

MHCi MONTHLY FEATURE BACKGROUND PAPER

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Tahrir (Liberation) Square and The lack of National Social Responsibility: Who's next?

By

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National Social Responsibility: Its lack shows its ugly head in Egypt, Tunisia - who's next?

A day after the most significant street protests in [Iran](#) since the end of the 2009 uprising there, members of the Iranian Parliament called on Tuesday for the two most prominent opposition leaders to be prosecuted and sentenced to death for stirring unrest. (NYT, 15 Feb 2011)

1. Introduction

The above quote shows that repressive Governments still hold much power. Happily some stirrings have been shown in Tunisia and then Egypt. Yet, the past few years have not shown many great strides in the social responsibility of Nation States. Meanwhile there has been a shift in sentiment in the private sector as the social responsibility of corporations (CSR) has, at least, been taken reasonably seriously since just after the fall of the Berlin Wall in 1989 and the collapse of the Soviet Union. That event led to great enthusiasm and impetus to the main alternative, the market economy, which gave the private sector its head after the collapse of the advantages of totalitarianism and State control of the means of production. Social responsibility was needed since the unabashed pursuit of capitalism could easily have led to profit at any cost and the exploitation of the many.

Some think that the last statement still holds. We see the obvious lack of social responsibility in the corporate sector in many instances. For instance:

- the Ogoni massacre linked to Shell's lack of concern for human rights;
- Bechtel, Halliburton, Carlyle group, benefitting from, and even promoting, the Iraq war;

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- Blackwater (now Xe Services) creating a web of more than 30 shell companies or subsidiaries in part to obtain millions of dollars in American government contracts after the security company came under intense criticism for reckless conduct in Iraq;
- Enron's total lack of care whether their speculation led to spikes in energy prices despite being considered a 'model' CSR company;
- financial service companies such as JP Morgan aiding and abetting Madoff and others responsible for mortgage speculation;
- BP's reputation as another 'model' corporate citizen collapsing with its rig Deep Water Horizon in the Gulf of Mexico;
- The distribution of income worsening in major countries around the world as corporate profits increase and the middle classes get squeezed.

Despite these setbacks there has been major progress in companies and corporations both re-thinking their values and working toward socially responsible products – from Nestle to Ford Motor Company to Nike, Gap, Starbucks etc. The movement to enhance the social responsibility of companies is unlikely to slow as the young and social media take up the gauntlet as they seek a better world than the one they find today.

2. China 1 Human Rights 0

But, corporations and business are not the sole holders of the march on social responsibility. It has been depressing to note that corporations, surprisingly to many, often seem to be better behaved than many, if not most, nation states and even many NGOs. During the near collapse of western democracies during the great recession of 2007-09, the seeming success of totalitarian regimes such as China, suggested that libertarians had backed the wrong horse. To know that the world might continue, and indeed increase, the number of totalitarian despots with their lack of respect for human rights, torture, imprisonment without trial, lack of freedom of the press – from Mugabe, to Ghadafai to Hu and so on – rocked the basic premise of many people who hold strong support for human rights and basic freedoms, and added to our collective depression.

Yes, we know our own democracies are far from perfect and, despite our protests, Blair and Bush waged an unconstitutional war in Iraq, totalitarian regimes have been tolerated by France (in Algeria and Tunisia), by the USA (across the Middle East and South America, and the support of Guantanamo Bay and rendition of prisoners to the many horrible prisons that exist across the world, Presidential support for torture such as water-boarding etc), by Spain (in Spanish Sahara) and that the West has done little to spare the citizens of the Middle East from their sufferings. But, we can vote out our unpopular and corrupt leaders, we can speak freely (more or less), and have a relatively free press (constantly threatened by right wing owners of capital such as Rupert Murdoch). And, we have President Obama who is a beacon to the vision of democracy and anti-corruption. However not without severe impediments to progress. Obama has not succeeded in overcoming his 'democratic' Republican opposition to the closing of Guantanamo Bay, has said little on gun control, etc. Yet, he can be voted out in 2012 if the majority think Guantanamo Bay closing is key. It is symbolic and depressing that the opposition will almost definitely not campaign on that.

