

# A Summary of the Liveability Ranking and Overview

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## **The findings of the latest liveability survey**

### **Worldwide terrorism continues to shake up stability**

Melbourne in Australia remains the most liveable of the 140 cities surveyed, very 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, respectively, from Melbourne. Another Canadian city, Calgary, shares joint fifth place with Adelaide in Australia. Although the top five cities remain unchanged, the past year has seen increasing instability across the world, causing volatility in the scores of many cities. Sydney, for example, has fallen by four places, to move out of the ten most liveable cities, owing to a heightened perceived threat of terrorism. This has allowed Hamburg in Germany to move up to tenth place, although other German cities, such as Frankfurt and Berlin, have experienced declines in stability. Over the past six months 16 cities of the 140 surveyed have experienced changes in scores. This rises to 35 cities, or 25% of the total number surveyed, when looking at changes over the past year. Of these changes, the majority have been negative (29 in the past 12 months), reflecting deteriorating stability as cities around the world face heightened threats of terrorism or unrest.

The continuing weakening of global stability scores has been made uncomfortably apparent by a number of high-profile incidents that have not shown any signs of slowing in recent years. Violent acts of terrorism have been reported in many countries, including Turkey, Australia, Bangladesh, Pakistan, France, Belgium and the US. This has been a year undoubtedly marked by terrorism. While not a new phenomenon, its frequency and spread have increased noticeably and become even more prominent in the past year.

Terrorism has also been compounded by unrest and, in more extreme cases, civil war in some countries. Libya, Syria, Iraq and Ukraine remain the subject of high-profile armed conflicts, while a number of other countries, such as Nigeria, continue to battle insurgent groups. Meanwhile even relatively stable countries such as the US have seen mounting civil unrest linked to the Black Lives Matter movement, which has scrutinised the large number of deaths of black people while in police custody. Beyond this, the world has also seen increased diplomatic tensions between countries, weighing on stability. Russia's own posturing in Ukraine and the Middle East has been well reported, but China has also been diplomatically more aggressive in the South China Sea, and tensions remain between India and Pakistan over the disputed Kashmir region. As a result, it is not surprising that declining stability scores have been felt around the world.

However, those cities moving up the ranking are located largely in countries that have enjoyed periods of relative stability after previously reported falls in liveability. Despite continuing to rank in the lower tiers of liveability, Middle Eastern cities, such as Tehran in Iran and Al Khobar in Saudi Arabia, as well as the South-east Asian city of Bangkok in Thailand, have seen scores improve as civil stability has recovered. In total, there are just six cities with improved scores over the past 12 months.



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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 0.9% to 74.8% over the past five years, and one-quarter 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 2.4% over the past five years, from 73.7% in 2012 to 71.3% now.

Over five years, 96 of the 140 cities surveyed have seen some change in overall liveability scores. Of these cities, 71 have seen declines in liveability, up from 52 just six months ago. Two cities in particular, Damascus in Syria and Kiev in Ukraine, have seen significant declines, of 26 and 25 percentage points respectively, illustrating that conflict is, unsurprisingly, the key factor in undermining wider liveability.

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

City	Country	Rank (out of 140)	Overall Rating (100=ideal)	Five year movement %
Tehran	Iran	126	50.8	+5.0
Dubai	UAE	74	74.7	+4.6
Harare	Zimbabwe	133	42.6	+4.4
Abidjan	Cote d'Ivoire	128	49.7	+3.8
Kuwait City	Kuwait	81	72.1	+2.5
Kathmandu	Nepal	124	51	+2.3
Warsaw	Poland	65	80.3	+2.1
Bratislava	Slovakia	63	81.5	+1.7
Baku	Azerbaijan	103	62.3	+1.6
Honolulu	US	17	94.1	+1.3

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

City	Country	Rank (out of 140)	Overall Rating (100=ideal)	Five year movement %
Damascus	Syria	140	30.2	-26.1
Kiev	Ukraine	131	44.1	-25.1
Detroit	US	57	85	-5.7
Moscow	Russia	80	72.8	-5.6
Bahrain	Bahrain	91	68.8	-4.6
Tripoli	Libya	139	35.9	-4.5
St Petersburg	Russia	76	74.1	-4.4
Paris	France	32	91.1	-3.7
Athens	Greece	69	75.3	-3.4
Caracas	Venezuela	123	51.3	-3.3



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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, 17 have seen a change in score in the past 12 months. As global instability grows, these movements have been overwhelmingly negative, with no city in the top tier registering a score improvement.

