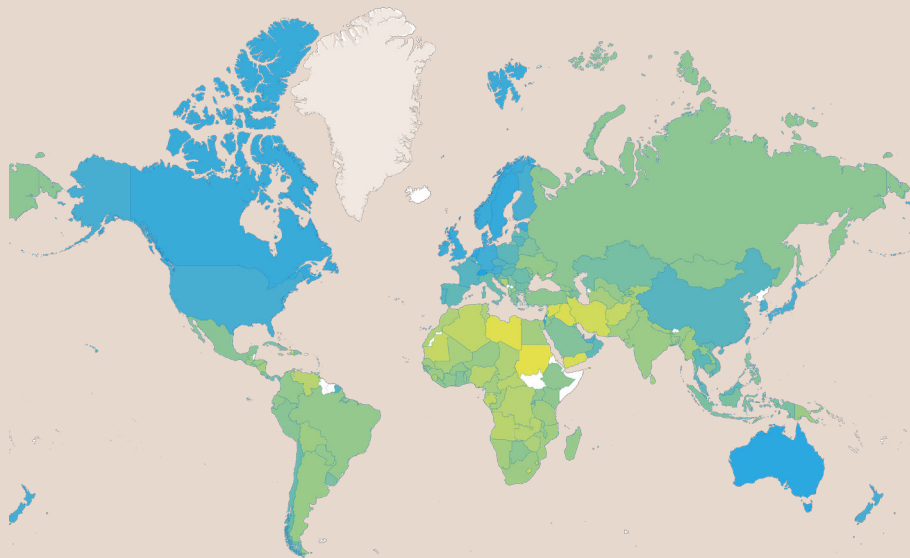


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# ELITE QUALITY REPORT 2022

The United States: Some improvements mask a precipitous fall

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## The United States: Some improvements mask a precipitous fall

A year into the Biden Administration, the EQx2022 provides evidence that much has improved for working Americans. Level 4 scores for *Social mobility (upward)* (MOB, i.1, rank # 76), *Labor force participation rate* (LFP, iv.12, rank # 74), inflows of foreign direct investment (FDS, iv.10, rank # 69) and health efficiency (HEI, iv.10, rank # 52) have all improved over 2021, if often only slightly. And despite the ongoing culture war, the US has become more inclusive, with improvements in its scores relating to the status of women (WPI, i.1, rank # 37), *LGBT+ inclusiveness* (LIN, i.2, rank # 29), and human rights (HRI, i.2, rank # 50).

In other areas, however, the picture for Americans remains bleak. Deep seated and systemic societal ills are reflected in the unacceptably high levels of suicide (SUI, iii.8, rank # 130) and deaths from substance abuse (SUB, iii.8, rank # 145). In addition, the responses to the pandemic crisis as reflected in the rankings for *COVID-19 fatality rate, age-adjusted* (COF, iii.7, rank # 36) and *COVID-19 mortality rate, age-adjusted* (COM, iii.7, rank # 115) are indicative of societal and institutional weaknesses.

Although the environment for business continues to exhibit areas of continuing strength, for example in the capital markets (VCK, ii.6, rank # 1 and VCA, ii.6, rank # 1) and finance (FMI, iv.11, rank # 1), where the US retains its first-place rankings, improvements for labor seem to have come at a cost to business. For example, whereas the EQx2021 gave the US a score of 52 for *Open for business*, in 2022 the score has dropped to 44.1. (OFB, iv.10, rank # 45). Consequently, the ranking of the US has fallen precipitously for this Indicator. Real wage increases, though not bad for business *per se*, nonetheless appear to be outpacing productivity gains (WLP, iv.12, rank # 11), which will affect the ability of companies to invest and grow over time.

At the Pillar level, the US score for *Regulatory Capture* (i.2, rank # 6) has actually slightly improved, moving from a score of 80 in 2021 to 81.8 in 2022. Nonetheless, the US ranking for this Pillar has slipped from 3rd to 6th position in the index.

Indeed, this year's EQx Country Scorecard suggests that although the US appears to be improving in many dimensions, it has lost overall ground both absolutely, and more importantly, in relative terms. Whereas an EQx score of 64.1 in 2021 secured the US 5th place in the index, this year's score of 61.8 represents a global ranking of only 15<sup>th</sup>. For a superpower engaged in competition with Russia and China over the future of the liberal rules-based international order, relative position matters, and 15th position is a terrible outcome.

If capital markets remain strong and the situation for labor continues to improve, where might one focus to increase the quality of American elites?

