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A Summary of the Liveability Ranking and Overview

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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. The survey originated as a means of testing whether Human Resource Departments needed to assign a hardship allowance as part of expatriate relocation packages. While this function is still a central potential use of the survey, it has also evolved as a broad means of benchmarking cities. This means that liveability is increasingly used by city councils, organisations or corporate entities looking to test their locations against others to see general areas where liveability can differ.

The findings of the survey

Melbourne pips Vancouver as the most liveable city

For the first time in almost a decade of reporting liveability, Vancouver is not at the top of our ranking of 140 cities (Vancouver was in joint first position with Melbourne in the 2002 survey). In the Economist Intelligence Unit's latest survey for July 2011, a small adjustment in Vancouver's score for transport infrastructure, reflecting recent intermittent closures of the key Malahat highway, resulted in a 0.7 percentage point decline in the Canadian city's overall liveability rating. The adjustment is miniscule, and should not be considered significant in the context of the overall score, but it was sufficient to drop Vancouver to third position behind Melbourne and Vienna. Melbourne now replaces Vancouver as the most liveable city in the survey. Vancouver's overall score could see further downward revisions in future surveys following riots in June this year. Although the riots came too late in the year to have an impact on the score of the current survey, further unrest may affect scores for the city in the future.

Overall, however, the general conditions required for a location to be awarded a high liveability ranking continue to be well reflected in Australian and Canadian cities. Some people may argue that violent crime is on an upward trend in the top tier of cities, but we believe that the figures should

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be put into context. Melbourne and Vancouver recorded murder rates of 2.9 and 2.6 per 100,000 population respectively in 2009. In Vienna, a city of 1.7m people, only 18 murders were reported in 2010 (or about 1.06 per 100,000). These figures compare to a US average of 5.0 homicides per 100,000 people (2009), with New York City reporting a rate of 5.6 in the same year.

The performance of the most liveable cities reflects minimal variation between the scores of the top locations. With Vancouver's score falling slightly, only 1.8 percentage points separate the top ten cities. In this context, some 63 cities (down to Santiago in Chile) are considered to be in the very top tier of liveability, where few problems are encountered. Although 16.8 percentage points separate Melbourne in first place and Santiago in 63rd place, both cities can lay claim to being on an equal footing in terms of presenting few, if any, challenges to residents' lifestyles.

That said, 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. This 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 to the urban centres of New York, London, Paris or Tokyo.

Euro-crisis and Arab Spring have an effect

In Europe, there has been a slight depreciation in liveability driven by the current crisis in the euro zone. This is particularly the case in Greece, where austerity measures and resulting protests have driven a 2.5% fall in the score for Athens. This is the only city in Western Europe that is below the 80% threshold where challenges are presented to liveability. Consequently, Athens now has a rating below those of San Juan in Puerto Rico and Montevideo in Uruguay.

Elsewhere, the "Arab Spring" has had a bearing on the general liveability rating of the states affected in the Middle East and North Africa.

The domestic civil unrest in many of these countries since December 2010 has led to declining scores in the stability category across the board. In some countries improving indicators in other areas, such as easing of social restrictions, may offset the decline slightly. Overall, however, the impact of the Arab Spring has led to fall in the liveability scores of the affected states, with possible gains in the standard of living yet to materialise. This is most apparent in the scoring for Tripoli (Libya), where the descent into civil war has caused such a significant deterioration in the liveability rating as to put the city into the bottom ten locations for the first time.

Of the poorer-scoring cities, 13 cities occupy the very bottom tier of liveability, where ratings fall below 50% and most aspects of living are severely restricted. This is up from just 11 cities in previous surveys, with outbreaks of violence in Côte d'Ivoire and Libya pushing Abidjan and Tripoli below this threshold. The relatively small number of cities in this tier partly reflects the intended scope of the ranking—the survey is designed to address a range of cities or business centres that

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people might want to visit or live in. For example, the survey does not include locations such as Kabul in Afghanistan and Baghdad in Iraq. It also reflects a degree of convergence, where levels of liveability generally improve more quickly in developing economies, over time. This convergence is apparent when looking at cities in China, where a fast-growing economy is fuelling infrastructure improvements, resulting in a corresponding improvement in scores for cities such as Suzhou.

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, the threat of armed 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. Africa (North and Sub-Saharan) and Asia account for all 13 cities, with violence, whether through crime, civil insurgency, terrorism or war, playing a strong role. It is no coincidence that the civil situation is responsible for the declining scores in other indicator areas for both Abidjan and Tripoli.

Harare (Zimbabwe) is the lowest-scoring city at just 38.2%. Although this score is an improvement on the previous survey score of 37.5%, driven by better availability of goods and services, the situation remains challenging across all indicators. Despite hopes of elections in 2011, stability and healthcare scores of just 25% and 20.8% respectively highlight the city's bleak prospects.

A note on methodology

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 quali¬tative indicators, a rating is awarded based on the judgment of in-house analysts and in-city contributors. For quantitative indicators, a rating is calcul¬ated 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.

