a whole. For instance, modern slavery, while clearly extractive and harmful to any society, is a highly context-dependent phenomenon. Elites play an essential role in tackling this extractive behavior but should be mindful of the broader local conditions in which some forms of modern slavery take place. Otherwise, they might make things worse. Further analyses provide insights into potential future EQx indicators related to political risk and their value for measuring elite behavior. For example, do high bond yield spreads indicate lower levels of elite quality? This is a question relevant for policymakers and practitioners alike and so the rationale exists for adding a new Indicator that captures this reality in the future.

The Purpose of the EQx: A First Step Towards Continuous and Weighted Structural Reforms

Elite Quality is a meso-level conceptual element that is deemed relevant for macroeconomic and human development because it describes the critical feature of the elite system: the use of power for rent-seeking purposes. The EQx is the first of a series of suggested measurements to articulate and operationalize the Sustainable Value Creation of Nations. As such, it must measure the influence of elites in the economic and political realm as it does with Power Sub-Index I. The global comparative measurement must then be supported by the provision of economic models of economies and a full-spectrum policy toolkit in order to be relevant for politicians, as well as elite coalitions wishing to contribute to growth and development through the transformation of their business models.

Notwithstanding such future plans, and as evidenced by many of the contributions in the EQx report, the comparative rankings, the Country Scorecards, and the NextGen Value Creation Barometer are already employed to suggest policy changes on the basis of how countries perform. The EQx therefore provides benchmarks to adjust the legal, regulatory, and other incentive systems in order for business models to engage in Value Creation and refrain from Value Extraction. Structural reform for the long run is deemed to outperform the orthodox monetary and fiscal policy mix and its broad, short-run measures. To succeed, structural reforms must be 'weighted' to balance and optimize Value Creation and Value Extraction through trade-offs to ensure incentives are provided to discourage risk and value transfers from one business model to another on the basis of power.

Visual 1.3: The ETED in the economic policy mix: A weighted structural reform approach for the incentive system (Source: Figure 7.1, Casas-Klett, 2025, in Press)



Elite Quality at your Fingertips by the University of St.Gallen

Open Access Country Comparison Tools

As one of the flagship research projects undertaken by its institutes, the University of St.Gallen freely provides the EQx country comparison toolset on its website where you can visualize selected Elite Quality country comparisons based on EQx and PanelEQx (PEQx) data. While not all data is included (e.g., indicators) and there is no interpretation or analysis (e.g., no scorecards), the aim is to facilitate the further analysis of Elite Quality by students and faculty, as well as by the general public, in accordance with the university's educational mission: 'From insight to impact'. There is also a second and equally vital motivation for allowing this access: to foster elite transformational leadership at both the macro-level of policymaking and the micro-level of the firm. The tools essentially allow users to compare elite systems across the world based on their aggregate Sustainable Value Creation. For instance, it is possible to check and compare the Power of a country's elites and how much Value they create relative to those elsewhere.

https://unisg.ch/elitequality

The website is a collaboration between the University of St.Gallen and the Foundation for Value Creation.

Elite Quality Country Comparison Tools: Uses and Users

The Elite Quality Country Comparison Tools are meant for all those curious about the state of the world and its future. They are designed for political economy analysts, students, researchers, journalists, policymakers and politicians, investors, business leaders, and others that wish to know how national elites compare to each other and address Value Creation and Extraction. As such, the tools allow you to:

1. **Compare countries** on the quality of their political and economic elites to determine their relative future human and economic growth possibilities and conveniently visualize global comparative evaluations.

2. **Inform your professional decision-making** in a variety of ways, ranging from assessing country risk for foreign direct investment (FDI) projects to how your NGO is likely to fare in a particular jurisdiction given the type of agency its elites exert.

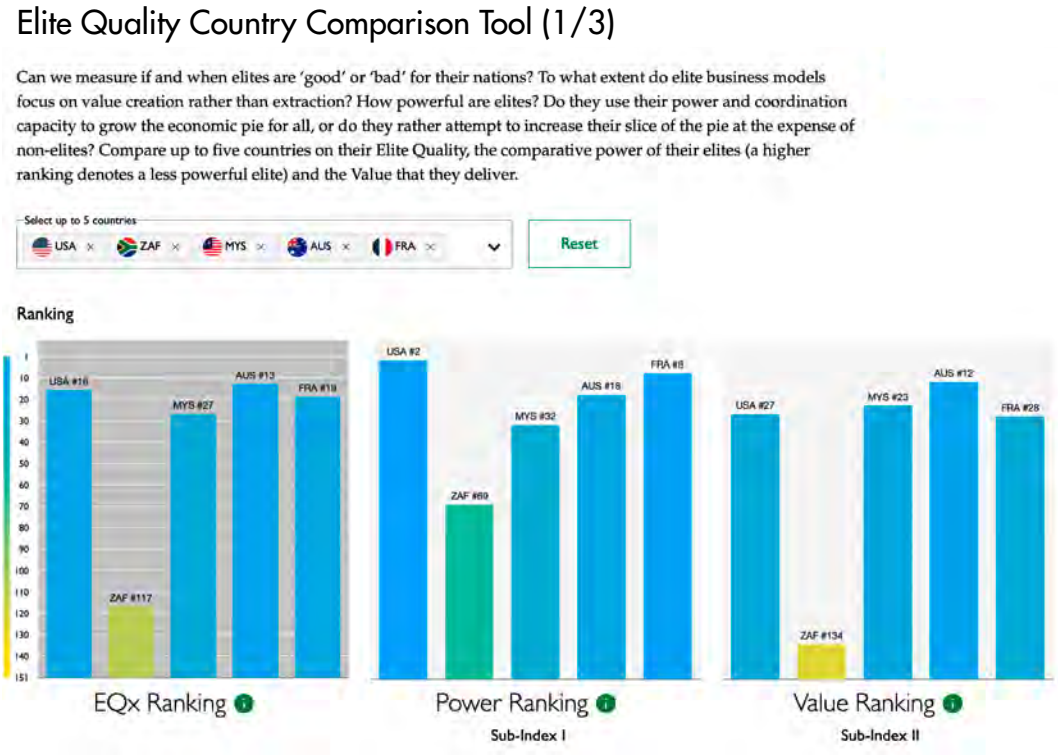
3. **Perform individual country analyses** of Sustainable Value Creation and establish which parts of the political economy work and which require weighted structural reforms and elite transformational leadership.

4. **Craft proposals for the transformational leadership of elite business models** for boards, the CEO, or top management teams so that the organization's profits are based on Value Creation activities like innovation or inclusive international business rather than on extractive transfers based on market dominance or government subsidies.

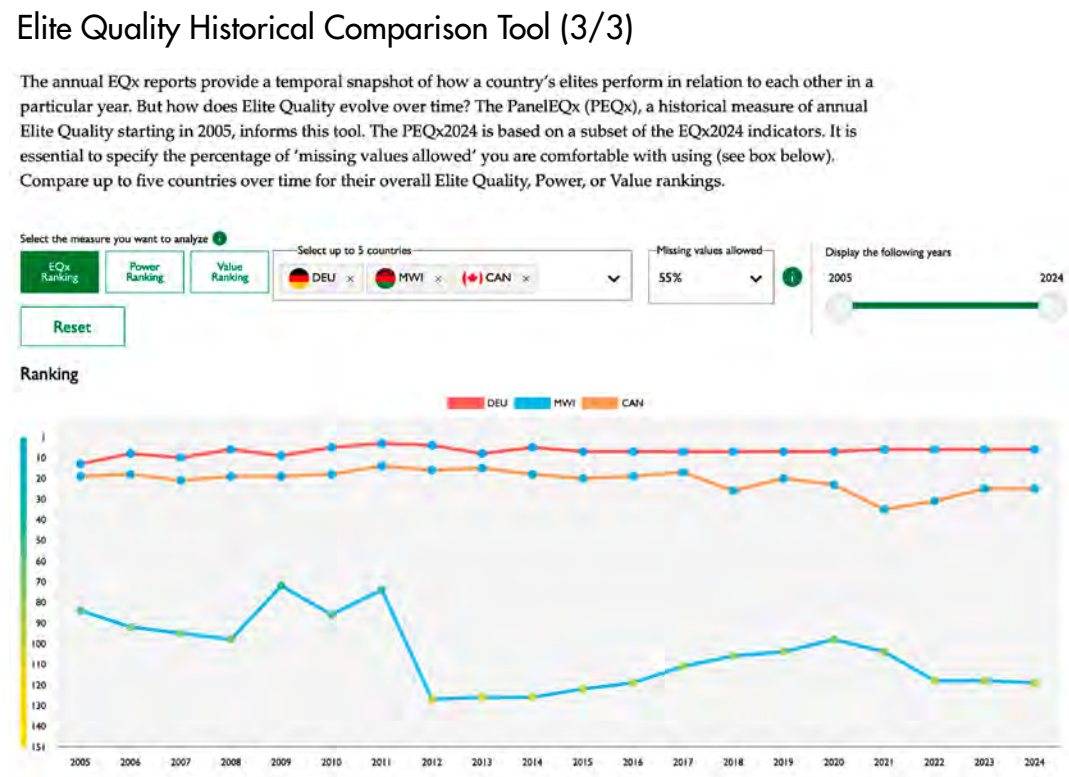
5. **Make policy proposals for structural reforms and institutional change** to adjust rules, regulations, and the legal system so that value creators are incentivized, and value extractors that benefit from value transfers away from their stakeholders are nudged to undertake more inclusive activities.

The Three Elite Quality Comparison Tools Available to the Public Are:

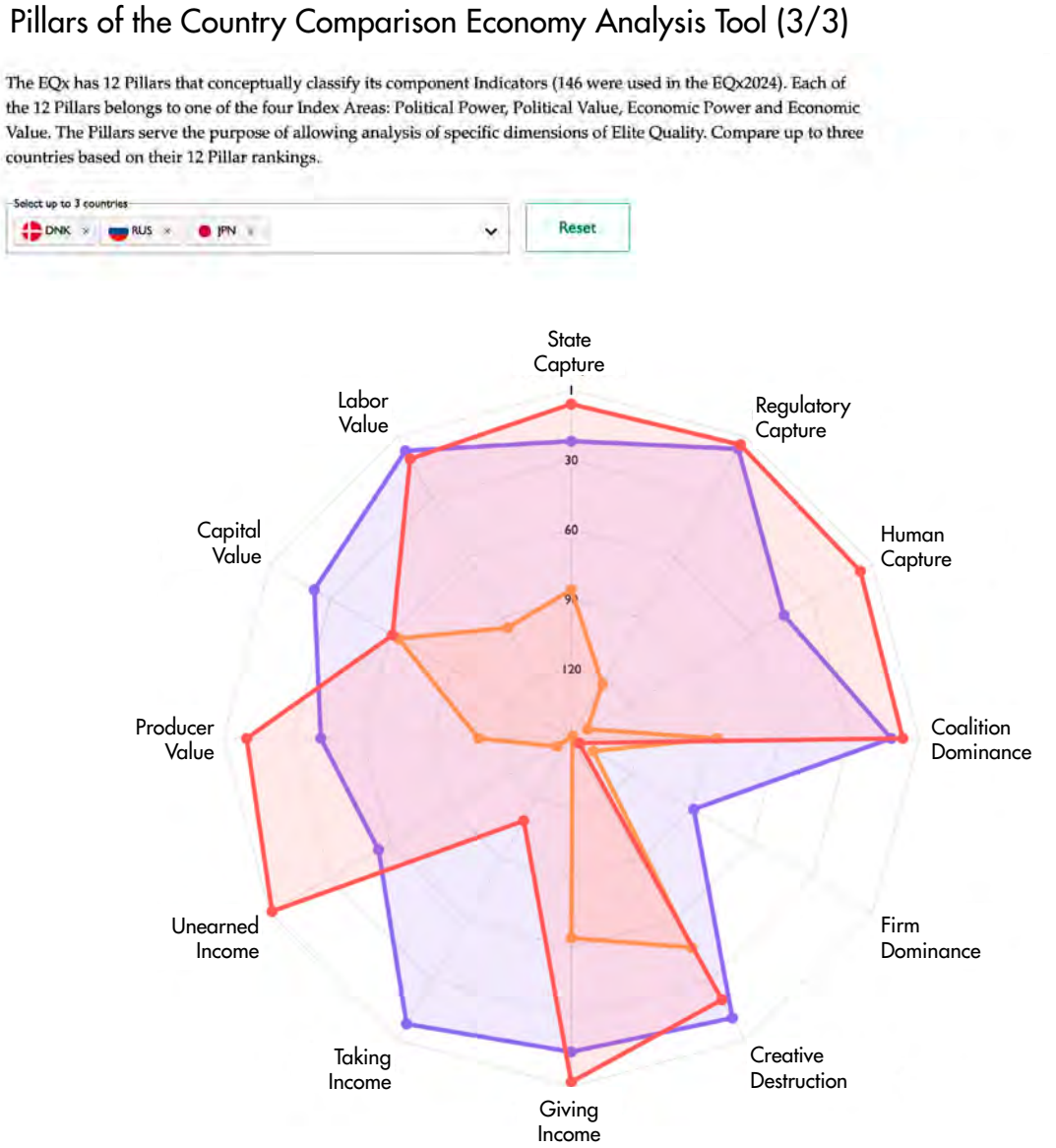
- **Elite Quality Country Comparison:** Compare up to five countries regarding their overall Elite Quality and the Sub-Indices of Power and Value, based on the EQx data.



- **Elite Quality Historical Country Comparison:** Compare up to five countries over time (since 2005) for their overall Elite Quality, Power, or Value, based on the PanelEQx.



- **Elite Quality Country Comparison at the Pillar Level:** Compare up to three countries based on the EQx Pillars data.



1.2 chatbotEQx: A Political Economy AI Service to Provide Descriptive, Interpretative, and Advisory Information on Elite Quality

To serve the rapidly growing interest in the Elite Quality Index (EQx) from students and academics, as well as policymakers, journalists, NGOs, and the wider public around the world, a series of initiatives have been launched to leverage the novel and rising power of artificial intelligence. The general research question that led to these efforts is the extent to which the groundbreaking developments in the large language model (LLM)-based AI chatbot space (Dam et al., 2024) enables the leverage of theoretical frameworks and related empirical research work to generate usable, understandable, and actionable advice. More concretely, the Foundation for Value Creation decided to explore the possibility of capitalizing on the elite theory's theoretical framework and the EQx's global comparative ranking of the elite systems of 151 countries to provide a public chatbot service. At the same time, research work commenced at the University of St.Gallen to address both the theoretical and applied possibilities around the research question of how an AI chatbot can be developed to enhance the accessibility and understanding of complex frameworks such as the EQx. Other projects where AI is being considered as a support tool include the design of novel policymaking tools for weighted structural reforms that boost growth.

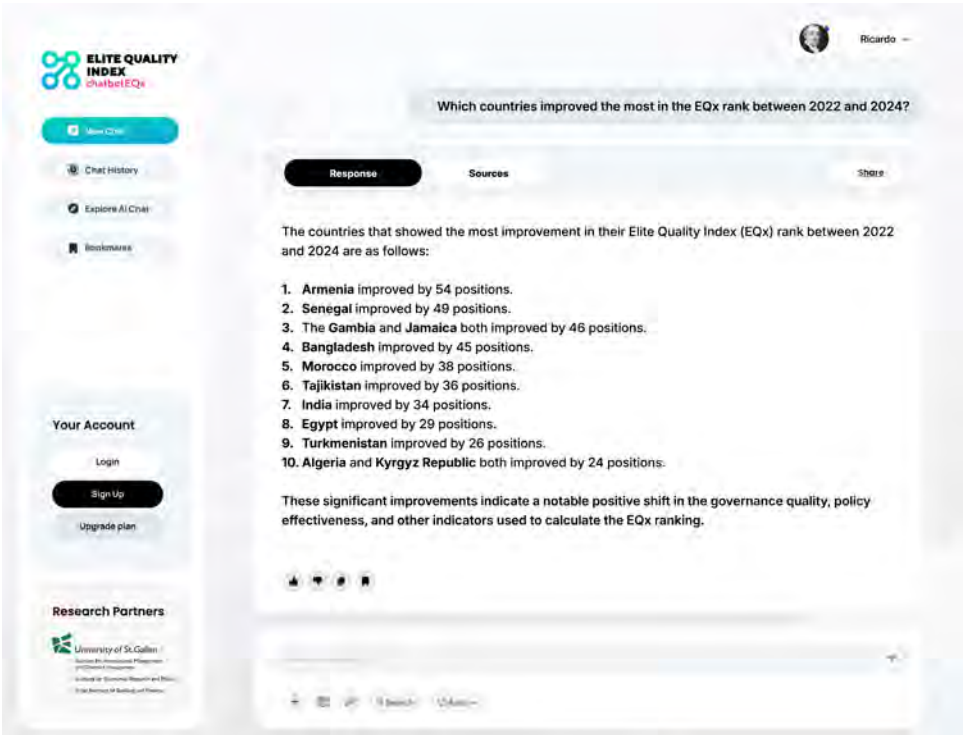
The chatbotEQx Concept

The initial chatbotEQx articulated by the team and its advisors proposed incremental development using a three-pronged approach, each characterized by their own discrete objectives:

1. chatbotEQx basic level: Descriptive query

- The chatbot answers simple, factual questions on the country rankings for all measurement levels of the EQx architecture (index; sub-indices, index dimensions, and index areas; pillars; and indicators).
- User queries are transformed by the AI into SQL queries and then executed on the historical EQx dataset.
- The retrieved data is directly presented in the chatbot's response, structured according to the hierarchical framework of the EQx.
- The output responses primarily provide the scores and rankings of the EQx measurements across all four hierarchical levels of the index and the 151 surveyed countries, as well as their variations across time.

Visual 1.4: Screenshot of chatbotEQx answering a basic level descriptive question (actual answer superimposed on MVP wireframe)



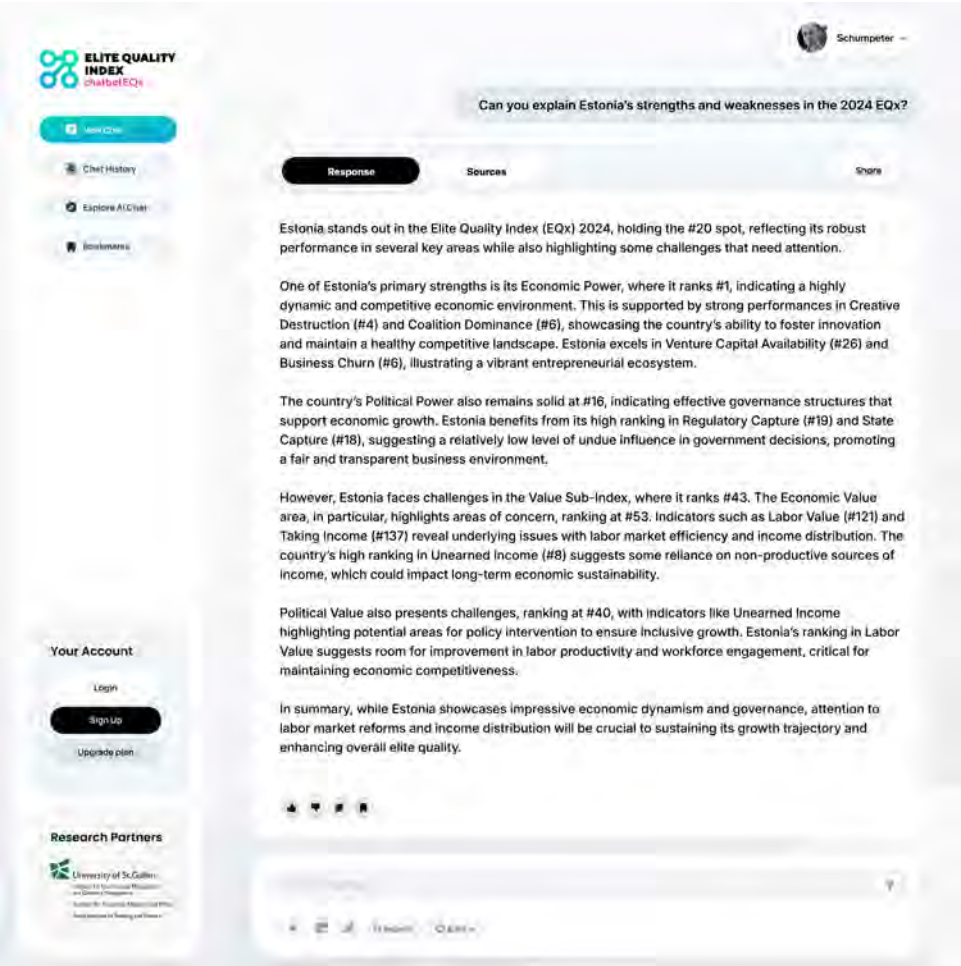
2. chatbotEQx standard level: Interpretative query

- The chatbot performs advanced reasoning by contextualizing query results.
- The Retrieval-Augmented Generation (RAG) architecture that combines retrieval-based and generation-based approaches is integrated into the chatbotEQx to enhance its ability to answer complex and knowledge-intensive questions.
- User queries are converted into SQL queries as in the first stage, but the chatbot enhances its responses by:
  a. Interpreting the four-level hierarchical relationship between the EQx measurements;
  b. Incorporating contextual insights[1] from its built-in knowledge base to assist in the interpretation of EQx scores and rankings.

3. chatbotEQx advanced level: Advisory query

- The chatbot provides guidance and recommendations based on predictive reasoning.
- User queries are handled in the same way as the previous stages, but responses are further enhanced by:
  a. Taking a forward-looking position on the relationships between the four-level hierarchy of the EQx measurements;
  b. Drawing on a broader knowledge base, including the LLM's general knowledge and project-specific insights, to provide informed prognoses of EQx scores and rankings.

Visual 1.5: Screenshot of chatbotEQx answering a standard level interpretative query (actual answer superimposed on MVP wireframe)



[1] Contextual insights are defined as providing additional understanding or explanations that go beyond the raw data by incorporating relevant background knowledge.

The chatbotEQx MVP in 2024

The initial development of a minimum viable product (MVP), following a design science research approach (Hevner, 2007) and as articulated by Sutter (forthcoming, 2025) for the chatbotEQx, focused on building a simple yet user-friendly architecture. To retrieve relevant information to answer a user's query, both SQL and RAG approaches are used. The former fetches exact values from structured databases using predefined logic, while the latter combines AI-powered document retrieval with text generation for flexible answers from unstructured data. ChatGPT 03-mini from OpenAI was used as the underlying LLM for natural language understanding and response generation. To enable rapid prototyping and iterative refinement, Streamlit—an open-source framework for web applications—was selected as the frontend. This allowed the quick deployment of a functional chatbot with a user interaction interface, facilitating real-time data collection and user feedback. The results were stored in Google Firebase for further analysis and improvements.

To process user queries, the system classified them into two main categories:

a. Data-targeted queries, such as "What was the score of Switzerland in 2024?", were converted into SQL queries and executed on the EQx dataset to retrieve factual information.

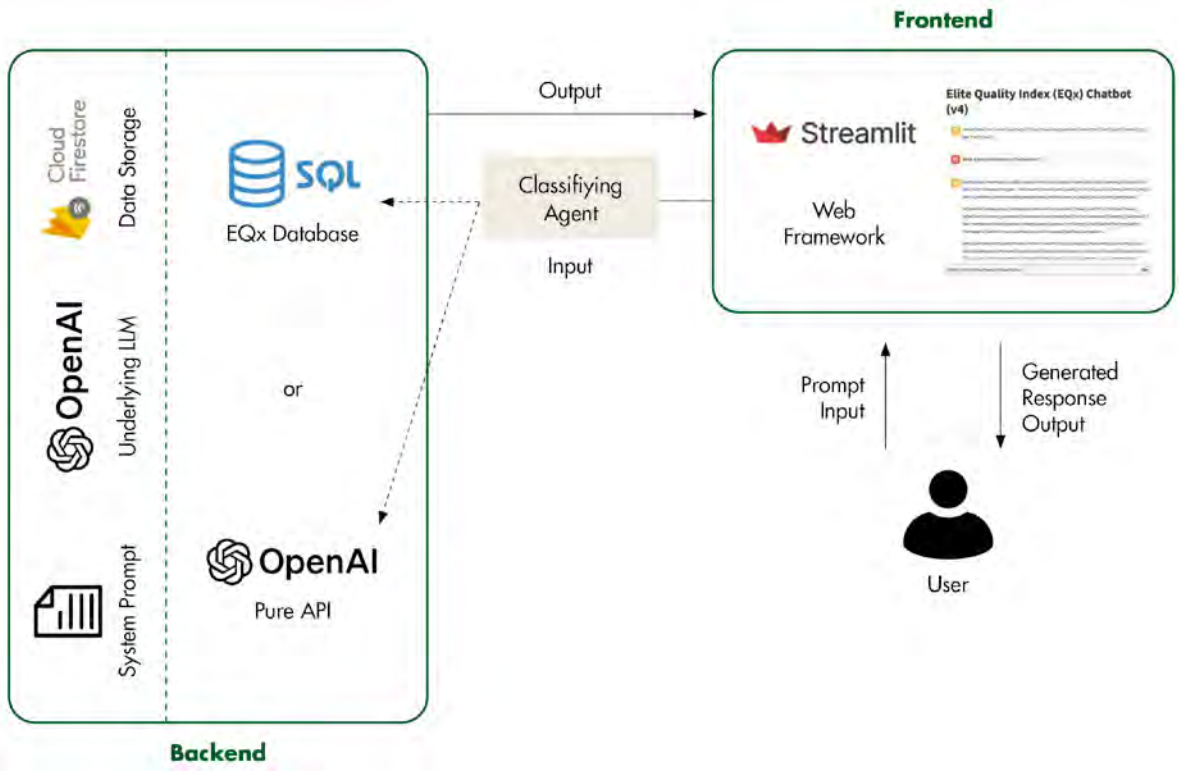
b. Conceptual queries, such as "What is the EQx?", were processed using a pre-defined API prompt, leveraging the LLM's knowledge to generate in-depth explanations about the EQx framework, including its design, methodology, and structure.

The initial phase of chatbot development primarily focused on the iterative refining of system prompts and the improvement of the query classification process to ensure accurate responses, as is depicted in Visual 1.6.

In a second phase, the internal testing of the chatbot was started based on 15 pre-selected questions. A sample question to test chatbotEQx's response to an interpretative query was "What can Cameroon do to improve its future performance?" The quality of the answer was evaluated in terms of accuracy and relevance, completeness, and coherence. Using the 1-5 Likert scale (with 5 equating to 100%), the weighted average for 15 questions was used to measure the chatbot's performance. Over the course of 12 weeks (from October to December 2024), the baseline score of 65.4% in the first evaluation was increase to 84.6%.

The next step was testing chatbotEQx with a real user group, students at University of St.Gallen and other institutions. A first run (n=121) yielded an external satisfaction rate of 53.6% on all of the answers given. While the chatbot showed strong perfor-

Visual 1.6: chatbotEQx basic level 'query' technology stack (Source: Sutter, forthcoming, 2025)



mance in answering simple user questions (chatbotEQx's descriptive query), more advanced reasoning was unsatisfactory as complex queries involving multiple countries and the comparison of historical data (chatbotEQx's interpretative query) caused difficulties. To address these performance issues and improve the quality of responses, 'few-shot' learning (where the AI is provided a few examples of a task within the prompt so that it understands how to perform the task without being fine-tuned, see Wang et al., 2020) was implemented in the architecture of the chatbot. A second, larger query-testing exercise was undertaken two months later (n=326) and yielded a satisfaction rate of 70.8%. While the issues around answering more complex queries were largely resolved, some concerns on the marginal value added from including advanced reasoning and RAG remained.

Nonetheless, this first version of the MVP did eventually make significant progress and, as the work of Sutter (forthcoming, 2025) demonstrates, boosted the effectiveness of chatbotEQx to make the EQx data more accessible and facilitate its understanding. The improvements are anchored by enhanced reasoning, with the inclusion of RAG (Chen et al., 2024) as a third option of the classifying agent. A more intuitive user interface was also developed.

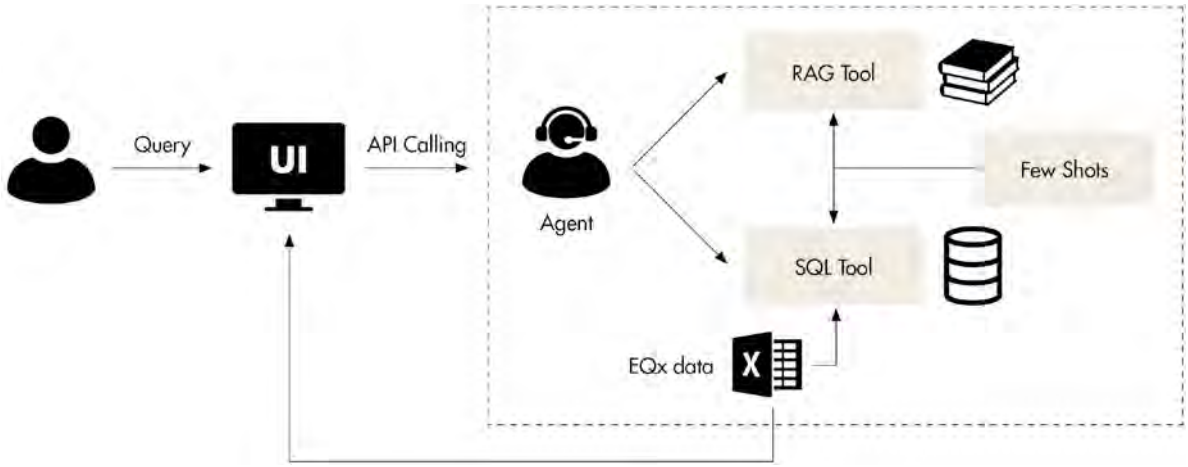
chatbotEQx Developments in the First Half of 2025

The subsequent phase focused on expanding chatbotEQx's ability to answer a broader range of interpretative questions. One user case—and a key goal given its implications for the chatbot design—was to assess the performance of countries within a continent or a specific country group (e.g., ASEAN, BRICS). During this phase, different approaches to enhance the chatbot's reasoning capabilities were also explored with the aim of improving query accuracy across the board.

One key technical enhancement was the integration of function/tool calling mechanism, a method that enables an LLM to interact with external tools, application program interfaces (APIs), or databases in a structured and controlled manner. This mechanism is particularly useful when handling complex queries that require real-time data retrieval, structured reasoning, or calculations, rather than purely relying on the LLM's internal knowledge. Here, a custom decision logic was initially designed to evaluate user queries dynamically and determine whether additional tools were needed before generating a response. This logic enabled a primary agent (the main chatbot process) to coordinate with secondary agents in order to execute different types of queries. During a second development phase, rather than implementing this decision-making process manually, the function calling mechanism of LangChain—a powerful software framework built to extend the capabilities of LLM applications—was adopted to streamline and automate these interactions. To assess chatbotEQx's performance, the same 15 pre-selected questions from a previous phase were retained. However, unlike the earlier evaluations use of absolute scoring, the assessment of answer quality was changed to a relative performance scale of -2 to 2 to accelerate the development process.

In addition, and to ensure the scalability, maintainability, and flexibility required for production-level applications, the next step involved migrating from Streamlit to a production-ready frontend. Starting from low-fidelity Figma designs, the actual UI has now been created. The final product will be hosted on a cloud service, ensuring scalability and reliability. The frontend will interact with the chatbot backend via API endpoints for efficient data retrieval and processing as in Visual 1.7.

Visual 1.7: chatbotEQx standard 'interpretation' and advanced 'advisory' levels technology stack



Plans for the Development of chatbotEQx in the Second Half of 2025 and Beyond

After the launch of the EQx2025 in May 2025, further enhancements to chatbotEQx are planned to expand its capabilities and realize the advanced advisory functionality previously discussed. These development blueprints include synthetically generating forward-looking inferences for the EQx dataset. As part of its advisory services, chatbotEQx will make predictions about future EQx scores and the ranking of nations. Such advanced features will be feasible through the use of other LLM-based AI chatbots and a curated collection of academic papers related to economic development that are stored in the RAG system.

This future version of chatbotEQx will have a proprietary 'knowledge base' to the degree that the model is finetuned and the weightings are adjusted. Absent this step, chatbotEQx will use the few-shot learning approach, or the information retrieved via SQL and RAG.

Other upcoming features might include further enhancing the chatbot's reasoning by allowing the agent to loop through the tool usage multiple times, including researching the web (which it currently does not do), before returning its final answer. Allowing web-based searches is sound on the logic that an agent collects data to be fed into the response in a similar way to RAG enhancing the LLMs capabilities.

The overarching goal of these efforts and the development of the MVP described is an AI chatbot that is able to reason about comparative political economy issues and problems on the basis of the elite theory of economic development framework, using EQx data to elucidate the current and future prospects for the sustainable value creation of nations. Provided that the developments are completed successfully, the three levels of chatbotEQx will be able to provide public services for a range of stakeholders:

1. For the general public interested in comparing countries and learning from the best national elite systems;

2. For students and researchers analyzing political economies through the lens of comparative elite agency;

3. For journalists, authors, and analysts tasked with interpreting the sustainable value creation of nations.

At a later stage, and further to the aims articulated in Chapter 1.3 of this report, the vision for chatbotEQx is highly ambitious—to find practical applications in policymaking, political programs, and government actions that will:

4. Provide insights on how elite business models (and elite agency) link to current institutional arrangements and whether these rely on sustainable value and risk creation or transfers;

5. Support the design of inclusive and weighted structural reforms;

6. Predict the effects of policies, institutional change, and structural reform on elite business models, as well as on a country's overall elite quality, thus allowing for forecasts on future economic growth and human development.

Kern Chen, Ella Lu, Florian Scherl, Christian Sutter (alphabetical)

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1.3 The Prospect of an ElitePolicyBot: Sustainable Value Creation as a Benchmark for Elite System Governance

The supply of Artificial Intelligence (AI) at increasingly low marginal costs and its consequent ubiquity in all fields of human endeavor will enhance the proportion of potential value creation in all business models. AI is poised to upend much in the economy, society, and academia (the addition of five new AI-related indicators in the EQx2025 resulted in the US jumping from rank #16 to rank #2 overall). There is also much talk about artificial general intelligence (AGI) passing the Turing test (Jones & Bergen, 2025) and eventually exceeding human levels, even as the ultimate assessment of its advent shifts. For Noever and McKee, this is now "The Impossible Test" of an LLM's "ability to acknowledge uncertainty" (2024). The AGI goalposts are moved in yet another direction by this article's contention that AI is capable of making contributions to the governance of a nation and can impact the configuration of an elite system by formulating actionable proposals for institutional change. Three questions are implied by these developments:

1. Will AI engage in policy formulation?
2. Is AI *already* formulating policies that are being implemented (for example, are Trump's tariff policies based on Grok responses)?
3. On what principles would inclusive AI-formulated public policy operate?

There is no doubt that the answer to the first question is positive. As for the second question, we provide no evidence either way in this piece. The real focus of this contribution is on the third question. At the same time, we recognize that policymaking seems *a priori* a rather problematic field for AI to get involved in. Suggesting optimal or welfare-maximizing policies, or any other kind of political preference like boosting state power or economic growth seems impossibly difficult and controversial. Why is this the case?

First, Lindblom's critique of the ideal of comprehensive rationality in policymaking as being fallacious is a valid reference: rational policymaking "assumes intellectual capacities and sources of information that men simply do not possess" and results in "muddling through", as "complex social problems" are not amenable to a consensual set of goals and solutions (1959, pp. 80, 81; see also Gershuny, 1978). This leads to a second difficulty, one that Simon anchors in the "enormous variety of human values and goals" (1995, p, 60). Even in a scenario where there is a consensus on values, the policy process in any country involves many different actors competing for advantage. James Buchanan and Gordon Tullock (1962) and George Stigler (1971) developed rent-seeking theory, demonstrating that as elite business models compete with each other they leverage any power they can amass in the political economy to enact value transfers (such as subsidies, trade tariffs, monopoly positions). Later, in *The Rise and Decline of Nations* (1982), Mancur Olson explained how special interest groups are at the root of adverse economic outcomes like stagnation. As a result, the policymaking process is anything but rational or optimal.

To achieve rational policy outcomes, three conditions are essential. The first (1/3) is achieving policy consensus capacity, an agreement on what the rational policy goals ought to be and what the associated socioeconomic preferences are. In his seminal paper, "Rationality in Political Behavior", Simon notes that "a veridical theory of public choice requires a solid foundation of empirical fact about the nature of human goals and about the processes that people use in reasoning from their actions to their values" (1995, p. 45). Such a consensus on goals is fleeting even when existent, but it is often totally absent, particularly if the elite system is fractured by irreconcilable business models (e.g., drilling vs environmental protection) or narratives (religious vs secular).

The second condition (2/3) for rational policymaking is the fact that the "time and money that can be allocated to a policy problem is limited". Hence, even if there is a consensus on goals, there are cognitive resource limitations impeding their realization.

Finally (3/3), the real-world ability to implement goal-aligned institutional changes (e.g., passing laws through the legislature) rests on the practical ability to overcome resistance from rent seekers, the incumbent elites who would lose out from change (Fernandez & Rodrik, 1991; Acemoglu & Robinson, 2012). In the elite theory of economy development, the microfoundation of institutional change is elite agency (Casas-Klett, 2025, in Press) and hence the competition dynamics inside the elite system are essential for policy formulation and actual implementation.

Visual 1.8 shows the three conditions for (rational) policymaking that are then applied to (a) ideal approaches, (b) the potential for the use of AI in policymaking, and (c) an AI-enabled approach to elite quality policy.

Visual 1.8: Summary of the conditions for traditional and AI-enabled policymaking to enhance elite quality

Policymaking scenarios / **Conditions for policymaking**	**(a) Ideal policymaking**	**(b) AI policymaking potential**	**(c) AI-enabled policymaking for elite quality**
(1/3) Policy consensus capacity	Agreement on rational policy goals and associated socioeconomic preferences	Not possible with AI since it does not (for now) generate policy goals or preferences other than those of humans	Supports winning narratives of the political economy whose goals are sustainable value creation (rather than value transfers and elite rent seeking)
(2/3) Policy formulation capacity	Sufficient information, time, and energy to implement rational policymaking	AI potentially solves the policy formulation capacity problem with intelligence and speed	AI establishes sustainable value creation criteria and identifies the transfers associated with specific policies
(3/3) Policy implementation capacity	Implementation of institutional change	Not supplied by AI since it does not possess the levers to affect political and institutional change	Human-led political movements (and AI-enhanced narratives) leverage AI policy formulation for institutional change
Outcomes in practice	"Muddling through" (Lindblom, 1959); "bounded rationality" (Simon, 1995, p. 47); Rent seeking (Buchanan & Gordon, 1962; Stigler, 1971)	Not applicable since without consensus on goals or implementation capacity the AI's political economy potential remains unfulfilled	Intra-elite contests leverage an 'ElitePolicyBot' to nudge the political economy towards higher elite quality constraining the power of rent seekers to resist change

From the Table above it becomes clear that at the moment AI-enhanced policymaking adequately addresses just one out of the three conditions (policy formulation capacity). Policy consensus depends on human agency, the dynamics of narrative markets, and competition in the political economy. The same is true for policy implementation initiatives that result from the outcomes of intra-elite contests (e.g., President Trump wins the presidency and effects change around DEI rules). However, AI-generated insights and assessments on sustainable value creation can serve as benchmarks for intra-elite contests and nudge them in the direction of value creation, especially if rent seeking is transparently articulated and linked with specific policies. To the extent that the elite theory of economic development is internally consistent, the AI can provide it with intellectual support, empirical evidence (by leveraging the EQx), and facilitate an advantage in narrative markets. Of course, even if there is a consensus on goals, Gershuny's "limited rationality" (1978, p. 295) seems the feasible approach for policymaking. With AI-powered cognitive assistance and hard evidence of value creation vs value transfers, inclusive grassroots and elite political movements will possess a broader set of tools to overcome "resistance" from rent-seekers (Fernandez & Rodrik, 1991) and be better equipped to deal with incumbent extractive elites (Acemoglu & Robinson, 2012), as well as with "institutional sclerosis" (Olson, 1982).

More concretely, one can envision the realization of the automation of policy formulation using an AI system powered by a conversational interface, here tentatively christened as the 'ElitePolicyBot' (to differentiate it from the existent EQx-focused chatbotEQx, see Chapter 1.2). Assuming that sustainable value creation is its objective, the chatbot's ultimate products are proposals for policies, regulations, and laws. These, in essence, will be microeconomic incentive structures (Olson, 1984; Acemoglu, 1995) for the creation of value and productive risk (and constraints on their transfer) targeting macroeconomic performance. Its advanced reasoning would deliver: A. institutional analysis of value creation, and B. policymaking suggestions to boost higher elite quality.

Few would dispute that in the years ahead, the most effective governments will employ AI to regulate, legislate, and formulate institutional change. So-called AI advisors will become part of the toolkit for policymaking processes. No autonomous AI capabilities are presupposed here, but well programmed and aligned AI agents will be utilized by politicians, policymakers, and other decision-makers to ensure rules, regulations, institutional arrangements, and laws are connected to elite quality and other macroeconomic goals like growth or human development.

The current version of chatbotEQx (again, see Chapter 1.2) is a nascent yet concrete step in this direction, focusing on the EQx dataset, its conceptual elements, and logic. However, as the EQx is an international comparative assessment of the sustainable value creation of nations, it is limited. For policy purposes, the sustainable value creation of *firms* and any other type of organization, whether elite or non-elite, must be considered. The ultimate vision is therefore extremely ambitious: an AI advisor that can be used by presidents, lawmakers, regulators and other political elites, as well as by business and knowledge elites and, equally important, by any citizen. In time, the chatbotEQx might evolve into an ElitePolicyBot as it absorbs the principles of the elite theory, understands the world from the ontological position that value is either created or transferred (see, Casas-Klett, 2025, in Press, Figure 8.7), and expands its interpretative and prognostic abilities. At some point, the AI engine might be able to reason through the effects of institutional change with high precision by using a matrix-like framework that pinpoints the winners and losers and quantifies their respective value creation and extraction levels in terms of residual income, including transfer-IN—'value appropriated but *not* created'—and transfer-OUT—'value created but *not* appropriated'.

Finally, one cannot ignore the topics of algorithmic regulation and AI governance, particularly in terms of how they are implemented. The dangers of technological solutionism have been abundantly argued (see Morozov, 2014). Moreover, technocratically 'correct' policy formulation may not suffice given that an institutional analysis of value creation will determine what constitutes AI 'value' and where that value ends up being transferred to (Yeung & Lodge, 2019; Veale & Borgesius, 2021). The ElitePolicyBot might address the first issue, but the latter depends on decisions where there is no policy consensus capacity. Thus, it is imperative that transparency mechanisms (such explanations for policy recommendations and identifying the reasoning chains behind such decisions), accountability frameworks (such as auditing for bias and/or systematic errors), and democratic oversight (for instance, a governance process that includes non-elites) are included throughout the process.

Visual 1.9: Vision for the output of the ElitePolicyBot

ElitePolicyBot: Advanced Reasoning Features

A. **Current institutional analysis (of value creation)**:
Data sources: Text of policies, (de)regulations, laws, institutional arrangements; financial statements of organizations

1. **Identification of the winners and losers associated with a specific policy**: Links principals and stakeholders (e.g., companies, special interest groups, unions, civil servants, social groups) to specific policies, regulations, laws, institutional arrangements
   e.g., the principals and stakeholders of the elite business model of tariffs include domestic producers and consumers

2. **Quantification of the winners and the losers**: Establishment of the impact of policies on principals and stakeholders in residual income terms
   e.g., how much do the winners from trade barriers (e.g., inefficient domestic producers) gain, and how much do the losers (e.g., the impoverished general public and efficient domestic producers whose competitiveness is eroded) lose

3. **Quantification of the net policy impact**: Aggregation of the impacts and establishment of the net effects of current specific policies, regulations, laws, and institutional arrangements in terms of residual income and sustainable value creation (elite quality)
   e.g., the relative size of economic losses caused by trade tariffs

B. **Forward-looking policymaking analysis (to boost higher elite quality)**:

Data sources: As stipulated by scenario impact assessment models of both future elite quality and macroeconomic performance

1. **Search the elite business model space**: Identify the elite business models that create the most value
   e.g., by referencing measurements of the Sustainable Value Creation of Firms (as in Casas-Klett & Nerlinger, 2024)

2. **Search the policy space**: Identify the institutional change possibilities that would best support the elite business models that create the most value
   e.g., produce institutional change texts that incentivize competitive domestic producers

3. **Formulate policies that boost elite quality**: Suggest feasible microeconomic incentive structures for the elite business models that create the most value
   e.g., phase out subsidies and tariffs for inefficient domestic producers and thereby contribute to higher aggregate elite quality.

The ability of an AI ElitePolicyBot to transcend the cognitive and informational deficits of policymakers in light of the complexity of socioeconomic tradeoffs is a reasonable premise. At the same time, and as Simon notes: "Selfish goals are no more 'rational' than altruistic ones, or vice versa. Rationality can only work after the final goals are specified; it does not determine them" (1995, p. 60). Underpinning any rational policy suggestions is the need for consensus on the overarching goal of sustainable value creation and the need to constrain rent seeking. There is also the heartening prospect that the AI agent concludes—of its own accord—that elite quality is central to furthering economic growth and human development. Moreover, it understands that the way to realize these goals is through structural reforms based on shaping the micro-level incentive structures for sustainable value creation.

The vision addressed in this piece is that good governance, a millennia-old question tackled by Laozi (*Tao Te Ching*, c. 6th century BCE), Confucius (*The Analects*, c. 5th century BCE), Plato (*The Republic*, c. 380 BCE), Chanakya (*Arthashastra*, c. 4th century BCE), al-Farabi (*The Virtuous City*, 10th century CE), and John Locke (*Two Treatises of Government*, 1689), might over the course of this decade or the next be addressed by AI. Notwithstanding concerns about alignment, technocracy, and technological solutionism, AI might contribute to the realization of a more rational, more inclusive, and more abundant political economy.

Tomas Casas-Klett and Kern Chen

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1.4 How China's Elites Drive Value Creation in AI: Insights from Hangzhou's Innovation Ecosystem

China demonstrates formidable capabilities in artificial intelligence as is evidenced by the country's top-tier rankings in critical indicators: leading in *AI patent grants* (AIP, ii.6, rank #1) and the *Global AI Index* (GAI, iv.10, #1), with similarly strong performance in foundation model development (AIF, iv.10, rank #2). Another important element is the widespread adoption of industrial robotics (ROD, iv.12, rank #3). These all reflect effective elite-driven research-to-industry transfers, visible in China's top position in *Unicorns* (UNN, iv.11, #1). What explains this widespread success? To a significant degree it is due to the existence of an integrated ecosystem where corporate pioneers, academic institutions, and government policymakers co-evolve development. Hangzhou—the home to Alibaba and the "Six Little Dragons" that include DeepSeek and Unitree Robotics—epitomizes this dynamic: municipal authorities creating enabling environments, enterprises scaling AI products and solutions, and institutions like Zhejiang University bridging research to match industry needs.

1. Value Creation by Corporate Elites in Building the Innovation Ecosystem

China's leading positions in the AIP, AIF and ROD indicators exemplify the pivotal role that corporate elites play in technological value creation. First, in confronting deglobalization pressures, these companies have prioritized import substitution to secure supply chain autonomy—a trend epitomized by Hangzhou's semiconductor pioneers like T-Head Semiconductor (Alibaba's chip division) and Unitree Robotics, whose systems have achieved over 80% domestic component localization. China's global leadership in foundation models also finds vivid expression in Hangzhou's AI ecosystem. DeepSeek-R1 emerged as Hugging Face's most downloaded model within a month of launch, while Alibaba's Qwen LLM now serves 90,000+ enterprise clients (Alibaba, 2024)—demonstrating both technical prowess and commercialization capacity.

In the innovation-driven economy, entrepreneurial networks have become a core competitive advantage for regional ecosystems. Leveraging Alibaba's strong employee startup culture, Zhejiang's robust private economy, concentrated academic resources (particularly Zhejiang University's exceptional entrepreneurial graduates and faculty), and a critical mass of overseas returnees, Hangzhou has cultivated an open innovation network organized around the so-called "Four Gangs of Hangzhou". This term refers to (a) Alibaba-spawned entrepreneurs, (b) Zhejiang's traditional merchant networks, (c) Zhejiang University alumni founders, and (d) returnee startup teams. These groups maintain close ties, both of a competitive and collaborative nature, to foster alliance building within a networked structure. Informal interactions among firms facilitate cooperation and co-innovation, and define Hangzhou's uniquely entrepreneurial culture. For instance, Zhu Mingming, founder of Rokid (dubbed "Hangzhou's Seventh Little Dragon"), has shared anecdotes about meetups between the founders of the "Six Little Dragons". This dense network amplifies talent clustering, accelerates knowledge spillovers, and elevates regional innovation dynamism.

A robust industrial ecosystem reduces experimentation costs for startups and enables cross-domain technology convergence. China's *AI private investment* demonstrates remarkable vitality (API, ii.6, rank #2), with Hangzhou hosting numerous market-driven private equity funds. The city's investment community is renowned for its agility, exemplified by the legendary "5-minute decision" story where Deep Robotics secured funding during a pitch meeting after just five minutes of presentation. Hangzhou's mature industrial chains further amplify this advantage: Alibaba's digital commerce ecosystem and ByteDance's Douyin provide ready commercialization channels, while smart manufacturing leaders like Hikvision (implementing fully visualized production systems) and SUPCON (delivering scalable industrial software solutions) are catalyzing the rise of Future Factories. These complementary ecosystems jointly nurture emerging ventures through continuous technology cross-pollination and shared infrastructure, creating a self-reinforcing cycle of innovation.

2. Value Creation by Academic Elites in Building the Innovation Ecosystem

Just as Stanford University's contributions to talent development and scientific research were instrumental to Silicon Valley's success, universities and scientific research institutions serve as indispensable bastions for regional innovation ecosystems (Lee, C. M., 2000). In Hangzhou, Zhejiang University (ranked #47 in the QS World University Rankings 2025)—renowned as the "Cambridge of the East" for its comprehensive range of disciplines—drives technological and human capital development through a targeted strategic approach.

At the forefront of entrepreneurial development, Zhejiang University has institutionalized innovation education as a national pioneer. Its ITP Program (Intensive Training Program of Innovation and Entrepreneurship), acclaimed as a "CEO incubator", has cultivated over 400 entrepreneurs since its inception, including Pinduoduo founder, Colin Huang. The university established a dedicated research institute in 2009 to accelerate faculty commercialization, providing comprehensive venture guidance for both academics and students.

Concurrently, the university has spearheaded cross-disciplinary integration, achieving transformative breakthroughs through its strategic academic initiatives. The School of Management's 'BEST (Business, Engineering, Science and Technology) Strategy' exemplifies this approach, creating synergistic bridges between engineering, science, and the humanities. This framework enables cutting-edge research in AI applications and green consumption, while systematically aligning academic programs with industry needs and capital market dynamics (The School of Management at Zhejiang University, 2024).

These approaches yield measurable outcomes: Startups founded by Zhejiang University alumni within Hangzhou's Yuhang Future Science and Technology City demonstrate significantly higher patent filing rates than their peer groups (as our own fieldwork data shows). As of May 2024, listed companies led by Zhejiang University alumni reached 313 with a joint market capitalization of RMB 5.4 trillion (over USD 700 billion), over 50% of which operate in technological and industrial sectors. Notably, 30% of these companies are led by graduates of the School of Management (Dushi Kuaibao, 2024). Most significantly, three of Hangzhou's "Six Little Dragons" trace their origins to Zhejiang University entrepreneurs, underscoring the institution's key role in cultivating industry leaders.

3. Value Creation by Government Elites in Building the Innovation Ecosystem

Within an innovation ecosystem, government elites play a pivotal role in establishing governance structures that are conducive for the flourishing of private enterprise such as incentives for digital transformation and risk-tolerant policymaking. Hangzhou has systematically replaced traditional bureaucratic practices with precision digital services via platforms like "Qinqing Online", implementing a "non-intervention unless requested" administrative philosophy. This approach has fostered institutionalized support for experimental innovation, evidenced by the successful incubation of thousands of startups, including the "Six Little Dragons" cohort.

Financial infrastructure and an industrial support framework are likewise crucial factors. In terms of financial infrastructure, the city demonstrates exceptional leadership through initiatives that deploy state capital like the Hangzhou Science and Innovation Fund, which has mobilized RMB 135 billion (USD 18 billion). With cumulative investments already reaching half that amount, the fund has supported 120 listed companies via equity financing and technology-finance integration (Hangzhou SASAC, 2025). Hangzhou's industry support framework manifests as an interconnected ecosystem where business incubators and accelerators operate in synergy with public innovation service platforms, while specialized science and technology parks coexist with key laboratories and corporate research institutes, forming an integrated value chain from ideation to commercialization. This integrated system delivers comprehensive support for strategic emerging industries like AI-powered digital economy, cloud computing, and advanced equipment manufacturing, while incubating future-oriented sectors such as generative AI, synthetic biology, and quantum technologies.

Hangzhou's innovation ecosystem exemplifies how China's elites—government, investors, research institutions, and entrepreneurs—can collaboratively cultivate a thriving "innovation rainforest", giving rise to success stories like the "Six Little Dragons of Hangzhou". However, at the national level, two key challenges require attention.

First, government AI readiness needs improvement. While China performs well in AI capability metrics, the *Government AI Readiness Index* (GAR, iii.7, rank #22) indicates that there is room for growth in public sector AI adoption. Hangzhou provides a valuable benchmark in this regard through its open data platform (with 14.3 billion datasets and nearly 4,000 APIs released), while its City Brain initiative provides enterprises with tangible AI implementation scenarios.

Second, China should continue strengthening the commercialization of academic research. This requires enhancing research institutions' technology transfer mechanisms to better connect research breakthroughs with market applications, while improving institutional pathways for patent utilization and industry collaboration.

Overcoming these challenges will be critical for China to fully realize its huge innovation potential in the AI era.

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1.5 NextGen Value Creation Barometer (NGVCb) 2025: Global Rankings and Some Surprises

Now in its fourth year, the NextGen Value Creation Barometer (NGVCb) sheds light on the intergenerational fairness of global elite quality. As a collaboration with the Board Foundation, the NGVCb extracts EQx Indicators that reflect on the aspects of elite business models that either deliver a legacy of Value Creation or, conversely, extract value from young and future generations for the benefit of the present one.

In order to achieve these aims, the Barometer continues to assess five key categories and builds on a literature review of intergenerational equity, as well as a global, cross-generational survey that asked respondents to rank the importance of key intergenerational issues (Gaspar, et al., 2022). The first category, Ecology and Natural Capital, focuses on the extent to which dominant elite business models deplete or preserve natural resources and ecosystems for future generations. This category is deemed to be the most important of the five and therefore carries a weight of 30%, compared to 17.5% for the other four, acknowledging the significance of healthy planetary ecosystems as a foundation for any future Value Creation. The second category, Equitable Opportunities, measures the distribution of economic opportunities across generations, focusing on factors such as social mobility, youth unemployment, and government debt. The third category, Education and Human Capital, stresses the importance of the present generation's Value Creation for the next, in terms of investments in and inclusive access to high-quality learning and education. The fourth category, Health and Well-Being, measures the quality and key outcomes of national healthcare systems, while the fifth category, Innovation and Technology, explores the capacity provided to the next generation to drive scientific discovery and develop disruptive business models.

Within these categories, indicators have been given specific weights. This was done to account for the relative relevance of a specific indicator (such as *CO2 emissions* within the Ecology and Natural Capital category and the *Youth unemployment rate* for Equitable Opportunities). Moreover, the Barometer also weights those indicators that most strongly relate to elite agency, i.e., the extent to which active Value Creation efforts are being made for the next generation (e.g., *R&D as % of GDP* or *Government education expenditure*). Such indicators were weighted higher than those that point only to outcomes (e.g. Life expectancy women/men, *Internet access*), as these tend to depend more strongly on a country's overall income level. The findings from this year's NextGen Value Creation Barometer once again underscore the importance of focusing on the long-term dimensions of Value Creation and Extraction, the conceptual foundation of the EQx, and provide several noteworthy results.

