Social Progress Index (SPI)

Measuring more than just GDP

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To measure a country's development, measuring economic growth is no longer enough. Society also needs to focus on basic human needs, foundations of wellbeing and opportunity. Measuring a society's success must go beyond the realms of economic outcomes.

The Social Progress Index is the first index of its kind—no economic indicators, only measures of social and environmental outcomes.

By using 52 indicators, the SPI can more accurately measure how well a society is doing

With the support of Deloitte, the Social Progress Imperative, a US non-profit organization, has released its Social Progress Index 2015 report. The Social Progress Index is a new index that measures growth by analyzing the progress of a country's social aspects. This index is completely non-economic and is set to act alongside GDP as a complementary tool, a core benchmark to provide a whole and inclusive view of a country's progress. It is based on four key design principles:

1. Exclusively social and environmental indicators
2. Outcomes that matter to the lives of real people, not the inputs
3. A holistic index that is relevant to all countries (holistic measure of social progress that encompasses the many aspects of health of societies)
4. Actionable: an index as a practical tool to help implement policies and programs that will faster drive social progress

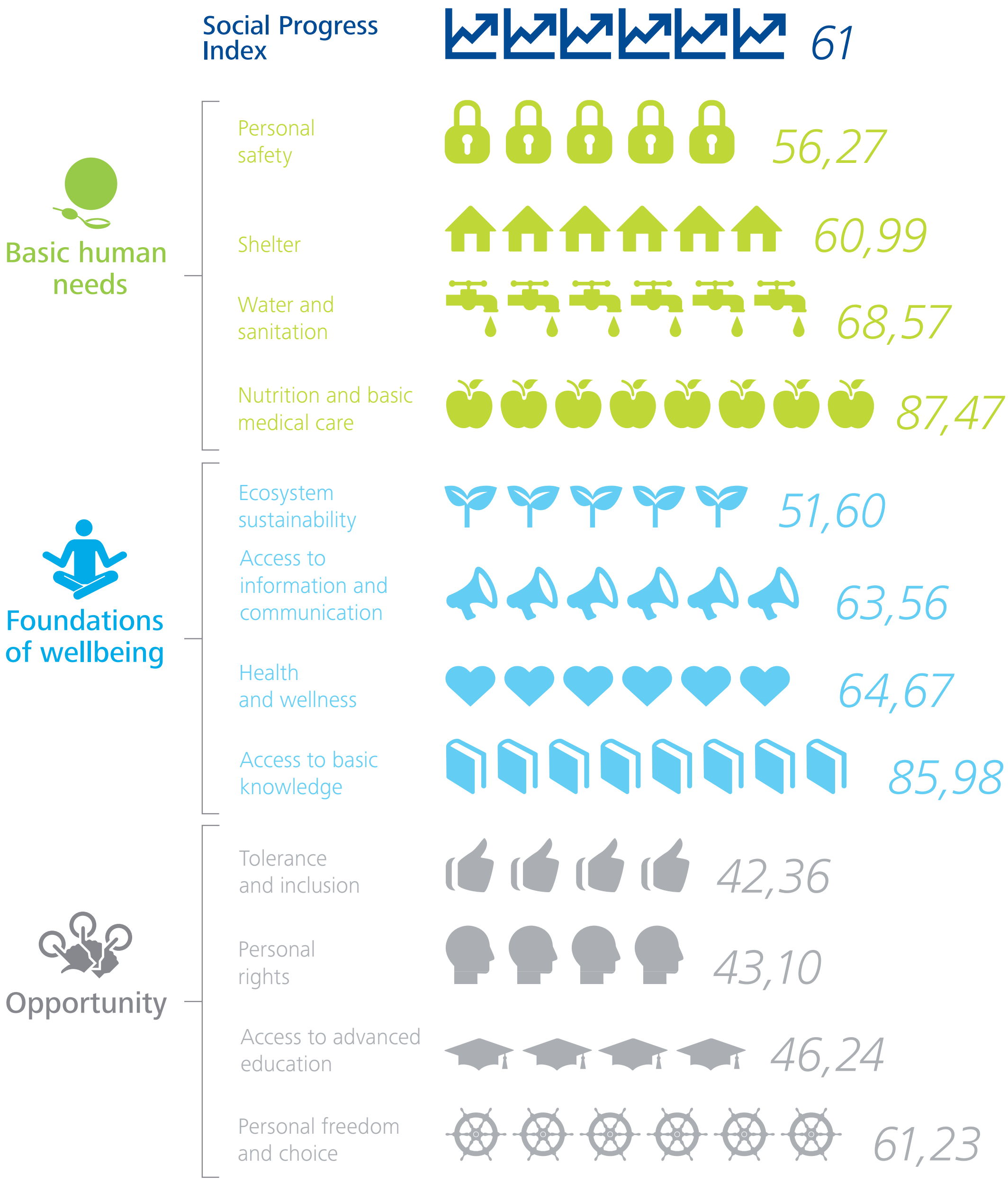
In other words, by using 52 indicators, the SPI can more accurately measure how well a society is doing. It helps us to thoroughly understand the level of social progress being achieved in a given society across numerous dimensions/components, such as:

