The Chandler Prosperity Model
A Total Game Approach to Building and Sustaining Prosperity

What Do We Mean by “Prosperity”?
Calling a country “prosperous” is often shorthand for saying that it is wealthy, and a single metric still dominates many discussions of development: GDP. Economic output, income, and wealth are, of course, important pieces of the prosperity puzzle – but far from the only ones. As Robert Kennedy said in a 1968 speech, “GDP measures everything . . . except that which makes life worthwhile.”

GDP may measure the quantity of prosperity in a given country, but the quality of prosperity is at least equally important. The quality of prosperity is determined by factors including social mobility, opportunity, safety, health and personal freedoms.

The Chandler Prosperity Model (CPM) provides a framework that bridges governance, civil society, business and people, to achieve a more holistic understanding of building and broadening national prosperity.

The CPM highlights that the pieces of the prosperity puzzle are varied and interconnected. They include elements such as capable government institutions and smart policies, a dynamic and inclusive marketplace with good private sector participation and innovation, and thriving communities with strong culture and core values that deliver health, education and economic opportunities. Bridging these elements and bringing them together requires the collaboration of civil society, business and government.

The three levels in this model highlight the multidimensional nature of prosperity. The levels can either create or impede an individual’s opportunity to climb the Social Mobility Ladder.

*For a fuller explanation, please see www.chandlerinstitute.org
The Architecture of Prosperity: A Good Pilot is Not Enough

The prosperity which flows from strong nations and vibrant economies depends on the synergy and harmony between various stakeholders, elements and forces working together. No single factor alone can explain or guarantee success.

Too often, we confuse governance with leadership. For centuries, historians have written books and ballads about great leaders, highlighting their good decisions, charisma, and abilities. In doing so, we over-emphasise the role and importance of individual leaders. Having a good pilot at the helm is important, but the best leaders look beyond themselves, and build sound and lasting institutions, systems, and processes. Wise leaders who do this leave a valuable legacy and a stronger nation for future generations.

Lee Kuan Yew, the first Prime Minister of Singapore, is widely credited as the leader at the forefront of Singapore’s impressive economic and national development from the 1960s to 1990s. While his most visible role was in piloting the Singapore “aircraft” as a statesman and a gifted leader, Lee also worked hard architecting and engineering the aircraft, by designing effective laws, systems, institutions, and social organisations. Effective structures and systems outlast individual leaders, ensuring sound governance and process, and stabilising a nation during periods of turmoil and poor leadership.

The architecture of a strong nation is akin to that of a modern aircraft. A safe, strong and well-functioning aircraft requires a sturdy fuselage that carries and ensures the well-being of passengers. It also needs sturdy wings and engines that generate lift and thrust, enabling the aircraft to reach great heights. Likewise, prosperous nations must have a strong fuselage (governance, marketplace, community and culture) and wings (trust equity and social mobility). Advanced fly-by-wire flight control systems (equivalent to a nation’s laws and institutions) in modern aircraft act as a safeguard against pilot error, by overriding potentially dangerous manual instructions.

The Architecture of Prosperity: The 3-Part Fuselage

There is broad consensus on the factors that drive national development and prosperity. Good governance, a vibrant and creative marketplace, and healthy, stable and empowered communities all have important roles to play.

Good governance, in the form of wise national leaders, the rule of law, effective institutions and sound policies and regulations, is a bedrock of prosperity. Through their actions, governments can establish fair, consistent and balanced environments for people to live and work, and for entrepreneurs and businesses to invest and operate.

A vibrant, creative and competitive economy is the engine room of the country, ensuring inclusive growth. A good business climate sustains the investment and job creation required for economic development. Over time, a strong economy will yield sustainable profits for businesses, enabling investment in innovation and higher value-added products, resulting in better salaries and improved livelihoods.

No country can be truly prosperous when its communities, towns and neighbourhoods are left behind. Both hardware and software are needed to nurture strong and cohesive communities. At a basic level, people and families need security, housing, healthcare and education. Culture and values can also be important in encouraging individual initiative and growth. Communities with a shared belief in discipline, effort, fairness, and frugality can motivate and encourage their people to work hard, save and grow.

