

***The impact of Social Progress and governance on business environment and well-being in MENA
- panel models- 1995-2020***

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ABSTRACT

This study aims to test the impact of the social progress and governance of the political, institutional and legal arrangements on business environment and well-being in the MENA countries, by applying the Panel cointegration and causal models on a sample of 21 MENA countries during the period 1995-2020. The study indicated that the digital social progress index has a positive effect development and well-being index in the MENA countries, in addition to the existence of a long-term relationship between digital social progress index and development and well-being index

1. Introduction

Employing the available network of relationships by belonging to social groups and organizations, which is a social structure that has its advantages in facilitating operations and prospective or outcome resources, what makes the mutual relations have continuity and become more utilitarian, as indicated by Bourdieu, and transform them from transient momentary ties to selected, necessary and utilitarian relationships through Familiarity, recognition, and exploration of knowledge between members and between groups, and this includes rules, principles or beliefs, availability of information and Communication, gained and expanded Trust and solidarity between members and those who deal with them, solidarity and cooperative, coordinated work, and so also public goods and mutual exchange, and “special competence considered in knowing true ties and the art of Employing them carefully for the sake of social exchange, which requires a cost in effort and time. (Bourdieu, 1980)” The sources of the origin of the Social Progress Index are the sum of the basic social units responsible for the emergence and mobilization of the Social Progress Index SPI, which was written by the World Bank and the Organization for Economic Cooperation and Development OECD (OCDE, 2001) : The Family, The School, the Companies, The Civil Society, The Public Sector; The Communities, The Ethnicity and The Complementary; Male / Female

2. Concepts, important dimensions, and index links of the social progress index SPI

The Social Progress Index (SPI) is “referred to the aspects of social construction; rules, trust, and social networks that facilitate coordination and cooperation for the purpose of mutual interests” (Putnam, Leonardi, & Raffaella, Making Democracy Work ; Civic Traditions In Modern Italy, 1993) In other words, it is “resources obtained and expected to obtain ownership of a network of relations of cooperation, reconnaissance, or group affiliation” (Putnam, Bowling Alone, 1995), it is multiple criteria and indicators, whether Theoretical and standard (Grootaert, Narayan, Veronica, & Woolcock, 2004), i.e. “not a single unit, but rather a variable of units that combine the peculiarity of its entry into the social structure and then serving the operations and goals of agents and groups. (Coleman, 1988) It was decided about it “It’s not what you know; it’s who you know”=“It’s not what you know” You know, but who do you know?”

In addition to the efforts made in the research by international organizations such as the World Bank (BM) and the Cooperation Organization (OECD), the concept of social progress index is entered and detailed from four angles (Coleman, 1988):

The economic view based on the assumption that people maximize their personal benefit by deciding to participate and integrate with others, and by returning to the sources of the indicator of social progress, the various types of group operations become clear, and in this statement the investment strategies of people to choose the various possible uses.

- Responsibility, authority and the role of institutions and political and social principles in determining behaviors and behaviors, and in order to promote sustainable development and reduce the level of poverty, the World Bank focused on the task of institutions and the available social data of trust and networks.
- Anthropological anthropology is concerned with the biological nature of human society, its behavior, and its natural affiliation
- The social view in the study of social resources and sources of the indicator and the statement of the advantages of the human organization with ties, trust, exchange rules and networks for the service of cooperative work, coordination and civic participation.

