

Prosperity Index 2013 Rankings for Asia and Pacific Countries and Evaluation of Prosperity Indicators for Pakistan

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Abstract: *This paper presents the Prosperity Index Rankings 2013 for Asia and Pacific Countries. The London-based Legatum Institute “an independent non-partisan public policy organisation” that promotes research and programmes to help countries make their societies free and prosperous has developed the Legatum Prosperity Index which covers more than 96% of the world’s population and 99% of the world’s GDP. The Legatum Prosperity Index is a multidimensional composite index that provides an assessment of prosperity in 142 countries around the world in eight distinct sub-indices: Economy, Education, Entrepreneurship & Opportunity, Governance, Health, Personal Freedom, Safety & Security and Social Capital. The Index uses 89 variables, which are statistically related to income and wellbeing, and categorizes them into eight fundamental pillars of prosperity (sub-indices). Each sub-index is obtained as the sum of an income and wellbeing score. The Prosperity Index is the equally weighted average of the eight pillars of prosperity. The Legatum Prosperity Index that assesses global wealth and wellbeing has ranked Pakistan near the bottom of the least prosperous countries at 132 in a total of 142 countries. The prosperity index shows that among the eight sub-indices used to evaluate prosperity, Pakistan is ranked 107 in economy. In entrepreneurship and opportunity, Pakistan is ranked 100. When it comes to governance, Pakistan is at 123. The fourth sub-index is education where Pakistan ranks 124. In healthcare, Pakistan is placed at 110 out of 142 countries. In safety and security issues, Pakistan is ranked 132. In personal freedom, Pakistan comes in at 135. In social capital (social cohesion and engagement, and community and family networks), Pakistan comes in at 130.*

Keywords: *Legatum Prosperity Index, wealth and well being, Asia and Pacific Countries.*

I. Introduction

The 2013 Legatum Prosperity Index offers a unique insight into how prosperity is forming and changing across the world. The Prosperity Index is distinctive in that it is the only global measurement of prosperity based on both wealth and wellbeing. Traditionally, a nation’s prosperity has been measured by macroeconomic indicators such as a country’s income, represented either by Gross Domestic Product or by average income per person (GDP per capita). However, most people would agree that prosperity is more than just the accumulation of material wealth; it is also the joy of everyday life and the prospect of being able to build a better life in the future.

Attempting to understand how we move 'beyond GDP' is a particularly stimulating challenge, one which the Index strives to meet with academic and analytical rigour. By attempting to move 'beyond GDP' we do not wish to exclude material wealth altogether. Indeed, the Index values the need for a country to promote high levels of per capita income, but also advocates the need for a country to improve the subjective wellbeing of its citizens. The eight sub-indices that make up the Index all have an income and a wellbeing component, which allows us to explore the dual nature of prosperity at a more detailed level. Our econometric analysis has identified 89 variables, which are spread across the eight sub-indices, and are categorized according to whether they impact wellbeing or income, or in some cases both. Through this process we are able to identify and analyse the specific factors that contribute to the prosperity of a country. • We endeavour to create an Index that is methodologically sound. Our aim in publishing this methodology document is to provide the reader with all the information required to understand the Legatum Prosperity Index and to present it in a way that is transparent, useful, and informative.

II. Methodology

The 2013 Legatum Prosperity Index is based on 89 variables linked to higher levels of national income and wellbeing. These variables are combined in eight sub-indices, each representing a different 'pillar of prosperity'. The 8 sub-indices are: Economy, Entrepreneurship & Opportunity, Governance, Education, Health, Safety & Security, Personal Freedom and Social Capital. The 89 variables across the eight sub-indices are categorized according to whether they impact wellbeing or income or both. A country is then given a score in each sub-index, one for wellbeing and another for income. This score is based on that country’s performance regarding each of the variables and on the level of importance assigned to each variable. The level of

importance, or 'weight', attributed to a given variable is determined through rigorous regression analyses. Finally, the sub-index scores are averaged to obtain an overall Prosperity score, which determines each country's rank. For each sub-index we provide individual country scores and rankings. While the Index scores provide an overall assessment of a country's prosperity, each sub-index serves as a reliable guide to how that country is faring with regard to one distinct foundation of prosperity.

