

# Looking for a World in Balance: The “Inclusivity Index”, the Magical Square of the Great Transformation or How to Build a Social Strategy for the Global Civil Society

December 18, 2023, Prof. Dr. Dr. Ulrich Hemel

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## 1. Starting Point: The New Reality of a Global Civil Society

As part of the "Globalization with Human Dignity" project, a strategic vision for global civil society is to be developed. The research project aims to bring together the spheres of science, politics and business. Since 2023, there is already a joint think tank with Peru and Mexico, where the topic is being addressed under the headings of "Inclusivity Index" and "Inclusive Development".

Human beings have been living on this planet for thousands of years. They often knew about each other but they have not been connected in real time. The new situation in the 21st century therefore is living in a global civil society connected by digital information and communication, by globalized goods and services and by people travelling or living in a country outside of their home country. While doing so, they continue to maintain their own cultural and religious norms and values. Along with (1) the globalization of goods and services, (2) the globalization of information and communication, we can consider (3) the partly conflictive globalization of norms and values as the third level of present-day globalization. We normally, however, rather look to States and governments instead of civil society. In a certain sense, this cannot be avoided in the global political arena. Beyond States and international institutions, however, we need a framework for understanding civil society and for elaborating a global strategy of good and peaceful human and non-human co-existence on this planet. The idea of a global social strategy opts for the priority of human co-operation. This is due to the fact that humans do have an influence on their own individual and social actions. They can select an antagonistic and highly competitive approach in a multipolar world or opt for co-operation in all fields of society from politics to business, from environment to worldviews and religions.

While respecting individual situations in specific countries and cultures and while perceiving well the burden of history with all sorts of violence and injustice, the idea of a global social strategy of good neighborhood and co-operation uses, as a lighthouse reference, two simple questions:

- a) In which kind of society do we wish to live?
- b) How can we manage to live peacefully together in a global civil society?

While not underestimating the role of States, of big corporations, of organized interests in the world of finance, in the world of crime and in all other aspects, the idea of shaping the global civil society has a priority. Civil society is a local, a regional and a global reality. It is directly perceived by all and any human being. It reaches beyond the outreach of States and institutions.

It includes the physical, the social, the cultural and the natural environment. Different from a narrow definition of civil society limited to NGOs, and along with the research done by the [www.institut-fuer-sozialstrategie.org](http://www.institut-fuer-sozialstrategie.org), we define civil society as “every social activity or institution which is neither State nor organized crime”. The advantage of this definition is its inclusive character embracing not only grassroots activities and NGOs but also sports, religious communities, business and other players as long as they can be considered as “neither State nor organized crime”.



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## Globalization 2.0: Rethinking Global Civil Society

- Civil society beyond a narrow concept opposing State and Economy

**Definition:** "Civil society is everything that is neither state nor organized crime"  
(Hemel 2015)



State



Civil society



Organized crime

- **Fluid transitions, open borders, different weights of sectors (economy, sport, religion are "actors of civil society")**
- Cf. Institute for Social Strategy (<https://institut-fuer-sozialstrategie.de>)

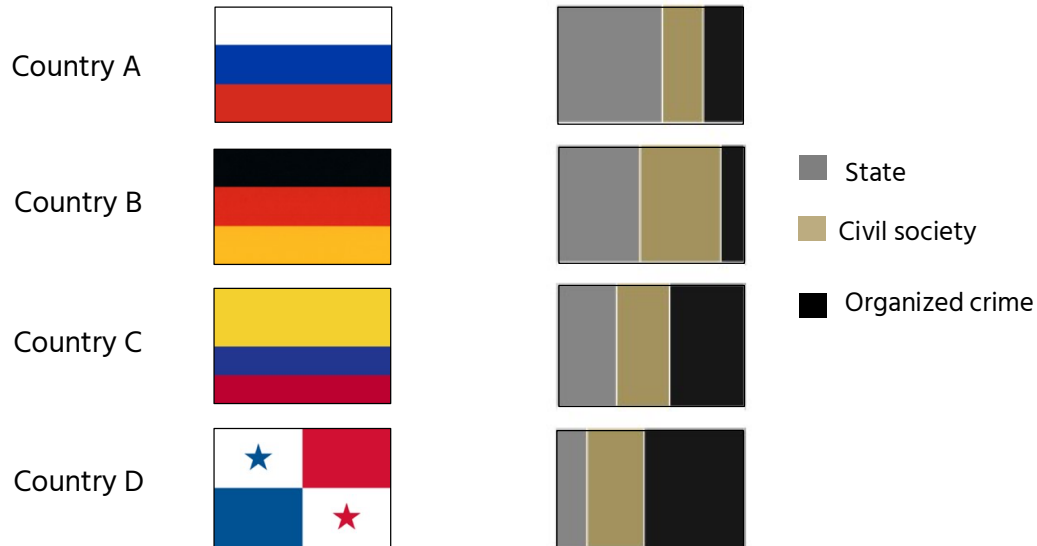
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(Illustration 1)

The heuristic value of this wide definition of civil society can be seen if we compare our individual perceptions of the strength and relationships of State, civil society and organized crime to different countries. In some countries, the State has a very strong role, even at the expense of civil society. In other countries, organized crime is so strong that it obviously impairs the regular functioning of the State. A third reality can be described as showing a strong civil society where the State is at the service of citizens, without a strong authoritarian exercise of power. As we talk about perceptions, we are in the field of social sciences where we observe statistics, clusters of opinions and a variety of interpretations.

## Different Perceptions of Civil Society



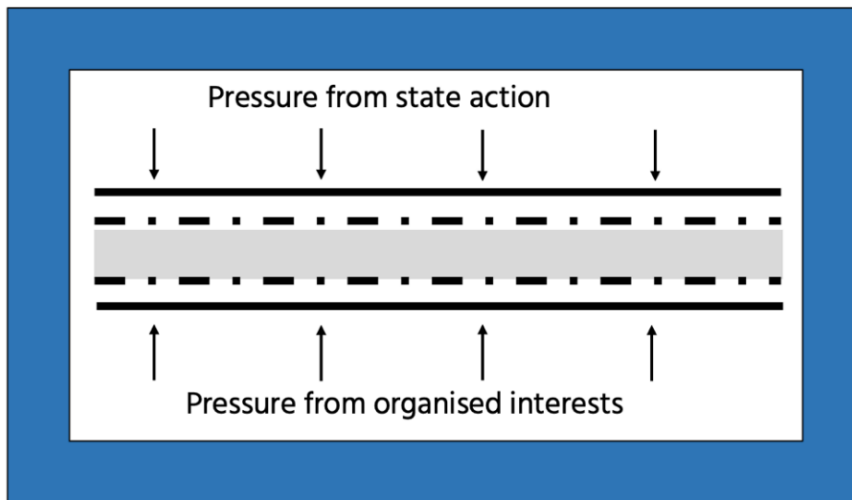
22 | Prof. Dr. Dr. Ulrich Hemel, Decision-taking in a Global World of Turmoil, 29.03.2023, Budapest

(Illustration 2)

The above-mentioned definition of civil society is relatively close to the idea of “civil society” perceived as a narrow corridor of freedom which is squeezed between the pressure from the State and from organized interests in the interpretation of Daron Acemoglu and James Robinson 2019.

