



## The UN and Human Development

The vision of “putting people at the centre of development” has long been a theme of the United Nations, but one whose priority and practical importance has waxed and waned. The Preamble of the UN Charter referred to the dignity and worth of the human person, equal rights of men and women, and the need to promote social progress and better standards of living in larger freedom. Human goals were embodied from the beginning in the articles of association of several of the UN’s specialized agencies. Notwithstanding these ambitions, the UN for many years failed to develop an integrated intellectual framework for a human-centered approach to economic and social development.

The first time that an operational and intellectually coherent vision of a people-focused development strategy emerged was in the 1970s, when the ILO World Employment Programme developed a strategy for meeting basic needs. This strategy emerged from careful analyses at country level of problems of employment, poverty, and inequality in a dozen or more countries. Comprehensive employment strategy missions visited Colombia, Sri Lanka, Kenya, the Philippines, Sudan, and other countries, while their conclusions were generalized by an ambitious research program. This led to the preparation of a synthesis of required actions that became embodied in *Employment, Growth and Basic Needs: A One World Problem*, the basic document submitted to the 1976 ILO World Employment Conference.

After that conference, the basic needs strategy surged to global attention. Meeting basic needs or basic human needs became the dominant development priority, capturing the attention of donors and winning the support of World Bank president Robert McNamara and others in positions of international leadership.

In spite of this early and rapid rise to prominence, the basic needs strategy disappeared from the political scene within five years. Its demise in the early 1980s was the result of a return to economic orthodoxy, which was driven by three factors: the rise of Thatcherism and Reaganism in developed countries, the onset of world recession, and banking policies designed to ensure that

developing countries repaid their debts. Structural adjustment dominated economic policymaking in Latin America and Africa during the 1980s and much of the 1990s. Structural adjustment priorities became a condition for receiving support from the Bretton Woods institutions but were also reinforced by donors who coordinated their own support around these policies.

In 1990, partly in response to this inhospitable environment, the UNDP launched the first annual Human Development Report (HDR), which promoted a comprehensive vision of a people-focused strategy as an alternative to neoliberal analysis and policy. The reports of the series brought the concept of human development to worldwide attention and gave it economic breadth and philosophical depth. They also attracted exceptional media attention, in both developed and developing countries. In addition to presenting a new paradigm for economic and social development, successive reports expounded the approach in relation to key areas: inequality, public finance, participation, gender, economic growth, globalization, technology, culture, human rights, and other domains.

Within a year or two, many individual countries began producing their own human development reports, applying the paradigm to their own national problems and policies. By now, well over 600 such national Human Development Reports have been produced in some 140 countries. In addition, a number of regional Human Development Reports have been issued, most notably four outspoken reports for the Arab region and a series of annual regional reports for South Asia prepared by the Mahbub ul Haq Human Development Centre in Islamabad. Numerous books and articles about human development have also appeared, and the *Journal of Human Development* has been published regularly since 2000. The International Association for Human Development and Capabilities now has a membership approaching a thousand members in some seventy countries that explores a broad range of development issues and undertakes research.

## What is Human Development?



Human development was formally defined in the first *Human Development Report* as “a process of enlarging people’s choices. The most critical of these wide-ranging choices are to live a long and healthy life, to be educated and to have access to resources needed for a decent standard of living. Additional choices include political freedom, guaranteed human rights and personal self-respect” (1).

In later reports and in work outside the UN, the concept has been refined and elaborated. For example, human development as a paradigm now emphasizes broadening choices and strengthening capabilities, based on conceptual and analytical work by Nobel laureate Amartya Sen and Martha Nussbaum, among many others.

In explaining capabilities, Sen has stressed the contrast between the great things that human beings can achieve and the limited lives most women and men end up having. This tension is a starting point for the human development approach, which, in his “Foreword” to Sakiko Fukuda-Parr and A.K. Shiva Kumar’s edited volume *Readings in Human Development* (2003), he underlines, “draws on the magnificence of human potentiality amidst the widespread experience of narrowly circumscribed lives. Lack of schooling, meager healthcare, inadequate economic opportunities, violation of political liberties, denial of civil rights, other hostile winds can totally frustrate human beings despite their potential to ‘ascend on the wings’” (vii).

