Human Development Report 2016 Team

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Foreword

Human development is all about human freedoms: freedom to realize the full potential of every human life, not just of a few, nor of most, but of all lives in every corner of the world—now and in the future. Such universalism gives the human development approach its uniqueness.

However, the principle of universalism is one thing; translating it into practice is another. Over the past quarter-century there has been impressive progress on many fronts in human development, with people living longer, more people rising out of extreme poverty and fewer people being malnourished. Human development has enriched human lives—but unfortunately not all to the same extent, and even worse, not every life.

It is thus not by chance but by choice that world leaders in 2015 committed to a development journey that leaves no one out—a central premise of the 2030 Agenda. Mirroring that universal aspiration, it is timely that the 2016 Human Development Report is devoted to the theme of human development for everyone.

The Report begins by using a broad brush to paint a picture of the challenges the world faces and the hopes humanity has for a better future. Some challenges are lingering (deprivations), some are deepening (inequalities) and some are emerging (violent extremism), but most are mutually reinforcing. Whatever their nature or reach, these challenges have an impact on people's well-being in both present and future generations.

At the same time, however, the Report reminds us what humanity has achieved over the past 25 years and gives us hope that further advances are possible. We can build on what we have achieved, we can explore new possibilities to overcome challenges and we can attain what once seemed unattainable. Hopes are within our reach to realize.

Given that broader context, the Report then raises two fundamental questions: who has been left out in progress in human development and how and why did that happen. It emphasizes that poor, marginalized and vulnerable groups—including ethnic minorities, indigenous peoples, refugees and migrants—are being left furthest behind. The barriers to universalism include, among others, deprivations and inequalities, discrimination and exclusion, social norms and values, and prejudice and intolerance. The Report also clearly identifies the mutually reinforcing gender barriers that deny many women the opportunities and empowerment necessary to realize the full potential of their lives.

To ensure human development for everyone, the Report asserts that merely identifying the nature of and the reasons for the deprivation of those left out is not enough. Some aspects of the human development analytical framework and assessment perspectives must be brought to the fore to address issues that prevent universal human development. For example, human rights and human security, voice and autonomy, collective capabilities and the interdependence of choices are key for the human development of those currently left out. Similarly, quality of human development outcomes and not only quantity, going beyond the averages and disaggregating statistics (particularly gender-disaggregation)—must be considered to assess and ensure that human development benefits reach everyone.

The Report forcefully argues that caring for those left out requires a four-pronged policy strategy at the national level: reaching those left out using universal policies (for example, inclusive growth, not mere growth), pursuing measures for groups with special needs (for example, persons with disabilities), making human development resilient and empowering those left out.

The Report rightly recognizes that national policies need to be complemented by actions at the global level. It addresses issues related to the mandate, governance structures and work of global institutions. It draws our attention to the fact that even though we have grown accustomed to heated debates winding up in gridlock at the national, regional and global levels, underneath the rumble of all that, consensus has been emerging around many global challenges to ensure a sustainable world for future generations. The landmark Paris
Agreement on climate change, which recently came into force, bears testimony to this. What was once deemed unthinkable must now prove to be unstoppable.

The Report complements the 2030 Agenda by sharing the principle of universalism and by concentrating on such fundamental areas as eliminating extreme poverty, ending hunger and highlighting the core issue of sustainability. The human development approach and the 2030 Agenda can be mutually reinforcing by contributing to the narrative of each other, by exploring how human development and Sustainable Development Goal indicators can complement each other and by being a forceful advocacy platform for each other.

We have every reason to hope that transformation in human development is possible. What seem to be challenges today can be overcome tomorrow. The world has fewer than 15 years to achieve its bold agenda of leaving no one out. Closing the human development gap is critical, as is ensuring the same, or even better, opportunities for future generations. Human development has to be sustained and sustainable and has to enrich every human life so that we have a world where all people can enjoy peace and prosperity.

Helen Clark
Administrator
United Nations Development Programme
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Selim Jahan
Director
Human Development Report Office
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Overview

Human development for everyone
Infographic 1 Human development for everyone

Capabilities and opportunities for all individuals

Today's and future generations

- Good health
- Access to knowledge
- Human rights
- Human security
- Decent standard of living
- Non-discrimination
- Self-determination
- Dignity
Overview
Human development for everyone

Over the past quarter-century the world has changed—and with it the development landscape. New countries have emerged, and our planet is now home to more than 7 billion people, one in four of them young.1 The geopolitical scenario has also changed, with developing countries emerging as a major economic force and political power. Globalization has integrated people, markets and work, and the digital revolution has changed human lives.

Progress in human development has been impressive over the past 25 years. People now live longer, more children are in school and more people have access to basic social services.2 The Millennium Declaration and the Millennium Development Goals—global commitments at the turn of the century to end basic human deprivations within 15 years—added to the momentum.

Yet human development has been uneven, and human deprivations persist. Progress has bypassed groups, communities, societies—and people have been left out. Some have achieved only the basics of human development, and some not even that. And new development challenges have emerged, ranging from inequalities to climate change, from epidemics to desperate migration, from conflicts to violent extremism.

The 2016 Human Development Report focuses on how human development can be ensured for everyone—now and in the future (see infographic 1 on the facing page). It starts with an account of the achievements, challenges and hopes for human progress, envisioning where humanity wants to go. Its vision draws from and builds on the 2030 Agenda for Sustainable Development that the 193 member states of the United Nations endorsed last year and the 17 Sustainable Development Goals that the world has committed to achieve.3

The Report explores who has been left out in the progress in human development and why. It argues that to ensure human development for everyone, a mere mapping of the nature and location of deprivations is not enough. Some aspects of the human development approach and assessment perspectives have to be brought to the fore. The Report also identifies the national policies and key strategies that will enable every human being to achieve basic human development and to sustain and protect the gains. And addressing the structural challenges of the current global system, it presents options for institutional reforms.

Key messages

This Report conveys five basic messages:
• Universalism is key to human development, and human development for everyone is attainable.
• Various groups of people still suffer from basic deprivations and face substantial barriers to overcoming them.
• Human development for everyone calls for refocusing some analytical issues and assessment perspectives.
• Policy options exist and, if implemented, would contribute to achieving human development for everyone.
• A reformed global governance, with fairer multilateralism, would help attain human development for everyone.

Human development is all about enlarging freedoms for every human being

Human development is about enlarging freedoms so that all human beings can pursue choices that they value. Such freedoms have two fundamental aspects—freedom of well-being, represented by functionings and capabilities, and freedom of agency, represented by voice and autonomy (figure 1).
• Functionings are the various things a person may value being and doing—such as being happy, adequately nourished and in good
Human development focuses on the richness of human lives rather than on the richness of economies, health, as well as having self-respect and taking part in the life of the community.

- Capabilities are the various sets of functionings (beings and doings) that a person can achieve.
- Agency is related to what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important.

Both types of freedoms are absolutely necessary for human development.

The first Human Development Report, in 1990, presented human development as a people-centred approach to development (box 1). The human development approach shifted the development discourse from pursuing material opulence to enhancing human well-being, from maximizing income to expanding capabilities, from optimizing growth to enlarging freedoms. It focused on the richness of human lives rather than on simply the richness of economies, and doing so changed the lens for viewing development results (box 2).

**BOX 1**

**Human development—a comprehensive approach**

Human development is a process of enlarging people’s choices. But human development is also the objective, so it is both a process and an outcome. Human development implies that people must influence the processes that shape their lives. In all this, economic growth is an important means to human development, but not the end.

Human development is the development of the people through building human capabilities, by the people through active participation in the processes that shape their lives and for the people by improving their lives. It is broader than other approaches, such as the human resource approach, the basic needs approach and the human welfare approach.

**Source:** Human Development Report Office.
What humanity has achieved over 25 years gives hope that fundamental changes are possible. Some of the impressive achievements have been in regions or areas that once were lagging.
Closing the human development gaps is critical, but so is ensuring that future generations have the same, or even better, opportunities.

All these promising developments give the world the hope that things can be changed and that transformations are possible. The world has less than 15 years to achieve its inspirational agenda to leave no one behind. Closing the human development gaps is critical, but so is ensuring that future generations have the same, or even better, opportunities.

And fulfilling the 2030 Agenda is a critical step towards enabling all people to reach their full potential. In fact, the human development approach and the 2030 Agenda have three common analytical links (figure 2):

• Both are anchored in universalism—the human development approach by emphasizing the enhancement of freedoms for every human being and the 2030 Agenda by concentrating on leaving no one behind.
• Both share the same fundamental areas of focus—eradicating extreme poverty, ending hunger, reducing inequality, ensuring gender equality and so on.
• Both have sustainability as the core principle.

The links among the human development approach, the 2030 Agenda and the Sustainable Development Goals are mutually reinforcing in three ways. First, the 2030 Agenda can see what analytical parts of the human development approach strengthen its conceptual foundation. Similarly, the human development approach can review the narrative of the 2030 Agenda and examine parts that can enrich it.

Second, the Sustainable Development Goal indicators can use the human development indicators in assessing progress towards the Sustainable Development Goals. Similarly, the human development approach can supplement the Sustainable Development Goal indicators with additional indicators.

Third, the Human Development Reports can be an extremely powerful advocacy instrument for the 2030 Agenda and the Sustainable Development Goals. And the Sustainable Development Goals can be a good platform
Human deprivations are dynamic. Moving above the low human development threshold does not necessarily ensure that people will be protected from emerging and future threats.

Yet basic deprivations abound among various groups of people

One person in nine in the world is hungry, and one in three is malnourished. About 15 million girls a year marry before age 18, one every two seconds. Worldwide 18,000 people a day die because of air pollution, and HIV infects 2 million people a year. Every minute an average of 24 people are displaced from their home.

Such basic deprivations are common among various groups. Women and girls, ethnic minorities, indigenous peoples, persons with disabilities, migrants—all are deprived in the basic dimensions of human development.

In all regions women have a longer life expectancy than do men, and in most regions girls’ expected years of schooling are similar to those of boys. Yet in all regions women consistently have, on average, a lower Human Development Index (HDI) value than do men. The largest difference is in South Asia, where the female HDI value is 20 percent lower than the male HDI value.

There are group-based disadvantages, as shown in Nepal. Brahmans and Chhetris have the highest HDI value (0.538), followed by Janajatis (0.482), Dalits (0.434) and Muslims (0.422). The greatest inequalities are in education, with pronounced long-lasting effects on capabilities.

Shortfalls in basic human development among various groups often persist because of discrimination. Women are particularly discriminated against with respect to opportunities and end up with disadvantaged outcomes (figure 3). In many societies women are discriminated against with respect to productive assets, such as the right to land and property. As a result only 10–20 percent of landholders in developing countries are women.

Ethnic minorities and other groups are often excluded from education, employment and administrative and political positions, resulting in poverty and higher vulnerability to crime, including human trafficking. In 2012, 51 percent of ethnic minorities in Viet Nam were living in multidimensional poverty, compared with only 17 percent of Kinh or Hoa people, the ethnic majority.

More than 370 million self-identified indigenous peoples in 70 countries also face discrimination and exclusion in the legal framework, in access to education in their own language and in access to land, water, forests and intellectual property rights.