3. Egypt and Tunisia 1 UAE 0

Resistance to change is strong in the Middle East as UAEs Foreign Minister, Sheikh Abdullah bin Zayed Al Nahyan, stated during the early days of the Egyptian revolution: “Some countries, who do not understand the region and Egypt, are trying to benefit from what happens to their own advantage”, implying that the West (presumably) does not understand Middle Eastern culture and should not meddle². The latter point I would agree with but I have heard the former point often. Does the implication of not understanding Middle Eastern culture mean we don’t understand why women should be worth less than a man? That we don’t understand how a royal dynasty can rule better than one where freedom of speech is allowed? That a free press is abhorrent since it comes up with dangerous statements that will hurt the people? That Government is unaccountable to its people. That military expenditure is crucial along with a strong secret police? If all this is what is meant by not understanding Middle Eastern culture then, yes, I don’t understand the culture and how it can persist through voluntary means. Perhaps the foreign minister of the UAE should open up the question for discussion in the press, TV, internet media and so on?

4. Conceptual Basis of MHCi’s NSRI

Is there a way in which we can measure the social responsibility of Nation States^{3,4}? The National Social Responsibility Index (NSRI) was developed by this author in 2007 with the aim to illustrate that, as well as corporations, we can also talk about the social responsibility of nation states. The index follows in the tradition, as well as the methodology, of the UNDP’s Human Development Index which measures development, the index presented here purports to measure their social responsibilities.

² Qatar News Agency http://www.qnaol.net/QNAEn/News_bulletin/News/Pages/11-02-03-2113_141_0075.aspx accessed Feb 6 2011

³ Since I developed this index, I have seen that China has come up with their own National Responsibility Index (a combination of disarmament responsibility, poverty elimination responsibility, resource saving responsibility, environmental protection responsibility). On Oct. 7, 2010, in Beijing, the Chinese Academy of Science (CAS)’s officially issued the first worldwide “Report of National Health,” which claims that, according to its ranking of “Index of National Responsibility”, among 45 sample countries worldwide, China, rated 0.74, scores No.1, while the U.S., rated 0.32, scores No.1 counting backwards. See ‘China at the Top and U.S. at the Bottom’ in <http://chinadigitaltimes.net/2008/10/index-of-national-responsibility-china-at-the-top-and-us-at-the-bottom/> accessed 15 Feb 2011

⁴ A recent addition to thinking has been added by *The Economist* Feb 12th edition where they have come up with the *Shoe-Thrower’s index*, This ‘aims to predict where the scent of jasmine may spread next. Some factors are hard to put a number on and are therefore discounted. For instance, dissent is harder in countries with a very repressive secret police (like Libya). The data on unemployment were too spotty to be comparable and so this important factor is discounted too’. Their chart was the ‘result of ascribing a weighting of 35% for the share of the population that is under 25; 15% for the number of years the government has been in power; 15% for both corruption and lack of democracy as measured by existing indices; 10% for GDP per person; 5% for an index of censorship and 5% for the absolute number of people younger than 25. Jordan comes out surprisingly low on the chart, which suggests the weighting might need to be tweaked.’ Top of their ranking, meaning likely to have dissent, is Yemen followed by Libya, Egypt and Syria. Bahrain is a long way down their table, just above Lebanon, UAE, Kuwait and Qatar,

Corporate social responsibility (CSR) is about corporations treating their stakeholders in a socially responsible manner. Similarly, NSRI is about Nations States treating their key stakeholders in a socially responsible manner. The key stakeholders of any Nation State are their citizens and their trading partners. Consequently the NSRI is composed of whether citizens can participate in the decisions that affect them (a core component of basic needs that was argued by the author in the 1970s), are treated fairly *and* whether the State looks after their well-being. To measure these three aspects we have used measures of:

1. the freedom of the country (participation)
2. the extent of corruption (fair treatment)
3. life expectancy at birth (well-being)

Happily, respected international measures are available to measure each of these components.

