



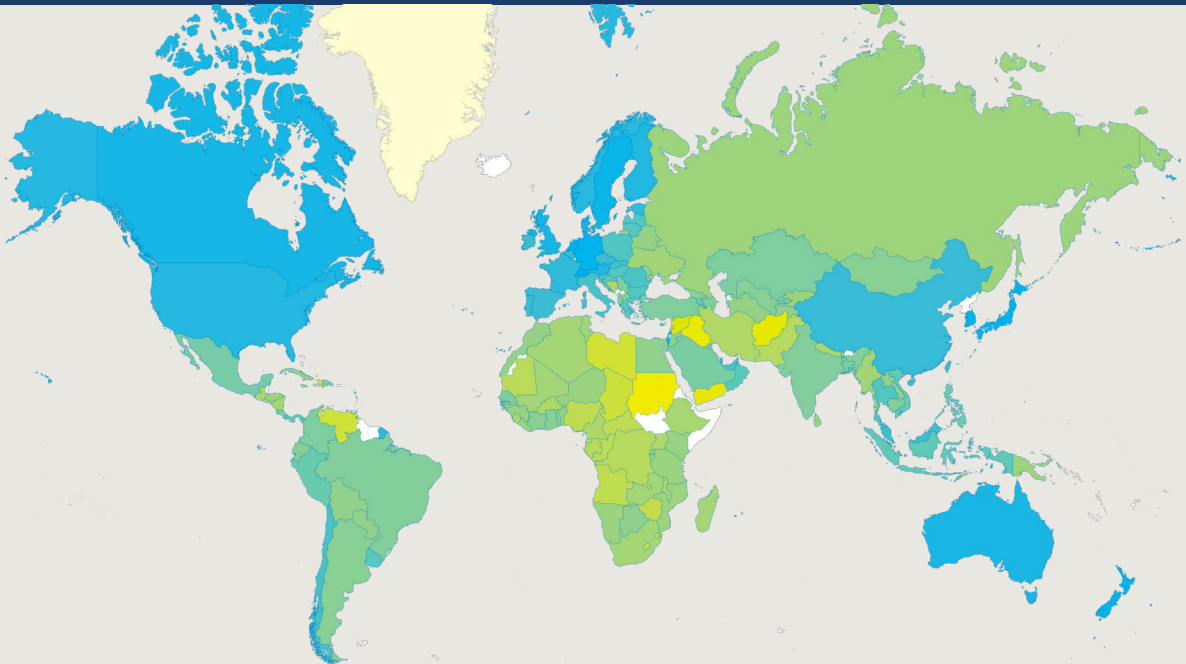
**ELITE QUALITY
INDEX**
EQx2024

This is a contribution from the following book:

ELITE QUALITY REPORT 2024

The NextGen Value Creation Barometer 2024:
Prioritizing Opportunities for the Young

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1.2 The NextGen Value Creation Barometer 2024: Prioritizing Opportunities for the Young

Now in its third year, the NextGen Value Creation Barometer sheds light on the global state of intergenerational fairness. As a collaboration between the St.Gallen Symposium, the Foundation for Value Creation, and the Board Foundation, the Barometer is the EQx component that focuses on those aspects of national elite models that either deliver a legacy of Value Creation or, conversely, extract value from young and future generations.

In order to achieve these aims, the Barometer assesses five key categories, building 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, to acknowledge 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 health care 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*, *Government education expenditure*). Such indicators were weighted higher than those that point only to outcomes (e.g. *Life expectancy*, *Internet access*), as these tend to depend more strongly on a country's overall income level.

The findings from this year's 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:

As in previous years, many smaller, European economies top the list, with Scandinavian countries such as Denmark (#1), Sweden (#4) and Norway (#7) all scoring particularly well.

Denmark, the top-ranked country in the 2024 Barometer, scores particularly well across the categories of Equitable Opportunities and Education, which can be seen as the result of the significant public investments made by the Danish state into public goods. Remarkably, Denmark, which ranks #10 in the overall EQx, combines a large role for the state with a cutting-edge ecosystem for Innovation and Technology, with the success of Novo Nordisk the most prominent recent example. This also in part explains why Denmark ranks relatively highly in the Ecology & Natural Capital category; it is the country with the most green patents per capita, and has one of the world's highest shares of renewable energy in its energy mix.



