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## Foreword



### How do countries become prosperous? And why are some of the least developed states not catching up to the rest?

To answer these questions, the Prosperity Index has tracked the journeys of 167 nations for the past 16 years, analysing 12 pillars and

300 indicators. Prosperity is more than mere economic growth – it also requires political and social development. Countries such as Denmark continuously crown the Index because of their well-functioning liberal institutions, open markets and societies that allow citizens to realise their potential, and hence, flourish.

However, for too many people in the countries ranking at the bottom of the Index, flourishing remains a distant goal. While reaching prosperity has always been a driving force for countries around the world, it is neither a right nor a guarantee. The possibility of reaching prosperity depends on the will and determination of a nation's leaders and citizens. For political leaders, it means making deliberate choices to develop a society that works for everyone. For people, it means reaching a national consensus.

This year, we explore these questions because we are standing at a critical moment in history. Low- and middle-income countries face a stark choice in their pathway to prosperity. As our accompanying commentary shows, with the return of realpolitik, liberal democracy is being challenged by the increasing aggression of China and Russia. Their support for authoritarian regimes worldwide offers an alternative development path to that of open societies and economies, reminding us what the world looked like before the fall of the Berlin Wall.

This year's Index finds that, over the last decade the vast majority of countries, and particularly the lower-ranked ones, have experienced an improvement in their living conditions, health and education. However, in many countries this has taken place in the context of weakening of democratic standards: an attack on personal freedoms, unconstrained executive powers, popular discontent, and a disbelief in 'the end of history'.

And while Western democracies are being tested, it is the 40 countries that were at the bottom of the Index in 2013 that have lagged even further behind from the rest of the world since then. Primarily, it is the deterioration of their economies and institutions that has led to the divergence of prosperity.

Our research this year has shown that political development and social cohesion are the key to unlocking the

power of markets and human flourishing. A full liberal democracy guarantees that all citizens are treated equally by the state and the law, and that no groups have special economic privileges. Everyone can achieve earned success and realise their unique potential.

Hence, to achieve greater prosperity, leaders' determination to advance liberal democracy is needed now more than ever. It will be necessary to build resilient and capable institutions that can respond to the needs of the citizens. It will also be essential for political leaders to discourse with their citizens on the true values that democracy brings: personal dignity, virtue and freedom.

As the people of Ukraine are fighting for theirs, we observe that many democratic societies have taken their freedom – individual and national – for granted. While economic wellbeing and improvements in basic services can be achieved within many political systems, it is only liberal democracy that constitutionally ensures the respect of human dignity for all.

The untapped potential of open societies and markets is particularly striking in low- and middle-income countries, where the majority of the economy is 'informal', excluded from access to public services and finance. This year's Index highlights that while basic needs are met more than ever in the bottom 40 countries, the lack of improvement in political and economic structures prevents these countries from reaching greater levels of prosperity.

For these countries to achieve their potential a major structural transformation will be needed. For some, it will require a democratic transition, for others, it will be essential to strengthen liberal institutions, establish societal norms based on virtue, and open up the economic opportunities that are currently concentrated in the hands of the selected few. While the task is challenging, it is worth undertaking.

We produced this year's report with a belief that outlining these trends will highlight the need for concern and action if we are to achieve widespread prosperity. But we also present this Index with a cause for hope – seeing the virtue of liberal values and democracy and a belief that convergence towards liberal democracy and prosperity is an achievable goal.

**Dr Stephen Brien**

Director of Policy, Legatum Institute



# Introduction





# The pathway to prosperity

Prosperity is built when leaders make choices to develop a society that works for everyone – a society that is inclusive and has a strong social contract that protects the fundamental liberties and security of each individual. It is driven by an open economy that harnesses the ideas and talents of the people of a nation. This in turn builds an enabling environment for all to flourish by fulfilling their unique potential and playing their part in strengthening their families, communities, and nations.

For years, many political leaders have focused on the idea of 'getting to Denmark', the country that continuously tops the Prosperity Index. However, the source of the Nordic nation's success is less commonly understood. Rather than mere economic growth, it is Denmark's strong liberal democracy, well-functioning institutions and social cohesion that make it the most prosperous country in the world.

National development begins with a cohesive society and a cohesive polity that allows the development of state capacity, rule of law and political institutions. And while economic improvements have been seen in countries with a variety of political systems, it is only liberal democracy that ensures the dignity and respect of every citizen and allows the fullest extent of human flourishing.

That is because, on an individual level, flourishing is achieved when all people have the freedom and ability to live a contented and fulfilled life, where they use their efforts and abilities to achieve their own goals and well-being with a sense of dignity, purpose and meaning.

At a societal level, flourishing and prosperity are enabled when people are able to contribute to and benefit from an overall sense of security, healthy institutions, enforceable law and regulation, and access to the resources they need. It implies being in a position to make commitments and being able to trust others to honour theirs. The emergence of high levels of trust in a society is concomitant with widespread flourishing.

However, currently, for too many people in developing countries, the opportunity to flourish remains a distant goal. Existing markets are inaccessible to most and support only basic forms of exchange and trade. Informal working is the norm, with limited access to capital and finance.

This leads to a precarious life that does not give people the opportunity to thrive. But across low- to middle-income countries there is enormous untapped potential. We believe that ordinary people can do extraordinary things when they are accorded dignity and freedom.

In developing countries, this potential can be tapped through major structural political and economic change. Such transformation, the achievement of mass flourishing and the creation of collective prosperity will not come from the outcomes of discrete development projects – it will only come from systematic change. This requires national transformation: to build the institutions, rules, norms and attitudes that underpin highly functioning markets and societies. In many cases, it requires a democratic transition and building the social cohesion that makes open societies and open markets possible.

Markets thrive in conditions of benign politics, good governance, and societal order. But in the meantime, markets can be enhanced or augmented (for social impact) with "backstop" provisions to support participants. These include the ability to negotiate secure property rights, contract enforcement, limited liability, enhancement of reputations, investor protections, accessible and affordable capital, and a variety of insurance products.

It is also important that reforms receive widespread acceptance by society as a whole. Rather than simply replicating international best practices drawn from high-income countries, reforms must work within existing societies and institutions, to improve prevailing practices in a sustainable manner through local innovation and experimentation.

When societies are inclusive and enjoy political equality, it is more likely that in a functioning economy, wealth generation will be more broad-based, leading to greater personal flourishing. As citizens become more empowered, they are more inclined to increase their demands for government services that help their wellbeing. In an accountable society, public services such as healthcare and education will then be delivered by governments as they strive for citizens' approval and re-election. This leads to a flourishing society, and in turn, greater prosperity.

## Defining prosperity

**True prosperity is when all people have the opportunity to thrive by fulfilling their unique potential and playing their part in strengthening their communities and nations.**

Prosperity is underpinned by an **inclusive society**, with a strong social contract that protects the fundamental liberties and security of every individual.

In a prosperous society:

- People live in peace, free from the threat of violence, oppression, and crime.
- Everyone's inherent dignity is respected, and freedom of speech, worship, and assembly are protected.
- Governing institutions act with integrity, are accountable to citizens, and are subject to the rule of law.
- Stable families and supportive communities instil the values that shape the culture and build the bonds of trust needed for society to flourish.



