

Human Development : Retrospective and Prospects

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Overview

1. What is the HDR?

2. Retrospective

3. Prospects

What is Human Development?

Development can be seen as a process of expanding the real freedoms that people enjoy... requires the removal of major sources of un-freedom: poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or over-activity of oppressive states.

A. K. Sen, *Development as Freedom*

What is the HDR?

- A flagship publication launched in 1990 -- advancing the notion that development is about expanding the choices people have to lead lives they value.
- “The basic objective of development is to create an enabling environment for people to enjoy long, healthy, and creative lives.” (UNDP 1990 p. 9)
- Represented an alternative approach to how we interpret development and measure its success:
 - A broader focus, beyond a focus on economic growth (means) to the enrichment of human lives (ends)
 - Health and education are examples of factors that have both intrinsic and instrumental value

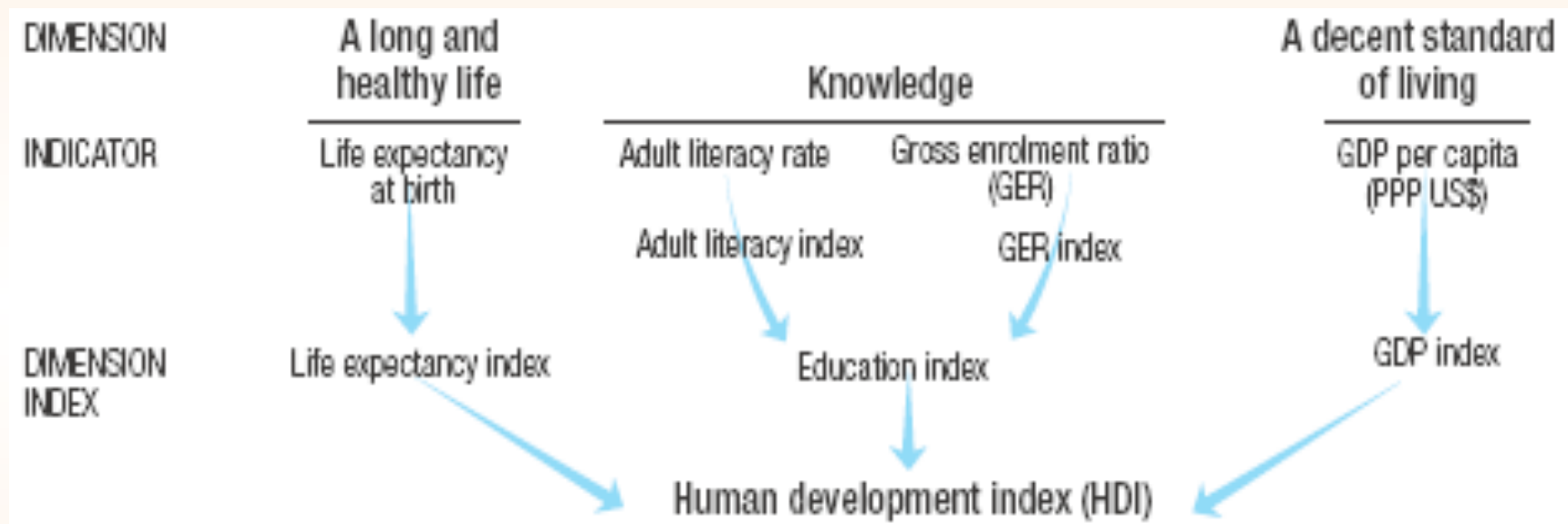
Diverse and ambitious themes since 1990...



1. Concept and Measurement
2. Financing
3. Global Dimensions
4. People's Participation
5. Human Security
6. Gender
7. Economic Growth
8. Poverty
9. Consumption
10. Globalization
11. Human Rights
12. New technologies
13. Democracy
14. MDGs
15. Cultural Liberty
16. Aid, trade and security
17. Water
18. Climate Change
19. Human Mobility