Together, government, the marketplace and the community form the core of the country – or the fuselage of the aircraft. Just as an aircraft cannot function if its fuselage is damaged, countries will not remain prosperous for long if any of these three parts is weak.
Leadership is important, both at the political and professional civil service levels, but perhaps not for the reasons that most people believe. The most respected national leaders in history – from the Mughal King Akbar I and Emperor Justinian I, to Emperor Tang Taizong and Persia’s Cyrus the Great – saw themselves as the stewards of their national story. They understood that their role was to write the next chapter in that story, in order to leave behind a stronger and better nation for future generations.

They did this through promoting peace, inclusivity and stability, securing borders against enemies, improving schools, stocking their treasuries and granaries, codifying administrative systems, rules and procedures, and ruling in the best interests of their people and nation. They attracted capable people to their side as advisors and administrators, and took pains to understand the realities of life in their empires and nations.

Good national leaders are also positive role models, demonstrating the values and sense of identity they want to impart. They understand that they cannot influence what they do not model. They carefully instil professional pride, values and a common ethos in the civil service, through shared traditions, storytelling, formal training, open dialogue, and identity markers such as heritage displays and uniforms.

When leaders are guided by the wisdom of long-term legacy thinking, and are ethical and competent, they can truly be considered architects of their nations, ushering in eras of stability and prosperity.

Institutions and Civil Service
Good government depends on the architecture and engineering of sound public institutions, systems and processes, that outlast individual leaders’ terms in office.

Sound public institutions are well constituted with a formal legal mandate and scope, effectively architected to facilitate internal workflow and coordination with other government agencies and external stakeholders, well-staffed and resourced, and equipped with strong processes for planning and implementation. Institutions must also be adaptable yet resilient in the face of rapid changes.

Capabilities are key to the effective working of government institutions, ranging from the ability to steward public finances, to having platforms and tools to engage stakeholders, and to enforce regulations. National Schools of Government in various countries play an important role in the development of core capabilities within civil services.

Rule of Law
A country’s rule of law plays a critical role in creating a well-governed society, fostering a healthy business environment, enhancing economic growth, curbing corruption, restraining the abuse of power, and improving access to public services (particularly for the poor). It is rule of law that ensures contracts are enforced, property rights protected, fair competition promoted, businesses regulated, and public servants held accountable. In other words, the rule of law impacts everyone.

So, it should concern us greatly that an estimated 1.5 billion people – 1 in 5 – cannot access justice. They may have a dispute over land with a neighbour, a conflict over family inheritance, or be the victim of a crime. They may not be able to access justice because of geography. Perhaps the nearest court or police officer is hours away. In other cases, the nearest court or police officer may refuse to take the case, or take the case and not handle it fairly. This is particularly challenging for women, who in some countries cannot testify in court or represent themselves to authorities.

Such challenges to accessing justice undermine confidence in the system, erode societal trust, and increase insecurity, thereby curbing investments and innovation.

Financial Stewardship
All governments need revenue from taxes, investments, fees, and other charges, to meet the expenses required to administer government agencies, and to provide public goods and services. Most governments are entrusted with
billions of dollars in public finances each year. Because of this, public officers need the skills, incentives and values to steward and govern the use of these funds, by minimising waste, curbing corruption, ensuring accountability, and achieving the best value for money in public expenditure.

Prudent financial stewardship will strengthen a nation in the long term. When governments tax and spend wisely, and ensure that expenditure is sustainable and within their means, they will not leave excessive liabilities and debts for future generations to deal with. Countries with manageable debt levels and good sovereign credit ratings will also be better able to tap on global bond markets, and borrow at lower cost.

Despite the importance of good financial stewardship, a significant number of governments today have high debt relative to their GDP, and only a handful have built up the reserves and savings necessary to respond effectively to large-scale crises.