An important contrast is thus between *economic* prosperity and *human* development—between economic achievements measured by GNP per capita and human achievements measured by a range of human indicators. Although there is a weak correlation between the two, the data shows that many developing countries do poorly on many social and human rights indicators in spite of achieving reasonable rates of economic growth—and vice versa. Countries can make significant progress in human development even with slow economic growth, at least for a decade or so. Notwithstanding such evidence, the pursuit of economic growth is typically taken as the central goal of economic policymaking. In contrast, the human development approach concentrates on people-focused objectives and emphasizes that economic and political actions should be treated

as means to these human ends, not as ends in themselves.

## Indicators of Human development

To draw attention to these ends, the Human Development Report now uses four key indicators:

- HDI, the Human Development Index: a summary of human development in a country that measures the average achievements of people along three dimensions: living a long and healthy life, as measured by life expectancy at birth; being knowledgeable, as measured by a combination of the adult literacy rate and the combined enrollment ratio in primary, secondary, and tertiary education; and having access to a decent standard of living, as measured by an index of income per capita (GDP measured in PPP US\$ to achieve international comparability).
- GDI, the Gender-related Development Index: an indicator that adjusts the average HDI achievement to reflect inequalities between men and women along the three basic dimensions.
- GEM, the Gender Empowerment Measure: an indicator that focuses on the opportunities open to women. It measures inequality of opportunities in three areas: political participation and decision making; economic participation and decision making; and power over economic resources.
- HPI, the Human Poverty Index: an index that measures deprivations along the basic dimensions of human development. It combines the proportion of people in a country expected to die at a relatively early age (40 years in developing countries, 60 years in developed countries); illiteracy; and poor access to the overall economic resources needed for a decent standard of living.

Human development indices were one of the innovations of the reports; they deliberately shifted attention from an exclusive preoccupation with economic indicators such as GNP per capita to human indicators. Although



aspects of these indicators can be criticized—as can all composite indicators—Mahbub ul Haq’s justification, as noted by Sen in his special contribution to the *Human Development Report 1999*, is worth quoting: “We need a measure of the same level of vulgarity as GNP—just one number—but a measure that is not as blind to social aspects of human lives as GNP is” (23).

## Basic Needs, the Precursor

The ILO’s pioneering work on basic needs in the 1970s helped lay the foundation for the human development approach two decades later. Both were—and still are—broad ranging and comprehensive strategies for economic and social development that provide a framework for analysis and guidelines for policy. In some respects, the basic needs approach has the edge in being more easily understandable and readily operational and the human development approach has the edge in having greater breadth of applications and more robust philosophical foundations.

As a dynamic strategy for development, the basic needs approach prioritized ensuring that the poorest group of each country should achieve a minimum standard of living within a defined time horizon—originally the end of the twentieth century, which was about twenty-five years from when the basic needs strategy was first formulated. The strategy required a country to give attention to two elements of basic needs: ensuring the provision of certain minimum requirements of a family for private consumption (adequate food, shelter, and clothing); and, ensuring that essential services were provided by and for the community at large (safe drinking water, sanitation, public transport, health, and education). Participation and human rights were included in the definition of basic needs.

Meeting basic needs was presented as universal, applicable to all countries, a rare and new feature for the time and one repeated in the human development approach. The World Employment Programme stressed that a strategy of fast economic growth and redistribution of the fruits of growth had to be backed up by international policies that covered elements of international trade, development assistance, foreign direct investment, migration policies, technological innovation for developing

countries, and policies toward multinational enterprises.

The ILO World Employment Conference in 1976 considered the basic needs strategy and agreed on many follow-up actions for both individual countries and the international community. In spite of some bitter ideological differences, a remarkable and unusually broad consensus developed for the implementation of the strategy. After the election of President Jimmy Carter, the U.S. Agency for International Development (USAID) also began to promulgate the basic human needs approach.

