



SOCIAL PROGRESS INDEX 2014

EXECUTIVE SUMMARY

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**SOCIAL
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THE URGENT NEED TO MEASURE SOCIAL PROGRESS

Over the last half century, economic growth has lifted hundreds of millions out of poverty and improved the lives of many more. Yet it is increasingly evident that a model of development based on economic development alone is incomplete. A society which fails to address basic human needs, equip citizens to improve their quality of life, erodes the environment, and limits opportunity for its citizens is not succeeding. Economic growth without social progress results in lack of inclusion, discontent, and social unrest.

A broader and more inclusive model of development requires new metrics with which policymakers and citizens can evaluate national performance. We must move beyond simply measuring Gross Domestic Product (GDP) per capita, and make social and environmental measurement integral to national performance measurement. Tracking social and environmental performance rigorously will inform and drive improvement in policy choices and investments by all stakeholders. Measuring social progress will also help to better translate economic gains into better social and environmental performance, which will unleash even greater economic success.

The Social Progress Index aims to meet this pressing need by creating a holistic and robust measurement framework for national social and environmental performance that can be used by leaders in government, business and civil society at the country level as a tool to benchmark success, improve policy, and catalyze action. Our vision is a world in which social progress sits alongside economic prosperity as the twin scorecards of success.

THE SOCIAL PROGRESS INDEX METHODOLOGY

The Social Progress Index builds upon an important legacy of prior efforts to go beyond GDP in measuring national performance. We aim to build on these efforts in important ways. The Index measures social progress directly, independent of economic development. It is based on a holistic and rigorous framework for defining social progress based on 54 indicators of social and environmental outcomes. Both the framework and methodology are the result of a two-year process that has drawn upon a wide range of scholars and policy experts. The framework synthesizes the extensive body of research across numerous fields in order to identify and measure the multiple dimensions of the social and environmental performance of societies.

The Index incorporates four key design principles:

1. ***Exclusively social and environmental indicators:*** our aim is to measure social progress directly, rather than through economic proxies.
2. ***Outcomes not inputs:*** our aim is to measure outcomes that matter to the lives of real people, not spending or effort.
3. ***Actionability:*** the Index aims to be a practical tool with sufficient specificity to help leaders and practitioners in government, business, and civil society to benchmark performance and implement policies and programs that will drive faster social progress.
4. ***Relevance to all countries:*** our aim is to create a framework for the holistic measurement of social progress that encompasses the health of societies at all levels of development.

Social Progress Index component-level framework



WHAT IS SOCIAL PROGRESS?

We define social progress 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.

From this definition we derive the three dimensions of the Social Progress Index Framework: Basic Human Needs, Foundations of Wellbeing, and Opportunity. Each of these dimensions is disaggregated into its components (there are four components for each dimension). Each component is based on between three and six indicators.

2014 SOCIAL PROGRESS INDEX RESULTS

The 2014 Social Progress Index reveals striking differences across countries in their social performance and highlights the very different strengths and weaknesses of individual countries. The results provide concrete priorities for national policy agendas and identify other countries to learn from.

The top three countries in the world in terms of social progress are New Zealand, Switzerland, and Iceland. These three countries, closely grouped in terms of score, are relatively small in terms of populations. They score strongly across all social progress dimensions.

The remainder of the top ten includes a group of Northern European nations (Netherlands, Norway, Sweden, Finland, and Denmark), Canada, and Australia. Together with the top three, these countries round out a distinct “top tier” of countries in terms of social progress scores.

A notch lower is a second tier of countries that includes a group of 13 countries, ranging from Austria to the Czech Republic. This group includes a number of the world’s leading economies in terms of GDP and population, including five members of the G-7: Germany, the United Kingdom, Japan, the United States, and France.

The next level of social progress is a third tier of countries, ranging from Slovakia to Israel. This diverse group of nations includes countries at sharply different levels of economic development, ranging from Costa Rica (which significantly out-performs its rank in terms of GDP) to the United Arab Emirates (which has one of the highest measured GDPs per capita in the world but is ranked 37th in terms of SPI). Clearly high GDP per capita alone does not guarantee social progress.

At the next, fourth, tier is a large group of approximately 50 countries ranging from Kuwait at 40th to Morocco at 91st. These countries are closely bunched in terms of their overall Social Progress Index score, but have widely differing strengths and weaknesses.