More than a billion people are estimated to live with some form of disability and are among the most marginalized in most societies. They face stigma, discrimination and inaccessible physical and virtual environments.

Today 244 million people live outside their home countries. Many are economic refugees hoping to enhance their livelihoods and send money back home. But many migrants, especially the world’s 65 million forcibly displaced people, face extreme conditions—lacking jobs, income and access to health care and social services beyond emergency humanitarian assistance. They often face harassment, animosity and violence in host countries.

Human deprivations are also dynamic. Moving above the low human development threshold does not necessarily ensure that people will be protected from emerging and future threats. Even where people have more choices than before, there may be threats to the security of these choices.

Epidemics, violence, climate change and natural disasters can quickly undermine the progress of those who have moved out of poverty. They can also generate new deprivations. Millions of people around the world are exposed to climate-related natural disasters, droughts and associated food insecurities, subsisting on degraded land.

The deprivations of the current generation can carry over to the next generation. Parents’ education, health and income can greatly affect the opportunities available to their children.

Substantial barriers persist for universal human development

Groups of people who remain deprived may be the most difficult to reach—geographically, politically, socially and economically. Surmounting the barriers may require greater
Realizing universal human development in practice is possible, but the key barriers and forms of exclusion must first be overcome.

Fiscal resources and development assistance, continuing gains in technology and better data for monitoring and evaluation.

But some barriers are deeply embedded in social and political identities and relationships—such as blatant violence, discriminatory laws, exclusionary social norms, imbalances in political participation and unequal distribution of opportunities. Overcoming them will require putting empathy, tolerance and moral commitments to global justice and sustainability at the centre of individual and collective choices. People should consider themselves part of a cohesive global whole rather than a fragmented terrain of rival groups and interests.

Moving towards universal human development requires an awareness and understanding of the drivers and dynamics of how groups are marginalized, which inevitably varies across countries and regions. Realizing universal human development in practice is possible, but the key barriers and forms of exclusion must first be overcome (figure 4).

Whether intentional or unintentional, exclusion can have the same results—some people will be more deprived than others, and not all people will have equal opportunities to realize their full potential. Group inequalities reflect divisions that are socially constructed and sustained because they establish a basis for unequal access to valued outcomes and scarce resources. The dimensions and mechanisms of exclusion are also dynamic, as are the characteristics groups use as a basis for exclusion.
Legal and political institutions can be used and abused to perpetuate group divisions. An extreme case relates to the rights of the lesbian, gay, bisexual, transgender and intersex community in the 73 countries and five territories where same-sex sexual acts are illegal. Laws are discriminatory in other cases because they prevent certain groups from access to services or opportunities.

Some social norms can be helpful for harmonious coexistence within societies, but others can be discriminatory, prejudicial and exclusive. Social norms in many countries reduce the choices and opportunities for women and girls, who are typically responsible for more than three-quarters of unpaid family work. The presence of women as customers in cafés or restaurants may also be discouraged, and in some cases it is taboo for women to travel in public without being accompanied by a man.

Perhaps the most direct mechanism of exclusion is violence. Motivations include consolidating political power, safeguarding the well-being of elites, controlling the distribution of resources, seizing territory and resources and favouring ideologies based on the supremacy of one identity and set of values.

The top 1 percent of the global wealth distribution holds 46 percent of the world’s wealth. Inequalities in income influence inequalities in other dimensions of well-being, and vice versa. Given today’s inequality, excluded groups are in a weak position to initiate the transformation of institutions. They lack agency and voice and so have little political leverage to influence policy and legislation through traditional means.

At a time when global action and collaboration are imperative, self-identities are narrowing. Social and political movements linked to identity, whether nationalist or ethnopolitical, seem to be getting stronger. Brexit is one of the most recent examples of a retreat to nationalism when individuals feel alienated in a changing world.
Intolerance of others in all its forms—legal, social or coercive—is antithetical to human development and to principles of universalism.

Human development for everyone calls for refocusing some analytical issues

Human development involves expanding choices, which determine who we are and what we do. Several factors underlie these choices: the wide range of options that we have to choose from—our capabilities; the social and cognitive constraints and social norms and influences that shape our values and choices; our own empowerment and the agency we exercise individually and as part of groups in shaping our options and opportunities; and the mechanisms that exist to resolve competing claims in ways that are fair and conducive to realizing human potential.

The human development approach provides a systematic way to articulate these ideas. It can be especially powerful in illuminating the interplay among factors that can operate to the disadvantage of individuals and groups in different contexts.

Human rights are the bedrock of human development. Human rights offer a useful perspective for analysing human development. Duty holders support and enhance human development and are accountable for a social system’s failures to deliver human development. These perspectives not only go beyond the minimal claims of human development, but can also serve as a powerful tool in seeking remedies.

The notion of human security should emphasize a deep understanding of threats, risks and crises for joint action in the human development and human security approaches. The challenges are to balance the shock-driven response to global threats and the promotion of a culture of prevention.

Voice and autonomy, as parts of freedom of agency and freedom of well-being, are integral to human development. The primary focus of the human development approach has largely been on the freedom of well-being. But as well-being was realized, emphasizing freedom of agency has become more important.

Human development is a matter of promoting not only the freedoms of individuals, but also the freedoms of groups or collectives. For the most marginalized and most deprived people collective agency can be much more powerful than individual agency. An individual is unlikely to achieve much alone, and power may be realized only through collective action.

Identity influences agency and autonomy. People have the liberty of choosing their identities, an important liberty to recognize, value and defend. Individuals deserve options in choosing among different identities that they value. Recognizing and respecting such options are preconditions for peaceful coexistence in multiethnic and multicultural societies.

Three identity issues have implications for universal human development. First, the space for multiple identities is more limited among people who are marginalized, and those people may lack the freedom to choose the identity they value. Second, the insistence on a single irrefutable identity and the denial of reasoning and choice in selecting identities may lead to extremism and violence and thus pose a threat to human development. Third, identity groups compete for limited economic and political resources and power, and deprived and marginalized people lose out. In most cases society’s values and norms go against the most disadvantaged, with preferences often formed by social traditions of privilege and subordination. But changing values and norms can transform this bias against disadvantaged people.

 Freedoms are interdependent, and such interdependence may be reinforcing. For example, a worker exercising the freedom to green the workspace may contribute to the freedom of co-workers to have clean air. But the freedom of one may also impinge on the freedom of others. A wealthy person has the freedom to construct a multistory house, but that may deprive a poor neighbour of sunlight and an airy environment.

Limiting the freedom of others may not be the intended consequence of exercising one’s freedom, but some actions that curb others’ freedom may be deliberate. Rich and powerful groups may try to curtail the freedom of others.
Sustainable development is an issue of social justice. This is reflected in the affluence bias of the policy options in many economies, in the way the legal system is built and in the way institutions work. All societies have to make tradeoffs and, following reasoned debate, determine the principles for settling issues, dynamically, as they develop and realize a more just society.

Sustainable development is an issue of social justice. It relates to intergenerational equity—the freedoms of future generations and those of today. The human development approach thus considers sustainability to be a matter of distributonal equity, both within and across generations.

**Specific assessment perspectives can ensure that everyone is reached**

Development practitioners agree in principle that enabling all people to benefit from progress in human development demands disaggregated data on such characteristics as region, gender, rural–urban location, socioeconomic status, race and ethnicity. But they are less clear about ensuring the availability of such data. Determining which lines of disaggregation are needed to reveal inequalities along particular dimensions can be difficult without already having some understanding of society’s processes of exclusion and marginalization. And political, social and cultural sensitivities can promote exclusions and deprivations.

Disaggregating data by gender is crucial for gender equality and women’s empowerment. This is precisely why the 2030 Agenda, particularly Sustainable Development Goal 5 on achieving gender equality and empowering all women and girls, focuses on targets that facilitate gender-disaggregated data.

Even though freedom of agency is an integral part of human development, the human development approach has traditionally focused more on well-being than on agency. Just look at the HDI. But agency is inherently more difficult to measure than well-being.

The relationship between freedom of well-being and freedom of agency is generally positive. This supports the notion that the two aspects of human development, if not perfectly correlated, are complementary. In other words, societies might have achieved high average capabilities or well-being without achieving agency (in voice and autonomy).

Other measures of human well-being, such as the Social Progress Index, the World Happiness Index and the Better Life Index, can usefully assess whether well-being is reaching everyone. Some countries also support subjective measures of well-being or happiness, as with Bhutan’s Gross National Happiness Index.

Human development for everyone also implies compiling and presenting data from innovative perspectives, such as real-time data and dashboards. A dashboard approach, in colour-coded tables, can show the levels and progress on various development indicators. It can thus be effective in assessing human well-being. It also implies an inclusive process bringing in more people to generate and disseminate information using new technologies.

In 2013 the UN Secretary-General’s High-Level Panel on Sustainable Development called for a Data Revolution for sustainable development, with a new international initiative to improve the quality of information and statistics available to citizens. Big Data describes the large volume of data—both structured and unstructured—that various organizations collect using new technologies and can bring new perspectives to traditional data and statistics.
National policies to care for those left out—a four-pronged strategy

- Reaching those left out using universal policies
  - Addressing lifecycle capabilities
  - Mobilizing resources for human development priorities
  - Promoting social protection

- Pursuing inclusive growth
  - Enhancing opportunities for women

- Pursuing measures for groups with special needs
  - Promoting human development for marginalized groups
  - Using affirmative action

- Ensuring accountability
  - Upholding human rights
  - Ensuring access to justice

- Empowering those left out
  - Promoting inclusion

- Making human development resilient
  - Combating violence and ensuring people’s security
  - Maintaining human well-being in postconflict situations
  - Addressing climate change
  - Ensuring opportunities for women

Caring for those left out—national policy options
**Key policy options**

A four-pronged national policy approach can ensure that human development reaches everyone (figure 5). First, universal policies are needed to reach those left out, but practical universalism in policy is challenging. For example, a country may be committed to universal health care, but difficult geography may prevent it from establishing health care centres that are accessible to all localities. So universal human development policies need to be reoriented to reach those left out.

Second, even with the new focus on universal policies, some groups of people have special needs that would not be met. Their situations require specific measures and attention. For example, persons with disabilities require measures to ensure their mobility, participation and work opportunities.

Third, human development achieved does not mean human development sustained. Progress in human development may be slowed or even reversed because of shocks and vulnerabilities, with implications for people who have only achieved the basics in human development and for people who have yet to achieve the basics. Thus human development will have to be resilient.

Fourth, people who have been left out will have to be empowered, so that if policies and the relevant actors fail to deliver, these people can raise their voice, demand their rights and seek to redress the situation.

In a globalized world national policies for universal human development must be complemented and supplemented by a global system that is fair and that enriches human development.

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**Reaching those left out using universal policies**

Appropriate reorientation of universal policies can narrow the deficits in human development among those left out. Essential to this are pursuing inclusive growth, enhancing opportunities for women, addressing lifecycle capabilities and mobilizing resources for human development priorities.

