

### **Ranking the Best Countries**

Each year *US News and World Report* produces a ranking of the best countries in the world. The ranking allows readers to see how countries are perceived around the world.

## **US News Ranking**

*US News and World Report* works with Wharton School professor David Reibstein and the BAV (BrandAsset® Valuator) model of brand equity to produce a ranking of the "best" countries in the world. This is a challenging task.

One problem is that people often feel great affinity for their own country, so asking a random sample of the world population might favor countries with higher populations. For example, China and India would dominate if the people surveyed there preferred their own country. Furthermore, there are obvious practical difficulties of establishing a scientifically objective sample of the world's population (a sample in which everyone has an equal chance of participating).

Instead, the team surveyed a large number of people from a variety of locations about their perceptions about the countries being assessed. For the 2022 survey there were 17,991 respondents across 36 countries who answered questions about countries that they said they were familiar with<sup>1</sup>.

#### Which Countries to Rank?

According to the United Nations, there are 193 UN member states ii. It would be impossible to rank all UN member states based on the perceptions of a global sample of people. Some UN member states are too small. Tuvalu, for instance has a population of 11,200 iii. This is about one-tenth the size of Peoria, Illinois iv, a city few international respondents would be able to discuss. For practical reasons smaller countries cannot be ranked.

Free case by Neil Bendle, for more cases and materials neilbendle.com

Furthermore, not all countries are members of the UN (e.g., the Vatican has observer status)<sup>v</sup>. Other omissions stem from international disputes: Kosovo has never been admitted to the UN<sup>vi</sup>. Some country structures are complex: Scotland, Wales, Northern Ireland, and England are subsumed under the heading United Kingdom.

*US News and World Report* uses various criteria to decide which countries to rank, and these criteria change somewhat between years. In 2022, any country that met the following criteria in any of the years 2016-2020 (2015-2019 for the UN Human Development Index) were ranked<sup>vii</sup>.

- Top 100 countries by GDP (gross domestic product), World Bank data.
- Top 100 countries by FDI (foreign direct investment), World Bank data.
- Top 100 country by international tourism receipts or arrivals, World Bank data.
- Top 150 countries in the UN Human Development Index.

In 2022, this left 85 countries, which represented 95% of global gross domestic product and 80% of the world's population<sup>viii</sup>.

### **Country Attributes**

*US News* then developed a set of 73 attributes of countries. Sixty-eight of these attributes were grouped into 10 categories for subranking the countries for 2022 and 2021 (see Table 1). (The remaining five attributes were not used in the best countries analysis.)<sup>ix</sup> In prior years, a Citizenship subranking was used instead of Agility and Social Purpose<sup>x</sup>.

Respondents were asked whether a country was well described by the attribute. Countries seen as accurately described by the attribute scored higher in that attribute. The score of each country in each subranking was achieved by averaging their attributes in that subranking.

Table 1. 2022 Subrankings and the Attributes that Form Them

Subranking	Attributes	Weight
Adventure	Friendly, fun, pleasant climate, scenic, sexy	5.48%
Cultural	Culturally significant in terms of entertainment,	10.36%
Influence	fashionable, happy, has an influential culture, modern,	
	prestigious, trendy	
Entrepreneurship	Connected to the rest of the world, educated population,	14.17%
	entrepreneurial, innovative, provides easy access to capital,	
	skilled labor force, technological expertise, transparent	
	business practices, well-developed infrastructure, well-	
	developed legal framework	
Heritage	Culturally accessible, has a rich history, has great food,	3.09%
	many cultural attractions	
Movers	Different, distinctive, dynamic, unique	10.57%
Open for	Cheap manufacturing costs, bureaucratic (reverse),	9.35%
Business	corrupt(reverse), favorable tax environment, transparent	
	government practices	
Power	A leader, economically influential, politically influential,	5.02%
	strong international alliances, strong military	
Quality of Life	A good job market, affordable, economically stable, family	14.52%
	friendly, income equality, politically stable, safe, well-	
	developed public education system, well-developed public	
	health system	
Agility	Adaptable, dynamic, modern, progressive, responsive	13.96%
Social Purpose	Cares about human rights, cares about the environment,	13.49%
	gender equality, religious freedom, respects property	
	rights, trustworthy, well-distributed political power, racial	
	equity, cares about animal rights, committed to climate	
	goals, committed to social justice	

