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SPP Communiqués are brief articles that deal with a singular public policy issue and are intended to provide the reader with a focused, concise critical analysis of a specific policy issue.

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The University of Calgary is home to scholars in 16 faculties (offering more than 80 academic programs) and 36 Research Institutes and Centres including *The School of Public Policy*. Founded by Jack Mintz, now President's Fellow, and supported by more than 100 academics and researchers, the work of The School of Public Policy and its students contributes to a more meaningful and informed public debate on fiscal, social, energy, environmental and international issues to improve Canada's and Alberta's economic and social performance.

## ON LIVABILITY, LIVEABILITY AND THE LIMITED UTILITY OF QUALITY-OF-LIFE RANKINGS\*

Brian W. Conger

### EXECUTIVE SUMMARY

When Calgary placed fifth on the Economist Intelligence Unit's Liveability Ranking in 2012, the city's mayor, Naheed Nenshi, quickly acknowledged how the city's spot on the ranking proved "[Calgary has a] thriving business community, and a vibrant cultural scene that is attracting people from around the world". Calgary's 32nd place on the Mercer Quality of Living Index did not attract the same attention from the Mayor, or the local media.

Mayors and the media alike are big fans of quality-of-life rankings whenever their cities earn a well-placed spot. But the fact that Calgary can place so highly on one ranking and so middlingly on another in the very same year is evidence of just how varied these rankings are and how misleading their interpretation can be. Made from a blend of data and feedback, and sometimes relying heavily on "good-natured, frequently late-night and jetlagged debate," these rankings are impacted by which cities are selected, which data are used, and how the data are organized and weighted. Even amongst the rankings, agreement on what constitutes "livability" is a point of contention. Vancouver can jump from 15th place on Monocle magazine's list, to third place on the Economist Intelligence Unit's, and not even make the cut on PricewaterhouseCoopers' ranking.

Yet, when cities celebrate their place on these indexes, it is frequently the narcissism of small differences. In the Economist Intelligence Unit's 2014 Liveability Ranking, there is a scant 1.8 per cent difference between top-ranked Melbourne's overall score and that of 10th-place Auckland. In fact, nearly half the cities ranked (64 of 140) had scores above 80 per cent, meaning they present "few, if any, challenges to living standards." The upshot, of course, is that "liveability", as defined by *The Economist*, is biased toward those cities that are the least challenging for residents. That hardly qualifies one as an exceptional city, let alone the "best" of anything.

Some of these rankings were created with the explicit intention of assisting businesses in assigning compensation for expatriate workers. They have quickly become something more. Lists designed for specific audiences and uses, have become a promotional tool for publicity-hungry and somewhat self-conscious cities. When tailored at a particular niche audience — grad students, for instance, or retirees — they can be useful. But the temptation to use these lists to develop public policy must at all costs be avoided. The reality is that the quality or "livability" of a city is very much a matter of personal preference. Calgary may be a less challenging place to live than San Francisco or Saigon, but whether that makes it a better place to live is a question that cannot simply be quantified by a quality-of-life ranking.

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L'Université de Calgary regroupe des chercheurs dans 16 facultés (et proposent plus de 80 programmes d'études) et 36 instituts et centres de recherche, notamment l'École de politique publique. Fondée par Jack Mintz, maintenant President's Fellow, et avec la collaboration de plus de 100 enseignants et chercheurs, les travaux de l'École de politique publique et de ses étudiants contribuent à un débat public étayé sur les questions financières, sociales, énergétiques, environnementales et internationales, pour améliorer le rendement économique et social du Canada et de l'Alberta.

## HABITABILITÉ, VIABILITÉ ET L'UTILITÉ LIMITÉE DES INDICES DE LA QUALITÉ DE VIE\*

Brian W. Conger

### SOMMAIRE

Lorsque Calgary s'est classée cinquième dans la liste de viabilité de l'Economist Intelligence Unit en 2012, M. Naheed Nenshi, maire de la ville, a réagi rapidement pour noter comment le rang occupé par la ville dans ce classement prouvait que « [Calgary a un] milieu des affaires florissant et une scène culturelle dynamique qui attire des gens de partout au monde. » La 32e place que Calgary occupait dans l'Indice de qualité de vie Mercer n'a pas attiré la même attention du maire, ni des médias locaux.