Legatum Prosperity Index

The Legatum Prosperity Index is a unique and robust assessment of global wealth and wellbeing, which benchmarks 142 countries around the world in eight distinct categories: Economy; Education; Entrepreneurship & Opportunity; Governance; Health; Personal Freedom; Safety & Security; and Social Capital.

Sub-Indices of Legatum Prosperity Index

Economy

Sound and stable economic fundamentals increase per capita income and promote overall wellbeing. The Economy sub-index measures countries' performance in four key areas: macroeconomic policies, economic satisfaction and expectations, foundations for growth, and financial sector efficiency. The sub-index demonstrates that the outcomes of sound macroeconomic policies, including robust domestic saving rates, low rates of inaction, and low unemployment, have a positive impact on average levels of income and wellbeing. It further shows that investment in physical capital, high-tech exports, and a competitive economy attractive to foreign investment, are essential to boosting per capita income. Positive expectations about the future of the economy and satisfaction with living standards contribute to the overall wellbeing of a country's citizens. However, while gradually increasing economic strength is generally beneficial for the all, our research finds that rapid increases in GDP are related to lower levels of happiness, as people struggle to adjust to the sudden changes triggered by such growth.

Entrepreneurship & Opportunity

A strong entrepreneurial climate in which citizens can pursue new ideas and opportunities to improve their lives leads to higher levels of income and wellbeing. The Entrepreneurship & Opportunity (E&O) sub-index captures these effects by measuring countries' performance in three areas: entrepreneurial environment, innovative activity, and access to opportunity. Low business start-up costs and a positive perception of a country's entrepreneurial environment contribute to improving citizens' economic prospects and overall wellbeing. The sub-index also evaluates a country's ability to commercialize innovation and measures the technological and communication infrastructure that is often essential to successful commercial endeavours. It further provides a snapshot of access to opportunity by tracking inequality and by asking citizens whether they believe their society to be meritocratic. •The E&O sub-index builds upon research on how entrepreneurship drives innovation and generates economic growth, and the positive effects that result from an individual realizing his or her entrepreneurial potential. When a country improves the likelihood that entrepreneurial initiative will pay off and individuals experience the satisfaction of entrepreneurial success, a society's prosperity increases overall.

Governance

Well-governed societies enjoy higher levels of economic growth and citizen wellbeing. The Governance sub-index measures countries' performance in three areas: effective and accountable government, fair elections and political participation, and rule of law. Stable and democratic governing institutions safeguard political and economic freedom and create an environment of civic participation, leading to higher levels of income and wellbeing. The Governance sub-index assesses levels of government corruption and competition, and citizens' confidence in the honesty of elections, the judicial system, and the military. Government's stability and accountability benefit citizens' wellbeing. Further relevant factors include people's perception of how well the government addresses poverty and preserves the environment. Academic research has found that, in general, political freedom, strong institutions, and regulatory quality contribute significantly to economic growth. Effective, fair, and accountable governments increase public confidence, and, ultimately, result in higher levels of life satisfaction among citizens.

Education

Education is a building block for prosperous societies. The Education subindex measures countries' performance in three areas: access to education, quality of education, and human capital. The Education sub-index illustrates how access to education, as measured by enrolment rates, allows citizens to develop their potential and contribute productively to their society. In addition, it shows that human capital stock, measured

by the average levels of education in the workforce, encourages research and development, and adds knowledge to society. Citizens' perceptions of the educational opportunities available to them are also keys to assessing the quality of education in a given country. This subindex is inspired by research on economic growth that has found human capital to be an engine for growth, making a case for the non-diminishing effect of education on rising GDP levels. Academic research also shows that basic education enhances peoples' opportunities to increase life satisfaction.

