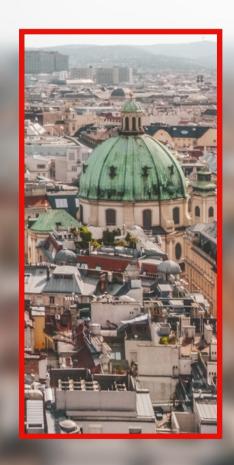
# The Global Liveability Index 2022

**Recovery and hardship** 



# The world leader in global business intelligence

The Economist Intelligence Unit (The EIU) offers deep insight and analysis of the economic and political developments in the increasingly complex global environment; identifying opportunities, trends, and risks on a global and national scale.

Formed in 1946 with more than 70 years of experience, it is ideally positioned to be a commentator, interpreter and forecaster on the phenomenon of globalisation as it gathers pace, enabling businesses, financial firms, educational institutions and governments to plan effectively for uncertain futures.

# Actionable insight to win in the world's markets

The world's leading organisations rely on our subscription services for data, analysis and forecasts that keep them informed about emerging issues around the world.

We specialise in:

- **Country analysis**—access detailed country-specific economic and political forecasts, as well as assessments of the business environments in different markets with EIU Viewpoint.
- **Risk analysis**—our risk services identify actual and potential threats around the world and help our clients understand the implications for their organisations. Available products: <u>Financial Risk</u> and <u>Operational Risk</u>.
- Industry analysis—five-year forecasts, analysis of key themes and news analysis for six key industries in 60 major economies. These forecasts are based on the latest data and in-depth analysis of industry trends, available via <a href="EIU Viewpoint">EIU Viewpoint</a>.
- **Speaker Bureau**—book the experts behind the award-winning economic and political forecasts. Our team is available for presentations and panel moderation as well as boardroom briefings covering their specialisms. Explore <u>Speaker Bureau</u> for more speaker information.

#### **Contact us**

#### LONDON

Economist Intelligence 20 Cabot Square, London E14 4QW, United Kingdom Tel: +44 (0)20 7576 8000 e-mail: london@eiu.com

#### **NEW YORK**

Economist Intelligence 750 Third Ave, 5th Floor, New York NY 10017, United States

Tel: +1 212 541 0500 e-mail: americas@eiu.com

#### **HONG KONG**

Economist Intelligence 1301 Cityplaza Four 12 Taikoo Wan Road Taikoo Shing, Hong Kong Tel: + 852 2585 3888 e-mail: asia@eiu.com

#### **GURGAON**

Economist Intelligence Skootr Spaces, Unit No. 1 12th Floor, Tower B, Building No. 9 DLF Cyber City, Phase - III Gurgaon -122002 Haryana,

India

Tel: +91 124 6409486 e-mail: asia@eiu.com

#### **DUBAI**

Economist Intelligence
PO Box No - 450056, Office No - 1301A Aurora
Tower Dubai Media City Dubai,
United Arab Emirates
Tel: +971 4 4463 147
e-mail: mea@eiu.com

For more information on our solutions and how they can help your organisation, please visit www.eiu.com.