This year's findings once again highlight that long-term Value Creation is a multifaceted concept, with countries leading in some categories whilst being laggards in others. Across the wealthy OECD economies at the top of this year's rankings, great investments in health, education, and technology are built on an extractive relationship with nature, leading to poor scores in the Ecology and Natural Capital category. To truly create sustainable value for young and future generations, reducing *CO2 emissions*—the indicator given the highest weight in the Barometer—is of paramount importance.

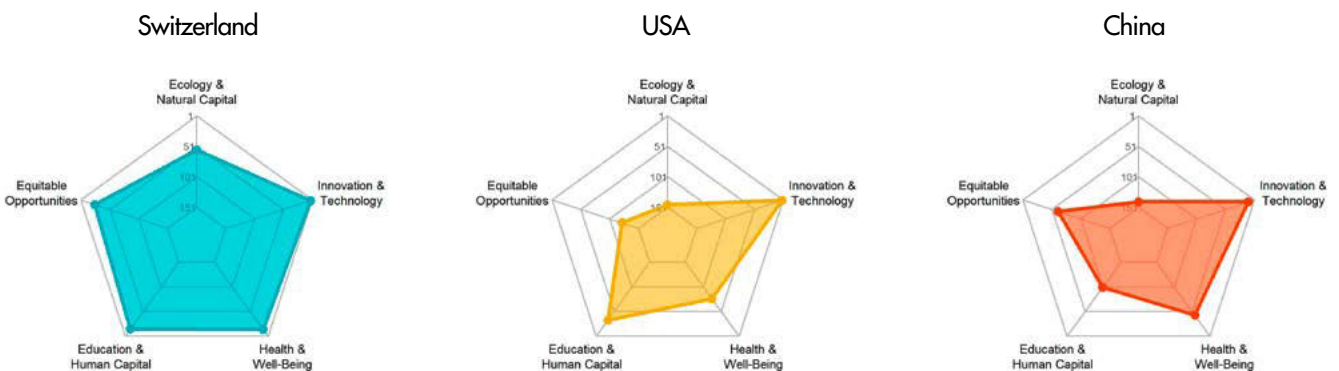
Israel retains its #2 ranking in the 2024 Barometer, but the events that began on October 7th, 2023 will upend everything (EQx data is mostly prior to that tragedy). Peace is the most important of all public goods and with two wars now raging on the European Union's doorstep, the portents should be of concern for all young people worrying about the future.

Compared to 2023, the performance of China has fallen significantly (from #54 to #73). This is mainly due to a strong drop in its ranking in the Equitable Opportunities category, which can be explained by increased social inequality (as measured by the *Gini coefficient*), rising *government debt* and a stark increase in the *Youth unemployment rate*. The United States has also fallen in the 2024 Barometer (from #76 to #79) and remains behind China. On top of its highly unequal

wealth distribution, the country suffers from the practices of diverse elite business models that create high levels of *Substance abuse* and *Government debt* levels that are certain to limit the future Value Creation of the young. A general observation that can be made is that for large powerful nations that score well in many areas and sit at the top of the international hierarchy, overall Value Creation is at risk when there is extraction from the next generation.

The relatively poor performance of China and the US contrasts with the gains made in two other important economies. Noteworthy improvements have been in South Korea (rising from #17 to #13), in part due to the advances made in the category of Innovation and Technology and evidenced by increased labor productivity growth and higher investment in research & development. Also, the East Asian nation (which ranks #6 in the overall EQx) has increased *Public spending on education*, explaining its top performance in the most recent Programme for International Student Assessment (PISA), which saw several European countries fall significantly behind. For now, South Korea is even ahead of Japan (#14), despite the latter's improvement (up from #19 last year). Both countries exemplify the only path forward for aging societies: to leave a strong legacy for the next generation. This has all the more merit in societies where pensioners represent the main voting block and elite business models are still often run by literal golden agers.

