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## Foreword



Politicians across the globe like to declare they are committed to building prosperity for this generation and future generations — that the choices they are making today not only serve today's citizens but also serve those to come. But to build prosperity requires determination and grit. There are decisions that turn the rhetoric into reality, and then there are decisions that take the rhetoric and destroy prosperity.

Prosperity is built by deliberate choices to develop a society that works for everyone — an inclusive society, with a strong social contract that protects the fundamental liberties and security of each individual. It is driven by an open economy that harnesses the ideas and talents of the people of a nation. This in turn builds an enabling environment for all to flourish by fulfilling their unique potential and playing their part in strengthening their families, communities, and nations. A prosperous society is not just about what we're getting, but about who we are becoming — individually and together.

This is hard to disagree with. But if we espouse this rhetoric, it means that when we are faced with hard decisions, it is the inherent dignity of people that needs to be respected — their freedom of speech, worship, and assembly. It means that when governing institutions have the power to act, they act with integrity, are accountable to their citizens, and subject to the rule of law. It means that when tough decisions must be made, governments are respectful of the culture and the bonds of trust needed for society to flourish, work with the strength of families, and are supportive of communities. This is the foundation stone on which strong and open economies are built and empowered people stand.

We have witnessed these principles at work in our generation. Since the fall of the Berlin Wall, we have witnessed rapid prosperity improvements in nations undergoing enormous transition, ushering in a new era of freedom and opportunity.

These transformations have delivered unprecedented political accountability across Eastern Europe and beyond, restoring essential freedoms of speech and assembly. Individual liberties have been rebuilt, with nearly half of the former Soviet nations experiencing an improvement in their civil liberties. Across the world, the number of democracies has almost doubled to 99 today. The advent of effective institutional frameworks has helped limit abuses of power, with 91 countries experiencing a reduction in their levels of corruption since 1989, helping to safeguard personal freedoms and unleash economic potential.

Closed economies have opened up. Nearly one hundred countries have strengthened their property rights and even more have improved their domestic business freedoms. A similar number have seen international trade grow as a share of GDP, with the reduction of tariffs globally.

This economic progress delivered significant wellbeing dividends, with global average life expectancy increasing to over 70 years, some one billion more children attending school, fewer dying in infancy, and helping to reduce the proportion of people living in extreme poverty by an astonishing 65% since 1989.

This step-change highlights the foundational elements of prosperity from which lasting economic and social wellbeing flow. With strong institutions helping economies to become more open and people to feel more empowered, the prosperity dividend that followed these changes has been as profound as it has been widespread.

However, this remarkable progress has also created a sense that the building of prosperity is inevitable. But that is not so. Prosperity can take years, if not decades, to build, but can be lost in a moment. We stand at such a moment in time.

The Prosperity Index acts as a spotlight on what builds prosperity or conversely what causes poverty. It tracks the rise and fall of prosperity over time and captures the outcomes of decisions that either build or destroy prosperity.

When we look at what is happening across the nations of the world, this year's Legatum Prosperity Index shows that global prosperity is stagnating. However, this stagnation is not simply a result of the recent impact of the COVID-19 pandemic.

Ongoing deteriorations in four key elements are causing the erosion of the core components of prosperous societies: Executive Constraints, Political Accountability, Freedom of Assembly and Association, and Freedom of Speech and Access to Information. For example, term limits have been extended in 31 countries in the last decade or so, which undermines the accountability of leaders. For 100 countries around the world, freedom of expression and of assembly have both deteriorated over the last decade.

But it is not just in less prosperous or less stable regions where these foundations are weakening. Western nations need to take care. Across the OECD, these foundations are also all weakening — and have been doing so steadily over the last decade.

The stagnation in prosperity is being driven by leaders in countries around the world disregarding what builds the foundations of prosperity. People are forgetting to pay attention to, and care for, the foundations of prosperity, and as a result there has been a

widespread erosion of the core components of free and prosperous societies.

In some regards this lack of attention is not surprising. Instead of keeping our focus on the foundation of prosperity, the international community has set its focus on the outcome factors, those that are the fruit of building well: education, health, living standards and the environment. Through the accountability of the SDGs (and the preceding MDGs) driving a focus on the outcomes of determined and gritty decision-making, we have seen a continued improvement in the outcome metrics of poverty, education, and health across many nations of the world since the beginning of the 2000s.

However, without an equivalent focus on what decisions need to be taken to build the foundations of prosperous nations, these outcomes will ultimately falter, and some countries are already stagnating without the equivalent investment and focus on these foundations.

However, at this moment in history, this essential focus is also being challenged. The clash of visions across nations is profound, as the geo-political landscape is being reshaped by the different approaches to the building of society across the nations of the world.

Questions about the nature of prosperity and how it is created are being raised by several transitions: the emergence of China and India as superpowers, the retreating of the US from the role of global leadership, and the emergence of the UK as an independent nation, with the questions that raises for the unity of the European Union.

These questions include: can capitalism and an open economy easily coexist with authoritarianism? Do free markets necessarily imply free speech? The answers to these questions can be found in the Prosperity Index. Yes, it is possible to limit the freedom of people and build an open economy. Yes, it is possible to suppress free speech and build free markets.

But it is not possible to do these things and build true prosperity. The suppression of the freedom of people and their speech will lead to limited and stunted prosperity. Societies that unduly restrict personal liberties ultimately erode trust and social capital. Innovation and dynamism are stifled, and the State has to expend ever greater resources to engender compliance.

Creating lasting pathways to prosperity requires that we do not take these core freedoms for granted, and we squander them at our peril. They are the building blocks of a free and prosperous nation on which strong and open economies can be built that lead to increased living standards.

The Prosperity Index clearly demonstrates that it is only by preserving the foundations of prosperity — the inputs — that we can continue the journey of extraordinary progress that we have seen in the past 30 years — the outputs — thereby ensuring that all individuals, communities, and nations are able to fulfil their unique potential.

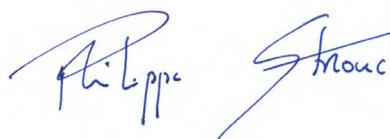
The key lessons of the Legatum Prosperity Index are twofold. First, if you want to build the much-desired outcome of the wellbeing of a nation's people — a nation's prosperity — there are no short cuts: you have to invest in the foundational principles of nation-building, however prosperous a nation you are: good governance, the rule of law, strong social capital and personal freedom.

This past year, national leaders have been tested to see whether they are really committed to fighting for the prosperity of their people, or whether it is easier to follow the crowd and make decisions that lead to the unravelling of generations of careful work.

Without these key foundation stones, it is impossible to keep growing prosperity. The message is: take care of what is precious — value it, nurture it, invest in it. This will set the culture of who you become as a nation. The future belongs to those who take care and not those who squander their inheritance.

Second, avoid divisiveness and distractions. Much of the energy of western democracies is being diverted into prosperity-destroying divisionist politics and fads. It is in the interest of those who would see prosperous nations fall to drive the divisions within them, fragmenting and dividing society, and pitting group against group to undermine prosperity. Resist at all costs and choose to build unity. Effective political leadership must seek to bring people together, focusing upon the many things that unite them rather than the few things that divide.

Nations need the wisdom, knowledge, and character to focus on what builds prosperity and not turn to the left and right in a state of distraction. The ancient paths show the way to build prosperity with determined and gritty decision making to build inclusive societies, open economies, and empowered people.



**Baroness Philippa Stroud**  
CEO of the Legatum Institute

# How to use the Index

The Prosperity Index has been developed as a practical tool to help identify what specific action needs to be taken to contribute to strengthening the pathways from poverty to prosperity and to provide a roadmap as nations chart their way through and out of the pandemic. The Index consists of 12 pillars of prosperity, built upon 67 actionable policy areas (elements), and is underpinned by 300 indicators.

The Index has been designed to benefit a wide range of users, including political leaders, policymakers, investors, business leaders, philanthropists, journalists, and researchers.

- Political leaders can use it to help shape priorities for a policy agenda;
- Policymakers can use it to determine specific areas that require action to help increase prosperity;
- Investors can use it to inform capital allocation;
- Business leaders can use it to identify and communicate the changes they need to improve the business climate and the productive capacity of nations;
- Philanthropists can use it to identify the areas where they can have the greatest impact beyond the well-trodden paths;
- Journalists can use it to hold governments to account;
- Researchers can use it to complement other datasets to analyse the underlying patterns behind development, and inform the broader policy, business, and philanthropic community.

## INTERPRETING THE INDEX

For 167 nations, the Index uses the same indicators, and combines them in the same way to create elements and pillars. By using the Index, it is possible to compare the relative performance of each country for overall prosperity and each of the 12 pillars of prosperity, such as health, education, and social capital, as well as the 67 elements within the pillars. The elements have been established to represent key policy areas, such as investor protections, primary education, government integrity, and air pollution, to help facilitate more targeted action.

Making these comparisons will enable the user to explore which aspects of prosperity are more or less well developed within a country, and how countries compare with others. The higher the ranking, the stronger the performance of that country for the pillar or element, when compared with a country lower down the rankings. Further to this, the Index also provides data over a 15-year period, making it possible to see whether prosperity has been strengthening or weakening over time, and what specifically is driving that change. This will enable areas of strength to be built on and areas of weakness to be addressed.

## APPLYING THE INDEX

The data in the Index and analysis contained in the report can be used for a variety of purposes, for example:

- Benchmarking performance against peers;
- In-depth analysis of prosperity at the country level;
- Understanding whether prosperity is improving or weakening over time, and why;
- Identifying the binding constraints to increased prosperity;
- Informing priorities for setting country agendas.

Where a country is showing a strong or weak performance in a pillar, it is possible to drill down and identify what particular policy-related element is driving this trend. Within each element, the specific indicators represent proxies, and each one should be interpreted as indicative. This will help inform the required policy action to strengthen performance.

For example, it may be discovered that a country's poor prosperity rankings are driven by a weak performance in education. Upon further investigation, the Index reveals that, although current education policy in the country is weaker in primary education, it has been focused on improving secondary education when contrasted with regional comparator countries. In particular, further investigation of the Index reveals that low completion rates may be driving the weak performance in primary education. This information can help to target specific areas that need improvement and provide a starting point for what can be done to improve education, and thereby increase prosperity.

By using the historical data provided by the Index for the example above, it may become apparent that primary completion rates have declined rapidly over the past three years. Discussion with local education officials on the decline may reveal that this coincides with the introduction of a new exit exam that pushes students out of school who do not pass, thus pointing to the particular area where action is needed.

## RESOURCES AVAILABLE

There are several tools available to aid analysis and interpretation of, and elicit insight from, the Prosperity Index. Alongside this report, which provides a high-level analysis of the findings from the Index, the following additional information can be found via our website [www.prosperity.com](http://www.prosperity.com):



**Country profiles.** A 15-page profile for each country provides more detailed pillar, element, and indicator information, including rankings and scores, and how these have changed over time.

**Indicator scores.** An Excel spreadsheet which contains the scores for all of the 300 indicators for each year since 2007. Using these scores, the user can carry out more in-depth analysis.

Team members at the Legatum Institute are available to engage and provide support to those interested in addressing the challenges and opportunities presented by these materials. Please contact us at [info@li.com](mailto:info@li.com).

## USING THE INDEX

### Political leaders

This report provides leaders at a national and local level with an overview of their country's performance across the 12 pillars of prosperity and provides the foundation for setting an agenda to create pathways from poverty to prosperity. These can be developed and refined using the more in-depth accompanying resources.

### Policymakers

The Index and its accompanying resources allow policymakers to benchmark nations' performances against peers across 12 pillars and 67 elements of prosperity to create a much more granular perspective of performance and the potential binding constraints to development.

Each of the 67 elements of prosperity have been designed to be recognisable, discrete areas of domestic policy, and measured using a combination of indicators from a variety of public data sources. The indicators should be interpreted as a set of proxies for the underlying policy concept and we would encourage policymakers to interpret a country's score and rank for an element as the trigger for more fundamental analysis of the strengths and weaknesses of its performance. Benchmarking against a basket of international metrics must be complemented by in-depth, context-sensitive analysis, which itself can lead to more balanced agendas across a range of policy areas.

In addition to helping focus analysis, these materials, together with the database of performance, also allow policymakers to develop diagnostic tools and to identify potential options to consider, based on the performance of other countries, and the case studies provided.

### Philanthropists

Beyond the familiar humanitarian and living conditions-focused efforts, there are many opportunities to invest in building stronger social, political, and economic outcomes. For example:

**Governance.** While there is already extensive NGO engagement in activities such as monitoring elections, many more upstream opportunities exist to support capability building within governments. This is not only developing the organisational capital, but also providing professional experience across all the technical aspects of the machinery of government, such as strategic planning and judicial functions. This need not be direct support, but could be an enabling or financing role.

**Social Capital.** Institutional and interpersonal trust are two critical factors that will help the countries of the world build true prosperity. However, these are less-understood areas, and there is a unique role for philanthropists to identify and champion what it takes to increase trust and build social capital.

**Enterprise Conditions.** Some NGOs have enhanced prosperity at a local level by working with local businesses to identify barriers to starting, operating, and growing businesses, and developing collaborative approaches to resolving them at a local and national level.

**Infrastructure.** Ensuring that large-scale programmes deliver on their potential for the broader population can be very challenging when inadequate attention is paid to last-mile challenges, whether it be access to roads, electricity connections, or mobile coverage. Measurements of levels of access help overcome this.

### Investors and business leaders

The business community is well positioned to identify barriers to starting, operating, and growing business, and to demonstrate to

government the economic potential from reforms such as lifting onerous regulation. Likewise, business leaders and investors can work with government to improve the investment environment, contributing to the strengthening of investor protections and corporate governance, as well as identifying the potential from improved contract enforcement in many jurisdictions.

Furthermore, business leaders and investors can contribute to infrastructure policy development by demonstrating the economic impact of investment in communications, transport, and energy projects, where they can be the binding constraint on development.

### Academics and Researchers

For academics and researchers, our database of curated indicators is a unique resource enabling cross-country comparison of trends and patterns across the past 15 years for much of the data. By providing

a holistic dataset across many disciplines, it provides an opportunity to compare in a straightforward way the impact of disparate factors such as how political terror is related to education levels, or property rights with reserves of renewable water.

### Journalists and civil society

The Prosperity Index is based on publicly available and verifiable data, which means it can be a powerful resource for those who want to hold up a mirror to those in power and society at large. Holding leaders to account is a crucial role for both journalists and civil society. The institutional, economic, and social performance of a nation is critical to its prosperity, and having non-government actors calling out weaknesses, as well as celebrating successes, can help spur on national leaders. To do so well requires easy access to reliable data that can be represented in a digestible way.

## THE PATHWAYS TO TRANSFORMATION

The pathways from poverty to prosperity are not necessarily uniform. When confronted with many challenges, navigating them can often seem like an overwhelming task. From our research and engagement with national leaders, three important themes inform the appropriate response to addressing the challenges.

1. **Transformation is a process, not an event.** For countries in the middle ranks of the Index, it is not necessary, or useful, to aspire to be Denmark — at least in the medium term. Intermediate benchmarks are much more helpful and effective.
2. **Iterative changes are often more powerful than striving for an ideal on any one dimension.** Given the highly complex nature of development, many factors impinge on others. There is little value in having a highly efficient, or even 'ideal', system of contract enforcement if the forms of corporate governance, investor protections, or property rights are much less developed. In fact, a lopsided approach can be detrimental, as it can generate unintended consequences. Each change of the ecosystem needs to move from one (relatively) stable state to another. These are often described as 'second-best institutions', but they are often the next-best solution.
3. **It is important to identify the most binding constraint to development, and use it to inform sequencing and prioritisation.** To give a rather simplified example, a country may find itself with a weak environment for foreign investment and also weak property rights. In such a situation, loosening restrictions on foreign investment is unlikely to have much of an impact, as investors will be wary of securing a return if property rights are not adequately protected. In such a circumstance, improving property rights would likely be a more impactful first step.

Of course, the specifics of each country's circumstances will be critical to determining the prioritisation. The Index provides a set of hypotheses to test. The areas of highest priority will likely be those that are performing relatively poorly, but not necessarily the weakest-performing elements, as creating the conditions to warrant improving the weakest performing elements may require improving some of the elements that are less weak first. Each country has its own unique history and set of starting conditions. Nowhere is starting from a blank sheet.

That said, when looking at the progression of those countries that have had the most successful development trajectories, it is clear that establishing safety and security, adequate personal freedoms, and broadly principled systems of governance are generally pre-requisites to building a functioning economy. Within the economic sphere, a broadly stable macro-economic environment, together with enforceable property rights are usually sufficient to kick-start economic progress. Improving the regulatory environment (whether the ease of doing business, or flexibility of the labour market) can help, but the prevalence of informal economic systems around the world, as well as the varying development pathways that countries have taken, shows they are not necessarily the most binding constraint to development. By addressing underlying institutional failures, this will also ensure that resources made available to improve people's lived experience will result in strengthening the education and health systems and provide the living conditions that will enable the population to attain the necessary level of wellbeing.

A robust, and context-sensitive, diagnostic of the binding constraints to development is a pre-requisite to any prioritisation exercise. This will help identify whether, for example, low economic activity is a function of under-developed human capital or infrastructure on the one hand, or regulatory or investment environment weaknesses on the other.



Credit: Ryoji Iwata

# Defining prosperity

**True prosperity is when all people have the opportunity to thrive.**

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Prosperity is underpinned by an **inclusive society**, with a strong social contract that protects the fundamental liberties and security of every individual.

In a prosperous society:

- People live in peace, free from the threat of violence, oppression, and crime.
- Everyone's inherent dignity is respected, and freedom of speech, worship, and assembly are protected.
- Governing institutions act with integrity, are accountable to citizens, and are subject to the rule of law.
- Stable families and supportive communities instil the values that shape the culture and build the bonds of trust needed for society to flourish.



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Prosperity is driven by an **open economy** that harnesses ideas and talent to create sustainable pathways out of poverty.

In a prosperous society:

- Property rights are protected, so investment can flow.
- Business regulation enables entrepreneurship, competition, and innovation.
- Open markets and high-quality infrastructure facilitate trade and commerce.
- Fiscal and monetary policy are used responsibly to foster employment, productivity, and sustained economic growth.



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Prosperity is built by **empowered people**, who create a society that promotes wellbeing.

In a prosperous society:

- Everybody is able to build a life free from poverty.
- People take care of their physical and mental health and have access to effective healthcare.
- Learning is valued and everyone receives a high-quality education, so they can reach their potential.
- The natural environment is stewarded wisely, as a legacy for present and future generations.



**True prosperity means everyone has the opportunity to thrive by fulfilling their unique potential and playing their part in strengthening their communities and nations. Because ultimately, prosperity is not just about what we have; it is also about who we become.**

# The Index in numbers



Credit: shutterstock.com

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**15**

15 Years

**167**

167 Countries

**7**

7 Regions

**99.4**

99.4% of the  
global population

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**3**

3 Domains

**67**

67 Elements

**12**

12 Pillars

**300**

300 Indicators

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**45,778**

45,778 Discrete annual data points

**71**

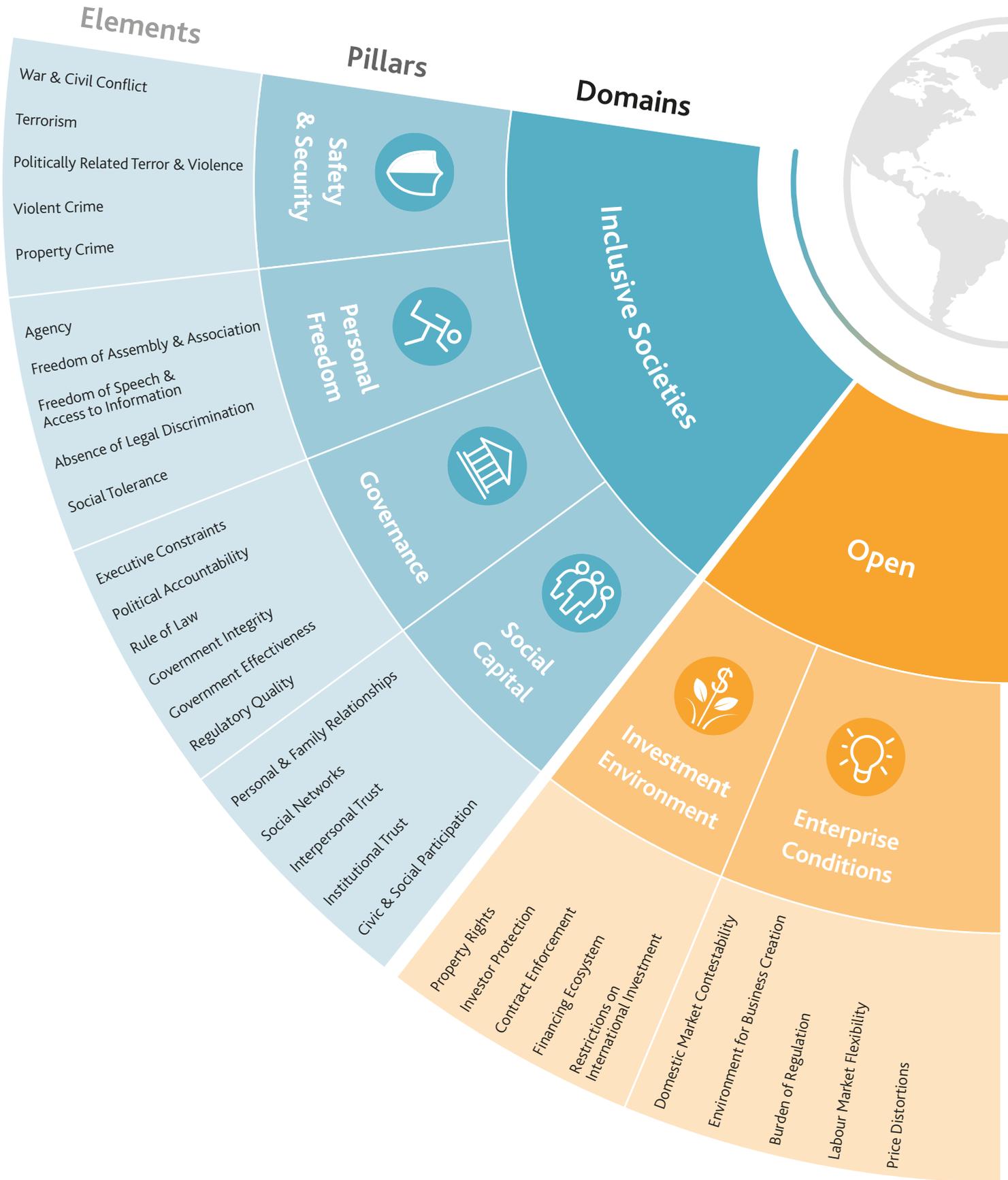
71 Data sources

**105**

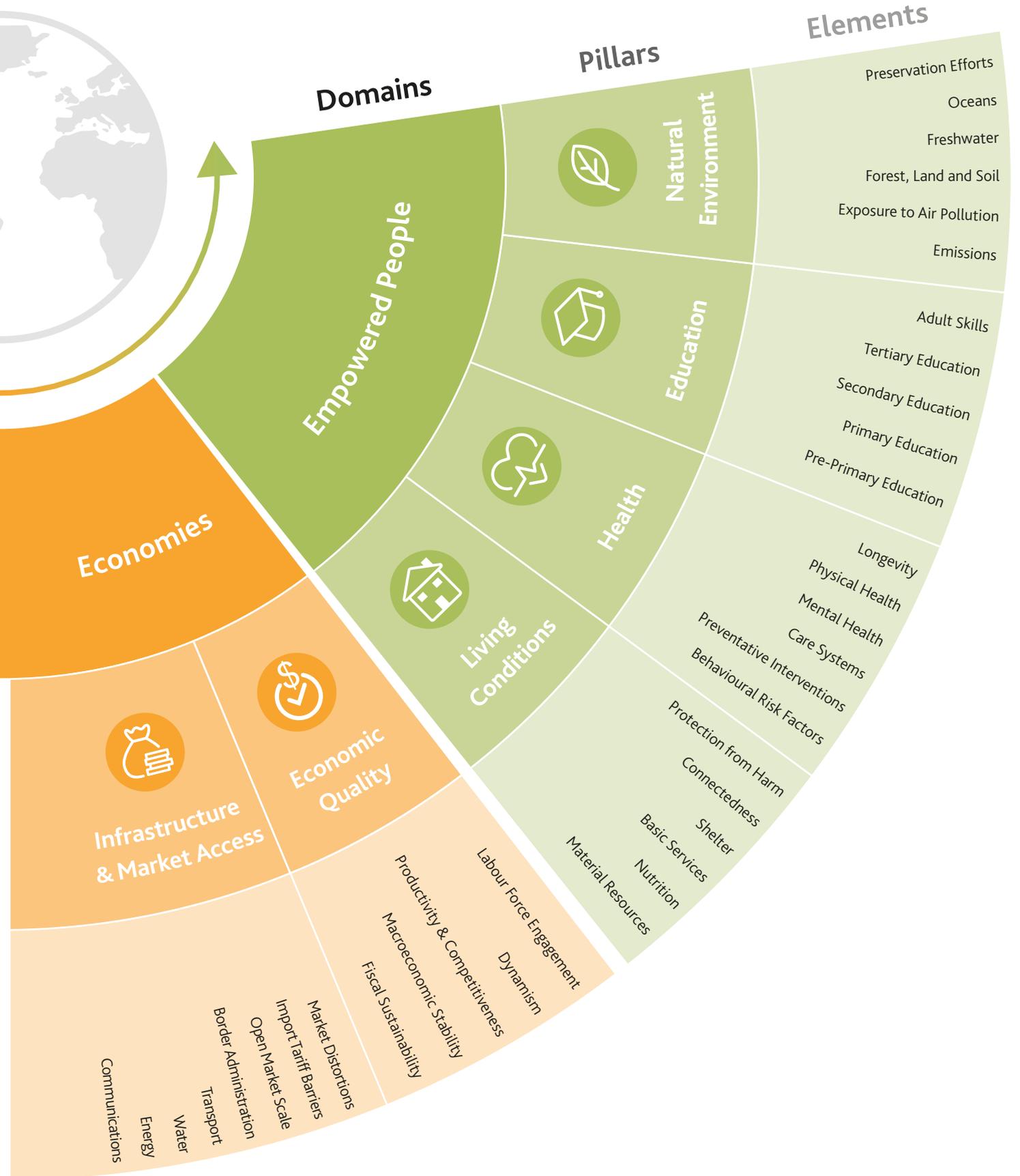
105 Specialist advisers

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# The building blocks of prosperity



# The domains, pillars, and elements of prosperity



# Key Findings







# Executive Summary

## INTRODUCING THE 2021 PROSPERITY INDEX

Having seen global prosperity improve steadily between 2015 and 2019, this year’s Legatum Prosperity Index finds that prosperity has plateaued for the second year running.

Whilst the plateauing of prosperity has been caused — at least in part — by the health and economic consequences of the COVID-19 pandemic, it has also been driven by the concerning erosion of many of the core features that underpin prosperity. Specifically, we have seen an ongoing deterioration in Political Accountability and Freedom of Speech and Assembly in most regions of the world. We are calling this out as a key area of concern.

We have seen prosperity stall for the second successive year in the world’s two most prosperous regions (North America and Western Europe), while in the least prosperous region (sub-Saharan Africa), it has improved for the 11<sup>th</sup> year in a row.

## KEY FINDINGS

**The COVID-19 pandemic has resulted in a major increase in global mortality. Countries around the world reported almost five million deaths from COVID-19 from the beginning of pandemic until the end of October 2021.**

The COVID-19 pandemic has reversed the previous trend of improving life expectancy, with global mortality increasing significantly in both 2020 and 2021. In total, the WHO estimates that almost five million people have died due to the pandemic. While the true death toll remains unknown, excess mortality is expected to reach a scale not witnessed in Western Europe since World War Two.

**Alongside the pandemic’s impact on global health, we have seen Economic Quality deteriorate sharply in all regions as the impact of COVID-19 responses reverberates, with North America the region experiencing the greatest decline.**

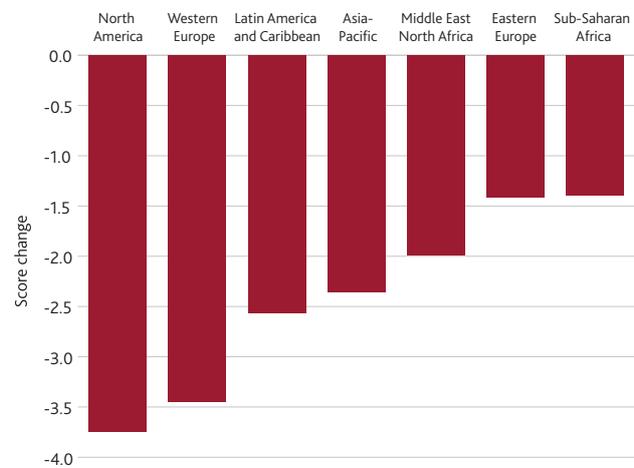
Economic Quality has seen a major deterioration in all regions, due to the impact of COVID-19 responses, with the sharpest decline seen in North America. The IMF reported that the global economy contracted by 3.6% in 2020, the largest ever recorded contraction and over double that experienced in 2008/9 during the global financial crisis. GDP per capita across all seven regions was less than it was in the previous year, with Western Europe most impacted, experiencing a contraction of -7.5% in GDP per capita. In total, some 147 countries experienced a fall in GDP per capita.

Unemployment rose sharply across the world because of lockdowns, with 158 countries (and all regions) seeing employment

rates deteriorate between 2019 and 2020. In the United States, the unemployment rate more than doubled, from 3.7% to 8.3%. And in the Middle East and North Africa (MENA) region, the Gulf states saw the most significant rises.

Governments across the globe have borrowed extensively in the past year to fund schemes to support businesses and individuals during the pandemic, and to plug the gap left by significant falls in tax revenue. In total, 149 of the 167 countries featured in the Index experienced an increase in government debt. Prior to the pandemic, government debt exceeded 100% of GDP in just 15 countries, including the USA. By 2020 however, that figure had nearly doubled to 28, including the United Kingdom.

## ECONOMIC QUALITY: REGIONAL CHANGE, 2020-2021



Preceding the response to the pandemic, there had already been a concerning long-term erosion of many of the core features of free societies. Global prosperity has been weakened by the continuing deterioration of many of the key facets of Governance, which have deteriorated for the third successive year. In addition, there has been a deterioration in Freedom of Expression and Freedom of Assembly across all regions which has been correlated with the weakening of political accountability.

**Global prosperity has been undermined by the continue weakening of many of the key facets of Governance, which have deteriorated for the third successive year.**

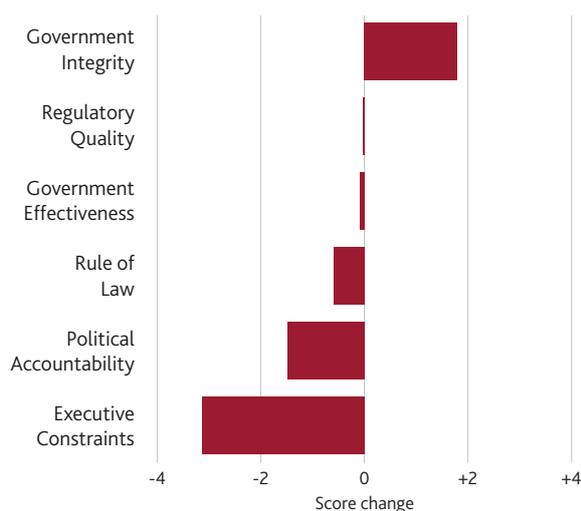
Between 2014 and 2018, Governance across the world was showing signs of strengthening, with 83 countries seeing an improvement. However, since 2018, the quality of governance in 46 of these countries has regressed, resulting in a deterioration in governance

globally. Sub-Saharan Africa is the only region to have shown recent improvement; and in contrast the OECD group of nations has been experiencing a long-term deterioration.

Over the past three years, the trend towards weakening Governance has been driven in large part by weakening Executive Constraints, which have become less subject to legal powers and independent checks than they were in 2018. Since then, North America and MENA have experienced the greatest deterioration in Governance since 2018, with the United States, Iran, and Turkey deteriorating the most in these regions. Globally, some 116 countries have seen either a deterioration or no improvement, with Jordan and China seeing the greatest overall weakening.

Deteriorations in Political Accountability have also been widespread. Since 2018, some 64 countries have seen their Political Accountability deteriorate, with Comoros and Bangladesh experiencing the greatest decline. Over the past decade, the biggest regional deteriorations have been seen in North America, MENA, and Eastern Europe. Of the 23 countries in Eastern Europe, as many as 14 have seen their Political Accountability deteriorate over this period.

### GOVERNANCE: ELEMENT CHANGE, 2011-2021



**Over the last decade, prosperity has been further impacted as both Freedom of Speech and Freedom of Assembly have weakened across all regions.**

The restrictions to freedoms from COVID-19 lockdowns reinforced a longer-term trend. The core freedoms of speech and assembly have weakened across all regions of the world. Of those countries whose political accountability deteriorated in the last decade, more than 80% have also experienced a deterioration in each of these freedoms, with the greatest deteriorations in Asia-Pacific, MENA, and Eastern Europe.

Within the Asia-Pacific region, 20 of the 29 countries saw their Freedom of Assembly deteriorate since 2011, with the most significant declines experienced in India, Bangladesh, Hong Kong, and the Philippines. India also experienced the greatest reduction in Freedom of Speech in the region, driven largely by an increase in the extent of government media censorship.

### KEY COUNTRY RANKINGS

#### GLOBAL

-  **Top in 2021:**  
Denmark (1<sup>st</sup>)
-  **Bottom in 2021:**  
South Sudan (167<sup>th</sup>)
-  **Most improved in 2021:**  
Ukraine (78<sup>th</sup>)
-  **Most deteriorated in 2021:**  
Lebanon (109<sup>th</sup>)
-  **Most improved 2011-2021:**  
Côte d'Ivoire (120<sup>th</sup>)
-  **Most deteriorated 2011-2021:**  
Syria (158<sup>th</sup>)

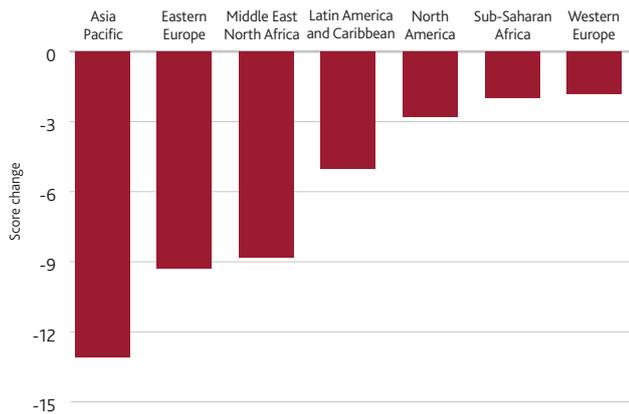
#### TOP IN REGION, 2021

-  **North America:**  
Canada (15<sup>th</sup>)
-  **Eastern Europe**  
Estonia (17<sup>th</sup>)
-  **Latin America and the Caribbean**  
Uruguay (37<sup>th</sup>)
-  **Asia-Pacific**  
New Zealand (8<sup>th</sup>)
-  **Middle East and North Africa**  
Israel (32<sup>nd</sup>)
-  **Sub-Saharan Africa**  
Mauritius (45<sup>th</sup>)

#### MOST IMPROVED IN REGION, 2011-2021

-  **North America**  
United States (20<sup>th</sup>)
-  **Western Europe**  
Spain (24<sup>th</sup>)
-  **Eastern Europe**  
Armenia (55<sup>th</sup>)
-  **Latin America and the Caribbean**  
Ecuador (83<sup>rd</sup>)
-  **Asia-Pacific**  
Myanmar (133<sup>rd</sup>)
-  **Middle East and North Africa**  
Saudi Arabia (75<sup>th</sup>)

## FREEDOM OF ASSEMBLY AND ASSOCIATION: REGIONAL CHANGES, 2011-2021

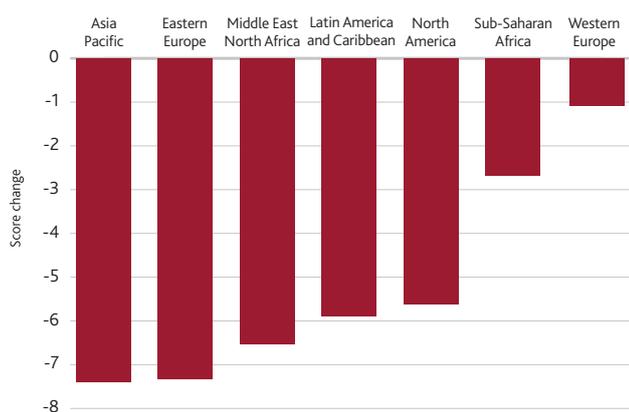


Similarly, some 13 countries in the MENA region saw both their Freedom of Speech and Freedom of Assembly decline over the course of the decade. Turkey experienced some of the greatest deteriorations, with significant constraints on the right to associate and organise. It also experienced major deteriorations in political diversity of media perspectives and access to alternative sources of information, alongside Egypt.