For five years, it seemed that these bold initiatives would be undertaken. Many donors individually and in Organisation for Economic Co-operation and Development forums expressed support for basic needs priorities—so much so that some developing countries began to be suspicious of their intentions. World Bank president Robert McNamara, encouraged by Mahbub ul Haq, who at that time was his senior adviser, and some other senior staff expressed interest and support. Yet before serious programs could get under way, the international mood turned very negative. Both Margaret Thatcher and Ronald Reagan brought a sharp swing to monetarist and more traditional economic policies with too little social conscience and too much ideological opposition to state help. Moreover, the economic climate was deteriorating as a result of the second round of increases in oil prices in 1979. An economic slowdown became a recession. The earlier support (at times even euphoria) for basic needs went into reverse because of the single-minded focus on economic policies of stabilization and adjustment.

The result was that mainstream development thinking and policy shifted to an unwavering focus on economic growth, justified by the belief that economic indicators were and ought to be at the core of development. Much of this still continues. Many still argue that economic growth will generate the other things necessary for people to live the good life. The appeal of “trickle-down” economics—like neoclassical economics—is not just the analytical strength of the economic theory, which was developed in some of the world’s best universities, but also the way that its priorities match the economic and political interests and



ideology of the major powers and more developed countries.

During the 1980s and 1990s, the focus of mainstream economic ideology was reinforced by structural adjustment conditionalities. These imperatives were force-fed to developing countries that were in need of loans from the Bretton Woods institutions. The results were devastating, especially for the majority of the least-developed countries and were thus adopted by the majority of countries in Africa and Latin America. In the last few years, economic research has made clear that the cost of these policies was high in terms of their negative effects on economic growth and education, health, and other social services. Moreover, the ongoing global economic crisis, brought on by excesses in the financial and banking sectors of developed countries, has shown the severe costs of failing to exercise adequate supervision and regulation of free markets.

## Significance for the UN System

The most important contribution of the human development approach for the UN as a whole is that it brought together and integrated the four fundamental ideas on which the world body had been founded: peace and negotiation in place of war and conflict; sovereign independence; economic and social development to achieve higher living standards; and human rights for all. Although each of these was central to the Charter, each largely became a separate pursuit, both operationally and conceptually, during the UN's first four decades.

Human development has shown how these four fundamental ideas are integral parts of a more holistic approach to development, a comprehensive perspective that combines human rights, economic and social advance, self-determination, peace and human security, and participation and empowerment. Human Development Reports have analyzed these links and interconnections. This holistic approach to human development has underlined why and how the four need to be pursued together. This was an important intellectual leap forward.

The human development approach is still far from accepted throughout the UN system, many parts of which treat human development as little

more than the ongoing theme of UNDP's annual report. Even within the UNDP, human development was initially treasured as much for the publicity that the report launches gathered each year as for the content of the HDRs. Gradually, however, the messages of the reports have gained influence, reinforced by the involvement of field offices in the 140 countries where national Human Development Reports have been prepared.

## Missed Opportunities and Critiques

If we move from ideas to implementation, human development as an integrating frame for UN operations still exists more as a hope and a vision than as a reality. Too often, UN agencies fail to see its relevance as an analytical framework within which their own operations could be set. UNDAF, the UN Development Assistance Framework, is still the formal frame within which country-level activities of various UN agencies are to be coordinated. The UNDAF is useful for coordinating the various components of UN programs but not for establishing a coherent human development strategy. The missed opportunities are all the greater when the UN fails to show how the objectives and programs of peace, economic and social development, and human rights go well beyond the narrower economic philosophies and more limited objectives of the Bretton Woods institutions.

Human development is still too often seen as little more than sectoral concerns with education, health, and nutrition—which is what the World Bank means when it uses the term. The infinitely broader and richer meanings of human development, as developed by Sen and Haq and presented in the annual Human Development Reports, are missing.

More serious is the failure to develop a clear, comprehensive, and positive macro-economic strategy within which UN member states and agencies can pursue human development goals. True, priorities for finance, consumption, distribution, economic growth, and other aspects of national and international macro-development policy have often been analyzed in human development reports. But this ensemble still falls short of a coherent presentation of a comprehensive macro-economic strategy toward



human development. In comparison, the basic needs approach not only had a twenty-five-year strategy but objectives that were both easy to understand and convincing to those concerned with ending poverty.