**Policies and Regulations**

All governments formulate policies, laws and regulations, to guide the behaviour of individuals, businesses and other actors in a wide range of areas. These laws and regulations affect most aspects of people’s lives, including how children are taught in school, whether people can smoke in public places and purchase firearms, whether most young couples can purchase a house, and the amount of energy and water that businesses use.

Because policies and regulations can completely change the playing field and the “rules of the game” in a country, they must be well designed to ensure effectiveness, and reduce abuse or unintended consequences. Good planning and design of regulations is only the first step. Competent implementation and enforcement of laws and regulations are hallmarks of effective governance. This does not mean that laws have to be harsh or indiscriminately applied. Compassion, differentiated treatment and channels of appeal are important, but they must be built into the design of the regulations, rather than left to the whims and discretions of individual public officers on the ground. Online platforms and services are an effective way for governments to harness technology to create greater efficiency, transparency, and accountability.

**Level 2: The Marketplace: Building the Middle Class Engine Room**

*From a Pyramid to a Diamond*

**Pyramids and Diamonds**

The “economic engine” of sustainable development is the marketplace. Thriving businesses stimulate economic growth and job creation. The key to building a strong society with a vibrant economy is fostering a strong middle class. Middle class households and communities have the means — finances, education, networks and time — and incentives to start businesses that employ others, save for their future, invest, and vote for political leaders with longer term perspectives. Nurturing a strong middle class not only requires a well architected education and healthcare system, it also means incentivising entrepreneurship and risk taking.
**Availability & Cost of Capital**

Capital is the lifeblood of business. Businesses often borrow to finance new ventures, conduct R&D, build commercial plants and facilities, and produce goods and services. Without good access to capital markets, it is more challenging for promising innovations to develop, and viable businesses to scale.

According to a World Bank Doing Business report, small and medium enterprises (SMEs) account for over 90% of firms worldwide – they are the most significant contributors to employment, and generate the majority of jobs. Yet they face greater financing obstacles than larger firms, such as poor access to external finance, high transaction costs and higher risk premiums.

Capital also needs to be affordable – competitive and reasonable interest rates foster a conducive environment for both small and large companies to operate and grow. In turn, this is essential for inclusive and broad prosperity.

**Marketplace Infrastructure**

Beyond capital, businesses also require access to effective public infrastructure such as airports, highways, ports, and broadband networks that are essential for healthy and efficient business operations.

The World Bank found that if internet penetration were increased to cover 75% of the population in all developing countries, this would add as much as US$2 trillion to their collective GDP, and create more than 140 million jobs around the world.

It is important that governments provide physical infrastructure as a public good, to support economic activity and productivity, thereby allowing businesses to thrive and grow to their full potential.

**Business Culture & Climate**

The 2019 World Bank study, Business Regulations and Poverty, found that when a country raises its Ease of Doing Business score by 10%, it sees a 2-percentage point reduction in its poverty headcount. Countries that are business-friendly with the appropriate legal, regulatory, institutional, and procedural infrastructure unleash the power of the private sector to create jobs and power economic growth, thereby encouraging an environment that supports businesses, entrepreneurship and innovation.

The culture and practices of the business community can also have a significant influence. If corruption and nepotism are endemic, and if businesses see it as viable and lucrative to break laws and cut corners in pursuit of profits, there will be a huge loss of economic and human potential. Such economies may experience brief spurts of unconstrained growth, but few countries truly achieve sustained and high levels of prosperity without sound governance and an ethical business climate.

**Livable Cities**

More than half of the world’s population now lives in cities, and this share will only increase. It is no longer enough for a city to only provide roads, ports and street lighting. People are attracted to livable cities – with a vibrant arts and dining scene, a dynamic and sustainable economy, low crime and pollution, diverse entertainment options, cultural and public amenities, and a good quality of life.

Livable cities are the crucible of entrepreneurship and innovation. Most new businesses and research originate from cities, because they are magnets for innovation, talent and capital. Cities hold the promise and potential of humanity’s future. By 2050, an additional 2.5 billion people are projected to live in urban areas, highlighting the importance of building livable cities, where people want to live, work and play.