Health

A strong health infrastructure which enables citizens to enjoy good physical and mental health leads to higher levels of income and wellbeing. The Health sub-index measures countries' performance in three areas: basic health outcomes, health infrastructure and preventative care, and physical and mental health satisfaction. The Health sub-index evaluates countries on the basis of indicators that reflect strong health infrastructure, such as rates of immunization and public expenditure. Countries are also assessed on average life expectancy, rates of infant mortality, and undernourishment. The sub-index further includes measures of individual satisfaction with health, and the effects on health from environmental factors such as water, air quality, and environmental beauty. Researchers have found that self-reported wellbeing and self-reported health are strongly and significantly correlated to a society's overall health, further fostering human capital creation, which is favourable to higher economic growth. Mentally and physically healthy citizens are the bedrock of a productive workforce, which in turn increases levels of income per capita.

Safety & Security

Threats to national security and personal safety jeopardize levels of income and wellbeing. • The Safety & Security sub-index measures countries' performance in two areas: national security and personal safety. A stable social and political environment is necessary for attracting investment and sustaining economic growth. When citizens worry about their personal safety their overall wellbeing suffers. The Safety & Security sub-index combines objective measures of security and subjective measures of personal safety. Factors such as instability resulting from group grievances and demographic pressures limit GDP growth. Similarly, the opportunity to express political opinions without fear of persecution, and feeling safe walking alone at night, are positively correlated with higher levels of wellbeing. When people and basic institutions are unsafe and unstable, capital, investment, and people flee. Academic research shows that organized political violence such as coups or civil war, as well as crime and mistrust stemming from poor social cohesion, hinder economic growth. In addition, an environment of fear and uncertainty negatively affects life satisfaction.

Personal Freedom

When citizens enjoy freedom of expression, belief, and organization, as well as personal autonomy in a society welcoming of diversity, their countries experience higher levels of income and wellbeing. The Personal Freedom subindex measures countries' performance in two areas: individual freedom and social tolerance. The Personal Freedom sub-index captures the effects of freedom of choice, expression, movement, and belief, on a country's per capita GDP and the subjective wellbeing of its citizens. It also assesses how levels of tolerance of ethnic minorities and immigrants impact countries' economic growth and citizens' life satisfaction. Societies that foster strong civil rights and freedoms have been shown to enjoy increases in levels of satisfaction among their citizens. When citizens' personal liberties are protected, a country benefits from higher levels of national income.

Social Capital

Social networks and the cohesion a society experiences when people trust one another have direct effect on the prosperity of a country. The Social Capital subindex measures countries' performance in two areas: social cohesion and engagement, and community and family networks. This sub-index evaluates how factors such as volunteering, helping strangers, and donating to charitable organizations impact economic performance and life satisfaction. It also measures levels of trust, whether citizens believe they can rely on others, and assesses how marriage and religious attendance provide support networks beneficial to wellbeing. Empirical studies on social capital have shown that citizens' wellbeing improves through social trust, family and community ties, and civic group membership. Similarly, societies with lower levels of social capital have been shown to experience lower levels of economic growth. And so the term "capital" in "social capital" highlights the contribution of social networks as an asset that produces economic and wellbeing returns.

Prosperity Index 2013 Rankings for Asia and Pacific Countries

Since 2009, four Asian countries have risen into the top 20 on the Economy sub-index: China (7th), Thailand (12th), Taiwan (16th) and South Korea (19th). By contrast, five European countries have dropped out:

France (22nd), Denmark (23rd), Belgium (25th), Finland (26th) and Ireland (33rd). The contrasting fortunes of these two groups point to a gradual change in the global economic landscape. The four Asian nations are outperforming the European nations on all but three of the economic variables: capital per worker, satisfaction with living standards, and access to adequate food and shelter.