Les maires tout comme les médias apprécient beaucoup les indices de qualité de vie lorsque leurs villes occupent une bonne place au classement. Toutefois, le fait que Calgary puisse occuper un si haut rang dans un classement et une position très moyenne dans un autre au cours de la même année démontre bien à quel point ces classements peuvent varier et combien ils peuvent être difficiles à interpréter. Faits d'un mélange de données et d'opinions, reposant parfois fortement sur un « débat amical, tard la nuit sous l'influence du décalage horaire », ces classements dépendent des villes qui ont été choisies, des données utilisées, ainsi que de la manière dont ces données sont organisées et pondérées. Même parmi ces classements, la définition de ce qui constitue l'« habitabilité » est un point de discorde. Vancouver peut sauter de la 15e place dans la liste du magazine Monocle, à la troisième dans celle de l'Economist Intelligence Unit et ne même pas figurer au classement de PricewaterhouseCoopers.

Pourtant, lorsque les villes célèbrent leur place dans ces index, il s'agit fréquemment d'un narcissisme basé sur de petites différences. Dans le classement 2014 pour la viabilité de l'Economist Intelligence Unit, on note une différence d'à peine 1,8 pour cent entre le résultat global de Melbourne, qui se classe au premier rang, et celui d'Auckland, en dixième place. En fait, près de la moitié des villes classées (64 sur 140) obtenaient des notes de plus de 80 pour cent, ce qui signifiait qu'elles présentaient « peu ou pas du tout de difficulté pour ce qui est du niveau de vie ». La conclusion, bien entendu, est que dans sa définition de la « viabilité », The Economist a un parti pris en faveur des villes qui sont les moins exigeantes pour les résidents. Cela ne suffit pas vraiment à rendre une ville exceptionnelle, encore moins à en faire la « meilleure » dans quelque domaine.

Certains de ces classements ont été créés dans l'intention explicite d'aider les entreprises à déterminer la rémunération pour les travailleurs expatriés. Ils sont rapidement devenus quelque chose de plus. Des listes conçues pour des auditoires et des usages précis sont devenues un outil promotionnel pour les villes en mal de publicité et quelque peu préoccupées par leur image. Quand elles sont utilisées pour un public cible (des étudiants diplômés, par exemple, ou des retraités) elles peuvent être utiles. On doit toutefois éviter à tout prix la tentation d'utiliser ces listes pour mettre au point des politiques publiques. La réalité est que la qualité ou l'« habitabilité » d'une ville est en grande partie une question de préférence personnelle. Calgary est peut-être une ville où il est moins difficile de vivre qu'à San Francisco ou Saïgon mais que cela en fasse un meilleur endroit à habiter est une question qui ne peut être résolue par un simple index de qualité de vie.

\* Cette recherche a été soutenue financièrement en partie par le gouvernement du Canada via Diversification de l'économie de l'Ouest Canada.

“Liveability has come to mean all things to all people  
in the global debate on how to improve cities.”

Jon Copestake,  
Editor, Liveability & Cost of Living,  
The Economist Intelligence Unit

City rankings exist for a range of topics including competitiveness, cost of living, life as a single and even friendliness. Some of the best-known, and arguably most contentious rankings are quality-of-life indexes (QLIs), which focus on individual well-being within a given city. Providing a quick point of reference for local media and public officials alike, QLIs are fodder in the gestalt of the 24-hour news cycle, with Montreal, Ottawa, Toronto, Calgary, and Vancouver, in particular, being regular contenders for top spot on international lists. Increasingly, QLIs are ascribed meaning beyond their original intent, as “downward movement is seen as a black eye; [and] upward advancement is taken as validation of policy choices.”<sup>1</sup> Take for example Calgary’s fifth-place position in the Economist Intelligence Unit’s (EIU’s) Liveability Ranking and Overview (a position the city has held since 2009 and currently shares with Adelaide, Australia). To quote Calgary’s mayor Naheed Nenshi in 2012, “the city’s spot on the [EIU’s] ranking proves a ‘thriving business community, and a vibrant cultural scene that is attracting people from around the world’ — echoing comments from Stephen Harper’s speech at the [Calgary] Stampede [that same year] when the Prime Minister declared the Alberta metropolis as the greatest city in Canada.”<sup>2, 3</sup> In light of the growing importance placed on QLIs, this commentary will explore what these rankings tell us about our cities, and by extension what role they may have, if any, in the formation of policy. To this end, we will look at: (1) Who produces QLIs and why; (2) The methodologies behind QLIs; (3) The shortcomings of QLIs; (4) How QLIs are being used; and (5) What impact QLIs should have on the Canadian urban-policy arena.

## AN INTRODUCTION TO QUALITY-OF-LIFE INDEXES

Generally speaking, there are three categories of QLIs — those that target decision-making from the perspective of (1) the firm, (2) policy-makers, and (3) individual lifestyle preferences.