US cities have recently seen further declines in scores. This partly stems from unrest related to a number of deaths of black people either in police custody or shot on the street despite being unarmed in the past couple of years. Paris is another city that has seen a sharp decline in its ranking, due to a mounting number of terrorist attacks taking place in the city, and in other parts of the country, over the past three years. 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 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 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. Six of the top ten scoring cities are in Australia and Canada, which have, respectively, population densities of 3.1 and 3.9 people per square kilometre. Elsewhere in the top ten, Finland and New Zealand both have densities of approximately 18 people per square kilometre of land area. These densities compare with a global (land) average of 57 and a US average of 35. Austria bucks this trend with a density of 104 people per square kilometre. However, Vienna's population of over 1.74m (2.6m in the metropolitan area) people is relatively small compared with the megacities 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. According to the most recently released statistics, after a record low number of murders in 2013, Vancouver saw its murder rate increase in 2014, but 2013 and 2014 were still the years with the lowest national murder rates in Canada since 1966. Although crime rates are perceived as rising in Australia, the state of Victoria, where Melbourne is located, recorded a crime rate of 7,489.5 per 100,000 people in 2013/14. This reflected an increase of 3.7% compared with 2012/13, but despite the increase in the crime rate in three consecutive years, the 2013/14 rate was still 1.6% lower than ten years earlier. In Austria the murder rate was just 0.5 per 100,000 people in 2014. In the same year there were reports that only nine murders had been recorded in Vienna, a city of 1.74m people, with a murder rate matching the national average. Overall, crime rates have remained steady. These figures compare with a global average of 6.2 murders per 100,000 people (2013) and a US average of 4.5 per 100,000 (2014).

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 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



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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.

### **Civil war in worst performers has been globally destabilising**

Of the poorer-scoring cities, 13 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 like 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 recovery. 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 spread 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 and Baghdad in Iraq. Although few could 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 13 cities, where violence, whether through crime, civil insurgency, terrorism or war, has played a strong role.



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### The ten most liveable cities

City	Country	Rank (out of 140)	Overall Rating (100=ideal)	Stability	Healthcare	Culture & Environment	Education	Infrastructure
Melbourne	Australia	1	97.5	95	100	95.1	100	100
Vienna	Austria	2	97.4	95	100	94.4	100	100
Vancouver	Canada	3	97.3	95	100	100	100	92.9
Toronto	Canada	4	97.2	100	100	97.2	100	89.3
Calgary	Canada	5	96.6	100	100	89.1	100	96.4
Adelaide	Australia	5	96.6	95	100	94.2	100	96.4
Perth	Australia	7	95.9	95	100	88.7	100	100
Auckland	New Zealand	8	95.7	95	95.8	97	100	92.9
Helsinki	Finland	9	95.6	100	100	88.7	91.7	96.4
Hamburg	Germany	10	95	90	100	93.5	91.7	100

### The ten least liveable cities

City	Country	Rank (out of 140)	Overall Rating (100=ideal)	Stability	Healthcare	Culture & Environment	Education	Infrastructure
Kiev	Ukraine	131	44.1	20	54.2	48.6	75	42.9
Douala	Cameroon	132	44	60	25	48.4	33.3	42.9
Harare	Zimbabwe	133	42.6	40	20.8	58.6	66.7	35.7
Karachi	Pakistan	134	40.9	20	45.8	38.7	66.7	51.8
Algiers	Algeria	134	40.9	40	45.8	42.6	50	30.4
Port Moresby	PNG	136	38.9	30	37.5	44.2	50	39.3
Dhaka	Bangladesh	137	38.7	50	29.2	43.3	41.7	26.8
Lagos	Nigeria	138	36	10	37.5	53.5	33.3	46.4
Tripoli	Libya	139	35.9	20	41.7	37.5	50	41.1
Damascus	Syria	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





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### 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



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### 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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