# The findings of the latest liveability survey:

- EIU's Liveability Index has risen sharply in the 2022 survey (conducted between February 14th and March 13th). Scores for culture and environment, healthcare and education have improved on the back of covid-19 curbs being eased. However, the global average score remains below pre-pandemic levels.
- A rollback of covid-19 restrictions has translated into liveability rankings resembling those seen before the pandemic. Vienna (Austria) tops the rankings in 2022, as it did in 2019 and 2018.
- Russia's invasion of Ukraine on February 24th has forced us to exclude Kiev (Ukraine) from our survey. The conflict has influenced rankings for Moscow and St Petersburg (Russia). Both cities record a fall in scores owing to increased instability, censorship, imposition of Western sanctions and corporates withdrawing their operations from the country.
- Eastern European cities slip in the rankings amid increased geopolitical risks. If the cost-of-living crisis were to trigger further discord in international ties or domestic politics, stability scores would be likely to slide further for such cities next year.
- Western European and Canadian cities dominate the top of our rankings. Life is almost back to normal in these cities on account of high covid-19 vaccination rates and the easing of restrictions.
   Copenhagen (Denmark) has moved up 13 places from its position 12 months ago, to second, and Zurich (Switzerland) now shares third place with Calgary (Canada), which has risen from 18th position.
- Damascus (Syria) and Tripoli (Libya) continue to languish at the bottom of the list—along with Lagos (Nigeria)—as they face social unrest, terrorism and conflict. However, most of the cities in the bottom ten have improved their scores compared with last year, as pandemic-induced pressures have eased.
- We have added 33 new cities to our rankings, one-third of them in China. This brings the total number of cities to 172, excluding Kiev. Many of the new entrants, such as Surabaya (Indonesia) and Chongqing (China), are already fast-growing business destinations.

#### **Overview**

For the past two years, EIU's global liveability rankings have been largely driven by the covid-19 pandemic, with lockdowns and social distancing measures affecting scores for culture, education and healthcare in cities across the world. However, in our most recent survey, the index has normalised, as restrictions have been lifted in many countries. Vienna, which slipped to 12th place in our rankings in early 2021 as its museums and restaurants were closed, has since rebounded to first place, the position it held in 2018 and 2019. Stability and good infrastructure are the city's main charms for its inhabitants, supported by good healthcare and plenty of opportunities for culture and entertainment.

#### Top ten positions

City	Location	Rank	Index	Stability	Healthcare	Culture & Environment	Education	Infrastructure
Vienna	Austria	1	99.1	100.0	100.0	96.3	100.0	100.0
Copenhagen	Denmark	2	98.0	100.0	95.8	95.4	100.0	100.0
Zurich	Switzerland	3	96.3	95.0	100.0	96.3	91.7	96.4
Calgary	Canada	3	96.3	95.0	100.0	90.0	100.0	100.0
Vancouver	Canada	5	96.1	90.0	100.0	100.0	100.0	92.9
Geneva	Switzerland	6	95.9	95.0	100.0	94.9	91.7	96.4
Frankfurt	Germany	7	95.7	90.0	100.0	96.3	91.7	100.0
Toronto	Canada	8	95.4	95.0	100.0	95.4	100.0	89.3
Amsterdam	Netherlands	9	95.3	90.0	100.0	97.2	91.7	96.4
Osaka	Japan	10	95.1	100.0	100.0	83.1	100.0	96.4
Melbourne	Australia	10	95.1	95.0	83.3	98.6	100.0	100.0

Source: EIU.

However, although the pandemic has receded, a new threat to liveability emerged when Russia invaded Ukraine on February 24th 2022, in the middle of our survey period. We were forced to abort our survey for Kiev, excluding Ukraine's capital from our rankings. Russia's capital, Moscow, saw its liveability ranking fall by 15 places, while St Petersburg slipped by 13 places. Increased censorship accompanies the ongoing conflict. Russian cities are additionally seeing restrictions on culture and environment as a result of Western economic sanctions—the effects of which are likely to be more apparent in our next survey. Other cities in eastern Europe, such as Warsaw (Poland) and Budapest (Hungary), also saw their stability scores slip amid raised diplomatic tensions.

With the war likely to drag on for the remainder of 2022 at least, before settling into a political stand-off, the threat to security will continue. Moreover, the war—by impeding exports of Russian and Ukrainian energy and food—is worsening global inflation and dampening global growth. This may bring other sources of conflict.

However, in the latest survey, the picture that emerges is a broadly positive one. Amid the gradual—and ongoing—shift in the status of covid-19 from pandemic to endemic and a rise in global vaccination rates, the global average liveability score has rebounded. The score now stands at 73.6 (out of 100), up from 69.1 a year ago; this is still lower than the average of 75.9 reported before the pandemic. Of our five categories, the main improvements over the past year have been in culture and environment, education, and healthcare, all of which were badly affected by lockdowns. The scores for infrastructure remain broadly stable, while stability has deteriorated.