Likewise, in Eastern Europe, 14 of the region's 23 countries saw a deterioration in both Freedom of Speech and Freedom of Assembly, with the most severe declines seen in Hungary, Poland, and Serbia. The region has seen a significant reduction in access to alternative sources of information, as well as in the political diversity of media perspectives.

But it is not just in less prosperous or less stable regions where these foundations are weakening. Across the OECD, these foundations are also all weakening — and have been doing so steadily for the last decade.

## FREEDOM OF SPEECH AND ACCESS TO INFORMATION: REGIONAL CHANGES, 2011-2021



**Into this context it is concerning that the world's two most prosperous regions have been the main contributors to the stalling of global prosperity — North America and Western Europe.**

Both the United States and Canada have seen prosperity weaken over the past two years. While the impact of COVID, and the resulting actions taken, have driven the decline in prosperity since 2020,

the deterioration in Governance since 2019 has also contributed to the downward trend in prosperity in both countries.

This is principally due to the judiciary being reported as less independent in both countries and in the U.S. also being less efficient at resolving disputes. In the United States, the deterioration in Political Accountability and Regulatory Quality have also contributed to the decline in Governance since 2018. Furthermore, in the U.S., the decline in the country's prosperity over the past two years is also due to a regulatory environment that is more burdensome and a labour market less flexible.

In Canada, the long-term decline in Social Capital is also contributing to prosperity weakening over the past two years. Less than half of the population (44%) donate money to charity, down from 65% six years ago, and less than one in five people volunteer their time, down from just over one in three six years ago.

As a result of the pandemic, and the actions taken to try and contain it, the second most prosperous region, Western Europe, also saw a deterioration in its prosperity in the latest year. However, even prior to the pandemic, prosperity across the region was stalling, with half of the countries in the region experiencing a deterioration in prosperity between 2019 and 2020.

Across the region, costs to businesses of organised crime had increased as had costs to property from remediating the impact from acts of terrorism, resulting in Safety and Security weakening between 2019 and 2020. Governance, which had already been weakening across the region since 2017, weakened further between 2019 and 2020, with 13 of the region's 20 countries experiencing a deterioration.

**The bright light in a world of stagnating prosperity has been sub-Saharan Africa's modest but consistent progress, despite a deterioration in the continent's safety and security. The prosperity of 40 out of 49 countries improved over the past decade.**

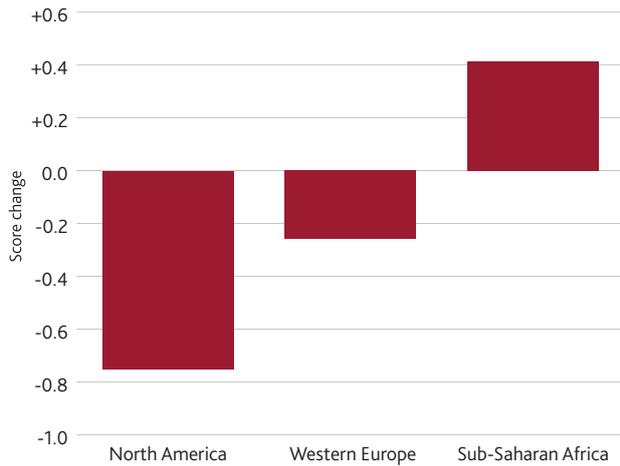
In the least prosperous region (sub-Saharan Africa), prosperity has improved for the 11<sup>th</sup> year in a row. Across the region, the rate of extreme poverty has dropped from 49.9% to 42.3% of the population. Much of the region's progress has been driven by steady improvements in Health and in Infrastructure.

The quality of healthcare systems has improved significantly, with one of the most totemic improvements seen in the coverage of antiretroviral HIV therapy, which has increased from just 18% to 61% in just the past ten years. In addition, the proportion of births attended by skilled health professionals has increased from 45% to 61% over the past decade.

Such changes have been reflected in the region's progress in Longevity. Mortality in sub-Saharan Africa has improved across all age groups over the past decade. From 2011 to 2021, under-5 mortality fell from 102 to 73 per 1,000 people, while mortality amongst those aged 15-60 fell from 337 to 269 per 1,000 people. Meanwhile, life expectancy at 60 increased from 15.4 years in 2011 to 17.6 in 2021.

Sub-Saharan Africa has also seen notable improvements in social tolerance in the past year, with perceptions of tolerance for ethnic minorities, immigrants, and members of the LGBT community all improving. The most significant improvement has been seen in

**PROSPERITY SCORE: REGIONAL CHANGE, 2019-2021**



attitudes towards ethnic minorities, with 71% of people viewing their community as a good place to live for ethnic minorities in 2020, compared with 67% in 2019.

Improving energy and communication infrastructure has also contributed to the region’s growing prosperity. Over the past decade, the proportion of people with access to 2G, 3G, and 4G networks increased significantly from 47% to 71%, while mobile network

coverage across the continent grew at a similar pace to the rest of the world in the past year.

**SUMMARY**

The plateauing of prosperity over the past two years has profound implications for the wellbeing of individuals, communities, and nations around the world. The COVID-19 pandemic has had a considerable and widespread impact on prosperity, not only on global health but also contributing to a significant increase of deficits and debt as governments have sought to manage its economic fallout.

However, while COVID-19 has undoubtedly had a short-term impact on prosperity, the pandemic has not been solely responsible. The past decade has seen the increasing suppression of the core liberties which underpin true prosperity, with Governance and Freedom of Speech and Assembly all weakening.

More so than ever, it is imperative that we do not take these freedoms for granted, recognising their irreplaceable role as the foundations of inclusive societies, open economies, and empowered people. Nations who value the genuine prosperity of their people need to take stock at this moment in time, think carefully, and revert to the ancient paths with a focus on a firm foundation of the rule of law, open markets, respect for freedoms, and personal responsibility.

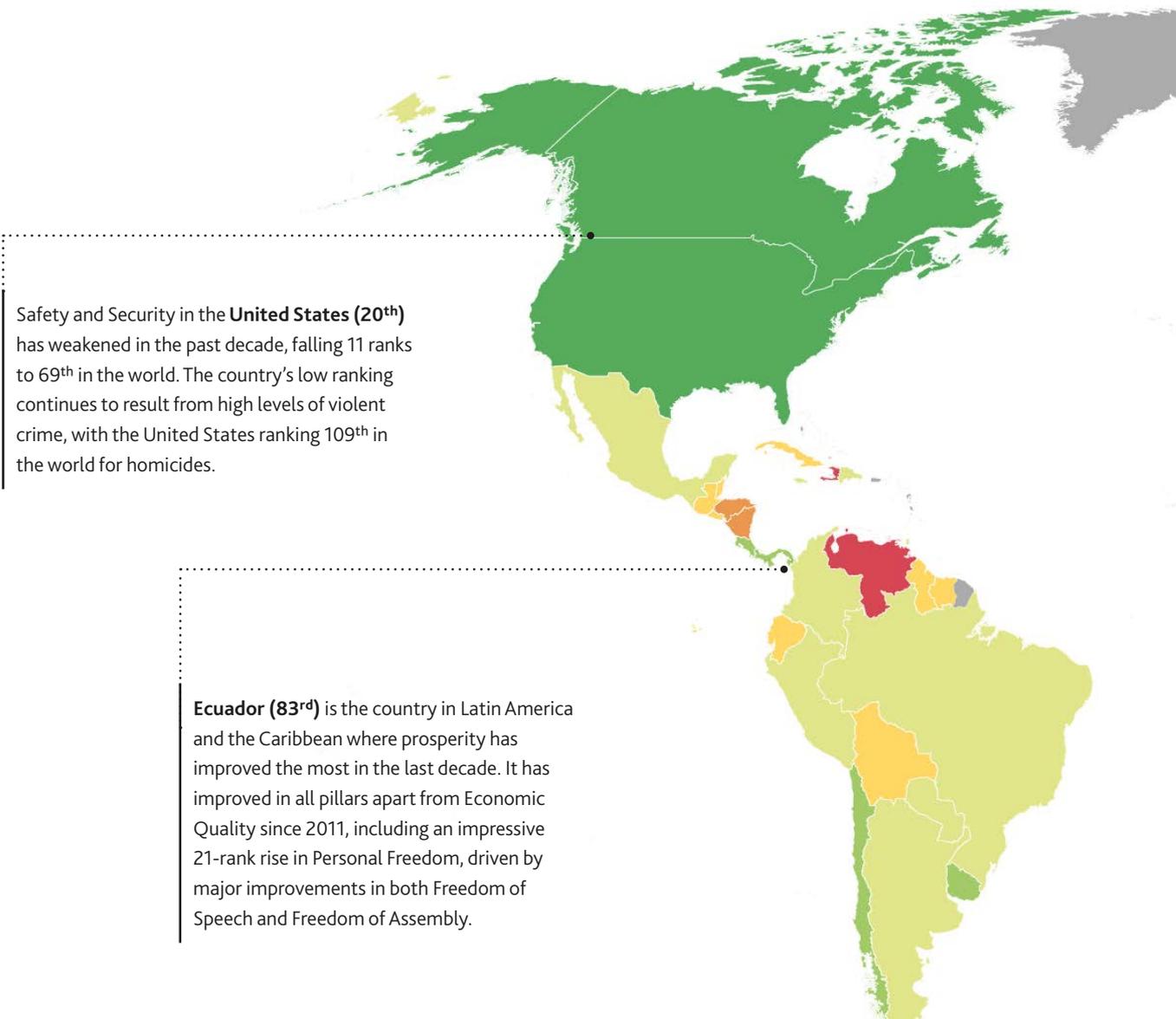


Denmark is the most prosperous country in 2021, ranking in the top ten for all but one pillar. It leads the world in Social Capital, with citizens reporting high levels of confidence in key institutions like the judicial system and courts (86%) as well as strong generalised interpersonal trust (74%).

*Credit: shutterstock.com*

Following the data irregularities identified in the Doing Business '18 and '20 reports, the World Bank Group released revised data in time for inclusion in the 2021 Prosperity Index. The World Bank Group subsequently took the decision to discontinue the Doing Business report. Therefore, for the 2022 Prosperity Index, we will be reviewing all related data sources to ensure that the Index utilises the most relevant and accurate sources.

# Mapping prosperity in 2021



Safety and Security in the **United States (20<sup>th</sup>)** has weakened in the past decade, falling 11 ranks to 69<sup>th</sup> in the world. The country's low ranking continues to result from high levels of violent crime, with the United States ranking 109<sup>th</sup> in the world for homicides.

**Ecuador (83<sup>rd</sup>)** is the country in Latin America and the Caribbean where prosperity has improved the most in the last decade. It has improved in all pillars apart from Economic Quality since 2011, including an impressive 21-rank rise in Personal Freedom, driven by major improvements in both Freedom of Speech and Freedom of Assembly.

Several countries are not included in the Legatum Prosperity Index due to inaccessible or insufficient data. The most populous of these is the Democratic People's Republic of North Korea, with an estimated population of 25.8 million.

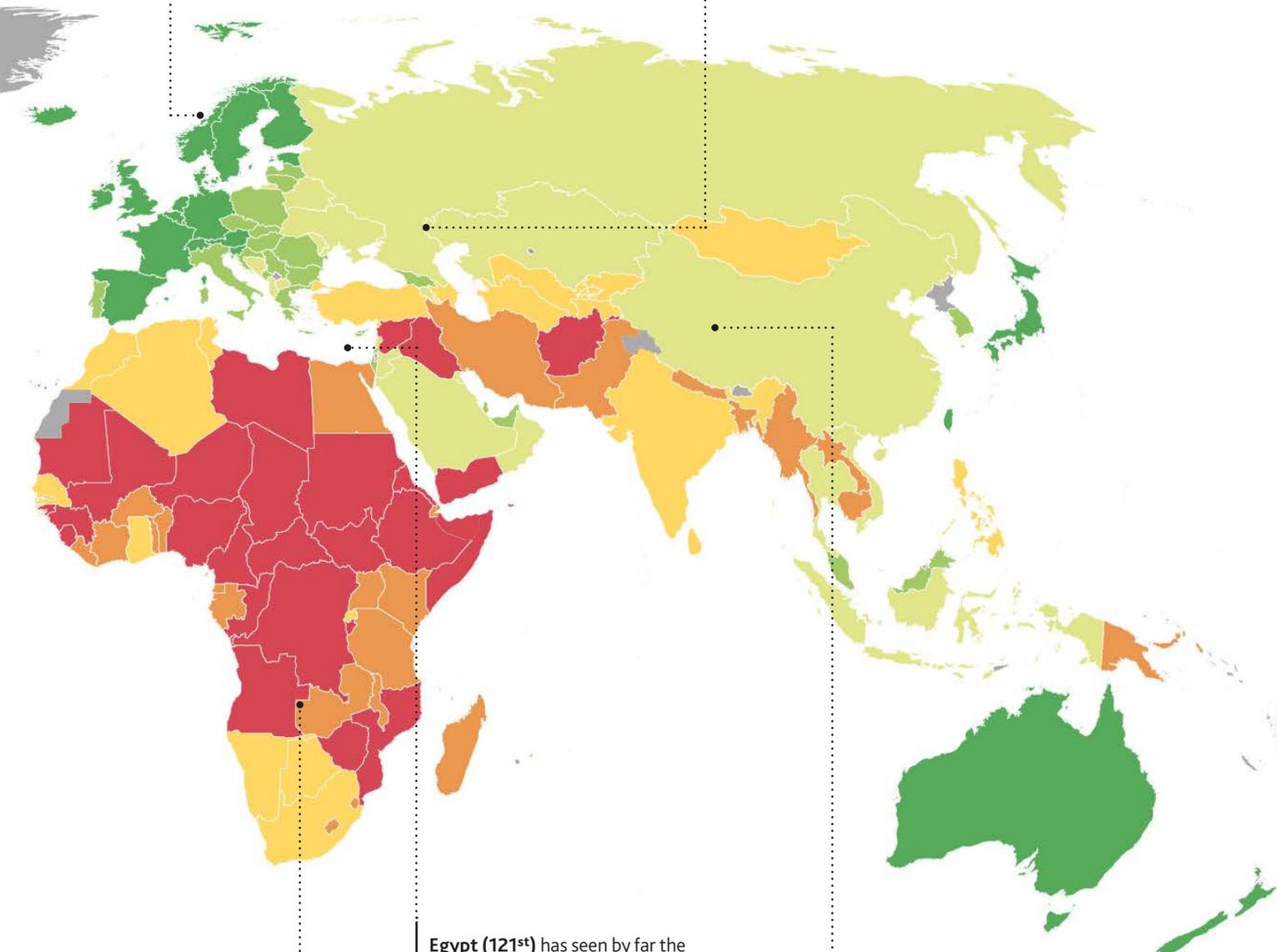
**Botswana (82<sup>nd</sup>)** has the third highest new business density in the world, contributing to it ranking first in sub-Saharan Africa for Economic Quality.

## Global Prosperity Index, 2021 ranking:

- 1–30 ■
- 31–60 ■
- 61–90 ■
- 91–120 ■
- 121–150 ■
- 151–167 ■

**Denmark (1<sup>st</sup>)** is the most prosperous country in 2021, ranking in the top ten for all but one pillar. It leads the world in Social Capital, with citizens reporting high levels of confidence in key institutions like the judicial system and courts (86%) as well as strong generalised interpersonal trust (74%).

**Armenia (55<sup>th</sup>)** has seen its prosperity improve most in Eastern Europe over the past decade, rising almost 20 places. It has made significant progress in decreasing levels of crime, halving its homicide rate since 2011.



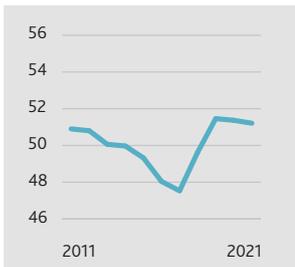
**Egypt (121<sup>st</sup>)** has seen by far the greatest overall deterioration in Political Accountability in the Middle East and North Africa over the past decade.

**Nepal (144<sup>th</sup>)** is one of the countries in Asia-Pacific where prosperity has improved the most in the last decade. Primary school enrolment has grown from 80% to 96%, and secondary school enrolment has increased from 47% to 62%.

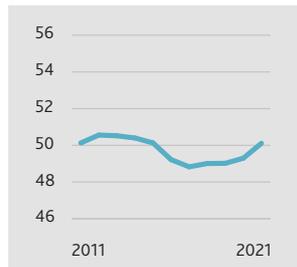
# The pillars of prosperity at a glance



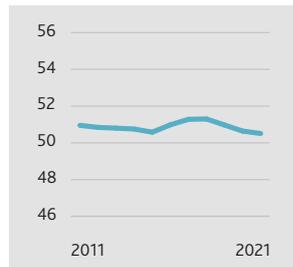
The **Safety and Security** pillar measures the degree to which war, conflict, and crime have destabilised the security of individuals, both immediately and through longer lasting effects.



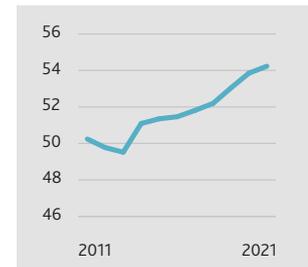
The **Personal Freedom** pillar measures progress towards basic legal rights, individual liberties, and social tolerance.



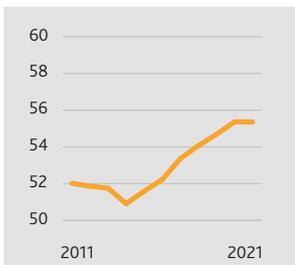
The **Governance** pillar measures the extent to which there are checks and restraints on power and whether governments operate effectively and without corruption.



The **Social Capital** pillar measures the strength of personal and social relationships, institutional trust, social norms and civic participation in a country.



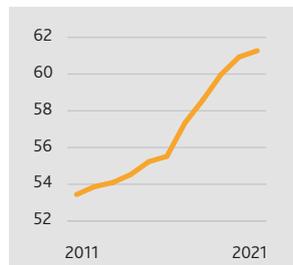
The **Investment Environment** pillar measures the extent to which investments are adequately protected and are readily accessible.



The **Enterprise Conditions** pillar measures the degree to which regulations enable businesses to start, compete, and expand.



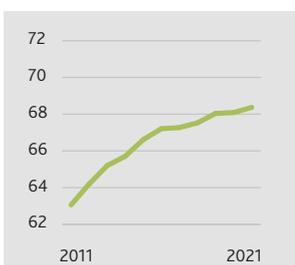
The **Infrastructure and Market Access** pillar measures the quality of the infrastructure that enables trade, and distortions in the market for goods and services.



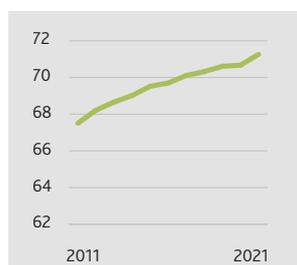
The **Economic Quality** pillar measures how well an economy is equipped to generate wealth sustainably and with the full engagement of the workforce.



The **Living Conditions** pillar measures the degree to which a reasonable quality of life is experienced by all, including material resources, shelter, basic services, and connectivity.



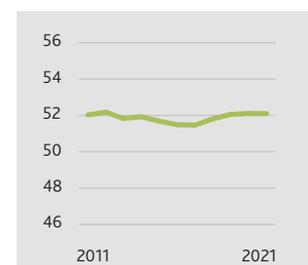
The **Health** pillar measures the extent to which people are healthy and have access to the necessary services to maintain good health, including health outcomes, health systems, illness and risk factors, and mortality rates.



The **Education** pillar measures enrolment, outcomes, and quality across four stages of education (pre-primary, primary, secondary, and tertiary education), as well as the skills in the adult population.



The **Natural Environment** pillar measures the aspects of the physical environment that have a direct effect on people in their daily lives and changes that might impact the prosperity of future generations.



# The Legatum Prosperity Index™ Ranks 1–56



2011 rank	2020 rank	2021 rank	Country	Safety and Security	Personal Freedom	Governance	Social Capital	Investment Environment	Enterprise Conditions	Infrastructure and Market Access	Economic Quality	Living Conditions	Health	Education	Natural Environment
3	1	1	Denmark	7	2	2	1	4	5	9	8	3	18	3	8
2	2	2	Norway	1	1	3	2	5	9	19	11	7	4	10	10
1	5	3	Sweden	10	3	6	5	8	16	6	7	5	10	14	1
4	4	4	Finland	18	4	1	3	3	11	10	19	9	14	4	2
5	3	5	Switzerland	2	10	7	9	13	2	13	1	6	13	8	7
7	6	6	Netherlands	9	5	4	7	10	7	2	6	1	9	7	35
8	7	7	Luxembourg	3	7	8	19	22	6	11	2	8	12	34	11
6	8	8	New Zealand	26	11	5	4	6	14	23	17	30	24	12	4
9	9	9	Germany	21	12	9	16	16	13	5	10	2	16	23	14
14	10	10	Iceland	6	9	11	6	23	26	18	20	12	8	15	17
12	11	11	Austria	11	14	13	12	11	18	16	22	17	25	25	6
17	12	12	Ireland	13	6	15	18	25	19	24	4	19	26	13	13
13	13	13	United Kingdom	17	17	14	20	7	12	8	18	10	31	16	22
16	15	14	Singapore	8	101	27	10	1	3	1	5	4	2	1	86
11	14	15	Canada	19	8	12	11	21	17	21	40	16	34	5	19
10	16	16	Australia	27	15	10	8	12	24	33	23	13	22	9	24
23	19	17	Estonia	24	23	17	25	18	15	26	15	21	41	19	5
15	17	18	Hong Kong	16	62	22	87	2	1	3	3	26	15	6	34
19	18	19	Japan	5	34	18	143	9	8	7	25	11	1	11	16
18	20	20	United States	69	22	23	13	15	4	4	16	27	68	20	23
22	22	21	Taiwan, China	4	27	21	38	14	10	29	13	32	5	17	81
20	21	22	France	38	25	19	55	20	22	14	29	23	20	27	12
21	23	23	Belgium	30	19	16	60	24	25	15	34	15	19	18	39
26	24	24	Spain	28	18	25	31	26	31	12	54	20	21	24	37
25	25	25	Malta	22	20	26	22	38	27	36	14	14	11	37	102
24	26	26	Slovenia	14	32	36	35	35	33	27	36	25	23	21	3
29	29	27	Czechia	12	24	31	57	28	44	28	12	28	30	31	26
28	27	28	Portugal	29	13	24	63	31	28	20	46	18	38	39	36
27	28	29	South Korea	37	43	30	147	19	46	17	9	24	3	2	56
36	32	30	Latvia	35	31	35	84	34	34	42	26	42	72	26	9
31	31	31	Italy	23	26	39	74	39	30	25	55	29	17	33	40
35	30	32	Israel	111	56	20	49	17	23	37	21	22	6	29	104
40	33	33	Lithuania	36	37	32	112	32	32	38	35	39	67	28	15
30	34	34	Cyprus	44	29	33	110	47	35	30	42	33	28	36	38
33	35	35	Slovakia	32	30	41	53	30	53	44	38	35	43	49	20
32	36	36	Poland	20	47	40	56	46	40	40	39	31	56	32	44
38	39	37	Uruguay	47	16	28	30	43	62	63	57	43	35	51	46
34	37	38	Chile	92	33	29	90	33	39	32	43	44	53	43	48
39	38	39	Costa Rica	50	21	34	75	57	50	51	59	56	33	46	18
42	43	40	Croatia	25	39	47	125	49	75	31	51	38	52	44	27
44	40	41	United Arab Emirates	49	145	43	29	29	21	22	32	48	36	45	118
46	41	42	Malaysia	73	114	49	24	27	29	41	27	66	44	42	47
41	42	43	Greece	31	44	42	131	91	49	34	96	34	46	38	28
37	46	44	Hungary	34	81	82	48	42	78	43	33	37	51	41	33
43	44	45	Mauritius	42	42	37	37	37	43	49	61	61	83	62	107
45	45	46	Qatar	15	146	63	26	45	20	39	28	46	39	58	122
50	47	47	Romania	33	40	57	117	40	60	47	41	55	62	64	41
51	48	48	Bulgaria	53	58	58	83	52	55	55	30	50	63	47	70
53	51	49	Montenegro	41	48	56	40	55	54	61	77	49	95	50	105
49	50	50	Seychelles	57	70	46	41	67	52	64	71	70	37	65	50
47	49	51	Panama	52	49	65	65	54	88	52	50	78	48	92	31
64	53	52	Serbia	43	75	81	82	69	91	62	58	45	75	48	127
61	55	53	Georgia	81	60	50	59	44	56	59	81	84	93	55	124
63	52	54	China	86	159	86	36	48	36	46	24	52	7	57	136
74	54	55	Armenia	66	77	62	93	58	48	72	79	69	65	59	99
48	58	56	Bahrain	100	158	110	17	36	37	35	72	40	54	61	140

\*Hong Kong is a Special Administrative Region of China

# The Legatum Prosperity Index™ Ranks 57-112



2011 rank	2020 rank	2021 rank	Country	Safety and Security	Personal Freedom	Governance	Social Capital	Investment Environment	Enterprise Conditions	Infrastructure and Market Access	Economic Quality	Living Conditions	Health	Education	Natural Environment
58	57	57	Argentina	74	28	54	97	79	117	90	146	58	42	52	55
52	60	58	Kuwait	51	119	91	52	73	64	57	52	36	45	74	137
54	59	59	Trinidad and Tobago	75	41	53	107	85	120	65	73	51	66	69	96
59	63	60	North Macedonia	54	68	73	103	56	77	73	67	53	69	89	98
60	56	61	Peru	95	53	68	149	65	63	77	60	99	49	66	30
72	61	62	Indonesia	85	102	64	15	68	58	67	56	108	80	88	83
56	62	63	Thailand	120	115	107	28	53	70	48	31	81	27	77	114
77	64	64	Kazakhstan	87	135	103	46	59	74	79	44	54	71	35	119
65	67	65	Jamaica	119	35	52	104	66	61	80	101	64	60	90	128
69	65	66	Belarus	61	142	111	122	89	90	70	47	41	55	30	68
57	66	67	Oman	39	149	87	33	51	47	53	87	67	57	76	151
55	68	68	Brazil	117	50	66	121	74	114	89	85	60	86	91	21
68	70	69	Albania	67	79	79	139	83	65	66	110	85	70	53	58
79	73	70	Russia	138	130	109	62	77	79	58	37	62	89	22	71
62	69	71	Mexico	148	72	84	126	60	68	50	45	82	79	72	63
90	76	72	Moldova	76	84	89	45	82	94	81	93	65	84	60	132
83	74	73	Dominican Republic	114	45	95	77	81	89	68	66	86	85	95	54
89	72	74	Vietnam	90	133	97	21	117	83	60	49	90	47	67	103
84	71	75	Saudi Arabia	108	163	96	43	61	38	45	63	71	64	63	145
76	77	76	Bosnia and Herzegovina	48	76	115	92	86	144	83	84	47	98	70	131
73	75	77	Colombia	155	67	71	106	71	98	69	82	88	32	73	29
91	88	78	Ukraine	134	73	77	102	123	72	74	75	76	104	40	106
82	79	79	Paraguay	70	69	98	61	84	134	95	68	77	91	106	32
75	78	80	Cabo Verde	40	38	44	67	115	100	122	139	102	87	99	85
70	81	81	Jordan	77	121	78	123	50	45	75	119	59	77	96	149
80	85	82	Botswana	71	57	38	111	72	82	105	53	114	131	101	141
97	83	83	Ecuador	89	59	99	124	94	123	82	123	96	78	82	45
88	82	84	Philippines	147	78	90	34	78	85	76	48	110	101	86	76
78	90	85	South Africa	137	36	48	39	70	59	86	69	106	140	108	144
101	80	86	Azerbaijan	104	147	130	94	63	42	71	90	63	74	79	152
94	87	87	Mongolia	62	61	67	54	107	102	116	94	107	107	54	147
98	86	88	Sri Lanka	130	93	76	51	100	84	91	111	101	40	71	59
71	84	89	Suriname	56	51	83	69	143	129	92	104	79	119	102	25
104	89	90	Kyrgyzstan	68	100	106	76	95	104	109	100	80	73	83	80
99	93	91	Morocco	60	116	85	160	64	73	56	99	92	88	110	126
81	91	92	Namibia	63	54	45	95	80	69	97	121	120	126	114	82
66	92	93	Turkey	146	154	127	140	62	57	54	62	57	58	78	91
95	94	94	Guyana	91	66	74	85	106	116	113	74	87	121	93	57
87	95	95	Belize	80	55	93	134	125	122	94	144	89	82	98	51
67	99	96	Tunisia	125	91	60	155	96	86	88	112	73	92	94	139
85	96	97	El Salvador	126	65	75	113	87	92	84	107	95	99	111	138
100	97	98	São Tomé and Príncipe	45	46	69	98	130	112	121	83	119	96	115	78
93	101	99	Ghana	82	52	59	96	111	66	110	137	115	117	116	111
107	98	100	Uzbekistan	55	151	141	27	93	105	99	78	103	50	80	163
112	103	101	India	139	106	51	68	75	51	78	91	122	111	118	160
92	100	102	Cuba	99	152	132	32	99	159	102	115	83	29	56	84
96	102	103	Guatemala	118	87	126	78	90	103	87	70	113	105	124	90
109	105	104	Rwanda	127	118	55	71	41	41	106	76	150	114	131	110
111	107	105	Senegal	83	63	61	50	102	87	119	125	125	120	144	79
103	106	106	Bolivia	101	82	119	130	105	148	108	118	104	112	97	42
106	108	107	Algeria	58	136	114	127	134	132	98	134	74	81	84	150
105	109	108	Turkmenistan	72	162	157	14	109	145	118	65	68	59	81	157
86	104	109	Lebanon	132	108	128	165	98	81	93	160	72	100	68	115
115	111	110	Tajikistan	78	150	143	23	120	96	127	105	98	90	87	142
108	110	111	Honduras	129	98	136	73	92	115	96	103	111	103	121	65
124	112	112	Kenya	145	95	92	79	76	67	101	97	131	115	109	133

# The Legatum Prosperity Index™ Ranks 113–167



2011 rank	2020 rank	2021 rank	Country	Safety and Security	Personal Freedom	Governance	Social Capital	Investment Environment	Enterprise Conditions	Infrastructure and Market Access	Economic Quality	Living Conditions	Health	Education	Natural Environment
102	113	113	Nicaragua	113	109	147	101	110	137	107	117	105	76	119	53
131	114	114	Nepal	94	74	88	116	122	124	141	95	128	118	117	143
117	115	115	Laos	64	156	134	105	141	110	103	88	118	116	105	62
121	116	116	The Gambia	79	99	72	42	104	93	136	149	124	141	136	73
122	117	117	Tanzania	109	112	94	64	116	106	124	92	132	124	134	66
120	118	118	Cambodia	96	139	156	72	124	138	100	64	126	94	126	88
129	123	119	Benin	65	80	70	151	132	80	130	126	143	139	138	125
144	119	120	Côte d'Ivoire	128	96	101	136	118	101	117	89	130	149	137	93
113	120	121	Egypt	149	161	142	141	97	71	85	131	91	109	104	153
119	122	122	Djibouti	84	140	121	132	101	99	112	86	121	122	140	154
125	121	123	Iran	131	165	145	89	126	152	104	138	75	61	75	156
114	125	124	Zambia	97	110	104	88	103	95	134	161	144	127	133	49
116	124	125	Gabon	103	113	129	152	153	146	135	114	109	138	100	72
130	126	126	Bangladesh	140	122	137	86	136	109	114	102	116	102	125	155
133	129	127	Uganda	133	117	120	120	88	97	125	113	140	133	135	117
118	127	128	Papua New Guinea	112	71	113	81	119	113	140	124	160	147	145	67
123	131	129	Malawi	107	85	80	157	108	108	139	135	154	125	152	69
126	128	130	Comoros	59	92	148	119	150	125	131	143	133	129	139	75
139	132	131	Eswatini	88	148	135	145	113	131	120	109	123	160	112	134
127	130	132	Equatorial Guinea	93	153	152	58	144	153	126	80	112	155	122	43
149	133	133	Myanmar	156	120	125	44	164	143	129	98	129	106	113	64
138	134	134	Burkina Faso	142	64	100	91	128	128	155	116	153	132	154	87
135	135	135	Lesotho	102	83	102	135	133	139	133	128	139	164	123	165
141	136	136	Madagascar	121	89	122	99	127	130	150	130	162	142	147	74
156	139	137	Togo	105	104	133	161	129	121	145	142	145	143	132	130
151	140	138	Pakistan	150	125	124	133	112	111	115	136	117	130	143	167
134	138	139	Liberia	110	97	105	70	138	118	160	145	148	159	162	60
158	141	140	Guinea	122	111	123	114	121	76	149	157	152	156	160	77
142	137	141	Iraq	164	141	138	142	137	126	111	132	93	113	120	166
150	142	142	Zimbabwe	115	137	146	137	140	150	137	147	136	145	103	129
143	144	143	Nigeria	153	105	131	108	114	119	143	151	138	158	142	123
145	146	144	Sierra Leone	106	86	108	66	151	142	164	153	155	162	150	100
152	147	145	Ethiopia	144	126	117	80	148	140	148	108	149	128	151	113
137	143	146	Mozambique	124	94	118	109	135	147	142	163	157	150	159	52
110	145	147	Venezuela	151	128	167	144	160	167	123	164	97	97	85	61
147	149	148	Niger	143	88	116	47	131	127	163	129	159	148	164	112
140	151	149	Cameroon	157	132	149	118	145	135	138	106	137	154	127	108
157	150	150	Guinea-Bissau	46	103	140	115	158	151	156	152	161	152	163	92
132	148	151	Mali	158	90	112	150	142	133	151	127	142	146	161	109
146	153	152	Congo	135	123	154	153	152	156	147	159	135	144	128	89
148	154	153	Mauritania	98	138	151	100	156	154	158	140	127	134	156	164
128	152	154	Libya	162	129	159	128	167	165	128	133	94	108	107	159
154	155	155	Haiti	123	107	155	158	159	166	157	141	147	151	130	146
153	156	156	Angola	116	131	139	146	166	160	144	158	146	157	157	120
159	157	157	Burundi	152	155	150	138	146	107	154	162	164	135	146	97
136	158	158	Syria	165	166	164	166	147	164	132	120	100	110	129	158
155	159	159	Sudan	161	157	160	148	139	141	146	167	134	123	148	161
162	161	160	Dem. Rep. of Congo	160	124	158	156	165	157	161	154	158	161	149	101
166	160	161	Somalia	159	144	162	129	149	161	152	166	156	163	141	135
164	162	162	Eritrea	136	167	163	162	155	158	162	156	163	136	155	116
163	163	163	Afghanistan	166	127	144	167	157	136	159	150	151	153	158	162
167	165	164	Chad	141	134	161	159	161	163	166	148	165	165	165	95
160	164	165	Yemen	163	164	166	154	162	155	153	165	141	137	153	148
165	166	166	Central African Republic	154	143	153	163	163	162	167	122	167	167	166	94
161	167	167	South Sudan	167	160	165	164	154	149	165	155	166	166	167	121

\*From 2011 Sudan excludes South Sudan.



# Mapping Regional Prosperity





# Prosperity by region

The varying performance of the Index's seven regions provide an illustration of how prosperity has plateaued. Five regions have experienced a deterioration in their prosperity over the last year, whilst Eastern Europe and sub-Saharan Africa are the only regions to have recorded an improvement in 2021. The greatest deterioration in the past year has been seen in Latin America and the Caribbean (4<sup>th</sup>), with all but five countries in the region weakening as a result of impact of the pandemic alongside faltering Governance. We have seen prosperity weaken in the world's two most prosperous regions — North America and Western Europe. Whilst North America (1<sup>st</sup>) remains the world's most prosperous region, it has deteriorated for the second year in a row.

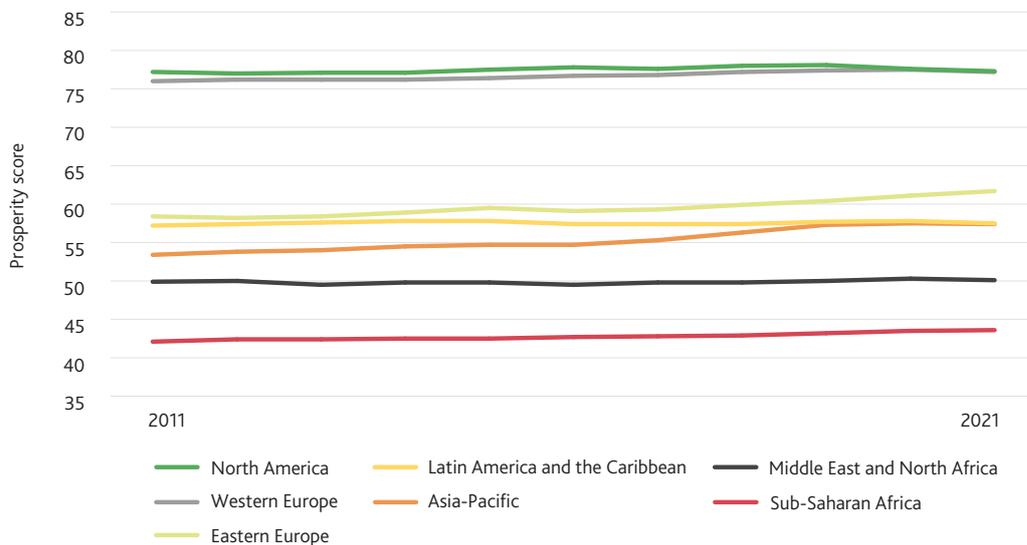
Prosperity in Eastern Europe (3<sup>rd</sup>) has improved for the fifth year in a row. Progress has been driven by growing confidence in key institutions, increasing levels of civil and social participation, as well as improving social tolerance. Though still ranked last, sub-Saharan Africa (7<sup>th</sup>) has continued its steady progress. Prosperity in the region has now increased for the 11<sup>th</sup> consecutive year, driven by consistent progress in health, levels of social tolerance, and infrastructure and market access. However, the pace of progress continues to lag behind that seen in regions like Eastern Europe and Asia-Pacific over the past decade.