**Firm-oriented QLIs** such as the Economist Intelligence Unit’s Liveability Ranking and Overview, the Mercer Quality of Living Index, or ECA International’s Location Ratings for Expatriate Living Conditions, are explicitly intended to assist businesses in assigning compensation for expatriate workers. These indices are discreet products that are often intended to be sold in conjunction with like-minded analysis, such as cost-of-living data.

**Policy-oriented QLIs** target urban policy-makers, as in the case of PricewaterhouseCoopers’ Cities of Opportunity report, which began as “...an effort to help the world’s great cities understand what policies and approaches work best for people and economies in a rapidly urbanizing world.” This includes indices that have been developed as comprehensive attempts to rank cities according to ideal “quality-of-life” indicators, such as: the Lee Kuan Yew School of Public Policy’s Global Liveable Cities Index, the Martin Prosperity Institute’s Most Livable Canadian Cities by Life Stage, or Livability’s Top 100 Places to Live.

**Lifestyle-oriented QLIs** are often tailored to specific audiences, such as students (QS Best Student Cities), seniors (Forbes’ The 25 Best Places to Retire in 2014) or a particular readership (such as

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<sup>1</sup> Zack Taylor, “‘Lies, Damned Lies, and Statistics’: A Critical Examination of City Ranking Studies” (Toronto: Metapolis Urban Research, 2011), 1.

<sup>2</sup> Jake Edmiston, “Vancouver, Toronto and Calgary all rank in top five on list of world’s most liveable cities,” *National Post*, August 15, 2012.

<sup>3</sup> Interestingly enough neither politician provided public comment of Calgary’s 32nd-place ranking in Mercer’s Quality of Living Index that same year.

Monocle’s 25 Most Liveable Cities Index, Money’s Best Places to Live, or MoneySense’s Canada’s Best Places to Live). Often many of these lifestyle-oriented QLIs can be refined to reflect subtopics such as the Top 10 Places to Raise Kids (MoneySense) or Best Student Cities for Affordability (QS).

In this commentary we will look at six international indices in detail. Two of these are firm-oriented: the Economist Intelligence Unit’s Liveability Ranking and Overview (hereafter **EIU**), and the Mercer Quality of Living Index (hereafter **Mercer**). Two are policy-oriented: the quality-of-life ranking in PricewaterhouseCoopers’ Cities of Opportunity 6 report (hereafter **PwC**), and the Lee Kuan Yew School of Public Policy’s Global Liveable Cities Index, (hereafter **LKY**). And finally, two that are lifestyle oriented: QS’s Best Student Cities-Desirability<sup>4</sup> (hereafter **QS**), and Monocle’s 25 Most Liveable Cities Index (hereafter **Monocle**). These indices have been chosen based on their representative nature, general familiarity in the Canadian media, and their use of ordinal ranking, allowing for ease of comparison. The top 25 cities in each index are included below.