Credit: iStock

Prosperity is driven by an **open economy** that harnesses ideas and talent to create sustainable pathways out of poverty.

In a prosperous society:

- Property rights are protected, so investment can flow.
- Business regulation enables entrepreneurship, competition, and innovation.
- Open markets and high-quality infrastructure facilitate trade and commerce.
- Fiscal and monetary policy are used responsibly to foster employment, productivity, and sustained economic growth.



Credit: iStock

Prosperity is built by **empowered people**, who create a society that promotes wellbeing.

In a prosperous society:

- Everybody is able to build a life free from poverty.
- People take care of their physical and mental health and have access to effective healthcare.
- Learning is valued and everyone receives a high-quality education, so they can reach their potential.
- The natural environment is stewarded wisely, as a legacy for present and future generations.



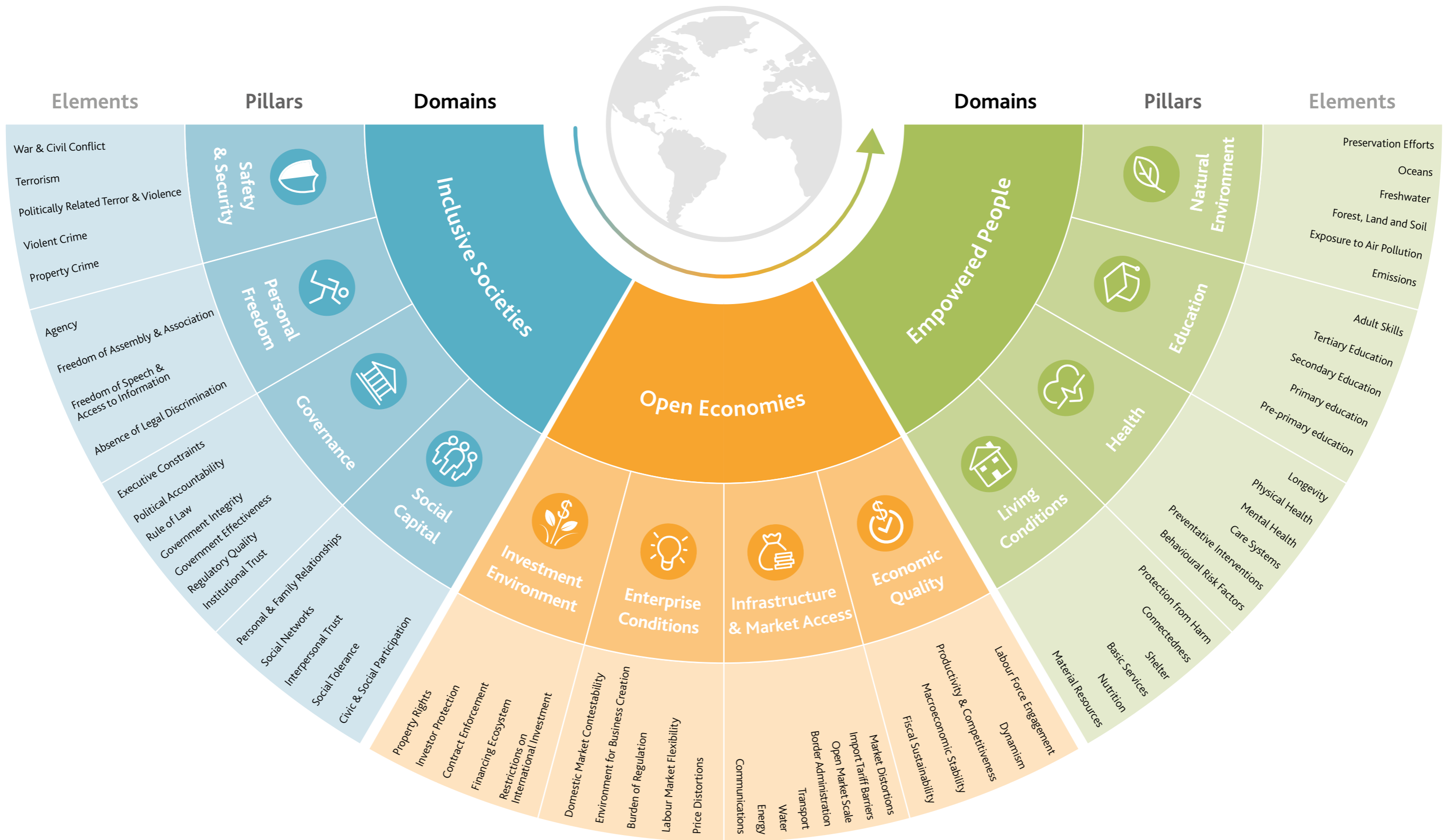
Credit: iStock

**Ultimately, prosperity is not just about what we have; it is also about who we become.**



# The building blocks of prosperity

# The domains, pillars, and elements of prosperity



# The Index in numbers



Credit: iStock

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**16**

16 Years

**167**

167 Countries

**8**

8 Regions

**99.4**

99.4% of the  
global population

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**3**

3 Domains

**67**

67 Elements

**12**

12 Pillars

**300**

300 Indicators

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**49,933**

49,933 Discrete annual data points

**81**

81 Data sources

**105**

105 Specialist advisers

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# How to use the Index

The Prosperity Index has been developed as a practical tool to help identify what specific action needs to be taken to contribute to strengthening the pathways from poverty to prosperity and to provide a roadmap as nations encounter increasing economic and political shocks.

## Interpreting the Index

For 167 nations, the Index uses the same indicators, and combines them in the same way to create elements and pillars. By using the Index, it is possible to compare the relative performance of each country for overall prosperity and each of the 12 pillars of prosperity, such as investment environment, health, education, and social capital, as well as the 67 elements within the pillars. The elements have been established to represent key policy areas, such as investor protections, primary education, government integrity, and air pollution, to help facilitate more targeted action.

Making these comparisons will enable the user to explore which aspects of prosperity are more or less well developed within a country, and how countries compare with others. The higher the ranking, the stronger the performance of that country for the pillar or element, when compared with a country lower down the rankings. The Index also provides data over a 16-year period, making it possible to see whether prosperity has been strengthening or weakening over time, and what specifically is driving that change.

## Applying the Index

The data in the Index and the analysis contained in the report can be used for a variety of purposes, for example:

- Benchmarking performance against peers;
- In-depth analysis of prosperity at the country level;
- Understanding whether prosperity is improving or weakening over time, and why;
- Identifying the binding constraints to increased prosperity;
- Informing priorities for setting country agendas.

Where a country is showing a strong or weak performance in a pillar, it is possible to drill down and identify what particular policy-related element is driving this trend. Within each element, the specific indicators represent proxies, and each one should be interpreted as indicative. This will help inform the required policy action to strengthen performance.

For example, it may be discovered that a country's poor prosperity rankings are driven by a weak performance in education. Upon further investigation, the Index reveals that, although current education policy in the country is weaker in primary education, it has been focused on improving secondary education when contrasted with regional comparator countries. In particular, further investigation of the Index reveals that low completion rates may be driving the weak performance in primary education.

