

A Summary of the Liveability Ranking and Overview

August 2015





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The findings of the latest survey

Liveability is recovering, but unrest still presents a threat

Melbourne in Australia remains the most liveable location of the 140 cities surveyed, followed by the Austrian capital, Vienna. Vancouver in Canada, which was the most liveable city surveyed until 2011, lies in third place. Although the top cities remain unchanged, the last year has seen a number of changes in city liveability scores. Over the past six months 38 cities of the 140 surveyed have experienced changes in scores. This rises to 53 cities, or 37% of the total number surveyed, when looking at changes over the past year. Of these changes the majority have been negative, 38 in the past 12 months, reflecting a deterioration in stability in many cities around the world.

Civil unrest, acts of terror and violence have triggered stability declines around the world. High-profile terrorist shootings in France and Tunisia, and the ongoing actions of Islamic State (IS) in the Middle East have created a further heightened threat of terrorism in many countries. Meanwhile, protests over matters like police brutality, democracy and austerity have also raised the threat of civil unrest in many countries, notably the US where the deaths of a number of black people in police custody have led to widespread protests and accusations of racism. Events in Ukraine, and the subsequent sanctions imposed by many countries, continue to have knock-on effects for cities such as Kiev, Moscow and St Petersburg.

On the other hand, those cities moving up the ranking are largely in countries that have enjoyed periods of relative stability following falls in liveability. Chinese cities, for example, have seen scores improve after a sustained period of civil stability since 2012, when a number of protests and riots, most notably driven by anti-Japanese sentiment, brought scores down.

The impact of declining stability is most apparent when a five-year view of the global average scores is taken. Overall, the global average liveability score has fallen by 1 percentage point to 75% over the past five years, and one-third of this decline has come in the past year. Weakening stability has been a key factor in driving this decrease. The average global stability score has fallen by 2.2% over the past five years, from 74.5% in 2010 to 72.3% now.

Over five years 89 of the 140 cities surveyed have seen some change in overall liveability scores. Of these cities, 57 have seen declines in liveability. Three cities in particular, Tripoli, Kiev and Damascus, have seen significant declines of 21.9, 25.8 and 27 percentage points respectively, illustrating that conflict is, unsurprisingly, the key factor in undermining wider liveability.

Although the most liveable cities in the world remain largely unchanged, there has been movement within the top tier of liveability. Of the 65 cities with scores of 80 or more, 20 have seen a change in score in the past 12 months. As global instability grows, these movements have been overwhelmingly negative, with only Honolulu in the US and Warsaw in Poland registering rises. The latter of these



has moved up to the top tier of liveability in the current survey as crime levels continue to register improvements. North American cities have largely seen declines. Part of this stems from unrest related to a number of high-profile deaths of black people in police custody, but there have also been escalations in crime rates in some locations, coupled with a number of incidences of religious or politically motivated attacks. Detroit, for example has suffered from a rising prevalence of petty and violent crimes as well as bouts of civil unrest, leading to lowered stability and overall scores. Hong Kong is another city that has notably fallen in the ranking owing to mass protests and clashes with the police in the past year. Nevertheless, with such high scores already in place, the impact of such declines has not been enough to push any city into a lower tier of liveability. Although 16.8 percentage points separate Melbourne in first place from Santiago and Warsaw in joint 64th place, all cities in this tier can still lay claim to being on an equal footing in terms of presenting few, if any, challenges to residents' lifestyles.

Nonetheless, there does appear to be a correlation between the types of cities that sit right at the very top of the ranking. Those that score best tend to be mid-sized cities in wealthier countries with a relatively low population density. These can foster a range of recreational activities without leading to high crime levels or overburdened infrastructure. Seven of the top ten scoring cities are in Australia and Canada, with population densities of 2.88 and 3.40 people per sq km respectively. Elsewhere in the top ten, Finland and New Zealand both have densities of 16 people per sq km. These compare with a global (land) average of 45.65 and a US average of 32. Austria bucks this trend with a density of 100 people per sq km. However, Vienna's population of 1.7m people is relatively small compared with the urban centres of New York, London, Paris and Tokyo.