**TABLE 1 THE TOP 25 CITIES FROM EACH INDEX**

EIU Liveability Ranking (/140) August 2014		Mercer Quality of Living Index (/230) 2015		PwC Cities of Opportunity (Quality of Living) (/30) 2014		LKY Global Liveable Cities Index (/64) 2012		QS Best Student Cities (Desirability) (/116) 2015		Monocle Quality of Life Survey (/25) 2014	
1	Melbourne	1	Vienna	1	Stockholm	1	Geneva	1	<b>Toronto</b>	1	Copenhagen
2	Vienna	2	Zurich	2	Berlin	2	Zurich	2	Sydney	2	Tokyo
3	<b>Vancouver</b>	3	Auckland	3	<b>Toronto</b>	3	Singapore	3	Tokyo	3	Melbourne
4	<b>Toronto</b>	4	Munich	4	Sydney	4	Copenhagen	3	Zurich	4	Stockholm
5	Adelaide	5	<b>Vancouver</b>	5	Paris	4	Helsinki	5	Melbourne	5	Helsinki
5	<b>Calgary</b>	6	Düsseldorf	6	Singapore	6	Luxembourg	5	Vienna	6	Vienna
7	Sydney	7	Frankfurt	7	San Francisco	7	Stockholm	7	Stockholm	7	Zurich
8	Helsinki	8	Geneva	8	London	8	Berlin	7	<b>Vancouver</b>	8	Munich
9	Perth	9	Copenhagen	9	Chicago	8	Hong Kong	7	Helsinki	9	Kyoto
10	Auckland	10	Sydney	10	New York	10	Auckland	10	Hong Kong	10	Fukuoka
11	Zurich	11	Amsterdam	11	Madrid	10	Melbourne	10	Berlin	11	Sydney
12	Geneva	12	Wellington	12	Hong Kong	12	Sydney	12	Copenhagen	12	Auckland
12	Osaka	13	Bern	13	Tokyo	13	Paris	12	Munich	13	Hong Kong
14	Stockholm	14	Berlin	14	Milan	14	<b>Vancouver</b>	14	Amsterdam	14	Berlin
14	Hamburg	15	<b>Toronto</b>	15	Los Angeles	15	Amsterdam	15	Adelaide	15	<b>Vancouver</b>
16	<b>Montreal</b>	16	Hamburg	16	Dubai	16	Osaka-Kobe	15	Auckland	16	Singapore
16	Paris	16	Melbourne	17	Seoul	17	New York	17	Perth	17	Madrid
18	Tokyo	16	<b>Ottawa</b>	18	Buenos Aires	18	Tokyo	17	Osaka	18	Paris
18	Frankfurt	19	Luxembourg	19	Moscow	19	Los Angeles	19	Paris	19	Amsterdam
20	Brisbane	19	Stockholm	20	Kuala Lumpur	20	Philadelphia	19	<b>Montreal</b>	20	Hamburg
21	Berlin	21	Stuttgart	21	Shanghai	20	Yokohama	19	Brisbane	21	Barcelona
22	Copenhagen	22	Brussels	22	Mexico City	22	Boston	22	Canberra	22	Lisbon
22	Wellington	22	Perth	23	Beijing	22	London	23	Singapore	23	Portland
24	Oslo	24	<b>Montreal</b>	24	Rio de Janeiro	24	Chicago	24	Chicago	24	Oslo
25	Luxembourg	25	Nurnberg	25	Sao Paulo	25	Washington DC	24	Kyoto	25	Brisbane



<sup>4</sup> In previous years “Desirability” was referred to as “Quality of Living,” but in the 2015 ranking this category was expanded to include safety, pollution and corruption, in order to better assess cities’ overall desirability (also referred to by QS as “All-around Quality of Life”), as a location for international students.

## THE METHODOLOGIES BEHIND QUALITY-OF-LIFE INDEXES

In reviewing Table 1, there are only three cities that are present in the top 25 cities of each index: Sydney, Stockholm and Berlin. Other heavy hitters such as Copenhagen, Melbourne, and Vancouver, miss the mark in one index or another. Looking at Canadian cities in particular, Vancouver makes five of the six lists, Toronto four, Montreal three, and Calgary and Ottawa one mention a piece. The marked lack of consistency between individual QLIs, be they firm-, policy- or lifestyle-oriented, is largely the result of the diverse methodologies used to construct them. Below we will take a brief look at three factors critical to the methodologies behind QLIs: (1) how cities are selected; (2) the types of data used; and (3) how data is organized and weighted, in order to better understand what goes into the creation of a QLI.

**City Selection:** There are wide variations in the selection criteria for cities included in a given QLI. Neither the EIU nor Mercer state their selection criteria; however, covering 140 and 230 cities respectively, these indices are by far the most comprehensive. PwC's selection of 30 cities reflects what the firm considers to be "capitals of finance, commerce and culture."<sup>5</sup> The 64 cities selected by LKY were chosen to represent global megacities (over 10 million inhabitants), major cities in most of the developed countries, and major cities in most of the important emerging countries, excluding those for which comparable data were not available.<sup>6</sup> Monocle only publishes those cities that make the top 25; as such, how many additional cities may be reviewed in a given year are unknown. Finally, the QS Best Student Cities ranking (from which the QS QLI is derived), has two selection criteria, (1) a population of over 250,000, and (2) the city must be home to at least two institutions that are ranked by QS — resulting in 116 cities. Further impacting which cities are selected in a given QLI is the availability of data that can be used to comparatively rank cities; while no one expects Damascus or Baghdad to be highly ranked, the lack of data has meant that these cities, amongst others, are frequently omitted.

