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PRESS RELEASE

NEW ZEALAND THE MOST PROSPEROUS COUNTRY IN THE WORLD

"GDP measures everything, except that which makes life worthwhile."
— Sen. Robert Kennedy

As a measurement of prosperity, the *Legatum Prosperity Index*™ (www.prosperity.com) is unique. It gives a far truer picture of the life chances for the world's population, and the performance of nations, than any Index of GDP alone could hope to. True prosperity is as much about wellbeing as wealth and New Zealand, which tops the Index, is a model for delivering both.

The *Legatum Prosperity Index™* ranks nations over nine areas of potential success or failure: Economic Quality, Business Environment, Governance, Education, Health, Safety and Security, Personal Freedom, Social Capital and the Natural Environment.

The 10th L*egatum Prosperity Index™* covers 149 countries, and is published today by the Legatum Institute, an international think tank based in London. Our focus is on understanding, measuring, and explaining the journey from poverty to prosperity for individuals, communities, and nations.

WHY ARE SOME COUNTRIES POOR BUT PROSPEROUS?

The Index also shows how much prosperity a country delivers given its wealth. The top performing countries: New Zealand, Finland, the UK, Canada, and Australia, have in common open markets, high levels of personal freedom, and strong civil society.

However, developing countries like Rwanda, Malawi, and Nepal also perform well, proving that with the right foundations, prosperity can flourish with relatively little wealth.

Those delivering little prosperity with vast wealth are all oil producers. These include poorer countries like Sudan, but also richer countries like Saudi Arabia, showing that the resource curse is a limit on prosperity for rich and poor alike.

PROSPERITY IS AT RISK ACROSS THE WORLD

Countries that have not invested in the foundations of prosperity growth see that prosperity at risk. Latin American prosperity, unlike any other region, is still closely tied to its economic fate. Prosperity gains have not been the result of anything but rising wealth. This prosperity is at severe risk.

The opposite pattern is seen in Asia, where the countries that have made the most significant progress have invested in the foundations of prosperity. Indonesia, one of the biggest risers in the Prosperity Index over the past decade, has seen improving freedoms and a rapidly strengthening society.
The risks are not confined to those yet to see high levels of prosperity. The Index sees US prosperity stagnate, despite rising wealth. Falling health outcomes, a worsening security situation, and an economy that is not delivering on opportunity are driving relative decline.

A DECADE OF DATA

Now in its 10th year, the annual Prosperity Index can track changing prosperity across the world. It captures rapid risers like Sri Lanka, Cambodia, and Indonesia, and those countries plummeting down the ranks, including Venezuela, Tunisia, and Honduras.

The decade of data can also offer a new perspective on the trajectory of a nation, offering insights on the impact of national political decisions. It shows that the UK's trajectory through the global financial crisis has been one of the most positive in the world, with rising prosperity the result of concerted social reform, not economic progress.

The top 5 most prosperous countries are:		The 5 least prosperous countries are:	
1	New Zealand	1 (149th)	Yemen
2	Norway	2	Afghanistan
3	Finland	3	Central African Republic
4	Switzerland	4	Sudan
5	Canada	5 (145th)	Democratic Republic of Congo

Other key findings from the report include:

- The Commonwealth Effect: The Commonwealth delivers greater prosperity, and greater prosperity given its wealth, than the global average. We see the developed Commonwealth "Anglosphere" bloc of New Zealand, Australia, Canada, and the United Kingdom deliver greater prosperity than any comparable bloc, including the Nordic area and Western Europe. In Africa, Commonwealth members together outperform the Sub-Saharan average in every sub-index.
- China and India have contributed most to global prosperity growth over the past decade.
- Global prosperity inequality is falling, as countries at the bottom of the Index improve their prosperity faster than those at the top.
- The VIPPs (Vietnam, Indonesia, Philippines, Poland) show more potential than the BRICs in driving rising global prosperity. The BRICs have experienced divergent prosperity paths, showing we need a wider perspective on a country's potential. The VIPPs share many of the foundations of prosperity.
- The UAE has been the most successful country in trying to escape the oil curse. Concerted efforts at economic diversification and social investment has seen it cut its prosperity deficit by 30% since 2007.

Baroness Stroud, CEO of the Legatum Institute, said:

> "The Prosperity Index is the clearest lens with which to see the world as it is. Senator Robert Kennedy was right when he said: "GDP measures everything, except that which makes life worthwhile." True prosperity encompasses what makes life worthwhile. It is as much about social wellbeing as it is about economic wellbeing.
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> "If people across the world are to make the journey from poverty to prosperity the *Legatum Prosperity Index* not only shows how it can be done and which countries are doing it but also highlights which countries, rich or poor, are failing to offer their citizens the life chances everybody needs in order to flourish and why".

Alexandra Mousavizadeh, Director of Indices at Legatum Institute, said:

> "The Prosperity Index is a leading measure of global prosperity and a powerful tool for governments, the private sector and individuals alike. Tracking how prosperity develops nation by nation has never been more important."

A note on data: *We use data drawn from well-known global data sources such as the World Bank, ILO, WHO among others, in addition, we collaborate with the global polling company Gallup. See Notes to Editors for further information.*

Carol Graham, internationally renowned economist and adviser to the Index, said:

> "For many years the Legatum Prosperity Index has provided an innovative and robust metric with which to compare prosperity, including but extending beyond standard income measures, across countries and over time. The methodology behind the index is robust, transparent, and accessible, while the statistician seeking more detail can delve deeper into the index construction. At a time of world-wide interest in assessing human well-being in ways that extend beyond standard GNP based metrics, the Index is a best-in-class example of how to combine a range of important variables into a metric that is credible and accessible to policymakers and the lay reader, as well as academics."

To access the full report, data, and analysis, visit www.prosperity.com.

ENDS

Notes to Editors

1. All data in the Prosperity Index comes from recognised international sources, like the World Bank.
2. A comprehensive explanation of our methodology and data sources is available here.
3. The term 'countries' is used to refer to the 149 societies covered by the Index. This includes 148 nations and one Special Administrative Region (Hong Kong).

Media Enquiries

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About the Legatum Institute

The Legatum Institute is an international think tank and educational charity focused on understanding, measuring, and explaining the journey from poverty to prosperity for individuals, communities and nations. We believe true prosperity is as much about wellbeing as it is wealth, if all people are to flourish. The *Legatum Prosperity Index™*, our signature publication, ranks 149 countries in terms of wealth and wellbeing. To find out more please visit www.li.com and www.prosperity.com.