The first, participation, is measured using the Economist Intelligence Unit's November 2010 Democracy Index⁵ which, in turn, is based upon five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture. The index shows a rapid increase since the 1989 fall of the Berlin Wall with one-half the world's population now living in a democracy of some sort. However, there has been some retreat since 2008 which, after the events in Tunisia and Egypt may well lead to a reverse of that trend.

The second, fairness, is the nation's transparency (aka lack of corruption) and uses Transparency International's Corruption Perception Index⁶.

The third, well-being or quality of life, is life expectancy at birth which is the best measure of the level of development, on average, as stipulated in the pioneering work of Dudley Seers, founder of the Institute of Development Studies in UK in the 1960s, of a nation's well-being and the data are drawn from the 2007 UNDP Human Development Report⁷.

4. . Methodology

Conceptually, therefore, the Index uses freedom, well-being and transparency. To a certain extent one might believe that one is closely related to the other. However there is nothing, in particular, that would say that freedom would lead to high living standards or that transparency (lack of corruption) means that a society is fair – in fact the intercorrelations between each of the variables is around 0.6⁸ - suggesting that none of the individual variables selected depend very much on any of the others. For instance only 55% of life expectancy can be explained by the democracy index – see Graph. There it can be seen that there is a strong cluster of high democracy and high life expectancy, although the graph also illustrates, disappointingly, that this is not a necessary *and* a sufficient condition. Perhaps one could

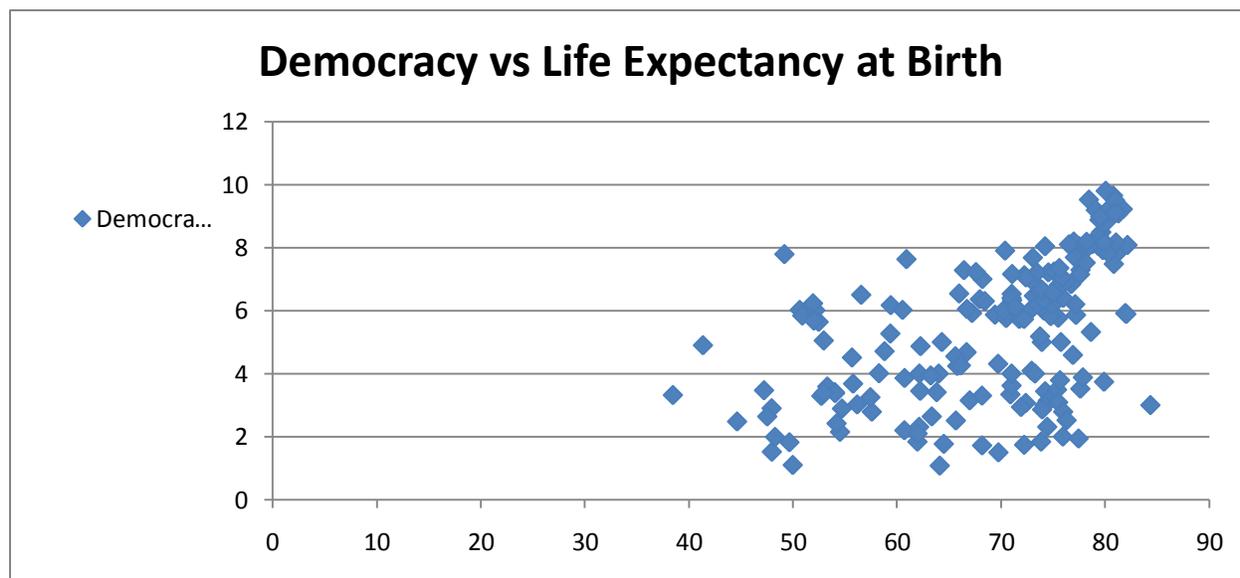
⁵ http://www.economist.com/media/pdf/Democracy_Index_2007_v3.pdf, accessed Aug 1st 2008

⁶ http://www.transparency.org/policy_research/surveys_indices/cpi/2007, accessed Aug 1st 2008

⁷ <http://hdrstats.undp.org/indicators/2.html>, accessed Aug 1st 2008

⁸ The correlations are: between CPI & LE (0.63), CPI & Dem (0.70), LE & Dem (0.55) where CPI is the Corruption Index, Dem is the Democracy Index and LE is Life Expectancy at birth

be more positive if the life expectancy index were weighted by numbers of population – for instance low democracy and high life expectancy occurs in the small population, but very rich, Emirate of Qatar.