**Pursuing inclusive growth**

For human development to reach everyone, growth has to be inclusive, with four mutually supporting pillars—formulating an employment-led growth strategy, enhancing financial inclusion, investing in human development priorities and undertaking high-impact multidimensional interventions (win-win strategies).

An employment-led growth strategy would focus on such measures as removing barriers to employment-centred development, designing and implementing a conducive regulatory framework to tackle informal work, strengthening the links between large and small and medium-size enterprises, focusing on sectors where poor people live and work, especially rural areas, and adjusting the distribution of capital and labour in public spending to create jobs.

Several measures can enhance the financial inclusion of poor people, such as expanding banking services to disadvantaged and marginalized groups, relying on simple procedures and harnessing modern technology to promote financial inclusion. In Sub-Saharan Africa 12 percent of adults have mobile bank accounts, compared with 2 percent globally.27

Investments focused on human development priorities can provide low-cost but high-quality services and infrastructure to disadvantaged and marginalized groups.

Effective access to services by poor people requires affordability in cost and adaptability in cultural practices. In Nicaragua low-cost ultrasonogram machines, which can be carried on bicycles, are monitoring the health of pregnant women.28 The presence of only male doctors in rural mother and child care centres would be a disincentive for women and girls to use the centres.

Some priority human development investments have strong and multiple impacts. Take school meal programmes, which provide multiple benefits: social protection by helping families educate their children and protect their children’s food security in times of crisis; nutrition, because in poor countries
school meals are often the only regular and nutritious meal; and strong incentive to send children to school and keep children in schools. Evidence from Botswana, Cabo Verde, Côte d’Ivoire, Ghana, Kenya, Mali, Namibia, Nigeria and South Africa bears testimony to these benefits.29

Rural infrastructure, especially roads and electricity, is another area. Building rural roads reduces transport costs, connects rural farmers to markets, allows workers to move more freely and promotes access to schools and health care clinics. Electrification in rural communities in Guatemala and South Africa has helped increase employment among marginalized groups.30

Redistributing assets can also bring those left out into the growth process. Human capital is an asset, and differences in educational attainment prevent poor people from becoming part of the high-productivity growth process. Democratizing education, particularly tertiary education, would benefit people from poorer backgrounds.

Similarly, doing things locally may bring multiple development impacts. Providing autonomy to local governments in formulating and implementing local development plans allows the plans to reflect the aspirations of local communities. Fiscal decentralization can also empower local governments to collect their own revenues and depend less on central government grants. But if the local approach is to ensure human development for those left out, it will also require people’s participation and greater local administrative capacity.

**Enhancing opportunities for women**

Gender equality and women’s empowerment are fundamental dimensions of human development. Because half of humanity is not enjoying progress in human development, such development is not universal.

Investing in girls and women has multidimensional benefits—for example, if all girls in developing countries completed secondary education, the under-five mortality rate would be halved.31 Women also need support to pursue higher education, particularly in science, technology, engineering and mathematics, where much future demand for high-level work will be.

Women also have to juggle paid employment outside the home and unpaid care work inside the home as well as balance their productive and reproductive roles. Flexible working arrangements and enlarged care options, including daycare centres, afterschool programmes, senior citizen homes and long-term care facilities, can help women broaden their choices.

Measures to encourage women’s entrepreneurship include establishing a legal framework that removes barriers to women owning land, a critical asset, especially in agriculture. So land policies, legislation and administration need to be changed to accommodate women—and the new rules must be enforced.

The glass ceiling, though cracked in many places, is far from being shattered. Gender requirements in selection and recruitment and incentive mechanisms for retention can enhance women’s representation in the public and private sectors. The criteria for promoting men and women into senior management positions should be identical, based on equal pay for equal work. Mentoring, coaching and sponsoring can empower women in the workplace by using successful female senior managers as role models and as sponsors.

**Addressing lifecycle capabilities**

To ensure that human development reaches those left out, building capabilities should be seen through a lifecycle lens as people face various types of vulnerabilities in different phases of their lives.

Sustained human development is more likely when all children can acquire the skills that match the opportunities open to young people joining the workforce. Much attention is correctly focused on what is needed to ensure that all children, everywhere, complete a full course of schooling, including preschooling. The World Bank has found that every dollar spent on preschool education earns $6–$17 in public benefits, in the form of a healthier and more productive workforce.32 Ghana now includes two years of preschool in the education system. China is contemplating providing preschool facilities for all youngsters.33

Empowering young people requires actions on both the political and the economic fronts. On the political front at least 30 countries have
Options for mobilizing resources for human development priorities range from creating fiscal space to using climate finance, and from cutting subsidies not beneficial to poor people to using resources efficiently.
Marginalized groups often face similar constraints, such as discrimination. But each group also has special needs that must be met if they are to benefit from progress in human development.

Pursuing measures for groups with special needs

Because some social groups (ethnic minorities, indigenous peoples, persons with disabilities) are systematically discriminated against and thereby left out, specific measures are needed so they may achieve equitable outcomes in human development.

Using affirmative action

Affirmative action has been important in re-dressing historical and persistent group disparities and group discriminations. It may take the form of enrolment quotas for ethnic minorities in tertiary education or preferential treatment of female entrepreneurs in obtaining subsidized credit through the banking system.

Affirmative action has made a difference in women’s representation in parliament. Following the Beijing Declaration and Platform for Action at the United Nations Fourth World Conference in 1995, some countries adopted a gender quota to increase the proportion of seats held by women, providing confidence and incentives for women to run for elected office and win. Rwanda, where women account for 64 percent of representatives in the House of Deputies, is a shining example.38

Promoting human development for marginalized groups

Despite the great diversity in identities and needs, marginalized groups such as ethnic minorities, indigenous peoples, persons with disabilities, people living with HIV and AIDS, and lesbian, gay, bisexual, transgender and intersex individuals often face similar constraints, such as discrimination, social stigma and risk of being harmed. But each group also has special needs that must be met if they are to benefit from progress in human development.

For some vulnerable groups, such as ethnic minorities or persons with disabilities, antidiscrimination and other rights are guaranteed in constitutions and other legislation. Similarly, special provisions often protect indigenous peoples, as in Canada and New Zealand.39 Yet in many cases effective mechanisms for implementation and full equality in law are lacking. National human rights commissions or commissions for specific groups can provide oversight and ensure that the rights of these groups are not violated. And overcoming the discrimination and abuse of members of the lesbian, gay, bisexual, transgender and intersex community requires a legal framework that can defend their human rights.

Participation in the processes that shape the lives of disadvantaged groups needs to be ensured. For example, quotas for ethnic minorities and representation of indigenous peoples in parliaments are ways to help them raise their concerns. Some indigenous peoples have their own parliaments or councils, which are consultative bodies. New Zealand has the longest history of indigenous representation in a national legislature.40

For persons with disabilities, inclusion and accommodation are critical to empowering them to live independently, find employment and contribute to society. Specific vocational training initiatives should be undertaken to develop their skills. Increasing access to productive resources, such as finance for self-employment, and providing information over mobile devices can help them in self-employment. Appropriate infrastructure including technology can enable persons with disabilities to be more mobile.

Migrants and refugees are vulnerable in host countries, and national actions are needed to address the new nature of migration and its evolution. Countries should pass laws that protect refugees, particularly women and children, a big part of the refugee population and the main victims. Transit and destination countries should provide essential public goods in catering to the displaced, such as schooling refugee children. And destination countries should formulate temporary work policies and provisions for refugees.
Progress in human development often stagnates or dissipates if threatened by shocks—such as global epidemics, climate change, natural disasters, violence and conflicts. Vulnerable and marginalized people are major victims.

Addressing epidemics, shocks and risks

Much progress has been made in scaling up antiretroviral therapy, but 18 million people living with HIV still do not have access to it.41 Young women, who may be exposed to gender-based violence and have limited access to information and health care, are among the most exposed, as are prisoners, sex workers, drug users and transgender people. Still, there have been successes in reducing infection rates among women and children and in expanding their access to treatment.

In an increasingly interconnected world, being prepared for possible health crises has become a priority. The recent epidemic of the Zika virus provides a good example. Countries have reacted in different ways to the spread of the Zika virus. Countries with an ongoing virus transmission, such as Colombia, the Dominican Republic, Ecuador and Jamaica, have advised women to postpone pregnancy.42 In Brazil a new mosquito strain was released to try to fight the Zika virus, and members of the armed forces were sent across the country to educate people about mosquito control and to warn them of the risks linked to the virus.43

More recently, the revised strategic response plan designed by the World Health Organization in collaboration with more than 60 partners focuses on research, detection, prevention, and care and support.44

Building disaster resilience into policies and programmes at all levels can reduce the risk and mitigate the effects of disasters, particularly for poor people. Innovative programmes are at the heart of the Sendai Framework for Disaster Risk Reduction endorsed by the UN General Assembly following the 2015 Third UN World Conference on Disaster Risk Reduction.

Combating violence and ensuring people’s security

The drivers of violence are complex and thus call for a multipronged approach that includes promoting the rule of law based on fairness and zero tolerance for violence; strengthening local governments, community policing and law enforcement personnel in hotspots of violence; and developing response and support services to address violence and its victims.

Viable policy options include developing high-quality infrastructure, improving public transit in high-crime neighbourhoods, building better housing in the poorest areas of cities and providing socioeconomic alternatives to violence, particularly to young people, engaging them in strengthening social cohesion.

Maintaining human well-being in postconflict situations

On the political front transformation of institutions is key. It would ensure people’s security through community policing, pursuing rapid governance actions (such as faster caseload processing) and reintegrating ex-combatants by disarming and demobilizing them.

On the economic front reviving basic social services, supporting work in the health sector to cover many goals, initiating public works programmes and formulating and implementing targeted community-based programmes (such as makeshift schools so that children do not lose access education) are key for moving forward on the development continuum.

Addressing climate change

Climate change jeopardizes the lives and livelihoods of poor and marginalized people. Addressing it requires three initial policy measures. Putting a price on carbon pollution—through an emissions trading system or a carbon tax—brings down emissions and drives investment into cleaner options. Approximately 40 countries and more than 20 cities, states and provinces use carbon pricing.45

Taxing fuel, removing fossil fuel subsidies and incorporating “social cost of carbon” regulations
are more indirect ways of accurately pricing carbon. By phasing out harmful fossil fuel subsidies, countries can reallocate their spending to where it is most needed and most effective, including targeted support for poor people.

Getting prices right is only one part of the equation. Cities are growing fast, particularly in developing countries. With careful planning in transport and land use and the establishment of energy efficiency standards, cities can avoid locking in unsustainable patterns. They can open access to jobs and opportunities for poor people, while reducing air pollution.

Increasing energy efficiency and renewable energy is crucial. The Sustainable Energy for All initiative sets out three goals for 2030: achieve universal access to modern energy, double the rate of improvement in energy efficiency and double the share of renewable energy in the global energy mix. In many countries developing utility-scale renewable energy is now cheaper than, or on par with, fossil-fuel plants.46

Climate-smart agricultural techniques help farmers increase their productivity and resilience to the impacts of climate change while creating carbon sinks that reduce net emissions. Forests, the world’s lungs, absorb carbon and store it in soils, trees and foliage.