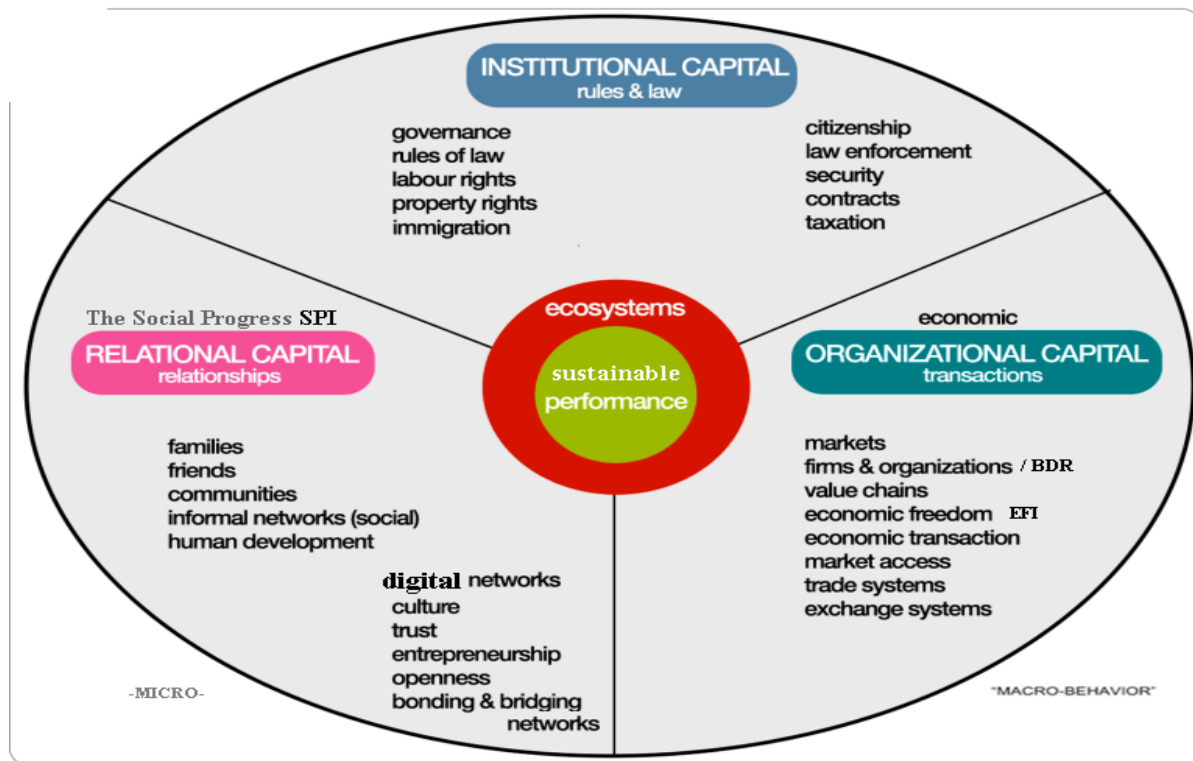


Figure 1: The index of social progress and its important dimensions in research. (Buddhajeans, 2020)

The indicator of social progress is one of the “multiple concepts of indicators and levels for workers (Micro, Macro) economic, human and natural capital" (Ndayegamiye, 2007). The indicators in it vary according to the structural difference of the social networks that will later control the determinants and forms of the indicator of social progress and its types, because in its nature it has a common social origin, which calls for this multiplicity and interwoven structure, whether economically, socially or otherwise. This concept, which has a kind of structure, has practical advantages and significant characteristics (LEVESQUE, 2005):

- Multiple classes and levels of features and resources such as
- For information and Communication, monitoring, and solidarity links.
- Use it to achieve multiple and different goals.
- Losing the positive impact when losing his employment in the service of the group and the fight against corruption.

The theoretical and applied studies that focus on this concept have nine titles (Woolcock & Narayan, 1999), are the strategy of business environment and social and economic well-being:

- Families and problems with young people - education and attainment.
- Social cohesion and civil society - the different social organizations and their role.

- Governments, transparency, freedoms and civic participation
- Social Welfare and Public Health - the situation and problems of collective action
- Corruption and the fight against crime - Economic Development

3. Achieving the economic and social well-being and governance of business environment

3.1 Uses of networks to intensify volunteer work; social cohesion and social justice:

The social cohesion has become a common concept among global and international organizations, and the European Unions, for example, use the concept to link it to concerns about social peace and inequality, and the literature on the concept shows that it has a polyvalent use within the measurement where it is employed to find solutions to a group of social problems, and the question has two directions. The first concerns Use and its practical function after the analysis of Durkheim (1893) at the end of the 19th century which he himself differentiates between two types of association; "the first he calls mechanic-mechanical association where persons are subordinated as a subordinate part of the larger center manufactured and judged by it, and all of them are of the same belief including the same The rules, customs and traditions, and the second type is the organic link" (Delors & D'autre, 2007), the social cohesion is characterized by five important main features (Delors & D'autre, 2007): Belonging, - Inclusion (integration and protection against the risk of marginalization) - Contribution - acquaintance and recognition - legitimacy, the modern digital image Existing social networks are websites that provide a range of services to users such as instant chat, private messaging, e-mail, video, blogging, file sharing and other services. It is clear that these social networks have significantly changed how people and communities communicate and share information. These social networks bring together millions of users now. These social networks are divided according to the purposes. There are networks that bring together study friends and others that gather work friends in addition to networks of micro-blogging, and among the most famous social networks that exist today are Facebook, MySpace, Twitter, Live Boone, Hi Five and Google+, and the national platform for volunteering, such as the "Volunteers.ae" platform, Bahrain, Saudi Arabia, and others, the smart platform, which was developed in cooperation with the Ministry of Community Development, aims to expand the scope of volunteer work, consolidate the concept of social responsibility, and create an integrated and sustainable system for volunteering as one of the most important pillars of social cohesion and cohesion. in the state. The platform has a mediating role between citizens and residents registered on the site who wish to volunteer, and the volunteer opportunities offered by all government institutions, private sector institutions, and public benefit associations; and facilitating the process of searching for volunteer opportunities for those interested, according to their interests, skills and experiences, while institutions advertise volunteer opportunities according to their needs (volunteering-platforms-and-initiatives, 2020).