To obtain the final index, following the UNDP's HDI, each variable was scaled between zero and one using the minimum and maximum values in each index and then added up and divided by three i.e. the weighting given in the final composite index to each individual index was equivalent.

5. Results for 2010

Table 1 shows the rankings for 2010 where it can be seen that neither first (Sweden) nor last (Somalia) places changed over 2007 to 2010. Because we now have data since 2007, changes can be seen in the last column with the heading 'increase/decrease' to show how rankings have changed over the last three years. In fact it is easier to move more places (either up or down in the rankings) nearer the bottom of the list than the top simply because the top countries do not change very rapidly any of the three areas of concern for democracy, corruption nor life expectancy. Thus an upward movement of four places for New Zealand and Norway in the highly competitive top ten is worthy of note. As it happens both increased their life expectancy a little (less than a year), both improved their democracy ranking yet, curiously, both fell in the transparency ranking (albeit by only 0.01).

Table 1: Main Results

Rank by NRI		NRI 2010	Rank
2010	Country		Increase/Decrease 07 to 10
1	Sweden	0.97	0
2	New Zealand	0.97	4
3	Denmark	0.96	0

4	Norway	0.96	4
5	Iceland	0.95	-3
6	Australia	0.95	3
7	Canada	0.95	3
8	Finland	0.95	-4
9	Switzerland	0.94	-2
10	Netherlands	0.93	-5
15	Germany	0.88	-2
17	United Kingdom	0.86	-3
19	United States	0.84	2
21	France	0.83	-3
22	Spain	0.82	-3
37	Italy	0.73	-7
38	Poland	0.72	8
39	Greece	0.71	-3
54	Brazil	0.64	-1
68	Turkey	0.62	-2
69	Jordan	0.61	10
79	India	0.59	-6
82	Indonesia	0.58	15
96	Tunisia	0.54	0
97	Morocco	0.54	6
105	South Africa	0.52	-24
107	China	0.51	1
108	Saudi Arabia	0.51	13
109	Iraq	0.51	64
117	Egypt	0.48	-6
125	Pakistan	0.45	3
130	Russian Federation	0.44	-11
170	Nigeria	0.29	-4
173	Zimbabwe	0.26	6
177	Angola	0.20	0
178	Afghanistan	0.20	-2
179	Somalia	0.18	1

Results for major movers

Although they give nominal support to democracy, most Africans continue to hold a deferential view of political authority, according to a recent study of 19 democratic countries on the continent carried out by Robert Mattes of the University of Cape Town. South Africa scored particularly poorly on questions

*relating to accountability. Barely one in three citizens thought that MPs should hold the president to account*⁹.

How do the rankings change over time? Table 2 shows some of these interesting features...the biggest movers over the past three years. What is most interesting is that there are so many big movers implying that the world is still very volatile especially among the poorer nations. Botswana saw the most significant increase of 41 places up the rankings - mainly due to a significant increase in life expectancy. This was because Botswana had one of the world's highest incidence of HIV/AIDS and, clearly, their massive program of alerting their population has paid off in a significant way – I myself saw in a recent trip to Botswana warnings in Government offices against HIV/AIDS and the free availability of condoms!

Thailand has also improved its position, again largely due to HIV/AIDS control although its democracy index also increased, presumably because of the widespread demonstrations of the pro- and anti-Government forces in the past few years.

