

Argentina

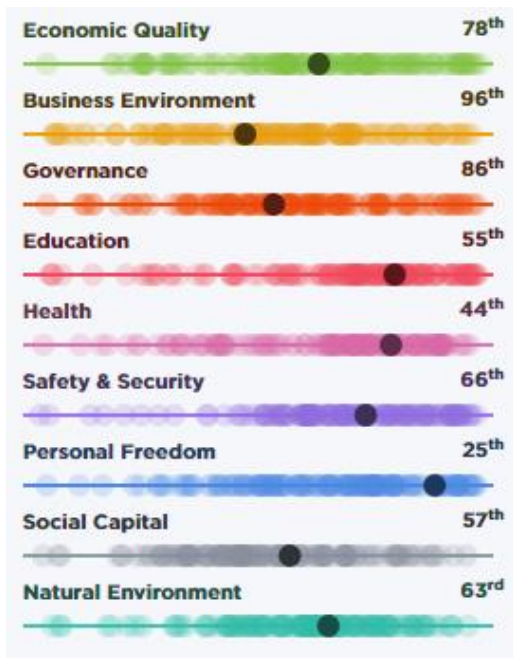
Ranked 49th of 149 on the 2016 Legatum Prosperity Index™



OVERVIEW

Prosperity has an overall increase in Argentina despite slippages in Economic sub-indices.

Overall, Argentina has become more prosperous over the last decade due to major improvements in the Personal Freedom, Social Capital and Education sub-indices. These improvements over-shadow the decline apparent in the Environment sub-index, a common trend in Latin America, where improvements in Economic Quality tend to come at the expense of the environment. Argentina is an exception here, falling 15 ranks in the Economic Quality sub-index since 2007. Argentina has also bucked another Latin American trend, improving Social Capital alongside Personal Freedom where a sharp improvement has been recorded by the Index. Governance is the only sub-index that has remained relatively stagnant.



Sub-Index Rankings

In the Prosperity Sub-Index rankings, Argentina performs best on **Personal Freedom** and **Health** and scores lowest on the **Business Environment** sub-index.

Visit our [Rankings](#) table to see how Argentina 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.



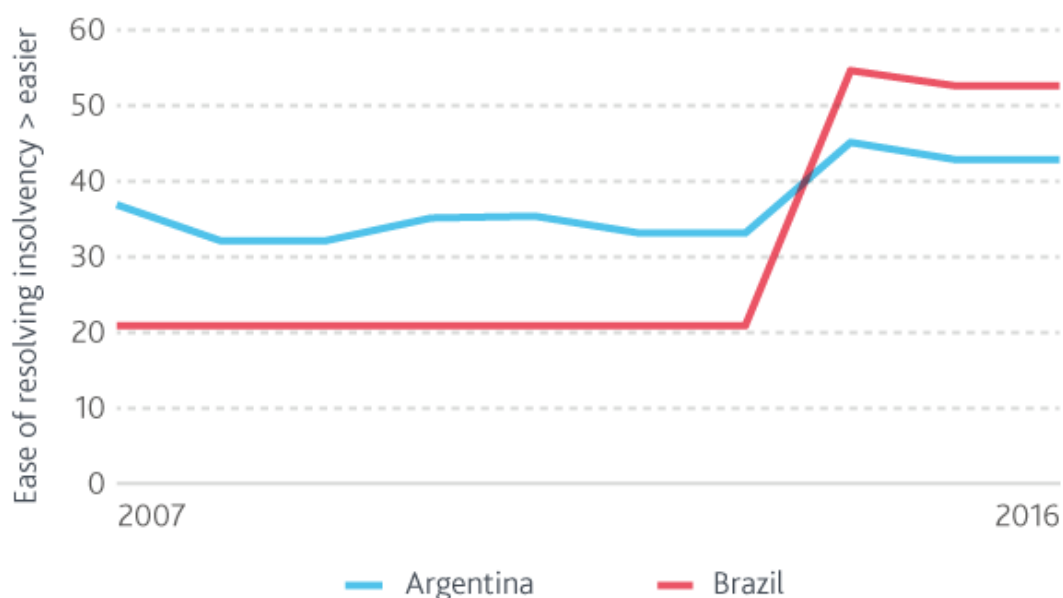
With a marginal Prosperity deficit, Argentina sits on the fence between South America's successful and failures. However, it must be remembered that a decade ago it was in a much larger deficit, and has since pulled itself into a position for a surplus. A country to watch for the future.

COMMENTARY

The Prosperity Index shows Argentina to be a nation with several pressing issues. Its economy is failing to deliver for its citizens, with the country falling 15 ranks in Economic Quality over the last decade. This is surpassed by a 28 rank decline in the Business Environment sub-index, falling to 96th from 68th in 2007. However, this drastic decline in global terms is more a reflection of the improving performance of peers than a catastrophic economic collapse.

The only real declines have been in trade barriers, anti-monopoly policy, business start-up costs, and intellectual property protection. Notable improvements have been made in reducing redundancy costs to make the labour market more flexible, and rolling out access to key economic infrastructure like broadband. However, often improvement has been eclipsed. Argentina has improved its insolvency practices, but nowhere near as fast as Brazil whose improvement has surpassed Argentina's by a large margin.