NextGen Value Creation BAROMETER

Visual 1.10: NextGen Value Creation Barometer 2025 Global Rankings with component categories

	NextGen Value Creation Barometer (NGVCb) Rank	Difference to NGVCb 2024	Difference to NGVCb 2025	Ecology & Natural Capital	Equitable Opportunities	Education & Human Capital	Health & Well-Being	Innovation & Technology
Denmark	1	0	14	29	5	7	42	5
Israel	2	0	12	98	39	14	8	2
Netherlands	3	2	6	51	6	13	24	11
Switzerland	4	-1	-1	40	28	17	18	7
Sweden	5	-1	7	52	57	1	30	12
United Kingdom	6	3	4	3	70	22	33	4
Germany	7	1	1	23	22	18	40	8
Slovenia	8	2	27	15	36	9	45	24
Norway	9	-2	7	50	41	19	16	18
Finland	10	2	8	80	84	2	35	9
Korea, Rep.	11	2	-6	132	3	28	17	6
New Zealand	12	-6	-5	115	7	10	10	31
France	13	3	9	25	99	26	32	10
Cyprus	14	-3	14	54	63	31	11	21
Austria	15	3	2	32	79	24	38	17
Belgium	16	3	8	95	69	3	44	19
Japan	17	-3	-13	78	67	55	5	14
Australia	18	-3	-7	137	31	5	14	13
Czech Republic	19	2	2	102	16	20	36	30
Slovak Republic	20	0	9	18	53	41	41	46
Estonia	21	-4	5	79	58	8	64	23
Spain	22	0	5	76	119	21	7	28
Singapore	23	5	-22	112	51	66	1	22
Italy	24	0	12	58	129	30	4	33
Portugal	25	1	5	71	110	15	29	37
United Arab Emirates	26	41	-6	99	61	99	3	16
Croatia	27	-4	25	46	87	42	49	44
Ireland	28	-1	-5	122	94	34	15	26
Bulgaria	29	5	9	16	64	44	82	52
Poland	30	5	15	65	98	37	58	38
Senegal	31	5	25	13	8	69	99	53
Panama	32	9	2	26	68	73	13	83
Cuba	33	-8	57	69	20	51	48	82
Costa Rica	34	5	27	63	128	16	20	68
Greece	35	-2	11	30	145	25	23	35
Lithuania	36	-5	7	74	55	39	98	29
Chile	37	3	-5	104	133	12	27	45
Dominican Republic	38	6	16	45	40	60	55	72
Bolivia	39	4	43	73	62	4	91	90
Latvia	40	-11	-3	49	52	23	105	54
Jamaica	41	-3	38	33	75	33	51	111
Hungary	42	-10	0	70	86	59	73	25
Thailand	43	-13	-3	84	65	101	26	34
Morocco	44	3	43	93	77	54	53	48
Romania	45	-3	-12	48	95	65	66	42
Peru	46	4	2	38	100	49	47	84
Venezuela, RB	47	25	96	1	127	52	39	105
North Macedonia	48	-3	35	64	106	67	43	56
Georgia	49	16	15	72	97	47	89	41
Turkey	50	-2	34	118	76	82	19	39
Albania	51	8	30	31	101	83	34	77
Kyrgyz Republic	52	-6	40	81	18	53	85	95
Ecuador	53	4	27	85	60	56	57	88
Tunisia	54	-17	75	94	131	36	52	62
United States	55	24	-53	140	122	38	81	1
Timor-Leste	56	10	14	24	10	79	88	107
Moldova	57	7	16	67	24	35	102	115
Canada	58	2	-45	146	80	40	31	15
Qatar	59	-7	-53	145	26	111	2	20
Mauritius	60	-9	-5	96	56	64	83	86
Colombia	61	-12	5	110	120	74	28	57
Bosnia and Herzegovina	62	9	57	116	44	62	63	89
Namibia	63	-8	31	5	151	11	95	75
Algeria	64	-11	59	111	92	72	37	81
Philippines	65	-9	-15	106	21	104	76	63
Serbia	66	11	-8	130	89	58	70	36
Botswana	67	1	9	19	147	29	103	47
China	68	5	-49	142	73	86	50	3
Tajikistan	69	-15	31	86	49	87	77	96
Sierra Leone	70	62	43	28	81	6	142	125
Uruguay	71	-13	-24	131	126	32	46	70
Honduras	72	-3	35	44	47	68	75	132
Uzbekistan	73	3	-4	136	19	93	59	51
Ukraine	74	4	40	90	90	48	94	97
Jordan	75	-14	26	75	135	115	21	61
Kazakhstan	76	15	-27	139	2	76	79	85
Armenia	77	-14	-26	57	123	98	72	58
Trinidad and Tobago	78	6	13	126	45	57	65	108
Gambia, The	79	1	16	35	11	88	107	123
Malaysia	80	-18	-49	138	74	95	25	50
Argentina	81	6	5	134	132	27	60	64
Tanzania	82	-12	22	6	32	127	118	93
Cambodia	83	10	-30	20	9	144	97	94
Paraguay	84	-9	5	103	72	81	78	98
Indonesia	85	-11	-46	133	46	107	56	55
Sri Lanka	86	9	40	14	118	102	54	128
Togo	87	22	-19	8	54	92	140	103
Nepal	88	-6	45	47	91	61	92	127
Kenya	89	1	16	55	105	63	121	91
Azerbaijan	90	-2	-28	105	83	114	61	92
Ghana	91	5	-13	77	102	94	110	69
Zambia	92	16	5	11	113	75	106	126
Saudi Arabia	93	13	-36	144	96	77	22	59
Mexico	94	-13	-29	117	107	70	69	104
Belarus	95	3	-2	120	59	91	93	78
Niger	96	-11	2	34	1	108	138	139
Côte d'Ivoire	97	14	-22	21	33	109	132	118
Liberia	98	-1	-10	68	12	105	125	119
Nicaragua	99	5	19	9	43	134	90	140
Egypt, Arab Rep.	100	-14	2	108	136	116	71	43
Brazil	101	2	-29	128	139	45	80	66
Turkmenistan	102	-2	-25	141	4	139	87	27
Bahrain	103	25	-78	150	37	103	9	73
Iran, Islamic Rep.	104	6	26	125	71	123	74	67
Benin	105	9	-31	2	25	112	146	131
Burkina Faso	106	6	25	27	29	89	144	133
Ethiopia	107	-15	4	41	34	132	119	106
El Salvador	108	-25	0	53	66	129	84	116
Kuwait	109	-20	-46	151	108	46	6	100
India	110	-8	-50	109	103	117	114	49
Guatemala	111	2	-2	83	88	100	111	113
Mozambique	112	6	0	7	117	97	141	110
Gabon	113	7	27	17	137	120	104	80
Rwanda	114	-13	-29	36	114	124	109	87
Vietnam	115	-10	-71	147	42	90	68	65
Lebanon	116	18	19	114	148	113	62	40
Nigeria	117	-18	5	60	35	118	148	101
Malawi	118	-11	2	22	104	119	115	130
Oman	119	2	-78	149	112	85	12	74
South Africa	120	-3	7	119	144	43	116	76
Burundi	121	2	-11	39	17	128	133	142
Bangladesh	122	-6	-63	124	78	137	86	79
Papua New Guinea	123	17	-27	97	13	110	126	148
Mali	124	3	-7	59	38	126	127	136
Guinea	125	-3	-9	10	48	150	134	120
Uganda	126	11	-5	43	85	133	122	134
Syrian Arab Republic	127	-8	20	56	141	106	67	145
Libya	128	-34	10	129	138	125	96	32
Russian Federation	129	9	-30	148	50	96	112	60
Equatorial Guinea	130	-4	-15	62	125	138	137	71
Congo, Rep.	131	16	6	12	146	131	123	102
Lesotho	132	-2	9	89	124	50	150	141
Congo, Dem. Rep.	133	-18	-9	135	27	122	131	109
Mauritania	134	9	0	101	30	148	113	144
Lao PDR	135	4	-64	121	14	151	101	138
Chad	136	10	3	61	15	146	149	135
Madagascar	137	-2	-31	92	82	121	135	143
Iraq	138	-14	8	127	143	80	100	112
Cameroon	139	2	-14	87	116	145	130	99
Mongolia	140	-15	-73	143	23	78	124	137
Guinea-Bissau	141	-12	-38	4	115	135	129	150
Pakistan	142	0	-10	107	109	143	108	114
Eswatini	143	-10	2	88	149	71	139	121
Sudan	144	5	5	82	134	142	117	124
Yemen, Rep.	145	-9	3	113	121	84	120	151
Myanmar	146	-15	-18	123	93	147	128	117
Haiti	147	-2	3	37	150	130	136	122
Central African Republic	148	2	-12	42	130	136	151	147
Afghanistan	149	-5	2	91	111	141	143	149
Zimbabwe	150	-2	-6	100	140	149	145	129
Angola	151	0	-9	66	142	140	147	146

Note: A difference of –9 means that a country drops by 9 ranks compared to the respective other indicator; a difference of +9 indicates an improvement of 9 ranks.

1. Denmark continues to lead the NGVCb rankings, followed by Israel, Netherlands, Switzerland, and Sweden (in that order). The reader will notice that 10 out of the top 11 ranked countries are European states, as are 25 of the top 30. Does this suggest that the NGVCb is Eurocentric in the sense that it encapsulates the preferences of European elites and non-elites?

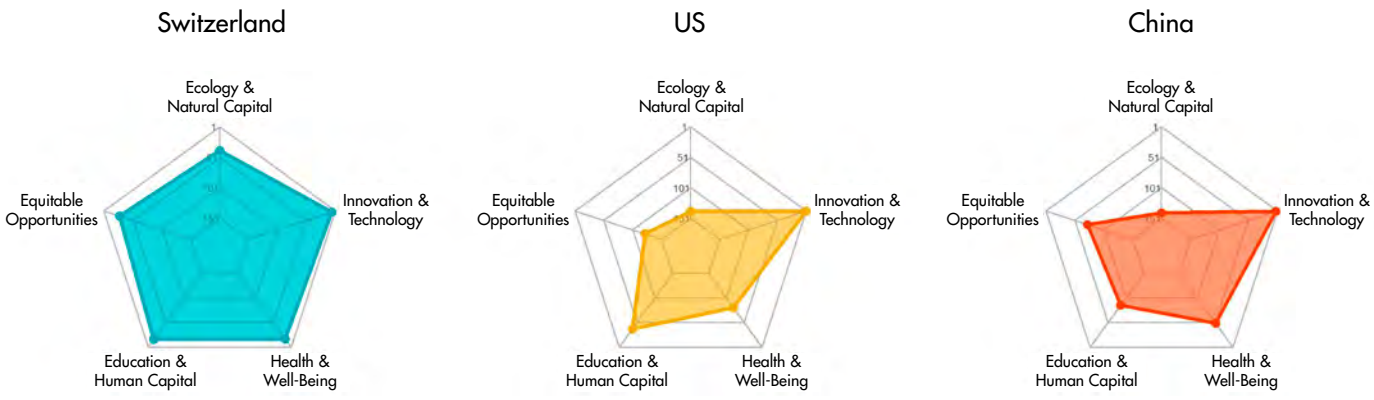
2. Israel retains its #2 ranking in the 2025 Barometer. While the chain of events that began on October 7th, 2023 upended its overall EQx ranking (falling from #7 to #14), and despite the polarization of feelings around its Prime Minister on the reform proposal to shift power from the judiciary to the executive, the Barometer reflects the consensus its elite system has towards investing in its young and refraining from extraction.

3. The relatively poor performances of the US (rank #55) and China (rank #68), even if both have improved since last year (the US is up 24 places from rank #79 and China is up 5 places from rank #73), contrasts with their high overall EQx rankings (#2 and #19, respectively). At the same time, other large economies like Brazil (rank #101), India (rank, #110), and Russia (rank #129) have even poorer showings. The cases of the US and China are specifically addressed by a member of the Alpha Generation in Chapter 2.5.

4. It is also important to highlight some of the emerging countries that have performed notably well in terms of intergenerational fairness: Senegal (rank #31, up 5 places); Costa Rica (rank #34, up 5 places); Chile (rank #37, up 3 places); and Bolivia (rank #39, up 4 places) all continue to improve. Others in this category remain well ranked but have fallen since 2024: Cuba (rank #33, down 8 places); Jamaica (rank #41, down 3 places); Thailand (rank #44, down 14 places); and Tunisia (rank #54, down 17 places). To the degree that the NGVCb accurately reflects changes in an elite system's future orientation, the younger generations of these countries are are set to realize their value creation potential in years to come.

5. Switzerland is commended for being the most well balanced political economy in the world in the sense that its elites excel at both current and future sustainable value creation. It is the only nation to rank in the top 5 on both the overall EQx and the NGVCb.

Visual 1.11: NextGen Value Creation Barometer 2025 country comparison

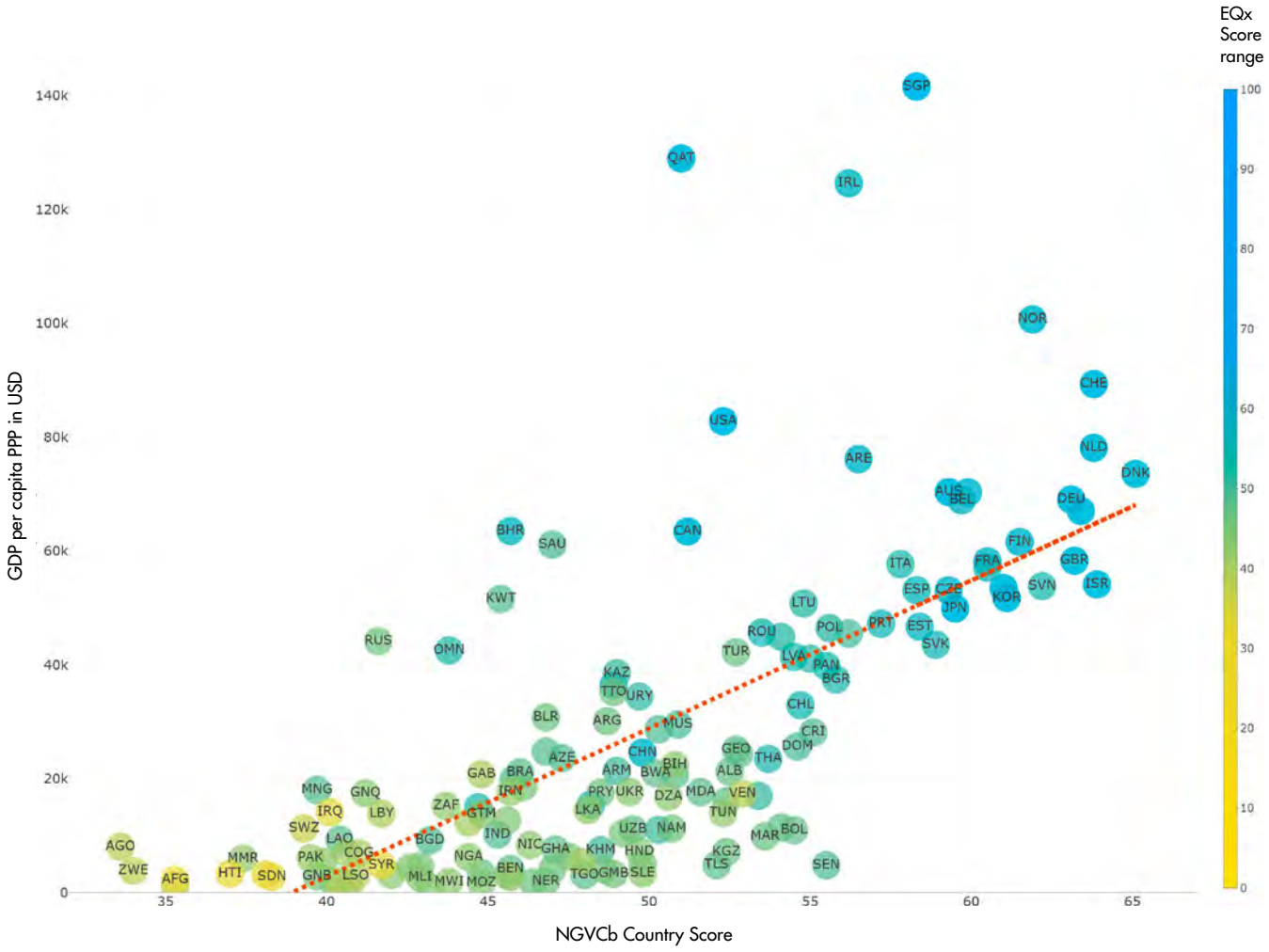


Note: The spiderweb axes show a country's Rank.

Two further reflections are important to make. The first is research-related and looks at the NGVCb's correlation with GDP per capita (PPP) as is depicted in Visual 1.12. If the EQx correlation with GDP per capita (PPP) in Visual 1.2 points to long-term growth prospects (10 years), does the NGVCb analysis point to the likelihood of very long-term growth (15+ years)?

The second relates to the significant differences between the overall EQx and NGVCb rankings seen in major economies like the US, China, and India. These suggest a series of potential research questions. For instance, do powerful nations face a sustainable value creation tradeoff between the current and future generations? Are value transfers from the young necessary for the elites in these countries to retain their power status? Are such transfers seen as investments or extractive transfers? That is, do elites underinvest in the next generation (e.g., in education and health) while overinvesting in retaining their power (at the cost of increasing government debt or inflation)? The putative trade-off between safeguarding current economic strength and growth and boosting future performance is a matter worth exploring. The irony is that future generations do not yet have a voice in the political economy to force their country's elite system to reflect on the matter. From Germany to Japan, the most powerful voting bloc in advanced economies are the over-50's, while in autocracies, the elites are the old.

Visual 1.12: NGVCb correlation with GDP per capita (PPP)



Note: Vertical axis plots GDP per capita, adjusted for PPP, in current international USD.
The orange dashed line indicates a fitted regression line. Adjusted R-squared: 0.463.
Spearman correlation between NGVCb scores and GDP: 0.737.
Countries are coloured according to their EQx performance. A random selection of country codes is shown in case of overlap.
Source: The World Bank, 2025.

Methodology of the NextGen Value Creation Barometer

The Barometer uses five categories, comprising a total of 33 component indicators (selected from the 149 indicators included in the full EQx2025). They serve as measurements to highlight intergenerational relationships, both in terms of Value Creation and extractive transfers. The categories selected build on a literature review of intergenerational equity, as well as a global, cross-generational survey that asked respondents to rank the importance of key intergenerational issues (Gaspar, et al. 2022).

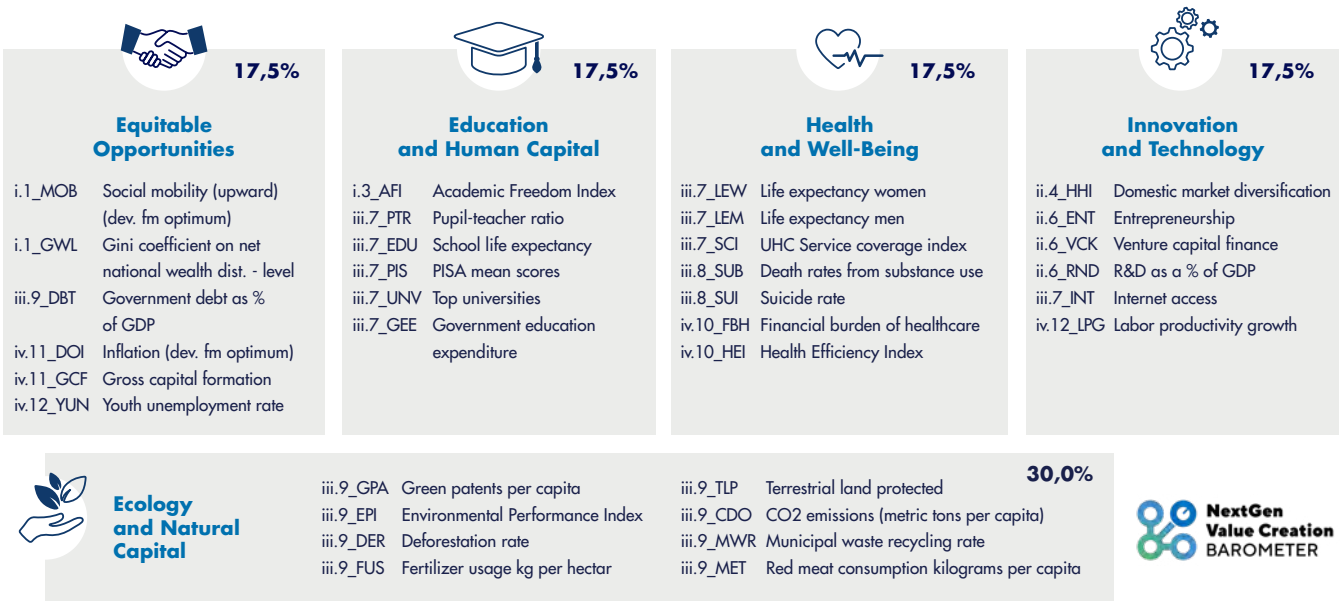
The methodology of the Barometer has evolved since its initial pilot in 2022, with three upgrades that are of particular importance.

First, while its five core categories of long-term Sustainable Value Creation have remained unchanged, further indicators have been added to each category to provide a richer, more comprehensive assessment. This applies in particular to the category of 'Ecology and Natural Capital', which now assesses environmental sustainability in multiple dimensions: climate impact and action (e.g., *CO2 emissions*, CDO, iii.9 and *Red meat consumption kilograms per capita*, MET, iii.9), the circular economy (e.g., *Municipal waste recycling rate*, MWR, iii.9) and impact on biodiversity (e.g., *Terrestrial land protected*, TLP, iii.9 and *Fertilizer usage kg per hectare*, FUS, iii.9).

Second, we have introduced different within-category weights for each individual indicator. This was done to account for the relative relevance of a specific indicator (such as *CO2 emissions* within the 'Ecology and Natural Capital' dimension and the *Youth unemployment rate* for 'Equitable Opportunities'). Moreover, we aimed to weigh those indicators that most strongly demonstrated elite agency, i.e., the extent to which active Value Creation efforts for the next generation are being made (e.g., *R&D as a % of GDP*, RND, ii.6 and *Government education expenditure*, GEE, iii.7). These were weighted higher than mere outcome indicators (e.g. Life expectancy, LEW/LEM, iii.7 or *Internet access*, INT, iii.7) that tend to depend more strongly on a country's overall income level.

Third, we have allocated a stronger weight to the dimension of 'Ecology and Natural Capital' (30%), relative to the other four dimensions (17.5% each). This was done to acknowledge the significance of planetary boundaries, particularly the world's climate system and biodiversity, for any future Value Creation. It's increasingly clear that environmental crises are humanity's crises, closely interlinked with our future health, well-being, economic prosperity, and capacity to invest in education and innovation. Different aspects of sustainable development and Value Creation interrelate and depend on each other, as in resilience researcher Johan Rockström's (Edmund Hillary Fellowship, 2018) thinking on how a healthy biosphere provides the basis for a society and economy consistent with the aims of the UN Sustainable Development Goals.

Visual 1.13: NextGen Value Creation Barometer, 5 categories and 33 component indicators



NextGen Value Creation Barometer in partnership with

BOARD FOUNDATION

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1.6 The NextGen Value Creation Barometer (NGVCb) 2025: A Teenager's Perspective – Intergenerational Transfers in the US and China

The NextGen Value Creation Barometer (NGVCb) focuses on intergenerational value creation and transfers. This contribution takes the perspective of a 15-year old concerned about his future and that of his cohort. Can the generation born around the year 2010—also known as Generation Alpha—expect a better world, or are we heading towards an irrevocable decline and suffering ahead. The analytical approach of this article transcends the noise around Trump or the current reforms being undertaken by the Community Party of China. Instead, it focuses on the EQx and NGVCb and its assessment of the directionality of value creation and value transfers that is being effected by the leading business models of the world's two largest economies. Suggestions for structural reforms will be made on the assumption that while the EQx is a predictor of long-term growth (10 years), the Barometer reveals very long-term trends (25 years).

An elementary comparison between the EQx and NGVCb rankings for the US and China points to a major contradiction. The two great nations score incredibly well in the EQx, with the US placed at #2 and China at #19 overall, while in the NGVCb their respective positions collapse, with the US at #55 and China at #68. Does this mean that while both countries enjoy high quality and powerful elites today this comes at the cost of extraction from future generations? What specifically can be done to ensure that when the teenagers of today become value creators they will be not in a worse situation than the one they were born into?

America's NextGen

Three things should greatly worry any teenager in the US: the emergence of protectionism, the wealth gap, and the health gap.

1. **Protectionism**. During the Biden years, and as was reflected in the EQx2024, the US ranked at #51 in *Economic globalization* (EGL, iv.10) and #61 in *Trade Freedom* (TRF, iv.10), with a ranking of worse than #100 for the four indicators that measure the share of imports targeted by protectionist measures and discriminatory interventions. In the EQx2025, the picture remains problematic for discriminatory interventions (DGS, iv.10, rank #148). Any glimmer of hope for improvement, in light of the indicator on protectionist measures (IPS, iv.10, rank #139), will certainly disappear as a consequence of Trump's trade policies. Trade protectionism leads to inflation, lowers competitiveness, and thus makes it harder for the younger generations to afford homes and otherwise get a solid start in life.

Tradeoff: While one must agree with support for domestic manufacturing and it bringing more job opportunities, can this not be achieved without protectionist measures?

2. **Wealth gap**. The US income inequality and wealth gaps are unfathomably large.

   In essence, the US wealth gap is a ticking time bomb that is being handed over to our generation. Inequality will lead to protests, political polarization, even to a search for extreme solutions. The redistribution of wealth over the last half a century has not worked (if it had, the US would not be so polarized) and many of the policies have resulted in an increase of *Government debt as a % of GDP* (DBT, iii.9, rank #69) that further compromise the next generation. On the one hand, the EQx shows US taxation as being adequate (DTR, iii.8; rank #11; DCT, iii.8, rank #33), while the country ranks reasonably for *Expenditure on general public services as % of GDP* (GPS, iii.7, rank 23). Why then does the US not have the state capacity to preempt its citizens—usually the more disadvantaged ones—becoming victims of indicators in the Taking Income Pillar (iii.8, #98) such as the *Death rate from substance use disorders* (SUB, iii.8, #149), homicide (HOM, iii.8, #99) or even suicide (SUI, iii.8, #135)?

Tradeoff: How can the US government address inequality and wealth gaps without engaging in value transfers?

3. **Health gap**. Without a healthy population there can be no sustainable value creation. In the US, the *Financial burden of healthcare* is very high (FBH, iv.10, rank #45) implying the existence of a health gap. Moreover, the US stands at a very poor #52 in the *Health Efficiency Index* (HEI, iv.10), while the US life expectancy is, compared to other advanced nations, underwhelming to say the least (LEW, iii.7, rank #37; LEM, iii.7, rank #36).

Tradeoff: In this case, this teenager cannot accept any tradeoffs. It is simply appalling that people die because they can't afford basic healthcare. As a percentage of GDP, the US now spends over 16% on healthcare, more than any other country in the world (World Bank, 2024a). Yet many citizens in the US do not have access to affordable healthcare, and the government has an obligation to ensure low-income families can live disease-free. Part of the healthcare problem in America is the enormous rent seeking that occurs in the value chain. That explains why controversial figures like Luigi Mangione have become unlikely heroes to some in my generation. Constructive approaches to healthcare mean reducing the cost of prescription drugs and red tape in the system. The question now revolves around whether policies that challenge the status quo, like those of Musk's DOGE, could disrupt this rent seeking and ultimately lead to Americans living healthier and longer lives?

China's NextGen

There are three things than concern the young in China: globalization, unemployment, and the health gap.

1. **Globalization**. Many young Chinese desire to be more connected to the world. China's opening up policy has been a success and must continue. At the same time, *Economic globalization* remains an issue for the country (EGL, iv.10, rank #102) but should improve. Similarly, protectionist measures (IPS, iv.10, rank #142) and discriminatory government interventions (DGS, iv.10, rank #145) should be reduced to strengthen China's openness for business (OFB, iv.10, rank #52) and propensity for *Trade freedom* (TRF, iv.10, rank #67).

Tradeoff: There are no tradeoffs here. China is a powerful economy and should simply open up. It is extremely important that local elite business models are exposed to competition. This is essential for the younger Chinese generations as continued exposure to global market forces and ideas are the main guarantee for continued growth and dynamism. This openness will invariably translate into more job opportunities for young people entering the work force.

2. **Unemployment**. China expects over 12 million college students to graduate in 2025 (Li, 2024), but many will not able to get a job (YUN, iv.12, rank #96) and some now even "lie flat" (Magnus, 2023). This is despite the fact that the educational system produces some superb results as is evidenced by ranking at #1 in *PISA mean scores* (PIS, iii.7), though there are still some weaknesses such as having a lowly ranking of #77 in *Top universities* (UNV, iii.7). At the same time, some of the top students go abroad never to return, leading to *Human flight and brain drain* (BRN, iv.12, rank #36). What is happening? An economic slowdown, a cultural shift, a lack of opportunity, or is AI simply making human talent less valuable?

Tradeoff: The government has a role to pay in understanding the causes of youth unemployment. There might be a mismatch between labor market needs and the skills of graduates. The conditions for the once much vaunted success of entrepreneurship in China might be eroding. This all might require more *Government education expenditure* (GEE, iii.7, rank #77) and addressing the low *Pupil-teacher ratio* (PTR, iii.7, rank #47), including in vocational education. It is incumbent on the state to comprehend what is happening and invest in effective solutions. If limited government resources are then needed and there is a redistributive issue, there should be no question that the young should be prioritized over the old and the middle-aged.

3. **Health gap**. China has made incredible advances in healthcare and now enjoys longer life expectancies that are very close to those in the US, nominally over six times richer per capita (rank #44 vs #36 for men; rank #43 vs #37 for women respectively, LEW and LEM, iii.7). Yet there are also some important issues related to healthcare that have a deep impact on the economy. For instance, China ranks poorly for the *Financial burden of healthcare* (FBH, iv.10, rank #127) and the *Density of medical staff* (DMS, iv.10, rank #78), all of which points to the existence of inequality in access to healthcare. It is also important to improve the health infrastructure in rural areas and pay more attention to mental health.

Tradeoff: Healthcare is a Damocles Sword hanging over families and the young. The gross savings rate in China is excessively high at 44.4% (World Bank, 2024b), stymying the transition to a consumption-driven paradigm that the economy so urgently requires (Pettis, 2024). Over saving is in part due to families lacking a healthcare safety net and worrying about old age. China needs to transition from investment to consumption, a move that is only possible if the young are freed from having to foot the bill for their elders and the anguish of not having the resources to take care of themselves in the future. An efficient healthcare system will liberate a new generation of Chinese demand.

The Implications of Intergenerational Transfers

Many young teenagers recognize the amazing potential of technology, particularly AI and services like those of OpenAI or DeepSeek. Both the US and China have improved their position due to the inclusion of new indicators on AI in the EQx. Still, the young in both countries do not generally believe that they will do better than their parents. This intuition is confirmed by the findings of the NextGen Value Creation Barometer that shows even as the two powerful countries do well in terms of overall value creation and possess elites that largely refrain from extraction, their relationship with the young is fraught. We would like the generation now in power to leave a legacy for their offspring and constrain their extraction from Generation Alpha's future. Just imagine if our generation did the same when our time comes. Children that do worse than their parents for two consecutive generations would be an inversion of the ascendant trajectory of human civilization—a lot is at stake.

Gordon Shi, 15-year old high-school student,
Generation Alpha, from Shanghai
now attending Kent School in Connecticut, US

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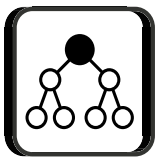


What is Power?

The capacity to enforce one's preferences; Power also has the potential to facilitate Value Extraction.

What is Value?

The outcome of productive activities; its creation increases the overall economic pie.

What is Political?

The dimension where business model rules are determined, and Value Creation/Extraction is enabled.

What is Economic?

The dimension where Value Creation/Extraction is implemented via suitable business models.

2. Inside the Global Elite Quality Index (EQx)

Chapter 2 presents the conceptual political economy framework of the EQx anchored by the dual notions of Power and Value and discusses how these are operationalized within the EQx architecture. The discussion proceeds to review the index construction methodology that has been applied to the EQx.

2.1 Deep Dive into the EQx

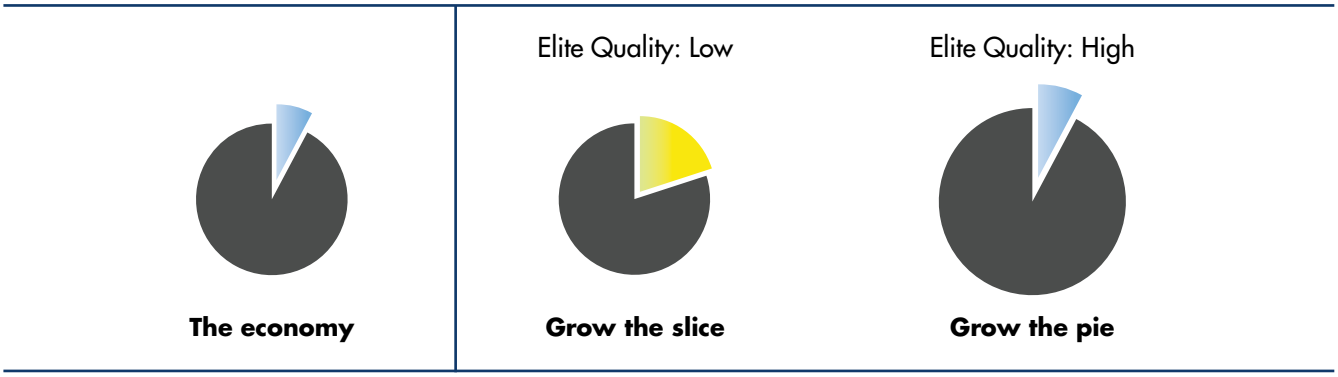
The EQx proposes an analytical framework to interpret—and possibly transform—the state of the world's political economies. It is based on a simple idea. The EQx posits that the business models chosen and run by elites determine economic and human development. That is, elites (the 'who') affect human and economic development outcomes (the 'what'), sometimes directly and mostly indirectly via their sway on institutions (the 'how') that set the rules of the game. These rules bestow on elites a 'license to operate'. Both the 'how' and the 'what' have been theoretically discussed at great length and are amply measured. Measuring the 'who' element in the political economy is the research gap that we seek to pursue. We do so at the national level, by considering the aggregate national elite systems in terms of the Value Creation and Value Extraction impacts of their primary business models.

Elites are a mathematical certainty and exist in every society on earth. Their business models generate the most income and are run by leaders possessing the strongest coordination capacity over society's key resources, such as human, financial, and other capital. Moreover, the business models of elites successfully accumulate wealth. Crucially, these business models can be located on a continuum, which ranges from Value Creation to Value Extraction. The latter represents rent seeking, where "a rent is an unearned reward sought through a quest for privilege" (Hillman & Ursprung, 2015, p. 3). While rent-seeking models are beneficial for the operators, they result in social loss.

The EQx terms elites that run business models creating more value than they extract, 'high quality'. They grow the whole (economic) pie to increase their own wealth and, in doing so, enrich society as a whole. Visual 2.1 describes this metaphor visually. 'Low quality' elites, on the other hand, do the opposite and increase their own slice of the pie at the expense of non-elites. In short, elites can be high-quality value creators, or low-quality value extractors. Obviously, a value creating business model can be transformed into a rent seeking one, or vice versa. This fluidity motivates the annual release of the EQx with the aim of highlighting constructive changes towards transformational leadership made by elites and policymakers.

The EQx proposes that from a sustainability perspective, the operation of Value Creation business models is in the long-term best interests of the elites, their families, and associates. By doing this, not only do elites grow their own wealth, but do so by growing non-elite wealth too, without prejudicing the opportunities of non-elites and thereby accruing social legitimacy. Social and political stability are, after all, essential for prosperity. Furthermore, we argue that the prosperity of a nation as a whole depends primarily on the nature of the business models chosen by elites; more specifically, whether elites allocate society's key resources such as savings, talent, or land to value-boosting projects or to projects based on value transfers away from producers. At one extreme, 'rentier capitalism' is when "market and political power allows privileged individuals and businesses to extract a great deal of such rent from everybody else" (Wolf, 2019). In contrast, high-quality elites have a transformative role in the political economy—and on society in general—as, by definition, they give more than they take.

Visual 2.1: Macro perspective of Elite Quality: The economic impact of elite business model choices

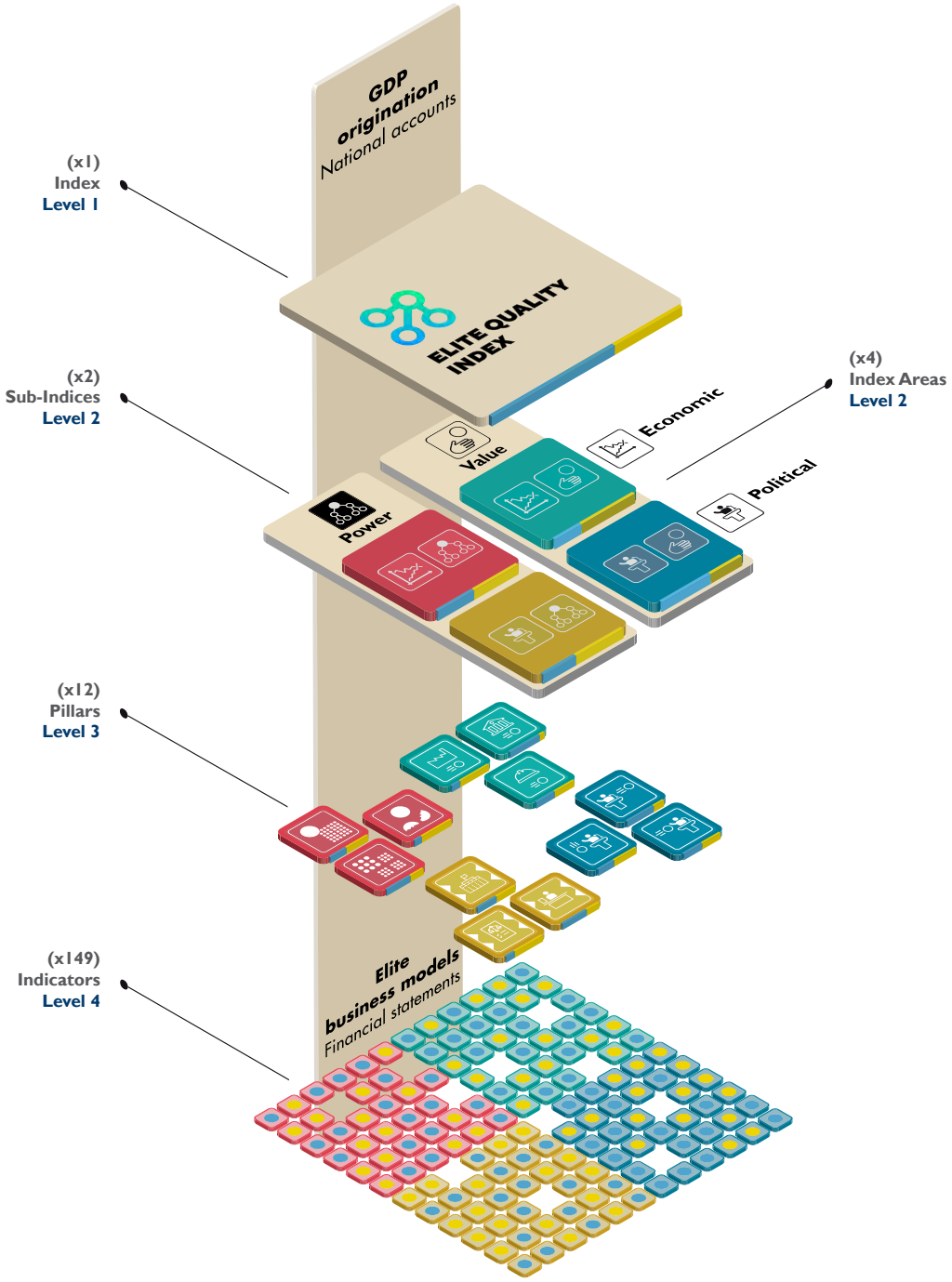


EQx Architecture

The EQx is a political economy index that measures the overall Elite Quality of nations in terms of the ability of elite business models to create value, rather than rent seek, as evidenced by aggregated datasets.

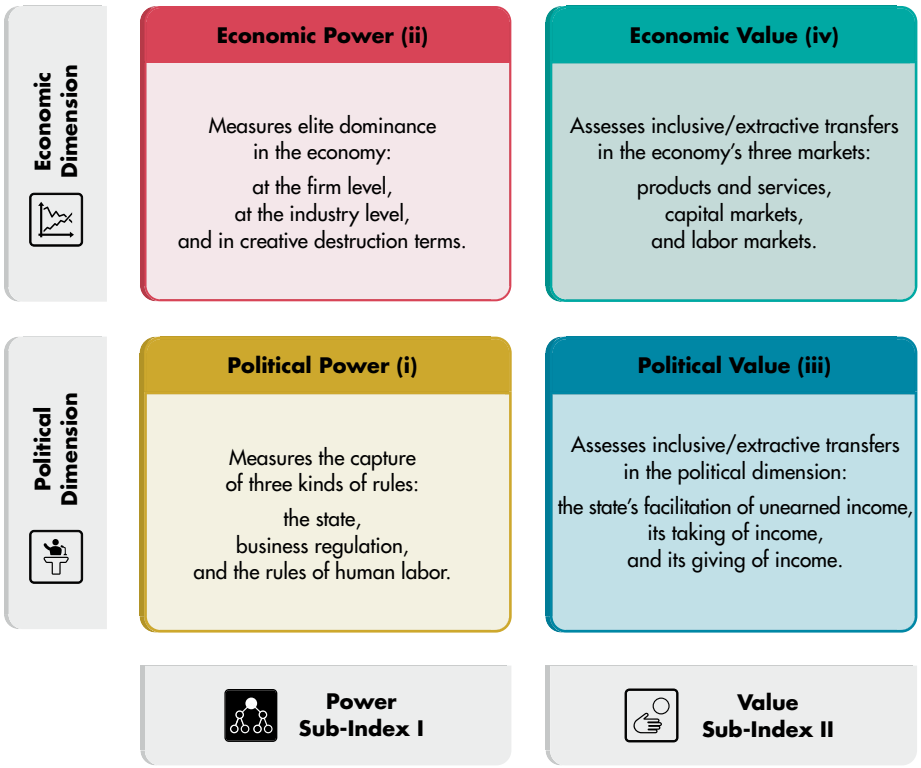
At the top of the EQx architecture (see Visual 2.2), all of the components of the Index come together to produce the EQx, with its Country Scores and Global Rankings. We de-construct and operationalize Elite Quality through Sub-Indices I and II: Power and Value. The Value Sub-Index I provides direct evidence of Value Creation and Extraction through elite business models, even though the latter might be easier to measure, since the results of rent seeking are more visible. The Power Sub-Index II conceptualizes the potential for Value Extraction, since there can be no Value Extraction without power. Hence, while Power is not Value Extraction per se, it is a necessary, albeit insufficient condition for it to take place. In many countries, elites enjoying high degrees of power invest in and operate inclusive Value Creation business models.

Visual 2.2: EQx Architecture. (Source: Derived from Figure 6.3 in Casas-Klett, 2025, in Press)



Each of EQx's two Sub-Indices contain a political and an economic dimension. The former indicates where the rules of business are determined and Value Creation/Extraction is enabled, and the latter denotes where Value Creation/Extraction is actually implemented via suitable business models. This conceptual 2x2 brings to life the EQx's matrix-like 4 Index Areas. Firstly, Political Power measures the capture of three kinds of rules: rules of the state, business regulation, and the rules of human labor. Secondly, Economic Power measures elite dominance in the economy, at both the firm and industry level, as well as in terms of creative destruction. Thirdly, Political Value measures Value Extraction in the political dimension; the state's unearned income, its taking of income, and its giving of income. Fourthly, Economic Value measures Value Extraction from the economy's three markets: products and services, the capital markets, and the labor markets. The 4 Index Areas act as a matrix, the 4 quadrants of which are represented in Visual 2.3.

Visual 2.3: The Four Index Areas: The Power and Value Sub-Indices and their Political and Economic Dimensions

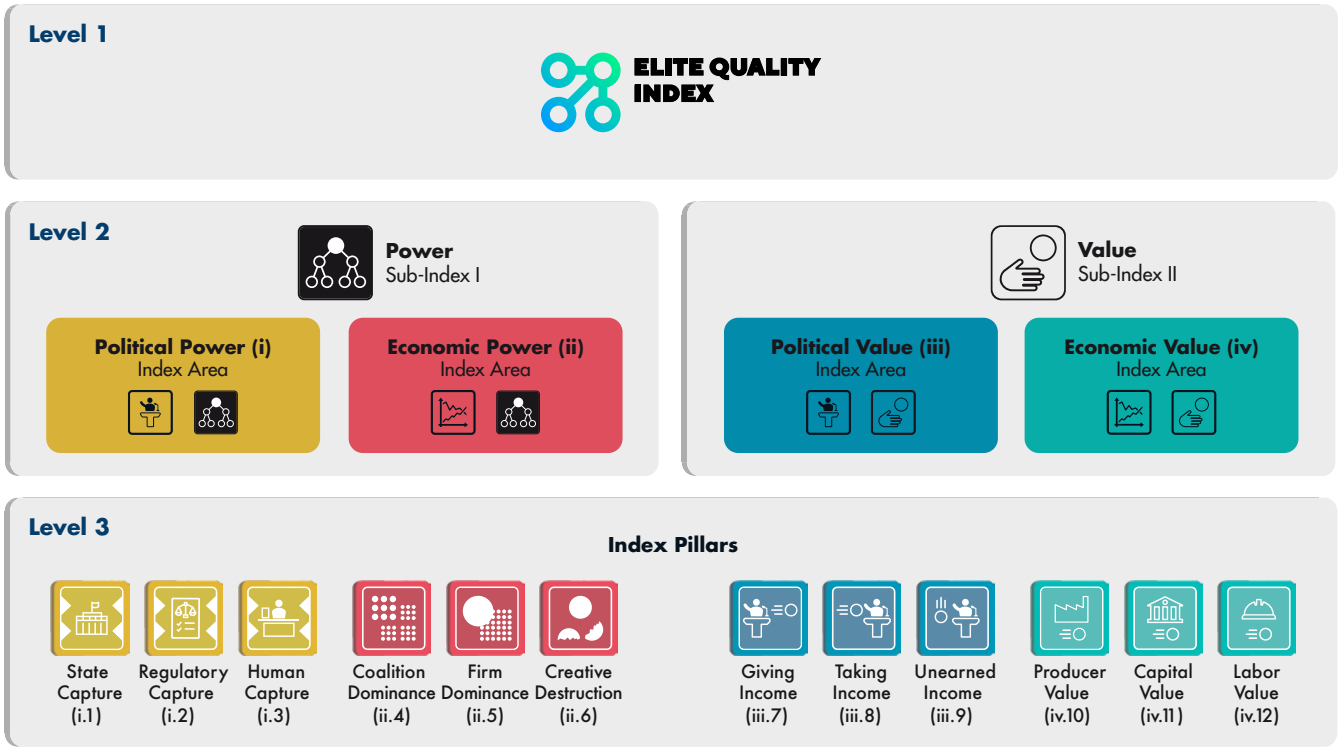


EQx Pillars

Each EQx Index Area is then complemented by 3 conceptually related Pillars; yielding a total of 12 Pillars in all (see Visual 2.4). The purpose of the Pillars is to define and create conceptual lenses through which we can approach, understand, and measure specific phenomena.

The Political Power Pillars (i) were selected to address the capture of 3 kinds of rules: the rules of the state via 'State Capture' (i.1), the rules of business regulation via 'Regulatory Capture' (i.2), and the rules for labor markets and civil service jobs via 'Human Capture' (i.3). 'State Capture' addresses how distributional coalitions capture the state and its government branches, for example, through *Political corruption* (COR, i.1). 'Regulatory Capture' suggests the extent to which rules and regulations, both in terms of process and output, have been captured by interest groups. 'Human Capture' accounts for the power of labor and civil service coalitions, the power of those who can implement discriminatory practices, and the power of elite business models to influence wages and working conditions.

Visual 2.4: The 12 Level 3 Pillars in the EQx Architecture



The Economic Power Pillars (ii) measure elite 'Coalition Dominance' (ii.4) and 'Firm Dominance' (ii.5) within the economy, as well as their opposite: the extent of 'Creative Destruction' (ii.6). 'Coalition Dominance' examines the Economic Power of leading industries by measuring the degree of business diversity and the distribution of power in an economy through indicators such as the *Economic Complexity Index* (ECI, ii.4). 'Firm Dominance' measures the power of single businesses within the economy, using indicators such as *Top 3 firms revenues as % of GDP* (FRG, ii.5). We borrow Schumpeter's (1942) concept of 'Creative Destruction'—the replacement of outdated business practices with innovative new structures—for the third Economic Power Pillar, which includes measures for *Entrepreneurship* (ENT, ii.6) and *Venture capital finance* (VCK, ii.6). The aim is to measure the pressures for renewal and disruption that exist within an economy and fuel Value Creation.

The Political Value Pillars (iii) consider 'Giving Income' (iii.7), 'Taking Income' (iii.8) and 'Unearned Income' (iii.9), reflecting policy decisions in the political sphere that relate to redistribution in its broadest sense: "from one subset of society to benefit a different subset" (Acemoglu & Robinson, 2012, p. 76). An important point here is that we only consider the merits of such redistribution in terms of Value and try to assess whether it has been extracted or created for each surveyed indicator. 'Giving Income' measures how the government manages and uses public finances in terms of the provision of public goods such as education, or the amount of subsidies distributed in an economy. 'Taking Income' addresses how the state collects such income, as in *Tax revenue as % of GDP (dev. fm optimum)* (DTR, iii.8), or whether it allows the existence of business models that take the ultimate form of value—life—as in *Death rates from substance use disorders per 100,000 people* (SUB, iii.8). The 'Unearned Income' Pillar focuses on the exploitation of natural resources, such as *Natural resources rents as % of GDP (NRR, iii.9)*, or extracting from the future at the expense of the present, like *Government debt as % of GDP* (DBT, iii.8). Thus, the Political Value Pillars offer a picture of the degree to which production has been channeled into or shifted away from innovative and wealth-creating sectors of the economy (Porter, 1990).

The Economic Value Pillars (iv) directly measure the extent of Value Creation and Value Extraction from the economy's three markets: the products and services markets, the capital markets, and the labor markets. 'Producer Value' (iv.10) estimates the value created or the rents extracted by producers and suppliers in the market for goods and services. 'Capital Value' (iv.11) measures the value created or the rents extracted both directly and indirectly through participation in the financial market. 'Labor Value' (iv.12), which includes indicators such as the *Unemployment rate* (UEM, iv.12) and the *Human flight and brain drain (BRN, iv.12)*, allows us to assess the value created or the rents extracted in the labor markets, for example, from interventions in both supply and demand.

2.2 The Relationship Between the EQx and Its Sister Project—The Value Creation Ratings (VCr)

The EQx report on meso-level Elite Quality measures 'The Sustainable Value Creation of Nations' in order to assess comparative macro-level outcomes and prospects for the future. Elite Quality is an aggregate of elite agency, including corporations, financial institutions, and regulatory bodies, as well as trade unions, NGOs, and the military establishment. Ideally, each of the micro-level organizations within these areas would also each be measured for Sustainable Value Creation. A first step in that direction now exists at the firm-level with the publication in 2024 of the *Value Creation Rating Pilot Report 2024* (VCr2024), a comprehensive approach to the 'Sustainable Value Creation of Firms' that connects financial performance, risk management, and sustainability by leveraging 54 Metrics for 122 firms. The ultimate aim of this work (Casas-Klett and Nerlinger, 2024) is to provide managers, investors, and policymakers with the tools to weight their present profits and risk exposure against future value and risk creation. The simple underlying logic is that when businesses create value over long periods, they are deemed to be sustainable and benefit society at large. What the EQx measures for countries, the VCr does for listed firms. The 'Sustainable Value Creation of Firms' project assesses the degree to which businesses create value and productive risk (the latter being another manifestation of value). But what exactly is value?

From a Sustainable Value Creation perspective, value is everything that humans deem worth appropriating. And so where does value come from? Again, we posit that it emanates from primary productive activities ranging from agriculture and manufacturing to trade and finance. One question that then becomes central and reverberates throughout the whole political economy given the influence that the elite system has on institutional arrangements, is who appropriates the value that is created and monetizes it as revenue and profits?

There are two dichotomous possibilities for the monetization of value: by firms whose business models actually create it, or by firms that do not. By referring to the value creation and appropriation (VCA) framework (see Brandenburger & Stuart, 1996; Coff, 1999; Amit & Zott, 2001; Lepak, Smith, & Taylor, 2007; Di Gregorio, 2013; Garcia-Castro & Aguilera, 2015), we can see that value appropriation is simply the revenue and profits of a firm that are documented in the profit and loss (P&L) statement. In the context of the elite theory of economic development, the VCA framework leads to three value creation/appropriation combinations:

[a] 'Value created and appropriated'. These are the inclusive activities accounted for in the P&L statement and are termed as '**net value creation**'. Under this positive default assumption, all value appropriated—as revenue or profits—is value created.

[b] 'Value created but *not* appropriated'. This represents inclusive agency and is termed as '**value transfer-OUT**'. It benefits society at large and can be exemplified by innovation spillovers or the contributions of international business to an open global order and peace.

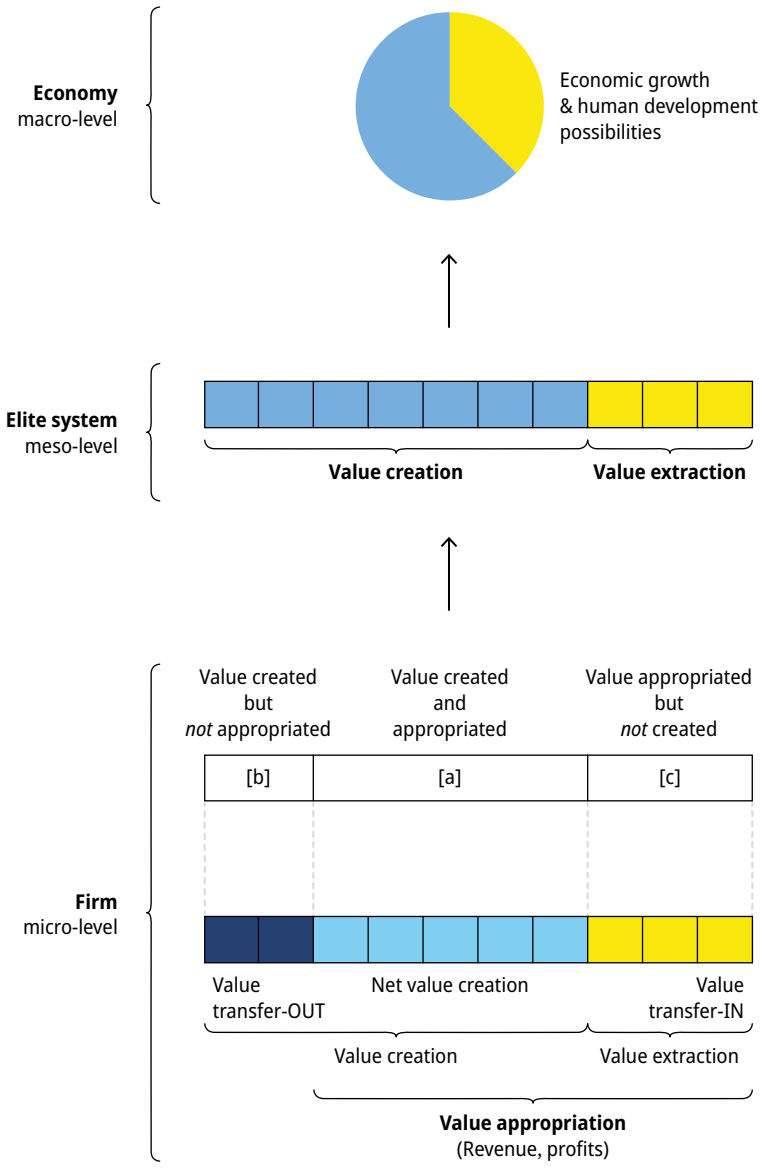
[c] 'Value appropriated but *not* created'. This represents extractive agency and is termed as '**value transfer-IN**'. It includes subsidies or how a firm benefits from discriminatory practices.

Visual 2.5 shows the three relevant value categories in terms of their value creation/appropriation. Metrics are the data sources that, once established and computed, are aggregated to establish the transfer-IN/OUT amounts. Then, and as is graphically rendered, once the transfer-IN amount has been calculated it is correspondingly deducted from revenue (value appropriation) to establish net value creation.

The EQx and VCr are part of an overall sustainable value creation action plan—the SVC Initiative—that seeks to revolutionize the assessment of risk—and thus value—by providing the tools and measurements to weight and offset value creation and transfers—both inclusive transfer-OUT and extractive transfer-IN. This is a powerful framework to the degree that it enables leaders to optimize business performance and its impact on society by providing benchmarks to support policymaking and transform companies from the inside. By holistically accounting for both sustainable value creation and unsustainable value transfers, we enable principals and a diverse set of stakeholders to design better futures.

In short, one critical mission of the macro-level (EQx) and firm-level (VCr) projects is to develop measurements that can be used to address practical policy and strategy challenges. Both are innovative on account of their unorthodox elements and intuitive conceptual framework that focuses on the business model with deep theoretical anchors in economics, management, and finance. The VCr provides original insights and new operational possibilities—such as establishing how productive risk-taking increases value and when offsets make value transfers admissible—and is designed to be actionable by boards, top management, and investors.

Visual 2.5: Categories of Value Creation and Value Extraction at the organizational micro-level and their aggregation at the meso-level elite system for macro-level economic outcomes (Extension of Figures 2.11 and 5.2, Casas-Klett, 2025, in Press)



Measuring and Managing Sustainable Value Creation

The Value Creation Rating (VCr) measurements are derived from establishing the amounts of transfer-OUT and transfer-IN (see details of the VCr formula in Visual 2.5), and as a result support the transformation of firms towards sustainability. The VCr is therefore an extremely comprehensive measurement as it accounts for all extractive value transfers and positive value creation, including the value that is not included on the P&L statement. In effect, this measurement expresses the relative proportion of transfer-IN vs transfer-OUT. As such, it enables the weighting and offsetting of business model activities based on the type and amount of value these associate with. Visual 2.6 shows a sample VCr Firm Scorecard (from the Pilot VCr2024) including all of its components, from the individual Metrics (equivalent to the EQx's Indicators) upwards.

The Value Creation Rating Pilot Report 2024 (VCr2024) used 54 Metrics to determine the VCr scores for 122 companies. The aim is now to expand the number of Metrics used to over one hundred and assess up to 10,000 publicly listed firms over the next three years. Given existing regulatory requirements, reporting standards, and the ways in which many firms already contribute to global sustainability goals, what does the VCr add?

A fundamental promise of the SVC Initiative is that a connection is provided between agency at the micro-level and outcomes at the macro-level. A high VCr score may or may not correlate to firm financial performance, but it certainly contributes positively to growth and development. This happens through various aspects of the transmission mechanism associated with the minimization of risk and value transfers, including the incentives that are provided by institutions for value creation. These are visible in lower transaction costs and higher levels of coordination capacity in the political economy—especially in the elite system—as a result, for instance, of the improved trust that firms receive from stakeholders such as investors, customers, regulators, and communities. Sustainability reporting that is material, transparent, and intuitively clear must reference value creation.

To summarize, the EQx and the VCr both reflect how long-term value creation integrates the notion of sustainability that matters most—the minimization of value transfers—into the core business model. A critical design feature of the VCr is that it is relevant for finance by enabling adjusted valuations of firms, strengthening the case for investment decisions by linking firm sustainability performance to returns. The concept of productive risk is also essential, as without risk there are no returns. Revolutionizing risk means generating returns not through value transfer business models but via genuine value creation. Development and long-term value creation is only possible if the origination of risk reaps both costs and rewards. On that basis, firm agency aggregates fuel overall economic growth.

'The Sustainable Value Creation for Firms' project is initially realized through the VCr and aims to redefine how businesses approach sustainability. It is a response to some of the limitations that have been identified in how ESG and CSR ratings currently operationalize sustainability. With the VCr, decision makers are able to weight and offset the transfers of their organizations, optimize the cost of capital and productive risk, while at the same time aligning themselves with the common good of a nation and its long-term growth prospects.

Visual 2.6: A sample VCr Firm Scorecard from the Pilot VCr2024 (Casas-Klett & Nerlinger, 2024)

November, 2024

VCr Firm Scorecard

The Sustainable Value Creation of Firms

VCr2024 PILOT VALUE CREATION RATING

All business models create value (e.g., via production or innovation) and benefit from value transfers (e.g., via barriers or subsidies). **Sustainability is the proportion of value creation relative to value transfers.** SVC measurements supply metrics-based evidence and baselines of value creation as a service to academia, investors, top management, policymakers, and in the interest of the wider community.

