PRESS RELEASE: SOCIAL PROGRESS IMPERATIVE
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80TH ANNIVERSARY OF GDP: JAN 4TH 2014

Today (January 4th) marks the 80th anniversary of the creation of Gross Domestic Product (GDP), by US economist Dr Simon Kuznets. The Social Progress Imperative (SPI) welcomes this historic day but also calls upon Governments to look beyond GDP as the de facto measure of national progress. Michael Green, the SPI’s Executive Director says “it’s an opportune time for all of us to ask ourselves some difficult questions about how we quantify and define progress beyond purely economic indicators”.

Background: Gross Domestic Product (and its variant Gross National Product) was the brainchild of US economist Dr Simon Kuznets. GDP was developed for the purpose of measuring US national income at the request of the 73rd US Congress, who wanted to measure the country’s economic activity at the height of the Great Depression. The report for which it was created, ‘A Report on National Income 1929-32’, was brought before the Senate on January 4th 1934, and represents the first example of a state examining its economic activity holistically.

Michael Green, Executive Director of the Social Progress Imperative (SPI) said: “Since its introduction, Gross Domestic Product has assumed an unrivalled and almost unquestioned authority as the de facto measure of a country’s progress. However, as the world faces up to the economic and social challenges that the most recent downturn has presented, it’s an opportune time for all of us to ask ourselves some difficult questions about how we quantify and define progress beyond purely economic indicators”.

“GDP is not inherently bad—but what it measures is limited. Widespread social problems in many Arab countries that lead to The Arab Spring of 2011 or the security challenges in Mexico and many Latin American countries over the last decade have illustrated the shortcomings of economic growth as a proxy for social progress.”

“That’s why the Social Progress Index has been developed, as the most inclusive and ambitious measure of social progress ever attempted. It measures indicators like whether a country has the capacity to satisfy the basic needs of its people or the infrastructure to allow its citizens and communities to improve their quality of life. In April this year when the next Social Progress Index is published more than 120 countries representing more than 90% of the world’s population will be able to compare their social progress.”

ENDS

A video introducing the SPI will be available to view HERE later today

About the Social Progress Imperative
The Social Progress Imperative’s mission is to advance global human wellbeing, by combining national social performance and capacity indicators with solution-oriented outreach to sector leaders, and grassroots champions, who together can effect large-scale change. The Social Progress Imperative counts organisations including Cisco, Deloitte, Skoll Foundation, Compartamos Banco, and Fundación AVINA as financial supporters.

Social progress is defined as the capacity of a society to meet the basic human needs of its citizens, establish the building blocks that allow citizens to improve their lives, and create the conditions for individuals and communities to meet their full potential.
The Social Progress Imperative has created the Social Progress Index, a gauge of over 50 indicators which provide an overall figure of a country’s social progress. The first index was launched in April 2013, measuring 50 nations’ ‘social progress’ levels. In April 2014 a new index will be launched, which will measure and compare the social progress of 120 countries.

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