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The Global Liveability Report 2017

A free overview

A report by The Economist Intelligence Unit



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The findings of the latest liveability survey

Worldwide terrorism continues to shake up stability

For the seventh consecutive year, Melbourne in Australia is the most liveable urban centre of the 140 cities surveyed, closely followed by the Austrian capital, Vienna. In fact, only 0.1 percentage points separate the top two cities, and just 0.2 and 0.3 percentage points separate Canada's Vancouver and Toronto (ranked 3rd and 4th, respectively), from Melbourne. Another Canadian city, Calgary, shares joint fifth place with Adelaide in Australia.

Although the top five cities remain unchanged, the past few years have seen increasing instability across the world, causing volatility in the scores of many cities. In Europe, cities have been affected by the spreading perceived threat of terrorism in the region. At the same time, this year cities such as Reykjavik, the capital of Iceland, and the Dutch capital, Amsterdam, have benefited from an increasing cultural availability and falling crime rates, enabling them to register improvements in living conditions.

Over the past six months 35 of the 140 cities surveyed have experienced changes in their ranking position. This rises to 44 cities, or about one-third of the total number surveyed, when looking at changes over the past 12 months. Overall, the survey shows a higher incidence of positive index movements. In fact, of the 17 cities with an index movement since last year, 12 have seen an improvement in their score, reflecting positive developments in other categories, despite heightened threats of terrorism or unrest with which cities around the world continue to grapple.

The ongoing weakening of global stability scores has been made uncomfortably apparent by a number of high-profile incidents that have shown no signs of slowing in recent years. Violent acts of terrorism have been reported in many countries, including Australia, Bangladesh, Belgium, France, Pakistan, Sweden, Turkey, the UK and the US. While not a new phenomenon, the frequency and spread of terrorism have increased noticeably and become even more prominent.

Western Europe has become a focal point for mounting concerns, and repeated attacks in France and UK have had a contagion effect, raising terror alerts and lowering stability scores in cities across the region. However, there are other factors that could prove to be destabilising. Unrest has grown in some countries, particularly over the migration crisis, and the British vote to leave the EU could pave the way for further uncertainty and political conflict.

Terrorism has also been compounded by unrest and, in more extreme cases, civil war in some countries. Iraq, Libya, Syria and Turkey remain the subject of high-profile civil unrest and armed conflicts, while a number of other countries, such as Nigeria, continue to battle insurgent groups. Meanwhile, even a relatively stable country such as the US has seen mounting civil unrest linked to the Black Lives Matter movement and the policies proposed by the 45th US president, Donald Trump.

Beyond this, the world has also seen increased diplomatic tensions between countries that are weighing on stability. Russia's posturing in eastern Europe and the Middle East has been well reported, Iran has seen diplomatic ties improve with some countries and deteriorate with others, and concerns over geopolitical stability are growing in Asia owing to potential flashpoints involving a number of



countries, including China and North Korea. It is therefore not surprising that declining stability scores have been felt around the world.

On the flip side, however, cities moving up the ranking are located largely in countries that have enjoyed periods of relative stability after previously reported falls in liveability. These include, for example, Kiev in Ukraine, Tripoli in Libya and Colombo in Sri Lanka. Unfortunately, the improvements have been marginal and have not seen liveability recover from previous levels or resulted in large shifts up the ranking. Amsterdam, Reykjavik, Budapest, Singapore and Montevideo are among those that have seen both their ranks improve. In total, there are 12 cities with scores that have improved over the past 12 months, up from seven.

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 0.8% to 74.8% over the past five years. Weakening stability has been a key factor in driving this decrease. The average global stability score has fallen by 2% over the past five years, from 73.4% in 2012 to 71.4% now.

Over five years, 95 of the 140 cities surveyed have seen some change in their overall liveability scores. Of these cities, an overwhelming 66 have seen declines in liveability, but there is a silver lining, as this number is actually down from 69 just six months ago. Two cities in particular, Damascus in Syria and Kiev, have seen significant declines of 16 and 21 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, six have seen a change in score in the past 12 months. While most cities in the top tier have registered an improvement in their scores, two of them, Manchester in the UK and Stockholm in Sweden, have seen their scores decline as a result of recent, high-profile terrorist attacks.

Over the past few years several US cities have registered declines in their scores. This stems in part from unrest related to a number of deaths of black people at the hands of police officers. In addition, the country has seen protests held in response to President Trump's policies and executive orders. Sydney in Australia is another city that has seen a decline in its ranking, reflecting growing concerns over possible terror attacks in the past three years. Sydney now ranks outside the top ten most liveable cities, at number 11, down from seventh place just over a year ago. Nevertheless, with such high scores already in place, the impact of these declines has not been enough to push any city into a lower tier of liveability. Although 17.2 percentage points separate Melbourne in first place from Warsaw in 65th place, all cities in this tier can 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 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. Six of the ten top-scoring cities are in Australia and Canada, which have, respectively, population densities of 2.9 and 3.7 people per square kilometre. Elsewhere in the top ten, Finland and New Zealand both have densities ranging between 15 and 18 people/sq km of land area. These densities compare with a global (land) average of 57 people/sq km



and a US average of 35 people/sq km, according to the latest World Bank statistics. Austria bucks this trend with a density of 106 people/sq km, but compared with megacities such as New York, London, Paris and Tokyo, Vienna’s population of nearly 1.8m (2.6m in the metropolitan area) is relatively small.