3.2 Evaluation of advanced concepts of SPI and its well-being impact

Coleman (1990) argues that he defines the social progress index as follows: "...social organization The index constitutes social progress, facilitating the achievement of goals that could not be achieved in its absence or could only be achieved at a higher cost", then (1993) ".the social progress index refers to features of social organization, such as trust, rules, and networks that can improve the efficiency of society...", and in the same context "there are other definitions that characterize the progress index." is not in terms of results, but in terms of relationships or interdependence between individuals" (Darlauf & Fafchamps, 2004) and the resources available and obtained through them, which is the basic idea that is presented by researchers in different ways and research around it, so that at a later time in the research we find (Putnam-2000) defines it as." ..The links between individuals - social networks, and the rules of reciprocity and trustworthiness from which they arise" (Darlauf & Fafchamps, 2004, p. 4), these existing social features and characteristics. Therefore, the concept has two important elements (Darlauf & Fafchamps, 2004):

- Social relations and their implicit resources.
- Effective access to and investment of resources.

The qualitative dimensions (Fafchamps, 2002): "Organizations, trust and social networks have an important role in activating social exchange. They must be expertly focused on in studies on the subject".

Index of social progress, degree of trust and efficiency of social exchange: Trust is on the one hand "a source on which the indicator of social progress depends and on the one hand it is a consequence of it and is almost like a substitute value for a number of norms, beliefs and values underpinning social cooperation (OCDE, 2001, p. 47), and trust is about people and their trust in others, as is the question whether people are really trustworthy, what we call Mutual trust, and Trust and solidarity is a good indicator of honesty and honesty, which combines multiple factors, including networks, common values and rules. It is worth distinguishing between three types of trust (OCDE, 2001)

- Trust between acquaintances (within one social unit such as family, colleagues, neighbors') and trust between foreign people.
- Trust is a trend in public, private and international institutions.

According to the base of experience, trust is "built around continuous interaction with certain people over a period of time. (Salaj, 2006)"

Uses of social networks in facilitating access to resources and public goods: The role of the social progress indicator plays a role in reducing research costs at the market level. The available information about jobs and job offers is based

on networks and their density. Darlauf Et Fafchamps, Bourdieu, which leads to the assumption of a minimum homogeneity of goals among the participants in the operations among them, resulting in our “collaborative collective action” which is one of the peculiarities of the social structure as other features, and accordingly Putnam sees that “The theoretical approximations that we develop conceptualize the logic of collective action, which is intended not only for the sake of Italy’s situation, but to gather the historical and rational theoretical option in the way that enables us to improve our understanding of institutional effectiveness, and public civic life within several other levels” (Putnam, Leonardi, & Raffaella, *Making Democracy Work ; Civic Traditions In Modern Italy*, 1993), it is a moral symbolism in three parts, including: active trust and effective exchange in the service of development, organizational rules and obligations, and social networks and voluntary gatherings associated with civic activity. (Siisiäinen, 2000, p. 4) Public goods are an essential feature of the social progress index, such as education, health, services provided, and so on, all of which belong to the group and its members, and the participation of parents imposes Trust and solidarity in order to reduce and resolve personal conflict and conflict, as well as a lack of fear of administrative circles. We say collective cooperative work emerges as a permanent and strong alternative to the responsible body instead of relying on compulsion and coercion for the responsible authority, and its use of its ability to set fees and impose a commitment to Compulsory contract, and there are two basic elements required: (Darlauf & Fafchamps, 2004, p. 11)