Iraq jumped 64 places because of its return to democracy while Liberia jumped 50 places upwards. The latter due to the superb work by Eileen Sirleaf-Johnson in restoring democracy and peace in that previously battered nation.

On the negative side both South Africa and Iran fell back by 24 places...the former seeing falls in each of the main indicators with corruption increasing significantly. South Africa has seen its share of poor leaders with its previous President Mbeki refusing to accept that HIV/AIDS could be transmitted by hetero-sexual intercourse until late in his Presidency and then followed by President Zuma who didn't endear himself to serious health issues by assuming that sexual relations could not lead to HIV/AIDS if he took a shower immediately after!

While Iran's problems of lack of democracy are well known and a significant fall was observed in its democracy index while its life expectancy, a surprisingly high 70.2 years dropped a little to 69.8 and its CPI fell from 2.5 to 2.2. Our index would predict a very strong probability of continuing problems in Iran. Its strategy of violent repression, hanging protesters, and torture has been, unfortunately, very successful – not just in Iran and it might well be called the 'Stalin model' of Governance – remember Stalin stayed in power over 50 years. For Russia, our index also shows a fall of 11 places for Russia and although Putin is no Stalin, tendencies of repression and the advance of the FSB (formerly the KGB) show that Russia is no place for libertarians. Whether the quest for freedom in the Middle East will spill over into countries such as Russia, even China, is certainly worth watching.

Table 2: Significant Changes over 2007 to 2010

**Rank by
NRI**

Rank

⁹ http://www.economist.com/node/18119187?story_id=18119187 accessed Feb 14 2011

2010	Country	NRI '10	Increase 07 to 11
37	Italy	0.73	-7
38	Poland	0.72	8
45	Panama	0.67	20
46	Qatar	0.67	17
49	Botswana	0.65	41
52	Macedonia (TFYR)	0.64	9
57	Bulgaria	0.63	-8
59	Thailand	0.63	27
65	Serbia	0.62	-13
66	Dominican Republic	0.62	11
69	Jordan	0.61	10
73	United Arab Emirates	0.60	-9
74	Kuwait	0.60	8
76	Georgia	0.59	19
77	Paraguay	0.59	14
78	Bhutan	0.59	34
80	Bahrain	0.58	-9
82	Indonesia	0.58	15
84	Ecuador	0.57	10
88	Timor-Leste	0.56	26
91	Cuba	0.56	-15
92	Philippines	0.55	-8
93	Solomon Is	0.55	25
98	Ukraine	0.54	-13
100	Ghana	0.53	13
101	Bangladesh	0.53	16
105	South Africa	0.52	-24
106	Papua New Guinea	0.52	17
108	Saudi Arabia	0.51	13
109	Iraq	0.51	64
114	Liberia	0.49	50
116	Namibia	0.49	-10
117	Egypt	0.48	-6
119	Kyrgyzstan	0.46	8
120	Maldives	0.46	-19
123	Kiribati	0.46	-16
124	Senegal	0.45	-19
127	Syrian Arab Republic	0.45	-6
130	Russian Federation	0.44	-11
131	Lesotho	0.44	10

133	Malawi	0.43	19
134	Madagascar	0.43	-19
137	Zambia	0.42	23
138	Rwanda	0.41	24
142	Togo	0.40	19
143	Comoros	0.40	-17
146	Sierra Leone	0.38	26
149	Iran (Islamic Republic of)	0.38	-24
150	Djibouti	0.37	7
151	Yemen	0.37	-8
155	Gambia	0.36	-16
158	Lao People's Democratic Republic	0.34	-21
159	Gabon	0.34	-12
160	Niger	0.33	-11
161	Côte d'Ivoire	0.33	7
168	Mozambique	0.30	-13
172	Sudan	0.28	-14