Focusing on the poverty–environment nexus, which is complex but critical for marginalized people, is also important. Poor people bear the brunt of environmental damage, even though they seldom create it. Policies that protect community commons (such as common forests), ensure the rights and entitlements of poor people and provide renewable energy to poor people would improve biodiversity on which poor people’s lives depend and reverse the downward spiral of poverty and environmental damage.

Promoting social protection

Policy options to expand social protection to marginalized groups include pursuing social protection programmes, combining social protection with appropriate employment strategies and providing a living income.

A social protection floor can secure minimum health care, pensions and other social rights for everyone. Creating jobs through a public works programme can reduce poverty through income generation, build physical infrastructure and protect poor people against shocks. The Rural Employment Opportunities for Public Assets programme in Bangladesh is a prime example.47

A guaranteed basic income for citizens, independent of the job market, is also a policy option that countries (such as Finland48) are experimenting with as an instrument for social protection, particularly for disadvantaged groups.

Empowering those left out

If policies do not deliver well-being to marginalized and vulnerable people and if institutions fail to ensure that people are not left out, there must be instruments and redress mechanisms so that these people can claim their rights. They have to be empowered by upholding human rights, ensuring access to justice, promoting inclusion and ensuring accountability.

Upholding human rights

Human development for all requires strong national human rights institutions with the capacity, mandate and will to address discrimination and ensure the protection of human rights. Human rights commissions and ombudsmen handle complaints about rights abuses, educate civil society and states about human rights and recommend legal reforms.

But state commitments to upholding these rights vary, national institutions have different implementation capacities, and accountability mechanisms are sometimes missing. Institutional shortcomings aside, treating development as a human right has been instrumental in reducing deprivations in some dimensions and contexts.

In an integrated world the state-centred model of accountability must be extended to the obligations of nonstate actors and to the state’s obligations beyond national borders. Human rights cannot be realized universally without well established domestic mechanisms and stronger international action.
Global institutional reforms and a fairer multilateral system would help attain human development for everyone

We live in a globalized world where human development outcomes are determined not only by actions at the national level, but also by the structures, events and work at the global level. The shortcomings in the current architecture of global systems pose challenges for human development on three fronts. The distributional consequences of inequitable globalization have promoted the progress of some segments of the population, leaving poor and vulnerable people out. Globalization is also making those left out economically insecure. And people are suffering in lingering conflicts. In short, all these undermine and limit national efforts and pose as barriers to human development for everyone.

Global institutional reforms should encompass the broader areas of regulation of global markets, the governance of multilateral institutions and the strengthening of global civil society with each area reflecting specific actions.

Stabilizing the global economy

Reforms should focus on regulating currency transactions and capital flows and coordinating macroeconomic policies and regulations. One option is a multilateral tax on cross-border transactions. Improving the quality and scope of citizen engagement in public institutions involves civic education, capacity development and political dialogue.

Ensuring accountability

Accountability is central to ensuring that human development reaches everyone, especially in protecting the rights of those excluded.

One major instrument for ensuring accountability of social institutions is the right to information. Since the 1990s more than 50 countries have adopted new instruments that protect the right to information, often due to democratic transitions and to the active participation of civil society organizations in public life.

The right to information requires the freedom to use that information to form public opinions, call governments to account, participate in decisionmaking and exercise the right to freedom of expression. Information and communication technology is increasingly being used to ensure accountability.

Participatory exercises to hold state institutions accountable, such as public expenditure tracking surveys, citizen report cards, score cards, social audits and community monitoring, have all been used to develop direct accountability relationships between service users and service providers.

Ensuring access to justice

Access to justice is the ability of people to seek and obtain remedy through formal or informal judicial institutions.

Poor and disadvantaged people face immense obstacles, including their lack of awareness and legal knowledge, compounded by structural and personal alienation. Poor people lack adequate access to public services, which are often expensive and cumbersome and have few resources, personnel and facilities. Police stations and courts may not be available in remote areas, and poor people can rarely afford the cost of legal processes. Quasi-judicial mechanisms may also be inaccessible or prejudicial.

Obstacles to justice for indigenous peoples and for racial and ethnic minorities stem from their historically subordinate status and from sociopolitical systems that reinforce bias in the legal framework and the justice system.

Promoting inclusion

Human development for everyone requires inclusion of all in the development discourse and process.

New global forms and methods of organization and communication are facilitated by technology and social media. They have mobilized grassroots activism and brought in people and groups to voice their opinions, as through cyberactivism. Improving the quality and scope of citizen engagement in public institutions involves civic education, capacity development and political dialogue.
transactions; another is the use of capital controls by individual countries.

**Applying fair trade and investment rules**

The international agenda should be to set rules to expand trade in goods, services and knowledge to favour human development and the Sustainable Development Goals. The key reforms to advance this agenda include finalizing the World Trade Organization’s Doha Round, reforming the global intellectual property rights regime and reforming the global investor protection regime.

**Adopting a fair system of migration**

Measures are needed to strengthen strategies that protect the rights of and promote the opportunities for migrants, to establish a global mechanism to coordinate economic (voluntary) migration and to facilitate guaranteed asylum for forcibly displaced people. The International Organization for Migration officially joined the UN System in September 2016, and its work and actions are expected to expand and advance.

**Assuring greater equity and legitimacy of multilateral institutions**

The time has come to examine the representation, transparency and accountability of multilateral institutions. Some policy options to move these institutions towards greater equity and legitimacy are increasing the voice of developing countries in multilateral organizations, improving transparency in appointing heads of multilateral organizations and increasing coordination and effectiveness to achieve people-centred goals.

**Coordinating taxes and monitoring finance globally**

A move towards a global automatic exchange of information (such as a global financial register) would facilitate the work of tax and regulatory authorities tracking income and detecting illicit financial flows, which may be mobilized for human development. This would require increasing technical capacity of countries to process information and implement active policies against tax evasion, tax avoidance and illicit flows.

**Making the global economy sustainable**

Sustainable development activities at the national level must be complemented with global actions. Curbing global warming is possible. Coordinated global action has worked well in the past, as in moves to halt ozone depletion in the 1990s.

Continuing advocacy and communication on the need to address climate change and protect the environment are essential to gather support from various stakeholders (including multilateral development banks). The recently created New Development Bank has explicitly committed to giving priority to clean energy projects.

**Ensuring well funded multilateralism and cooperation**

Multilateral and regional development banks can do more to address several challenges of globalization. Increasing official development assistance from traditional donors, expanding the participation of developing countries through South–South and triangular cooperation, and exploring innovative options for financing would be useful.

**Globally defending people’s security**

From a human development perspective, assistance in human emergencies and crises is an ethical obligation. In such cases, proposed solutions include restructuring current mechanisms towards prevention in addition to short-term responses to shocks, prioritizing field operations and coordinating better internally and externally with civil society and the private sector.

**Promoting greater and better participation of global civil society**

Tapping civil society’s potential requires expanding mechanisms for it to participate in multilateral institutions; enhancing the transparency and accountability of multilateral institutions; promoting and supporting inclusive global civil society networks focused on such groups as women, young people and ethnic minorities; increasing the free flow of information and knowledge through active transparency mechanisms; and protecting the work of international investigative journalism.
Human development for everyone is not a dream; it is a realizable goal. We can build on what we have achieved. We can explore new possibilities to overcome challenges. We can attain what once seemed unattainable, for what seem to be challenges today can be overcome tomorrow. Realizing our hopes is within our reach. His Excellency Juan Manuel Santos, President of Colombia and the 2016 Nobel Peace Prize Laureate confirms the hope of attaining a peaceful and prosperous world (see special contribution).

The 2030 Agenda and the Sustainable Development Goals are critical steps towards human development for everyone. Building on its analysis and findings, the Report suggests a five-point action agenda to ensure human development for everyone. The actions cover policy issues and global commitments.

Identifying those who face human development deficits and mapping where they are

Identifying those who have been left out of the progress in human development and mapping their locations are essential for useful advocacy and effective policymaking. Such mapping can help development activists demand action and guide policymakers in formulating and implementing policies to improve the well-being of marginalized and vulnerable people.

Pursuing a range of available policy options with coherence

Human development for everyone requires a multipronged set of national policy options: reaching those left out using universal policies, pursuing measures for groups with special needs, making human development resilient and empowering those left out.

Country situations differ, so policy options have to be tailored to each country. Policies in every country have to be pursued in a coherent way through multistakeholder engagement, local and subnational adaptations and horizontal (across silos) and vertical alignment (for international and global consistency).

Closing the gender gap

Gender equality and women’s empowerment are fundamental dimensions of human development. Gender gaps exist in capabilities as well as opportunities, and progress is still too slow for realizing the full potential of half of humanity.

At a historic gathering in New York in September 2015 some 80 world leaders committed to end discrimination against women by 2030 and announced concrete and measurable actions to kickstart rapid changes. Now is the time to act on what has been promised and agreed.

Implementing the Sustainable Development Goals and other global agreements

The Sustainable Development Goals, critical in their own right, are also crucial for human development for everyone; the 2030 Agenda and the human development approach are mutually reinforcing. Further, achieving the Sustainable Development Goals is an important step for all human beings to realize their full potential in life.

The historic Paris Agreement on climate change is the first to consider both developed and developing countries in a common framework, urging them all to make their best efforts and reinforce their commitments in the coming years. The UN Summit for Refugees in September 2016 made bold commitments to address the issues facing refugees and migrants and to prepare for future challenges. The international community, national governments and all other parties must ensure that the agreements are honoured, implemented and monitored.

Working towards reforms in the global system

To move towards a fairer global system, the agenda for global institutional reforms should focus on global markets and their regulation, on the governance of multilateral institutions and on the strengthening of global civil society. That reform agenda should be advocated vigorously and consistently by bolstering public advocacy, building alliances among stakeholders and pushing through the agenda for reform.
In Colombia we are more determined than ever to end the longest running and only remaining internal armed conflict in the Americas.

Colombians were divided over the agreement that was negotiated between the Government and the FARC guerrillas. And so, we undertook efforts to reach a new peace accord that would dispel doubts and garner nationwide support. Almost simultaneously we announced the beginning of peace talks with the ELN, the last remaining guerrillas. We hope this will bring a definitive end to the armed conflict in our country.

For five decades the war has had a very high price for Colombia and has, undoubtedly, hurt the nation's prospect. A study by Los Andes University estimates that households who have been victims of forced displacement and violence saw their income reduced by half. This is exacerbated when one considers that these people are likely to have difficulty recovering and are at risk of living in conditions of chronic poverty.

Beyond the effect on our economy, the greatest impact of the war falls on 250,000 or more casualties—and their families—and the 8 million victims and internally displaced people. Every life lost, as well as each and every one of the personal and family tragedies of those who were affected by the armed conflict and survived, both saddens us and also strengthens our commitment.

We agree with the spirit of this Human Development Report, which is that the “wealth of human lives” must be considered before the wealth of economies when judging the prosperity of society. In that sense we understand that peace is a basic condition for enriching the lives of Colombians. And I am referring to a broader concept of peace that transcends the end of the conflict and brings harmony and well-being.

