

## **GLOBAL PROSPERITY RISES TO HIGHEST EVER LEVEL, BUT FALLING SAFETY AND SECURITY POSES MAJOR CHALLENGES FOR INDIVIDUALS, COMMUNITIES AND NATIONS AROUND THE WORLD**

The [2018 Legatum Prosperity Index™](#) published today identifies that:

- **Global prosperity is at its highest level in the 12-year history of the Index, with more people living prosperous lives than ever before.**
- **The gap between countries with the highest and lowest prosperity scores is widening.**
- **Safety and Security is the foundation of successful nation-building and is the essential precondition of prosperity.**
- **Safety and Security continues to decline, with the most significant deteriorations found in in MENA and sub-Saharan Africa, driven by war, terrorism, oppressive regimes, and the declining availability of food and shelter.**
- **Prosperity is dependent on good leadership to identify and pursue domestic priorities, mobilising support for a clear agenda for development.**

The Legatum Institute today published the 12th edition of the Legatum Prosperity Index™, showing that prosperity has continued to rise around the world over the past year, reaching its highest ever level and continuing the steady increase witnessed since the inception of the Index in 2007.

### **Rising prosperity**

- **Global prosperity is at its highest level in the 12-year history of the Index, with more people living prosperous lives than ever.**
- **Norway tops the global rankings for the second year in succession.**
- **Globally, 113 countries enjoyed rising levels of prosperity over the last five years, which equates to 75% of countries in the Index and home to approximately six billion people.**
- **Asia-Pacific has been the fastest growing region over 10 years, with many middle and lower-ranking countries improving their prosperity levels the fastest, notably, Nepal, Indonesia and India.**
- **On average, citizens in the top rising countries reported a higher level of wellbeing than 10 years ago.**

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The Index shows why GDP is an inadequate measure of the lived experience of people; Prosperity is more than a measure of wealth, and is instead composed of nine pillars, including other elements fundamental to wellbeing, including Health, Education and Governance. It finds that prosperous countries have open economies, inclusive societies, and empowered people who are more able to reach their full potential.

### **Mind the gap**

- **The gap between countries with the highest and lowest prosperity scores is widening.**
- **The gap between the top and the bottom countries is now 10% wider than in 2013.**
- **While the top 20 rising countries showed steady improvements in prosperity, the 20 top fallers often fell sharply and suddenly.**

### **Safety and Security falling**

- **Safety and Security is the foundation of successful nation-building and is the essential precondition of prosperity.**
- **Safety and Security continues to decline, with the most significant deteriorations found in in MENA and sub-Saharan Africa, driven by war, terrorism, oppressive regimes, and declining availability of food and shelter.**
- **Despite the welcome fall in malnutrition and absolute poverty globally, more people report that they lack the basic needs of food and shelter to live.**
- **Globally, the number of people reporting their struggle to buy food at some point over the last year has risen from a quarter in 2008 to a third this year.**
- **War, terrorism and oppression is driving insecurity around the world: deaths from conflict increased 58% over 10 years; and deaths from terrorism quadrupled in 10 years.**

Among the countries that rose the most, Safety and Security was their strongest pillar whereas countries that suffered falls in prosperity declined significantly in Safety and Security. Safety and Security is fundamental to prosperity while personal insecurity now poses the biggest risk and challenge to global prosperity.

Of the 20 nations whose prosperity fell the most over the last decade, 12 are in Africa and the Middle East. Many of these countries lack the institutional resilience to recover from major setbacks. Others are war-torn and highly insecure places to live, and are fast-becoming the source of a significant proportion of the world's forced migration,

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having a disproportionate impact on their neighbours, as seen following the civil war in Syria.

### **Regional differences**

There is significant variation between countries within regions. In **North America**, there are large differences in living standards and conditions between Canada, and different regions of the US. Canada and the Northeast of the US are in general, safer and more prosperous than other parts of the US.

In **Western Europe**, there is a significant divergence between Northern and Southern Europe. Notably, Southern European countries have been steadily declining in political participation for the last decade.

There are distinct zones of prosperity across **Eastern Europe**: The Entrepreneurial Baltic states, Industrial Hinterlands, Food Hub of the South-east, and former CIS. Prosperity differs significantly across the region, as do the challenges and opportunities faced by each zone.

In **MENA**, we see a significant divergence in prosperity between the wealthier Gulf states and the much poorer, and unstable North African countries.

In **sub-Saharan Africa**, one of the greatest challenges lies in improving the Education pillar, where the region lags significantly behind the rest of the world, both in enrolment levels and the quality of education.