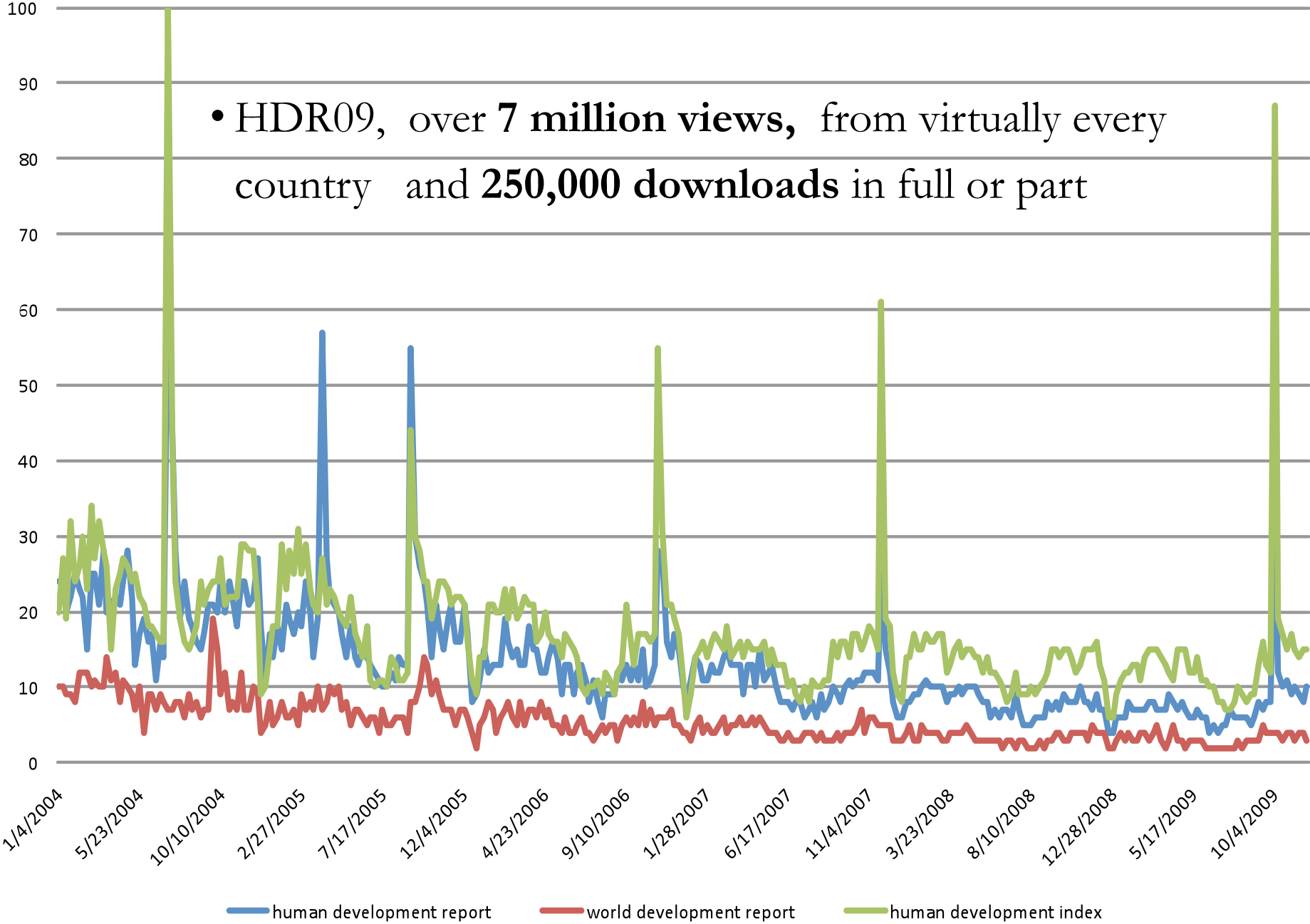
Popularised in the HDI

- Simple and crude – three dimensions of wellbeing...



- Subject to many criticisms, but adds value to thinking about progress and regress, and important insights about development

Frequency of Google Searches (2004-2009): HDR, HDI and WDR



And national and subnational HDRs

- Since 1992, over 650, plus over 37 regional HDRs
- Policy documents commissioned by UNDP to generate political attention and inform public debates

- Diverse themes, for example:

Africa: HIV / AIDS, gender, governance, poverty, peace and post-conflict reconstruction

Latin America: social capital, people's participation, vulnerability

Eastern Europe / CIS : role of the state, market transition, ICT, peace and human security, HIV / AIDS

Countries that have published at least 5 HDRs

Albania (6) Armenia (8) Russian Federation (12)
BiH (7) Azerbaijan (9) Kazakhstan (13)
Bulgaria (11) Belarus (8) Tajikistan (8)
Croatia (8) Estonia (7) Kyrgyzstan (9)
Czech Republic (5) Georgia (8) Turkmenistan (6)
Hungary (5) Latvia (8) Uzbekistan (9)
Poland (7) Lithuania (8)
Romania (9) Moldova (9)
Slovak Republic (6) Turkey (8)
tFYRoM (5) Ukraine (8)

Bangladesh (7)
Cambodia (6)
China (5)
India (26)
Philippines (6)

Mauritania (5) Egypt (10)

Argentina (14)
Bolivia (11)
Chile (8)
Colombia (6)
Costa Rica (11)
El Salvador (6)
Guatemala (8)
Mexico (6)
Honduras (10)
Venezuela (7)

Benin (8) Mozambique (6)
Burkina Faso (6) Namibia (5)
Burundi (5) Niger (5)
Ghana (12) Nigeria (5)
Kenya (5) Uganda (7)
Madagascar (6) Zambia (5)
Mali (6)

Application to developed countries: eg *The Measure of America*: 2008-9, and follow up ‘state portraits’ reveal and explore huge inequalities in terms of access to decent healthcare, education, and job opportunities – by state, congressional district and group, and changes over time.

For example,

- A 50-year gap in HDI between Asian and African American males – the top and bottom ethnic groups.
- Connecticut (top ranked state) way ahead of Louisiana
- In Texas’ 29th district, share of adults with less than a high school diploma around the U.S. average of 1970.
- Households in top income decile hold nearly $\frac{3}{4}$ of the wealth, while the lowest 60% possess just 4%.