- Basic human needs
- Foundations of wellbeing
- Opportunity

The 2015 Social Progress Index measures 133 countries, with a total of 94 percent of the world's population covered, plus 28 countries with partial data.

There are important global differences across various aspects of social progress. If we were to consider the world as one country, it would score 61.00 on the Social Progress Index on a population-weighted basis.

Figure 1: World Social Process Index and Component Scores



Source: Social Progress Index 2015/EXECUTIVE SUMMARY

Figure 2: Social Progress Index 2015—Ranking

Rank	Country	Score	GDP per Capita PPP
VERY HIGH SOCIAL PROGRESS			
1	Norway	88.36	$62,448
2	Sweden	88.06	$43,741
3	Switzerland	87.97	$54,697
4	Iceland	87.62	$41,250
5	New Zealand	87.08	$32,808
6	Canada	86.89	$41,894
7	Finland	86.75	$38,846
8	Denmark	86.63	$41,991
9	Netherlands	86.50	$44,945
10	Australia	86.42	$42,831
HIGH SOCIAL PROGRESS			
11	United Kingdom	84.68	$62,448
12	Ireland	84.66	$43,741
13	Austria	84.45	$54,697
14	Germany	84.04	$41,250
15	Japan	83.15	$32,808
16	United States	82.85	$41,894
17	Belgium	82.83	$38,846
18	Portugal	81.91	$41,991
19	Slovenia	81.62	$44,945
20	Spain	81.17	$42,831
21	France	80.82	$37,154
22	Czech Republic	80.59	$27,959
23	Estonia	80.49	$25,132
24	Uruguay	79.21	$18,966
25	Slovakia	78.45	$26,263
26	Chile	78.29	$21,714
27	Poland	77.98	$22,877
28	Costa Rica	77.88	$13,431
29	Republic of Korea	77.70	$32,708
30	Cyprus	77.45	$27,394
31	Italy	77.38	$34,167

