

**MGT 3375.003 International Business: Maggie Wan**

**Second Individual Assignment**

**Evaluating International Locations for Quality of Life:**

Geneva, Switzerland & Abu Dhabi, UAE

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## **Overview**

MNEs (multinational enterprises) often require managers to live abroad for extended periods of time while working. Understanding advantages and disadvantages of the abroad destinations for these expatriates is crucial for ensuring success. MNEs should highly consider quality of life factors that will help to ensure the expatriate (and family) can assimilate into the local culture and achieve a comfortable lifestyle while working. In this text, Geneva, Switzerland (European City) and Abu Dhabi, UAE (Asian City) will be considered as the temporary living destinations for expatriates in this assignment. The most considered factor when choosing these two cities was the consideration of the corruption rates as seen in the appendices. Statistics of both cities will be discussed and topics including, but not limited to, the cost of living in both cities, climate, quality of life, and other contributing factors will be covered. After, further analysis of the data will be explained, including whether these two cities will be good for MNEs to consider when sending expatriates abroad.

## **Cost of Living**

### **Geneva**

Cost of living in Geneva, Switzerland estimates around \$1,554.84 per month (without rent) for a single person (Numbeo, 2021). Geneva is also 79.85% more expensive than Austin, Texas and rent is considered to be, on average, 30.93% higher than in Austin, Texas (Numbeo, 2021). Average monthly salaries in Geneva are estimated to be around \$6,191.49 Fr. after tax (Numbeo, 2021). A one-bedroom apartment can be rented for \$2,087.08 Fr. per month in Geneva (Numbeo, 2021). Price per square feet to buy an apartment in the city center is \$1,275.45 Fr. and is \$925.44 Fr. outside the city center (Numbeo, 2021). Childcare for one child in preschool is

\$2,050 per month in Geneva; International Primary School is more expensive totaling at \$25,521.82 per child per year (Numbeo, 2021). Monthly utilities for an apartment are estimated to be around \$300 per month (Numbeo, 2021). Options for transportation include a taxi (\$3 Fr. Per ride), monthly pass taxi (\$70 Fr.), and buying a car (\$30,000 Fr.) (Numbeo, 2021). A gallon of gas in Geneva is said to be around \$6.26 Fr. (Numbeo, 2021). An average meal at a restaurant for one person is around \$25 Fr., while groceries for a month estimates around \$105 Fr. (Numbeo, 2021).

### **Abu Dhabi**

Cost of living in Abu Dhabi, United Arab Emirates estimates around \$814.11 per month (without rent) for a single person (Numbeo, 2021). Abu Dhabi is also 13.23 less expensive than Austin, Texas and rent is considered to be, on average, 23.26% lower than in Austin, Texas (Numbeo, 2021). Average monthly salaries in Abu Dhabi are estimated to be around \$11,455.87 AED after tax (Numbeo, 2021). A one-bedroom apartment can be rented for \$4,602.81 AED per month in Abu Dhabi (Numbeo, 2021). Price per square feet to buy an apartment in the city center is \$1,079.71 AED and is \$868.14 AED outside the city center (Numbeo, 2021). Childcare for one child in preschool is \$2,155.43 AED per month in Abu Dhabi; International Primary School is more expensive totaling at \$34,579.31 AED per month per child (Numbeo, 2021). Monthly expenses for an apartment are estimated to be around \$900 AED per month (Numbeo, 2021). Options for transportation include a taxi (\$2 AED per ride), a monthly pass taxi (\$80 AED), and buying a car (\$82,500 AED) (Numbeo, 2021). A gallon of gas in Abu Dhabi is around \$8.61 AED (Numbeo, 2021). An average meal at a restaurant for one person is around \$25 AED while groceries for a month estimate around \$260 AED (Numbeo, 2021).



## **Climate**

### **Geneva, Switzerland**

Switzerland is slightly less than twice the size of New Jersey, totaling 1,770 km of land boundaries (The Word FactBook, 2021). The climate of Switzerland is known to be temperate. Climate is also known to vary with altitude. Winters are cold, cloudy, and rainy/snowy; Summers are cool to warm, cloudy, and humid with occasional showers (The Word FactBook, 2021). Switzerland is landlocked with no coastlines. Terrain in Switzerland are known to be mostly mountainous (Alps in south, Jura in northwest) with a central plateau of rolling hills, plains, and large lakes (The Word FactBook, 2021). Natural resources in Geneva Switzerland include hydropower potential, timber, and salt. Natural disasters consist of avalanches, landslides, and flooding in these areas east (The Word FactBook, 2021).

### **Abu Dhabi, UAE**

United Arab Emirates is slightly larger than South Carolina, but slightly smaller than Maine (The Word FactBook, 2021). The climate of the UAE is known to be desert but cooler east of the mountain ranges. The terrain is considered flat, barren coastal plain merging into rolling sand dunes of vast desert with mountains in the east (The Word FactBook, 2021). It has beautiful scenery along the Persian gulf and Gulf of Oman. Natural resources in Abu Dhabi, UAE include petroleum and natural gas. Natural Disasters consists of frequent sand and dust storms (The Word FactBook, 2021).

## **Quality of Life**

### **Geneva, Switzerland**

Health and sanitation in Geneva, Switzerland is known to be in good shape with 100% of the population being improved (The Word FactBook, 2021). Current health expenditures are at

11.9% as of 2018, hospital bed density is 4.6 beds/1000 population, HIV/AIDS adult prevalence rate is .2% as of 2020, and the obesity prevalence rate is only 19.5% (The Word FactBook, 2021). The education expenditures in Geneva, Switzerland were 4.0% of GDP in 2018 and school life expectancy (primary to tertiary education) estimates around 16 years of age (The Word FactBook, 2021). The unemployment rates in Geneva, Switzerland for youths ages 12-24 total at 8.6%; for males 9.2% and for females 8% as of 2020 (The Word FactBook, 2021).

