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Understanding the Social Progress Index: Using data to measure our progress

Presentation by

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Communities in Control Conference
Melbourne and online, November 16–17, 2020

Video and audio versions of this speech are available [on the Communities In Control website](#).

About the presentation

The new Social Progress Index is used to measure whether the environmental and social needs of citizens are being met. Currently, Australia ranks 12th in the world. That's great, but what exactly does it mean? How do you measure progress? And what are we learning from doing so?

Professor Kristy Muir:

Good afternoon everybody. Let me acknowledge that I am sitting on Dharawal Country, and pay my respects to wherever you might be sitting around this country, and acknowledge this was, is and always be Aboriginal land. Let me pay my respects to elders, past and present, and of course to any Aboriginal and Torres Strait Islanders who might be with us this afternoon.

I also wanted to acknowledge my colleague Dr. Megan Weier, who's led this research for CSI on the Social Progress Index for Australia, and, finally, thanks for being here, given the Zoom fatigue that's hitting all of us at the moment.

I want to take you back, those of you who are old enough, 30 years, go back to 1991. It was the year that Paul Keating challenged Bob Hawke. It was the year that the Honda Accord was Australia's most popular car (certainly not in my household). It was the year that Mr. Bean and The Simpsons debuted on Australian television. It was also the year that over 257,000 babies were born across Australia.

Let's call one of these babies Sam (born in Mount Joy) and the other, Andrew (born in North Sydney). By the time that Sam and Andrew were two, the country was hit by an economic downturn leaving around 1 in 10 families with children living in jobless households. Andrew's parents weren't affected. Sam's family was.

These kids are now 29 years of age. They're almost at their 30th birthday. In their first 28 years of their life, Australia experienced unprecedented economic growth. By the time they were 25, average household disposable income was twice what it was when they were born, even after accounting for price rises and population growth.

By any measure, those 28 years of unprecedented economic growth is a remarkable outcome. But is this enough to measure Australia's social progress? If we stay with Andrew and Sam's stories, we could then, as we still can now, predict somebody's life outcomes based on the postcode in which they were born. We can predict their education, their employment, their income, and their health outcomes, amongst other things.

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Sam has a low education level, spent many years underemployed, is now unemployed, is in housing stress, and skips meals to feed his kids. Andrew has a higher education, is full-time employed, and lives at home in a high-income household where he's saving for a deposit for his own place. Based on current data, there are actually more CEOs whose name is Andrew than there are women, for those of you who like those kinds of stats.

Over almost three decades of their lives we as a country became richer than we ever could have imagined. Even before COVID, though, growth was not good for everybody. Sam wasn't the only one who grew up in poverty. Despite this economic growth, we failed to address many social issue areas. Let's have a look at some of them.

On the financial stress front, around one in ten adults and one in seven kids are now living in poverty. Wage growth has not kept up with inflation. Almost one in four people who are working don't have access to any paid leave entitlements. We know financial stress in general is high. We know that among low-income households housing stress is exceptionally high.

Across the country, 1 in 200 are homeless on any given night. It's double that rate for our young people. Food insecurity is incredibly high, especially amongst our most disadvantaged households. We still have a fundamental problem with digital exclusion, with around 2.5 million Australians missing out. We have problems with family and domestic violence, as many of you will well know. Around one in five people experience mental health disorders or a disability, and we know that that has implications for their educational outcomes, their employment, and their participation more broadly.

What this tells us is that we'd failed as a country to progress beyond judging everything by that GDP mark-up. We need a new way to be able to determine the extent to which we can progress socially. So what we wanted to do was ask "How do we come up with an index to measure social progress?" Social progress is all about, by definition, the capacity to meet basic human needs, to enhance and sustain people's quality of life, and to ensure that all people can reach their full potential.

The Social Progress Index is an index that enables us to measure these three things in aggregate. It's a global measure based against these three domains of human needs, foundations of wellbeing, and opportunity. Our



premise is if we can marry up the GDP or the economic side of it with the social progress imperative, then we're going to get inclusive growth.

The Social Progress Index is based on universally important questions. It's that international framework that asks big picture questions against things like "Do people have adequate housing with basic utilities?" It asks questions like "Do people have access to an education foundation? Can people freely access ideas and information from anywhere in the world? Are people free to make their own life choices?"