ACME CORPORATION CHAVERAGE	
Market Cap	$186,931 mio.
Net Income	$9,226 mio.
Sector	Sector
Region	CHE
Headcount	107,505

VCr vs. Sector-VCr Baseline

Value Transfer [tIN] — Value Creation [NetVC + tOUT]

1.22

▲ Sector-VCr baseline — VCr over 1.00 is inclusive

Value Creation & Transfers Monetization

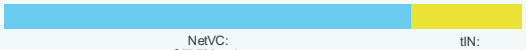
Amounts are revenue equivalent in **$ million**

Revenue	$85,790
Transfer-IN (tIN is extractive revenue) 'value appropriated but *not* created)	$18,505
Net Value Creation (NetVC is inclusive revenue) 'value created *and* appropriated'	$67,796
Transfer-Out (tOUT is inclusive) 'value created but *not* appropriated'	$35,734

VCr & VCp with Value Creation & Transfers Components

Revenue = +

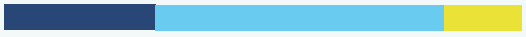
Value Creation Position (VCp): 80.5%



NetVC: $67,796 mio. — tIN: $18,505 mio.

The VCp measures the impact of extractive value transfers relative to revenue.

Value Creation Rating (VCr): 1.22



tOUT: $35,734 mio. — NetVC: $67,796 mio. — tIN: $18,505 mio.

The VCr is the proportion of value creation relative to revenue.

The Business Model Value Scorecard with transfer-IN/OUT

Revenue equivalent transfer-IN and transfer-OUT balances in **$ million**

Power Sub-rating (I)	2,751	Value Sub-rating (II)	20,491
(i) Non-Market Power Ratings Area Influence on non-market & narrative market		**(iii) Non-Market Value Ratings Area** Value in non-market & narrative market	
	4,060		6,656
(i.1) State Capture	485	(iii.7) Giving Income	1,757
(i.2) Regulatory Capture	2,102	(iii.8) Taking Income	3,412
(i.3) Human Capture	6,647	(iii.9) Unearned Income	1,487
(ii) Market Power Ratings Area Influence on market arena		**(iv) Market Value Ratings Area** Value creation in the market arena	
	6,811		13,835
(ii.4) Coalition Dominance	4,751	(iv.10) Producer Value	6,943
(ii.5) Firm Dominance	2,716	(iv.11) Capital Value	1,425
(ii.6) Creative Destruction	656	(iv.12) Labor Value	5,466

Firm and Society

VCr and VCp for 2x Sub-ratings and 4x Ratings Areas

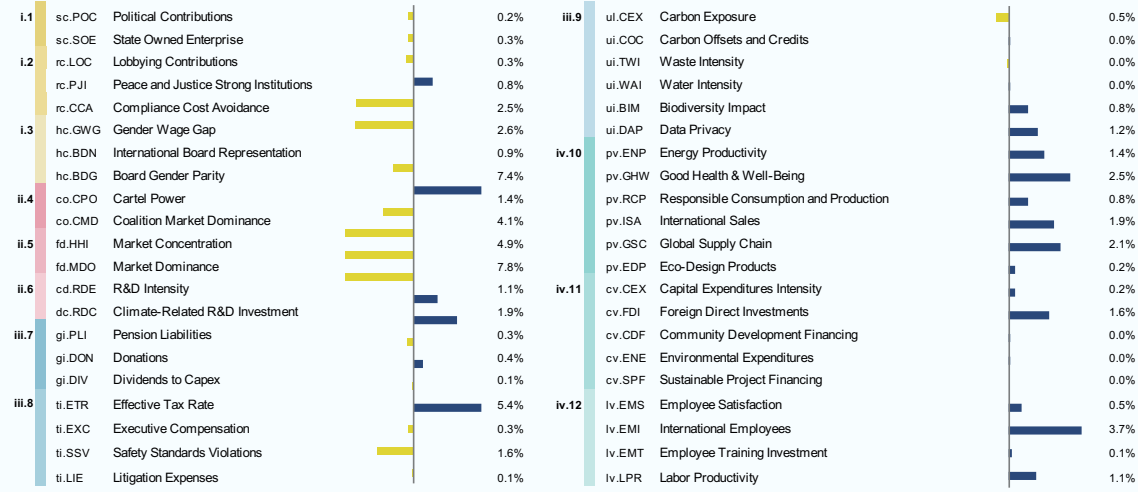
Power (I)		Value (II)	
VCp	**VCr**	VCp	**VCr**
83.5%	**0.99**	88.9%	**1.30**

Non-market Power (i)		Market Power (ii)		Non-market Value (iii)		Market Value (iv)	
VCp	**VCr**	VCp	**VCr**	VCp	**VCr**	VCp	**VCr**
94.3%	**1.10**	91.2%	**0.90**	96.4%	**1.13**	94.6%	**1.24**

SVC Metrics, 'The Relevant 42' (out of 54)

72% available

Amounts are revenue equivalent transfer-IN and transfer-OUT in (%) percentage



The *Value Creation Ratings Pilot Report 2024* incorporating the VCr Firm Scorecards is a joint project of University of St.Gallen researchers, the Foundation for Value Creation, and partners worldwide.
The "rating" and other data provided are based on concepts and theory still under development. All data is LFY, may contain inaccuracies, and should not be taken as definitive, significant, legally relevant, or material.
This information is not intended as investment advice or any other form of guidance and should not be relied upon for making financial or any type of decisions. Consult a qualified professional for any financial decisions.

Revolutionizing Risk by Weighting Value

The Value Creation Rating (VCr) and Its Constituent Metrics

While the EQx is based on Indicators, the VCr terms these as Metrics.

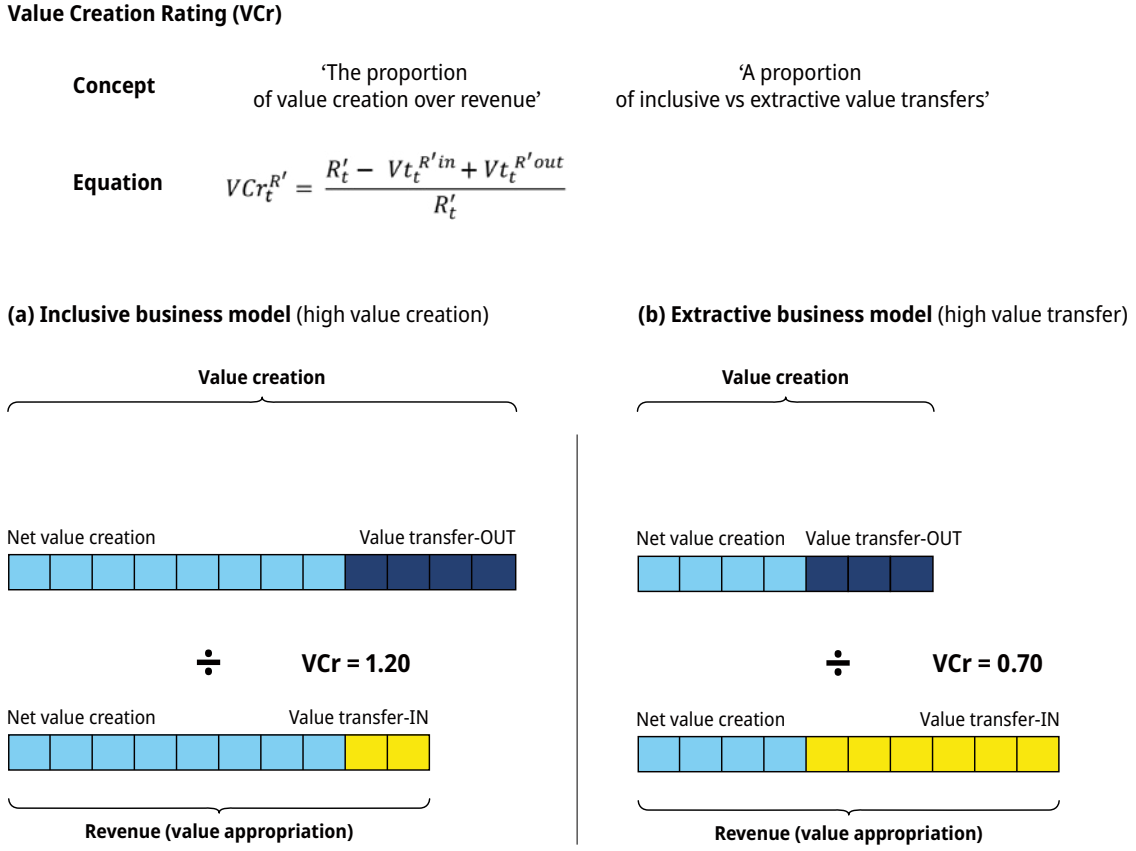
The VCr is provided as a score with two decimal points that describes the proportion of all 'value creation' in relation to all 'value appropriation' or revenue. At the same time, an equally valid explanation is that it represents a given proportion of inclusive vs extractive value transfers relative to revenue.

The chief computational challenge for the VCr is to establish all of the extractive and inclusive transfer activities of the firm business model. That means identifying both the first-order 'value created but not appropriated', i.e., 'transferOUT', as well as the second-order 'value appropriated but not created', i.e., 'transfer-IN'. The two amounts are revealed by the aggregation of dozens of SVC Metrics, with each of these quantified in terms of revenue.

The normative and practical usefulness of the VCr is that is allows management, investors, policymakers, or society at large to understand the relative size of value created as a proportion of revenue. As a result, they can work to either keep the balance (if this is already at 1.00 or above) or to progressively increase the proportion of value creation in relation to revenue (if it is currently at a low level, e.g., below 0.70). When a trend is identified where a VCr score decreases over time (e.g., from 1.12 to 1.07), a strong signal has been sent to stakeholders: the proportion of extraction is increasing, meaning that the firm's contribution to society is decreasing and potentially becoming unsustainable, thus endangering its license to operate.

For a more technical but intendedly intuitive way to understand the operationalization of the VCr, see Visual 2.7 and its depiction of the operational, conceptual, and equation-based definitions of the measurement.

Visual 2.7: Conceptual renditions of value creation and value extraction business models and their derived VCr scores (adapted from Figures 5.1a and 5.1b, Casas-Klett, 2025, in Press)



The usefulness and credibility of the VCr depends on the quality of the underlying Metrics and the judgments made in weighting them. At the most granular level of the architecture, the SVC Metrics capture specific activities, practices, and outcomes that can be quantified and assessed to determine their impact on sustainable value creation. The Metrics provide the data points that feed into the next levels of the architecture starting with the Pillars (also termed 'Pillars' in the EQx), which in turn aggregate into the Rating Areas (termed 'Index Areas' in the EQx) and Sub-Ratings (termed 'Sub-Indices' in the EQx) and ultimately, the VCr ('EQx') scores.

As the foundational inputs for firm-level SVC measurements like the VCr, Metrics are the conceptually indivisible and discrete firm-level dataset that describe quantifiable value creation and risk transfers (transfer-IN/OUT) by a firm's business model. As described in the VCr2024, the establishment of the firm-level VCr scores and the Metrics used to constitute them relies on a three-stage process that involves: the (I) conceptual determination of SVC Metrics; the (II) quantification of SVC Metrics (input); and the (III) calculation of SVC measurements (output). As an example, Visual 2.8 lists seven Metrics in the field of international business that express Value Creation (transfer-OUT) and Value Extraction (transfer-IN).

Visual 2.8: International Business (IB) Metrics for the VCr

ID	Metric Name	Short Description	transfer-IN / transfer-OUT
hc.BDN	International Board Representation	Inclusion of board members from different countries, enhancing global insights.	transfer-OUT
gi.FTA	Free Trade Agreements Utilization	Measures a company's use of FTAs for reduced tariffs, better access, and trade efficiency.	transfer-OUT
ti.OCR	Operations in Critical Regions	Tracks controversies in undemocratic regions where human rights are not respected.	transfer-IN
pv.GSC	Global Supply Chain	Evaluates the management of suppliers and global distribution for optimal operations.	transfer-IN transfer-OUT
cv.FDI	Foreign Direct Investments	Measures investment in foreign assets, assessing effectiveness outside the home country.	transfer-OUT
lv.EMI	International Employees	Staff working abroad, aiding in market expansion and managing global operations.	transfer-OUT

Conclusion: Integrating the VCr Into the EQx's Long-Term Development Goals

By assessing the sustainable value creation of firms, the VCr supports the EQx's mission to assess elite contributions to long-term economic and human development. From a normative perspective, firms that engage in sustainable value creation practices become benchmarks that contribute to high elite quality. They become examples for others, setting a standard for corporate and other elites to follow while also legitimizing their licenses to operate and influencing policy recommendations for both corporate governance and national development strategies. Both the EQx and VCr envision value as everything that humans deem to be worth creating rather than narrowly focusing on value that is appropriated (e.g., revenue).

While the EQx targets the policy process and institutions at the national level to help them to gauge the impact of elites on economic quality and development, the VCr addresses corporate leaders, investors, and business analysts who focus on firm-level sustainability. This distinction means that the EQx aims to shape macroeconomic policy and establish elite quality targets for the political leaders of a nation, while the VCr and its attendant framework provides tools for assessing and guiding individual companies in their sustainability journeys. In practice, both audiences benefit from both measurements, as firms adopting sustainable practices at the micro level contribute positively to the macro-level national scores of the EQx. The understanding of the two-way interaction between the firm and the elite system is key to aligning economic growth and long-term development. The pie metaphor has been extensively used for both the EQx and the VCr. Visual 2.9 closes this contribution by rendering the relationship between growing the whole pie vs increasing the size of the individual slice at both the micro-level of the firm and the meso-level of the elite system. Also depicted, and as an extension of Visual 2.5, is the impact these two approaches have on economic growth and development.

Visual 2.9: The impact of low and high sustainable value creation firms (as evidenced by their VCrs) on elite quality and economic development

2.3 EQx Methodology

The EQx aims at being an academically grounded and statistically valid measure of national Elite Quality. The multi-dimensionality of the underlying concept is mirrored by the four-level architecture of the index, which allows for an easy interpretation of the state of Elite Quality in a particular country.

Visual 2.10 below illustrates the 9 separate steps in the process for constructing the index. Steps 1 and 2 are detailed in Casas-Klett (2025) and discussed in Chapter 2.1 and 2.3 of this Report. Steps 3 to 6 are summarized below. Step 8, the statistical assessment, is addressed in a peer-reviewed paper published in *Social indicator Research* that critically reflects on the EQx2021 rankings (Diebold, 2022).

Throughout the index construction process, judgment calls are inevitable. Hence, our goal is to follow the OECD's *Handbook on Constructing Composite indicators* (2008), in that "transparency must be the guiding principle of the entire exercise" (p. 17). As a result, the following Chapter describes exactly how the EQx is calculated, as well as the underlying assumptions.

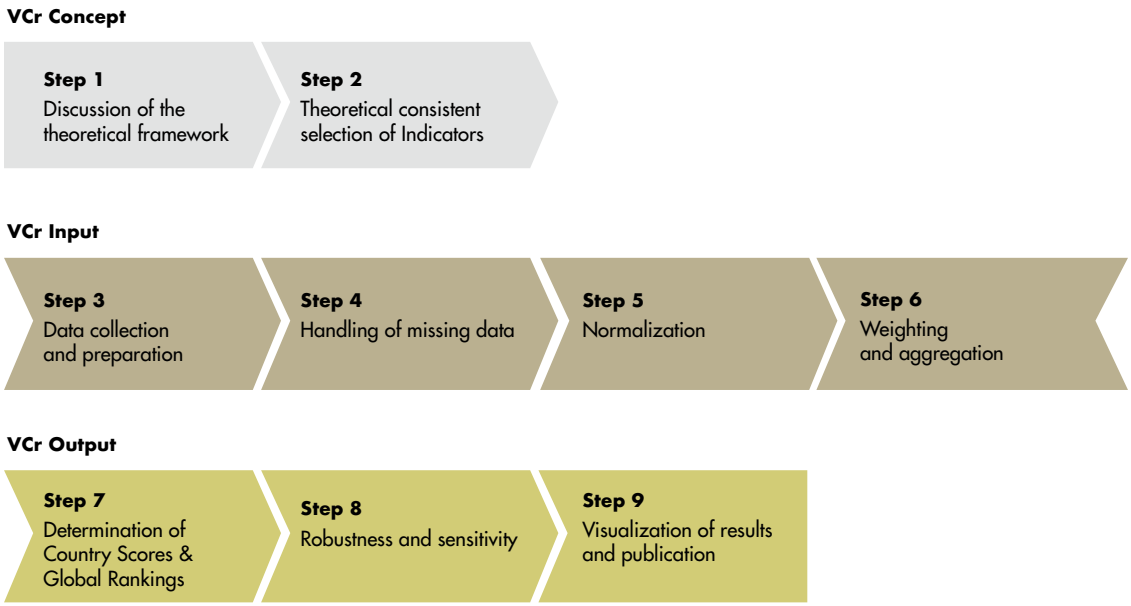
Selection of Indicators and Dataset Collection (Step 3)

All 149 EQx indicators provide evidence of Value Creation or Value Extraction in the political economy, either at present, or potentially in the future. As a whole, their aim is to capture and measure all relevant aspects of Elite Quality, according to the Elite Quality theoretical framework, summarized in the Introduction to this Report. For the full list of EQx indicators, see Chapter 5.2.

The underlying datasets are collected from a variety of renowned international organizations (Chapter 7.2 provides a comprehensive list of the data sources for each individual indicator). Datasets are then categorized according to whether and how they should be transformed before being utilized to create the EQx indicators. Some indicators are obtained directly from the original data; for example, *Control of corruption* (COC, i.1) uses one of the Worldwide Governance indicators provided by the World Bank. Other indicators are obtained after some basic transformation of the source dataset, e.g., by setting absolute numbers in relation to a country's total population or GDP. Another set of indicators require more complex transformation, implying data cleaning and more extensive data repurposing, as is the case for Top 3 industries as % of value added (IVA, ii.4).

Generally, the most recently available data is used to compute EQx indicators. That is, wherever possible, the EQx2025 uses data from 2024, and, in some cases, even from 2025.

Visual 2.10: EQx's 9 step construction process



Handling of Missing Data (Step 4)

Fortunately, the datasets considered for the EQx are, for the most part, characterized by being relatively complete. Generally, the EQx approach to missing values aims to avoid any systematic bias in the index scores as a result of missing datapoints. That is, a lack of data should not penalize or favor any country but should solely influence the accuracy of its score.

High data quality is achieved in three main ways. Firstly, the EQx solely considers indicators (as well as countries) that meet several minimum data requirements. Datasets are only included in the EQx analysis if they cover a minimum of 15% of the countries under consideration. Additionally, they must provide recent information on a countries' Elite Quality, i.e., no later than 2019 (although there are, on occasion, some exceptions to this rule). The selection of countries for the EQx2021 was based on the following criteria: countries were included if their index score was based on at least 40 datapoints, and more specifically, on at least 3 datapoints per Index Area and 1 datapoint per Pillar in at least 11 Pillars. The EQx2025 includes the same countries as the EQx2021.

Secondly, if recent data is not available for only a small number of countries, the missing datapoints are imputed with the latest available data.

Thirdly, the EQx implements an "available-case analysis" (Little & Rubin, 2002, p. 54), where indicators are not omitted if they have missing values but included if they fulfill the above minimum requirements. As a consequence, if the value for an indicator is missing for a particular country, the weight of the missing indicator is distributed among the remaining indicators of the same Pillar, in proportion to their respective weights. The EQx methodology thus builds on the premise that indicators within the same Pillar measure similar aspects of Elite Quality.

For the EQx2025, a country's Index Scores is derived from a minimum of 65 datapoints (in the case of Equatorial Guinea). Of the 149 EQx2025 indicators, roughly 78% cover at least half of all 151 countries included in the index, 50% cover almost 89% of countries, and roughly 18% cover all 151 countries. On average, a country's index score is computed using 113 datapoints.

An obvious concern is that missing values are not completely random but based on a systematic pattern (OECD, 2008, p. 24), as data availability might be related to a country's Elite Quality. This could represent an important endogeneity bias for the EQx. However, a positive relationship between Country Scores and data availability would not necessarily indicate bias. Provided that the existing indicators are unbiased, the EQx scores would not be biased, just less precise. By using less, but correct information, the state of Elite Quality would still be depicted. We are confident that this argument applies to the EQx, since it uses data from renowned and trustworthy international organizations.

Still, data constraints might hamper the cross-country comparability of EQx Country Scores. Some indicators stem from different years, while others cover a heterogenous set of countries. The latter implies that each Country Score relies on a different set of indicators (Little & Rubin, 2002, p. 54), which might limit the meaningfulness of the international ranking. However, while these important limitations should be kept in mind, we are confident that the EQx offers valuable insights on aggregate Elite Quality in the considered countries. An uncertainty and sensitivity analysis performed on the EQx2021 suggests that the ranking positions of the top 50 countries are largely robust to modifications in key modelling assumptions. Ranking positions of middle and lower performing countries appear to be more sensitive towards methodological choices, and especially the availability of data. Any interpretation or conclusion on the Elite Quality of these countries based on the exact rank should therefore be treated with caution, and ranking positions should not be taken at face value but rather be seen as indicative (Diebold, 2022).

Normalization of Indicator Values (Step 5)

Because indicators initially have different scales and measurement units, normalization is necessary prior to aggregating the data to "avoid adding up apples and oranges" (OECD, 2008, p. 27). Initially, a logarithmic transformation is applied to indicator datasets: firstly, if Pearson's second coefficient of skewedness exceeds unity, indicating strong skewedness (Belfiore & Favero, 2019, p. 63); and secondly, if the indicator is not already based on an existing index. This is to improve the distribution of the data and thus yield more meaningful indicator scores. In total, 17 of the 149 EQx indicators are based on a log transformation.

Subsequently, data is standardized, i.e., converted to a common scale (with mean zero and standard deviation one) by calculating z-scores:

$$I_{q,c}^{z} = \frac{x_{q,c} - mean(x_q)}{sd(x_q)}$$

where $x_{q,c}$ indicates the value of indicator q of country c, and $I_{q,c}^{z}$ denotes the standardized value. This improves the comparability of datasets with large differences in scales and units, as is the case with the EQx indicators. Next, and only if necessary, outliers are winsorized to fall within a [−2,+2] interval. The resulting values are then rescaled so that the indicator scores all range between 0 and 100, using:

$$I_{q,c} = (\frac{I_{q,c}^{z}}{4} + 0.5) * 100$$

Lastly, and again, if necessary, indicators are adjusted for polarity. That is, they are transformed so that—consistently across all datasets—a value close to 100 indicates a high level of Elite Quality, and a value close to 0 represents a low level of Elite Quality. For reflections on the index normalization scheme, see (Chapter 2.6).

Weighting Scheme (Step 6a)

The weighting scheme of any index is decisive since it represents an important determinant of the resulting scores and rankings. By weighting index elements, different levels of relevance can be attributed to them. Best practice in index construction suggests that weights must be explicitly consistent with the concept of the index and fully transparent. In other words, first, a weighting scheme must reflect what the index aims to measure and second, each of the datasets that constitute the index must have their weight assigned in a documented and traceable manner.

The weight of each indicator in the EQx depends on its weight within its Pillar, the weight of that Pillar within its Index Area, the weight of that Index Area within its Sub-Index, and the weight of that Sub-Index within the overall EQx.

What does the EQx aim to measure? Again, the aim is to portray the overall Elite Quality of nations in terms of the aggregate Value Creation of a country's elite business models as evidenced by aggregated datasets.

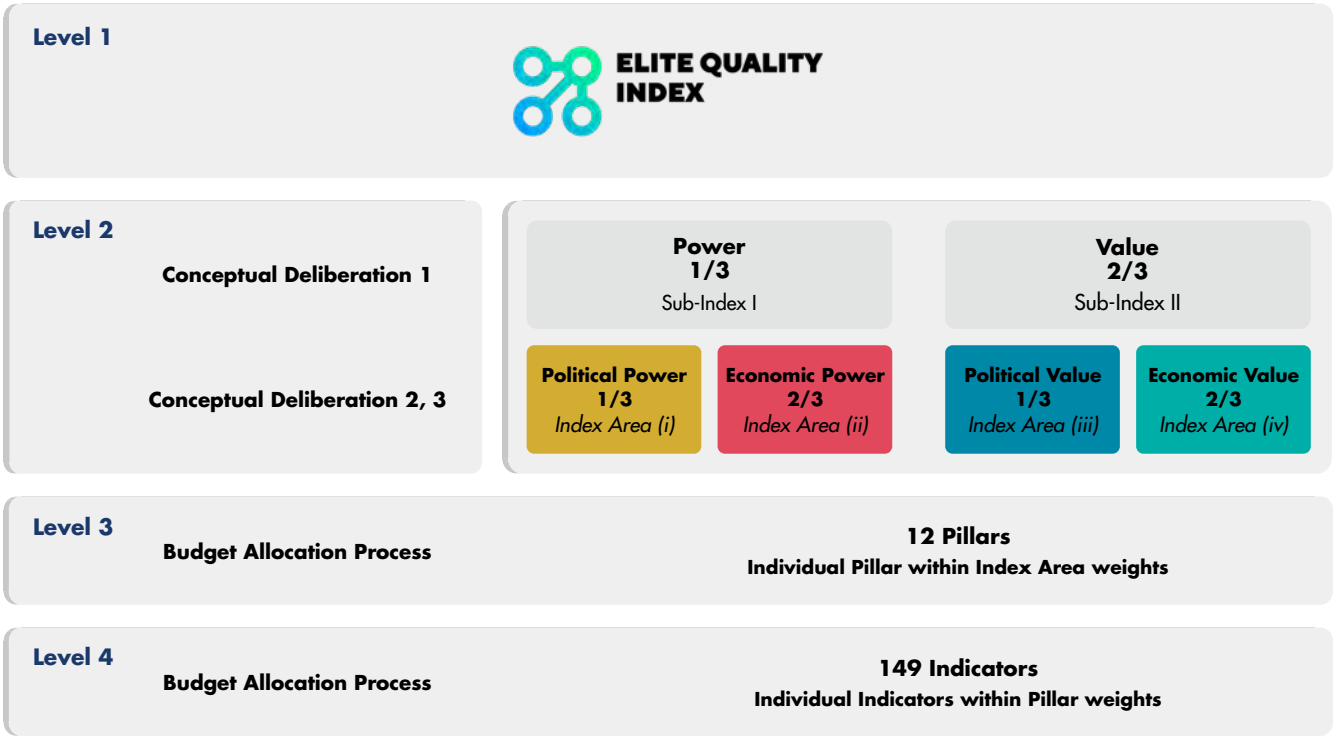
Sub-Index weights

The EQx sees Power as a necessary condition for Value Extraction and rent seeking. The Power Sub-Index I is thus a predictor of potential future Value Extraction. Therefore, the relative weighting for the two Sub-Indices, Power and Value, is conceptual and has been determined by the authors after thorough deliberation: the Power Sub-Index I has a weight of 1/3 whereas the Value Sub-Index II is weighted at 2/3.

Index Area weights

The EQx could also have been called 'the political economy index' because it measures Power and Value in the political economy. Accordingly, each of the EQx's two Sub-Indices contain a political and economic dimension. The weights of the resulting two Index Areas within Power Sub-Index I and Value Sub-Index II are also the result of the conceptual design of the EQx and the authors' judgments: the weights for both are established at roughly 1/3 : 2/3 (conceptual deliberations 2 and 3). This determines the weights of all four Index Areas: Political Power (PP), Economic Power (EP), Political Value (PV) and Economic Value (EV). For Power Sub-Index I, the rationale is that Economic Power is supreme, while Political Power reflects potentially extractive processes if these successfully transition into the economic arena. For Value Sub-Index II, the rationale is the higher significance—in terms of direct impact on citizens and economic agents—of the economic over the political in the overall Value Creation processes of the political economy. Anticipating the linear aggregation scheme discussed below,

Visual 2.11: EQx weighting overview



the three conceptual deliberations in weighting imply the following index area weights within the overall EQx: 11.$\overline{1}$% (PP), 22.$\overline{2}$% (EP), 22.$\overline{2}$% (PV), and 44.$\overline{4}$% (EV).

Pillar and indicator weights

While the weights of the Sub-Indices and Index Areas are determined by conceptual deliberations, a panel of experts is used to determine the weights of the Pillars and indicators. A Budget Allocation Process (BAP) is employed to establish the weighting of the Pillars within each of the 4 Index Areas, as well as weighting the indicators within each of the 12 Pillars. Visual 2.11 summarizes the structure and weighting scheme used in the EQx. Chapter 5.1 lists all indicators with their respective weights, both within their Pillar, as well as within the overall EQx.

Aggregation Scheme (Step 6b)

Finally, the EQx applies a linear aggregation scheme. This implies constant and full compensability between each aggregated element at the respective aggregation level (OECD, 2008, p. 33). Within Pillars, indicators are assumed to measure similar aspects of Elite Quality, and as a consequence, full compensability is intended. A similar reasoning applies to the aggregation of Pillars within Index Areas. Moreover, a linear aggregation scheme transmits the relative importance—as determined by the underlying weighting scheme—of the elements that are aggregated at the respective level to the index (Santeramo, 2017, p. 131). Therefore, Index Areas and Sub-Indices are also linearly aggregated, to ensure a full transmission of the relative weights as implied by the theoretical framework.

2.5 The History-EQx (2021-2025): A Reflection on Trends, Limits, and Elite Systems

The EQx2025 is the 6th year that the leading global comparative elite quality measurement has published country rankings and scores (though the first iteration was a pilot covering only a small number of countries). Readers of the EQx, from young supporters to academic critics, frequently question whether the series of EQx reports shed light on changes in globally comparative trends. After all, we wrote last year that: "the annual EQx reports are only partially comparable to each another. This is because each annual iteration attempts to improve the index by adapting the list of indicators to incorporate current events or newly discussed aspects of Elite Quality" (EQx2024, p. 32). Someone that owns the full EQx collection might ask whether besides the aesthetic value of placing the reports next to each other in one's library (as in Visual 2.17), there is analytical value in comparing the results to detect relevant patterns over the years.

Indeed, some skepticism is warranted when diving deeper, as the EQx rankings are the consequence of the multiple factors. These include:

- Theoretical positions (e.g., rent seeking is deemed a property of the elite system that leads to institutional change and development outcomes)
- Conceptual elements (e.g., elite quality, power, sustainable value creation)
- Methodological choices (e.g., on normalization or aggregation)
- Indicator selection (i.e., what indicators should be included in the index)
- Indicator data availability and quality (e.g., many countries don't have data, and so individual indicators often cover only a partial set of the 151 indexed countries, while data quality standards are not consistent across all the original sources used)
- Errors (e.g., conceptually, on the assignment of an Indicator to a Pillar category, or mistakes made during the data preparation phases)
- Judgments by the index team (e.g., selecting the Indicators, weighting these, establishing the Value Creation optimum when the underlying phenomena is deemed to be non-linear)

Given these factors, how consistent and hence comparable is the EQx from year to year, from both the methodological and conceptual perspectives? In other words, how meaningful can a historical analysis of the EQx results be, and what are the trends that emerge from comparing all six EQx publications in order to ascertain patterns in the movement of elite quality from one year to the next, and in relation to all previous years. If the potential problems, many of a technical and academic nature, don't pose sufficient difficulties for the stability and comparability of the EQx, there are also additional challenges that include:

- **National elite business models are dynamic**. Residual income generating organizations shift over time and, paradoxically, do so even when they do not shift. That is, if elite business models remain the same in the face of exogenous factors they will likely change in terms of their Value Creation (and Extraction).
- **Social changes require judgment**. Society, belief systems, and values change through time. For instance, in relation to the SDG's and ecology, it was decided to add three new indicators in both 2021 and 2022, with a further 12 additions in 2023. Such radical changes evidently have an impact on the rankings. At the same time, the underlying reality (in this case the relationship between elite agency and the nature stakeholder) did not change to the same extent in the EQx from one year to the next. It was the judgment undertaken by the EQx team, in concordance with its position on Elite Quality, data, and expert resources that modified the index results.
- **Technological shifts require judgment**. As with social changes, incorporating technology shifts into the index means adjusting the collection of indicators and how they are weighted. For instance, this year, five new indicators were added for the crucial area of AI (up from 2 to 7). Given the rapid advances and impact of the technology, the EQx needs to accurately reflect reality (weighting AI at 8.7%). Generally speaking, the judgments made by the EQx team to adjust for technological shifts is *a priori* liable to either over or undershoot.

- **Black swans**. The effects of high impact, low probability events test the elite system's resilience and adaptability. The performance of elite business models in crucial matters like the number of lives saved are mostly relevant only for the duration of an event (e.g., the effects of the COVID pandemic were captured by 5 Indicators in 2023, all of which have now been removed from the index).

- **Synchronicity with Value Creation phenomena**. A time lag is unavoidably built into any annual index. Ideally, the EQx would be issued on a monthly basis to capture here and now events like COVID or Trump's tariffs. But while some of the data used for the EQx is available almost in real time like inflation of unemployment, most indictors have a more significant time lag. Reality is therefore understood and conceptualized with a delay. This becomes even more noticeable in how a particular phenomenon is operationalized and its associated data is captured.

Visual 2.17: EQx library from 2020 to this year

The Point-in-Time Value of a History-EQx

Given the above, and in light of the requirement to carry out empirical research on Elite Quality in relation to other economic, political, management, and social variables, in 2023 we proposed the PanelEQx (PEQx). The PEQx always follows the EQx methodology (indicator selection, weighting, etc.) of a particular year, i.e., the PanelEQx2025 is based on the EQx2025. Taking into account the availability of historical data, it goes back to 2005.

The PEQx conceptually corresponds to the EQx. In particular, the PEQx maintains the conceptual framework and resulting multi-level architecture of the EQx. However, taking into account the unavailability of some historical data, the PEQx is computed using only a subset of EQx indicators. Moreover, it is only available for a subset of EQx countries. The size of this subset depends on the amount of missing values a given researcher is willing to accept in the context of his or her research aims. The PEQx provides a high quality, comparative empirical measure of Value Creation and Extraction by a countries' elite over time. Additionally, it represents a flexible and promising tool for researchers interested in empirically analyzing the topic of Elite Quality. (EQx2024 p. 32)

However, in going back to the original question of this piece, a History-EQx, even if inadequate for many research applications, would still supply important discrete information. For instance, by incorporating COVID or other temporary indicators reflective of Elite Quality during particular crises (such as wars), a History-EQx could offer a picture of the elite system's sustainable value creation during exceptionally challenging periods. Looking forward, one might imagine AI becoming so important—perhaps having reached AGI or singularity—that the EQx2027 team decides that the *EQx Artificial Intelligence Indicator-Family* should increase its weight to 32% of the index. A 'History-EQx' would then trace the evolution of Elite Quality from a world without AI, to one where the technology has some impact, to one where it becomes society's main force and the undisputable major contributor to economic growth and human development. That is, even if the elite system remained the same (i.e., the same business models with the same leaders at their helm with little Paretian circulation), responses to such a radical social change and technological shift would be heterogenous. For instance, the very high-quality elites of Denmark completely missed the oncoming AI wave and fell 5 places in the EQx2025. Lastly, the judgments of the team will change as it and the EQx project grow and the aim becomes a greater capture of larger slices of political economy reality through the leverage novel data sources. In short, historical circumstances lead to adjustments in judgments. This is especially so when assessing socioeconomic realties that are anchored in cognition and perception, both of which are subsumed in cultural milieus and exposed to dominant narratives and market dynamics over the years. This is precisely the information that would be captured by a History-EQx.

So, what would be consistent and stable in a History-EQx? First, it would be based on first principles, the foundational propositions that cannot be derived from any other assumptions. These include the ontological and epistemological bases of the EQx that consistently inform the nature of the judgments. These are:

- **Foundational ontological position**: Value Creation and Value Extraction represent two discrete categories; the distinction has relevance for economic development via the elite agency at the elite system level (where high elite quality is associated with Value Creation elite agency and positive economic outcomes and low elite quality with their opposite)

- **Ontology on elite quality**: Elite Quality is in constant flux, continuously shaped by social change, technological shifts, economic conditions, and even subjective factors such as cognition and perception.

- **Epistemology on value transfers**: It is possible to measure Value Creation and Value Extraction.

- **Epistemology on conceptual elite quality**: Comparative Elite Quality as conceived (the aggregation of Value Creation and Value Extraction at the national level) can be operationalized despite being a complex socioeconomic phenomenon sensitive to shocks and shifts.

- **Epistemology on methodological elite quality judgments**: Comparative Elite Quality, on account of being a complex socioeconomic phenomenon sensitive to shocks and shifts, relies on constant and updated judgments, thereby introducing biases and heuristics, and constituting a methodological limitation.

In short, by adhering to first principles in producing the annual EQx report there is comparability in *historical terms* through a specific point-in-time lens across years because of the ontological and epistemological consistency (not through methodological or data criteria, matters which the PanelEQx duly addresses).

Findings from the Last Five Years

A cursory look at Visual 2.18 might prompt the reader to conclude that the EQx is indeed more volatile than other indices despite the anchors of stability. This is not surprising in a world where pandemics have soared, wars have started and will (hopefully soon) end, the judgments of the presidents of the world's most powerful nations are at times wildly inconsistent, inflation hits non-elites hard, and new technologies rise rapidly to the fore and shift the bargaining power differentials in principal-stakeholder relationships to a degree never seen before. How these often external factors become endogenized in the elite system is bound to vary across nations. The History-EQx would send signals—distorted and non-academic, but signals nonetheless— with the potential to improve the elite system through transformational leadership and provide non-elites with leverage.

A notional view of what the History-EQx looks like for 20 countries over the last five years (2021-2025) is offered in Visual 2.18 and 2.19. The following interpretation might be made using ten selected countries:

Visual 2.18: What do the swings and stability of the History-EQx mean?

- **US**: The elite system entered the 2020s at the top of the Elite Quality standings but then fell out of the top 20 in the EQx2023 as it dealt poorly with the COVID pandemic and the subsequent wave of inflation. This year, there was an AI-fueled resurgence in US Value Creation as the superpower rose to the top of the table (rank #2). In considering the current news coming out of the US, the next question becomes what will happen to overall sustainable value creation over the course of this and next four years.

- **China**: The country currently ranks at #19, above countries with GDP per capita that make them notionally three times as rich, such as like France (rank #22) or Italy (rank #36). What is noteworthy through the lens of the History-EQx is its slow and steady rise (from its position of #26 in the EQx2021).

- **India**: The History-EQx shows how India has progressed from rank #118 to #60 over the last five years. These truly extraordinary results are not surprising given the direction of its political economy and growth performance.

- **Japan**: After starting in a comparatively low position (rank #17 in the EQx2021, and rank #18 in the EQx2022) there was an inflection point in 2023 as the country shot up to rank #4 where it has remained ever since. The inclusion of additional ecology and SDG indicators mentioned above has helped, but there is a more general reason to believe that its improved performance points to a new page in the agency of its elites and to positive economic developments following over three decades of stagnation.

- **Germany**: The historical trend shows the country improving from its EQx2021 rank of #15 to a rather stable ranking of #8 in the last three years. This is in contrast to the evident mood in the country. This may be explainable by its excellent institutions that limit the Power of its elites and result in strong political Value Creation. This is not true for the middling performance of its business elites, apparently unable to adapt to the challenges of the data and AI economy. It is Germany's dominant business bureaucracies and coalitions that endanger the country's future.

- **UK**: Once a leader (EQx2021, rank #3), the UK remains strong at #10 in the EQx2025, yet is apparently caught in a deteriorating pattern that is the opposite to Japan's. While Brexit has clearly not been digested, the decline of its Elite Quality transcends this particular event, and the historical trend ought to be reason for wider concern.

- **France**: Elite Quality falls well below its economic potential, sitting in a middling range for an advanced economy that has not veered far from a rank of #20. The Parisian political and economic elites could better serve the general national and non-elite interests of *la Grande Nation*.

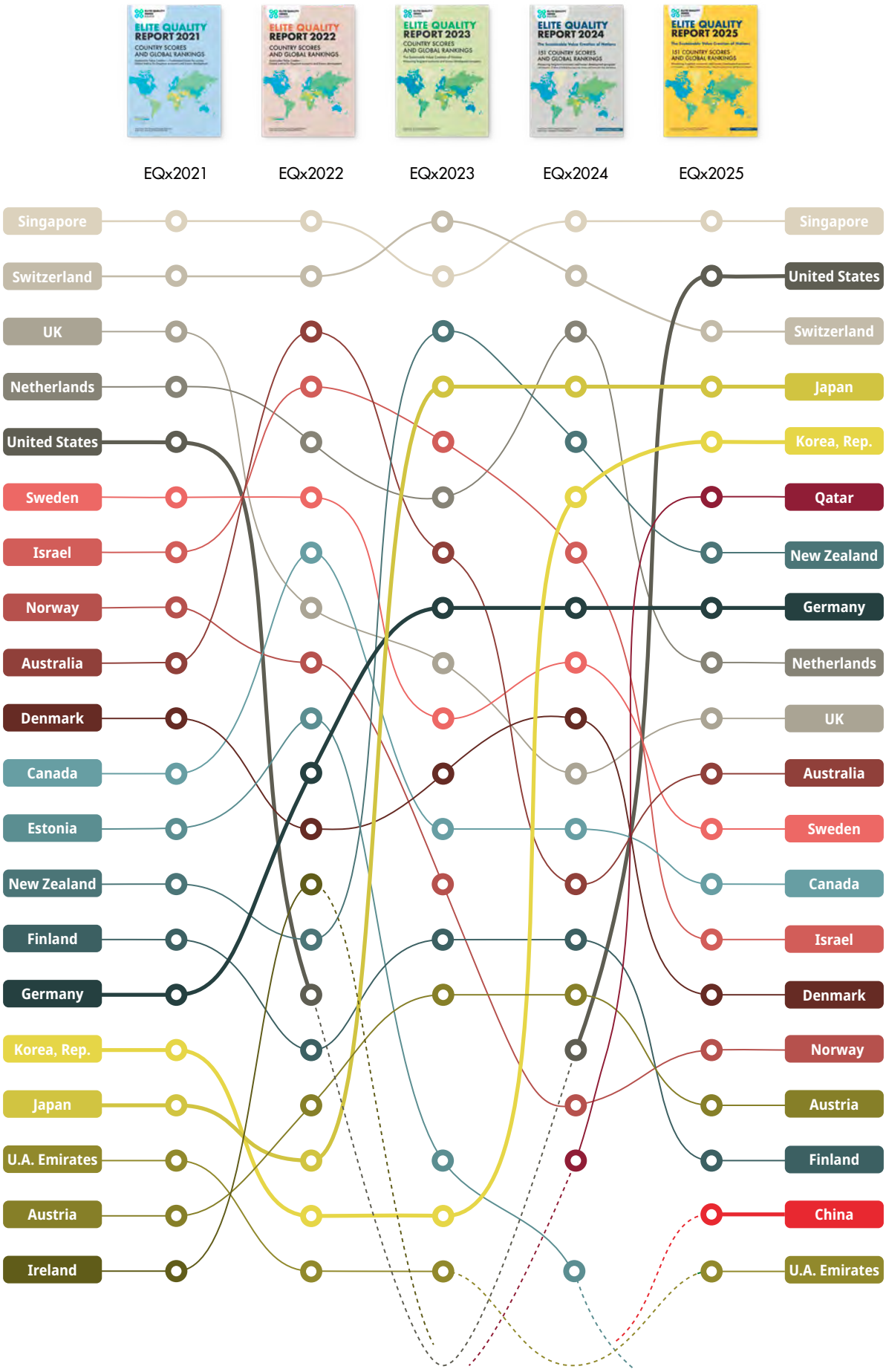
- **Korea**: The country's ascent from rank #19 in the EQx2022 to its current was the of #5 might have been intuitively anticipated but is clearly now reflected in historical data. Sustainable value creation elites seem able to isolate themselves from the grave political turmoil, while the overly powerful family-controlled Chaebols may in the final reckoning be a boon to the nation.

- **Singapore**: The city-state has sat atop the historical rankings for four out of the past five years (the exception is EQx2023, when it ranked at #2). The signal to the world is that its remarkably stable elite system not only shows adaptability, but its elite business models excel across multiple dimensions (from international business, to health and wellbeing, to AI).

- **Qatar:** Until this year, the wealthy monarchy with its vast natural gas reserves was scored fairly consistently, with ranks of #21, #22, #23, and #18. It seems that the state's outsized ambition has now broken this historical pattern by advancing to #5 in the EQx2025. In terms of inclusive Value Creation, something interesting appears to be happening in the Gulf.

The interpretation of elite agency through the use of the History-EQx tool is possible for all the 151 countries covered in the index. For instance, one might ask why Spain remained so stable over this five-year period, starting and ending at rank #27; what are the factors behind Ireland's fall from rank #13 (in the EQx2022) to its current ranking of #23; how can one explain Estonia's decline from a rising star ranked #10 (in the EQx2022) to now being placed at #26? Might it be its proximity to a terrible war as is likely the reason for Russia's descent from rank #65 (EQx2021) to #103 (EQx2023) and this years #99. In contrast, and despite losing a war, Armenia has gone in the opposite direction, rising from rank #103 (EQx2022) to rank #49 and #51 in the last two years; a truly impressive turnaround that speaks volumes for the quality of its elites. Finally, the most improved country in the History-EQx for the period of 2021-2025 is Bangladesh, up a stunning 67 places from rank #126 to #59.

Visual 2.19: History-EQx (2021-2025)



2.6 Building and Shaping the EQx Community

The EQx research project was born with a spirit of openness, inclusiveness, and broad international participation. The conceptual framework and accompanying infrastructure are designed to foster the growth of a vibrant community motivated by transforming elites and Sustainable Value Creation. We engage with both institutions and individuals, from users who are stimulated by the EQx rankings to those who wish to become stakeholders in the project and contribute as partners, researchers or patrons.

Follow the EQx Community

The project aims to be meaningful to those who care about taking the long view, building a sustainable society, transforming the political economy, generating ideas for new business models, using power for the greater good, creating value, investing in the future, or for others who are just interested in global rankings and current affairs.

The EQx can be followed on key social media platforms at LinkedIn and via our website: www.elitequality.org

Call to Researchers

The EQx2025 Report is a call to all researchers interested in joining the EQx academic community. We will be undertaking projects of both a theoretical and empirical nature, some targeted at publication in leading peer-reviewed journals, while others will focus on the task of providing practical insights for policymakers and firms, essential to making a real impact on business model transformation. Some research partners may wish to take responsibility for work in a particular country. We also encourage the submission of original ideas for new indicators that describe Value Creation and Value Extraction phenomena in the economy. If you are interested in joining this unique research opportunity, or just learning more about our plans, get in touch with us at: *research@elitequality.org*

Do you wish to Partner with the Foundation for Value Creation (FVC)?

The non-profit Foundation for Value Creation leads the EQx outreach efforts, supports our research and publications program and develops other formats to advance Sustainable Value Creation narratives. We would be delighted to hear from potential benefactors. You may wish to associate your institution with the FVC—or become involved personally—for a variety of reasons. You could be a concerned citizen or running an elite business model; in either case there are many ways to support ideas that 'grow the pie' in the political economy. Together we can help steer our countries' institutions and elite business models towards Sustainable Value Creation. Start a conversation with us now at: *partner@valuecreation.org*

"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; 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."

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

"The rise of elites with foresight explains Japan's transformation into a superpower in the 19th century and the post-war miracle. Its inability to let go of past successful experiences led to the bubble economy and subsequent stagnation. Elite quality, as operationalized in the EQx global index, is a distinctly productive framework for comparative evaluation. By describing the micro-level sustainable value creation fundamentals of the political economy, it provides a detailed elucidation of current economic reality and foresight into the growth prospects of nations."

Etsuro Shioji, Professor, Department of Commerce, Chuo University and
Specially Appointed Professor, Hitotsubashi Institute for Advanced Study, Hitotsubashi University

"By analyzing elite behavior and rent seeking, the Elite Quality Index report contains a trove of new insights for political economists. This innovative framework furnishes policymakers with a fresh set of tools to navigate the complexities of the global landscape. The integration of Global Trade Alert data on protectionist measures is particularly welcome, allowing for a nuanced understanding of how government interventions and trade dynamics affect a nation's ability to create sustainable value. The EQx report is an essential resource for anyone seeking to understand and navigate the ever-evolving world of political economy."

Simon Evenett, Professor, IMD;
Founder, St.Gallen Endowment for Prosperity through Trade

3. EQx2025 Results

3.1 Elite Quality Country Scores and Global Rankings

Visual 3.1 (1/4): EQx2025 table of Country Scores and Global Rankings with Power and Value Sub-Indices

EQx2025 Scores and Ranks										
	EQx			Sub-Indices						
				Power (I)			Value (II)			
Country	Rank	Trend vs EQx2024	Score	Rank	Trend vs EQx2024	Score	Rank	Trend vs EQx2024	Score	#data-points/149
Very High Quality Elites										
Singapore	1	0	65.6	20	1	62.7	1	0	67.1	125
United States	2	14	64.1	1	1	74.0	17	10	59.1	142
Switzerland	3	-1	63.2	22	-5	62.1	3	-1	63.8	139
Japan	4	0	63.1	17	-4	63.3	4	0	63.0	140
Korea, Rep.	5	1	62.7	8	-3	66.5	8	5	60.9	143
Qatar	6	12	62.6	34	9	56.6	2	1	65.6	104
New Zealand	7	-2	62.2	10	0	66.2	10	-4	60.3	125
Germany	8	0	62.2	2	2	68.7	19	-2	58.9	144
Netherlands	9	-6	62.1	6	-3	67.1	14	-5	59.6	138
United Kingdom	10	1	62.0	7	2	67.0	15	1	59.6	142
High Quality Elites										
Australia	11	2	62.0	16	2	63.8	5	7	61.2	140
Sweden	12	-3	61.8	9	2	66.5	16	-2	59.4	140
Canada	13	-1	61.7	3	3	67.9	21	-1	58.6	140
Israel	14	-7	61.6	13	3	64.5	11	-6	60.1	136
Denmark	15	-5	61.4	11	4	66.1	18	-8	59.0	142
Norway	16	1	60.1	31	-7	58.8	9	-1	60.8	139
Austria	17	-2	60.0	15	4	63.9	22	-7	58.1	141
Finland	18	-4	59.6	14	-2	63.9	24	-5	57.4	142
China	19	2	59.1	32	4	57.5	13	-2	59.9	135
United Arab Emirates	20	12	59.0	42	-2	54.8	6	18	61.1	118
Czech Republic	21	2	58.9	24	7	61.5	23	-5	57.7	130
France	22	-3	58.9	12	-4	66.1	29	-1	55.3	146
Ireland	23	3	58.6	39	-4	55.8	12	9	60.0	140
Belgium	24	-2	58.4	5	2	67.2	36	-3	54.0	143
Bahrain	25	4	57.8	54	13	51.3	7	0	61.1	99

Visual 3.1 (2/4): EQx2025 table of Country Scores and Global Rankings with Power and Value Sub-Indices

EQx2025 Scores and Ranks										
	EQx			Sub-Indices						
				Power (I)			Value (II)			
Country	Rank	Trend vs EQx2024	Score	Rank	Trend vs EQx2024	Score	Rank	Trend vs EQx2024	Score	#data-points/149
Quality Elites										
Estonia	26	-6	57.7	4	-3	67.8	48	-5	52.7	133
Spain	27	-3	57.0	25	-5	61.3	31	-6	54.9	144
Cyprus	28	6	56.4	51	-3	51.8	20	2	58.7	123
Slovak Republic	29	-1	56.1	19	3	62.7	47	-16	52.7	132
Portugal	30	-5	56.0	18	-4	62.8	50	-16	52.6	137
Malaysia	31	-4	55.8	41	-9	54.9	27	-4	56.2	132
Chile	32	-2	55.5	29	-3	59.6	38	-3	53.5	133
Romania	33	2	55.4	27	6	59.8	40	-8	53.2	127
Panama	34	13	55.0	50	3	51.9	26	14	56.5	112
Slovenia	35	-2	54.9	30	0	59.0	45	-9	52.9	124
Italy	36	-5	54.8	33	-4	57.4	37	-7	53.5	143
Latvia	37	1	54.5	26	2	60.6	59	-9	51.5	124
Bulgaria	38	1	54.5	23	4	61.6	61	-7	50.9	134
Indonesia	39	6	54.3	36	5	56.2	39	9	53.4	135
Thailand	40	-3	54.3	56	-6	50.8	28	-2	56.0	133
Oman	41	2	54.1	44	7	53.7	35	-6	54.3	99
Hungary	42	-2	54.0	37	0	56.2	44	-3	52.9	135
Lithuania	43	-1	53.9	21	4	62.2	77	-16	49.7	129
Vietnam	44	4	53.8	52	5	51.8	32	6	54.8	122
Poland	45	-9	53.5	40	-6	55.4	51	-12	52.5	141
Greece	46	-2	53.2	35	4	56.5	57	-13	51.6	135
Uruguay	47	-6	53.0	28	-5	59.8	78	-15	49.5	114
Peru	48	2	52.3	46	6	52.8	54	-5	52.0	128
Kazakhstan	49	11	52.2	68	0	47.7	34	28	54.4	121
Philippines	50	1	52.0	57	-3	50.8	49	2	52.6	129
Armenia	51	-2	51.9	38	0	56.0	76	-12	49.8	112
Croatia	52	-6	51.3	43	2	54.1	72	-25	49.9	125
Cambodia	53	14	51.1	128	-1	38.5	25	12	57.4	110
Dominican Republic	54	3	50.8	74	4	46.1	42	10	53.1	108
Mauritius	55	-2	50.6	70	-5	46.8	52	5	52.5	106
Senegal	56	3	50.5	72	4	46.4	53	3	52.5	105
Saudi Arabia	57	-3	50.4	101	-15	42.1	33	9	54.6	115
Serbia	58	7	50.4	58	1	50.7	70	9	50.3	117
Bangladesh	59	-4	50.3	61	2	49.8	66	-6	50.6	122
India	60	3	50.2	49	-3	51.9	79	17	49.3	135
Costa Rica	61	-5	50.0	48	8	51.9	81	-16	49.1	121
Azerbaijan	62	4	49.8	92	-5	43.4	43	16	53.0	109
Kuwait	63	-5	49.6	82	1	45.3	56	-11	51.8	107
Georgia	64	13	49.6	94	29	43.1	46	7	52.8	117
Mexico	65	-13	49.5	55	-13	51.1	87	-5	48.7	138
Colombia	66	-5	49.4	47	2	52.4	95	-9	48.0	136
Mongolia	67	5	49.4	83	-4	45.1	58	15	51.6	107
Togo	68	8	49.0	84	8	45.1	60	8	50.9	96
Uzbekistan	69	2	48.9	110	4	40.4	41	5	53.1	102
Timor-Leste	70	50	48.9	79	18	45.7	69	53	50.5	70
Lao PDR	71	16	48.9	96	4	42.8	55	15	51.9	97
Brazil	72	-8	48.9	53	-9	51.7	99	1	47.5	137
Moldova	73	17	48.9	64	-4	48.7	83	29	49.0	104
Benin	74	8	48.7	85	4	44.8	64	14	50.6	97
Côte d'Ivoire	75	-2	48.5	87	-2	44.1	62	5	50.7	98

Visual 3.1 (3/4): EQx2025 table of Country Scores and Global Rankings with Power and Value Sub-Indices

EQx2025 Scores and Ranks										
	EQx			Sub-Indices						
				Power (I)			Value (II)			
Country	Rank	Trend vs EQx2024	Score	Rank	Trend vs EQx2024	Score	Rank	Trend vs EQx2024	Score	#data-points/149
Middle Quality Elites										
Botswana	76	5	48.4	67	7	47.9	88	2	48.6	107
Turkmenistan	77	15	48.4	141	-5	34.9	30	28	55.1	72
Ghana	78	-9	48.4	62	-1	49.4	96	-8	47.8	114
Jamaica	79	0	48.2	91	4	43.7	68	1	50.5	99
Ecuador	80	-12	48.2	73	-3	46.2	80	0	49.2	115
Albania	81	-7	47.9	78	-1	45.7	82	-6	49.0	111
Bolivia	82	3	47.9	99	-1	42.5	65	6	50.6	103
North Macedonia	83	-8	47.8	81	-1	45.6	85	-4	48.9	108
Turkey	84	-22	47.3	75	-9	46.1	94	-28	48.0	139
Rwanda	85	-5	47.3	63	-5	48.8	107	-4	46.5	106
Argentina	86	-16	47.1	45	2	53.3	124	-11	44.0	126
Morocco	87	4	47.1	66	7	48.2	106	-4	46.5	119
Liberia	88	14	47.0	119	-11	39.4	63	31	50.7	90
Paraguay	89	0	46.8	108	-3	41.0	75	-3	49.8	107
Cuba	90	-7	46.8	95	-11	42.9	86	-3	48.8	75
Trinidad and Tobago	91	13	46.7	100	7	42.4	84	15	48.9	96
Kyrgyz Republic	92	7	46.6	125	-5	38.6	67	20	50.6	109
Belarus	93	0	46.5	120	-18	39.0	71	13	50.2	106
Namibia	94	3	46.4	59	3	50.6	120	3	44.3	102
Gambia, The	95	-17	46.1	90	0	43.8	101	-26	47.2	88
Papua New Guinea	96	10	46.1	124	1	38.6	74	15	49.8	83
Zambia	97	16	45.9	104	9	41.5	92	12	48.1	105
Niger	98	-2	45.9	109	-6	41.0	90	1	48.4	96
Russian Federation	99	4	45.8	106	-31	41.4	93	27	48.0	135
Tajikistan	100	-14	45.7	134	-5	37.4	73	-18	49.8	99
Jordan	101	-13	45.7	65	7	48.6	122	-27	44.2	111
Egypt, Arab Rep.	102	-18	45.6	86	-4	44.4	108	-23	46.2	122
Guinea-Bissau	103	6	45.6	117	-13	39.7	89	18	48.5	79
Tanzania	104	-6	45.5	77	16	45.8	114	-13	45.4	108
Kenya	105	-11	45.3	71	0	46.7	116	-1	44.6	116
Madagascar	106	8	44.8	131	0	37.9	91	1	48.2	108
Honduras	107	-2	44.7	103	8	41.9	109	-12	46.1	108
El Salvador	108	7	44.7	114	-5	40.2	104	4	46.9	108
Guatemala	109	14	44.5	126	-2	38.6	98	18	47.5	110
Burundi	110	1	44.2	123	-4	38.7	103	-5	47.0	96
Ethiopia	111	8	44.2	88	0	43.9	121	5	44.3	108
Mozambique	112	-11	44.1	133	2	37.8	100	-23	47.3	104
Sierra Leone	113	12	44.0	89	5	43.9	123	9	44.1	93
Ukraine	114	-6	43.8	60	-5	49.9	138	0	40.7	121
Equatorial Guinea	115	15	43.7	113	5	40.3	113	14	45.4	65
Guinea	116	-21	43.7	93	-2	43.2	125	-32	43.9	91
Mali	117	-5	43.6	121	-15	38.9	111	-1	45.9	99
Nicaragua	118	3	43.5	137	-3	36.5	102	3	47.1	101
Bosnia and Herzegovina	119	9	43.4	98	1	42.6	126	2	43.8	106
Malawi	120	-2	43.4	105	7	41.5	118	-9	44.4	101
Uganda	121	3	43.3	107	14	41.3	119	-2	44.4	110
Nigeria	122	15	43.3	122	10	38.9	112	24	45.6	116
Algeria	123	-7	43.2	111	5	40.4	115	-9	44.6	111
Congo, Dem. Rep.	124	8	43.1	138	2	35.8	105	14	46.8	93
Cameroon	125	1	43.1	112	10	40.4	117	1	44.5	106

Visual 3.1 (4/4): EQx2025 table of Country Scores and Global Rankings with Power and Value Sub-Indices

EQx2025 Scores and Ranks

	EQx			Sub-Indices						
				Power (I)			Value (II)			
Country	Rank	Trend vs EQx2024	Score	Rank	Trend vs EQx2024	Score	Rank	Trend vs EQx2024	Score	#data-points/149
Lagging Elites										
Sri Lanka	126	-26	43.1	80	1	45.6	131	-17	41.9	111
South Africa	127	-10	43.0	76	-7	46.0	132	2	41.5	132
Myanmar	128	-18	42.5	148	-4	31.9	97	-23	47.7	103
Tunisia	129	-22	42.4	69	-5	47.4	141	-11	40.0	117
Iran, Islamic Rep.	130	-1	42.4	139	0	35.1	110	1	46.1	111
Burkina Faso	131	-4	42.3	115	-5	40.1	128	-4	43.3	107
Pakistan	132	-1	41.9	97	-1	42.7	133	6	41.5	115
Nepal	133	-11	41.4	102	-1	42.0	135	-14	41.2	107
Mauritania	134	0	41.2	135	2	36.8	127	-2	43.3	92
Lebanon	135	3	40.7	118	-1	39.4	134	8	41.4	109
Central African Republic	136	0	40.3	140	-2	35.0	130	1	43.0	78
Congo, Rep.	137	-2	40.2	127	6	38.5	136	-1	41.1	87
Libya	138	7	40.0	144	5	33.4	129	12	43.3	77
Chad	139	4	39.9	132	-4	37.8	137	8	41.0	86
Gabon	140	-7	39.9	129	-3	38.4	139	-10	40.7	93
Lesotho	141	0	39.0	116	-1	39.7	144	0	38.7	96
Angola	142	-3	38.6	136	5	36.8	143	-10	39.5	107
Venezuela, RB	143	1	38.3	142	4	34.5	140	3	40.3	100
Zimbabwe	144	-4	38.2	130	0	38.0	145	-5	38.3	102
Eswatini	145	-3	37.1	149	-7	31.6	142	-5	39.8	92
Iraq	146	3	33.7	146	4	32.9	146	3	34.1	91
Syrian Arab Republic	147	-1	32.1	143	4	34.2	148	-2	31.0	80
Yemen, Rep.	148	0	31.7	150	1	31.2	147	0	31.9	92
Sudan	149	2	30.4	147	-2	32.1	150	1	29.6	95
Haiti	150	0	30.2	145	-2	32.9	151	-1	28.9	85
Afghanistan	151	-4	30.1	151	-3	30.5	149	-1	29.9	85

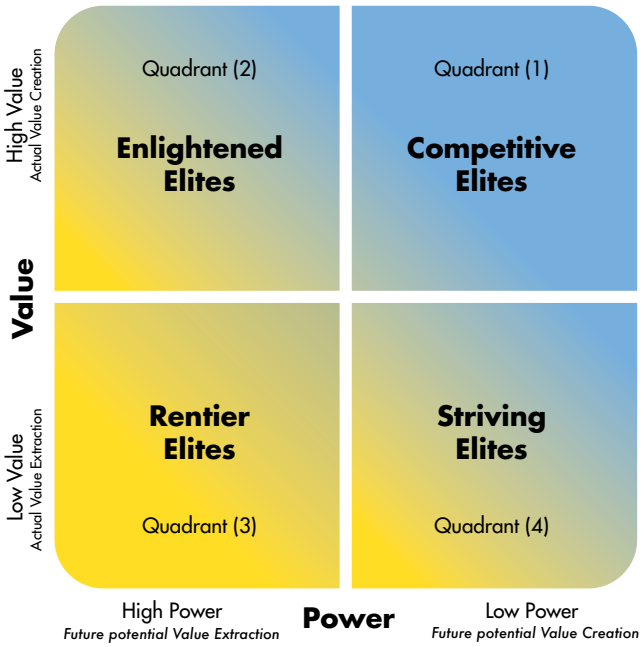
3.2 State of Elites Framework: Country Mapping

The State of Elites framework revolves around the EQx's 2 Sub-Indices, Power and Value. Both represent the degree of Value Creation along a spectrum ranging from high to low.

