

2018 SOCIAL PROGRESS INDEX

Executive Summary



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IMPERATIVE**

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Introduction

We are excited to announce today the 2018 Social Progress Index. The Social Progress Index is the only measurement tool to comprehensively and systematically focus exclusively on the non-economic dimensions of social performance across the globe with transparent and actionable data.

This is the fifth year of the index, and the index contains actionable and sharp insight for nations and communities around the world. This short brief focuses on some of the overarching findings that we have taken away from this year's index, including four headline findings:

- Overall, social progress is advancing across the world. Since 2014, the world average increased from 61.80 to 63.46, and there has been improvement on nine of 12 social progress components.
- Despite this overall progress, Personal Rights and Inclusion have seen regress since 2014, and there has been stagnation in the area of Personal Safety.
- 133 of 146 countries register an improved social progress score since 2014, with several countries, including The Gambia, Nepal and Ethiopia demonstrating particularly notable improvement.
- With that said, there are important negative outliers. Most notably, the United States has dropped from 85.70 to 84.78 over time, experiencing both an absolute and relative decline.

Beyond these headline empirical findings, we are excited to share this report with you in order to also continue to engage the growing social progress community. The Social Progress Imperative now works with allied initiatives across 47 countries covering 2.4 billion people to not only chart social progress but to use the insights from systematic measurement to make a positive difference.

We look forward to the exciting ways that citizens and decision-makers around the world can engage in this movement, and look forward to your feedback and continued engagement on this important mission!

About the Social Progress Index

Social progress has become an increasingly critical agenda for leaders in government, business and civil society. Citizens' demands for better lives are evident in uprisings since the Arab Spring and the emergence of new political movements in even the most prosperous countries. Since the financial crisis of 2008, there has also been a growing expectation that business must play its role in delivering improvements in the lives of customers and employees, and protecting the environment for us all. This is the social progress imperative.

Progress on social issues does not automatically accompany economic development. Rising income usually brings major improvements in areas such as access to clean water, sanitation, literacy, and basic education. But on average, personal security is no better in middle-income countries than low-income ones, and is often worse. And, too many people—regardless of income—live without full rights and experience discrimination or even violence based on gender, religion, ethnicity, or sexual orientation. Traditional measures of national income, such as GDP per capita, fail to capture the overall progress of societies.

The Social Progress Index rigorously measures country performance on many aspects of social and environmental performance which are relevant for countries at all levels of economic development. It enables an assessment of not just absolute country performance but also relative performance compared to a country's economic peers. The index gives governments and businesses the tools to track social and environmental performance rigorously, and make better public policy and investment choices. The Social Progress Index also allows us to assess a country's success in turning economic progress into improved social outcomes. Overall, the Social Progress Index provides the first concrete framework for benchmarking and then prioritizing an action agenda advancing both social and economic performance.

The Social Progress Index Methodology

The Social Progress Index follows four key design principles:

1. Exclusively social and environmental indicators: Our aim is to measure social progress directly, rather than utilize economic proxies or outcomes. By excluding economic indicators, we can, for the first time, rigorously and systematically analyze the relationship between economic development (measured for example by GDP per capita) and social development. Prior efforts to move “beyond GDP” have comingled social and economic indicators, making it difficult to disentangle cause and effect.

2. Outcomes not inputs: Our purpose is to measure the outcomes that matter to the lives of real people, not the inputs. For example, we want to measure a country's health and wellness achieved, not how much effort is expended nor how much the country spends on healthcare.

3. Holistic and relevant to all countries: We strive to create a holistic measure of social progress that encompasses the many aspects of the health of societies. Most previous efforts have focused on the poorest countries, for understandable reasons. But knowing what constitutes a successful society for any country, including higher-income countries, is indispensable for charting a course for all societies.