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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

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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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The top ten cities
(100=ideal; 0=intolerable)

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	Sydney	6	96.1	90	100	94.4	100	100
Finland	Helsinki	7	96	100	100	90	91.7	96.4
Australia	Perth	8	95.9	95	100	88.7	100	100
Australia	Adelaide	9	95.9	95	100	94.2	100	92.9
New Zealand	Auckland	10	95.7	95	95.8	97	100	92.9

The bottom ten cities
(100=ideal; 0=intolerable)

Country	City	Rank	Overall Rating (100=ideal)	Stability	Healthcare	Culture & Environment	Education	Infrastructure
Côte d'Ivoire	Abidjan	131	45.9	30	45.8	54.2	50	53.6
Iran	Tehran	132	45.8	50	62.5	35.9	50	33.9
Cameroon	Douala	133	44.0	60	25	48.4	33.3	42.9
Pakistan	Karachi	134	40.9	20	45.8	38.7	66.7	51.8
Libya	Tripoli	135	40.4	50	33.3	39.1	50	32.1
Algeria	Algiers	136	40.2	40	45.8	39.8	50	30.4
Nigeria	Lagos	137	39.0	25	33.3	52.3	33.3	48.2
PNG	Port Moresby	138	38.9	30	37.5	44.2	50	39.3
Bangladesh	Dhaka	139	38.7	50	29.2	43.3	41.7	26.8
Zimbabwe	Harare	140	38.2	25	20.8	55.8	66.7	35.7

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Liveability profile: Melbourne

How the best city scores

Liveability rating (1-100, 100=Ideal)	**98**
Relative liveability index (New York=100)	**113**
Liveability rank (out of 140 cities)	**01**

Stability	EIU rating
Prevalence of petty crime	Tolerable
Prevalence of violent crime	Acceptable
Threat of military conflict	Acceptable
Threat of civil unrest/conflict	Acceptable
Threat of terrorism	Acceptable
Stability rating (1-100, 100=Ideal)	95
Relative stability index (New York=100)	136

Healthcare	EIU rating
Availability of private healthcare	Acceptable
Quality of private healthcare provision	Acceptable
Availability of public healthcare	Acceptable
Quality of public healthcare provision	Acceptable
Availability of over the counter drugs	Acceptable
General healthcare indicators	Acceptable
Healthcare rating (1-100, 100=Ideal)	100
Relative healthcare index (New York=100)	109

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Culture & Environment	EIU rating
Climate: Humidity/Temperature rating	Acceptable
Climate: Discomfort to travellers	Tolerable
Cultural hardship: Corruption	Acceptable
Cultural hardship: Social/Religious restrictions	Acceptable
Cultural hardship: Level of censorship	Acceptable
Recreation: Sports	Acceptable
Recreation: Culture	Tolerable
Recreation: Food and drink	Acceptable
Availability of consumer goods and services	Acceptable
Culture & Environment rating (1-100, 100=Ideal)	95
Relative culture & environment index (New York=100)	104

Education	EIU rating
Availability of private education	Acceptable
Quality of private education provision	Acceptable
General public education indicators	Acceptable
Education rating (1-100, 100=Ideal)	100
Relative education index (New York=100)	100

Infrastructure	EIU rating
Transport: Quality of road network	Acceptable
Transport: Quality of public transport	Acceptable
Transport: Quality of regional or international links	Acceptable
Availability of good quality housing	Acceptable
Utilities: Quality of energy provision	Acceptable
Utilities: Quality of water provision	Acceptable
Utilities: Quality of telecommunications infrastructure	Acceptable
Infrastructure rating (1-100, 100=Ideal)	100
Relative infrastructure index (New York=100)	112

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Liveability profile: Harare

How the worst city scores

Liveability rating (1-100, 100=Ideal)	**38**
Relative liveability index (New York=100)	**44**
Liveability rank (out of 140 cities)	**140**

Stability	EIU rating
Prevalence of petty crime	Intolerable
Prevalence of violent crime	Undesirable
Threat of military conflict	Undesirable
Threat of civil unrest/conflict	Intolerable
Threat of terrorism	Tolerable
Stability rating (1-100, 100=Ideal)	**25**
Relative stability index (New York=100)	**36**

Healthcare	EIU rating
Availability of private healthcare	Uncomfortable
Quality of private healthcare provision	Undesirable
Availability of public healthcare	Intolerable
Quality of public healthcare provision	Intolerable
Availability of over the counter drugs	Uncomfortable
General healthcare indicators	Intolerable
Healthcare rating (1-100, 100=Ideal)	**21**
Relative healthcare index (New York=100)	**23**

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Culture & Environment	EIU rating
Climate: Humidity/Temperature rating	Tolerable
Climate: Discomfort to travellers	Tolerable
Cultural hardship: Corruption	Uncomfortable
Cultural hardship: Social/Religious restrictions	Tolerable
Cultural hardship: Level of censorship	Undesirable
Recreation: Sports	Uncomfortable
Recreation: Culture	Uncomfortable
Recreation: Food and drink	Uncomfortable
Availability of consumer goods and services	Tolerable
Culture & Environment rating (1-100, 100=Ideal)	**56**
Relative culture & environment index (New York=100)	**61**

Education	EIU rating
Availability of private education	Tolerable
Quality of private education provision	Tolerable
General public education indicators	Uncomfortable
Education rating (1-100, 100=Ideal)	**67**
Relative education index (New York=100)	**67**

Infrastructure	EIU rating
Transport: Quality of road network	Undesirable
Transport: Quality of public transport	Intolerable
Transport: Quality of regional or international links	Uncomfortable
Availability of good quality housing	Tolerable
Utilities: Quality of energy provision	Undesirable
Utilities: Quality of water provision	Undesirable
Utilities: Quality of telecommunications infrastructure	Uncomfortable
Infrastructure rating (1-100, 100=Ideal)	**36**
Relative infrastructure index (New York=100)	**40**

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