Stagnant Growth vs Large and Fast Improvement



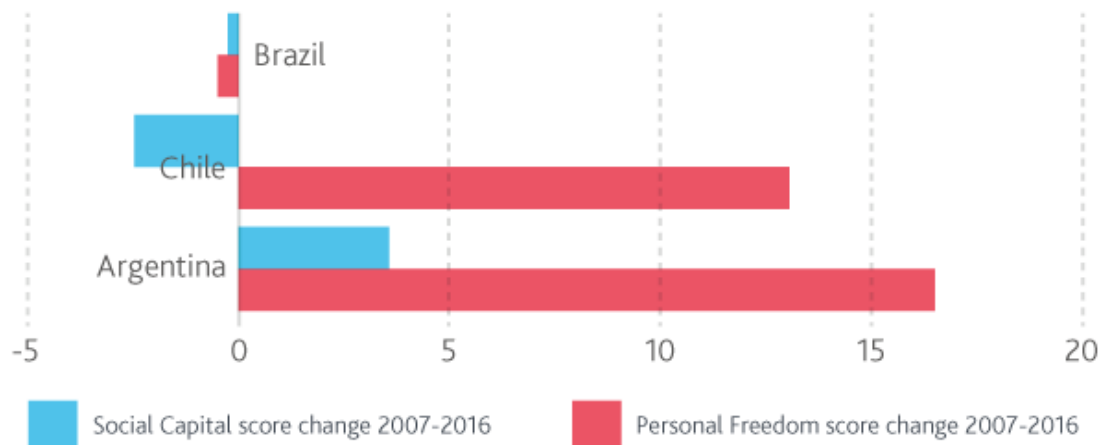
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Ease of Reducing Insolvency in Brazil and Argentina

While Argentina steadily improved its Business Environment, it has not been able to match Brazil's swift improvement

One of Argentina's greatest successes, and one that makes it an anomaly in the region (along with Uruguay), is the ability to improve Social Capital and Personal Freedom at the same time.



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Personal Freedom and Social Capital score change in selected countries 2007-2016

Unusually for Latin America, Argentina has made great strides in improving its Social Capital and Personal Freedom

This performance shows the irregularity of Argentina’s prosperity progress. Declines in some areas are offset with significant improvements elsewhere. For example, the country has improved across almost every variable in both the Social Capital and Personal Freedom sub-indices. Argentina has seemingly opened itself up to immigration, racial minorities and the LGBT community. In 2009 it became one of the only countries in South America at the time to legalise gay marriage - the UK was yet to legalise gay marriage until 2010, and the US in 2014. This pushed Argentina up the Personal Freedom ranks significantly.

Education is another strong sub-index for Argentina, climbing from 92nd to 55th over the last decade making it now third in the region on Education. With huge improvements in the percentages of secondary vocational students that make up the working age population and children’s learning opportunities, it is no wonder that national satisfaction with the Argentinian education system increased by 29%.

However, as is a caveat of almost every Latin American country, Environment rankings are slipping across the continent, with few signs of positive work being done to prevent it. For Argentina’s part, improvement needs to be made on wastewater that is treated and percentage of fish-stocks that are collapsed or overexploited, both of which have risen massively; the percentage of fish-stocks that are exploited for example, in 2007 were at 12%, which has now skyrocketed to 49%.

Ways to make a change

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

1. Tanking Economy? Nah: Why initial rankings don’t mean Argentina is ruined. [🐦](#)
2. The Natural Environment and why Latin America needs to talk about it. [🐦](#)
3. How Argentina cracked the code in improving both Social Capital and Personal Freedom. [🐦](#)
4. Open for business (and marriage) – Argentina and its LGBT success story [🐦](#)

SPECIAL ANALYSIS

Argentina has continued to climb up the rankings on the Prosperity Index, with huge leaps forward in Social Capital, Personal Freedom, and Education. Even negative decline in Economic Quality and Business Environment is not universally bad news. It hides some notable improvements in key indicators.

Areas of success

Argentina has jumped by 21 places in the Social Capital and 31 places in the Personal Freedom sub-indices – a feat only Uruguay has managed to match in the region. This has been done by improving rights for immigrants, minorities and the LGBT community, creating a friendlier atmosphere in Argentina. This has allowed for general respect, volunteering, and reliance on fellow citizens to increase within the Social Capital sub-index. Education too has risen 37 places in nine years to 55th, and with this has come the improvement of the overall satisfaction rate of the education system by 29%.

Areas of little change

Both Health and Governance are areas of Argentinian prosperity that have changed very little. The latter fell two ranks to 86th and the former gains four ranks to 44th (ranking the highest in the America's for this sub-index). This is a mixed pair of results, for Argentina should arguably be performing much better than 86th, with improvements to government effectiveness meaning very little when it is still in negative figures. In healthcare however, Argentina has brought down its diabetes rate and aged standardised mortality rate per 100,000. However, obesity is still an issue that plagues Latin America, and Argentina is no different, as it descends below the top half of countries.

Areas for improvement

The economy is usually the first thing to look for when one glimpses at a country's prosperity, for whilst all aspects are important, in order to be able to improve sub-indices such as Health, Education, and even Social Capital, a country needs economic capital. That Argentina's economy isn't necessarily faltering, more lagging behind, does not mean that there is no room for improvement. Falling 15 places in Economic Quality and 28 places in Business Environment is a sign that things could certainly be better; unemployment rate stands at roughly the same place it did ten years ago, and has more worryingly been on the rise since 2013, increasing from 7.1% to 8.2% in a year. A further worry is the state of the Environment; Argentina is not just a megadiverse country, it is also unique in the fact it contains 15 continental zones, 3 oceanic zones and the Antarctic Zone all contained within its governmental purview thanks to its overseas territories, all of which are suffering at the mercy of economic growth and urbanisation.

Visit Argentina's [country profile](http://www.prosperity.com) on www.prosperity.com.