In understanding the extent to which different countries meet these definitions, we need to be able to select indicators that tell us to what extent the country is performing against each of these things. When we looked at doing this, we had to come up with some universal design principles that were important.

Four key things were critical to the development of this. There had to be exclusively social and environmental indicators. We wanted to make sure we were looking at outcomes and not inputs. We wanted to make sure that they were relevant to all states and territories, so we could come up with state and territory comparisons, and we wanted things that were actionable. The research needs to be something that would let us see how we were progressing. Then we could respond with policies, interventions, programs, et cetera, and hopefully see the changes as a result of those at a macro level.

I'm not going to spend time on this. There are heaps of background information on our website. If you want all the methodological background you're free to contact Megan Weier. But we also looked at a whole lot of things in selecting those indicators around data availability, granularity, comparison at state and territory levels, sample sizes, reliability, transparency, et cetera. Where we were limited was particularly around things like environmental indicators, and irregular collections of social indicators, and we were also really challenged by the approach that's been taken to understand indigenous indicators.

But enough about methodology. You can find out more information, if you're interested on that, from Megan, or our website. But here's where we landed. Despite those three decades of economic growth that I was talking about, Australia's Social Progress Index does not look particularly

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great. We don't fare that well. We've scored different states and territories, showing how those states and territories are performing relative to each other.

We looked at 2015 to 2018, so we could compare trends over time, and we saw some consistent things. The ACT, which will be no surprise to anybody, performed number one in each of those years. Western Australia and the Northern Territory consistently placed 7th and 8th.

The order and scores of some of these states and territories on social progress might seem surprising, or it might make complete sense to you. I think where it can be helpful across Australia is in identifying where we're doing well and where we need improvement. It's when we start to look within states and territories, or within particular areas within the index, that we can see where attention is most needed.

So let's have a look at one of these areas; nutrition and basic medical care. Australia actually performs really well in this area – with the exception of the Northern Territory. When we look at the indicators that are used to create this component, factors such as remoteness and the high proportion of residents who are Aboriginal and Torres Strait Islanders can help to explain the disparity we see between the Northern Territory and other states and territories around the country.

Looking at other areas – let's take personal freedom and choice, for example – there's more disparity around how the states and territories are faring on these kinds of issues. This was the area where we saw the most need for improvement across the country. These are issues like 'inclusiveness' and 'personal freedom' and 'choice'. They're more complex than, say, nutrition and basic medical care, because here it's less about how much money you have to spend on an issue and more about the social context that exists for the people within that community – the extent to which they feel they have personal rights, freedom of choice, and feelings of inclusiveness or belonging.

There are also issues that a whole lot of us in the not-for-profit, for-purpose sector are trying to improve within communities. Our hope is that the Social Progress Index could be picked up as a language and a framework that we can use to help improve things like opportunity across the board.



We can also take the Social Progress Index – and you can play with this online, it's completely usable for you to move around – and look at it at state or territory level, bringing up detailed scorecards within each of the areas at particular time points.

You will remember that I said ACT consistently ranks number one, but you can see from this is that even they certainly have areas that could do with some significant improvement. They perform really well in certain areas, but they're slower on things like personal freedom and choice, inclusiveness, and environmental quality.

What's good about this at a state and territory level is that different groups, individuals and policymakers can pick it up and say, where does our state or territory actually need most support to lift social progress as a whole? It's quite a powerful tool.

We've also produced these state-by-state scorecards, which is a simpler way of looking at how the state and territories are performing – almost a traffic light system. Victoria ranked 4th overall across all the states and territories. You can see where they're performing well (the green dots), where they're mediocre (yellow), and where they need improvement or are doing quite poorly (orange and red). If you think about this in aggregate, what this shows us is that may they do well or badly in some areas, but actually, overall, they're still only ranking 4th. To lift the social progress of a state or territory, or of the country overall, we really need to focus on multiple components at once.

The Social Progress Index can also be mapped against the Sustainable Development Goals (SDGs). For those of you who are interested in the Sustainable Development Index, we've done scorecards mapping the SPI framework to the 17 SDGs and seeing how states and territories are doing against these particular goals.