Table 1 Legatum Prosperity Index Rankings 2013 for Asia and Pacific Countries

Country	Prosperity Index	Economy	Entrepreneurship & Opportunity	Governance	Education	Health	Personal Freedom	Safety & Security	Social Capital
New Zealand	5	17	15	2	1	20	15	5	2
Australia	7	10	11	7	2	17	16	3	4
Singapore	18	3	12	13	37	18	13	53	34
Hong Kong	49	18	10	23	43	30	1	24	28
Japan	21	5	25	21	21	6	25	48	23
Taiwan	22	16	22	33	10	25	9	31	30
Korea	26	19	20	31	7	21	18	64	66
Malaysia	44	8	45	34	40	53	64	110	80
Kazakhstan	47	45	55	97	41	60	66	52	22
China	51	7	66	65	54	68	92	111	25
Thailand	52	12	62	57	71	59	96	129	16
Mongolia	57	102	60	78	55	93	44	74	38
Sri Lanka	60	74	88	48	44	76	121	60	35
Vietnam	62	43	68	64	87	79	53	88	92
Uzbekistan	63	71	92	119	66	65	63	78	18
Philippines	66	39	79	56	73	98	112	44	61
Indonesia	69	35	87	77	83	94	70	105	32
Kyrgyzstan	80	89	84	117	68	73	89	106	33
Laos	92	51	102	80	103	113	62	80	77
Tajikistan	94	100	108	111	65	96	57	113	70
Nepal	102	92	111	100	104	97	101	77	95
Bangladesh	103	77	106	88	101	95	109	65	132
India	106	62	104	54	97	109	120	100	133
Cambodia	110	78	105	75	106	107	90	118	135
Pakistan	132	107	100	123	124	110	140	135	130

The Asia-Pacific region encompasses a varied set of countries ranging from highly developed nations, to fast-growing emerging markets, and low-income and developing countries. The region includes some of the world's most prosperous nations, such as New Zealand and Australia (ranked fifth and seventh respectively), and conversely some of the lowest ranking countries, such as India—which has seen major and continued declines in prosperity since 2009. Since the middle of the twentieth century Asia has been a place of rapid economic expansions, from the Tiger economies in the 1960s, to the epic rise of China (the 'factory of the world') in the 1990s, and the more recent development of South-East Asian countries such as Vietnam. The 2013 Prosperity Index finds that, for most countries in Asia, improvements in the Economy sub-index coincide with an improvement in overall Prosperity. The steady improvement of China's overall Prosperity score since 2009 has predominantly been due to its very strong performance in the Economy sub-index in the same five year period. Countries such as Thailand, Malaysia, and Sri Lanka, have also seen big improvements in their Economy scores, which have contributed to their improvements in the overall Prosperity Index. In other countries, such as Indonesia and Kazakhstan, positive improvements in the Economy sub-index are near-equal to changes overall, further emphasizing the link between the two.

However, a country's prosperity is not just determined by the health of its economy. It is also important to have inclusive political institutions, a guarantee of civil liberties, and human capital development, which ensure an educated, free, and healthy citizenry. These aspects of prosperity tend to increase in importance as nations become more economically developed— since in the early stages of development countries are focused on delivering basic standards of living. The importance of these other aspects of prosperity is evident within the Asia-Pacific region, where some countries are seeing improvements in overall prosperity, while simultaneously experiencing declines in economic health. Singapore, for instance, ranks 18th in the world overall and has seen a decline in its Economy sub-index score since 2009. However, improvements in the Social Capital sub-index (up 15 places to 34th), in the Education sub-index (up two places, to 37th) and in the Health sub-index (also up six

places, to 18th), have all contributed to a rise in the overall Prosperity Index score. The improvements in these sub-indices for Singapore are the result of good performance in indicators such as the guarantee of political rights, pupil to teacher ratios, and a 100% enrolment rate in primary and secondary education (these figures stood at 90% and 77% just six years ago).

Equally, Hong Kong has seen a moderate decline in the Economy sub-index but it has risen up the overall Prosperity Index due to improvements in the Entrepreneurship & Opportunity sub-index (up six places, to 10th). Hong Kong's improvement on the Entrepreneurship & Opportunity sub-index is the result of ICT exports rising to 3.7% of all manufactured exports (from 2.3% in 2008), as well as a spike in research and development spending to 1.8% of GDP (up from 0.6% in 2009). It has also become the safest country in the world according to the Safety & Security sub-index (up 14 places to first). Hong Kong can also boast the lowest levels of property theft in the world (only 3% of people reported having had their property stolen in the last 12 months) and the lowest assault rate globally (less than 1% of people reported being assaulted in the last 12 months), which could explain why 89% of the population feel safe walking alone at night.