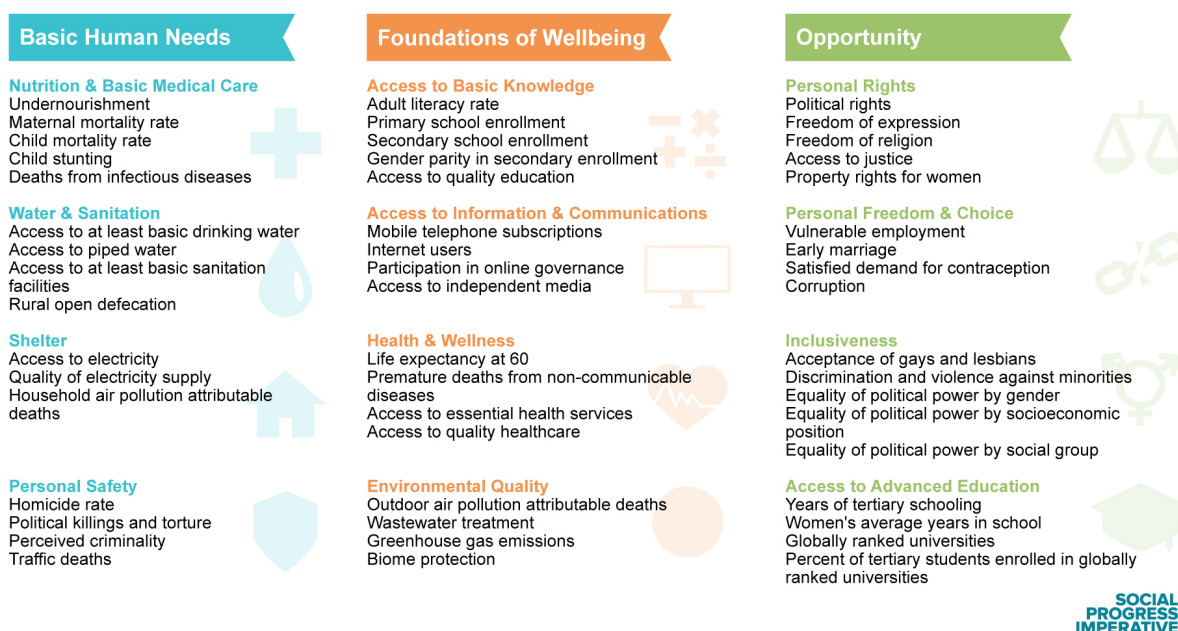
4. Actionable: The Social Progress Index aims to be a practical tool that helps leaders and practitioners in government, business, and civil society to implement policies and programs that will drive faster social progress. To achieve that goal, we measure outcomes in a granular way that focuses on specific areas that can be implemented directly.

The design principles are the foundation for our conceptual framework and formulate our definition of social progress. The Social Progress Index uses the following working definition:

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.

The index is structured around 12 components and 51 distinct indicators. The framework not only provides an aggregate country score and ranking, but also allows benchmarking on specific areas of strength and weakness. Transparency of measurement based on a comprehensive framework allows change-makers to set strategic priorities, acting upon the most pressing issues in their societies.

Figure 1 / 2018 Social Progress Index framework



Each of the twelve components of the framework is made up of between three and five specific outcome indicators. Indicators are selected because they are measured appropriately with a consistent methodology by the same organization across all (or essentially all) of the countries in our sample. Taken together, this framework aims to capture a broad range of interrelated factors revealed by the scholarly literature and practitioner experience as underpinning social progress.

The high-level structure of the 2018 Social Progress Index remains unchanged from 2017. To improve the measurement of component-level concepts and accommodate changes in data availability, some modifications were made to individual indicators and to the composition of several components. The component “Tolerance and Inclusion” has also been renamed as “Inclusiveness” in response to user feedback.

A key advantage of the Social Progress Index’s exclusion of economic variables is that we can compare social progress relative to a country’s level of economic development. In many cases, it is more useful and interesting to compare a country’s performance to countries at a similar level of GDP per capita than to all countries in the world. For example, a lower-income country may have a low score on a certain component, but may greatly exceed typical scores for countries with similar per capita incomes. Conversely, a high-income country may have a high absolute score on a component, but still fall short of what is typical for comparably wealthy countries. For this reason, we present a country’s strengths and weaknesses on a relative rather than absolute basis, comparing a country’s performance to that of its economic peers.

The first Social Progress Index was released in 2014, which means that this is the fifth annual index. We have therefore been able to add analysis of change over time to this report.

2018 Social Progress Index Results

The 2018 Social Progress Index ranks 146 countries that have sufficient available data to assess all 12 components. We group countries from highest to lowest social progress into six tiers. Tiers are based on hierarchical clustering to set empirically determined break points across groups of countries based on their Social Progress Index scores.¹ Here we present results across all countries and for the world as a whole. We then discuss the relationship between Social Progress and GDP per capita. Finally, we explore changes in social progress at the country level since 2014, with a spotlight on US performance.

2018 Country Rankings

Norway ranks first on the 2018 Social Progress Index, with a score of 90.26. Japan, ranked sixth with a score of 89.74, is the top-performing G7 country. All 14 Tier 1 countries are high-income, and all score very similarly on social progress—just 1.64 points separates first-ranked Norway at the top of the tier from 14th-ranked Canada.