A family with insufficient income does not live in peace, nor does a family without decent housing or access to education. This is why we have focused on fostering economic growth that benefits everyone and that reduces social gaps.

The progress we have made to date is in line with the Sustainable Development Goals that Colombia championed and began working towards, even before they were adopted by the United Nations. Indeed, we were the first country to include these goals in our National Development Plan.

Thanks to our early efforts, we have been able to reap the benefits of our work ahead of schedule. For example, over the past five years we have reduced extreme poverty by nearly half—from 14.4 percent to 7.9 percent—a very significant achievement that allows us to envisage its eradication by 2025, if not sooner.

That jump, beyond the numbers, means that millions of Colombians have improved their quality of life. We are certain of this because, together with traditional income-based measures of poverty, we have pioneered the Multidimensional Poverty Index, which assesses other variables, such as access to public services or the type of family housing. Today, without a doubt, more Colombians have a better life.

We have also made early progress in the quality of education—another of the Sustainable Development Goals. Not only do all children and young people study in public schools for free, we are increasing their class hours and improving the quality of learning through different programmes and initiatives. As a result of these efforts, our students have significantly improved the average scores on tests that measure their knowledge and skills.

With our focus on peacebuilding, the emphasis on education is perhaps the best example of what we can do in this new phase without the burden of the armed conflict. For the first time ever, the education budget is greater than that for security and defence, which is consistent with our goal to become the most educated country in Latin America by the year 2025.

Peace, equity and education are three areas that Colombians have been deprived of historically. Peace, equity and education have been the three pillars of our main efforts over the past few years.

However, if our goal is to achieve “human development for everyone,” our efforts cannot stop here: Climate change is the greatest threat ever faced by humankind.

In this regard Colombia has decided to play an active part in tackling this phenomenon. As guardians of one of the most biodiverse regions on the planet, with exceptional forests, water resources and soil fertility, we have an enormous responsibility to both Colombians and the world.

The concept of “green growth” is part of our economic development model and has been mainstreamed into all sectors of the economy. We are convinced that growth and environmental sustainability are perfectly compatible. In addition, the demarcation of our paramos (moorland ecosystems) and the declaration of protected areas—which by 2018 should reach 19 million hectares, an area larger than Uruguay—are proof of our resolve.

Under the Paris Agreement on climate change, Colombia has set out a goal: to reduce projected greenhouse gas emissions by 20 percent by 2030. And we have already begun to take decisive action to achieve this ambitious objective: We have presented a bill to Congress for the creation of a carbon tax on various fuels. We will be the first Latin American country—and one of the first in the world—to apply such a measure. With this single initiative we expect to meet half of our commitment established in the Paris Climate Change Conference.

Peace—understood, as I mentioned before, in the broader sense of well-being and harmony—opens the door to the possibility of a viable world for future generations, one in which their very existence is not threatened by global warming. We are proud to confirm that these efforts, in addition to the end of the armed conflict, improved education and increased equity, are a contribution to the world.

With the end to the conflict, people from around the globe can enjoy the natural wonders and tourism in Colombia, which had been restricted for
From a human development perspective, we want a world where all human beings have the freedom to realize their full potential in life so they can attain what they value. In the ultimate analysis, development is of the people, by the people and for the people. People have to partner with each other. There needs to be a balance between people and the planet. And humanity has to strive for peace and prosperity.

Human development requires recognizing that every life is equally valuable and that human development for everyone must start with those farthest behind.

The 2016 Human Development Report is an intellectual contribution to resolving these issues. We strongly believe that only after they are resolved will we all reach the end of the road together. And when we look back, we will see that no one has been left out.

Juan Manuel Santos
President of Colombia and 2016 Nobel Peace Prize Laureate
Chapter 1

Human development—achievements, challenges and hopes
The world we want

**People**
End poverty and hunger in all forms and ensure dignity and equality

**Prosperity**
Ensure prosperity and fulfilling lives in harmony with nature

**Planet**
Protect our planet’s natural resources and climate for future generations

**Peace**
Foster peaceful, just and inclusive societies

**Partnership**
Implement the agenda through a solid global partnership

Infographic 1.1 The world we want
1. Human development—achievements, challenges and hopes

Human development is all about people—expanding their freedoms, enlarging their choices, enhancing their capabilities and improving their opportunities. It is a process as well as an outcome. Economic growth and income are means to human development but not ends in themselves—because it is the richness of people’s lives, not the richness of economies, that ultimately is valuable to people. With such a simple but powerful notion, the first Human Development Report, appearing in 1990, put people at the centre of the development discourse, changing the lens for assessing development policies and outcomes (box 1.1).1

Over the ensuing 10 years the Human Development Reports extended the frontiers of thought leadership, public policy advocacy and influence on development agendas. The 1994 Human Development Report introduced the notion of human security, going beyond the traditional concept of national and territorial security.2 The 1995 Human Development Report—which strongly argued that development, if not engendered, is endangered—contributed to the Beijing Declaration and Platform of Action at the Fourth World Conference on Women.3 The 1997 Human Development Report introduced a multidimensional concept of poverty, known as human poverty, and an associated composite measure—the Human Poverty Index, an analytical breakthrough to elevate the discussion of human deprivations beyond income poverty.4

In addition to contributing to development thinking, these reports, with their policy recommendations and innovative data presentations, had policy impacts. The proposal to create Honesty International in the 1992 Human Development Report led to the establishment of Transparency International.5 And the disaggregation of Egypt’s Human Development Index (HDI) value in the 1994 Human Development Report led to an increased allocation of public resources to Upper Egypt, a less well developed area of the country.6

At the turn of the century 189 heads of state and government endorsed the Millennium Declaration and the Millennium Development Goals to overcome basic human deprivations by 2015, all solidly anchored in the human development approach.

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**BOX 1.1 Human development—a people-centred approach**

Human development is about acquiring more capabilities and enjoying more opportunities to use those capabilities. With more capabilities and opportunities, people have more choices, and expanding choices is at the core of the human development approach. But human development is also a process. Anchored in human rights, it is linked to human security. And its ultimate objective is to enlarge human freedoms.

Human development is development of the people through the building of human resources, for the people through the translation of development benefits in their lives and by the people through active participation in the processes that influence and shape their lives. Income is a means to human development but not an end in itself.

The human development approach in the 1990 Human Development Report also introduced a composite index, the Human Development Index (HDI), for assessing achievements in the basic dimensions of human development. Those dimensions of human development are to lead a long and healthy life, measured by life expectancy at birth; to acquire knowledge, measured by mean years of schooling and expected years of schooling; and to achieve a decent standard of living, measured by gross national income per capita.

Every developing region’s HDI value increased considerably between 1990 and 2015, although progress has been slowing since 2010.

During the last decade Human Development Reports covered such themes as deepening democracy (2002), cultural diversity (2004), climate change (2008), sustainability and equity (2011) and work for human development (2015). 7

The global reports have been complemented over the years by more than three dozen regional and subregional Human Development Reports and more than 700 national Human Development Reports. 8 Subnational reports have also been produced, including 19 state-level reports in India and a municipal HDI in Brazil. 9

Over the last quarter century all these reports have added momentum to human progress, and thus some of what seemed to be a daunting challenge in 1990 was largely achieved by 2015. Extreme poverty is estimated to have been below 11 percent globally in 2013, a drop of more than two-thirds since 1990. 10 So even though the global population increased by 2 billion—from 5.3 billion in 1990 to 7.3 billion in 2015—the number of people in extreme poverty fell by more than a billion.

Yet not all the news is good news. Substantial human deprivations persist despite the progress. One person in nine in the world is hungry, and one person in three is malnourished. 11 Eleven children under age 5 die every minute, and 35 mothers die during childbirth every hour. 12 About 15 million girls a year marry before age 18, one every two seconds. 13 Worldwide 18,000 people a day die because of air pollution, and HIV infects 2 million people a year. 14 Every minute an average of 24 people are displaced from their home. 15

And new development challenges have emerged. Conflicts, disasters and natural resources can no longer be considered national concerns; they have become global concerns. More than 21.3 million people—roughly the population of Australia—are refugees. 16 More than 100 million people could be affected by the combined impact of El Niño and La Niña, a double shock. 17 Insecurity because of violent extremism has spread throughout the globe. The cost of violence globally is about $1,900 per person. 18 Water scarcity and climate change have added to international tensions. Epidemics such as Ebola and Zika pose serious threats to people, and about 20,000 children have become Ebola orphans. 19

Human ingenuity has opened promising new arenas, but human suffering also abounds. Violence, not dialogue, has become a common human language. Isolationism, not diversity, is gaining currency. Despite the challenges, what humanity has achieved over the past 25 years and our desire to aspire to even more give us hope on many fronts. Challenges also offer rays of hope, and hopes face daunting challenges before they can be realized. This link needs to be kept in mind as we pursue our goal to overcome the challenges and realize the hopes.

The achievements we have made

The levels of human development have improved all over the world. Every developing region’s HDI value increased considerably between 1990 and 2015, although progress has been slowing since 2010 (figure 1.1). This reflects important advances not only in income, but also in health and education. Between 1990 and 2015 the aggregate HDI value of the least developed countries increased 46 percent, and the aggregate HDI value for low human development countries increased 40 percent. 20

Reduced poverty and hunger

The global extreme poverty rate ($1.90 a day) was estimated at less than 11 percent in 2013, a drop of more than two-thirds from the 35 percent in 1990. 21 The decrease has been particularly remarkable in East Asia and the Pacific, where the proportion of people living on less than $1.90 a day fell from 60.2 percent in 1990 to 3.5 percent in 2013, and in South Asia, where the proportion fell from 44.6 percent to 15 percent. 22 China’s extreme poverty rate plummeted from 66.5 percent in 1990 to 1.9 percent in 2013. The working poor, who work and live on less than $1.90 a day, accounted for 10 percent of workers worldwide in 2015, nearly two-thirds less than in 2000. 23 The global population suffering from hunger declined from 15 percent in 2000–2002 to 11 percent in 2014–2016. 24
While children in the poorest households are far less likely to survive to their fifth birthdays, the mortality rate is declining faster for children in poor households than for other children.

**FIGURE 1.1 \ Regional trends in Human Development Index values**

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<td>Sub-Saharan Africa</td>
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**Decreased mortality**

The global under-five mortality rate was more than halved between 1990 and 2015. The steepest decline was in Sub-Saharan Africa, where the challenge was the greatest. While children in the poorest households are far less likely to survive to their fifth birthdays, the mortality rate is declining faster for children in poor households than for other children. Maternal mortality rates have also declined considerably since 1990: 45 percent globally and 64 percent in South Asia, as of 2013. Access to professional health care has improved: in 2014 more than 71 percent of births worldwide were attended by skilled health personnel, up from 59 percent in 1990. In North Africa the proportion of pregnant women who receive at least four antenatal medical visits rose from 50 percent in 1990 to 89 percent in 2014, the largest improvement worldwide. Globally, nearly two-thirds of women ages 15–49 who are married or in union use contraception, up from 55 percent in 1990.

