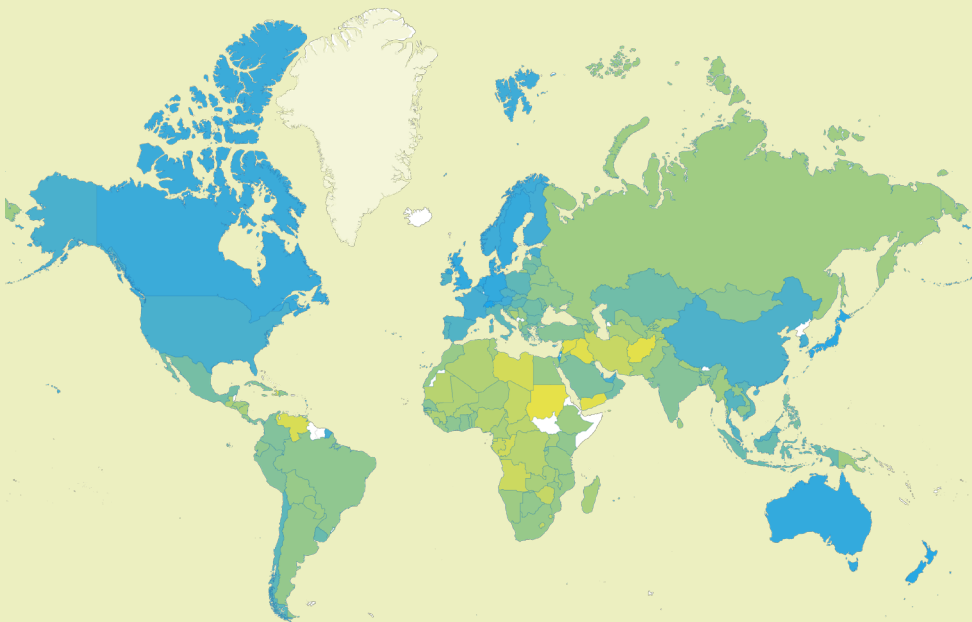**ELITE QUALITY INDEX**
EQx2023

This PDF includes a contribution from the following book:

ELITE QUALITY
REPORT 2023

The United Kingdom: A year with more political instability and a slow economic recovery

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The United Kingdom: A year with more political instability and a slow economic recovery

The United Kingdom saw continued major political division in 2022, with two changes of Prime Minister within a matter of weeks. This cast a shadow over economic recovery from the pandemic, and the challenge of adapting to a post-Brexit world. In terms of its relationship with its closest trading partners in Europe, the long-standing conflict with the EU over the implementation of the UK-EU Trade and Cooperation Agreement was only finally resolved in early 2023 with the adoption of the new Windsor Framework on arrangements for Northern Ireland.

In terms of the EQx2023, the UK has again slipped to an overall rank # 9, after previously falling 5 places in the EQx2022. Comparing this year with 2022, there are at least some ranking improvements, specifically in Economic Power and Political Value.

In Economic Power (ii, rank # 6, improving from # 8 in EQx2022), the main gain seems to have come from one of the UK's areas of traditional weakness (Firm Dominance Pillar, ii.6, rank # 135), where the ranking for some of the key Indicators improved. For example, *Top 30 firms revenues as % of GDP* (FRR, ii.6, rank # 36, up from rank # 69), and *Top 3 firms revenues as % of GDP* (FRG, ii.6, rank # 54). It remains to be seen if this is a sign of underlying weakness, due to the better relative performance of the largest and most international UK firms during a period of overall sluggish domestic economic recovery.

In terms of Political Power (i), one of the UK's traditional areas of strength, the overall ranking fell from # 4 in the EQx2022 to # 8 in the EQx2023. A number of the sub-indices for this area have of course changed this year, especially in State Capture (i.1). In this area, the new group of Indicators on *Gini coefficients on income distribution and net national wealth* (GIC, i.1, rank # 44; GIL, i.1., rank # 62; GWC, i.1, rank # 121 and GWL, i.1., rank # 16) illustrate that the UK is doing far less well in relative terms. For example, in the *Gini coefficient on net national wealth distribution. 3-year growth* (GWC, i.1), the UK is ranked a lowly # 121.

The most improved area in relative terms is Political Value (iii) where the UK advanced from rank # 17 to rank # 12 in the last year. However, even here, some Indicators evidence worse performance, especially level 4 Indicators such as *COVID-19 excess deaths, age-adjusted* (COV, iii.7, rank # 50) and the *COVID-19 vaccination rate* (VAX, iii.7, rank # 54) where the UK performed rather better in 2022. Still, the UK is still ranked # 2 in terms of universal health coverage (SCI, iii.7, rank # 2), falling just a single place from the EQx2022.

Indeed, there is other positive news as we look to the future. The UK is ranked # 1 in areas like The *Environmental Performance Index* (EPI, iii.9), *Financial Markets Index* (FMI, iv.11), *Entrepreneurship* (ENT, ii.6) and *Density of medical staff* (DMS, iv.10). As it develops its economic strategy post-Brexit, the UK will place great focus on science, innovation and its plans for a net zero transition. However, it remains to be seen whether the country can compete in these key areas with the US and EU as they push ahead with their own strategies to attract investment and foster innovation in green technologies.

