

A Summary of the Liveability Ranking and Overview

August 2012





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

No change among top cities

With Vancouver slipping down the ranking slightly in 2011, Melbourne remains the most liveable location of the 140 cities surveyed, followed by the Austrian capital, Vienna. In fact, there has been no change among the top tier. The score and ranking of the top 65 cities remain identical to six months ago. This may primarily reflect renewed stability as some economies begin to recover from the global economic crisis of a few years ago, although the continuing crisis in the euro zone and tighter fiscal budgets may have also slowed planned improvements, meaning that scores have remained static rather than moving up or down.

Certainly, infrastructural development has been a driver over the last few years, with improvements to infrastructure in key cities in Australia, where the federal government initiated an ambitious long-term road-building programme in 2010. Vancouver is also embarking on a series of high-profile projects. Work began on an "Evergreen" mass transit line in 2012 and the authorities are reported to be considering measures such as "scramble intersections" or road tolls to counteract congestion. For cities in general, these measures will no doubt have a long-term benefit, but in the short term they can be disruptive.



Many of these schemes are working towards long-term goals and thus the overall impact on scores in the top tier of cities is marginal. This is particularly the case in most developed cities given their already high score in these areas. There remains little difference between any of the ten most liveable cities: only 1.8 percentage points separate Melbourne in first place and Auckland in tenth place.

The general conditions required for a location to be awarded a high liveability score continue to be well reflected in Australian and Canadian cities. It may be argued that violent crime is on an upward trend in the top tier of cities, but these figures should be put into context. Melbourne and Vancouver recorded murder rates of 2.7 and 2.5 per 100,000 population respectively in the year 2010/11. 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 with a US average of 4.8 homicides per 100,000 people (2010), with New York City reporting a rate of almost 6.4 in the same year. (The average in New York State was much lower at 4.5.) In South Africa, the rate was 31.9 in 2010/11.

The performance of the most liveable cities reflects minimal variation between the scores of the top locations. As mentioned previously, only 1.8 percentage points separate the top ten cities, and 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. Eight 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 or Tokyo.

Global business centres tend to be victims of their own success. The "big city buzz" 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, so should be considered broadly comparable especially when compared with the worst-scoring locations.

Continuing fallout from the Arab Spring

Elsewhere in the current survey, the impact of civil unrest on the position of cities in the ranking continues to be felt. In recent surveys, the Arab Spring, civil war in Libya and unrest in Greece and



London had an impact on these cities' scores. This has continued, with Athens, Muscat (Oman), Bandar Seri Begawan (Brunei), Douala (Cameroon) and Tripoli (Libya) seeing slight downward revisions in their scores because of the impact of unrest.

Of the poorer-scoring cities, 13 cities now occupy the very bottom tier of liveability, where ratings fall below 50% and most aspects of living are severely restricted. 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 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. It also reflects a degree of convergence, where levels of liveability generally improve more quickly in developing economies, over time. This is particularly noticeable among Chinese cities, with rising liveability scores for Suzhou, Guangzhou and Qingdao all pushing these locations up the ranking.

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.

Dhaka in Bangladesh is the least liveable city in our ranking with a score that is unchanged from last year.

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 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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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	Adelaide	5	96.6	95	100	94.2	100	96.4
Australia	Sydney	7	96.1	90	100	94.4	100	100
Finland	Helsinki	8	96.0	100	100	90.0	91.7	96.4
Australia	Perth	9	95.9	95	100	88.7	100	100
New Zealand	Auckland	10	95.7	95	95.8	97.0	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	43.3	60	25.0	45.6	33.3	42.9
Libya	Tripoli	134	42.8	50	41.7	35.4	41.7	44.6
Pakistan	Karachi	135	40.9	20	45.8	38.7	66.7	51.8
Algeria	Algiers	135	40.9	40	45.8	42.6	50.0	30.4
Zimbabwe	Harare	137	39.4	30	20.8	55.8	66.7	35.7
Nigeria	Lagos	138	39.0	25	33.3	52.3	33.3	48.2
PNG	Port Moresby	139	38.9	30	37.5	44.2	50.0	39.3
Bangladesh	Dhaka	140	38.7	50	29.2	43.3	41.7	26.8