**Level 3: The Foundations of Flourishing Communities**

**The Importance of Community ‘Software’**

The ability to embrace one’s dreams, and build on the foundations and heritage of one’s family, depends on a number of factors. Amongst them, access to and affordability of social goods and services is key. At an individual level, education and health are important. At a community level, peace and security are essential. And at an economic level, vocational skills and access to credit, land, and opportunity are essential elements.
Security and Social Cohesion

Peace and stability are inextricably linked with development, just as conflict and insecurity are connected to poverty.

The costs of conflict and insecurity are severe and spill over into every aspect of a country’s development: stunting its economy, weakening its governance, and hindering its ability to educate its people. The World Humanitarian and Data Trends Report 2016 estimates that conflict and violence cost the global economy US$ 14.3 trillion, or 12.6% of global GDP. Indeed, it is no coincidence that the majority of the world’s poor live in fragile states crippled by conflict, crime and instability.

In contrast, a flourishing community is one that has the factors needed for stability and confidence for development. Communities thrive and are fortified in an environment where members are united by common aspirations and culture, feel safe, and can co-exist without friction or conflict.

Education and Core Values

UNESCO has called education “the most basic insurance against poverty”. Each additional year of schooling that students attend raises, on average, a country’s annual GDP growth rate by 0.37 points.

The challenge is simultaneously opening the door to education for children in low-income countries – there are more than 263 million boys and girls out of school worldwide – and improving the quality of the education they receive. Educating girls has an especially powerful impact on development.

Beyond eradicating poverty, education provides a platform for the community to build a shared understanding and alignment of the civic values that are important. This encourages a sense of responsibility to the community, where members think and act with regard for the wider public good.

Health

Healthy populations outlive and economically outperform unhealthy ones. Illness and lives lost translate into both personal tragedy and wasted human potential. Almost 3 million people die each year from vaccine-preventable diseases, with the majority from low-income countries. Meanwhile, roughly 100 million people have been pushed into extreme poverty paying for healthcare.

As with education, the challenge is three-fold: improving access for those beyond the reach of healthcare – half the world lacks access to essential health services – while also improving the affordability and quality of care they do receive.

Family and Housing

Habitat for Humanity estimated that there are 1.6 billion people around the world living in “inadequate shelter”. Beyond a basic roof over one’s head, adequate housing also requires a safe environment, and access to clean water, sanitation and electricity.

Housing reduces the uncertainty and fear of dislocation, and provides a sense of belonging, permanence and security, enabling people to build better lives with their families and loved ones. It gives people the courage and confidence to plan for the future and make better long-term decisions, such as sending their children to school, taking up a job or starting a business.

Vocational Skills

UNESCO has advocated for vocational education and training as a means to reduce poverty, support livelihoods, and promote economic growth. Individuals equipped with improved vocational skills tend to have more work options, and can earn higher incomes. In many countries where a significant number of children do not have access to quality higher education, formal and informal vocational training in trades and skills like carpentry and hairdressing provide a major source of income opportunities.

Beyond individual benefits, communities with a high variety of vocational skills and trades can be more attractive to residents and businesses. Business and investors are attracted to communities with people equipped with vocational skills required for their companies, such as the ability to operate agricultural machinery. Communities
with a wide range of skilled workers such as mechanics, tailors and nurses will enjoy a higher quality of life, while plumbers and bricklayers are essential for building and maintenance of homes.

**Economic Opportunity**
While healthcare, education, and security heavily influence a person’s ability to realise their economic potential, they do not guarantee economic opportunity. There needs to be an environment that is attractive to businesses and investors, so that jobs and opportunities will be available. In turn, economic progress and development generate even more opportunities for future generations to work and fulfil their potential, enabling the community and its people to flourish.

**Architecture of Prosperity: The Wings Provide Lift**
Governments that build fair societies anchored in the rule of law, and strong and vibrant economies which enable the provision of public goods and services (security, healthcare, education, public transportation and so forth), earn the trust of people. In turn, high levels of trust lead to a greater willingness by businesses and people to work hard, pay taxes, save and invest in the future. This is what we call the *Trust Waterfall*. It is the right wing of the Chandler Prosperity Model.