One of the key things here is that some of these indicators are less robust than others, because we're only able to find one or two quality indicators. Nonetheless, it's still really interesting that where SDGs are a driving force, and particularly in Australia where we struggle to report against this, we can see how we're faring either at a state and territory level or nationally by looking at how Australia is doing against the SDGs based on the Social Progress Index.



The other thing that we wanted to do was to be able to track trends over time. This is really important, not just for the first lot of the SPI in Australia (and by the way, we're one of 45 countries that have done this at a very specific level). Globally, we rank around 12th out of 139 countries. The trends are important because if, as I hope, we're going to have this as an iterative process, developing new policies and programs and investments based on where we need to lift our social progress, we want to see those trends improve over time. We actually have seen improvement between 2015 and 2018 across the states and the territories.

The interesting thing about small improvements is that we could look at these small improvements and hypothesise that maybe economic growth was a relation to an improvement in social progress. Maybe as these states and territories have improved in terms of their economic trajectories, they've invested in these things – and this is why we're seeing improvements, with some of these trends being on the up.

We actually tested this. Our hypothesis was that as the Social Progress Index score goes up, and the GDP per capita goes up, technically or rationally it should look something like this graph. Actually, though, when we looked at this and we modelled it against the GSP – that's the per capita gross state or territory domestic product – it didn't look like this, but rather like that.

What this shows us is that economic growth is not currently correlating with social progress. Interestingly, when we look at states with some of the highest state gross per capita income – in particular, the economic outcomes for Western Australia and Northern Territory, which were the highest across all of the states and territories over this time period we find they performed 7th and 8th in the SDG list compared to other states and territories.

The other thing that we can look at is whether the index reflects individual economic realities. We know it doesn't reflect economic realities at a state and territory level. When we look at the individual level, we're seeing a closer alignment when we take the median. What this is telling us is that there's a story of inequality. When we get the median level of income, we're starting to see some closer alignment between social progress and economic outcomes. The real question here, as states and territories and



as a nation, is "How do we start to shift this relationship we're seeing, and address that story of inequality for the country as a whole?"

We can also take the SPI framework, apply the policy analysis to what's happened, and say, how are we going? Take COVID, for example. Now this chart isn't everything that's ever existed across the policy response to COVID, but what it does do is start to show you where the responses came from in different government departments and in different social issue areas during the COVID period.

I think when we start to put a dollar value against some of these areas in the federal government response (and, again, we can also do it by state or territory) we can see that the dominant response is an economic one. In terms of COVID, at least some responses were around health in particular (not surprising) with some funding going into communications packages and broadly, again, around health and wellbeing. Similarly, we could map that at each state and territory level, and my colleague Megan Weier has been talking to various MPs around the country in regard to how their states and territories are faring and what their responses have been.

From a big picture level, I think we need to start thinking about where we came from. Go back to 1991, then look at where we were before COVID and after COVID. In terms of our policy responses, I'd argue that weathering the storm is not enough during COVID because our social progress was so inadequate to start with.

If we're serious about economic recovery, we're going to have to focus not just on the important economic pieces to the puzzle but the other pieces that enable people to maintain jobs, their community connection, supports, affordable and social housing and responsive healthcare. We've started to see this over the weekend with the announcement of social housing investment in Victoria and hopefully, we'll start to see that in some other areas as well. Our hypothesis is that we will only see resilience and recovery if we can address the economic and the social progress.

I'm not going to go over this now, because I've wasted time on the internet crashing at the start, but we've seen significant effects of the economic impact of COVID. We've also seen significant impacts from the societal effects of COVID, and those are going to get worse. Really, the point of that is that what we're likely to see is an exacerbation of the social and



economic issues that we saw pre-COVID with the Social Progress Index results. It's likely to get worse and hopefully with some of the policy and other responses that we're seeing at local and federal levels will be mitigating some of that shift.

The key thing, really, and the big picture, is that we want a Social Progress Index for Australia to help identify what's working where. At the macro level, we might need to increase collaboration across the sectors in terms of how we might respond to the problems that we're seeing.

As a result, where we want to land is really good, inclusive, socially progressive growth. The takeaway from all of this gets back to where we started – that the postcode in which you are born should not predict your life outcomes. We hope that something like the Social Progress Index can help lift states and territories across the country as well as the country as a whole.

Thanks.

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