Global health is also improving. In developing regions the proportion of undernourished people has been nearly halved since 1990. In 2013 measles-containing vaccines reached 84 percent of children worldwide. Global coverage of two doses of the measles vaccine increased from 15 percent in 2000 to 53 percent in 2013, resulting in a 67 percent decline in the number of annual reported measles cases. An estimated 15.6 million lives were saved through measles vaccination between 2000 and 2013. These positive developments have led to a dramatic decline in preventable child deaths.

Overall mortality rates are falling in part because of actions to tackle malaria, tuberculosis, measles, and HIV and AIDS. Between 2001 and 2015 more than 6.8 million malaria deaths, many of them in children, were prevented. The number of new HIV infections also fell, from an estimated 3.5 million in 2000 to 2.1 million in 2013. From 1995 to 2013 increasing use of antiretroviral therapy averted 7.6 million deaths from AIDS. Tuberculosis mortality rates also fell in response to efforts to prevent, diagnose and treat the disease, with 37 million lives saved between 2000 and 2013.

**Improved access to basic social services**

Access to basic social services has been greatly expanded worldwide. Between 1990 and 2015,
Communication and information on the impact of climate change have reached more people than ever before, raising awareness in every corner of the world.

### Improved environmental sustainability

Environmental protection, which has become a key global issue, has shown encouraging successes as well. The degradation of the ozone layer, a major concern in the 1990s, has been halted, and by 2050 the ozone layer will have fully recovered from the damages caused by ozone-depleting substances.38 The share of marine biodiversity areas that are protected increased from 15 percent in 2000 to 19 percent in 2016.39 The global net loss in forest area declined from 7.3 million hectares a year in the 1990s to 3.3 million in 2010–2015, and the share of terrestrial areas that are protected increased from 16.5 percent in 2000 to 19.3 percent in 2016. Communication and information on the need to protect nature and the impact of climate change have reached more people than ever before, raising awareness in every corner of the world.

### Advances in technology

New technologies are one of the most apparent changes in our current lives. They have lifted economies up, facilitated transportation and communication, led to major advances in health and education, expanded information and participation and created new security tools. Green technologies may be the key to a more sustainable future, where resources are available to all without harming the environment. Information and communication technology has spread exponentially. In 2016, 94.1 percent of the population in developing countries own a mobile phone, and 40.1 percent have access to the Internet, up from 7.8 percent in 2005.40 In developed countries access to the Internet and to smartphones is nearly universal.

The impact of technology on the economy is undeniable. Global high-technology exports have more than doubled in the last 15 years, from $987 billion in 1999 to $2,147 billion in 2014.41 Cloud technology, three-dimensional printing, advanced robotics, energy storage and digital assistants hold great potential for creating new jobs and new areas of work. People with the skills and resources to use
technology and create value can thrive in today’s digital world, as discussed in the 2015 Human Development Report.

New technologies have also changed the way governments interact with their citizens, increasing the reach and efficiency of public service delivery. Several countries use mobile phones to extend basic social services, including health care and education, to hard-to-reach populations. The Internet allows much more information to be shared than any other means of communication has. The amount of digital data has doubled every three years since 2000, and today less than 2 percent of stored information is offline.

Though there is far to go before all people can live their lives to their full potential, cooperation and commitments to eliminating deprivations and promoting sustainable human development have improved the lives of billions of people over the past 25 years. The Republic of Korea has sustained progress in human development for even longer (box 1.2).

The challenges we face

Some challenges are lingering (deprivations), some are deepening (inequalities) and some are emerging (violent extremism). Some are global (gender inequality), some are regional (water stress) and some are within national boundaries (natural disasters). Most are mutually reinforcing: Climate change reduces food security, and rapid urbanization marginalizes poor people in urban areas. Whatever their nature or reach, these challenges have an impact on people’s well-being.

Lingering deprivations and inequalities

Even with all the impressive progress in reducing poverty over the past 25 years, 766 million people, 385 million of them children, lived on less than $1.90 a day in 2013. Poor nutrition causes 45 percent of the deaths among children under age 5. Children born in developing countries in 2016 will lose nearly $177 billion in potential lifetime earnings because of stunting and other delays in physical development.

Yet one-third of the world’s food is wasted every year. If one-fourth of the food wasted across the globe could be recovered, it could feed 870 million people. Unless the world tackles deprivation today, 167 million children will live in extreme poverty by 2030, and 69 million children under age 5 will die of preventable causes. These outcomes will definitely shrink the capabilities of future generations. About 758 million adults, including

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**Even with all the impressive progress in reducing poverty over the past 25 years, 766 million people, 385 million of them children, lived on less than $1.90 a day in 2013**

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**BOX 1.2**

**Human development in the Republic of Korea—a longer term perspective**

The Republic of Korea has travelled a highly successful path of human development over the past six decades. And the major drivers behind the country’s sustained trajectory of high human development include successful land reforms, rural development, extensive human resources development and rapid equitable economic growth. Export orientation, sustainable domestic resource mobilization with strong redistribution policies, and public infrastructure development also played major roles. Needless to say, effective institutions and governance were also key.

The main dynamics of the Republic of Korea’s progress was a virtuous cycle between economic and social policies, which—while maintaining the primacy of the growth objective—adapted flexibly to evolving constraints and opportunities and successfully harnessed major currents in the human development space, such as globalization, technological change and urbanization.

The Republic of Korea attained a critical mass of policies conducive to human development in the face of multiple challenges. Doing so allowed the country to remain on a path of rapid and socially inclusive human development for so long—and to serve as a model for other countries. The country, assisted by the United Nations Development Programme Seoul Policy Centre for Global Development Partnerships, is already conveying its knowhow (such as that gleaned from the Seoul government’s Clean Construction System) to partner countries, duly adapted to the realities of partner countries, whose policymakers and political leaders are aiming for similarly rapid and sustained improvements in human development.

Source: UNDP Seoul Policy Centre for Global Development Partnerships.
Poverty is no longer a problem of developing regions only; it is also on the rise in developed countries. The International Labour Organization estimates that in 2012 more than 300 million people in developed countries lived in poverty.53

Children and women are the most affected by poverty, and 36 percent of children in developed countries live under the relative poverty line, in households with an income below 60 percent of the national median household income. In the United States 32 million adults are functionally illiterate, and in the United Kingdom 8 million.54

Rising incomes around the world have been accompanied by widening inequality. Measures of the gaps in income equality include the Gini coefficient (where a value of 0 means that everyone has the same income, and a value of 1 means that one person has all the income) and quintile ratios (the ratio of the average income of the wealthiest 20 percent of the population to the average income of the poorest 20 percent of the population).

Although income inequality across households has risen in many countries, some estimates show that it has narrowed across the world as a whole because the incomes of developing and developed regions have been converging. Relative global inequality has declined steadily over the past few decades, from a relative Gini coefficient of 0.74 in 1975 to 0.62 in 2014.

FIGURE 1.2

Human deprivation lingers in some indicators of well-being

<table>
<thead>
<tr>
<th>Poverty and hunger</th>
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<tbody>
<tr>
<td>Income poor</td>
<td>766 m</td>
</tr>
<tr>
<td>Chronic hunger</td>
<td>795 m</td>
</tr>
<tr>
<td>Children stunted</td>
<td>159 m</td>
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<tr>
<td>Children underweight</td>
<td>90 m</td>
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<table>
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<tr>
<th>Health, mortality and education</th>
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<tr>
<td>Children dying before age 5</td>
<td>6 m</td>
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<tr>
<td>Maternal mortality</td>
<td>303 k</td>
</tr>
<tr>
<td>People living with HIV</td>
<td>36 m</td>
</tr>
<tr>
<td>Illiterate adults</td>
<td>758 m</td>
</tr>
<tr>
<td>Illiterate young people</td>
<td>114 m</td>
</tr>
<tr>
<td>Functionally illiterate people in OECD countries</td>
<td>160 m</td>
</tr>
<tr>
<td>Children not at school at primary level</td>
<td>61 m</td>
</tr>
<tr>
<td>Children not learning basic skills</td>
<td>250 m</td>
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<table>
<thead>
<tr>
<th>Access to basic social services</th>
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<tbody>
<tr>
<td>People who lack access to an improved water source</td>
<td>663 m</td>
</tr>
<tr>
<td>People who lack access to an improved sanitation facility</td>
<td>2.4 b</td>
</tr>
<tr>
<td>People resorting to open defecation</td>
<td>946 m</td>
</tr>
<tr>
<td>People living in urban slums</td>
<td>880 m</td>
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</tbody>
</table>

Global wealth has become far more concentrated. The wealthiest 1 percent of the population had 32 percent of global wealth around 2000 and 46 percent around 2010 (figure 1.5). The super-rich—the wealthiest 0.1 percent—loom larger. The share of national wealth among the super-rich in the United States increased from 12 percent in 1990 to 19 percent in 2008 (before the financial crisis) and to 22 percent in 2012 (critics pointed to inequality as one of the key causes of the crisis).

Access to the benefits of the digital revolution is uneven globally. Almost 2 billion people still do not use a mobile phone, and only 15 percent of the world population has high-speed Internet access. Some 89 percent of the planet’s urban population has access to 3G mobile broadband, compared with only 29 percent of the rural population.

The inequality discussion often focuses on vertical inequality—such as the inequality between wealthiest 10 percent of the population and the poorest 10 percent—and rarely on horizontal inequality—such as the inequality across ethnic groups. Analysis of horizontal inequality can bring critical insights to the inequality discourse (box 1.3).
Urbanization has been described as a new frontier of development because it is not a passive outcome of development, but a creator of value.

Lingering deprivations and inequalities present serious challenges to human development on at least three fronts. First, they stunt the capabilities of people—not only their well-being, but also their voice and autonomy. Second, they initiate and reinforce a process of exclusion whereby poor people and others at the bottom of the social ladder are excluded from influencing the processes that shape their lives. Third, they create a society where rights and opportunities are denied to poor people—and that is unjust.

Multidimensional population dynamics

The planet’s surging population is projected to grow to 9.7 billion in 2050 (figure 1.6), with five main implications: widespread urbanization, an ageing population, a growing middle class, migration and a youth bulge.

In 2014 more than half the world’s people lived in urban areas, a share expected to reach two-thirds by 2050, when cities will have swollen by another 2.5 billion people.61 The world is projected to have 41 megacities by 2030, each with more than 10 million inhabitants.62 Urbanization has been described as a new frontier of development because it is not a passive outcome of development, but a creator of value—the more than half of humanity living in cities generates more than 80 percent of global gross domestic product (GDP).63

Not all urbanization is positive, however, especially if it is unplanned. It puts pressure on infrastructure and may lower residents’ quality of life. More than 1 billion people live in housing that is below minimum standards of comfort and sanitation, and new houses have to be built for 3 billion people by 2030.64 Some 880 million people live in slums, and nearly 40 percent of the world’s future urban expansion may occur in slums.65 Almost 700 million urban slum dwellers lack adequate sanitation, which—along with lack of safe...
The global middle class is expected to expand to 3.2 billion people in Asia and the Pacific and to 1.7 billion people elsewhere by 2030.
Population shifts associated with migration will change not only the demographic profile of societies, but also their values, norms, culture and political and social institutions. How might the growth of the middle class affect human development? The larger middle class is more of an economic middle class than the traditional intellectual middle class, and its approach to social debate, intellectual leadership and social cohesion may differ from that of its predecessors, which acted as the conscience of society, provided intellectual leadership in social and cultural movements and championed the poor and the marginalized. In most societies younger people will constitute an economic middle class that strives for innovation and creativity in life as well as in work. They are also more likely to see themselves as global citizens, with positive implications for human capabilities and opportunities.