Results for the Middle East

*'It is impossible to know exactly which embers spark a revolution, but it's not so hard to measure the conditions that make a country prime for one. Since the uprisings in Tunisia and Egypt, speculating about whether the fervor will spread and to which countries has become something of a world-watcher's parlor game. As The New York Times headline declared earlier this week, "Jobs and Age Reign As Factors in Mideast Uprisings." And the Economist Intelligence Unit's Index of Democracy has used levels of democracy to identify countries at risk around the world. These are solid measures, but I would add spending on essentials like food (there is nothing like food insecurity to spur agitation), income inequality and burgeoning Internet usage (because the Internet has been crucial to the organization of recent uprisings). Seen through that prism, Tunisia and Egypt look a lot alike, and Algeria, Iran, Jordan, Morocco and Yemen look ominously similar.'*¹⁰

Following the above quote and after the events in both Tunisia and Egypt and, at time of writing, disturbances in Yemen, Bahrain, Algeria, Libya and Iran; can the NRI be used to predict in some way future moves to increased National Social Responsibility as is now occurring in Egypt and Tunisia?

¹⁰ Charles M. Blow 'The Kindling of Change' New York Times, February 4, 2011

One way of examining this question is to look at the aforementioned countries and see what happened to their NRI over 2007 to 2010 before the momentous events of February 2011 took place. Table 3 shows that Egypt fell six places from an already low 111 position to 117, Iran fell 24 places, Algeria increased by 4 to 122nd place, Tunisia didn't move its 96th place nor did Libya at 128th position but both at low levels, while Bahrain fell from 71st to 80th place and Yemen fell 8 places to 151st place. Thus movement in the indicators alone would not have predicted Tunisia's revolution while Egypt's decline would have signaled a certain measure of dissatisfaction. But that Iran is in such a lowly position despite its high life expectancy and that its position actually went down 24 places shows the considerable problems there.

But, what our indicators do not measure is the extent of military repression. Almost, all our countries in the lower parts of the table are governed by ruthless dictators and their positions show that a stable form of Government is, unfortunately, strong when central control is exercised by sympathetic (to the strong men) armies and secret police. Until the Tunisian and Egyptian revolutions, few countries have escaped their shackles in contemporary times and since the fall of the Berlin Wall. What can be stated today is that a low position and a falling index is inherently unstable and even vicious dictators, today, will sleep less easily.

Table 3: Middle East

Rank by NRI 2010	Country	NRI '10	Rank Increase 07 to 11
25	Israel	0.80	3
46	Qatar	0.67	17
69	Jordan	0.61	10
73	United Arab Emirates	0.60	-9
74	Kuwait	0.60	8
80	Bahrain	0.58	-9
86	Lebanon	0.57	-3
89	Oman	0.56	-1
96	Tunisia	0.54	0
97	Morocco	0.54	6
98	Ukraine	0.54	-13
108	Saudi Arabia	0.51	13
109	Iraq	0.51	64
112	Algeria	0.50	4
117	Egypt	0.48	-6
127	Syrian Arab Republic	0.45	-6
	Libyan Arab		
128	Jamahiriya	0.45	3
149	Iran (Islamic Republic	0.38	

	of)		
			-24
151	Yemen	0.37	-8
172	Sudan	0.28	-14
179	Somalia	0.18	0

Concluding remarks

The predictive ability of our NSRI to gauge future revolutionary movements is reasonably impressive. Nonetheless, the astounding lack of national responsibility for a nation's citizens is worsening in many cases. It might well be that the indicators used are too crude to give accurate information of future changes. Additions to the index might include the severity of military or police rule, a measure of inequality and the lack of jobs especially for the young. All these latter issues could have been observed in Egypt since a more severe military coupled with the similar characteristics of no democracy, high corruption, high unemployment, increasing inequality might well have saved Mubarak. Data are not available of suitable quality in these latter areas as, in fact, found *The Economist* in their 'shoe-thrower index'. Our index differs from *The Economist* in that we include 'well-being' (life expectancy) and have data over several years.

The indicator NSRI is useful to judge the degree of national responsibility and shows that there is much work to do right across the world. On the other hand, it is not indicators that will provoke the next revolution and we must be thankful that human beings will simply not accept repression over long periods of times. China, Iran, Bahrain, Syria, Algeria, Morocco....Watch out!!!!