## The goal: A strong Civil Society in the Corridor of Freedom and Prosperity

- The thesis of Acemoglu and Robinson (2019) of the narrow corridor of freedom<sup>1</sup>



<sup>1</sup> D. Acemoglu/J.A. Robinson, *The Narrow Corridor: States, Societies, and the Fate of Liberty*. London 2019; dt. *Das Gleichgewicht der Macht*, 2019

(Illustration 3)

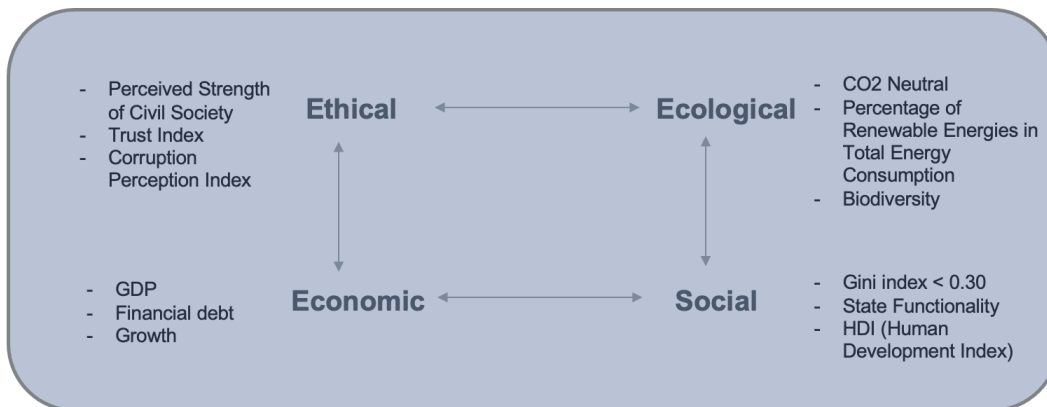
Organized interests in the sense of that definition also comprise trade unions, industry associations and other legal pressure groups. This is understandable but not far-reaching enough if we wish to see civil society interactions as all non-state driven, legal interactions in a given society. From the standpoint of such a broader definition, the concept of a global civil society embracing a large variety of local, regional or national civil societies seems to make sense.

## 2. The Idea of a Global Social Strategy and of an Inclusivity Index

It is quite obvious: A world in balance needs to take care of balance. Looking at a social strategy, it may be a formal criterion of decision-taking to give priority to those human, social and political actions which looks for a better balance in all relevant dimensions of civil society, with a special look to social, economic, ecological and ethical realities. The idea of "social strategy" needs a word of explanation. Since several decades, strategic consulting firms such as McKinsey and The Boston Consulting Group sell strategic advice especially to private companies. In doing so, the basic assumption is that a strategic plan is useful for the future development of a firm. The same could be true for States and countries. A "social strategy" therefore could be a strategic development plan for the whole of a country, a region or a municipality, just to mention the different levels of local, regional and national civil society. With the new reality of a global civil society, and in view of critical challenges to mankind and planet, we also need a global social strategy.

Such a social strategy cannot ignore any of the four dimensions as mentioned. It should promote an inclusive approach of “balance” in our social development world-wide. Considering economic, social, ecological and ethical perspectives, we need reliable empirical data which help us to evaluate current conditions and future objectives. Despite pitfalls in the availability and the quality of existing data, we are convinced of the value of data-driven empirical evidence and of the value of a holistic approach to an overarching development framework.

## The idea of an Inclusivity Index



1 | Prof. Dr. Dr. Ulrich Hemel, July 2023

(Illustration 4)

This holistic approach to development is called “**inclusivity index**” or “**magical square of the great transformation**” It combines different dimensions of development from the economic and the social toward the environmental and the ethical sphere. It is a **meta-index** because it will use existing indices, respecting the huge amount of work spent in different areas world-wide. As a meta-index, the inclusivity index is an expression of a holistic approach to the reality of a country looking to a representation of the “balance” of several dimensions of development, as compared to other countries or to certain political, social or otherwise normative targets. The combination of transparent methodology and open discussion of future paths of action will help to yield convincing power to the inclusivity index which also could be seen as a pathway to the great transformation. We use the term of “great transformation” as an expression of the aim of a good co-existence of all parties in this world, from nature to cultures, from States to individuals. For this reason, the “inclusivity index” also could be seen as the “magical square of the great

transformation". It is designed as a means for measuring an overall performance of "balanced" development.

The colloquial term of "magical square" exactly reflects the transition from a dominantly economic to a holistic approach to development. In some macro-economic contexts, the term of the "magical square of an economy" had been used for describing a perfect equilibrium in a national economy. This equilibrium had been understood as a situation where we have zero inflation, zero unemployment, zero disequilibrium in foreign trade and stable growth. It is a sort of magical point of reference but not a reality. Nevertheless, it shows a direction for policy-makers and therefore has a somewhat normative character. In the same sense, the inclusivity index or the **"magical square of the great transformation"** combines a series of highly important concerns. It reaches far beyond economic criteria because it includes social and ecological as well as ethical concerns. The inclusivity index thus not only will have an empirical value in order to show the relative position of a country in a world-wide context. It rather should be seen as a diagnostical tool which shows the most urgent fields of action in order to achieve a sort of equilibrium. On the other hand, the idea of an equilibrium is open for a variety of interpretations, both on the level of data and on the possible scenarios to follow. Similar to the original "magical square" confined to economy, the new magical square of inclusive development is therefore open for a more normative and transparent political discussion. In this context, it is especially important to distinguish absolute and relative levels of performance: If e. g. most of the countries show a poor performance in biodiversity, even a relatively good ranking can be equivalent to a lousy performance and vice versa.