### **Abu Dhabi, UAE**

Health and sanitation in Abu Dhabi, UAE is known to be good, but not as good as Geneva, with 98.6% of the total population being improved (The Word FactBook, 2021). Current health expenditures are at 4.2% as of 2018, hospital bed density is 1.4 beds/1000 population, HIV/AIDS adult prevalence rate is .1% as of 2020, and the obesity prevalence rate is 31.7 % (The Word FactBook, 2021). The education expenditures in Abu Dhabi were 3.1% of GDP in 2019 and school life expectancy (primary to tertiary education) estimates around 14 years of age (The Word FactBook, 2021). The unemployment rates in Abu Dhabi for youths ages 12-24 total at 7.2%; for males 4.9% and for females 15% as of 2019 (The Word FactBook, 2021).

## **Contributing Factors and Other Relevant Information**

### **U.S. American Expats**

Most American expatriates are age 47.8 which is older than the average expatriate worldwide. 52% of expatriates are female and 48% are male; 62% are in a relationship and 38% are single; 71% of U.S expatriates work fulltime and 29% work parttime (Internal Nations, 2021). The top industries for U.S. American expatriates are education (25%), IT (8%), and advertising (7%) (Internal Nations, 2021). 44% of U.S. expatriates have a master's degree, 41%

have a bachelor's degree, and 52% of them make between \$25,000-\$100,000 USD; 78% being able to work remotely (Internal Nations, 2021). The top three things most important for a dream job to U.S. American expatriates are good compensation/benefits (54%), good work-life balance (47%), and creative/interesting tasks (31%) (Internal Nations, 2021).

### **Further Analysis - Geneva, Switzerland**

Geneva is rated #1 on a list of the best 10 cities in Switzerland for expatriates and is Switzerland's second largest city (Expatica, 2021). The French-speaking city is home to some of the world's highest-profile organizations, including the United Nations (UN), Red Cross, and World Health Organization (WHO). Also, with beautiful sites such as Lake Geneva and Europe's best ski resorts, this multicultural gem city has long been one of the most popular cities in Switzerland for expats (Expatica, 2021). Geneva, Switzerland has an overall rank of 44, quality-of-life score of 9, ease of setting score of 65, working abroad score of 20, family life score of 34, personal finance score of 32, and cost of living score of 67 (InterNations, 2018). Languages spoken in Geneva, Switzerland include French, German, Italian, and English (Geneva.Info, 2021).

### **Further Analysis - Abu Dhabi, UAE**

Abu Dhabi is the capital of UAE and is the second largest city after Dubai (Expatica, 2021). Capital city Abu Dhabi and its neighbor Dubai are the hotspots of the UAE for expat activity (Expatica, 2021). Skyscrapers, a thriving hospitality industry, and the inner-city beaches are attractive places to reside (Expatica, 2021). Each year the Formula 1 Grand Prix brings racing fans from all over the world to Abu Dhabi. Those visiting may also enjoy new attractions, such as Ferrari World Abu Dhabi and Louvre Abu Dhabi (Expatica, 2021). Abu Dhabi, UAE has an overall score of 19, quality-of-life score of 21, ease of setting score of 24, working abroad

score of 21, family life score of 28, personal finance score of 49 and cost of living score of 37 (InterNations, 2015). Languages spoken in Abu Dhabi include Arabic, Pashto, Hindi, Balchi, Persian, and English (Britannica, 2021).

### **Conclusion**

This text provided statistics about both Geneva and Abu Dhabi including but not limited to the cost of living, climate, and quality of life. After analysis of the statistics, both Abu Dhabi and Geneva have proven to be great options for MNEs to consider sending their expatriates. Even though Abu Dhabi and Geneva both have very different qualities, they both have a unique set of advantages and disadvantages that can be used as opportunities for success with companies sending expatriates abroad for extended periods of time. Understanding these advantages and disadvantages is extremely important to ensure success. After careful analysis of both cities, Geneva and Abu Dhabi have proven to be viable options for MNEs to consider when sending expatriates abroad.

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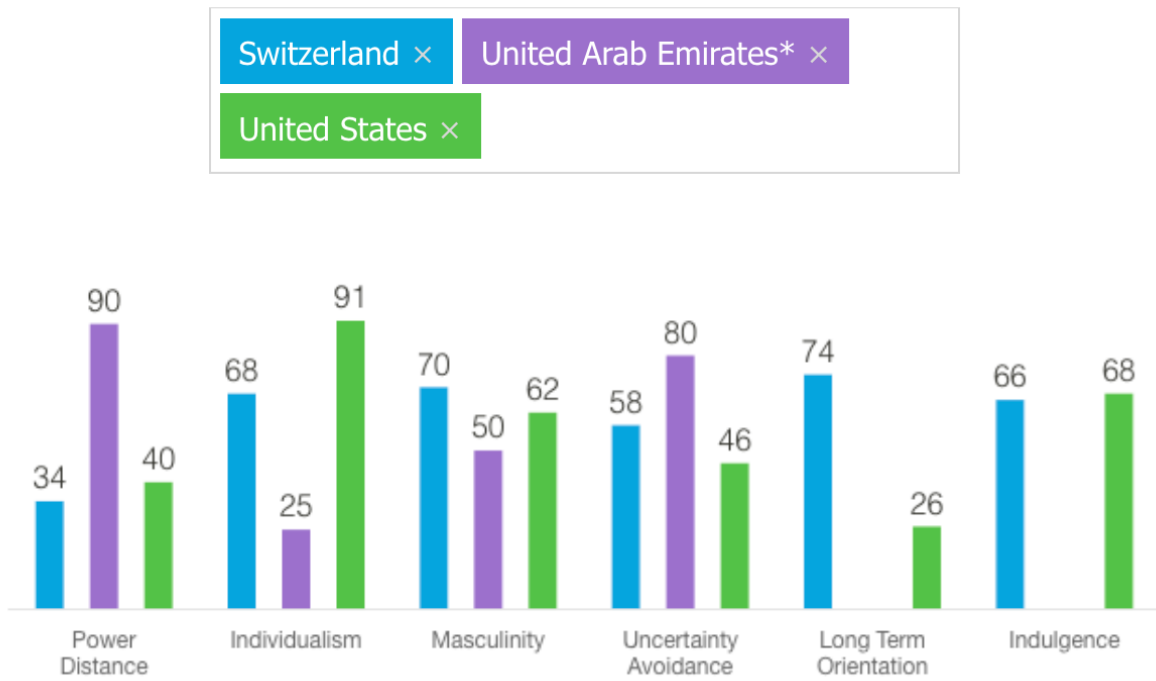
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## Appendix A: Comparing Cultures