Tier 2 features a much wider range of scores, from Australia (88.32, ranked 15th) to Latvia (79.25, ranked 39th). The US, France, and Italy—all wealthy G7 countries—are ranked in Tier 2 of the Social Progress Index. Most Tier 2 countries are high-income, with the notable exception of Costa Rica, a middle-income country, which is also the highest-scoring country in Latin America.

Newer EU member states Bulgaria (76.27, 40th) and Romania (74.51, 44th) are among the leaders of Tier 3, which also includes large Latin American countries such as Argentina, Brazil, Colombia and Mexico. Several resource-rich countries, including Kazakhstan and the United Arab Emirates, also score in Tier 3 of the index. Russia, which ranks 60th with a score of 70.16, places near the middle of the tier.

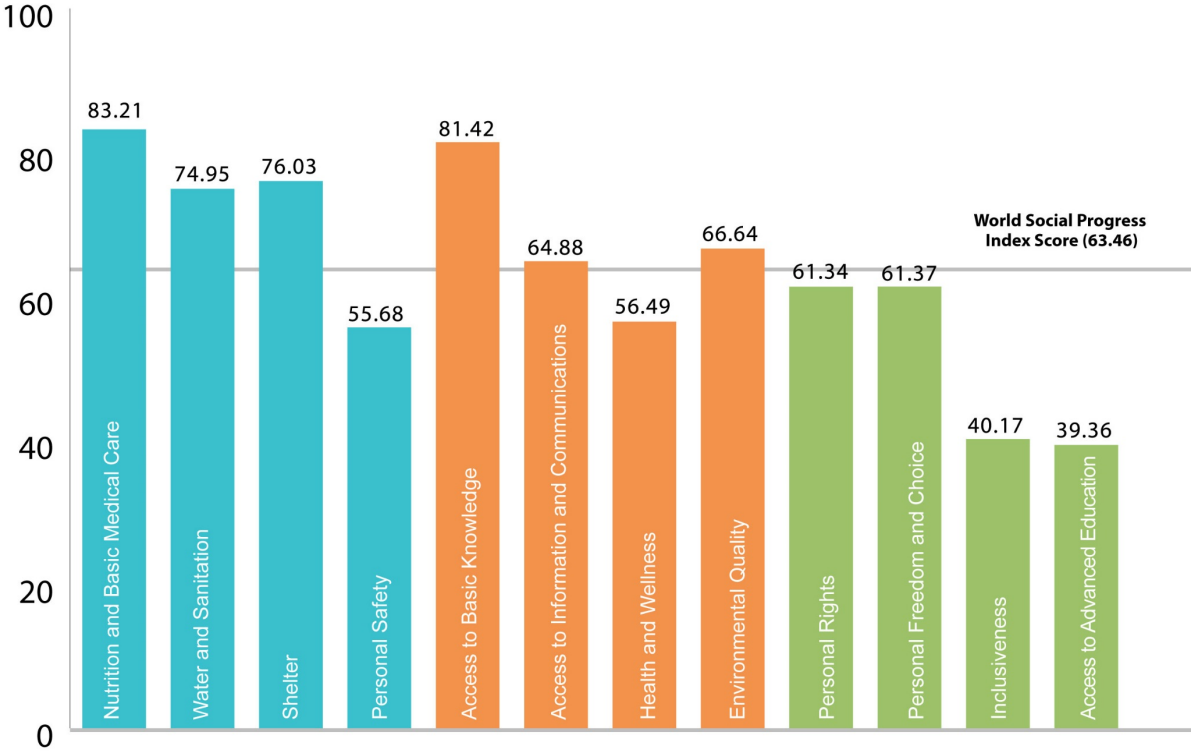
Tier 4 countries exhibit the widest range of scores of any of the six Social Progress Index tiers. 12.91 points separate South Africa (66.00, 77th) from Tajikistan (53.09, 106th). Notably, three of the BRICS countries—South Africa, China, and India—score in Tier 4 of the index. Most Tier 4 countries are middle- or lower-income. A noteworthy exception is Saudi Arabia, a high-income country, ranked 85th in the world with a score of 64.75.

Tier 5 is mainly comprised of lower-middle- and lower-income countries, many of them in South Asia and sub-Saharan Africa. Ethiopia joins this tier, from Tier 6, for the first time in 2018.