By using the historical data provided by the Index, it may become apparent that primary completion rates have declined rapidly over the past three years. Discussion with local education officials on the decline may reveal that this coincides with the introduction of a new exit exam that pushes students out of school who do not pass.

## Resources available

There are several tools available to aid analysis and interpretation of the Prosperity Index. Alongside this report, which provides a high-level analysis of the findings from the Index, the following additional information can be found via our website [www.prosperity.com](http://www.prosperity.com):

**Country profiles.** A 15-page profile for each country provides more detailed pillar, element, and indicator information, including rankings and scores, and how these have changed over time.

**Indicator scores.** An Excel spreadsheet which contains the scores for all of the 300 indicators for each year since 2007. Using these scores, the user can carry out more in-depth analysis.

Team members at the Legatum Institute are available to engage and provide support to those interested in addressing the challenges and opportunities presented by these materials. Please contact us at [info@li.com](mailto:info@li.com).

## Using the Index

The Index has been designed to benefit a wide range of users, including political leaders, policymakers, investors, business leaders, philanthropists, journalists, and researchers.



Credit: iStock

### Political leaders

This report provides leaders at a national and local level with an overview of their country's performance across the 12 pillars of prosperity and provides the foundation for setting an agenda to create pathways from poverty to prosperity. These can be developed and refined using the more in-depth accompanying resources.

### Policymakers

Each of the 67 elements of prosperity have been designed to be recognisable, discrete areas of domestic policy, and measured using a combination of indicators from a variety of public data sources. The indicators should be interpreted as a set of proxies for the underlying policy concept, and we would encourage policymakers to interpret a country's score and rank for an element as the trigger for more fundamental analysis of its strengths and weaknesses. Benchmarking against a basket of international metrics should be complemented by in-depth, context-sensitive analysis, which itself can lead to more balanced agendas across a range of policy areas.

### Philanthropists

Beyond the familiar humanitarian and living conditions-focused efforts, there are many opportunities to invest in building stronger social, political, and economic outcomes. For example:

**Social Capital:** Institutional and interpersonal trust are two critical factors that will help the countries of the world build prosperity. However, these are less-understood areas, and there is a unique role for philanthropists to identify and champion what it takes to increase trust and build social capital.

**Enterprise Conditions:** Some NGOs have enhanced prosperity at a local level by working with local businesses to identify barriers to starting, operating, and growing businesses, and developing collaborative approaches to resolving them at a local and national level.

### Investors and business leaders

The business community is well positioned to identify barriers to starting, operating, and growing business, and to demonstrate to governments the economic potential from reforms such as lifting onerous regulation. Likewise, business leaders and investors can work with governments to improve the investment environment, contributing to the strengthening of investor protections and corporate governance, as well as identifying the potential from improved contract enforcement in many jurisdictions.

Furthermore, business leaders and investors can contribute to infrastructure policy development by demonstrating the economic impact of investment.

### Academics and researchers

For academics and researchers, our database of curated indicators is a unique resource enabling cross-country comparison of trends and patterns across the past 15 years for much of the data. It provides a holistic dataset across many disciplines, allowing users to compare in a straightforward way the impact of disparate factors.

### Journalists and civil society

The Prosperity Index is based on publicly available and verifiable data, which means it can be a powerful resource for those who want to hold up a mirror to those in power and society at large. Holding leaders to account is a crucial role for both journalists and civil society. The institutional, economic, and social performance of a nation is critical to its prosperity, and having non-government actors calling out weaknesses, as well as celebrating successes, can help spur on national leaders. To do so well requires easy access to reliable data that can be easily understood.

## The nature of transformation

The pathways from poverty to prosperity vary from country to country. When confronted with many challenges, navigating them can often seem overwhelming. From our research and engagement with national leaders, three important themes inform the appropriate response to addressing the challenges.

1. Transformation is a process, not an event. For countries in the middle ranks of the Index, it is not necessary, or useful, to aspire to be Denmark – at least in the medium term. Intermediate benchmarks are much more helpful and effective.
2. Iterative changes are often more powerful than striving for an ideal on any one dimension. Given the highly complex nature of development, many factors impinge on others. There is little value in having a highly efficient, or even 'ideal', system of contract enforcement if the forms of corporate governance, investor protections, or property rights are much less developed. In fact, a focus on one single issue can be detrimental, as it can generate unintended consequences. Each change of the ecosystem needs to move from one (relatively) stable state to another. These are often described as 'second-best institutions'.
3. It is important to identify the most binding constraint to development, and use it to inform sequencing and prioritisation. To give a rather simplified example, a country may find itself with a weak environment for foreign investment and also weak property rights. In such a situation, loosening restrictions on foreign investment is unlikely to have much of an impact, as investors will be wary of securing a return if property rights are not adequately protected. In such a circumstance, improving property rights would likely be a more impactful first step.

Of course, the specifics of each country's circumstances will be critical to determining the prioritisation. The Index provides a set of hypotheses to test. The areas of highest priority will likely be those that are performing relatively poorly, but not necessarily the weakest-performing elements, as creating the conditions to warrant improving the weakest-performing elements may require improving some of the elements that are less weak first. Each country has its own unique history and set of starting conditions. Nowhere is starting from a blank sheet.

That said, when looking at the progression of those countries that have had the most successful development trajectories, it is clear that establishing safety and security, adequate personal freedoms, and broadly principled systems of governance are generally prerequisites to building a functioning economy. Within the economic sphere, a broadly stable macro-economic environment, together with enforceable property rights, are usually sufficient to kick-start economic progress. Improving the regulatory environment (whether the ease of doing business, or the flexibility of the labour market) can help, but the prevalence of informal economic systems around the world, as well as the varying development pathways that countries have taken, shows they are not necessarily the most binding constraint to development. By addressing underlying institutional failures, this will also ensure that resources made available to improve people's lived experience will result in strengthening the education and health systems and provide the living conditions that will enable the population to attain the necessary level of wellbeing.

A robust, and context-sensitive, diagnostic of the binding constraints to development is a prerequisite for relevant development strategies.

# Key Findings







## Executive summary

For the third consecutive year, the 2023 Legatum Prosperity Index finds that prosperity continues to plateau around the world, with the primary reason being a general trend towards the deterioration of institutions and democratic processes.

### Basic needs are being met more than ever.

At the most elemental level, people's lives have continued to improve around the world in the past decade, with the least prosperous countries seeing progress and catching up to the rest of the world in all aspects of **Living Conditions**, including nutrition, basic services, shelter, connectedness and protection from harm. **Education** has improved globally, with tertiary skills and adult skills experiencing a particular strengthening. Additionally, **Health** continues to improve and converge across all countries, despite the setbacks caused by the pandemic. Mortality rates are much lower today than they were 10 years ago.

### The potential of the world's least prosperous countries is not currently being realised.

While the world's least prosperous countries have seen signs of improvement, they have greater potential than is being realised. Only four countries have moved out of the bottom 40 in the last 10 years. Outside of areas that are easier to get right with the help of technology and basic interventions, prosperity has diverged. In 6 out of 12 pillars, the bottom 40 countries have deteriorated, while, on average, the rest of the world has improved. While the group saw improvement in some areas, the progress was not fast enough to catch up to the rest of the world. Importantly, it is the deterioration of institutions and economies that has caused these countries to fall behind.

