

Abstract

This thesis studies the relationship between GDP and Social Progress Index, components of social progress model and their dimensions. Using the dataset of 49 countries and Bayesian Model Averaging (BMA) and clustering analysis we found that there is not straight relationship between GDP and SPI. By testing 15 different models for each of 3 dimension (Basic Human Needs, Foundations of Wellbeing and Opportunity) of SPI we have found that the best variation of components would be to include all of them for each dimension. By using BMA approach we have found that the best model of SPI out of 12 components includes only intercept, tolerance and inclusion variables. The rest of components show quite low probability of inclusion, however, none of them showed 0 posterior probability.

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