A fifth tier of countries, ranging from Uzbekistan (92nd) to Pakistan (124th), registers substantially lower social progress scores than the fourth. Many of these countries also have low GDP per capita, but some are much more highly ranked on GDP per capita.

Finally, a bottom tier of eight countries registers the world’s lowest levels of social progress, from Yemen (125th) to Chad (132nd). The Social Progress Index provides evidence that extreme poverty and poor social performance often go hand-in-hand.

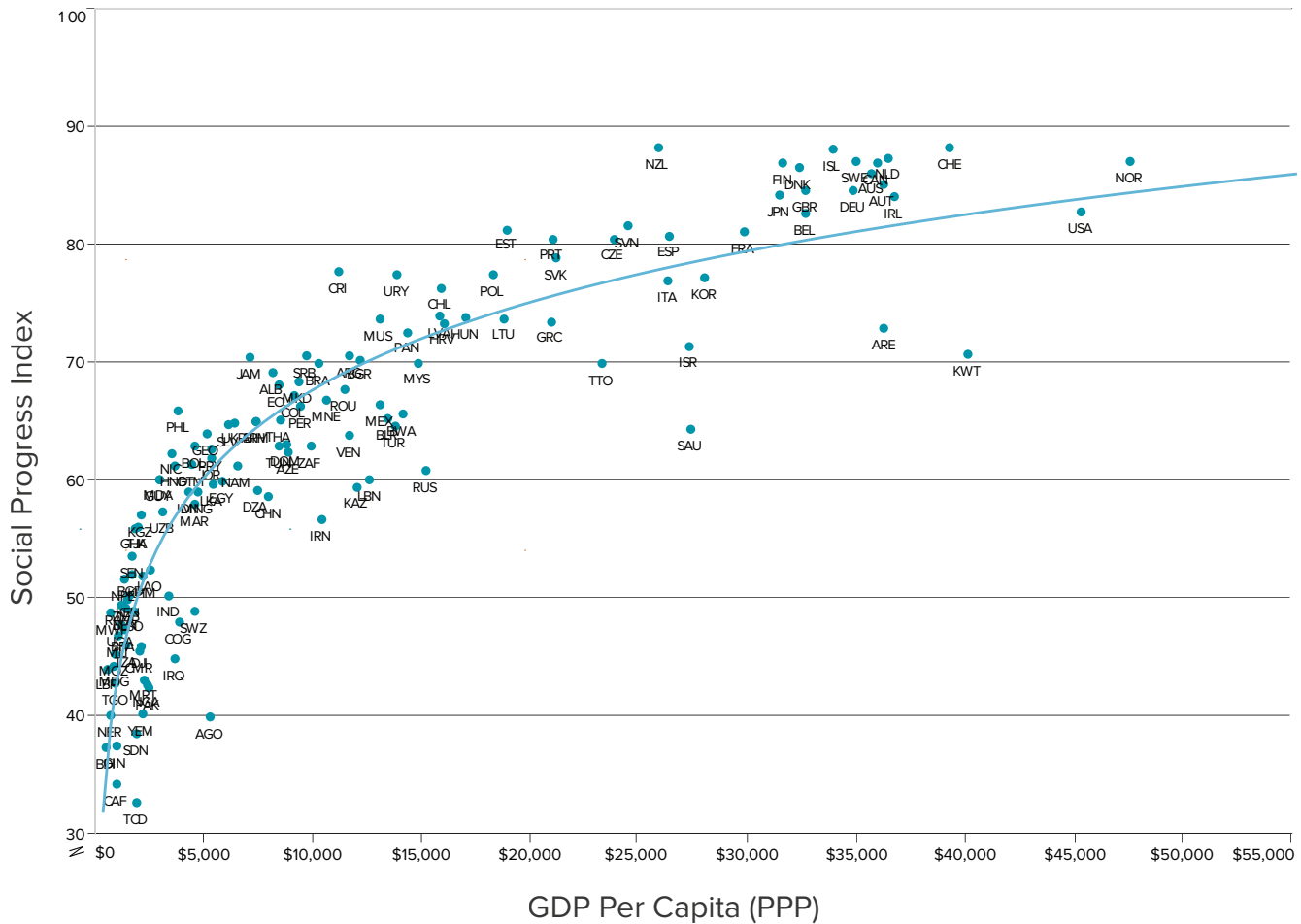
Among regions, Europe, North America, and Oceania (Australia and New Zealand) are the best performing regions on overall social progress. Sub-Saharan Africa, Central Asia, and South Asia are the worst performing regions.