But the new middle class may show consumption patterns that have adverse impacts on sustainable consumption. It may have its own social agenda (such as social entrepreneurship) but be motivated more by personal economic advancement. It may also be more insular and be more intimately linked to a Twitter community or a Facebook community than to a physical community or neighbourhood. It may have many digital connections but few human connections.

Population dynamics will continue to change because of migration to developed countries. The population of the European Union was 507 million in 2013. Without migration it would drop to 399 million by 2080, but with migration it would rise to 520 million. The population of the United States was 324 million in 2015. Without migration it would have risen to 338 million by 2016, but with migration it reached 441 million. Population shifts associated with migration will change not only the demographic profile of these and other societies, but also their values, norms, culture and political and social institutions, possibly creating tensions and conflicts. One human development challenge will thus involve forging peaceful and cohesive multicultural societies in many parts of the world.

Today young people ages 10–24 account for about 1.8 billion of the world’s 7.3 billion people. Around 90 percent of these young people live in developing countries. A third of the world’s population is under age 20, and in about 40 African countries more than half the population is under age 20. There are more young people alive today than at any other time in human history. Young people are active users of information and communication technology, and 30 percent are digital natives, young people ages 15–24 who have been using the Internet for five years or more.

Yet 73.3 million young people are out of work, and 40 percent of young people in the global labour force are either unemployed or poorly paid. Young people are three times more likely than adults to be out of work. Nearly 156 million young people in emerging and developing countries are working poor—working but living in extreme poverty on less than $1.90 a day or in moderate poverty on $1.90–$3.10 a day. In the next 15 years young people worldwide will need 600 million jobs.

Millennials—people ages 18–34 in 2015—are expected to work longer hours (nearly a quarter work more than 50 hours a week) and retire much later (a quarter expect to retire after age 70) than their grandparents—the silent generation, mostly in their 70s and 80s (box 1.4).

**Globalization—a double-edged sword**

Globalization has been heralded over the years as an engine of growth. In China and India opening up the economy to the world accelerated growth, which in turn helped address human development challenges—reducing poverty, improving health outcomes and extending access to basic social services. Thanks largely to China, the extreme poverty rate in East Asia dropped from 60 percent in 1990 to 3.5 percent in 2013. In 40 countries analysed...
in 2013, 453 million people—190 million of them women—were working in global value chains, up from 296 million in 1995. A study of 40 countries, 13 of them developing countries, found that trade generally favours the poorest people because they spend more in traded sectors.

Globalization has been accelerated by the technological revolution, particularly the digital revolution. Global trade in merchandise and services amounted to almost $24 trillion in 2014, up from $13 trillion in 2005. And knowledge-intensive flows increased 1.3 times faster than labour-intensive flows.

But globalization has not delivered the expected shared prosperity. Unskilled workers lost jobs in many economies, and manufacturing jobs disappeared. Productivity may have increased, but this did not always translate into higher wages, and the inequality in pay between unskilled and highly skilled labour has widened considerably.

People have struggled during the process of globalization: Those who have recently crossed the poverty line in developing countries face vulnerable employment and informality, and the traditional middle class in high-income countries faces stagnant wages and reductions in social services. This pattern is shaping global social attitudes towards globalization: People self-defined as part of the lower middle class and working class feel less engaged by the concept of global citizenship (figure 1.7). The causes are invisible in indicators such as overall GDP growth or progress out of poverty by extremely poor people, yet the frustration can create political and institutional instability if left addressed.

There seems to be a widespread view that globalization is good for a small elite but not for the broad masses of people. Even many academics and policymakers who welcomed globalization are revising their opinion. It was always thought that globalization would not benefit everyone but that the benefits would eventually outweigh the losses. The backlash against globalization is reshaping politics in various countries. But it cannot be rolled back, so the challenge is to ensure that globalization leaves no one behind.

People on the move

Millions of people are on the move because of conflicts, disasters or a search for better economic opportunities. Conflicts, violence and human rights violations have prompted massive displacements of people within or outside their countries.

At the end of 2015 more than 65 million people worldwide had been forcibly displaced (internally displaced persons, refugees and asylum seekers)—the most since the Second World War and more than the population of France or the combined populations of Australia, Canada and New Zealand (figure 1.8). Some 86 percent of them are hosted in developing countries, making refugees less of a burden on developed countries (box 1.5).
Children are among the major victims of forced displacement. Of the nearly 50 million children who have migrated across borders or been forcibly displaced, 28 million fled violence and insecurity. More than 98,000 children are unaccompanied in migration or have been separated from their family.

People on the move also face dangers during their journeys and afterwards. The global count of migrant deaths was more than 10,000 in 2014 and 2015, and many more were unaccounted for.

Widespread conflict and violent extremism

Widespread conflict and violent extremism have become a challenge of our time. Conflict-related deaths are a proxy measure for the absence of peace. Since the end of the Second World War there has been a downward trend in such deaths, except in 2000, when the Eritrean–Ethiopian war alone caused at least 50,000 deaths. With the escalation of conflict and extreme violence in the Syrian Arab Republic, 2014 saw the highest number of battle-related deaths since 1989: more than 50,000 (figure 1.9). In 17 countries affected by prolonged conflicts, more than

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**BOX 1.5**

**Five common myths about refugees**

**Refugees are a European problem**

Europe is home to only 6 percent of global refugees; 86 percent are in developing countries. The six richest nations host only 9 percent of refugees worldwide.

**Refugees are not desperate—they are choosing to migrate**

By definition refugees are people who flee across borders to escape violent conflict or persecution.

**Most refugees are young, able-bodied men**

Worldwide nearly 50 million children have migrated or been forcibly displaced. These children may be refugees, internally displaced persons or migrants.

**Refugees and migrants bring terrorism**

Over the past few years the deadliest terrorist attacks around the world have been perpetrated by citizens born in the targeted countries.

**Developed countries are overcrowded and cannot take any more people**

The size of the population in most developed countries is actually declining, and the demographic dividend in these countries is being exhausted. Migration can be crucial in addressing this issue.

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**FIGURE 1.8**

At the end of 2015 there were more than 65 million people worldwide who had been forcibly displaced

- **65.3 million** forcibly displaced worldwide
- **40.8 million** internally displaced persons
- **21.3 million** refugees
- **3.2 million** asylumseekers

Source: Statista 2016.

**FIGURE 1.9**

2014 saw the highest number of battle-related deaths since 1989: more than 50,000

<table>
<thead>
<tr>
<th>Country</th>
<th>Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syrian Arab Republic</td>
<td>54,600</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>12,250</td>
</tr>
<tr>
<td>Iraq</td>
<td>11,933</td>
</tr>
<tr>
<td>Ukraine</td>
<td>4,352</td>
</tr>
<tr>
<td>Nigeria</td>
<td>3,793</td>
</tr>
<tr>
<td>Pakistan</td>
<td>3,140</td>
</tr>
<tr>
<td>South Sudan</td>
<td>1,674</td>
</tr>
<tr>
<td>Israel</td>
<td>1,665</td>
</tr>
<tr>
<td>Yemen, Rep.</td>
<td>1,660</td>
</tr>
<tr>
<td>Somalia</td>
<td>1,103</td>
</tr>
</tbody>
</table>

Source: Purdie and Khaltarkhu 2016.
56 million people are trapped in a vicious cycle of violence and hunger.98

In 2000 UN Security Council resolution 1325 recognized that war affects women differently and stressed the need to increase women’s participation in peace talks.99 But from 1992 to 2011 only 9 percent of participants in peace negotiations were women.100 Globally, fewer than 5 percent of peacekeepers are women.101

Incidents of violent extremism and terrorism worldwide rose from fewer than 5,000 in 2006 to nearly 15,000 in 2014.102 There has been a nearly tenfold increase in deaths from violent extremism and terrorism since 2000—from 3,329 victims to 32,685 in 2014.103 And the death toll keeps rising. In Iraq an estimated 50,000 people have died since 2003.104 In 2016 more than 20,000 people died during internal conflict in Afghanistan, and more than 10,000 died in Yemen.105

Economic losses from conflict are estimated at $742 billion a year, dwarfing the $167 billion in annual gross disbursements of official development assistance.106 But the costs of conflicts and violence are not limited to economic costs. People are uprooted because of conflicts and violence, they lose their belongings, they are on the run, their families are broken up—and too many die. About 600 million young people live in fragile and conflict-affected situations with no work and little hope.107 Despair sometimes leads them to violent extremism. Refugees and children and adolescents are five times more likely than nonrefugees children and adolescents to be out of school, with serious implications for building their capabilities.108

Broader peace, stability and security are linked not only to the end of wars and conflicts, but also to the end of violence within societies and human security in personal and community life. Violence has become a human language in many societies, and intolerance has become the reaction (box 1.6).

Rising shocks, expanding vulnerabilities

Although human beings are extremely resilient, the system in which they live and operate has to be resilient as well. Pandemics, natural disasters, climate change, economic and financial crises and other shocks can slow, reverse or completely derail human development. The effects on human development are not transitory; they may become permanent. Recovering from shocks takes a long time. Even six years after the economic and financial crisis of 2008–2009, at least 61 million fewer jobs were available globally than expected.109 Five years of war in the Syrian Arab Republic and the spillover in Egypt, Iraq, Jordan, Lebanon and Turkey have cost close to $35 billion—equivalent to the GDP of the Syrian Arab Republic in 2007.110 It will take time to return to the prewar GDP.111 Restoring Libya’s infrastructure will cost an estimated $200 billion over the next 10 years.112

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**BOX 1.6**

**Human security, as people see it**

Human security to me means that my children and grandchildren will never see killing of human beings because of their colour or tribe as I witnessed in 1994 during the genocide of Tutsi in Rwanda.

—*A female professional from Rwanda*

Human security to me means that I can walk on any street, anywhere, at any time using any clothes that I want—and with no fear.

—*A man from Brazil*

To me personally, human security means being free to be myself as a transwoman who came from the very oppressive continent of Africa, to be free from that violence and feeling safe and functional.

—*A former student from the United States*

Human security is good nutrition, health and education, stability and peace, prosperity of the country and a robust state, freedoms, justice, democratic government.

—*A male government official from Yemen*

For me, human security means equality between people no matter what age, race, gender, social status or preferences they have. It means mutual respect between the people in the whole wide world.

—*A female student from Belarus*

Human security for me is to have a voice. It means the right to participate in political process, the right to criticize injustice.

—*A male professor from India*

Human security is not to worry or think about my day-to-day needs and safety.

—*A gay male government official from the Philippines*

Human security for me is the future health and well-being of my children and grandchildren.