(Hofstede Insights, 2021)

Appendix B: Corruption Perceptions Index 2020

WESTERN EUROPE / EUROPEAN UNION

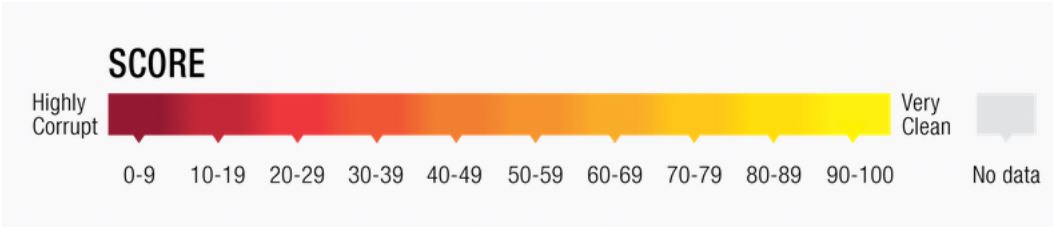
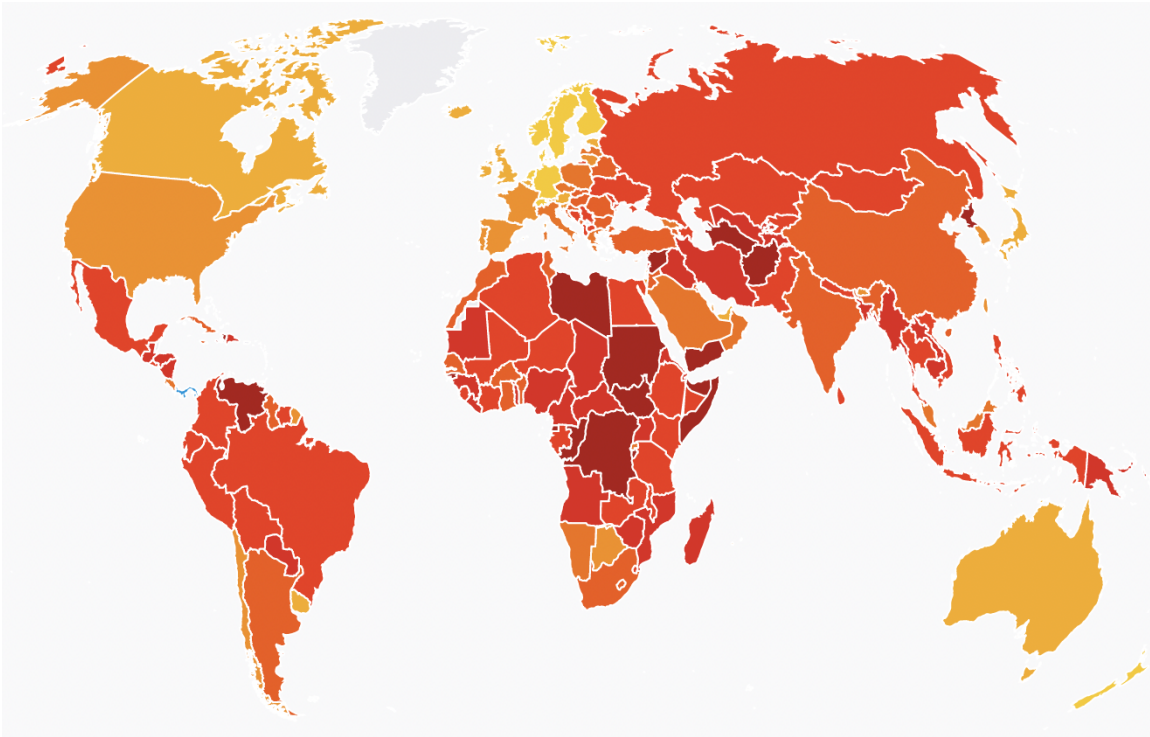
SWITZERLAND

Score	Rank	Score change
85/100	3/180	↓ -1 since 2012

MIDDLE EAST AND NORTH AFRICA

UNITED ARAB EMIRATES

Score	Rank	Score change
71/100	21/180	↑ +3 since 2012



(Transparency International, 2021)



