

Sweden

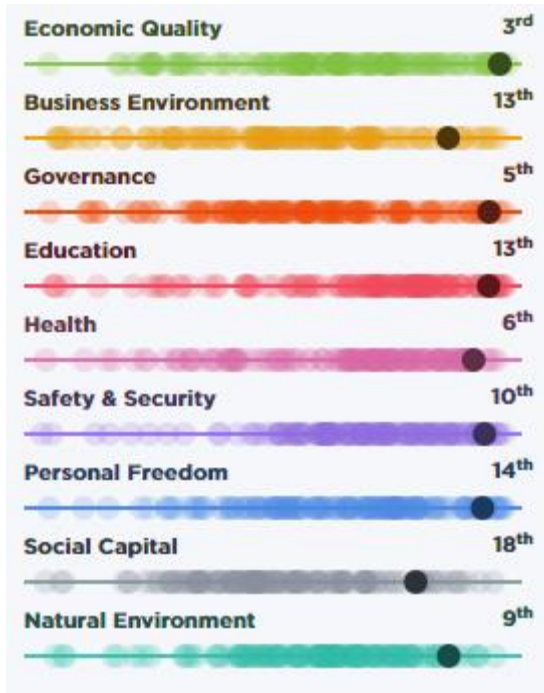
Ranked 8th of 149 on the 2016 Legatum Prosperity Index™



OVERVIEW

Top five performance in the Economic Quality and Governance sub-indices has kept Sweden in the global top ten for prosperity over the past decade.

Sweden has consistently ranked in the global top ten for overall prosperity in the past decade. This performance is built on the back of structural high performance in Economic Quality and Governance which rank in the global top five. However, prosperity has been on the decline since 2012 when Sweden was the most prosperous nation in the world. In the past four years it has fallen to 8th, as countries such as Switzerland and Australia have overtaken it. This is particularly evident in the Education, Business Environment, and Personal Freedom sub-indices where Sweden has slipped in rank.



Sub-Index Rankings

In the Prosperity Sub-Index rankings, Sweden performs best on **Economic Quality** and **Governance** and scores lowest on the **Social Capital** sub-index.

Visit our [Rankings](#) table to see how Sweden compares to other countries.

PROSPERITY GAP

The 'Prosperity Gap' takes a country's GDP and uses it as the yardstick to measure a nation's expected Prosperity Index ranking.

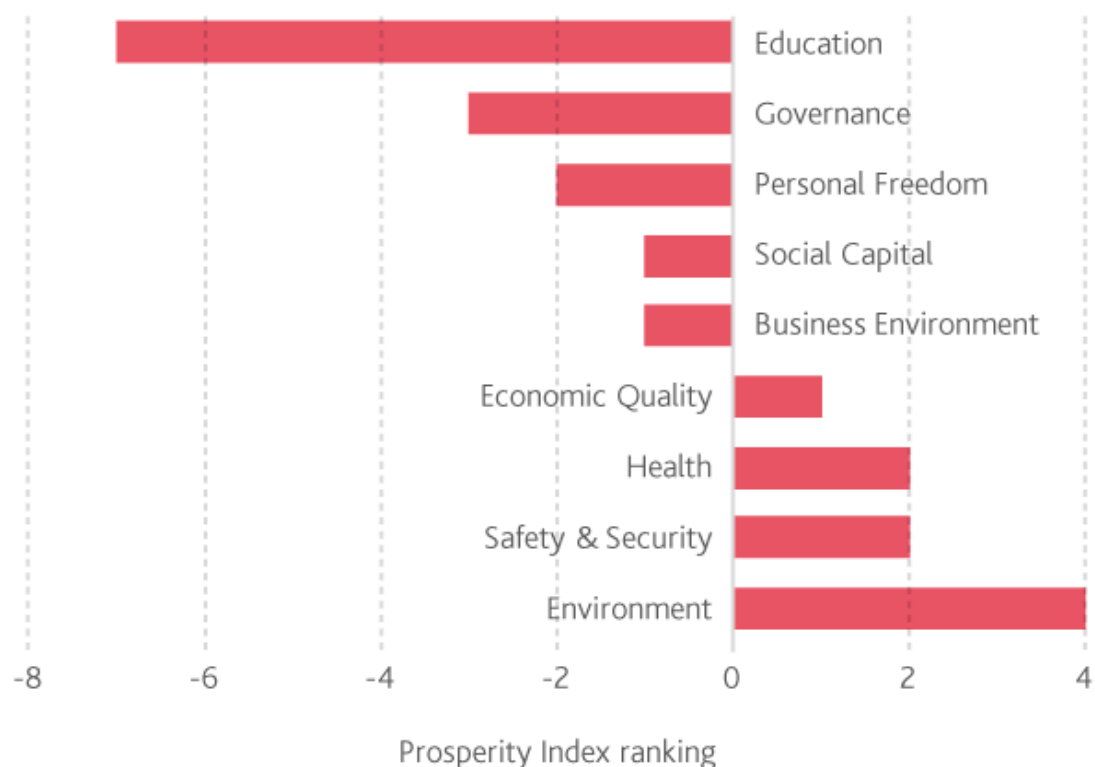


Sweden enjoys the world's 8th largest prosperity surplus. Although an impressive achievement, this surplus has narrowed since 2012 when the country had the 2nd largest prosperity surplus in the world after New Zealand. It has since then been overtaken by its Nordic neighbours Denmark and Finland.