# Thirty-three new cities enhance comparability

These averages only cover the 139 cities (excluding Kiev) for which we have comparable scores from previous surveys. However, this year we have added 33 new cities to the rankings, taking the total to 172 (excluding Kiev). The additions bring our liveability survey in line with our Worldwide Cost of Living (WCOL) survey, which was expanded in 2021 to include important new business centres. Many of the new cities are in developing markets: they include 11 in China, which face longer-term problems such

as censorship, relatively weaker infrastructure and developing education systems. However, around one-third are in developed countries and score more highly, including six cities in the US. The highest-ranked new city is Rotterdam (Netherlands), at 28.

The top ten of our rankings remains dominated by western European cities, along with several from Canada. In second place, behind Vienna, is Copenhagen, while Calgary has jumped from 18th (owing to the removal of covid restrictions) to join Zurich in joint third. In general, mid-sized cities in the wealthiest countries tend to fare exceptionally well in the survey. The top ten cities are also among those with few covid restrictions. Shops, restaurants and museums have reopened, as have schools, and pandemic-led hospitalisation has declined, leading to less stress on healthcare resources and services, and even the requirement to wear masks is no longer in force in most situations. As a result, cities that were towards the top of our rankings before the pandemic have rebounded on the back of their stability, good infrastructure and services, as well as enjoyable leisure activities.

The bottom ten cities in our rankings remain fairly stable, with none of the new cities dipping this low. As in previous surveys, living conditions remain worst in Damascus, the capital of Syria. Also scraping along the bottom are Tripoli in Libya, Lagos in Nigeria and Algiers in Algeria, which continue to score low across the five categories. Wars, conflicts and terrorism are the biggest factors weighing down the ten lowest-ranked cities, of which seven are from the Middle East and Africa. Encouragingly, however, all of the bottom ten, apart from Tripoli, have seen their score improve in the past year as covid restrictions have eased, with both Dhaka (Bangladesh) and Port Moresby (Papua New Guinea) moving up three places each.

#### **Bottom ten positions**

City	Location	Rank	Index	Stability	Healthcare	Culture & Environment	Education	Infrastructure
Tehran	Iran	163	44.0	55.0	45.8	32.9	50.0	39.3
Douala	Cameroon	164	43.3	60.0	25.0	45.6	33.3	42.9
Harare	Zimbabwe	165	40.9	40.0	20.8	51.9	66.7	35.7
Dhaka	Bangladesh	166	39.2	55.0	29.2	40.5	41.7	26.8
Port Moresby	PNG	167	38.8	30.0	37.5	38.0	50.0	46.4
Karachi	Pakistan	168	37.5	20.0	33.3	35.2	66.7	51.8
Algiers	Algeria	169	37.0	35.0	29.2	45.4	50.0	30.4
Tripoli	Libya	170	34.2	30.0	29.2	33.8	41.7	41.1
Lagos	Nigeria	171	32.2	20.0	20.8	44.9	25.0	46.4
Damascus	Syria	172	30.7	20.0	29.2	40.5	33.3	32.1

Source: EIU.

# The pandemic continues to drive the biggest moves

The biggest moves up our rankings are by cities in western Europe. Most German, UK and French cities had slipped in our survey a year ago because they were still under covid restrictions imposed as the Delta wave spread across the continent. This has changed with covid-19 in the process of becoming endemic and normalcy largely being restored. Frankfurt has climbed by an impressive 32 places over

the past year to seventh, while Hamburg is up by 31 places to 16th. Three Canadian cities have seen a similar trajectory and have made it back into the top ten.