#### Over the last 10 years:

- The percentage of people living on less than \$5.50 a day has fallen globally from 57% to 47% globally and has halved in East Asia and the Pacific from 56% to 28%.
- The percentage of children completing lower secondary school has risen from 74% to 80%. In Central and South Asia it has risen from 68% to 79%.
- The mortality rate for children under five has fallen from 37 deaths to 26 deaths per 1,000 children. In Sub-Saharan Africa it has fallen from 98 deaths to 71 deaths per 1,000 children.

### However, the lowest-ranked 40 countries in 2013 have also seen:

- Two-sided conflicts deaths rise from 23,000 to 86,000.
- GDP per capita growth fall from 2.0% to -0.1%.
- The scope of their trade deals increase from 8% to only 12% of the global economy (while the top 40 have increased their trade deal access to foreign markets for goods from 31% of the global economy to 45%).

### Fundamental weaknesses in the global economy impact the least prosperous countries the most.

Recent economic shocks have exacerbated long-term structural weaknesses. There has been a slowdown in productivity growth that is felt not only by the Western economies but also by developing countries. The least prosperous countries are less well-positioned to counter these shocks than the rest. For example, the last decade has seen an increasing infrastructure gap between the least prosperous countries and the rest. Apart from in Asia, the countries at the bottom of the Index have not caught up with the rest of the world in productivity. Furthermore, while extensive trade deals allowed prosperous nations to gain access to almost half of the world's markets, the bottom 40 countries have access to less than a third as much.

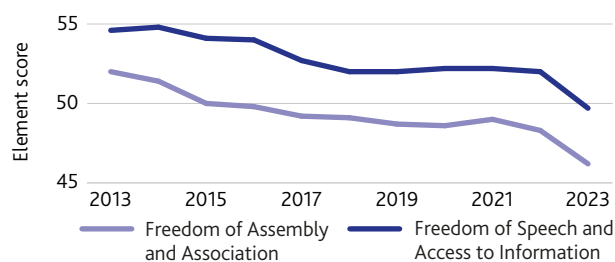
### Fragile democracies and the deterioration of civil liberties are a global trend.

Regardless of whether elections are held in most countries, democratic practices have been backsliding around the world. **Executive Constraints** have deteriorated in every region, other than Western Europe, and the level to which executive powers are effectively limited by the judiciary and legislature has decreased. Many countries in Europe illustrate this trend, with their governments undertaking increasingly undemocratic practices.

The same is true of civil liberties. Over the last decade, **Personal Freedoms** have deteriorated in as many as 108 countries, with an increasing hostility towards freedom of assembly and association, freedom of speech and access to information. Censorship has become increasingly common around the world, including in democratic countries.



### Bottom 40 deterioration of freedom, 2013–2023



### The return of realpolitik could have profound repercussions for prosperity.

The decline in democratic institutions comes at a time when democracies are being challenged externally by actors such as the Kremlin and Beijing. In the 1990s it was believed that liberal democracy had reached the 'end of history'. However, today, with nationalist drums beating in the Taiwan Strait and Russian tanks trying to occupy Ukraine, the political and ideological map looks considerably different. Realpolitik is back and the liberal international order is facing a meaningful challenge for the first time since the Cold War. Many aspects of prosperity beyond just safety and security are now being determined by events in the international arena – including energy, trade, access to finance, education, health and even personal freedom.

If we were to see a rollback of globalisation in these fraught geopolitical times, it would have consequences for everyone. This year has showed the grave impact of the world's dependence on Russia for energy and commodities, where global supply chain constraints have led to soaring inflation.

### The most developed countries perform well but there are symptoms of malaise.

Looking at the top group of the Index and analysing the state of prosperity in the West, we find that in the most prosperous countries prosperity has plateaued. While in the long run, Western liberal democracies have consistently performed well across a range of metrics, there are also signs of fragility. There has been a plateauing and decline of real incomes of the working classes due to a failure to adjust to major economic shifts. As a result, three patterns have emerged: the growing sense of being 'left behind', citizens' dissatisfaction with the performance of their democracies, and the rise of populism. Since the mid-1990s, the proportion of citizens who are 'dissatisfied' with the performance of democracy in their countries has risen by almost 10% globally.

The diverging economic trajectories within countries are combining in a harmful way with the decline in social capital. The symptoms of malaise, from rising loneliness and mental health struggles to declining institutional trust, are a consequence of the decline in the essential characteristics of a liberal democracy – virtue, community and national identity. And yet, there is a caveat to the story – in the rest of the world, social capital is on the rise, allowing more and more people to live in inclusive societies.

## Key country rankings

### Global



**Top in 2023:**  
Denmark (1<sup>st</sup>)



**Bottom in 2023:**  
South Sudan (167<sup>th</sup>)



**Most improved in 2023:**  
Kenya (108<sup>th</sup>)



**Most deteriorated in 2023:**  
Myanmar (143<sup>rd</sup>)



**Most improved 2013–2023:**  
Côte d'Ivoire (121<sup>st</sup>)



**Most deteriorated 2013–2023:**  
Venezuela (145<sup>th</sup>)

### Top in Region, 2023



**North America:**  
Canada (13<sup>th</sup>)



**East Asia and Pacific:**  
New Zealand (10<sup>th</sup>)



**Eastern Europe:**  
Estonia (21<sup>st</sup>)



**Latin America and Caribbean:**  
Chile (36<sup>th</sup>)



**Central and South Asia:**  
Kazakhstan (69<sup>th</sup>)



**Middle East and North Africa:**  
Israel (33<sup>rd</sup>)



**Sub-Saharan Africa:**  
Mauritius (47<sup>th</sup>)

### Most improved in Region, 2013–2023



**Western Europe:**  
Greece (40<sup>th</sup>)



**North America:**  
Canada (13<sup>th</sup>)



**East Asia and Pacific:**  
China (54<sup>th</sup>)



**Eastern Europe:**  
Lithuania (32<sup>nd</sup>)



**Latin America and Caribbean:**  
Dominican Republic (67<sup>th</sup>)



**Central and South Asia:**  
Nepal (110<sup>th</sup>)



**Middle East and North Africa:**  
Algeria (109<sup>th</sup>)

# Mapping prosperity in 2023

**Denmark (1<sup>st</sup>)** is the most prosperous country in the world. Having led the Index since 2020, Denmark is in the top 10 for all pillars of prosperity, apart from health. Strong governance and liberal institutions are a particular strength.

**Turkey (95<sup>th</sup>)** has seen its governance deteriorate significantly over the last 10 years, falling 65 places to 127<sup>th</sup>, with political accountability deteriorating at the greatest rate globally. Constitutional reforms in 2017 concentrated more power in the hands of the executive, removing key checks and balances. Personal Freedom has also deteriorated at the second greatest rate globally, with the government consistently suppressing dissent.

