

# Advantage of gdp as measuring social progress

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One of the advantages of government shifting their focus towards other measures of social progress is that it can help in tracking the economic growth. This is because economic growth is important to a country in improving their living standard of its kin. It helps in decreasing the rates of poverty for individuals with low salaries. For example, GDP in New Zealand expanded 2.7 percent in 2018 compared to 2.9 percent for the previous quarter showing that the country is having a slower economic growth. This is essentially valid for undeveloped and developing nations where development is viewed as an important method for reducing poverty among their people as well as bringing a higher rate of employment in the society. Other than that, the government can measure the wellbeing of a country if they shift their focus towards other measurements.

This is because some of the measures focus more on satisfying the basic need of their society and allowing their citizens to improve their quality of life such as Social Progress Index (Green, 2014). For instance, regardless of spending the most on social insurance per capita of any nation in the world, the US positioned simply eleventh in overall in terms of health and wellness (which measures factors including weight management and cancer deaths) – contrasting ominously and numerous nations whose per capital medicinal services spending is far lower than the US. However, there are still consequences that might happen if the government want to shift their focus towards a new measure of social progress. Some of the measures such as GDP, it can be an unclear indicator for measuring social progress. This is because when GDP indicates utilization, it doesn't separate between great utilization and low quality of utilization (Grover, 2017). For instance, if a city

has a major dangerous waste spill that cost about \$200 million to clean up, at that point, that city will get a \$200 million infusion to its GDP even though a harmful waste spill is obviously not an advantageous occasion.

Gross domestic product likewise disregards gainful parts of society, for example, education and healthcare, that are critical yet don't generally turn a benefit. Besides, other measures that can be used in measuring social progress might not produce accurate data. This is because some of the measures such as gross domestic product just only considered announced utilization. For example, underground market products like pilfered films, medications, and labor paid for in cash don't get detailed. This implies there is potential for mistake. An economy can be flourishing in unreported products, however, have a low GDP, which implies that it won't reflect the actual well-being yet rather just the reported prosperity.