



SOCIAL PROGRESS INDEX 2013

What the first year of data from the Social Progress Index tells us
about the relationship between GDP and the social progress of nations

BY **MICHAEL E. PORTER**, SCOTT STERN AND ROBERTO ARTAVIA LORÍA

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**SOCIAL
PROGRESS
IMPERATIVE**

NECESSARY BUT NOT SUFFICIENT

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ABOUT THE SOCIAL PROGRESS IMPERATIVE

The Social Progress Imperative's mission is to advance global human wellbeing, by combining national social performance and capacity indicators with solutions-oriented outreach to sector leaders, and grassroots champions, who together can effect large-scale change. The Social Progress Imperative counts organizations including Cisco, Compartamos Banco, Deloitte, Fundación Avina, and Skoll Foundation as financial supporters.

Social progress is defined as the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential.

The Social Progress Imperative was incorporated as a 501(c)3 nonprofit in the United States in late 2012, and previously operated as the Global Social Progress Initiative. It has its operational headquarters in Washington, DC. More information may be found at <http://socialprogressimperative.org>.

DISCLAIMER

The Social Progress Imperative is committed to using the best available comparable data covering the countries we analyze. The data used to create the 2013 Index came from a variety of organizations, each of which follows its own methodology to produce and update data, and was accurate as of April 3, 2013. The Social Progress Index, including its online version, will only be updated annually.

Our supporting organizations and the officers of the Social Progress Imperative have made creation of this report possible. Any particular claim in this report, however, including depiction and use of geographic boundaries and names, reflects only the views of the named authors, and does not necessarily reflect the policy of any organization or the opinions of any other individuals.

Neither the Social Progress Imperative nor its supporting organizations are responsible for any legal or financial consequences of the use of our data.

TABLE OF CONTENTS

Foreword	1
Acknowledgements	3
Chapter 1 / Executive Summary	5
Chapter 2 / The Social Progress Index	11
Appendix / The Social Progress Index Methodology	39
Country Reports	55
Argentina	56
Australia	57
Bangladesh	58
Botswana	59
Brazil	60
Bulgaria	61
Canada	62
Chile	63
China	64
Colombia	65
Costa Rica	66
Dominican Republic	67
Egypt, Arab Republic	68
Ethiopia	69
France	70
Georgia	71
Germany	72
Ghana	73
India	74
Indonesia	75
Israel	76
Japan	77
Jordan	78
Kazakhstan	79
Kenya	80
Republic of Korea	81
Mexico	82
Morocco	83
Mozambique	84
Nigeria	85
Paraguay	86
Peru	87
Philippines	88
Poland	89
Russian Federation	90
Rwanda	91
Senegal	92
South Africa	93
Spain	94
Sri Lanka	95
Sweden	96
Switzerland	97
Thailand	98
Tunisia	99
Turkey	100
Uganda	101
United Arab Emirates	102
United Kingdom	103
United States	104
Vietnam	105
Data Tables	106
Indicator Definitions	124
Bibliography	136
Advisory Board	145
Board of Directors	146
Funders and Supporters	147

The Social Progress Imperative's mission is to improve the lives of people around the world, particularly the least well off, by helping government, the private sector and the nonprofit sector to collaborate more effectively and make better use of the resources available to solve pressing social and environmental problems. Our goal is to effect this change by providing those stakeholders with useful, timely information to help them make better choices.

This, our first initiative, launches the Social Progress Index: a tool that we hope will be widely used to inform and influence policies and institutions around the world. The Index is founded on the principle that what we measure guides the choices we make. By measuring the things that really matter to people—their basic needs, their food, shelter and security; their access to healthcare, education, and a healthy environment; their opportunity to improve their lives—the Social Progress Index is an attempt to reshape the debate about development.

We are honored that the chairman of our advisory board and author of this report is the world's leading thinker on competitiveness, Professor Michael E. Porter of Harvard Business School. The Social Progress Index that he has designed in collaboration with Scott Stern of MIT is I believe, a major step forward in our understanding of how to improve the lives of millions of people. Our thanks also go to advisory board members Judith Rodin, Hernando de Soto and Matthew Bishop, three profound thinkers about global development.