Eleven countries are in Tier 6, many of which are fragile states where instability has hindered social progress. Some, like Yemen and Afghanistan, are also active conflict zones. While most of these countries are lower-income, one middle-income country, Angola, also ranks in the lowest social progress tier. The Central African Republic (26.01, 146th) ranks last on the 2018 Social Progress Index.

¹ To determine tiers, we ran a number of iterations of clusters and decided upon the common breaks, with six different tiers being the best fit for the Index. We note that although these tiers show similarities among countries in terms of aggregate performance, there is significant variation in each country's performance across components.

Figure 3 / Population-weighted world scores by component

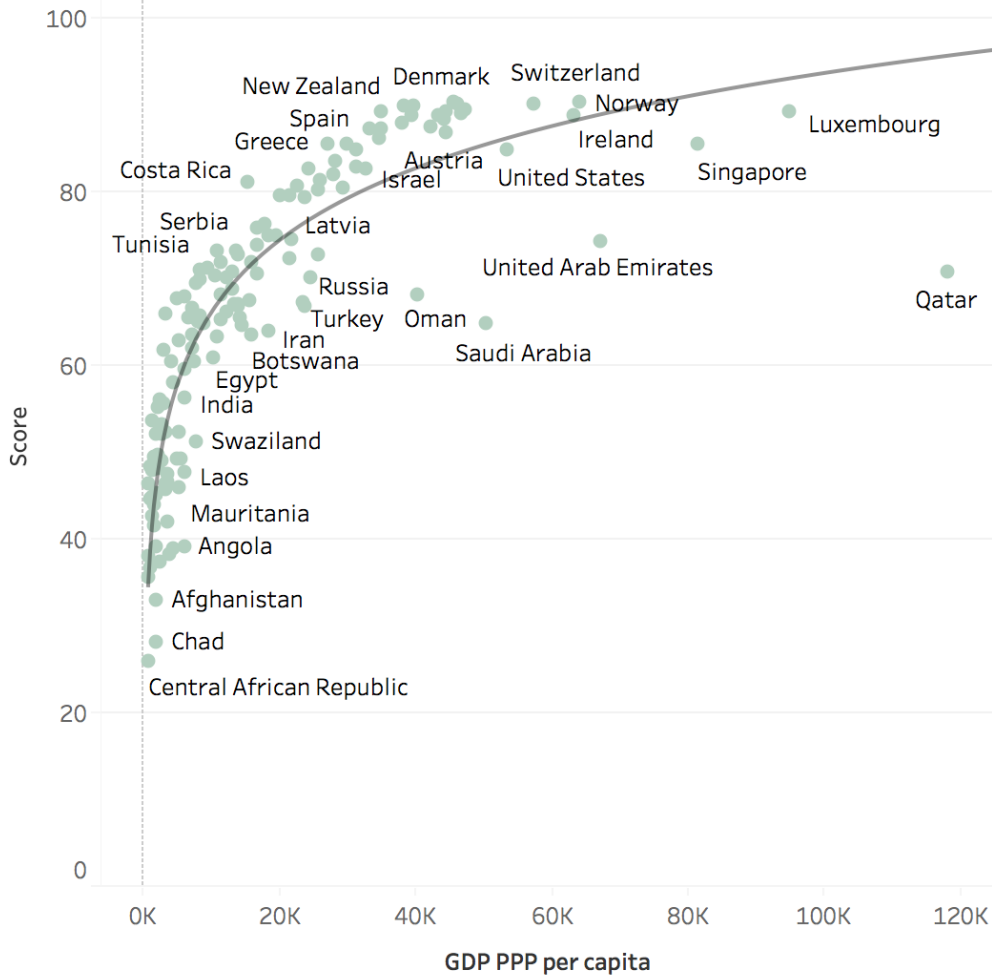


Social Progress Index vs. GDP per capita

Figure 4 shows the relationship between GDP per capita and social progress. The data reveal several key findings:

- There is a positive and strong relationship between the Social Progress Index and GDP per capita.
- The relationship between economic development and social progress is not linear. At lower income levels, small differences in GDP per capita are associated with large improvements in social progress. As countries reach high levels of income, however, the rate of change slows.
- GDP per capita does not completely explain social progress. Countries achieve divergent levels of social progress at similar levels of GDP per capita.