Another crucial issue is the analysis of urgent issues. A balance in any civil society cannot be reached if one of the crucial dimensions is in a critical condition. We here shall apply the method of the "critical minimum" or "critical minimum standards", including the obvious consequential issue of a potentially controversial discussion on the "level" of such a minimum. In doing so, we see the present world as living in the "house of the global civil society" including the obvious tasks of digital transformation, a lifestyle of sustainability and a peaceful co-existence based on globally recognized social and ethical minimum standards. This task is not simply a challenge for individuals or for law-makers in several countries but it should be extended to a series of other actors in civil society. This specifically refers to business companies. Usually, they are seen as the "private sector", often in an antagonistic perspective towards the "public sector", following the idea that the public sector follows public interests and the "common good" whereas the private sector aspires for a profit maximization in a purely private interest. It is certainly true that some large corporations follow a ruthless behavior of social and ecological exploitation. Reality, however, is more complex. We can observe States run by criminal groups and individuals, and we cannot ignore huge efforts of at least some companies to contribute to the "common good" and to achieve a "purpose" in society (cf. N. Mourkogiannis 2006). In any case, it is useful to consider business companies as actors of civil society, for the good or for the bad. As a matter of fact, if they are part of civil society, they do have responsibility and they should behave as responsible actors of civil society (U. Hemel 2021).

We should not forget, however, that the wide notion of civil society is even broader than taking into account NGOs and business companies. As mentioned before, it also includes sports, culture and religions. From this point of view, religions such as corporations are considered to be actors of civil society (U. Hemel 2019) and should behave according to the idea of “good religious and world-view practices” (U. Hemel 2023, U. Hemel 2024).



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## In a Global Civil Society, we need Global and Local Ethical Minimum Standards- also in Business!

- The new context: global civil society
- Digital transformation
- „Value-driven management“ and „purpose“ in business companies
- Value orientation is key
- Building together a „House of Common goals and Values“
- „Companies as responsible actors in civil society“



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(Illustration 5)

Beyond business, religions and any other actors of civil society, it is highly probable that the analysis of individual countries will end in a given perspective on the most urgent priorities. In some cases, a consensus can be achieved. In others, the discussion will continue to be controversial. Therefore, the exact definition of target actions including finance, resources and other critical parameters can be and should be the object of lively academic and political discussions. Moreover, it should be left in the hands of those directly responsible. This is an important methodological issue, driven by the respect for values such as self-determination and freedom. The inclusivity index along with the concept of a global civil society therefore explicitly opts against hegemonial aspirations of what kind so ever. It has been conceived in a spirit of responsibility at the level concerned, and here we normally talk of a local or regional civil society, even in the case of international co-operation.

### 3. Empirical Data and the Selection of Indices

For sake of comparison, one major initial decision in constructing the Inclusivity index has been the use of existing, international indices. Interestingly enough, there is no consensus on the number of States in this world. Generally, a number of 180-200 States seem to be acceptable. The UN counts 193 member States plus the Vatican as a non-member State which however is being universally recognized. Northern Cyprus, Taiwan, Abkhazia, Transnistria and a series of other territories striving for general State recognition without having obtained it. For methodical purposes, an eligible international index should consider at least 180 States even if the available data often are limited in scope and in quality. In practice, this means that we evaluate any rank beyond 180 (e. g. 189) as equivalent to “rank 180”. Even considering the limits in the availability, reliability and actuality of data in existing indices, we have been able to establish individual country profiles for the four key dimensions as mentioned:

- Economic
- Ecological
- Social
- Ethical.

Having considered the variety of existing indices, the next methodological step was the selection of suitable candidates for world-wide diagnostic country profiles. The selection followed criteria like the overall scope, the actuality and the persistency of delivered data. There is no doubt, however, that other selections are possible and that it is even a desire to have broader comparisons. In general, the preference goes to such indices where basic measurable data instead of general interpretations have been used. Beyond that, we generally preferred relatively simple metrics instead of composed indices using several subareas of potentially controversial interpretation. In the **economic dimension**, we have selected GDP (<https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?view=map>) and State Debt (<https://www.imf.org/external/datamapper/datasets/GDD>) (We finally did not consider “growth” due to its quite volatile nature, changing strongly year after year.

All indices are mentioned in Annex A.

For the **ecological dimension**, we selected the CO<sup>2</sup> footprint per capita in each country as well as the share of renewables in energy consumption. Beyond that, we used the Environmental Performance Index from the Yale Center for Environmental Law & Policy (<https://epi.yale.edu/epi-results/2020/component/bdh>). It is worth mentioning that we have not used some other highly interesting criteria, such as the carbon dioxide intensity of the gross domestic product, i. e. kg of CO<sup>2</sup> per 1 USD of the Gross Domestic Product. The reason is a limit in scope because we did not find this data for 180 countries. Beyond these methodological decisions, we did not finish the discussion on using the Swiftest Global Biodiversity Index (<https://theswiftest.com/biodiversity-index/>). This is due to challenges within the nature of such an index. We lack a clear picture on the number of existing species, and we have some limits in the comparison of



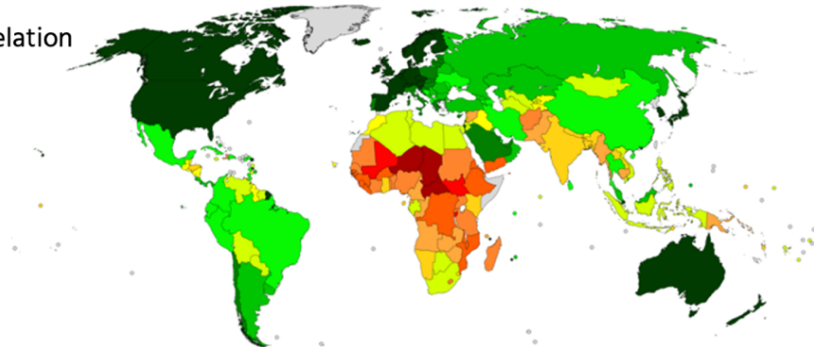
data. Natural environments are quite different, e. g. between desert areas in Saudi-Arabia and the Amazonas biodiversity in Brazil, Peru, and Colombia.

For the **social dimension**, we used the Gini index (<https://data.worldbank.org/indicator/SI.POV.GINI>) of social inequality as well as the Human Development Index of the UN (<https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>). We also found very interesting the State Functionality or Fragile State Index (<https://fragilestatesindex.org/>) but we have not entered the data into the consideration of the social dimension of development in a country, based on the assumption that the situation of the State and of Civil society does not always go hand in hand. As the stability of a State, however, is quite important for the everyday quality of life, we have selected the FSI (Fragile State Index) as an additional indicator which sheds light on the evaluation of the inclusivity performance of a country.