Cities in New Zealand and Australia are listed among the biggest fallers in our rankings, including Wellington and Auckland, which tumbled by 46 and 33 places respectively. Both countries benefited in early 2021, when covid vaccines were scarce: their closed borders kept cases down, keeping liveability high. Auckland actually came top of the early 2021 survey. However, this changed as a more infectious covid-19 wave struck in late 2021, which made closed borders less of a defence. Although New Zealand's lockdowns ended in December, before our survey period, its cities no longer have a covid advantage over well-vaccinated European and Canadian cities. In Australia, some states were slower to lift restrictions than others. As a result, Perth and Adelaide have lost ground since last year, and Melbourne is once again Australia's highest-ranked city. Adjusting policy dynamically will remain key to staying on top.

# Biggest movers up the ranking in the past 12 months

City	Location	Rank	Index	Rank move	Index move
Frankfurt	Germany	7	95.7	32	12.9
Hamburg	Germany	16	94.4	31	12.5
Dusseldorf	Germany	22	93.0	28	12.8
London	UK	33	89.9	27	13.2
Manchester	UK	28	91.3	26	13.0
Paris	France	19	93.6	23	11.1
Brussels	Belgium	24	92.7	22	10.6
Amsterdam	Netherlands	9	95.3	21	11.2
Athens	Greece	73	74.5	19	11.6
Los Angeles	US	37	88.6	18	10.6

Source: EIU.

#### Biggest movers down the ranking in the past 12 months

City	Location	Rank	Index	Rank move	Index move
Wellington	New Zealand	50	85.7	-46	-8.0
Auckland	New Zealand	34	89.2	-33	-6.8
Adelaide	Australia	30	90.7	-27	-3.3
Perth	Australia	32	90.0	-26	-3.3
Houston	US	56	84.2	-25	0.2
Reykjavik	Iceland	48	86.6	-25	0.6
Madrid	Spain	43	87.6	-24	0.8
Taipei	Taiwan	53	85.1	-20	1.2
Barcelona	Spain	35	89.1	-19	0.8
Brisbane	Australia	27	91.6	-17	-0.8

Source: EIU.

The same is true of Houston (US). An early lifting of covid restrictions made the city one of our biggest risers in the early 2021 survey. However, it has fallen 25 places in 2022 as other cities have followed suit. Russian cities have also fallen in our most recent rankings, owing to the war in Ukraine. However, it is worth noting that some of the fastest-falling cities in our rankings have seen far smaller drops in their liveability score compared with what we have seen on the index more recently, while some (including Houston) have seen their score improve. A rising tide may not lift all boats, but it has kept them from sinking by too much.

China is one country that has not yet benefited from the gradual lifting of covid-19 restrictions. Its zero-covid policy aims to keep cases under control by limiting international travel and imposing strict lockdowns as needed. This helped to keep domestic life fairly normal during much of 2020-21, but has proved less effective against the more contagious Omicron variant of the virus. Although cases appeared to be under control during our period of data collection, very soon afterwards a group of cities, including Shanghai, experienced major outbreaks that caused the reimposition of strict lockdowns.

# Liveability is at risk over the next year

The war in Ukraine and covid restrictions will continue to affect cities' liveability over the next year. The pandemic is not yet over. Our core assumption is that a new variant will cause a global wave of cases later this year, but that it will not be more aggressive than Delta or prove resistant to current vaccines. High- and middle-income cities will use a combination of social restrictions and a renewed vaccination push to contain the variant, affecting liveability again. Those with low vaccination rates and a poor social safety net, particularly cities in Africa, are more likely to live with rising caseloads and the resulting disruption. China, although it is lifting its city lockdowns for now, is expected to keep its zero-covid policies in place until at least late 2022.

Meanwhile, the war in Ukraine will continue to be a threat to security throughout the next year at least. EIU expects the active phase of the war to continue during 2022 before giving way to more entrenched hostility. Even without escalation, the conflict will continue to fuel global inflation and dampen economic growth. Higher global commodity prices, particularly for energy and food, will weigh on liveability in many cities over the coming months and could spark conflict in some. Even where stability is not threatened, the cost-of-living crisis will dampen investment in infrastructure, healthcare and education, as well as the consumer spending that supports cultural life.