Rank	Country	Score	GDP per Capita PPP
UPPER MIDDLE SOCIAL PROGRESS			
32	Hungary	74.80	$22,914
33	Latvia	74.12	$21,825
34	Greece	74.03	$24,540
35	Lithuania	74.00	$24,483
36	Mauritius	73.66	$16,648
37	Croatia	73.30	$20,063
38	Argentina	73.08	
39	United Arab Emirates	72.79	$57,045
40	Israel	72.60	$31,029
41	Panama	71.79	$18,793
42	Brazil	70.89	$14,555
43	Bulgaria	70.19	$15,695
44	Jamaica	69.83	$8,607
45	Serbia	69.79	$12,893
46	Malaysia	69.55	$22,589
47	Kuwait	69.19	$84,188
48	Montenegro	69.01	$14,152
49	Colombia	68.85	$12,025
50	Romania	68.37	$18,200
51	Ecuador	68.25	$10,541
52	Albania	68.19	$10,405
53	Macedonia	67.79	$11,609
54	Mexico	67.50	$16,291
55	Peru	67.23	$11,396
56	Paraguay	67.10	$7,833
LOWER MIDDLE SOCIAL PROGRESS			
57	Thailand	66.34	$13,932
58	Turkey	66.24	$18,660
59	Bosnia and Herzegovina	66.15	$9,387
60	Georgia	65.89	$6,946
61	Armenia	65.70	$7,527
62	Ukraine	65.69	$8,508
63	South Africa	65.64	$12,106
64	Philippines	65.46	$6,326

Source: Social Progress Index 2015/EXECUTIVE SUMMARY

Rank	Country	Score	GDP per Capita PPP
LOWER MIDDLE SOCIAL PROGRESS			
65	Botswana	65.22	$15,247
66	Belarus	64.98	$17,055
67	Tunisia	64.92	$10,768
68	El Salvador	64.31	$7,515
69	Saudi Arabia	64.27	$52,068
70	Moldova	63.68	$4,521
71	Russia	63.64	$23,564
72	Venezuela	63.45	$17,615
73	Bolivia	63.36	$5,934
74	Jordan	63.31	$11,407
75	Namibia	62.71	$9,276
76	Azerbaijan	62.62	$16,594
77	Dominican Republic	62.47	$11,795
78	Nicaragua	62.20	$4,494
79	Guatemala	62.19	$7,063
80	Lebanon	61.85	$16,623
81	Mongolia	61.52	$9,132
82	Honduras	61.44	$4,445
83	Kazakhstan	61.38	$22,467
84	Cuba	60.83	$18,796
85	Algeria	60.66	$12,893
86	Indonesia	60.47	$9,254
87	Guyana	60.42	$6,336
88	Sri Lanka	60.10	$9,426
89	Egypt	59.91	$10,733
90	Uzbekistan	59.71	$5,002
91	Morocco	59.56	$6,967
92	China	59.07	$11,525
93	Kyrgyzstan	58.58	$3,110
94	Ghana	58.29	$3,864
95	Iran	56.82	$15,090
96	Tajikistan	56.49	$2,432
97	Senegal	56.46	$2,170
98	Nepal	55.33	$2,173

Rank	Country	Score	GDP per Capita PPP
LOW SOCIAL PROGRESS			
99	Cambodia	53.96	$2,944
100	Bangladesh	53.39	$2,853
101	India	53.06	$5,238
102	Laos	52.41	$4,667
103	Lesotho	52.27	$2,494
104	Kenya	51.67	$2,705
105	Zambia	51.62	$3,800
106	Rwanda	51.60	$1,426
107	Swaziland	50.94	$6,471
108	Benin	50.04	$1,733
109	Republic of Congo	49.60	$5,680
110	Uganda	49.49	$1,368
111	Malawi	48.95	$755
112	Burkina Faso	48.82	$1,582
113	Iraq	48.35	$14,471
114	Cameroon	47.42	$2,739
115	Djibouti	47.27	$2,903
116	Tanzania	47.14	$1,718
117	Togo	46.66	$1,346
118	Mali	46.51	$1,589
119	Myanmar	46.12	
120	Mozambique	46.02	$1,070
121	Mauritania	45.85	$2,945
122	Pakistan	45.66	$4,454
123	Liberia	44.89	$850
124	Madagascar	44.50	$1,369
125	Nigeria	43.31	$5,423
VERY LOW SOCIAL PROGRESS			
126	Ethiopia	41.04	$1,336
127	Niger	40.56	$887
128	Yemen	40.30	$3,832
129	Angola	40.00	$7,488
130	Guinea	39.60	$1,213
131	Afghanistan	35.40	$1,884
132	Chad	33.17	$2,022
133	Central African Republic	31.42	$584