**Quantitative and Qualitative Data:** QLIs are distinct in that they rank cities by comparing a mix of quantitative (e.g., taxes, infrastructure) and qualitative (e.g., discomfort of climate to travellers, food and drink) factors that influence the well-being of residents. In order to better appreciate what data are used, it is important to understand two terms that are often referred to interchangeably in a discussion of the well-being of residents in a given city: (1) standard of living, and (2) quality of life. Standard of living generally refers to the level of material well-being: the quality and quantity of goods and services available to individuals and society. Factors associated with the standard of living often include: income and poverty rates, the rate of inflation, life expectancy and the affordability and quality of housing, health care and education. Data for standard-of-living factors are easily quantifiable. Quality of life is a more subjective and arguably intangible concept grounded in the Universal Declaration of Human Rights. Factors such as the right to vote and work, the right to education, or the right to freedom of thought, speech and religion are intrinsically linked to quality of life and often taken for granted in modern occidental society. Often, data related to quality-of-life factors are difficult to measure, let alone quantify, and are therefore acquired through feedback, through employees in the case of the EIU and PwC, or in the editorial approach of the Monocle. In many cases, a high standard of living underpins a high quality of life. The fact that QLIs incorporate both standard of living and quality-of-life metrics, using quantitative data and qualitative feedback, only serves to muddy the methodological waters.

**Organization and Weighting of Data:** The way in which quantitative and qualitative data are organized and weighted varies considerably between indices. Take for example the EIU, which grades cities on 30 factors, with every city assigned a rating of relative comfort weighted into five categories (see Table 2). Meanwhile, Mercer analyzes some 39 factors in 10 categories, with New York being assigned a score of 100 and then serving as the base for the ranking of all other cities. PwC analyzes feedback from 15,000 employees and "...examines the tangible and intangible characteristics that set the city's emotional and physical meter, from transportation to hospitals to cultural vibrancy."<sup>7</sup> LKY analyzes some 85 indicators

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<sup>5</sup> PwC, "Cities of Opportunity 6" (2014), inside cover.

<sup>6</sup> Giap et al., "Ranking the Liveability of the World's Major Cities: The Global Liveable Cities Index (GLCI)" (2012), 45.

<sup>7</sup> PwC, "Cities," 1.

in 64 cities in an attempt to create an index that takes “the perspective of an ordinary man living in that city.”<sup>8</sup> As for lifestyle-oriented QLIs, QS takes the 116 cities that clear its selection criteria and weighs them against EIU’s 2014 Global Liveability Index, the Globalization and World Cities (GaWC) Research Network’s Index of Global Cities, safety and pollution indexes compiled by Numbeo, and finally Transparency International’s Corruption Perceptions Index. Lastly, Monocle’s editorial-based ranking is the result of “Months of good-natured, frequently late-night and jetlagged debate [that] have produced Monocle’s definitive (and just a little subjective) guide to the world’s most liveable cities.”<sup>9</sup>

**TABLE 2 OVERVIEW OF INDEX METHODOLOGIES**

EIU Global Liveability Index (30 indicators in five categories)	Mercer Quality of Living Index (39 indicators in 10 categories)	PWC Cities of Opportunity: Quality of Living (22 indicators in four categories)	LKY Global Liveable Cities Index (85 indicators in five categories)	QS Best Student City Rankings: Quality of Living	Monocle Quality of Life Survey (11 indicators)
<ol style="list-style-type: none"> <li>1. Stability (25%)</li> <li>2. Healthcare (20%)</li> <li>3. Culture &amp; Environment (20%)</li> <li>4. Education (10%)</li> <li>5. Infrastructure (20%)</li> </ol>	<ol style="list-style-type: none"> <li>1. Political &amp; Social Environment</li> <li>2. Medical &amp; Health Considerations</li> <li>3. Socio-Cultural Environment</li> <li>4. Schools &amp; Education</li> <li>5. Economic Environment</li> <li>6. Public Services &amp; Transportation</li> <li>7. Recreation</li> <li>8. Consumer Goods</li> <li>9. Housing</li> <li>10. Natural Environment</li> </ol>	<ol style="list-style-type: none"> <li>1. Transportation and Infrastructure (6)</li> <li>2. Health, Safety, and Security (5)</li> <li>3. Sustainability and the Natural Environment (5)</li> <li>4. Demographics and Livability (6)</li> </ol>	<ol style="list-style-type: none"> <li>1. Economic Vibrancy &amp; Competitiveness (20%)</li> <li>2. Environmental Friendliness &amp; Sustainability (20%)</li> <li>3. Domestic Security &amp; Stability (20%)</li> <li>4. Quality of Life &amp; Diversity (20%)</li> <li>5. Good Governance &amp; Effective Leadership (20%)</li> </ol>	<p>Eligible cities are weighted and ranked using:</p> <ol style="list-style-type: none"> <li>1. EIU (x7)</li> <li>2. GaWC+ Score (x3) (cities found on PWCs Cities of Opportunity index receive a 20% boost)</li> <li>3. Safety Score (x3)</li> <li>4. Pollution Score (x4)</li> <li>5. Corruption Score (x2)</li> </ol>	<p>Editorial-based ranking that looks at:</p> <ol style="list-style-type: none"> <li>1. Safety/Crime</li> <li>2. Medical Care</li> <li>3. Climate/Sunshine</li> <li>4. International Connectivity</li> <li>5. Public Transportation</li> <li>6. Quality of Architecture</li> <li>7. Environmental Issues and Access to Nature</li> <li>8. Urban Design</li> <li>9. Business Conditions</li> <li>10. Pro-active Policy Development</li> <li>11. Tolerance</li> </ol>