## Weighting the Subrankings

Not all subrankings are necessarily equal in importance. The weighting between subrankings have changed over time. For 2022, subrankings that showed a higher correlation with GDP at purchasing power parity (a measure of country wealth) were given a higher weighting (see Table 1). See Figure 1 for changes in weighting over time.

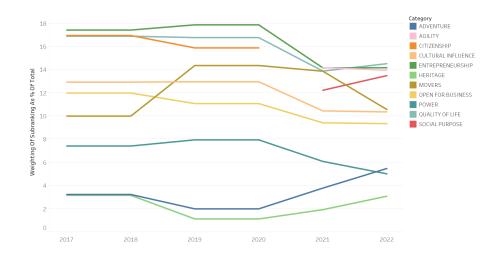


Figure 1. The Changing Weighting of Subrankings Over Time

# **Ranking the Countries**

*US News* then ranked the countries. Details of the 2022 ranking are shown in Figure 2. Some countries tend to always do well in the Best Countries ranking (see Table 2).

Table 2. Top 10 Countries since 2017

	2022	2021	2020	2019	2018	<b>201</b> 7		
Switzerland	1	4	1	1	1	1		
Germany	2	3	4	4	3	4		
Canada	3	1	2	3	2	2		
<b>United States</b>	4	6	7	8	8	7		
Sweden	5	9	8	6	6	6		
Japan	6	2	3	2	5	5		
Australia	7	5	5	7	7	8		
<b>United Kingdom</b>	8	8	6	5	4	3		
France	9	11	12	10	9	9		
Denmark	10	12	13	13	11	12		
New Zealand	11	7	11	12	13	14		
Netherlands	12	10	9	11	10	11		
Norway	13	13	10	9	12	10		
Sample: Ranking of countries in the top 10 in any year 2017-2022								

The US consistently did well but the honor of first place typically went to Switzerland.

What could we learn from the ranking? Which country was the best one to live in?

Figure 2. Best Countries 2022



#### **Endnotes**

<sup>1</sup> US News Staff, 'Frequently Asked Questions: 2022 Best Countries', September 27, 2022<a href="https://www.usnews.com/news/best-countries/articles/frequently-asked-questions">https://www.usnews.com/news/best-countries/articles/frequently-asked-questions</a>, accessed November 2, 2022

- vi World Population Review, 'Countries Not in the United Nations 2022', https://worldpopulationreview.com/country-rankings/countries-not-in-the-un, accessed November 2, 2022
- vii US News, Best Countries 2022: Global rankings, international news and data insights
- viii US News, Best Countries 2022: Global rankings, international news and data insights
- ix US News, Best Countries 2022: Global rankings, international news and data insights
- <sup>x</sup> US News, Best Countries 2020: Global rankings, international news and data insights

<sup>&</sup>quot; United Nations, About Us, https://www.un.org/en/about-us, accessed November 2, 2022

iii BBC, Tuvalu country profile, Oct 3, 2022, <a href="https://www.bbc.com/news/world-asia-pacific-16340072">https://www.bbc.com/news/world-asia-pacific-16340072</a>, accessed November 2, 2022

iv World Population Review, Peoria, Illinois Population 2022, <a href="https://worldpopulationreview.com/uscities/peoria-il-population">https://worldpopulationreview.com/uscities/peoria-il-population</a>, accessed November 2, 2022

World Population Review, 'Countries Not in the United Nations 2022',
https://worldpopulationreview.com/country-rankings/countries-not-in-the-un, accessed November 2,
2022