In the **ethical dimension**, at first sight, it seemed to be an impossible task to take a clear position on the level of ethical behavior in a society. On the other hand, despite all differences in religions, world-views and ethical practices, we have been able to identify common ground, based on quite a general perception of trust or lack of trust in a country. For the evaluation of the “trust performance” of a country, we used Data from the World Value Survey (<https://ourworldindata.org/trust>), even if trust is highly linked to GDP. This should not be seen as a methodological contradiction due to the fact that higher levels of trust effectively enhance economic activities such as e. g. foreign direct investments. On the other hand, we used the Corruption Perception Index (<https://www.transparency.org/en/cpi/2022>) as presented by Transparency International. This index is globally available and quite helpful. As a matter of fact, corruption is difficult to measure directly. The approach of asking for a “perception” of corruption practices seemed to be adequate due to its focus on everyday experience e.g. asking if corruption payments are needed for registering a child in a school etc. It does not come as a surprise that more discussion should take place concerning the selection of suitable indices. Even the fact of using not one but two or three indices for a dimension is a methodological decision. In general, there should be a balance between the information provided and “information overflow” without additional value added. As a consequence, there might be a certain variety in the structure of an inclusivity index. There are good reasons for each of the selected indices but there is no absolute truth in selecting one index instead of another. It will be a matter of further discussion to see a flourishing of different approaches including an evaluation of their diagnostic, prognostic and policy-making value. For sake of an example, we can refer to the Civil Society Participation Index or to the OECD trust in governance index. They are highly interesting but we did not consider them due to a limit in their range because they could not cover 180 countries.

## Global Equality and Inequality: The UN's Human Development Index (HDI)

- Since 1990 = **"Human Development Report"**
- Factors: **GDP, life expectancy** and **length of education and training\***
- Criticism: strong correlation with GDP, and a lack of **ecological factors**



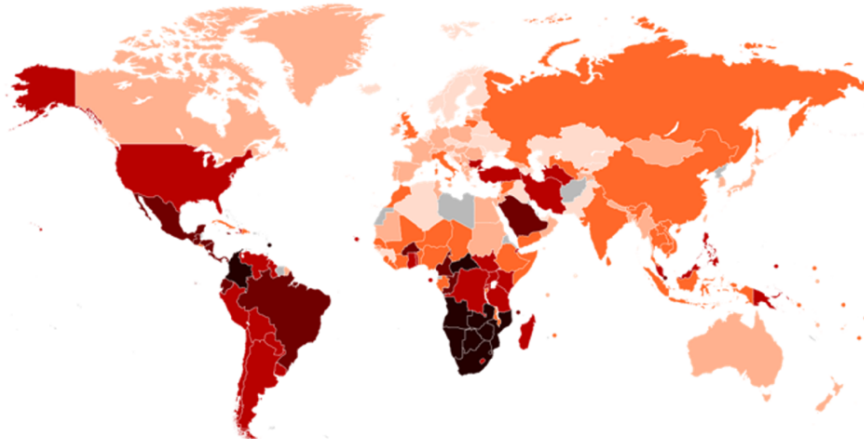
<sup>1</sup> according to the number of school years for a 25 years old person in a country

2021: | HDI world map, detailed (released September 2022) |  $\geq 0,900$  0,850–0,899 0,800–0,849 0,750–0,799 0,700–0,749 0,650–0,699 0,600–0,649 0,550–0,599 0,500–0,549 0,450–0,499 0,400–0,449  $\leq 0,399$  keine Daten

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(Illustration 6)

## Too Much Inequality Creates Social Stress: The Gini Coefficient Worldwide



World map of income inequality Gini coefficients by country (as %). Based on World Bank data ranging from 1992 to 2020. <sup>[1]</sup> | Above 50 | Between 45 to 50 | Between 40 to 45 | Between 35 to 40 | Between 30 to 35 | Below 30 | No data

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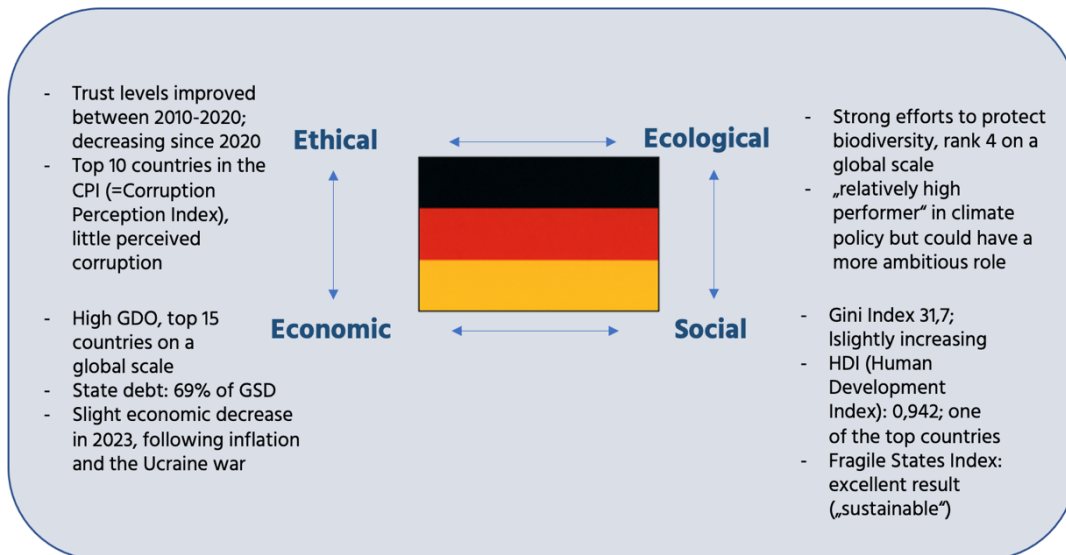
(Illustration 7)

As a consequence, for the ethical dimension we limited the evaluation to the CPI (Social Confidence and Corruption Perception Index) and the . World Values Survey which has been found to be highly interesting due to the question of generalized confidence in a society. On the other hand, there is no need to accept all details of the proposed clustering and interpretation of value profiles as proposed in the World Values Survey project. It has been a methodological decision not to consider such indices which evaluate explicitly the political form of government. Nevertheless, the State resilience index and the World Governance Indicators seem to be highly interesting in our context. On the other hand, we found them highly aggregated which makes it a challenge if we wish to show diagnostic profiles and individual action paths. As mentioned above, some other indices have not been considered due to limitations in scope, e. g. when considering just OECD countries. Finally, we should not forget that there is a partial overlap of indices which seems to be unavoidable. As a matter of fact, the GDP is part of the HDI index even if this is only one out of several considerations including e. g. life expectancy and years of education until the age of 25. Still, even with a selection of indices, the amount of data is huge. In addition to a “general country profile” we therefore opted for a simple “traffic light system” where we distinguished three categories:

- Green            Top 25%
- Yellow         Middle 50%
- Red             Low 50%.