## MEASURING THE SUBJECTIVE: THE SHORTCOMINGS OF QUALITY-OF-LIFE INDEXES

The ranking of cities in a given QLI is impacted by how cities are selected, what data are used and how these data are organized and weighted. The variance between the different QLIs effectively means that any comparison between them is a moot exercise. Vancouver can jump from 15th place according to Monocle, to third in the EIU, and not make the cut in PwC, because these QLIs are all very different in orientation and composition. Different approaches generate different results. With this understanding, we will now discuss three shortcomings inherent to city rankings that are of particular import to QLIs: (1) boundary issues, (2) the impact of changing metrics, and (3) bias inherent to certain methodologies.

**Boundary Issues:** As noted by John Lorinc, boundary issues — that is, “...does ‘the city’ constitute the political entity, the census metropolitan area [CMA], or, in the case of large urbanized regions, the agglomeration of several CMAs...”<sup>10</sup> — present serious implications in the development and interpretation of QLIs, and the data used to construct them. One boundary issue that is particularly important to this discussion is which hubs in a metropolitan area are included in a given QLI. Although the majority of metropolitan areas are named after their core city, be it Chicagoland, Greater London, or the New York Metropolitan Area, there is a large variance in well-being among the municipalities in each metropolitan area, with individual municipalities exhibiting qualities that make them stand out from the dominant city within the metropolitan area. In the Canadian context, both Mississauga, Ont., and Surrey, B.C., are illustrative of this issue. Mississauga (Canada’s sixth-largest city with a population of 713,443

<sup>8</sup> Giap et al., “Ranking the,” 2.

<sup>9</sup> Monocle, “Quality of Life Trailer,” <http://monocle.com/film/affairs/quality-of-life-trailer/>.

<sup>10</sup> John Lorinc, “Why Ranking Cities Can Be Such a Tricky Business,” *The Atlantic CityLab*, October 13, 2011, <http://www.citylab.com/politics/2011/10/ranking-cities-tricky-business/236/>.

and part of the Greater Toronto Area (GTA)) comprises 12.9 per cent of the metropolitan population compared to Toronto at 47 per cent. Whereas Surrey (Canada’s 12th-largest city at 468,251 and part of Vancouver’s CMA) accounts for 20.5 per cent of the metropolitan population compared to Vancouver’s 26.5 per cent — a much slimmer margin. While neither city makes the cut in any of the international QLIs reviewed herein, they do rank in MoneySense’s Canada’s Best Places to Live, with Mississauga ranking 72nd compared to Toronto at 32nd, and Surrey at 174th compared to Vancouver at 39th. While Mississauga’s absence in international QLIs could be forgiven, given the difference in population between it and Toronto, the question is: which city will get picked when Surrey outgrows Vancouver?

**Impact of Changing Metrics:** To quote Jon Copestake, the EIU’s Editor, Liveability and Cost of Living, “[s]eeking to measure all of the factors that comprise a lifestyle means that improvements can always be made.”<sup>11</sup> In some instances, data omissions are deliberate. For example, the EIU and Mercer’s firm-oriented QLIs, omit the cost of living as a metric, as both firms sell this data separately. What data are and are not included in constructing a given QLI can substantially alter its outcome. Take for example the EIU’s one-off Best Cities Ranking and Report conducted in 2012. The Best Cities Ranking introduced a new category “Spatial Characteristics,” which included the following new indicators: Green Space, Sprawl, Natural Assets, Cultural Assets, Connectivity, Isolation and Pollution; and altered the weighting of the existing five categories.

Comparing the EIU Livability Ranking in 2012 to the Best Cities Ranking (see Table 3), there are some notable differences in results. This is largely the result of the fact that several heavy hitters — such as top-three Melbourne, Vienna, and Vancouver — were not included in the Best Cities Ranking (highlighting the importance of city selection in a given QLI). That said, Sydney and Toronto make both lists and are indicative of a relative shift, with Sydney moving up a spot and Toronto slipping four. The Best Cities Ranking illustrates how the choice of the data sets within a single QLI, can drastically change the results.