None of this would have been possible without the vision and courage of my fellow board members. Indeed, board membership does not really reflect the intellectual, moral and financial support that this group of people have provided to this ambitious 'start up'. Roberto Artavia, my vice-chair and co-author of this report, drove this project in its early days. His energy and dynamism are unsurpassed. Sally Osberg, more than anyone else, grasped the world-changing potential of this idea and has constantly encouraged us to raise our gaze. Álvaro Rodríguez Arregui, our treasurer, has been our wise head when tough choices have had to be made. Our newest board member, Tae Yoo, is bringing fresh creativity and an in-depth grasp of what building a global network entails. I am lucky to chair a board of committed supporters who have had the will to see this process through.

I also want to pay tribute to the hard work of our small, dedicated Social Progress Imperative team of Michael Green, Amy Wares, Jonathan Talbot, and Madelyn Swift. Michael was part of this project from the outset, as an adviser and as a board member. His pioneering conceptual work laid the foundations for this report. I must also recognize

the enormous intellectual contribution made by Amy, who was our first employee. She took our concept, refined it, tested it, improved it and turned it into the rigorous, practical tool presented here.

It is, however, only the first step. The Social Progress Index presented here, for a sample of 50 countries, is a starting hypothesis for debate and empirical examination. The real benefits of this project will come as the model is tested over time, to yield robust and practical lessons for changemakers of all sectors.

Your support is crucial. The Social Progress Index is a tool. It only has value in the hand of someone to use it. We are building a Social Progress Network of organizations that share our desire to find better ways to solve the world's problems, who will use the Index to analyze their countries' development challenges, help us make the model even better, and share lessons about what works. We hope that you will join us.

Brizio Biondi-Morra

Chairman, Social Progress Imperative

9th April 2013

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The creation of the Social Progress Index has been made possible only with the help of many, many people and organizations. The Social Progress Imperative would like to thank the following individuals and organizations for their contributions.

Our Advisory Board of Professor Michael E Porter (Chair) of Harvard Business School, Judith Rodin of the Rockefeller Foundation, Professor Scott Stern of the Massachusetts Institute of Technology, Hernando de Soto of the Institute for Liberty and Democracy, and Matthew Bishop of *The Economist* has provided thought leadership and opened countless doors.

Special thanks to Daniel Fehder at the Massachusetts Institute of Technology for his work with Professor Stern in creating, refining, and running the mathematical models used to calculate the scores in our index.

Our Board of Directors comprises Brizio Biondi-Morra (Chair), also Chair of Avina Americas, Roberto Artavia Loría (Vice Chair) of Fundación Latinoamérica Posible, Tae Yoo of Cisco, Sally Osberg of the Skoll Foundation, and Álvaro Rodríguez Arregui of IGNIA Partners, LLC and has provided invaluable leadership and extraordinary commitments of time and energy. These organizations had faith in our project and generously funded our work.