- trust
- leadership, officials and Responsibility:

3.3 The Impact of social Participation and Networks on Strengthening Governance:

The work of Putnam (1993) proved that northern Italy had a remarkable rapid development compared to the south, and the reason for the difference in the level of performance to a higher degree in the north than the other, and this reference has shed light on the effects of social capitalism and its many positives, then Putnam in his recent study in the United States (1995, 2000) laid the foundation for the real right, focusing on the course of development of social behavior in the United States since 1950, and the observations recorded were the low level of the indicator of social progress, defined by the size of networks, the rate of membership in clubs and groups, organized and unorganized, and voluntary social work, which was offset by macroeconomic growth The evidence is that the 1990s are the period of rapid economic growth in the United States and also a rapid decline in the social progress index. “Governance is the way in which authority is exercised in the public management of economic and social resources towards development events (WORLD.BANK, 2007), and more clearly and scrutiny, we say that it is” the sum of the approaches and establishments by which the authority becomes a practice within the state, and this includes (KAUFMANN, KRAAY, & ZOIDO-LO, *Aggregating Governance Indicators*,, 1999)

- The mechanisms, by which the government personality and persons are appointed, followed up and confirmed.
- The ability and capacity of the government to develop effective formulas and implement impressive programs.
- Obligation and respect for citizens and the mandate of the institutional bodies (political and legal) that govern the economic and social dealings between them

The Organization for Cooperation and Assistance for Development (CAD) and Organization for Economic Co-operation and Development (OECD): “Governance is the exercise of responsibility and political action as well as oversight in the management of society’s resources for economic and social development goals” (CAD & OECD, 2015)

The United Nations Development Program (PNUD) introduced the definition of good governance based on seven basic characteristics: the presence of “political legitimacy and support, the existence of an efficient justice system, control of the bureaucracy, freedom of information and expression, effective and efficient management of the public sector, and finally cooperation with civil social organizations. (PNUD, 1995)

4. An experiment study of the social progress index and its role in business environment and development process in the MENA countries 1995 – 2020

4.1 Introduction:

The study of the standard model in the applied study is according to the data of what is known as the Social Progress Index, which has three basic axes (Porter, Stern, & Green, *Social Progress Index 2014,2020, 2020*), which are built from prior efforts to classify it towards measuring business environment and well-being:

Table 1: SPI’s Axes and the Shared indicators with the Millennium Development Goals (underlined)

Social Progress Index		
Foundations of Wellbeing	Opportunity	Basic Human Needs
<u>Basic Knowledge</u>	Personal Rights	<u>Nutrition/ Basic Medical Care</u>
<u>Information and Communications</u>	Personal Freedom	<u>Water and Sanitation</u>
Health and Wellness	Tolerance / Inclusion	Shelter
<u>Ecosystem Sustainability</u>	Advanced Education	Personal Safety

Source: (Biondi & Chairman, 2015-2020, p. fig 1.4 p32) (Porter, Stern, & Green, Social Progress Index 2014,2020, 2020) (timeshighereducation, 2013/14) (topuniversities) (shanghairanking, 2013)

In figure 2, we note the widening of the MENA measuring tape for the axis of human needs between the highest and lowest measurement compared to the rest of its axes;