In addition to investments and reforms directed at improving the physical and mental health of Americans (LEW, iii.7, rank # 31; LEM, iii.7, rank # 30; SUI, iii.8, rank # 130 and SUB, iii.8, rank # 145), education would appear to be an obvious area for improvement. Primary and secondary education systems remain weak in comparison to international competitors (EDU, iii.7, rank # 27 and PIS, iii.7, rank # 23). *Internet access* is also too low in many parts of the country (INT, iii.7, rank 25). And although the US still has some of the world's very best universities, it nonetheless ranks relatively poorly for *Top universities* (UNV, iii.7, rank # 25).

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# United States

## EQx2022 Country Scorecard

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

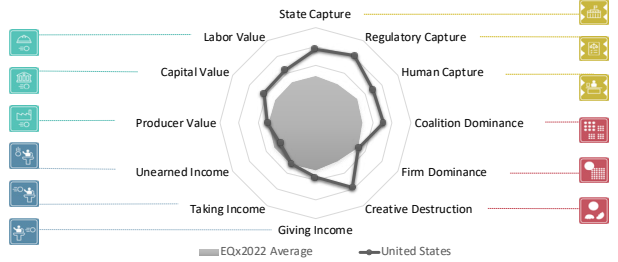


<b>Level 1 - Index</b>	<b>EQx Rank / 151</b> <b>15</b>	<b>EQx Score</b> <b>61.8</b>	<b>High Quality Elites</b>
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EQx Sub-Indices			
Power		Value	
Rank / 151	Score	Rank / 151	Score
<b>1</b>	<b>72.6</b>	<b>29</b>	<b>56.3</b>

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
<b>10</b>	<b>76.8</b>	<b>2</b>	<b>70.5</b>	<b>66</b>	<b>50.3</b>	<b>21</b>	<b>59.3</b>

Level 3 - Pillars		
	Rank / 151	Score
<b>Political Power (I)</b>		
State Capture	11	77.3
Regulatory Capture	6	81.8
Human Capture	8	69.4
<b>Economic Power (II)</b>		
Coalition Dominance	1	71.2
Firm Dominance	76	52.2
Creative Destruction	3	77.7
<b>Political Value (III)</b>		
Giving Income	33	56.7
Taking Income	80	49.7
<b>Economic Value (IV)</b>		
Unearned Income	118	42.5
Producer Value	72	50.0
Capital Value	16	62.1
Labor Value	30	64.1



Level 4 - EQx Indicators			
	Rank / 151	Score	
<b>State Capture (i.1)</b>			
COR Political corruption	21	84.4	
MOB Social mobility (upward)*	76	40.1	
MOD Social mobility (downward)* (n)	98	28.5	
PDE Political decentralization	1	100.0	
ADE Administrative decentralization	10	84.4	
PGL Political globalization	14	81.7	
WPI Women's Power Index	37	67.7	
RTC Government's responsiveness to change	10	91.8	
EPR E-Participation Index	1	87.4	
PFDF Press freedom	35	68.7	
COC Control of corruption	22	80.8	
OPG Open government (n)	13	90.1	
NJK Nr. of journalists killed per 1 million people (2yrs avg.) (n)	1	58.2	
<b>Regulatory Capture (i.2)</b>			
REQ Regulatory quality (n)	16	81.8	
CRO Crony capitalism	41	52.9	
EAC Ease of challenging regulations	6	96.6	
EDB Digital institutional quality	1	93.2	
PRI Property rights	20	84.0	
INO Informal output as a % of GDP (n)	1	98.4	
CGP Constraints on government power (n)	21	74.3	
REN Regulatory enforcement (n)	20	78.6	
<b>Human Capture (i.3)</b>			
GSI Global Slavery Index	9	70.1	
WBL Women, business and the law	31	70.7	
LIN LGBT+ inclusiveness	29	75.5	
GRI Religion - Government Restriction Index	73	56.4	
SHI Religion - Social Hostilities Index	51	62.9	
WSB Women self made billionaires	9	72.3	
HRI Human Rights Index	50	60.5	
FDP Forcibly displaced population as % of population	16	56.2	
AFI Academic Freedom Index	33	72.2	
FLS Financial Literacy Score (n)	14	86.4	
WMA Prop. of women in senior and middle mgmt. positions* (n)	16	78.4	
<b>Coalition Dominance (i.4)</b>			
IEE Top 3 industries exports as % of exports	4	86.6	
ECI Economic Complexity Index	9	91.1	
IVA Top 3 industries as % of VA	3	97.8	
CON Construction as % of GDP*	9	75.8	
MIL Military expenses as % of GDP*	77	56.1	
UNI Unionization rate*	2	72.7	
CBC Collective bargaining coverage	22	70.1	
BSN Barriers in service & network sectors	13	65.9	
PUE Public employees as a % of total employment (n)	60	55.0	
CRA Criminal actors (n)	81	49.0	
<b>Firm Dominance (i.5)</b>			
SME SMEs per 1,000 people	41	45.3	
BIW Billionaires' wealth as % of GDP	140	15.5	
FKG Top 10 firms market cap as % of GDP	73	52.6	
FRG Top 3 firms revenues as % of GDP	5	60.0	
FRR Top 30 firms revenues as % of GDP	9	65.9	
TUL Listed firms turnover, long run 15 yrs	24	32.1	
TUS Listed firms turnover, short run 3 yrs	22	41.3	
ENT Entrepreneurship	1	100.0	
VCK Venture capital finance	1	100.0	
RND R&D as a % of GDP	9	86.7	
EXR Firm exit ratio			
BCD Billionaire's creative destruction	40	46.0	
IWE Index of Women Entrepreneurs	2	89.2	
VCA Venture capital availability	1	100.0	
GSE Governmental support to entrepreneurship	54	46.6	