The following pages explore in more detail how and why prosperity has been changing in each of these regions over the last decade.



	Overall Prosperity Ranking	Safety and Security	Personal Freedom	Governance	Social Capital	Investment Environment	Enterprise Conditions	Infrastructure and Market Access	Economic Quality	Living Conditions	Health	Education	Natural Environment
North America	1	2	2	2	1	1	1	1	1	2	2	1	1
Western Europe	2	1	1	1	2	2	2	2	2	1	1	2	2
Eastern Europe	3	3	4	4	4	3	4	3	3	3	5	3	4
Latin America and the Caribbean	4	5	3	5	6	5	6	5	5	4	4	4	3
Asia-Pacific	5	4	6	3	3	4	3	4	4	6	3	5	6
Middle East and North Africa	6	6	7	7	7	6	5	6	6	5	6	6	7
Sub-Saharan Africa	7	7	5	6	5	7	7	7	7	7	7	7	5

## PROSPERITY BY REGION



# North America (1<sup>st</sup>)

Education is a particular strength in **Canada (15<sup>th</sup>)**, with 99.8% of the population enrolling in secondary school and women spending an average of 15.7 years in school, some of the highest rates seen anywhere in the world.

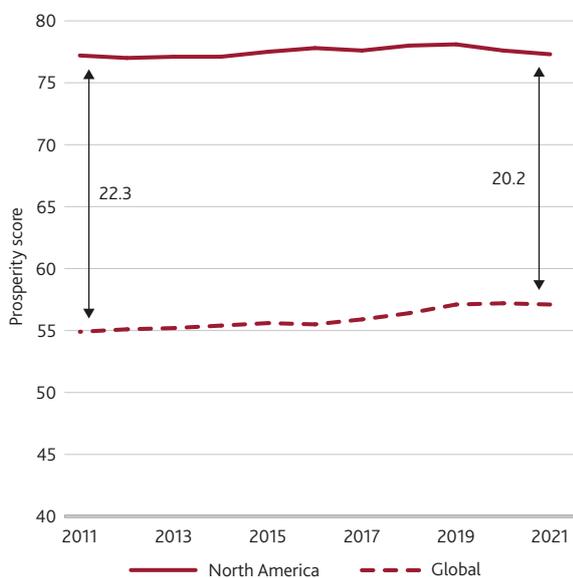
Rates of suicide in the **United States (20<sup>th</sup>)** stand at 14.5 deaths per 100,000 population, contributing to the country's low ranking for mental health (135<sup>th</sup>).

The **United States** ranks 4<sup>th</sup> for both Enterprise Conditions and Infrastructure and Market Access, a reflection of its status as a leading country for business. The United States enjoys the highest availability of skilled workers in the world.

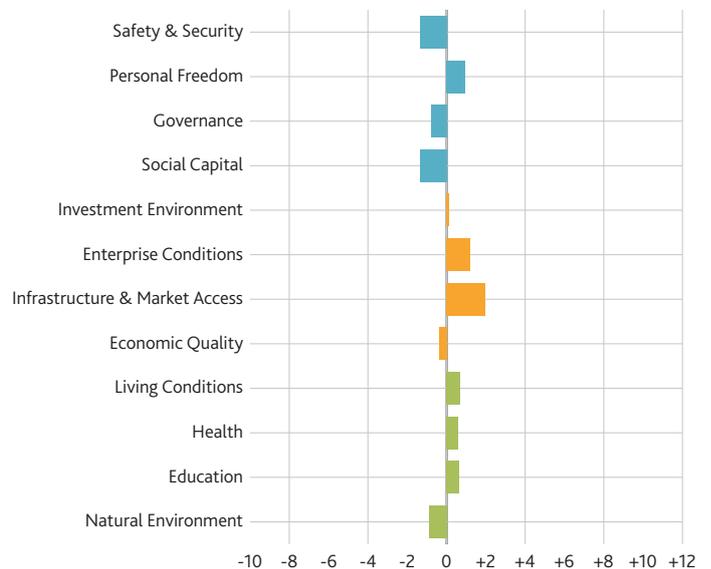
Fiscal Sustainability declined sharply in the **United States**, as the pandemic has impacted the government's balance sheet. Debt now exceeds \$28 trillion, an increase of nearly \$5 trillion in the past 14 months.

Country	Global rank
Canada	15
United States	20

## NORTH AMERICA AND GLOBAL PROSPERITY



## NORTH AMERICA PILLAR CHANGE, 2011-2021



# Western Europe (2<sup>nd</sup>)

Education has improved in the **United Kingdom (13<sup>th</sup>)**, with a 10% increase in people completing tertiary education (90%).

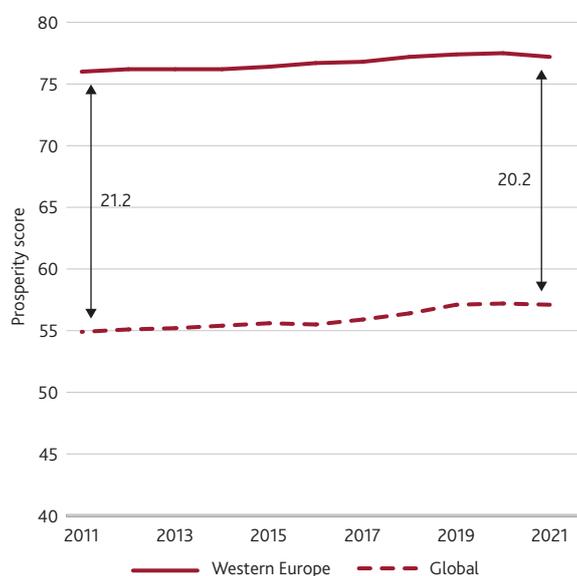
**Sweden (3<sup>rd</sup>)** is the Western European country whose prosperity has deteriorated the most over the last ten years. Since 2011, it has experienced a deterioration in six of the Index's 12 pillars, with the greatest deteriorations seen in Governance, Social Capital, and Investment Environment.

**Spain (24<sup>th</sup>)** is the Western European country whose prosperity has improved most in the past decade, driven by a notable improvement in Safety and Security. There has been a sharp decline in property crime, while the percentage of people who have reported stolen property in the last year has fallen from 14% to 8%.

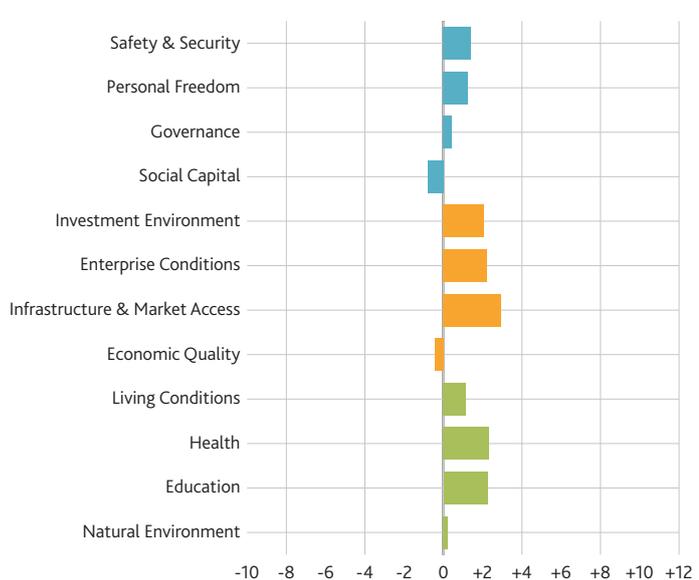
**Greece (43<sup>rd</sup>)** is the least prosperous country in Western Europe. It ranks 131<sup>st</sup> for Social Capital, with only 8.4% of the population agreeing that people can be trusted, down from 21% just ten years ago.

Country	Global rank
Denmark	1
Norway	2
Sweden	3
Finland	4
Switzerland	5
Netherlands	6
Luxembourg	7
Germany	9
Iceland	10
Austria	11
Ireland	12
United Kingdom	13
France	22
Belgium	23
Spain	24
Malta	25
Portugal	28
Italy	31
Cyprus	34
Greece	43

## WESTERN EUROPE AND GLOBAL PROSPERITY



## WESTERN EUROPE PILLAR CHANGE, 2011-2021



# Eastern Europe (3<sup>rd</sup>)

**Hungary (44<sup>th</sup>)** is the Eastern European country whose prosperity has deteriorated the most over the last ten years. It now ranks 82<sup>nd</sup> for Governance, with trust in government, the legislature, and the public sector continuing to fall.

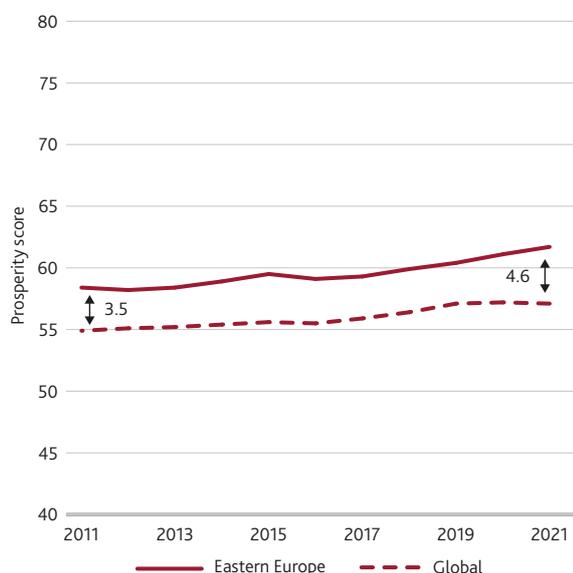
**Estonia (17<sup>th</sup>)** is the most prosperous country in Eastern Europe, ranking in the top 25 for all but one pillar. It has seen particular improvement in its Living Conditions over the past decade, with 88% now able to live on their household income, up from just 59% in 2011.

Country	Global rank
Estonia	17
Slovenia	26
Czechia	27
Latvia	30
Lithuania	33
Slovakia	35
Poland	36
Croatia	40
Hungary	44
Romania	47
Bulgaria	48
Montenegro	49
Serbia	52
Georgia	53
Armenia	55
North Macedonia	60
Belarus	66
Albania	69
Russia	70
Moldova	72
Bosnia and Herzegovina	76
Ukraine	78
Azerbaijan	86

**Georgia (53<sup>rd</sup>)** has seen a major improvement in fixed broadband subscriptions over the past decade, with the number increasing by more than six times. As a result, since 2011, the percentage of the population using the internet has increased from 20% to almost 70%.

**Azerbaijan (86<sup>th</sup>)** is the least prosperous country in Eastern Europe. Alongside weak Governance and Natural Environment, it performs particularly poorly for Personal Freedom. It ranks 153<sup>rd</sup> for Freedom of Assembly and Association and 158<sup>th</sup> for Freedom of Speech and Access to Information, both of which have deteriorated over the past decade.

## EASTERN EUROPE AND GLOBAL PROSPERITY



## EASTERN EUROPE PILLAR CHANGE, 2011-2021



# Latin America and the Caribbean (4<sup>th</sup>)

**Venezuela (147<sup>th</sup>)** is the country in this region whose prosperity has deteriorated the most over the last ten years. The number of people in Venezuela that have not had enough money to buy food has nearly doubled to 73% since 2011.

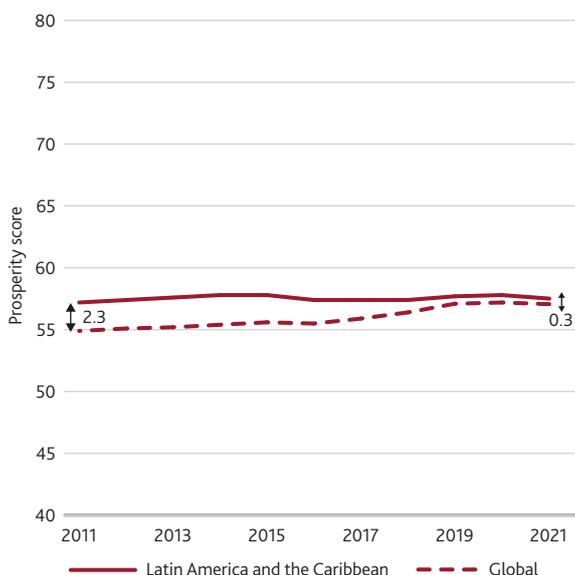
**Haiti (155<sup>th</sup>)** is the least prosperous country in Latin America and the Caribbean. It ranks below 150<sup>th</sup> for six pillars, while for its best performing pillar — Personal Freedom — it still ranks only 107<sup>th</sup>. It performs particularly poorly in Health, with immunisation rates for hepatitis currently at 51%, almost 40 percentage points lower than the global average.

Country	Global rank
Uruguay	37
Chile	38
Costa Rica	39
Panama	51
Argentina	57
Trinidad and Tobago	59
Peru	61
Jamaica	65
Brazil	68
Mexico	71
Dominican Republic	73
Colombia	77
Paraguay	79
Ecuador	83
Suriname	89
Guyana	94
Belize	95
El Salvador	97
Cuba	102
Guatemala	103
Bolivia	106
Honduras	111
Nicaragua	113
Venezuela	147
Haiti	155

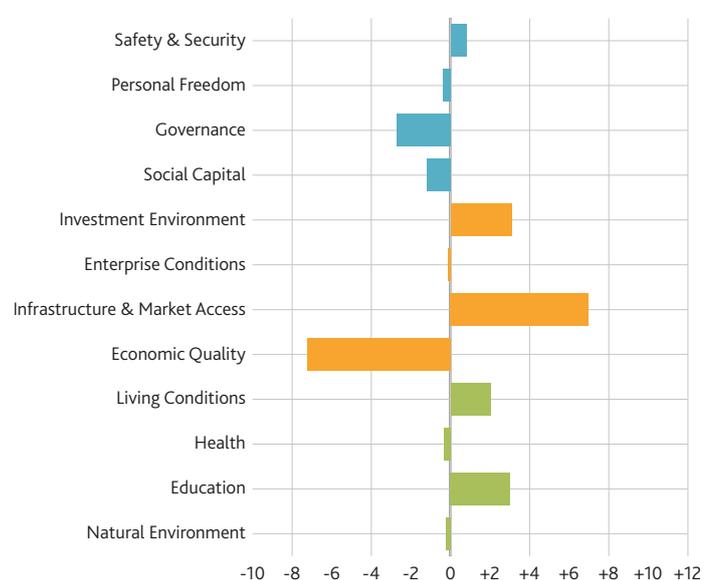
Pre-primary enrolment in **Peru (61<sup>st</sup>)** has improved from 77.8% to 99.7%, contributing to a boost in Education in the country.

**Uruguay (37<sup>th</sup>)** is the most prosperous country in Latin America and the Caribbean, ranking 16<sup>th</sup> in the world for Personal Freedom and 28<sup>th</sup> for Governance. More than 90% of survey respondents were satisfied with their degree of freedom to choose what to do with their lives.

## LATIN AMERICA AND THE CARIBBEAN AND GLOBAL PROSPERITY



## LATIN AMERICA AND THE CARIBBEAN PILLAR CHANGE, 2011-2021



# Asia-Pacific (5<sup>th</sup>)

**Pakistan (138<sup>th</sup>)** is one of the least prosperous countries in Asia-Pacific. It is ranked 167<sup>th</sup> in the world for Natural Environment, 150<sup>th</sup> for Safety and Security, and 143<sup>rd</sup> for Education. Though improving, rates of primary and secondary school completion remain low, at 58% and 46% respectively.

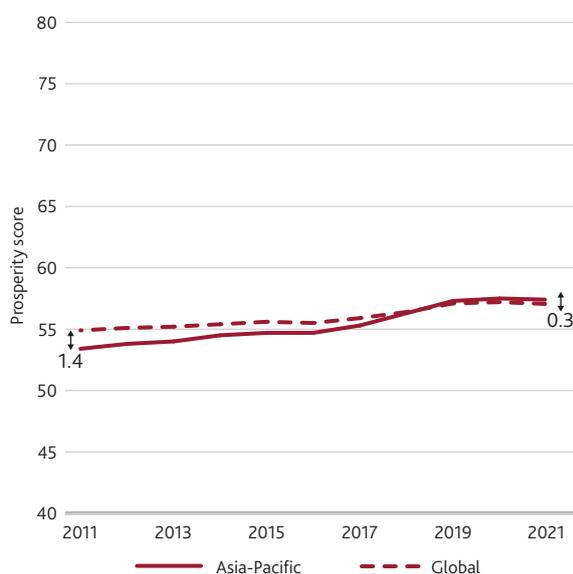
**India (101<sup>st</sup>)** has seen a great improvement in its Social Capital. Trust in key institutions such as local police, banks, the judicial system and courts, and the national government has increased by ten percentage points since 2011.

**Papua New Guinea (128<sup>th</sup>)** is the country in Asia-Pacific whose prosperity has deteriorated the most over the last ten years. It has experienced a significant deterioration in its Health, with immunisation rates falling. The proportion of children receiving hepatitis immunisations has fallen from 65% in 2011 to just 37%, the lowest rate anywhere in the world.

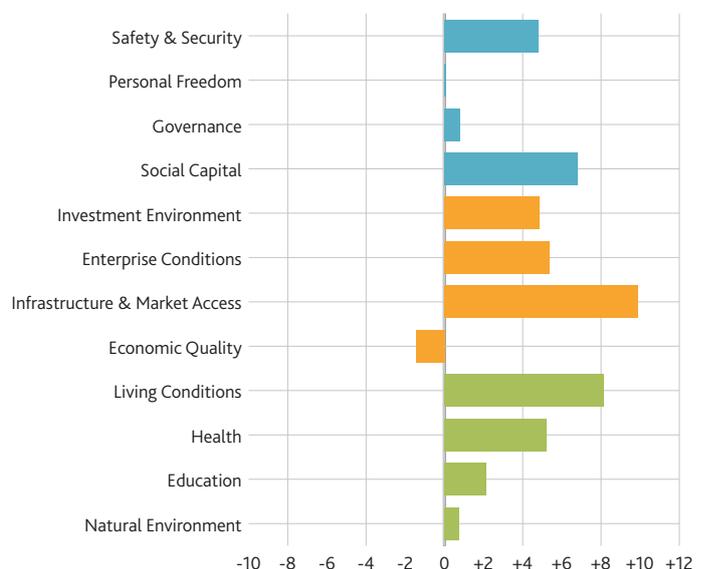
Country	Global rank
New Zealand	8
Singapore	14
Australia	16
Hong Kong	18
Japan	19
Taiwan, China	21
South Korea	29
Malaysia	42
China	54
Indonesia	62
Thailand	63
Kazakhstan	64
Vietnam	74
Philippines	84
Mongolia	87
Sri Lanka	88
Kyrgyzstan	90
Uzbekistan	100
India	101
Turkmenistan	108
Tajikistan	110
Nepal	114
Laos	115
Cambodia	118
Bangladesh	126
Papua New Guinea	128
Myanmar	133
Pakistan	138
Afghanistan	163

**New Zealand (8<sup>th</sup>)** is the most prosperous country in Asia-Pacific, due in part to its strong Social Capital (4<sup>th</sup>). Almost 60% of New Zealanders think most people can be trusted, one of the highest proportions worldwide.

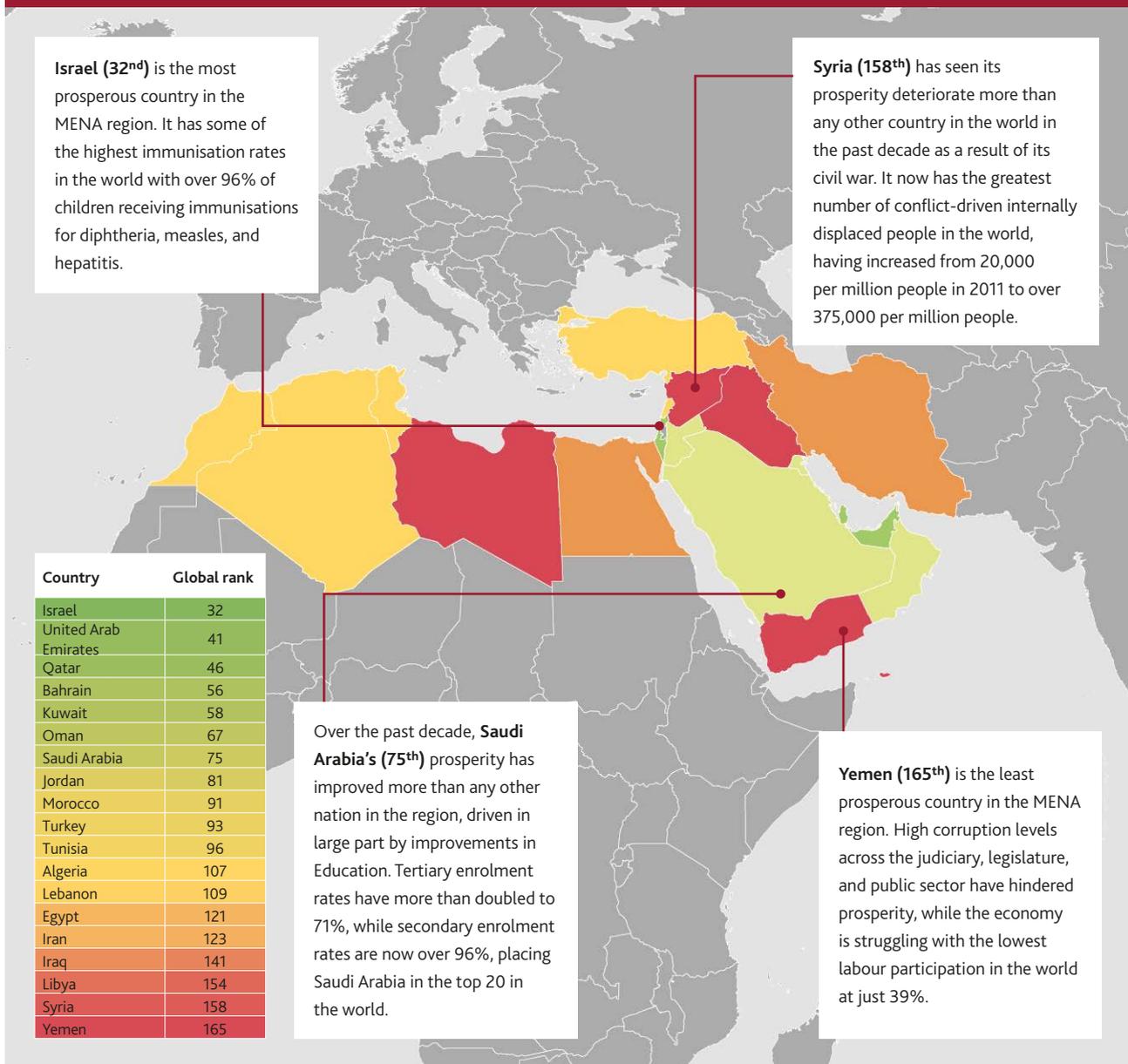
## ASIA-PACIFIC AND GLOBAL PROSPERITY



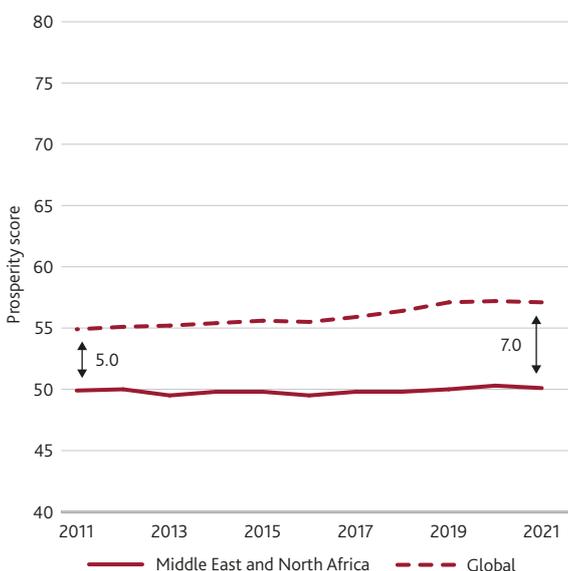
## ASIA-PACIFIC PILLAR CHANGE, 2011-2021



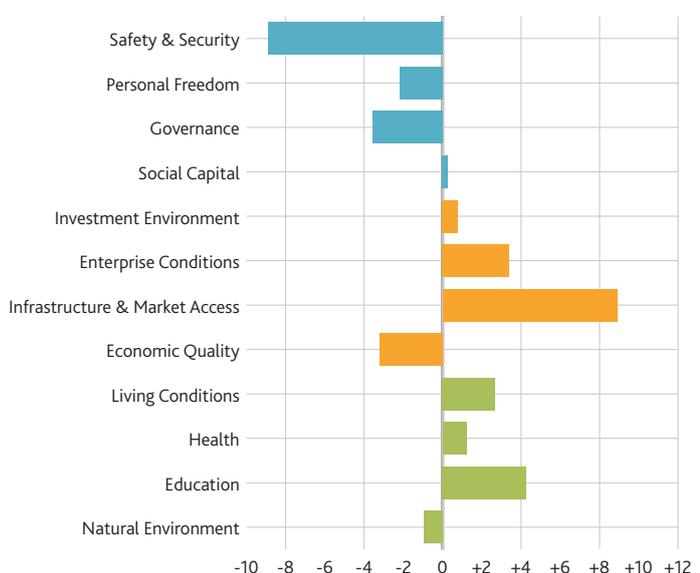
# Middle East and North Africa (6<sup>th</sup>)



## MIDDLE EAST AND NORTH AFRICA AND GLOBAL PROSPERITY



## MIDDLE EAST AND NORTH AFRICA PILLAR CHANGE, 2011-2021



# Sub-Saharan Africa (7<sup>th</sup>)

**Côte d'Ivoire (120<sup>th</sup>)** has experienced the greatest improvement in its prosperity of any country in the world in the past decade. It has seen major improvements in all pillars apart from Personal Freedom and Natural Environment, rising 24 places in the global rankings as a result. It has made particularly strong progress in Economic Quality since 2011, with high-tech manufactured exports more than doubling as a share of total exports.

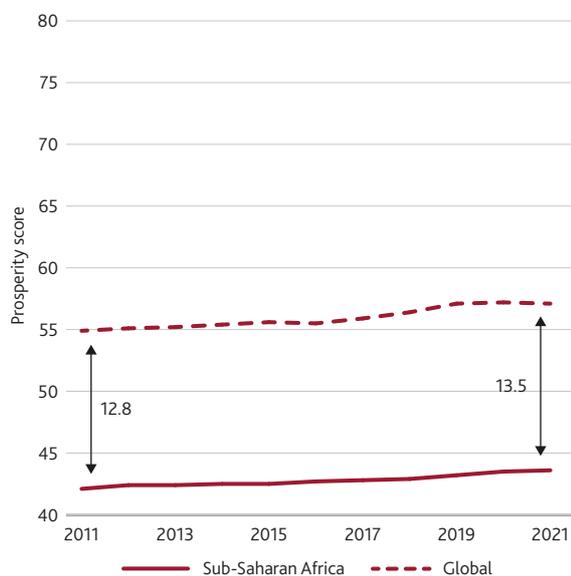
**Mali (151<sup>st</sup>)** has seen the second greatest deterioration in prosperity in sub-Saharan Africa in the last decade, after South Sudan. Ongoing and widespread insecurity has seen the number of terrorism deaths increase more than tenfold from one to 25 deaths per million people since 2011.

Country	Global rank	Country	Global rank
Mauritius	45	Madagascar	136
Seychelles	50	Togo	137
Cabo Verde	80	Liberia	139
Botswana	82	Guinea	140
South Africa	85	Zimbabwe	142
Namibia	92	Nigeria	143
São Tomé and Príncipe	98	Sierra Leone	144
Ghana	99	Ethiopia	145
Rwanda	104	Mozambique	146
Senegal	105	Niger	148
Kenya	112	Cameroon	149
The Gambia	116	Guinea-Bissau	150
Tanzania	117	Mali	151
Benin	119	Congo	152
Côte d'Ivoire	120	Mauritania	153
Djibouti	122	Angola	156
Zambia	124	Burundi	157
Gabon	125	Sudan	159
Uganda	127	Democratic Republic of Congo	160
Malawi	129	Somalia	161
Comoros	130	Eritrea	162
Eswatini	131	Chad	164
Equatorial Guinea	132	Central African Republic	166
Burkina Faso	134	South Sudan	167
Lesotho	135		

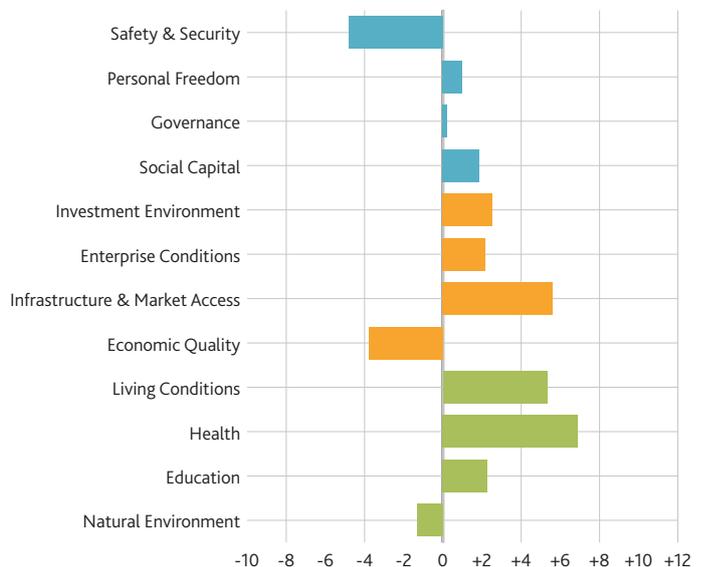
**South Sudan (167<sup>th</sup>)** is the least prosperous country in the world. War and civil conflict have persistently troubled this country, resulting in large numbers of refugees. There are almost 200,000 refugees in South Sudan per million inhabitants.

**Mauritius (45<sup>th</sup>)** is the most prosperous country in sub-Saharan Africa. It ranks in the top 50 for seven of the Index's 12 pillars.

## SUB-SAHARAN AFRICA AND GLOBAL PROSPERITY



## SUB-SAHARAN AFRICA PILLAR CHANGE, 2011-2021



# Pillar Profiles





Credit: shutterstock.com

# Defining Inclusive Societies

Inclusive Societies are an essential requirement for prosperity, where social and legal institutions protect the fundamental freedoms of individuals, and their ability to flourish. This domain explores the relationship structures that exist within a society, and the degree to which they either enable or obstruct societal cohesion and collective development.

Areas within this domain range from the relationship of citizen and state, to the degree to which violence permeates societal norms, to the interaction of freedoms of different groups and individuals, to the way in which individuals interact with one another, their communities, institutions, and nations. These issues have been both a practical consideration for the majority of modern human experience, as well as a subject of academic study.<sup>1,2,3</sup>

We examine the fundamental aspects of inclusive societies across four pillars, each with component elements.

**Safety and Security** measures the degree to which individuals and communities are free from war and civil conflict, terrorism, political terror and violence, violent crime, and property crime. The lives of individuals, their freedoms, and the security of their property are at risk in a society where these activities are present, both through their current prevalence, and long-lasting effects. In short, a nation, community, or society can prosper only in an environment of security and safety for its citizens.

**Personal Freedom** measures basic legal rights (agency), individual liberties (freedom of assembly and association, freedom of speech

and access to information), the absence of legal discrimination and the degree of social tolerance experienced in a society. Societies that foster strong civil rights and freedoms have been shown to enjoy increased levels of satisfaction among their citizens.<sup>4</sup> Furthermore, a country benefits from higher levels of national income when its citizens' personal liberties are protected and when it is welcoming of the social diversity that stimulates innovation.<sup>5</sup>

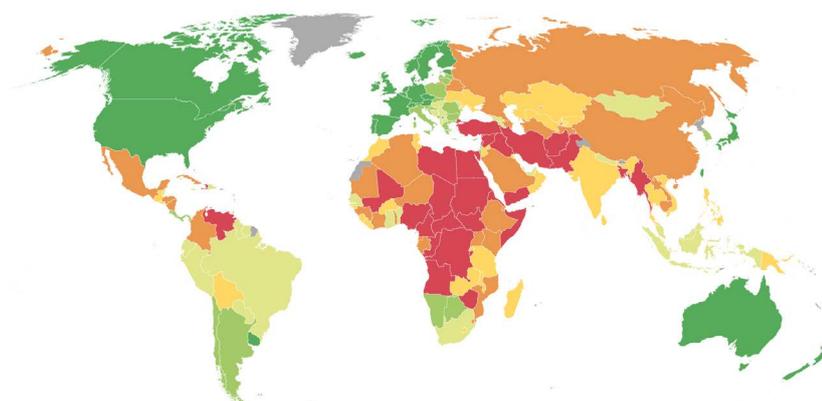
**Governance** measures the extent to which there are checks and restraints on power, and whether governments operate effectively and without corruption. The nature of a country's governance has a material impact on its prosperity. The rule of law, strong institutions, and regulatory quality contribute significantly to economic growth, as do competent governments that enact policy efficiently and design regulations that deliver policy objectives without being overly burdensome.

**Social Capital** measures the personal and family relationships, social networks, and the cohesion a society experiences when there is high institutional trust, and people respect and engage with one another (civic and social participation), both of which have a direct effect on the prosperity of a country. A person's wellbeing is best provided for in a society where people trust one another and have the support of their friends and family. Societies with lower levels of trust tend to experience lower levels of economic growth. Thus, the word "capital" in "social capital" highlights the contribution of social networks as an asset that produces economic returns and improves wellbeing.

## Inclusive Societies 2021

### Strongest

- 1 Norway
- 2 Denmark
- 3 Finland
- 4 Sweden
- 5 Netherlands
- 6 Switzerland
- 7 Iceland
- 8 New Zealand
- 9 Luxembourg
- 10 Canada



Rank 1-30 ■ 31-60 ■ 61-90 ■ 91-120 ■ 121-150 ■ 151-167 ■

### Weakest

- 158 Libya
- 159 Dem. Rep. Congo
- 160 Venezuela
- 161 Somalia
- 162 Sudan
- 163 Eritrea
- 164 Afghanistan
- 165 Yemen
- 166 South Sudan
- 167 Syria

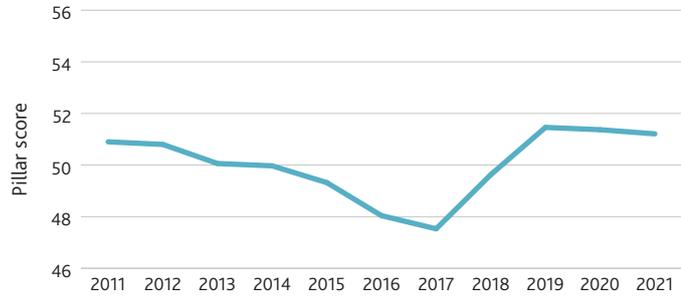




# Safety and Security

Safety and Security is an integral component of prosperity. Citizens' well-being is dependent on having personal safety, where their person and property are free from violence and theft. A secure and stable environment is necessary for attracting investment and sustaining economic growth. In short, a nation can prosper only in an environment of security and safety for its citizens.