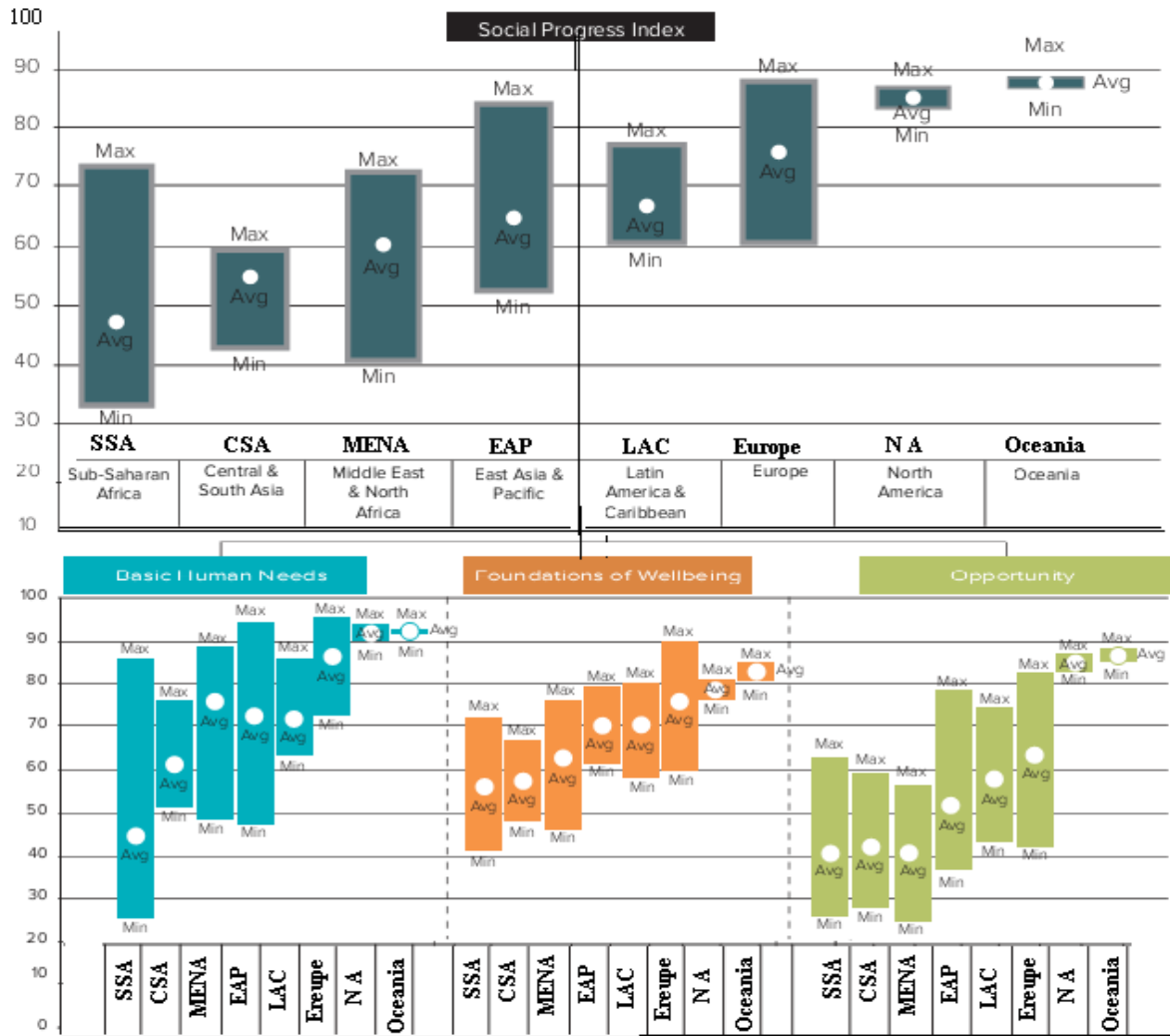


Figure 2: Social Progress Index and dimension score distribution averages, by region (Biondi & Chairman, 2015-2020)

4.2 Experiment Model Study on Social Progress Index

The hypotheses of the applied study and the presentation of the model;

Linear model (Darlauf & Fafchamps, 2004): $HDI = P + SPI + \varepsilon$, either private or general so that:

HDI: Business environment and Human Well-Being Index (representing outcomes).

P: Controlling obligations and duties index, taken by general government action.

SPI: variable of Social Progress Index

The variable of Social Progress Index is an exogenous variable (Darlauf & Fafchamps, 2004), the government work index is an exogenous variable (Kraay, Kaufmann, & Mastruzzi, 2016), and the business environment and welfare index is an internal dependent variable.

General format of panel data models; So that:

$$Y_{it} = \beta_{0(i)} + \sum_{j=1}^k \beta_j \cdot X_{j(it)} + \varepsilon_{it}$$

T = from 1995 to 2020; N = 21 countries from the MENA

- Pooled Regression Model:

$$Y_{it} = \beta_0 + \sum_{j=1}^k \beta_j \cdot X_{j(it)} + \varepsilon_{it}$$

$$i=1, 2, \dots, N \quad t=1, 2, \dots, T$$

- Fixed effects model

$$Y_{it} = \alpha_1 + \sum_{d=2}^n \alpha_d \cdot D_d + \sum_{j=1}^k \beta_j \cdot X_j(i,t) + \epsilon_{it}$$

$$i=1, 2, \dots, N \quad t=1, 2, \dots, T$$

- Random effects model

$$Y_{it} = \mu + \sum_{j=1}^k \beta_j \cdot X_j(i,t) + v_i + \epsilon_{it}$$

$$i=1, 2, \dots, N \quad t=1, 2, \dots, T$$

4.3 The study steps of the experimental panel models

Step one: Estimating the standard model and determining the type of regression:

Table 2: Regression study results for each type (Eviews 8)

	HDI	Prob	Coefficient	Std. Error	t-Statistic	R-squared	Adjusted R-squared	Durbin-Watson stat	F-statistic
Pooled	c	0.000	43.353	2.359	18.372	0.315	0.312	0.234	120.3
	SPI	0.000	0.544	0.035	15.340				
	p	0.097	0.050	0.030	1.660				
Fixe effets	c	0.000	53.443	1.507	35.444	0.893	0.889	0.743	191.8
	SPI	0.000	0.125	0.028	4.429				
	p	0.000	0.177	0.027	6.400				
Random effets	c	0.000	53.430	2.880	18.551	0.184	0.180	0.730	58.8
	SPI	0.000	0.139	0.028	4.995				
	p	0.000	0.168	0.027	6.1603				

First: The Hausman Test for choosing between the second and third models, fixe effets /random effets

H₀ null = random effets model

H₁ alt= fixe effets

Table 3: The Hausman Test (Eviews 8)

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	9.361709	2	0.0093

Result: We reject the null hypothesis H₀ and accept the alternative hypothesis H₁, i.e. we reject random effets and accept the model according to the effets fixe:

Second: Estimating the effets fixe using the DUMMY dummy variables

Write the dummy variables = 20 variables, i.e. N-1

$$HDI = C(1) + C(2)*SPI + C(3)*P + C(4)*D2 + C(5)*D3 + C(6)*D4 + C(7)*D5 + C(8)*D6 + C(9)*D7 + C(10)*D8 + C(11)*D9 + C(12)*D10 + C(13)*D11 + C(14)*D12 + C(15)*D13 + C(16)*D14 + C(17)*D15 + C(18)*D16 + C(19)*D17 + C(20)*D18 + C(21)*D19 + C(22)*D20 + C(23)*D21$$

In order to test our hypotheses test Wald we put:

$$c(4)=c(5)=c(6)=c(7)=c(8)=c(9)=c(10)=c(11)=c(12)=c(13)=c(14)=c(15)=c(16)=c(17)=c(18)=c(19)=c(20)=c(21)=c(22)=c(23)=0$$

Null Hypothesis H₀: Pooled Regression Model i.e. all dummy variables = 0

Alternative Hypothesis H₁: The regression is fixed effects model

Table 4: Wald test result (Eviews 8)

Test Statistic	Value	df	Probability
F-statistic	136.5071	(20, 502)	0.0000
Chi-square	2730.142	20	0.0000

Therefore, we reject the null hypothesis H₀ and accept the alternative hypothesis H₁

According to the result of the Hausman Test and F-statistic, the prob is less than 0.05

The fixed effect is the most suitable model and thus:

$$\text{HDI} = 50.5332346211 + 0.125969023052 * \text{SPI} + 0.177787058525 * \text{P} + 20.7360864207 * \text{D2} - 7.71168107181 * \text{D3} + 5.56710326045 * \text{D4} - 0.962511010074 * \text{D5} + 22.5808789351 * \text{D6} + 3.42373202302 * \text{D7} + 13.60505 * \text{D8} + 7.373103 * \text{D9} + 13.78947 * \text{D10} - 20.52840 * \text{D11} - 11.8712576537 * \text{D12} + 8.93031064983 * \text{D13} + 16.1614536339 * \text{D14} + 8.32049965907 * \text{D15} - 22.5154456793 * \text{D16} + 4.09680161156 * \text{D17} + 1.06279110328 * \text{D18} + 2.18454733691 * \text{D19} + 17.635209 * \text{D20} - 20.77206 * \text{D21}$$

The second step: Stationarity study of the dependent variable: HDI, business environment and well-being index

Table 5: Stationarity study HDI, at level (Eviews 8)

