

**EMBARGOED UNTIL 1930 (GMT) WEDNESDAY 29 NOVEMBER 2017**

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## **AUSTRALIAN PROSPERITY FALLS TO ITS LOWEST LEVEL IN MORE THAN A DECADE ACCORDING TO LEADING INDEX**

**Despite topping the Legatum Prosperity Index™ in 2008, Australia has dropped to 9<sup>th</sup> place in 2017, despite enjoying the world's highest levels of Social Capital.**

The greatest contributor to this fall has been Economic Quality – the Government is perceived to be significantly less encouraging of competition than before, and unemployment is still above 2008 levels. The Australian labour market ranks 95<sup>th</sup> in the world for its flexibility, and for trade competitiveness Australia is 62<sup>nd</sup> overall.

The 11<sup>th</sup> edition of the Index reveals a number of surprising global, regional and national trends in economic and social wellbeing, including an alarming deterioration in global security and a widening gap between the most and least prosperous nations.

The Legatum Prosperity Index is the world's leading global measure of economic and social wellbeing. Covering 149 nations and based on 104 indicators and 15,000 data points, it presents a unique insight into international wellbeing by identifying the conditions required for prosperous nations. Its broad range of indicators allows the Prosperity Index to pinpoint not only the drivers, but also the obstacles to a nation's prosperity. These are organised into nine pillars of prosperity: Economic Quality, Business Environment, Governance, Personal Freedom, Social Capital, Safety and Security, Education, Health and Natural Environment.

### **2017 PROSPERITY INDEX - KEY FINDINGS**

**1. Despite turbulence in many areas, global prosperity has increased**

Prosperity now sits at its highest level in the last decade, 2.6% higher than in 2007. More countries have shown improvement than those who haven't, however the gap between the most and least prosperous 30 nations continues to grow.

**2. Norway has regained the number one spot from New Zealand**

Norway's #1 ranking has been the result of improvements in the country's Business Environment and Governance in the past twelve months, with Norwegians more optimistic about starting a business and more confident in their government than last year.

**3. The UK has maintained its tenth place in the rankings**

Britain stays in 10<sup>th</sup> place, driven by the best Business Environment in Europe, and fifth best in the world. Economic Quality in the UK has also begun to recover, and now sits ahead of both Canada and the US.

**4. The world has become less safe and secure**

Safety and Security continued its decade-long decline, deteriorating in nearly two-thirds of nations and by five times more than any of the Index's other pillars. The most concentrated declines have come in the MENA region, in part as a result of Syria's civil war.

**5. The greatest gains in prosperity have come from the Asia-Pacific region**

Gains came through a fast-improving Business Environment, especially in the population centres of India (100<sup>th</sup>), China (90<sup>th</sup>), Pakistan (137<sup>th</sup>) and Indonesia (59<sup>th</sup>).

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- 6. Governance improved in every region in 2017, with Asia and Sub-Saharan Africa rising fastest**  
Across the world judiciaries became more independent from state interference and the process of challenging governmental regulation became easier. People also became more confident in the outcomes of elections.
- 7. Western European prosperity overtook North America for the first time in the Index**  
Western European prosperity remained broadly constant; but North America fell faster than any other region, due to an increase in the number of homicides and greater societal pressure on citizens' freedom of religion.
- 8. India is catching up with China**  
India has narrowed the gap on China to a quarter of what it was in 2012. It has improved by four ranks in the past year, the result of gains in Business Environment, Economic Quality and Governance.
- 9. Latin America is showing the most concentrated declines in prosperity**  
While overall prosperity increased in Latin America and the Caribbean, the region also contains some notable fallers, including Venezuela but also Nicaragua, Ecuador and El Salvador.
- 10. The Nordic and Anglosphere nations have enjoyed the highest overall prosperity in the world.**  
There has been a representative from each at the number one spot for each of the last eleven years, with consistently high quality of life especially in the Health and the Natural Environment pillars.

**Commenting on the publication of this year's edition of the Prosperity Index, the Legatum Institute's CEO, Philippa Stroud, said:**

*"Once again, this year's Index is helping us all identify how we can create more prosperous lives, building stronger economies, societies and nations. Searching out the areas in which nations have potential to grow is a crucial part of realising this goal. Our hope is that our Index can continue to help governments and policy-makers to identify and promote policies that create pathways from poverty to prosperity."*

**[ENDS]**

## **NOTE TO EDITORS**

Over the past 11 years, the Legatum Prosperity Index has evaluated long-term changes in global prosperity, pinpointing some of the drivers of progress and highlighting those nations that have made the greatest strides forward. It is used by governments around the world as part of their key performance metrics. The Prosperity Index is produced by the Legatum Institute's Centre for Metrics, and overseen by an international expert advisory panel led by the Nobel Prize winner Professor Sir Angus Deaton.