**Hong Kong's (22<sup>nd</sup>)** personal freedom has deteriorated at the greatest rate globally in the past decade. Freedom of assembly and association has fallen from 88<sup>th</sup> to 135<sup>th</sup> and access to information has fallen from 61<sup>st</sup> to 120<sup>th</sup>. Satisfaction with freedom has eroded from 87% to 67%, after Chinese infringement on liberties protected under the handover agreement sparked riots in the summer of 2019.

**Canada (13<sup>th</sup>)** is ranked 6<sup>th</sup> globally for primary education. With its compulsory primary education system largely managed provincially (within a framework of federal regulation), it ranks 2<sup>nd</sup> for primary enrolment and has a primary completion rate of 99.8%. Additionally, Canada ranks 3<sup>rd</sup> for adult skills with the number of women's average years in school at 15.7, the highest in the world.

**Venezuela's (145<sup>th</sup>)** prosperity deteriorated at the greatest rate of any country over the past decade, falling 36 places. Venezuela has also deteriorated from 57<sup>th</sup> to 97<sup>th</sup> in health and 110<sup>th</sup> to 166<sup>th</sup> in economic quality. The ongoing economic crisis has seen Venezuela drop to the lowest rankings globally in investment environment, enterprise conditions and governance. With Venezuelans struggling to make ends meet, more than 7 million people have left the country since 2015.

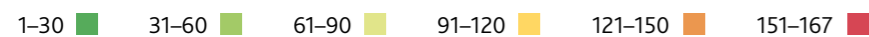
**Nepal's (110<sup>th</sup>)** prosperity improved the second most globally, led by social capital rising at the greatest rate in Central and South Asia. With more people voicing their opinion to public officials and turning out at elections, Nepal has risen 56 places to 32<sup>nd</sup> in civic and social participation.

**South Sudan (167<sup>th</sup>)** is the least prosperous country in the world. It ranks last for Safety and Security, with the past 12 years since independence being marked by rampant corruption, economic collapse and numerous atrocities. Notably, an increase in politically related terror and violence, as well as the ongoing civil conflict, have led the country to the bottom of the pillar as well as the Index.

**Vietnam (73<sup>rd</sup>)** improved at the greatest rate globally for infrastructure and market access, with strong improvements in its communications and trade openness. It is world-leading in market access as a result of signing several trade agreements (for example, AFTA, CPTPP), rising 19 places to 1<sup>st</sup>. Furthermore, it has risen from 90<sup>th</sup> to 22<sup>nd</sup> in international internet bandwidth.

Several countries are not included in the Legatum Prosperity Index due to inaccessible or insufficient data. The most populous of these is the Democratic People's Republic of North Korea, with an estimated population of 25.8 million.

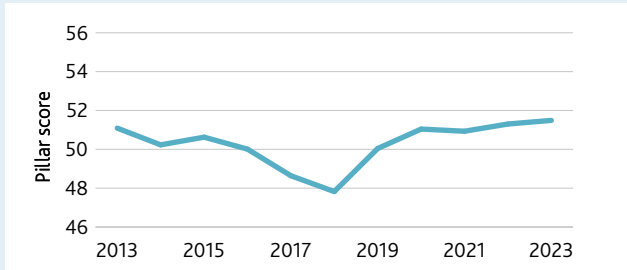
**Global Prosperity Index, 2023 ranking:**



# The pillars of prosperity at a glance



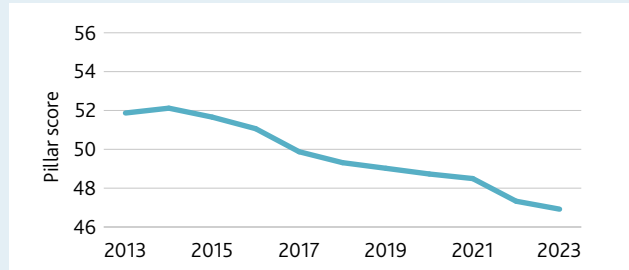
The **Safety and Security** pillar measures the degree to which war, conflict, and crime have destabilised the security of individuals, both immediately and through longer-lasting effects.



Safety and Security deteriorated then improved over the last 10 years. Terrorism incidents increased, then fell in the last 5 years. Politically related terror and conflict has also improved.



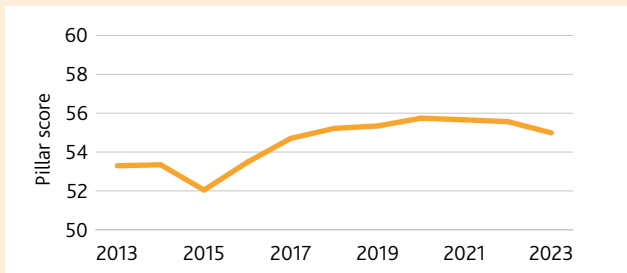
The **Personal Freedom** pillar measures progress towards basic legal rights, and individual liberties.



Personal Freedom has deteriorated the most of any pillar over the last 10 years. This is due to increasing restrictions on freedom of assembly and association, and freedom of speech.



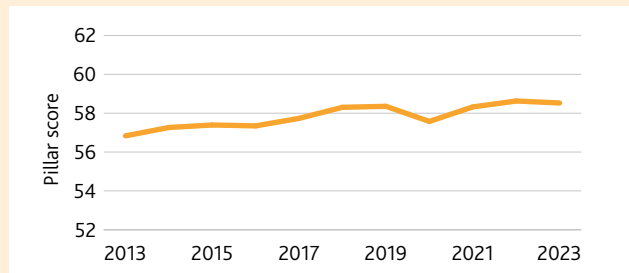
The **Investment Environment** pillar measures the extent to which investments are adequately protected and are readily accessible.



Property rights and financing ecosystems have improved. Investor protections have improved as a result of better shareholder governance, conflict of interest, and insolvency regulation.



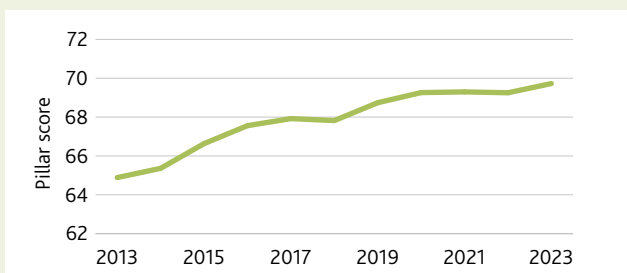
The **Enterprise Conditions** pillar measures the degree to which regulations enable businesses to start, compete, and expand.



The burden of regulation has improved over the last 10 years, with the percentage of time senior managers spend complying with regulations and the time to obtain a construction permit falling.



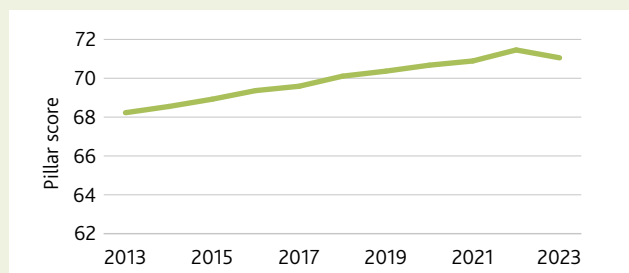
The **Living Conditions** pillar measures the degree to which a reasonable quality of life is experienced by all, including material resources, shelter, basic services, and connectivity.