## Appendix C: Global Freedom

### FREEDOM IN THE WORLD 2021

# United Arab Emirates

**17**  
/100

NOT FREE

<u>Political Rights</u>	<b>5</b> /40
<u>Civil Liberties</u>	<b>12</b> /60

LAST YEAR'S SCORE & STATUS

17 /100  Not Free

### FREEDOM IN THE WORLD 2021

# Switzerland

**96**  
/100

FREE

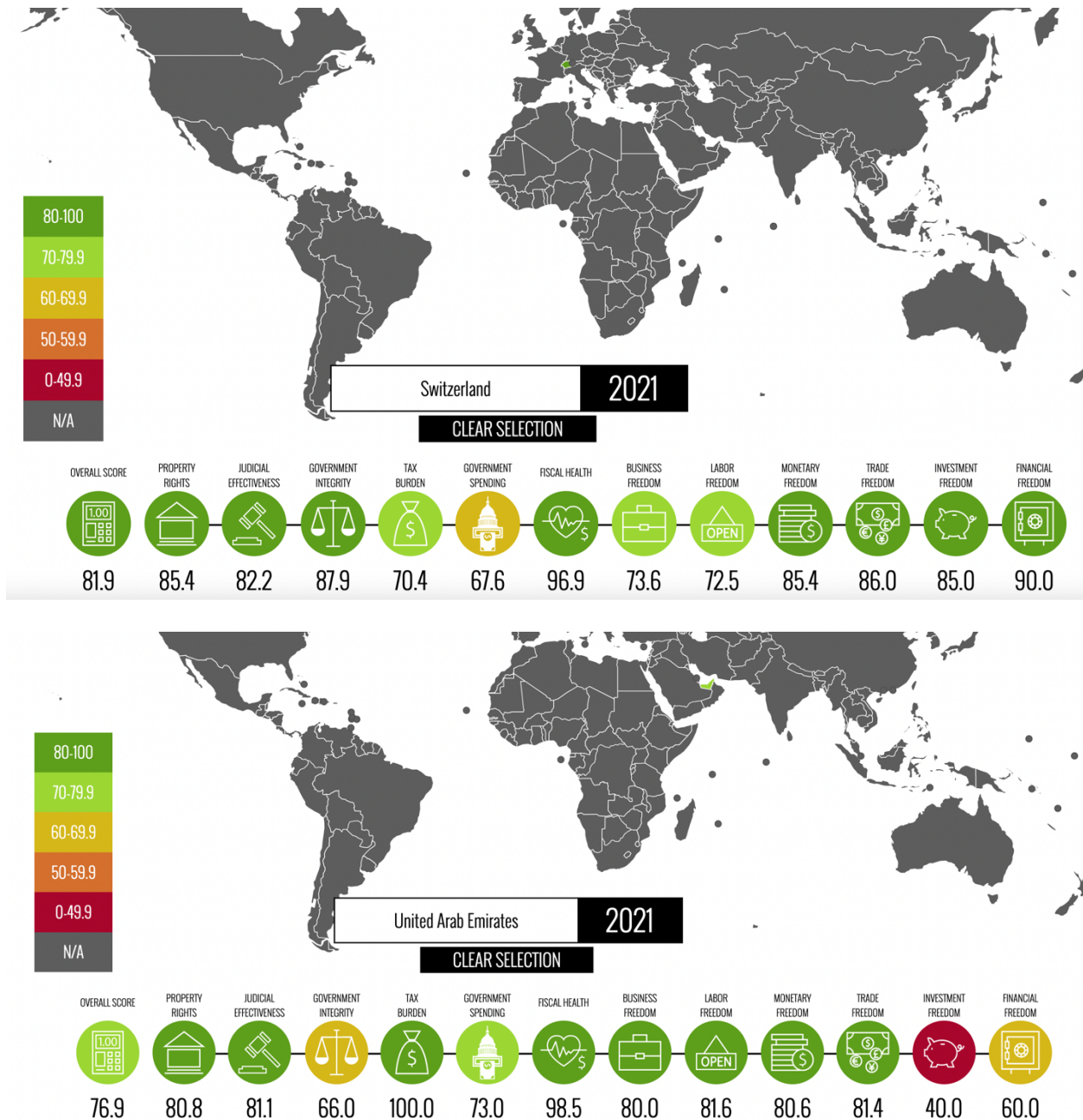
<u>Political Rights</u>	<b>39</b> /40
<u>Civil Liberties</u>	<b>57</b> /60

LAST YEAR'S SCORE & STATUS

96 /100  Free

(Freedom House, 2021)

## Appendix D: 2021 Index of Economic Freedom Interactive Heat Map



(The Heritage Foundation, 2021)

## Appendix E: Switzerland - 2021 Index of Economic Freedom

# Switzerland

◀ Previous: #3 Australia

Next: #5 Ireland ▶

OVERALL SCORE **81.9**

WORLD RANK **4**

### RULE OF LAW

Property Rights	85.4 ▼
Judicial Effectiveness	82.2 ▲
Government Integrity	87.9 ▼

### GOVERNMENT SIZE

Tax Burden	70.4 ▲
Government Spending	67.6 ▲
Fiscal Health	96.9 ▲

### REGULATORY EFFICIENCY

Business Freedom	73.6 ▼
Labor Freedom	72.5 ▲
Monetary Freedom	85.4 ▲

### OPEN MARKETS

Trade Freedom	86.0 ▼
Investment Freedom	85.0 —
Financial Freedom	90.0 —

## QUICK FACTS

### Population:

- 8.6 million

### GDP (PPP):

- \$566.2 billion
- 0.9% growth
- 1.7% 5-year compound annual growth
- \$70,989 per capita

### Unemployment:

- 4.6%

### Inflation (CPI):

- 0.4%

### FDI Inflow:

- \$-21740.0 million

## Regional Ranking

RANK	COUNTRY	OVERALL	CHANGE
1	Switzerland	81.9	-0.1 ▼
2	Ireland	81.4	0.5 ▲
3	United Kingdom	78.4	-0.9 ▼
4	Estonia	78.2	0.5 ▲
5	Denmark	77.8	-0.5 ▼

(The Heritage Foundation, 2021)

## Appendix F: UAE - 2021 Index of Economic Freedom

# United Arab Emirates

◀ Previous: #13 Mauritius

Next: #15 Lithuania ▶

OVERALL SCORE **76.9**

WORLD RANK **14**

### RULE OF LAW

Property Rights	80.8
Judicial Effectiveness	81.1
Government Integrity	66.0

### GOVERNMENT SIZE

Tax Burden	100.0
Government Spending	73.0
Fiscal Health	98.5

### REGULATORY EFFICIENCY

Business Freedom	80.0
Labor Freedom	81.6
Monetary Freedom	80.6

### OPEN MARKETS

Trade Freedom	81.4
Investment Freedom	40.0
Financial Freedom	60.0

## QUICK FACTS

### Population:

- 9.8 million

### GDP (PPP):

- \$744.1 billion
- 1.3% growth
- 2.3% 5-year compound annual growth
- \$69,901 per capita