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. Although crime rates are perceived as rising in Australia and Europe, cities in these regions continue to boast lower violent and petty crime rates than the rest of the world. Austria, for example, has one of the lowest murder rates in the world, at just 0.53 per 100,000 people in 2016. Similarly, its capital recorded yet another low-crime year, with most crime categories remaining steady or falling: according to Vienna police statistics, there were 68 recorded crimes against people last year, down from 83 in 2015 and 93 in 2012. In recent years Vienna has seen just one homicide. This compares with 302 recorded homicides in Detroit in the US and 4,308 in Venezuela’s capital, Caracas, in 2016 alone.

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 activities, but all suffer from higher levels of crime, congestion and public transport problems than are 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.

Five biggest improvers (last five years)

City	Country	Rank (out of 140)	Overall Rating (100=ideal)	five year movement %
Tehran	Iran	127	50.8	5.0
Dubai	UAE	74	74.7	4.6
Abidjan	Cote d’Ivoire	129	49.7	3.8
Harare	Zimbabwe	133	42.6	3.2
Colombo	Sri Lanka	124	51	2.5

Five biggest decliners (last five years)

City	Country	Rank (out of 140)	Overall Rating (100=ideal)	five year movement %
Kiev	Ukraine	131	47.8	-21.4
Damascus	Syria	140	30.2	-16.1
Tripoli	Libya	138	36.6	-6.2
Detroit	US	57	85	-5.7
Moscow	Russia	80	72.8	-5.6



Civil war in worst performers has been globally destabilising

Of the more poorly scoring cities, 12 continue to occupy the very bottom tier of liveability, where ratings fall below 50% and most aspects of living are severely restricted. Continued threat from groups such as Boko Haram acts as a constraint to improving stability in Lagos, Nigeria's largest city. The liveability scores for Ukraine's capital, Kiev, are still in a recovery that remains under threat from unrest, economic instability and the ongoing civil war taking place in the Donbass region of the country. Escalations in hostilities in Libya have prompted a sharp decline in liveability in Tripoli as the threat to stability from Islamic State (IS, an extreme global jihadi group) continues to be felt across the Middle East and North Africa. Damascus has seen a stabilisation in its dramatic decline in 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 or Baghdad in Iraq. Although few would currently argue that Damascus and Tripoli 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, widespread reach of terrorism 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 12 cities where violence, whether through crime, civil insurgency, terrorism or war, has played a strong role.

The top and bottom ten cities

Below is a ranking of the top and bottom cities surveyed, accompanied by the liveability rating for every city. The liveability score is the combination of all the factors surveyed across the five main categories. Scores are also given for each category. The full ranking report can be purchased at <http://store.eiu.com>



The ten most liveable cities

Country	City	Rank	Overall Rating (100=ideal)	Stability	Healthcare	Culture & Environment	Education	Infrastructure
Australia	Melbourne	1	97.5	95	100	95.1	100	100
Austria	Vienna	2	97.4	95	100	94.4	100	100
Canada	Vancouver	3	97.3	95	100	100	100	92.9
Canada	Toronto	4	97.2	100	100	97.2	100	89.3
Canada	Calgary	5	96.6	100	100	89.1	100	96.4
Australia	Adelaide	5	96.6	95	100	94.2	100	96.4
Australia	Perth	7	95.9	95	100	88.7	100	100
New Zealand	Auckland	8	95.7	95	95.8	97	100	92.9
Finland	Helsinki	9	95.6	100	100	88.7	91.7	96.4
Germany	Hamburg	10	95	90	100	93.5	91.7	100

The ten least liveable cities

Country	City	Rank	Overall Rating (100=ideal)	Stability	Healthcare	Culture & Environment	Education	Infrastructure
Ukraine	Kiev	131	47.8	35	54.2	48.6	75	42.9
Cameroon	Douala	132	44	60	25	48.4	33.3	42.9
Zimbabwe	Harare	133	42.6	40	20.8	58.6	66.7	35.7
Pakistan	Karachi	134	40.9	20	45.8	38.7	66.7	51.8
Algeria	Algiers	134	40.9	40	45.8	42.6	50	30.4
PNG	Port Moresby	136	39.6	30	37.5	47	50	39.3
Bangladesh	Dhaka	137	38.7	50	29.2	43.3	41.7	26.8
Libya	Tripoli	138	36.6	20	41.7	40.3	50	41.1
Nigeria	Lagos	139	36	10	37.5	53.5	33.3	46.4
Syria	Damascus	140	30.2	15	29.2	43.3	33.3	32.1



About 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 & 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
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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Liveability products available for purchase

Liveability Survey

This service provides a full report of The EIU's liveability ratings for 140 cities around the world. This includes a one-page overview for each of the 140 cities covered as well as The EIU's ratings for each city on the full set of over 30 qualitative and quantitative factors. In this ranking:

- Each of the 30 factors in each city is rated as acceptable, tolerable, uncomfortable, undesirable or intolerable.
- The categories are compiled and weighted to provide an overall rating of 1–100, where 1 is considered intolerable and 100 is considered ideal.
- The liveability ranking considers that any city with a rating of 80 or more will have few, if any, challenges to living standards. Any city with a score of less than 50 will see most aspects of living severely restricted.

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Liveability Ranking and Overview

This service provides an overview and summary of The EIU's liveability ratings for 140 cities around the world. This includes:

- A summary of findings and a description of the methodology used.
- Tables listing the ranking position, overall liveability score and average scores for all cities across five broad categories: stability, healthcare, culture environment, education and infrastructure.

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The Liveability Matrix is an interactive Excel workbook that ranks 140 cities on over 30 qualitative and quantitative factors across the five categories.

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Find out more at: eiu.com/topic/worldwide-cost-of-living

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