Social Progress Index 2014 results

RANK	SCORE	COUNTRY	PPP GDP PER CAPITA	RANK	SCORE	COUNTRY	PPP GDP PER CAPITA	RANK	SCORE	COUNTRY	PPP GDP PER CAPITA
1	88.24	New Zealand	25,857	45	70.00	Malaysia	14,822	89	58.97	Mongolia	4,708
2	88.19	Switzerland	39,293	46	69.97	Brazil	10,264	90	58.67	China	7,958
3	88.07	Iceland	33,880	47	69.88	Trinidad and Tobago	23,260	91	58.01	Morocco	4,573
4	87.37	Netherlands	36,438	48	69.13	Albania	8,123	92	57.34	Uzbekistan	3,095
5	87.12	Norway	47,547	49	68.33	Macedonia	9,323	93	57.08	Kyrgyzstan	2,077
6	87.08	Sweden	34,945	50	68.15	Ecuador	8,443	94	56.65	Iran	10,405
7	86.95	Canada	35,936	51	67.72	Romania	11,444	95	56.05	Tajikistan	1,920
8	86.91	Finland	31,610	52	67.24	Colombia	9,143	96	55.96	Ghana	1,764
9	86.55	Denmark	32,363	53	66.80	Montenegro	10,602	97	53.52	Senegal	1,671
10	86.10	Australia	35,669	54	66.41	Mexico	13,067	98	52.41	Laos	2,522
11	85.11	Austria	36,200	55	66.29	Peru	9,431	99	52.04	Bangladesh	1,622
12	84.61	Germany	34,819	56	65.86	Philippines	3,801	100	51.89	Cambodia	2,150
13	84.56	United Kingdom	32,671	57	65.60	Botswana	14,109	101	51.58	Nepal	1,276
14	84.21	Japan	31,425	58	65.20	Belarus	13,427	102	50.24	India	3,341
15	84.05	Ireland	36,723	59	65.14	Thailand	8,463	103	50.20	Kenya	1,522
16	82.77	United States	45,336	60	65.03	Armenia	7,374	104	49.88	Zambia	1,475
17	82.63	Belgium	32,639	61	64.99	Bosnia and Herzegovina	7,356	105	49.46	Rwanda	1,167
18	81.65	Slovenia	24,483	62	64.91	Ukraine	6,394	106	49.11	Benin	1,364
19	81.28	Estonia	18,927	63	64.70	El Salvador	6,125	107	48.94	Lesotho	1,692
20	81.11	France	29,819	64	64.62	Turkey	13,737	108	48.87	Swaziland	4,522
21	80.77	Spain	26,395	65	64.38	Saudi Arabia	27,346	109	48.79	Malawi	660
22	80.49	Portugal	21,032	66	63.94	Georgia	5,086	110	47.99	Congo, Republic of	3,815
23	80.41	Czech Republic	23,815	67	63.78	Venezuela	11,623	111	47.75	Uganda	1,165
24	78.93	Slovakia	21,175	68	63.03	Dominican Republic	8,794	112	47.33	Burkina Faso	1,304
25	77.75	Costa Rica	11,156	69	62.96	South Africa	9,860	113	46.85	Mali	1,047
26	77.51	Uruguay	13,821	70	62.96	Tunisia	8,442	114	46.06	Tanzania	1,380
27	77.44	Poland	18,304	71	62.90	Bolivia	4,552	115	45.95	Djibouti	2,051
28	77.18	Korea, Republic of	27,991	72	62.65	Paraguay	5,290	116	45.51	Cameroon	2,025
29	76.93	Italy	26,310	73	62.44	Azerbaijan	8,871	117	45.23	Mozambique	882
30	76.30	Chile	15,848	74	62.33	Nicaragua	3,510	118	44.84	Iraq	3,659
31	73.91	Latvia	15,826	75	61.92	Jordan	5,289	119	44.28	Madagascar	843
32	73.87	Hungary	17,033	76	61.37	Guatemala	4,397	120	44.02	Liberia	560
33	73.76	Lithuania	18,799	77	61.28	Honduras	3,657	121	43.11	Mauritania	2,244
34	73.68	Mauritius	13,056	78	61.19	Namibia	6,520	122	42.80	Togo	906
35	73.43	Greece	20,922	79	61.07	Cuba	n/a	123	42.65	Nigeria	2,335
36	73.31	Croatia	16,005	80	60.79	Russia	15,177	124	42.40	Pakistan	2,402
37	72.92	United Arab Emirates	36,267	81	60.12	Moldova	2,951	125	40.23	Yemen	2,145
38	72.58	Panama	14,320	82	60.06	Guyana	2,930	126	40.10	Niger	674
39	71.40	Israel	27,296	83	60.05	Lebanon	12,592	127	39.93	Angola	5,262
40	70.66	Kuwait	40,102	84	59.97	Egypt	5,795	128	38.45	Sudan	1,894
41	70.61	Serbia	9,683	85	59.71	Sri Lanka	5,384	129	37.41	Guinea	921
42	70.59	Argentina	11,658	86	59.47	Kazakhstan	11,973	130	37.33	Burundi	483
43	70.39	Jamaica	7,083	87	59.13	Algeria	7,400	131	34.17	Central African Republic	943
44	70.24	Bulgaria	12,178	88	58.98	Indonesia	4,272	132	32.60	Chad	1,870