There has been an improvement in basic services, connectedness, material resources and protection from harm. Access to basic sanitation services has increased from 67% to 78% of people.



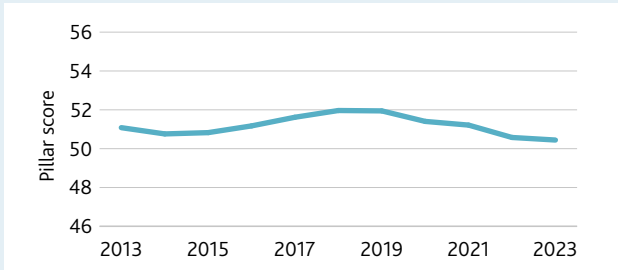
The **Health** pillar measures the extent to which people are healthy and have access to the necessary services to maintain good health, including health outcomes, health systems, illness and risk factors, and mortality rates.



Health has continued to improve with rising life expectancy and better care systems across the world. For example, under-5 mortality has fallen from 38 to 26 deaths per 1,000 children.



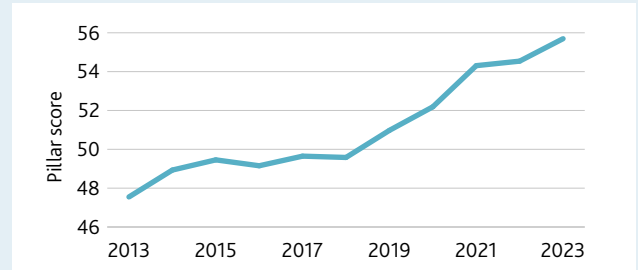
The **Governance** pillar measures the extent to which there are checks and restraints on power and whether governments operate effectively and without corruption.



Governance has seen a slight decline over 10 years, primarily due to deteriorating executive constraints, political accountability, and rule of law.



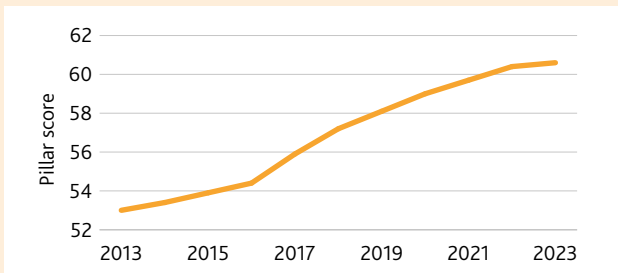
The **Social Capital** pillar measures the strength of personal and social relationships, social norms, civic participation in a country, and social tolerance.



Social tolerance, interpersonal trust, and civic and social participation have been improving, with more people saying their area is a good place for ethnic minorities and migrants to live.



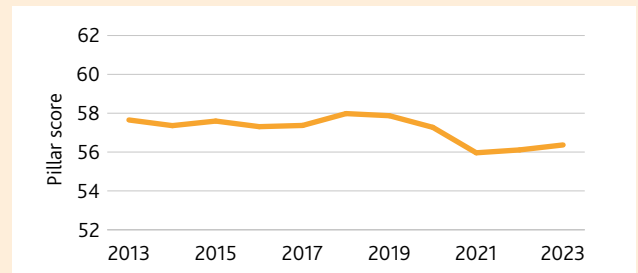
The **Infrastructure and Market Access** pillar measures the quality of the infrastructure that enables trade, and distortions in the market for goods and services.



Aside from improving communications, where the proportion of people using the internet has doubled from 29% to 59%, border administration and open market scale have improved.



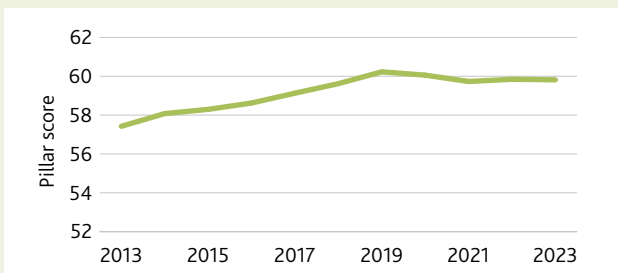
The **Economic Quality** pillar measures how well an economy is equipped to generate wealth sustainably and with the full engagement of the workforce.



Fiscal sustainability has seen one of the largest deteriorations and GDP per capita growth has halved over 10 years. However, the number of new businesses and patent applications has risen.



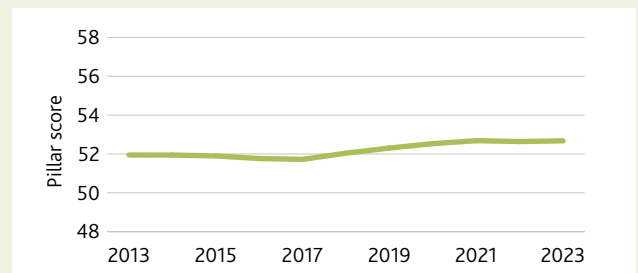
The **Education** pillar measures enrolment, outcomes, and quality across four stages of education (pre-primary, primary, secondary, and tertiary education), as well as the skills in the adult population.



Leading up to the pandemic there was increasing enrolment in pre-primary education and tertiary education. Lower secondary completion was also rising.



The **Natural Environment** pillar measures the aspects of the physical environment that have a direct effect on people in their daily lives and changes that might impact the prosperity of future generations.



There are more protected areas than 10 years ago, and satisfaction with preservation efforts has risen from 51% to 62%. However, emissions have increased, alongside exposure to pollution.