Visual 1.5: NextGen Value Creation Barometer 2024 country comparison



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

Visual 1.6: NextGen Value Creation Barometer 2024 Global Rankings with component categories

	NextGen Value Creation Barometer Rank	Difference to NGVCB 2023	Difference to EOx2024	Ecology & Natural Capital	Equitable Opportunities	Education & Human Capital	Health & Well-Being	Innovation & Technology
Denmark	1	0	9	24	2	5	39	2
Israel	2	0	5	88	26	10	3	1
Switzerland	3	0	-1	57	25	16	15	4
Sweden	4	0	5	54	41	1	26	8
Netherlands	5	0	-2	95	5	12	19	10
New Zealand	6	2	-1	118	4	2	7	23
Norway	7	-1	10	70	33	13	14	17
Germany	8	1	0	53	16	23	36	9
United Kingdom	9	-2	2	32	71	20	28	7
Slovenia	10	3	23	17	32	18	40	24
Cyprus	11	1	23	46	80	14	10	28
Finland	12	-2	2	99	74	8	32	6
Korea, Rep.	13	4	-7	132	8	21	13	5
Japan	14	5	-10	78	65	53	2	13
Australia	15	-4	-2	138	28	3	9	16
France	16	-1	3	42	100	27	31	12
Estonia	17	-1	3	66	59	7	68	20
Austria	18	0	-3	68	75	33	33	15
Belgium	19	-5	3	110	76	6	43	18
Slovak Republic	20	2	8	29	47	29	46	40
Czech Republic	21	0	2	115	7	26	38	34
Spain	22	-2	2	90	124	22	8	26
Croatia	23	3	23	40	83	32	48	38
Italy	24	0	7	67	135	30	4	29
Cuba	25	11	58	69	9	49	55	60
Portugal	26	-1	-1	103	117	24	23	32
Ireland	27	-4	-1	131	93	28	12	22
Singapore	28	1	-27	105	110	74	1	35
Latvia	29	-2	9	45	49	11	114	49
Thailand	30	-2	7	76	53	107	11	30
Lithuania	31	2	11	93	13	37	104	27
Hungary	32	-1	8	86	73	48	70	25
Greece	33	1	11	48	147	19	20	36
Bulgaria	34	1	5	26	48	55	87	48
Poland	35	-5	1	101	84	47	59	33
Senegal	36	1	23	16	20	85	94	51
Tunisia	37	-5	70	82	131	17	51	56
Jamaica	38	4	41	23	91	35	45	109
Costa Rica	39	4	17	58	144	15	27	69
Chile	40	-2	-10	112	126	25	35	43
Panama	41	7	6	20	102	77	18	88
Romania	42	-3	-7	61	94	64	62	39
Bolivia	43	6	42	65	90	4	101	95
Dominican Republic	44	11	13	41	51	78	54	74
North Macedonia	45	11	30	38	104	79	49	62
Kyrgyz Republic	46	41	53	83	27	44	88	100
Morocco	47	11	44	106	92	63	47	46
Turkey	48	-8	14	124	78	106	16	37
Colombia	49	-3	12	113	118	50	37	52
Peru	50	1	0	59	89	62	61	78
Mauritius	51	-6	2	84	85	46	78	79
Qatar	52	31	-34	145	17	97	6	21
Algeria	53	-3	63	119	96	56	21	84
Tajikistan	54	24	32	55	19	95	63	99
Namibia	55	13	42	1	148	9	113	76
Philippines	56	4	-5	96	12	98	72	66
Ecuador	57	-4	11	89	60	61	67	86
Uruguay	58	-1	-17	117	125	31	50	68
Albania	59	10	15	44	111	94	42	80
Canada	60	-13	-48	149	82	40	22	19
Jordan	61	2	27	73	133	84	24	59
Malaysia	62	-18	-35	135	72	87	25	45
Armenia	63	27	-14	56	108	69	86	58
Moldova	64	-23	26	87	24	38	105	115
Georgia	65	23	12	85	113	58	89	44
Timor-Leste	66	23	54	19	57	82	79	113
United Arab Emirates	67	-8	-35	141	79	91	29	14
Botswana	68	-4	13	15	140	39	130	50
Honduras	69	12	36	37	46	57	75	135
Tanzania	70	-8	28	18	22	110	102	94
Bosnia and Herzegovina	71	-10	57	121	52	59	56	91
Venezuela, RB	72	50	72	11	139	65	41	106
China	73	-19	-52	142	62	100	44	11
Indonesia	74	-22	-29	130	43	86	64	54
Paraguay	75	4	14	92	45	81	85	96
Uzbekistan	76	16	-5	129	18	114	52	57
Serbia	77	8	-12	136	95	73	69	31
Ukraine	78	-13	30	91	97	52	99	97
United States	79	-3	-63	147	122	34	77	3
Gambia, The	80	15	-2	27	14	76	111	136
Mexico	81	-7	-29	107	98	54	80	104
Nepal	82	-16	40	50	68	70	90	120
El Salvador	83	11	32	49	66	104	82	111
Trinidad and Tobago	84	-14	20	116	70	72	58	110
Niger	85	15	11	22	1	111	128	128
Egypt, Arab Rep.	86	19	-2	111	130	105	66	41
Argentina	87	4	-17	133	136	43	65	65
Azerbaijan	88	-17	-22	104	54	124	71	75