It may be argued that violent crime is on an upward trend in the top tier of cities, but these observations are not always correct. Vancouver saw a record low number of murders in 2013, after a decade-long decline that pushed homicide rates down to 1.5 per 100,000 of population in 2012. Although crime rates are perceived as rising in Australia, the state of Victoria, where Melbourne is located, recorded just 82 homicide offences in 2013/14, a decrease of 11.8% from the previous year. In Austria the murder rate was just 0.9 per 100,000 people in 2012. In 2014 there were reports that only nine murders had been recorded in Vienna, a city of 1.8m people, a murder rate of 0.5 per 100,000 people. These figures compare with a global average of 6.2 homicides per 100,000 people (2013) and a US average of 4.5 per 100,000 (2013). New York boasted a rate of 3.9 in 2014, while Detroit reported a rate of 44 per 100,000 in the same year. In South Africa the rate was 32.2 in 2013/14.

Global business centres tend to be victims of their own success. The "big city buzz" that they enjoy can overstretch infrastructure and cause higher crime rates. New York, London, Paris and Tokyo are all prestigious hubs with a wealth of recreational activity, but all suffer from higher levels of crime, congestion and public transport problems than would be deemed comfortable. The question is how much wages, the cost of living and personal taste for a location can offset liveability factors. Although global centres fare less well in the ranking than mid-sized cities, for example, they still sit within the highest tier of liveability and should therefore be considered broadly comparable, especially when contrasted with the worst-scoring locations.



Improvements at the bottom

Of the poorer-scoring cities, 14 continue to occupy the very bottom tier of liveability, where ratings fall below 50% and most aspects of living are severely restricted. Gradually increasing stability has seen marginal improvements in the score of Lagos in Nigeria, but the continued threat from groups like Boko Haram acts as a constraint. A more stable outlook has also led to improvements in Abidjan in Côte d'Ivoire. The liveability scores for both Damascus and Kiev have continued to decline steeply. Escalations in hostilities in Libya have also prompted a sharp decline in liveability in Tripoli as the threat to stability from IS continues to spread across the Middle East and North Africa. Damascus has seen a stabilisation in the decline of liveability but remains ranked at the bottom of the 140 cities surveyed.

The relatively small number of cities in the bottom tier of liveability partly reflects the intended scope of the ranking—the survey is designed to address a range of cities or business centres that people might want to live in or visit. For example, the survey does not include locations such as Kabul in Afghanistan and Baghdad in Iraq. Although few could currently argue that Damascus or Kiev are likely to attract visitors, their inclusion in the survey reflects cities that were deemed relatively stable just a few years ago. With the exception of crisis-hit cities, the low number of cities in the bottom tier also reflects a degree of convergence, where levels of liveability are generally expected to improve in developing economies over time. This long-term trend has been upset by the heightened global unrest over the past five years.

Conflict is responsible for many of the lowest scores. This is not only because stability indicators have the highest single scores but also because factors defining stability spread to have an adverse effect on other categories. For example, conflict will not just cause disruption in its own right, it will also damage infrastructure, overburden hospitals and undermine the availability of goods, services and recreational activities. With the exception of Kiev, the Middle East, Africa and Asia account for all 14 cities, with violence, whether through crime, civil insurgency, terrorism or war, playing a strong role.



How cities perform

Ten of the best-the most improved liveability scores over five years

| City | Country | Rank (out of 140) | Overall Rating (100=ideal) | Five year score movement |
|-------------|------------|-------------------|----------------------------|--------------------------|
| Harare | Zimbabwe | 133 | 42.6 | 5.1 |
| Kathmandu | Nepal | 124 | 51 | 3.9 |
| Dubai | UAE | 75 | 74.7 | 3.4 |
| Warsaw | Poland | 64 | 80.7 | 2.5 |
| Kuwait City | Kuwait | 83 | 72.1 | 2.5 |
| Honolulu | US | 19 | 94.1 | 2.0 |
| Beijing | China | 69 | 76.2 | 1.9 |
| Bratislava | Slovakia | 63 | 81.5 | 1.7 |
| Baku | Azerbaijan | 103 | 62.3 | 1.6 |
| Nairobi | Kenya | 120 | 53.1 | 1.5 |