Table 2 Overall Prosperity Year-on-year Rankings 2009-2013 for Asia and Pacific Countries

Country	2009	2010	2011	2012	2013
New Zealand	3	5	4	5	5
Australia	5	4	3	4	7
Singapore	17	17	16	19	18
Hong Kong	21	20	19	18	19
Japan	19	18	21	22	21
Taiwan	22	22	20	20	22
South Korea	29	27	24	27	26
Malaysia	43	43	43	45	44
Kazakhstan	51	50	46	46	47
China	58	58	52	55	51
Thailand	54	52	45	56	52
Mongolia	60	60	60	59	57
Sri Lanka	68	59	63	58	60
Vietnam	50	61	62	53	62
Uzbekistan	65	76	64	64	63
Philippines	61	64	66	67	66
Indonesia	85	70	70	63	69
Kyrgyzstan	/	/	/	88	80
Laos	/	/	/	82	92
Tajikistan	/	/	/	86	94
Nepal	88	91	93	108	102
Bangladesh	95	96	95	103	103
India	78	88	91	101	106
Cambodia	101	95	94	107	110
Pakistan	107	109	107	132	132

The variety of countries in the Asia region provides an opportunity to analyze the complex nature of prosperity. While many Asian countries have become more prosperous as a result of improvements in the Economy sub-index, other, more developed states have begun to see improvements in other aspects of prosperity. Their success demonstrates what is necessary once economic development has been realized. Improvements in the Economy sub-index have helped to drive overall improvements in prosperity in Asia, with China (51st), Thailand (53rd), Malaysia (44th) and Sri Lanka (60th) all experiencing rise. Elsewhere, India (106th) has declined overall-overtaken for the first time in 2013 by Bangladesh (103rd). Pakistan remains low in the rankings (132nd) with progress hampered by security related changelings.

Evaluation of Prosperity Sub-index and Indicators performance for Pakistan

Global Prosperity Index has ranked Pakistan at 132 of 142 countries. Breaking down its overall rank, Pakistan's faring in each sub-index is as follows:

Economy – 107: The report uses data from 2005-2009 and shows the five-year term's GDP per-capita growth rate (1.6%) to be lower than in the rest of the world (2.2%). Compared to the global average, the number of people employed (50.7%), expectations from the economy and job prospects also showed a negative trend. The percentage of exports that make up high-tech goods (1.8%) were much lower than in other countries (9.2% average), as was the size of foreign direct investment. The inflation rate for 2012 was listed as 9.7%, against the world average 6.2%. Curiously enough, the percentages of Pakistanis saying they had basic access to food and shelter, confidence in financial institutions and satisfaction in their living standards were always close to the global average.

Entrepreneurship and Opportunity – 100: Pakistan claimed its best position in this particular sub-index. This was despite the fact that only 49% of people considered the country to be a ‘good place’ to start up a business when the number were 70% in the rest of the world. The number of secure internet servers per one million people was also staggeringly low, as was the country’s internet bandwidth.

Governance – 123: Predictably, most people (84%) were dissatisfied with the government’s efforts in addressing poverty, while a similar number (79%) believed elections in the country to have been dishonest. Confidence in the military and judiciary was high though and low in the government. More than 77% people believed the businesses and government to be corrupt.

Education – 124: Around 60% of the survey respondents children have an opportunity to learn and the quality of education is satisfactory. The country ranked very poorly in terms of gross secondary and tertiary enrollment rates, though.

Health – 110: The most stark difference was health expenditure per person in dollars, which was close to 69 in Pakistan but 1226 on average in the rest of the world. Life expectancy was 55 against the global 60, but sanitation and satisfaction with environmental beauty were much lower.