Using this method, it is relatively easy to deduct country profiles using such a color code.

## General Country Profile: Germany



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(Illustration 8)

On the other hand, we have seen that the “global” comparison follows certain regional clusters so that it might be useful to distinguish “regional” clusters as follows:

- North and Latin America
- Europe
- MENA (Middle East North Africa)
- Sub-Sahara Africa
- South-East Asia
- Others/ROW.

The comparison of countries using all four dimensions shows highly interesting and sometimes surprising results. It is therefore certainly not common knowledge that Kyrgyzstan as one of the Ex-Soviet States has a relatively good Gini coefficient of social inequality while other aspects are more fragile.



(Illustration 9)

The challenge, however, generally consists in passing from a diagnostic picture to a tangible path of action. This, among other things, presents some methodological challenges, too, especially in view of passing from empirical to normative statements.

#### 4. From Empirical Data to Tangible Paths of Action: The Normativity Challenge and the Evidence of the Minimum Development Factor

While diagnostic profiles of individual countries give some insight into their challenges, the step from empirical data to normative paths of actions may become quite controversial. There are different methods for bridging the gap.

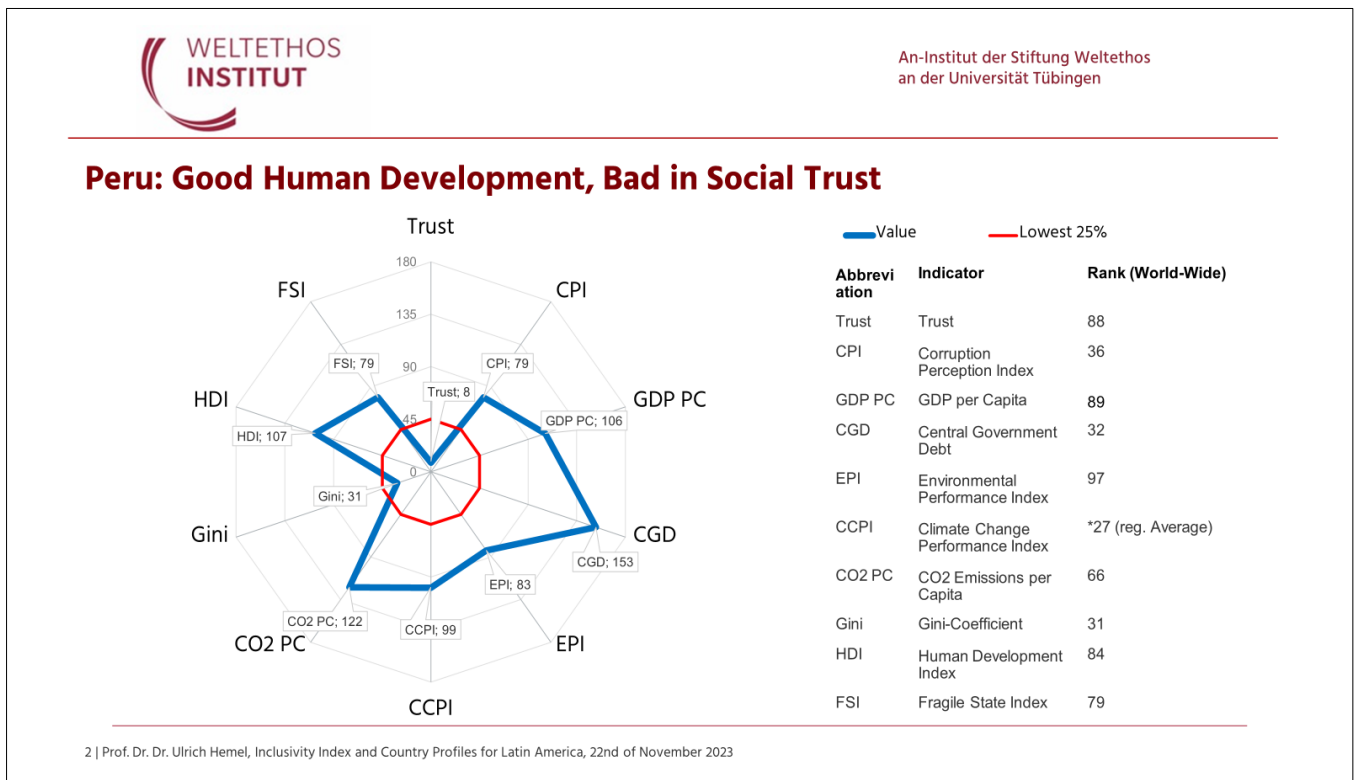
The first one is complete transparency on the data used and the preferences chosen. Considering four dimensions, people usually would take each dimension as equally important. If we had available 100 credit points for all dimensions, each dimension then should have the weight of 25 points. Transparency means that an increase or decrease in importance must be mentioned.

The second method is the clear description of preferences based on arguments. Within the field of humanities, it is typical to ponder arguments. The results do not always coincide but it is rational to describe each methodical step of argumentation and of each argument. If selecting “pondered preferences”, a

recommendation could e. g. consist in working on better social equality and a higher level of social trust in Mexico assigning 30 points to “Ethical and Social” and 20 points each for “Economic and Ecological”. It is immediately obvious that there is a price for the implementation of preferences. It is especially noteworthy that radical assignments might lead to social unrest due to the neglect of the remaining development categories.

The third method can be seen as the scenario method, where different interpretations would be discussed, including a reasonable argument for the chosen one. If we take the example of Mexico, a scenario could consist in a policy going 80% for an ecological development path. While this would be great for the environment, the neglect of social and economic factors might cause serious political trouble. The point in discussing scenarios therefore is the development of “reasonable alternatives” to political action which could be discussed in the public arena.

Considering the inclusivity index or the magical square of the great transformation, the first step should always be a transparent description of the current situation of a country. The description of preferences subsequent to a country profile may, as has been discussed, follow different normative and political options but must be placed in evidence. Finally, different scenarios are possible but we consider that we should opt in favor of a bottle neck approach.



(Illustration 10)

## Peru: Key for Excellent Development in the Future is More Trust in Institutions and in the State

### Scores

- Very low in Social Trust
- High in social inequality (Gini) despite relatively good human development value HDI
- State debt comparatively low
- Low CO2 emissions per capita

### Recommendations

- Invest in „bridging the gap“ for the poorest parts of the population
- Invest in trustet State and other institutions
- Invest in an aligned CO2 policy



1 | Prof. Dr. Dr. Ulrich Hemel, Inclusivity Index and Country Profiles for Latin America, 22. September 2023

(Illustration 11)

Such a bottleneck approach could be considered as a “minimum standard procedure”.