Ten of the worst-the biggest falls in liveability scores over five years

| City | Country | Rank (out of 140) | Overall Rating (100=ideal) | five year score movement |
|---------------|---------|-------------------|----------------------------|--------------------------|
| Damascus | Syria | 140 | 29.3 | -27 |
| Kiev | Ukraine | 132 | 43.4 | -25.8 |
| Tripoli | Libya | 136 | 40.0 | -21.9 |
| Tunis | Tunisia | 108 | 59.8 | -6.6 |
| Athens | Greece | 72 | 75.3 | -5.9 |
| Detroit | US | 57 | 85.0 | -5.7 |
| Moscow | Russia | 81 | 72.8 | -5.6 |
| Cairo | Egypt | 121 | 53.0 | -4.9 |
| Bahrain | Bahrain | 92 | 68.8 | -4.6 |
| St Petersburg | Russia | 77 | 74.1 | -4.4 |



Liveability ranking and overview

The five most liveable

| Country | City | Rank (out of 140) | Overall Rating (100=ideal) |
|-----------|-----------|-------------------|----------------------------|
| Australia | Melbourne | 1 | 97.5 |
| Austria | Vienna | 2 | 97.4 |
| Canada | Vancouver | 3 | 97.3 |
| Canada | Toronto | 4 | 97.2 |
| Australia | Adelaide | 5 | 96.6 |
| Canada | Calgary | 5 | 96.6 |

The five least liveable

| Country | City | Rank (out of 140) | Overall Rating (100=ideal) |
|------------|--------------|-------------------|----------------------------|
| Libya | Tripoli | 136 | 40 |
| Nigeria | Lagos | 137 | 39.7 |
| PNG | Port Moresby | 138 | 38.9 |
| Bangladesh | Dhaka | 139 | 38.7 |
| Syria | Damascus | 140 | 29.3 |



The Economist Intelligence Unit's liveability survey

How the rating works

The concept of liveability is simple: it assesses which locations around the world provide the best or the worst living conditions. Assessing liveability has a broad range of uses, from benchmarking perceptions of development levels to assigning a hardship allowance as part of expatriate relocation packages. The Economist Intelligence Unit's liveability rating quantifies the challenges that might be presented to an individual's lifestyle in any given location, and allows for direct comparison between locations.

Every city is assigned a rating of relative comfort for over 30 qualitative and quantitative factors across five broad categories: stability; healthcare; culture and environment; education; and infrastructure. Each factor in a city is rated as acceptable, tolerable, uncomfortable, undesirable or intolerable. For qualitative indicators, a rating is awarded based on the judgment of in-house analysts and in-city contributors. For quantitative indicators, a rating is calculated based on the relative performance of a number of external data points.

The scores are then compiled and weighted to provide a score of 1–100, where 1 is considered intolerable and 100 is considered ideal. The liveability rating is provided both as an overall score and as a score for each category. To provide points of reference, the score is also given for each category relative to New York and an overall position in the ranking of 140 cities is provided.

The suggested liveability scale

Companies pay a premium (usually a percentage of a salary) to employees who move to cities where living conditions are particularly difficult and there is excessive physical hardship or a notably unhealthy environment.

The Economist Intelligence Unit has given a suggested allowance to correspond with the rating. However, the actual level of the allowance is often a matter of company policy. It is not uncommon, for example, for companies to pay higher allowances—perhaps up to double The Economist Intelligence Unit's suggested level.

| Rating | Description | Suggested allowance (%) |
|------------|---|-------------------------|
| 80–100 | There are few, if any, challenges to living standards | 0 |
| 70–80 | Day-to-day living is fine, in general, but some aspects of life may entail problems | 5 |
| 60–70 | Negative factors have an impact on day-to-day living | 10 |
| 50–60 | Liveability is substantially constrained | 15 |
| 50 or less | Most aspects of living are severely restricted | 20 |



How the rating is calculated

The liveability score is reached through category weights, which are equally divided into relevant subcategories to ensure that the score covers as many indicators as possible. Indicators are scored as acceptable, tolerable, uncomfortable, undesirable or intolerable. These are then weighted to produce a rating, where 100 means that liveability in a city is ideal and 1 means that it is intolerable.