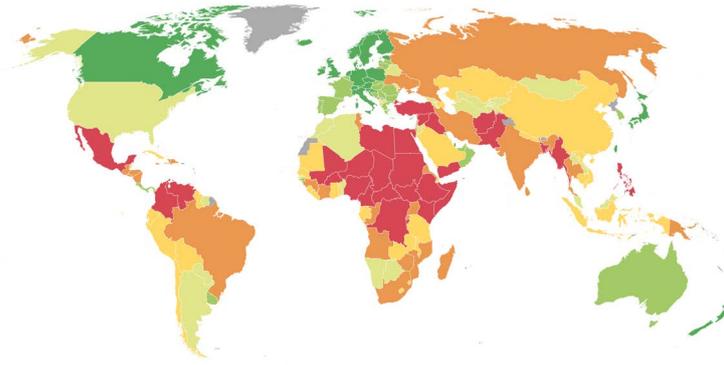
## SAFETY AND SECURITY: GLOBAL TREND



## SAFETY AND SECURITY 2021

### Strongest

- 1 Norway
- 2 Switzerland
- 3 Luxembourg
- 4 Taiwan, China
- 5 Japan
- 6 Iceland
- 7 Denmark
- 8 Singapore
- 9 Netherlands
- 10 Sweden



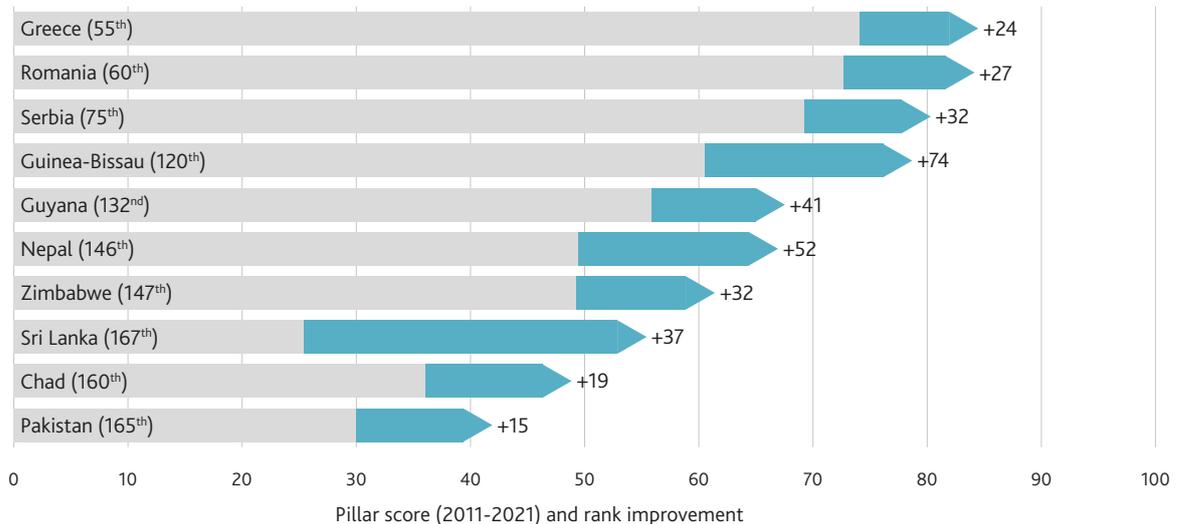
### Weakest

- 158 Mali
- 159 Somalia
- 160 Dem. Rep. Congo
- 161 Sudan
- 162 Libya
- 163 Yemen
- 164 Iraq
- 165 Syria
- 166 Afghanistan
- 167 South Sudan



## SAFETY AND SECURITY: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)





### ELEMENT (WEIGHT %)

### INDICATORS

**War and Civil Conflict (20%)** concerns the impact of organised conflicts affecting a country, both internal and external, on people, in terms of deaths, injuries and human displacement.

- Two-sided conflict deaths (UCDP)
- Civil and ethnic war (CSP)
- Conflict-driven internal displacement (IDMC)
- Refugees (origin country) (UNHCR)

**Terrorism (15%)** measures the deliberate and targeted harm inflicted by non-state actors on a nation's population, taking into account the number of incidents, injuries and also deaths that result. The costs of attacks on business are also taken into consideration.

- Terrorism deaths (GTD)
- Terrorism injuries (GTD)
- Terrorism incidents (GTD)
- Property cost of terrorism (GTD)

**Politically Related Terror and Violence (30%)** measures the extent to which people live in fear of, or suffer from, terror and violence inflicted by the state or other political bodies.

- Political terror (PTS)
- Extrajudicial killings (CIRIGHTS)
- Use of torture (CIRIGHTS)
- Disappearance cases (CIRIGHTS)
- Political imprisonment (CIRIGHTS)
- One-sided conflict deaths (UCDP)

**Violent Crime (25%)** assesses the level to which violent domestic crime affects the citizens of a country.

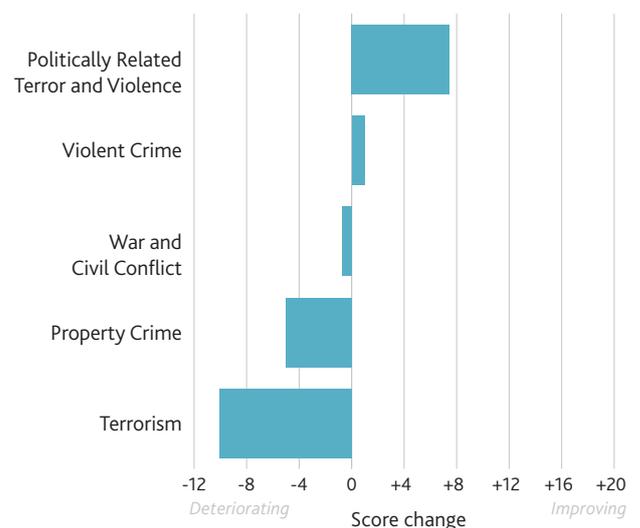
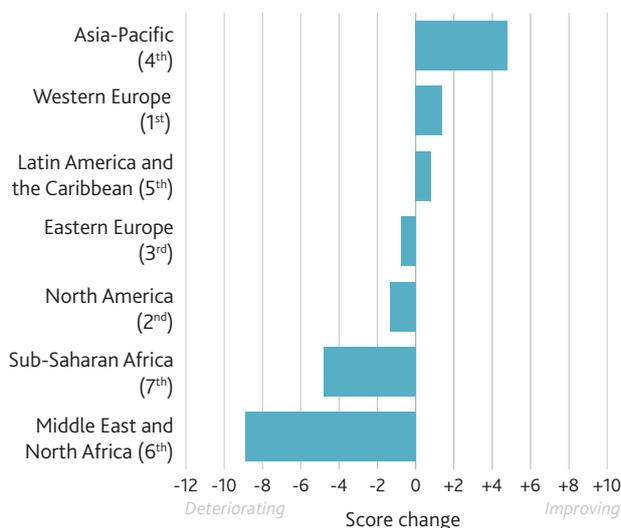
- Intentional homicides (WB-DI)
- Dispute settlement through violence (WJP)
- Safety walking alone at night (Gallup)
- Physical security of women (WomStat)

**Property Crime (10%)** captures the level to which property crime, such as burglary, destabilises the security of individuals and affect both individuals' wealth and wellbeing.

- Property stolen (Gallup)
- Business costs of crime and violence (WEF)
- Business costs of organised crime (WEF)

### SAFETY AND SECURITY: REGIONAL CHANGE 2011-2021 (2021 Regional rank)

### SAFETY AND SECURITY: ELEMENTS CHANGE 2011-2021



## The potential of post-conflict reconciliation

Over the past decade, global Safety and Security has stagnated. However, the rate of deaths from two-sided conflicts stands at two-and-a-half times higher than it was in 2010. In the two most impacted regions of the world — the Middle East and North Africa and sub-Saharan Africa — the trend of growing insecurity has been driven by a rise in both Terrorism and War and Civil Conflict. Twelve out of 19 countries in the Middle East and North Africa and 28 out of 49 in sub-Saharan Africa have experienced a deterioration in War and Civil Conflict over the past decade, with both regions also witnessing the world's highest levels of internal displacement caused by conflict.

**Twelve out of 19 countries in the Middle East and North Africa and 28 out of 49 in sub-Saharan Africa have experienced a deterioration in the War and Civil Conflict element over the past decade, with both regions also witnessing the world's highest levels of internal displacement caused by conflict**

Syria and South Sudan stand out consistently as amongst the most conflict-affected nations, recording some of the starkest deteriorations over the course of both the past 12 months and the past decade. In Syria, death rates from two-sided conflicts now stand at 1,400 per 1 million population, while in South Sudan, 20% of the population are refugees and a further 13% have been displaced by the on-going conflict.

With peace arguably the ultimate precondition for prosperity, the ongoing prevalence of civil wars requires us to reconsider the role of reconciliation, and the importance of acknowledging and addressing trauma in achieving lasting peace.<sup>6</sup> Research conducted by the Legatum Institute has highlighted the success seen in several post-conflict nations in adopting a pragmatic approach to transitional justice, exemplified by Rwanda's Gacaca courts.<sup>7</sup>

The sheer scale of Rwanda's 1994 genocide presented a significant challenge in delivering justice. The genocide left an estimated 800,000 people dead, killing up to 70% of the minority Tutsi population, and reducing the total Rwandan population by as much as 10%.<sup>8</sup> The challenge of reconciliation was profound, with around a quarter of the population either participating in the violence or a victim of it.<sup>9</sup>

The mandate of the International Criminal Tribunal for Rwanda (ICTR), located in neighbouring Tanzania, was to prosecute the 'serious violations of international criminal law' that occurred during the genocide. However, perhaps inevitably, the ICTR could address only the most egregious cases. In its fifteen years of operating, it sentenced just sixty-one individuals, at a cost of over \$1 billion.<sup>10</sup> Furthermore, by 2000, Rwanda's established courts had heard less than 3% of the genocide cases, resulting in severe overcrowding

### Did you know?

**The economic impact of worldwide violence and conflict has been estimated to be \$14.4 trillion each year. This figure equates to 10.5 % of the global gross domestic product (GDP) or \$1,895 per person.<sup>14</sup>**

in prisons, with an estimated 90% of defendants spending two or more years detained without trial.<sup>11</sup>

In response to the widespread need for justice, in 2001, the Rwandan government initiated a programme of community courts, known as Gacaca. The word derives from Kinyarwanda meaning 'grass' in reference to the conducting of hearings in open spaces in front of the community. The programme fast became the centrepiece of the Rwandan government's reconciliation agenda, codified in legislation that emphasised their purpose as not only providing punishment, but also reconstituting Rwandan society.<sup>12</sup>

The courts comprised an innovative approach to addressing the scale of crimes committed during the genocide. Between 2004 and 2012, more than 13,000 courts prosecuted more than two million crimes relating to the genocide, trying over one million alleged perpetrators.<sup>13</sup>

**Between 2004 and 2012, more than 13,000 courts prosecuted more than two million crimes relating to the Rwandan genocide, trying over one million alleged perpetrators.**

Adopting a hybrid justice mechanism, they were empowered to impose criminal sanctions whilst prioritising reconciliation. Crucially, they represented a means of participatory justice for the Rwandan population. As such, the courts succeeded in creating opportunities across local communities for public dialogue, especially between victims and perpetrators.

The inception of the Gacaca system was essential in enabling Rwanda to move on from the genocide. In addition to helping address the sheer number of cases that resulted from the genocide, their inclusive nature made the process of post-conflict justice of immediate relevance to the Rwandan population, helping to assuage ethnic tensions between Hutu and Tutsi communities.

**In a prosperous society, people live in peace, free from the threat of violence, oppression, and crime.**



Rwandan president Paul Kagame and former Tanzanian president John Magufuli light a flame of remembrance at the Kigali Genocide Memorial, the final resting place for more than 250,000 of the estimated 800,000 victims of the 1994 genocide.

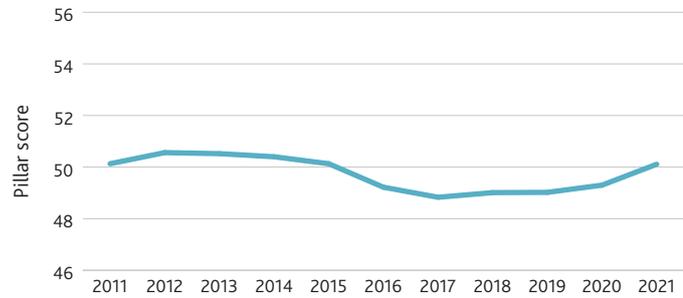
Credit: Paul Kagame / Creative Commons BY-NC-ND 2.0



# Personal Freedom

Personal Freedom captures the extent to which the population of a country is free to determine the course of their lives without undue restrictions. This includes freedom from coercion and restrictions on movement, speech and assembly. Central to this is the level of agency an individual experiences, and their freedom from discrimination.

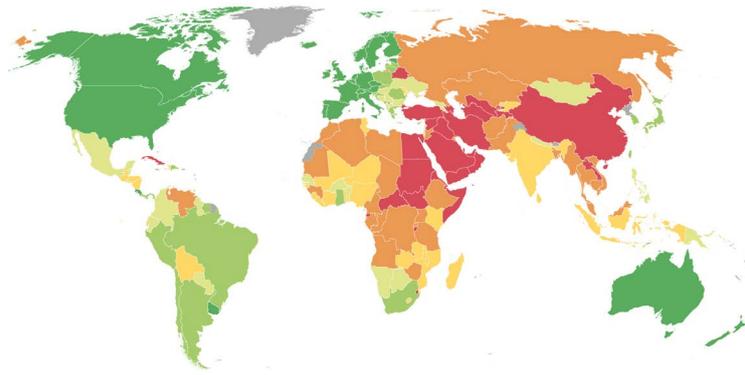
## PERSONAL FREEDOM: GLOBAL TREND



## PERSONAL FREEDOM 2021

### Strongest

- 1 Norway
- 2 Denmark
- 3 Sweden
- 4 Finland
- 5 Netherlands
- 6 Ireland
- 7 Luxembourg
- 8 Canada
- 9 Iceland
- 10 Switzerland



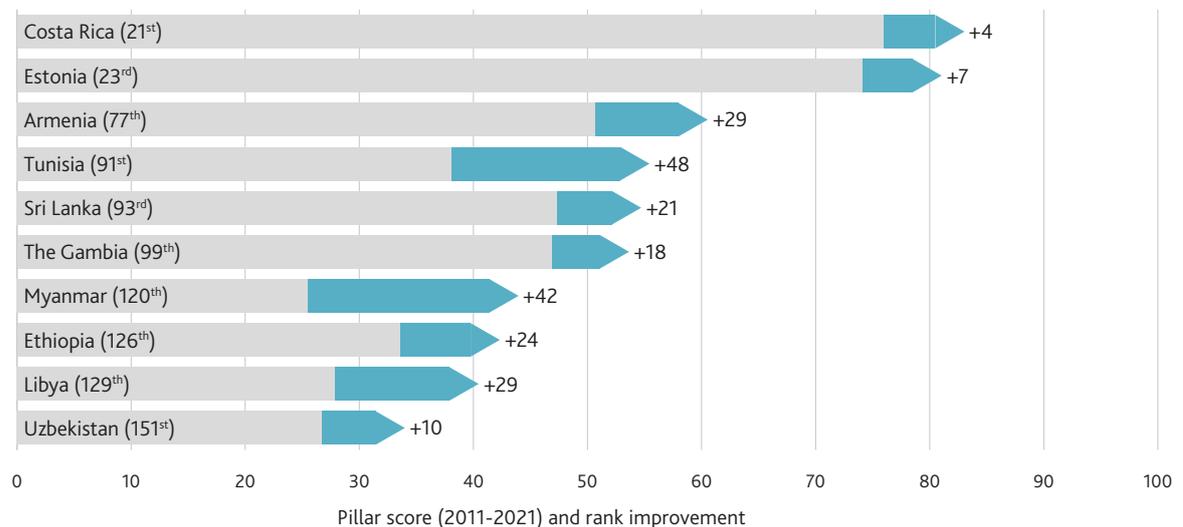
### Weakest

- 158 Bahrain
- 159 China
- 160 South Sudan
- 161 Egypt
- 162 Turkmenistan
- 163 Saudi Arabia
- 164 Yemen
- 165 Iran
- 166 Syria
- 167 Eritrea

Rank 1-30 ■ 31-60 ■ 61-90 ■ 91-120 ■ 121-150 ■ 151-167 ■

## PERSONAL FREEDOM: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country Rank)





Credit: shutterstock.com

## ELEMENT (WEIGHT %)

## INDICATORS

**Agency (25%)** captures the degree to which individuals are free from coercion or restriction and are free to move. At its heart, an individual experiences agency if they have the freedom to act independently and make their own free choices. Forced bondage and slavery, unlawful imprisonment, restrictions on movement, and numerous other factors can act as impediments on agency.

- *Personal autonomy and individual rights (FH)*
- *Due process and rights (WJP)*
- *Freedom of movement (CIRIGHTS)*
- *Women's agency (WomStat)*
- *Freedom from arbitrary interference with privacy (WJP)*
- *Freedom from forced labour (V-DEM)*
- *Government response to slavery (GSI)*
- *Satisfaction with freedom (Gallup)*

**Freedom of Assembly and Association (20%)** measures the degree to which people have the freedom to assemble with others in public spaces to express opinions freely, with autonomy from the State, and to form collective interest organisations.

- *Right to associate and organise (FH)*
- *Guarantee of assembly and association (WJP)*
- *Autonomy from the state (V-DEM)*

**Freedom of Speech and Access to Information (20%)** captures the ability of people to express political opinion without reproach and the extent to which the media is censored and is independent from and not influenced by the ruling government.

- *Press freedom from government censorship (FH)*
- *Press freedom from physical repression (RsF)*
- *Freedom of opinion and expression (WJP)*
- *Government media censorship (V-DEM)*
- *Alternative sources of information (V-DEM)*
- *Political diversity of media perspectives (V-DEM)*

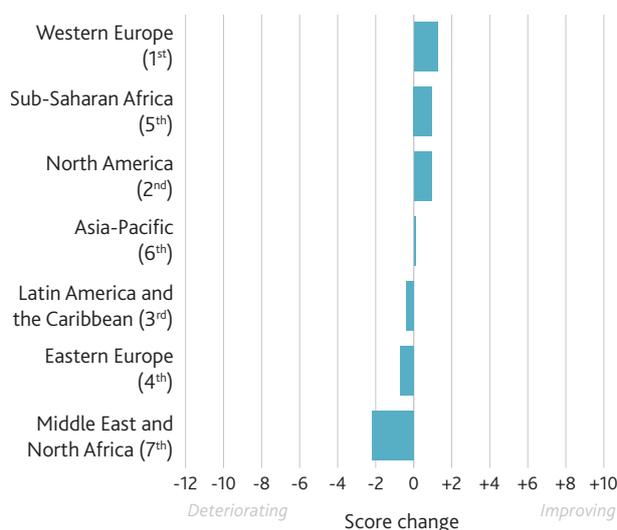
**Absence of Legal Discrimination (20%)** assesses the level of discrimination in law or by government and whether the law protects individuals and groups from suffering discrimination. This dimension captures multiple factors, including gender, sexuality, religion, ethnicity, and economic background.

- *Equal treatment and absence of discrimination (WJP)*
- *Non-discriminatory civil justice (WJP)*
- *Freedom from hiring and workplace discrimination (WJP)*
- *LGBT Rights (ILGA)*
- *Protection of women's workplace, education and family rights (WomStat)*
- *Freedom of belief and religion (WJP)*
- *Government religious intimidation and hostility (Pew)*

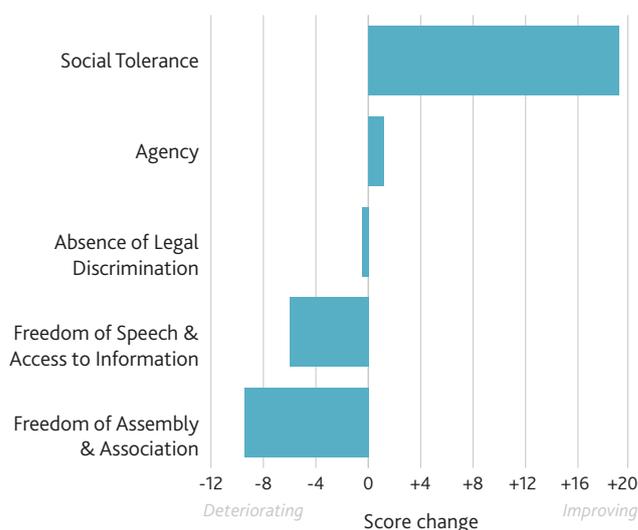
**Social Tolerance (15%)** measures the degree to which societies are tolerant of differences within the population, and the level of tension arising over these differences. Societal discrimination and intolerance can engender serious issues within a society, and are a significant inhibitor of individual's *de facto* freedoms.

- *Perceived tolerance of ethnic minorities (Gallup)*
- *Perceived tolerance of LGBT individuals (Gallup)*
- *Perceived tolerance of immigrants (Gallup)*

## PERSONAL FREEDOM: REGIONAL CHANGE 2011-2021 (2021 Regional rank)



## PERSONAL FREEDOM: ELEMENTS CHANGE 2011-2021



## The indispensability of media freedom

Globally, Personal Freedom has flatlined over the past decade. Though Social Tolerance has seen a marked improvement since 2011, overall progress has been curtailed by significant deteriorations in both Freedom of Assembly and Association and Freedom of Speech and Access to Information.

**Freedom of Speech and Access to Information has weakened in all seven regions over the past decade, with as many as 72% of nations featured in the Index experiencing a deterioration since 2011.**

Freedom of Speech and Access to Information has weakened in all seven regions over the past decade, with as many as 72% of nations featured in the Index experiencing a deterioration since 2011. The increasing threat to media freedoms poses a major obstacle to global prosperity, weakening the social contract between governments and citizens by discouraging public debate and preventing the public from holding their leaders to account. Around the world, we have seen efforts to undermine media freedoms also become more nuanced, as well as more common. Methods include government-backed ownership changes, regulatory and financial pressure, and public denunciations of honest journalists.

However, in recent years, we have seen the clampdown on media freedom take on an even more sinister nature. More so than ever, journalists themselves are coming under attack. This has been reflected in the targeting of several high-profile reporters, including Marie Colvin, Jamal Khashoggi, and Daphne Caruana Galizia. Research from Reporters Without Borders has shown that more than 900 journalists have lost their lives over the past decade, with two-thirds killed outside of war zones. Whilst 2021 has so far witnessed a decline in the number of journalists killed, there was an increase in the number of assaults on journalists in developed economies, with a record 400 in the United States alone.<sup>15</sup>

**Whilst 2021 has so far witnessed a decline in the number of journalists killed, there was an increase in the number of assaults on journalists in developed economies, with a record 400 in the United States alone.**

We have also seen a growth in attacks on journalists by organised crime groups. Today, Mexico is the world's most dangerous country to be a journalist, ranking 132<sup>nd</sup> for Press Freedom from Physical Repression. Since the year 2000, over 150 journalists have been murdered and many more have simply disappeared, assumed dead. Between June and July 2021, three journalists were killed in separate attacks, while in August the prominent news anchor Azucena Uresti was threatened by an alleged representative of one

### Did you know?

**Freedom of expression and opinion is enshrined in Article 19 of the United Nations Universal Declaration of Human Rights (UDHR). First adopted in December 1948, the Declaration has since been ratified in some form by each of the 193 members of the UN. In 1999, the UDHR made history as the world's most translated document, available in more than 500 languages.<sup>17</sup>**

of Mexico's most powerful cartels in a video circulated widely on social media.<sup>16</sup>

**Today, Mexico is the world's most dangerous country to be a journalist, ranking 132<sup>nd</sup> for Press Freedom from Physical Repression. Since the year 2000, over 150 journalists have been murdered and many more have simply disappeared, assumed dead.**

Since 2017, the Legatum Institute has honoured the many sacrifices made by reporters through our annual Courage in Journalism Award. The recipient of this year's Award was the Mexican journalist Maria Elena Ferral Hernandez, the co-founder of news website El Quinto Poder, who was shot and killed by two gunmen in March 2020. Just three weeks before her murder, Maria Elena published an article detailing systemic electoral corruption and highlighting the killings of four mayoral candidates in the local municipality of Gutiérrez Zamora. Despite persistent threats to her safety, she was adamant that the article needed to be published.

In too many places around the world, journalists continue to pay the ultimate price for free, fair, and accurate reporting. In the many nations where press freedoms are still constrained by crime, corruption, conflict, or state-led censorship, it is essential that we do all we can to protect reporters whose work puts them in danger, and to identify and prosecute those who would seek to silence men and women of such remarkable integrity.

**In a prosperous society, everyone's inherent dignity is respected, and freedom of speech, worship, and assembly are protected.**



A memorial to the murdered journalist Daphne Caruana Galizia in Valletta, Malta. Her independence, professionalism, and persistence were key to exposing the corruption scandal which embroiled Malta's ruling Labour party, leading to the resignation of its prime minister in late 2019. The Legatum Institute's Courage in Journalism Award was created in her honour.

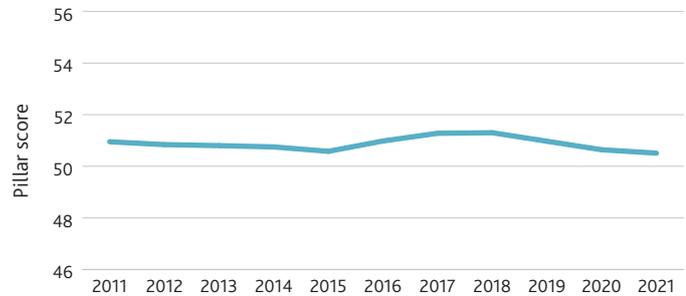
J U S T I C E



# Governance

Governance measures the extent to which there are checks and restraints on political power and whether governments operate effectively and without corruption. The nature of a country's governance has a material impact on its prosperity. The rule of law, strong institutions and regulatory quality contribute significantly to economic growth, as do competent governments that enact policy efficiently and design regulations that deliver policy objectives without being overly burdensome.

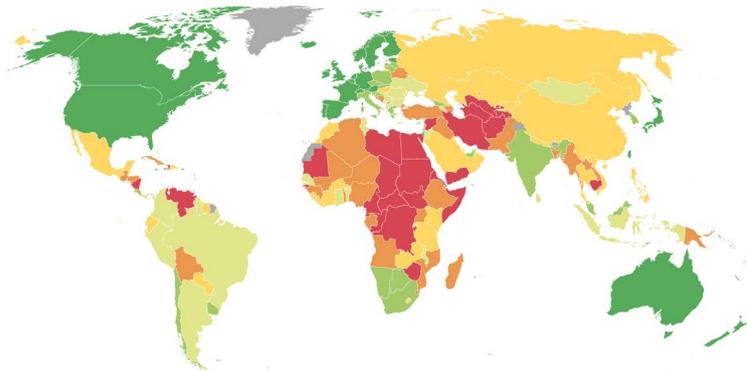
## GOVERNANCE: GLOBAL TRENDS



## GOVERNANCE 2021

### Strongest

- 1 Finland
- 2 Denmark
- 3 Norway
- 4 Netherlands
- 5 New Zealand
- 6 Sweden
- 7 Switzerland
- 8 Luxembourg
- 9 Germany
- 10 Australia



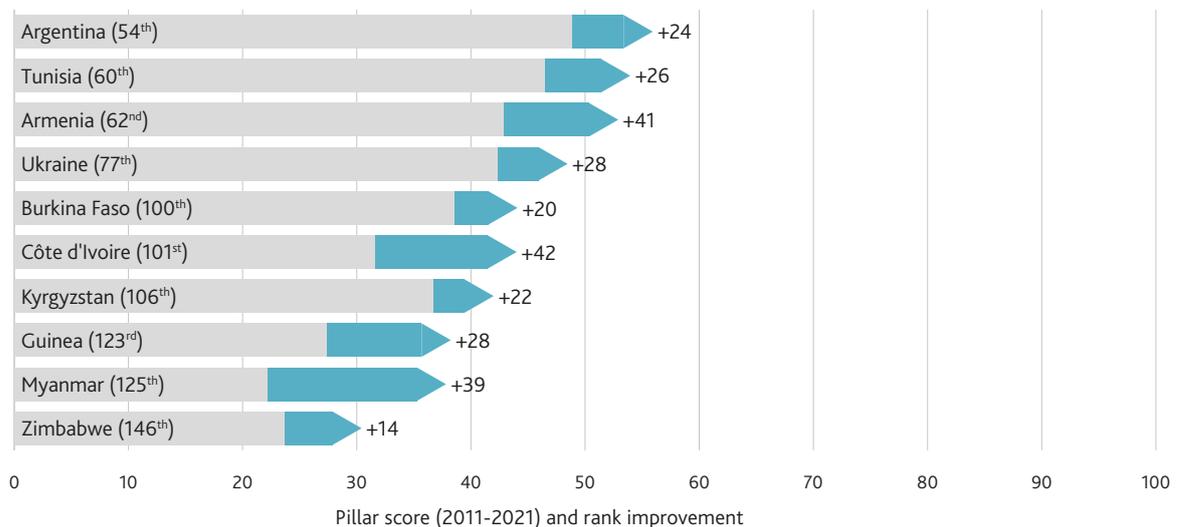
### Weakest

- 158 Dem. Rep. Congo
- 159 Libya
- 160 Sudan
- 161 Chad
- 162 Somalia
- 163 Eritrea
- 164 Syria
- 165 South Sudan
- 166 Yemen
- 167 Venezuela



## GOVERNANCE: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)



## ELEMENT (WEIGHT %)

## INDICATORS

**Executive Constraints (15%)** assesses the level of checks and balances, and separation of powers — especially with respect to the executive.

- Executive powers are effectively limited by the judiciary and legislature (WJP)
- Government powers are subject to independent and non-governmental checks (WJP)
- Transition of power is subject to the law (WJP)
- Military involvement in rule of law and politics (FI)
- Government officials are sanctioned for misconduct (WJP)

**Political Accountability (15%)** is the degree to which the public can hold public institutions accountable, capturing the degree of political pluralism, and other mechanisms of accountability.

- Consensus on democracy and a market economy as a goal (BTI)
- Political participation and rights (FH)
- Democracy level (CSP)
- Complaint mechanisms (WJP)

**Rule of Law (15%)** is the fairness, independence and effectiveness of the judiciary (in applying both civil and criminal law), along with the accountability of the public to the law.

- Judicial independence (WEF)
- Civil justice (WJP)
- Integrity of the legal system (FI)
- Efficiency of dispute settlement (WEF)

**Government Integrity (20%)** assesses the integrity of a government, encompassing both the absence of corruption, and the degree to which government fosters citizen participation and engagement, through open information and transparent practices.

- Use of public office for private gain (WJP)
- Diversion of public funds (WEF)
- Anti-corruption policy (BTI)
- Clientelism (V-DEM)
- Legislative corruption (V-DEM)
- Judicial corruption (V-DEM)
- Executive corruption (V-DEM)
- Public sector corruption (V-DEM)

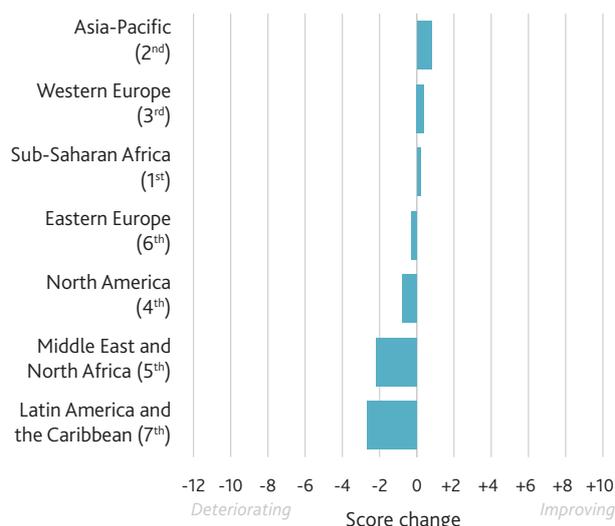
**Government Effectiveness (20%)** is a combination of the quality of public service provision, the quality of the bureaucracy and the competence of officials.

- Government quality and credibility (WGI)
- Prioritisation (BTI)
- Efficiency of government spending (WEF)
- Efficient use of assets (BTI)
- Implementation (BTI)
- Policy learning (BTI)
- Policy coordination (BTI)

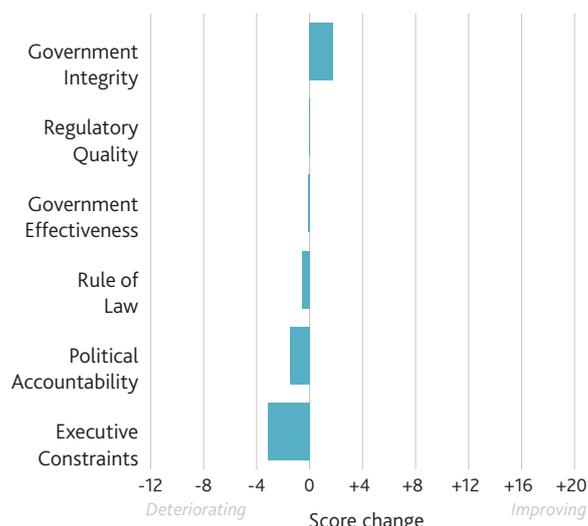
**Regulatory Quality (15%)** encompasses all aspects of the running of the regulatory state — whether it is burdensome and impedes private sector development, and whether it is smoothly and efficiently run.

- Right to information (WJP)
- Publicised laws and government data (WJP)
- Transparency of government policy (WEF)
- Budget transparency (IBP)
- Regulatory quality (WGI)
- Enforcement of regulations (WJP)
- Efficiency of legal framework in challenging regulations (WEF)
- Delay in administrative proceedings (WJP)

## GOVERNANCE: REGIONAL CHANGE 2011-2021 (2021 Regional rank)



## GOVERNANCE: ELEMENTS CHANGE 2011-2021



## The importance of peaceful transfers of power

Governance has deteriorated since 2011, with the sharpest declines seen in the Middle East and North Africa as well as in Latin America and the Caribbean. One of the key drivers of the deterioration of Governance is the weakening of Executive Constraints over the past decade, with 115 of the 167 countries in the Index experiencing a deterioration since 2011. Power has become increasingly centralised in the hands of governments, with the key roles in limiting executive power played by the judiciary and legislature deteriorating in some 72 countries. In 2021, we have also seen that the transfer of power is becoming less subject to the law than in the past, with several coups or coup attempts seen throughout the year, in nations including Myanmar, Niger, Mali, and Guinea.

A significant test of the accountability of governments is whether power can be willingly, consistently, and peacefully transferred.<sup>18</sup> Whilst formal mechanisms for the transfer of power exist in most nations, the onus for abiding by them — and for ensuring that such transfers are peaceful — lies largely with incumbent leaders themselves.

**Whilst formal mechanisms for the transfer of power exist in most nations, the onus for abiding by them lies largely with incumbent leaders themselves.**

Historically, the transfer of power has proved to be a major test of the integrity of leaders. In the past century, only around half of the nations of the world have managed even one crisis-free hand-over.<sup>19</sup> Whilst peaceful transitions tend to be more common in developed democracies, the violence that surrounded the 2020 US presidential election shows that the transfer of power can serve as a significant source of discord in even the most prosperous nations.

Our research has highlighted the importance of peaceful transfers of power to government legitimacy, accountability, and stability. Our study of the trajectories of ten low-income nations since 1960 suggests a connection with development outcomes. In two of the most successful nations of the sample, Botswana and Mauritius, dutifully leaving office at the end of a constitutionally mandated term was considered a matter of principle for the first generation of post-independence leaders and became an established and inviolable political convention in both nations.<sup>20</sup>

However, in many parts of sub-Saharan Africa, the failure to hand over power is jeopardising the legitimacy of the steady democratisation of the continent seen since 1990.<sup>21</sup> Whilst the percentage of African countries holding democratic elections increased from 7% in 1990 to 40% in 2010, leaders in several African nations continue to abolish, amend, or evade constitutional term limits to enable them to remain in power.<sup>22</sup>

In nations such as Sudan, protests against long-serving incumbents' efforts to cling to power forced leaders to step down in recent years — this generates challenges of its own. Whilst many

### Did you know?

**Sub-Saharan Africa's four longest-serving leaders have been in power for an average of more than 37 years. Between them, Equatorial Guinea's Teodora Obiang Nguema, Cameroon's Paul Biya, Congo-Brazzaville's Denis Sassou, and Uganda's Yoweri Museveni have ruled for a total of 149 years.<sup>25</sup>**

citizens initially celebrated the military's 2019 ousting of Sudan's long-serving leader Omar al Bashir following months of anti-government protests, the prospects for civilian rule remain uncertain, as the military retains a role in politics under a transitional power-sharing arrangement until elections slated for 2023. Similarly in Chad, a military council led by the son of former president Idriss Déby will govern for the next 18 months, following the death of the president at the hands of rebels after more than three decades in power.<sup>23</sup>

The trend amongst some African nations away from the consistent and peaceful transfer of power promises to increasingly set leaders against their own people. As many as three-quarters of the Africans interviewed across 34 nations said they preferred to 'use regular, open, and honest elections to choose their country's leaders'. However, as many as one in four assessed the conduct of their most recent election as suffering from 'major problems' or viewed it as 'not free and fair'.<sup>24</sup>

Adherence to formal mechanisms for the transfer of power is a key feature of prosperous nations. As well as promoting institutional resilience, it provides an important constraint upon the executive — encouraging leaders to govern both responsibly and with intentionality, avoiding misconduct that might result in prosecution upon leaving office, and making the most use of a limited period in office.

By committing to the peaceful transfer of power, leaders in all nations can signal their intent to govern in the interests of their people, helping to forge a strong social contract, and thus creating an essential pathway from poverty to prosperity.

**In a prosperous society, governing institutions act with integrity, are accountable to citizens, and are subject to the rule of law.**



Election monitors oversee legislative elections in Nigeria. All eyes will be on Nigeria's presidential poll in 2023, which observers hope will see the second successive peaceful transition of power in the country's history.