The exact definition of minimum standards will be a matter of lively and controversial discussion but this discussion is crucial for our future. If we go back in history, the German chemist Justus von Liebig (1803-1873) discovered the agricultural “minimum law” (1855) which states that the “minimum factor” is the bottleneck, the limitation factor and the downside boundary for the fertility of soils. All plants need light, water, nutrition and CO<sup>2</sup>. Major quantities of nutrients such as potassium, phosphate or nitrogen will have no effect until the minimum factor is not being dealt with. In other words, more of light and more sunshine in the desert are useless without water, and more water in a dark cave without light is useless, too. The idea of a bottleneck approach to the development of whole countries and of the global civil society transfers this idea to the social and political world. If social inequality is a major challenge such as e. g. in South Africa, lower taxation for the wealthiest people will not solve the problem. If environmental damage in the rain forest is a regional issue with a global scope in Brazil, higher levels of social transfer payments in Sao Paolo will not necessarily solve the problem. For the realization of a holistic approach, visualization helps. One first step of visualization is the traffic light system of “green, yellow, red”. A second step is the visualization within a spider web. This should be discussed in more detail below but the basic idea is the overcoming of bottle-necks such as identified in a country or in a region.

In Latin America, social trust is one of the major bottlenecks. It goes along with usually relatively high levels of perceived corruption, and with a relatively strong social inequality.

## The Ethical Dimension: Social Trust is one of the Major Challenges in Latin America

Country	Flag	Value Social Trust	Rank World-Wide	CPI	5 Rank World-Wide
Haiti		21,3	44	171	17
Argentina		19,4	48	94	38
Venezuela		14,2	61	177	14
Chile		12,9	67	27	67
Mexico		10,5	72	126	31
Bolivia		8,5	78	126	31
Brazil		6,5	82	94	38
Ecuador		5,8	83	101	36
Colombia		4,5	86	91	39
Peru		4,2	88	101	36











1 | Prof. Dr. Dr. Ulrich Hemel, Inclusivity Index and Country Profiles for Latin America, 22. September 2023

(Illustration 12)

In an overall rating, the inclusivity index for that region does not present huge surprises. As a matter of fact, Chile is ranking best with three values in the field of the “best 25%) and only one in the “lowest 25% world-wide. The inclusivity index here is composed of 9 values, two for each dimension as discussed above and the Fragile State Index. On the downside, everybody is aware of the extremely difficult situations in the two countries at the bottom, Haiti where there is no really functional State and Venezuela where the State controls society and economy to such an extent that 8 out of 30 million people have left the country.



## The Inclusivity Index for Selected Countries in Latin America

Country		Inclusivity Score	Detailed Scores
Chile		+ 2	(3 x 1, 5 x 0, 1 x -1)
Peru		- 1	(1 x 1, 6 x 0, 2 x -1)
Argentina		- 1	(1 x 1, 6 x 0, 2 x -1)
Colombia		- 1	(1 x 1, 6 x 0, 2 x -1)
Ecuador		- 1	(1 x 1, 5 x 0, 3 x -1)
Brazil		- 2	(1 x 1, 5 x 0, 3 x -1)
Mexico		- 2	(0 x 1, 7 x 0, 2 x -1)
Bolivia		- 2	(1 x 1, 5 x 0, 3 x -1)
Haiti		- 3	(2 x 1, 2 x 0, 5 x -1)
Venezuela		- 3	(0 x 1, 6 x 0, 3 x -1)

Maximum out of 9 indices: + 9 points Minimum out of 9 indices: - 9 points

10 | Prof. Dr. Dr. Dr. h. c. Ulrich Hemel, The Global Inclusivity Index (I): MethodDigital, 18. December 2023

(Illustration 13)

In business strategy, companies often focus on their strengths, following a line which says: “Strengthen your strong sides”. For countries, this is awkward, as a severe shortcoming in one dimension, according to the law of the social minimum factor, will impair the ability to further develop in other dimensions. So, most OECD countries spend more CO<sup>2</sup> per capita than they probably should. If this insight leads to the conclusion that it should become a political priority, a political action plan should lean towards the “ecological” dimension. In South Africa, however, where we have extremely strong social inequality, environmental action should not be considered without tackling the challenge of a better distribution of material resources. As a matter of fact, South Africa world-wide is the country with the highest score of social inequality.

Now, this gives the chance to discuss the difference between **absolute and relative values**. If all countries are bad in one dimension, even the best country will have a lousy performance. If all countries have a near to perfect performance in one dimension, even the worst country may be excellent. In some cases, such as e. g. CO<sup>2</sup>, absolute values therefore seem to be better than relative values. The precise limit, amount or threshold of absolute values, however, can be discussed controversially. From a methodological standpoint, this is nothing to be afraid of as long as differences are shown in a transparent manner.

## 5. The World in Balance: The Inclusivity Index as a Tool for Local, Regional and Global Development Strategies

Language helps us to understand but can also lead to misunderstandings. The notion of an “inclusivity index” is in line with discussions made in a Latin American and European think tank during the year 2023, under the participation and leadership of persons from the USIL university in Lima (Peru), the UPAEP university in Puebla (Mexico) and the Global Ethic Institute (Weltethos-Institut) in Tübingen (Germany). Beyond the term “inclusivity index”, other similar concepts may include terms like (a) a human-dignity-based globalization, (b) a new discovery of the Social Market Economy as a Peace project or (c) the Magical Square of the Great Transformation.

We may talk here of a “family of concepts” converging towards a holistic development path. The overall consideration of economic, social, ecological and ethical development in a country or a region should be seen as an academic, social and political instrument for the realization of such a kind of development. It may help to pave the road towards tangible priorities in teaching and research, policy-making and social strategy. In the end, the objective should be a **world in balance**, starting with my own home region, home country, and home planet.

If World Bank loans would link financial targets with specific ecological, social and ethical targets, there would be a different outcome than by exclusively looking to financial key performance indicators (KPIs). If governments understand that an investment in a climate of social trust is a major key for development, they will dedicate higher resources and better efforts to struggling against organized crime and in order to enhance experiences of trust both in interactions with the State and in civil society interactions. If well-conceived ecological targets are fine-tuned and mitigated by a sober consideration of their social impact, new road-maps of social and environmental innovation will be the consequence. Moreover, if we join forces in an immense and global effort of cooperation, we shall be able to really develop a global social strategy for a global civil society.