It is important to emphasize that the State of Elites framework sees the interaction of the present with the future, as it reflects the fact that Power can be converted into Value Extraction. Value Extraction business models require Power to operate and thus Power is described as having future Value Extraction potential in Visual 3.2. In the framework, the 2 axes represent the 2 temporal perspectives and so every country finds itself in a position that captures information about the present (via Value) and the future (via Power).

The State of Elites framework is best comprehended through 4 possible conditions that describe a country's elites in terms of their business models on aggregate: 'competitive', 'enlightened', 'rentier' and 'striving'. The Power Sub-Index I and Value Sub-Index II Country Scores serve as the x- and y-axis of the 2x2 matrix which provide the coordinates that not just locate each political economy in the framework, but most importantly serve as a starting point for interpretive work. A country's position is a unique and important source of insights to analyze its present situation as well as to understand its prospects, especially given our aim to support the development of prescriptive views.

Visual 3.2: The State of Elites Framework for Policy
(Source: Derived from Casas-Klett, 2025, in Press)



Description of the 4 States of Elites

Quadrant 1 sees **'competitive elites'** in a situation which most resembles a free market. This state is characterized by short-lived cycles of highly innovative and profitable elites that rise to the top in quick succession. If contests between elites are civil, that competition will produce a plethora of public goods, leading to human and economic development. Technological possibilities are seized, and long-term economic growth is maximized and limited only by the human capacity to innovate.

Quadrant 2 sees powerful elites that dominate the political economy. These dominant coalitions, however, refrain from Value Extraction despite having the ability to obtain rents, and instead choose to run value creating business models. The **'enlightened elites'** state is one where elites are very powerful but nonetheless create substantial value.

Quadrant 3 exhibits **'rentier elites'**. Countries with economies in this state are characterized by highly dominant and powerful elites that have consolidated value extracting business models. Having captured the levers of power and overcome the resistance of productive forces, the elites have designed institutions that favor their business models at the expense of increasingly demoralized non-elites who have little incentive to invest in Value Creation activities.

Quadrant 4 sees free-for-all Value Extraction by a multitude of diverse agents. Low power elites compete for rents and Value Creation business models are absent, challenged by all sides. The **'striving elites'** state is an "Absent Leviathan" situation (Acemoglu & Robinson, 2019) and a rather unstable one, with aspirational elites whose extractive rent seeking is real but has not (yet) scaled. Emerging interest groups engage in struggles of all kinds for dominant positions that will enable them to shape institutions and in turn protect and consolidate their business models.

EQx2025 State of Elites, Results

Employing the Power Sub-Index I and Value Sub-Index II Country Scores, we position each of the 151 countries covered in the EQx2025 in the State of Elites framework.

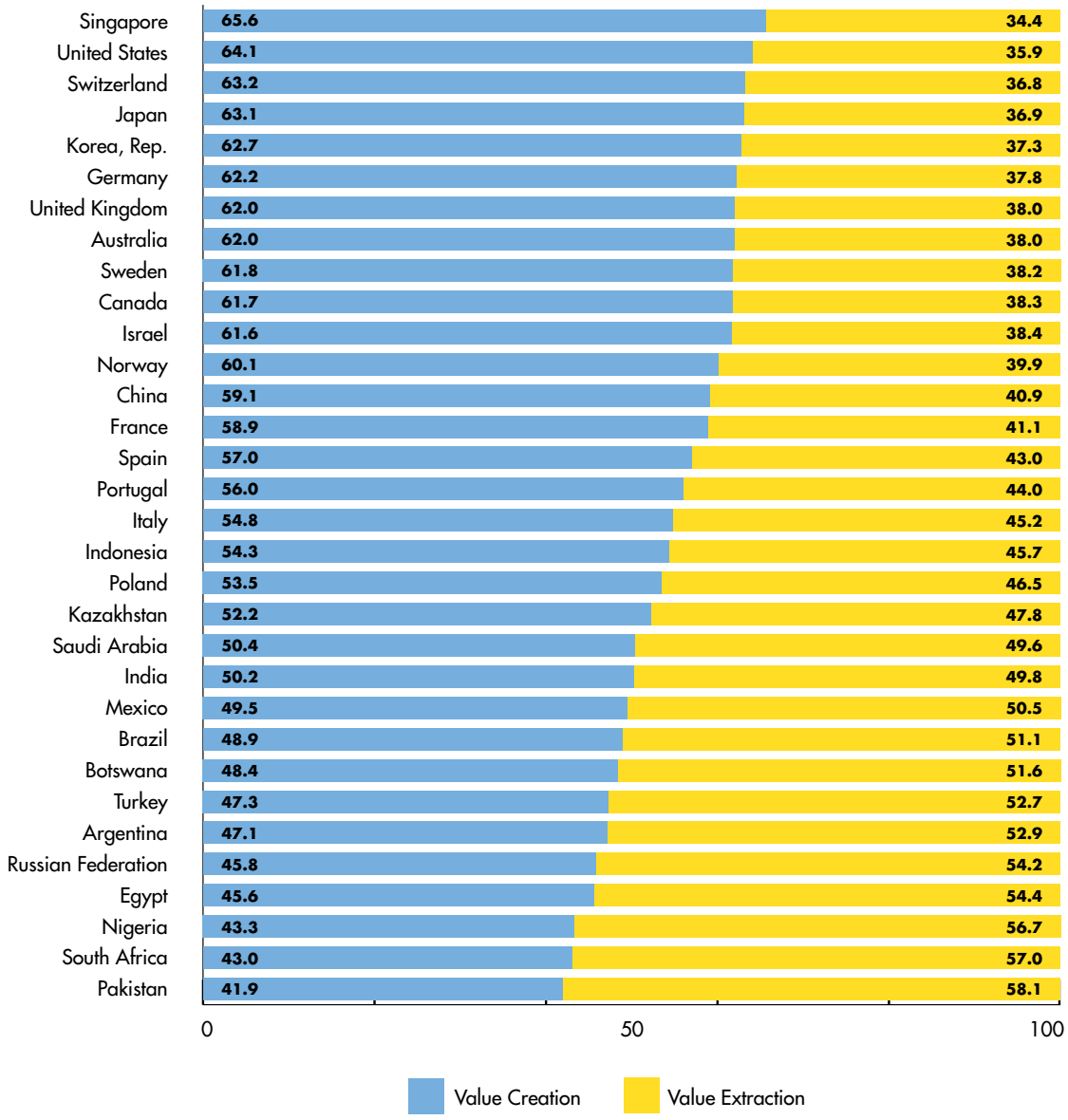
Visual 3.3: EQx2025 State of Elites Framework: Country Positions based on EQx Sub-Indices Power and Value

Note: Random selection of country codes are printed in case of country overlaps.

3.4 Value Configuration Framework: Value Creation and Extraction and Shares of Overall Economic Activity

The EQx ranks countries on their Elite Quality. That is, each country receives a score that represents a point on an imaginary Value Creation to Value Extraction spectrum of the political economy. These country scores are normalized within a range of 1 to 100, with 100 being the highest score, i.e., the best, in terms of Value Creation. To concretize the abstract Elite Quality aggregate, to support policy and social debates, and to facilitate the connection between the macro (country-level) EQx to the micro (firm-level), we introduce here a visualization of the relative proportion of Value Creation vs Value Extraction business models within a given economy on a relative and comparative basis. Converting the EQx scores into Value Creation percentages allows us to see the distance from a theoretically perfect 100%, assumed to be caused by the complete absence of value transfers derived from extractive business models. While figuratively speaking, country scores represent a point on a continuum, a heuristic where the range up to the country score position is determined to be Value Creation and the remainder is assumed to be Value Extraction. If the total economic pie is measured by GDP, Value Creation and Value Extraction jointly add up to 100% of national income. The 32 countries selected for inclusion are those from the pilot EQx2020.

Visual 3.6: EQx Value Creation vs Value Extraction on a conceptual continuum for selected 32 EQx countries



3.5 Pillar Results

The Pillars are the specific and integer constructs that host the EQx indicators and their datasets. Categorized and color-coded along the 4 Index Areas, they are presented next. Conceptually, the Pillar Country Scores and Global Rankings measure where exactly in the political economy Value is being created and if the pie (rather than the slice) is being enlarged.

Political Power Pillars, Index Area (i)

The Political Power Pillars measure the **capture** of 3 kinds of rules: The rules of the state, the political economy's regulations, and the rules that concern human agency. The terminology is borrowed from Stigler's 'capture theory' (1971).

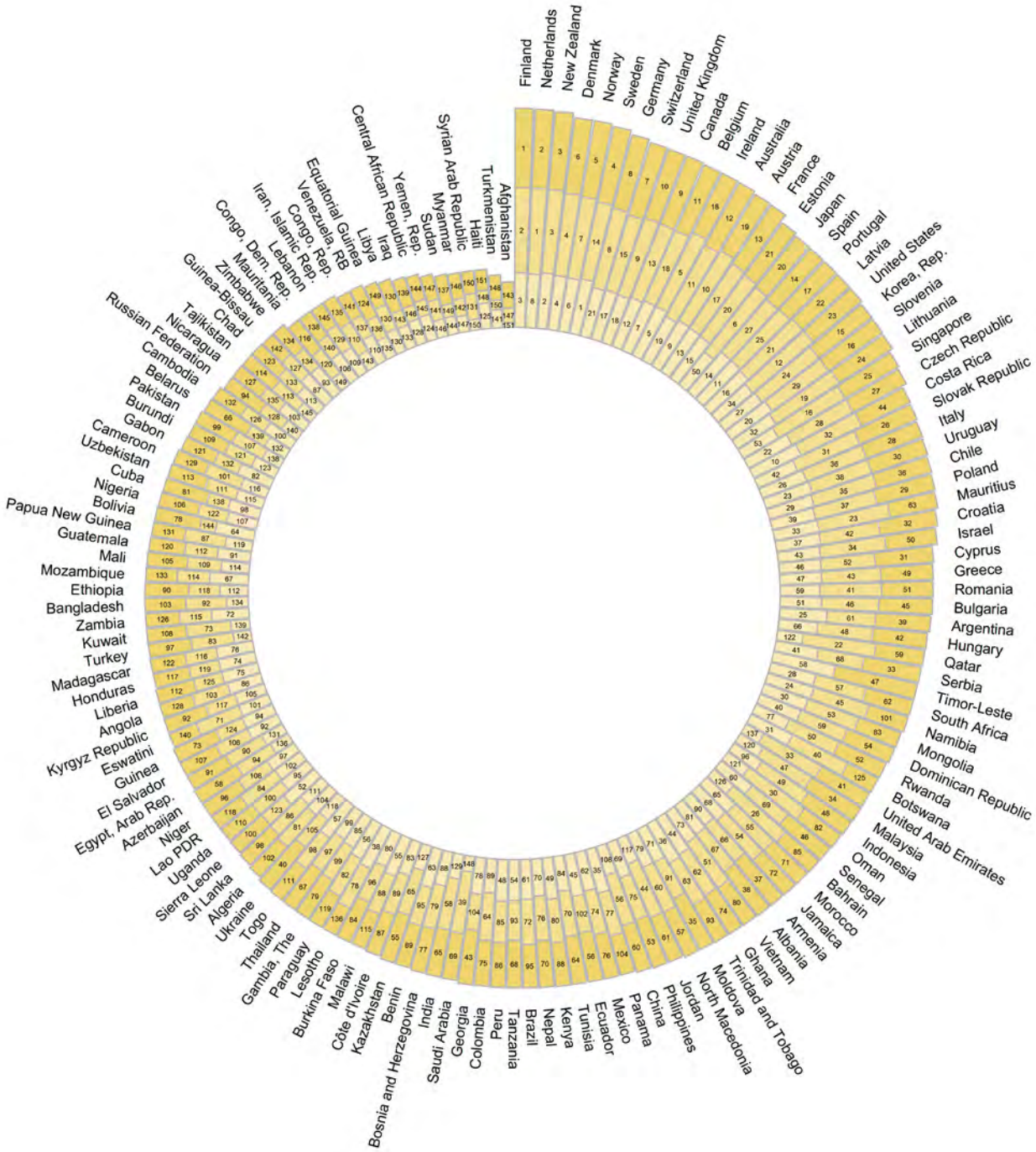
Pillar i.1, State Capture focuses on the direct capture by distributional coalitions of the state and its government branches. This Pillar measures diverse manifestations of elite Power ranging from political centralization to gender parity at the top echelons of the state. Specific indicators measure *Social mobility (upward)* (MOB, i.1) and attempt to find evidence of state capture through, for instance, *Political corruption* (COR, i.1) or *Press freedom* (PFD, i.1).

Pillar i.2, Regulatory Capture measures the extent to which rules and regulation, or the making thereof, have been captured by special interests. This Pillar includes *Property rights* (PRI, i.2) and *Crony capitalism* (CRO, i.2), an indicator proposed by The Economist ('Comparing crony capitalism', 2016) that measures wealth derived by billionaires from rent-heavy industries and signals the successful capture of regulators and legislators by elites.

Pillar i.3, Human Capture attempts to measure the extent of restrictions placed on the freedom of individuals and discrimination in all its forms, which boost Value Extraction and impede Value Creation. This is reflected by the inclusion of diverse indicators such as the *Human Rights Index* (HRI, i.3), *Forcibly displaced people as % of population* (FDP, i.3) or *LGBT+ inclusiveness (LIN, i.3). Other facets of human capture are operationalized by the Women, Business and the Law* (WBL, i.3) indicator and, to measure the extreme phenomenon of modern slavery, the *Global Slavery Index* (GSI, i.3).

Visual 3.7: Index Area (i) – Political Power Pillars with Global Rankings

Pillars State Capture Regulatory Capture Human Capture



EQx2025: By Pillar, Global Rankings

Visual 3.11 (1/4): Table of complete EQx Pillars by Global Rankings, color-coded

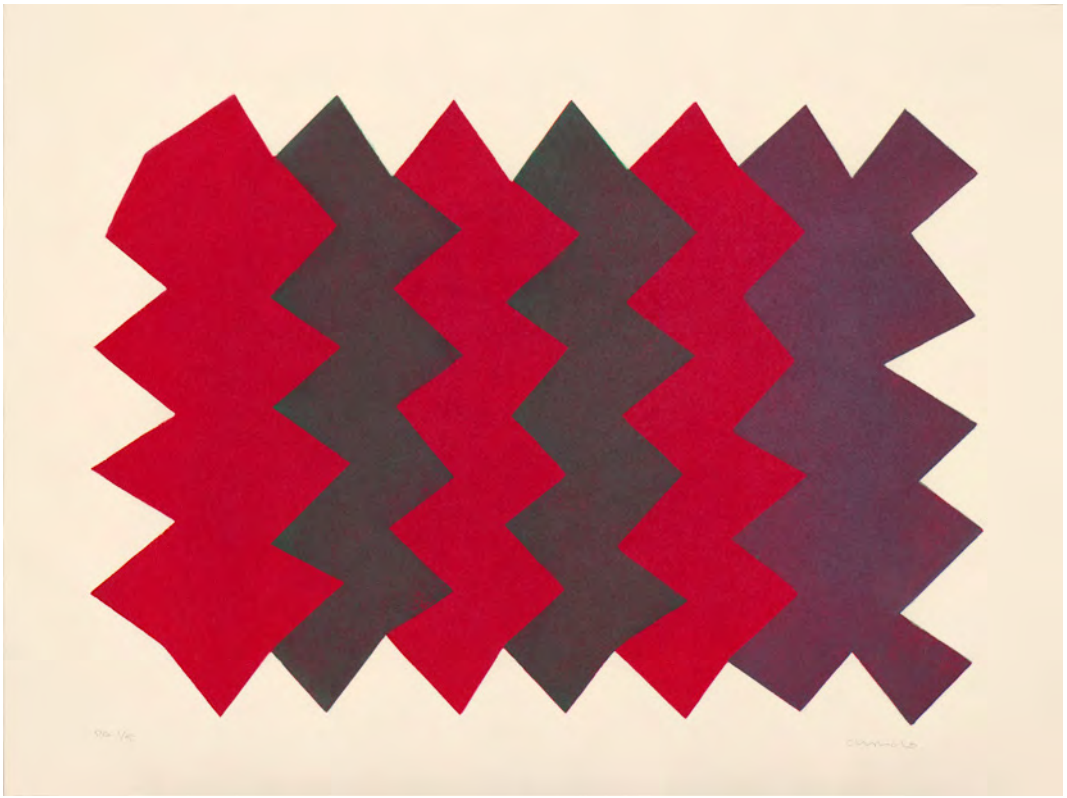
	i.1 State Capture	i.2 Regulatory Capture	i.3 Human Capture	ii.4 Coalition Dom.	ii.5 Firm Dom.	ii.6 Creative Destruction	iii.7 Giving income	iii.8 Taking income	iii.9 Unearned income	iv.10 Producer Value	iv.11 Capital Value	iv.12 Labor Value
Singapore	25	16	53	2	147	4	1	5	34	1	8	14
United States	23	12	34	9	89	1	3	98	142	24	2	40
Switzerland	7	15	17	31	144	20	6	31	2	2	12	17
Japan	20	6	50	14	130	17	12	8	57	47	6	9
Korea, Rep.	15	24	27	18	96	3	30	34	14	71	21	6
Qatar	59	22	122	104	54	24	43	15	144	13	3	1
New Zealand	3	3	2	29	51	37	15	79	30	9	33	18
Germany	8	8	21	16	66	10	34	41	18	26	36	29
Netherlands	2	1	8	12	139	14	14	38	39	17	30	38
United Kingdom	10	9	18	7	136	7	4	81	60	20	11	43
Australia	12	11	19	40	97	22	8	111	102	15	13	7
Sweden	4	14	1	4	142	11	5	119	7	5	9	66
Canada	9	13	12	33	70	8	18	83	114	23	7	34
Israel	50	34	43	32	94	2	17	106	66	42	4	13
Denmark	6	4	4	8	135	19	7	104	1	12	61	24
Norway	5	7	6	44	138	54	10	84	28	6	22	16
Austria	19	10	9	19	91	32	38	51	9	27	16	55
Finland	1	2	3	11	141	34	21	113	8	10	28	68
China	60	56	108	58	83	6	13	10	138	85	1	25
United Arab Emirates	41	33	137	38	137	23	11	57	127	14	42	2
Czech Republic	27	28	22	15	72	38	29	33	47	28	18	69
France	13	17	13	21	107	9	36	76	54	31	17	91
Ireland	18	5	5	86	150	35	22	107	49	3	10	37
Belgium	11	18	7	20	68	13	33	72	55	8	58	107
Bahrain	85	26	126	51	87	52	24	4	147	16	5	30
Estonia	21	20	15	17	60	5	23	132	17	22	20	123
Spain	14	27	14	24	81	39	32	16	74	34	41	106
Cyprus	31	52	46	39	148	40	41	91	16	4	15	52
Slovak Republic	26	31	42	10	125	12	26	64	13	44	71	104
Portugal	17	25	11	27	90	25	27	82	56	48	92	79
Malaysia	34	47	120	68	93	31	51	2	139	41	38	70
Chile	36	35	29	94	75	16	20	56	81	29	60	97
Romania	51	41	59	3	14	41	39	62	44	61	48	89
Panama	104	77	35	112	104	28	67	28	91	7	40	73
Slovenia	16	29	20	13	84	53	16	116	6	63	77	83
Italy	28	36	26	35	71	48	64	24	87	43	37	103
Latvia	22	21	16	1	17	59	35	142	10	59	72	80
Bulgaria	45	46	51	26	11	15	42	125	23	46	86	100

4. EQx2025 Analysis and Interpretation

The EQx project has developed a variety of interpretive formats. The 'Country Scorecard' format captures on one convenient page the full set of a country's EQx Scores, from the headline Level 1 EQx Index score to the 149 more granular Level 4 indicators.* The Country Scorecards can be conveniently utilized for interpretative purposes by offering a 360-degree view of a country's political economy.

Chapter 4.1 is a highlight of the report offering deep-dive analyses of Country Scorecards by leading economists, political scientists, and management scholars from around the globe. Each analysis constitutes an original interpretation of how a given country has and will fare viewed through the prism of Elite Quality. Chapter 4.2 provides the indicator Scorecard perspective, exploring individual phenomena of Value Creation/Extraction, which are discussed in comparative terms across countries. Chapter 4.3 reviews five EQx-Indicator Families: Artificial Intelligence, Diversity & Inclusion, Ecology, Health & Well-Being and International Business.

*Note: EQx Country Scores are rounded. The rankings are derived from the full EQx Country Scores and thus can deviate from the rankings implied by the rounded Country Scores.



4.1 Country Scorecards: Deep-dive Analyses

Argentina

Elite Quality Explains the Paradox of Undeveloped Potential

Argentina has fallen significantly in the EQx2025 results (rank #86) compared to its performance in 2024 (rank #70).

A 'hegemonic stalemate'—the struggle between two hegemonic groups with antagonistic visions for the country's development that alternate in power without sufficient time to implement their vision in a lasting manner and with effective results—can be clearly seen in how Argentina approaches economic and human development.

The main stated public objective of the new Milei government is to reduce inflation and the size of government. After its first year, the process where one of the hegemonic elite coalitions takes over and annuls the policies of the previous incumbents is well underway and follows the ingrained Argentinian political tradition. These radical changes in direction have become a constant in Argentine development; short-term policies are imposed and prioritized by the elites in power to the detriment of an agreed long-term strategic plan for the nation. In this case, the government has implemented shock policies to achieve a fiscal surplus, primarily through reduced investment in public infrastructure, education, and public health, and by taking an axe to the public sector by closing departments and laying-off many public employees. It has launched an investment incentive program and issued a pardon for tax evaders. Pegging the exchange rate to the inflation rate has strengthened the Argentine peso, reducing the cost of importing goods and services and increasing Argentinian tourism abroad. This strengthening of the peso has put pressure on the Central Bank's reserves and created competitive difficulties for local production. All of this is in evidence in the EQx2025 indicators.

The extractive nature of the Argentine elite is apparent in the EQx2025, which shows that wealth is now concentrated in fewer hands than 2024. Starting with a key indicator for assessing the quality of a democracy, access to information through *Press freedom* (PFD, i1, rank #54) shows a remarkable decline compared to the EQx2024 (PFD, i1, rank #31). The concentration of wealth during the year analyzed is expressed in the complete collapse of Argentina's ranking for the *GINI coefficient on net national wealth dist - 3 year growth rate* during the year 2025 (GWC, i1, rank #139) vs 2024 (GWC, i1, rank #22) and the Firm Dominance Pillar (iii 7, falling from rank #20 in 2024 to rank #56 in 2025).

The Argentine elite is also not using its influence to create enough jobs for its citizens, especially more highly educated young people, who are choosing to pursue careers in countries that offer better opportunities. This is observed in the *Human flight and brain drain* indicator, which remained poor in 2025 (BRN, iv.12, rank #23) vs 2024 (BRN, iv.12, rank #27), and the terrible *Youth unemployment rate* (YUN, iv.12, rank #107).

The overall economic direction of the Argentine government is highly uncertain as it attempts to stabilize public finances in a year where midterm legislative elections are taking place. This is generating numerous tensions in society, a situation that is typical of a hegemonic stalemate. These tensions are already beginning to manifest themselves, with the General Confederation of Labor calling for a general strike.

The decline in Argentina's EQx2025 ranking compared to 2024 reflects the numerous challenges the country is facing. The high degree of societal polarization regarding views about the future suggests that the necessary economic growth, coupled with better income distribution, will not be achieved in the short term. In addition, social tensions will put pressure on inflation and exchange rate levels, postponing the implementation of key longer-term decisions such as investment in education, healthcare systems, solutions to the housing deficit, and fundamental tax reform that are essential starting points for sustainable value creation and the attendant growth that can benefit all sectors of the population.

Pablo San Martin,
Chair, SMS Latinoamérica/North America

Argentina

EQx2025 Country Scorecard

Population	45.5 million
GDP (nominal)	646 billion USD
GDP per capita	14'187 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
86	47.1	Rank 81

Middle Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

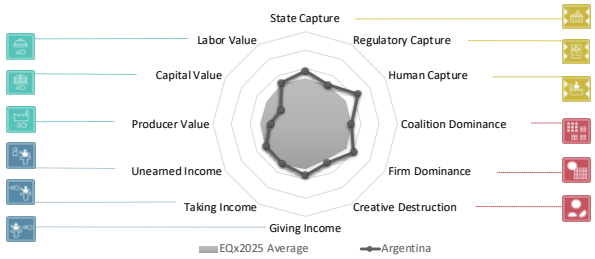
Power		Value	
Rank / 151	Score	Rank / 151	Score
45	53.3	124	44.0

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
40	56.8	52	51.5	65	51.4	130	40.3

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	39	57.6
	Regulatory Capture	61	49.2
	Human Capture	25	66.0
Economic Power (ii)	Coalition Dominance	78	50.0
	Firm Dominance	20	60.8
	Creative Destruction	55	48.3
Political Value (iii)	Giving Income	62	55.5
	Taking Income	86	49.3
	Unearned Income	92	48.6
Economic Value (iv)	Producer Value	122	37.9
	Capital Value	145	30.3
	Labor Value	78	51.4



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	60	57.5
	COC	Control of corruption	70	45.4
	OPG	Open government	34	63.5
	RTC	Government's responsiveness to change	76	45.8
	EPR	E-Participation Index	65	58.4
	PFD	Press freedom	54	60.7
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	11	76.9
	ADE	Administrative decentralization	57	55.0
	PGL	Political globalization	22	79.4
	WPI	Women's Power Index	30	73.2
	MOB	Social mobility (upward) (dev. fm optimum)		
Regulatory Capture (i.2)	INE	Top 10% share of pre-tax national income	60	55.7
	GWL	Gini coefficient on net national wealth dist. - level	44	65.3
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	139	26.1
	GIL	Gini coefficient on income dist. - level		
	GIC	Gini coefficient on income dist. - 1-year growth rate		
	ECR	Ease of challenging regulations	99	30.5
	CGP	Constraints on government power	51	53.5
	REQ	Regulatory quality	87	39.9
	REN	Regulatory enforcement	55	45.0
	PRI	Property rights	108	33.6
	CRO	Crony capitalism	7	63.3
	INO	Informal output as a % of GDP	41	65.1
Human Capture (i.3)	GSI	Global Slavery Index	56	61.2
	FDP	Forcibly displaced people as % of population	21	55.9
	HRI	Human Rights Index	26	80.1
	AFI	Academic Freedom Index	4	82.1
	GRI	Religion - Government Restriction Index	43	67.6
	LIN	LGBT+ inclusiveness	32	75.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	88	50.8
	WMA	Proportion of women in senior and middle mgmt positions (	39	65.4
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	41	66.5
	IEO	Top 1 industry exports as % of exports	6	79.6
	IVA	Top 3 industries as % of value added		
	HHI	Domestic market diversification	12	70.3
	ECI	Economic Complexity Index	61	52.0
	PUE	Public employees as a % of total employment	105	8.7
	MIL	Military expenses as % of GDP (dev. fm optimum)	118	40.6
	UNI	Unionization rate (dev. fm optimum)	96	38.1
	BSN	Barriers in service & network sectors		
Firm Dominance (ii.5)	CRA	Criminal actors	74	51.0
	SME	SMEs per 1,000 people	72	40.7
	FAM	Family business revenues as % of GDP	26	40.0
	BIW	Billionaires' wealth as % of GDP	92	56.0
	FKG	Top 10 firms market cap as % of GDP	14	63.3
	FRG	Top 3 firms revenues as % of GDP	5	75.4
	FRR	Top 30 firms revenues as % of GDP	2	84.2
Creative Destruction (ii.6)	ENT	Entrepreneurship	64	40.7
	GSE	Governmental support to entrepreneurship	102	6.8
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	111	24.6
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP	58	54.1
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	34	69.5
	IWE	Index of Women Entrepreneurs	27	60.9
Giving Income (iii.7)	LEW	Life expectancy women	57	63.7
	LEM	Life expectancy men	51	64.5
	SCI	UHC Service Coverage Index	40	69.6
	PTR	Pupil-teacher ratio	56	63.4
	EDU	School life expectancy	9	87.5
	PIS	PISA mean scores	59	29.8
	UNV	Top universities	48	45.7
	GEE	Government education expenditure	48	60.4
	GAR	Government AI Readiness Index	58	60.4
	AIP	AI patent grants		
	OSI	Online Service Index	49	67.8
	NRI	Network Readiness Index	65	50.8
	INT	Internet access	41	67.6
	GHI	Global Hunger Index	20	75.5
	FSQ	Global Food Security Index - availability, quality & safety	18	76.6
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim	35	70.9
	SNT	Subsidies and transfers as % of expenses	119	10.1
	REG	Regional redistribution as % of government budget	118	23.3
	CSG	Construction supply gap		
	SPO	Social protection	55	57.4
	SFA	Sanitation facilities	74	39.2
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	109	11.1
Taking Income (iii.8)	SUB	Death rate from substance use disorders	24	70.2
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	88	39.9
	SUI	Suicide rate	87	52.9
	DTR	Tax revenue as % of GDP (dev. fm optimum)	3	81.6
	DCT	Corporate tax rate (dev. fm optimum)	132	13.3
	DPS	Delta public vs private sector salaries	29	40.6
	FDE	Fiscal decentralization		
	GCI	Global Cybersecurity Index	65	56.9
	GEG	Gender education gap (dev. fm optimum)	27	47.3
Unearned Income (iii.9)	CRM	Criminal markets	34	69.0
	DBT	Government debt as % of GDP		
	NRR	Natural resources rents as % of GDP	70	48.0
	GPA	Green patents per capita	94	36.1
	EPI	Environmental Performance Index	66	50.3
	RES	Renewable energy share	118	27.7
	OLI	Ocean litter	69	40.1
	DER	Deforestation rate	123	46.7
	FUS	Fertilizer usage kg per hectar	66	58.3
	TLP	Terrestrial land protected	114	29.5
	CDD	CO2 emissions embodied in domestic final demand per capita	17	66.9
	CDO	CO2 emissions (metric tons per capita)	92	50.1
	AIR	Air Quality Index	11	72.5
	HAZ	Hazardous waste per capita	28	56.7
	WPC	Waste collected per capita	61	52.8
	MWR	Municipal waste recycling rate	44	23.2
	FIS	Fish consumption per capita	46	67.2
	MET	Red meat consumption kilograms per capita	145	3.4
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	66	44.2
	FBH	Financial burden of healthcare	102	43.5
	HEI	Health Efficiency Index	51	7.4
	DMS	Density of medical staff	40	57.0
	FSA	Global Food Security Index - affordability	73	41.0
	HAI	Housing Affordability Index	31	49.8
	RTD	Rail track density	29	56.0
	GAI	Global AI Index	42	41.5
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	119	36.4
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	113	37.9
	BTF	Barriers to FDI	58	52.1
	OFB	Open for business	85	15.6
	EGL	Economic globalization	104	31.6
	TRF	Trade freedom	130	22.5
	IPM	Share of imports targeted by protectionist measures (flow)	126	9.9
	IPS	Share of imports targeted by protectionist measures (stock)	138	20.6
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	42	55.7
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	68	51.9
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	142	0.0
	DEF	GDP deflator index growth rate (dev. fm optimum)	144	18.3
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	58	47.7
	GFC	Gross capital formation	112	34.4
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership	48	12.2
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
Labor Value (iv.12)	BSG	Billionaires self-made per capita	44	37.2
	BSM	Billionaires self-made as % of total billionaires	21	65.7
	LPG	Labor productivity growth	93	37.4
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	69	51.9
	LFR	Labor force participation ratio - male vs female	90	51.6
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	98	52.3
	YUN	Youth unemployment rate	107	43.3
	BRN	Human flight and brain drain	23	79.7

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Belgium

A Niche Powerhouse Fueled by R&D Ecosystems

Belgium ranks at #24 in the EQx2025, suggesting relatively high sustainable value creation by its elites. However, a closer look at how the Power Sub-Index (rank #5) compares to the Value Sub-Index (rank #36) shows a clear structural imbalance. The excellent power ranking denotes that the country has a robust set of checks and balances that make it difficult for an elite coalition to dominate the system. Still, some elite business models manage to escape intra-elite constraints and amass power (Firm Dominance, rank #68) that is leveraged for higher levels of extractive transfers than one would expect and explains Belgium's low Economic Value ranking of #43.

This imbalance reflects the dual nature of Belgium's elite landscape. As a small, open economy with few major corporate headquarters, Belgium may not have the scale to develop a strong domestic value-creating elite base. Moreover, the country's multifaceted political structure, famous for its complex federal system and frequent coalition-changing governments, can hinder consistent innovation policy and attracting elites. On the other hand, Belgium's small size has also had its advantages. Since the 1960s, and supported by competitive tax incentives for multinational corporations, Belgium has focused on developing high value-added and R&D-intensive innovation sectors (European Commission, 2024). The country ranks #4 in *R&D expenditure as a % of GDP* (RND, iv, rank #4), with these investments clustered in a few world-class domains:

1. Pharmaceuticals, biotech, and vaccines, with global leaders like Pfizer and GSK operating production and R&D centers.
2. Chemicals, with Antwerp hosting the second-largest chemical cluster in the world, including BASF, Ineos, TotalEnergies and many more.
3. Cleantech, an emerging area leveraging Belgium's engineering and energy expertise.
4. Microchip design, where the growth of the research institute IMEC has played a vital role as a leading global nanoelectronics R&D hub (IMEC, n.d).
5. Agro and food industries, including processing and innovations in food and cooling/refrigerating technologies.

These sectors not only generate value but also form robust ecosystems that act as powerful enablers of elite circulation and the emergence of new high quality elite business models. The country's strong rankings in the Creative Destruction (ii.6, rank #13) and Producer Value (iv.10, rank #8) Pillars support this view.

Belgium's geographic position within the 'Blue Banana'—the urban-industrial corridor stretching from northwest England through the Benelux and into northern Italy—amplifies its potential for sustainable value creation. This corridor is Europe's densest concentration of logistical, industrial, and knowledge infrastructure (Hospers, 2003). Belgium's elite system strategically capitalizes on this through supply chain assets such as:

- Brussels Airport, one of the top global hubs for pharmaceutical logistics (Brussels Airport, n.d)
- Port of Antwerp-Bruges, directly tied to the chemical cluster and thus enabling just-in-time global supply flows (Port of Antwerp-Bruges, 2023).
- Antwerp Management School, where almost 50% of the full-time master students are linked to Supply Chain and Logistics Programs.

The development of this infrastructure, backed-up by educational excellence, is reflected in indicators like *Expenditure on general public services as a % of GDP* (GPS, iii.7, rank #32) and *School life expectancy* (EDU, iii7, rank #7) and reinforce elite ecosystems, turning niche innovation into economic power. Despite a terrible performance in the Labor Value Pillar (iv.12, rank #107) that implicates the country's labor elites and limited SME dynamism (SME, iv.10, rank #82), Belgium generates value through capital intensity and knowledge leadership, rather than through scale.

Belgium's elite quality is shaped mainly by its strategic emphasis on R&D and well-developed infrastructure. This approach allows some elites to gain power and create significant value, even though the number of elites actively creating broad societal value is limited and should be higher. Still, the role that the state plays should not be under-estimated as is evidenced by the relatively positive Political Value rank of #28. In short, Belgium shows how a small country can achieve global relevance by building strong, innovation-focused ecosystems and connecting them effectively to international supply chains and markets.

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Belgium

EQx2025 Country Scorecard

Population	11.8 million
GDP (nominal)	645 billion USD
GDP per capita	54'701 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
24	58.4	Rank 16

High Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

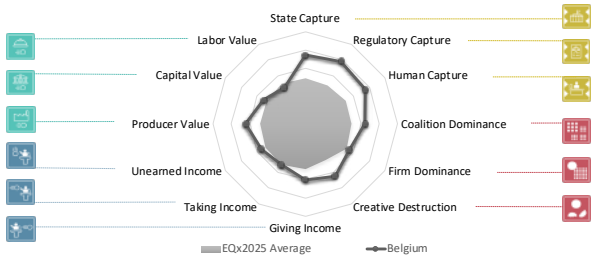
Power		Value	
Rank / 151	Score	Rank / 151	Score
5	67.2	36	54.0

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
11	76.3	8	62.6	28	55.6	43	53.2

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	11	74.9
	Regulatory Capture	18	78.4
	Human Capture	7	75.1
Economic Power (ii)	Coalition Dominance	20	64.6
	Firm Dominance	68	55.4
	Creative Destruction	13	64.9
Political Value (iii)	Giving Income	33	60.6
	Taking Income	72	51.4
	Unearned Income	55	54.6
Economic Value (iv)	Producer Value	8	64.7
	Capital Value	58	51.6
	Labor Value	107	45.7



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	12	88.1
	COC	Control of corruption	17	88.0
	OPG	Open government	13	87.6
	RTC	Government's responsiveness to change	63	50.4
	EPR	E-Participation Index	79	47.4
	PFD	Press freedom	14	86.0
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)		
	PDE	Political decentralization	33	68.3
	ADE	Administrative decentralization	24	79.3
	PGL	Political globalization	6	89.2
	WPI	Women's Power Index	1	100.0
Regulatory Capture (i.2)	MOB	Social mobility (upward) (dev. fm optimum)	54	55.7
	INE	Top 10% share of pre-tax national income	11	86.5
	GWL	Gini coefficient on net national wealth dist. - level	2	93.5
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	36	58.7
	GIL	Gini coefficient on income dist. - level	11	82.2
	GIC	Gini coefficient on income dist. - 1-year growth rate	57	27.4
	ECR	Ease of challenging regulations	28	72.9
	CGP	Constraints on government power	14	90.1
	REQ	Regulatory quality	21	81.0
	REN	Regulatory enforcement	15	91.2
	PRI	Property rights	16	88.5
	CRO	Crony capitalism	9	62.8
	INO	Informal output as a % of GDP	34	71.5
Human Capture (i.3)	GSI	Global Slavery Index	7	80.8
	FDP	Forcibly displaced people as % of population	47	55.8
	HRI	Human Rights Index	12	90.7
	AFI	Academic Freedom Index	3	82.2
	GRI	Religion - Government Restriction Index	61	60.5
	LIN	LGBT+ inclusiveness	2	87.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	1	81.0
	WMA	Proportion of women in senior and middle mgmt positions (	57	54.9
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	26	76.4
	IEO	Top 1 industry exports as % of exports	73	55.8
	IVA	Top 3 industries as % of value added	46	52.8
	HHI	Domestic market diversification	59	62.3
	ECI	Economic Complexity Index	18	82.9
	PUE	Public employees as a % of total employment		
	MIL	Military expenses as % of GDP (dev. fm optimum)	78	55.5
	UNI	Unionization rate (dev. fm optimum)	114	0.0
	BSN	Barriers in service & network sectors	32	39.4
	CRA	Criminal actors	10	86.2
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	82	39.8
	FAM	Family business revenues as % of GDP	7	77.1
	BIW	Billionaires' wealth as % of GDP	98	54.5
	FKG	Top 10 firms market cap as % of GDP	50	53.2
	FRG	Top 3 firms revenues as % of GDP	59	44.4
	FRR	Top 30 firms revenues as % of GDP	31	54.1
Creative Destruction (ii.6)	ENT	Entrepreneurship	15	88.0
	GSE	Governmental support to entrepreneurship	1	100.0
	VCK	Venture capital finance	17	43.4
	VCA	Venture capital availability	26	69.7
	API	AI private investment	25	44.2
	APC	AI private investment per capita	20	45.7
	RND	R&D as a % of GDP	4	89.4
	EXR	Firm exit ratio	24	13.2
	BCD	Billionaire's creative destruction	14	93.2
	IWE	Index of Women Entrepreneurs	13	73.3
Giving Income (iii.7)	LEW	Life expectancy women	18	78.6
	LEM	Life expectancy men	20	82.0
	SCI	UHC Service Coverage Index	9	80.1
	PTR	Pupil-teacher ratio	13	74.6
	EDU	School life expectancy	7	88.8
	PIS	PISA mean scores	18	70.5
	UNV	Top universities	20	48.4
	GEE	Government education expenditure	13	84.3
	GAR	Government AI Readiness Index	19	83.2
	AIP	AI patent grants	28	43.2
	OSI	Online Service Index	66	60.5
	NRI	Network Readiness Index	21	80.0
	INT	Internet access	21	70.2
	GHI	Global Hunger Index		
	FSQ	Global Food Security Index - availability, quality & safety	12	80.9

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm	32	25.6
	GEX	General government expenditure as % of GDP (dev. fm optim	113	7.5
	SNT	Subsidies and transfers as % of expenses	128	0.0
	REG	Regional redistribution as % of government budget	142	10.2
	CSG	Construction supply gap	3	68.7
	SPO	Social protection	1	88.0
	SFA	Sanitation facilities	20	78.1
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	84	29.6
Taking Income (iii.8)	SUB	Death rate from substance use disorders	119	32.2
	BRD	Battle-related deaths per capita	90	56.2
	HOM	Homicide rate	37	65.8
	SUI	Suicide rate	140	20.6
	DTR	Tax revenue as % of GDP (dev. fm optimum)	107	24.4
	DCT	Corporate tax rate (dev. fm optimum)	3	77.9
	DPS	Delta public vs private sector salaries	10	68.5
	FDE	Fiscal decentralization	19	61.8
	GCI	Global Cybersecurity Index	30	75.4
	GEG	Gender education gap (dev. fm optimum)	28	46.0
Unearned Income (iii.9)	CRM	Criminal markets	73	53.0
	DBT	Government debt as % of GDP	66	22.4
	NRR	Natural resources rents as % of GDP	7	94.9
	GPA	Green patents per capita	13	89.7
	EPI	Environmental Performance Index	13	92.4
	RES	Renewable energy share	111	30.0
	OLI	Ocean litter	1	100.0
	DER	Deforestation rate	51	57.3
	FUS	Fertilizer usage kg per hectar	133	37.9
	TLP	Terrestrial land protected	82	45.2
	CDD	CO2 emissions embodied in domestic final demand per capita	53	26.9
	CDO	CO2 emissions (metric tons per capita)	116	37.2
	AIR	Air Quality Index	28	68.0
	HAZ	Hazardous waste per capita	66	51.2
	WPC	Waste collected per capita	58	52.9
	MWR	Municipal waste recycling rate	8	81.0
	FIS	Fish consumption per capita	115	32.5
	MET	Red meat consumption kilograms per capita	124	22.2
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	25	48.3
	FBH	Financial burden of healthcare	71	57.0
	HEI	Health Efficiency Index	33	39.5
	DMS	Density of medical staff	17	76.2
	FSA	Global Food Security Index - affordability	4	80.2
	HAI	Housing Affordability Index	14	71.7
	RTD	Rail track density	36	49.1
	GAI	Global AI Index	24	50.6
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	17	62.9
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	9	82.3
	BTF	Barriers to FDI	10	72.8
	OFB	Open for business	10	87.3
	EGL	Economic globalization	2	95.3
	TRF	Trade freedom	21	69.8
	IPM	Share of imports targeted by protectionist measures (flow)	88	34.2
	IPS	Share of imports targeted by protectionist measures (stock)	115	28.6
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	85	55.3
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	118	31.3
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	83	54.3
	DEF	GDP deflator index growth rate (dev. fm optimum)	40	55.1
	DNI	Neutral interest rate (dev. fm optimum)	14	60.9
	FMI	Financial Markets Index	33	71.8
	GFC	Gross capital formation	54	54.8
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership	23	55.6
	UNN	Unicorns	29	42.4
	UNC	Unicorns as % of GDP	32	31.4
	BSG	Billionaires self-made per capita	45	37.2
	BSM	Billionaires self-made as % of total billionaires	57	23.6
Labor Value (iv.12)	LPG	Labor productivity growth	110	26.1
	WLP	Delta real wage vs labor productivity increases	31	39.9
	LFP	Labor force participation rate	107	33.7
	LFR	Labor force participation ratio - male vs female	50	64.6
	ROD	Robot density in manufacturing ndustry	15	36.3
	UEM	Unemployment rate	84	55.1
	YUN	Youth unemployment rate	98	47.3
	BRN	Human flight and brain drain	27	77.2

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

China

How Business and Political Elites Lead 'Innovation through Manufacturing'

China ranks at #19 in the EQx2025 (up two places from last year), maintaining its upward trend in Elite Quality and an outcome that is particularly commendable given the dramatic changes in the global economic order. It is interesting that China's Value Index ranking of #13 remains very high but is down two places from 2024, while on the other hand, China's Power Index ranking of #32 is up four places from 2024, highlighting the improvements in institutional quality, competition, and the balance of power between different elite constituencies. Sustainable value creation has been an implicit core element of China's development model and is now realized by the 'innovation through manufacturing' model.

Cultivating sustainable innovation capabilities has always been a significant challenge for developing countries. In the 'State Theory of Economic Development' proposed by our team at the School of Economics, Fudan University, scale, openness, and innovation are the three key dimensions that explain a country's economic development. Countries that remain entirely dependent on agriculture and are closed traditional economies can hardly generate sustainable innovation capabilities due to the Malthusian trap. Specifically, even if production experience accumulates to spur occasional innovations, the large and rapidly growing population will exhaust these innovation dividends. Therefore, it is difficult for traditional countries to develop sustainable innovation capabilities.

During nearly 40 years of rapid growth, China has gradually managed to develop innovation capabilities. However, the process of forming this innovation mechanism differs from developed countries. In post-World War II America, Europe, and Japan, key innovations often originated from universities and research institutions, which created manufacturing technologies with the support of advanced financial systems. As industrial investment steadily relocated to East Asia and Southeast Asia, particularly to China, manufacturing technology combined with cheap production factors and labor, leading to the formation of a large and systematically organized industrial sector. The efficient industrialization process, or 'learning by doing', significantly explains China's rapid economic development.

China can maintain its high-quality elite value creation capabilities primarily because it has transformed 'learning by doing' into 'innovation through manufacturing'. According to the convergent theory proposed by Pritchett and Summers (2013), large-scale manufacturing in China should find it difficult to sustain high growth performance. However, despite facing multiple challenges, such as the end of the real estate market boom, local debt burden, the impact of the COVID-19 pandemic, and extra tariffs imposed by the United States, China is pressing ahead with 'innovation through manufacturing'.

China's manufacturing sector has demonstrated its remarkable powers of innovation in recent years. In 2024, China's annual production of new energy vehicles exceeded 13 million, contributing to the global greening of the automotive industry, a 300-megawatt F-class heavy-duty gas turbine was successfully ignited, while high-temperature superconducting materials supported the world's first 35-kilovolt kilometer-level superconducting cable to provide continuous and stable power supply for over 1,000 days. Green factories are increasing in number by 2% every year at the national level and now account for about 20% of total manufacturing output value. These facilities have largely achieved intensive land use, harmless raw materials, clean production, resourceful waste management, and low-carbon energy.

The developments go even further in the field of AI where China now challenges the US-dominated model of 'high investment, high cost', for instance, in Large Language Model (LLM) training. In Hangzhou, DeepSeek is just one of the 'Six Little Dragons', part of an innovation ecosystem that supports startups focusing on cutting-edge technologies such as robotics. More importantly, the 'Six Little Dragons' and their cohort rely on the vast and systematic industrial chain of the Yangtze River Delta: 'Manufacturing drives innovation, and innovation leads manufacturing'.

Why has China has been able to achieve 'innovation through manufacturing'? Because of state capacity. Alternatively, and in EQx terms, the political elites can efficiently manage the boundaries between the government and the market and supply ample coordination capacity. For instance, the Hangzhou government has proposed a policy of 'no disturbance when there is nothing to do, and prompt response when there is a need', actively improving the business environment and providing targeted services and support to enterprises. This differs from traditional industrial policy that relies on tax cuts and subsidies; instead, it streamlines red tape and enhances administrative efficiency. By transforming the government's 'grabbing hand' into a sustainable 'helping hand', China has formed the core model of 'innovation through manufacturing'.

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Zhang Jun,
Professor of Economics,
Fudan University, China

China

EQx2025 Country Scorecard

Population	1'410.7 million
GDP (nominal)	17'795 billion USD
GDP per capita	12'614 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
19	59.1	Rank 68

High Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

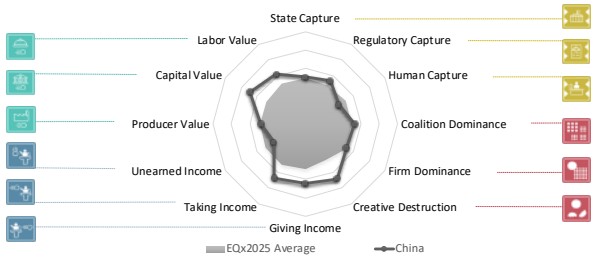
Power		Value	
Rank / 151	Score	Rank / 151	Score
32	57.5	13	59.9

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
68	49.7	12	61.4	11	58.6	15	60.6

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	60	50.9
	Regulatory Capture	56	54.0
	Human Capture	108	42.2
Economic Power (ii)	Coalition Dominance	58	53.3
	Firm Dominance	83	51.7
	Creative Destruction	6	68.5
Political Value (iii)	Giving Income	13	64.3
	Taking Income	10	67.2
	Unearned Income	138	39.3
Economic Value (iv)	Producer Value	85	48.1
	Capital Value	1	69.2
	Labor Value	25	62.6



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	76	47.4
	COC	Control of corruption	53	54.3
	OPG	Open government	90	32.4
	RTC	Government's responsiveness to change	44	59.4
	EPR	E-Participation Index	11	85.4
	PFD	Press freedom	145	5.8
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	120	23.3
	ADE	Administrative decentralization	14	82.9
	PGL	Political globalization	24	79.3
	WPI	Women's Power Index	101	37.7
	MOB	Social mobility (upward) (dev. fm optimum)	75	40.9
	INE	Top 10% share of pre-tax national income	61	55.4
	GWL	Gini coefficient on net national wealth dist. - level	95	54.8
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	146	0.0
	GIL	Gini coefficient on income dist. - level	75	53.1
	GIC	Gini coefficient on income dist. - 1-year growth rate	10	76.4
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	32	69.9
	CGP	Constraints on government power	116	18.7
	REQ	Regulatory quality	84	43.0
	REN	Regulatory enforcement	58	44.5
	PRI	Property rights	73	45.1
	CRO	Crony capitalism	38	55.7
	INO	Informal output as a % of GDP	5	92.3
Human Capture (i.3)	GSI	Global Slavery Index	49	62.2
	FDP	Forcibly displaced people as % of population	28	55.9
	HRI	Human Rights Index	147	12.7
	AFI	Academic Freedom Index	146	6.5
	GRI	Religion - Government Restriction Index	148	0.0
	LIN	LGBT+ inclusiveness	92	33.9
	WSB	Women self made billionaires	4	70.1
	WBL	Women, business and the law	95	48.9
	WMA	Proportion of women in senior and middle mgmt positions (		
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	55	60.0
	IEO	Top 1 industry exports as % of exports	52	65.5
	IVA	Top 3 industries as % of value added		
	HHI	Domestic market diversification	7	70.7
	ECI	Economic Complexity Index	20	79.7
	PUE	Public employees as a % of total employment		
	MIL	Military expenses as % of GDP (dev. fm optimum)	112	44.5
	UNI	Unionization rate (dev. fm optimum)	112	6.0
	BSN	Barriers in service & network sectors	41	18.7
	CRA	Criminal actors	109	37.4
Firm Dominance (ii.5)	SME	SMEs per 1,000 people		
	FAM	Family business revenues as % of GDP	42	23.6
	BIW	Billionaires' wealth as % of GDP	126	39.0
	FKG	Top 10 firms market cap as % of GDP	24	61.5
	FRG	Top 3 firms revenues as % of GDP	32	63.1
	FRR	Top 30 firms revenues as % of GDP	17	66.8
Creative Destruction (ii.6)	ENT	Entrepreneurship	29	66.7
	GSE	Governmental support to entrepreneurship	5	99.6
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	10	87.8
	API	AI private investment	2	61.1
	APC	AI private investment per capita	22	41.3
	RND	R&D as a % of GDP	13	83.0
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	10	98.9
	IWE	Index of Women Entrepreneurs	25	63.5
Giving Income (iii.7)	LEW	Life expectancy women	43	67.2
	LEM	Life expectancy men	44	65.9
	SCI	UHC Service Coverage Index	33	72.6
	PTR	Pupil-teacher ratio	49	64.9
	EDU	School life expectancy		
	PIS	PISA mean scores	1	100.0
	UNV	Top universities	77	44.7
	GEE	Government education expenditure	77	48.4
	GAR	Government AI Readiness Index	22	82.2
	AIP	AI patent grants	1	100.0
	OSI	Online Service Index	11	80.7
	NRI	Network Readiness Index	17	84.9
	INT	Internet access	76	61.1
	GHI	Global Hunger Index	26	73.8
	FSQ	Global Food Security Index - availability, quality & safety	15	79.0

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim	1	79.7
	SNT	Subsidies and transfers as % of expenses		
	REG	Regional redistribution as % of government budget	81	43.6
	CSG	Construction supply gap	45	23.4
	SPO	Social protection	45	66.5
	SFA	Sanitation facilities	53	56.0
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	112	0.0
Taking Income (iii.8)	SUB	Death rate from substance use disorders	57	56.7
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	8	80.2
	SUI	Suicide rate	86	53.9
	DTR	Tax revenue as % of GDP (dev. fm optimum)	44	65.9
	DCT	Corporate tax rate (dev. fm optimum)	3	77.9
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	5	98.1
	GCI	Global Cybersecurity Index	35	70.8
	GEG	Gender education gap (dev. fm optimum)		
Unearned Income (iii.9)	CRM	Criminal markets	128	20.5
	DBT	Government debt as % of GDP	59	35.4
	NRR	Natural resources rents as % of GDP	58	53.1
	GPA	Green patents per capita	21	81.3
	EPI	Environmental Performance Index	128	25.6
	RES	Renewable energy share		
	OLI	Ocean litter	74	35.9
	DER	Deforestation rate	135	28.9
	FUS	Fertilizer usage kg per hectar	143	24.6
	TLP	Terrestrial land protected	81	45.4
	CDD	CO2 emissions embodied in domestic final demand per capita	29	54.6
	CDO	CO2 emissions (metric tons per capita)	123	31.5
	AIR	Air Quality Index	87	39.0
	HAZ	Hazardous waste per capita	38	56.1
	WPC	Waste collected per capita	28	58.6
	MWR	Municipal waste recycling rate		
	FIS	Fish consumption per capita	140	1.1
	MET	Red meat consumption kilograms per capita	120	24.7
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	1	100.0
	FBH	Financial burden of healthcare	127	0.0
	HEI	Health Efficiency Index	10	75.1
	DMS	Density of medical staff	78	44.7
	FSA	Global Food Security Index - affordability	33	72.2
	HAI	Housing Affordability Index	24	53.8
	RTD	Rail track density	58	30.3
	GAI	Global AI Index	1	100.0
	AIF	AI number of foundation models	2	58.3
	FDS	Inward FDI as a % of GDP (stock)	114	36.7
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	101	39.7
	BTF	Barriers to FDI	82	24.9
	OFB	Open for business	52	47.0
	EGL	Economic globalization	102	32.4
	TRF	Trade freedom	67	56.9
	IPM	Share of imports targeted by protectionist measures (flow)	128	6.2
	IPS	Share of imports targeted by protectionist measures (stock)	142	19.6
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	94	55.2
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	145	10.2
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	42	55.0
	DEF	GDP deflator index growth rate (dev. fm optimum)	35	55.2
	DNI	Neutral interest rate (dev. fm optimum)	36	40.8
	FMI	Financial Markets Index	20	85.4
	GFC	Gross capital formation	1	100.0
	GOL	Gold demand as % of GDP	16	59.8
	CRY	Crypto ownership	2	87.6
	UNN	Unicorns	1	100.0
	UNC	Unicorns as % of GDP	6	65.6
	BSG	Billionaires self-made per capita	24	45.3
	BSM	Billionaires self-made as % of total billionaires	16	76.5
Labor Value (iv.12)	LPG	Labor productivity growth	6	84.5
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	97	39.5
	LFR	Labor force participation ratio - male vs female	55	64.0
	ROD	Robot density in manufacturing ndustry	3	65.5
	UEM	Unemployment rate	71	58.9
	YUN	Youth unemployment rate	96	48.2
	BRN	Human flight and brain drain	36	68.6

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Georgia

Elite Quality is Contingent on Overcoming the Political Crisis

Despite the fact that in 2024 Georgia experienced a political crisis associated with the parliamentary elections and suspicions that the results had been falsified, the unstable political situation has not yet dramatically adversely affected Georgia's EQx indicators. In fact, quite the opposite is true; Georgia's overall ranking of #64 in the EQx2025 was significantly up on the previous year when it stood at #77. The boost is almost entirely due to the improvements in the economic dimension, with the Economic Power Index Area jumping from rank #148 to rank #108. Interestingly, the Political Power Index Area decreased slightly from rank #76 to rank #79. While Georgia's Pillar scores improved, its relative ranking position vis-à-vis other countries worsened.