Retrospective

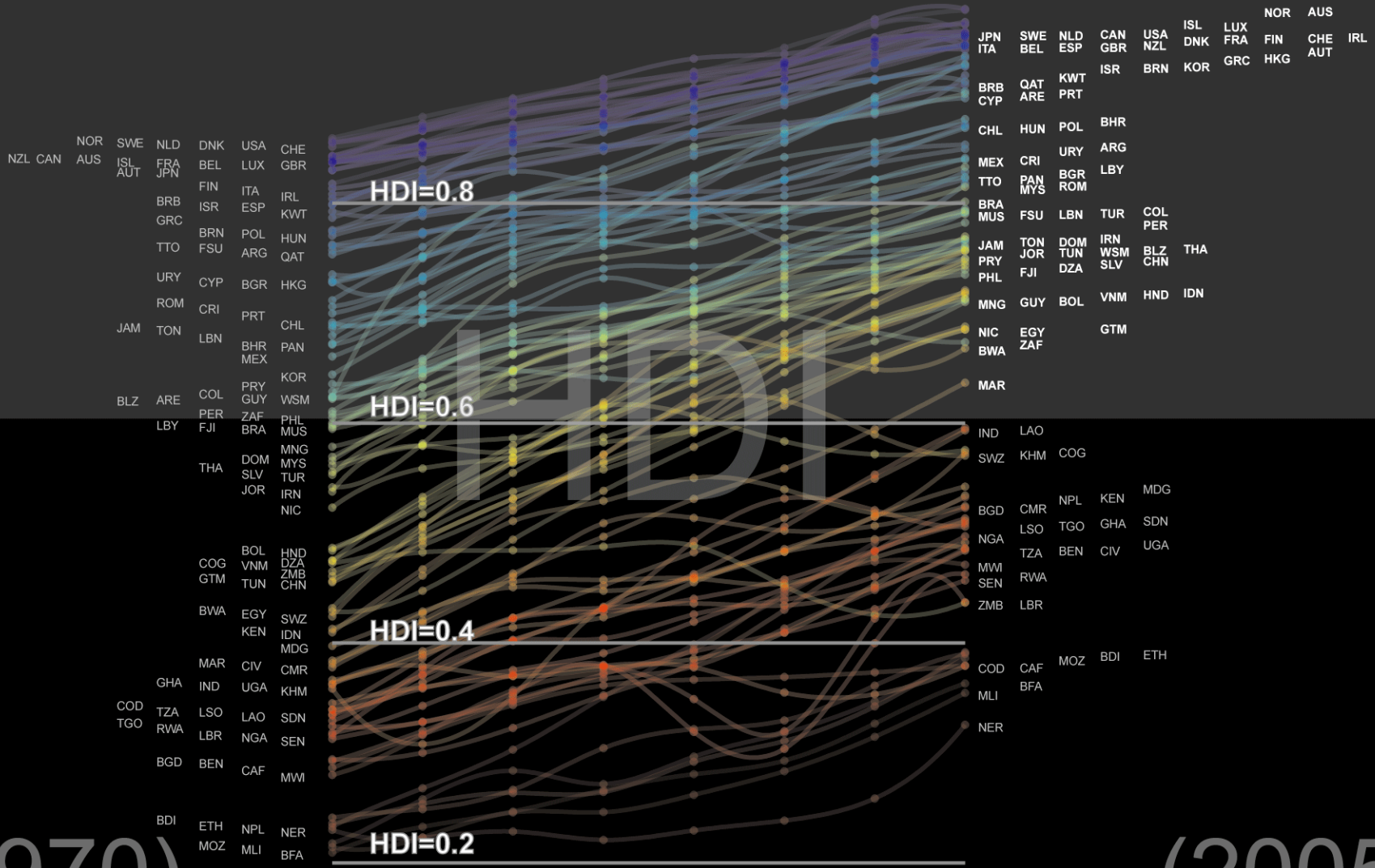
1. Assessing progress – an HDI lens
2. Beyond the HDI

Assessing world progress – HD(I) lens

- Dramatic improvements in measured human development since 1990
 - Average increase = $.575 \rightarrow .653$, = 14% (Africa: $.194 \rightarrow .251$; 29%)
 - Number of countries in low HDI category: 43 \rightarrow 24
 - Countries above $.9$ (very high) : 0 \rightarrow 31

HDI=1

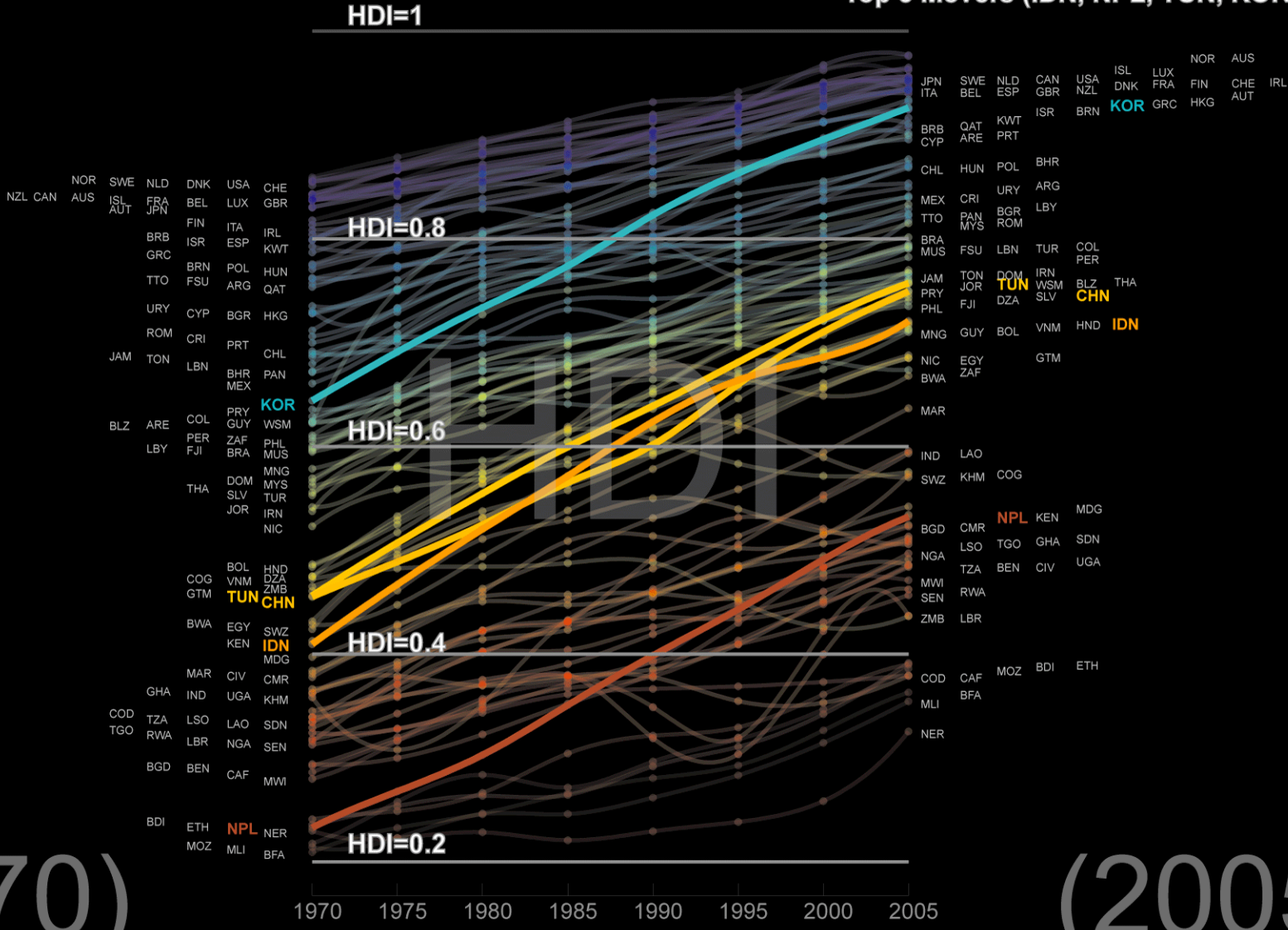
79 Countries (71%) are above the 1970 median