Figure 4 / SPI vs GDP per capita



Benchmark countries

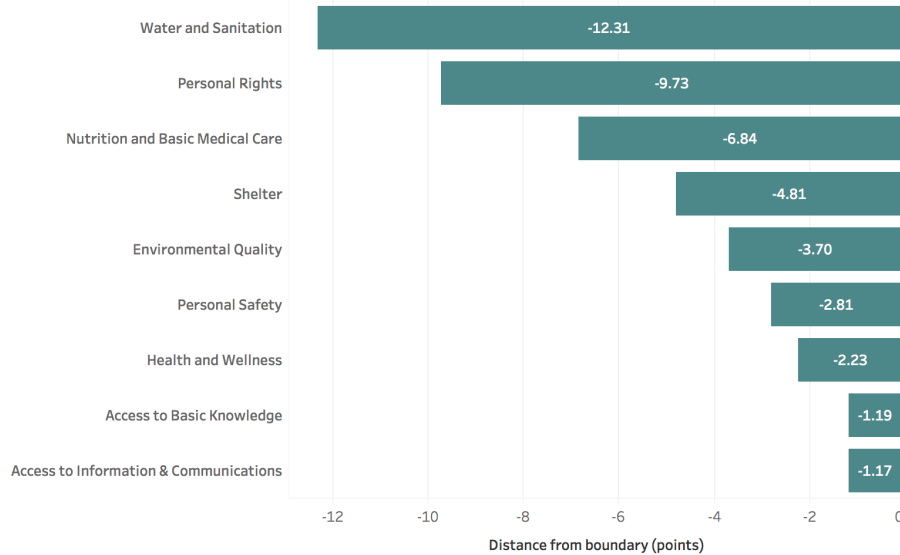
We can assess a country's performance relative to its level of GDP per capita using the social progress "scorecard". This compares the performance of a country on aggregate social progress, as well on the dimensions, components, and indicators of the Social Progress Index, to the performances of 15 other countries with similar GDPs per capita. By revealing where each country is using its resources more or less efficiently than countries of similar income, the scorecard can point to either successes or specific priority areas for actions and investments, respectively.

The world scorecard compares the population-weighted world average Social Progress Index scores to the median score of the 15 countries with GDPs per capita closest to the global average. It shows that the world as a whole is under-performing on many aspects of social progress relative to the economic resources, measured in GDP per capita, that are available. We also produce full scorecards for all 146 ranked countries, as well as partial scorecards for countries with incomplete data.

Figure 5 / 2018 World scorecard



Figure 6 / Degree of world underperformance by component



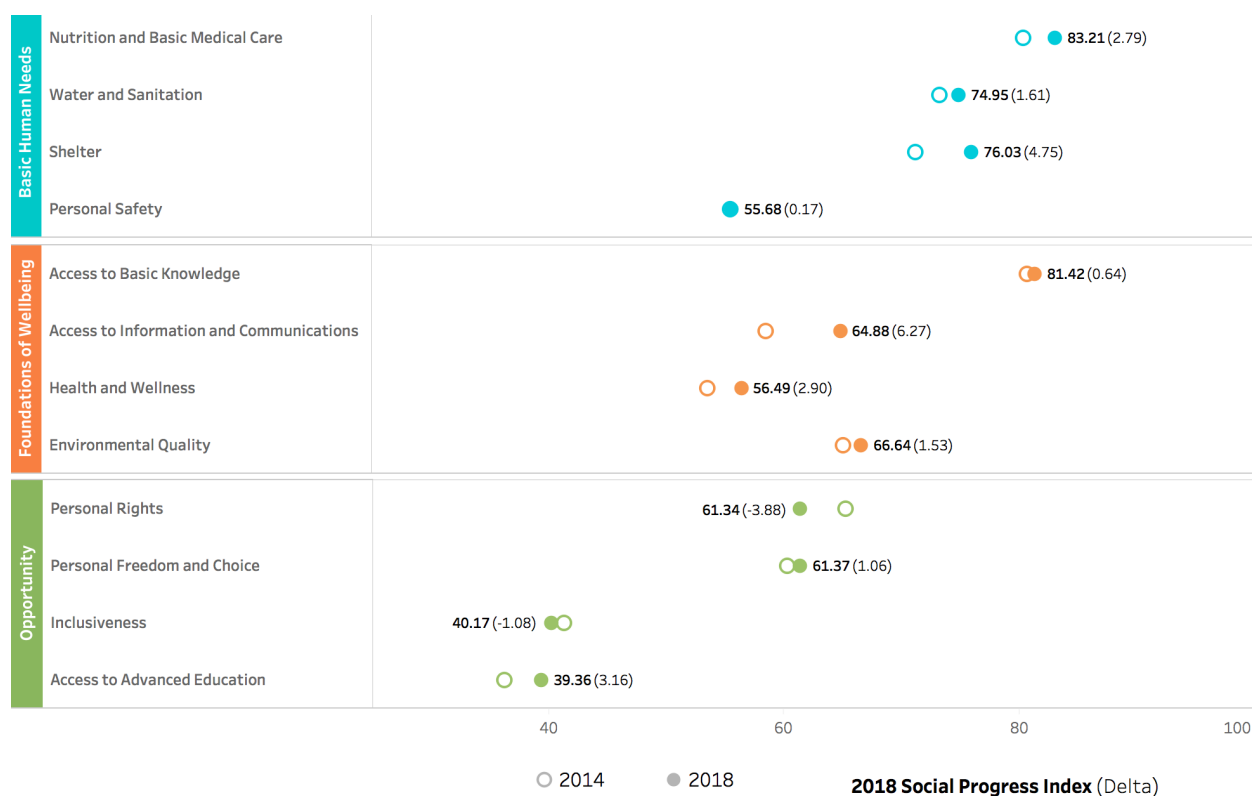
We also see (Figure 6) that the degree of world under-performance varies widely. It is notable that the greatest area of under-performance is in Water and Sanitation.