This will include a certain amount of burden-sharing and cost assignment for the sake of prevention, for the sake of compensation, and for the sake of peaceful co-existence on this planet.

At present, we live in a time of turmoil and conflict but this is neither rational nor will it be the last word. We have all good reasons to aspire for a better realization of holistic forms of development at all levels of our lives. The noble competition for best practices in best practices for inclusive development will be a major step towards a world in balance.

December 18<sup>th</sup>, 2023

## 6. Literature

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- Ulrich Hemel, *Das Engagement religiöser Akteure und Akteurinnen für globale Aufgaben*, in J. Werkner, ed., 2024
- Nikos Mourkogiannis, *Purpose, The Starting Point of Great Companies*, London: St. Martins Press-3PL, 2006

## 7. Annex

### A. SELECTED ECONOMIC INDICES

#### 1.1 BIP

OECD: Gross Domestic Product:

<https://data.oecd.org/gdp/gross-domestic-product-gdp.htm>

The World Bank: GDP:

<https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?view=map>

#### 1.2 Debt

International Monetary Fund: Global Debt Database (GDD):

<https://www.imf.org/external/datamapper/datasets/GDD>

International Debt Report (IDR):

<https://www.worldbank.org/en/programs/debt-statistics/idr/products>

#### 1.3 Growth

International Monetary Fund: Real GDP Growth:

[https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/OEMDC/ADVEC/WEOWORLD](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC/ADVEC/WEOWORLD)

### B. SELECTED ECOLOGICAL INDICES

2.1 CO<sub>2</sub>-Neutrality: CO<sub>2</sub>-Consumption per capita, researched from publicly available data.

2.2 Share of Renewables in Total Energy Consumption

Enerdata: World Energy & Climate Statistics – Yearbook 2023: Shares of renewables in electricity production: Enerdata is an independent research institution that conducts research on energy consumption and climate change. It publishes annual reports on global energy consumption and climate protection measures. Among other things, it also examines the share of renewable energies in electricity generation.

<https://yearbook.enerdata.net/renewables/renewable-in-electricity-production-share.html>

2.3 Biodiversity

The Swiftest: Global Biodiversity Index: The organization deals with data analysis and uses it in research on social and environmental issues. For 2022, it compiled a ranking list of countries in terms of biodiversity. It studied the number of species of birds, fish, reptiles, amphibians, mammals and vascular plants in 201 countries.

<https://theswiftest.com/biodiversity-index/>

### C. SELECTED SOCIAL INDICES

3.1 Indices of social equality and inequality: Gini Coefficient:

The Gini coefficient is generally used to measure inequality in a distribution. It is most commonly used to determine income and wealth inequality in individual countries. It can take values between 0 and 1.

The higher the value, the more pronounced the measured inequality.

<https://data.worldbank.org/indicator/SI.POV.GINI>

### 3.2 Human Development Index (HDI):

The Human Development Index (HDI) is an indicator of prosperity that has been recorded annually in the Human Development Report since 1990. It takes into account several factors: GDP per capita, life expectancy, the length of education based on the number of years of schooling a 25-year-old person has completed, and the expected duration of education for a child of school age. The HDI has been criticised for ignoring ecological factors.

<https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>

### 3.3 Index of State Functionality: Fund for Peace: Fragile States Index

The annual report is published by the US think tank Fund for Peace. It comprises 179 states and its aim is to measure the fragility of individual countries on the basis of political, economic and social criteria. The ranking is based on 12 indicators: security apparatus, fractionalized elites, conflict between groups, economic decline, unequal economic development, human displacement and brain drain, state legitimacy, civil service, human rights and the rule of law, demographic pressure, refugees and internally displaced persons, external interventions.

<https://fragilestatesindex.org/>

## D. SELECTED ETHICAL INDICES

### 4.1. Social Confidence and Corruption Perception Index (CPI):

The Corruption Perceptions Index is compiled annually by Transparency International, the world's leading anti-corruption organization. It covers 180 countries, which are ordered according to the degree of perceived corruption in politics and administration.

<https://www.transparency.org/en/cpi/2022>

### 4.2. OECD Trust in Government

The Organisation for Economic Co-operation and Development (OECD) measures people's trust in the respective government. When asked if they trust their government, the subjects can answer "yes", "no" and "I don't know".

<https://data.oecd.org/gga/trust-in-government.htm>

### 4.3. The World Values Survey:

The transnational study explores human values and beliefs. Trust is measured by the following question: "Do you think most people can be trusted?"

<https://ourworldindata.org/trust>

### 4.4. Strength of Civil Society: Our World in Data / V-Dem: Civil Society Participation Index:

The index is based on data collected by The Varieties of Democracy (V-Dem) project, which conducts research on democracy and human rights. It examines the extent to which citizens are active in various organizations that have an influence on political decisions.

<https://ourworldindata.org/grapher/civil-society-participation-index>

## E. SELECTED ADDITIONAL INDICES ON STATE AND GOVERNANCE

### 5.1 Fund for Peace: State Resilience Index:

The annual report is published by the US think tank Fund for Peace. Similar to the Fragile States Index, it is a new ranking tool that indicates the extent to which a country is able to prepare for a crisis, manage a crisis and recover from a crisis. Data is collected from 154 countries. The ranking is based on the following 7 pillars: inclusion, social cohesion, state capacity, individual skills, environment and ecology, economy, space for action of civil society. These are divided into further subcategories.

<https://www.fundforpeace.org/SRI/about.html>

### 5.2 World Bank: The World Governance Indicators (WGI):

The World Bank has developed 6 indicators that can be used to measure various functional areas of government(s) worldwide. These include: voice and accountability, political stability and absence of violence/terrorism, government effectiveness, quality of legislation, rule of law, and control of corruption.

<https://info.worldbank.org/governance/wgi/>

## F. ADDITIONAL INDICES (II)

### 6.1 Ipsos: Global Trustworthiness Index 2022:

The survey is conducted by Ipsos, an international market research company. The subjects are shown a list of 18 groups of people (e.g. doctors, lawyers, politicians) and they have to answer the question of whether the respective group can be trusted in the country where they live. Data is collected in selected 28 countries.

<https://www.ipsos.com/sites/default/files/ct/news/-documents/202207/Global%20trustworthiness%202022%20Report.pdf>

### 6.2 Edelman Trust Institute: The Edelman Trust Barometer:

The Edelman Trust Institute, the research institute of the global communications agency Edelman, is responsible for the survey. In 2022, approximately 32,000 respondents from 28 countries were interviewed in 30-minute online interviews.