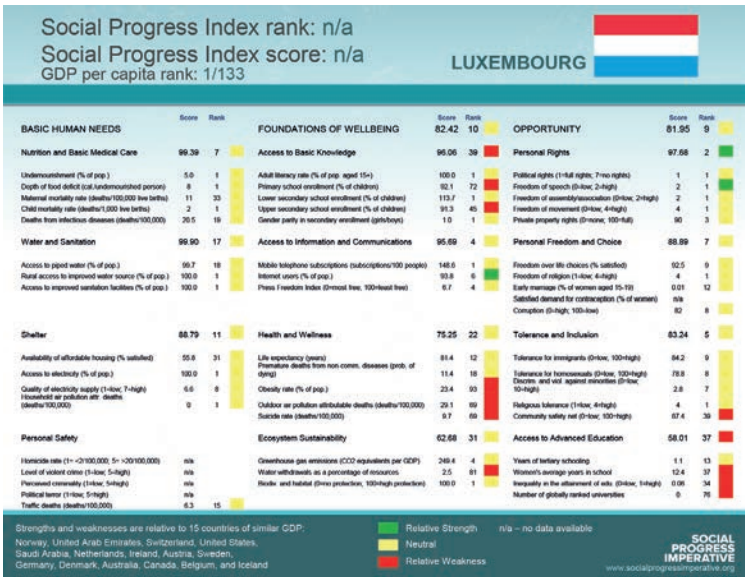
In terms of the Social Progress Index, Luxembourg does not yet have a ranking owing to incomplete data

If a country does not provide the circumstances that allow its people to meet their basic needs and to improve their quality of life, the country is not succeeding as a society, even if its GDP is growing. A country with a high income per capita does not necessarily have a high level of social progress in terms of the SPI. On the contrary, a country like Costa Rica, which has quite a low level of GDP (59th out of 133) is ranked socially higher than a country with a higher GDP, such as Italy (20th out of 133). Social progress means to enhance the quality of citizens' lives, and to eventually create the conditions for all individuals to reach their full potential.

Since 1971, Bhutan has already adopted a measurement tool alongside GDP to measure its social progress, the Gross National Happiness index (GNH). An index that tries to go beyond GDP is the Human Development Index.

In 2009, after the national elections of Luxembourg, the Government of Luxembourg planned to investigate a very similar index to the Social Progress Index, the *"PIBien-être"*. The Competitiveness Observatory, the High Council for Sustainable Development *(Conseil supérieur pour un développement durable)*, and the Economic and Social Council *(Conseil économique et social)* were then delegated the task of producing this social measurement tool by the Government of Luxembourg. This is an ongoing project.

In terms of the Social Progress Index, Luxembourg does not yet have a ranking owing to incomplete data. Nevertheless, after a first look into the data provided, the Grand Duchy performs quite well, both in terms of GDP (ranked 1st) and most social components. The only relative weaknesses that would set it behind countries with a similar level of GDP are its obesity rate (ranked 93rd) and its number of globally ranked universities, which is 0 (ranked 76th). Although Luxembourg does not have a globally ranked university according to the SPI, this does not mean that Luxembourgish citizens do not have access to higher education. Thanks to the small size of the country and its favorable location in the heart of Europe (bordering Germany, Belgium, and France), its citizens still have access to a variety of universities in their neighboring countries within a radius of under 300km.