	Method	Statistic	Prob.
Individual effects	Levin, Lin & Chu t*	-9.54219	0.0000
	Im, Pesaran and Shin W-stat	-9.29181	0.0000
	ADF - Fisher Chi-square	162.624	0.0000
	PP - Fisher Chi-square	191.656	0.0000
Individual effects, individual linear trends	Levin, Lin & Chu t*	-6.70789	0.0000
	Breitung t-stat	-2.26749	0.0117
	Im, Pesaran and Shin W-stat	-7.91930	0.0000
	ADF - Fisher Chi-square	140.787	0.0000
None	PP - Fisher Chi-square	154.981	0.0000
	Levin, Lin & Chu t*	1.22058	0.8889
	Im, Pesaran and Shin W-stat	-	-
	ADF - Fisher Chi-square	11.7412	1.0000
	PP - Fisher Chi-square	9.21846	1.0000

The result: The HDI is stable according to the majority of the significant results of the mentioned tests according to the first and second considerations, except for the consideration of not taking the cross-sectional and the trend none. *Stationarity study of the social progress index SPI*

Table 6: SPI Stationarity study at the level (Eviews 8)

	Method	Statistic	Prob.
Individual effects	Levin, Lin & Chu t	56.3410	1.0000
	Im, Pesaran and Shin W-stat	67.8682	1.0000
	ADF - Fisher Chi-square	6.31651	1.0000
	PP - Fisher Chi-square	18.3630	0.9994
Individual effects, individual linear trends	Levin, Lin & Chu t	14.8528	1.0000
	Breitung t-stat	8.62346	1.0000
	Im, Pesaran and Shin W-stat	14.1422	1.0000
	ADF - Fisher Chi-square	71.4682	0.0031
None	PP - Fisher Chi-square	289.913	0.0000
	Levin, Lin & Chu t	45.8668	1.0000
	Im, Pesaran and Shin W-stat	-	-
	ADF - Fisher Chi-square	19.1658	0.9990
	PP - Fisher Chi-square	1.29925	1.0000

The results indicate instationarity in the first and third considerations due to the acceptance of the null hypothesis because the majority of Prob > 0.05

Stationarity study of the variable of governance P

Table 7: Stationarity preview of the government work index P at the level (Eviews 8)

3 considerations	Method	Statistic	Prob.
Individual effects	Levin, Lin & Chu t*	-4.00121	0.0000
	Im, Pesaran and Shin W-stat	-3.66403	0.0001
	ADF - Fisher Chi-square	105.724	0.0000
	PP - Fisher Chi-square	129.977	0.0000
Individual effects, individual linear trends	Levin, Lin & Chu t*	-2.49451	0.0063
	Breitung t-stat	-0.89054	0.1866
	Im, Pesaran and Shin W-stat	-6.85437	0.0000
	ADF - Fisher Chi-square	125.059	0.0000
None	PP - Fisher Chi-square	113.694	0.0000
	Levin, Lin & Chu t*	5.29105	
	Im, Pesaran and Shin W-stat	-	-
	ADF - Fisher Chi-square	4.25475	1.0000
	PP - Fisher Chi-square	5.62703	1.0000

Result 1: The indicator data is stable according to the majority of the significant results of the mentioned tests according to the first and second considerations, except for the last third.

Result 2: The three variables are stable at the level.

Step Three: Study the Cointegration Test

First: Johansen Fisher's Integration Test

Table 8: Johansen Fisher's Integration Test (Eviews 8)

Hypothesize d	Fisher Stat. (from trace test)	Prob.	Fisher Stat. (from max-eigen test)	Prob.
None	346.7	0.0000	286.5	0.0000
At most 1	129.8	0.0000	91.46	0.0000
At most 2	111.0	0.0000	111.0	0.0000

Result: We reject the first null hypothesis and pass to the second null hypothesis, reject it and pass to the third and reject it, because the probability is less than 0.05 for trace test and max-eigen test, and therefore there is a total integration of the variables.

Second: The Kao Residual Cointegration Test

Table 9: The Kao Residual Cointegration Test (Eviews 8)

ADF test	HAC var	Residual var	t-Statistic	Prob.
	12.51621	13.43722	-	0.0000
			7.971556	

The null hypothesis is rejected and the alternative is accepted

Step Four: Study the residual

Table 10: Establishing a series of residuals and studying the stationarity (Eviews 8)