**Latin America and the Caribbean** has weak Economic Quality and Business Environment. Governance is weak, as governments in the region are low performers, rule of law is poor, and corruption is common.

In contrast, **Asia-Pacific** has strong and improving Economic Quality and Business Environment, best exemplified by the two giants of the region, India and China. However, India and China differ in terms of Governance. China scores low on Governance because of its lack of political participation, while India, as the world's largest democracy, scores high on this measure. Both countries still face challenges, as does the wider region and next steps begin with better institutions, reducing corruption and improving the effectiveness of government. In Asia-Pacific, there is the additional challenge in many countries of increasing political participation.

### **Leadership is key to seeing nations succeed**

- **Our research into nations that have successfully created their own pathways from poverty to prosperity demonstrates the importance of good leadership.**
- **Prosperity is dependent on good leadership to identify and pursue their own domestic priorities and to mobilise external support for a clear agenda for development.**

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These nations have pulled themselves out of poverty by strengthening their institutions, growing their economies, and improving the wellbeing of their people. Key to this has been their leaders' ability to address national priorities:

- First, by providing safety and security, protecting their people and establishing government authority across the whole country to keep the peace.
- Second, by nurturing their economies and ensuring that domestic savings can be the dominant source of funding for investment as well as attracting the people, ideas, and capital they need to succeed.
- Third, by commercialising their economies and integrating them into global supply chains by evolving the banking sector, institutions and the rule of law, and by boosting exports by building the physical infrastructure necessary to move goods in and out.

Commenting on the publication of the 2018 Legatum Prosperity Index™, Baroness Philippa Stroud, CEO of the Legatum Institute, said:

“The Legatum Institute exists to provide the leadership and vision to address the major challenges of our generation—and seize the opportunities; to shape the values, ideas and policies which will transform society and see all people prosper, creating pathways from poverty to prosperity.

“The Legatum Prosperity Index is a tool for leaders around the world to help set their agendas for growth and development. Prosperity entails much more than wealth, it is about creating the environment where a person can reach their full potential.

“We are increasingly ambitious about engaging directly with more of the leaders, policy makers, businesses and advisers of the countries we research, to help identify the pathways to prosperity.”

Stephen Brien, Director of Policy at the Legatum Institute, said:

“A nation is prosperous when it has an open economy, an inclusive society with strong institutions and empowered people who are healthy, educated and safe. Safety and Security is fundamental to prosperity and the cornerstone on which to build all the pillars of prosperity.

“Among the 20 countries that rose the most this year, Safety and Security was their strongest pillar and conversely, in the 20 countries that fell most, it declined significantly. A nation succeeds when its leaders set and protect national priorities and work with external parties to support and align with a domestic agenda.”

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**ENDS**

## **NOTES TO EDITORS**

The Safety & Security pillar of the Legatum Prosperity Index™ measures countries based on national security, security of living conditions and personal safety.

National Security measures how well people within a country are kept safe from conflict and violence, which include coups, state-sanctioned killings, torture, disappearances and political imprisonment.

Personal Safety examines how well the safety of property and person are respected and kept secure on a day-to-day basis. This includes levels of theft, homicides and safety while walking alone.

Security of Living Conditions looks at how safe and secure people are in their daily lives. This means secure housing and food supply as well as the safety of the living environment and infrastructure.

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## **ABOUT THE LEGATUM PROSPERITY INDEX™**

The Legatum Prosperity Index™ is a framework that assesses countries on the promotion of their citizens' flourishing, reflecting both wealth and wellbeing. It captures the richness of a truly prosperous life, moving beyond traditional macro-economic measurements of a nation's prosperity, which rely solely on indicators of wealth such as average income per person (GDP per capita). It seeks to redefine the way we measure national success, changing the conversation from what we are getting to who we are becoming. This makes it an authoritative measure of human progress, offering a unique insight into how prosperity is forming and changing across the world.

## **ABOUT THE LEGATUM INSTITUTE**

Since 2007, the Legatum Institute has published the annual Legatum Prosperity Index™. The Legatum Institute is a London-based think-tank with a global vision: to see all people lifted out of poverty. Our mission is to create the pathways from poverty to prosperity, by fostering Open Economies, Inclusive Societies and Empowered People.

We do this in three ways:

Our Centre for Metrics creates indexes and datasets to measure and explain how poverty and prosperity are changing.

Our Research Programmes analyse the many complex drivers of poverty and prosperity at the local, national and global level.

Our Practical Programmes identify the actions required to enable transformational change.

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