Somehow, the repeated brutal and violent dispersal of anti-government demonstrators with the use of disproportionate force by the police did not negatively impact Georgia's ranking in the *Human Rights Index*, which has remained unchanged (HRI, i.3, rank #53), although there are worrying signs on the ground that this and other associated indicators may soon deteriorate rapidly. For example, Georgia's *Press freedom* (PFD, i.1) ranking has already fallen sharply; while last year Georgia was ranked #61, this year it has fallen to rank #84. Notably, there were no murders of journalists recorded during the period under review and Georgia has retained its place in the group of leading countries in the world in this category (NJK, i.1, rank #1), although it should be noted that there were dozens of beatings along with many cases of intimidation and arrests of journalists.

According to official statistics, the country's economic growth in 2024 was an impressive 9%, explaining the improvement in Georgia's Economic Value Index Area (rank #54). Yet the general population do not feel these economic advances and continue to experience socio-economic difficulties and low incomes. The burden on citizens comes from various directions and is reflected in the rating for the Taking Income Pillar, where Georgia has fallen from #99 last year to #114 in 2025 (iii, rank # 114).

To address these problems, the state is trying to stimulate entrepreneurship through programs such as 'Produce in Georgia' (reflected in the rating for *Governmental support to entrepreneurship,* GSE, ii.6, rank #16), though there are still no real effects in terms of new jobs or in the reduction of unemployment. In fact, the Georgian *Unemployment rate* has actually worsened (UEM, iv.12, rank #128) and although the government states that there has been a reduction of unemployment claims, this contradiction may be due to the fact that the statistics the authorities most likely take into account are not just for the local population but also for citizens of foreign countries living in Georgia. A parallel challenge is that Georgia's rating for *Human flight and brain drain* has fallen significantly from rank #111 place in 2024 to rank #125 in 2025 (BRN, iv.12). Over the past year, in order to reduce the level of unemployment among young people and at the same time promote the growth of their professional skills, the state launched an internship program for students in various government institutions, but Georgia's *Youth unemployment rate* remains dismal (YUN, iv.12, rank #137). It is noteworthy that the state still does not have accurate statistics on the current size of the Georgian population. In 2024, the country's statistical service organized a population survey that was boycotted by a significant number of citizens due to their mistrust of government agencies. The chronic problems in the labor market are not just the high level of unemployment, but also the lack of highly qualified personnel: representatives of various business sectors often complain that they are unable to recruit the necessary talent. The Georgian education system is still not able to fully meet the needs of business while the political elites do not pay due attention to this problem as is evident from the low score that Georgia receives for *Government education expenditure* (GEE, iii.7, rank #87), down from rank #82 in the EQx2024.

Overall, while there are many areas where Georgia clearly needs to improve, it is now a priority to overcome the current political crisis, institutionalize intra-elite contests, and thus establish long-term stability in the country.

Dr. Beka Chedia,
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Tbilisi, Georgia

Georgia

EQx2025 Country Scorecard

Population	3.7 million
GDP (nominal)	31 billion USD
GDP per capita	8'284 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
64	49.6	Rank 49

Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

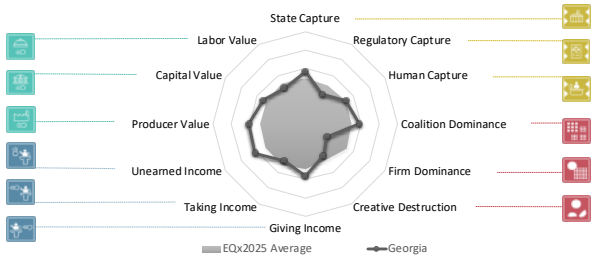
Power		Value	
Rank / 151	Score	Rank / 151	Score
94	43.1	46	52.8

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
79	47.9	108	40.7	44	54.1	54	52.1

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	43	56.9
	Regulatory Capture	104	37.0
	Human Capture	78	51.0
Economic Power (ii)	Coalition Dominance	36	58.6
	Firm Dominance	146	27.2
	Creative Destruction	75	39.5
Political Value (iii)	Giving Income	52	56.3
	Taking Income	114	45.7
	Unearned Income	3	62.6
Economic Value (iv)	Producer Value	21	61.2
	Capital Value	55	52.4
	Labor Value	110	44.8



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	32	77.9
	COC	Control of corruption	35	69.9
	OPG	Open government	42	60.3
	RTC	Government's responsiveness to change	73	46.1
	EPR	E-Participation Index	73	52.3
	PFD	Press freedom	84	46.8
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	88	41.5
	ADE	Administrative decentralization	23	81.1
	PGL	Political globalization	114	28.8
	WPI	Women's Power Index	47	60.3
Regulatory Capture (i.2)	MOB	Social mobility (upward) (dev. fm optimum)	92	30.9
	INE	Top 10% share of pre-tax national income	67	50.9
	GWL	Gini coefficient on net national wealth dist. - level	92	55.4
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	5	94.3
	GIL	Gini coefficient on income dist. - level	52	60.2
	GIC	Gini coefficient on income dist. - 1-year growth rate	19	63.0
	ECR	Ease of challenging regulations	47	57.8
	CGP	Constraints on government power	59	47.7
	REQ	Regulatory quality	29	75.5
	REN	Regulatory enforcement	39	56.7
	PRI	Property rights	61	50.9
	CRO	Crony capitalism	63	5.4
	INO	Informal output as a % of GDP	139	0.0
Human Capture (i.3)	GSI	Global Slavery Index	114	39.1
	FDP	Forcibly displaced people as % of population	141	35.2
	HRI	Human Rights Index	53	58.0
	AFI	Academic Freedom Index	49	68.2
	GRI	Religion - Government Restriction Index	89	49.7
	LIN	LGBT+ inclusiveness	44	69.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	50	63.6
	WMA	Proportion of women in senior and middle mgmt positions (	56	55.0
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	51	62.3
	IEO	Top 1 industry exports as % of exports	63	59.9
	IVA	Top 3 industries as % of value added	47	52.2
	HHI	Domestic market diversification	33	66.4
	ECI	Economic Complexity Index	62	51.9
	PUE	Public employees as a % of total employment	107	7.6
	MIL	Military expenses as % of GDP (dev. fm optimum)	34	64.8
	UNI	Unionization rate (dev. fm optimum)	64	57.1
	BSN	Barriers in service & network sectors		
Firm Dominance (ii.5)	CRA	Criminal actors	9	88.1
	SME	SMEs per 1,000 people	71	40.8
	FAM	Family business revenues as % of GDP		
	BIW	Billionaires' wealth as % of GDP	149	0.0
	FKG	Top 10 firms market cap as % of GDP		
	FRG	Top 3 firms revenues as % of GDP		
	FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)	ENT	Entrepreneurship	63	40.9
	GSE	Governmental support to entrepreneurship	16	80.0
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	97	33.6
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP	90	39.7
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	52	33.8
	IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)	LEW	Life expectancy women	68	61.1
	LEM	Life expectancy men	85	46.3
	SCI	UHC Service Coverage Index	81	53.1
	PTR	Pupil-teacher ratio	3	78.9
	EDU	School life expectancy	22	70.5
	PIS	PISA mean scores	62	24.3
	UNV	Top universities	37	47.2
	GEE	Government education expenditure	87	44.0
	GAR	Government AI Readiness Index	72	47.1
	AIP	AI patent grants		
	OSI	Online Service Index	91	44.8
	NRI	Network Readiness Index	63	51.3
	INT	Internet access	66	63.6
	GHI	Global Hunger Index	21	75.0
	FSQ	Global Food Security Index - availability, quality & safety		

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim	17	77.7
	SNT	Subsidies and transfers as % of expenses	96	33.6
	REG	Regional redistribution as % of government budget	65	49.5
	CSG	Construction supply gap		
	SPO	Social protection	17	85.9
	SFA	Sanitation facilities	91	21.6
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	51	59.3
Taking Income (iii.8)	SUB	Death rate from substance use disorders	53	57.6
	BRD	Battle-related deaths per capita	146	44.7
	HOM	Homicide rate	59	54.0
	SUI	Suicide rate	98	50.3
	DTR	Tax revenue as % of GDP (dev. fm optimum)	109	23.4
	DCT	Corporate tax rate (dev. fm optimum)	118	26.2
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	55	32.4
	GCI	Global Cybersecurity Index	8	90.0
	GEG	Gender education gap (dev. fm optimum)		
Unearned Income (iii.9)	CRM	Criminal markets	7	90.6
	DBT	Government debt as % of GDP	1	88.0
	NRR	Natural resources rents as % of GDP	54	55.5
	GPA	Green patents per capita	44	60.5
	EPI	Environmental Performance Index	63	51.0
	RES	Renewable energy share	75	42.3
	OLI	Ocean litter	56	50.2
	DER	Deforestation rate	26	57.5
	FUS	Fertilizer usage kg per hectar	72	56.4
	TLP	Terrestrial land protected	108	31.3
	CDD	CO2 emissions embodied in domestic final demand per capita		
	CDO	CO2 emissions (metric tons per capita)	71	55.6
	AIR	Air Quality Index	49	58.9
	HAZ	Hazardous waste per capita		
	WPC	Waste collected per capita	36	56.5
	MWR	Municipal waste recycling rate		
	FIS	Fish consumption per capita	68	59.5
	MET	Red meat consumption kilograms per capita	67	61.4
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	44	45.3
	FBH	Financial burden of healthcare	127	0.0
	HEI	Health Efficiency Index		
	DMS	Density of medical staff	25	69.3
	FSA	Global Food Security Index - affordability		
	HAI	Housing Affordability Index	51	21.0
	RTD	Rail track density	30	54.1
	GAI	Global AI Index		
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	20	59.4
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	20	57.7
	BTF	Barriers to FDI	23	69.9
	OFB	Open for business		
	EGL	Economic globalization	22	80.7
	TRF	Trade freedom	5	86.4
	IPM	Share of imports targeted by protectionist measures (flow)	9	92.6
	IPS	Share of imports targeted by protectionist measures (stock)	1	100.0
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	98	55.1
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	48	59.1
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	1	55.1
	DEF	GDP deflator index growth rate (dev. fm optimum)	1	55.5
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	95	30.6
	GFC	Gross capital formation	58	53.6
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership		
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita	17	50.4
	BSM	Billionaires self-made as % of total billionaires	1	81.1
Labor Value (iv.12)	LPG	Labor productivity growth	4	93.1
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	62	54.7
	LFR	Labor force participation ratio - male vs female	87	54.0
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	128	28.0
	YUN	Youth unemployment rate	137	16.1
	BRN	Human flight and brain drain	125	25.7

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Japan

A Time for Reckoning

Japan maintains its place at #4 in the EQx2025, a position it has now held for three consecutive years after radically improving from #18 in the EQx2022. In recent years, it has enjoyed relative economic and political stability in a turbulent world. But the time for reckoning appears to be approaching for both the private and public sectors, for two key reasons.

First, the long era of zero inflation appears to be finally over. The CPI inflation rate is hovering around 2.5%, exceeding the Bank of Japan's 2% target (*Inflation*, DOI iv.11, rank #1). In March 2024, the Bank of Japan terminated its unconventional policies. In July, the policy rate was raised to 0.5%, a level not seen since 1997 (with the exception of the 2007-2008 period). Inflation is widely expected to rise further in 2025.

Second, the labor shortage is finally starting to bite. Japan's working-age population (people aged 15-64) has declined by about 15% since 1995. Remarkably, the labor force has grown by about 4% over the same period, thanks to increased participation by women and the elderly (though Japan still ranks a lowly #84 in *Labor force participation ratio - male vs. female*, LFR iv.12). But the country is now approaching a limit to these margins of adjustment and companies are being forced to offer higher wages to retain younger workers.

Rising borrowing and hiring costs will put less competitive firms in Japan under natural selection pressure. Bankruptcies are already rising. A wave of business closures could test whether a government that is notorious for its interventionist instincts (*Share of discriminatory government interventions as % of total interventions, stock and flow*, DGI & DGS, iv.10, rank #101 and #140, respectively) has the stomach to accept them as a necessary adjustment toward a leaner, more efficient economy.

Rising interest rates will also put the government, by far the largest borrower in Japan, in a difficult position (*Government debt as % of GDP*, DBT iii.9, rank #71). Its task will be complicated by the mounting pressure to increase defense spending.

Labor shortages will also force leaders to confront the politically sensitive issue of foreign workers. The total number of foreigners rose from 2.1 million in June 2014 to 3.6 million a decade later. While this is still only 2.9% of the overall population, the demand for them is strong. In 2024, the government decided to abolish the current program that refers to incoming workers as "technical intern trainees", but it has not yet significantly expanded the scope of the new system.

The country is also at a crossroads on the international stage as the existing world trade order—which Japan has greatly benefited from—faces an uncertain future. It is hoped that the country will take a leading role in strengthening economic ties within the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and promoting cooperation with the EU. Such efforts will hopefully save the current system from collapse, or, at the very least, provide a foundation for the establishment of the next world trade order.

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Specially Appointed Professor, Hitotsubashi Institute for Advanced Study, Hitotsubashi University, Japan

Japan

EQx2025 Country Scorecard

Population	124.5 million
GDP (nominal)	4'204 billion USD
GDP per capita	33'767 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
4	63.1	Rank 17

Very High Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

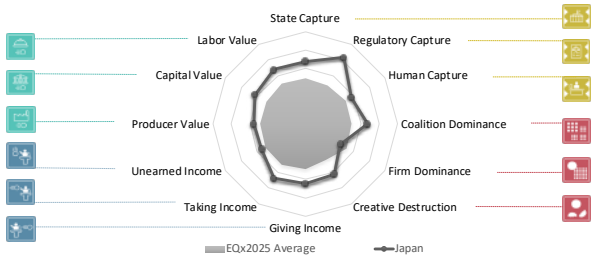
Power		Value	
Rank / 151	Score	Rank / 151	Score
17	63.3	4	63.0

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
17	71.0	17	59.4	2	63.1	7	62.9

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	20	68.1
	Regulatory Capture	6	83.6
	Human Capture	50	57.6
Economic Power (ii)	Coalition Dominance	14	67.6
	Firm Dominance	130	43.8
	Creative Destruction	17	62.8
Political Value (iii)	Giving Income	12	64.5
	Taking Income	8	68.1
	Unearned Income	57	54.3
Economic Value (iv)	Producer Value	47	55.7
	Capital Value	6	63.1
	Labor Value	9	68.5



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	19	85.5
	COC	Control of corruption	16	89.5
	OPG	Open government	21	79.4
	RTC	Government's responsiveness to change	29	68.0
	EPR	E-Participation Index	2	90.3
	PFD	Press freedom	57	59.3
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	1	100.0
	ADE	Administrative decentralization	36	69.4
	PGL	Political globalization	52	62.7
	WPI	Women's Power Index	105	36.7
	MOB	Social mobility (upward) (dev. fm optimum)	20	74.5
	INE	Top 10% share of pre-tax national income	62	55.3
	GWL	Gini coefficient on net national wealth dist. - level	40	66.0
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	68	50.9
	GIL	Gini coefficient on income dist. - level	44	62.2
	GIC	Gini coefficient on income dist. - 1-year growth rate		
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	16	80.9
	CGP	Constraints on government power	21	77.6
	REQ	Regulatory quality	13	88.6
	REN	Regulatory enforcement	14	92.6
	PRI	Property rights	7	91.4
	CRO	Crony capitalism	11	62.6
	INO	Informal output as a % of GDP	4	94.7
Human Capture (i.3)	GSI	Global Slavery Index	9	79.7
	FDP	Forcibly displaced people as % of population	2	56.0
	HRI	Human Rights Index	29	76.3
	AFI	Academic Freedom Index	87	51.4
	GRI	Religion - Government Restriction Index	3	87.9
	LIN	LGBT+ inclusiveness	64	57.9
	WSB	Women self made billionaires	15	27.9
	WBL	Women, business and the law	91	49.9
	WMA	Proportion of women in senior and middle mgmt positions (	111	4.6
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	44	65.3
	IEO	Top 1 industry exports as % of exports	40	69.1
	IVA	Top 3 industries as % of value added	67	43.4
	HHI	Domestic market diversification	63	61.5
	ECI	Economic Complexity Index	1	100.0
	PUE	Public employees as a % of total employment	41	63.6
	MIL	Military expenses as % of GDP (dev. fm optimum)	79	55.1
	UNI	Unionization rate (dev. fm optimum)	57	59.2
	BSN	Barriers in service & network sectors	7	77.3
	CRA	Criminal actors	39	66.6
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	22	54.9
	FAM	Family business revenues as % of GDP	30	32.5
	BIW	Billionaires' wealth as % of GDP	103	52.6
	FKG	Top 10 firms market cap as % of GDP	46	54.4
	FRG	Top 3 firms revenues as % of GDP	57	46.4
	FRR	Top 30 firms revenues as % of GDP	42	32.5
Creative Destruction (ii.6)	ENT	Entrepreneurship	22	76.4
	GSE	Governmental support to entrepreneurship	20	71.2
	VCK	Venture capital finance	20	41.9
	VCA	Venture capital availability	15	84.8
	API	AI private investment	12	45.5
	APC	AI private investment per capita	23	41.2
	RND	R&D as a % of GDP	7	88.6
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	16	91.7
	IWE	Index of Women Entrepreneurs	42	42.3
Giving Income (iii.7)	LEW	Life expectancy women	1	90.1
	LEM	Life expectancy men	5	88.4
	SCI	UHC Service Coverage Index	23	75.6
	PTR	Pupil-teacher ratio	45	66.4
	EDU	School life expectancy	41	60.4
	PIS	PISA mean scores	3	91.3
	UNV	Top universities	50	45.7
	GEE	Government education expenditure	104	36.3
	GAR	Government AI Readiness Index	12	87.5
	AIP	AI patent grants	4	55.7
	OSI	Online Service Index	9	82.4
	NRI	Network Readiness Index	12	88.8
	INT	Internet access	58	65.3
	GHI	Global Hunger Index		
	FSQ	Global Food Security Index - availability, quality & safety	3	86.8

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm	4	75.5
	GEX	General government expenditure as % of GDP (dev. fm optim	73	44.3
	SNT	Subsidies and transfers as % of expenses	116	13.1
	REG	Regional redistribution as % of government budget	102	30.5
	CSG	Construction supply gap	19	61.8
	SPO	Social protection	26	82.5
	SFA	Sanitation facilities	1	82.2
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	72	46.7
Taking Income (iii.8)	SUB	Death rate from substance use disorders	8	91.4
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	5	94.7
	SUI	Suicide rate	133	30.2
	DTR	Tax revenue as % of GDP (dev. fm optimum)		
	DCT	Corporate tax rate (dev. fm optimum)	80	47.3
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	11	80.3
	GCI	Global Cybersecurity Index	12	86.7
	GEG	Gender education gap (dev. fm optimum)	9	75.7
Unearned Income (iii.9)	CRM	Criminal markets	13	84.1
	DBT	Government debt as % of GDP	71	0.0
	NRR	Natural resources rents as % of GDP	8	94.3
	GPA	Green patents per capita	1	100.0
	EPI	Environmental Performance Index	24	80.9
	RES	Renewable energy share	121	27.4
	OLI	Ocean litter	55	50.3
	DER	Deforestation rate	91	55.0
	FUS	Fertilizer usage kg per hectar	127	42.7
	TLP	Terrestrial land protected	23	77.0
	CDD	CO2 emissions embodied in domestic final demand per capita	46	31.1
	CDO	CO2 emissions (metric tons per capita)	120	33.4
	AIR	Air Quality Index	22	70.4
	HAZ	Hazardous waste per capita		
	WPC	Waste collected per capita	46	54.8
	MWR	Municipal waste recycling rate	34	39.0
	FIS	Fish consumption per capita	142	0.0
	MET	Red meat consumption kilograms per capita	94	43.6
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	1	100.0
	FBH	Financial burden of healthcare	93	49.8
	HEI	Health Efficiency Index	8	78.6
	DMS	Density of medical staff	72	46.6
	FSA	Global Food Security Index - affordability	16	76.6
	HAI	Housing Affordability Index	25	53.8
	RTD	Rail track density		
	GAI	Global AI Index	11	63.6
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	143	31.2
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	78	43.9
	BTF	Barriers to FDI	39	64.5
	OFB	Open for business	33	54.9
	EGL	Economic globalization	47	64.6
	TRF	Trade freedom	56	62.0
	IPM	Share of imports targeted by protectionist measures (flow)	84	35.5
	IPS	Share of imports targeted by protectionist measures (stock)	85	37.6
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	88	55.3
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	141	12.8
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	1	55.1
	DEF	GDP deflator index growth rate (dev. fm optimum)	36	55.1
	DNI	Neutral interest rate (dev. fm optimum)	26	57.7
	FMI	Financial Markets Index	1	100.0
	GFC	Gross capital formation	45	57.7
	GOL	Gold demand as % of GDP	1	71.0
	CRY	Crypto ownership	1	100.0
	UNN	Unicorns	12	43.8
	UNC	Unicorns as % of GDP	35	29.4
	BSG	Billionaires self-made per capita	33	41.9
	BSM	Billionaires self-made as % of total billionaires	23	63.8
Labor Value (iv.12)	LPG	Labor productivity growth	36	61.8
	WLP	Delta real wage vs labor productivity increases	3	82.7
	LFP	Labor force participation rate	64	53.4
	LFR	Labor force participation ratio - male vs female	84	55.4
	ROD	Robot density in manufacturing ndustry	5	59.5
	UEM	Unemployment rate	22	68.3
	YUN	Youth unemployment rate	19	74.0
	BRN	Human flight and brain drain	23	79.7

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Norway

Global Energy Politics Begin to Bite

The numbers for 2025 continue to keep Norway near the top of the EQx global rankings, particularly in terms of the Political Power Index Area (i, rank #5). Corruption is controlled (COC, i.1, rank #1 and COR, i.1, rank #3), the government is open (OPG, i.1, rank #1), there is wide *Press freedom* (PFD, i.1, rank #1) and fairly good equality in terms of income distribution (INE, i.1., rank #7), although the Gini coefficient fluctuations suggest that this is under pressure (GWC, i.1., rank #138). Where Norway really struggles is in how its elites behave in terms of the Economic Power Index Area (ii, rank #63). Firm Dominance (ii.5, rank #138) and Coalition Dominance (ii.4, rank #44) rank alarmingly poorly and have deteriorated from last year, while *Top 1 industry exports as % of exports* remains extremely high (IEO, ii.4, rank #122), as does *Top 3 firms revenues as a % of GDP* (FRG, ii.5, rank #81).

The reason for this continuous trend over the last few years is largely to be found in international politics. The war in Ukraine created a huge demand for Norwegian natural gas and other petroleum products from the North Sea. As demand surged, so did prices, and politicians came under pressure both from their international partners and from the local population. Norway's long sought aim to wean itself off hydrocarbons came to a halt and the question now is how long will this go on.

As geopolitics has put pressure on Norway to keep exploring and producing oil and gas, global stock markets have concomitantly started punishing oil-producing companies for diversifying into sustainable energy sources. This pressure may be due to international politics, or because non-fossil energy does not yet yield equally high returns on investments. Whatever the reason, the negative view on going green has hit Equinor—Norway's national oil producer—hard. Norway is therefore in the paradoxical situation that while the nation (and most politicians) have clearly recognized the need for diversification and creative destruction, international politics and finance have explicitly and implicitly forced the country to reinforce economic activity in the oil and gas sector. Admittedly, this bonanza also creates financial incentives and thus induces a self-reinforcing loop towards keeping the old order.

The only other industry coming close to petroleum in terms of exports and economic value creation is the seafood industry, with fish farming leading the way. Once seen as a pioneering way to diversify from oil, fish farming has now come under attack for centralization, power concentration, and pollution. As long as these industries continue to exert their monolithic influence on the economy, they will keep absorbing labor, capital, and infrastructure investments in ways that harm governmental (GSE, ii.6, rank #68) and private (VCK, ii.6, rank #28; VCA, ii.6, rank #25) support of entrepreneurship, despite the country being relatively *Open for business* (OFB, iv.10, rank #4). This increasing concentration of businesses and industries obviously also creates self-centered elites lobbying to keep the government protecting their interests. Despite the relatively even distribution of wealth, Norway has a poor ranking of #116 for *Billionaire's wealth as a % of GDP* (BIW, ii.5), a very high level for this type of country. It is therefore likely that some elites are taking advantage of the situation to prevent diversification and Creative Destruction (ii.6, rank #54).

This extreme difference between the profits gained from the dominant industries compared to emergent entrepreneurial activities has unleashed a furious debate on a taxation system that seems to hurt entrepreneurs, while some politicians argue that business keeps thriving. It is highly probable that these intra-elite contests on the narrative of taxation are shaped by inadequate understanding of the need to diversify, as some business coalitions are making historic profits.

An unexpected push in this direction might come from NATO's requirement for its members to increase their military spending, a development that affects Norway (MIL, ii.4, rank #43). While spending in excess (or below) of the optimum 3% criterion is a drag on the elite quality, Norway has important defense industries that have contributed—and can continue to contribute—to technological development and increased productivity. Increased investments in these areas are certain to come as Norwegians feel the need to protect their way of living that includes high life expectancy (LEW, iii.7, rank #11 and LEM, iii.7, rank #4), excellent healthcare (HEI, iv.10, rank #9), and good access to education (UNV, iii.7, rank #14).

Ultimately, it may be in Norway's interest that the rest of the world becomes less dependent on fossil fuels, though advocating this isn't popular at the moment—neither at home, nor across the Atlantic.

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Norway

EQx2025 Country Scorecard

Population	5.5 million
GDP (nominal)	485 billion USD
GDP per capita	87'925 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
16	60.1	Rank 9

High Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

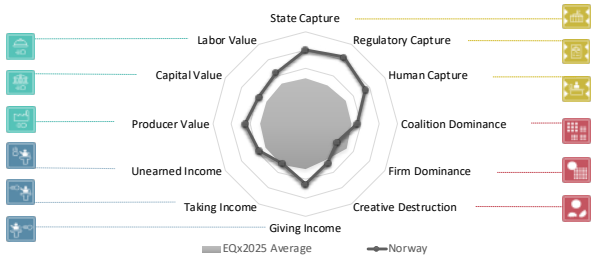
Power		Value	
Rank / 151	Score	Rank / 151	Score
31	58.8	9	60.8

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
5	80.2	63	48.1	20	57.4	10	62.4

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	5	80.4
	Regulatory Capture	7	83.6
	Human Capture	6	75.2
Economic Power (ii)	Coalition Dominance	44	56.3
	Firm Dominance	138	39.5
	Creative Destruction	54	48.6
Political Value (iii)	Giving Income	10	64.9
	Taking Income	84	49.5
	Unearned Income	28	58.0
Economic Value (iv)	Producer Value	6	65.2
	Capital Value	22	58.1
	Labor Value	16	64.3



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	3	89.8
	COC	Control of corruption	1	100.0
	OPG	Open government	1	100.0
	RTC	Government's responsiveness to change	20	74.1
	EPR	E-Participation Index	21	79.3
	PFD	Press freedom	1	100.0
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)		
	PDE	Political decentralization	50	58.7
	ADE	Administrative decentralization	1	100.0
	PGL	Political globalization	29	76.5
	WPI	Women's Power Index	1	100.0
	MOB	Social mobility (upward) (dev. fm optimum)	61	50.1
	INE	Top 10% share of pre-tax national income	7	92.9
	GWL	Gini coefficient on net national wealth dist. - level	11	71.6
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	138	27.5
	GIL	Gini coefficient on income dist. - level	15	78.5
	GIC	Gini coefficient on income dist. - 1-year growth rate	47	41.4
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	18	79.4
	CGP	Constraints on government power	1	100.0
	REQ	Regulatory quality	11	91.8
	REN	Regulatory enforcement	1	100.0
	PRI	Property rights	2	95.2
	CRO	Crony capitalism	27	58.4
	INO	Informal output as a % of GDP	26	77.0
Human Capture (i.3)	GSI	Global Slavery Index	2	83.5
	FDP	Forcibly displaced people as % of population	33	55.9
	HRI	Human Rights Index	1	100.0
	AFI	Academic Freedom Index	30	74.0
	GRI	Religion - Government Restriction Index	71	56.9
	LIN	LGBT+ inclusiveness	17	81.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	19	76.4
	WMA	Proportion of women in senior and middle mgmt positions (	60	52.2
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	92	39.8
	IEO	Top 1 industry exports as % of exports	122	22.5
	IVA	Top 3 industries as % of value added	87	30.7
	HHI	Domestic market diversification	75	58.4
	ECI	Economic Complexity Index	41	64.4
	PUE	Public employees as a % of total employment		
	MIL	Military expenses as % of GDP (dev. fm optimum)	43	63.4
	UNI	Unionization rate (dev. fm optimum)	114	0.0
	BSN	Barriers in service & network sectors	6	81.7
	CRA	Criminal actors	8	92.0
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	29	49.0
	FAM	Family business revenues as % of GDP	21	48.5
	BIW	Billionaires' wealth as % of GDP	116	46.7
	FKG	Top 10 firms market cap as % of GDP	57	49.8
	FRG	Top 3 firms revenues as % of GDP	81	6.7
	FRR	Top 30 firms revenues as % of GDP	40	33.3
Creative Destruction (ii.6)	ENT	Entrepreneurship	20	80.1
	GSE	Governmental support to entrepreneurship	68	37.6
	VCK	Venture capital finance	28	40.1
	VCA	Venture capital availability	25	72.7
	API	AI private investment	26	44.1
	APC	AI private investment per capita	17	51.9
	RND	R&D as a % of GDP	19	78.7
	EXR	Firm exit ratio	25	8.7
	BCD	Billionaire's creative destruction	52	33.8
	IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)	LEW	Life expectancy women	11	80.4
	LEM	Life expectancy men	4	88.6
	SCI	UHC Service Coverage Index	7	81.6
	PTR	Pupil-teacher ratio	1	79.7
	EDU	School life expectancy	10	87.1
	PIS	PISA mean scores	31	65.1
	UNV	Top universities	14	50.1
	GEE	Government education expenditure	78	47.5
	GAR	Government AI Readiness Index	11	88.0
	AIP	AI patent grants	29	43.1
	OSI	Online Service Index	17	79.3
	NRI	Network Readiness Index	14	86.6
	INT	Internet access	6	72.3
	GHI	Global Hunger Index		
	FSQ	Global Food Security Index - availability, quality & safety	21	74.8
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm	10	70.8
	GEX	General government expenditure as % of GDP (dev. fm optim	42	66.0
	SNT	Subsidies and transfers as % of expenses	110	20.8
	REG	Regional redistribution as % of government budget	127	19.9
	CSG	Construction supply gap	6	68.2
	SPO	Social protection	15	87.1
	SFA	Sanitation facilities	44	64.7
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	89	26.9
Taking Income (iii.8)	SUB	Death rate from substance use disorders	130	24.0
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	20	73.3
	SUI	Suicide rate	113	41.8
	DTR	Tax revenue as % of GDP (dev. fm optimum)	126	0.0
	DCT	Corporate tax rate (dev. fm optimum)	36	71.5
	DPS	Delta public vs private sector salaries	23	52.6
	FDE	Fiscal decentralization	21	60.0
	GCI	Global Cybersecurity Index	12	86.7
	GEG	Gender education gap (dev. fm optimum)	34	31.3
Unearned Income (iii.9)	CRM	Criminal markets	20	78.6
	DBT	Government debt as % of GDP	29	60.6
	NRR	Natural resources rents as % of GDP	111	32.7
	GPA	Green patents per capita	9	91.8
	EPI	Environmental Performance Index	6	99.0
	RES	Renewable energy share	31	75.5
	OLI	Ocean litter	24	72.1
	DER	Deforestation rate	100	54.4
	FUS	Fertilizer usage kg per hectar	125	44.0
	TLP	Terrestrial land protected	21	77.4
	CDD	CO2 emissions embodied in domestic final demand per capita	55	10.9
	CDO	CO2 emissions (metric tons per capita)	114	37.5
	AIR	Air Quality Index	7	73.5
	HAZ	Hazardous waste per capita	67	51.1
	WPC	Waste collected per capita	89	44.6
	MWR	Municipal waste recycling rate	20	62.3
	FIS	Fish consumption per capita	142	0.0
	MET	Red meat consumption kilograms per capita	121	24.5
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	11	55.4
	FBH	Financial burden of healthcare		
	HEI	Health Efficiency Index	9	76.4
	DMS	Density of medical staff	27	67.4
	FSA	Global Food Security Index - affordability	28	73.3
	HAI	Housing Affordability Index	3	91.1
	RTD	Rail track density	10	81.8
	GAI	Global AI Index	23	54.5
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	86	41.4
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	52	48.4
	BTF	Barriers to FDI	14	72.1
	OFB	Open for business	4	95.4
	EGL	Economic globalization	26	77.8
	TRF	Trade freedom	8	82.7
	IPM	Share of imports targeted by protectionist measures (flow)	37	62.5
	IPS	Share of imports targeted by protectionist measures (stock)	47	56.4
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	98	55.1
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	147	9.3
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	61	54.7
	DEF	GDP deflator index growth rate (dev. fm optimum)	121	51.9
	DNI	Neutral interest rate (dev. fm optimum)	32	49.2
	FMI	Financial Markets Index	16	90.9
	GFC	Gross capital formation	47	56.6
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership	17	59.9
	UNN	Unicorns	19	42.8
	UNC	Unicorns as % of GDP	18	42.4
	BSG	Billionaires self-made per capita	10	66.9
	BSM	Billionaires self-made as % of total billionaires	41	42.8
Labor Value (iv.12)	LPG	Labor productivity growth	48	54.0
	WLP	Delta real wage vs labor productivity increases	22	49.9
	LFP	Labor force participation rate	47	60.4
	LFR	Labor force participation ratio - male vs female	21	71.7
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	49	63.9
	YUN	Youth unemployment rate	71	58.9
	BRN	Human flight and brain drain	1	100.0

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Portugal

Elite Quality Hits New Low as Economic Power and Value Fall Amidst Structural Strains

In the EQx2025, Portugal's overall elite quality has declined significantly (down 2.4 points from 2024 to 56.0 points), more than reversing the gains made in the previous edition (up 1.4 points in 2024) and resulting in a five-place drop in the country's ranking (#30 out of 151 countries, falling from #25 in 2024).

This downturn was primarily driven by a sharp decrease in the Power Sub-Index (rank #18, down from #14). Despite having the least weight (circa 33%), this Sub-Index accounts for 51% of Portugal's decline in the EQx, largely due to falls in Economic Power (ii, rank #19, down from #12) and its key Creative Destruction Pillar (ii.6, rank #25, down from #14). The deterioration in this Pillar is linked to the introduction of two new Artificial Intelligence (AI) indicators, both of which present below-average scores and rankings: *AI Private Investment* (API, ii.6, rank #30) and *AI Private Investment per capita* (APC, ii.6, rank #26). Encouraging private investment in AI development could enhance Portugal's technological innovation and competitiveness in this essential emerging field. Ensuring that these investments are widespread and well-distributed would also contribute to a more balanced economic power structure.

Despite a slightly smaller contribution to the overall negative change in Portugal's EQx2025 performance (49%), the Value Sub-Index also fell considerably (rank #50, down from #34), led by a decline in Economic Value (iv, rank #66, falling from #48) and, to a lesser extent, in Political Value (iii, rank #32, down from #25). Within Economic Value, the Labor Value Pillar (iv.12, rank #79, falling from #66) had the most negative impact, followed by the Capital Value Pillar (iv.11, rank #92, down from #74) and Producer Value Pillar (iv.10, rank #48, dropping from #47). Several indicators contributed to the decline in Economic Value:

- *Labor force participation rate (*LFP, iv.12, rank #90, down from #88) was hindered by an aging population, early retirement, and labor market informality and rigidity, factors that were only partially offset by relatively high female participation.

- *Unemployment rate* (UEM, iv.12, rank #102, falling from #85) received a relatively low score, despite Portugal being close to full employment, highlighting the need for greater labor market flexibility. As in the previous economic cycles, the unemployment rate has not come down below 6% in the current expansion phase (already fading out), which is a relatively high value in the EU context.

- *Youth unemployment rate* (YUN, iv.12, rank #114, dropping from #103) was also relatively high, reflecting a mismatch between formal education and Portuguese companies' needs, together with the lack of well-paid jobs and good career prospects. This issue is linked to Portugal's specialization in low-technology and low-knowledge-intensity sectors, such as tourism.

- *Human flight and brain drain* (BRN, iv.12, rank #33, down from #29) underscores the need for structural measures to enhance Portugal's specialization and productivity—among the lowest in the European Union (EU)—to support sustainable wage growth and curb the emigration of the highly qualified next generation, particularly to other EU countries.

- *Labor productivity growth* (LPG, iv.12, #90, the same as in 2024) stalled with an unchanged low score and ranking (60th percentile) that confirms ongoing productivity challenges.

- *Crypto ownership* (CRY, iv.11, #38, falling from #23) fell, but this financial extraction indicator still outperformed the country's average score in the Capital Value Pillar (iv.11, rank #92).

- *Housing Affordability Index* (HAI, iv.10, rank #54, up from #55) had a slight ranking improvement, but the indicator score deteriorated significantly, reflecting a continued rise in house prices and rents that are outpacing household income and require more effective housing policies.

Although the Political Index Areas have a limited impact on the EQx2025's overall evolution, a deeper analysis reveals additional relevant insights.

The Political Power Index Area (i, rank #19, down from #18 in 2024) makes only a minor contribution to Portugal's overall decline, yet some key indicators have undergone significant changes, largely offsetting each other:

State Capture Pillar (i.1, rank #17, down from #16):

- *Political corruption* (COR, i.1, rank #35, falling from #33).
- *Control of corruption* (COC, i.1, rank #30, down from #28).
- *E-Participation Index* (EPR, i.1, rank #63, dropping from #29).
- *Gini coefficient on income distribution level* (GIL, i.1, rank #64, down from #41).
- *Press freedom* (PFD, i.1, rank #7, up from #9).
- *Women's Power Index* (WPI, i.1, rank #25, up from #37).
- *Top 10% share of pre-tax national income* (INE, i.1, rank #25, rising from #34).
- *Gini coefficient on net national wealth distribution level* (GWL, i.1, rank #85, up from #87).

Regulatory Capture Pillar (i.2, rank #25, up from #26):

- *Ease of challenging regulations* (ECR, i.2, rank #75, down from #72).
- *Regulatory quality* (REQ, i.2, rank #33, up from #34).

Human Capture Pillar (i.3, rank #11, up from #12):

- *Academic Freedom Index* (AFI, i.3, rank #13, down from #1).
- *Religion - Government Restriction Index* (GRI, i.3, rank #3, up from #7).
- *Human Rights Index* (HRI, i.3, rank #12, rising from #13).
- *LGBT+ inclusiveness* (LIN, i.3, rank #2, climbing from #6).

This analysis shows that Portugal's Political Power Index Area has remained broadly stable and performs above the overall EQx ranking; a positive sign in an increasingly less democratic world. Notably, judicial investigations led to early legislative and regional elections in 2024. Although this resulted in reduced governability, the elections took place within the normal functioning of democratic and institutional processes. In a time of populist rhetoric—much of it imported from abroad—it is important to note that *Press Freedom* has strengthened in Portugal. However, income inequality remains a pressing issue.

The Political Value Index Area (iii, rank #32, down from #25) has also slightly declined, driven by decreases in the Giving Income Pillar (iii.7, rank #27, down from #18) and Taking Income Pillar (iii.8, rank #82, dropping from #74), only partially offset by an improvement in the Unearned Income Pillar (iii.9, rank #56, up from #70). The following indicators played a relevant role in these changes:

- *Online Service Index* (OSI, iii.7, rank #51, down from #37).
- *Death rate from substance use disorders* (SUB, iii.8, rank #69, down from #37).
- *Tax revenue as % of GDP - deviation from optimum* (DTR, iii.8, rank #108, down from #104).
- *Government debt as % of GDP* (DBT, iii.9, rank #63, up from #137).
- *Environmental Performance Index* (EPI, iii.9, rank #23, up from #38).

The significant reduction in the public debt ratio represents a major improvement for Portugal in the Political Value Index Area, while advances in environmental performance are also positive. However, the overall change in Political Value is negative, namely due to relative deterioration of government digital services (*Online Service index*), the decline in tax collection performance, and the worsening of substance abuse, which are causes for concern. Additionally, the persistently low ranking that Portugal receives in the *Corporate tax rate - deviation from optimum* (DTC, iii.8, rank #114, same as in 2024) remains a key issue to address—high corporate taxation limits a firm's capital accumulation and productivity, thus reducing value generation.

Looking back, Portugal's score in the EQx2025 (based mostly on 2024 data) is the lowest since the index began in 2020 (primarily based on 2019 data). This indicates a negative trend since pre-pandemic times, driven by a decline in value generation due to weaknesses in the Economic Value engine, and only partially offset by gains in Political Value. This decline in the Economic Value Index Area has more than outweighed the gains in Economic and Political Power over the same period. As shown, these non-extractive (by design) power gains, each representing future value generation potential, have been curtailed in this edition of the EQx, primarily by the Economic Power Index.

To conclude, Portugal's ranking of #30 in the EQx2025 (19th percentile), although still within the first quintile of global elite quality, equals the lowest position that the country has recorded (the same as in the 2022 and 2020 editions).

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Portugal

Portugal

EQx2025 Country Scorecard

Population	10.6 million
GDP (nominal)	289 billion USD
GDP per capita	27'331 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
30	56.0	Rank 25

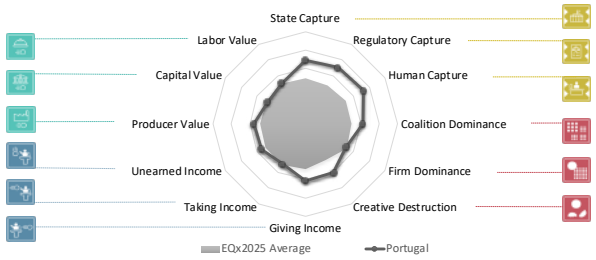
Quality Elites

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	Score	Rank / 151	Score
18	62.8	50	52.6	19	70.8	19	58.9	32	55.4	66	51.1

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	17	69.1
	Regulatory Capture	25	70.9
	Human Capture	11	72.8
Economic Power (ii)	Coalition Dominance	27	62.5
	Firm Dominance	90	50.7
	Creative Destruction	25	60.9
Political Value (iii)	Giving Income	27	61.6
	Taking Income	82	49.8
	Unearned Income	56	54.6
Economic Value (iv)	Producer Value	48	55.6
	Capital Value	92	47.4
	Labor Value	79	51.1



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	35	76.2
	COC	Control of corruption	30	71.9
	OPG	Open government	30	66.7
	RTC	Government's responsiveness to change	51	56.8
	EPR	E-Participation Index	63	59.6
	PFD	Press freedom	7	92.0
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)		
	PDE	Political decentralization	11	76.9
	ADE	Administrative decentralization	32	72.1
	PGL	Political globalization	11	83.2
	WPI	Women's Power Index	25	77.4
	MOB	Social mobility (upward) (dev. fm optimum)	53	56.0
	INE	Top 10% share of pre-tax national income	25	80.0
	GWL	Gini coefficient on net national wealth dist. - level	85	56.6
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	16	64.3
	GIL	Gini coefficient on income dist. - level	64	56.7
	GIC	Gini coefficient on income dist. - 1-year growth rate	39	48.6
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	75	41.7
	CGP	Constraints on government power	19	80.8
	REQ	Regulatory quality	33	70.7
	REN	Regulatory enforcement	36	60.6
	PRI	Property rights	18	85.6
	CRO	Crony capitalism	12	62.3
	INO	Informal output as a % of GDP	36	71.1
Human Capture (i.3)	GSI	Global Slavery Index	47	63.4
	FDP	Forcibly displaced people as % of population	30	55.9
	HRI	Human Rights Index	12	90.7
	AFI	Academic Freedom Index	13	78.8
	GRI	Religion - Government Restriction Index	3	87.9
	LIN	LGBT+ inclusiveness	2	87.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	1	81.0
	WMA	Proportion of women in senior and middle mgmt positions (	38	65.7
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	10	87.2
	IEO	Top 1 industry exports as % of exports	49	66.3
	IVA	Top 3 industries as % of value added	60	47.5
	HHI	Domestic market diversification	46	64.1
	ECI	Economic Complexity Index	40	65.6
	PUE	Public employees as a % of total employment		
	MIL	Military expenses as % of GDP (dev. fm optimum)	57	61.6
	UNI	Unionization rate (dev. fm optimum)	49	62.2
	BSN	Barriers in service & network sectors	36	28.4
	CRA	Criminal actors	56	58.8
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	37	46.8
	FAM	Family business revenues as % of GDP	9	66.1
	BIW	Billionaires' wealth as % of GDP	90	56.4
	FKG	Top 10 firms market cap as % of GDP	33	58.9
	FRG	Top 3 firms revenues as % of GDP	78	16.2
	FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)	ENT	Entrepreneurship	27	67.2
	GSE	Governmental support to entrepreneurship	35	58.2
	VCK	Venture capital finance	29	40.0
	VCA	Venture capital availability	45	57.7
	API	AI private investment	30	44.1
	APC	AI private investment per capita	26	30.1
	RND	R&D as a % of GDP	22	76.6
	EXR	Firm exit ratio	3	80.4
	BCD	Billionaire's creative destruction	1	100.0
	IWE	Index of Women Entrepreneurs	20	66.1
Giving Income (iii.7)	LEW	Life expectancy women	9	81.3
	LEM	Life expectancy men	23	80.6
	SCI	UHC Service Coverage Index	4	83.1
	PTR	Pupil-teacher ratio	26	72.6
	EDU	School life expectancy	15	76.5
	PIS	PISA mean scores	26	66.6
	UNV	Top universities	21	48.4
	GEE	Government education expenditure	51	60.1
	GAR	Government AI Readiness Index	25	80.7
	AIP	AI patent grants	24	43.2
	OSI	Online Service Index	51	67.0
	NRI	Network Readiness Index	27	72.8
	INT	Internet access	53	65.8
	GHI	Global Hunger Index		
	FSQ	Global Food Security Index - availability, quality & safety	4	84.9
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm	25	43.2
	GEX	General government expenditure as % of GDP (dev. fm optim	76	41.7
	SNT	Subsidies and transfers as % of expenses	84	43.0
	REG	Regional redistribution as % of government budget	113	25.0
	CSG	Construction supply gap	27	55.4
	SPO	Social protection	25	82.5
	SFA	Sanitation facilities	21	76.4
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	110	10.8
Taking Income (iii.8)	SUB	Death rate from substance use disorders	69	53.7
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	19	73.4
	SUI	Suicide rate	112	42.8
	DTR	Tax revenue as % of GDP (dev. fm optimum)	108	23.4
	DCT	Corporate tax rate (dev. fm optimum)	114	35.9
	DPS	Delta public vs private sector salaries	9	68.9
	FDE	Fiscal decentralization	36	41.4
	GCI	Global Cybersecurity Index	58	59.4
	GEG	Gender education gap (dev. fm optimum)	32	36.5
Unearned Income (iii.9)	CRM	Criminal markets	44	65.0
	DBT	Government debt as % of GDP	63	26.2
	NRR	Natural resources rents as % of GDP	23	73.4
	GPA	Green patents per capita	34	67.8
	EPI	Environmental Performance Index	23	82.0
	RES	Renewable energy share	64	48.9
	OLI	Ocean litter	45	57.3
	DER	Deforestation rate	85	55.3
	FUS	Fertilizer usage kg per hectar	96	53.0
	TLP	Terrestrial land protected	44	61.7
	CDD	CO2 emissions embodied in domestic final demand per capita	23	60.5
	CDO	CO2 emissions (metric tons per capita)	79	53.4
	AIR	Air Quality Index	13	71.9
	HAZ	Hazardous waste per capita	50	55.5
	WPC	Waste collected per capita	77	50.7
	MWR	Municipal waste recycling rate	28	52.7
	FIS	Fish consumption per capita	142	0.0
	MET	Red meat consumption kilograms per capita	141	9.3
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	26	48.3
	FBH	Financial burden of healthcare	113	34.5
	HEI	Health Efficiency Index	25	50.1
	DMS	Density of medical staff	21	71.0
	FSA	Global Food Security Index - affordability	15	76.8
	HAI	Housing Affordability Index	54	17.4
	RTD	Rail track density	41	43.6
	GAI	Global AI Index	26	48.9
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	32	54.0
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	24	53.8
	BTF	Barriers to FDI	3	73.4
	OFB	Open for business	19	65.5
	EGL	Economic globalization	23	80.6
	TRF	Trade freedom	21	69.8
	IPM	Share of imports targeted by protectionist measures (flow)	76	37.4
	IPS	Share of imports targeted by protectionist measures (stock)	100	32.7
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	85	55.3
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	122	29.7
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	1	55.1
	DEF	GDP deflator index growth rate (dev. fm optimum)	82	53.9
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	28	77.9
	GFC	Gross capital formation	101	38.3
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership	38	37.6
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita	59	34.7
	BSM	Billionaires self-made as % of total billionaires	59	4.4
Labor Value (iv.12)	LPG	Labor productivity growth	90	37.9
	WLP	Delta real wage vs labor productivity increases	8	67.8
	LFP	Labor force participation rate	90	42.9
	LFR	Labor force participation ratio - male vs female	35	68.0
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	102	50.6
	YUN	Youth unemployment rate	114	38.0
	BRN	Human flight and brain drain	33	69.9

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Singapore

Enduring Elite Quality Maintains the Country's Global Leadership Position in the EQx2025

Singapore continues to stand out as a global leader in elite quality, securing the top spot in the EQx2025. Its score of 65.6, a slight increase on the 65.3 achieved in 2024, reflects the dedication of the nation's elites to sustainable value creation. This achievement is underpinned by robust economic growth, with GDP per capita rising to USD 84,734 and nominal GDP reaching USD 501 billion. These developments have unfolded against the backdrop of a political transition, as Lawrence Wong, the new Prime Minister, assumes the leadership. While this is the first change in 20 years, Wong is a member of same political party that has ruled Singapore since independence and therefore ensures robust government continuity.

The 2025 EQx report reveals consistent performance by Singapore within each Index Area. Notably, Political Power (i, rank #25) and Economic Power (ii, rank #14) suggest that there is only moderate potential for value extraction by elites. Despite the fact that power is deemed to represent potential future value extraction, Singapore scores exceptionally for Political Value (iii, rank #1) and Economic Value (iv, rank #2). This shows that its powerful elite business models constrain themselves from transferring value away from their comparatively powerless stakeholders, consistent with the previous year's performance.

Singapore's commitment to elite value creation is evident in its stellar rankings in many indicators. The nation secured the top spot in areas such as *Control of corruption* (COR, i.1, rank #1), *Government's responsiveness to change* (RTC, i.1, rank #1), *Regulatory quality* (REQ, i.2, rank #1) and *Regulatory enforcement* (REN, i.2, rank #1), and *Natural resource rents as % of GDP* (NRR, iii.9, rank #1). Singapore also leads in the *Health Efficiency Index* (HEI, iv.10, rank #1), *Inward FDI as % of GDP (stock)* (FDS, iv.10, rank #1), *Trade freedom* (TRF, iv.10, rank #1), and educational outcomes, as is reflected in *PISA mean scores* (PIS, iii.7, rank #1). Its prowess in technological advancement is highlighted by its leading position in *Billionaires self-made per capita* (BSG, iv.11, rank #1) and *Robot density in the manufacturing industry* (ROD, iv.12, rank #1).

Furthermore, Singapore's elite value creation secured second-place rankings in the *Global Food Security Index - affordability* (FSA, iv.10, rank #2), *UHC Service Coverage Index* (SCI, iii.7, rank #2), *Government AI Readiness Index* (GAR, iii.7, rank #2), and *Network Readiness Index* (NRI, iii.7, rank #2). The nation's strengths in elite value creation extend to minimizing negative influences, as is evidenced by its third-place ranking in minimizing *Criminal actors* (CRA, ii.4, rank #3). Singapore also demonstrates technological innovation, ranking third in both the *Global AI Index* (GAI, iv.10, rank #3) and *Unicorns as % of GDP* (UNC, iv.11, rank #3).

New developments in 2025 showcase Singapore's focus on AI and technology, with the nation ranking 7th in *AI number of foundation models* (AIF, iv.10, rank #7) and 2nd in *AI private investment per capita* (APC, ii.6, rank #2). Its economic resilience is reflected by its strong performance in inward FDI (FDS and FDF, iv.10, rank #1 for both), *Trade freedom* (TRF, iv.10, rank #1), and *Venture capital availability* (VCA, ii.6, rank #4). However, the country fell in the *Environmental Performance Index* (EPI, iii.9, rank #39, down from #34 in 2024) indicating that there are still areas for potential improvement.

In summary, Singapore's continued leadership in the EQx2025 underscores the success of a powerful elite in fostering intra-elite competition and sustainable value creation outcomes. The nation excels in governance, economic openness, education, healthcare efficiency, and technological readiness. While there remains room for improvement in areas like press freedom, Singapore's excellent overall performance demonstrates its commitment to limiting value transfers and unlocking the value creation potential of society at large.