Entrepreneurs and business leaders must seize the economic freedom and opportunities that arise from good governance, to start and grow businesses that generate jobs, incomes, and wealth. Business leaders must also act responsibly in the public interest, and prioritise purpose and principles in their pursuit of profits.

Individuals must feel secure enough and have both a fair opportunity and the drive to invest their time, talents, and resources in bettering their lives and communities. As individuals learn, strive and gain skills and experiences, they can rise to achieve their potential and dreams, and leave legacies of leadership, honour and influence, as societal leaders and role models. We refer to this as the *Social Mobility Ladder*. It is the left wing of the Chandler Prosperity Model.

*Trust is Strategy*  
*Prosperity and Corruption*  
Country GDP per Capita vs Corruption
The Trust Waterfall Starts with National Leadership
The Trust Waterfall starts with government. A government’s capabilities, policies and effectiveness affect all levels of society. The level of trust in the marketplace and society follows the integrity of its leaders, and government leaders must model the values and standards they seek in others. When government leaders demonstrate integrity, transparency and accountability, they are setting the tone for business and community leaders, and making a clear statement on the kinds of behaviour that are acceptable and desirable.

Government Trust Equity
The Chinese philosopher Confucius once said “without trust, a people cannot stand.” It turns out, this is a point on which most economists, politicians, and business leaders around the world agree. Trust is the oxygen that sustains the marketplace ecosystems that power the economy and expand the middle class.

Countries with high-trust cultures – those where regulations and laws are fair and enforced, with secure and stable business environments, and with trustworthy leaders – attract capital and investment, which drive economic growth and employment.

Governance systems that are effective and accountable not only set a standard for the management of societal resources, they establish a standard for marketplace and social behaviour. Well-designed institutions, systems and policies provide continuity and predictability, which in turn foster trust and attract investment. Every country that has a government with a high integrity score also has high GDP, access to low-cost capital, and a highly capitalised stock market – which is a barometer of national wealth.

The 20 countries with the highest levels of trust (according to Transparency International’s Corruption Perceptions Index) are all prosperous. Of the 50 countries with the highest levels of corruption, not one meets the World Bank’s definition of prosperity. More concerning, corruption leads to poverty, and poverty leads to violence.

This matters because trust in governments is low in most countries worldwide. The 2021 Edelman Trust Barometer finds that only 53% of respondents trust their governments, compared to 61% who trust businesses and 57% who trust NGOs. The failure of many governments to effectively tackle the COVID-19 pandemic led to a sharp fall in people’s trust in their governments, from a high of 61% in May 2020. Faced with a low trust environment, it will be more challenging for governments to deal with crises, motivate and rally their citizens, and make tough decisions.

Marketplace Trust Equity
Trade and commerce are central to every prosperous economy. Without trust, trade and commerce cannot function. Contracts provide a legal basis to set out the responsibilities and rewards of different parties in a business partnership or deal, but no contract can cover every possible contingency or event. In the absence of sufficient trust and goodwill, businesses will incur higher costs of supervision and monitoring, to ensure compliance and performance.

An economy where bribes are written off as “the cost of doing business” is stifled and inefficient; a country where contracts are awarded to family members of government officials rather than qualified bidders loses out on innovation and participation. Businesses also need to trust that the government will be fair, impartial and balanced in designing laws and regulations, and will respect their investments and property rights.

Social Trust Equity
The great Chicago heat wave in 1995 claimed over 700 lives. Sociologist Erik Klinenberg found that the most fatalities did not occur in the poorest neighbourhoods, as experts predicted. Instead, the highest death tolls were in areas where the bonds of social trust and community had broken down most starkly. In such communities, people did not feel comfortable reaching out to strangers for help in times of need, there were fewer volunteer efforts to ensure that the elderly and infirm had access to supplies and healthcare, and many did not know where to turn to for support.
In places with high social trust, people and families are far more likely to offer and accept assistance during emergencies. Beyond this, they will also participate more in civic and community activities, be more tolerant of differences, and be more optimistic about their life chances. Resilience is not just measured in financial terms. Social bonds and trust between individuals and communities are an important element of national strength.