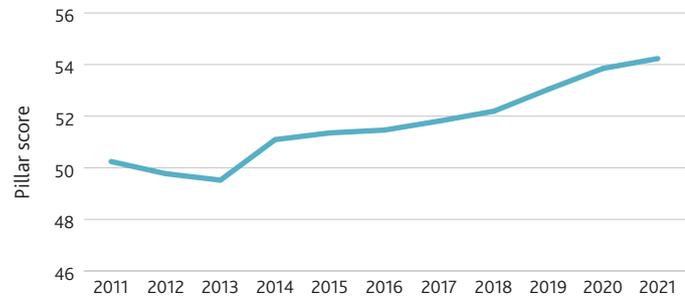
Credit: "Nigeria Elections 2019" by Commonwealth Secretariat, CC BY-NC 2.0



# Social Capital

Social Capital measures how cohesive a society is in terms of people trusting, respecting and helping one another, and the institutional structures they interact with. A person's wellbeing is best provided for in a society where people trust one another and have the support of their friends and family. Societies with lower levels of trust tend to experience lower levels of economic growth and social wellbeing. Thus, the word "capital" in "social capital" highlights the contribution of social networks as an asset that produces economic returns and improves wellbeing.

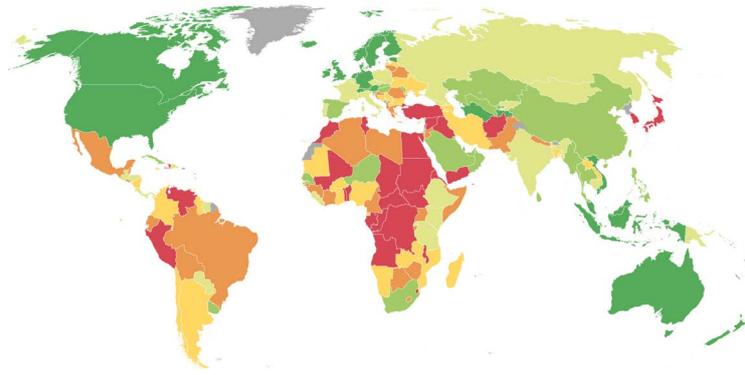
## SOCIAL CAPITAL: GLOBAL TREND



## SOCIAL CAPITAL 2021

### Strongest

- 1 Denmark
- 2 Norway
- 3 Finland
- 4 New Zealand
- 5 Sweden
- 6 Iceland
- 7 Netherlands
- 8 Australia
- 9 Switzerland
- 10 Singapore



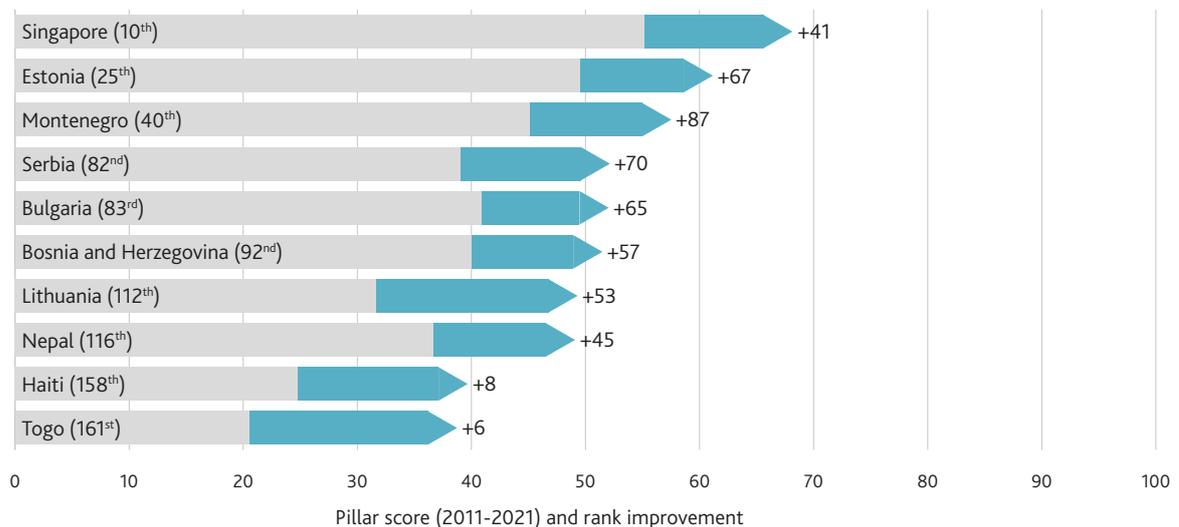
### Weakest

- 158 Haiti
- 159 Chad
- 160 Morocco
- 161 Togo
- 162 Eritrea
- 163 Central African Rep.
- 164 South Sudan
- 165 Lebanon
- 166 Syria
- 167 Afghanistan

Rank 1-30 ■ 31-60 ■ 61-90 ■ 91-120 ■ 121-150 ■ 151-167 ■

## SOCIAL CAPITAL: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)





### ELEMENT (WEIGHT %)

**Personal and Family Relationships (20%)** captures the strength of the closest-knit personal relationships and family ties. These relationships form the crux of support that individuals can turn to, emotionally, mentally, and financially on a daily basis.

**Social Networks (20%)** measures the strength of, and opportunities provided by, ties that an individual has with people in their wider network. These ties are a vital part of social support, and these networks can bolster bridging capital when social and community networks span different groups in society. Local social networks depend on building and maintaining relationships with other individuals and families, including neighbours.

**Interpersonal Trust (20%)** assesses the amount of trust within a society, encompassing the degree to which people trust strangers and those outside their known social sphere.

**Institutional Trust (20%)** captures the degree to which individuals trust their institutions. Trust in institutions is an important foundation upon which the legitimacy and stability of political systems are built.

**Civic and Social Participation (20%)** measures the amount to which people participate within a society, broadly split into the civic and social spheres.

### INDICATORS

- *Help from family and friends when in trouble (Gallup)*
- *Family give positive energy (Gallup)*

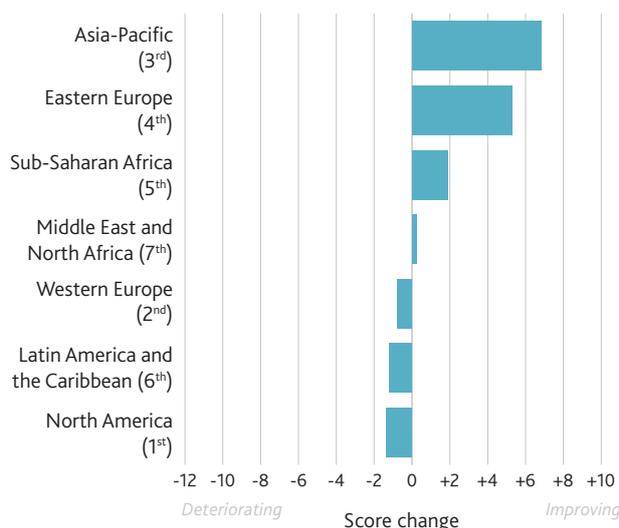
- *Respect (Gallup)*
- *Opportunity to make friends (Gallup)*
- *Helped another household (Gallup)*

- *Generalised interpersonal trust (GVS)*
- *Helped a stranger (Gallup)*

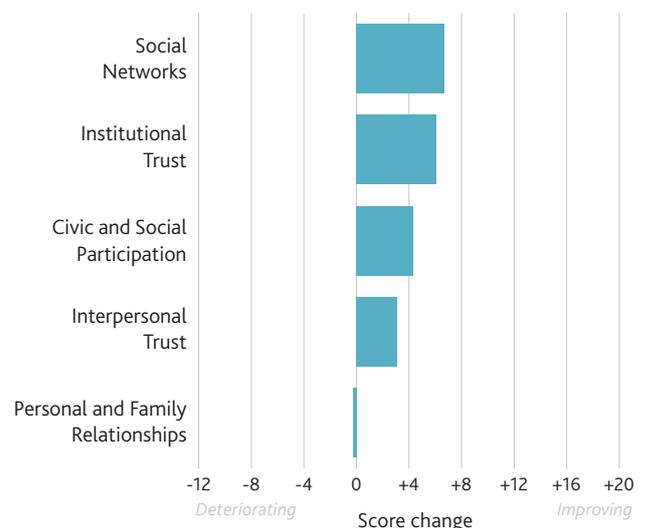
- *Confidence in local police (Gallup)*
- *Public trust in politicians (WEF)*
- *Confidence in financial institutions and banks (Gallup)*
- *Confidence in judicial systems and courts (Gallup)*
- *Confidence in national government (Gallup)*
- *Confidence in military (Gallup)*

- *Donated money to charity (Gallup)*
- *Voter turnout (IDEA)*
- *Volunteering (Gallup)*
- *Voiced opinion to a public official (Gallup)*

### SOCIAL CAPITAL: REGIONAL CHANGE 2011-2021 (2021 Regional rank)



### SOCIAL CAPITAL: ELEMENTS CHANGE 2011-2021



## The crucial role of families in our collective wellbeing

We have seen remarkable progress in the development of Social Capital over the past decade. Though Asia-Pacific has experienced the greatest improvements over the past ten years, Eastern Europe has taken some of the most impressive recent steps forward. The region followed Asia-Pacific as the most improved since 2011, while it has recorded the greatest improvement in 2021. These remarkable improvements in the development of Social Capital have been driven by strengthening Civil and Social Participation, Social Networks, as well as in Interpersonal and Institutional Trust.

**Over the past decade, the percentage of people reporting getting help from their families declined in over half of countries.**

However, we have seen a global decline in one element: Personal and Family Relationships. Over the past decade, the percentage of people reporting getting help from their families declined in over half of countries. For example, within Western Europe, 13 of the region's 20 countries have experienced a weakening of Personal and Family Relationships over the past decade, while Canada has also seen a notable deterioration.

Weakening family bonds present a significant threat to delivering prosperity. Families make an incalculable contribution to wellbeing, acting as perhaps the most important of all informal social institutions, providing members with an unparalleled level of developmental, emotional, and financial support. They represent the foundational organisational structures for society in every nation of the world, providing the intimate social environment in which children can be taught, guided, and nurtured.

**Families make an incalculable contribution to wellbeing, acting as perhaps the most important of all informal social institutions, providing members with an unparalleled level of developmental, emotional, and financial support.**

Studies suggest that strong families play an important role in children's overall attainment, as well as their wellbeing. Parents have a significant influence on the achievement of their children through supporting their learning in the home. For example, parental involvement in their child's reading is strongly linked to children's academic performance and is a key determinant of academic success alongside other family background variables, such as social class, family size, and level of parental education.<sup>26</sup>

It should therefore come as little surprise that the impact of family breakdown is considerable, especially for children. For example, those raised in lone parent households in the UK have been found to be twice as likely to fail at school, twice as likely to get into trouble

### Did you know?

**The economic cost of family breakdown in the UK is estimated at £51 billion each year, equating to around half of total government spending on education. Only around 66% of UK families are intact by the time children reach the age of 15, compared with 95% in Finland.<sup>31</sup>**

with the police, and twice as likely to become homeless. They are also more likely than their peers to have drug and alcohol issues, experience teenage pregnancy, suffer from mental health problems, or be in debt.<sup>27</sup>

**Those raised in lone parent households in the UK have been found to be twice as likely to fail at school, twice as likely to get into trouble with the police, and twice as likely to become homeless.**

Weakening family bonds are symptomatic of the sharp increase in divorce rates seen in developed nations in recent decades. Across OECD nations, divorce rates were found to be higher today than in 1970 in all but four nations, while in some, including Belgium, Greece, Israel, Korea, Luxembourg, Norway, the Netherlands, and Portugal, rates more than doubled over the period.<sup>28</sup> Similarly, in the UK, recent statistics from the Office of National Statistics show that divorce rates are at their highest on record, having risen by more than 18% since 2018 alone.<sup>29</sup>

Recent research highlights some major regional differences in the strength of family relationships across the UK. It found that family relationships are weakest in Wales, post-industrial urban areas (such as Blackpool, Sunderland, and Plymouth), and Lancashire. For example, in Lancashire 26% of families are lone parent families, whereas in the commuter belt around London it is just 18%.<sup>30</sup>

Examining what more we can do to support families and to help prevent family breakdown is not just of importance to the parents and children who risk suffering the most immediate consequences. It is something that evidence suggests will help strengthen societies in nations right around the world.

**In a prosperous society, stable families and supportive communities instil the values that shape the culture and build the bonds of trust needed for society to flourish.**



Families make an incalculable contribution to wellbeing. However, across OECD nations, divorce rates were found to be higher today than in 1970 in all but four nations.

Credit: shutterstock.com

# Defining Open Economies

Open Economies encourage innovation and investment, promote business and trade, and facilitate inclusive growth. This domain captures the extent to which the economies of each country embody these ideals.

Without an open, competitive economy it is very challenging to create lasting social and economic wellbeing where individuals, communities, and businesses are empowered to reach their full potential. Trade between countries, regions, and communities is fundamental to the advance of innovation, knowledge transfer, and productivity that creates economic growth and prosperity. Research shows that open economies are more productive, with a clear correlation between increased openness over time and productivity growth.<sup>32</sup> In contrast, in an uncompetitive market, or one that does not maximise welfare, growth stagnates and crony capitalism thrives, with knock-on impacts elsewhere in society.

One of the biggest opportunities for policymakers is to resist protectionism and cronyism, and to actively reinvigorate an agenda that embraces open and pro-competitive economies, both domestically and internationally, that attracts innovation, ideas, capital and talent. While most policymakers focus on the big fiscal and macro-economic policy tools at their disposal, the microeconomic factors are sometimes overlooked, and their potential to drive openness and growth is underestimated. With a focus on these microeconomic factors, we examine the fundamental aspects of open economies across four pillars, each with component elements.

**Investment Environment** measures the extent to which investments are protected adequately through the existence of property

rights, investor protections, and contract enforcement. Also measured is the extent to which domestic and international capital (both debt and equity) are available for investment. The more a legal system protects investments, for example through property rights, the more that investment can drive economic growth.

**Enterprise Conditions** measures how easy it is for businesses to start, compete and expand. Contestable markets with low barriers to entry are important for businesses to innovate and develop new ideas. This is essential for a dynamic and enterprising economy, where regulation enables business and responds to the changing needs of society.

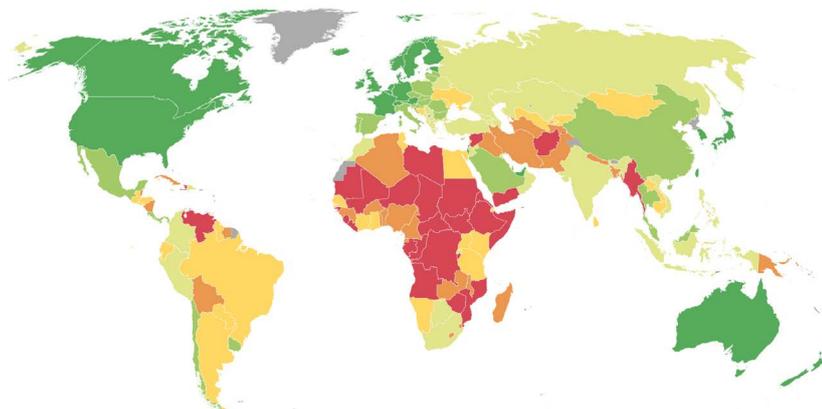
**Market Access and Infrastructure** measures the quality of the infrastructure that enables trade (communications, transport, and resources), and the inhibitors on the flow of goods and services between businesses. Where markets have sufficient infrastructure and few barriers to trade, they can flourish. Such trade leads to more competitive and efficient markets, allowing new products and ideas to be tested, funded, and commercialised, ultimately benefitting consumers through a greater variety of goods at more competitive prices.

**Economic Quality** measures how robust an economy is (fiscal sustainability, macroeconomic stability) as well as how an economy is equipped to generate wealth (productivity and competitiveness, dynamism). A strong economy is dependent on high labour force engagement and the production and distribution of a diverse range of valuable goods and services.

## Open Economies 2021

### Strongest

- 1 Singapore
- 2 Hong Kong
- 3 Switzerland
- 4 Netherlands
- 5 Denmark
- 6 Sweden
- 7 Luxembourg
- 8 Germany
- 9 United States
- 10 Finland



Rank 1-30 ■ 31-60 ■ 61-90 ■ 91-120 ■ 121-150 ■ 151-167 ■

### Weakest

- 158 Libya
- 159 Somalia
- 160 Eritrea
- 161 Angola
- 162 Central African Rep.
- 163 Haiti
- 164 Yemen
- 165 Dem. Rep. Congo
- 166 Venezuela
- 167 Chad



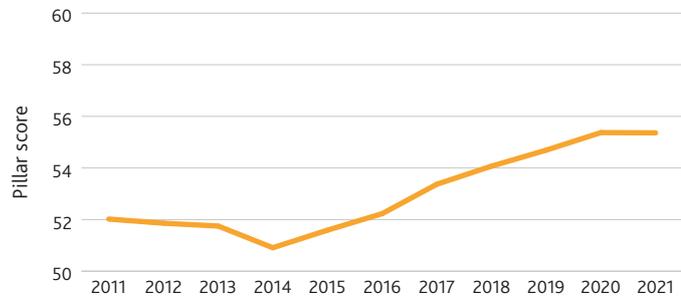
Credit: shutterstock.com



# Investment Environment

Investment Environment measures the extent to which investments are protected adequately through the existence of property rights, investor protections and contract enforcement, and also the extent to which a variety of domestic and international capital is available for investment. The more a legal system protects investments, the more that investment can drive economic growth by ensuring that good commercial propositions are investable, and that adequate capital of the right type is available for such investable propositions.

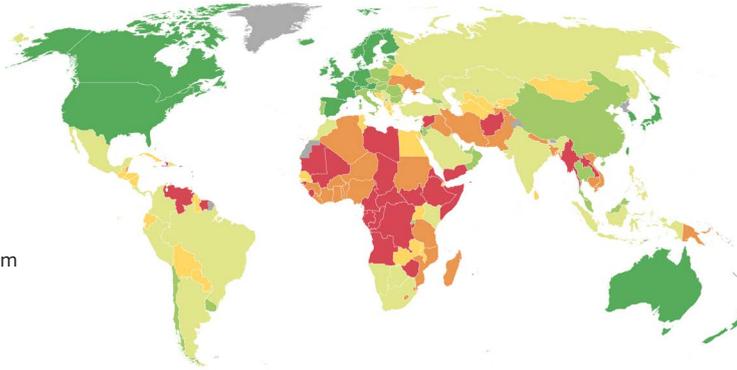
## INVESTMENT ENVIRONMENT: GLOBAL TREND



## INVESTMENT ENVIRONMENT 2021

### Strongest

- 1 Singapore
- 2 Hong Kong
- 3 Finland
- 4 Denmark
- 5 Norway
- 6 New Zealand
- 7 United Kingdom
- 8 Sweden
- 9 Japan
- 10 Netherlands



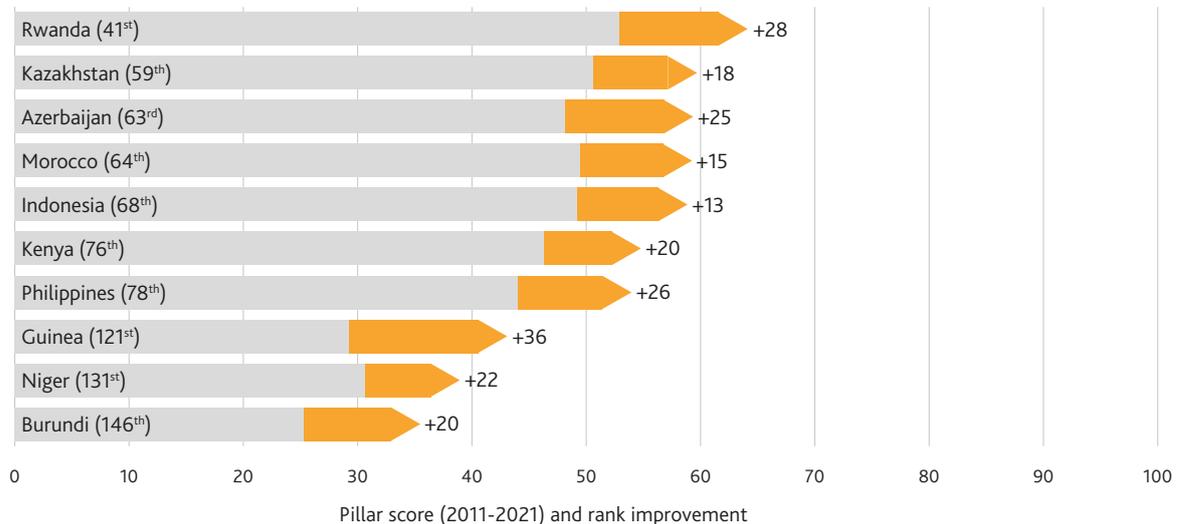
### Weakest

- 158 Guinea-Bissau
- 159 Haiti
- 160 Venezuela
- 161 Chad
- 162 Yemen
- 163 Central African Rep.
- 164 Myanmar
- 165 Dem. Rep. Congo
- 166 Angola
- 167 Libya

Rank 1-30 ■ 31-60 ■ 61-90 ■ 91-120 ■ 121-150 ■ 151-167 ■

## INVESTMENT ENVIRONMENT: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)





### ELEMENT (WEIGHT %)

### INDICATORS

**Property Rights (30%)** measures how well property rights over land, assets, and intellectual property are protected.

- Protection of property rights (WEF)
- Lawful process for expropriation (WJP)
- Intellectual property protection (WEF)
- Quality of land administration (WB-DB)
- Procedures to register property (WB-DB)
- Regulation of property possession and exchange (BTI)

**Investor Protection (20%)** assesses the degree of investor protection, from expropriation risk to minority shareholder rights.

- Strength of insolvency framework (WB-DB)
- Insolvency recovery rate (WB-DB)
- Auditing and reporting standards (WEF)
- Extent of shareholder governance (WB-DB)
- Conflict of interest regulation (WB-DB)

**Contract Enforcement (20%)** assesses the efficacy and efficiency of a country's system to enforce the rights of a contract holder.

- Quality of judicial administration (WB-DB)
- Time to resolve commercial cases (WB-DB)
- Legal costs (WB-DB)
- Alternative dispute resolution mechanisms (WJP)

**Financing Ecosystem (20%)** measures the availability of money for investment, from sources including banking and bank debt to corporate debt and more sophisticated financial markets.

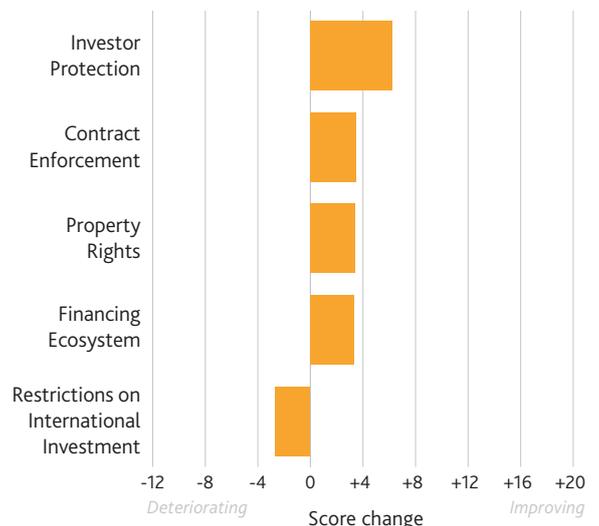
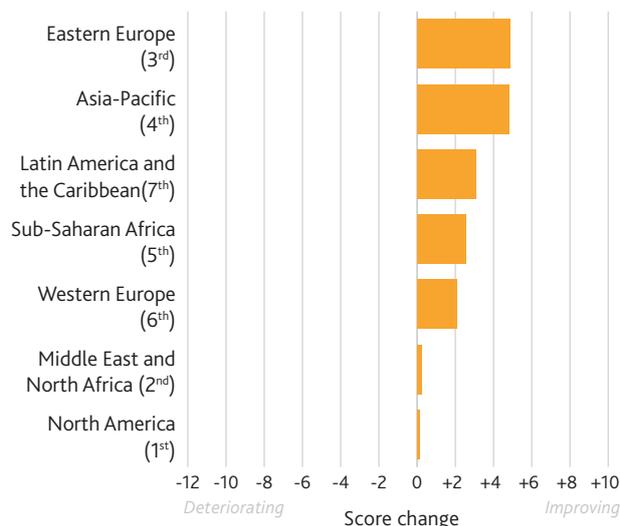
- Access to finance (WB-ES)
- Financing of SMEs (WEF)
- Venture capital availability (WEF)
- Quality of banking system and capital markets (BTI)
- Commercial bank branches (IMF-FAS)
- Soundness of banks (WEF)
- Depth of credit information (WB-DB)

**Restrictions on International Investment (10%)** assesses the policies that enhance the volume and quality or type of international investment into a country.

- Business impact of rules on FDI (WEF)
- Capital controls (FI)
- Freedom to own foreign currency bank accounts (FI)
- Restrictions on financial transactions (Chinn-Ito)
- Prevalence of foreign ownership of companies (WEF)
- Freedom of foreigners to visit (FI)

### INVESTMENT ENVIRONMENT: REGIONAL CHANGE 2011-2021 (2021 Regional rank)

### INVESTMENT ENVIRONMENT: ELEMENTS CHANGE 2011-2021



## The importance of property rights

Investment Environment has improved in all regions of the world over the past decade, with Eastern Europe and Asia-Pacific making most progress since 2011. One of the key drivers has been strengthening property rights, which have seen an overall improvement since 2014, with progress reported in 131 countries. Whilst advanced economies such as Finland and Switzerland enjoy some of the most established property rights, some of the most notable improvements have been in sub-Saharan Africa. The region is home to six of the 15 most improved countries since 2014, including Benin, which has posted some of the greatest improvements due to the strengthening of intellectual property rights and a reduction in the number of procedures to register property.

**Whilst advanced economies such as Finland and Switzerland enjoy some of the most established property rights, some of the most notable improvements have been in sub-Saharan Africa. The region is home to six of the 15 most improved countries since 2014.**

Property rights are an integral component of prosperity, giving individuals a stake in both the economy and society. Protecting property rights therefore provides an essential guarantee that what has been created as a result of an individual's hard work will not be jeopardized. Furthermore, as the renowned economist Hernando de Soto highlights, 'you need a property right before you can make money'; such rights are required to catalyse further economic endeavours, giving individuals an asset against which they can borrow.<sup>33</sup>

As such, effective property rights are an essential precondition of economic development. Over the past five years, the 10 economies with the strongest property rights have grown two-and-a-half times faster than the 10 with the weakest property rights.<sup>34</sup> Research conducted by the Legatum Institute has also highlighted countries that have experienced a raft of ancillary benefits after developing a clear and robust system of property rights.<sup>35</sup> These include addressing the grievances caused by the expropriation of land and property during conflict, dramatically increasing the changes of securing a lasting peace.

**Effective property rights are an essential precondition of economic development. Over the past five years, the 10 economies with the strongest property rights have grown two-and-a-half times faster than the 10 with the weakest property rights.**

In addition, committing to upholding property rights enhances the legitimacy of governments and their leaders. This was well illustrated

### Did you know?

**Only around 1 billion of the world's 7.9 billion people enjoy real, unquestionable rights to own their property and ideas, with only 30% of the global population having legally registered rights to their land and homes.<sup>42</sup>**

in post-independence Mauritius, where no attempts were made to expropriate the agricultural lands of the Franco-Mauritian minority population. The strength of this commitment has even seen the government commission a review of alleged cases of expropriation dating as far back as 1721.<sup>36</sup> The sanctity of land titles has been upheld, even those denoting land of high agricultural value, notably for sugar cane production.<sup>37</sup> This approach proved instrumental in avoiding factionalising the population, and key to the willingness of successive Franco-Mauritian-led governments to give up power in the face of electoral defeat.

The integrity of property rights acts as an important bellwether for the economic and social wellbeing of all nations. As such, it is rightly considered to be 'at the centre of development challenges', and an area requiring prioritization especially by the governments and leaders of low and middle-income countries.<sup>38</sup>

Resolving outstanding grievances relating to the system of property rights is a common feature of many of the nations that have progressed from lower to lower-middle-income status in recent years. This is illustrated by Nicaragua, where the World Bank estimates that up to two-thirds of land in rural areas now has a clear title following successive bouts of conflict-related land appropriation during the Somoza and Sandinista regimes.<sup>39</sup>

Concerted effort through the country's First and Second Land Administration Projects (PRODEP), has helped Nicaragua modernise and consolidate its framework for land administration, prioritising formalising the land rights of its poorest citizens, and recognising the land rights of indigenous peoples.<sup>40</sup> One million hectares of indigenous land have now been demarcated, titled, and registered, covering roughly 20% of the country's territory.<sup>41</sup>

There can be little doubt that by protecting property rights, governments encourage widespread participation in the economy, promote social cohesion, and strengthen the social contract with their populations. In doing so, they are creating a crucial pathway to prosperity.

**In a prosperous society, property rights are protected, so investment can flow.**



A smallhold farmer in Nicaragua participates in rainwater harvesting to increase sustainable food production. Estimates suggest that around two-thirds of land in the country's rural areas is now held with a clear title, improving farmers' access to credit.

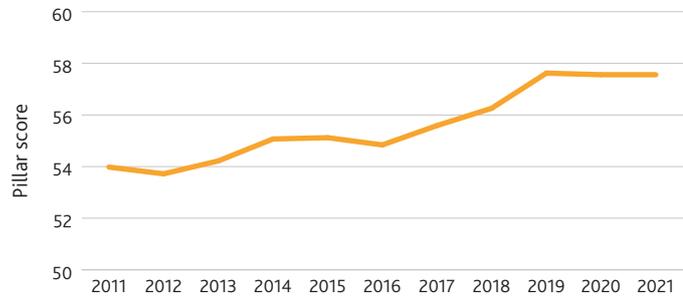
*Credit: Neil Palmer (CIAT) licensed under CC BY-ND 2.0*



# Enterprise Conditions

Enterprise Conditions measures how easy it is for businesses to start, compete and expand. Contestable markets with low barriers to entry are important for businesses to innovate and develop new ideas. This is essential for a dynamic and enterprising economy, where regulation enables business and responds to the changing needs of society.

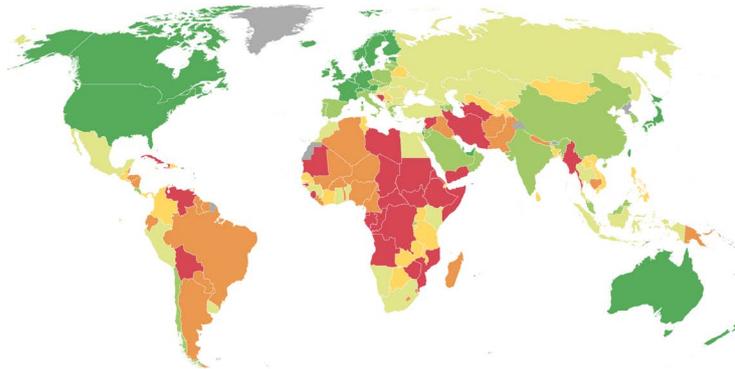
## ENTERPRISE CONDITIONS: GLOBAL TREND



## ENTERPRISE CONDITIONS 2021

### Strongest

- 1 Hong Kong
- 2 Switzerland
- 3 Singapore
- 4 United States
- 5 Denmark
- 6 Luxembourg
- 7 Netherlands
- 8 Japan
- 9 Norway
- 10 Taiwan, China



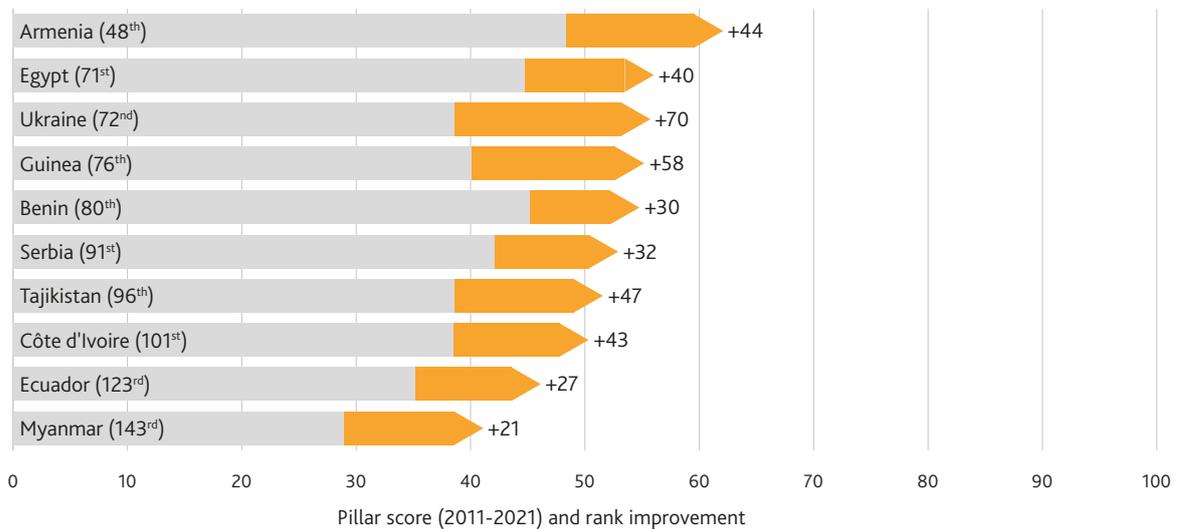
### Weakest

- 158 Eritrea
- 159 Cuba
- 160 Angola
- 161 Somalia
- 162 Central African Rep
- 163 Chad
- 164 Syria
- 165 Libya
- 166 Haiti
- 167 Venezuela



## ENTERPRISE CONDITIONS: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)





Credit: shutterstock.com

### ELEMENT (WEIGHT %)

### INDICATORS

**Domestic Market Contestability (30%)** examines how open the market is to new participants, versus protection of the incumbents.

- Market-based competition (BTI)
- Anti-monopoly policy (BTI)
- Extent of market dominance (WEF)

**Price Distortions (10%)** captures whether competitive markets are disrupted by subsidies and taxes.

- Distortive effect of taxes and subsidies (WEF)
- Energy subsidies (IMF)

**Environment for Business Creation (25%)** measures the legislative and policy driven factors that encourage entrepreneurialism.

- Private companies are protected and permitted (BTI)
- Ease of starting a business (WB-DB)
- State of cluster development (WEF)
- Labour skill a business constraint (WB-ES)
- Availability of skilled workers (WEF)

**Burden of Regulation (25%)** captures how much effort and time are required to comply with regulations, including tax regulations.

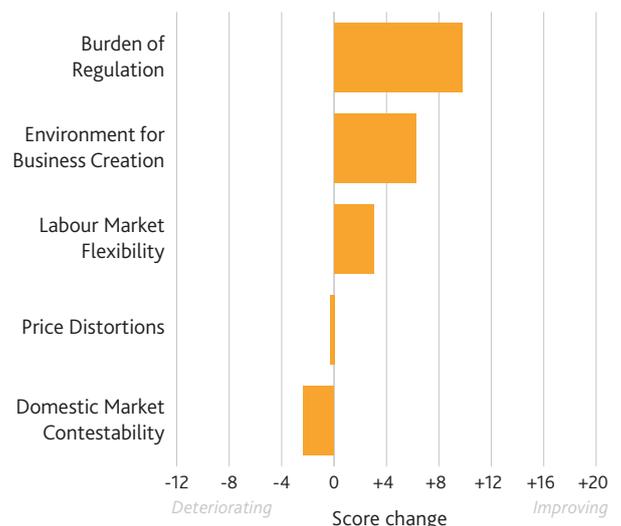
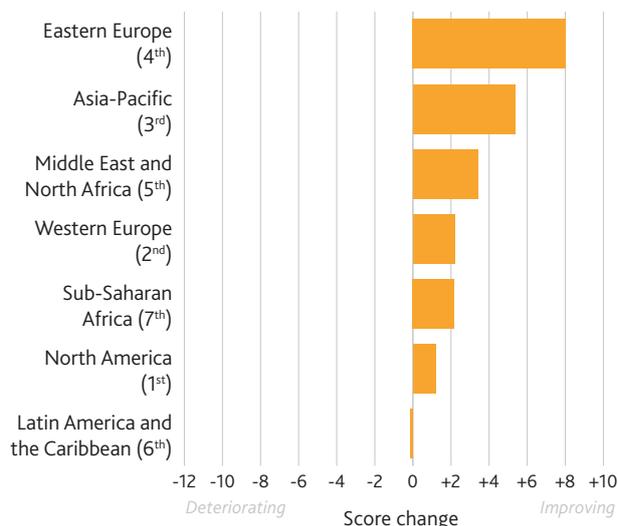
- Burden of government regulation (WEF)
- Time spent complying with regulations (WB-ES)
- Number of tax payments (WB-DB)
- Time spent filing taxes (WB-DB)
- Burden of obtaining a building permit (WB-DB)
- Building quality control index (WB-DB)

**Labour Market Flexibility (10%)** measures how dynamic and flexible the workplace is for both employer and employee.

- Cooperation in labour-employer relations (WEF)
- Flexibility of hiring practices (WEF)
- Redundancy costs (WEF)
- Flexibility of employment contracts (WB-DB)
- Flexibility of wage determination (WEF)

### ENTERPRISE CONDITIONS: REGIONAL CHANGE 2011-2021 (2021 Regional rank)

### ENTERPRISE CONDITIONS: ELEMENTS CHANGE 2011-2021



## How limiting state-owned enterprises can stimulate competition

Enterprise Conditions have improved in all regions of the world over the past decade, with Eastern Europe seeing the most progress since 2011. In particular, the region has made extraordinary progress in improving Domestic Market Contestability, which captures the extent to which markets are open to new participants. Thirteen of the region's 23 nations have recorded improvements since 2011, with Armenia experiencing the greatest improvement anywhere in the world, rising from 119<sup>th</sup> to 59<sup>th</sup>.