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Singapore Management University

Singapore

EQx2025 Country Scorecard

Population	5.9 million
GDP (nominal)	501 billion USD
GDP per capita	84'734 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
1	65.6	Rank 23

Very High Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

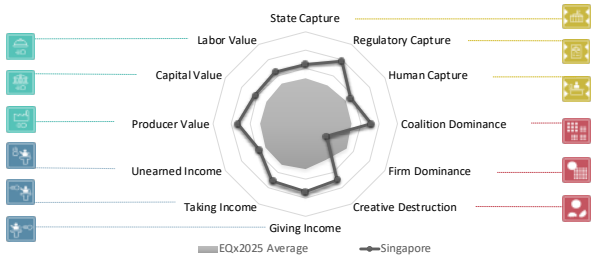
Power		Value	
Rank / 151	Score	Rank / 151	Score
20	62.7	1	67.1

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
25	67.8	14	60.1	1	68.1	2	66.6

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	25	65.1
	Regulatory Capture	16	78.7
	Human Capture	53	56.6
Economic Power (ii)	Coalition Dominance	2	71.5
	Firm Dominance	147	26.7
	Creative Destruction	4	69.5
Political Value (iii)	Giving Income	1	73.2
	Taking Income	5	71.2
	Unearned Income	34	57.0
Economic Value (iv)	Producer Value	1	73.2
	Capital Value	8	62.5
	Labor Value	14	65.2



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	7	89.1
	COC	Control of corruption	1	100.0
	OPG	Open government	35	63.2
	RTC	Government's responsiveness to change	1	100.0
	EPR	E-Participation Index	7	87.8
	PFD	Press freedom	105	38.7
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)		
	PDE	Political decentralization	33	68.3
	ADE	Administrative decentralization	26	77.5
	PGL	Political globalization	94	43.3
	WPI	Women's Power Index	96	39.4
	MOB	Social mobility (upward) (dev. fm optimum)		
	INE	Top 10% share of pre-tax national income	80	47.2
	GWL	Gini coefficient on net national wealth dist. - level	97	54.6
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	146	0.0
	GIL	Gini coefficient on income dist. - level		
	GIC	Gini coefficient on income dist. - 1-year growth rate		
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	12	84.1
	CGP	Constraints on government power	27	71.4
	REQ	Regulatory quality	1	100.0
	REN	Regulatory enforcement	1	100.0
	PRI	Property rights	11	90.4
	CRO	Crony capitalism	61	33.3
	INO	Informal output as a % of GDP	7	91.0
Human Capture (i.3)	GSI	Global Slavery Index	22	73.7
	FDP	Forcibly displaced people as % of population	35	55.9
	HRI	Human Rights Index	51	58.9
	AFI	Academic Freedom Index	98	41.3
	GRI	Religion - Government Restriction Index	137	12.8
	LIN	LGBT+ inclusiveness	86	39.9
	WSB	Women self made billionaires	8	45.5
	WBL	Women, business and the law	71	55.4
	WMA	Proportion of women in senior and middle mgmt positions (	27	69.9
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	61	58.3
	IEO	Top 1 industry exports as % of exports	70	56.4
	IVA	Top 3 industries as % of value added	45	52.9
	HHI	Domestic market diversification	30	66.6
	ECI	Economic Complexity Index	5	93.8
	PUE	Public employees as a % of total employment	55	59.1
	MIL	Military expenses as % of GDP (dev. fm optimum)	67	58.0
	UNI	Unionization rate (dev. fm optimum)	80	48.8
	BSN	Barriers in service & network sectors		
	CRA	Criminal actors	3	99.8
Firm Dominance (ii.5)	SME	SMEs per 1,000 people		
	FAM	Family business revenues as % of GDP	28	35.1
	BIW	Billionaires' wealth as % of GDP	148	6.6
	FKG	Top 10 firms market cap as % of GDP	73	32.4
	FRG	Top 3 firms revenues as % of GDP	76	16.8
	FRR	Top 30 firms revenues as % of GDP	44	25.7
Creative Destruction (ii.6)	ENT	Entrepreneurship	23	75.2
	GSE	Governmental support to entrepreneurship	11	85.6
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	4	99.8
	API	AI private investment	11	46.5
	APC	AI private investment per capita	2	96.4
	RND	R&D as a % of GDP	16	80.8
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	24	79.7
	IWE	Index of Women Entrepreneurs	16	68.3
Giving Income (iii.7)	LEW	Life expectancy women	4	85.0
	LEM	Life expectancy men	9	86.8
	SCI	UHC Service Coverage Index	2	84.6
	PTR	Pupil-teacher ratio	37	68.2
	EDU	School life expectancy	23	70.4
	PIS	PISA mean scores	1	100.0
	UNV	Top universities	26	48.2
	GEE	Government education expenditure	131	20.1
	GAR	Government AI Readiness Index	2	99.4
	AIP	AI patent grants	11	43.5
	OSI	Online Service Index	6	86.4
	NRI	Network Readiness Index	2	99.2
	INT	Internet access	22	70.1
	GHI	Global Hunger Index		
	FSQ	Global Food Security Index - availability, quality & safety	20	75.1

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim		
	SNT	Subsidies and transfers as % of expenses	25	74.6
	REG	Regional redistribution as % of government budget	51	59.4
	CSG	Construction supply gap		
	SPO	Social protection	1	88.0
	SFA	Sanitation facilities	1	82.2
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies		
Taking Income (iii.8)	SUB	Death rate from substance use disorders	1	100.0
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	1	100.0
	SUI	Suicide rate	109	43.7
	DTR	Tax revenue as % of GDP (dev. fm optimum)	18	77.1
	DCT	Corporate tax rate (dev. fm optimum)	112	39.2
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization		
	GCI	Global Cybersecurity Index	1	100.0
	GEG	Gender education gap (dev. fm optimum)		
Unearned Income (iii.9)	CRM	Criminal markets	16	82.7
	DBT	Government debt as % of GDP		
	NRR	Natural resources rents as % of GDP	1	100.0
	GPA	Green patents per capita	11	90.1
	EPI	Environmental Performance Index	39	63.1
	RES	Renewable energy share	137	20.3
	OLI	Ocean litter		
	DER	Deforestation rate	22	57.5
	FUS	Fertilizer usage kg per hectar	112	49.4
	TLP	Terrestrial land protected	129	23.0
	CDD	CO2 emissions embodied in domestic final demand per capita	57	0.0
	CDO	CO2 emissions (metric tons per capita)	124	30.9
	AIR	Air Quality Index	39	64.3
	HAZ	Hazardous waste per capita	42	56.0
	WPC	Waste collected per capita	95	33.3
	MWR	Municipal waste recycling rate	7	83.2
	FIS	Fish consumption per capita		
	MET	Red meat consumption kilograms per capita		
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	6	68.6
	FBH	Financial burden of healthcare	80	56.0
	HEI	Health Efficiency Index	1	100.0
	DMS	Density of medical staff	18	76.1
	FSA	Global Food Security Index - affordability	2	80.9
	HAI	Housing Affordability Index	42	36.9
	RTD	Rail track density		
	GAI	Global AI Index	3	86.5
	AIF	AI number of foundation models	7	42.0
	FDS	Inward FDI as a % of GDP (stock)	1	100.0
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	1	100.0
	BTF	Barriers to FDI	47	60.9
	OFB	Open for business	5	91.8
	EGL	Economic globalization	1	100.0
	TRF	Trade freedom	1	100.0
	IPM	Share of imports targeted by protectionist measures (flow)	129	5.6
	IPS	Share of imports targeted by protectionist measures (stock)	134	21.4
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	43	55.7
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	100	36.2
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	42	55.0
	DEF	GDP deflator index growth rate (dev. fm optimum)	18	55.5
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	21	83.9
	GFC	Gross capital formation	97	40.0
	GOL	Gold demand as % of GDP	12	63.3
	CRY	Crypto ownership	44	23.7
	UNN	Unicorns	11	45.4
	UNC	Unicorns as % of GDP	3	97.2
	BSG	Billionaires self-made per capita	1	100.0
	BSM	Billionaires self-made as % of total billionaires	38	47.9
Labor Value (iv.12)	LPG	Labor productivity growth	117	16.4
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	27	67.6
	LFR	Labor force participation ratio - male vs female	66	61.0
	ROD	Robot density in manufacturing ndustry	1	100.0
	UEM	Unemployment rate	44	64.5
	YUN	Youth unemployment rate	52	64.4
	BRN	Human flight and brain drain	9	96.9

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Slovenia

Much Better in Power than Value but Excellent for the Next Generation

Slovenia is a high-income Eurozone member with strong human development and governance indicators. With an EQx2025 score of 54.9, the country's rank remained broadly in line with the previous two years (rank #35 in 2025, rank #33 in 2024, and rank #36 in 2023).

This year's slight decline in the overall ranking is a result of discrete performance at the Sub-Index level. Slovenia's Power Sub-index ranking remained stable (at #30 in both 2025 and 2024), with both the Political Power (i) and Economic Power (ii) Sub-Indices also remaining exactly the same in both years (#23 and #45, respectively). This is somewhat surprising given that two out of the three Pillars in the Political Power (i) Index Area, namely State Capture (i.1) and Human Capture (i.2), registered ranking improvements in 2025 (up by 5 and 3 places, respectively). These gains could be attributed to better performance in indicators for economic and social equality such as the Gini income and wealth distribution coefficients (GIL, i.1, rank #2; GWL, i.1, rank #18), reflecting one of the lowest inequality rates in Europe, the *Human Rights Index* (HRI, i.3, rank #11), the *Academic Freedom Index* (AFI, i.3, rank #7), and excellent *Control of corruption* (COC, i.1, rank #26). Within the Economic Power (ii) Index Area, the most positive contribution comes from the Coalition Dominance (ii.4) Pillar (rank #13, increasing from rank #19 in 2024). This can be attributed to the *Top 3 Industries as % of value added* Indicator (IVA, ii.4, rank #11 in 2025, up from #34 in 2024) as well as the diversity of specialized knowledge development and organizations within Slovenia's economy, reflected by a ranking of #10 in the *Economic Complexity Index* (ECI, ii.4).

The unchanged ranking of Slovenia in the Power Sub-index was accompanied by a notable fall of 9 places in its ranking in the Value Sub-index by (rank #45, down from rank #36 in 2024). However, this decline is less significant when considered in terms of the Value Sub-index score, which declined only slightly from 54.3 (in 2024) to 52.9 (in 2025), implying that the change in the ranking is also the result of the repositioning of other countries. The lower ranking of Slovenia's Value Sub-Index in 2025 is the result of opposing trends in the two Index Areas, Political Value (iii) and Economic Value (iv). The country advanced by 5 places and now ranks at #23 in the Political Value (iii) Index Area. Both its Giving Income (iii.7) Pillar and Taking Income (iii.8) Pillar improved, by 5 and 8 places, respectively. This can at least partly be attributed to the strong social character of the current government coalition that puts a high priority on policies that are aimed at redistribution in its broadest sense. With a rank of #6, the country also scored very highly in the Unearned Income (iii.9) Pillar that focuses on the exploitation of natural resources. With over a third of its territory under Natura 2000, Slovenia scores a full 100 points (rank #1) in the *Terrestrial land protected* Indicator (TLP, iii.9). It also scores very highly for *Waste collected per capita* (WPC, iii.9, rank #1), reflecting a high awareness of circular economy approaches, and ranks at #4 for its *Municipal waste recycling rate* (MWR, iii.9). The rankings within this Pillar also show notable improvements such as *Government debt as % of GDP* (DBT, iii.9, up from rank #99 to rank #49). In 2025, Slovenia is adopting a pension reform that is expected to have a positive impact on future public debt sustainability.

Slovenia

EQx2025 Country Scorecard

Population	2.1 million
GDP (nominal)	69 billion USD
GDP per capita	32'610 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
35	54.9	Rank 8

Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

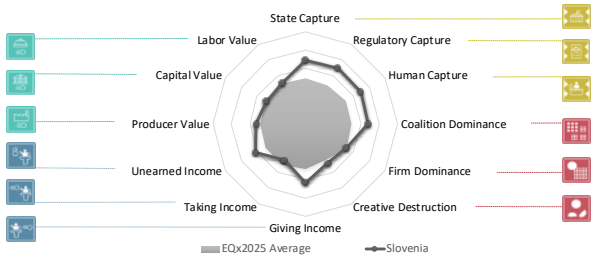
Power		Value	
Rank / 151	Score	Rank / 151	Score
30	59.0	45	52.9

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
23	69.6	45	53.7	23	56.7	69	51.0

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	16	69.1
	Regulatory Capture	29	70.2
	Human Capture	20	69.4
Economic Power (ii)	Coalition Dominance	13	68.1
	Firm Dominance	84	51.7
	Creative Destruction	53	49.0
Political Value (iii)	Giving Income	16	63.8
	Taking Income	116	45.5
	Unearned Income	6	62.2
Economic Value (iv)	Producer Value	63	53.3
	Capital Value	77	49.1
	Labor Value	83	50.9



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	17	85.6
	COC	Control of corruption	26	73.9
	OPG	Open government	27	71.4
	RTC	Government's responsiveness to change	87	39.3
	EPR	E-Participation Index	36	71.9
	PFD	Press freedom	33	73.7
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)		
	PDE	Political decentralization	11	76.9
	ADE	Administrative decentralization	15	82.0
	PGL	Political globalization	51	63.3
	WPI	Women's Power Index	32	72.2
	MOB	Social mobility (upward) (dev. fm optimum)	12	82.6
	INE	Top 10% share of pre-tax national income	5	94.9
	GWL	Gini coefficient on net national wealth dist. - level	18	70.1
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	22	59.6
	GIL	Gini coefficient on income dist. - level	2	89.4
	GIC	Gini coefficient on income dist. - 1-year growth rate	48	38.3
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	101	29.3
	CGP	Constraints on government power	31	67.8
	REQ	Regulatory quality	34	70.1
	REN	Regulatory enforcement	29	68.0
	PRI	Property rights	22	84.6
	CRO	Crony capitalism		
	INO	Informal output as a % of GDP	42	64.9
Human Capture (i.3)	GSI	Global Slavery Index	59	59.5
	FDP	Forcibly displaced people as % of population	62	55.7
	HRI	Human Rights Index	11	92.6
	AFI	Academic Freedom Index	7	80.1
	GRI	Religion - Government Restriction Index	55	62.9
	LIN	LGBT+ inclusiveness	17	81.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	19	76.4
	WMA	Proportion of women in senior and middle mgmt positions (	49	58.9
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	50	62.4
	IEO	Top 1 industry exports as % of exports	59	62.4
	IVA	Top 3 industries as % of value added	11	84.7
	HHI	Domestic market diversification	40	65.3
	ECI	Economic Complexity Index	10	88.2
	PUE	Public employees as a % of total employment		
	MIL	Military expenses as % of GDP (dev. fm optimum)	68	57.9
	UNI	Unionization rate (dev. fm optimum)	92	39.6
	BSN	Barriers in service & network sectors	21	47.6
	CRA	Criminal actors	39	66.6
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	42	45.7
	FAM	Family business revenues as % of GDP		
	BIW	Billionaires' wealth as % of GDP	1	60.6
	FKG	Top 10 firms market cap as % of GDP	30	59.3
	FRG	Top 3 firms revenues as % of GDP	64	42.0
	FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)	ENT	Entrepreneurship	19	80.6
	GSE	Governmental support to entrepreneurship	51	45.5
	VCK	Venture capital finance	34	38.9
	VCA	Venture capital availability	48	54.7
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP	17	80.5
	EXR	Firm exit ratio	20	32.2
	BCD	Billionaire's creative destruction	52	33.8
	IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)	LEW	Life expectancy women	16	78.6
	LEM	Life expectancy men	30	78.7
	SCI	UHC Service Coverage Index	20	77.1
	PTR	Pupil-teacher ratio	33	69.9
	EDU	School life expectancy	17	76.4
	PIS	PISA mean scores	20	69.7
	UNV	Top universities	16	49.3
	GEE	Government education expenditure	30	69.1
	GAR	Government AI Readiness Index	34	73.6
	AIP	AI patent grants		
	OSI	Online Service Index	29	74.6
	NRI	Network Readiness Index	30	68.8
	INT	Internet access	36	68.1
	GHI	Global Hunger Index		
	FSQ	Global Food Security Index - availability, quality & safety		

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm	12	65.2
	GEX	General government expenditure as % of GDP (dev. fm optim	89	32.9
	SNT	Subsidies and transfers as % of expenses	82	43.2
	REG	Regional redistribution as % of government budget	133	17.0
	CSG	Construction supply gap	34	46.9
	SPO	Social protection	21	84.2
	SFA	Sanitation facilities	35	69.4
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies		
Taking Income (iii.8)	SUB	Death rate from substance use disorders	136	13.0
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	12	77.9
	SUI	Suicide rate	141	15.7
	DTR	Tax revenue as % of GDP (dev. fm optimum)	81	46.8
	DCT	Corporate tax rate (dev. fm optimum)	36	71.5
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	30	51.5
	GCI	Global Cybersecurity Index	83	43.2
	GEG	Gender education gap (dev. fm optimum)	43	14.1
Unearned Income (iii.9)	CRM	Criminal markets	19	80.3
	DBT	Government debt as % of GDP	49	44.9
	NRR	Natural resources rents as % of GDP	19	78.4
	GPA	Green patents per capita	23	78.7
	EPI	Environmental Performance Index	21	83.1
	RES	Renewable energy share	81	40.7
	OLI	Ocean litter		
	DER	Deforestation rate	45	57.4
	FUS	Fertilizer usage kg per hectar	126	43.0
	TLP	Terrestrial land protected	1	100.0
	CDD	CO2 emissions embodied in domestic final demand per capita	35	48.7
	CDO	CO2 emissions (metric tons per capita)	101	45.3
	AIR	Air Quality Index	44	61.7
	HAZ	Hazardous waste per capita	44	55.9
	WPC	Waste collected per capita	1	62.5
	MWR	Municipal waste recycling rate	4	89.3
	FIS	Fish consumption per capita	77	54.8
	MET	Red meat consumption kilograms per capita	105	31.2
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	22	50.7
	FBH	Financial burden of healthcare	16	69.6
	HEI	Health Efficiency Index		
	DMS	Density of medical staff	57	52.0
	FSA	Global Food Security Index - affordability		
	HAI	Housing Affordability Index	49	30.7
	RTD	Rail track density	17	70.1
	GAI	Global AI Index	33	45.4
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	83	41.9
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	82	43.5
	BTF	Barriers to FDI	32	66.7
	OFB	Open for business	44	51.7
	EGL	Economic globalization	24	80.3
	TRF	Trade freedom	21	69.8
	IPM	Share of imports targeted by protectionist measures (flow)	116	21.9
	IPS	Share of imports targeted by protectionist measures (stock)	101	32.3
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	67	55.3
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	103	35.1
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	1	55.1
	DEF	GDP deflator index growth rate (dev. fm optimum)	98	53.3
	DNI	Neutral interest rate (dev. fm optimum)	16	59.9
	FMI	Financial Markets Index	78	35.8
	GFC	Gross capital formation	89	44.2
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership		
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita		
	BSM	Billionaires self-made as % of total billionaires		
Labor Value (iv.12)	LPG	Labor productivity growth	105	30.1
	WLP	Delta real wage vs labor productivity increases	30	40.9
	LFP	Labor force participation rate	91	42.5
	LFR	Labor force participation ratio - male vs female	52	64.2
	ROD	Robot density in manufacturing ndustry	7	46.1
	UEM	Unemployment rate	53	63.5
	YUN	Youth unemployment rate	59	61.0
	BRN	Human flight and brain drain	36	68.6

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In contrast to the good political showing, Slovenia registered a fall of 22 places in the Economic Value (iv) Index Area (rank #69, down from rank #47) that directly measures the extent of Value Creation and Value Extraction in various sectors of the economy and contributes the most weight to the overall ranking (44% of the total). Especially concerning trends are emerging within the Producer Value (iv.10) Pillar (rank #63, down from rank #33), but declines are also evident in the Labor Value (iv.11) Pillar (rank #83, down from rank #73), and Capital Value (iv.12) Pillar (rank #77, down from rank #68). Although Slovenia obviously still has a lot of room for improvement in both the labor and capital markets as well as in terms of increasing its competitiveness, innovative potential, and productivity to support economic value creation, the rankings of several indicators within each of the Economic Value Pillars exhibit significant changes from 2024 to 2025 or have missing data, suggesting that a closer examination of methodological and data issues is needed before making final judgments.

To summarize, in 2025, Slovenia continued to perform much better in the Power Sub-index, i.e., in creating a good political and economic environment for Value Creation, than in the Value Sub-Index that directly measures Value Creation and Extraction. In general terms, this seems to be a fair assessment of Slovenia's economy and society in general. The country has a rather stable political system with a strong, diversified and dynamic economic structure, but has for the time being not been able to make a breakthrough in productivity terms that will align it with the most developed EU member states. In the longer term, and through the lens of how the country performs with respect to intergenerational fairness, Slovenia's ranking is significantly higher than in the overall index. While the EQx2025 ranks Slovenia at #35, the NextGen Value Creation Barometer 2025 places it among the top 10 countries in the world (rank #8, up from rank #10 in 2024 and rank #13 in 2023). This extraordinary ranking reflects strong performance that confirms the country's commitment to all three components of sustainable development—economic, social and environmental—over the long-term, to allow future generations to fully realize their Value Creation potential.

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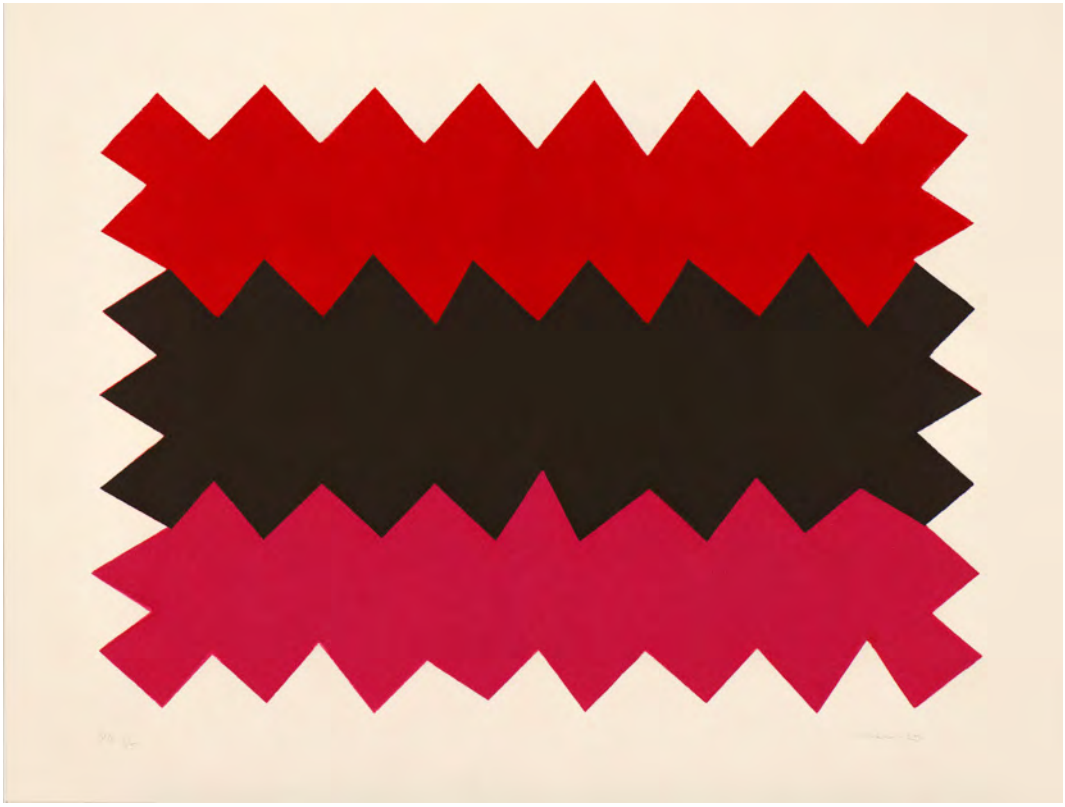

Turkey

Power Worsens and Value Declines Even More

Turkey was ranked #62 in the EQx2024 but has fallen significantly to rank #84 in the EQx2025, reflecting a decline in the development of its political economy. The power of the country's elites experienced a notable downward shift, with the Power Sub-Index rank falling from #66 to #75. Still, the collapse of its Value Sub-Index was even more noticeable, dropping from #66 to #94. Taken together, these two developments indicate a growing concentration of power with declining value generation. However, the overall score hides great disparities in how the country scores in the four Index Areas; Turkey records a remarkable performance in terms of Political Value (iii, rank #5), while being notably weak in terms of Economic Value (iv, rank #126). What can explain that despite increased dominance over key institutions, Turkey's elites do not convert this influence into broader economic prosperity?

In recent years, Turkey has undergone substantial economic and political changes and experienced high inflation, currency instability, and fraught political elections. The country saw slower GDP growth, with a reduction from 5.1% in 2023 to 3.2% in 2024 (TURKSTAT, 2025), a fact that is partially mirrored in the decline of its EQx rankings. The relatively modest GDP growth rate for an emerging market has been coupled with serious macroeconomic imbalances such as a depreciating lira and a changing regulatory landscape.

One fundamental issue is inflation, which surged in the lead up to the 2023 presidential election due to increased public spending and persistent low interest rates, but began to decline after the elections. However, inflation has remained volatile on a monthly basis, with CPI peaking at 75.45% in May 2024 before gradually declining to 44.38% by December 2024 (TURKSTAT, 2025). This is also reflected in the EQx2025, as Turkey is near the bottom of the rankings for *Inflation* at #141 (DOI, iv.11). In response to the lower inflation rate, the Turkish central bank started implementing monetary easing at the end of 2024, cutting interest rates to 47.5%—the first reduction in nearly two years and down from a high of 50% (as of March 2025, the interest rate is 42.5%)—citing slowing consumer demand and a stronger currency (Yackley, 2025).

Another structural issue in the elite system is the consistently low scores the country receives in the Economic Value Index Area (iv, #126) and some of its key Pillars (Producer Value #109, Capital Value #128, Labor Value #118) that point to a persistent weakness in sustainable value creation. Delving deeper into some of the indicators, Turkey fares poorly in terms of the *Share of imports targeted by protectionist measures (flow)* and *(stock)* (IPM & IPS, iv.10, ranked #100 and #132 respectively). Yet, performance in the *Share of discriminatory governmental intervention as % of total intervention (flow)* remains rather moderate at #55 (DGI, iv.10), suggesting fewer new measures introduced in 2024. However, this does not necessarily indicate a shift in mindset. The chair of the Turkish Foreign Economic Relations Board has already signaled that protectionist measures and trade blocs are likely to persist in 2025, driven by ongoing geopolitical tensions. Domestically, major policy changes are unlikely, as the government continues to follow its program focused on fiscal and monetary tightening. Despite the central bank's recent interest rate cuts, the economic leadership claims to be committed to disinflation and fiscal discipline.

Among these macroeconomic imbalances, Turkey received an acceptable score in the Creative Destruction Pillar (ii.6, rank #58) indicating that market mechanisms function well and that the agents of innovation remain active. This potential for innovative behavior is also evidenced by commendable rankings of #39 for *Entrepreneurship* (ENT, ii.6) and #31 for *R&D as a % of GDP* (RND, ii.6). Thus, despite the disappointing fall in *Government support to entrepreneurship* (GSE, ii.6, falling from rank #31 to #50), Turkey remains competitive, positioned at #23 for *Number of patent applications per capita* (PAT, iv.10) and #24 for *Unicorns* (UNN, iv.11). This continued success can be attributed to a series of strategic initiatives and regulatory reforms introduced in 2024 that have aimed to strengthen the entrepreneurial ecosystem and enhance its global competitiveness. In 2024, the country launched the Türkiye Tech Visa to attract international startup founders and highly skilled professionals, alongside the Turcorn Program to support high-growth tech startups. Reforms in cryptocurrency regulations and a reduction in the domestic investment requirement for Venture Capital Investment Funds—from 80% to 51%—have eased investments in globally oriented ventures. These changes have also allowed foreign limited partners to invest in Turkish VC funds (Gürakan, 2024).

In conclusion, the EQx2025 indicates that Turkey needs to move away from elite-driven extractive business models, reduce its protectionism, and build macroeconomic stability to support sustainable value creation. Given its robust innovative landscape, such a transition seems attainable.

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Vienna University of Economics and Business, Austria

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Turkey

EQx2025 Country Scorecard

Population	85.3 million
GDP (nominal)	1'118 billion USD
GDP per capita	13'106 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
84	47.3	Rank 50

Middle Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

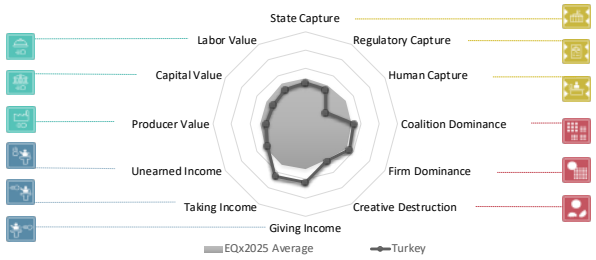
Power		Value	
Rank / 151	Score	Rank / 151	Score
75	46.1	94	48.0

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
110	38.9	56	49.7	5	59.7	126	42.1

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	97	44.6
	Regulatory Capture	83	43.4
	Human Capture	142	25.0
Economic Power (ii)	Coalition Dominance	63	52.4
	Firm Dominance	69	55.3
	Creative Destruction	58	46.5
Political Value (iii)	Giving Income	19	63.2
	Taking Income	12	65.3
	Unearned Income	101	47.5
Economic Value (iv)	Producer Value	109	42.2
	Capital Value	128	40.8
	Labor Value	118	43.2



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	133	21.0
	COC	Control of corruption	82	41.8
	OPG	Open government	93	31.5
	RTC	Government's responsiveness to change	36	64.4
	EPR	E-Participation Index	21	79.3
	PFD	Press freedom	132	17.2
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	50	58.7
	ADE	Administrative decentralization	71	46.9
	PGL	Political globalization	13	83.2
	WPI	Women's Power Index	131	22.6
	MOB	Social mobility (upward) (dev. fm optimum)	38	60.7
	INE	Top 10% share of pre-tax national income	136	16.9
	GWL	Gini coefficient on net national wealth dist. - level	113	39.0
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	51	52.2
	GIL	Gini coefficient on income dist. - level	115	25.7
	GIC	Gini coefficient on income dist. - 1-year growth rate	63	21.8
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	103	28.7
	CGP	Constraints on government power	119	14.1
	REQ	Regulatory quality	77	46.2
	REN	Regulatory enforcement	101	31.2
	PRI	Property rights	91	39.4
	CRO	Crony capitalism	36	56.6
	INO	Informal output as a % of GDP	63	53.8
Human Capture (i.3)	GSI	Global Slavery Index	148	0.0
	FDP	Forcibly displaced people as % of population	98	55.2
	HRI	Human Rights Index	119	29.1
	AFI	Academic Freedom Index	138	8.8
	GRI	Religion - Government Restriction Index	131	15.2
	LIN	LGBT+ inclusiveness	92	33.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	71	55.4
	WMA	Proportion of women in senior and middle mgmt positions (	105	22.5
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	5	91.5
	IEO	Top 1 industry exports as % of exports	47	66.6
	IVA	Top 3 industries as % of value added	73	39.9
	HHI	Domestic market diversification	2	73.0
	ECI	Economic Complexity Index	39	66.2
	PUE	Public employees as a % of total employment	92	19.1
	MIL	Military expenses as % of GDP (dev. fm optimum)	59	61.3
	UNI	Unionization rate (dev. fm optimum)	3	72.1
	BSN	Barriers in service & network sectors	40	22.2
	CRA	Criminal actors	135	15.9
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	96	37.6
	FAM	Family business revenues as % of GDP	17	52.4
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	FKG	Top 10 firms market cap as % of GDP	18	62.5
	FRG	Top 3 firms revenues as % of GDP	43	57.8
	FRR	Top 30 firms revenues as % of GDP	21	64.2
Creative Destruction (ii.6)	ENT	Entrepreneurship	39	58.7
	GSE	Governmental support to entrepreneurship	50	46.7
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	79	42.6
	API	AI private investment	20	44.3
	APC	AI private investment per capita	27	27.5
	RND	R&D as a % of GDP	31	72.7
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	48	52.4
	IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)	LEW	Life expectancy women	58	63.6
	LEM	Life expectancy men	53	63.5
	SCI	UHC Service Coverage Index	52	65.1
	PTR	Pupil-teacher ratio	54	63.9
	EDU	School life expectancy	3	95.6
	PIS	PISA mean scores	37	59.5
	UNV	Top universities	60	45.2
	GEE	Government education expenditure	124	26.7
	GAR	Government AI Readiness Index	49	66.3
	AIP	AI patent grants	32	43.1
	OSI	Online Service Index	84	48.6
	NRI	Network Readiness Index	54	57.1
	INT	Internet access	52	65.8
	GHI	Global Hunger Index	12	77.2
	FSQ	Global Food Security Index - availability, quality & safety	31	71.2
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim	32	72.2
	SNT	Subsidies and transfers as % of expenses	58	53.5
	REG	Regional redistribution as % of government budget	45	63.1
	CSG	Construction supply gap	1	68.9
	SPO	Social protection	41	71.4
	SFA	Sanitation facilities	43	65.2
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies		
Taking Income (iii.8)	SUB	Death rate from substance use disorders	16	79.8
	BRD	Battle-related deaths per capita	104	56.1
	HOM	Homicide rate	77	45.3
	SUI	Suicide rate	7	72.4
	DTR	Tax revenue as % of GDP (dev. fm optimum)	65	57.1
	DCT	Corporate tax rate (dev. fm optimum)	3	77.9
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	65	29.6
	GCI	Global Cybersecurity Index	46	66.6
	GEG	Gender education gap (dev. fm optimum)	2	84.2
Unearned Income (iii.9)	CRM	Criminal markets	139	14.7
	DBT	Government debt as % of GDP	8	69.8
	NRR	Natural resources rents as % of GDP	42	61.4
	GPA	Green patents per capita	40	63.2
	EPI	Environmental Performance Index	116	29.5
	RES	Renewable energy share	110	30.3
	OLI	Ocean litter	92	22.9
	DER	Deforestation rate	90	55.0
	FUS	Fertilizer usage kg per hectar	94	53.2
	TLP	Terrestrial land protected	124	26.1
	CDD	CO2 emissions embodied in domestic final demand per capita	20	64.0
	CDO	CO2 emissions (metric tons per capita)	97	47.1
	AIR	Air Quality Index	62	54.5
	HAZ	Hazardous waste per capita	68	50.8
	WPC	Waste collected per capita	62	52.7
	MWR	Municipal waste recycling rate	41	30.2
	FIS	Fish consumption per capita	35	69.8
	MET	Red meat consumption kilograms per capita	68	61.4
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	23	50.2
	FBH	Financial burden of healthcare	37	65.4
	HEI	Health Efficiency Index	16	65.8
	DMS	Density of medical staff	86	41.9
	FSA	Global Food Security Index - affordability	81	36.4
	HAI	Housing Affordability Index	60	7.0
	RTD	Rail track density	51	34.1
	GAI	Global AI Index	30	46.5
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	131	34.3
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	122	36.8
	BTF	Barriers to FDI	61	50.8
	OFB	Open for business	60	42.4
	EGL	Economic globalization	84	45.2
	TRF	Trade freedom	84	50.5
	IPM	Share of imports targeted by protectionist measures (flow)	100	31.0
	IPS	Share of imports targeted by protectionist measures (stock)	132	22.1
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	55	55.5
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	117	31.8
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	141	30.1
	DEF	GDP deflator index growth rate (dev. fm optimum)	143	33.0
	DNI	Neutral interest rate (dev. fm optimum)	42	0.0
	FMI	Financial Markets Index	23	80.6
	GFC	Gross capital formation	28	70.6
	GOL	Gold demand as % of GDP	26	0.0
	CRY	Crypto ownership	43	26.2
	UNN	Unicorns	24	42.6
	UNC	Unicorns as % of GDP	33	30.6
	BSG	Billionaires self-made per capita	39	39.8
	BSM	Billionaires self-made as % of total billionaires	36	48.6
Labor Value (iv.12)	LPG	Labor productivity growth	76	41.5
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	110	29.5
	LFR	Labor force participation ratio - male vs female	131	23.0
	ROD	Robot density in manufacturing industry		
	UEM	Unemployment rate	120	37.7
	YUN	Youth unemployment rate	105	44.7
	BRN	Human flight and brain drain	41	65.0

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

United States of America

A Country at Risk of Squandering its Progress

One is tempted to exclaim that "It's morning again in America!" given the country's stellar rise in the EQx2025: the United States jumped from last year's rank of #16 to being the proud runner-up. But is the EQx2025 rank of #2 truly a harbinger of a "Golden Age" where elites systematically engage in sustainable value creation? Given that 69% of Americans now believe that the "political and economic elite don't care about hard-working people" (Young, 2024, p. 29), this would be welcome news. While a more sober examination of US performance in the different Pillars of the EQx2025 certainly suggests that US elites are better than their reputation, America's climb to the top of the EQx might well be due to its (current) dominance in AI.

Scores and ranks in both the Political Power (i, rank #21) and Economic Power (ii, rank #1) Sub-Index Areas have remained remarkably stable, yet it is in the Pillar of Creative Destruction (ii.6, rank #1) that the source of the US advance becomes apparent: not only did the US remain #1 in *Entrepreneurship* (ENT, ii.6), *Venture capital finance* (VCK, ii.6), *Venture capital availability* (VCA, ii.6), and the *Index of Women Entrepreneurs* (IWE, ii.6), it also led in the newly added indicators for *AI private investment* (API, ii.6) and *AI private investment per capita* (APC, ii.6). Moreover, in terms of Political Value (iii, rank #52), the US benefits from its high *Government AI Readiness* (GAR, iii.7, rank #1) as well as a #2 position in *AI patent grants* (AIP, iii.7). Consequently, the US continues to lead the *Global AI Index* (GAI, iv.10, rank #1) as well as heading the newly included *AI number of foundation models* (AIF, iv.10, rank #1).

Several of these indicators are unlikely to change dramatically over the next year, yet there is clearly reason for concern as the policies of the second Trump Administration might weaken the basis of the US success story: research and development in AI—and any other field, for that matter—depend on excellent institutions of higher education. It is disconcerting to see that the US has already fallen in the *Academic Freedom Index* (AFI, i.3), from rank #36 to #75; federal funding cuts and coercive measures against elite research institutions are bound to affect several other indicators, possibly including the last one currently listed on the scorecard: *Human flight and brain drain* (BRN, iv.12, rank #11). Although there is merit to the proposition that American knowledge elites have contributed to the societal polarization that ails the country (Brooks, 2024), limiting academic freedom would come at a price for all.

Generally, the US risks squandering past progress while ignoring persistent issues: as observed in the EQx2025, indicators that measure economic inequality and the quality of life refuse to improve and might indeed worsen in the wake of protectionist trade policies and the renunciation of sustainability. Once the foundations erode, everything else crumbles. This can only be avoided if the general populace regains its trust in elites and recognizes the sustainable value that they create.

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United States

EQx2025 Country Scorecard

Population	334.9 million
GDP (nominal)	27'721 billion USD
GDP per capita	82'769 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
2	64.1	Rank 55

Very High Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

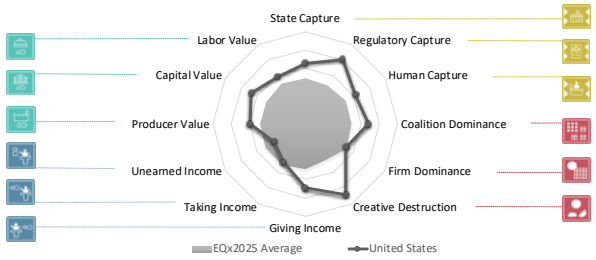
Power		Value	
Rank / 151	Score	Rank / 151	Score
1	74.0	17	59.1

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
21	70.7	1	75.6	52	53.0	11	62.2

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	23	66.0
	Regulatory Capture	12	80.6
	Human Capture	34	63.2
Economic Power (ii)	Coalition Dominance	9	68.6
	Firm Dominance	89	50.7
	Creative Destruction	1	88.5
Political Value (iii)	Giving Income	3	69.1
	Taking Income	98	47.6
	Unearned Income	142	38.5
Economic Value (iv)	Producer Value	24	59.8
	Capital Value	2	67.5
	Labor Value	40	59.3



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	17	85.6
	COC	Control of corruption	20	82.6
	OPG	Open government	15	85.5
	RTC	Government's responsiveness to change	10	91.8
	EPR	E-Participation Index	10	86.6
	PFD	Press freedom	43	65.4
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	76	55.7
	PDE	Political decentralization	1	100.0
	ADE	Administrative decentralization	10	86.5
	PGL	Political globalization	14	83.0
	WPI	Women's Power Index	62	49.0
	MOB	Social mobility (upward) (dev. fm optimum)	76	40.1
	INE	Top 10% share of pre-tax national income	84	45.8
	GWL	Gini coefficient on net national wealth dist. - level	120	28.5
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	45	55.1
	GIL	Gini coefficient on income dist. - level	105	35.3
	GIC	Gini coefficient on income dist. - 1-year growth rate	67	13.2
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	5	96.0
	CGP	Constraints on government power	28	69.7
	REQ	Regulatory quality	16	86.7
	REN	Regulatory enforcement	20	80.1
	PRI	Property rights	7	91.4
	CRO	Crony capitalism	48	52.0
	INO	Informal output as a % of GDP	2	98.5
Human Capture (i.3)	GSI	Global Slavery Index	38	66.6
	FDP	Forcibly displaced people as % of population	1	56.0
	HRI	Human Rights Index	48	61.8
	AFI	Academic Freedom Index	75	58.6
	GRI	Religion - Government Restriction Index	55	62.9
	LIN	LGBT+ inclusiveness	32	75.9
	WSB	Women self made billionaires	10	43.4
	WBL	Women, business and the law	37	68.2
	WMA	Proportion of women in senior and middle mgmt positions (	11	81.0
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	11	87.1
	IEO	Top 1 industry exports as % of exports	26	72.3
	IVA	Top 3 industries as % of value added	6	93.4
	HHI	Domestic market diversification	18	69.1
	ECI	Economic Complexity Index	9	88.8
	PUE	Public employees as a % of total employment	85	29.1
	MIL	Military expenses as % of GDP (dev. fm optimum)	39	64.0
	UNI	Unionization rate (dev. fm optimum)	6	71.8
	BSN	Barriers in service & network sectors	26	45.0
	CRA	Criminal actors	74	51.0
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	43	45.0
	FAM	Family business revenues as % of GDP	13	59.3
	BIW	Billionaires' wealth as % of GDP	139	23.5
	FKG	Top 10 firms market cap as % of GDP	72	35.7
	FRG	Top 3 firms revenues as % of GDP	29	65.4
	FRR	Top 30 firms revenues as % of GDP	24	60.4
Creative Destruction (ii.6)	ENT	Entrepreneurship	1	100.0
	GSE	Governmental support to entrepreneurship	54	44.4
	VCK	Venture capital finance	1	100.0
	VCA	Venture capital availability	1	100.0
	API	AI private investment	1	100.0
	APC	AI private investment per capita	1	97.2
	RND	R&D as a % of GDP	3	89.5
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	42	62.6
	IWE	Index of Women Entrepreneurs	1	86.6
Giving Income (iii.7)	LEW	Life expectancy women	37	70.3
	LEM	Life expectancy men	36	71.6
	SCI	UHC Service Coverage Index	9	80.1
	PTR	Pupil-teacher ratio	35	69.1
	EDU	School life expectancy	36	63.7
	PIS	PISA mean scores	16	71.8
	UNV	Top universities	41	46.6
	GEE	Government education expenditure	29	70.0
	GAR	Government AI Readiness Index	1	100.0
	AIP	AI patent grants	2	92.0
	OSI	Online Service Index	16	79.5
	NRI	Network Readiness Index	1	100.0
	INT	Internet access	11	71.4
	GHI	Global Hunger Index		
	FSQ	Global Food Security Index - availability, quality & safety	10	81.9

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm	23	46.7
	GEX	General government expenditure as % of GDP (dev. fm optim	20	74.8
	SNT	Subsidies and transfers as % of expenses	105	22.6
	REG	Regional redistribution as % of government budget	106	28.8
	CSG	Construction supply gap	16	63.9
	SPO	Social protection	35	76.1
	SFA	Sanitation facilities	13	79.8
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies		
Taking Income (iii.8)	SUB	Death rate from substance use disorders	149	0.0
	BRD	Battle-related deaths per capita	103	56.1
	HOM	Homicide rate	99	34.5
	SUI	Suicide rate	135	27.6
	DTR	Tax revenue as % of GDP (dev. fm optimum)	11	78.4
	DCT	Corporate tax rate (dev. fm optimum)	33	73.8
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	6	95.0
	GCI	Global Cybersecurity Index	2	99.8
	GEG	Gender education gap (dev. fm optimum)	26	49.4
Unearned Income (iii.9)	CRM	Criminal markets	104	37.2
	DBT	Government debt as % of GDP	69	11.3
	NRR	Natural resources rents as % of GDP	52	56.4
	GPA	Green patents per capita	12	89.9
	EPI	Environmental Performance Index	32	72.0
	RES	Renewable energy share	114	29.2
	OLI	Ocean litter	53	51.0
	DER	Deforestation rate	138	0.0
	FUS	Fertilizer usage kg per hectar	105	51.8
	TLP	Terrestrial land protected	94	39.6
	CDD	CO2 emissions embodied in domestic final demand per capita	57	0.0
	CDO	CO2 emissions (metric tons per capita)		
	AIR	Air Quality Index	18	70.7
	HAZ	Hazardous waste per capita		
	WPC	Waste collected per capita	91	43.8
	MWR	Municipal waste recycling rate	30	44.2
	FIS	Fish consumption per capita	109	36.1
	MET	Red meat consumption kilograms per capita	146	0.0
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	4	96.9
	FBH	Financial burden of healthcare	45	62.8
	HEI	Health Efficiency Index	52	6.4
	DMS	Density of medical staff	49	54.2
	FSA	Global Food Security Index - affordability	29	73.1
	HAI	Housing Affordability Index	26	53.8
	RTD	Rail track density	57	30.3
	GAI	Global AI Index	1	100.0
	AIF	AI number of foundation models	1	100.0
	FDS	Inward FDI as a % of GDP (stock)	64	46.5
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	43	51.0
	BTF	Barriers to FDI	40	64.0
	OFB	Open for business	51	47.2
	EGL	Economic globalization	51	63.0
	TRF	Trade freedom	57	61.5
	IPM	Share of imports targeted by protectionist measures (flow)	123	19.1
	IPS	Share of imports targeted by protectionist measures (stock)	139	20.5
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	96	55.2
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	148	8.2
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	54	54.9
	DEF	GDP deflator index growth rate (dev. fm optimum)	37	55.1
	DNI	Neutral interest rate (dev. fm optimum)	15	60.1
	FMI	Financial Markets Index	1	100.0
	GFC	Gross capital formation	94	41.8
	GOL	Gold demand as % of GDP	6	67.8
	CRY	Crypto ownership		
	UNN	Unicorns	1	100.0
	UNC	Unicorns as % of GDP	4	79.0
	BSG	Billionaires self-made per capita	6	81.1
	BSM	Billionaires self-made as % of total billionaires	25	59.5
Labor Value (iv.12)	LPG	Labor productivity growth	100	33.8
	WLP	Delta real wage vs labor productivity increases	10	65.6
	LFP	Labor force participation rate	68	52.7
	LFR	Labor force participation ratio - male vs female	54	64.1
	ROD	Robot density in manufacturing ndustry	10	44.8
	UEM	Unemployment rate	52	63.6
	YUN	Youth unemployment rate	45	65.5
	BRN	Human flight and brain drain	11	92.0

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

4.2 EQx-Indicator Analyses

Decoding a Wicked Problem: Modern Slavery in the Elite Quality Index

Slavery is a crime and a violation of fundamental human rights. As per Article 4 of the Universal Declaration of Human Rights: "No one shall be held in slavery or servitude: slavery and the slave trade shall be prohibited in all their forms" (OHCHR, 2025 p. 2).

Modern slavery, a notion not defined in law, is an umbrella term that encompasses legal concepts of forced labor, forced marriage, debt bondage, servitude, slavery and slavery-like practices, and human trafficking (Walk Free, 2025). Across the world, over 50 million vulnerable people are being exploited by modern slavery every day, with forced labor accounting for half of this, generating USD 236 billion in illegal profits annually (WEF, 2025).

The *Global Estimates of Modern Slavery Report 2022* by the International Labour Organization further clarifies that forced labor and forced marriage are two sub-categories of modern slavery, with the former comprised of both privately imposed and state-imposed forced labor (ILO, 2022 p. 13). All concepts under the umbrella term of modern slavery "refer to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power" (ILO, 2022, p. 13).

The Elite Quality Index integrates the aspect of modern slavery via the *Global Slavery Index* (GSI, i.3) published by Walk Free, an international human rights initiative that is part of the Minderoo Foundation. From a sustainable value creation perspective, the EQx argues that 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" (EQx2024, p. 142). The *Global Slavery Index* goes beyond forced labor to measure other aspects of Human Capture. For instance, in family settings (forced marriage) or human trafficking, modern slavery is highlighted as an extreme form of rent extraction where value is transferred from exploited individuals to the business models of those gaining from unpaid or underpaid labor.

Many countries perform badly in terms of modern slavery. For example, although the United States ranks #2 overall in the EQx, it drops to #38 in the Global Slavery Index, while China falls from its overall EQx ranking of #19 to #49. The actual raw numbers (not transformed by the EQx normalization procedures) estimate that 3.3 out of 1000 people live in modern slavery conditions in the US and around 4 out of 1000 in China. India scores shockingly poorly for this indicator with a GSI rank of #121 (compared to its overall EQx ranking of #60) and the raw data estimates that modern slavery is a reality for 8 out of 1000 people.

Despite this, modern slavery is not a black-and-white issue—it is deeply context-dependent, multifaceted, multi-stakeholder and what scholars might call a "wicked problem" (Raškovic, 2024). While forced marriage and privately imposed forced labor do occur in the US, the majority of the country's cases stem from state-imposed forced labor. The American Civil Liberties Union estimates that incarcerated workers in the US produce around USD 11 billion worth of goods and services every year (ACLU, 2022). One could argue that while state-imposed forced labor certainly fits the EQx rationale of "rent extraction (...) from free labor or wages below the market equilibrium" (EQx2024, p. 142), prison work also provides structure, sense, and social interaction relevant for a successful long-term reintegration into society. Balancing punitive elements (such as low wages) with the potential for rehabilitation remains a contested and complex issue.

Local context is further underscored when comparing forced labor across developed and developing economies. While normative expectations are greater for high-income countries, workers in lower-income settings often have limited choices. Eliminating some forms of modern slavery—such as those defined by long hours, low pay, or informal agreements—does not automatically improve livelihoods. In fact, it could make things worse (Bremmer, 2016). These realities must be viewed in light of local conditions—culture, history, and the current stage of economic development—which create what might be described as a "local market equilibrium" where a form of constrained extraction could even be associated with Value Creation.

EQx2025 Indicator Scorecard

Global Slavery Index

Sub-Index (Level 2)	Power
Index Area (Level 2)	Political Power
Pillar (Level 3)	Human Capture
Indicator ref. (Level 4)	i.3_GSI
Indicator wgt. (in EQx)	0.7%
Indicator wgt. (in Pillar)	23.8%
Countries covered	150
Inclusion year	2021
Conceptual optimum	No
Data Source	The Minderoo Foundation's Walk Free Initiative, The Global Slavery Index

Description

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).

Rationale

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).

Rank /150	Country	Score
1	**Switzerland**	**83.6**
2	**Norway**	**83.5**
3	**Germany**	**83.2**
3	**Netherlands**	**83.2**
3	**Sweden**	**83.2**
6	**Denmark**	**82.8**
7	**Belgium**	**80.8**
8	**Ireland**	**80.0**
9	**Japan**	**79.7**
10	**Finland**	**78.1**
11	Mauritius	77.5
12	Australia	76.9
13	New Zealand	76.8
14	Lesotho	76.6
15	United Kingdom	75.7
16	Canada	75.5
17	Austria	75.4
17	Botswana	75.4
19	Uruguay	75.2
20	Algeria	74.9
21	France	74.1
22	Singapore	73.7
23	Morocco	72.7
24	Spain	72.6
25	Tunisia	72.5
26	Namibia	72.3
27	South Africa	70.4
28	Tanzania	69.2
29	Czech Republic	69.1
30	Ghana	68.8
31	Senegal	68.7
32	Mozambique	68.5
33	Benin	68.1
34	Liberia	67.5
35	Chile	67.3
36	Costa Rica	67.2
37	Italy	66.8
38	United States	66.6
39	Nepal	66.4
40	Togo	66.2
41	Latvia	66.1
42	Sierra Leone	65.9
43	Korea, Rep.	65.3
44	Eswatini	64.7
45	Burkina Faso	64.1
46	Israel	63.5
47	Portugal	63.4
48	Sudan	62.4
49	China	62.2
50	Guinea	62.1
51	Mongolia	62.0
52	Vietnam	61.9
53	Estonia	61.6
54	Angola	61.4
55	Uganda	61.3
56	Argentina	61.2
57	Rwanda	60.7
58	Egypt, Arab Rep.	60.3
59	Slovenia	59.5
60	Guinea-Bissau	59.2
61	Congo, Dem. Rep.	58.9
62	Madagascar	58.8
63	Niger	58.3
64	Panama	58.2
65	Trinidad and Tobago	57.8
66	Malawi	57.0
67	Brazil	56.4
68	Cambodia	56.3
68	Zimbabwe	56.3
70	Kenya	56.1
71	Zambia	55.6
72	Lao PDR	55.2
73	Croatia	54.7
73	Mali	54.7
75	Central African Republic	54.6
76	Cuba	53.7
77	Iraq	53.2
78	Poland	53.0
79	Thailand	51.6
80	Cameroon	51.0
81	Chad	50.8
82	Yemen, Rep.	49.8
83	Timor-Leste	49.7
84	Lithuania	49.5
85	Malaysia	48.5
86	Ethiopia	48.1
87	Greece	47.8
88	Paraguay	47.5
89	Sri Lanka	47.2
90	Oman	47.0
91	Hungary	46.6
92	Mexico	46.5
93	Dominican Republic	46.2
94	Indonesia	45.8
95	Bahrain	45.6
96	Qatar	45.1
97	Libya	45.0
98	Honduras	44.2
99	Serbia	43.9
100	Bangladesh	43.6
101	Peru	43.3
101	Iran, Islamic Rep.	43.3
103	Bolivia	43.0
104	Jamaica	42.2
105	Cote d'Ivoire	42.0
106	Nicaragua	41.9
107	Uzbekistan	41.3
108	Burundi	40.9
109	Romania	40.6
110	Lebanon	40.5
111	Gabon	40.2
112	Ecuador	40.1
113	Slovak Republic	40.0
114	Georgia	39.1
115	Colombia	39.0
115	Equatorial Guinea	39.0
115	Nigeria	39.0
118	Guatemala	38.9
119	Philippines	38.8
120	Congo, Rep.	37.9
121	India	37.8
122	Cyprus	37.6
123	El Salvador	37.3
124	Haiti	36.5
125	Bulgaria	34.9
126	Kyrgyz Republic	33.4
126	Syrian Arab Republic	33.4
128	Armenia	32.1
129	Moldova	28.8
129	Venezuela, RB	28.8
131	Jordan	25.6
132	Bosnia and Herzegovina	25.1
133	Papua New Guinea	23.5
134	Azerbaijan	22.2
135	Pakistan	21.8
136	Kazakhstan	19.2
137	Belarus	17.4
138	Albania	14.6
139	Turkmenistan	14.2
140	Myanmar	12.9
141	North Macedonia	9.7
142	Ukraine	8.6
143	Kuwait	7.6
143	Afghanistan	7.6
145	Russian Federation	7.2
146	United Arab Emirates	5.1
147	Tajikistan	1.5
148	Saudi Arabia	0.0
148	Turkey	0.0
148	Mauritania	0.0

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Still, certain practices should be universally condemned: hazardous working conditions (beyond what the job demands), restrictions on leaving employment, debt bondage, the use of threats, abuse of vulnerability, and the non-payment of wages. These are clear violations of human dignity, regardless of context, location, or economic rationale.

Elites hold a central position in both perpetuating and potentially resolving modern slavery. Their influence over legislation, capital allocation, corporate governance, and the public discourse enables them to promote high-standard labor practices, support the enforcement of anti-slavery laws, and foster inclusive economic development. For instance, business elites can leverage supply chain transparency initiatives (such as the Modern Slavery Act in the UK in 2015, or the Fighting Against Forced and Child Labour in Supply Chains Act of 2023 in Canada), while political elites can strengthen regulatory infrastructures and enforce international standards.

While modern slavery will not be eradicated overnight, sustained progress is possible. As with many global challenges, the effectiveness of any solution depends on robust data: pinpointing where the world's modern slaves are, which supply chains they are part of, and how to predict when and where exploitation risks may escalate into unsustainable value transfers.

In alignment with SDG 8.7, investments in education (UNESCO, 2023) and self-taught educational formats that leverage AI can equip vulnerable populations with the skills and tools to break exploitative cycles. Empowerment via education, financial inclusion, and a cultural mindset shift are crucial to dismantling entrenched forced labor practices and establishing a lasting shift toward fairer, safer, and more equitable systems (Walk Free, 2025). A key catalyst in this effort is breaking down data silos and fostering collaboration across government, business, and civil society (US Department of State, 2023). Such partnerships can help close data gaps and drive coordinated action, for instance, in tackling the segments of global supply chains that rely on slavery. Within the Elite Quality Index framework, these cross-sector alliances between business, political, and knowledge elites are characterized as "high-quality" elites that collectively leverage their power to expand the economic pie rather than merely enlarging their own share. Ultimately, sustained cooperation and context-specific strategies form the foundation for measurable and enduring progress towards eradicating modern slavery.

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4.3 EQx-Indicator Family Analyses

The Artificial Intelligence EQx-Indicator Family

Artificial Intelligence Continues to Supercharge Value Creation

The Artificial Intelligence EQx-Indicator Family, with 151 countries surveyed in the EQx2025, is a crucial benchmark for assessing a country's performance in the development of Artificial Intelligence (AI). Today, AI's impact on value creation has never been more pronounced since the launch of ChatGPT. At the 2025 Annual Meeting of the World Economic Forum in Davos, industrial elites discussed how electric vehicles, the crypto sector, smart factories, digital health, and the space economy would rely on the meteoric rise of AI capabilities to usher human society into an "Intelligent Age" (World Economic Forum, 2025). AI keeps supercharging value creation by transforming the patterns of innovation, private investment, technological infrastructure, and industrial automation. Seven datasets are utilized to constitute the AI Indicator Family in the EQx2025. In the Giving Income Pillar (iii.7), the *Government AI Readiness Index* (GAR) indicates political value. Moreover, in the Producer Value Pillar (iv.10), the *Global AI Index* (GAI) and the newly introduced dataset for *AI number of foundation models* (AIF, iv.10), along with other new indicators for *Robot density in manufacturing industry* (ROD, iv.12), *AI private investment* (API, ii.6) and its per-capita variant (APC, ii.6), and *AI patent grants* (AIP, iii.7) measure the sustainable value creation agency of firms that is attributed to AI.

In the EQx2025, advanced countries like the United States, Singapore, the Republic of Korea, the United Kingdom, Israel and Germany, hold the frontrunner positions in AI development. There are also some surprises such as the high positions of Cyprus at #6 or the UAE at #9. However, the United States is the clear outlier at the top, and with a score of 85.2 enjoys a tremendous lead over #2 Singapore with a score of 78.5. It has also been consolidating its AI leadership. In December 2024, the United States Congress published the 'Bipartisan House Task Force Report on AI', which articulates guiding principles, key findings, and recommendations to help guide the future actions Congress can take to address advances concerning AI (118th Congress of the United States, 2024). In January 2025, the Trump Administration released a new Executive Order titled "Removing Barriers to American Leadership in Artificial Intelligence", which focuses on revoking directives perceived as restrictive to AI innovation, paving the way for the "unbiased and agenda-free" development of AI systems (White House, 2025). The United States, now bolstered by the heavily invested in AI tech bros and their newfound political capital, leads the global AI race thanks to the investment of private capital and innovations by American companies of all sizes, from dynamic startups to well-established enterprises. For example, in January 2025, several private companies, including SoftBank, OpenAI, Oracle, and MGX announced a new private venture called the Stargate Project, which intends to invest USD 500 billion over the next four years in building new AI infrastructure, including AI-focused data centers, in the United States (OpenAI, 2024).

While a few other advanced countries excel in AI performance, China, ranked at # 4 in the AI Indicator Family, is the top performer among developing countries and demonstrates impressive capabilities in developing its AI sector. In fact, given that some indicators (such as *AI private investment per capita*) are adjusted for population size, the country is even stronger in absolute terms. According to statistics from ITjuzi, there were 644 AI investment deals in 2024, exceeding the 633 made in 2023 (Kou, 2025). Total funding reached USD 11.6 billion, up from USD 8.99 billion in 2023. Chinese tech titans like Alibaba and ByteDance, along with well-funded ri-

Artificial Intelligence
EQx-Indicator Family

Countries covered: 151

Indicators included:

		Weight within Family	Weight within EQx
API	*AI private investment*	15.6%	2.3%
APC	*AI private investment per capita*	9.4%	1.4%
GAR	*Government AI Readiness Index*	10.1%	0.5%
AIP	*AI patent grants*	6.1%	0.3%
GAI	*Global AI Index*	18.5%	1.5%
AIF	*AI number of foundation models*	7.4%	0.6%
ROD	*Robot density in manufacturing industry*	33.0%	2.1%

Rationale

Artificial Intelligence (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. AI startups have the potential to disrupt existing elite business models and therefore create societal value via processes of creative destruction. Governments can generate political (and economic) value for the national long-term development by providing the necessary infrastructure and regulatory environment for companies to thrive in.