# The Legatum Prosperity Index™ Ranks 1–56



2013 rank	2022 rank	2023 rank	Country	Safety and Security	Personal Freedom	Governance	Social Capital	Investment Environment	Enterprise Conditions	Infrastructure and Market Access	Economic Quality	Living Conditions	Health	Education	Natural Environment
4	1	1	Denmark	6	2	3	1	8	8	9	7	2	16	5	5
1	3	2	Sweden	10	4	7	4	6	15	7	8	3	9	8	1
2	2	3	Norway	3	1	2	3	9	14	20	5	4	7	10	9
5	4	4	Finland	15	3	1	7	2	12	10	20	7	15	2	2
3	5	5	Switzerland	2	12	4	12	12	1	11	2	5	10	4	6
6	6	6	Netherlands	9	5	5	8	3	9	3	10	1	11	6	39
8	7	7	Luxembourg	1	6	8	18	20	4	6	6	6	12	36	10
14	9	8	Iceland	8	7	10	5	19	20	19	21	10	8	11	13
9	8	9	Germany	19	9	9	20	21	6	5	11	8	13	19	12
7	10	10	New Zealand	32	11	6	2	7	21	23	22	30	25	18	11
15	11	11	Ireland	11	8	13	16	14	16	24	4	19	23	12	17
10	12	12	United Kingdom	21	17	15	15	10	10	12	15	9	34	14	22
13	14	13	Canada	18	14	12	10	13	13	15	32	13	32	17	20
11	13	14	Austria	12	15	14	14	16	19	14	25	21	22	22	7
12	15	15	Australia	20	20	11	6	22	24	28	23	15	21	7	19
19	16	16	Japan	5	27	17	141	5	5	8	28	17	2	13	15
18	17	17	Singapore	7	107	18	21	4	11	1	1	14	1	1	87
20	20	18	Belgium	30	10	16	23	11	25	17	27	18	18	15	35
17	22	19	United States	69	29	23	9	17	3	4	16	29	69	20	28
22	19	20	Taiwan, China	4	26	20	44	23	7	34	12	31	4	16	73
23	21	21	Estonia	28	13	19	34	28	23	32	14	22	37	21	8
16	18	22	Hong Kong	16	98	28	68	1	2	2	3	27	14	9	30
21	23	23	France	38	28	21	43	18	18	16	30	20	20	28	14
24	24	24	Spain	24	21	27	11	24	27	13	52	11	26	30	34
28	27	25	Czechia	13	22	32	36	26	42	40	17	24	28	31	27
29	28	26	Portugal	29	16	24	29	29	31	18	46	23	40	39	32
25	25	27	Slovenia	14	35	37	30	30	33	29	35	28	24	25	4
27	26	28	Malta	17	24	29	13	38	30	38	18	16	19	38	104
26	29	29	South Korea	37	42	30	107	25	37	21	9	26	3	3	63
30	30	30	Italy	27	31	39	41	31	28	25	54	25	17	32	31
36	32	31	Latvia	31	23	31	79	39	36	41	33	39	59	27	3
38	33	32	Lithuania	25	25	26	129	33	34	42	31	38	61	24	16
32	31	33	Israel	124	49	22	83	15	17	33	19	12	6	26	96
31	34	34	Cyprus	43	32	35	69	37	32	35	42	32	29	34	38
35	35	35	Slovakia	22	30	40	39	34	59	45	37	35	45	48	24
33	38	36	Chile	77	33	34	48	36	35	27	39	40	51	44	44
34	36	37	Poland	26	55	48	27	42	45	39	36	33	48	37	43
37	37	38	Uruguay	46	18	25	17	40	70	62	60	44	35	53	52
39	39	39	Costa Rica	48	19	33	25	52	46	56	59	58	30	50	23
42	41	40	Greece	34	40	43	101	69	49	26	86	34	41	33	29
44	40	41	Croatia	33	36	52	103	51	88	30	47	36	53	43	26
40	43	42	Hungary	35	76	92	47	45	96	44	29	37	46	41	36
46	42	43	Malaysia	73	113	50	63	27	29	37	34	64	42	46	46
43	44	44	United Arab Emirates	50	146	38	78	32	22	22	26	47	33	42	119
50	45	45	Romania	36	39	51	116	44	80	49	44	54	72	54	45
45	47	46	Qatar	23	149	47	51	43	26	36	13	48	38	60	134
41	46	47	Mauritius	42	52	36	37	41	54	53	72	60	81	62	120
49	48	48	Bulgaria	58	51	61	81	53	52	52	43	51	65	47	64
52	49	49	Montenegro	41	48	55	49	72	40	58	69	50	103	51	100
47	50	50	Panama	49	54	66	45	59	84	46	50	79	57	93	25
48	51	51	Seychelles	52	71	44	53	67	61	61	90	63	39	68	54
66	52	52	Serbia	44	75	96	38	78	82	66	61	41	80	45	131
64	53	53	Georgia	82	59	53	104	47	58	55	78	78	90	49	128
67	58	54	China	86	162	74	31	64	38	43	24	46	5	56	139
57	55	55	North Macedonia	55	60	73	77	49	72	73	73	52	74	88	92
51	54	56	Trinidad and Tobago	84	41	60	75	79	98	75	70	55	64	69	107

# The Legatum Prosperity Index™ Ranks 57–112



2013 rank	2022 rank	2023 rank	Country	Safety and Security	Personal Freedom	Governance	Social Capital	Investment Environment	Enterprise Conditions	Infrastructure and Market Access	Economic Quality	Living Conditions	Health	Education	Natural Environment
61	57	57	Jamaica	120	37	56	87	62	51	74	91	71	67	76	112
58	56	58	Argentina	80	34	67	26	87	129	85	118	56	60	58	49
60	60	59	Peru	89	57	77	90	73	69	83	62	99	52	71	33
53	64	60	Kuwait	51	119	87	99	63	76	64	51	42	43	75	137
76	59	61	Armenia	75	70	64	125	75	44	71	83	76	68	59	99
55	63	62	Bahrain	95	156	98	55	35	60	31	56	45	50	63	142
71	61	63	Indonesia	78	95	57	42	65	53	65	58	98	87	89	77
56	62	64	Thailand	117	118	114	28	46	64	51	40	69	31	72	111
65	66	65	Albania	57	73	75	128	76	73	63	101	80	66	57	57
54	65	66	Brazil	119	67	86	35	77	120	87	81	57	83	91	18
59	68	67	Oman	40	142	83	88	58	48	48	63	67	55	83	153
75	69	68	Dominican Republic	108	46	90	50	81	79	69	66	88	89	99	55
84	67	69	Kazakhstan	81	126	99	108	74	83	91	38	53	77	35	126
86	71	70	Moldova	67	66	79	72	84	114	92	93	62	93	52	115
63	70	71	Mexico	148	80	101	61	66	81	47	49	86	71	77	60
77	73	72	Bosnia and Herzegovina	47	69	122	80	83	116	80	75	49	95	84	135
95	76	73	Vietnam	83	139	80	19	105	89	59	48	92	44	67	114
94	81	74	Ukraine	131	68	91	59	124	78	76	77	74	101	40	88
69	79	75	South Africa	136	38	49	40	48	63	68	74	102	129	102	140
70	75	76	Paraguay	64	74	103	32	89	119	89	84	82	88	103	37
87	74	77	Russia	139	140	111	54	85	97	60	41	68	84	23	76
83	72	78	Belarus	72	143	136	134	103	117	79	45	43	62	29	42
90	82	79	Saudi Arabia	98	163	82	105	56	43	54	55	75	56	64	138
78	78	80	Cabo Verde	39	43	42	94	109	99	118	127	100	73	101	80
72	77	81	Colombia	156	82	88	62	61	93	70	85	89	36	80	40
62	80	82	Suriname	63	47	81	95	120	115	93	108	72	123	97	21
74	84	83	Botswana	70	56	41	118	60	68	95	57	114	131	100	143
81	86	84	Philippines	146	83	93	22	82	71	78	53	109	96	86	71
93	83	85	Ecuador	88	64	105	66	100	118	81	114	97	82	82	51
73	85	86	Jordan	74	116	68	152	50	41	67	121	61	100	90	146
89	88	87	São Tomé and Príncipe	45	45	62	97	88	75	122	82	112	94	110	91
92	87	88	Mongolia	61	58	70	57	111	111	113	80	107	110	61	148
91	90	89	Guyana	96	61	71	96	101	113	109	64	85	120	96	47
80	91	90	Namibia	65	53	46	92	80	55	100	133	122	125	109	98
96	89	91	Sri Lanka	134	96	78	71	90	74	97	128	104	47	70	58
104	92	92	Azerbaijan	111	144	113	132	54	47	72	65	65	85	79	149
85	93	93	Belize	90	44	97	117	113	110	98	123	91	91	104	53
105	94	94	Kyrgyzstan	71	103	108	100	99	124	110	88	84	76	85	95
68	95	95	Turkey	147	152	128	137	68	65	50	71	59	63	74	86
100	97	96	Morocco	62	114	89	162	55	90	57	95	95	86	122	132
82	96	97	El Salvador	125	88	102	85	92	94	77	107	90	98	108	121
101	98	98	Ghana	79	50	58	114	98	50	114	134	115	119	118	106
79	99	99	Tunisia	122	86	63	156	95	105	94	111	73	79	95	147
111	104	100	Uzbekistan	53	147	123	46	107	121	104	79	103	49	73	162
97	101	101	Guatemala	116	91	125	91	93	85	86	76	113	104	124	81
113	103	102	Senegal	104	62	59	65	102	56	116	122	117	117	148	75
107	100	103	India	138	112	54	124	70	39	84	89	125	112	106	161
98	102	104	Cuba	103	155	131	33	116	159	105	131	77	27	55	83
103	105	105	Honduras	129	94	141	56	91	100	88	100	111	99	117	65
99	106	106	Bolivia	99	79	127	74	112	154	111	139	101	113	94	48
106	108	107	Turkmenistan	66	161	156	24	121	153	121	67	66	54	66	159
112	112	108	Kenya	144	92	84	67	71	66	108	98	131	114	113	122
115	109	109	Algeria	60	128	107	155	131	138	99	132	70	70	92	144
128	111	110	Nepal	94	84	72	73	117	112	130	102	123	118	119	133
108	110	111	Rwanda	126	115	45	139	57	57	115	87	147	116	133	109
88	107	112	Lebanon	128	100	143	165	104	104	101	161	83	102	65	116