(1970)

(2005)

Top 5 Movers (IDN, NPL, TUN, KOR, CHN)



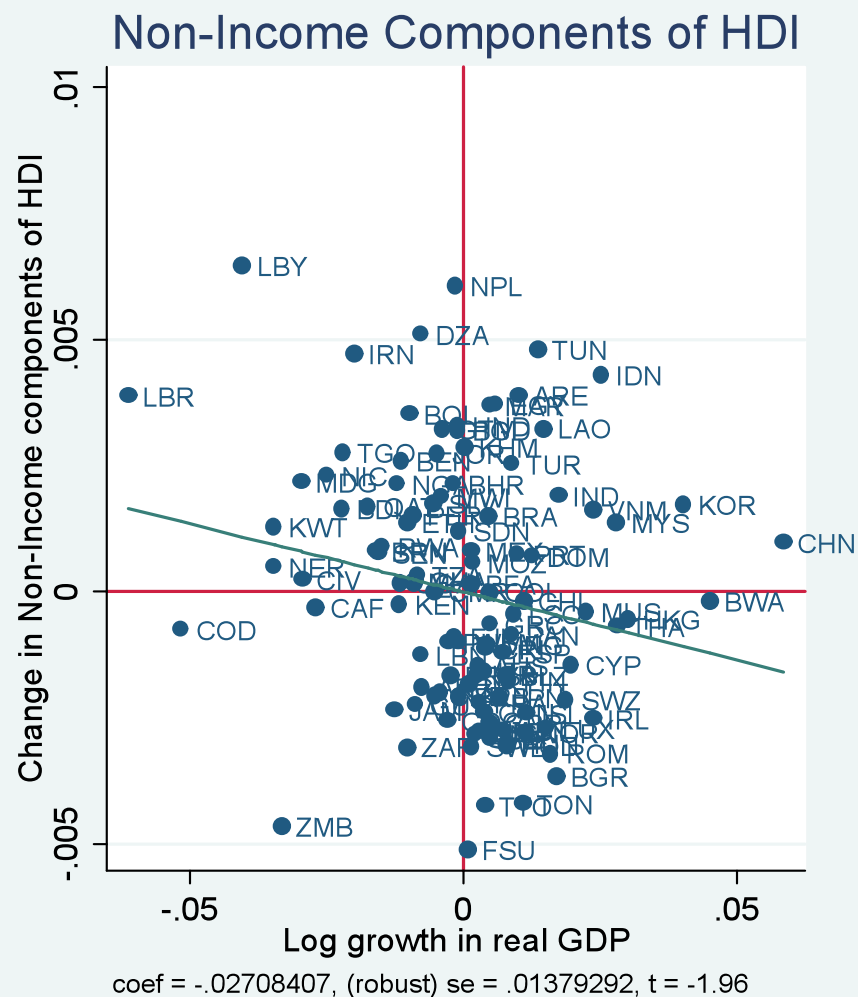
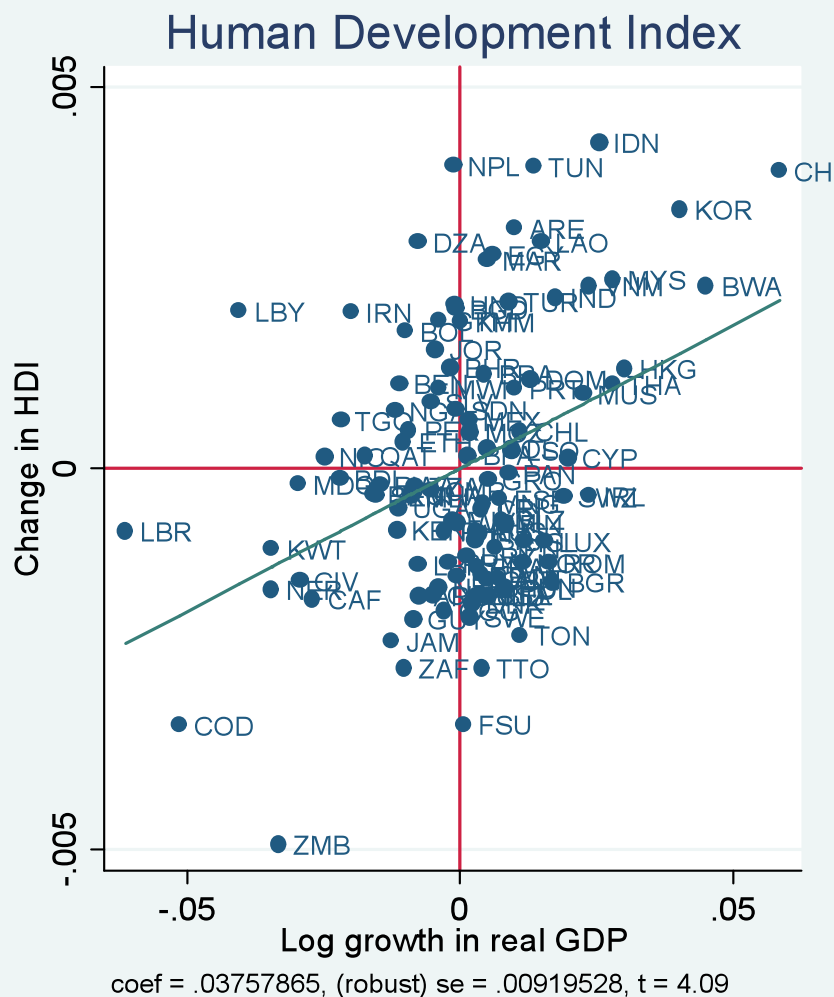
(1970)

(2005)

What do HDI success stories tell us?