# The cost-of-living crisis

Global prices for many goods, particularly food and fuel, rose sharply in 2021 and have since soared as a result of the war in Ukraine. Russia is a major oil and gas exporter, but together with Ukraine accounts for 30% of global trade in wheat, 17% in maize and more than 50% in sunflowerseed oil. EIU has raised its 2022 forecast for global average consumer price inflation to 8.5%, the highest for 26 years. Inflation rates will subsequently ease, but we expect prices to remain high for as long as the conflict rages. Although costs do not form part of our liveability survey, this assessment is confirmed by our accompanying Worldwide Cost of Living (WCOL) survey, which shows that prices

have already soared in the world's major cities, particularly for energy.

This sharp spike in inflation will put quality of life in many cities at risk, particularly if there are also interruptions to food and fuel supplies caused by the war in Ukraine. Either residents will be forced to pay much higher prices (making it harder to enjoy the culture and environment of their cities) or governments will take on more of the burden (which will risk their ability to provide high-quality public services). Rising interest rates in most countries will also make borrowing and debt repayments more expensive, reducing consumer spending further. Some businesses, including hotels and restaurants already weakened by the pandemic, may not survive, reducing liveability further.

# About EIU'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. Our 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 for 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 our team of expert 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 in the range 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 a control city (New York) and an overall position in the ranking of 172 cities is provided.

The covid-19 pandemic has affected living conditions in many cities, owing to its impact on the healthcare infrastructure, and restrictions and lockdown measures imposed by governments, which have put the healthcare, culture and environment, and education categories under stress. The impact of the pandemic has been incorporated into our overall liveability score, with the introduction of new indicators to assess these stress and restriction levels for each city.

- Stress on healthcare resources
- Restrictions on local sporting events
- Restrictions on theatre
- Restrictions on classic and modern music concerts
- Restrictions on restaurants, bars, coffee shops and nightclubs
- Restrictions on educational institutes

The scores for these new indicators and its effect are incorporated in our existing healthcare, culture and environment and education ratings.

# 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, such as excessive physical hardship or a notably unhealthy environment.

EIU 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 EIU'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

60-70 Negative factors have an impact on day-to-day living 10

50-60 Liveability is substantially constrained 15

 $50\, \text{or less}$  Most aspects of living are severely restricted  $20\,$ 

# How the rating is calculated

The liveability score is reached through category weights, which are divided equally 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 indicates 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 geography 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.



# 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 for 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)

Source
EIU rating

# **Liveability Ranking and Overview**

View EIU's complete liveability ranking and average scores for all 173 cities across five broad categories: stability, healthcare, culture and environment, education and infrastructure.

#### What's included?

- EIU's liveability rankings for 173 cities
- Summary of findings and a description of the methodology used
- Ranking position and overall liveability scores for all cities across each of the five categories

#### **Find out more**

# **Global Liveability Survey**

The liveability survey quantifies the challenges that might be presented to an individual's lifestyle in 173 cities worldwide and provides a profile for each city. Appraise each city through its individual city profile and review regional trends.

#### What's included?

- EIU's liveability rankings for 173 cities
- Overall liveability scores for all cities across five broad categories: stability, healthcare, culture and environment, education and infrastructure
- Individual city profiles for each city within the survey

#### **Find out more**

# **Global Liveability Matrix**

Our complete dataset ranks the challenges to an individual's lifestyle in 173 cities worldwide. Build your own models and evaluate key trends that might affect the development of cities in the future.

#### What's included?

- EIU's liveability rankings for 173 cities
- Overall liveability scores for all cities across five broad categories: stability, healthcare, culture and environment, education and infrastructure
- Customisable dataset with city ratings across 30 qualitative and quantitative factors

#### **Find out more**

#### Copyright

© 2022 The Economist Intelligence Unit Limited. All rights reserved. Neither this publication nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of The Economist Intelligence Unit Limited.

While every effort has been taken to verify the accuracy of this information, The Economist Intelligence Unit Ltd. cannot accept any responsibility or liability for reliance by any person on this report or any of the information, opinions or conclusions set out in this report.