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United Kingdom

EQx2023 Country Scorecard

Population	67.3 million
GDP (nominal)	3'131 billion USD
GDP per capita	46'510 USD

Level 1 – Index

EQx Rank / 151	EQx Score	NextGen VCB Rank
9	64.4	Rank 7

Very High Quality Elites

Level 2 – Sub-Indices & Index Areas

EQx Sub-Indices

	Power	Value
Rank / 151	5	12
Score	71.6	60.8

EQx Index Areas

	Political Power (i)	Economic Power (ii)	Political Value (iii)	Economic Value (iv)
Rank / 151	8	6	12	17
Score	77.6	68.7	57.8	62.3

Level 3 – Pillars

	Rank / 151	Score
State Capture	9	76.4
Regulatory Capture	9	83.5
Human Capture	4	72.7
Coalition Dominance	15	66.3
Firm Dominance	135	41.6
Creative Destruction	6	80.6
Giving Income	9	63.6
Taking Income	90	49.4
Unearned Income	18	61.4
Producer Value	24	61.3
Capital Value	9	63.6
Labor Value	33	61.8

EQx2023 Average / United Kingdom
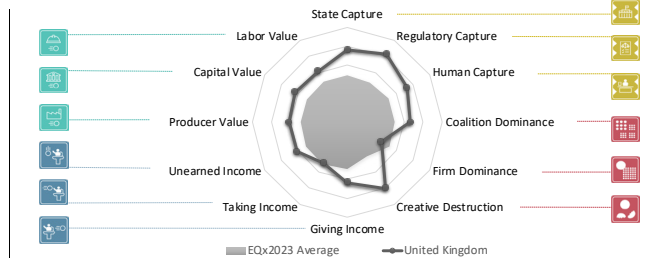
Level 4 – EQx Indicators

		Indicator	Rank / 151	Score
State Capture (i.1)	COR	Political corruption	17	86.9
	COC	Control of corruption	11	96.1
	OPG	Open government	8	93.8
	RTC	Government's responsiveness to change	21	74.0
	EPR	E-Participation Index	6	96.0
	PFD	Press freedom	20	80.9
	NJK	Nr. of journalists killed per 1 million people (2yrs avg.)		
	PDE	Political decentralization	33	68.3
	ADE	Administrative decentralization	46	64.9
	PGL	Political globalization	4	90.1
	WPI	Women's Power Index	52	60.0
	MOB	Social mobility (upward) (dev. fm optimum)	17	76.3
	INE	Top 10% share of pre-tax national income	29	77.5
	GWL	Gini coefficient on net national wealth dist. - level	16	70.4
	GWC	Gini coefficient on net national wealth dist. - 3-year growth	121	50.7
	GIL	Gini coefficient on income dist. - level	62	57.0
	GIC	Gini coefficient on income dist. - 1-year growth rate	44	41.7
Regulatory Capture (i.2)	ECR	Ease of challenging regulations	13	83.9
	CGP	Constraints on goverment power	13	91.3
	REQ	Regulatory quality	14	88.5
	REN	Regulatory enforcement	15	92.8
	PRI	Property rights	6	92.5
	CRO	Crony capitalism	31	58.2
	INO	Informal output as a % of GDP	8	90.2
Human Capture (i.3)	GSI	Global Slavery Index	33	66.0
	FDP	Forcibly displaced population as % of population	11	56.5
	HRI	Human Rights Index	26	80.0
	AFI	Academic Freedom Index	1	79.9
	GRI	Religion - Government Restriction Index	73	56.4
	LIN	LGBT+ inclusiveness	5	90.6
	WSB	Women self made billionaires	1	100.0
	WBL	Women, business and the law	11	78.8
	WMA	Proportion of women in senior and middle mgmt positions (	45	60.0
Coalition Dominance (ii.4)	IEE	Top 3 industries exports as % of exports	11	85.9
	IEO	Top 1 industry exports as % of exports	39	68.4
	IVA	Top 3 industries as % of VA	16	75.4
	HHI	Domestic market diversification	16	69.8
	ECI	Economic Complexity Index	12	87.9
	PUE	Public employees as % of total employment	97	35.6
	MIL	Military expenses as % of GDP (dev. fm optimum)	78	54.1
	UNI	Unionization rate (dev. fm optimum)	81	46.5
	BSN	Barriers in service & network sectors	1	100.0
	CRA	Criminal actors	74	51.3
Firm Dominance (ii.5)	SME	SMEs per 1,000 people	34	47.4
	FAM	Family business revenues as percentage of GDP	29	33.3
	BIW	Billionaires' wealth as % of GDP	116	47.4
	FKG	Top 10 firms market cap as % of GDP	55	50.6
	FRG	Top 3 firms revenues as % of GDP	54	41.2
	FRR	Top 30 firms revenues as % of GDP	36	33.5
Creative Destruction (ii.6)	ENT	Entrepreneurship	1	100.0
	GSE	Governmental support to entrepreneurship	27	67.5
	VCK	Venture capital finance	6	85.6
	VCA	Venture capital availability	9	90.8
	RND	R&D as a % of GDP	21	75.9
	EXR	Firm exit ratio	6	68.7
	BCD	Billionaire's creative destruction	37	68.6
	IWE	Index of Women Entrepreneurs	8	74.7
Giving Income (ii.7)	LEW	Life expectancy women	26	77.9
	LEM	Life expectancy men	21	83.1
	VAX	COVID-19 vaccination rate	54	47.4
	COM	COVID-19 mortality rate, age-adjusted	96	40.0
	COF	COVID-19 fatality rate, age-adjusted	33	60.2
	COV	COVID-19 excess deaths, age-adjusted	50	56.3
	CLS	COVID-19 lost schooldays	39	71.9
	SCI	UHC Service coverage index	2	86.2
	PTR	Pupil-teacher ratio	40	67.4

