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## PRESS RELEASE

### **THE UNITED ARAB EMIRATES OUTPERFORMS ITS PEERS BY FAR**

*“GDP measures everything, except that which makes life worthwhile.”*

— Sen. Robert Kennedy

As a measurement of prosperity, the *Legatum Prosperity Index™* ([www.prosperity.com](http://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 the UAE is the best in the Gulf region at delivering it.

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 *Legatum 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.

The good news is that viewed through this lens the world as a whole has seen its highest level of prosperity for the past decade.

In the UAE, this trend has been particularly noticeable, it is the only country in the Gulf to have reduced its “prosperity deficit”—and by as much as 30%—today posting the smallest shortfall than any of its Gulf peers. This impressive performance is on account of steady improvements across most of the nine sub-indices and the UAE now ranks in top 20s in as many as four: Economic Quality, Business Environment, Social Capital and Health. In these areas, the UAE looks far more like an OECD nation than any country in the Gulf.

In fact, Economic Quality, Business Environment and Social Capital have seen a surge in rank improvements, rising by more than 20 ranks respectively—in absolute terms, the UAE made the second largest improvement in Economic Quality of all 149 countries covered in the Index over the last decade. Overall, the UAE has made the greatest absolute prosperity gain over the past decade of any country in the region.

As such, ranking 41<sup>st</sup> to Israel’s 40<sup>th</sup>, the UAE’s success has been largely driven by reforms to open and diversify the economy as well as making strides in social capital by progressing on social reforms evidenced by the rising “trust” levels and growing charitable activities. Strengthening its citizens’ wellbeing is central to the reform focus. The country retains an ambitious agenda for national success—a strategy that has, so far, paid off also in terms of prosperity.

#### **A REGIONAL CHAMPION IN TRANSLATING WEALTH INTO PROSPERITY**

The Index also shows how much prosperity a country delivers given its wealth. Here the UAE has been the strongest performer in the MENA region in turning economic wealth into prosperity improving its prosperity delivery by 30% over the past decade.

And this performance is set to continue. Already, the UAE delivers more prosperity today than it did before the global financial crisis. This is despite the fact that the UAE’s wealth per head dropped

significantly during the crisis, and even in 2016, has not returned to 2007 levels. The UAE has got better at turning what it has into better lives for its citizens.

In this context, the Prosperity Index captures the UAE as a country in ongoing transition. In some sub-indices it shows attributes characteristic of a Gulf oil state. In others, it illuminates an innovative forward looking nation more akin to those in Western Europe, North America, or the Oceanic region. A leadership focussed on international best practice can be seen in the characteristics of national prosperity.

#### The UAE ranks in 2016:

<b>Overall Prosperity</b>	<b>41st</b>		Health	28th
Economic Quality	21st		Safety & Security	32nd
Business Environment	23rd		Personal Freedom	109th
Governance	53rd		Social Capital	25th
Education	66th		Natural Environment	43rd

### OTHER FINDINGS OF THE GLOBAL PROSPERITY INDEX

#### 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.

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.

“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.

“We believe that the Prosperity Index is an invaluable tool for measuring progress and that the Index has established itself as the best lens with which to view how nations do, or do not, translate their wealth into the best life chance for all”.

“That the UAE has kept prosperity rising despite falling oil prices and a widening budget deficit is a testament to the power economic diversification and social reform, not simply economic progress, in achieving prosperity.”

**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, Legatum Fellow 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.”

## 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](http://www.li.com) and [www.prosperity.com](http://www.prosperity.com).