Changes in Social Progress 2014-18

In 2018 we are able to measure changes in social progress over five years. To do so, we utilize the 2018 index framework, then apply that methodology across countries and years back to 2014.² We can measure the evolution of aggregate social progress and also identify the relative movement of each component and dimension of the index. This dynamic analysis is a first and critical step towards not simply measuring social progress for a country but also identifying what is driving social progress improvement.

The world is getting better in terms of social progress. The population-weighted world score on the Social Progress Index rose from 61.80/100 in 2014 to 63.46/100 in 2018—a 1.66 point increase.

Figure 7 / Change in population-weighted world social progress 2014-18



² As such, our analysis accounts for retroactive data revisions from sources as well as minor changes in the Social Progress Index methodology. Accordingly, the figures cited here may differ from the SPI scores and rankings that were reported in the context of earlier annual reports. Full datasets from 2014-2018 are available on the Social Progress Imperative website: www.socialprogress.org.

However, the gains in social progress are not evenly distributed across the components of the framework. Since 2014 the world score has improved on nine components: Access to Information and Communications (+6.27 point change) Shelter (+4.75), Access to Advanced Education (+3.16), Health and Wellness (+2.90), Nutrition and Basic Medical Care (+2.79), Water and Sanitation (+1.61), Environmental Quality (+1.53), Personal Freedom and Choice (+1.06) and Access to Basic Knowledge (+0.64).

The world is declining on Personal Rights and Inclusiveness, and stagnating on Personal Safety. The world score on Personal Rights has declined by 3.88 points since 2014. 75 of the 146 ranked countries experienced declines in Personal Rights and 31 countries showed no meaningful change. The world has also gone backwards on Inclusiveness, declining by 1.08 points since 2014. Inclusiveness declined in 56 of 146 ranked countries and has stagnated in another 22 countries. The world has seen no meaningful change (+0.17) on Personal Safety in this period.

We find that 133/146 countries—93% of those measured—improved on social progress 2014-18. Yet these gains in social progress are also unevenly distributed among countries. The largest improvement is by The Gambia (5.60); the largest decline by Yemen (-4.35).