		Indicator	Rank / 151	Score
Giving Income (iii.7)	EDU	School life expectancy	15	81.1
	PIS	PISA mean scores	11	72.6
	UNV	Top universities	12	74.3
	GEE	Government education expenditure	35	65.9
	OSI	Online Service Index	16	80.6
	NRI	Network Readiness Index	12	87.8
	INT	Internet access	12	72.7
	FSQ	Global Food Security Index - availability, quality & safety	17	76.9
	GPS	Expenditure on general public services as % of GDP (dev. fm	12	64.8
	GEX	General government expenditure as % of GDP (dev. fm optim	71	42.2
	SNT	Subsidies and transfers as % of expenses	89	36.9
	REG	Regional redistribution as % of government budget	126	14.2
Taking Income (iii.8)	SUB	Death rates from substance use per 100,000 people	126	25.4
	BRD	Battle-related deaths per 100,000 people	1	54.2
	HOM	Homicide rate	89	56.2
	SUI	Suicide rate per 100,000 people	81	54.5
	DTR	Tax revenue as % of GDP (dev. fm optimum)	116	10.9
	DCT	Corporate tax rate (dev. fm optimum)	72	52.7
	DPS	Delta public vs private sector salaries		
	FDE	Fiscal decentralization	45	36.5
	GCI	Global Cybersecurity Index	14	86.4
	GEG	Gender education gap (dev. fm optimum)	13	67.0
Unearned Income (iii.9)	CRM	Criminal markets	43	65.5
	DBT	Government debt as % of GDP	127	25.2
	NRR	Natural resources rents as % of GDP	32	66.2
	GPA	Green patents	15	89.5
	EPI	Environmental Performance Index	1	100.0
	DER	Deforestation Rate	59	56.2
	FUS	Fertilizer usage kg per hectar	111	46.4
	TLP	Terrestrial land protected	28	74.7
	CDO	CO2 emissions (metric tons per capita)	108	45.1
	AIR	Air quality index	14	72.9
	HAZ	Hazardous Waste per capita	25	54.2
	WPC	Waste collected per capita	69	52.0
	MWR	Municipal Waste Recycling Rate	21	58.2
	FIS	Fishing consumption as % of population	97	43.7
	MET	Red meat consumption kilograms per capita	111	26.6
Producer Value (iv.10)	PAT	Nr. of patent applications per 100,000 people	11	57.4
	FBH	Financial burden of healthcare	27	67.8
	HEI	Health Efficiency Index	38	34.2
	DMS	Density of medical staff	1	100.0
	FSA	Global Food Security Index - affordability	10	78.8
	FDS	Inward FDI as a % of GDP, Stock	29	51.2
	BTF	Barriers to FDI	22	64.8
	OFB	Open for business	31	54.5
	EGL	Economic globalization	20	83.4
	TRF	Trade freedom	8	83.3
	IPM	Share of imports targeted by protectionist measures (flow)	97	21.0
	IPS	Share of imports targeted by protectionist measures (stock)	115	10.3
	DGI	Share of discriminatory government interventions as % of tota	75	63.7
	DGS	Share of discriminatory government interventions as % of tota	139	15.7
Capital Value (iv.11)	DOI	Inflation (dev. fm optimum)	64	56.4
	DEF	GDP deflator index growth rate (dev. fm optimum)	20	58.3
	DNI	Neutral interest rate (dev. fm optimum)	7	67.6
	FMI	Financial Markets Index	1	100.0
	GFC	Gross capital formation	118	31.0
	DMA	M&A as % of investment - 3 yrs rolling avg. (dev. fm optimum	40	51.0
	GOL	Gold demand as % of GDP	6	60.7
	UNC	Unicorns per 1 million people	5	61.3
	BSG	Billionaires self-made nr. per 1 million people	14	64.4
	BSM	Billionaires self-made as % of total billionaires	14	73.8
Labor Value (iv.12)	LPG	Labor productivity growth	35	53.9
	WLP	Delta real wage vs labor productivity increases	26	49.4
	LFP	Labor force participation rate	54	58.7
	LFR	Labor force participation ratio - male vs female	37	68.2
	UEM	Unemployment rate	44	64.9
	YUN	Youth unemployment rate	63	60.2
	BRN	Human flight and brain drain	19	83.5

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