

National Social Responsibility Index (NSRI)

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1. Conceptual Basis

The NSRI has been developed by MHCi Ltd to illustrate that, as well as corporations, we can also talk about the social responsibility of nation states. Following in the tradition of the Human Development Index of the UNDP which measures development, the index presented here purports to measure their social responsibilities.

Corporate social responsibility (CSR) is about corporations treating their stakeholders in a socially responsible manner. Similarly, NSR is about Nations States treating their 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 are treated fairly *and* whether the State looks after their well-being. To measure these two aspects we have used measures of the freedom of the country and life expectancy at birth. The former uses the Economist Intelligence Unit's 2007 Democracy Index¹ which, in turn, is based upon five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture. And life expectancy at birth which is the best measure of the level of living, on average, of a nation's well-being and is drawn from the 2007 UNDP Human Development Report². The third indicator used is the nation's transparency and uses Transparency International's Corruption Perception Index³.

2. 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 0.6⁴ - 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.

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

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

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

³ http://www.transparency.org/policy_research/surveys_indices/cpi/2007, accessed Aug 1st 2008

⁴

CPI & LE	CPI & Dem	LE & Dem
0.63	0.70	0.55

and then added up and divided by three i.e. the weighting given in the final composite index to each individual index was equivalent.

3. Results

As might be expected, of the 180 countries for which data were available⁵ the richer countries dominated the leading positions with Sweden coming in at Number One, closely followed by Iceland, and Denmark. The bastions of democracy came further down the list than one might expect with the UK at 14 - its civil liberties have been hard hit in recent years because of its over-the-top intrusive behaviour as a response to terrorism as has the USA with a position at Number 21. The rising economic powerhouses, the BRIC group of countries (Brazil, Russia, India and China) came 53rd, 119th, 73rd, and 108th respectively.

As might have been expected, the list was propped up by the Central African Republic (178th), Zimbabwe (179th) and Somalia (180th). Because of our special interest in the self-proclaimed and peaceful State of Somaliland, which is part of Somalia much to Somaliland's annoyance⁶, we calculated the index⁷ to place it at 114th i.e. at the same place as Timor Leste which has received huge dollops of foreign aid to Somaliland's zero! Interestingly this would put it ahead of Saudi Arabia (at 121st) and Russia (119th)

⁵ For those few countries in this list for which data were not available, the author used his 'judgement' to calculate the missing value. This happened data in one or more indices for only five of the countries selected.

⁶ See for instance <http://www.iht.com/articles/2008/07/31/opinion/edmyers.php>

⁷ Data were not available but based upon personal judgement we put its democracy rating similar to Lebanon, its life expectancy similar to Chad and Transparency similar to Mauritius

National Social Responsibility Index

Country rank	Country	NRI
1	Sweden	1
2	Iceland	0.98
3	Denmark	0.98
4	Finland	0.96
5	Netherlands	0.96
6	New Zealand	0.96
7	Switzerland	0.95
8	Norway	0.95
9	Australia	0.94
10	Canada	0.93
11	Luxembourg	0.91
12	Austria	0.89
13	Germany	0.88
14	United Kingdom	0.88
15	Ireland	0.87
16	Japan	0.87
17	Singapore	0.85
18	France	0.84
19	Spain	0.83
20	Belgium	0.83
21	USA	0.83
22	Hong Kong	0.83
23	Chile	0.81
24	Portugal	0.80
25	Slovenia	0.79
26	Malta	0.79
27	Uruguay	0.79
28	Israel	0.77
29	Barbados	0.77
30	Italy	0.75
31	Cyprus	0.74
32	Costa Rica	0.74
33	Estonia	0.74
34	South Korea	0.73
35	Czech Republic	0.73
36	Greece	0.73
37	Taiwan	0.72
38	Dominica	0.71
39	Hungary	0.69
40	Mauritius	0.68
41	Slovakia	0.68
42	Saint Lucia	0.67

