‘GDP IS IMPERFECT AND INCOMPLETE: THE WORLD URGENTLY NEEDS A MEASUREMENT REVOLUTION’ - MICHAEL GREEN AT TEDGlobal

(RIO DE JANEIRO, 9TH OCTOBER 2014: IMMEDIATE) The world’s leaders need to adopt a new measure of social progress and recognise that an exclusive focus on GDP presents only a partial and incomplete picture of real peoples’ lives. That is according to Michael Green, Executive Director of the Social Progress Imperative (SPI), in his TEDGlobal talk in Rio.

Mr. Green said: “Measuring a country’s progress in terms of GDP is a well-established norm. Markets move and trillions of dollars of capital flow across borders based on which economies, measured in GDP, are going up and which are going down. Our societies have become engines to create more GDP.

“The longer our obsession with GDP goes on, the longer the issues that really matter to people across the globe will continue to go ignored. The Social Progress Index is an antidote to the shortcomings of GDP. The world urgently needs a real measure of social progress.”

In a 15-minute address on Wednesday at TEDGlobal in Rio de Janeiro, Mr Green said:

• That there is a need for “A better way to define and shape our world for the next 80 years.”

• That the world “…marching to the drumbeat of GDP, is teetering on the brink of environmental destruction and riven by injustice and anger.”

• He said “that the world is ready now for a measurement revolution, to help societies make better choices,” and that “the fetish for economic success alone can lead us astray.”

• He said that “The Social Progress Index offers a new way to think about the choices we face. It opens up a new conversation about development—one focused not on the economy, but on real social progress.”

• Mr Green noted that “Our societies have become engines to create more GDP,” and was critical of the over-dependence on Gross Domestic Product as a measure of a country’s success: “GDP, contrary to the way we sometimes talk about it, was not handed down from God on tablets of stone. It is a measurement tool that was invented in the 20th century to address the challenges of the 20th century.”

• He concluded: “To face up to the challenges of the 21st century we need new measurement tools that can help us understand and address environmental sustainability, violence, human rights abuses, obesity and ageing. We need new measurement tools that value real progress.”
The Social Progress Index, created by a team led by Professor Michael E. Porter of Harvard Business School, is designed as a complement to GDP and other economic indicators to provide a more holistic understanding of countries’ overall performance. With a beta launch in 2013, the Index was fully launched in April this year, and measured 132 countries covering 90% of the world’s population.

In his inaugural TED address, Mr Green spoke about the importance of not just measuring a country’s progress but also the importance of taking grassroots action to address a country’s deficiencies. In August 2014 the Social Progress Imperative supported the development of a customized Social Progress Index for the Brazilian Amazon, led by Imazon, a local non-profit research institution. The result was a report which measured the social progress of 24 million people living within 772 municipalities and nine states of the Brazilian Amazon. It found that people inhabiting the region face huge challenges in almost every measure of social progress.

Mr Green said: “The global Social Progress Index which measures countries, and regional indices like the Social Progress Index for the Brazilian Amazon, are crucial to helping us understand and improve the social conditions of people across the globe. In the 20th century the world developed top down solutions to address development issues, but in the 21st century we need leaders in government, business and civil society to come together to solve the world’s problems. No single agent or actor has a monopoly on social innovation. That’s why the Social Progress Imperative is committed to developing and facilitating networks in those countries and regions that recognise the benefits of this cross-sectoral approach to improving human wellbeing.”

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Notes to editors:

Michael Green

• Michael Green is the Executive Director of the Social Progress Imperative, a global non-profit organisation that aims to advance global social progress.

• An economist by training, he taught Economics at Warsaw University in Poland.

• Michael is a member of the advisory boards of the Impetus Trust and the B Team, and is a fellow of the Royal Society of Arts.

• He consults for governments, international organizations, companies and non-profits on harnessing the tools of business to achieve social impact.

• Michael served as a senior official in the U.K. Department for International Development, where he managed British aid programs to Russia and Ukraine and headed the communications department.

• He is co-author of two books.

  o Philanthrocapitalism: How Giving Can Save the World; and
The Social Progress Index 2014 Results

The full, interactive dataset from the 2014 global index is available from: http://www.socialprogressimperative.org/data/spi. Please note that due to a variety of changes made to this year’s index, including the number of countries covered, the 50-country 2013 Social Progress Index is not comparable to the 2014 Social Progress Index.

About the Social Progress Imperative

The Social Progress Imperative’s mission is to improve the lives of people around the world, particularly the least well off, by advancing global social progress by: providing a robust, holistic and innovative measurement tool—the Social Progress Index (SPI); fostering research and knowledge-sharing on social progress; and equipping leaders and change-makers in business, government and civil society with new tools to guide policies and programs.

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What is social progress?

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.

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