Safety and Security – 140: Only Chad and Congo could beat Pakistan in being the least secure places to live and work. Saudi Arabia was ranked 131. As expected, civil war casualties were high in Pakistan. Sixty percent of people said they did not feel safe walking alone at night, whereas around 10% said they had been assaulted or had their property stolen within the past 12 months.

Personal Freedom – 135: Barring a handful of countries (such as Yemen, Sudan, Iraq and Egypt), the Index declared Pakistan to be among the worst countries in terms of personal freedom. Compared to over 70% in the world, only 36% people in Pakistan said they were satisfied with the freedom of choice available here. But compared to the world average (68%), a slightly higher number of people (70%) said the country was a good place for ethnic minorities to live in.

Social Charity – 130: People in Pakistan turned out to be more charitable and helpful to strangers than in the rest of the world. A higher percentage of them happened to be married and religious too. But compared to other countries, Pakistanis did not think their friends and families were reliable or that people could be trusted in general.

Table 3 ProsperitySub-Indices and Indicators for Pakistan

	Data year	Country	Global Avg		Data year	Country	Global Avg
107 Economy				Gross secondary enrolment rate	2011	35%	79.3%
5-year GDP per capita growth rate	2011	1.6%	2.2%	Gross tertiary enrolment rate	2011	8.3%	38.7%
Expectations of the economy	2012	1.4	1.9	Net primary enrolment rate	2011	72.1%	90.5%
Employment status	2011	50.7%	58.3%	Pupil to teacher ratio	2011	39.8	25.2
Do you have confidence in financial institutions? (% yes)	2012	61.2%	59.5%	Secondary education per worker	2010	1.7	2.5
Do you have access to adequate food and shelter? (% yes)	2012	72.5%	71.2%	Tertiary education per worker	2010	0.2	0.4
Is it a good time to find a job? (% yes)	2012	18.2%	33.8%	110 Health			
Capital per worker	2011	7139.3	47604.1	Rate of immunisation against infectious disease	2011	80%	88.6%
FDI size and volatility	2011	2.5	3.7	Satisfied with the beauty of the environment? (% yes)	2012	42.4%	72.9%
Gross domestic savings (% of GDP)	2012	4.4%	20.1%	Health-adjusted life expectancy (years)	2007	55	60.4
Hi-tech exports (% of manufactured exports)	2011	1.8%	9.2%	Do you have any health problem? (% yes)	2012	32.8%	23.9%
Inflation rate	2012	9.7%	6.2%	Satisfied with personal health? (% yes)	2012	81%	78.2%
Market size	2012	182972	285162.9	Hospital beds (per 1,000 people)	2010	0.6	3.1
Non-performing loans (% of total loans)	2011	16.2%	7.7%	Infant mortality rate (per 1,000 live births)	2011	59.2	27.3
Satisfied with living standards? (% yes)	2012	58.1%	58.2%	Life expectancy	2011	65.4	70
Unemployment rate (% of labour force)	2008	5%	10.6%	Rate of immunisation against measles	2011	80%	87.8%
100 Entrepreneurship % Opportunity				Health expenditure per person (Int. Dollars PPP)	2011	69.3	1226.2
Good place for entrepreneurs to start a business? (% yes)	2010	48.8%	70%	Deaths from respiratory diseases (per 100 people)	2008	160	97.9
ICT Exports (% of total)	2011	0.2%	3.6%	Sanitation (% of population)	2010	48%	73.2%