- Economic growth does not explain much of the changes : weak correlation between changes in HDI and economic growth since 1970,
 - Negative (-.19) for changes – but very positive for levels (0.87).
 - Convergence in HDI, though not in growth.
- Complex interactions between income distribution, social expenditures and the level of development
 - Calls for a deeper assessment of drivers of human development, and of policies and institutions.

Relationship between GDP growth and HDI and non-income HDI changes, 1970-2007



A story of progress?

- Growing incomes explains part, but not all
 - A number of countries with negative economic growth increased non-income HDI.
 - In health, public infrastructure, immunization campaigns, targeted programs, and spread of knowledge all seem to have had an effect.
 - In education, a massive expansion in supply of teachers and schooling infrastructure.
- How would the picture change with a broader story of human development (beyond the HDI) ?

Need richer measures to reflect the complexity of the concept

Empirical measure	Components of Human Capability				
	Material	Education	Health	Political	Social
Deprivation	<i>Human Poverty Index</i>				
Typical Level	<i>Human Development Index</i>				
Volatility					
Inequality	<i>Gender Development Index</i>			<i>GEM</i>	

Based on Pritchett 2010

Behind average improvements, significant heterogeneity, often persistent inequality – need to understand drivers and role of policy

- Overall improvements in child health indicators, but inequalities persist based on families' socio-economic characteristics (WB, based on DHS for 60 countries, 2005).
- Europe – mortality higher for lower income, educational and occupational status = likelihood of dying 25-50% higher (Mackenbach, 2006).
- Improved gender parity in education, but still barriers for girls from poor and rural households

Economic Inequality

Highest levels of economic inequality are Africa and LAC (WDR, 2006).

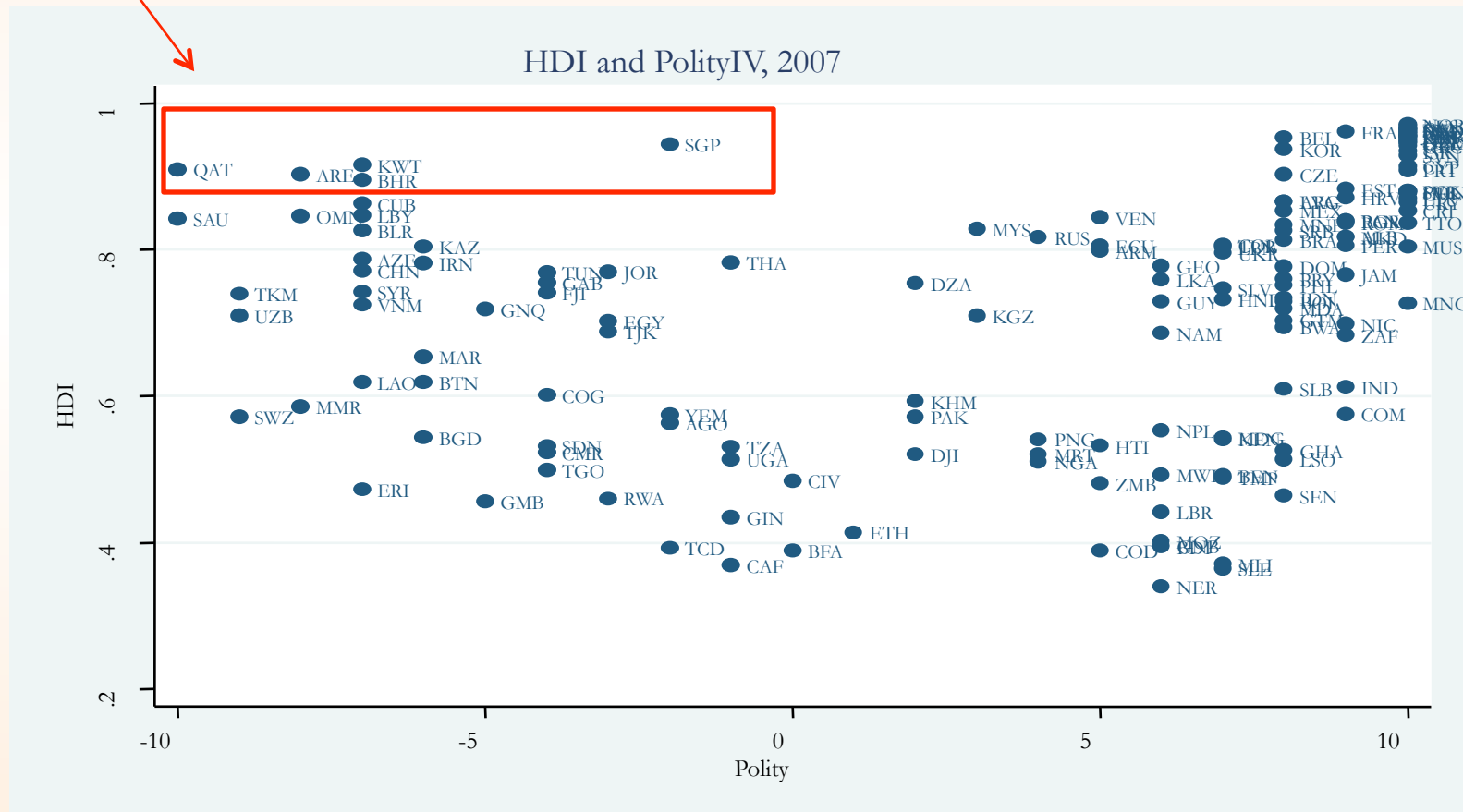
Regional trends since 1990:

- OECD - 14 out of 19 countries studied by OECD (2008) increased Gini between 1985-2005, the largest increases in Norway, Finland and Sweden (from low base) and Italy and Germany (from high base). (Stewart, 2010).
- East and SE Asia - mixed patterns – sharply higher in China and Thailand ; stable for South Korea and falling for Malaysia and Lao (Minquan Liu, 2010).
- South Asia – traditionally low inequality reported, but severe data constraints. Significant increases since 1990 including in Bangladesh, Nepal, and Sri Lanka.
- LAC - increase in inequality in most countries during 1980s, slowed for 1990s. Brazil and Mexico's inequality fell slightly in 1990s (De Ferranti et al., 2004).
- EE and CIS countries – from low initial levels in early 1990s, sharp increase in wage and income inequality, later stabilized (Brainerd, 2010).

What about political freedom?

No clear relationship between democracy and HDI

Very high HDI, negative Polity scores



**Updating the HDR02 Balance Sheet:
Democracy and Participation**

1990

2009

*International Covenant on Civil and Political Rights,
signature or ratification*

180 nations

261 nations

Countries labelled 'most democratic' (Polity IV, 111 countries)

49 countries

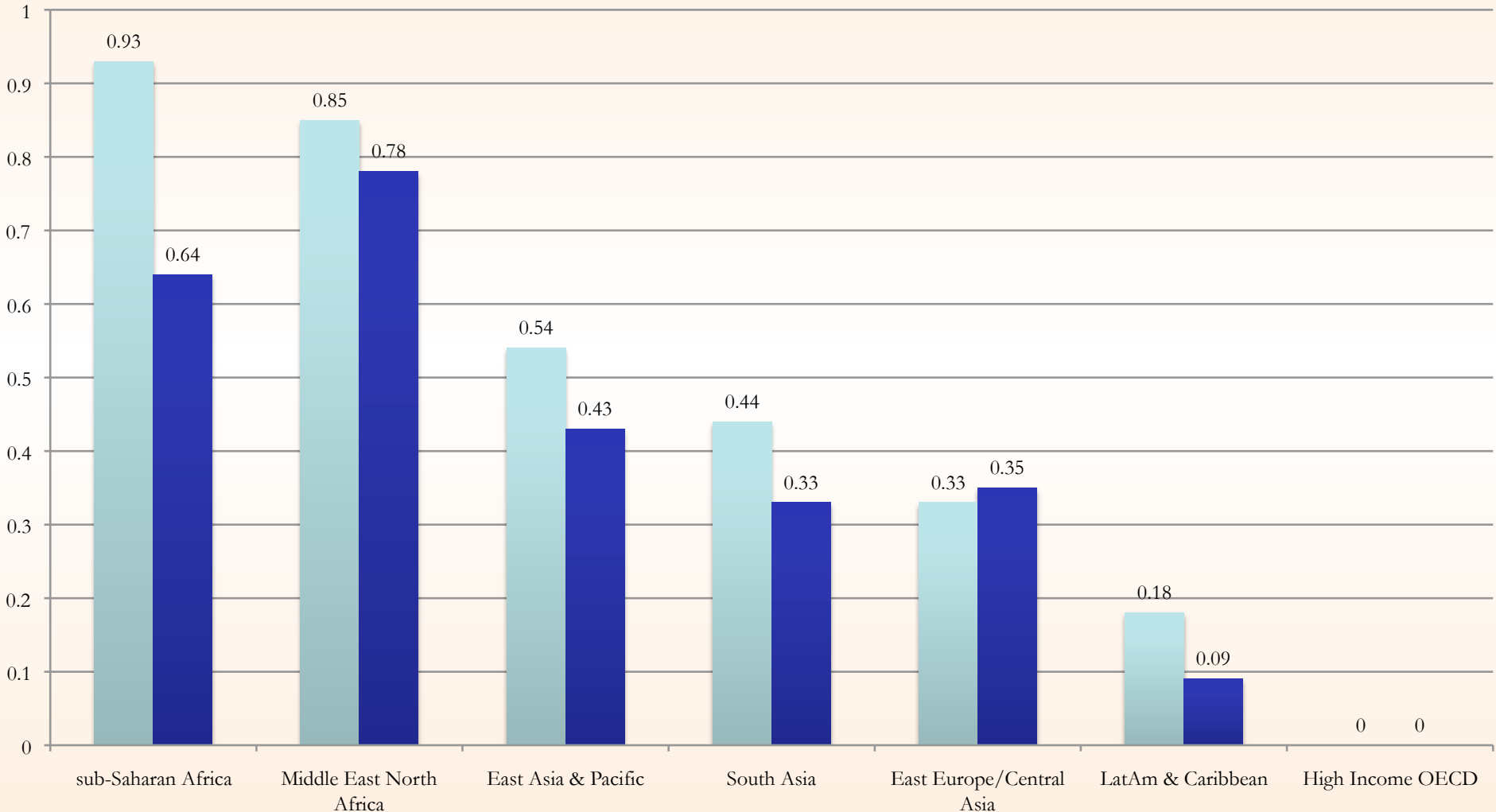
66 countries

Internet users

3 million

1.7 billion

Increased democratization though still autocracy in some regions

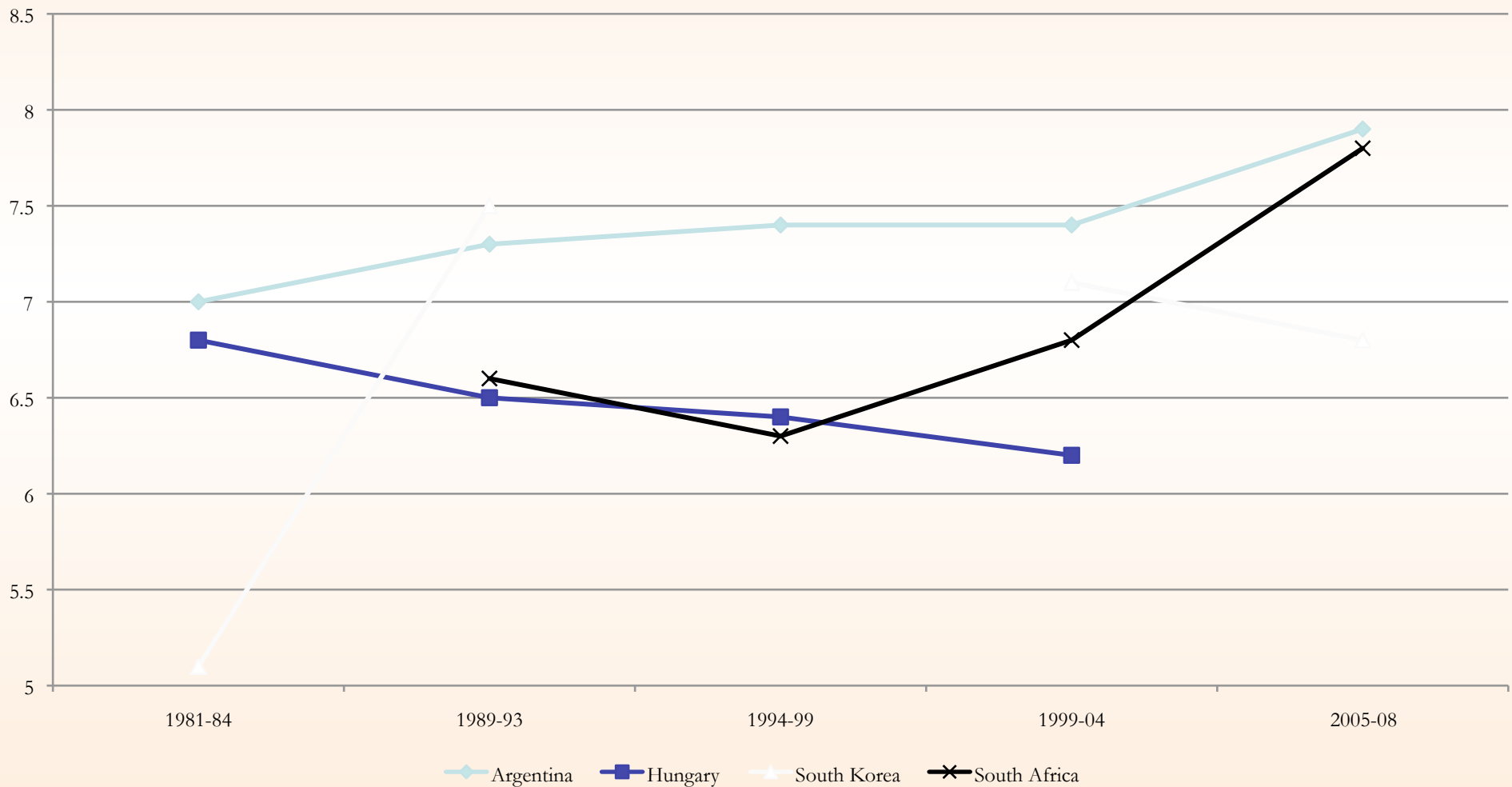


0 = all democracy, 1 = all dictatorships
Figures are average for countries in region

■ 1990 ■ 2008

Computed from Cheibub et al. Democracy-Dictatorship dataset, <https://netfiles.uiuc.edu/cheibub>