# The Legatum Prosperity Index™ Ranks 113–167



2013 rank	2022 rank	2023 rank	Country	Safety and Security	Personal Freedom	Governance	Social Capital	Investment Environment	Enterprise Conditions	Infrastructure and Market Access	Economic Quality	Living Conditions	Health	Education	Natural Environment
114	113	113	Tajikistan	76	145	129	52	122	135	125	109	105	75	81	150
102	114	114	Nicaragua	109	124	153	70	125	146	103	116	110	78	120	67
117	115	115	Laos	56	157	119	136	145	101	90	97	120	111	111	72
120	116	116	The Gambia	92	102	65	64	108	67	135	150	129	139	142	82
125	118	117	Tanzania	105	111	85	133	119	103	131	96	137	128	130	70
116	117	118	Cambodia	100	137	157	140	126	133	96	68	127	92	127	78
118	120	119	Gabon	106	108	139	110	141	148	126	113	108	140	107	90
147	121	120	Côte d'Ivoire	118	93	100	144	115	107	123	92	128	151	138	89
119	124	121	Egypt	142	160	140	161	86	62	82	136	93	107	105	156
124	122	122	Djibouti	85	130	115	142	97	109	112	104	118	126	132	154
132	119	123	Benin	68	78	69	159	130	77	137	110	143	147	139	123
129	123	124	Bangladesh	141	125	133	112	133	91	106	103	121	106	126	151
121	126	125	Malawi	102	72	76	153	114	95	141	147	155	121	145	66
123	125	126	Iran	130	165	146	122	129	162	102	138	81	58	78	158
110	127	127	Zambia	101	109	106	113	110	87	143	162	150	137	134	59
130	128	128	Comoros	59	97	150	82	139	137	145	155	134	130	135	74
133	129	129	Uganda	135	121	124	109	94	86	127	117	140	133	137	113
122	130	130	Papua New Guinea	113	63	112	89	142	132	144	126	158	149	141	62
127	131	131	Equatorial Guinea	91	151	152	93	118	150	129	94	116	156	129	56
136	135	132	Lesotho	97	77	95	130	132	136	133	137	142	164	123	165
151	136	133	Togo	93	105	126	145	135	122	148	140	141	142	131	127
138	132	134	Eswatini	114	150	134	148	106	123	120	106	126	161	125	145
134	134	135	Burkina Faso	143	65	94	120	134	126	152	125	152	132	161	85
150	138	136	Pakistan	149	120	118	123	96	102	124	129	119	124	140	166
144	137	137	Madagascar	121	81	120	111	136	127	140	143	164	145	146	79
135	139	138	Liberia	112	89	109	98	146	106	163	149	145	160	159	61
148	141	139	Zimbabwe	110	134	147	135	156	147	132	145	139	141	98	110
142	142	140	Iraq	163	133	135	138	127	144	107	105	87	115	121	167
153	140	141	Guinea	123	110	130	102	128	92	136	154	151	159	156	68
143	143	142	Nigeria	153	106	132	84	123	125	138	146	132	157	136	129
149	133	143	Myanmar	154	164	142	58	159	145	117	142	130	109	114	84
140	145	144	Sierra Leone	107	85	104	86	152	141	158	157	156	162	151	105
109	144	145	Venezuela	151	136	167	60	167	167	119	166	96	97	87	41
126	150	146	Libya	162	129	160	115	157	161	128	99	94	105	112	157
137	151	147	Cameroon	155	127	148	127	137	128	134	112	135	152	115	118
141	148	148	Congo	133	131	151	149	138	151	147	151	133	146	116	94
154	147	149	Guinea-Bissau	54	99	138	121	158	142	155	153	154	155	162	69
139	146	150	Mozambique	132	101	121	126	140	143	146	158	157	150	160	50
131	152	151	Mali	158	87	117	131	148	134	142	119	136	144	163	97
146	153	152	Niger	140	90	110	76	147	131	164	124	160	143	167	117
156	149	153	Ethiopia	150	138	116	106	155	130	160	115	146	122	149	108
152	154	154	Mauritania	87	123	154	119	161	166	154	135	124	138	154	164
155	155	155	Angola	115	122	137	154	162	163	150	120	144	158	152	124
157	156	156	Haiti	127	104	158	150	164	164	151	144	149	148	143	141
159	157	157	Burundi	152	154	144	146	151	108	157	163	165	134	150	101
158	158	158	Sudan	159	153	145	164	149	155	139	167	138	127	144	163
145	159	159	Syria	164	167	165	167	143	165	149	148	106	108	128	160
164	160	160	Eritrea	137	166	163	158	144	152	161	156	162	135	153	130
162	161	161	Dem. Rep. of Congo	161	117	159	151	166	158	162	159	163	154	147	102
165	164	162	Chad	145	132	162	147	163	157	167	141	161	165	166	103
167	163	163	Somalia	160	141	161	143	153	140	165	165	159	163	158	136
161	162	164	Afghanistan	166	148	149	166	154	139	159	152	153	153	157	155
163	166	165	Central African Republic	157	135	155	160	160	149	166	130	167	167	165	93
160	165	166	Yemen	165	159	166	157	165	160	156	164	148	136	155	152
166	167	167	South Sudan	167	158	164	163	150	156	153	160	166	166	164	125









**LEGATUM INSTITUTE**

11 Charles Street  
London W1J 5DW  
United Kingdom

t: +44 (0) 20 7148 5400  
[www.li.com](http://www.li.com)

Twitter: [@ProsperityIndex](https://twitter.com/ProsperityIndex)

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