### Unemployment:

- 2.4%

### Inflation (CPI):

- -1.9%

### FDI Inflow:

- \$13.8 billion

## Regional Ranking

RANK COUNTRY OVERALL CHANGE

1	United Arab Emirates	76.9	0.7
2	Israel	73.8	-0.2
3	Qatar	72	-0.3
4	Bahrain	69.9	3.6
5	Saudi Arabia	66	3.6

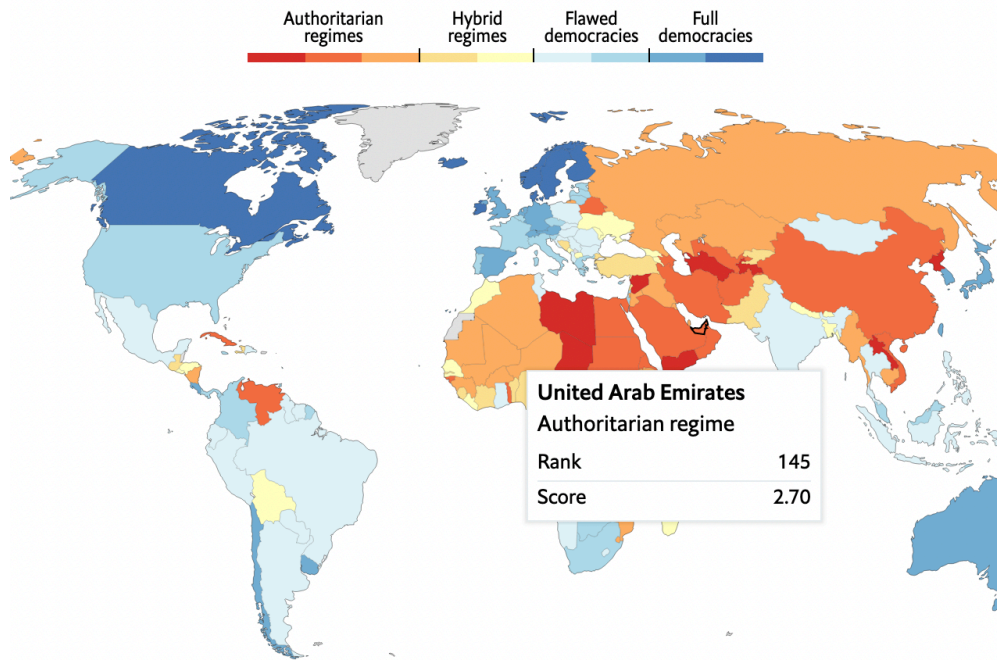
(The Heritage Foundation, 2021)