These improvements exemplify how cultivating a competitive market is key to establishing open economies, and represent an extraordinary achievement for a region dominated by communism just three decades ago. However, competitive markets are not yet a universal feature of the region's economies. Hungary saw the greatest deterioration in Domestic Market Contestability in Eastern Europe over the past decade, falling from 28<sup>th</sup> in 2011 to 64<sup>th</sup> in 2021. One reason for the limited competitiveness of Hungary's economy is the presence of a high number of state-owned enterprises (SOEs), with a recent study identifying more than 350 active within the country.<sup>43</sup>

**Though SOEs often play a formative role in early economic development, their continued presence in large concentrations can deter investment in the sectors in which they are active, as private sector entities struggle to match the resources and influence of their state-owned counterparts.**

Though SOEs often play a formative role in early economic development, their continued presence in large concentrations can deter investment in the sectors in which they are active, as private sector entities struggle to match the resources and influence of their state-owned counterparts. Despite successive waves of privatisation, many governments continue to own and operate enterprises — notably in key sectors of the economy such as energy — creating potent protected monopolies that can discourage enterprise and competition and distort access to both supply chains and credit.<sup>44</sup> Accordingly, SOEs can act as a constraint on economic growth as they limit the development of private sector enterprise, as well as constituting significant fiscal liabilities for governments responsible for keeping them operating, even at a loss.

**Over the past decade, the share of SOE assets among the world's 2,000 largest firms doubled to 20%.**

Despite this, evidence suggests that the SOEs are becoming a more — rather than less — prevalent feature of the global economy. Over the past decade, the share of SOE assets among the world's

### Did you know?

**Around one-third of all state-owned enterprises (SOEs) in Latin America and the Caribbean report average annual losses. Keeping such enterprises operating requires governments to approve fiscal transfers equating to between 0.3% and 1% of GDP. Meanwhile, the liabilities that the region's SOEs accumulate can reach up to 20% of GDP, effectively making them too big to fail.<sup>50</sup>**

2,000 largest firms doubled to 20%.<sup>45</sup> This is a challenge common to emerging or post-transition economies, where SOEs are a particularly dominant feature of the economy. Such entities typically comprise around 25% of publicly listed companies within emerging markets, compared to around only 4% in developed economies.<sup>46</sup>

Perhaps the most notable example of a country that has reduced the number of SOEs is Colombia. Successive governments reduced the number of active SOEs by 58 during the decade between 1988 and 1998, as part of a wave of privatisations that formed part of the country's so-called *apertura*.<sup>47</sup>

Whilst the levels of state ownership remain relatively high in Colombia, their distortive impact has been successfully minimized. The country's remaining 70 SOEs are subject to legislation passed in 2009 under which any persons or enterprises affecting market functions were rendered fully subject to competition law.<sup>48</sup> This means, in practice, that SOEs are expected to find financing through commercial markets, and not given preferential treatment over private enterprises. Indeed, for the most part, the legal framework has established a relatively level playing field between SOEs and private enterprise and has functioned successfully.<sup>49</sup>

Limiting the distortive impact of SOEs is essential to developing an open national economy, by creating the conditions in which enterprise can grow and flourish. Though SOEs can perform important public service functions in many developing nations, such roles should not limit competition and deter investment. By removing non-essential SOEs and by ensuring that those that remain are subject to effective oversight, leaders can ensure that they do not become an obstacle on the pathway to prosperity.

**In a prosperous society, business regulation enables entrepreneurship, competition, and innovation.**



The Central Business District in Bogota, Colombia. The number of active SOEs within Colombia was reduced by 58 during the decade between 1988 and 1998, significantly reducing their distortive impact on the economy, and helping to encourage greater levels of private sector investment.

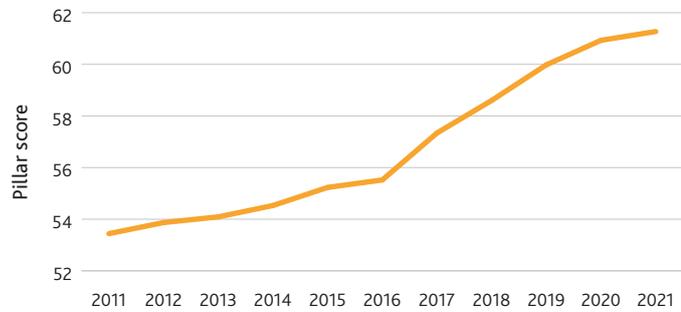
Credit: shutterstock.com



# Infrastructure and Market Access

Infrastructure and Market Access measures the quality of the infrastructure (communications, transport, and resources) that enables trade, and the inhibitors on the flow of goods and services to and from a nation's trading partners. Where markets have sufficient infrastructure and few barriers to trade, they can flourish. Such trade leads to more competitive and efficient markets, allowing new products and ideas to be tested, funded, and commercialised, ultimately benefiting consumers through a greater variety of goods at more competitive prices.

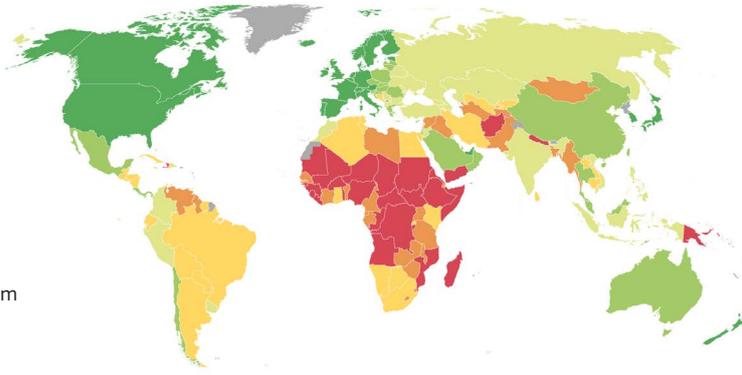
## INFRASTRUCTURE AND MARKET ACCESS: GLOBAL TREND



## INFRASTRUCTURE AND MARKET ACCESS 2021

### Strongest

- 1 Singapore
- 2 Netherlands
- 3 Hong Kong
- 4 United States
- 5 Germany
- 6 Sweden
- 7 Japan
- 8 United Kingdom
- 9 Denmark
- 10 Finland



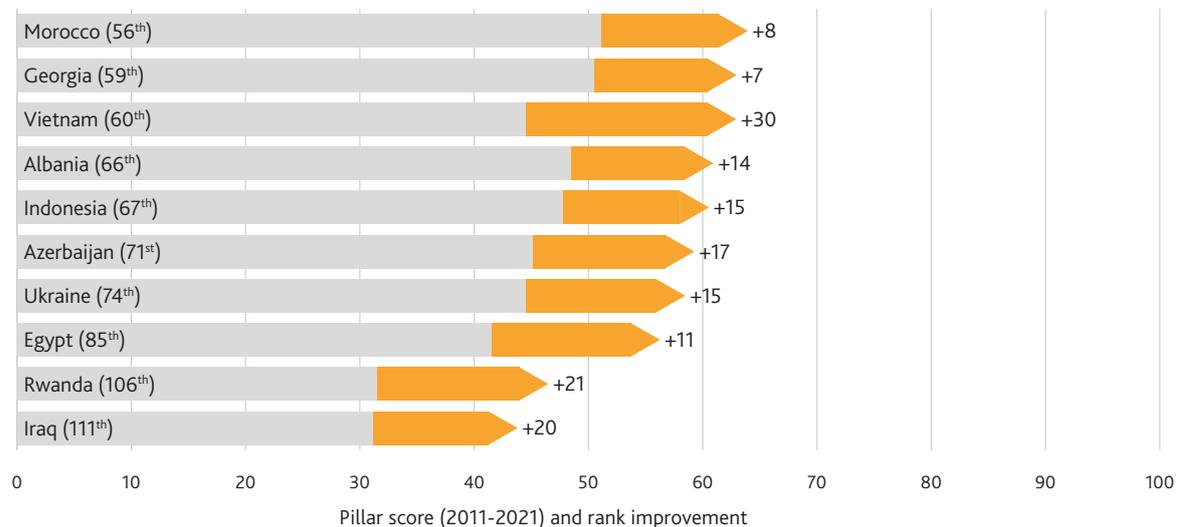
### Weakest

- 158 Mauritania
- 159 Afghanistan
- 160 Liberia
- 161 Dem. Rep. Congo
- 162 Eritrea
- 163 Niger
- 164 Sierra Leone
- 165 South Sudan
- 166 Chad
- 167 Central African Rep.



## INFRASTRUCTURE AND MARKET ACCESS: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)



## ELEMENT (WEIGHT %)

## INDICATORS

**Communications (25%)** assesses the means of communication and how widespread access to communication is.

- *International internet bandwidth (ITU)*
- *2G, 3G and 4G network coverage (GSMA)*
- *Fixed broadband subscriptions (ITU)*
- *Internet usage (ITU)*

**Energy (15%)** assesses the quality, reliability and affordability of the energy network in a country.

- *Installed electric capacity (UNESD)*
- *Ease of establishing an electricity connection (WB-DB)*
- *Reliability of electricity supply (WB-DB)*

**Water (10%)** assesses the access to, and use of, water resources.

- *Gross fixed water assets (IBNET)*
- *Water production (IBNET)*
- *Reliability of water supply (WEF)*

**Transport (25%)** assesses the ease and efficiency with how people and goods travel between and within countries. This is a measure of the quality, diversity and penetration of all forms of transport.

- *Logistics performance (WB-LPI)*
- *Airport connectivity (WEF)*
- *Efficiency of seaport services (WEF)*
- *Liner shipping connectivity (UNCTAD)*
- *Quality of roads (WEF)*
- *Road density (AQUASTAT)*
- *Rail density (UIC)*

**Border Administration (5%)** measures the time and administrative cost of a country's customs procedures.

- *Efficiency of customs clearance process (WB-LPI)*
- *Time to comply with border regulations and procedures (WB-DB)*
- *Cost to comply with border regulations and procedures (WB-DB)*

**Open Market Scale (5%)** measures the size of the market to which providers of goods and services have privileged access.

- *Domestic and international market access for goods (WTO)*
- *Domestic and international market access for services (WTO)*
- *Trade-weighted average tariff faced in destination markets (WEF)*
- *Margin of preference in destination markets (WEF)*

**Import Tariff Barriers (5%)** assesses the fees associated with trading products and services across borders, raising an income for government and making foreign goods more expensive.

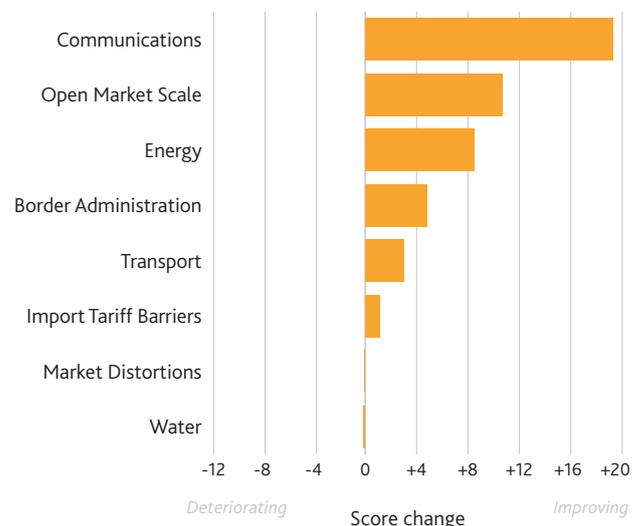
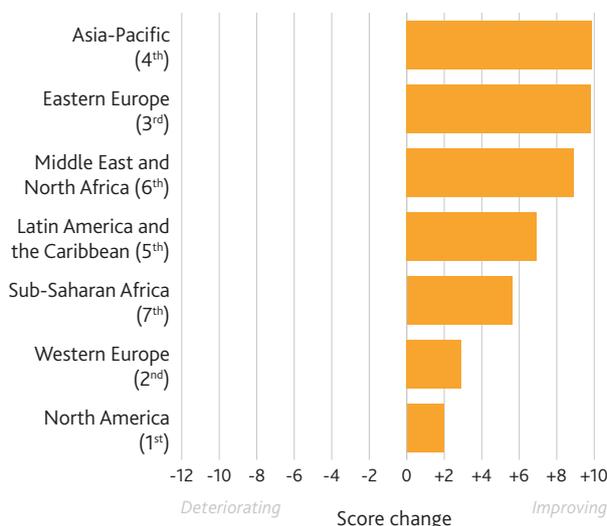
- *Share of imports free from tariff duties (WEF)*
- *Average applied tariff rate (WEF)*
- *Complexity of tariffs (WEF)*

**Market Distortions (10%)** captures how competitive markets are disrupted by subsidies, taxes and non-tariff barriers to trade. Evaluates the extent of market liberalisation of foreign trade, non-tariff barriers, and the distortive effects of taxes and subsidies.

- *Extent of liberalisation of foreign trade (BTI)*
- *Prevalence of non-tariff barriers (WEF)*
- *Non-tariff measures (UNCTAD)*

## INFRASTRUCTURE AND MARKET ACCESS: REGIONAL CHANGE 2011-2021 (2021 Regional rank)

## INFRASTRUCTURE AND MARKET ACCESS: ELEMENTS CHANGE 2011-2021



## Addressing Africa's infrastructure deficit

Infrastructure and Market Access has seen significant improvement over the past decade, with all regions continuing to strengthen over the past year. Asia-Pacific and Eastern Europe have made by far the most progress since 2011, with North America and Western Europe recording the smallest improvements of all regions.

Communications, Energy, and Transport have all improved globally over the past decade. On a global level, both Water and Market Distortions have deteriorated, driven by declines in the reliability of the water supply and the increased prevalence of non-tariff barriers, with North America particularly affected. The percentage of the world's population that use the internet has risen from 25% to 48% over the past decade, resulting in two billion more people on-line. This improvement has been driven by a rise in the number of broadband subscriptions, which have more than doubled over the past decade. Global trade agreements have broadened over the last decade, and international trade has been further facilitated by improvements in border administration.

**The percentage of the world's population that use the internet has risen from 25% to 48% over the past decade.**

Strengthening energy and communications infrastructure has made a major contribution to sub-Saharan Africa's improving prosperity since 2011. Over the past decade, the proportion of people with access to 2G, 3G and 4G networks increased from 47% to 71%, while mobile network coverage across the continent continues to grow at a similar pace to the rest of the world.

Yet despite such improvements, sub-Saharan Africa's infrastructure continues to lag behind all other regions of the world. Though the challenges vary considerably amongst the continent's different nations, the shortage of reliable infrastructure represents a persistent obstacle to both the region's development and integration. This year, all but three of the 25 nations with the weakest overall infrastructure are located in sub-Saharan Africa, with the Central African Republic, Chad, and South Sudan the weakest performing.<sup>51</sup> Little progress has been made on improving transport infrastructure, with nine of the ten weakest performing countries located in the region.<sup>52</sup>

**The growth of African infrastructure between 2000 and 2010 had been responsible for more than half of the continent's improved rate of growth during that decade.**

Addressing Africa's infrastructure deficit promises to transform the prosperity of the region. A World Bank study found that the growth of African infrastructure between 2000 and 2010 had been responsible for more than half of the continent's improved rate of growth during that decade, concluding that infrastructure investment was more impactful in driving growth than any other form of capital investment.<sup>53</sup> Furthermore, where infrastructure construction is

### Did you know?

**More than two-thirds of the global population without access to electricity are based in sub-Saharan Africa, equating to around 600 million people.<sup>58</sup>**

undertaken by domestic, rather than international labour, it is also a source of much needed employment.

The region's infrastructure needs currently equate to between \$130 billion and \$170 billion each year, with around a third required for essential maintenance of existing networks.<sup>54</sup> Meeting such levels of expenditure would require African nations to spend an additional 1% of GDP annually on infrastructure, above the 3.5% spent consistently since 2000.<sup>55</sup>

While this is clearly no small task, there is a growing urgency to address Africa's infrastructure deficit. Currently, more than two-thirds of the global population without access to electricity are based in sub-Saharan Africa, equating to around 600 million people. Meanwhile, forecasts indicate that Africa's demand for electricity will quadruple between 2010 and 2040, as the continent's population surpasses 2 billion.<sup>56</sup>

Forging effective partnerships — especially with the private sector — will be instrumental to addressing these challenges. Currently less than half of all funding for African infrastructure projects comes from governments themselves, who often lack the all-important capacity to oversee major capital projects, as well as to manage the critical issue of maintenance. Yet attracting foreign investment is challenging, with an estimated 80% of infrastructure projects failing at the business-plan stage, amidst persistent concerns over the feasibility of proposals.<sup>57</sup>

Without a doubt, developing — and maintaining — effective infrastructure promises to help unlock Africa's extraordinary potential. The continent's need for roads, railways, and ports, as well as for the power and telecommunications networks upon which people and commerce depend, offers a wealth of investment opportunities for Africa's many international partners. It is also important that the funding arrangements for such projects do not become extractive debt traps for developing nations. However, if the continent is to successfully address its infrastructure deficit, its leaders must demonstrate their commitment to delivering major capital projects effectively. Africa's future prosperity depends upon it.

**In a prosperous society, open markets and high-quality infrastructure facilitate trade and commerce.**



A mother helps her two children access the internet. Over the past decade, the proportion of people in sub-Saharan Africa with access to 2G, 3G, and 4G networks has increased from 47% to 71%.

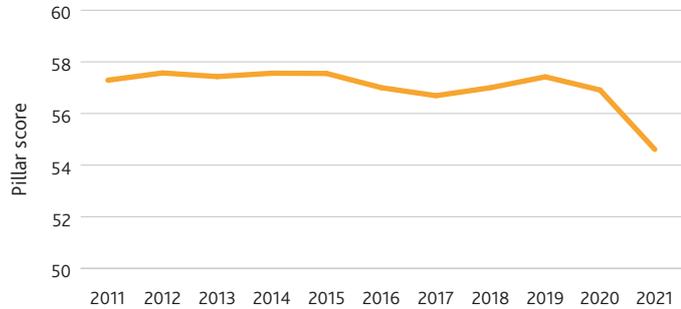
Credit: shutterstock.com



# Economic Quality

Economic Quality measures how well a country's economy is equipped to generate wealth sustainably and with the full engagement of its workforce. A strong economy is dependent on the production of a diverse range of valuable goods and services and high labour force participation.

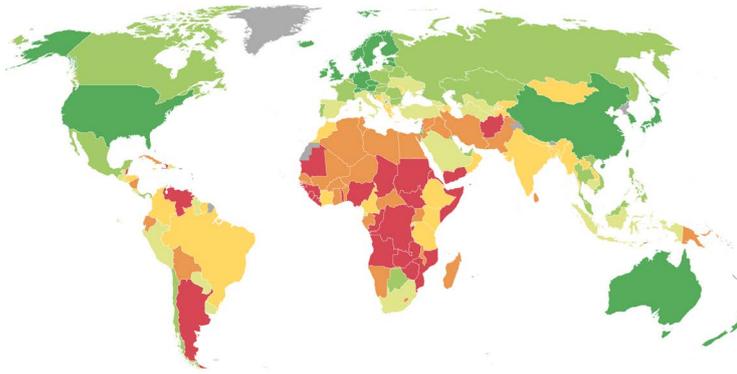
## ECONOMIC QUALITY: GLOBAL TREND



## ECONOMIC QUALITY 2021

### Strongest

- 1 Switzerland
- 2 Luxembourg
- 3 Hong Kong
- 4 Ireland
- 5 Singapore
- 6 Netherlands
- 7 Sweden
- 8 Denmark
- 9 South Korea
- 10 Germany



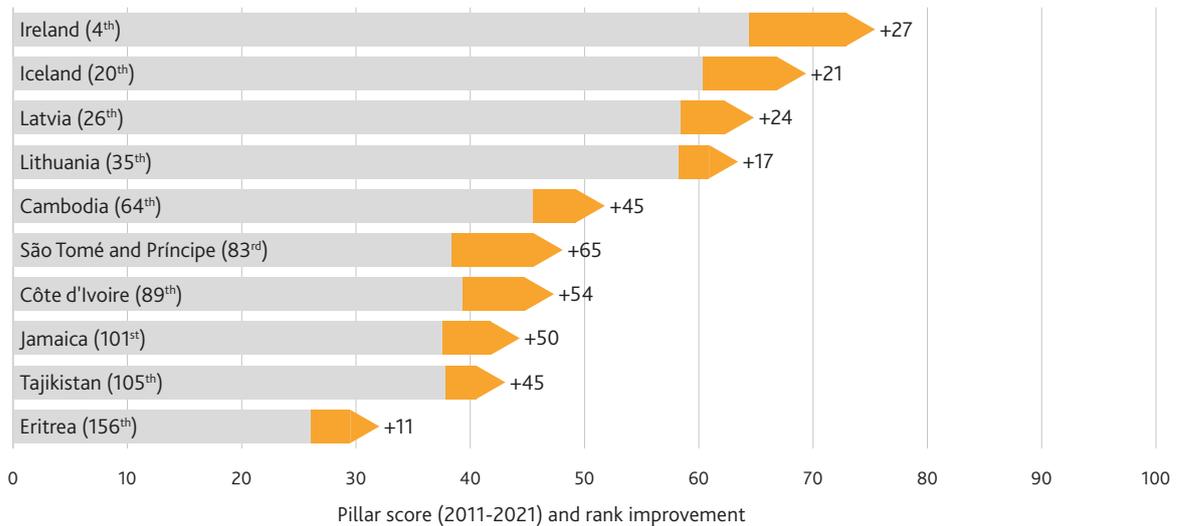
### Weakest

- 158 Angola
- 159 Congo
- 160 Lebanon
- 161 Zambia
- 162 Burundi
- 163 Mozambique
- 164 Venezuela
- 165 Yemen
- 166 Somalia
- 167 Sudan



## ECONOMIC QUALITY: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)





Credit: shutterstock.com

### ELEMENT (WEIGHT %)

### INDICATORS

**Fiscal Sustainability (25%)** assesses the ability of a government to sustain its current spending, tax, and other policies in the medium-to-long-term.

- Government budget balance (IMF-WEO)
- Government debt (IMF)
- Country credit rating (TE)
- Country risk premium (AD)
- Gross savings (WB-DI)

**Macroeconomic Stability (10%)** measures two key elements of the economy — the GDP per capita growth rate, and the volatility of the inflation rate. Both are taken as a five-year trailing average.

- GDP per capita growth (WB-DI)
- Inflation volatility (IMF)

**Productivity and Competitiveness (30%)** captures the efficiency with which inputs can be converted into outputs. Competition enhances productivity by forcing firms to innovate new ways to reduce cost and time constraints.

- Labour productivity (ILO)
- Economic complexity (ECI)
- Export quality (IMF)
- High-tech manufactured exports (UN-Com)

**Dynamism (15%)** measures the churn of businesses — the number of new start-ups entering and failed firms exiting an economy.

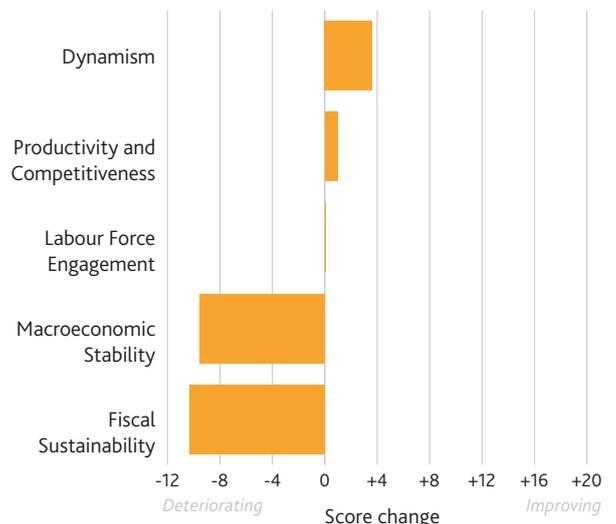
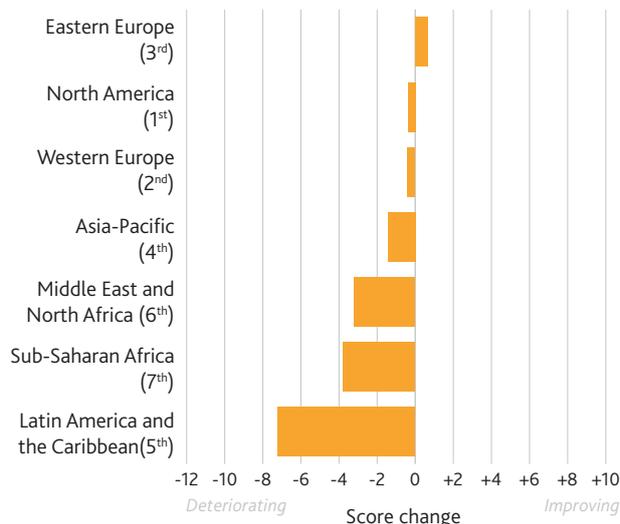
- New business density (WB-ES)
- Patent applications (WIPO)
- Capacity to attract talented people (WEF)

**Labour Force Engagement (20%)** covers the intersection of demography and the workforce, including the rates of unemployment and gender ratios.

- Labour force participation (ILO)
- Female labour force participation (ILO)
- Waged and salaried workers (ILO)
- Unemployment (ILO)
- Youth unemployment (ILO)

### ECONOMIC QUALITY: REGIONAL CHANGE 2011-2021 (2021 Regional rank)

### ECONOMIC QUALITY: ELEMENTS CHANGE 2011-2021



## Why employment is the ultimate pathway to prosperity

Economic Quality has seen a major deterioration in all regions, as the economic impact of the choices made to respond to COVID-19 continue to be felt, with the sharpest decline seen in North America. Unemployment rose sharply across the world because of lockdowns, with 158 countries (and all regions) seeing employment rates deteriorate between 2019 and 2020. In the United States, the unemployment rate more than doubled, from 3.7% to 8.3%. And in the MENA region, the Gulf states saw the most significant rises.

**Almost 9% of global working hours were lost in 2020, equivalent to some 255 million full-time jobs. This makes working-hour losses in 2020 approximately four times greater than during the global financial crisis in 2009.**

The long-term trend of improving employment has been jeopardized by the choices made in response to COVID-19. The response to the pandemic has had a profound impact on jobs, with levels of unemployment rising in all regions of the world in the last year. Close to 6.5% of the world's working age population were unemployed in 2020. As much as 93% of the world's workers resided in countries with some form of workplace closure measures in place at the start of 2021.<sup>59</sup> In total, almost 9% of global working hours were lost in 2020, equivalent to some 255 million full-time jobs. This makes working-hour losses in 2020 approximately four times greater than during the global financial crisis in 2009.<sup>60</sup>

As elsewhere, the decisions made in response to the pandemic have impacted employment in the UK for example. Labour market impacts have been felt, with between 35% and 41% of people previously employed in each of the UK's nations and regions experiencing a negative change in their employment status, from a decline in wages and hours to being furloughed or losing their jobs altogether.<sup>61</sup>

Rising levels of unemployment present a significant obstacle to prosperity. In addition to providing individuals with an all-important income, work offers stability, security, and purpose, as well as the agency to take charge of one's life. People in work are predictably more economically active, providing a string of ancillary benefits in terms of the goods and services they consume, as well as the contribution to public spending they make through the taxes they

**Prior to the pandemic, participation in the labour market varied considerably across the world. The disparity is driven by the limited number of women in work, with only 24% of women participating in the labour market in MENA compared to 70% for Western Europe.**

### Did you know?

**Almost 9% of global working hours were lost in 2020 as a result of the COVID-19 pandemic, equivalent to some 255 million full-time jobs. This makes working-hour losses in 2020 approximately four times greater than during the global financial crisis in 2009.**

pay on their incomes. Accordingly, maximising the number of people in work is a key task in forging open and resilient economies, and the prosperity they underpin.

Prior to the pandemic, participation in the labour market varied considerably across the world. In Western Europe, for example, the labour force participation rate stands at 75%, whereas in the Middle East and North Africa it is reported as being at just over 50%. The disparity is driven by the limited number of women in work, with only 24% of women participating in the labour market in MENA compared to 70% for Western Europe. Over the past year, ten nations report female participation in the labour market at over 80%, with Nepal the highest at 85%, and six nations report a rate of less than 20%, with Yemen the lowest at 6%.

**Only ten nations report female participation in the labour market at over 80%, with Nepal the highest at 85% and six nations report a rate of less than 20%, with Yemen the lowest at 6%.**

As the world emerges from the shadow of the pandemic, we are only beginning to understand the implications of more than a year in lockdown. However, the pattern uncovered in the UK has been replicated around the world, with the most vulnerable people amongst the most impacted. With so many people's jobs adversely impacted by the choices made by governments in response to COVID-19, around the world leaders must now respond swiftly to ensure people are able to return to work safely and contribute to the economic recovery — as well as getting more women into the workplace.

**In a prosperous society, fiscal and monetary policy are used responsibly to foster employment, productivity, and sustained economic growth.**



Despite the impact of the pandemic on employment, the number of new businesses started in the UK increased by 14% in the last year, outpacing the global average of a 6% increase in business start-ups. In March 2021, more new businesses were created in the UK than in any other month since records began in 1989.<sup>62</sup>

Credit: shutterstock.com

# Defining Empowered People

**E**mpowered People captures the quality of people’s lived experiences and the features present that enable individuals to reach their full potential through autonomy and self-determination.

This domain starts with the necessary resources required for a basic level of wellbeing, ranging from levels of material resources, to adequate nutrition, to basic health and education outcomes, access, and quality, and to a safe and clean environment. Many of these issues are inter-related, and we find one of the strongest relationships between education and living conditions. Each of the pillars in this domain differentiates countries’ performance on these fundamental measures of social wellbeing to distinguish where greater numbers of people are disadvantaged and less likely to achieve wellbeing.

We examine the fundamental aspects of empowered people across four pillars, each with component elements.

**Living Conditions** measures the set of conditions or circumstances that are necessary for all individuals to attain a basic level of wellbeing. This set of circumstances includes a level of material resources, adequate nutrition and access to basic services and shelter. It also measures the level of connectedness of the population, and the extent to which they are in a safe living and working environment (protection from harm). These enable the individual to be a productive member of society and to pursue prosperity, and build a flourishing life.

**Health** measures the basic services in a nation and health outcomes of a population — including the quality of both mental health and physical health, each of which affects longevity. It also assesses the set of behavioural risk factors that affect the quality of the population’s health, and the quality of the healthcare provision through the lenses of care systems and preventative interventions. For a nation to truly prosper, its residents must have good health. Those who enjoy good physical and mental health report high levels of wellbeing, while poor health keeps people from fulfilling their potential.

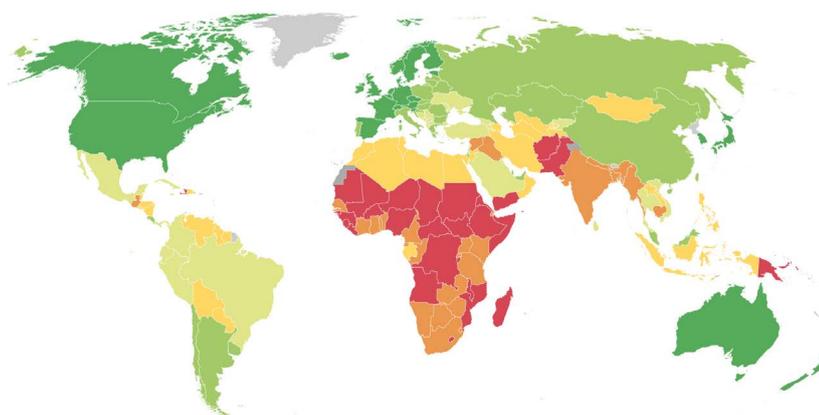
**Education** measures the enrolment, outcomes and quality of four stages of education (pre-primary, primary, secondary, and tertiary education) as well as the adult skills in the population. Education allows people to lead more fulfilling lives, and a better educated population is more able to contribute to society. Over the long-term, education can help to drive economic development and growth while improving social and health outcomes, as well as leading to greater civic engagement.

**Natural Environment** measures the elements of the physical environment that have a direct impact on the ability of residents to flourish in their daily lives. We also measure the extent to which the ecosystems that provide resources for extraction (freshwater and forest, land and soil) are sustainably managed. A well-managed rural environment yields crops, material for construction, wildlife and food, and sources of energy. We also measure the extent of preservation efforts, as these are critical to longer-term sustainability.

## Empowered People 2021

### Strongest

- 1 Finland
- 2 Sweden
- 3 Denmark
- 4 Norway
- 5 Switzerland
- 6 Japan
- 7 Slovenia
- 8 New Zealand
- 9 Iceland
- 10 Germany



Rank 1–30 ■ 31–60 ■ 61–90 ■ 91–120 ■ 121–150 ■ 151–167 ■

### Weakest

- 158 Sierra Leone
- 159 Dem. Rep. Congo
- 160 Eritrea
- 161 Somalia
- 162 Guinea-Bissau
- 163 Afghanistan
- 164 Niger
- 165 Chad
- 166 Central African Rep.
- 167 South Sudan



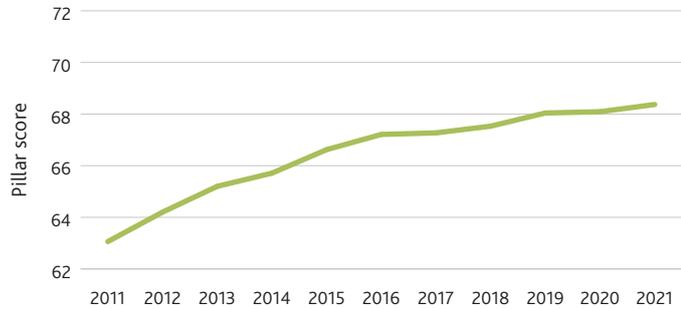
Credit: shutterstock.com



# Living Conditions

Living Conditions measures whether a reasonable quality of life is extended to the whole population, which is necessary for a nation to be prosperous. This includes several key areas — in addition to material resources, people must also have access to adequate shelter and a healthy diet, basic services such as electricity, clean water and sanitation, safety at work and in their lived environment, and the ability to connect and engage in core activities in society.

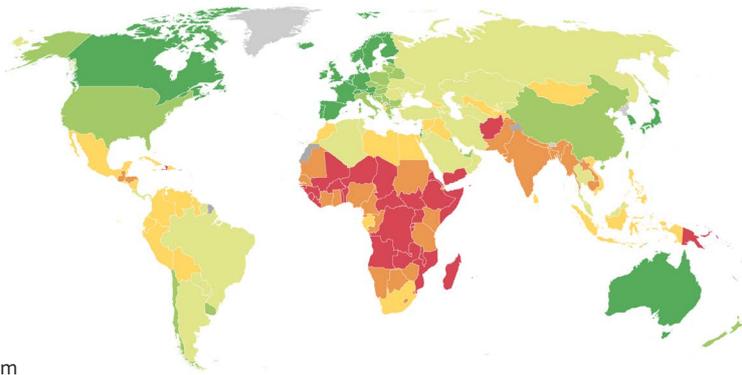
## LIVING CONDITIONS: GLOBAL TREND



## LIVING CONDITIONS 2021

### Strongest

- 1 Netherlands
- 2 Germany
- 3 Denmark
- 4 Singapore
- 5 Sweden
- 6 Switzerland
- 7 Norway
- 8 Luxembourg
- 9 Finland
- 10 United Kingdom



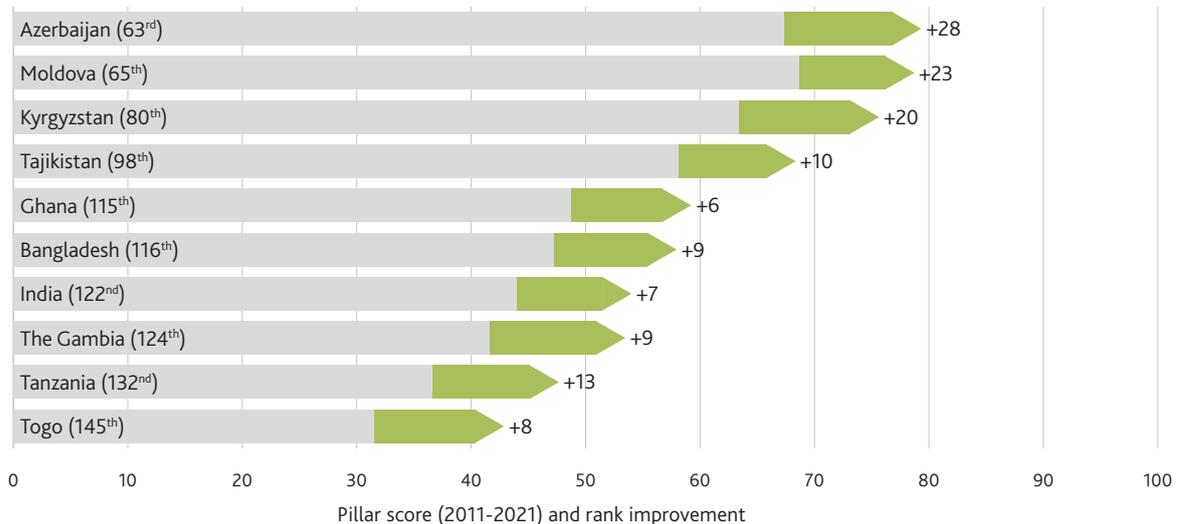
### Weakest

- 158 Dem. Rep. Congo
- 159 Niger
- 160 Papua New Guinea
- 161 Guinea-Bissau
- 162 Madagascar
- 163 Eritrea
- 164 Burundi
- 165 Chad
- 166 South Sudan
- 167 Central African Rep.