<https://www.edelman.com/trust/2023/trust-barometer>

### 6.3 OECD: Trust in Government:

The Organisation for Economic Co-operation and Development (OECD) measures people's trust in the respective government. When asked if they trust their government, the subjects can answer "yes", "no" and "I don't know".

<https://data.oecd.org/gga/trust-in-government.htm>

### 6.4 CO2-Neutrality/KPMG: Net Zero Readiness Index (NZRI):

KPMG is a global network of companies that provide audit, tax and management consulting services. NZRI analyzes and compares the progress of 32 countries in reducing CO2 emissions and their ability to achieve "Net Zero" by 2050.

<https://kpmg.com/xx/en/home/insights/2021/09/net-zero-readiness-index.html>

6.5. New Climate Institute: The Climate Change Performance Index (CCPI):

New Climate Institute is an NGO working in the field of global sustainability and climate policy. CCPI has been published since 2005. It is an independent ranking tool that examines and compares climate action taken by 59 countries and the EU.

<https://newclimate.org/resources/publications/the-climate-change-performance-index-2023>

6.6. EDGARE: Missions Database for Global Atmospheric Research: CO2 emissions of all world countries:

EDGAR is an emissions database of the European Commission that covers about 200 countries.

[https://edgar.jrc.ec.europa.eu/report\\_2022](https://edgar.jrc.ec.europa.eu/report_2022)

6.7. Biodiversity/6.8 Yale Center for Environmental Law & Policy: Environmental Performance Index: Biodiversity & Habitat:

The Yale University compiles a ranking list of 180 countries in terms of their environmental sustainability. "Biodiversity & Habitat" is a subcategory of the ranking. It measures the extent to which the respective country takes steps to maintain natural ecosystems and protect biodiversity.

<https://epi.yale.edu/epi-results/2020/component/bdh>

6.8. Natural History Museum: Biodiversity Intactness Index:

The British Natural History Museum measures global changes in biodiversity, especially in relation to man-made influences. The research team uses data from scientific studies, satellite images and algorithmic modelling. In total, the database contains about 58,000 species of animals, plants and fungi. Non-country-specific.

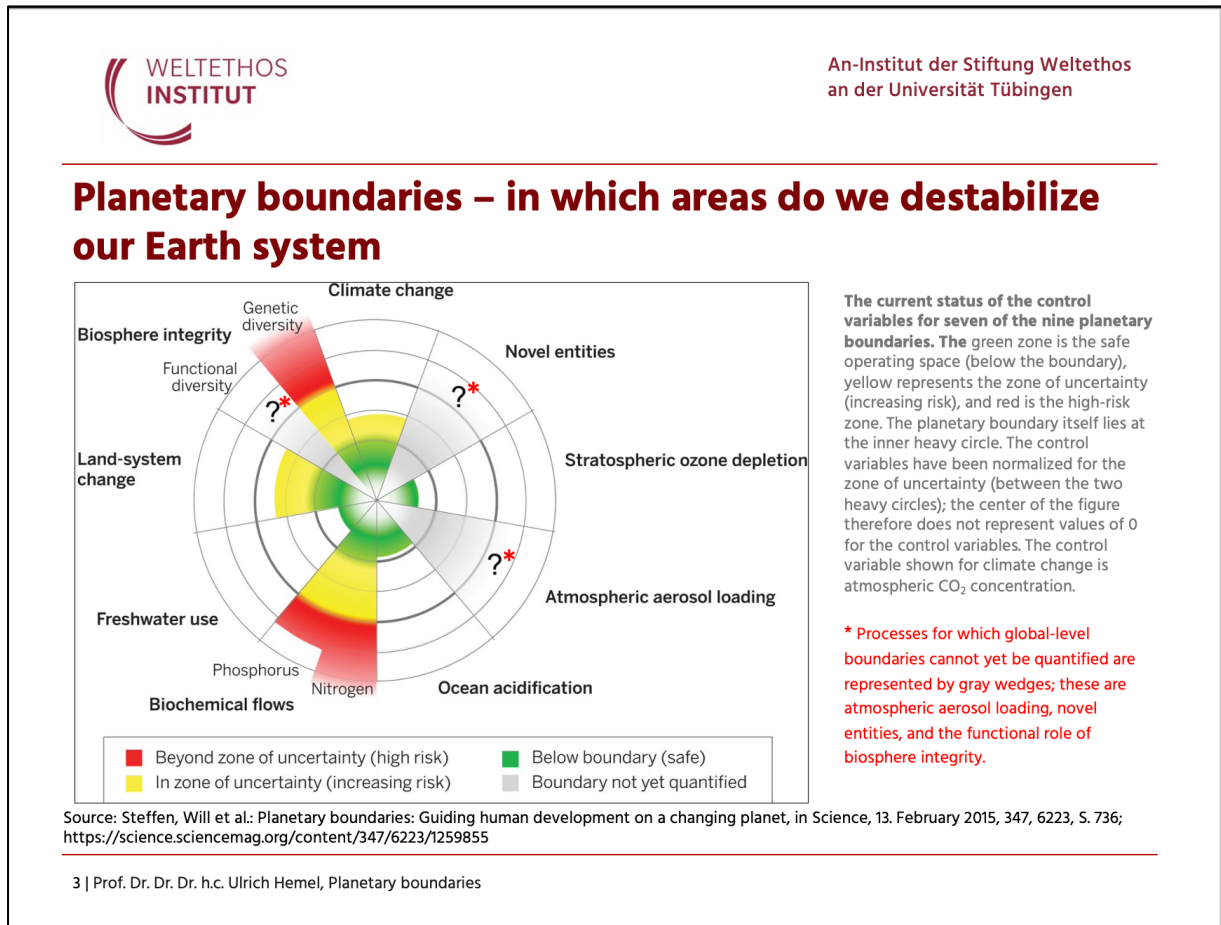
<https://www.nhm.ac.uk/our-science/data/biodiversity-indicators/what-is-the-biodiversity-intactness-index.html>

6.9. World Wildlife Fund (WWF) / Zoological Society of London (ZSL): Living Planet Index (LPI):

The two environmental organizations measure global biodiversity based on population trends in vertebrate species from terrestrial, freshwater and marine habitats. Non-country-specific.

<https://www.livingplanetindex.org/>

ANNEX 2



Dirk Steffen, Fritz Haber, Überleben, Zukunftsfrage Artensterben: Wie wir die Ökokrise überwinden, München: Penguin 2020 (S.112b)

Steffen, Will et al. Planetary Boundaries: Guiding Human Development on a Changing Planet, in: Science 13. Februar 2015, 347, 6223, S.736 <https://science.sciencemag.org/content/347/6223/1259855>