## Appendix G: Global Democracy Index 2021

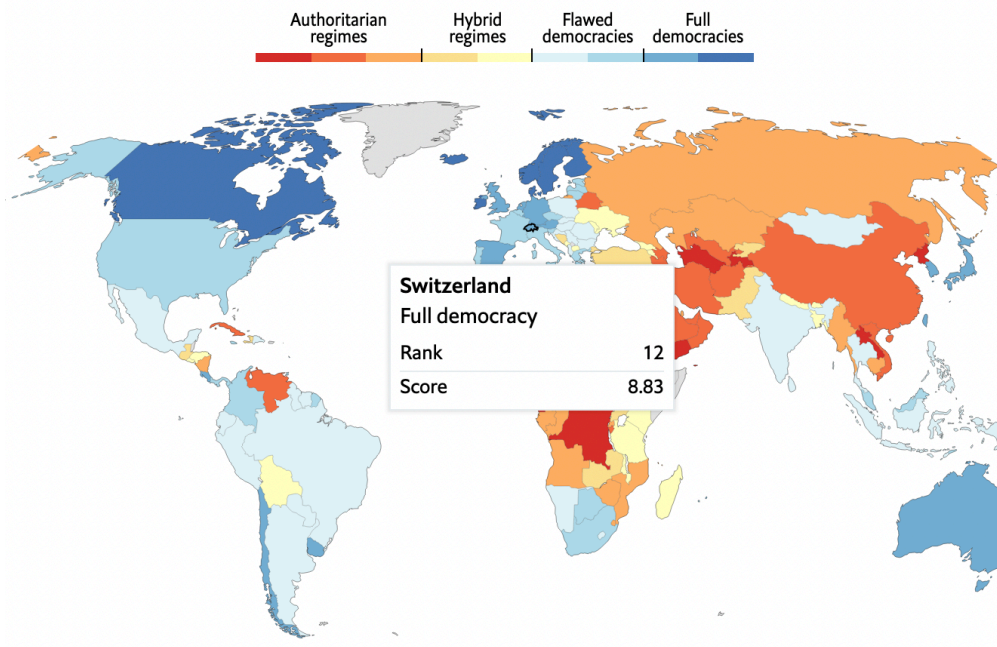
FEB 2ND 2021

### Global Democracy Index 2020



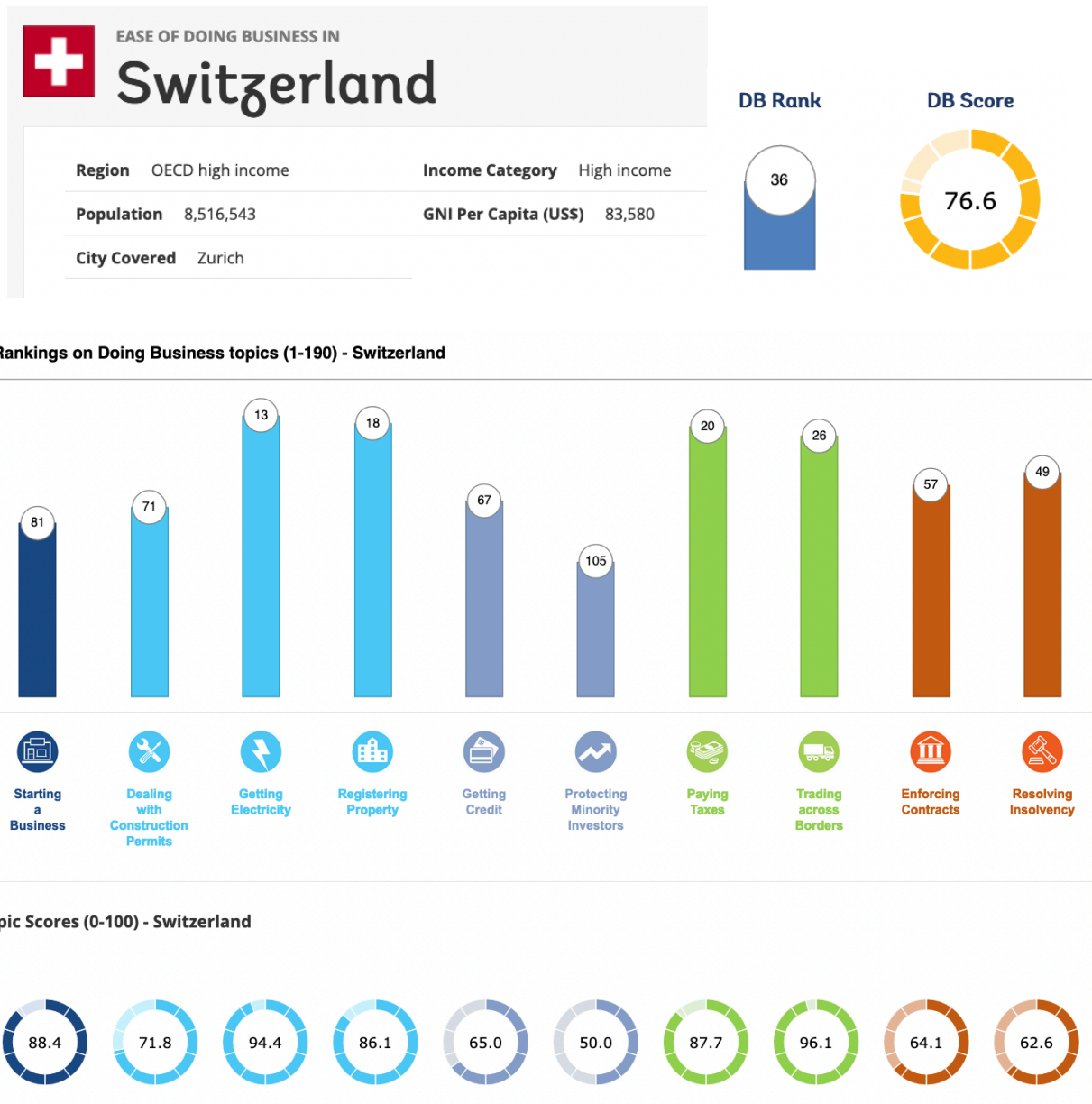
FEB 2ND 2021

### Global Democracy Index 2020



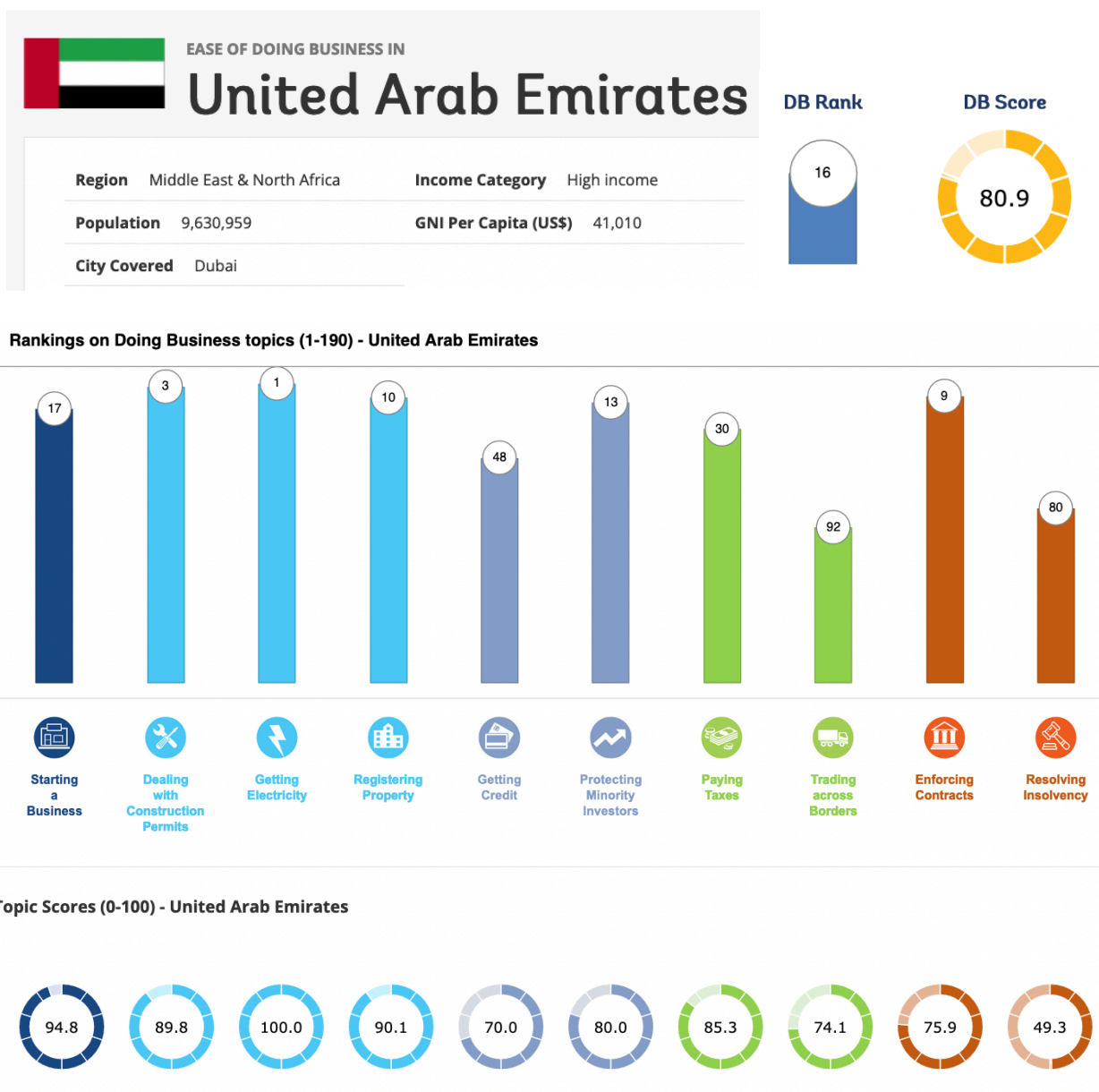
(The Economist, 2021)

## Appendix H: Ease of Doing Business – Switzerland



(World Bank, 2021)

## Appendix I: Ease of Doing Business – UAE



(World Bank, 2021)

