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Elite Quality Index (EQx) Measures Value Creation by Country

Singapore Ranked No.1; USA is 5th

Switzerland (2nd), Germany (3rd), UK (4th) lauded for successful models

New political economy global ranking from Swiss-based Foundation for Value Creation and an international partner network provides insights into how elites affect economic growth and human development

JERSEY CITY, N.J, Sept. 9 – The non-profit Foundation for Value Creation (FVC) in Switzerland has launched its first annual Elite Quality Index (EQx) covering 32 countries. The United States ranks 5th ahead of Australia, Canada, Japan, Korea and Sweden. Singapore is No.1, followed by Switzerland, Germany and the United Kingdom in 4th place.

Based on 72 data indicators, the index provides an innovative analytical framework to measure and understand the political economy of a nation and its future prospects.

According to the report, Singaporean elites are the “highest value creators on the planet” but there also is a “successful Germanic elite model” in Switzerland (2nd) and Germany (3rd), as well as the “Anglo-Saxon” high-quality elites of the United Kingdom (4th) and America (5th).

The EQx index and 2020 report is produced under the academic leadership of the University of St. Gallen by the FVC, together with partners from around the globe such as dxFeed, a leading provider of data solutions for the global financial industry. dxFeed supplies the Index Management Platform (IMP) technology to EQx.

Top 12 Rankings by Country:

1. Singapore
2. Switzerland
3. Germany
4. U.K.
5. U.S.
6. Australia
7. Canada
8. Japan
10. Sweden
11. Norway
12. China

Source: Elite Quality Index Report, EQx2020 (Index Management Platform by dxFeed.com).
Elites are an essential coordination capacity that no society can do without. When elite business models on aggregate create value, a country gets stronger, sees inclusive growth and prospers as a society. They can also run business models based on value extraction, where the value created by diverse social groups gets transferred away from them. The United States has been the most successful nation on account of its high proportion of value creation elite models in comparison to rent-seeking models.

Dr. Tomas Casas, Assistant Professor at the Research Institute for International Management at the University of St. Gallen (FIM-HSG) and Index Director notes: “Power is the ability of elites to extract value in the future, a probability of rent-seeking degrees down the line. The United States is No. 1 in our Power ranking (Sub-Index I), which means that, compared to elites in other nations, Americans elites are subject to the most-effective checks and balances and have some of the strongest institutions. America’s Value (Sub-Index II) rank is 8th, meaning that leading elite business models still manage to extract some value from non-elites.

What exactly this means may be one of the most important questions America must ask itself at this important juncture in its history, Casas noted.

According to the report, America’s political economy is opposite of leader Singapore, whose extremely dominant elites (ranked relatively low at 15th) completely refrain from rent-seeking and manage to create a tremendous amount value for society at-large, which is also evidenced by its economic and human development levels.

China comes in at 12th, scoring relatively high as well, and its elite quality corresponds to an advanced economy like France. Assuming China retains its present elite quality, its economy is set to grow four times as large as it is now. The other four so-called BRIS countries rank at the lower end of the table and in the following order: Russia, India, Brazil and then South Africa.

“The Elite Quality Index (EQx) represents a unique framework of national economies and valuable data on their mid- to long-term prospects for long-term economic growth and human development. We are happy to supply the technology that enables this unique and forward-looking analytical toolset relevant for policy-makers, the public discourse or the finance industry,” noted Dr. Dmitry Parilov, managing director of dxFeed.

The full Elite Quality Index (EQx2020) report can be found here and at www.elitequality.org.

Survey Methodology
The Elite Quality Index (EQx) and the Elite Quality Report: 32 Country Scores and Global Rank (a.k.a. EQx2020 Report, EQx2020 or Report) is based on a methodology which starts with the collection and collation of relevant, up-to-date datasets from a variety of organizations and sources, including the UN, World Bank and World Economic Forum and others. (See section 7.2 of the report for the complete list). The methodology paper is available at: https://ideas.repec.org/p/pra/mprapa/102068.html

About the Foundation for Value Creation
The Foundation for Value Creation (FVC) is committed to improving the state of value creation in nations and organizations. The Foundation produces and supports the Elite Quality Index (EQx). The foundation works with academics, policy makers, business leaders and citizens – from all generations and
backgrounds – to develop ideas and derive actions that lead to higher levels of elite quality and governance.

About dxFeed

dxFeed is a subsidiary of Devexperts, whose primary focus is delivering financial markets information and services to buy-side and sell-side institutions of the global financial industry, specifically to brokers, traders, data analysts, quants, and portfolio managers. dxFeed is the technology partner of EQx and supplies EQx’s Index Management Platform (IMP). This enables the technology foundation and visualization layer for the family of EQx indices. Visit dxfeed.com to learn more. Follow us on Twitter and on LinkedIn.

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