**TABLE 3      COMPARING THE EIU’S BEST CITIES RANKING, 2012**

Liveability Ranking (2012)			Best Cities Ranking (2012) (Spatial Adjusted Liveability Index)		
1	Melbourne	97.5	1	Hong Kong	87.8
2	Vienna	97.4	2	Amsterdam	87.4
3	Vancouver	97.3	3	Osaka	87.4
4	Toronto	97.2	4	Paris	87.1
5	Calgary	96.6	5	Sydney	86.0
5	Adelaide	96.6	6	Stockholm	86.0
7	Sydney	96.1	7	Berlin	85.9
8	Helsinki	96.0	8	Toronto	85.4
9	Perth	95.9	9	Munich	85.1
10	Auckland	95.7	10	Tokyo	84.3

**Methodological Bias:** Concerns have been expressed about methodological bias inherent to QLIs. Two op-eds have been particularly biting: one in 2009 in *Forbes*, and the other in 2010 in *The New York Times*. In the 2009 *Forbes* article “Why the ‘Livable Cities’ Rankings Are Wrong,” Joel Kotkin argues “[w]hat makes a ‘great’ city on one list can serve as a detriment on another.”<sup>12</sup> Kotkin’s critique rests on the criteria used in QLIs and the weighting of cities that favours the tastes of “traveling corporate executives, academics and researchers targeted by such surveys,” over the rawness of dynamic places that “contain the clutter, constant change, discomfort and even grime that characterize great cities through history.”<sup>13</sup> Put another way by television presenter Jeremy Clarkson, “[t]he only problem is that

<sup>11</sup> Jon Copestake, “Measuring Liveability,” Presentation at the International Festival for Business (2014) slide 7.

<sup>12</sup> Joel Kotkin, “Why The ‘Livable Cities’ Rankings Are Wrong,” *Forbes*, August 10, 2009, <http://www.forbes.com/2009/08/10/cities-livable-elite-economist-monocle-rankings-opinions-columnists-joel-kotkin.html>.

<sup>13</sup> *ibid.*

by weighting [QLIs] so heavily in favour of cities that are safe, it has ended up with all the best and most interesting places such as Saigon and Karachi and Phnom Penh at the bottom of the list and all the dull and anodyne places such as Melbourne and Copenhagen at the top.”<sup>14</sup>

The 2010 H.D.S. Greenway article “The Best Place to Live?” in the *New York Times* notes Mercer’s preference for German-speaking cities and the EIU’s penchant for English-speaking polis. Greenway observes that neither the EIU nor Mercer have put much of an emphasis on high culture, excepting Vienna, concluding that, “[a]s nice as Calgary may be, rising out of the Alberta prairie, one doesn’t live there for its operas or art galleries.”<sup>15</sup> To summarize Greenway, it is individual preference that determines what constitutes the best place to live. Taken together, both critiques lead one to ask, are the plaudits heaped on Commonwealth cities in particular QLIs well deserved, or are they the happy coincidence of being cities in remnant states of a once glorious empire?

## UTILITY FOR WHOM? THE INAPPROPRIATE USE OF QUALITY-OF-LIFE INDEXES

Despite the very real shortcomings discussed above, there is a growing appetite for QLI rankings in the media and by vested interests across the political spectrum. As opined by the EIU, “If there’s one thing that becomes apparent when working on rankings, especially rankings that are close to people’s hearts (or wallets) like liveability and the cost of living, it’s that everyone has an opinion.”<sup>16</sup> Therefore, how QLIs are interpreted and conveyed to the public by differing interests is perhaps more important than how they are constructed or any shortcomings in their content. Three factors in the inappropriate use of QLIs will be discussed below: (1) misinterpretation, (2) framing, and (3) misapplication.

**Misinterpretation:** Even the title of individual QLIs are fraught with misinterpretation. Take, for example, the word “liveability.” Liveability, as opposed to livability, was first coined by The Economist in an effort to separate the EIU’s Liveability Ranking from traditional “hardship” or “quality-of-life” rankings.<sup>17</sup> As explained by Copestake, “Most liveable is not the same as being the best. Liveability measures the level of lifestyle that can be achieved in a location. Rather than defining itself by what is ‘good’ about a city [liveability] seeks to define itself by what is ‘least challenging’. Therefore the most liveable city is not necessarily the ‘best’ simply the least challenging in which to live.”<sup>18</sup> Put into practice this means that the leaders of the EIU’s QLI — Melbourne (#1), Vienna (#2), and Vancouver (#3) — are simply the least challenging cities in which to live, whereas the bottom ranked cities — Port Moresby (#138), Dhaka (#139), and Damascus (#140) — are the most challenging.