43	Lithuania	0.67
44	Latvia	0.66
45	Cape Verde	0.66
46	Poland	0.66
47	Croatia	0.65
48	Malaysia	0.64
49	Bulgaria	0.63
50	St Vincent/Grenad.	0.63
51	Mexico	0.61
52	Serbia	0.61
53	Brazil	0.61
54	Romania	0.61
55	Jamaica	0.60
56	Samoa	0.60
57	Colombia	0.59
58	Montenegro	0.59
59	El Salvador	0.59
60	Argentina	0.58
61	FYR Macedonia	0.58
62	Trinidad and Tobago	0.58
63	Qatar	0.58
64	United Arab Emirates	0.58
65	Panama	0.58
66	Turkey	0.58
67	Sri Lanka	0.57
68	Albania	0.57
69	Bosnia	0.57
70	Grenada	0.57
71	Bahrain	0.57
72	Suriname	0.57
73	India	0.56
74	Peru	0.56
75	Macao	0.56
76	Cuba	0.55
77	Dominican Republic	0.55
78	Seychelles	0.54
79	Jordan	0.54
80	Belize	0.54
81	South Africa	0.54
82	Kuwait	0.54
83	Lebanon	0.54
84	Philippines	0.53
85	Ukraine	0.53
86	Thailand	0.53
87	Moldova	0.53
88	Oman	0.53
89	Guatemala	0.52

90	Botswana	0.52
91	Paraguay	0.52
92	Mongolia	0.52
93	Nicaragua	0.52
94	Ecuador	0.52
95	Georgia	0.52
96	Honduras	0.52
97	Indonesia	0.52
98	Tunisia	0.51
99	Venezuela	0.50
100	Bolivia	0.49
101	Maldives	0.49
102	Guyana	0.49
103	Morocco	0.48
104	Armenia	0.48
105	Senegal	0.48
106	Namibia	0.48
107	Kiribati	0.47
108	China	0.47
109	Tonga	0.47
110	Vanuatu	0.46
111	Egypt	0.46
112	Bhutan	0.46
113	Ghana	0.46
114	Timor-Leste	0.45
115	Madagascar	0.45
116	Algeria	0.45
117	Bangladesh	0.45
118	Solomon Islands	0.44
119	Russia	0.43
120	Viet Nam	0.43
121	Saudi Arabia	0.43
122	Benin	0.42
123	Papua New Guinea	0.42
124	Syria	0.41
125	Iran	0.41
126	Comoros	0.40
127	Kyrgyzstan	0.40
128	Pakistan	0.40
129	Belarus	0.40
130	Mali	0.40
131	Libya	0.40
132	Kazakhstan	0.39
133	Azerbaijan	0.39
134	Sao Tome	0.38
135	Tanzania	0.38
136	Nepal	0.37
137	Laos	0.37

138	Mauritania	0.37
139	Gambia	0.37
140	Cambodia	0.36
141	Lesotho	0.36
142	Tajikistan	0.35
143	Yemen	0.35
144	Uganda	0.35
145	Haiti	0.34
146	Kenya	0.34
147	Gabon	0.33
148	Ethiopia	0.33
149	Niger	0.33
150	Uzbekistan	0.32
151	Burkina Faso	0.32
152	Malawi	0.31
153	Burundi	0.31
154	Eritrea	0.30
155	Mozambique	0.30
156	Turkmenistan	0.30
157	Djibouti	0.29
158	Sudan	0.29
159	Congo	0.28
160	Zambia	0.28
161	Togo	0.27
162	Rwanda	0.27
163	Cameroon	0.27
164	Liberia	0.27
165	Myanmar	0.26
166	Nigeria	0.25
167	Guinea	0.25
168	Cote d'Ivoire	0.25
169	Swaziland	0.23
170	Equatorial Guinea	0.22
171	Congo, Republic	0.21
172	Sierra Leone	0.21
173	Iraq	0.20
174	Chad	0.20
175	Guinea-Bissau	0.19
176	Afghanistan	0.18
177	Angola	0.18
178	Central African Rep	0.16
179	Zimbabwe	0.11
180	Somalia	0.07
114	<i>Somaliland</i>	<i>0.45</i>