Figure 8 / Significant improvers and decliners on social progress 2014-18

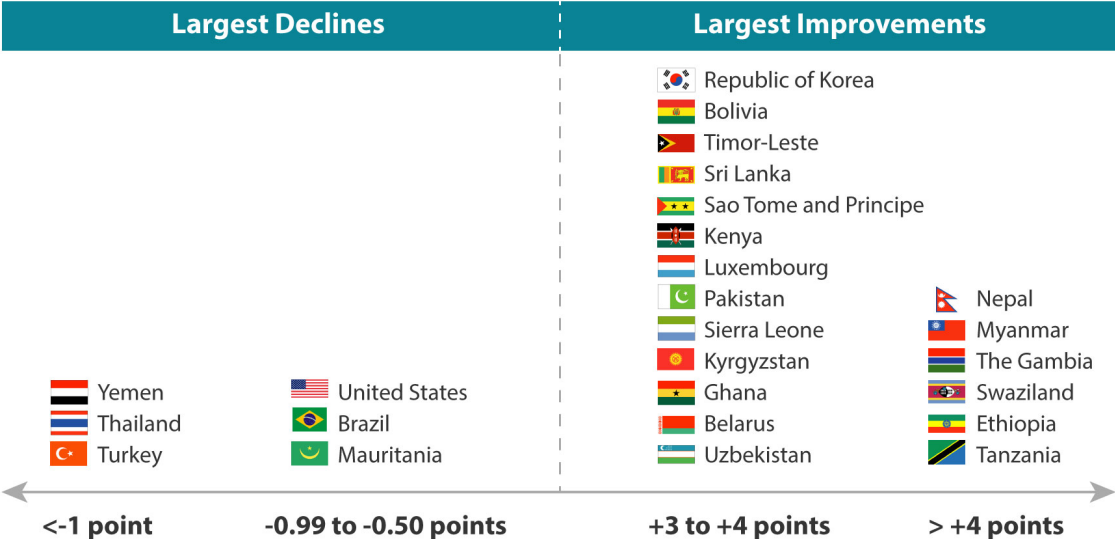


Figure 8 shows that the most improved countries since 2014 have been low and lower middle-income, including The Gambia, Nepal and Ethiopia. Richer countries have tended to improve more slowly.

Only 6 countries register a significant decline of -0.5 points or more: Yemen, Thailand, Turkey, US, Brazil, Mauritania. Other countries in conflict or crisis such as Syria and Venezuela are also likely to be declining but we lack reliable data to measure their performance.

Spotlight: United States and Social Progress

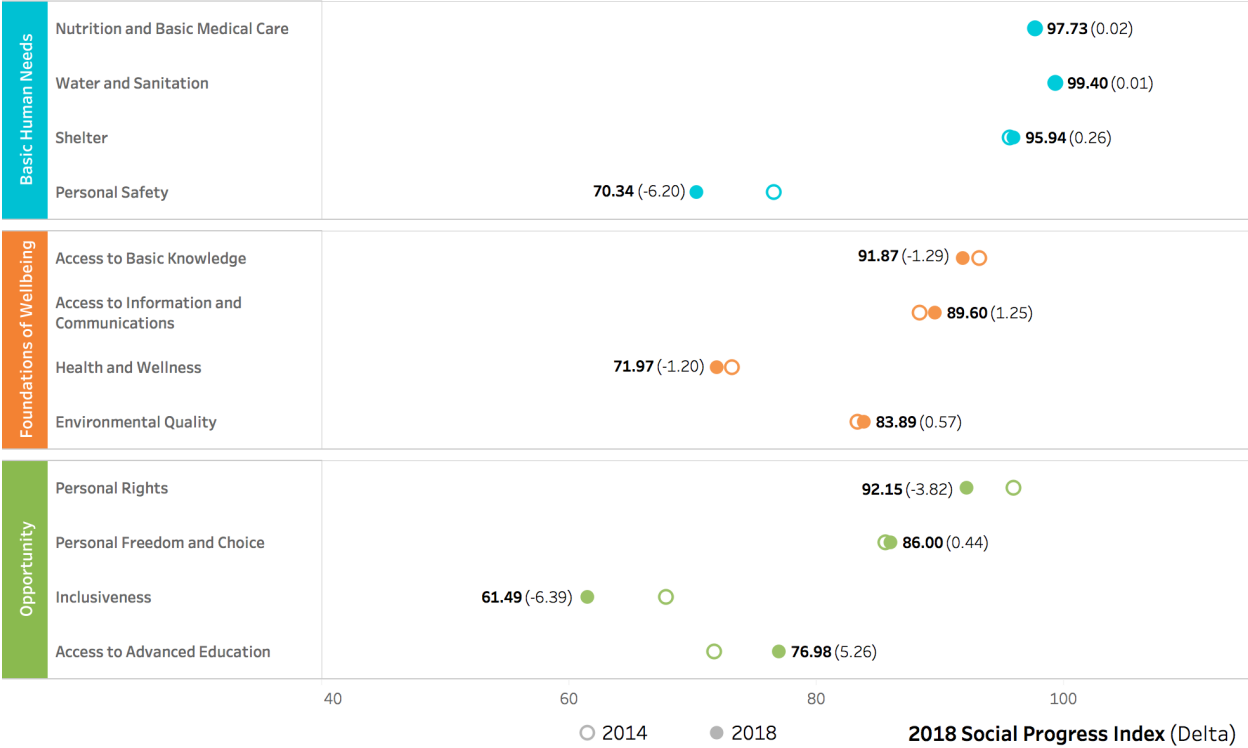
Since the first Social Progress Index in 2014, the United States has consistently shown under-performance relative to its GDP per capita. This is exceptional among leading economies. That trend continues in 2018 (see Figure 9 below). The US now ranks 25th in the world on social progress, below Slovenia and Portugal and the lowest of the G7. On Access to Basic Knowledge, the US performs worse than Uzbekistan, while on Health and Wellness US scores are comparable to Ecuador's. On Personal Safety, the US ranks below Ghana and Indonesia.