In this respect, the Millennium Development Goals (MDGs) are a mixed blessing. The consensus established in the 1970s for meeting basic needs transmogrified—after two or three decades of structural adjustment—into a consensus for meeting the MDGs by 2015. These goals were essentially a UN creation that grew out of the long experience of the world organization in proposing goals and using them as guidelines for their own operations. But in one key respect the MDGs missed a major element—a macroeconomic strategy. This was *de facto* left to the Bretton Woods institutions, with the IMF in particular having a critical behind-the-scenes role.

The result is that the prevailing macroeconomic strategy largely continues along conventional neoliberal economic lines in which the concept of redistribution with growth is largely absent. Even policies for accelerating economic growth are often missing from the economic orthodoxy of the Washington consensus. In contrast, accelerated economic growth *with redistribution* was an integral element of the macroeconomic strategy for meeting basic needs in the 1970s.

The question should also be asked why the human development approach—in spite of huge media and public attention—has not succeeded in generating large-scale attention among social scientists, national and international civil servants, and politicians. Why are the First UN and the Second UN not more involved? And why are more members of the Third UN not on the barricades to press for the implementation of this ideal?

The approach has received strong support from many NGOs and social scientists (outside the economics profession) but not beyond. There are several possible explanations. Many take human development as goals but give too little attention to the policy implications that come with the goals. Although the Human Development Reports have explored policy linkages, the public attention given to the goals and indicators too readily dominates the message.

## Conclusion

The strength of the human development approach lies in its focus on broadening choices and strengthening human capabilities and its concern with issues neglected by neoliberalism, such as care for children and the aged and gender equality and intra-household income distribution. These concerns are important for strengthening human values and capabilities. But they do not fit easily or reasonably in a neoliberal framework, which focuses on maximization of returns and market efficiency.

Sharp differences exist in the modalities of human development compared to neoliberalism. The human development approach emphasizes three areas of concern. First, it underlines the need for the inclusion of a broader group of governmental and nongovernmental actors in decision-making processes. In government, policymaking cannot be left to economic and financial decision makers alone. Other ministries or departments, particularly those concerned with nutrition, health, and education, need to be a part of the process. Outside of government, local communities need to be included to ensure a human focus and a clear understanding of available options.

Second, the human development approach broadens the scope of indicators used to monitor development. In place of neoliberalism's sharp focus on economic and financial indicators as a means to human ends, human development relies on a wider range of human and social indicators that are given primary place as ends in themselves. Thus special importance is given to indicators that track the human situation: life expectancy, nutritional status, and ultimately of well-being and happiness. In this regard, human development is similar to the basic needs approach of the 1970s.

Third, there are differences in the two approaches that reflect different attitudes toward international policy. The urgency of human development needs requires stronger international action and more rapid and flexible support, financially in access to markets and in other forms such as peace operations. Moreover, the values and principles at the heart of the human development approach extend far beyond neoliberalism's preoccupation with



economic efficiency and include human rights, justice, and human solidarity.

Such human development priorities are not unrealistic, although some observers dismiss them as such. Examples of the implementation of virtually every element of the human development approach can be found somewhere in recent years at a reasonable cost and often with considerable success. Human development is closely aligned with the human rights commitments that most governments have adopted. Nevertheless, it is true that human development as a paradigm has yet to be fully grasped, even within the United Nations.

Human development not only matches the values and needs of the world organization at present but it also provides a framework that is well adapted for the future. Ongoing challenges in the twenty-first century include global warming and other environmental problems, extreme inequality within and between countries, and the widespread need for more inclusive democracy in countries around the globe. There is also a need to shift from military to human security. Human development provides a framework within which such issues can be explored, their implications analyzed, and policies adopted within countries and internationally.

In brief, the human development framework establishes priorities to guide the UN and its member states in their responses to present and future needs, nationally and internationally. Taking it more seriously as the basis for action is one of the challenges for the world body in the years ahead.

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