Data on agency is patchy but some interesting country trends

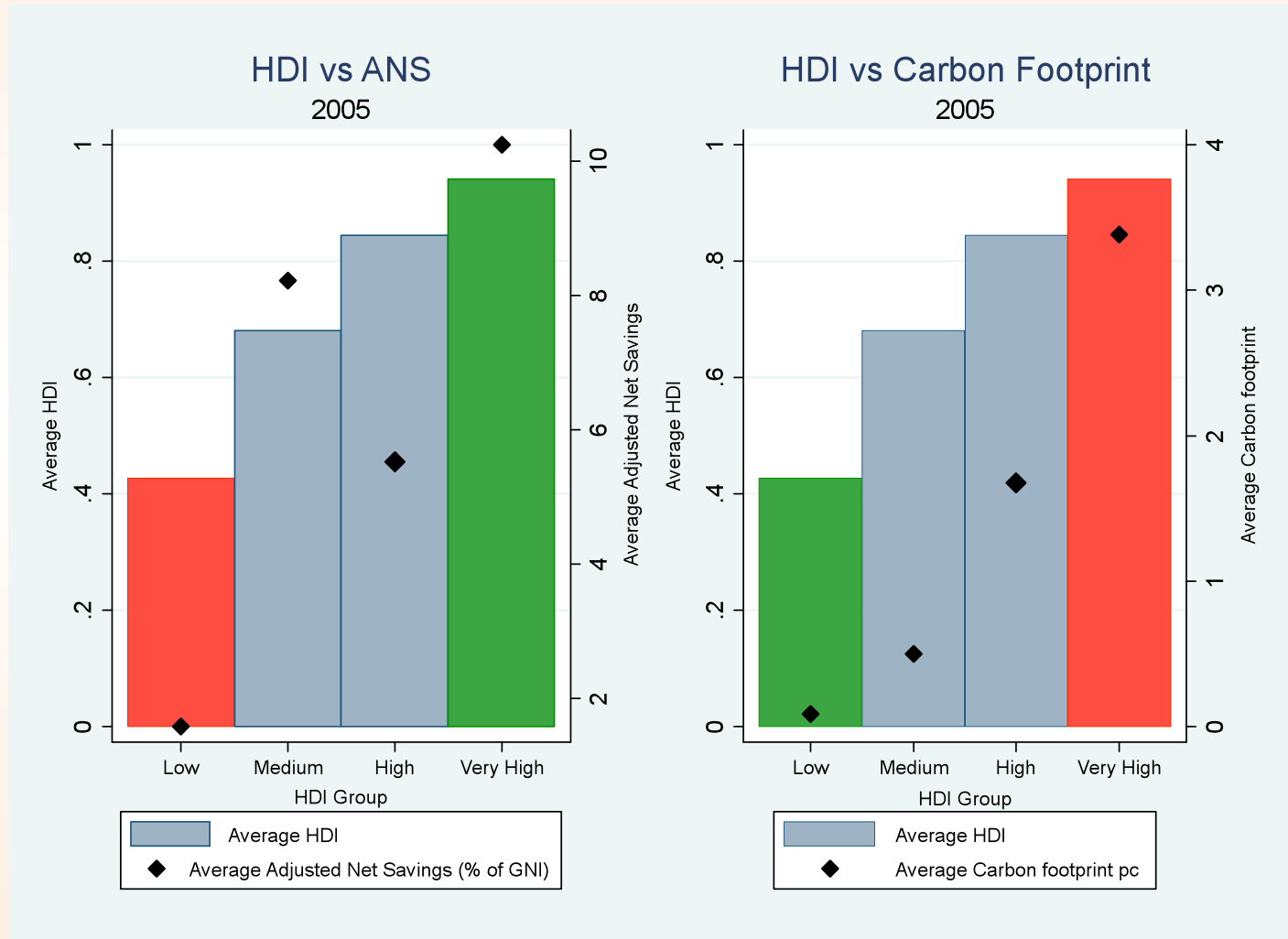


Computed from World Values Survey data, www.worldvaluessurvey.org

What about sustainability?

- In the capabilities framework, the best way to think about sustainability is in terms of stewardship. Other approaches require discounting of capabilities which is at odds with our basic framework.
- The resources that we leave to future generations must be measured in terms of their capacity to generate capabilities – hence criteria like ANS, to the extent that they are designed to capture only the sustainability of consumption, are incomplete.
- The most pressing and urgent threat to human development is not sustainability generally, but climate change → concepts of strong sustainability (applied to environment, e.g., carbon footprint) so that not substitutable via eg financial savings
- Deciding on a criteria of sustainability also implies deciding whether to attribute to consumers or to producers the responsibility for the environmental damage created by their decisions -- difficult to determine, and leads to very different results.
- If sustainability of the world is a public good, the responsibility for generating unsustainability is in principle shared among all – thus one should search for some type of intermediate attribution.

Sustainability measures and HDI



Prospects

1. Robustness of the concepts
2. Policy relevance ?
3. Future prospects?

Ensuring robustness of the conceptual underpinnings

Defining human development

Human development is a process of enlarging people's choices. The most critical ones are to lead a long and healthy life, to be educated and to enjoy a decent standard of living. Additional choices include political freedom, guaranteed human rights and self-respect — what Adam Smith called the ability to mix with others without being “ashamed to appear in publick” (box 1.1).

→ Over time, “enlarging people's choices” became the most commonly used definition in the HDRs

.... BUT perhaps too summary

Tentative restatement: *“Human Development is a process of enlarging people's freedoms to do and be what they value in life, and empowering people to actively engage in development processes. ..*

People, individually and in groups, both benefit from human development, and enable and enrich human development. “

Deepening the policy agenda

Continuing tension: global report but one size definitely does NOT fit all

Detailed policy prescriptions do not make sense... but key principles can be outlined for local debate, contextualisation and follow-up

Need to go beyond state vs market, left vs right...

→ Focus – on well-functioning of markets, direct interventions and empowerment – and inter-relations. Possibility of positive synergies, or malaise affected by capture, corruption....

Policy directions

Major flaws in contemporary markets warrant attention – but not simply a question of more regulation

- Direct intervention – progressive taxation and expenditures
- Institutions and regulations to improve market functioning and outcomes
- Increased responsiveness of national and local polities
- Overcoming systemic disadvantage – gender/ group based

NHDRs and Policy Debates

Key factors of influence:

- Focus on critical issues for the country/region
- Engagement of national experts and key stakeholders
- Convincing data and perspectives, rigorous analysis and sound methodologies.

Measurement innovations

- Argentina HDR 2002: Extended HDI → qualitative measurements of infant mortality, unemployment and education to identify social and geographical inequalities → EHDH used for policy implementation and local strategies.
- India, Bankura District HDR2007: HD radars → attainment in 8 indicators → better understanding of migration and food security

Policy Influence at the national level

Highlighting previously neglected groups/ topics

CEE HDR 2003: first Roma large-scale household survey in 5 countries → reference for the “Decade of Roma Inclusion”

Turkey 2008 report on youth

Linked to budgets

Brazil HD Atlas → HDI used to allocate resources to groups, municipalities and states most in need.

Enhancing national capacities for policy analysis

- India: HDRs mandated at the provincial level by the tenth (2004-07) and eleventh (2008-12) national development plans → HDRs commissioned by local authorities, prepared in collaboration with local experts and with the involvement of local populations.

In sum,

Key traits – strengths which also underline robust prospects:

- Seeks expansions -- open-ended
- Always needs to be specified by context and public debate to translate into concrete national and local policies
 - e.g. Mumbai disaggregated HDI used for 2010-11 budget
- Requires participation to translate into concrete goals
- Includes all people – while focused on the poor
- All countries

→ Relevant, across years, ideologies, cultures, classes....

→ Relies on clear reasoning and common sense, not dogmas.

→ Not a fad, rising with excitement then falling out of fashion – but robust and vibrant to help provide a new mindset for a new century.