Artificial Intelligence EQx Indicator Family, total weight **8.7%**

Rank /151	Country	Score
1	**United States**	**85.2**
2	**Singapore**	**78.5**
3	**Korea, Rep.**	**74.1**
4	**China**	**71.2**
5	**United Kingdom**	**68.9**
6	**Cyprus**	**67.5**
7	**Israel**	**65.7**
8	**Germany**	**62.0**
9	**United Arab Emirates**	**61.5**
10	**Costa Rica**	**61.0**
11	Sweden	60.2
12	Moldova	59.9
13	Australia	58.9
14	Japan	58.7
15	Ireland	57.6
16	Canada	57.2
17	India	57.0
18	Saudi Arabia	56.8
19	Uzbekistan	56.3
20	Norway	55.7
21	France	55.6
22	Dominican Republic	55.2
23	Netherlands	55.2
24	Slovenia	55.1
25	Denmark	54.9
26	Switzerland	54.4
27	Chile	53.4
28	Kazakhstan	53.4
29	Kuwait	53.2
30	Lithuania	53.1
31	Czech Republic	52.9
32	Thailand	52.7
33	Qatar	52.4
34	Hungary	52.2
35	Indonesia	52.0
36	Estonia	51.4
37	Austria	50.4
38	Finland	49.8
39	Portugal	49.5
40	Uruguay	49.2
41	Greece	49.0
42	Belgium	49.0
43	Bulgaria	49.0
44	Colombia	48.6
45	Ukraine	48.5
46	Vietnam	48.1
47	Romania	48.0
48	Oman	47.9
49	Argentina	47.8
50	Spain	47.6
51	Malaysia	47.5
52	Jordan	47.4
53	Serbia	47.2
54	Brazil	47.1
55	Georgia	47.1
56	Slovak Republic	46.8
57	Egypt, Arab Rep.	46.8
58	Lebanon	46.8
59	Italy	46.7
60	Turkey	46.2
61	Poland	46.1
62	Latvia	46.0
63	Senegal	46.0
64	Croatia	45.8
65	Peru	45.4
66	New Zealand	45.2
67	Philippines	45.2
68	Albania	45.1
69	North Macedonia	44.6
70	Russian Federation	44.6
71	Mauritius	44.2
72	Bahrain	44.1
73	Panama	43.6
74	Mexico	42.0
75	Rwanda	41.4
76	Cuba	40.8
77	Mongolia	40.7
78	Zambia	40.1
79	Ecuador	39.5
80	Mauritania	39.4
81	Iran, Islamic Rep.	39.2
82	Armenia	39.1
83	Bangladesh	38.7
84	South Africa	38.5
85	Trinidad and Tobago	37.6
86	Tunisia	37.4
87	Ghana	37.2
88	Nigeria	37.2
89	Benin	37.0
90	Paraguay	36.8
91	Sri Lanka	36.6
92	Belarus	36.4
93	Kenya	35.8
94	Pakistan	35.5
95	Morocco	35.5
96	Iraq	35.1
97	Botswana	34.9
98	Azerbaijan	34.6
99	Jamaica	34.3
100	Algeria	33.8
101	Bosnia and Herzegovina	33.3
102	Papua New Guinea	33.0
103	Tajikistan	32.8
104	Cambodia	32.7
105	Kyrgyz Republic	32.6
106	Guatemala	32.4
107	Eswatini	32.2
108	Lao PDR	32.0
109	Ethiopia	30.6
110	Tanzania	30.5
111	Côte d'Ivoire	30.0
112	Uganda	29.9
113	Myanmar	29.4
114	Gabon	29.2
115	El Salvador	29.2
116	Timor-Leste	28.6
117	Cameroon	28.3
118	Namibia	28.0
119	Libya	28.0
120	Nepal	27.8
121	Bolivia	27.7
122	Turkmenistan	27.1
123	Zimbabwe	27.1
124	Mali	26.6
125	Togo	25.3
126	Guinea	23.7
127	Honduras	23.2
128	Malawi	22.5
129	Burkina Faso	22.4
130	Venezuela, RB	22.3
131	Madagascar	21.8
132	Nicaragua	21.4
133	Lesotho	20.9
134	Equatorial Guinea	19.4
135	Gambia, The	19.2
136	Angola	19.1
137	Niger	17.5
138	Guinea-Bissau	17.4
139	Sierra Leone	16.9
140	Congo, Rep.	16.6
141	Sudan	15.9
142	Mozambique	15.4
143	Liberia	13.8
144	Chad	13.2
145	Congo, Dem. Rep.	12.4
146	Burundi	11.0
147	Central African Republic	9.8
148	Haiti	9.5
149	Syrian Arab Republic	5.2
150	Afghanistan	5.1
151	Yemen, Rep.	1.9

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vals backed by heavyweight investors, still play substantial roles in the AI ecosystem. However, an emerging elite group of companies known as the "Six Tigers"—Stepfun, Zhipu, Minimax, Moonshot, 01.AI, and Baichuan—are generally considered to be at the forefront of China's AI sector in terms of innovation. In addition, research-focused firms like DeepSeek and ModelBest continue to grow in influence. Some, such as Minimax and Moonshot, are giving up on costly foundation model training to hone in on building consumer-facing applications that piggyback on other models. Others, like Stepfun and Infinigence AI, are doubling down on native solutions research, partly driven by US semiconductor restrictions.

The emergence of Chinese research-focused AI firms illustrates impressive high capacity at a very low cost, puncturing their United States counterparts' obsession with scale. As a result, China's development pattern in AI may offer valuable lessons for Europe and other AI-follower countries in the sector. However, as Daron Acemoglu observes, Chinese AI start-ups are demonstrating success in engineering rather than fundamental innovation (Acemoglu, 2025). Lastly, to push forward global economic growth and sustainable value creation underpinned by AI, the international community should foster more inclusive cooperation instead of zero-sum competition.

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5. Indicators

This Chapter explains and discusses the sources for all data used to create the indicators for the EQx Rankings. First, in Chapter 5.1, we offer an overview of all individual indicators and the respective weight they are given at both the Pillar and aggregate EQx level. Second, in Chapter 5.2, we provide descriptions of all 149 indicators used (what we measure), as well as the rationale that underpins their inclusion in the EQx (why we measure).

5.1 Indicator Weighting Table Overview

Visual 5.1: EQx indicator weighting table

TLA	Indicator Name	Witin Pillar weight (BAP)	Within EQx weight
Sub-Index I: Power Index Area (i): Political Power			
Pillar (i.1)	State Capture		
COR	Political corruption	5,0%	0,2%
COC	Control of corruption	10,0%	0,4%
OPG	Open government	5,0%	0,2%
RTC	Government's responsiveness to change	10,0%	0,4%
EPR	E-Participation Index	7,5%	0,3%
PFD	Press freedom	7,5%	0,3%
NJK	Nr. of journalists killed per 1 million people (2 years avg.)	7,5%	0,3%
PDE	Political decentralization	2,5%	0,1%
ADE	Administrative decentralization	2,5%	0,1%
PGL	Political globalization	7,5%	0,3%
WPI	Women's Power Index	7,5%	0,3%
MOB	Social mobility (upward) (dev. fm optimum)	2,5%	0,1%
INE	Top 10% share of pre-tax national income	5,0%	0,2%
GWL	Gini coefficient on net national wealth dist. - level	5,0%	0,2%
GWC	Gini coefficient on net national wealth dist. - 3-year growth rate	5,0%	0,2%
GIL	Gini coefficient on income dist. - level	5,0%	0,2%
GIC	Gini coefficient on income dist. - 1-year growth rate	5,0%	0,2%
Pillar (i.2)	Regulatory Capture		
ECR	Ease of challenging regulations	4,3%	0,2%
CGP	Constraints on government power	8,7%	0,4%
REQ	Regulatory quality	17,4%	0,7%
REN	Regulatory enforcement	8,7%	0,4%
PRI	Property rights	21,7%	0,9%
CRO	Crony capitalism	21,7%	0,9%
INO	Informal output as a % of GDP	17,4%	0,7%
Pillar (i.3)	Human Capture		
GSI	Global Slavery Index	23,8%	0,7%
FDP	Forcibly displaced people as % of population	14,3%	0,4%
HRI	Human Rights Index	14,3%	0,4%
AFI	Academic Freedom Index	9,5%	0,3%
GRI	Religion - Government Restriction Index	4,8%	0,1%
LIN	LGBT + inclusiveness	4,8%	0,1%
WSB	Women self made billionaires	9,5%	0,3%
WBL	Women, business and the law	9,5%	0,3%
WMA	Proportion of women in senior and middle mgmt positions (dev. fm optimum)	9,5%	0,3%

TLA	Indicator Name	Witin Pillar weight (BAP)	Within EQx weight
Sub-Index I: Power Index Area (ii): Economic Power			
Pillar (ii.4)	Coalition Dominance		
IEE	Top 3 industries exports as % of exports	10,0%	0,5%
IEO	Top 1 industry exports as % of exports	3,3%	0,2%
IVA	Top 3 industries as % of value added	10,0%	0,5%
HHI	Domestic market diversification	13,3%	0,6%
ECI	Economic Complexity Index	16,7%	0,8%
PUE	Public employees as a % of total employment	10,0%	0,5%
MIL	Military expenses as % of GDP (dev. fm optimum)	10,0%	0,5%
UNI	Unionization rate (dev. fm optimum)	6,7%	0,3%
BSN	Barriers in service & network sectors	3,3%	0,2%
CRA	Criminal actors	16,7%	0,8%
Pillar (ii.5)	Firm Dominance		
SME	SMEs per 1,000 people	14,3%	0,7%
FAM	Family business revenues as % of GDP	21,4%	1,1%
BIW	Billionaires' wealth as % of GDP	7,1%	0,4%
FKG	Top 10 firms market cap as % of GDP	21,4%	1,1%
FRG	Top 3 firms revenues as % of GDP	14,3%	0,7%
FRR	Top 30 firms revenues as % of GDP	21,4%	1,1%
Pillar (ii.6)	Creative Destruction		
ENT	Entrepreneurship	10,5%	1,3%
GSE	Governmental support to entrepreneurship	5,3%	0,7%
VCK	Venture capital finance	21,1%	2,6%
VCA	Venture capital availability	10,5%	1,3%
API	AI private investment	18,5%	2,3%
APC	AI private investment per capita	11,1%	1,4%
RND	R&D as a % of GDP	10,5%	1,3%
EXR	Firm exit ratio	5,3%	0,7%
BCD	Billionaire's creative destruction	26,3%	3,3%
IWE	Index of Women Entrepreneurs	10,5%	1,3%

TLA	Indicator Name	Within Pillar weight (BAP)	Within EQx weight
Sub-Index II: Value Index Area (iii): Political Value			
Pillar (iii.7)	Giving Income		
LEW	Life expectancy women	2,7%	0,2%
LEM	Life expectancy men	2,7%	0,2%
SCI	UHC Service Coverage Index	5,4%	0,4%
PTR	Pupil-teacher ratio	4,1%	0,3%
EDU	School life expectancy	5,4%	0,4%
PIS	PISA mean scores	4,1%	0,3%
UNV	Top universities	4,1%	0,3%
GEE	Government education expenditure	5,4%	0,4%
GAR	Government AI Readiness Index	4,1%	0,3%
AIP	AI patent grants	3,9%	0,3%
OSI	Online Service Index	2,7%	0,2%
NRI	Network Readiness Index	2,7%	0,2%
INT	Internet access	2,7%	0,2%
GHI	Global Hunger Index	6,8%	0,5%
FSQ	Global Food Security Index - availability, quality & safety	5,4%	0,4%
GPS	Expenditure on general public services as % of GDP (dev. fm optimum)	4,1%	0,3%
GEX	General government expenditure as % of GDP (dev. fm optimum)	4,1%	0,3%
SNT	Subsidies and transfers as % of expenses	5,4%	0,4%
REG	Regional redistribution as % of government budget	4,1%	0,3%
CSG	Construction supply gap	4,1%	0,3%
SPO	Social protection	5,4%	0,4%
SFA	Sanitation facilities	2,7%	0,2%
ELA	Electricity access	4,1%	0,3%
FOS	Fossil fuel subsidies	5,4%	0,4%
Pillar (iii.8)	Taking Income		
SUB	Death rate from substance use disorders	15,4%	1,2%
BRD	Battle-related deaths per capita	15,4%	1,2%
HOM	Homicide rate	15,4%	1,2%
SUI	Suicide rate	11,5%	0,9%
DTR	Tax revenue as % of GDP (dev. fm optimum)	7,7%	0,6%
DCT	Corporate tax rate (dev. fm optimum)	15,4%	1,2%
DPS	Delta public vs private sector salaries	3,8%	0,3%
FDE	Fiscal decentralization	3,8%	0,3%
GCI	Global Cybersecurity Index	3,8%	0,3%
GEG	Gender education gap (dev. fm optimum)	7,7%	0,6%
Pillar (iii.9)	Unearned Income		
CRM	Criminal markets	11,4%	0,7%
DBT	Government debt as % of GDP	11,4%	0,7%
NRR	Natural resources rents as % of GDP	9,1%	0,5%
GPA	Green patents per capita	6,8%	0,4%
EPI	Environmental Performance Index	4,5%	0,3%
RES	Renewable energy share	6,8%	0,4%
OLI	Ocean litter	4,5%	0,3%
DER	Deforestation rate	4,5%	0,3%
FUS	Fertilizer usage kg per hectar	2,3%	0,1%
TLP	Terrestrial land protected	4,5%	0,3%
CDD	CO2 emissions embodied in domestic final demand per capita	6,8%	0,4%
CDO	CO2 emissions (metric tons per capita)	6,8%	0,4%
AIR	Air Quality Index	6,8%	0,4%
HAZ	Hazardous waste per capita	2,3%	0,1%
WPC	Waste collected per capita	2,3%	0,1%
MWR	Municipal waste recycling rate	2,3%	0,1%
FIS	Fish consumption per capita	2,3%	0,1%
MET	Red meat consumption kilograms per capita	4,5%	0,3%

TLA	Indicator Name	Within Pillar weight (BAP)	Within EQx weight
Sub-Index II: Value Index Area (iv): Economic Value			
Pillar (iv.10)	Producer Value		
PAT	Nr. of patent applications per capita	2,5%	0,3%
FBH	Financial burden of healthcare	7,5%	1,0%
HEI	Health Efficiency Index	2,5%	0,3%
DMS	Density of medical staff	5,0%	0,6%
FSA	Global Food Security Index - affordability	10,0%	1,3%
HAI	Housing Affordability Index	5,0%	0,6%
RTD	Rail track density	2,5%	0,3%
GAI	Global AI Index	7,5%	1,0%
AIF	AI number of foundation models	4,5%	0,6%
FDS	Inward FDI as a % of GDP (stock)	5,0%	0,6%
FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	7,5%	1,0%
BTF	Barriers to FDI	7,5%	1,0%
OFB	Open for business	5,0%	0,6%
EGL	Economic globalization	7,5%	1,0%
TRF	Trade freedom	10,0%	1,3%
IPM	Share of imports targeted by protectionist measures (flow)	2,5%	0,3%
IPS	Share of imports targeted by protectionist measures (stock)	5,0%	0,6%
DGI	Share of discrimn. govt. intervent. as % of total intervent. (flow)	2,5%	0,3%
DGS	Share of discrimn. govt. intervent. as % of total intervent. (stock)	5,0%	0,6%
Pillar (iv.11)	Capital Value		
DOI	Inflation (dev. fm optimum)	15,2%	2,3%
DEF	GDP deflator index growth rate (dev. fm optimum)	9,1%	1,4%
DNI	Neutral interest rate (dev. fm optimum)	12,1%	1,8%
FMI	Financial Markets Index	15,2%	2,3%
GCF	Gross capital formation	12,1%	1,8%
GOL	Gold demand as % of GDP	3,0%	0,5%
CRY	Crypto ownership	6,1%	0,9%
UNN	Unicorns	3,0%	0,5%
UNC	Unicorns as % of GDP	9,1%	1,4%
BSG	Billionaires self-made per capita	6,1%	0,9%
BSM	Billionaires self-made as % of total billionaires	9,1%	1,4%
Pillar (iv.12)	Labor Value		
LPG	Labor productivity growth	20,0%	3,3%
WLP	Delta real wage vs labor productivity increases	15,0%	2,5%
LFP	Labor force participation rate	10,0%	1,6%
LFR	Labor force participation ratio - male vs female	5,0%	0,8%
ROD	Robot density in manufacturing industry	13,0%	2,1%
UEM	Unemployment rate	15,0%	2,5%
YUN	Youth unemployment rate	20,0%	3,3%
BRN	Human flight and brain drain	15,0%	2,5%

Visual 5.2: EQx indicator table

	Indicator Name	A. Indicator Description – What we measure (short)	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

	Indicator Name	A. Indicator Description – What we measure (short)	Dataset reference	B. Indicator Rationale – Why we measure	Value Creation/ Extraction
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 metric 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

6. Country Scorecards

This Chapter comprises the complete collection of the 151 Country Scorecards included in the EQx2025.

Afghanistan

EQx2025 Country Scorecard

Population	41.5 million
GDP (nominal)	17 billion USD
GDP per capita	416 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank	
151	30.1	Rank	149

Lagging Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

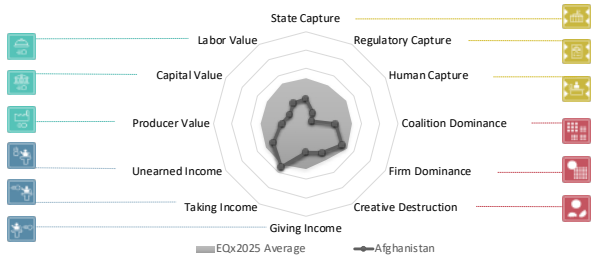
Power		Value	
Rank / 151	Score	Rank / 151	Score
151	30.5	149	29.9

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
151	17.1	142	37.2	140	41.6	150	24.1

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	143	27.4
	Regulatory Capture	147	14.7
	Human Capture	151	6.5
Economic Power (ii)	Coalition Dominance	142	32.0
	Firm Dominance	118	45.2
	Creative Destruction	99	35.9
Political Value (iii)	Giving Income	130	30.5
	Taking Income	52	53.5
	Unearned Income	133	40.4
Economic Value (iv)	Producer Value	151	26.1
	Capital Value	150	20.2
	Labor Value	141	26.2



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	75	47.8
	COC	Control of corruption	124	25.4
	OPG	Open government	116	19.7
	RTC	Government's responsiveness to change		
	EPR	E-Participation Index	141	11.8
	PFD	Press freedom	150	0.0
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	81	50.6
	PDE	Political decentralization	135	0.0
	ADE	Administrative decentralization	107	23.5
	PGL	Political globalization	142	6.0
	WPI	Women's Power Index	151	6.0
	MOB	Social mobility (upward) (dev. fm optimum)	89	34.9
	INE	Top 10% share of pre-tax national income	44	62.6
	GWL	Gini coefficient on net national wealth dist. - level	38	66.1
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	65	51.0
	GIL	Gini coefficient on income dist. - level		
	GIC	Gini coefficient on income dist. - 1-year growth rate		
Regulatory Capture (i.2)	ECR	Ease of challenging regulations		
	CGP	Constraints on government power	110	23.1
	REQ	Regulatory quality	133	20.3
	REN	Regulatory enforcement	119	20.4
	PRI	Property rights	148	4.7
	CRO	Crony capitalism		
	INO	Informal output as a % of GDP		
Human Capture (i.3)	GSI	Global Slavery Index	144	7.6
	FDP	Forcibly displaced people as % of population	145	0.0
	HRI	Human Rights Index	140	18.5
	AFI	Academic Freedom Index	139	8.3
	GRI	Religion - Government Restriction Index	148	0.0
	LIN	LGBT+ inclusiveness	148	12.8
	WSB	Women self made billionaires		
	WBL	Women, business and the law	143	0.0
	WMA	Proportion of women in senior and middle mgmt positions (	114	0.0
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	122	19.0
	IEO	Top 1 industry exports as % of exports	123	20.4
	IVA	Top 3 industries as % of value added	88	29.5
	HHI	Domestic market diversification	134	22.9
	ECI	Economic Complexity Index	119	22.4
	PUE	Public employees as a % of total employment	47	62.1
	MIL	Military expenses as % of GDP (dev. fm optimum)	83	54.6
	UNI	Unionization rate (dev. fm optimum)	56	59.3
	BSN	Barriers in service & network sectors		
	CRA	Criminal actors	133	17.9
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	98	37.5
	FAM	Family business revenues as % of GDP		
	BIW	Billionaires' wealth as % of GDP	1	60.6
	FKG	Top 10 firms market cap as % of GDP		
	FRG	Top 3 firms revenues as % of GDP		
	FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)	ENT	Entrepreneurship		
	GSE	Governmental support to entrepreneurship		
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability		
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP		
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	52	33.8
	IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)	LEW	Life expectancy women	125	22.3
	LEM	Life expectancy men	114	28.6
	SCI	UHC Service Coverage Index	134	12.7
	PTR	Pupil-teacher ratio	136	4.0
	EDU	School life expectancy	101	19.8
	PIS	PISA mean scores		
	UNV	Top universities		
	GEE	Government education expenditure	61	53.3
	GAR	Government AI Readiness Index	150	5.1
	AIP	AI patent grants		
	OSI	Online Service Index	144	2.8
	NRI	Network Readiness Index		
	INT	Internet access	140	0.0
	GHI	Global Hunger Index	94	16.2
	FSQ	Global Food Security Index - availability, quality & safety		

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim		
	SNT	Subsidies and transfers as % of expenses	3	90.0
	REG	Regional redistribution as % of government budget		
	CSG	Construction supply gap		
	SPO	Social protection	124	20.0
	SFA	Sanitation facilities		
	ELA	Electricity access	108	50.4
	FOS	Fossil fuel subsidies	12	75.8
Taking Income (iii.8)	SUB	Death rate from substance use disorders	85	48.6
	BRD	Battle-related deaths per capita	119	55.8
	HOM	Homicide rate	84	41.2
	SUI	Suicide rate	29	66.7
	DTR	Tax revenue as % of GDP (dev. fm optimum)	19	76.8
	DCT	Corporate tax rate (dev. fm optimum)	57	58.5
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	76	27.1
	GCI	Global Cybersecurity Index	102	33.6
	GEG	Gender education gap (dev. fm optimum)		
Unearned Income (iii.9)	CRM	Criminal markets	145	9.2
	DBT	Government debt as % of GDP		
	NRR	Natural resources rents as % of GDP	30	69.0
	GPA	Green patents per capita	124	16.3
	EPI	Environmental Performance Index	142	16.3
	RES	Renewable energy share	89	37.6
	OLI	Ocean litter		
	DER	Deforestation rate	10	57.5
	FUS	Fertilizer usage kg per hectar	10	64.2
	TLP	Terrestrial land protected	140	18.7
	CDD	CO2 emissions embodied in domestic final demand per capita		
	CDO	CO2 emissions (metric tons per capita)	15	68.5
	AIR	Air Quality Index	92	29.0
	HAZ	Hazardous waste per capita		
	WPC	Waste collected per capita		
	MWR	Municipal waste recycling rate		
	FIS	Fish consumption per capita	1	80.0
	MET	Red meat consumption kilograms per capita	25	74.1
Producer Value (iv.10)	PAT	Nr. of patent applications per capita		
	FBH	Financial burden of healthcare	127	0.0
	HEI	Health Efficiency Index		
	DMS	Density of medical staff	132	27.4
	FSA	Global Food Security Index - affordability		
	HAI	Housing Affordability Index		
	RTD	Rail track density		
	GAI	Global AI Index		
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	135	33.4
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	140	33.7
	BTF	Barriers to FDI		
	OFB	Open for business		
	EGL	Economic globalization	138	14.5
	TRF	Trade freedom	94	45.4
	IPM	Share of imports targeted by protectionist measures (flow)		
	IPS	Share of imports targeted by protectionist measures (stock)		
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo		
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	128	23.6
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)		
	DEF	GDP deflator index growth rate (dev. fm optimum)		
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index		
	GFC	Gross capital formation	134	20.2
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership		
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita		
	BSM	Billionaires self-made as % of total billionaires		
Labor Value (iv.12)	LPG	Labor productivity growth		
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	121	20.7
	LFR	Labor force participation ratio - male vs female	141	0.0
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	137	16.9
	YUN	Youth unemployment rate	104	44.7
	BRN	Human flight and brain drain	133	23.2

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Albania

EQx2025 Country Scorecard

Population	2.7 million
GDP (nominal)	24 billion USD
GDP per capita	8'575 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
81	47.9	Rank 51

Middle Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

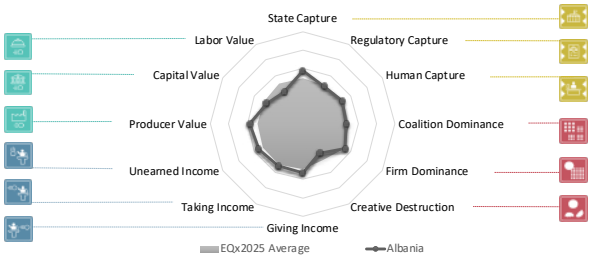
Power		Value	
Rank / 151	Score	Rank / 151	Score
78	45.7	82	49.0

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
60	51.8	98	42.7	51	53.3	104	46.9

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	38	57.8
	Regulatory Capture	67	47.3
	Human Capture	81	49.9
Economic Power (ii)	Coalition Dominance	91	47.2
	Firm Dominance	79	53.2
	Creative Destruction	92	36.6
Political Value (iii)	Giving Income	74	52.9
	Taking Income	61	52.5
	Unearned Income	52	54.8
Economic Value (iv)	Producer Value	38	57.3
	Capital Value	103	45.1
	Labor Value	124	40.3



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	85	41.5
	COC	Control of corruption	67	46.1
	OPG	Open government	68	42.7
	RTC	Government's responsiveness to change	69	47.5
	EPR	E-Participation Index	47	67.0
	PFD	Press freedom	80	48.2
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)		
	PDE	Political decentralization	103	31.9
	ADE	Administrative decentralization	1	100.0
	PGL	Political globalization	106	35.4
	WPI	Women's Power Index	13	92.0
Regulatory Capture (i.2)	MOB	Social mobility (upward) (dev. fm optimum)	72	42.5
	INE	Top 10% share of pre-tax national income	17	83.2
	GWL	Gini coefficient on net national wealth dist. - level	10	71.8
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	47	53.2
	GIL	Gini coefficient on income dist. - level	23	73.1
	GIC	Gini coefficient on income dist. - 1-year growth rate	16	65.7
	ECR	Ease of challenging regulations	123	18.0
	CGP	Constraints on government power	90	34.4
	REQ	Regulatory quality	53	56.2
	REN	Regulatory enforcement	99	32.9
	PRI	Property rights	54	54.8
	CRO	Crony capitalism		
	INO	Informal output as a % of GDP	71	50.1
Human Capture (i.3)	GSI	Global Slavery Index	138	14.6
	FDP	Forcibly displaced people as % of population	117	53.1
	HRI	Human Rights Index	34	71.4
	AFI	Academic Freedom Index	80	57.9
	GRI	Religion - Government Restriction Index	28	71.2
	LIN	LGBT+ inclusiveness	32	75.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	37	68.2
	WMA	Proportion of women in senior and middle mgmt positions (	62	51.6
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	77	52.3
	IEO	Top 1 industry exports as % of exports	22	74.1
	IVA	Top 3 industries as % of value added	34	57.1
	HHI	Domestic market diversification	107	47.3
	ECI	Economic Complexity Index	76	45.3
	PUE	Public employees as a % of total employment	93	18.7
	MIL	Military expenses as % of GDP (dev. fm optimum)	25	66.1
	UNI	Unionization rate (dev. fm optimum)	109	20.3
	BSN	Barriers in service & network sectors		
Firm Dominance (ii.5)	CRA	Criminal actors	74	51.0
	SME	SMEs per 1,000 people	27	49.5
	FAM	Family business revenues as % of GDP		
	BIW	Billionaires' wealth as % of GDP	1	60.6
	FKG	Top 10 firms market cap as % of GDP		
	FRG	Top 3 firms revenues as % of GDP		
	FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)	ENT	Entrepreneurship	78	36.1
	GSE	Governmental support to entrepreneurship		
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	71	45.6
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP	104	31.5
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	52	33.8
	IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)	LEW	Life expectancy women	41	69.0
	LEM	Life expectancy men	33	74.6
	SCI	UHC Service Coverage Index	93	47.1
	PTR	Pupil-teacher ratio	59	62.8
	EDU	School life expectancy	54	52.2
	PIS	PISA mean scores	68	17.4
	UNV	Top universities		
	GEE	Government education expenditure	120	28.7
	GAR	Government AI Readiness Index	75	45.1
	AIP	AI patent grants		
	OSI	Online Service Index	43	69.6
	NRI	Network Readiness Index	79	43.3
	INT	Internet access	65	64.3
	GHI	Global Hunger Index	19	76.3
	FSQ	Global Food Security Index - availability, quality & safety		

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim	1	79.7
	SNT	Subsidies and transfers as % of expenses	95	34.1
	REG	Regional redistribution as % of government budget	95	32.8
	CSG	Construction supply gap	33	47.2
	SPO	Social protection	40	71.5
	SFA	Sanitation facilities	64	47.3
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	70	48.7
Taking Income (iii.8)	SUB	Death rate from substance use disorders	32	66.0
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	49	61.1
	SUI	Suicide rate	32	66.0
	DTR	Tax revenue as % of GDP (dev. fm optimum)	80	47.2
	DCT	Corporate tax rate (dev. fm optimum)	118	26.2
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	49	35.2
	GCI	Global Cybersecurity Index	89	40.4
	GEG	Gender education gap (dev. fm optimum)		
Unearned Income (iii.9)	CRM	Criminal markets	54	61.2
	DBT	Government debt as % of GDP	44	50.7
	NRR	Natural resources rents as % of GDP	56	55.0
	GPA	Green patents per capita	45	59.9
	EPI	Environmental Performance Index	44	61.4
	RES	Renewable energy share	49	57.7
	OLI	Ocean litter	100	14.2
	DER	Deforestation rate	42	57.4
	FUS	Fertilizer usage kg per hectar	51	60.9
	TLP	Terrestrial land protected	63	52.1
	CDD	CO2 emissions embodied in domestic final demand per capita		
	CDO	CO2 emissions (metric tons per capita)	54	61.4
	AIR	Air Quality Index	42	62.5
	HAZ	Hazardous waste per capita		
	WPC	Waste collected per capita	52	53.7
	MWR	Municipal waste recycling rate	35	38.1
	FIS	Fish consumption per capita	60	63.8
	MET	Red meat consumption kilograms per capita	86	51.3
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	69	44.2
	FBH	Financial burden of healthcare	77	56.7
	HEI	Health Efficiency Index		
	DMS	Density of medical staff	89	40.6
	FSA	Global Food Security Index - affordability		
	HAI	Housing Affordability Index	33	49.7
	RTD	Rail track density		
	GAI	Global AI Index		
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	38	51.7
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	57	47.7
	BTF	Barriers to FDI	26	68.8
	OFB	Open for business		
	EGL	Economic globalization	41	66.8
	TRF	Trade freedom	14	77.6
	IPM	Share of imports targeted by protectionist measures (flow)	38	62.0
	IPS	Share of imports targeted by protectionist measures (stock)	34	64.6
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	142	0.0
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	56	56.3
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	1	55.1
	DEF	GDP deflator index growth rate (dev. fm optimum)	52	54.6
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	118	28.3
	GFC	Gross capital formation	80	46.5
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership		
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita		
	BSM	Billionaires self-made as % of total billionaires		
Labor Value (iv.12)	LPG	Labor productivity growth	22	69.8
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	58	55.9
	LFR	Labor force participation ratio - male vs female	78	57.3
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	123	34.4
	YUN	Youth unemployment rate	127	28.0
	BRN	Human flight and brain drain	146	7.2

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Algeria

EQx2025 Country Scorecard

Population	46.2 million
GDP (nominal)	248 billion USD
GDP per capita	5'364 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
123	43.2	Rank 64

Middle Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

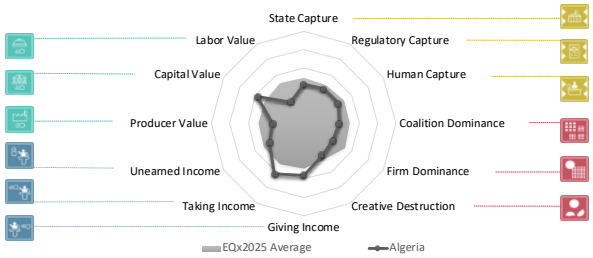
Power		Value	
Rank / 151	Score	Rank / 151	Score
111	40.4	115	44.6

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
94	43.2	128	39.1	36	54.8	133	39.6

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	102	42.7
	Regulatory Capture	81	43.5
	Human Capture	104	43.3
Economic Power (ii)	Coalition Dominance	128	38.6
	Firm Dominance	140	36.9
	Creative Destruction	73	40.1
Political Value (iii)	Giving Income	55	56.1
	Taking Income	17	63.0
	Unearned Income	125	42.0
Economic Value (iv)	Producer Value	137	33.6
	Capital Value	24	58.0
	Labor Value	135	27.3



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	97	35.2
	COC	Control of corruption	92	39.6
	OPG	Open government	105	24.7
	RTC	Government's responsiveness to change	52	56.6
	EPR	E-Participation Index	148	6.9
	PFD	Press freedom	116	31.5
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	118	26.5
	ADE	Administrative decentralization	95	31.6
	PGL	Political globalization	53	62.0
	WPI	Women's Power Index	109	35.8
	MOB	Social mobility (upward) (dev. fm optimum)		
	INE	Top 10% share of pre-tax national income	104	36.0
	GWL	Gini coefficient on net national wealth dist. - level	31	67.3
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	132	36.4
	GIL	Gini coefficient on income dist. - level	13	78.9
	GIC	Gini coefficient on income dist. - 1-year growth rate		
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	62	49.8
	CGP	Constraints on government power	75	42.3
	REQ	Regulatory quality	120	28.2
	REN	Regulatory enforcement	60	43.4
	PRI	Property rights	121	26.8
	CRO	Crony capitalism	1	65.5
	INO	Informal output as a % of GDP	68	51.4
Human Capture (i.3)	GSI	Global Slavery Index	20	74.9
	FDP	Forcibly displaced people as % of population	41	55.9
	HRI	Human Rights Index	107	32.0
	AFI	Academic Freedom Index	129	16.6
	GRI	Religion - Government Restriction Index	143	5.7
	LIN	LGBT+ inclusiveness	117	21.8
	WSB	Women self made billionaires		
	WBL	Women, business and the law	133	18.7
	WMA	Proportion of women in senior and middle mgmt positions (		
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	142	6.2
	IEO	Top 1 industry exports as % of exports	119	24.6
	IVA	Top 3 industries as % of value added		
	HHI	Domestic market diversification	49	63.7
	ECI	Economic Complexity Index	94	34.1
	PUE	Public employees as a % of total employment		
	MIL	Military expenses as % of GDP (dev. fm optimum)	143	0.0
	UNI	Unionization rate (dev. fm optimum)		
	BSN	Barriers in service & network sectors		
	CRA	Criminal actors	36	68.6
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	103	36.9
	FAM	Family business revenues as % of GDP	32	30.7
	BIW	Billionaires' wealth as % of GDP	96	55.3
	FKG	Top 10 firms market cap as % of GDP		
	FRG	Top 3 firms revenues as % of GDP		
	FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)	ENT	Entrepreneurship	79	36.0
	GSE	Governmental support to entrepreneurship	18	75.7
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	40	60.7
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP	57	54.7
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	52	33.8
	IWE	Index of Women Entrepreneurs	54	10.5
Giving Income (iii.7)	LEW	Life expectancy women	75	56.4
	LEM	Life expectancy men	49	64.8
	SCI	UHC Service Coverage Index	64	62.1
	PTR	Pupil-teacher ratio	88	50.1
	EDU	School life expectancy	42	60.2
	PIS	PISA mean scores		
	UNV	Top universities		
	GEE	Government education expenditure	24	72.8
	GAR	Government AI Readiness Index	98	36.1
	AIP	AI patent grants		
	OSI	Online Service Index	127	21.5
	NRI	Network Readiness Index	95	33.9
	INT	Internet access	91	57.3
	GHI	Global Hunger Index	23	74.5
	FSQ	Global Food Security Index - availability, quality & safety	75	37.7
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim	33	71.7
	SNT	Subsidies and transfers as % of expenses		
	REG	Regional redistribution as % of government budget	77	45.1
	CSG	Construction supply gap		
	SPO	Social protection		
	SFA	Sanitation facilities	58	52.2
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	36	69.1
Taking Income (iii.8)	SUB	Death rate from substance use disorders	61	55.9
	BRD	Battle-related deaths per capita	101	56.2
	HOM	Homicide rate	44	64.5
	SUI	Suicide rate	9	72.1
	DTR	Tax revenue as % of GDP (dev. fm optimum)		
	DCT	Corporate tax rate (dev. fm optimum)	36	71.5
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization		
	GCI	Global Cybersecurity Index	70	52.0
	GEG	Gender education gap (dev. fm optimum)		
Unearned Income (iii.9)	CRM	Criminal markets	73	53.0
	DBT	Government debt as % of GDP		
	NRR	Natural resources rents as % of GDP	134	23.4
	GPA	Green patents per capita	115	21.7
	EPI	Environmental Performance Index	92	39.0
	RES	Renewable energy share	143	19.4
	OLI	Ocean litter	96	21.6
	DER	Deforestation rate	67	56.9
	FUS	Fertilizer usage kg per hectar	36	62.6
	TLP	Terrestrial land protected	132	20.9
	CDD	CO2 emissions embodied in domestic final demand per capita		
	CDO	CO2 emissions (metric tons per capita)	85	52.1
	AIR	Air Quality Index	52	57.7
	HAZ	Hazardous waste per capita	24	56.9
	WPC	Waste collected per capita	24	59.2
	MWR	Municipal waste recycling rate	37	34.8
	FIS	Fish consumption per capita	24	73.2
	MET	Red meat consumption kilograms per capita	52	68.1
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	76	44.0
	FBH	Financial burden of healthcare		
	HEI	Health Efficiency Index		
	DMS	Density of medical staff	58	51.9
	FSA	Global Food Security Index - affordability	64	47.2
	HAI	Housing Affordability Index	21	57.7
	RTD	Rail track density	54	31.3
	GAI	Global AI Index	75	32.7
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	122	35.7
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	129	35.8
	BTF	Barriers to FDI	92	0.0
	OFB	Open for business	73	32.6
	EGL	Economic globalization	136	16.7
	TRF	Trade freedom	132	19.7
	IPM	Share of imports targeted by protectionist measures (flow)	125	15.3
	IPS	Share of imports targeted by protectionist measures (stock)	120	26.8
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	48	55.7
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	39	66.2
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	104	53.9
	DEF	GDP deflator index growth rate (dev. fm optimum)	31	55.2
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	132	27.7
	GFC	Gross capital formation	9	97.1
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership		
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita	56	35.3
	BSM	Billionaires self-made as % of total billionaires	1	81.1
Labor Value (iv.12)	LPG	Labor productivity growth	79	40.7
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	132	0.0
	LFR	Labor force participation ratio - male vs female	141	0.0
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	131	27.2
	YUN	Youth unemployment rate	138	15.4
	BRN	Human flight and brain drain	63	52.7

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Angola

EQx2025 Country Scorecard

Population	36.7 million
GDP (nominal)	85 billion USD
GDP per capita	2'308 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
142	38.6	Rank 151

Lagging Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

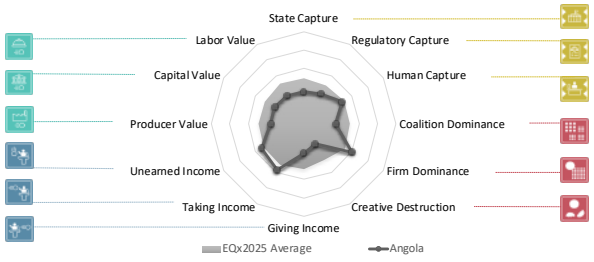
Power		Value	
Rank / 151	Score	Rank / 151	Score
136	36.8	143	39.5

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
106	39.6	149	35.3	107	46.6	141	36.0

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	128	35.2
	Regulatory Capture	103	37.7
	Human Capture	86	48.2
Economic Power (ii)	Coalition Dominance	134	35.0
	Firm Dominance	21	60.6
	Creative Destruction	151	25.1
Political Value (iii)	Giving Income	128	31.5
	Taking Income	39	57.3
	Unearned Income	65	52.6
Economic Value (iv)	Producer Value	129	35.6
	Capital Value	139	36.6
	Labor Value	130	35.7



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	70	49.4
	COC	Control of corruption	94	39.1
	OPG	Open government	102	27.2
	RTC	Government's responsiveness to change	108	28.1
	EPR	E-Participation Index	123	21.6
	PFD	Press freedom	85	45.9
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	135	0.0
	ADE	Administrative decentralization	105	25.3
	PGL	Political globalization	134	15.5
	WPI	Women's Power Index	37	66.2
	MOB	Social mobility (upward) (dev. fm optimum)	87	35.5
	INE	Top 10% share of pre-tax national income	141	13.0
	GWL	Gini coefficient on net national wealth dist. - level	138	2.0
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	1	100.0
	GIL	Gini coefficient on income dist. - level	129	3.8
	GIC	Gini coefficient on income dist. - 1-year growth rate		
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	125	14.2
	CGP	Constraints on government power	94	31.4
	REQ	Regulatory quality	109	32.9
	REN	Regulatory enforcement	96	33.3
	PRI	Property rights	95	38.4
	CRO	Crony capitalism	19	61.6
	INO	Informal output as a % of GDP	123	22.9
Human Capture (i.3)	GSI	Global Slavery Index	54	61.4
	FDP	Forcibly displaced people as % of population	70	55.6
	HRI	Human Rights Index	80	41.6
	AFI	Academic Freedom Index	101	38.4
	GRI	Religion - Government Restriction Index	95	46.2
	LIN	LGBT+ inclusiveness	37	72.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	88	50.8
	WMA	Proportion of women in senior and middle mgmt positions (	109	9.9
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	127	15.4
	IEO	Top 1 industry exports as % of exports	137	0.0
	IVA	Top 3 industries as % of value added		
	HHI	Domestic market diversification	119	38.8
	ECI	Economic Complexity Index	128	10.8
	PUE	Public employees as a % of total employment	48	61.3
	MIL	Military expenses as % of GDP (dev. fm optimum)	36	64.6
	UNI	Unionization rate (dev. fm optimum)		
	BSN	Barriers in service & network sectors		
	CRA	Criminal actors	97	41.3
Firm Dominance (ii.5)	SME	SMEs per 1,000 people		
	FAM	Family business revenues as % of GDP		
	BIW	Billionaires' wealth as % of GDP	1	60.6
	FKG	Top 10 firms market cap as % of GDP		
	FRG	Top 3 firms revenues as % of GDP		
	FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)	ENT	Entrepreneurship	114	26.4
	GSE	Governmental support to entrepreneurship	96	16.7
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	134	6.5
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP	127	2.4
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	52	33.8
	IWE	Index of Women Entrepreneurs	49	21.0
Giving Income (iii.7)	LEW	Life expectancy women	128	21.0
	LEM	Life expectancy men	128	20.4
	SCI	UHC Service Coverage Index	144	6.7
	PTR	Pupil-teacher ratio	137	1.7
	EDU	School life expectancy		
	PIS	PISA mean scores		
	UNV	Top universities		
	GEE	Government education expenditure	128	22.4
	GAR	Government AI Readiness Index	136	19.1
	AIP	AI patent grants		
	OSI	Online Service Index	117	27.9
	NRI	Network Readiness Index	127	9.7
	INT	Internet access	116	30.0
	GHI	Global Hunger Index	79	27.7
	FSQ	Global Food Security Index - availability, quality & safety	105	11.8

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim	64	50.7
	SNT	Subsidies and transfers as % of expenses	4	89.9
	REG	Regional redistribution as % of government budget	26	75.8
	CSG	Construction supply gap		
	SPO	Social protection	115	22.2
	SFA	Sanitation facilities		
	ELA	Electricity access	134	13.9
	FOS	Fossil fuel subsidies	38	68.3
Taking Income (iii.8)	SUB	Death rate from substance use disorders	76	51.5
	BRD	Battle-related deaths per capita	100	56.2
	HOM	Homicide rate	86	40.9
	SUI	Suicide rate	60	60.4
	DTR	Tax revenue as % of GDP (dev. fm optimum)	14	77.7
	DCT	Corporate tax rate (dev. fm optimum)	3	77.9
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization		
	GCI	Global Cybersecurity Index	132	17.2
	GEG	Gender education gap (dev. fm optimum)		
Unearned Income (iii.9)	CRM	Criminal markets	73	53.0
	DBT	Government debt as % of GDP		
	NRR	Natural resources rents as % of GDP	143	20.2
	GPA	Green patents per capita		
	EPI	Environmental Performance Index	100	35.6
	RES	Renewable energy share	39	67.8
	OLI	Ocean litter	25	71.4
	DER	Deforestation rate	131	45.1
	FUS	Fertilizer usage kg per hectar	26	63.4
	TLP	Terrestrial land protected	123	26.1
	CDD	CO2 emissions embodied in domestic final demand per capita		
	CDO	CO2 emissions (metric tons per capita)	30	67.2
	AIR	Air Quality Index	17	70.9
	HAZ	Hazardous waste per capita		
	WPC	Waste collected per capita	42	55.8
	MWR	Municipal waste recycling rate		
	FIS	Fish consumption per capita	83	54.2
	MET	Red meat consumption kilograms per capita	45	69.3
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	126	43.6
	FBH	Financial burden of healthcare	127	0.0
	HEI	Health Efficiency Index		
	DMS	Density of medical staff	124	28.6
	FSA	Global Food Security Index - affordability	105	7.1
	HAI	Housing Affordability Index		
	RTD	Rail track density		
	GAI	Global AI Index		
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	133	34.2
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	134	35.4
	BTF	Barriers to FDI	49	58.0
	OFB	Open for business		
	EGL	Economic globalization	111	28.8
	TRF	Trade freedom	94	45.4
	IPM	Share of imports targeted by protectionist measures (flow)	27	74.3
	IPS	Share of imports targeted by protectionist measures (stock)	50	55.9
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	98	55.1
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	54	57.8
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	134	44.0
	DEF	GDP deflator index growth rate (dev. fm optimum)	123	51.8
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	102	29.7
	GFC	Gross capital formation	68	49.5
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership		
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita	59	34.7
	BSM	Billionaires self-made as % of total billionaires	59	4.4
Labor Value (iv.12)	LPG	Labor productivity growth	113	24.5
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	10	87.1
	LFR	Labor force participation ratio - male vs female	11	75.9
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	138	14.4
	YUN	Youth unemployment rate	134	20.7
	BRN	Human flight and brain drain	73	44.1

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Argentina

EQx2025 Country Scorecard

Population	45.5 million
GDP (nominal)	646 billion USD
GDP per capita	14'187 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
86	47.1	Rank 81

Middle Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

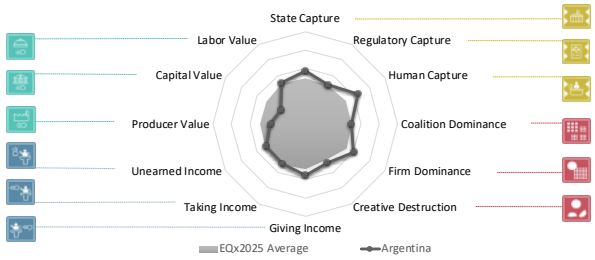
Power		Value	
Rank / 151	Score	Rank / 151	Score
45	53.3	124	44.0

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
40	56.8	52	51.5	65	51.4	130	40.3

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	39	57.6
	Regulatory Capture	61	49.2
	Human Capture	25	66.0
Economic Power (ii)	Coalition Dominance	78	50.0
	Firm Dominance	20	60.8
	Creative Destruction	55	48.3
Political Value (iii)	Giving Income	62	55.5
	Taking Income	86	49.3
	Unearned Income	92	48.6
Economic Value (iv)	Producer Value	122	37.9
	Capital Value	145	30.3
	Labor Value	78	51.4



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	60	57.5
	COC	Control of corruption	70	45.4
	OPG	Open government	34	63.5
	RTC	Government's responsiveness to change	76	45.8
	EPR	E-Participation Index	65	58.4
	PFD	Press freedom	54	60.7
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	11	76.9
	ADE	Administrative decentralization	57	55.0
	PGL	Political globalization	22	79.4
	WPI	Women's Power Index	30	73.2
	MOB	Social mobility (upward) (dev. fm optimum)		
	INE	Top 10% share of pre-tax national income	60	55.7
	GWL	Gini coefficient on net national wealth dist. - level	44	65.3
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	139	26.1
	GIL	Gini coefficient on income dist. - level		
	GIC	Gini coefficient on income dist. - 1-year growth rate		
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	99	30.5
	CGP	Constraints on government power	51	53.5
	REQ	Regulatory quality	87	39.9
	REN	Regulatory enforcement	55	45.0
	PRI	Property rights	108	33.6
	CRO	Crony capitalism	7	63.3
	INO	Informal output as a % of GDP	41	65.1
Human Capture (i.3)	GSI	Global Slavery Index	56	61.2
	FDP	Forcibly displaced people as % of population	21	55.9
	HRI	Human Rights Index	26	80.1
	AFI	Academic Freedom Index	4	82.1
	GRI	Religion - Government Restriction Index	43	67.6
	LIN	LGBT+ inclusiveness	32	75.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	88	50.8
	WMA	Proportion of women in senior and middle mgmt positions (	39	65.4
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	41	66.5
	IEO	Top 1 industry exports as % of exports	6	79.6
	IVA	Top 3 industries as % of value added		
	HHI	Domestic market diversification	12	70.3
	ECI	Economic Complexity Index	61	52.0
	PUE	Public employees as a % of total employment	105	8.7
	MIL	Military expenses as % of GDP (dev. fm optimum)	118	40.6
	UNI	Unionization rate (dev. fm optimum)	96	38.1
	BSN	Barriers in service & network sectors		
	CRA	Criminal actors	74	51.0
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	72	40.7
	FAM	Family business revenues as % of GDP	26	40.0
	BIW	Billionaires' wealth as % of GDP	92	56.0
	FKG	Top 10 firms market cap as % of GDP	14	63.3
	FRG	Top 3 firms revenues as % of GDP	5	75.4
	FRR	Top 30 firms revenues as % of GDP	2	84.2
Creative Destruction (ii.6)	ENT	Entrepreneurship	64	40.7
	GSE	Governmental support to entrepreneurship	102	6.8
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	111	24.6
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP	58	54.1
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	34	69.5
	IWE	Index of Women Entrepreneurs	27	60.9
Giving Income (iii.7)	LEW	Life expectancy women	57	63.7
	LEM	Life expectancy men	51	64.5
	SCI	UHC Service Coverage Index	40	69.6
	PTR	Pupil-teacher ratio	56	63.4
	EDU	School life expectancy	9	87.5
	PIS	PISA mean scores	59	29.8
	UNV	Top universities	48	45.7
	GEE	Government education expenditure	48	60.4
	GAR	Government AI Readiness Index	58	60.4
	AIP	AI patent grants		
	OSI	Online Service Index	49	67.8
	NRI	Network Readiness Index	65	50.8
	INT	Internet access	41	67.6
	GHI	Global Hunger Index	20	75.5
	FSQ	Global Food Security Index - availability, quality & safety	18	76.6
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim	35	70.9
	SNT	Subsidies and transfers as % of expenses	119	10.1
	REG	Regional redistribution as % of government budget	118	23.3
	CSG	Construction supply gap		
	SPO	Social protection	55	57.4
	SFA	Sanitation facilities	74	39.2
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	109	11.1
Taking Income (iii.8)	SUB	Death rate from substance use disorders	24	70.2
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	88	39.9
	SUI	Suicide rate	87	52.9
	DTR	Tax revenue as % of GDP (dev. fm optimum)	3	81.6
	DCT	Corporate tax rate (dev. fm optimum)	132	13.3
	DPS	Delta public vs private sector salaries	29	40.6
	FDE	Fiscal decentralization		
	GCI	Global Cybersecurity Index	65	56.9
	GEG	Gender education gap (dev. fm optimum)	27	47.3
Unearned Income (iii.9)	CRM	Criminal markets	34	69.0
	DBT	Government debt as % of GDP		
	NRR	Natural resources rents as % of GDP	70	48.0
	GPA	Green patents per capita	94	36.1
	EPI	Environmental Performance Index	66	50.3
	RES	Renewable energy share	118	27.7
	OLI	Ocean litter	69	40.1
	DER	Deforestation rate	123	46.7
	FUS	Fertilizer usage kg per hectar	66	58.3
	TLP	Terrestrial land protected	114	29.5
	CDD	CO2 emissions embodied in domestic final demand per capita	17	66.9
	CDO	CO2 emissions (metric tons per capita)	92	50.1
	AIR	Air Quality Index	11	72.5
	HAZ	Hazardous waste per capita	28	56.7
	WPC	Waste collected per capita	61	52.8
	MWR	Municipal waste recycling rate	44	23.2
	FIS	Fish consumption per capita	46	67.2
	MET	Red meat consumption kilograms per capita	145	3.4
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	66	44.2
	FBH	Financial burden of healthcare	102	43.5
	HEI	Health Efficiency Index	51	7.4
	DMS	Density of medical staff	40	57.0
	FSA	Global Food Security Index - affordability	73	41.0
	HAI	Housing Affordability Index	31	49.8
	RTD	Rail track density	29	56.0
	GAI	Global AI Index	42	41.5
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	119	36.4
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	113	37.9
	BTF	Barriers to FDI	58	52.1
	OFB	Open for business	85	15.6
	EGL	Economic globalization	104	31.6
	TRF	Trade freedom	130	22.5
	IPM	Share of imports targeted by protectionist measures (flow)	126	9.9
	IPS	Share of imports targeted by protectionist measures (stock)	138	20.6
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	42	55.7
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	68	51.9
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	142	0.0
	DEF	GDP deflator index growth rate (dev. fm optimum)	144	18.3
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	58	47.7
	GFC	Gross capital formation	112	34.4
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership	48	12.2
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita	44	37.2
	BSM	Billionaires self-made as % of total billionaires	21	65.7
Labor Value (iv.12)	LPG	Labor productivity growth	93	37.4
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	69	51.9
	LFR	Labor force participation ratio - male vs female	90	51.6
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	98	52.3
	YUN	Youth unemployment rate	107	43.3
	BRN	Human flight and brain drain	23	79.7

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Armenia

EQx2025 Country Scorecard

Population	3.0 million
GDP (nominal)	24 billion USD
GDP per capita	8'053 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
51	51.9	Rank 77

Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

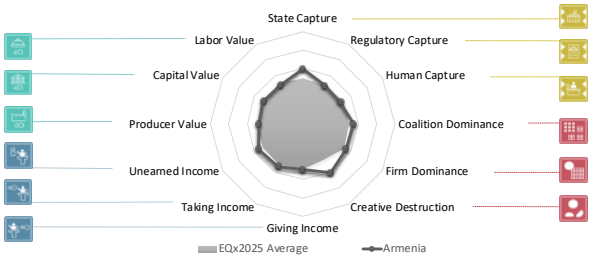
Power		Value	
Rank / 151	Score	Rank / 151	Score
38	56.0	76	49.8

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
59	51.9	24	58.1	59	52.2	90	48.5

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	37	59.7
	Regulatory Capture	66	47.7
	Human Capture	90	47.3
Economic Power (ii)	Coalition Dominance	48	55.2
	Firm Dominance	74	54.2
	Creative Destruction	26	60.8
Political Value (iii)	Giving Income	86	49.4
	Taking Income	58	53.0
	Unearned Income	51	55.0
Economic Value (iv)	Producer Value	87	47.5
	Capital Value	74	49.4
	Labor Value	93	48.5



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	57	59.7
	COC	Control of corruption	50	55.9
	OPG	Open government		
	RTC	Government's responsiveness to change	41	60.7
	EPR	E-Participation Index	26	78.0
	PFD	Press freedom	34	72.3
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	103	31.9
	ADE	Administrative decentralization	7	98.3
	PGL	Political globalization	86	45.5
	WPI	Women's Power Index	66	47.9
	MOB	Social mobility (upward) (dev. fm optimum)	111	22.3
	INE	Top 10% share of pre-tax national income	40	66.7
	GWL	Gini coefficient on net national wealth dist. - level	13	71.3
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	52	52.1
	GIL	Gini coefficient on income dist. - level	16	77.8
	GIC	Gini coefficient on income dist. - 1-year growth rate	42	46.7
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	41	63.7
	CGP	Constraints on government power		
	REQ	Regulatory quality	64	53.1
	REN	Regulatory enforcement		
	PRI	Property rights	64	48.0
	CRO	Crony capitalism	40	54.8
	INO	Informal output as a % of GDP	114	28.8
Human Capture (i.3)	GSI	Global Slavery Index	128	32.1
	FDP	Forcibly displaced people as % of population	116	53.2
	HRI	Human Rights Index	69	50.3
	AFI	Academic Freedom Index	77	58.3
	GRI	Religion - Government Restriction Index	100	41.4
	LIN	LGBT+ inclusiveness	86	39.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	39	67.3
	WMA	Proportion of women in senior and middle mgmt positions (		
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	42	65.4
	IEO	Top 1 industry exports as % of exports	81	53.5
	IVA	Top 3 industries as % of value added	33	57.2
	HHI	Domestic market diversification	102	49.9
	ECI	Economic Complexity Index	66	50.9
	PUE	Public employees as a % of total employment	64	38.5
	MIL	Military expenses as % of GDP (dev. fm optimum)	142	2.1
	UNI	Unionization rate (dev. fm optimum)	76	51.9
	BSN	Barriers in service & network sectors		
	CRA	Criminal actors	1	100.0
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	66	41.7
	FAM	Family business revenues as % of GDP		
	BIW	Billionaires' wealth as % of GDP	115	47.0
	FKG	Top 10 firms market cap as % of GDP	6	65.0
	FRG	Top 3 firms revenues as % of GDP		
	FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)	ENT	Entrepreneurship	73	38.5
	GSE	Governmental support to entrepreneurship	34	58.4
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	48	54.7
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP	94	37.3
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	1	100.0
	IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)	LEW	Life expectancy women	63	62.3
	LEM	Life expectancy men	72	52.6
	SCI	UHC Service Coverage Index	81	53.1
	PTR	Pupil-teacher ratio	42	66.8
	EDU	School life expectancy	58	51.2
	PIS	PISA mean scores		
	UNV	Top universities	44	46.3
	GEE	Government education expenditure	147	0.0
	GAR	Government AI Readiness Index	78	43.7
	AIP	AI patent grants		
	OSI	Online Service Index	50	67.4
	NRI	Network Readiness Index	61	51.8
	INT	Internet access	78	60.8
	GHI	Global Hunger Index	10	77.5
	FSQ	Global Food Security Index - availability, quality & safety		