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



Liveability profile: Dhaka

How the worst city scores

Liveability rating (1-100, 100=Ideal)	39
Relative liveability index (New York=100)	45
Liveability rank (out of 140 cities)	140

Stability	EIU rating
Prevalence of petty crime	Uncomfortable
Prevalence of violent crime	Uncomfortable
Threat of military conflict	Tolerable
Threat of civil unrest/conflict	Uncomfortable
Threat of terrorism	Undesirable
Stability rating (1-100, 100=Ideal)	50
Relative stability index (New York=100)	71

Healthcare	EIU rating
Availability of private healthcare	Uncomfortable
Quality of private healthcare provision	Tolerable
Availability of public healthcare	Undesirable
Quality of public healthcare provision	Intolerable
Availability of over the counter drugs	Undesirable
General healthcare indicators	Intolerable
Healthcare rating (1-100, 100=Ideal)	29
Relative healthcare index (New York=100)	32



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Climate: Humidity/Temperature rating	Uncomfortable
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Cultural hardship: Corruption	Undesirable
Cultural hardship: Social/Religious restrictions	Uncomfortable
Cultural hardship: Level of censorship	Uncomfortable
Recreation: Sports	Uncomfortable
Recreation: Culture	Undesirable
Recreation: Food and drink	Uncomfortable
Availability of consumer goods and services	Undesirable
Culture & Environment rating (1-100, 100=Ideal)	43
Relative culture & environment index (New York=100)	47

Education	EIU rating
Availability of private education	Uncomfortable
Quality of private education provision	Tolerable
General public education indicators	Intolerable
Education rating (1-100, 100=Ideal)	42
Relative education index (New York=100)	42

Infrastructure	EIU rating
Transport: Quality of road network	Intolerable
Transport: Quality of public transport	Intolerable
Transport: Quality of regional or international links	Undesirable
Availability of good quality housing	Undesirable
Utilities: Quality of energy provision	Tolerable
Utilities: Quality of water provision	Uncomfortable
Utilities: Quality of telecommunications infrastructure	Undesirable
Infrastructure rating (1-100, 100=Ideal)	27
Relative infrastructure index (New York=100)	30



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Should you wish to speak to a sales representative please telephone us:

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

Tommy Allez

Tel: +44 (0)20 7592 7926

Felicity McKane

Tel: +44 (0)20 7932 1833

Mobile: +44 (0) 7808 643 021

Liam Jacklin

Tel: +44 (0)207 932 1838

Mobile: +44 (0)783 432 8661

Email: allgraylingukeiu@grayling.com

Americas

Grayling New York

Ravi Sunnak

Tel: + 1 (646) 359-2173

Email: allgraylingukeiu@grayling.com

Kevin Maloney

Tel: + 1 (646) 284-9417

Asia

The Consultancy

Tom Engel

+852 3114 6337 / +852 9577 7106

tengel@consultancy-pr.com.hk

Ian Fok

+852 3114 6335 / +852 9348 4484

ifok@consultancy-pr.com.hk

Rhonda Taylor

+852 3114 6335

rtaylor@consultancy-pr.com.hk

Australia and New Zealand

Cape Public Relations

Telephone: (02) 8218 2190

Sara Crowe

M: 0437 161916

sara@capepublicrelations.com

Luke Roberts

M: 0422 855 930

luke@capepublicrelations.com

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LONDON

26 Red Lion Square
London
WC1R 4HQ
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

6001, Central Plaza
18 Harbour Road
Wanchai
Hong Kong
Tel: (852) 2585 3888
Fax: (852) 2802 7638
E-mail: hongkong@eiu.com

GENEVA

Boulevard des Tranchées 16
1206 Geneva
Switzerland
Tel: (41) 22 566 2470
Fax: (41) 22 346 93 47
E-mail: geneva@eiu.com