Figure 9 / 2018 US scorecard



The United States is also an outlier amongst its peers as one of only six countries that has seen a decline in social progress since 2014 (see Figure 10). The most significant deterioration has been in Inclusiveness (-6.39), Personal Safety (-6.20), and Personal Rights (-3.82). There have also been declines in Health and Wellness (-1.20) and Access to Basic Knowledge (-1.29).

Figure 10 / Change in US social progress 2014-18



From Index to Action to Impact

The Social Progress Imperative publishes the annual Social Progress Index in order to build a common language and data platform that supports benchmarking, collaboration and change. Throughout the world, the Social Progress Imperative has catalyzed the formation of local action networks that bring together government, businesses, academia, and civil society organizations committed to using the Social Progress Index as a tool to assess strengths and weaknesses, spur constructive dialogue, catalyze change, and improve people’s lives.

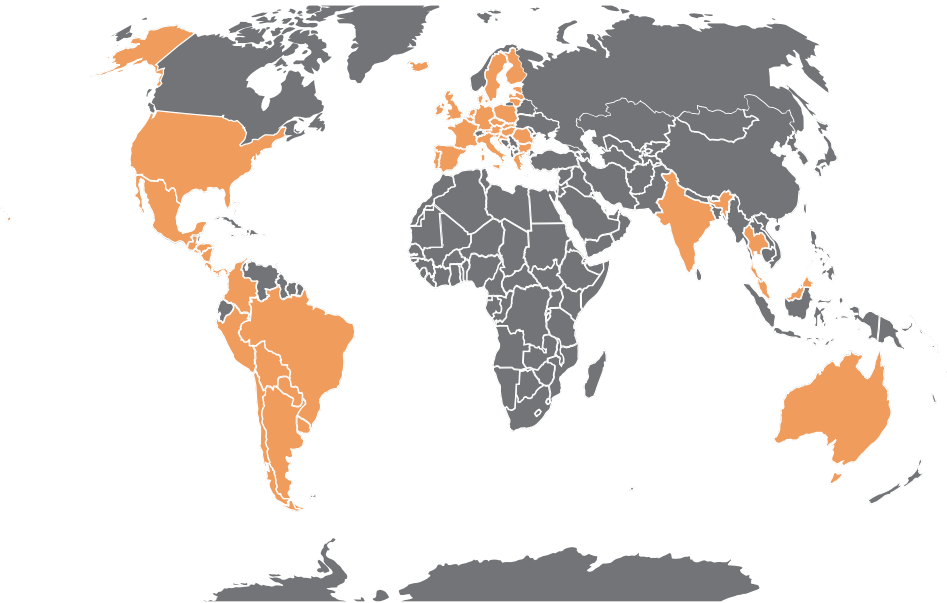
Our network of partners and champions now extends to 47 countries around the world and includes leading institutions from all sectors of society, including INCAE Business School, Fundación Avina, and the Institute for Competitiveness, India.

The index has gained significant traction across Latin America. In Paraguay, the central government has officially adopted the index as part of the National Development Plan, doubling its budget for nutrition programs as a result of the priorities highlighted by the data. In Brazil, multinational corporations like Coca-Cola, Natura and Fiat-Chrysler are using customized indexes to ensure their supply chains are socially and environmentally sustainable. In cities from Bogota to Medellín to Rio de Janeiro, local indexes are guiding urban policy and framing political debates. And in Costa Rica, the index was applied to measure the effects of the tourism industry on local communities—the first application to assess the social impact of a major economic sector.

We are also making progress in Europe, North America and Asia. In Europe we are working with DG Regio of the European Commission which has integrated the Index into Cohesion Policy. In

the past year, the network has also produced new Social Progress Indexes for US states and districts of India.

Figure 11 / Map of the social progress network



Our network continues to expand globally, providing more and more change-makers around the world with the data and insight they need to change lives. To learn more about the Social Progress Index and the ways in which it is driving impact around the world, visit www.socialprogress.org.