Social Progress Index rank: n/a
Social Progress Index score: n/a
GDP per capita rank: 1/133
LUXEMBOURG

BASIC HUMAN NEEDS	Score	Rank
Nutrition and Basic Medical Care	99.39	7
Undernourishment (% of pop.)	5.0	1
Depth of food deficit (cal./undernourished person)	8	1
Maternal mortality rate (deaths/100,000 live births)	11	33
Child mortality rate (deaths/1,000 live births)	2	1
Deaths from infectious diseases (deaths/100,000)	20.5	19
Water and Sanitation	99.90	17
Access to piped water (% of pop.)	99.7	18
Rural access to improved water source (% of pop.)	100.0	1
Access to improved sanitation facilities (% of pop.)	100.0	1
Shelter	88.79	11
Availability of affordable housing (% satisfied)	55.8	31
Access to electricity (% of pop.)	100.0	1
Quality of electricity supply (1=low; 7=high)	6.6	8
Household air pollution attr. deaths (deaths/100,000)	0	1
Personal Safety		
Homicide rate (1= <2/100,000; 5= >20/100,000)	n/a	
Level of violent crime (1=low; 5=high)	n/a	
Perceived criminality (1=low; 5=high)	n/a	
Political terror (1=low; 5=high)	n/a	
Traffic deaths (deaths/100,000)	6.3	15

FOUNDATIONS OF WELLBEING	Score	Rank
FOUNDATIONS OF WELLBEING	82.42	10
Access to Basic Knowledge	96.06	39
Adult literacy rate (% of pop. aged 15+)	100.0	1
Primary school enrollment (% of children)	92.1	72
Lower secondary school enrollment (% of children)	113.7	1
Upper secondary school enrollment (% of children)	91.3	45
Gender parity in secondary enrollment (girls/boys)	1.0	1
Access to Information and Communications	95.69	4
Mobile telephone subscriptions (subscriptions/100 people)	148.6	1
Internet users (% of pop.)	93.8	6
Press Freedom Index (0=most free; 100=least free)	6.7	4
Health and Wellness	75.25	22
Life expectancy (years)	81.4	12
Premature deaths from non-comm. diseases (prob. of dying)	11.4	18
Obesity rate (% of pop.)	23.4	93
Outdoor air pollution attributable deaths (deaths/100,000)	29.1	69
Suicide rate (deaths/100,000)	9.7	69
Ecosystem Sustainability	62.68	31
Greenhouse gas emissions (CO2 equivalents per GDP)	249.4	4
Water withdrawals as a percentage of resources	2.5	81
Biodiv. and habitat (0=no protection; 100=high protection)	100.0	1

OPPORTUNITY	Score	Rank
OPPORTUNITY	81.95	9
Personal Rights	97.68	2
Political rights (1=full rights; 7=no rights)	1	1
Freedom of speech (0=low; 2=high)	2	1
Freedom of assembly/association (0=low; 2=high)	2	1
Freedom of movement (0=low; 4=high)	4	1
Private property rights (0=none; 100=full)	90	3
Personal Freedom and Choice	88.89	7
Freedom over life choices (% satisfied)	92.5	9
Freedom of religion (1=low; 4=high)	4	1
Early marriage (% of women aged 15-19)	0.01	12
Satisfied demand for contraception (% of women)	n/a	
Corruption (0=high; 100=low)	82	8
Tolerance and Inclusion	83.24	5
Tolerance for immigrants (0=low; 100=high)	84.2	9
Tolerance for homosexuals (0=low; 100=high)	78.8	8
Discrim. and viol. against minorities (0=low; 10=high)	2.8	7
Religious tolerance (1=low; 4=high)	4	1
Community safety net (0=low; 100=high)	67.4	39
Access to Advanced Education	58.01	37
Years of tertiary schooling	1.1	13
Women's average years in school	12.4	37
Inequality in the attainment of edu. (0=low; 1=high)	0.06	34
Number of globally ranked universities	0	76

Strengths and weaknesses are relative to 15 countries of similar GDP:
Norway, United Arab Emirates, Switzerland, United States, Saudi Arabia, Netherlands, Ireland, Austria, Sweden, Germany, Denmark, Australia, Canada, Belgium, and Iceland

Relative Strength
Neutral
Relative Weakness
n/a – no data available

SOCIAL PROGRESS IMPERATIVE
www.socialprogressimperative.org

Source: Social Progress Index 2015—Scorecards

As for the European countries, they are ranked quite well by the SPI.