## **MEDIA ENQUIRIES**

For more information about the 2017 Prosperity Index, to speak to one of our experts or to arrange an interview, please contact Alastair Masser, Director of Communications at the Legatum Institute, on +44 (0) 207 148 5434 (business hours) or +44 (0) 7810 570505 (out of hours) or via [alastair.masser@li.com](mailto:alastair.masser@li.com)

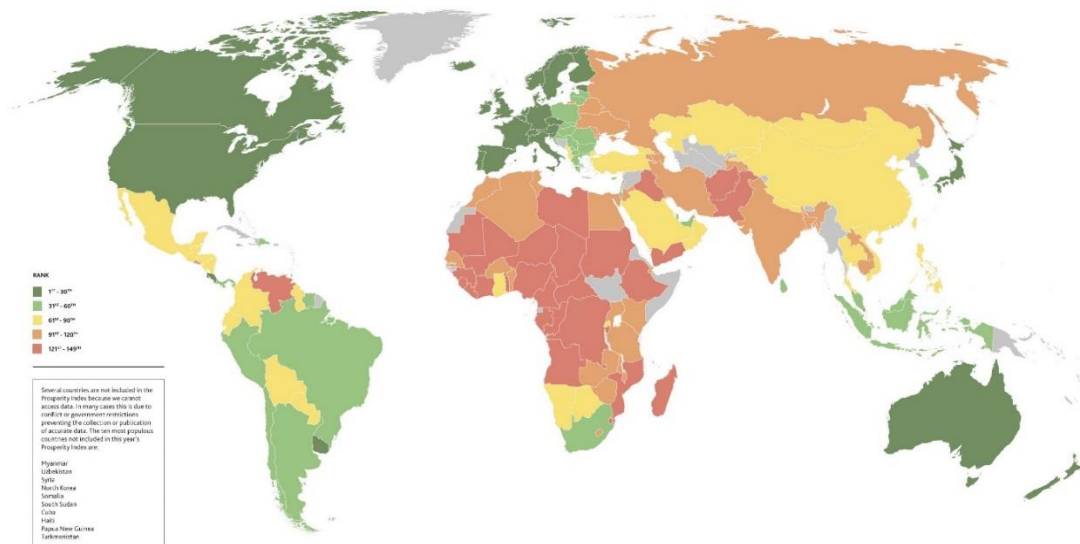
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Fig. 1: 2017 Prosperity Index -top 10 rankings

2016 Rank*	2017 Rank	Country	Pillars								
			Economic Quality	Business Environment	Governance	Personal Freedom	Social Capital	Safety and Security	Education	Health	Natural Environment
2	1	Norway	8	8	2	8	5	3	4	7	1
1	2	New Zealand	3	2	3	1	2	23	16	17	13
3	3	Finland	14	10	1	9	12	15	3	14	3
4	4	Switzerland	6	9	5	19	20	8	1	3	16
8	5	Sweden	1	13	4	12	19	13	14	6	8
7	6	Netherlands	4	14	6	6	11	9	2	8	46
9	7	Denmark	5	11	8	14	4	14	11	21	19
5	8	Canada	15	4	9	2	6	24	13	24	18
6	9	Australia	20	7	14	15	1	22	5	10	10
10	10	United Kingdom	7	5	10	18	16	17	8	19	9

Fig. 2: 2017 Prosperity Index - grouped rankings



## ABOUT THE LEGATUM INSTITUTE

The word 'legatum' means 'legacy'. At the Legatum Institute, we are focused on tackling the major challenges of our generation—and seizing the major opportunities—to ensure the legacy we pass on to the next generation is one of increasing prosperity and human flourishing.

Based in London, we are an international think tank and educational charity which seeks to provide evidence-based solutions for those who would see free, just and flourishing societies. We do this through our research and by bringing together those who wish to work towards creating a better, more prosperous world. At the Legatum Institute, we believe that prosperity is not just a journey of accumulation, but one of transformation.

To find out more, visit [www.li.com](http://www.li.com) and [www.prosperity.com](http://www.prosperity.com)