Rank 1-30 ■ 31-60 ■ 61-90 ■ 91-120 ■ 121-150 ■ 151-167 ■

## LIVING CONDITIONS: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)



## ELEMENT (WEIGHT %)

## INDICATORS

**Material Resources (20%)** measures the proportion of individuals with the minimum amount of resources that is necessary to survive and attain wellbeing. Reliability of income is captured here, as well as the resilience against economic shocks.

- Poverty rate at national poverty lines (WB-DI)
- Poverty rate at \$1.90 a day (WB-DI)
- Poverty rate at \$3.20 a day (WB-DI)
- Poverty rate at \$5.50 a day (WB-DI)
- Households with a refrigerator (GDL)
- Ability to source emergency funds (WB-GFI)
- Ability to live on household income (Gallup)

**Nutrition (20%)** measures the availability, adequacy and diversity of food intake required for individuals to participate in society, ensure cognitive development, and avoid potentially long-term health impacts.

- Availability of adequate food (Gallup)
- Prevalence of undernourishment (AQUASTAT)
- Prevalence of wasting in children under-5 (WB-DI)
- Prevalence of stunting in children under-5 (WB-DI)

**Basic Services (10%)** captures the access to, as well as the availability and quality of, the basic utility services necessary for human wellbeing.

- Access to electricity (WB-DI)
- Access to basic water services (JMP)
- Access to piped water (JMP)
- Access to basic sanitation services (JMP)
- Unsafe water, sanitation or hygiene (IHME)

**Shelter (20%)** reflects the quality of accommodation and the impact of the accommodation environment on the health of residents.

- Availability of adequate shelter (Gallup)
- Housing deprivation (OPHI)
- Access to clean fuels and technologies for cooking (WB-DI)
- Indoor air quality (IHME)

**Connectedness (15%)** captures the extent to which individuals are able to participate in the normal activities in which citizens of a society engage, digitally and physically.

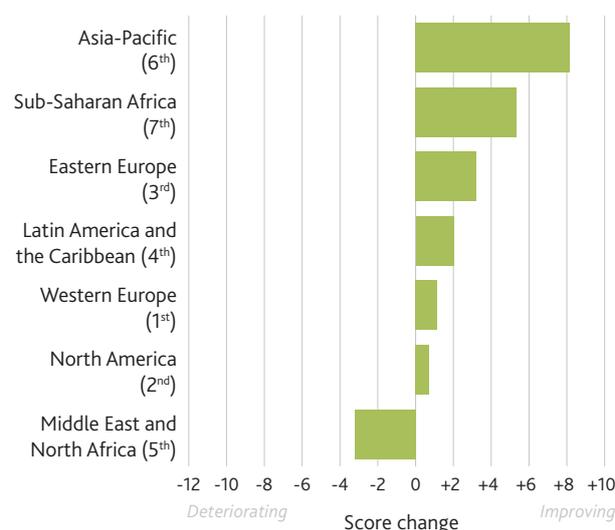
- Access to a bank account (WB-GFI)
- Use of digital payments (WB-GFI)
- Access to a cellphone (GDL)
- Rural access to roads (RAI)
- Satisfaction with public transportation (Gallup)
- Satisfaction with roads and highways (Gallup)

**Protection from Harm (15%)** captures the safety of the environment that individuals live and work in; measuring injuries and accidental deaths from work-placed based activities and from natural disasters.

- Death and injury from road traffic accidents (GBD)
- Death and injury from forces of nature (IHME)
- Unintentional death and injury (GBD)
- Occupational mortality (ILO)

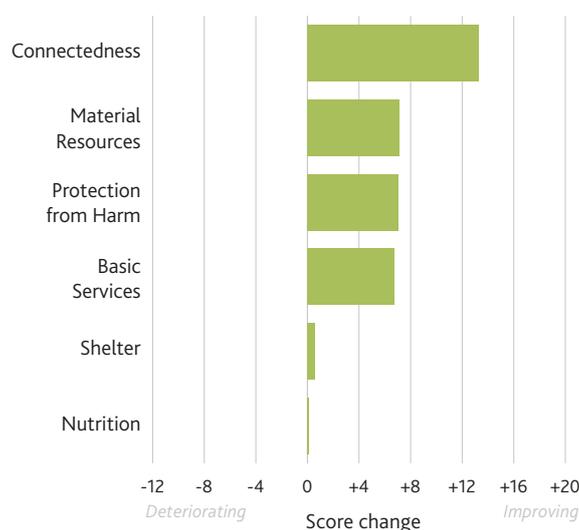
## LIVING CONDITIONS: REGIONAL CHANGE

2011-2021 (2021 Regional rank)



## LIVING CONDITIONS: ELEMENTS CHANGE

2011-2021



## The mission to eradicate poverty

Prior to the COVID-19 pandemic, we had seen steady improvements in Living Conditions around the world, not least because of progress in reducing poverty. Over the decade leading up to 2020, the proportion of people living in extreme poverty fell from 18% to 12%, with some 97 of the 167 nations featured in the Index recording an improvement since 2011.

**Whilst progress has been greatest in the Asia-Pacific region, many of the most eye-catching improvements have been seen in sub-Saharan Africa. Eight out of the ten countries to experience the greatest improvements in the past decade are located in the region.**

Whilst progress has been greatest in the Asia-Pacific region, many of the most eye-catching improvements have been seen in sub-Saharan Africa. Nine out of the ten countries to experience the greatest improvements in the past decade are located in the region, with The Gambia — the world's most improved nation in terms of poverty reduction — seeing its poverty rate fall by as many as 36 percentage points. Similarly, Tanzania has experienced one of the largest falls in poverty seen anywhere in the world in the decade following the turn of the millennium, almost halving its extreme poverty rate between 2000 and 2011. Less than half of the Tanzanian population was living in extreme poverty in 2011, down from 86% in 2000.<sup>63</sup>

However, these gains have been placed in serious jeopardy by the impact of the COVID-19 pandemic. The World Bank estimates that the virus has resulted in an additional 120 million people being in poverty. The rise means that more than 9% of the world's population — half of them children — are estimated to now live in extreme poverty, a rate last seen in 2017.<sup>64</sup>

**The World Bank estimates that the virus has resulted in an additional 120 million people being in poverty. The rise means that more than 9% of the world's population — half of them children — are estimated to now live in extreme poverty, a rate last seen in 2017.**

The impact of the pandemic threatens to reverse much of the recent progress seen in sub-Saharan African nations, which remain home to some 40% of all people living in extreme poverty.<sup>65</sup> Many of those who have recently created their own pathway out of poverty remain vulnerable, with the number of households able to source emergency funds falling by seven percentage points between 2014 and 2017.

### Did you know?

**Nearly 1.1 billion people have worked their way out of extreme poverty since 1990. However, whilst extreme poverty has been steadily declining, levels rose in 2020 for the first time in over 20 years. In total, an additional 120 million people are believed to be living in poverty in 2021 as a result of the COVID-19 pandemic.<sup>68</sup>**

Rising poverty rates threaten to expose a growing number of people to a raft of disadvantages which, all too often, combine to prevent them from fulfilling their unique potential. Extensive research over the past half century has established a clear link between poverty and issues such as malnutrition, poor physical and mental health, as well as lower educational outcomes, income, and life expectancy.<sup>66</sup>

**The impact of the pandemic threatens to reverse much of the recent progress seen in sub-Saharan African nations, which remain home to some 40% of all people living in extreme poverty.**

Furthermore, poverty contributes to instability. More than 40% of the global poor live in economies affected by fragility, conflict, and violence, despite the fact that those nations account for just 10% of the world's population.<sup>67</sup> This is a particular cause for concern in nations where the number of people living on less than \$1.90 a day had increased in the past year, including South Sudan, Zimbabwe, and Yemen.

The huge numbers of people who have created their own pathway of out of extreme poverty around the world in recent decades is nothing short of extraordinary. However, the impact of the pandemic shows that such progress cannot be taken for granted. With sub-Saharan Africa increasingly the focus for much of the world's efforts to address the drivers of extreme poverty and build an enabling environment, maintaining momentum will be a pressing priority for the continent's leaders.

**In a prosperous society, everybody is able to build a life free from poverty.**



A young girl smiles for the camera on the Tanzanian island of Zanzibar. Tanzania saw one of the largest falls in poverty anywhere in the world in the decade following the turn of the millennium, almost halving its extreme poverty rate between 2000 and 2011.

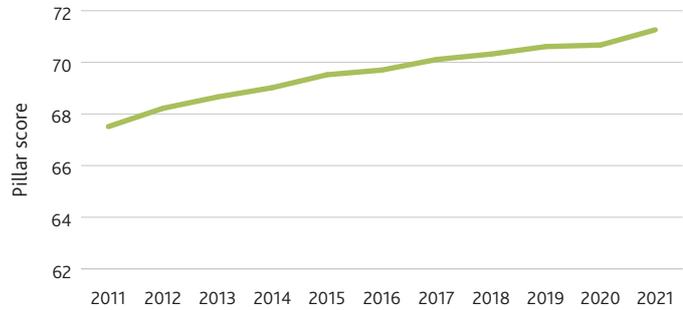
*Credit: shutterstock.com*



# Health

Health measures the extent to which people are healthy and have access to the necessary services to maintain good health. Those who enjoy good physical and mental health report high levels of wellbeing, whilst poor health provides a major obstacle to people fulfilling their potential. The coverage and accessibility of effective healthcare, combined with behaviours that sustain a healthy life-style, are critical to both individual and national prosperity.

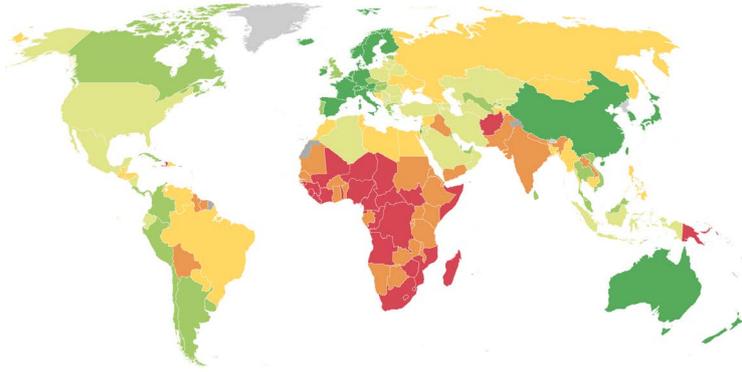
## HEALTH: GLOBAL TREND



## HEALTH 2021

### Strongest

- 1 Japan
- 2 Singapore
- 3 South Korea
- 4 Norway
- 5 Taiwan, China
- 6 Israel
- 7 China
- 8 Iceland
- 9 Netherlands
- 10 Sweden



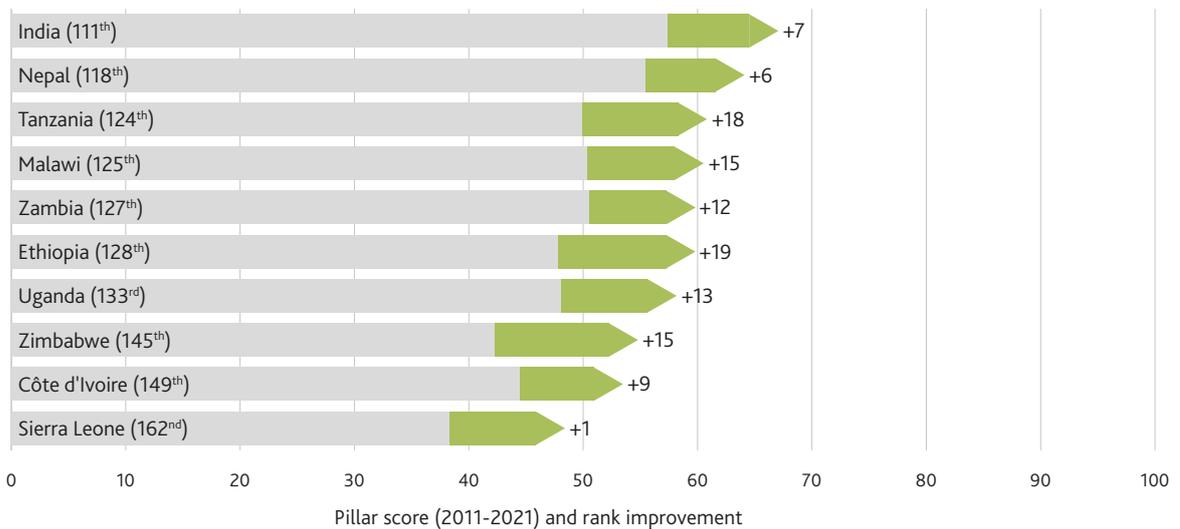
### Weakest

- 158 Nigeria
- 159 Liberia
- 160 Eswatini
- 161 Dem. Rep. Congo
- 162 Sierra Leone
- 163 Somalia
- 164 Lesotho
- 165 Chad
- 166 South Sudan
- 167 Central African Rep.

Rank 1-30 ■ 31-60 ■ 61-90 ■ 91-120 ■ 121-150 ■ 151-167 ■

## HEALTH: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)



## ELEMENT (WEIGHT %)

## INDICATORS

**Behavioural Risk Factors (10%)** assesses the set of lifestyle patterns moulded by a complex set of influences that increase the likelihood of developing disease, injury or illness, or of suffering from premature death.

- Obesity (WHO-GDO)
- Smoking (WHO)
- Substance use disorders (GBD)

**Preventative Interventions (15%)** measures the extent to which a health system prevents diseases, illnesses and other medical complications from occurring, to save many children and adults from an early death.

- Diphtheria immunisation (WHO)
- Measles immunisation (WHO)
- Hepatitis immunisation (WHO)
- Contraceptive prevalence (UNICEF)
- Antenatal care coverage (UNICEF)
- Existence of national screening programs (WHO)

**Care Systems (15%)** assesses the ability of a health system to treat and cure diseases and illnesses, once they are present in the population.

- Healthcare coverage (ILO)
- Health facilities (WHO)
- Health practitioners and staff (WHO)
- Births attended by skilled health staff (UNICEF)
- Tuberculosis treatment coverage (WHO)
- Antiretroviral HIV therapy (UNAIDS)
- Satisfaction with healthcare (Gallup)

**Mental Health (10%)** captures the level and burden of mental illness on the living population. Mental health can have a significant impact on an individual's wellbeing and ability to participate effectively in the labour market.

- Emotional wellbeing (Gallup)
- Depressive disorders (GBD)
- Suicide (WHO)

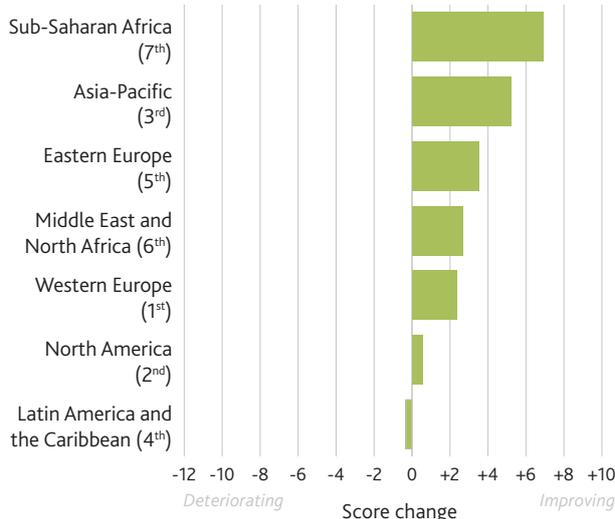
**Physical Health (20%)** captures the level and burden of physical illness on the living population. Physical health can have a significant impact on an individual's wellbeing and ability to participate effectively in the labour market.

- Physical pain (Gallup)
- Health problems (Gallup)
- Communicable diseases (GBD)
- Non-communicable diseases (GBD)
- Raised blood pressure (WHO)

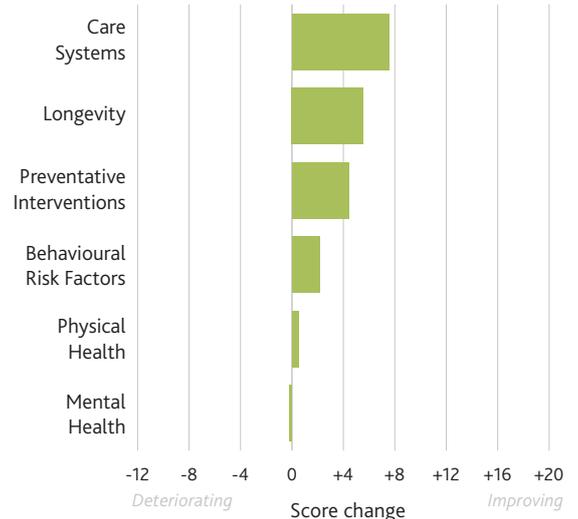
**Longevity (30%)** measures the mortality rate of a country's population through different stages of life.

- Maternal mortality (WB-DI)
- Under 5 mortality (WB-DI)
- 5-14 mortality (UN IGME)
- 15-60 mortality (WB-DI)
- Life expectancy at 60 (WHO)

## HEALTH: REGIONAL CHANGE 2011-2021 (2021 Regional rank)



## HEALTH: ELEMENTS CHANGE 2011-2021



## Why COVID-19 will not reverse the trend towards increasing life expectancy

The COVID-19 pandemic has resulted in a major increase in global mortality. Countries around the world reported almost five million deaths from COVID-19 from the beginning of pandemic until the end of October 2021.<sup>69</sup> While the true death toll remains unknown, excess mortality in 2020 is expected to reach a scale not witnessed in Western Europe since World War Two.<sup>70</sup>

However, prior to the pandemic, there had been a steady improvement in global Health, with sub-Saharan Africa experiencing the most progress, and only Latin America and the Caribbean recording a deterioration. The improvement of Health has resulted in part from better care systems, as well as progress in preventative interventions and behavioural risk factors.

**As soon as 2050, the world's population aged 60 years and older is expected to more than double to a total of 2 billion, up from 900 million in 2015.**

Whilst so much of the world's attention has understandably been focussed on the tragic increase in deaths from COVID-19, we should not lose sight of the remarkable increase in life expectancy seen over multiple decades and, as we come out of this moment of crisis, we should look carefully at how it has been achieved. Since 1900, global average life expectancy has more than doubled, and now stands at above 70 years for men and 75 years for women.<sup>71</sup> As soon as 2050, the world's population aged 60 years and older is expected to more than double to a total of 2 billion, up from 900 million in 2015.<sup>72</sup>

**Though sub-Saharan African nations continue to lag behind all other regions, the ten most improved nations since 2011 are all African.**

Longevity has been increasing across all metrics over the past decade, with all regions recording an overall improvement. Though sub-Saharan African nations continue to lag behind all other regions, the 10 most improved nations since 2011 are all African. Over the past decade, mortality has improved across all age groups. Under-5 mortality in the region fell from 102 per 1,000 people to 73 per 1,000 people while mortality amongst those aged 15-60 fell from 337 per 1,000 people to 269 per 1,000 people. Meanwhile, life expectancy at 60 increased from 15.4 in 2000 to 17.6 in 2019.

**Over the past decade, the coverage of antiretroviral HIV therapy in sub-Saharan Africa has increased from just 18% to 61%.**

This reflects the significant advances in healthcare across the continent, particularly in improving the accessibility as well as the quality

### Did you know?

**Since 1900 the global average life expectancy has more than doubled, and now stands at above 70 years for men and 75 years for women.<sup>77</sup>**

of medical facilities available to the population. Over the past decade, the coverage of antiretroviral HIV therapy in sub-Saharan Africa has increased from just 18% to 61%, while the proportion of births attended by skilled health professionals has increased from 45% to 61%.

Amongst the most encouraging examples of such improvements can be seen in Malawi. Though still ranked 125<sup>th</sup> in the world in the Index's Health pillar, Malawi has recorded the biggest improvement of any nation in the Index's Longevity element over the past decade. Despite the country's persistently high poverty rate, Malawi has made steady progress in reducing rates of maternal and infant mortality, along with delivering notable reductions in mortality for those between 5-14 years as well as those aged 15-60.

Malawi increased its spending on healthcare from under 7.5% of GDP in 2011 to 9.3% in 2018, in support of its Health Sector Strategic Plan (HSSP II), aimed at improving healthcare coverage, quality, and affordability.<sup>73</sup> The HSSP II plan was developed with support from the WHO and UNICEF, two of a number of donor partnerships which have helped to improve financing for Malawi's health system, broaden public health initiatives and preventative care, and increase the recruitment and training for healthcare workers.<sup>74</sup> As a result of increased investment and support from international donors, life expectancy in Malawi now stands at 63.7 years, above sub-Saharan African average of 61.6 years.<sup>75</sup> Malawi was also one of a few sub-Saharan African countries to achieve the Millennium Development Goal (MDG) 4 for child survival by 2015.<sup>76</sup>

Though the COVID-19 pandemic has had a profound short-term impact on mortality rates, the long-term global trend of increasing life expectancy should continue to give us all cause for optimism. Whilst significant disparities remain between high and low-income countries, the improvement seen in nations like Malawi demonstrates what is possible through concerted effort and collaboration with international partners. However, whilst life expectancy remains a key yardstick by which to measure the world's health, we must be mindful that true prosperity involves not just living longer lives but living happier ones. True prosperity is a life well lived.

**In a prosperous society, people take of their physical and mental health, and have access to effective healthcare.**



A doctor consults with her patient at a rural clinic in India. India has recorded the greatest improvement in health over the past decade, driven in part by improvements in access to primary healthcare.

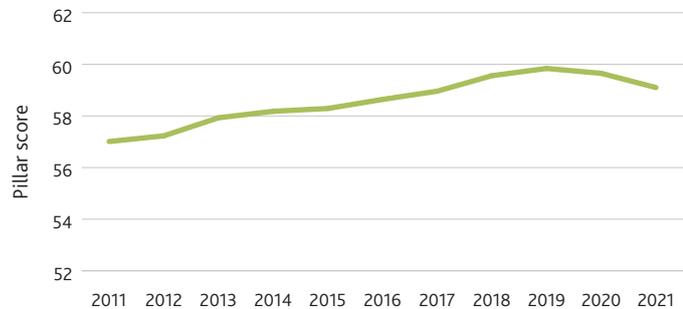
*Credit shutterstock.com*



# Education

Education is a building block for prosperous societies; the accumulation of skills and capabilities contributes to economic growth. Education provides the opportunity for individuals to reach their potential, and a more fulfilled and prosperous life. A better-educated population also leads to greater civic engagement and improved social outcomes — such as better health and lower crime rates.

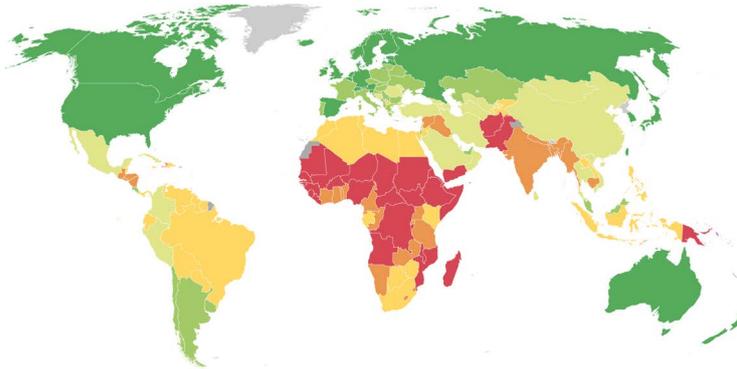
## EDUCATION: GLOBAL TREND



## EDUCATION 2021

### Strongest

- 1 Singapore
- 2 South Korea
- 3 Denmark
- 4 Finland
- 5 Canada
- 6 Hong Kong
- 7 Netherlands
- 8 Switzerland
- 9 Australia
- 10 Norway



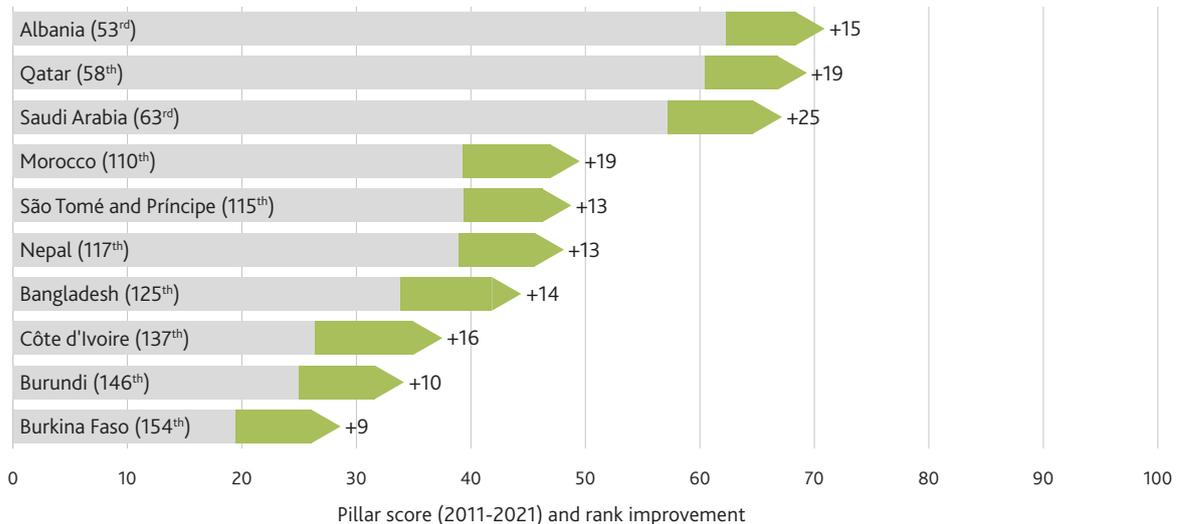
### Weakest

- 158 Afghanistan
- 159 Mozambique
- 160 Guinea
- 161 Mali
- 162 Liberia
- 163 Guinea-Bissau
- 164 Niger
- 165 Chad
- 166 Central African Rep.
- 167 South Sudan



## EDUCATION: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)





Credit: shutterstock.com

### ELEMENT (WEIGHT %)

### INDICATORS

**Pre-Primary Education (5%)** supports the development of linguistic, cognitive, social and emotional skills. Students who participate in pre-primary education are more likely to make it through secondary education and less likely to repeat grades.

- *Pre-primary enrolment (net) (UNESCO)*

**Primary Education (20%)** provides pupils the opportunity to develop their cognitive, social, emotional, cultural and physical skills, preparing them for their further school career. Most critically, this includes core literacy and numeracy skills.

- *Primary enrolment (UNESCO)*
- *Primary completion (UNESCO)*
- *Primary education quality (AltAng&Pat)*

**Secondary Education (30%)** More years of higher quality education has been shown to increase life outcomes in both economic and social terms. Beyond attending and completing school, obtaining good test scores are a strong indicator of cognitive ability and is a strong determinant of better economic performance of a country.

- *Secondary school enrolment (UNESCO)*
- *Lower-secondary completion (UNESCO)*
- *Access to quality education (V-DEM)*
- *Secondary education quality (AltAng&Pat)*

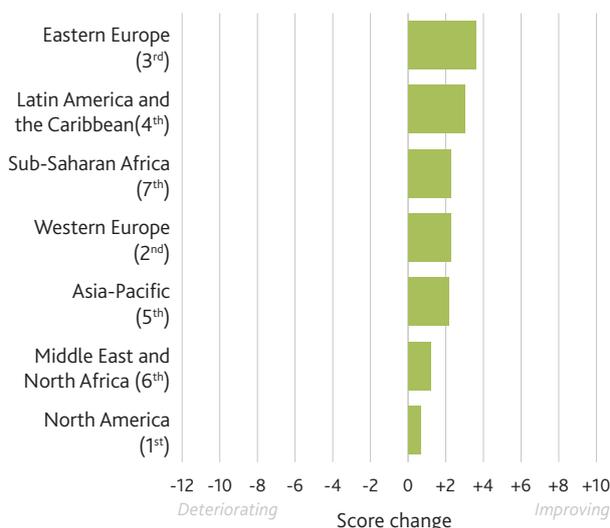
**Tertiary Education (20%)** Further education (including technical, vocational and university-level) is key to social and economic development through the creation of human capital and building of knowledge bases.

- *Tertiary enrolment (UNESCO)*
- *Tertiary completion (UNESCO)*
- *Average quality of higher education institutions (QS, TES)*
- *Skillset of university graduates (WEF)*
- *Quality of vocational training (WEF)*

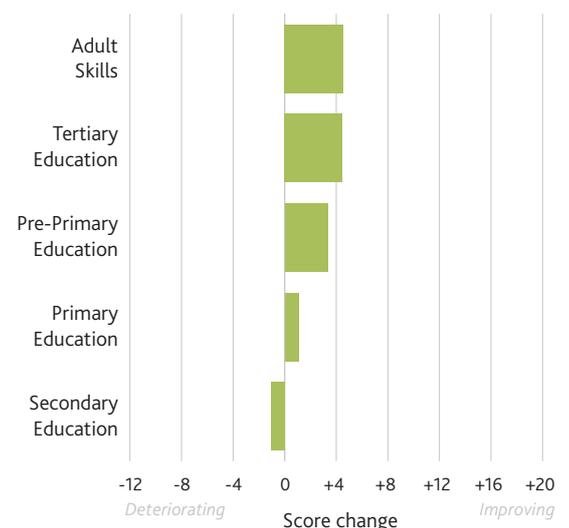
**Adult Skills (25%)** Adults who are above a threshold level of education are far less likely to be disadvantaged in society and this will lead to better employment opportunities. Increased skills in the workplace are closely connected to productivity.

- *Adult literacy (UNESCO)*
- *Education level of adult population (BL)*
- *Women's average years in school (IHME)*
- *Education inequality (Cas&Dom)*
- *Digital skills among population (WEF)*

### EDUCATION: REGIONAL CHANGE 2011-2021 (2021 Regional rank)



### EDUCATION: ELEMENTS CHANGE 2011-2021



## Improving access to education

Over the last decade, we have seen Education improve in all regions of the world. Before the onset of the COVID-19 pandemic, primary and secondary enrolment rates across the world were higher than they were at the start of the decade, with over 91% of children now enrolling in primary education.

MENA has experienced the most progress in Education since 2011, driven by significant improvements in Tertiary Education and Adult Skills, with Saudi Arabia succeeding in more than doubling its rate of tertiary enrolment and completion since 2011. Meanwhile, Eastern Europe has seen the most substantial improvements in pre-primary education in the past decade, with Montenegro delivering the greatest increase in net pre-primary enrolment, increasing from 31% to 67%.

**MENA has experienced the most progress in Education since 2011, driven by significant improvements in Tertiary Education and Adult Skills.**

Such statistics make for encouraging reading. Education has long been considered an unrivalled catalyst for effective national socio-economic development, with high levels of literacy and numeracy amongst the labour force essential prerequisites for the long-term diversification and sophistication of national economies. Moreover, for individuals themselves, the benefits of schooling are truly transformative. Those who are educated tend to earn considerably more over the course of their lives and enjoy notably higher living standards and longer life expectancy than those who are not.<sup>78</sup>

However, access to education remains a far from universal experience. Prior to the pandemic, more than 250 million children around the world were out of school according to the UNESCO Institute for Statistics, including some 59 million of primary school age.<sup>79</sup> Perhaps predictably, educational outcomes tend to be worse in poorer countries, hindered by limited investment and fewer trained teachers. In low-income countries, only 34% of children in the poorest fifth of households complete school, while nine in ten children are unable to read proficiently by the age of ten.<sup>80</sup>

**While sub-Saharan African nations currently comprise nine out of ten of the weakest performers for rates of primary school enrolment, they also represent eight of the ten most improved nations over the past decade. For example, in Cote d'Ivoire, enrolment rates now stand at over 90%, up from just 56% ten years before.**

Yet poorer countries — especially those in sub-Saharan Africa — are starting to close the gap. While the region's nations currently

### Did you know?

**Prior to the pandemic, more than 250 million children around the world were out of school.**

comprise nine out of ten of the weakest performers for rates of primary school enrolment, they also represent eight of the ten most improved nations over the past decade. For example, in Cote d'Ivoire, enrolment rates now stand at over 90%, up from just 56% ten years before. Similarly, whilst the bottom ten countries for primary school completion are all in sub-Saharan Africa, six of the ten most improved countries since 2011 are also in the region. For example, in Togo, completion rates have risen from 62% to nearly 80% over the past decade.

Such progress has been put in jeopardy by government responses to COVID-19, which have had a detrimental impact on education in nations across the world. More than 1.6 billion students in over 190 countries have been affected by school or university closures due to the pandemic.<sup>81</sup> As late as March, half of the world's student population — equivalent to more than 800 million students — was still affected by full or partial school closures, while in 29 countries, schools remained closed.<sup>82</sup>

**More than 1.6 billion students in over 190 countries have been affected by school or university closures due to the pandemic.**

Predictably, students in lower-income countries were less able to resort to remote forms of teaching during the pandemic. A lack of communications infrastructure and computer equipment left an estimated 463 million students of all ages without access to remote learning, equating to nearly one-third of the total number in primary, secondary, and tertiary education around the world.<sup>83</sup>

Those in education have been amongst those most impacted by the pandemic, with an average of two-thirds of an academic year lost due to full or partial closures to school and universities.<sup>84</sup> As nations plan their recovery from COVID-19, there can be little doubt that ending the remaining restrictions on centres of education will be key to rebuilding this essential pathway to prosperity.

**In a prosperous society, learning is valued, and everyone receives a high-quality education so they can reach their potential.**



Students from seven surrounding villages attend school in the rural town of N’Guyakro, Côte d’Ivoire. Their newly built classrooms accommodated three additional classes of students, contributing to Côte d’Ivoire’s 35% enrolment rate increase over the past ten years.

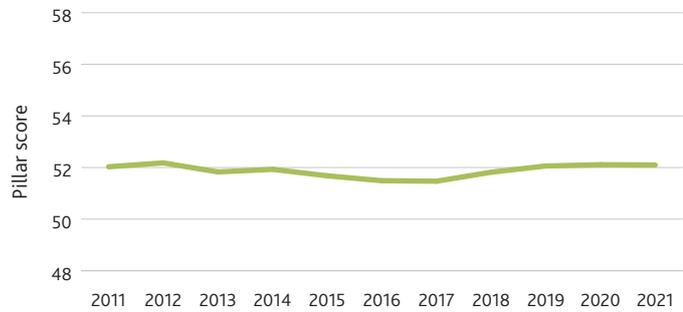
*Credit: Global Partnership for Education - GPE/Licensed under CC BY-NC-ND 2.0*



# Natural Environment

Natural Environment captures the parts of the physical environment that have a direct effect on people in their daily lives and changes that might impact the prosperity of future generations. A well-managed natural environment benefits a nation by yielding crops, material for construction, wildlife and food, and sources of energy, while clean air leads to a higher quality of living for all.