	Method	Statistic	Prob.
Individual effects	Levin, Lin & Chu t*	-5.96296	0.0000
	Im, Pesaran and Shin W-stat	-6.29706	0.0000
	ADF - Fisher Chi-square	122.553	0.0000
	PP - Fisher Chi-square	128.680	0.0000
Individual effects, individual linear trends	Levin, Lin & Chu t*	-5.15779	0.0000
	Breitung t-stat	-2.20967	0.0136
	Im, Pesaran and Shin W-stat	-6.63063	0.0000
	ADF - Fisher Chi-square	118.466	0.0000
	PP - Fisher Chi-square	126.893	0.0000
None	Levin, Lin & Chu t*	-6.48201	0.0000
	Im, Pesaran and Shin W-stat	-	-
	ADF - Fisher Chi-square	124.247	0.0000
	PP - Fisher Chi-square	148.836	0.0000

Result: We reject the first null hypothesis and pass to the second null hypothesis, reject it and pass to the third and reject it, because the probability is less than 0.05 for trace test and max-eigen test, and therefore there is a total integration of the variables.

Second: The Kao Residual Cointegration Test

The result: we note the stationarity of the residuals for all tests and the probabilities of all three considerations, this is an indication of the existence of a joint relationship between the dependent variable and the independent variables, and there is a long-term relationship between them.

Integration check = confirms the existence of the long-term relationship between the model variables.

Step Five: Test the causality of the granger

Table 11: Test the causality of the granger (Eviews 8)

null hypotheses	2 Lags:			4 Lags:		
	Prob.	Zbar-Stat.	W-Stat.	Prob.	Zbar-Stat.	W-Stat.
SPI is not a reason for HDI	0.012	2.487	3.634			
HDI is not a cause of SPI	0.025	-2.238	1.003			
P is not a reason for HDI	0.008	2.650	3.725	0.000	2.225	5.117
HDI is not a reason for P	0.642	-0.464	1.991	0.000	1.331	4.452

After rejecting the null hypotheses in cases where the probability is less than 0.05, the following:

- Interrelationship: the indicator of social progress is a reason for development and prosperity. Business environment and the other increases the intensity of the indicator of social progress.
- Monogamous relationship: governance is a reason to achieve business environment and prosperity, and the latter is not a reason to strengthen governance

The sixth step cointegrated regression method: We test the regression relationship between the response variable and the explanatory variables in a cointegrated regression method.

Table 12: cointegrated regression method (Eviews 8)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
SPI	0.109347	0.037201	2.939355	0.0034
P	0.147112	0.037851	3.886618	0.0001
R-squared	0.907125	Mean dependent variable		69.7702
Adjusted R-squared	0.902877	S.D. dependent variable		14.3003
S.E. of regression	4.456650	Sum squared resid		9553.49
Durbin-Watson stat	0.692371	Long-run variance		37.7045

4.4 Results:

- The significance of the coefficients and model; positive impact of the indicator of social progress and government work - governance - on HDI business environment
- Rejection of the null hypothesis and therefore the coefficients of the independent variables are different from zero
- Increasing the index of social progress and governance by one unit leads to an increase in business environment and welfare by 0.125 and 0.177, respectively
- Coefficient of determination 0.889 = explains the regression relationship with a percentage of 88.9%
- The Long-term relevance of the role of social progress index in achieving sustainable business environment and prosperity.
- Strong significant correlation in proving the standard relationship on the MENA

1 Conclusions:

The problematic about the impact of the Social Progress Index and the governance of systems on business environment and human well-being in MENA - 1995/2020 - confirms the strength of the relationship between business environment and human well-being as a dependent indicator and the social progress indicator as an explanatory indicator for it, thus confirming the role of the indicator of positive social progress in the business environment process and sustainable well-being, and the validity of the hypotheses put forward:

- The indicator of social progress has its importance, which lies in the communication, the diverse network of relations, and what it carries of resources, information, trust and collective action (the intertwined, complex or complex concept).
- The social progress indicator has a positive impact on accelerating the business environment process and achieving sustainable prosperity, as it is a qualitative long-term indicator in its mobilization (composition, accumulation and intensity).
- The indicator of social progress has its practical and utilitarian value, which is translated by its role in the processes between the various agents, within and between groups and networks, and according to its multiple and varied uses in MENA it has a positive impact on its business environment .

The effectiveness of the indicator of social progress towards prosperity in the MENA group, in light of the set of developmental qualifications that the group possesses, including economic, social, cultural, environmental, natural and other indicators, remains hostage to this relationship, its type and degree between civil society and the political, institutional and legal arrangements that are translated by the level of government work - Governance-.

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