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim		
	SNT	Subsidies and transfers as % of expenses	60	52.7
	REG	Regional redistribution as % of government budget	86	39.2
	CSG	Construction supply gap		
	SPO	Social protection	57	54.5
	SFA	Sanitation facilities	107	11.0
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	77	37.4
Taking Income (iii.8)	SUB	Death rate from substance use disorders	25	69.2
	BRD	Battle-related deaths per capita	123	55.7
	HOM	Homicide rate	61	53.2
	SUI	Suicide rate	19	69.4
	DTR	Tax revenue as % of GDP (dev. fm optimum)	104	28.7
	DCT	Corporate tax rate (dev. fm optimum)	82	45.6
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	62	30.0
	GCI	Global Cybersecurity Index	111	28.8
	GEG	Gender education gap (dev. fm optimum)		
Unearned Income (iii.9)	CRM	Criminal markets	1	100.0
	DBT	Government debt as % of GDP		
	NRR	Natural resources rents as % of GDP	99	36.8
	GPA	Green patents per capita	64	49.4
	EPI	Environmental Performance Index	76	45.8
	RES	Renewable energy share	119	27.6
	OLI	Ocean litter		
	DER	Deforestation rate	12	57.5
	FUS	Fertilizer usage kg per hectar	55	60.4
	TLP	Terrestrial land protected	39	64.8
	CDD	CO2 emissions embodied in domestic final demand per capita		
	CDO	CO2 emissions (metric tons per capita)	65	57.9
	AIR	Air Quality Index	89	37.9
	HAZ	Hazardous waste per capita	61	53.5
	WPC	Waste collected per capita	26	58.7
	MWR	Municipal waste recycling rate		
	FIS	Fish consumption per capita	36	69.3
	MET	Red meat consumption kilograms per capita	103	35.6
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	59	44.6
	FBH	Financial burden of healthcare	125	3.8
	HEI	Health Efficiency Index		
	DMS	Density of medical staff	33	60.9
	FSA	Global Food Security Index - affordability		
	HAI	Housing Affordability Index	55	17.1
	RTD	Rail track density	40	44.1
	GAI	Global AI Index	60	36.8
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	91	40.7
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	94	40.9
	BTF	Barriers to FDI	19	71.4
	OFB	Open for business		
	EGL	Economic globalization	50	63.7
	TRF	Trade freedom	67	56.9
	IPM	Share of imports targeted by protectionist measures (flow)	42	60.4
	IPS	Share of imports targeted by protectionist measures (stock)	38	62.6
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	23	56.1
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	31	72.3
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	48	55.0
	DEF	GDP deflator index growth rate (dev. fm optimum)	23	55.4
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	103	29.7
	GFC	Gross capital formation	96	41.0
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership		
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita	26	45.2
	BSM	Billionaires self-made as % of total billionaires	1	81.1
Labor Value (iv.12)	LPG	Labor productivity growth	1	100.0
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	39	63.2
	LFR	Labor force participation ratio - male vs female	59	63.1
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	136	20.3
	YUN	Youth unemployment rate	128	25.0
	BRN	Human flight and brain drain	131	24.4

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Australia

EQx2025 Country Scorecard

Population	26.7 million
GDP (nominal)	1'728 billion USD
GDP per capita	64'821 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
11	62.0	Rank 18

High Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

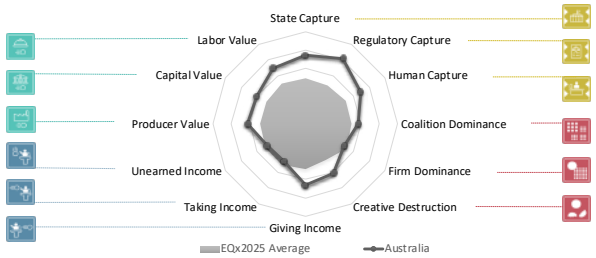
Power		Value	
Rank / 151	Score	Rank / 151	Score
16	63.8	5	61.2

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
13	76.1	28	57.6	47	53.8	3	64.9

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	12	74.7
	Regulatory Capture	11	82.2
	Human Capture	19	69.5
Economic Power (ii)	Coalition Dominance	40	57.6
	Firm Dominance	97	48.8
	Creative Destruction	22	61.3
Political Value (iii)	Giving Income	8	66.0
	Taking Income	111	46.3
	Unearned Income	102	47.4
Economic Value (iv)	Producer Value	15	62.6
	Capital Value	13	60.8
	Labor Value	7	70.4



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	10	88.5
	COC	Control of corruption	9	99.1
	OPG	Open government	9	95.0
	RTC	Government's responsiveness to change	35	64.7
	EPR	E-Participation Index	21	79.3
	PFD	Press freedom	32	74.8
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)		
	PDE	Political decentralization	33	68.3
	ADE	Administrative decentralization	36	69.4
	PGL	Political globalization	33	73.9
	WPI	Women's Power Index	16	86.0
	MOB	Social mobility (upward) (dev. fm optimum)	37	61.3
	INE	Top 10% share of pre-tax national income	13	86.2
	GWL	Gini coefficient on net national wealth dist. - level	17	70.1
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	136	29.3
	GIL	Gini coefficient on income dist. - level	62	57.5
	GIC	Gini coefficient on income dist. - 1-year growth rate	27	57.6
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	34	68.1
	CGP	Constraints on government power	13	90.8
	REQ	Regulatory quality	1	100.0
	REN	Regulatory enforcement	10	95.0
	PRI	Property rights	17	87.5
	CRO	Crony capitalism	46	52.4
	INO	Informal output as a % of GDP	10	87.7
Human Capture (i.3)	GSI	Global Slavery Index	12	76.9
	FDP	Forcibly displaced people as % of population	9	55.9
	HRI	Human Rights Index	22	84.9
	AFI	Academic Freedom Index	21	76.3
	GRI	Religion - Government Restriction Index	24	73.6
	LIN	LGBT+ inclusiveness	17	81.9
	WSB	Women self made billionaires	16	26.5
	WBL	Women, business and the law	19	76.4
	WMA	Proportion of women in senior and middle mgmt positions (	29	68.9
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	72	54.2
	IEO	Top 1 industry exports as % of exports	62	60.7
	IVA	Top 3 industries as % of value added	43	53.4
	HHI	Domestic market diversification	104	49.4
	ECI	Economic Complexity Index	77	44.6
	PUE	Public employees as a % of total employment	76	33.5
	MIL	Military expenses as % of GDP (dev. fm optimum)	8	69.7
	UNI	Unionization rate (dev. fm optimum)	38	65.3
	BSN	Barriers in service & network sectors	19	53.6
	CRA	Criminal actors	10	86.2
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	14	63.9
	FAM	Family business revenues as % of GDP	33	30.2
	BIW	Billionaires' wealth as % of GDP	132	37.1
	FKG	Top 10 firms market cap as % of GDP	64	46.5
	FRG	Top 3 firms revenues as % of GDP	46	57.5
	FRR	Top 30 firms revenues as % of GDP	26	57.7
Creative Destruction (ii.6)	ENT	Entrepreneurship	1	100.0
	GSE	Governmental support to entrepreneurship	39	56.2
	VCK	Venture capital finance	27	40.4
	VCA	Venture capital availability	40	60.7
	API	AI private investment	14	44.8
	APC	AI private investment per capita	15	54.9
	RND	R&D as a % of GDP	20	77.7
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	33	69.8
	IWE	Index of Women Entrepreneurs	4	80.2
Giving Income (iii.7)	LEW	Life expectancy women	8	83.3
	LEM	Life expectancy men	1	89.8
	SCI	UHC Service Coverage Index	7	81.6
	PTR	Pupil-teacher ratio		
	EDU	School life expectancy	1	100.0
	PIS	PISA mean scores	9	75.4
	UNV	Top universities	9	51.4
	GEE	Government education expenditure	36	66.6
	GAR	Government AI Readiness Index	10	88.4
	AIP	AI patent grants	7	44.7
	OSI	Online Service Index	13	80.4
	NRI	Network Readiness Index	15	86.2
	INT	Internet access	20	70.4
	GHI	Global Hunger Index		
	FSQ	Global Food Security Index - availability, quality & safety	27	72.6

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm	3	75.6
	GEX	General government expenditure as % of GDP (dev. fm optim	38	67.7
	SNT	Subsidies and transfers as % of expenses	114	14.8
	REG	Regional redistribution as % of government budget	107	27.4
	CSG	Construction supply gap	26	55.7
	SPO	Social protection	1	88.0
	SFA	Sanitation facilities	16	78.8
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	108	13.3
Taking Income (iii.8)	SUB	Death rate from substance use disorders	131	23.5
	BRD	Battle-related deaths per capita	82	56.2
	HOM	Homicide rate	28	70.2
	SUI	Suicide rate	120	39.5
	DTR	Tax revenue as % of GDP (dev. fm optimum)	113	19.8
	DCT	Corporate tax rate (dev. fm optimum)	82	45.6
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	25	53.6
	GCI	Global Cybersecurity Index	7	90.5
	GEG	Gender education gap (dev. fm optimum)	31	37.2
Unearned Income (iii.9)	CRM	Criminal markets	27	73.8
	DBT	Government debt as % of GDP	37	57.5
	NRR	Natural resources rents as % of GDP	120	29.5
	GPA	Green patents per capita	19	83.6
	EPI	Environmental Performance Index	20	84.6
	RES	Renewable energy share	106	30.6
	OLI	Ocean litter	44	57.4
	DER	Deforestation rate	109	52.0
	FUS	Fertilizer usage kg per hectar	89	54.0
	TLP	Terrestrial land protected	57	56.0
	CDD	CO2 emissions embodied in domestic final demand per capita	57	0.0
	CDO	CO2 emissions (metric tons per capita)	132	3.6
	AIR	Air Quality Index	1	77.6
	HAZ	Hazardous waste per capita		
	WPC	Waste collected per capita	80	49.6
	MWR	Municipal waste recycling rate	31	42.7
	FIS	Fish consumption per capita	117	32.2
	MET	Red meat consumption kilograms per capita	146	0.0
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	21	51.4
	FBH	Financial burden of healthcare	22	68.6
	HEI	Health Efficiency Index	5	82.7
	DMS	Density of medical staff	36	58.7
	FSA	Global Food Security Index - affordability	1	81.1
	HAI	Housing Affordability Index	16	61.9
	RTD	Rail track density		
	GAI	Global AI Index	16	60.1
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	69	45.9
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	41	51.2
	BTF	Barriers to FDI	75	33.1
	OFB	Open for business	15	75.1
	EGL	Economic globalization	52	61.0
	TRF	Trade freedom	2	94.2
	IPM	Share of imports targeted by protectionist measures (flow)	94	33.2
	IPS	Share of imports targeted by protectionist measures (stock)	102	32.2
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	19	56.3
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	24	75.6
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	61	54.7
	DEF	GDP deflator index growth rate (dev. fm optimum)	38	55.1
	DNI	Neutral interest rate (dev. fm optimum)	12	61.0
	FMI	Financial Markets Index	1	100.0
	GFC	Gross capital formation	66	50.1
	GOL	Gold demand as % of GDP	9	65.1
	CRY	Crypto ownership	27	51.6
	UNN	Unicorns	15	43.4
	UNC	Unicorns as % of GDP	31	33.5
	BSG	Billionaires self-made per capita	9	70.7
	BSM	Billionaires self-made as % of total billionaires	28	56.6
Labor Value (iv.12)	LPG	Labor productivity growth	45	57.8
	WLP	Delta real wage vs labor productivity increases	7	76.8
	LFP	Labor force participation rate	38	64.1
	LFR	Labor force participation ratio - male vs female	31	68.6
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	54	63.5
	YUN	Youth unemployment rate	49	64.5
	BRN	Human flight and brain drain	1	100.0

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Austria

EQx2025 Country Scorecard

Population	9.1 million
GDP (nominal)	512 billion USD
GDP per capita	56'034 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank	
17	60.0	Rank	15

High Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

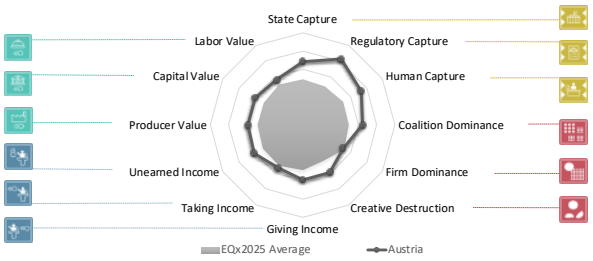
Power		Value	
Rank / 151	Score	Rank / 151	Score
15	63.9	22	58.1

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
14	75.2	23	58.3	18	57.7	24	58.3

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	19	68.8
	Regulatory Capture	10	82.8
	Human Capture	9	73.3
Economic Power (ii)	Coalition Dominance	19	64.9
	Firm Dominance	91	50.6
	Creative Destruction	32	59.0
Political Value (iii)	Giving Income	38	59.4
	Taking Income	51	53.6
	Unearned Income	9	60.9
Economic Value (iv)	Producer Value	27	59.3
	Capital Value	16	59.6
	Labor Value	55	56.3



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	26	80.6
	COC	Control of corruption	19	82.9
	OPG	Open government	26	74.7
	RTC	Government's responsiveness to change	22	73.3
	EPR	E-Participation Index	36	71.9
	PFD	Press freedom	26	76.6
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)		
	PDE	Political decentralization	11	76.9
	ADE	Administrative decentralization	15	82.0
	PGL	Political globalization	10	87.3
	WPI	Women's Power Index	56	54.2
	MOB	Social mobility (upward) (dev. fm optimum)	65	48.5
	INE	Top 10% share of pre-tax national income	27	79.7
	GWL	Gini coefficient on net national wealth dist. - level	102	52.1
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	116	43.1
	GIL	Gini coefficient on income dist. - level	31	69.1
	GIC	Gini coefficient on income dist. - 1-year growth rate	61	22.2
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	27	73.2
	CGP	Constraints on government power	11	91.7
	REQ	Regulatory quality	17	85.9
	REN	Regulatory enforcement	12	93.2
	PRI	Property rights	4	93.3
	CRO	Crony capitalism	41	54.2
	INO	Informal output as a % of GDP	3	95.4
Human Capture (i.3)	GSI	Global Slavery Index	18	75.4
	FDP	Forcibly displaced people as % of population	25	55.9
	HRI	Human Rights Index	5	99.4
	AFI	Academic Freedom Index	29	74.1
	GRI	Religion - Government Restriction Index	78	54.5
	LIN	LGBT+ inclusiveness	9	84.9
	WSB	Women self made billionaires		
	WBL	Women, business and the law	19	76.4
	WMA	Proportion of women in senior and middle mgmt positions (	55	55.1
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	35	69.5
	IEO	Top 1 industry exports as % of exports	65	58.8
	IVA	Top 3 industries as % of value added	62	45.4
	HHI	Domestic market diversification	65	61.1
	ECI	Economic Complexity Index	7	89.3
	PUE	Public employees as a % of total employment	45	63.1
	MIL	Military expenses as % of GDP (dev. fm optimum)	104	48.1
	UNI	Unionization rate (dev. fm optimum)	90	40.9
	BSN	Barriers in service & network sectors	24	45.8
	CRA	Criminal actors	19	78.4
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	30	48.9
	FAM	Family business revenues as % of GDP	15	55.3
	BIW	Billionaires' wealth as % of GDP	138	28.7
	FKG	Top 10 firms market cap as % of GDP	29	59.6
	FRG	Top 3 firms revenues as % of GDP	68	40.2
	FRR	Top 30 firms revenues as % of GDP	32	52.1
Creative Destruction (ii.6)	ENT	Entrepreneurship	14	91.6
	GSE	Governmental support to entrepreneurship	41	52.9
	VCK	Venture capital finance	25	40.6
	VCA	Venture capital availability	35	66.7
	API	AI private investment	23	44.2
	APC	AI private investment per capita	16	52.5
	RND	R&D as a % of GDP	8	88.4
	EXR	Firm exit ratio	22	19.1
	BCD	Billionaire's creative destruction	29	73.6
	IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)	LEW	Life expectancy women	19	78.6
	LEM	Life expectancy men	22	80.9
	SCI	UHC Service Coverage Index	13	78.6
	PTR	Pupil-teacher ratio	8	77.0
	EDU	School life expectancy	31	66.7
	PIS	PISA mean scores	19	70.3
	UNV	Top universities	17	49.0
	GEE	Government education expenditure	52	60.0
	GAR	Government AI Readiness Index	18	83.4
	AIP	AI patent grants	25	43.2
	OSI	Online Service Index	36	72.0
	NRI	Network Readiness Index	20	80.3
	INT	Internet access	18	70.6
	GHI	Global Hunger Index		
	FSQ	Global Food Security Index - availability, quality & safety	19	76.0
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm	20	52.0
	GEX	General government expenditure as % of GDP (dev. fm optim	109	10.4
	SNT	Subsidies and transfers as % of expenses	121	9.2
	REG	Regional redistribution as % of government budget	139	13.5
	CSG	Construction supply gap	12	66.6
	SPO	Social protection	1	88.0
	SFA	Sanitation facilities	1	82.2
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	101	18.1
Taking Income (iii.8)	SUB	Death rate from substance use disorders	123	29.7
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	29	69.7
	SUI	Suicide rate	128	32.6
	DTR	Tax revenue as % of GDP (dev. fm optimum)	122	7.2
	DCT	Corporate tax rate (dev. fm optimum)	3	77.9
	DPS	Delta public vs private sector salaries	12	66.5
	FDE	Fiscal decentralization	42	37.7
	GCI	Global Cybersecurity Index	33	72.3
	GEG	Gender education gap (dev. fm optimum)	1	85.2
Unearned Income (iii.9)	CRM	Criminal markets	24	76.9
	DBT	Government debt as % of GDP	54	39.7
	NRR	Natural resources rents as % of GDP	17	83.8
	GPA	Green patents per capita	6	93.7
	EPI	Environmental Performance Index	7	96.9
	RES	Renewable energy share	55	52.3
	OLI	Ocean litter		
	DER	Deforestation rate	74	56.6
	FUS	Fertilizer usage kg per hectar	83	54.9
	TLP	Terrestrial land protected	26	76.0
	CDD	CO2 emissions embodied in domestic final demand per capita	41	35.1
	CDO	CO2 emissions (metric tons per capita)	110	40.4
	AIR	Air Quality Index	27	68.2
	HAZ	Hazardous waste per capita	55	54.5
	WPC	Waste collected per capita	82	49.0
	MWR	Municipal waste recycling rate	3	92.1
	FIS	Fish consumption per capita	87	51.9
	MET	Red meat consumption kilograms per capita	143	5.2
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	8	57.7
	FBH	Financial burden of healthcare		
	HEI	Health Efficiency Index	30	45.5
	DMS	Density of medical staff	24	69.7
	FSA	Global Food Security Index - affordability	11	78.5
	HAI	Housing Affordability Index	30	50.5
	RTD	Rail track density	19	68.6
	GAI	Global AI Index	25	50.2
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	72	45.3
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	22	54.9
	BTF	Barriers to FDI	42	63.0
	OFB	Open for business	16	70.5
	EGL	Economic globalization	12	85.9
	TRF	Trade freedom	21	69.8
	IPM	Share of imports targeted by protectionist measures (flow)	106	27.2
	IPS	Share of imports targeted by protectionist measures (stock)	89	35.6
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	71	55.3
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	120	30.7
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	54	54.9
	DEF	GDP deflator index growth rate (dev. fm optimum)	88	53.8
	DNI	Neutral interest rate (dev. fm optimum)	4	64.0
	FMI	Financial Markets Index	29	77.7
	GFC	Gross capital formation	52	55.0
	GOL	Gold demand as % of GDP	8	65.3
	CRY	Crypto ownership	17	59.9
	UNN	Unicorns	24	42.6
	UNC	Unicorns as % of GDP	27	37.0
	BSG	Billionaires self-made per capita	11	63.8
	BSM	Billionaires self-made as % of total billionaires	19	67.1
Labor Value (iv.12)	LPG	Labor productivity growth	91	37.8
	WLP	Delta real wage vs labor productivity increases	16	63.0
	LFP	Labor force participation rate	74	50.2
	LFR	Labor force participation ratio - male vs female	48	64.8
	ROD	Robot density in manufacturing ndustry	12	38.8
	UEM	Unemployment rate	78	56.3
	YUN	Youth unemployment rate	72	58.8
	BRN	Human flight and brain drain	13	89.5

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Azerbaijan

EQx2025 Country Scorecard

Population	10.2 million
GDP (nominal)	72 billion USD
GDP per capita	7'126 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
62	49.8	Rank 90

Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

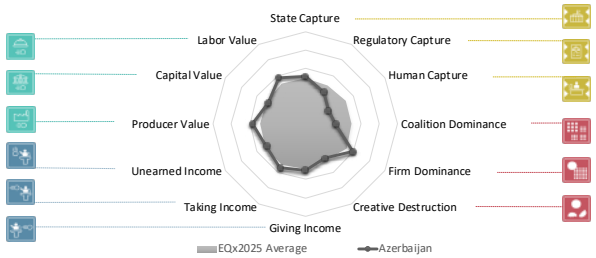
Power		Value	
Rank / 151	Score	Rank / 151	Score
92	43.4	43	53.0

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
100	41.3	85	44.5	66	51.4	40	53.8

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	58	51.7
	Regulatory Capture	94	40.2
	Human Capture	136	28.9
Economic Power (ii)	Coalition Dominance	139	32.6
	Firm Dominance	48	59.6
	Creative Destruction	66	42.7
Political Value (iii)	Giving Income	83	50.2
	Taking Income	44	55.0
	Unearned Income	95	48.0
Economic Value (iv)	Producer Value	39	57.2
	Capital Value	98	46.3
	Labor Value	49	57.9



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	140	17.5
	COC	Control of corruption	127	24.4
	OPG	Open government		
	RTC	Government's responsiveness to change	1	100.0
	EPR	E-Participation Index	81	46.2
	PFD	Press freedom	137	12.2
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	69	50.1
	ADE	Administrative decentralization	10	86.5
	PGL	Political globalization	76	48.9
	WPI	Women's Power Index	100	38.2
	MOB	Social mobility (upward) (dev. fm optimum)	83	37.5
	INE	Top 10% share of pre-tax national income	38	70.7
	GWL	Gini coefficient on net national wealth dist. - level	14	71.3
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	54	51.9
	GIL	Gini coefficient on income dist. - level	10	82.2
	GIC	Gini coefficient on income dist. - 1-year growth rate	38	48.9
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	10	86.8
	CGP	Constraints on government power		
	REQ	Regulatory quality	68	49.2
	REN	Regulatory enforcement		
	PRI	Property rights	61	50.9
	CRO	Crony capitalism		
	INO	Informal output as a % of GDP	136	6.3
Human Capture (i.3)	GSI	Global Slavery Index	134	22.2
	FDP	Forcibly displaced people as % of population	137	38.2
	HRI	Human Rights Index	115	30.1
	AFI	Academic Freedom Index	132	11.9
	GRI	Religion - Government Restriction Index	143	5.7
	LIN	LGBT+ inclusiveness	103	27.8
	WSB	Women self made billionaires		
	WBL	Women, business and the law	61	59.0
	WMA	Proportion of women in senior and middle mgmt positions (		
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	137	10.9
	IEO	Top 1 industry exports as % of exports	137	0.0
	IVA	Top 3 industries as % of value added	44	53.0
	HHI	Domestic market diversification	136	21.1
	ECI	Economic Complexity Index	84	39.0
	PUE	Public employees as a % of total employment		
	MIL	Military expenses as % of GDP (dev. fm optimum)	130	19.1
	UNI	Unionization rate (dev. fm optimum)		
	BSN	Barriers in service & network sectors		
	CRA	Criminal actors	74	51.0
Firm Dominance (ii.5)	SME	SMEs per 1,000 people		
	FAM	Family business revenues as % of GDP		
	BIW	Billionaires' wealth as % of GDP	1	60.6
	FKG	Top 10 firms market cap as % of GDP	31	59.3
	FRG	Top 3 firms revenues as % of GDP		
	FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)	ENT	Entrepreneurship	49	48.7
	GSE	Governmental support to entrepreneurship		
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	21	78.8
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP	105	31.2
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction	52	33.8
	IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)	LEW	Life expectancy women	78	54.5
	LEM	Life expectancy men	70	53.2
	SCI	UHC Service Coverage Index	87	50.1
	PTR	Pupil-teacher ratio	43	66.8
	EDU	School life expectancy	82	39.2
	PIS	PISA mean scores	63	23.4
	UNV	Top universities	65	45.0
	GEE	Government education expenditure	93	41.6
	GAR	Government AI Readiness Index	95	37.3
	AIP	AI patent grants		
	OSI	Online Service Index	62	62.1
	NRI	Network Readiness Index	70	45.8
	INT	Internet access	46	66.9
	GHI	Global Hunger Index	24	74.3
	FSQ	Global Food Security Index - availability, quality & safety	76	36.3

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim	44	65.0
	SNT	Subsidies and transfers as % of expenses	65	50.9
	REG	Regional redistribution as % of government budget	91	37.6
	CSG	Construction supply gap		
	SPO	Social protection	73	43.1
	SFA	Sanitation facilities	52	57.5
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	56	55.6
Taking Income (iii.8)	SUB	Death rate from substance use disorders	81	50.4
	BRD	Battle-related deaths per capita	138	53.1
	HOM	Homicide rate	69	51.0
	SUI	Suicide rate	27	66.9
	DTR	Tax revenue as % of GDP (dev. fm optimum)	58	60.3
	DCT	Corporate tax rate (dev. fm optimum)	57	58.5
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	72	28.1
	GCI	Global Cybersecurity Index	53	64.4
	GEG	Gender education gap (dev. fm optimum)		
Unearned Income (iii.9)	CRM	Criminal markets	20	78.6
	DBT	Government debt as % of GDP		
	NRR	Natural resources rents as % of GDP	142	20.2
	GPA	Green patents per capita	93	36.5
	EPI	Environmental Performance Index	98	36.5
	RES	Renewable energy share	135	20.5
	OLI	Ocean litter		
	DER	Deforestation rate	23	57.5
	FUS	Fertilizer usage kg per hectar	39	62.2
	TLP	Terrestrial land protected	106	33.2
	CDD	CO2 emissions embodied in domestic final demand per capita		
	CDO	CO2 emissions (metric tons per capita)	91	50.3
	AIR	Air Quality Index	57	56.1
	HAZ	Hazardous waste per capita	32	56.6
	WPC	Waste collected per capita	32	57.9
	MWR	Municipal waste recycling rate		
	FIS	Fish consumption per capita	12	76.7
	MET	Red meat consumption kilograms per capita	77	55.3
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	64	44.4
	FBH	Financial burden of healthcare	56	60.4
	HEI	Health Efficiency Index		
	DMS	Density of medical staff	1	100.0
	FSA	Global Food Security Index - affordability	48	61.6
	HAI	Housing Affordability Index	10	77.3
	RTD	Rail track density	44	41.0
	GAI	Global AI Index	73	33.3
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	74	45.0
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	38	51.8
	BTF	Barriers to FDI	41	63.2
	OFB	Open for business	81	27.3
	EGL	Economic globalization	46	64.8
	TRF	Trade freedom	93	46.4
	IPM	Share of imports targeted by protectionist measures (flow)		
	IPS	Share of imports targeted by protectionist measures (stock)	18	78.1
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	48	55.7
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	12	86.6
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	1	55.1
	DEF	GDP deflator index growth rate (dev. fm optimum)	115	52.4
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	60	46.4
	GFC	Gross capital formation	117	30.8
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership		
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita		
	BSM	Billionaires self-made as % of total billionaires		
Labor Value (iv.12)	LPG	Labor productivity growth	34	63.2
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	46	60.4
	LFR	Labor force participation ratio - male vs female	14	74.0
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	89	54.6
	YUN	Youth unemployment rate	89	52.6
	BRN	Human flight and brain drain	61	53.9

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

Bahrain

EQx2025 Country Scorecard

Population	1.6 million
GDP (nominal)	46 billion USD
GDP per capita	29'219 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
25	57.8	Rank 103

High Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

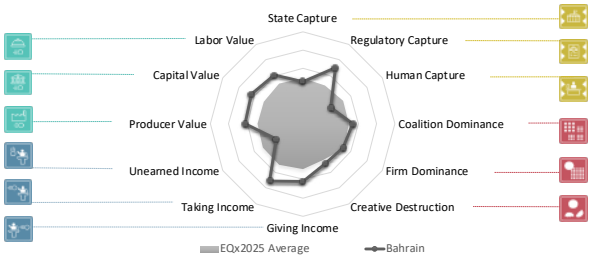
Power		Value	
Rank / 151	Score	Rank / 151	Score
54	51.3	7	61.1

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
56	52.4	54	50.7	19	57.6	8	62.8

Level 3 – Pillars

		Rank / 151	Score
Political Power (i)	State Capture	85	46.3
	Regulatory Capture	26	70.6
	Human Capture	126	35.6
Economic Power (ii)	Coalition Dominance	51	54.3
	Firm Dominance	87	51.0
	Creative Destruction	52	49.3
Political Value (iii)	Giving Income	24	62.2
	Taking Income	4	71.2
	Unearned Income	147	33.2
Economic Value (iv)	Producer Value	16	62.4
	Capital Value	5	64.6
	Labor Value	30	61.4



Level 4 – EQx Indicators

			Rank / 151	Score
State Capture (i.1)	COR	Political corruption	81	42.8
	COC	Control of corruption	46	58.9
	OPG	Open government		
	RTC	Government's responsiveness to change	7	94.3
	EPR	E-Participation Index	17	82.9
	PFD	Press freedom	146	5.6
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	1	56.4
	PDE	Political decentralization	103	31.9
	ADE	Administrative decentralization	100	28.0
	PGL	Political globalization	135	14.7
	WPI	Women's Power Index	119	30.5
	MOB	Social mobility (upward) (dev. fm optimum)		
	INE	Top 10% share of pre-tax national income	138	13.9
	GWL	Gini coefficient on net national wealth dist. - level	111	40.7
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	112	45.1
	GIL	Gini coefficient on income dist. - level		
	GIC	Gini coefficient on income dist. - 1-year growth rate		
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	23	76.7
	CGP	Constraints on government power		
	REQ	Regulatory quality	25	78.8
	REN	Regulatory enforcement		
	PRI	Property rights	45	62.5
	CRO	Crony capitalism		
	INO	Informal output as a % of GDP	37	71.0
Human Capture (i.3)	GSI	Global Slavery Index	95	45.6
	FDP	Forcibly displaced people as % of population	79	55.6
	HRI	Human Rights Index	134	22.4
	AFI	Academic Freedom Index	144	7.3
	GRI	Religion - Government Restriction Index	111	33.1
	LIN	LGBT+ inclusiveness	103	27.8
	WSB	Women self made billionaires		
	WBL	Women, business and the law	116	34.3
	WMA	Proportion of women in senior and middle mgmt positions (		
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	98	36.6
	IEO	Top 1 industry exports as % of exports	116	28.2
	IVA	Top 3 industries as % of value added		
	HHI	Domestic market diversification	16	69.5
	ECI	Economic Complexity Index		
	PUE	Public employees as a % of total employment		
	MIL	Military expenses as % of GDP (dev. fm optimum)	125	33.3
	UNI	Unionization rate (dev. fm optimum)		
	BSN	Barriers in service & network sectors		
	CRA	Criminal actors	29	70.5
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	35	47.5
	FAM	Family business revenues as % of GDP		
	BIW	Billionaires' wealth as % of GDP	1	60.6
	FKG	Top 10 firms market cap as % of GDP	55	51.4
	FRG	Top 3 firms revenues as % of GDP	56	49.1
	FRR	Top 30 firms revenues as % of GDP		
Creative Destruction (ii.6)	ENT	Entrepreneurship	33	64.0
	GSE	Governmental support to entrepreneurship		
	VCK	Venture capital finance	35	38.5
	VCA	Venture capital availability	17	81.8
	API	AI private investment		
	APC	AI private investment per capita		
	RND	R&D as a % of GDP	112	23.7
	EXR	Firm exit ratio		
	BCD	Billionaire's creative destruction		
	IWE	Index of Women Entrepreneurs		
Giving Income (iii.7)	LEW	Life expectancy women	34	70.8
	LEM	Life expectancy men	12	84.8
	SCI	UHC Service Coverage Index	52	65.1
	PTR	Pupil-teacher ratio	19	73.4
	EDU	School life expectancy	35	63.8
	PIS	PISA mean scores		
	UNV	Top universities	2	78.2
	GEE	Government education expenditure	137	17.1
	GAR	Government AI Readiness Index	61	57.5
	AIP	AI patent grants		
	OSI	Online Service Index	21	78.5
	NRI	Network Readiness Index	47	58.6
	INT	Internet access	1	72.8
	GHI	Global Hunger Index		
	FSQ	Global Food Security Index - availability, quality & safety	45	63.4

			Rank / 151	Score
Giving Income (iii.7)	GPS	Expenditure on general public services as % of GDP (dev. fm		
	GEX	General government expenditure as % of GDP (dev. fm optim	18	76.6
	SNT	Subsidies and transfers as % of expenses	40	65.0
	REG	Regional redistribution as % of government budget	42	65.0
	CSG	Construction supply gap		
	SPO	Social protection	49	60.3
	SFA	Sanitation facilities	23	76.0
	ELA	Electricity access	1	65.0
	FOS	Fossil fuel subsidies	78	37.1
Taking Income (iii.8)	SUB	Death rate from substance use disorders	7	93.3
	BRD	Battle-related deaths per capita	1	56.2
	HOM	Homicide rate	4	97.8
	SUI	Suicide rate	92	51.3
	DTR	Tax revenue as % of GDP (dev. fm optimum)	86	41.8
	DCT	Corporate tax rate (dev. fm optimum)		
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization		
	GCI	Global Cybersecurity Index	67	55.4
	GEG	Gender education gap (dev. fm optimum)		
Unearned Income (iii.9)	CRM	Criminal markets	87	47.5
	DBT	Government debt as % of GDP		
	NRR	Natural resources rents as % of GDP	124	27.0
	GPA	Green patents per capita	65	48.9
	EPI	Environmental Performance Index	129	25.4
	RES	Renewable energy share	149	19.3
	OLI	Ocean litter	6	87.5
	DER	Deforestation rate		
	FUS	Fertilizer usage kg per hectar	77	55.6
	TLP	Terrestrial land protected	126	25.3
	CDD	CO2 emissions embodied in domestic final demand per capita		
	CDO	CO2 emissions (metric tons per capita)	133	0.0
	AIR	Air Quality Index	105	0.0
	HAZ	Hazardous waste per capita	43	56.0
	WPC	Waste collected per capita	94	34.8
	MWR	Municipal waste recycling rate	25	57.0
	FIS	Fish consumption per capita	105	38.4
	MET	Red meat consumption kilograms per capita	106	30.9
Producer Value (iv.10)	PAT	Nr. of patent applications per capita	89	43.8
	FBH	Financial burden of healthcare	73	56.9
	HEI	Health Efficiency Index		
	DMS	Density of medical staff	51	53.1
	FSA	Global Food Security Index - affordability	11	78.5
	HAI	Housing Affordability Index		
	RTD	Rail track density		
	GAI	Global AI Index	57	37.4
	AIF	AI number of foundation models		
	FDS	Inward FDI as a % of GDP (stock)	14	64.8
	FDF	Inward FDI as a % of GDP (flow, 3yrs avg.)	16	65.6
	BTF	Barriers to FDI		
	OFB	Open for business	53	46.7
	EGL	Economic globalization	13	85.7
	TRF	Trade freedom	7	83.6
	IPM	Share of imports targeted by protectionist measures (flow)	7	96.1
	IPS	Share of imports targeted by protectionist measures (stock)	15	84.9
	DGI	Share of discrimn. govt. intervent. as % of total intervent. (flo	98	55.1
	DGS	Share of discrimn. govt. intervent. as % of total intervent. (sto	137	15.7
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	1	55.1
	DEF	GDP deflator index growth rate (dev. fm optimum)	103	53.2
	DNI	Neutral interest rate (dev. fm optimum)		
	FMI	Financial Markets Index	27	78.8
	GFC	Gross capital formation	33	67.3
	GOL	Gold demand as % of GDP		
	CRY	Crypto ownership		
	UNN	Unicorns		
	UNC	Unicorns as % of GDP		
	BSG	Billionaires self-made per capita		
	BSM	Billionaires self-made as % of total billionaires		
Labor Value (iv.12)	LPG	Labor productivity growth	98	35.7
	WLP	Delta real wage vs labor productivity increases		
	LFP	Labor force participation rate	19	75.1
	LFR	Labor force participation ratio - male vs female	132	22.7
	ROD	Robot density in manufacturing ndustry		
	UEM	Unemployment rate	7	74.8
	YUN	Youth unemployment rate	31	70.9
	BRN	Human flight and brain drain	28	73.6

The Elite Quality Report 2025 (EQx2025) provides Country Scores and Global Rankings for 151 countries

7.2 Data Sources and Indicator References

Indicator Name		Data Source Reference
Sub-Index I: Power / Index Area (i): Political Power		
Pillar (i.1): State Capture		
COR	Political corruption	i.1• Political corruption (COR), uses data from: Varieties of Democracies (V-DEM)* [Dataset] Coppedge, Michael, John Gerring, Carl Henrik Knutsen, Staffan I. Lindberg, Jan Teorell, David Altman, Fabio Angiolillo, Michael Bernhard, Agnes Cornell, M. Steven Fish, Linnea Fox, Lisa Gastaldi, Haakon Gjerløw, Adam Glynn, Ana Good God, Sandra Grahn, Allen Hicken, Katrin Kinzelbach, Kyle L. Marquardt, Kelly McMann, Valeriya Mechkova, Anja Neundorf, Pamela Paxton, Daniel Pemstein, Johannes von Römer, Brigitte Seim, Rachel Sigman, Svend-Erik Skaaning, Jeffrey Staton, Aksel Sundström, Marcus Tannenberg, Eitan Tzelgov, Yi-ting Wang, Felix Wiebrecht, Tore Wig, and Daniel Ziblatt. 2025. "V-Dem Codebook v15" Varieties of Democracy (V-Dem) Project. [Related Paper] Pemstein, D., Marquardt, K. L., Tzelgov, E., Wang, Y., Medzihorsky, J., Krusell, J., Miri, F. & von Römer., J. (2023). *The V-Dem Measurement Model: Latent Variable Analysis for Cross-National and Cross-Temporal Expert-Coded Data*. V-Dem Working Paper No. 21. 8th edition. University of Gothenburg: Varieties of Democracy Institute.
COC	Control of corruption	i.1• Control of corruption (COC), uses data from: The World Bank, Worldwide Governance indicators (WGI)* [Dataset] Worldwide Governance Indicators, 2024 Update, World Bank (www.govindicators.org), Accessed on 10/30/2024. [Related Paper] Kaufmann, D. & Kraay, A. (2023). Worldwide Governance indicators, 2023 Update. Retrieved October 19, 2023, from: www.govindicators.org.
OPG	Open government	i.1• Open government (OPG), uses data from: The World Justice Project, Rule of Law Index [Dataset] World Justice Project. (2024). *Factor 3: Open Government*. Retrieved November, 13, 2024, from: https://worldjusticeproject.org/rule-of-law-index/ [Related Report] World Justice Project. (2023). *WJP Rule of Law Index 2023*. Retrieved March 16, 2024, from: https://worldjusticeproject.org/rule-of-law-index/downloads/WJPIndex2023.pdf.
RTC	Government's responsiveness to change	i.1• Government's responsiveness to change (GRC), uses data from: World Economic Forum, The Global Competitiveness Index [Report] World Economic Forum. (2020). *Global Competitiveness Report 2020*. Retrieved January 10, 2024, from: https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2020.pdf
EPR	E-Participation Index	i.1• E-Participation Index (EPR), uses data from: The UN, Department of Economic and Social Affairs, E-Government Development Knowledge Base [Dataset] United Nations Department of Economic and Social Affairs. (2024). 2024 E-Government Development Index [Dataset]. Retrieved December 6, 2024, from: https://publicadministration. un.org/egovkb/Data-Center.
PFD	Press freedom	i.1• Press freedom (PFD), uses data from: Reporters Without Borders, World Press Freedom Index [Dataset] Reporters Without Borders. (2024). World Press Freedom Index 2024 [Dataset]. Retrieved January 15, 2025 from: https://rsf.org/en/index.
NJK	Nr. of journalists killed per 1 million people (2yrs avg.)	i.1• Nr. of journalists killed per 1 million people (2yrs avg.) (NJK), uses data from: The Committee to Protect Journalists [Dataset] Committee to Protect Journalists. (2025). Journalists Killed, Motive Confirmed or Unconfirmed. Retrieved January 14, 2025, from: https://cpj.org/data [Dataset] The World Bank. (2025). Population, total [Indicator ID: SP.POP.TOT]. Retrieved January 14, 2025, from: https://data.worldbank.org/Indicator/SP.POP.TOTL
PDE	Political decentralization	i.1• Political decentralization (PDE), uses data from: Ivanyna & Shah (2014)* [Dataset] Ivanyna, M. & Shah, A. (2014). *How Close Is Your Government to Its People? Worldwide indicators on Localization and Decentralization [Dataset]*. Harvard Dataverse, V2. Retrieved January 15, 2024, from: https://doi.org/10.7910/DVN/24566. [Related paper] Ivanyna, M. & Shah, A. (2014). How Close Is Your Government to Its People? Worldwide indicators on Localization and Decentralization. *Economics: The Open-Access, Open-Assessment E-Journal, 8 (2014-3): 1–61*. Retrieved January 15, 2024, from: http://dx.doi.org/10.5018/economics-ejournal.ja.2014-3.
ADE	Administrative decentralization	i.1• Administrative decentralization (ADE), uses data from: Ivanyna & Shah (2014)* [Dataset] Ivanyna, M. & Shah, A. (2014). *How Close Is Your Government to Its People? Worldwide indicators on Localization and Decentralization [Dataset]*. Harvard Dataverse, V2. Retrieved January 15, 2024, from: https://doi.org/10.7910/DVN/24566. [Related Paper] vanyna, M. & Shah, A. (2014). How Close Is Your Government to Its People? Worldwide indicators on Localization and Decentralization. *Economics: The Open-Access, Open-Assessment E-Journal, 8 (2014-3): 1–61*. Retrieved January 15, 2024, from: http://dx.doi.org/10.5018/economics-ejournal.ja.2014-3.

PGL	Political globalization	i.1• Political globalization (PGL), uses data from: ETHZ, The KOF Globalisation Index* [Dataset] The KOF Globalisation Index 2024. Indicator KOFPoGI (Political Globalisation).URL: https://kof.ethz.ch/en/forecasts-and-indicators/indicators/kof-globalisation-index.html. Retrieved on January 14 2025. [Dataset description article] Gygli, Savina, Florian Haelg, Niklas Potrafke and Jan- Egbert Sturm (2019): The KOF Global-isation Index – Revisited, Review of International Organiza¬tions, 14(3), 543- 574 https://doi.org/10.1007/s11558- 019-09344-2 [Related Paper] Dreher, Axel (2006): Does Globalization Affect Growth? Evidence from a new Index of Globalization, Applied Economics 38, 10: 1091- 1110.
WPI	Women's Power Index	i.1• Women's Power Index (WPI), uses data from: The Council of Foreign Relations (CFR) [Dataset] Council of Foreign Relations. (2024). *Women's Power Index [Dataset].* Retrieved January 15, 2025, from: https://www.cfr.org/article/womens-power-index.
MOB	Social mobility (upward) (dev. fm optimum)	i.1• Social mobility (upward) (MOB), uses data from: The World Bank (Development Research Group), GDIM Database* [Dataset] GDIM. (2023). *Global Database on Intergenerational Mobility*. Development Research Group, World Bank. Washington, D.C.: World Bank Group. Database update from 2023 March. Indicator BHQ4_randomtiebreak. Retrieved January 11, 2024, from: https://www.worldbank.org/en/topic/poverty/brief/what-is-the-global-database-on-intergenerational-mobility-gdim. [Related Paper] Van der Weide, R., Lakner, C., Mahler, D. G., Narayan, A., Ramasubbaiah, R. (2023). Intergenerational mobility around the world: A new database. *Journal of Development Economics, Vol 166.* https://doi.org/10.1016/j.jdeveco.2023.103167
INE	Top 10% share of pre-tax national income	i.1• Top 10% share of pre-tax national income (INE), uses data from: The World Inequality Lab, World Inequality database (WID) [Dataset] The World Inequality Lab. (2025). World Inequality database [Dataset] Indicator: Pre-tax national income, Top 10% share. Retrieved on January 14, 2025 from: https://wid.world/data/
GWL	Gini coefficient on net national wealth dist. - level	i.1• Gini coefficient on net national wealth dist. - level (GWL), uses data from: The World Inequality Lab, World Inequality database (WID) [Dataset] The World Inequality Lab. (2025). World Inequality Database. Indicator: Gini coefficient on net personal wealth. Retrieved on January 14, 2025 from: https://wid.world/data/ [Related Paper] Bajard, F., Chancel, L., Moshrif, R., Piketty, T. (2021). "Global Wealth Inequality on WID. world: Estimates and Imputations"
GWC	Gini coefficient on net national wealth dist. - 3-year growth rate	i.1• Gini coefficient on net national wealth dist. - 3-year growth rate (GWC), uses data from: The World Inequality Lab, World Inequality database (WID) [Dataset] The World Inequality Lab. (2025). World Inequality Database. Indicator: Gini coefficient on net personal wealth. Retrieved on January 14, 2025 from: https://wid.world/data/ [Related Paper] Bajard, F., Chancel, L., Moshrif, R., Piketty, T. (2021). "Global Wealth Inequality on WID. world: Estimates and Imputations"
GIL	Gini coefficient on income dist. - level	i.1• Gini coefficient on income dist. - level (GIL), uses data from: The World Inequality Lab, World Inequality database (WID) [Dataset] World Bank, Poverty and Inequality Platform, 2025, https://pip.worldbank.org/. Retrieved from Our World In Data, 2025. Variable: Gini coefficient. Retrieved on January 14 2025. Retrieved from: https://ourworldindata.org/grapher/economic-inequality-gini-index-?tab=chart
GIC	Gini coefficient on income dist. - 1-year growth rate	i.1• Gini coefficient on income dist. - 1-year growth rate (GIC), uses data from: The World Inequality Lab, World Inequality database (WID) [Dataset] World Bank, Poverty and Inequality Platform, 2025, https://pip.worldbank.org/. Retrieved from Our World In Data, 2025. Variable: Gini coefficient. Retrieved on January 14 2025. Retrieved from: https://ourworldindata.org/grapher/economic-inequality-gini-index-?tab=chart
Pillar (i.2): Regulatory Capture		
ECR	Ease of challenging regulations	i.2• Ease of challenging regulations (ECR), uses data from: The World Economic Forum (WEF), The Global Competitiveness Index [Dataset] World Economic Forum. (2019). *The Global Competitiveness Report 2019.* (Efficiency of legal framework in challenging regulations, scale 1-7) [Dataset]. Retrieved January 15, 2024, from: https://www.humanprogress.org/dataset/efficiency-of-legal-framework-in-challenging-regulations/.
CGP	Constraints on government power	i.2• Constraints on government power (CGP), uses data from: The World Justice Project, Rule of Law Index [Dataset] World Justice Project. (2024). WJP Rule of Law Index 2024 (Factor 1: Constraints on government power) [Dataset] Retrieved November 13, 2024 from: https://worldjusticeproject.org/rule-of-law-index/
REQ	Regulatory quality	i.2• Regulatory quality (REQ), uses data from: The World Bank, Worldwide Governance indicators (WGI) [Dataset] Worldwide Governance indicators (2024). *The Worldwide Governance indicators (WGI) Project [Dataset].* Dimension 'Regulatory Quality', Estimate. Retrieved December 11, 2024, from: http://info.worldbank.org/governance/wgi/. [Related Paper] Daniel Kaufmann and Aart Kraay (2024). Worldwide Governance Indicators: Methodology and 2024 Update. World Bank Policy Reasearch Working Paper No. 10952.

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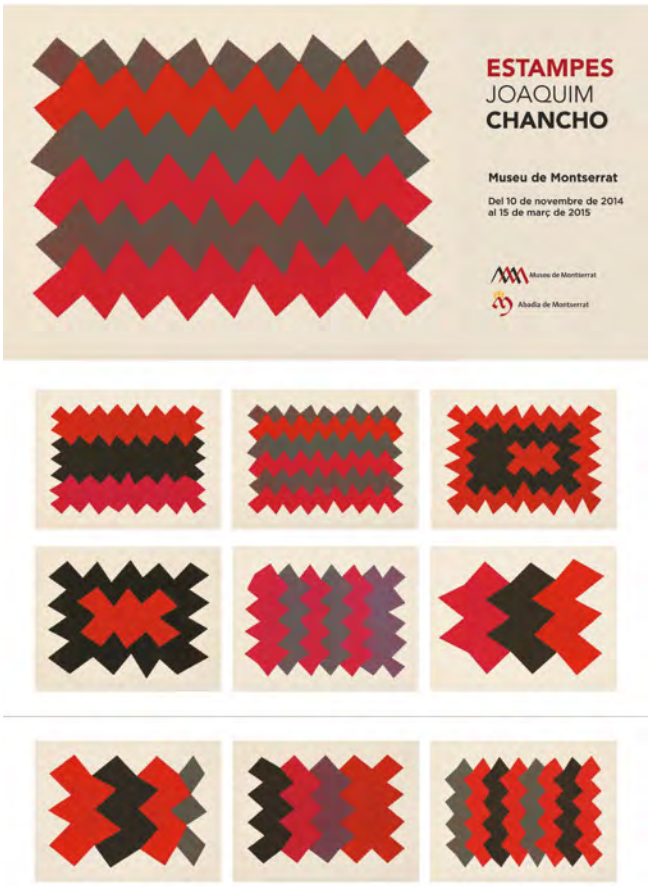
https://unisg.ch/elitequality

The website is a collaboration between
the University of St.Gallen and the Foundation for Value Creation

7.3 Artistic Acknowledgments

Paintings Credit

The renowned artist Joaquim Chancho generously gave permission to display his artwork to enhance the EQx2025 aesthetic experience. The artwork was shown to the public in "Estampes: Joaquim Chancho" an exhibition hosted at the Museu de Montserrat, showcasing the artists' printmaking work. This exhibition run from November 10, 2014, to March 15, 2015, and offered visitors an opportunity to explore the artist's distinctive approach to form, abstraction, and rhythm through the medium of prints. Organized by the Museu de Montserrat in collaboration with the Abadia de Montserrat, the exhibition highlighted Chancho's contribution to contemporary Catalan art within the unique cultural setting of Montserrat.



The details on the paintings included in the EQx2025 Report are described here:

Page 59: Joaquim Chancho. Montserrat 8. 2011. 58x77 cm
Page 77: Joaquim Chancho. Montserrat 3. 2011. 58x77 cm
Page 93: Joaquim Chancho. Montserrat 7. 2011. 58x77 cm
Page 137: Joaquim Chancho. Montserrat 1. 2011. 58x77 cm
Page 161: Joaquim Chancho. Montserrat 4. 2011. 58x77 cm
Page 167: Joaquim Chancho. Montserrat 2. 2011. 58x77 cm
Page 215: Joaquim Chancho. Montserrat 6. 2011. 58x77 cm
Page 369: Joaquim Chancho. Montserrat 9. 2011. 58x77 cm

Joaquim Chancho (born Spain, 1943) is a Professor at the Faculty of Fine Arts, University of Barcelona, where he also lives. He has staged a hundred individual exhibitions of his work across Europe, Asia and the Americas and has also participated in many domestic and international art fairs. His work is included in the collections of a diverse range of institutions and museums.

For details visit: www.joaquimchancho.com

Pictures Credit

Page viii: Luca Zanier Photograph, with permission Corridors of Power Project, Stiftsbibliothek I St.Gallen

Editorial Disclaimer

All of the contributions to the EQx2025 are the responsibility of the authors, who were granted full editorial freedom and selected the indicators, Pillars, Sub-Indices and Index Areas that they wished to focus on in their analyses of Elite Quality.

Style Note

All the original terms used in the EQx2025 such as 'Elite Quality' or 'enlightened elites' use single quotation marks when first introduced. Thereafter the quotation marks will disappear, but the term might, on occasion be rendered in italics. Terms that depict a component of the EQx2025 are capitalized. For example, 'Power Sub-Index', 'Economic Dimension', 'Political Value Index Area', 'Creative Destruction Pillar' or 'indicator'. When we refer to individual Pillars, they are followed by their specific Pillar Code: for example, 'Creative Destruction (ii.6)'. Individual indicators are referred to in italics and are followed by their indicator Code in brackets: for example, '*Crony capitalism* (CRO, i.2)'. All references to indices in the EQx2025 are italicized: for example, '*Environmental Performance Index*'. Terms that represent proprietary frameworks such as: 'State of Elites' or 'Index Area' are capitalized. Citations in the EQx2025 follow the APA 7th edition guidelines wherever possible.

Forthcoming: EQx2026

The Elite Quality Report 2026: The Sustainable Value Creation of Nations, will be the sixth annual EQx report and is planned for release in the Spring of 2026. The EQx2026 will continue to cover 151 countries and provide the international comparative scores of national elite systems to create the leading political economy measurement index. The 149 indicators used for the EQx2025, reflecting Value Creation and Value Extraction phenomena in the political economy and society at large, will be re-assessed for the EQx2026, while new indicator candidates will also be considered for inclusion. In addition, the Panel-EQx (PEQx) dataset, launched in 2023 and utilized in research, will be further enhanced to evaluate the historical performance of Elite Quality for countries across the globe.

Conceptually, sustainability at the firm level parallels sustainability in the political economy, as measured by the EQx. The EQx2026 will leverage the insights from the full micro-level 'Sustainable Value Creation of Firms' report that is planned for the end of 2025. Firm-level Sustainable Value Creation is the beginning of the transmission chain that leads to Elite Quality at the macro-level and affects economic and human development outcomes.

EQx Team

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Diversity & Inclusion

Michael Hilb
Vice Chairman,
Foundation for Value Creation

Camille Zeller
Founding Advisor

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As has been the case in the last five years, the EQx2025 report is the result of the diverse intellectual inputs and the insightful contributions made by committed partners and institutions, as well as by academics and many individuals around the globe.

While the EQx is a collaborative effort, its academic leadership rests with two institutes at the University of St.Gallen: the Institute for International Management and Diversity Management (IIDM-HSG) and the Institute for Economic Research and Policy (ERP-HSG). The EQx has also benefited from the data, methodological inputs, analysis, and outreach work of a network committed to the idea that measuring the aggregate Sustainable Value Creation of Nations is one of the keys to a better future.

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For the first time, we publish this report with the international publishing house, Anthem Press. We thank Tej P. S. Sood, founder of Anthem Press, and Srinivasan Venkatesan and Mario Rosair for their support throughout the whole publication process. The professional and creative work of Gina Rodríguez has transformed the report into an ever more visually appealing and more engaging read. Gallus Niedermann and his team at www.NiedermannDruck.ch took the utmost care to produce the hard copy version of the report in line with Swiss quality standards for academic purposes. As usual, the extraordinary commitment, efficiency, and attention to detail of the EQx's copy editor, John Stuart, has been essential in producing this work to the stylistic and linguistic standards demanded by our readership.

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The relationship between the Foundation for Value Creation (FVC) and the Elite Quality Index® (EQx):

The Foundation for Value Creation (FVC or 'Foundation') is a Switzerland-based, non-profit foundation, supervised by the Swiss Federal Supervisory Board for Foundations (Eidgenössische Stiftungsaufsicht, ESA). The Foundation's vision and its purpose (Stiftungssweck), articulated in its statutes (Satzung), include the generation of innovative, evidence-based insights into Value Creation. The Foundation's resources are allocated and audited in compliance with its purpose and applicable Swiss laws.

Measuring the degree of Value Creation in a political economy is the objective of the Elite Quality Index® EQx) project. The underlying assumption of the EQx, shared by the FVC, is that the extent to which elite business models create value, rather than extract it, significantly contributes to a country's economic growth and human development. The Foundation realizes its purpose by supporting the EQx in three ways.

Firstly, the Foundation makes the development of the EQx possible, by coordinating the international partner network, providing support for research initiatives, and by assisting in the publication of the report and dissemination of the results. Dissemination activities include the participation in and organization of international, local and digital events, as well as establishing a collaborative platform for partners to work on and share EQx data. Secondly, the Foundation sees the EQx as a unique intellectual asset for a wide range of educational initiatives. These include university courses for new generations of students, innovative formats for the broader public, as well as custom programs for the top leadership of organizations, governments and institutions. Thirdly, the EQx provides a distinct practice-oriented analytical toolset that can be leveraged for the transformation and renewal of elite business models from Value Extraction towards inclusive Value Creation. The EQx results and interpretations of them can provoke the reflection and analysis that precedes transformative action. The international and open platform collaborative approach of the Foundation enables such impacts, aiming deep into societies and the core of political economies.

If you are interested in learning more about the FVC or having a conversation, please contact us at: *partner@valuecreation.org*

FOUNDATION FOR VALUE CREATION

Purpose

The Elite Quality Index (EQx) aims to produce innovative and evidence-based insights on Sustainable Value Creation and national elite quality around the world. Through research projects and the EQx partner network, we seek to identify the causes of economic growth and human development, as well as the factors behind the rise and fall of nations and organizations. At a time of global disruption, the original ideas and frameworks included in this report provide an alternative understanding of public and policy debates about the future direction of the political economy. The ultimate aim is to identify and initiate ways to transform business models from Value Extraction to Value Creation. To this end, we wish to encourage international dialogue across generations, social groups, elites and non-elites.

We produce novel tools for knowledge dissemination in a variety of educational formats, and offer value-oriented, inclusive narratives for societies.

"Reforms must then be based on adjusting the incentive system so that elite business models create rather than transfer value."

Zhang Jun
Fudan University

"The EQx report is an essential resource for anyone seeking to understand and navigate the ever-evolving world of political economy."

Simon Evenett
IMD

"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."

Kaushik Basu
Cornell University

"By describing the micro-level sustainable value creation fundamentals of the political economy, (the EQx) furnishes detailed elucidation of current economic reality and foresight into the growth prospects of nations."

Etsuro Shioji
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