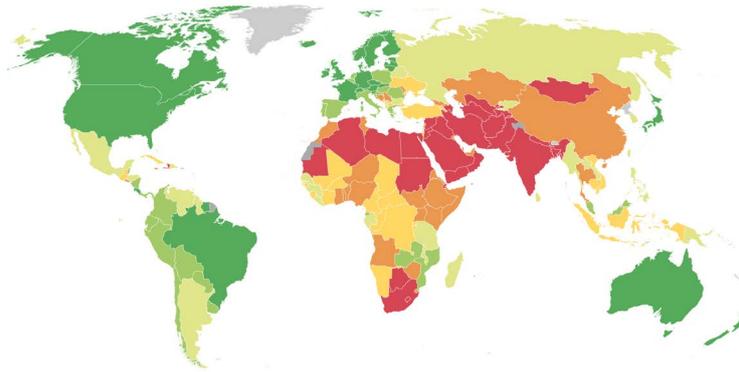
## NATURAL ENVIRONMENT: GLOBAL TREND



## NATURAL ENVIRONMENT 2021

### Strongest

- 1 Sweden
- 2 Finland
- 3 Slovenia
- 4 New Zealand
- 5 Estonia
- 6 Austria
- 7 Switzerland
- 8 Denmark
- 9 Latvia
- 10 Norway



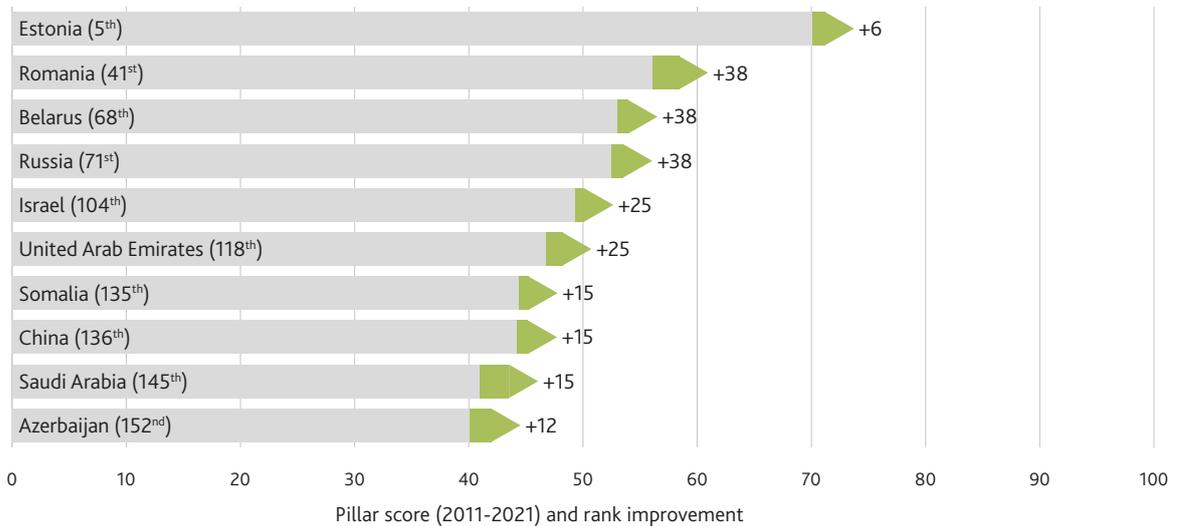
### Weakest

- 158 Syria
- 159 Libya
- 160 India
- 161 Sudan
- 162 Afghanistan
- 163 Uzbekistan
- 164 Mauritania
- 165 Lesotho
- 166 Iraq
- 167 Pakistan



## NATURAL ENVIRONMENT: MOST IMPROVED COUNTRIES

2011-2021 (2021 Country rank)





Credit: shutterstock.com

### ELEMENT (WEIGHT %)

### INDICATORS

**Emissions (15%)** measures the level of emissions of greenhouse gas and other pollutants within a country. This captures the long-term effect of pressures on the atmosphere that a given country will have on the lived experience of future generations.

- CO<sub>2</sub> emissions (CDIAC)
- SO<sub>2</sub> emissions (EDGAR)
- NO<sub>x</sub> emissions (EDGAR)
- Black carbon emissions (EDGAR)
- Methane emissions (EDGAR)

**Exposure to Air Pollution (15%)** captures the level of emissions to which a country's population is physically exposed, and the effects this may have on their quality of life.

- Exposure to fine particulate matter (EPI)
- Health impact of air pollution (IHME)
- Satisfaction with air quality (Gallup)

**Forest, Land and Soil (20%)** assesses the quality of a country's land, forest and soil resources and the impact this may have on citizens' quality of life.

- Forest area (FAO)
- Flood occurrence (WRI)
- Sustainable nitrogen management (Zh&Dav)

**Freshwater (20%)** assesses the quality of a country's freshwater resources and the impact this may have on citizens' quality of life.

- Renewable water resources (FAO)
- Wastewater treatment (EPI)
- Freshwater withdrawal (FAO)
- Satisfaction with water quality (Gallup)

**Oceans (15%)** measures the quality of a country's marine resources and the impact this may have on citizens' quality of life.

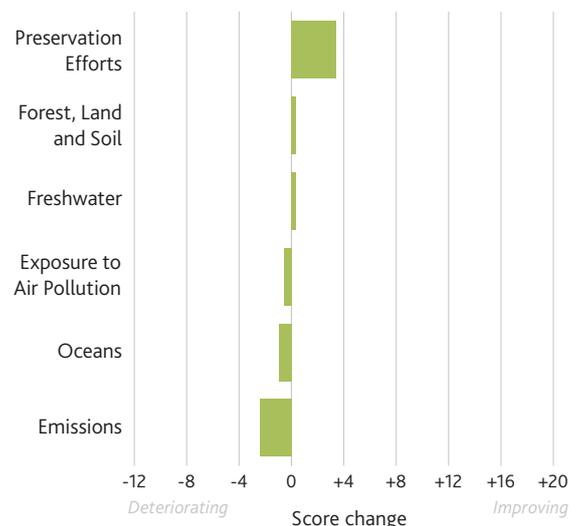
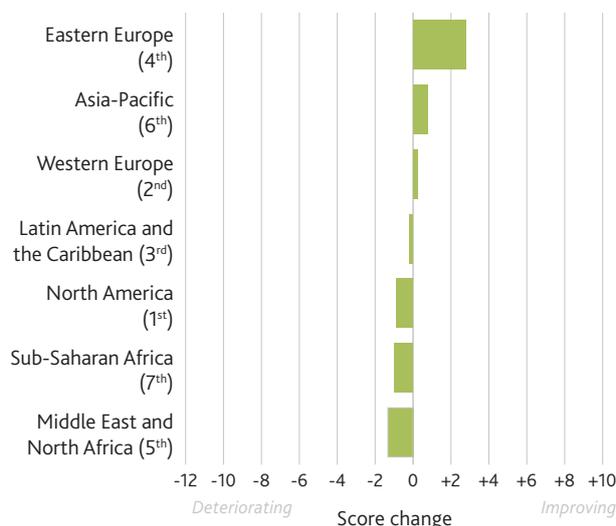
- Overexploitation of fish stocks (EPI)
- Stability of marine biodiversity (EPI)
- Clean ocean water (OHI)

**Preservation Efforts (15%)** captures the extent of efforts to preserve and sustain the environment for future generations, and public satisfaction with those efforts.

- Terrestrial protected areas (WDPA)
- Marine protected areas (WDPA)
- Long term management of forest areas (FAO)
- Protection for biodiverse areas (UN-WCMC)
- Pesticide regulation (EPI)
- Satisfaction with preservation efforts (Gallup)

### NATURAL ENVIRONMENT: REGIONAL CHANGE 2011-2021 (2021 Regional rank)

### NATURAL ENVIRONMENT: ELEMENTS CHANGE 2011-2021



## Tackling rising air pollution — not just rising emissions

Over the past decade, we have seen little improvement in recorded data on the Natural Environment, at a time when effective stewardship of the planet is desperately needed. The increased levels of preservation efforts over the last decade indicate a strengthening global policy engagement in stewarding the environment. Although the rate of emissions of CO<sub>2</sub>, SO<sub>2</sub> and NO<sub>x</sub> has decreased in North America and in both Western and Eastern Europe, the continued rise in other regions has meant that over the past decade, global emissions have been on the rise.

The impact of increased emissions on the natural environment continues to garner international public and political interest. The 2021 Nobel Prize in Physics was awarded for developing understanding of complex systems, including the physical modelling of Earth's climate. This November, world leaders met in Glasgow at COP26 to formalise efforts to keep global warming to below 1.5 degrees Celsius by 2050. Addressing damaging consequences of emissions cannot be overlooked, if we are to steward the natural environment as a legacy for present and future generations. But it must be undertaken in a way that provides a pathway to prosperity for those nations that have not yet passed through their industrialisation phase.

**As many as nine out of ten people breathe air that exceeds WHO guideline limits, contributing to a rise in instances of stroke, heart disease, chronic obstructive pulmonary disease, lung cancer, and acute respiratory infections.**

Whilst the impact of emissions represents a longer-term challenge, it is not the only issue of concern. Today, an estimated 91% of the global population is exposed to unhealthy levels of air pollution, resulting in an estimated seven million premature deaths around the world each year.<sup>85</sup> As many as nine out of ten people breathe air that exceeds WHO guideline limits, contributing to a rise in instances of stroke, heart disease, chronic obstructive pulmonary disease, lung cancer, and acute respiratory infections.<sup>86</sup>

**High rates of air pollution are believed to reduce life expectancy by an average of two years across the world.**

The impact of air pollution disproportionately impacts low and middle-income nations. For example, death rates in the most impacted countries in sub-Saharan Africa are estimated to be more than 100 times that seen in Western Europe and North America.<sup>87</sup> This disparity is largely the result of the ongoing reliance of developing nations upon fossil fuels to drive their rapid industrialization, together with the trend towards ever-greater levels of urbanization. Whilst high rates of air pollution are believed to reduce life expectancy by an average of two years across the world, people living in the most

### Did you know?

**Air pollution is one of the world's leading risk factors for death, with an estimated 91% of the global population exposed to unhealthy levels of pollution, resulting in an estimated seven million premature deaths around the world each year.<sup>91</sup>**

highly polluted emerging economies such as India have seen their life expectancy reduce by as much as six years, making air pollution a bigger killer than smoking.<sup>88</sup>

Research also suggests that air pollution has a disproportionately damaging impact upon children, with instances of childhood asthma now at an all-time high. Asthma is among the most prevalent diseases affecting children, with a study in the British Medical Journal indicating that children exposed to levels higher than 2.5 parts per million are more likely to develop asthma.<sup>89</sup>

Since 2011, 81 countries have seen a deterioration in their Exposure to Air Pollution, with Singapore deteriorating the most, with the share of its population whose exposure to fine particulate matter exceeds the WHO thresholds increasing to 60%, up from 12% a decade previously. In contrast Kuwait is one of the most improved countries over the past decade. The number of life years lost due to air pollution has reduced by nearly 25% and its public satisfaction with air quality has increased from 56% to 74%.

In September 2021, the WHO reduced its recommended limits for the most harmful forms of air pollution in response to new scientific evidence suggesting that the health implications of emissions had been historically underestimated. In the first such study in over a decade, the WHO introduced a number of reduced limits, including for nitrogen dioxide (NO<sub>2</sub>), with the new limit 75% lower than previously established in 2005.<sup>90</sup>

The challenge for stewarding the natural environment is a multi-dimensional one, balancing the interests of current and future generations across different parts of the globe, who are affected and concerned by a range of challenges, not only atmospheric, but also with respect to the quality of water, soil, oceans and the biodiversity of life populating all these domains. This generation will be judged by the totality of the legacy that is passed on to future generations.

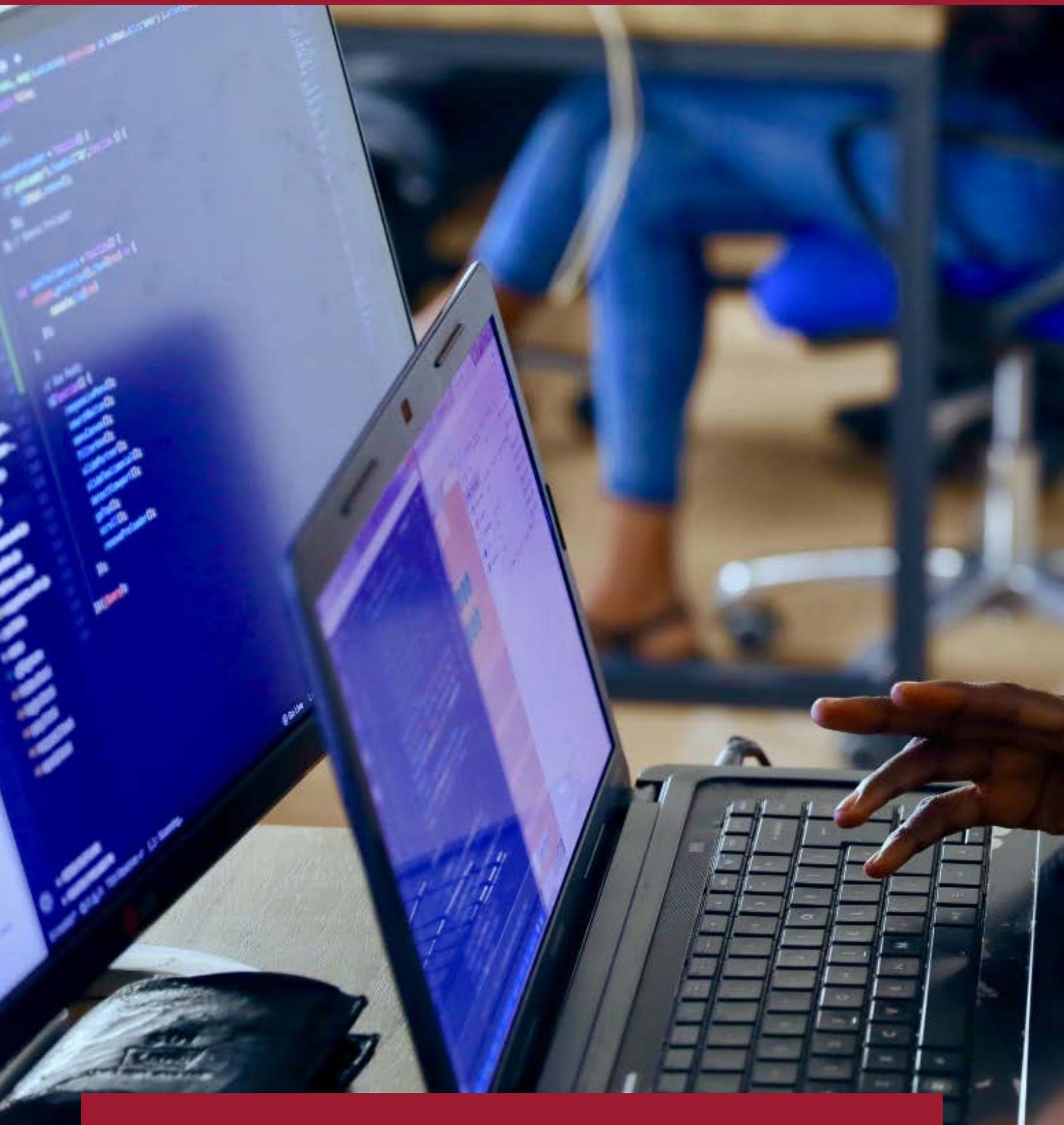
**In a prosperous society, the natural environment is stewarded wisely, as a legacy for present and future generations.**

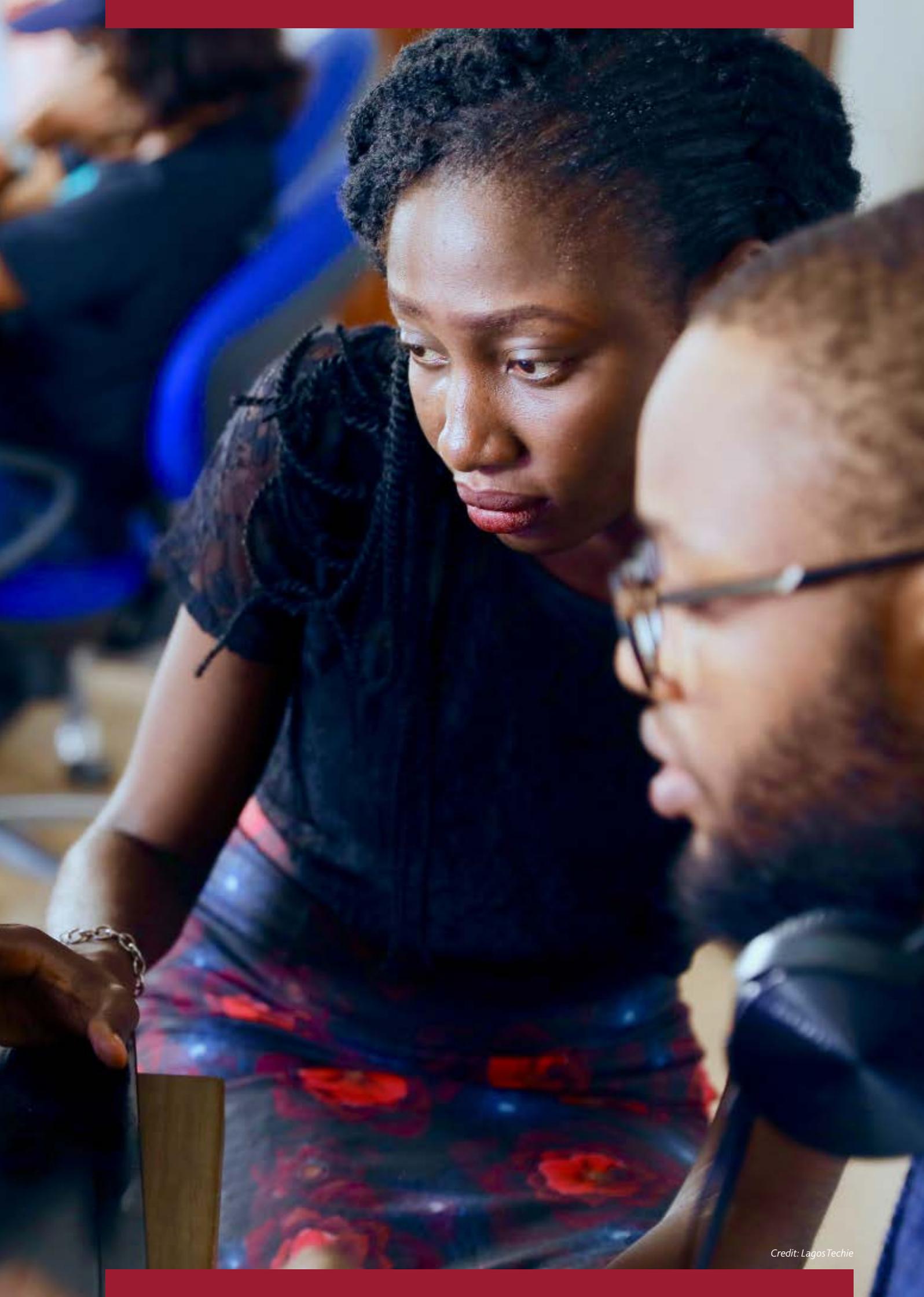


A group of hikers crossing the foothills of Fagaras Mountains. Over the past decade, Romania has experienced the second biggest improvement in Natural Environment anywhere in the world.

*Credit: shutterstock.com*

# Methodology





# Constructing the Index

The Legatum Prosperity Index is a framework that assesses countries on the promotion of their residents' flourishing, reflecting both economic and social wellbeing. It captures the richness of a truly prosperous life, moving beyond traditional macroeconomic measurements of a nation's prosperity, which rely solely on indicators of wealth such as average income per person (GDP per capita).

**It redefines the way success is measured, changing the conversation from what we are getting, to who we are becoming.**

This makes it an authoritative measure of human progress, offering a unique insight into how prosperity is forming and changing across nearly all countries of the world. For further information about our definition of holistic prosperity, please refer to the *Defining Prosperity* document, available for download on our website.

To cover both economic and social wellbeing, the Prosperity Index faces the challenge of finding a meaningful measure of success at national level. We endeavour to create an Index that is

methodologically sound. This is something that the Legatum Institute has sought to achieve with academic and analytical rigour over the past decade.

In developing the current Index we worked with more than 100 academics and experts around the world with particular expertise on each of the pillars of prosperity. This process enabled us to develop an appropriate taxonomy of discrete elements and supporting indicators which, when combined, accurately capture prosperity in the world.

This has resulted in 12 pillars of prosperity split into 67 discrete policy focussed elements, and grouped into three domains essential to prosperity: Inclusive Societies, Open Economies, and Empowered People. We used 300 different indicators from over 70 different data sources to construct the Index.

For more information on the data sources and the methodology, please refer to the full methodology report published at [www.prosperity.com](http://www.prosperity.com).

## Note on averages

When calculating scores for regions and the world as a whole, we take a population-weighted average score. This is because we want to capture the effect on individuals rather than countries. For example, if the scores of two countries change, then the more populous country has a greater effect on the global and regional scores than the less populous country.

## Step by Step

### 1 • Selecting the indicators

With the help of our expert advisers, we created the optimum structure for the Prosperity Index, comprised of 12 pillars and underpinned by 67 policy-focused elements. We then identified hundreds of data variables to underpin each element of prosperity.

We identified the most relevant indicators within each element, driven by a set of selection criteria as well as advice from external experts on data and research around each pillar.

We used an extensive variety of publicly available data sources that gave comprehensive international coverage. This list was refined based on input from the experts in each pillar area, who advised on the reliability of data sources, alternative measures, and the credibility of indicators' measurement.

Each of the 12 pillars captures a fundamental theme of prosperity, and each element captures a discrete policy area, which is measured by the indicators. Each pillar has between five and eight elements, and each element has between one and eight indicators.





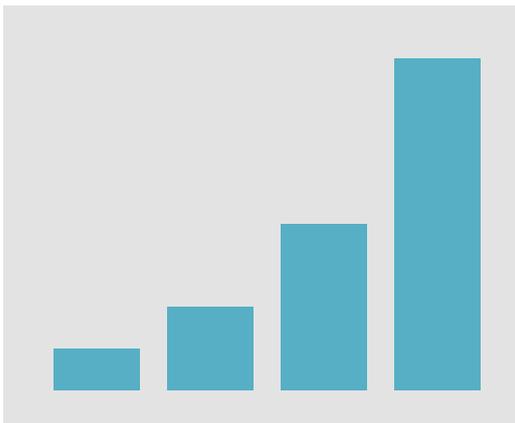
## 2. Standardisation

The indicators in the Index are based on many different units of measurement, including numbers of events, years, percentages, and ordinal scales. The indicators need to be normalised for comparison between indicators and countries to be meaningful. We employ a distance to frontier approach for this task. The distance to frontier approach compares a country's performance in an indicator with the value of the logical best case, as well as that of the logical worst case. As a result, the distance to frontier score captures a country's relative position. This approach also enables us to compare Index scores over time.

## 3. Indicator and Element weights

Each indicator is assigned a weight, indicating the level of importance within the element it has in affecting prosperity. Four weights are typically used: 0.5, 1, 1.5, or 2. Each indicator is weighted as 1 by default, but based on its significance to prosperity, this may be adjusted downwards or upwards accordingly. For example, an indicator with a weight of 2 means that it is twice as important in affecting the element as another indicator in that element with a weight of 1. Weights were determined by two factors, ordered by priority: (1) the relevance and significance of the indicator to prosperity, as informed by the academic literature and our experts' opinions, and, to a lesser degree, (2) the statistical significance of the indicator to the economic and social wellbeing of a country, as measured by productive capacity and Cantril's Ladder, respectively.

Analogously, elements are assigned weights based on their relative importance within each pillar, led by the same two factors above. At the element level, percentages rather than factors are used as weights, giving a greater range of possible weights than at the indicator level.



## 4. Element and Pillar scores

Element scores are created using a weighted sum of indicator scores using the indicator weights assigned at the previous step. The same process is repeated to determine Pillar scores with Elements within the pillar, using the percentages discussed at the previous step. Countries were then ranked according to their scores in each pillar.

Domain scores are determined by assigning the same weight to each pillar and the overall Prosperity Index score is determined by assigning equal weight to each domain, as each pillar and domain is as important to prosperity as each other. The mean of the three domain scores yields an overall prosperity score for each country. The overall prosperity rankings are based on this score.

While the Index score provides an overall assessment of a country's prosperity, each pillar (and element) score serves as a reliable guide to how that country is performing with respect to a particular foundation of prosperity.


# Table of sources

REPORT ABBREVIATION	SOURCE FULL NAME	WEB ADDRESS
AD	Aswath Damodaran	<a href="http://pages.stern.nyu.edu/~adamodar/New_Home_Page/data.html">http://pages.stern.nyu.edu/~adamodar/New_Home_Page/data.html</a>
AltAng&Pat	Altinok, N., N. Angrist and H.A. Patrinos. 2018. "Global data set on education quality (1965-2015)."	<a href="http://documents.worldbank.org/curated/en/706141516721172989/Global-data-set-on-education-quality-1965-2015">http://documents.worldbank.org/curated/en/706141516721172989/Global-data-set-on-education-quality-1965-2015</a>
BL	Barro and Lee dataset	<a href="http://www.barrolee.com/">http://www.barrolee.com/</a>
BTI	Bertelsmann Stiftung Transformation Index	<a href="https://www.bti-project.org/en/home/">https://www.bti-project.org/en/home/</a>
Cas&Dom	Castello-Climent and Domenech (2012)	<a href="https://ideas.repec.org/p/iei/wpaper/1201.html">https://ideas.repec.org/p/iei/wpaper/1201.html</a>
CDIAC	Carbon Dioxide Information Analysis Center	<a href="https://cdiac.ess-dive.lbl.gov/">https://cdiac.ess-dive.lbl.gov/</a>
Chinn-Ito	Chinn-Ito Index	<a href="http://web.pdx.edu/~ito/Chinn-Ito_website.htm">http://web.pdx.edu/~ito/Chinn-Ito_website.htm</a>
CIRIGHTS	CIRIGHTS Dataset	<a href="https://docs.google.com/document/d/1ZxuitRNkPtcEpwi_1p8u0IRnib7ggTK-F9TQcf_jbmo0/edit">https://docs.google.com/document/d/1ZxuitRNkPtcEpwi_1p8u0IRnib7ggTK-F9TQcf_jbmo0/edit</a>
CSP	Center for Systemic Peace	<a href="https://www.systemicpeace.org/">https://www.systemicpeace.org/</a>
ECI	Economic Complexity Index	<a href="https://oec.world/en/rankings/country/eci/">https://oec.world/en/rankings/country/eci/</a>
EDGAR	Emissions Database for Global Atmospheric Research	<a href="https://www.eea.europa.eu/themes/air/links/data-sources/emission-database-for-global-atmospheric">https://www.eea.europa.eu/themes/air/links/data-sources/emission-database-for-global-atmospheric</a>
EPI	Yale and Columbia Universities (Environmental Performance Index)	<a href="https://epi.envirocenter.yale.edu/">https://epi.envirocenter.yale.edu/</a>
FAO	Food and Agriculture Organisation	<a href="http://www.fao.org/home/en/">http://www.fao.org/home/en/</a>
FH	Freedom House	<a href="https://freedomhouse.org/">https://freedomhouse.org/</a>
FI	Fraser Institute	<a href="https://www.fraserinstitute.org/">https://www.fraserinstitute.org/</a>
Gallup	Gallup	<a href="https://www.gallup.com/home.aspx">https://www.gallup.com/home.aspx</a>
GBD	Global Burden of Disease study	<a href="http://www.healthdata.org/gbd">http://www.healthdata.org/gbd</a>
GDL	Global Data Lab	<a href="https://globaldatalab.org/">https://globaldatalab.org/</a>
GSI	Global Slavery Index	<a href="https://www.globalslaveryindex.org/">https://www.globalslaveryindex.org/</a>
GSMA	Groupe Spéciale Mobile Association	<a href="https://www.gsma.com/">https://www.gsma.com/</a>
GTD	Global Terrorism Database	<a href="https://www.start.umd.edu/gtd/">https://www.start.umd.edu/gtd/</a>
GVS	World Values Survey, European Values Survey, Global Barometer Surveys, Arab Barometer, Latinobarometro	<a href="https://worldvaluessurvey.org/wvs.jsp">https://worldvaluessurvey.org/wvs.jsp</a> , <a href="https://europeanvaluesstudy.edu">https://europeanvaluesstudy.edu</a> , <a href="https://www.globalbarometer.net">https://www.globalbarometer.net</a> , <a href="https://www.arabbarometer.org">https://www.arabbarometer.org</a> , <a href="https://www.latinobarometro.org/latContents.jsp">https://www.latinobarometro.org/latContents.jsp</a>
IBNET	International Benchmarking Network for Water and Sanitation Utilities	<a href="https://www.ib-net.org/">https://www.ib-net.org/</a>
IBP	International Budget Partnership	<a href="https://www.internationalbudget.org/">https://www.internationalbudget.org/</a>
IDEA	International Institute for Democracy and Electoral Assistance	<a href="https://www.idea.int/">https://www.idea.int/</a>
IDMC	Internal Displacement Monitoring Center	<a href="http://www.internal-displacement.org/">http://www.internal-displacement.org/</a>
IHME	Institute for Health Metrics and Evaluation	<a href="http://www.healthdata.org/">http://www.healthdata.org/</a>
ILGA	International Lesbian, Gay, Bisexual, Trans and Intersex Association	<a href="https://ilga.org/">https://ilga.org/</a>
ILO	International Labour Organisation	<a href="https://www.ilo.org/global/lang--en/index.htm">https://www.ilo.org/global/lang--en/index.htm</a>
IMF	International Monetary Fund	<a href="https://www.imf.org/external/index.htm">https://www.imf.org/external/index.htm</a>
IMF-FAS	International Monetary Fund Financial Access Survey	<a href="https://data.imf.org">https://data.imf.org</a>
IMF-WEO	International Monetary Fund World Economic Outlook	<a href="https://www.imf.org/external/pubs/ft/weo/2019/01/weodata/index.aspx">https://www.imf.org/external/pubs/ft/weo/2019/01/weodata/index.aspx</a>
ITU	International Telecommunications Union	<a href="https://www.itu.int/en/Pages/default.aspx">https://www.itu.int/en/Pages/default.aspx</a>
JMP	WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation	<a href="https://www.unwater.org/publication_categories/whounicef-joint-monitoring-programme-for-water-supply-sanitation-hygiene-jmp/">https://www.unwater.org/publication_categories/whounicef-joint-monitoring-programme-for-water-supply-sanitation-hygiene-jmp/</a>

REPORT ABBREVIATION	SOURCE FULL NAME	WEB ADDRESS
OHI	Ocean Health Index	<a href="http://www.oceanhealthindex.org/">http://www.oceanhealthindex.org/</a>
OPHI	Oxford Poverty and Human Development Initiative	<a href="https://ophi.org.uk/">https://ophi.org.uk/</a>
Pew	Pew Research Center	<a href="https://www.pewresearch.org/">https://www.pewresearch.org/</a>
PTS	Amnesty International & US State Department Political Terror Scale	<a href="http://www.politicalterrorscale.org/">http://www.politicalterrorscale.org/</a>
QS	QS World University Rankings	<a href="https://www.topuniversities.com/qs-world-university-rankings">https://www.topuniversities.com/qs-world-university-rankings</a>
RAI	Rural Access Index	<a href="https://datacatalog.worldbank.org/dataset/rural-access-index-rai">https://datacatalog.worldbank.org/dataset/rural-access-index-rai</a>
RsF	Reporters Without Borders	<a href="https://rsf.org/en">https://rsf.org/en</a>
TE	Trading Economics	<a href="https://tradingeconomics.com/">https://tradingeconomics.com/</a>
TES	TES University Rankings	<a href="https://www.timeshighereducation.com/content/world-university-rankings">https://www.timeshighereducation.com/content/world-university-rankings</a>
UCDP	Uppsala Conflict Data Program	<a href="https://ucdp.uu.se/">https://ucdp.uu.se/</a>
UIC	International Union of Railways	<a href="https://uic.org/">https://uic.org/</a>
UNAIDS	Joint United Nations Programme on HIV and AIDS	<a href="https://www.unaids.org/en">https://www.unaids.org/en</a>
UNCOM	United Nations Comtrade Database	<a href="https://comtrade.un.org/">https://comtrade.un.org/</a>
UNCTAD	United Nations Trade Data	<a href="https://unstats.un.org/unsd/trade/default.asp">https://unstats.un.org/unsd/trade/default.asp</a>
UNESCO	UNESCO Institute for Statistics	<a href="http://uis.unesco.org/">http://uis.unesco.org/</a>
UNESD	United Nations Energy Statistics Database	<a href="https://unstats.un.org/unsd/energy/edbase.htm">https://unstats.un.org/unsd/energy/edbase.htm</a>
UNHCR	United Nations High Commissioner for Refugees	<a href="https://www.unhcr.org/en-us/">https://www.unhcr.org/en-us/</a>
UNICEF	United Nations International Children's Emergency Fund	<a href="https://www.unicef.org/">https://www.unicef.org/</a>
UNIGME	United Nations Inter-agency Group for Child Mortality Estimation	<a href="https://childmortality.org/">https://childmortality.org/</a>
UNWCMC	UN Environment World Conservation Monitoring Centre	<a href="https://www.unep-wcmc.org/">https://www.unep-wcmc.org/</a>
V-DEM	Varieties of Democracy	<a href="https://www.v-dem.net/en/">https://www.v-dem.net/en/</a>
WB-DB*	World Bank Doing Business Index	<a href="https://www.doingbusiness.org/en/doingbusiness">https://www.doingbusiness.org/en/doingbusiness</a>
WB-DI	World Bank World Development Indicators	<a href="https://datacatalog.worldbank.org/dataset/world-development-indicators">https://datacatalog.worldbank.org/dataset/world-development-indicators</a>
WB-ES	World Bank Enterprise Surveys	<a href="https://www.enterprisesurveys.org/">https://www.enterprisesurveys.org/</a>
WB-GFI	World Bank Global Financial Inclusion	<a href="https://globalindex.worldbank.org/">https://globalindex.worldbank.org/</a>
WB-LPI	World Bank Logistics Performance Index	<a href="https://lpi.worldbank.org/">https://lpi.worldbank.org/</a>
WDPA	World Database on Protected Areas	<a href="https://www.protectedplanet.net/">https://www.protectedplanet.net/</a>
WEF	World Economic Forum Global Competitiveness Index	<a href="http://reports.weforum.org/global-competitiveness-report-2018/">http://reports.weforum.org/global-competitiveness-report-2018/</a>
WGI	Worldwide Governance Indicators	<a href="https://info.worldbank.org/governance/wgi/">https://info.worldbank.org/governance/wgi/</a>
WHO	World Health Organisation	<a href="https://www.who.int/">https://www.who.int/</a>
WHO-GDO	World Health Organisation (Global Dementia Observatory)	<a href="https://www.who.int/mental_health/neurology/dementia/Global_Observatory/en/">https://www.who.int/mental_health/neurology/dementia/Global_Observatory/en/</a>
WIPO	World Intellectual Property Organisation	<a href="https://www.wipo.int/portal/en/index.html">https://www.wipo.int/portal/en/index.html</a>
WJP	World Justice Project (Rule of Law Index)	<a href="https://worldjusticeproject.org/our-work/wjp-rule-law-index">https://worldjusticeproject.org/our-work/wjp-rule-law-index</a>
WomStat	The WomanStats Project	<a href="http://www.womanstats.org/">http://www.womanstats.org/</a>
WRI	World Resources Institute	<a href="https://www.wri.org/">https://www.wri.org/</a>
WTO	World Trade Organisation	<a href="https://www.wto.org/">https://www.wto.org/</a>
Zhang&Davidson	Zhang, Xin, and Eric Davidson. "Sustainable Nitrogen Management Index (SNMI): Methodology." University of Maryland Center for Environmental Science (2016).	<a href="http://www.umces.edu/sites/default/files/profiles/files/Ranking%20Method_submit_to_SDSN_SNMI_20160705_0.pdf">http://www.umces.edu/sites/default/files/profiles/files/Ranking%20Method_submit_to_SDSN_SNMI_20160705_0.pdf</a>

Following the data irregularities identified in the Doing Business '18 and '20 reports, the World Bank Group released revised data in time for inclusion in the 2021 Prosperity Index. The World Bank Group subsequently took the decision to discontinue the Doing Business report. Therefore, for the 2022 Prosperity Index, we will be reviewing all related data sources to ensure that the Index utilises the most relevant and accurate sources.

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# Acknowledgements

## The Prosperity Index Team

The following team has worked tirelessly, and with huge passion and rigour, to produce the best possible Prosperity Index and this subsequent report. We pay tribute to them and thank them for all their dedication and hard work.

**Fredericka Arrowsmith**

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The Legatum Prosperity Index is the leading measure of national progress and is used by governments around the world to shape their agendas for transformation.

Our experts work frequently with leaders to help them identify and address the obstacles to greater prosperity in their countries, using our leading data-driven diagnostics.

**If you would like to get in touch with our team please contact [info@li.com](mailto:info@li.com).**

There are several tools available to aid analysis and interpretation of, and elicit insight from, the Prosperity Index. Alongside this report, which provides a high-level analysis of the findings from the Index, the following additional information can be found via our website, [www.prosperity.com](http://www.prosperity.com):

### **Country profiles**

A 15-page profile for each country provides more detailed pillar, element, and indicator information, including rankings and scores, and how these have changed over time.

### **Indicator scores**

An Excel spreadsheet which contains the scores for all of the 300 indicators for each year since 2007. Using these scores, the user can carry out more in-depth analysis.

The Legatum Institute would like to thank the advisors who helped with the review of the methodology and construction of this Index and its component elements. A diverse range of experts were engaged in the work, from academics, to researchers and policy leads from a wide variety of universities and other organisations. This broad collaboration enabled a comprehensive range of views to be captured and ensure the best outcome at each stage of the review. In reaching a final position at each stage of the review (e.g. which indicators to include within an element), the Legatum Institute captured and synthesised all the expert views. The views expressed in this report, therefore, are those of the Legatum Institute and do not necessarily reflect the individual views of these advisors.

The Legatum Institute would like to thank the Legatum Foundation for their sponsorship and for making this report possible. Learn more about the Legatum Foundation at [www.legatum.org](http://www.legatum.org)

The Legatum Institute also wishes to thank Gallup, Inc. for permission to use the Gallup World Poll Service® and Gallup World Poll data in the construction of the Prosperity Index. (Copyright Gallup, Inc. 2018. Reprinted with permission of Gallup, Inc. All Rights Reserved.)

Unless otherwise stated, all data is from the 2021 Legatum Prosperity Index™.

All original data sources can be found in the Prosperity Index methodology report and online at [www.prosperity.com](http://www.prosperity.com)





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## PROSPERITY INDEX

The Legatum Institute is a London-based think tank with a bold vision to create a global movement of people committed to creating the pathways from poverty to prosperity and the transformation of society.

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ISBN 978-1-911125-74-7



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NOVEMBER 2021