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Social Progress Index vs GDP Per Capita



SOCIAL PROGRESS AND ECONOMIC DEVELOPMENT

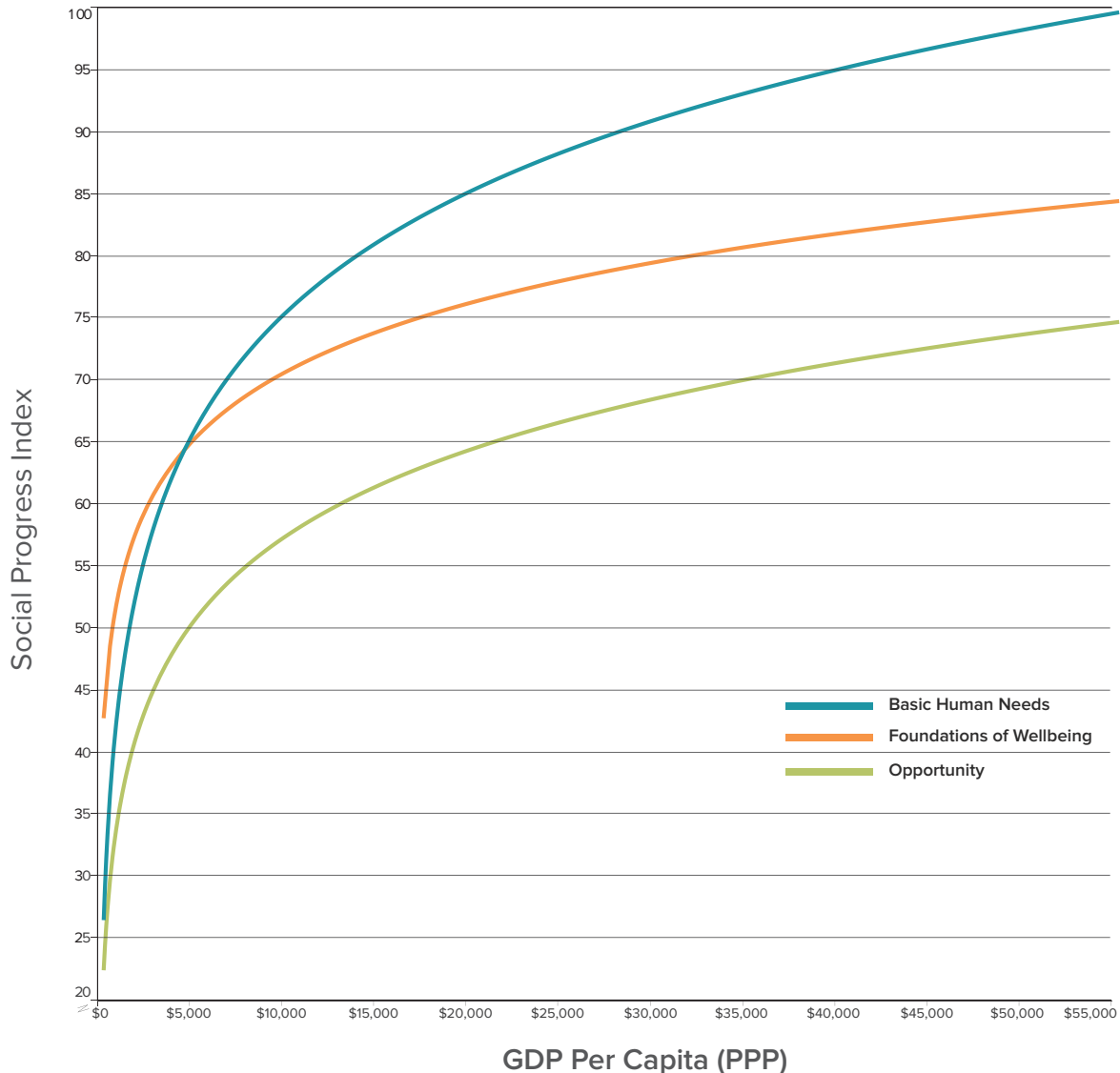
The Social Progress Index allows us, for the first time, to evaluate the effectiveness with which a country's economic success is turned into social progress, and vice versa. The Social Progress Index yields a number of important insights into this two-way relationship:

- 1. Economic development alone is not sufficient to explain social progress outcomes. GDP per capita is an incomplete measure of a country's overall performance.**

The Social Progress Index shows a clear positive correlation with economic performance (0.85), measured by GDP per capita. However, the data clearly demonstrates that economic performance alone does not fully explain social progress. Social Progress Index scores display significant deviations from the GDP per capita trend line. There is a nonlinear relationship between Social Progress Index scores and GDP per capita. At low income levels, small improvements in GDP are associated with large improvements in social progress. As countries reach high levels of income, our findings suggest that the easy gains in social progress arising from economic development become exhausted, while economic growth brings new social and environmental challenges.

Three Dimensions of the Social Progress Index vs. GDP per capita

(Note: These curves represent the predicted values based on a regression of the log of GDP per capita on Social Progress Index scores.)



2. Each dimension of social progress has a distinct relationship with economic development.

Basic Human Needs improve rapidly with GDP per capita as income grows from very low levels and then progress flattens out as income continues to rise. Foundations of Wellbeing has a more linear relationship with GDP per capita, showing considerable variability across all levels of income. The relationship between the Opportunity dimension and GDP per capita is both flatter and more variable. The two-way relationship between each dimension of social progress and GDP is subtle; causation runs in both directions. Our results provide suggestive evidence that economic development plays differing roles in enabling social progress, while key elements of social progress seem to play an integral role in enabling economic performance. Our data also show that many areas of social progress are not guaranteed by economic growth, and require their own distinct policy agendas.

FUTURE RESEARCH

The Social Progress Index offers a new tool with which to further explore the complex, two-way relationship between economic and social development. Priorities for future research include:

- Improving the Index through ongoing feedback and testing. We invite others to use our data and help us make it better.
- Identifying important areas where better data could enhance the measurement of social progress, and partnering with other organizations to achieve this.
- Understanding the relationship between social outcomes and the policies and investments (inputs) countries pursue.
- Exploring the relationship between social progress, GDP, and subjective wellbeing.
- Extending the measurement of social progress to the regional in addition to the national level.

THE SOCIAL PROGRESS NETWORK IN ACTION

Our mission at the Social Progress Imperative is to improve the quality of lives of people around the world, particularly the least well off. To achieve this mission, we must go further than just measurement alone, and encourage and support leaders and change-makers in business, government and civil society to take action. We are building a Social Progress Network of national partners in a growing number of countries who are using the Social Progress Index tool as a catalyst for action.

THE ORGANIZATION OF THIS REPORT

Chapter 1 outlines the principles that have guided the development of the Index, and the framework and methodology that have been used to calculate the 2014 Social Progress Index. Chapter 2 provides a review of the key findings, both in terms of country-level rankings and key findings. Chapter 3 provides three case studies of countries (New Zealand, The Philippines, and Uruguay) that perform particularly well relative to their GDP on the Social Progress Index and two case studies of successful social innovations (Camfed and Water for People).

Appendix 1 sets out the detailed Social Progress Index scores for all 132 countries. Appendix 2 summarizes the strengths and weaknesses analysis for each country. Appendix 3 details the specific indicators and data used in the construction of the Index. Appendix 4 identifies the data gaps that have prevented the inclusion of some countries in the Social Progress Index 2014.

This report should be read in conjunction with our Methodological Report, which offers a detailed methodological overview as well as an exploration of the conceptual foundations of the Social Progress Index by Patrick O'Sullivan, Professor of Business Ethics at the Grenoble School of Management.

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