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Much credit is due to the 2009–2010 members of the World Economic Forum—Global Agenda Council on Philanthropy and Social Investing where the idea for a new index of national performance was born. Those members include (titles at the time) Chair Matthew Bishop, New York Bureau Chief, *The Economist*, USA (also Advisor to the Social Progress Imperative); Nabil Alyousuf, Vice-Chairman of the Board of Trustees, Dubai School of Government, United Arab Emirates; Hylton Appelbaum, Chief Executive, The Liberty Foundation, South Africa; Brizio Biondi-Morra, President, Fundación Avina, Costa Rica (also Chair of the Board of Directors of the Social Progress Imperative); Peter Blom, Chairman of the Executive Board and Chief Executive Officer, Triodos Bank, Netherlands; Jed Emerson, Managing Director, Integrated Performance, Uhuru Capital Management, USA; Martin J. Fisher, Co-Founder and Chief Executive Officer, KickStart International, USA; Kumi Fujisawa Tsunoda, Co-Founder, Think Tank SophiaBank, Japan; Reem Al Hashimy, Minister of State of the United Arab Emirates; Christine Letts, Senior Associate Dean for Executive Education, John F. Kennedy School of Government, Harvard University, USA; Asad Mahmood, Managing Director, Global Social Investment Funds, Deutsche Bank Social Investment Funds, USA; Jacqueline Novogratz, Founder and Chief Executive Officer, Acumen Fund, USA; Álvaro Rodríguez Arregui, Co-Founder and Managing Partner, IGNIA Partners, Mexico (also a Director of the Social Progress Imperative); Adele Simmons, President, Global Philanthropy Partnership, USA; Sean Stannard-Stockton, Chief Executive Officer, Tactical Philanthropy Advisors, USA; Bettina Windau, Head, Philanthropy and Foundations, Bertelsmann Stiftung, Germany; and Arthur Wood, Chairman, World Sanitation Financing Facility, Switzerland.

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The Skoll World Forum, in addition to providing a platform for the 2013 launch of this report, our index, and our organization, has enabled us to benefit from the wisdom of numerous other parties including Pamela Hartigan, Alexis Ettinger, Stephan Chambers, Larry Brilliant, Ngaire Woods, Peter Tufano, Rahim Kanani, Kevin Ashley, Paul Rice, James DeMartini, Cristiana Falcone, Ed Cain, Alejandro Villanueva, Debra Dunn, Aleem Walji, Diletta Doretti, Martin Burt, and Mathis Wackernagel.

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Finally, our gratitude to the organizations on whose data we relied to create the Social Progress Index: the Cingranelli-Richards Human Rights Data Project; Economist Intelligence Unit; Food And Agriculture Organization of the United Nations; Freedom House; Gallup World Poll; Gapminder Foundation; Global Footprint Network; Heritage Foundation; International Energy Agency; International Telecommunications Union; Reporters Without Borders; World Bank; the World Health Organization; and the World Health Organization/ UNICEF Joint Monitoring Program On Water Supply and Sanitation. As an organization that believes that better information can build a better world, we recognize and appreciate those who created such important resources of data.



CHAPTER 1

EXECUTIVE SUMMARY

INTRODUCTION

NUMEROUS STUDIES HAVE FOUND A HIGH CORRELATION between economic growth and a wide variety of social indicators. However, there is growing awareness that economic measures alone do not fully capture social progress. We must measure social progress directly in order to fully assess a country's success in improving its overall wellbeing. Systematic measurement of social progress will also be important to understand the full causes of economic advancement.

Measuring multiple dimensions of social progress is indispensable in understanding its components, benchmarking success, and catalyzing improvement. While there have been some laudable efforts to measure wellbeing, these capture only limited aspects of social progress, and are uneven in breadth and scope across countries.

The Social Progress Index provides a holistic, objective, outcome-based measure of a country's wellbeing that is independent of economic indicators. Presented here with results covering an initial sample of 50 countries (representing three quarters of the world's population) is the 'beta' version of the index that will be extended and improved over time.

The primary goal of the Social Progress Index is to provide a rigorous tool to benchmark progress and stimulate progress within countries. Social progress depends on the policy choices, investments, and implementation capabilities of multiple stakeholders—government, civil society, and business. By informing and motivating those stakeholders to work together and develop a more holistic approach to development, we are confident that social progress will accelerate.

THE SOCIAL PROGRESS INDEX MODEL

Our model is based on the following definition of social progress:

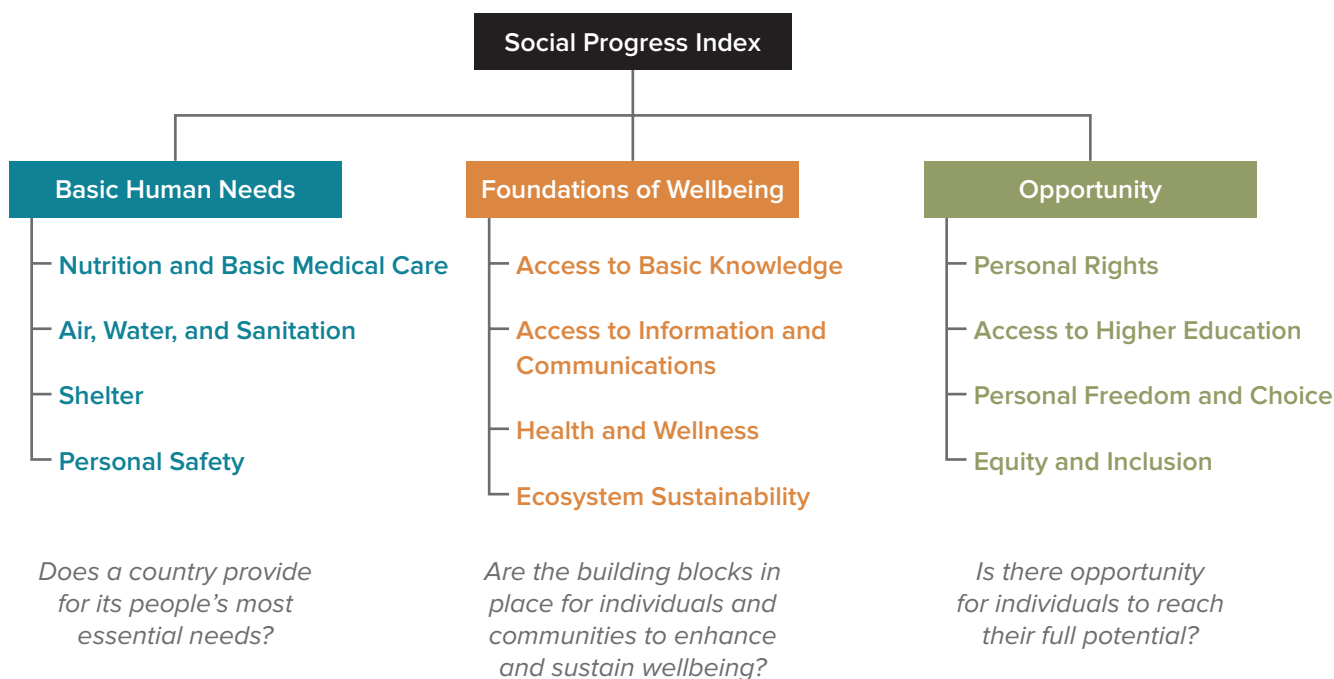
Social progress is the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential.

This overall definition can be disaggregated into three dimensions of social progress, that define the basic architecture of the model:

- 1 / Basic Human Needs: Does a country provide for its people's most essential needs?**
- 2 / Foundations of Wellbeing: Are the building blocks in place for individuals and communities to enhance and sustain wellbeing?**
- 3 / Opportunity: Is there opportunity for all individuals to reach their full potential?**

In this inaugural Social Progress Index, each of these dimensions is disaggregated into four components, measured by between two and six specific indicators. Each indicator has been tested for internal validity and geographic availability. The basic framework is shown in Figure 1.

Figure 1 / Structure of the Social Progress Index



The Social Progress Index has the following five characteristics, which combine to distinguish it from previous efforts to measure wellbeing:

- a / Based exclusively on non-economic indicators.
- b / Based exclusively on outcome indicators.
- c / Integrates a large number of indicators into an aggregate score of social progress.
- d / Model is structured to allow empirical investigation of relationships between dimensions, components and indicators.
- e / Breadth of indicators makes the model relevant for countries at all income levels.

KEY FINDINGS

Social Progress Index results show three overarching findings.

- 1 / Economic development is necessary but not sufficient for social progress.
- 2 / A country's overall level of development masks social and environmental strengths and challenges.
- 3 / At a disaggregated level, the Social Progress Index shows areas of underperformance and success for countries at all income levels.

Figure 2 shows the Social Progress Index rankings for aggregate score and each of the three dimensions.