**Framing:** Related to the misinterpretation of QLIs is an inherent bias in how city rankings are framed. This is seen in the emphasis placed on the top 10 ranking of a given city by politicians and the media alike. Take for example the EIU: while the media may focus on the top 10 contenders, there is only a 1.8 per cent difference between Melbourne (#1) and Auckland (#10). In fact, a total of 64 cities of the 140 surveyed (46 per cent in total) are above a rating of 80 per cent, where the EIU determines there to be “few, if any, challenges to living standards.”<sup>19</sup> And while there may be a large degree of popular interest in QLI rankings in Canada, one is hard-pressed to find similar sentiment in the U.S., where no cities manage to crack the top 25 of either the EIU or Mercer QLIs, where the best-ranked cities are Pittsburgh at 32nd and San Francisco at 27th.

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<sup>14</sup> Copestake, “Measuring Liveability” slide 13.

<sup>15</sup> H.D.S. Greenway, “The Best Place to Live?” *The New York Times*, May 27, 2010, <http://www.nytimes.com/2010/05/27/opinion/27iht-edgreenway.html>.

<sup>16</sup> EIU, “Best Cities Ranking and Report: A Special Report from the Economist Intelligence Unit” (2012), 1.

<sup>17</sup> Copestake, “Measuring Liveability” slide 2.

<sup>18</sup> Copestake, “Measuring Liveability” slide 3.

<sup>19</sup> EIU, “A Summary of the Liveability Ranking and Overview: August 2014” (2014), 5.

**Misapplication:** Increasingly, QLIs have become a benchmarking tool for intercity comparison. Notably, Mercer now assists municipalities in assessing factors that can improve their quality-of-living rank. To quote Mercer, “Mercer advises municipalities through a holistic approach that addresses their goals of progressing towards excellence, and attracting multinational companies and globally mobile talent by improving the elements that are measured in its Quality of Living survey.”<sup>20</sup> The important distinction here is that Mercer is advising on how to improve a given city in step with its methodological bias. This belies the reality that, in the majority of instances, QLIs are not intended, nor suitable, for such an application. Firm-oriented QLIs, such as those conducted by the EIU and arguably Mercer itself, are intended to assist businesses in assigning compensation for expatriate workers, not for politicians to infer global attractiveness along “creative economy” theories. Similarly, policy-oriented QLIs, in their attempt to capture a comprehensive interpretation of what constitutes quality of life, often overlook the importance of individual preference. Perhaps, lifestyle-oriented QLIs are the least susceptible to misapplication in the fact that they are explicitly tailored to specific audiences — for instance, a retiree wouldn’t necessarily turn to the QS Best Student Cities-Desirability when looking for information on an optimal retirement community.

## WHAT IMPACT SHOULD QUALITY-OF-LIFE INDEXES HAVE ON THE CANADIAN URBAN-POLICY ARENA?

From a policy perspective, differences in the orientation of different QLIs, how they are constructed, shortcomings in their content, and the manner in which they are consumed all mean that quality-of-life indexes are an inappropriate tool for meaningful policy formation. The fact that we do consume these lists and eagerly regurgitate their findings to suit our needs, reflects the growing importance of cities in an increasingly globalized world. Perhaps then, the real indicator of success is not where a given city ranks on a particular QLI, but on how many different lists a city can be found. Yet, even using such a metadata-driven approach, the fact remains that individual well-being is intimately tied to personal preference — quantifying the qualitative factors that comprise the urban experience is an inherently subjective exercise.

In sum, the next time you’re offered a transfer at work feel free to peruse the EIU’s Liveability Ranking and Overview, or Mercer’s Quality of Living Index; if you want to understand how policy can shape a city take a look at PwC’s Cities of Opportunity, or find a copy of LKY’s Global Liveable Cities Index; if you’re thinking of applying for grad school check out QS’s Best Student Cities-Desirability, or if you want an engaging read, pick up the July/August edition of Monocle. But be aware of what individual quality-of-life indexes are intended to convey, so that the next time the media or your local politician tells you that you live in the fifth-best city in the world, you can approach what they’re saying with a healthy dose of skepticism.

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<sup>20</sup> Mercer, “Vienna Tops Latest Quality of Living Rankings,” News Release (March 4, 2015), <http://www.mercer.ie/newsroom/Mercer-Quality-of-Living-Survey-2015.html>.

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