	NextGen Value Creation Barometer Rank	Difference to NGVCB 2023	Difference to EOx2024	Ecology & Natural Capital	Equitable Opportunities	Education & Human Capital	Health & Well-Being	Innovation & Technology
Kuwait	89	-22	-31	148	61	60	5	87
Kenya	90	-6	4	62	103	89	115	82
Kazakhstan	91	12	-31	140	6	88	91	83
Ethiopia	92	4	27	39	29	119	118	105
Cambodia	93	-7	-26	14	15	151	92	92
Libya	94	16	51	122	143	41	73	90
Sri Lanka	95	-20	5	8	129	117	53	125
Ghana	96	-19	-27	71	116	102	103	71
Liberia	97	18	5	75	11	83	123	133
Belarus	98	3	-5	126	63	90	95	81
Nigeria	99	24	38	72	35	71	149	98
Turkmenistan	100	36	-8	143	3	128	76	47
Rwanda	101	-2	-21	25	112	125	98	85
India	102	-5	-39	108	123	75	124	55
Brazil	103	3	-39	134	145	42	84	67
Nicaragua	104	0	17	12	64	123	93	137
Vietnam	105	-25	-57	139	42	120	60	63
Saudi Arabia	106	-34	-52	144	101	96	30	64
Malawi	107	2	11	10	109	109	110	123
Zambia	108	16	5	4	132	92	112	124
Togo	109	-16	-33	9	86	121	134	103
Iran, Islamic Rep.	110	-2	19	123	87	131	74	61
Côte d'Ivoire	111	-29	-38	30	44	93	136	138
Burkina Faso	112	-10	15	28	40	101	141	127
Guatemala	113	8	10	79	58	116	119	112
Benin	114	0	-32	5	38	115	142	142
Conqo, Dem. Rep.	115	-17	17	97	34	112	133	108
Bangladesh	116	-5	-61	114	55	142	83	89
South Africa	117	3	0	127	146	51	107	70
Mozambique	118	1	-17	6	107	118	143	107
Syrian Arab Republic	119	-3	27	60	119	108	57	147
Gabon	120	-13	13	13	137	141	106	77
Oman	121	-3	-78	150	88	67	34	73
Guinea	122	3	-27	7	23	149	132	129
Burundi	123	-10	-12	31	21	132	127	141
Iraq	124	-7	25	128	142	36	97	118
Monolia	125	-13	-53	137	36	66	121	126
Equatorial Guinea	126	20	4	35	106	134	139	93
Mali	127	12	-15	63	30	143	125	117
Bahrain	128	2	-99	151	67	113	17	72
Guinea-Bissau	129	16	-20	2	128	126	137	121
Lesotho	130	4	11	74	114	45	150	139
Myanmar	131	1	-21	125	50	139	100	101
Sierra Leone	132	-59	-7	33	115	80	140	145
Eswatini	133	9	9	52	141	68	145	116
Lebanon	134	-3	4	120	150	122	81	42
Madagascar	135	0	-21	80	77	130	120	140
Yemen, Rep.	136	-7	12	36	99	103	131	151
Uganda	137	-10	-13	34	81	137	126	143
Russian Federation	138	-1	-35	146	69	99	116	53
Lao PDR	139	-11	-52	109	56	146	96	134
Papua New Guinea	140	1	-34	98	10	129	129	149
Cameroon	141	-8	-15	81	105	145	135	102
Pakistan	142	-16	-11	100	121	133	109	119
Mauritania	143	-3	-9	102	37	144	117	144
Afghanistan	144	0	3	43	31	140	144	148
Haiti	145	3	5	51	138	135	138	114
Chad	146	-3	-3	64	39	150	148	132
Conqo, Rep.	147	0	-12	3	149	148	122	130
Zimbabwe	148	-10	-8	47	134	138	147	122
Sudan	149	2	2	94	151	127	108	131
Central African Republic	150	-1	-14	21	120	136	151	150
Anqola	151	-1	-12	77	127	147	146	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.