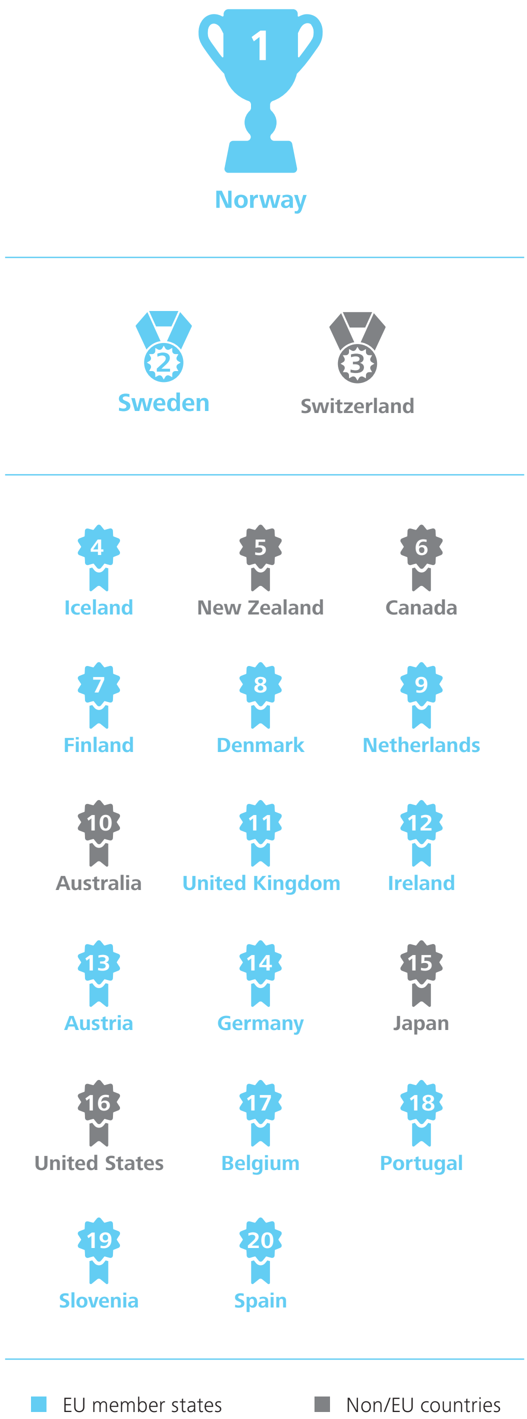
Looking at the countries on this top 10 leaderboard, remarkably 7 of them are in Europe, and 4 of them are member states of the European Union (Sweden, Finland, Denmark, and the Netherlands). All the Nordic countries feature in the top 10, which tells us that the level of social well-being there is the highest among the European countries. They are setting a great example by keeping their GDP at a healthy high level (all in the top 20 in terms of GDP) and their level of social progress high as well (top 10). Other EU member states with a similar level of GDP are following closely behind the top 10.

As mentioned before, we can see cases that prove that a high level of GDP does not go hand-in-hand with a high level of social progress. Countries such as the United Arab Emirates, Kuwait and Saudi Arabia have a very high GDP, but lag far behind when it comes to social progress. These countries should focus more on their social progress, especially because they have the financial ability to do so. In addition, we can see that New Zealand, which has approximately only half of the above-mentioned GDP, ranks 5th in the Social Progress Index while the UAE is 39th, Kuwait 47th and Saudi Arabia 69th.

That makes 15 EU members ranked in the SPI top 20, which is quite impressive, considering there are 28 EU member states in total. Moreover, all of the 28 EU member states place in the top 50.