## Appendix J: Macro Economic Indicators – Switzerland



### MAJOR MACRO ECONOMIC INDICATORS

	2018	2019	2020 (e)	2021 (f)
GDP growth (%)	3.0	1.1	-3.2	2.3
Inflation (yearly average, %)	0.9	0.4	-0.8	0.1
Budget balance (% GDP)	1.5	1.6	-4.0	-1.6
Current account balance (% GDP)	10.5	10.3	9.6	9.4
Public debt (% GDP)	39.3	40.6	45.9	45.2

(e): Estimate (f): Forecast

#### STRENGTHS

- Political, economic and social stability and consensus; role of direct democracy
- Close relations with the EU
- International financial centre, headquarters of international groups and organisations
- Limited sensitivity of exports to foreign exchange due to the emphasis on high technology and quality
- Very strong public and external accounts
- European crossroads with excellent communication network

#### WEAKNESSES

- Small, open economy (foreign trade = 116% of GDP) and landlocked
- Swiss franc as a safe-haven currency
- High dependence on trading and financial services
- High housing prices with rising vacancy rates
- Exposure of banks to real estate (85% of domestic loans), two of which account for half of domestic assets
- Demographic ageing compensated by immigration (33% of the working population is foreign)

(The Coface, 2021)



## Appendix K: Macro Economic Indicators – UAE



### MAJOR MACRO ECONOMIC INDICATORS

	2018	2019	2020 (e)	2021 (f)
GDP growth (%)	1.2	1.7	-6.1	3.1
Inflation (yearly average, %)	3.1	-1.9	-1.5	1.3
Budget balance (% GDP)	1.9	-0.8	-9.9	-5.0
Current account balance (% GDP)	9.6	8.4	1.8	2.0
Public debt (% GDP)	20.9	27.3	36.9	38.2

(e): Estimate (f): Forecast

#### STRENGTHS

- Regional trading hub
- Higher degree of economic diversification compared to its neighbors
- Political stability
- Vast financial assets of Abu Dhabi
- New investment opportunities related to the normalization with Israel

#### WEAKNESSES

- Weak oil prices weigh on growth performance
- Subdued outlook for non-oil activity
- Increasing debt, fiscal revenues mostly depend on hydrocarbons
- Lower tourism revenues due to COVID-19
- Rising regional tensions

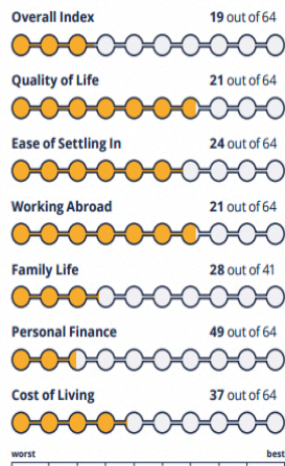
(The Coface, 2021)

## Appendix L: Quality of Life – UAE

### Country Report UAE



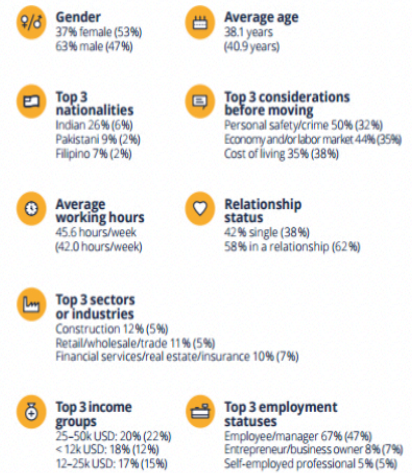
#### Ranking



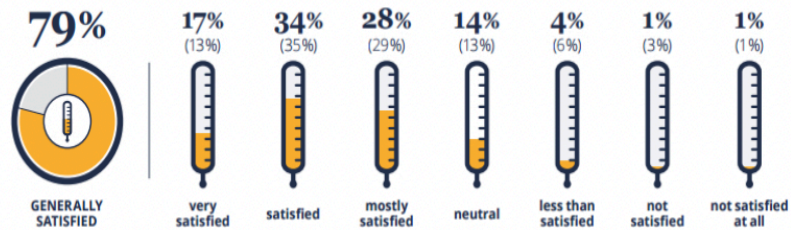
#### Top 3 reasons for relocating (vs. global average)