For qualitative variables, an “EIU rating” is awarded based on the judgment of in-house expert country analysts and a field correspondent based in each city. For quantitative variables, a rating is calculated based on the relative performance of a location using external data sources.

Category 1: Stability (weight: 25% of total)

| Indicator | Source |
|---------------------------------|------------|
| Prevalence of petty crime | EIU rating |
| Prevalence of violent crime | EIU rating |
| Threat of terror | EIU rating |
| Threat of military conflict | EIU rating |
| Threat of civil unrest/conflict | EIU rating |

Category 2: Healthcare (weight: 20% of total)

| Indicator | Source |
|--|-------------------------|
| Availability of private healthcare | EIU rating |
| Quality of private healthcare | EIU rating |
| Availability of public healthcare | EIU rating |
| Quality of public healthcare | EIU rating |
| Availability of over-the-counter drugs | EIU rating |
| General healthcare indicators | Adapted from World Bank |

Category 3: Culture and Environment (weight: 25% of total)

| Indicator | Source |
|-------------------------------------|---|
| Humidity/temperature rating | Adapted from average weather conditions |
| Discomfort of climate to travellers | EIU rating |
| Level of corruption | Adapted from Transparency International |
| Social or religious restrictions | EIU rating |
| Level of censorship | EIU rating |
| Sporting availability | EIU field rating of 3 sport indicators |



Category 3 continued

| Indicator | Source |
|-----------------------------|---|
| Cultural availability | EIU field rating of 4 cultural indicators |
| Food and drink | EIU field rating of 4 cultural indicators |
| Consumer goods and services | EIU rating of product availability |

Category 4: Education (weight: 10% of total)

| Indicator | Source |
|-----------------------------------|-------------------------|
| Availability of private education | EIU rating |
| Quality of private education | EIU rating |
| Public education indicators | Adapted from World Bank |

Category 5: Infrastructure (weight: 20% of total)

| Indicator | Source |
|--------------------------------------|------------|
| Quality of road network | EIU rating |
| Quality of public transport | EIU rating |
| Quality of international links | EIU rating |
| Availability of good quality housing | EIU rating |
| Quality of energy provision | EIU rating |
| Quality of water provision | EIU rating |
| Quality of telecommunications | EIU rating |



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Americas: +1 212 698 9717

Asia: +852 2585 3888

Europe, Middle East & Africa: +44 (0)20 7576 8181



Media Enquiries for the Economist Intelligence Unit

Europe, Middle East & Africa

Grayling London

Roisin Miller

+44 (0) 207 592 7922

+44 (0) 795 078 3428

ei-international@grayling.com

Americas

Grayling New York

Gina Sorice

Tel: +1 646 284 9414

ei-international@grayling.com

Asia Pacific (excluding China)

MHP Communications

Andrew Brown

Tel: +852 3114 6339

andrew.brown@mhpc.com

China

Grayling China

Dong Chen

+86 (21) 5239 7719 - 101

dong.chen@grayling.com

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LONDON

20 Cabot Square

London

E14 4QW

United Kingdom

Tel: (44.20) 7576 8000

Fax: (44.20) 7576 8500

E-mail: london@eiu.com

NEW YORK

750 Third Avenue

5th Floor

New York, NY 10017

United States

Tel: (1.212) 554 0600

Fax: (1.212) 586 1181/2

E-mail: newyork@eiu.com

HONG KONG

1301 Cityplaza Four

12 Taikoo Wan Road

Taikoo Shing

Hong Kong

Tel: (852) 2585 3888

Fax: (852) 2802 7638

E-mail: hongkong@eiu.com

GENEVA

Rue de l'Athénée 32

1206 Geneva

Switzerland

Tel: (41) 22 566 2470

Fax: (41) 22 346 93 47

E-mail: geneva@eiu.com