	Rank / 151	Score	
<b>Giving Income (iii.7)</b>			
SNT Subsidies and transfers as % of expenses	112	12.3	
REG Regional redistribution as % of government budget	111	28.2	
EDU School life expectancy	27	67.4	
GPS Expenditure on general public services as % of GDP*	46	51.2	
INT Internet access	25	76.5	
NRI Network Readiness Index	4	97.1	
LEW Life expectancy women	31	69.9	
LEM Life expectancy men	30	70.0	
FSQ Global Food Security Index - availability, quality & safety	16	78.7	
COV COVID-19 excess deaths, age-adjusted	16	66.4	
COF COVID-19 fatality rate, age-adjusted	36	62.3	
COM COVID-19 mortality rate, age-adjusted	115	36.0	
CLS COVID-19 lost schooldays	111	22.8	
VAX COVID-19 vaccination rate (n)	38	73.3	
OSI Online Service Index	6	85.1	
UNV Top universities (n)	25	67.3	
PIS PISA mean scores (n)	23	68.5	
GEX General government expenditure as % of GDP* (n)	74	53.7	
<b>Taking Income (iii.8)</b>			
DCT Corporate tax rate*	34	64.7	
HOM Homicide rate	92	38.7	
INE Top 10% share of pre-tax national income	71	48.6	
FDE Fiscal decentralization	6	92.1	
DTR Tax revenue as % of GDP*	14	75.8	
BRD Battle-related deaths per 100,000 people	1	54.2	
GCI Global Cybersecurity Index	1	79.7	
SUI Suicide rate per 100,000 people	130	28.9	
SUB Death rates from substance use per 100,000 people	145	0.0	
<b>Unearned Income (iii.9)</b>			
DPS Delta public vs private sector salaries (n)			
GEG Gender education gap (n)	23	53.1	
<b>Producer Value (iv.10)</b>			
EPI Environmental Performance Index	21	84.9	
DBT Government debt as % of GDP	134	13.9	
NRR Natural resources rents as % of GDP (n)	42	60.7	
CDO CO2 emissions (metric tons per capita) (n)	116	13.9	
CRM Criminal markets (n)	98	39.1	
TRF Trade freedom	44	68.7	
FDS FDI inflows as % of GDP, stock	69	46.1	
BTF Barriers to FDI	49	53.5	
EGL Economic globalization	51	63.4	
HEI Health Efficiency Index	52	6.4	
OFB Open for business	45	44.1	
ESG ESG company scores	30	51.8	
RDR R&D as % of revenue Top 10 firms	1	100.0	
FSA Global Food Security Index - affordability	20	75.4	
PAT Nr. of patent applications per 100,000 people	1	100.0	
IPM % of imports targeted by protectionist measures (flow)	143	0.0	
IPS % of imports targeted by protectionist measures (stock) (n)			
DGI % of discr. gov't. interventions as % of total interv. (flow)	130	32.9	
DGS % of discr. gov't. interventions as % of total interv. (stock) (n)	144	0.0	
<b>Capital Value (iv.11)</b>			
DNI Neutral interest rate*	40	0.0	
DOI Inflation*	94	53.8	
GOL Gold demand as % of GDP	6	58.5	
DMA M&A as % of investment - 3 yrs rolling avg.*	64	41.5	
DKI Delta capital gains tax vs income tax	73	41.9	
UNC Unicorns per 1 million people	1	100.0	
BSG Billionaires self-made nr. per 1 million people	6	96.9	
BSM Billionaires self-made as % of total billionaires	22	60.2	
FMI Financial Markets Index	1	100.0	
<b>Labor Value (iv.12)</b>			
UEM Unemployment rate	99	49.8	
LFP Labor force participation rate	74	50.5	
WLP Delta real wage vs labor productivity increases	11	59.0	
YUN Youth unemployment rate	52	64.4	
BRN Human flight and brain drain	12	92.5	
LFR Labor force participation ratio - male vs female*	59	62.8	

\* Calculated as the deviation from a conceptual optimum  
 (n) Refers to Indicators newly incorporated in the EQx2022