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exports)							
Secure internet servers (per 1 million people)	2012	1.3	316.7	Incidence of tuberculosis (per 100,000 people)	2011	231	117.7
Internet bandwidth (Mbps)	2012	130	704.2	Undernourishment (% of population)	2011	19.9%	13.3%
Royalty receipts	2012	6540	1739900.1	Satisfied with the quality of water? (% yes)	2012	60.8%	68.9%
Business start-up costs (% of GNI per capita)	2012	9.9%	31.3%	Did you feel well-rested yesterday? (% yes)	2012	61%	67.5%
Mobile phones (per 100 people)	2012	6.8	103.9	Did you experience worrying yesterday? (% yes)	2012	36.2%	36%
Mobile phones per household	2012	89.5%	82%	140 Safety & Security			
R&D expenditure (% of GDP)	2011	0.8%	0.8%	Have you been assaulted in past year? (% yes)	2010	10%	7.5%
Uneven economic development	2012	8.2	6.3	Demographic Instability	2012	8.5	6
Can people get ahead by working hard? (% yes)	2012	84.5%	81%	Ability to express political opinion without fear	2010	2.1	2.4
123 Governance				Group grievances	2012	9.6	6
Satisfied with govt. efforts to address poverty? (% yes)	2012	16.2%	38.2%	Human emigration	2012	7.2	5.3
Do you have confidence in the honesty of elections? (% yes)	2012	21.3%	51.4%	Have you had any property stolen in past year? (% yes)	2012	10.7%	16.5%
Do you have confidence in the military? (% yes)	2012	89.2%	72%	Refugees and IDPs	2012	9	5.1
Do you have confidence in the judicial system? (% yes)	2012	59.1%	52.1%	Do you feel safe walking alone at night? (% yes)	2012	41.4%	62.8%
Satisfied with govt. efforts to preserve environment? (% yes)	2012	20.2%	53%	State-sponsored political violence	2011	1	3.5
Separation of Powers	2010	8	16.8	Civil war casualties	2012	6	0.4
Do you have confidence in the national government? (% yes)	2012	23.9%	51.5%	135 Personal Freedom			
Government effectiveness	2011	-0.8	0	Composite of civil liberties and freedom of choice	2012	0.1	0.4
Government stability	2011	3	29.7	Civil liberties	2012	3	4.7
Government type	2011	6	4.9	Satisfied with freedom of choice? (% yes)	2012	36.7%	71.7%
Are the businesses and government corrupt? (% yes)	2012	77.5%	67.3%	Good place to live for ethnic minorities? (% yes)	2012	70.1%	68%
Political constraints	2012	0.2	0.5	Good place to live for immigrants? (% yes)	2012	44.6%	65%
Political rights	2012	4	4.7	130 Social Capital			
Regulation quality	2011	-0.6	0.1	Donated money to charity in past month? (% yes)	2012	38.5%	28.3%
Rule of law	2011	-0.9	-0.1	Have you helped a stranger in past month? (% yes)	2012	51.2%	47.9%
Voiced concern to a public official in past year? (% yes)	2012	12.3%	19.3%	Are you married? (% yes)	2012	65%	50.8%
124 Education				Attended a place of worship in past week? (% yes)	2010	55.2%	49.2%
Do children have the opportunity to learn? (% yes)	2012	61.8%	70.2%	Can you rely on friends and family for help? (% yes)	2012	54.2%	80%
Are you satisfied with the quality of education? (% yes)	2012	60.1%	66.3%	Do you think that most people can be trusted? (% yes)	2010	22.4%	24.2%
Girls to boys enrolment ratio	2011	0.8	1	Have you volunteered your time in past month? (% yes)	2012	14.8%	20.1%

III. Conclusion

The Legatum Prosperity Index is an annual ranking, developed by the Legatum Institute. The Legatum Prosperity Index is a unique and robust assessment of global wealth and wellbeing, which benchmarks 142 countries around the world in 8 sub-indexes: Economy; Education; Entrepreneurship & Opportunity; Governance; Health; Personal Freedom; Safety & Security; and Social Capital. The Index defines prosperity as both wealth and wellbeing, and finds that the most prosperous nations in the world are not necessarily those that have only a high GDP, but are those that also have happy, healthy, and free citizens. The index covers more than 96% of the world's population and 99% of the world's GDP. The index 2013 indicates that though global prosperity has risen over the past five years largely due to improvements in entrepreneurship, health and education, many countries including Pakistan are facing stagnation. Improvements in the Economy sub-index

have helped overall improvements in the prosperity in Asia, with China (51st), Thailand (53rd), Malaysia (44th) and Sri Lanka (60th). Bangladesh (103rd) has overtaken India (106th) in overall prosperity. Pakistan remains low in the rankings (132nd) with progress hampered by security-related challenges.

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