Social Mobility: Short Ladders and Tall Ladders
The Chandler Prosperity Model explains the important roles of governments and businesses, but neither can produce good national outcomes alone, without harnessing the initiative, aspirations and efforts of people. Governments alone cannot instil the desire and drive to create the community institutions, businesses and innovations that push society forward. Thriving communities are built on the beliefs and dreams of individuals. And they are built with the hard work, dedication, and bottom-up efforts of individuals provided with the opportunities that governments must aspire to create.

The key to social mobility is equality of opportunity. This includes access to education, vocational training, universities, the ability to start a business, access to capital, fair regulation and equitable taxation. It also includes freedom from fear, persecution or discrimination, and conscious efforts to counter social biases and prejudices against groups or individuals who might otherwise be marginalised and denied the opportunity to participate fully in society and the marketplace.

Countries that work hard to achieve broad and genuine equality of opportunities are building tall ladders for their people. These tall ladders allow anyone, regardless of how humble their starting point in life, to aspire, dream and achieve successes as readily as those born to wealthy families. The USA's rapid development and rise in the 19th century can be linked to its appeal as a land of possibility and inclusiveness, offering opportunities to all. ‘Give me your tired, your poor, / Your huddled masses yearning to breathe free’, reads the inscription on the Statue of Liberty, with the implicit promise that immigrants will find a better life, and the freedom to create and succeed.
Conversely, governments that neglect social mobility, and allow social and economic divides to harden into class structures over time, can be said to have short ladders, resulting in what social mobility experts and the World Economic Forum call “sticky floors and ceilings”. In these countries, the poor largely stay poor, and the wealthy remain wealthy.

Research by the OECD and WEF illustrates the stark differences in relative social mobility between countries. At current levels of social mobility, it would take two generations for a low-income family’s descendants to reach the mean income in Denmark, and three in Sweden, Finland and Norway, compared to six generations in France. In South Africa or Brazil, that same low-income family would take nine generations to reach mean income.

**Short Ladders, Tall Ladders**

Number of generations for children born in low income families to reach average income

Countries with short ladders will be less attractive to talent in the long run. The most talented people gravitate towards environments with good opportunities for all, and the right incentives that reward people based on skills, values and merit. These countries will also tend to be less economically dynamic, since vast amounts of human potential are wasted due to lack of educational and employment opportunities for children from lower income families. With globalisation and advanced technology increasingly driving economic progress, the divide between those with early childhood opportunities and those without will only widen in future.
Climbing the Ladder
Even the tallest ladders do not automatically lift people from the ground floor of a building to the top. Individual aspiration and effort are necessary for someone to climb the Social Mobility Ladder. Each person’s success is part of their personal journey of growth, to surpass one’s starting point, while staying anchored to heritage and values.

This individual growth is best supported by cultural and community values that emphasise learning, hard work, thrift and prudence, and that balances shared and individual responsibilities, so that people take care of both themselves and others. Singapore Deputy Prime Minister Tharman Shanmugaratnam described the need for government initiatives to coexist with individual initiative, “keeping alive a culture where I feel proud that I own my home and I earn my own success through my job. I feel proud that I’m raising my family. And keeping that culture going is what keeps a society vibrant.”

Driven by their aspirations and dreams, and given opportunities and freedom, people will naturally set about acquiring skills and education, to innovate, work and start businesses. With hard work comes career and business growth, followed by marketplace success, financial resources, and leadership. Individuals who truly seek to reach the apex of the Social Mobility Ladder cannot stop there, but must continue to look upward and outwards, and use the resources, position and influence they have earned to serve as good role models and civic leaders, to leave positive legacies in their communities and the wider world.