COMMENTARY

Ranked in the top 15 in eight out of nine sub-indices, Sweden has been a symbol of prosperity for the last decade. Yet once ranked 1st in the world for prosperity between 2010 and 2012, Sweden now lies 8th and has slipped rank in five sub-indices since 2007.

Sweden: Change in all sub-indices, 2007-2016



The Legatum Prosperity Index™

www.prosperity.com

Change in rank in the Prosperity Index between 2007 and 2016 for all of Sweden's sub-indices.

Sweden has seen its pattern of prosperity change over the last decade as some sub-indices fall while others rise. The biggest increase can be observed in Natural Environment and the largest decline in Education.

That prosperity has fallen is surprising given that Sweden is one of the few countries where GDP per capita has recovered swiftly from the 2008 crisis to now surpass pre-crash levels. This can be attributed to a decline in the country's prosperity surplus over the last five years, meaning that the country is delivering less prosperity with its wealth than it previously has been.

Nevertheless, Sweden remains a very prosperous nation. Sweden has the fifth best governance system in the world. It is the third least corrupt country globally, has strong rule of law, and has continuously achieved the highest possible scores for democracy levels and political rights over the last ten years. Sweden's Economic Quality sub-index is third in the world, which could explain why Sweden was marginally affected by the crisis compared to other countries. In many ways, it has grown a better place to live with positive changes seen in health, crime rates, and the environment.




Sweden has the sixth best health system despite sharing the challenges of rising obesity with other developed peers. This has largely been a result of rising satisfaction amongst Swedes with their personal health and local healthcare system. The nation also has the 10th highest life expectancy at birth in the world. Homicide and theft rates have fallen quite markedly since 2007, with a 22% and 31% decline in each respectively. However, the increasing threat from terrorism is exerting pressure on the Safety & Security sub-index, where Sweden is struggling to maintain its place in the top ten. The Stockholm bombings saw Sweden fall in this sub-index in 2010 from 11th to 15th. Over the last ten years, Sweden has risen four ranks to ninth in the Natural Environment sub-index. Almost 70% of respondents are satisfied with efforts to preserve the environment in Sweden. This is heightened by the fact that 93.2% of wastewater is treated which is the 12th highest rate in the world.

Despite all these achievements, Sweden's prosperity ranking has fallen. Much of the decline is attributable not only to stagnating GDP growth rates but also to the Education and Personal Freedom sub-indices. Sweden's Personal Freedom rank has dropped sharply from 4th in 2010 to 14th in 2016. Despite a 93% satisfaction with freedom amongst the population, this rate lags behind that of its Nordic peers Finland, Norway, Iceland, and Denmark. This is partly due to the country's marked increase in social and governmental religious restrictions. However, it is not necessarily that Sweden's freedom score has deteriorated drastically per se, but rather that other countries have leap frogged it. Once a pioneer in LGBT rights and one of the first to legalise same sex marriage in 2009, Sweden no longer holds this as an advantage as many countries have followed its example.

Sweden's once widely acclaimed education model is slowly losing credibility, as it now falls outside the top ten in the Education sub-index. Most evident has been an increase in inequality in education outcomes and a worsening girl to boy education ratio.

Ways to make a change

Click on the Tweets to help make a change in your nation.

1. No longer the world's most prosperous nation: how to shore up Sweden's falling prosperity? 
 2. Rising inequality is tainting Sweden's world class education system. 
 3. Free but not freest: how can Sweden regain its title as a global freedom trailblazer? 
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SPECIAL ANALYSIS

Sweden has become less prosperous since 2012, having dropped from 1st place to 8th in 2016. It does however remain among the most prosperous countries in the world thanks to strong and stable healthcare, governance, and economic quality.

Areas of success

Economic Quality is Sweden's strongest asset, ranking 3rd in 2016, and consistently in the top five in the last decade. Sweden has the 3rd highest labour force participation rate in Europe and its share of the population with a bank account is in the global top five. Governance is a close and consistent second, ranking 5th in 2016. Here rule of law has been strengthened and perceptions of corruption are in the global top ten. Improvements have occurred in the health sub-index where Sweden has climbed from 8th to 6th over the last ten years. This is predominantly a result of rising life expectancy and satisfaction with health and healthcare among the population.

Areas of little change

Little movement had been recorded by the Index in Sweden's Social Capital performance. This is despite improvements in the underlying score in this sub-index. This is predominantly a result of a number of peers matching and exceeding much of the progress made by Sweden in this sub-index, notably in the form of involvement in charitable activities and opportunities to make friends.

Areas for improvement

Most concerning for Sweden, predominantly a knowledge economy, is that absolute decline has come in the key foundation for successful human development and sustained prosperity growth. In the Education sub-index, Sweden has fallen from 6th to 13th in the past decade. This is a result of declining education equality- notably regarding girls to boys enrolment ratio in primary school.

Visit Sweden's [country profile](#) on www.prosperity.com.