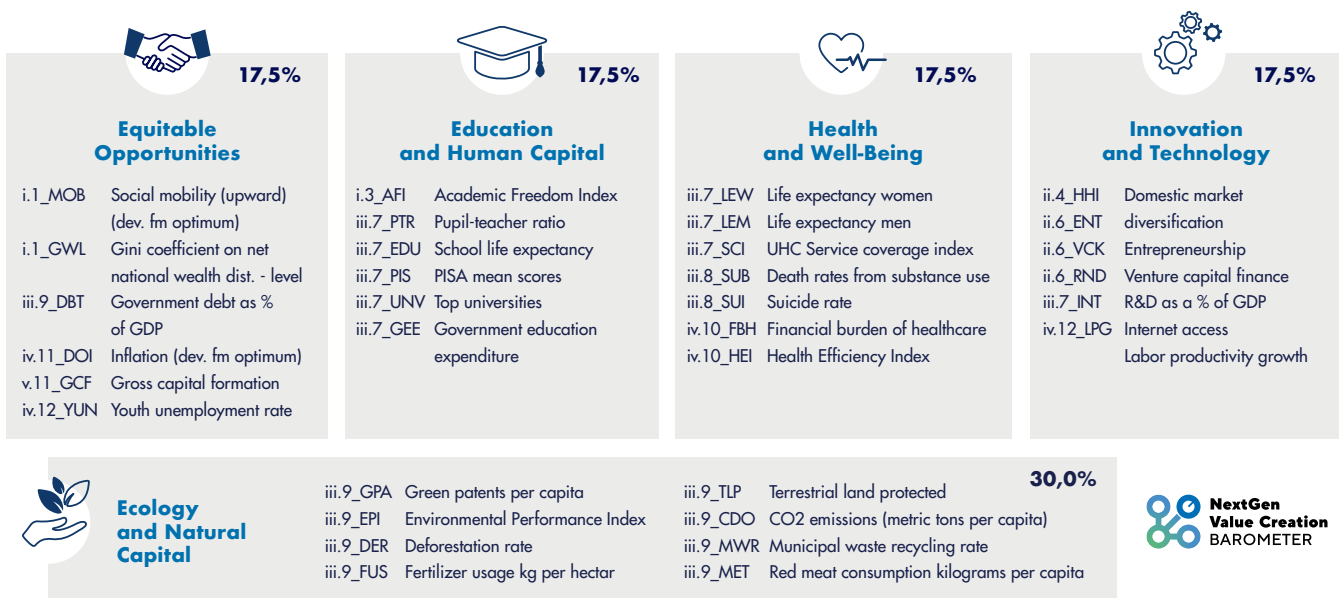
More encouraging news comes from the performance of two large Western economies: Germany (#8) and the United Kingdom (#9). Despite their respective economic woes their elite systems are certainly doing some things right, including in the categories of Innovation & Technology (where they place #9 and #7 respectively) and Education and Human Capital (#23 and #20 respectively).

Some of the emerging countries that perform notably well for intergenerational fairness are Cuba (#25), Senegal (#36), Tunisia (#37), and Costa Rica (#39). To the degree that the Barometer is accurate, their youth will have opportunities to create value in the years to come.

The rankings in the NextGen Value Creation Barometer differ from the overall EQx. The biggest surprise might be that Singapore, the overall EQx2024 winner, places a rather lowly #28. Despite outstanding scores in the Health and Well-being category (#1), the city state's performance in Ecology and Natural Capital (#104) and Equitable Opportunities (#110) leave much room for improvement. This underlines that the intergenerational value relationship, which the Barometer seeks to capture, is a distinct socio-economic phenomenon. As such, it ought to be discretely understood by policymakers, business elites, and society at large, to address disparities and boost the Value Creation prospects of the young.

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Visual 1.7: NextGen Value Creation Barometer, 5 categories and 33 component indicators



NextGen Value Creation Barometer in partnership with



Methodology of the NextGen Value Creation Barometer

The Barometer uses five categories, comprising a total of 33 component indicators (selected from the 146 indicators included in the full EQx2024). 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 (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.