Flying the Aircraft: Putting the Model Together

Achieving Take-Off Velocity
Many countries face governance challenges that arise from the inability to empower, harness and coordinate the efforts of the public, private and people sectors. This can lead to corrupt and inefficient bureaucracy, to overly powerful and unaccountable business interests, or to polarised and weak communities. Such countries risk being caught in a “middle income trap” or a low growth equilibrium, akin to an aircraft cruising at a low altitude but unable to achieve the heights of national prosperity and development.

The Chandler Prosperity Model shows the importance of coordinating and leveraging on all the different “pieces” of the prosperity puzzle, through an understanding of their interconnected nature. It helps us recognise that solutions must be both top-down (unleashing the Trust Waterfall) and bottom-up (helping individuals climb the Social Mobility Ladder). It is not enough for a country to have each of these elements in the Model – the individual elements also need to work together in the right way.

The Model also encourages a more holistic mindset, and reveals that the journey of national strength and flourishing involves collaboration across and between the political, economic, and social communities. It suggests the power of collaborative, cross-sector, and systemic approaches in building a more prosperous nation.

Sustaining Flight – The Governance Competition
Throughout history, talent and capital migrate to good governance. The countries that build and sustain their competitive edge are the ones where innovation and entrepreneurship are strongest. From Renaissance Florence in the 13th Century to Silicon Valley today, creative societies are the prosperous societies.

Most countries progress from low income to middle income – but the path from there to high income is more difficult. To avoid stalling out and falling into the “middle income trap”, countries must be resolute in continuing to invest in and advance across all elements of the Model.

History tells us that nations rise and fall – prosperity leads to complacency, loss of discipline and decay. Wealth does not always imply wisdom. Indeed, prosperity appears to lead to excessive spending, loss of discipline and geopolitical overreach. Staying strong and prosperous may indeed be harder than the journey which created the wealth of the nation.
Tools for Measuring Prosperity

The Multidimensional Nature of Human Flourishing
Together, the different components in the Prosperity Model capture the multidimensional nature of human flourishing, and underscore the intricate complexity of creating and sustaining it.

A number of indices and rankings are trying to capture a more holistic view of prosperity. The United Nations Development Programme has created the Human Development Index and the Global Multidimensional Poverty Index, both of which “emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone.” The Social Progress Index was created by a team of US economists from Harvard and MIT and incorporates measures of health, safety, personal freedom, and inclusiveness. The Legatum Prosperity Index is built from nine pillars, including “governance,” “the natural environment,” and “social capital.”

Not Everything that Counts Can Be Counted
When compared with GDP, many of these nonmaterial aspects of well-being can seem subjective given how difficult they are to measure, and the picture of prosperity they paint can seem less tidy than a single figure. But this multidimensional portrait of prosperity, which incorporates those areas that “make life worthwhile,” is more accurate, recognizing that human flourishing cannot be measured by money alone.

Going Upstream: The Chandler Good Government Index

While various indices measure well-being and prosperity, it is also important to measure the underlying factors that are the foundation of prosperity. The quality of national governance is key to whether countries succeed.

The Chandler Good Government Index, launched in 2021, is the most comprehensive index of national governance quality in the world. It measures the capabilities and performance of government in 104 countries, across 34 indicators, and accounts for nearly 90% of the world’s population. The Index is designed as a practical tool for governments to measure, benchmark and understand their performance and capabilities, and identify opportunities for improvement. It also demonstrates that effective government capabilities are closely linked to good outcomes in important areas like health, education, safety, environmental performance, gender parity and social mobility.

The Chandler Good Government Index provides strong evidence that good governance is closely related to national prosperity. In the inaugural Index rankings, the top performing countries were all high income according to World Bank classifications.

The Trust Waterfall explains how anti-corruption, the rule of law, sound policies and high quality public service delivery build an environment of trust. This stimulates hard work, investment, savings, and wealth. In turn, economic growth provides governments with the financial resources and tax revenue to build better systems, hire and retain talented civil servants, and deliver higher quality infrastructure and public services for the benefit of citizens. Good governance creates a virtuous cycle, that sustains strong and prosperous cities, states and nations.