If we split Europe into four main parts, namely Nordic Europe, Western Europe, Southern Europe and Eastern Europe, we notice that each part is ranked on a more or less similar level. Nordic European countries fall under the index's "very high social progress" category. Close behind comes Western Europe, mostly classed under "high social progress". Those are then followed by a mix of Southern and Eastern Europe and are placed in the lower part of the "high social progress" category to "lower middle social progress". In total, all of the 39 European countries ranked in the index are listed in the top 71, with Russia in the 71st position.

Coming back to the EU member states, 14 of the top 20 countries are EU countries



Countries in the Gulf are lacking in terms of social progress even though they have a very high GDP per capita

Furthermore, 9 of the 12 EU members from the top 20 list—barring Portugal, Slovenia and Spain—are ranked tightly together and have similar GDP PPP per capita figures.

If we analyze Norway's GDP category, the results clearly show huge differences between some of these countries in terms of the SPI.

Social progress means striving for inclusive growth. A big factor that can trigger social progress development is Foreign Direct Investment (FDI). FDI is the term used when a company from one country invests in another company from a different country, or sets up a subsidiary there. These investments make important contributions to economic growth, and thus have the potential to push social progress. This may not be the case for every country though, because the effectiveness of FDI on social progress may vary and depends on a range of economic, political, and geographical factors. These factors can put up barriers for FDI that prevent it from enhancing social progress. An economy that is growing too quickly could hamper social progress if it is unable to keep up with such a pace.

FDI being channeled into certain types of industries can also prove to be a barrier, as it leads to economic

industries that target the extraction of raw materials, such as oils, minerals, and metals, which do not require a highly skilled workforce. As a result, countries in the Gulf, for example, are lacking in terms of social progress even though they have a very high GDP per capita. In the same way, countries that have more tax advantages can attract large amounts of FDI, but are not experiencing social progress because the FDI is not contributing towards or enhancing economic diversification.

A case study in Botswana showed that strong and stable political institutions have enabled the country to avoid what most natural-resources-driven FDI would result in. Its high scores on personal freedom and personal rights provided by democratic institutions and political participation are contributing to political stability. Through these strong government institutions, the value created by their natural resources is guaranteed to be invested in economic diversification in order to support stable and inclusive growth. Thus, only short-term gains can be avoided and long-term objectives can be maintained.

As emerging countries need to catch up on social progress, much FDI flows to those countries. Hence, the Social Progress Index can help attract foreign investment by acting as a guide for businesses to clearly see the risks and opportunities associated with any country included in the index.

inequalities in the country, particularly in developing states. Political instabilities that threaten personal safety aren't attractive to FDI either. In addition, underdeveloped countries are threatened by poverty traps and no FDI flows into these countries as they lack the resources and the infrastructure needed to kick off economic growth. However, the Social Progress Index can help to identify other markets that show long-term growth potential and where the right FDI can spur them on to the next level of development.

Contrary to the normally positive correlation between FDI and social progress, there are exceptions; some countries attract a lot of FDI but in return the resulting social progress is not as equal as it should be. This is mostly the case when investments are driven by the abundance of natural resources in a country. The clearest example of this is where the FDI flows only into

To conclude, due to the Social Progress Index, countries are now able to spot their social weaknesses more easily and identify priorities for action. Most countries have been focusing solely on increasing their GDP and might have been neglecting their social progress. The goal now is to improve on both levels, economically as well as socially, in order to achieve a healthy level of sustainability. Harvard professor Michael Porter, co-creator of the SPI wants to create "Shared value", i.e., economic value combined with social value. The Social Progress Index is the most accurate tool to ever have existed to track a country's social progress and to observe how effectively it has transformed its economic growth into social progress.

Sources:
http://www.socialprogressimperative.org/data/spi
http://www2.deloitte.com/global/en/pages/about-deloitte/articles/fdi-and-inclusive-growth.html