Figure 2 / Overall Index and Dimension Level Ranks for Each Country

RANK	COUNTRY NAME	SOCIAL PROGRESS INDEX	BASIC HUMAN NEEDS RANK	FOUNDATIONS OF WELLBEING RANK	OPPORTUNITY RANK	PPP GDP PER CAPITA (2011)
1	Sweden	64.81	5	3	2	41,467.00
2	United Kingdom	63.41	6	2	5	35,657.00
3	Switzerland	63.28	4	1	7	44,452.00
4	Canada	62.63	3	11	4	40,370.00
5	Germany	62.47	2	4	10	39,491.00
6	United States	61.56	7	16	1	48,112.00
7	Australia	61.26	10	15	3	42,400.00
8	Japan	61.01	1	6	15	34,748.00
9	France	60.70	9	5	11	35,246.00
10	Spain	60.43	12	9	6	30,400.00
11	Korea, Rep.	59.86	8	8	12	31,220.00
12	Costa Rica	57.36	19	13	8	12,600.00
13	Poland	56.92	16	10	14	21,000.00
14	Chile	56.60	15	14	13	17,310.00
15	Argentina	56.32	24	12	9	17,660.00
16	Israel	54.79	20	7	23	27,825.00
17	Bulgaria	54.08	13	18	20	14,825.00
18	Brazil	52.27	30	20	16	12,000.00
19	United Arab Emirates	50.89	11	37	30	47,893.00
20	Turkey	50.69	14	21	33	15,000.00
21	Colombia	50.52	38	27	17	10,247.00
22	Dominican Republic	50.52	31	28	18	9,600.00
23	Thailand	50.28	18	33	26	9,398.00
24	Peru	50.00	33	19	22	10,062.00
25	Mexico	49.73	29	23	25	14,653.00
26	Philippines	49.41	36	24	21	4,080.00
27	Paraguay	49.24	32	32	19	5,501.00
28	Tunisia	48.61	26	22	31	9,351.00
29	Georgia	48.56	21	17	38	5,465.00
30	Vietnam	47.99	17	30	39	3,412.00
31	Jordan	47.97	23	25	36	5,907.00
32	China	47.92	22	31	35	8,400.00
33	Russian Federation	46.89	35	35	27	17,700.00
34	Kazakhstan	46.85	25	43	29	13,099.00
35	Botswana	45.61	39	39	28	16,800.00
36	Sri Lanka	45.47	34	26	42	6,100.00
37	Morocco	45.27	27	36	40	5,080.00
38	Indonesia	45.24	37	29	37	4,636.00
39	South Africa	44.67	42	41	24	10,970.00
40	Egypt, Arab Rep.	43.94	28	34	49	6,600.00
41	Ghana	42.69	40	40	32	1,871.00
42	Bangladesh	39.59	43	42	47	2,000.00
43	India	39.51	41	44	45	3,627.00
44	Senegal	39.30	44	47	41	1,967.00
45	Kenya	38.98	45	38	43	1,710.00
46	Rwanda	36.29	48	45	44	1,282.00
47	Mozambique	36.20	47	49	34	1,090.00
48	Uganda	35.91	46	46	46	1,345.00
49	Nigeria	33.39	49	48	48	2,700.00
50	Ethiopia	32.13	50	50	50	1,100.00

FROM MEASUREMENT TO ACTION

The purpose of the Social Progress Index is to benchmark performance and motivate improvement while providing useful insights that will help all stakeholders to make better choices, prioritize investments, and strengthen implementation capacity to improve the lives of citizens. To achieve these goals, the Social Progress Imperative will:

- **Refine the model based on feedback and empirical testing over time. We plan to expand the sample of countries from 50 to 120. We welcome your feedback at: feedback@social-progress.org.**
- **Form a Social Progress Network of partners to identify the policies, institutions, legal frameworks and financing mechanisms that can drive more effective and efficient social progress, through international benchmarking and fostering specific research projects among the network of partners. To find out more please contact partner@social-progress.org.**