#### Expatriate stats UAE (vs. global average)



#### How satisfied are expats with life in UAE? (vs. global average)



Source: InterNations / Graphic: independent-resolution.com

#### Expatriate Voices

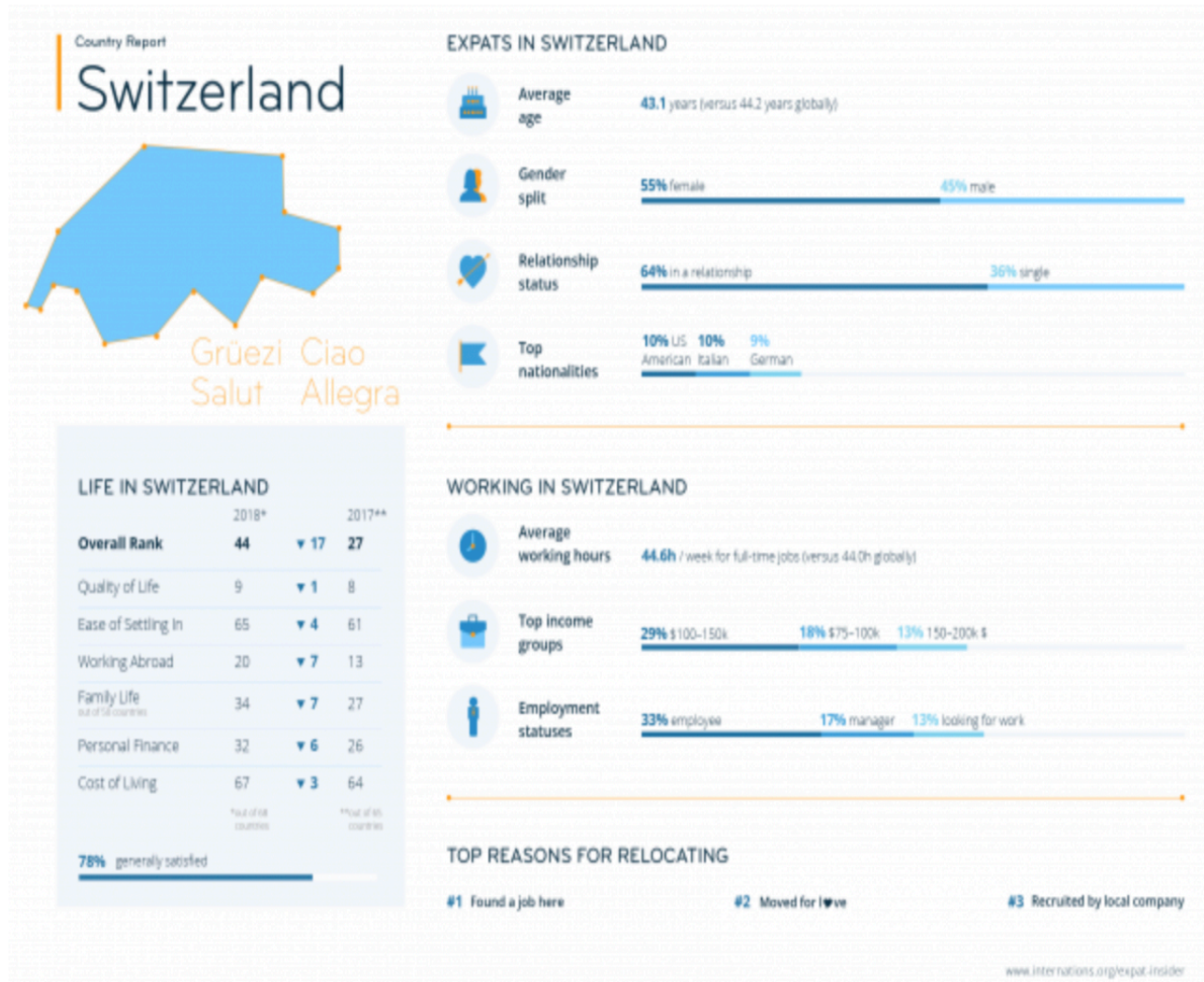
"I like how so many nationalities and people from different cultural backgrounds work together peacefully."

"There's a divide between Western expats and people from other countries."

[www.internations.org/expat-insider](http://www.internations.org/expat-insider)

(InterNations, 2015)

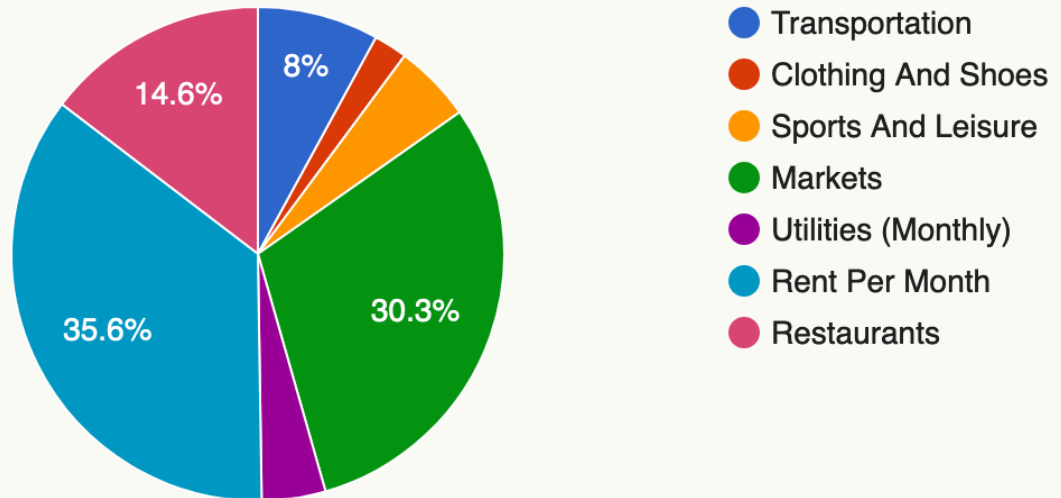
## Appendix M: Quality of Life – Switzerland



(InterNations, 2018)

## Appendix N: Cost of Living- Geneva

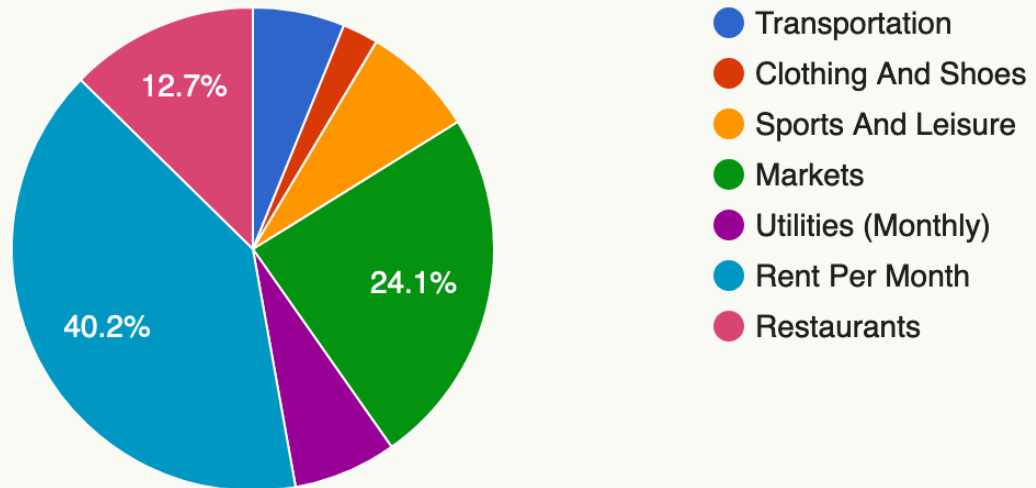
Distribution of expenses using our statistical model



(Numbeo, 2021).

## Appendix O: Cost of Living – Abu Dhabi

Distribution of expenses using our statistical model



(Numbeo, 2021).