—*A female retired social worker from New Zealand*


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The combined effects of growing populations, rising incomes and expanding cities will cause the demand for water to rise exponentially, while supply becomes more erratic and uncertain.

Eighteen million people living with HIV, mostly young and adolescent, do not receive antiretroviral treatment. Young women ages 15–24 are at higher risk of HIV infection and account for 20 percent of new HIV infections among adults globally. About 1.8 million children live with HIV, and only half of them receive lifesaving treatment. More than 50 percent of people living with HIV do not know that they are infected, and only 30 percent of young women have comprehensive and correct knowledge about HIV.

Noncommunicable diseases lead to 38 million deaths a year, 28 million of them in low- and middle-income countries. Cancer causes 8.2 million deaths a year, 5.7 million of them in developing countries. Almost 2.1 billion people worldwide are overweight or obese, 62 percent of them in developing countries. The number of overweight children is projected to double by 2030.

Ebola and Zika have emerged as epidemics going beyond a country or group of countries. And infectious diseases are developing resistance to the antimicrobial drugs used to treat them. Overprescription and failure to complete courses of treatment allow resistance to develop and microbial infections to become a human health threat. Some 700,000 deaths are attributed to antimicrobial resistance each year; that number could skyrocket to 10 million a year by 2050 and cause global GDP to drop 1.1–3.8 percent. Some 28 million more people are projected to slide into poverty because of antimicrobial resistance.

Some 218 million people a year are touched by natural disasters. The total direct costs of disasters and major diseases are equivalent. Between 1980 and 2012 an estimated 42 million human life-years were lost to disasters, and 80 percent of them in developing countries. Fragile and conflict-affected states are home to more than 1.4 billion people and half the world’s extremely poor, a number that will grow 82 percent by 2030 if no action is taken.

Imbalances between the needs of people and the capacity of the planet

Every year, 24 billion tonnes of fertile soils are lost to erosion, and 12 million hectares of land are lost to drought and desertification, affecting the lives and livelihoods of 1.5 billion people. Desertification could displace up to 135 million people by 2045. Biodiversity is below safe levels across more than half the world’s lands.

Every year, 300 million tonnes of plastic are manufactured, but only 15 percent is recycled, leaving 46,000 floating pieces of plastic per square mile of ocean. But this is a minuscule fraction of the total amount of waste held in the seas, which affects nearly 700 marine species.

In 2012 an estimated 8.4 million people died from air, water or land pollution. At least 6.5 million people a year are believed to be dying from air pollution, with many more injured. The cost of air pollution in welfare losses has been estimated at $5 trillion, 60 percent of which is in developing regions. About 2.7 billion people still depend on wood or waste fires that cause indoor air pollution, affecting women and children the most. Indoor air pollution leads to around 3.5 million deaths a year.

Forests and trees provide vital resources to 1.3 billion people, and in developing countries, forest income is second only to farm income among rural communities. Between 60 million and 200 million indigenous peoples rely on forests for survival. Acting as the lungs of the world, forests also slow climate change, and acting as carbon sinks, they increase resilience. Yet in tropical countries the annual net forest loss is 7 million hectares—the size of Ireland.

Water stress is a major challenge affecting more than 4 billion people worldwide. The combined effects of growing populations, rising incomes and expanding cities will cause the demand for water to rise exponentially, while supply becomes more erratic and uncertain. Water is becoming scarcer in the Arab States and in the African Sahel, where it is already in short supply, and may start disappearing in Central Africa or East Asia, where it is currently abundant. These regions could see declines of as much as 6 percent of GDP by 2050 because of water-related impacts on agriculture, health and income.

In 2012 more than 80 percent of the world’s primary energy supply came from fossil fuels, and only 16 percent came from renewable energy. In 2015 fossil fuels accounted for 55 percent of global energy investment, and today fossil fuel companies benefit from global subsidies of $10 million a minute.
The world has the resources, the technology and the expertise to overcome human deprivations. And the notion of sharing prosperity gives us hope that we are ready to tackle human deprivations together.

The hopes we have

What humanity has achieved over 25 years despite all the challenges it has faced gives hope that fundamental change is possible. Yes, progress on many fronts has been uneven and deprivations linger, yet what has been achieved can become a foundation for progress in many areas. We can explore new possibilities for overcoming challenges and attain what once seemed unattainable. Realizing our hopes is within our reach.

Rapid progress is possible

Some of the impressive achievements in human development over the last 25 years have been in regions and areas that once were lagging. South Asia, where extreme poverty is rampant, reduced the extreme poverty rate from 44.5 percent in 1990 to 15 percent in 2013. Average incomes rose among the poorest 40 percent between 2008 and 2013 despite the financial crisis. And between 2011 and 2014, 700 million people worldwide became account holders in banks, other financial institutions or mobile money service providers.

Africa boosted life expectancy by six years in the 2000s. Latin America and the Caribbean reduced the under-five mortality rate by 70 percent between 1990 and 2015. The Americas have been declared free of measles. Guatemala has joined three other Latin American countries that were already free of river blindness. Southeast Asia cut the share of the population living in slums from 40 percent in 2000 to 27 percent in 2014.

In 2005 India aimed to connect every community with more than 1,000 people and every community with more than 500 people in hilly, tribal and desert areas to an all-weather road. Four years later, 70 percent of the target communities were connected. In 2005 Ethiopia launched Sub-Saharan Africa’s largest social protection programme. Four years later 7.5 million people were supported in times of food insecurity. In 2010 Senegal targeted 191 rural villages for improved access to electricity, boosting the number of people with access from 17,000 to 90,000 in 2012.

All these gains are reasons for hope that rapid progress is possible, even in areas previously lagging. The world has the resources, the technology and the expertise to overcome human deprivations. And the notion of sharing prosperity gives us hope that we are ready to tackle human deprivations together. Inaction is not an option.

The resounding voices of the people

People everywhere want to influence the processes that shape their lives. They are vocal in raising concerns—such as those related to waste recycling and extractive industries, ethical sourcing and fair practices in trade, citizen safety and the public health implications of agribusiness and pharmaceuticals. Other examples include antiglobalization protests and the Occupy movement against wealth and income inequality. Technology and social media have mobilized grassroots activism and included people and groups previously unable to exercise voice and opinion (box 1.7).

The Internet brings people together through offline protests as well. In 2014 the platform Avaaz.org coordinated a gathering of more than 1 billion people worldwide lack access to electricity. By 2040 the planet’s energy system will need to serve 9 billion people, and much of the energy will have to be renewable.

Climate change will aggravate land degradation—especially in drylands, which occupy 40 percent of global land area, are inhabited by some 2 billion people and support half the world’s livestock. By 2030 climate change is expected to cause an additional 250,000 deaths a year from malaria, diarrhoea, heat stress and malnutrition.

The poorest people are more exposed than the average population to climate-related shocks and are at high risk of floods, droughts and heat waves; crop failures from reduced rainfall; spikes in food prices after extreme weather events; and increased incidence of diseases after heat waves and floods. Poor people are also more exposed to higher temperatures and live in countries where food production is expected to decrease. If climate-smart action is not taken now, more than 100 million additional people could be living in poverty by 2030. Climate change can have the most disastrous effects on indigenous peoples, who rely more on natural resources and agriculture.

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As more people raise their voices to express their hopes and aspirations as well as their despair and frustration, mobilizing to demand what they want will become easier. 400,000 people in Manhattan—and hundreds of thousands more in other cities—for the “biggest climate march in history.” Crowdfunding allows individuals to contribute small amounts of money towards a philanthropic project that requires larger funds. Donors can fund local projects through civic crowdfunding or projects in other countries through charity crowdfunding. Spacehive, a civic crowdfunding platform in the United Kingdom, specializes in raising funds for small community projects such as improving a playground or renovating a school. It has raised nearly £5 million (more than $6 million) since its launch in 2011.

Although petitions, protests, fundraising and political publications have always existed, the Internet has allowed them to reach an unprecedented level and bring together people across the world. Mobile phones have multiplied the impact of popular movements. The broadcasting on Facebook of police attacks during pro-democracy demonstrations was instrumental in the 2011 Arab Spring. Smartphones and subscription-free mobile phones will likely accelerate this trend, creating new opportunities for people to express themselves freely, even under authoritarian regimes.

As more people raise their voices to express their hopes and aspirations as well as their despair and frustration, mobilizing to demand what they want will become easier. People’s voices can thus become a more powerful force, giving others hope in shaping the world they want.

Expanding human ingenuity and creativity

Human ingenuity and creativity have initiated technological revolutions and translated these revolutions into the way we work, think and behave. Technology is all around us, and sometimes in us—biotech, digital tech, nanotech, neurotech, green tech and so on. The digital revolution has been going on for some time. The number of connected devices worldwide was projected to increase from 9 billion in 2012 to 23 billion in 2016. Some estimates put the Internet’s contribution to global GDP at as much as $4.2 trillion in 2016.

The innovations of the technological revolution have ranged from three-dimensional technology to digital banking, from e-books to e-commerce, from the sharing economy to crowdworking. Economies have become individualized to match demand and supply peer-to-peer. The labour market does not require a traditional workplace, and the process has opened opportunities for many while making work precarious or even vulnerable for many others.

Mobile phones and mobile Internet services offer many new opportunities for

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**BOX 1.7**

**Cyberactivism—a new form of participation**

Cyberactivism is political engagement by means of the Internet. Netizens are individuals who work to create online communities to realize social or political goals. But the Internet also brings together individuals who do not otherwise engage in political or public life and simply feel concerned by a specific issue.

On several occasions in recent years, large numbers of people have signed online petitions to draw the attention of policymakers to their opinions. In 2010, 2 million petitioners succeeded in banning politicians convicted of crimes from running for office in Brazil. In 2012 an online petition received 1.8 million signatures in support of the recognition of Palestine as a state by the United Nations. In 2014, 2.3 million people signed an online petition to oppose the eviction of the Maasai people from their ancestral lands by the Tanzanian government. Since 2010 the United Kingdom has provided the opportunity for citizens to petition Parliament on an issue by gathering 100,000 signatures.

In 2003 online mobilization led protests in several countries against the war in Iraq. Over the past 10 years this trend has encompassed protests by civil society organizations and protests prompted by individuals who join together over a specific issue and then disengage from political discourse. An important aspect of these protests is their geographic scope, sometimes spanning several cities and sometimes several countries.

people—access to dynamic price information (as in Niger), productivity gains (as in Morocco), job creation in technology-based industries and labour-market services. They have helped poor female entrepreneurs through marketing information (as in Bangladesh) and contributed to the financial inclusion of poor people through mobile banking (as in Kenya). The digital revolution raises the hope of addressing such daunting challenges as ensuring food security, overcoming health concerns, combating climate change and meeting energy needs. The development of immunotherapy has opened opportunities for successfully battling different types of cancers, such as breast cancer. Three-dimensional printing can produce industrial prototypes and human tissue. Cloud technology has the potential to improve access to online information technology services for businesses and governments at low cost and to enable new online products and services for millions of producers and billions of consumers.

Continuing the progress in women’s empowerment

Women have made major strides in all walks of life. Gender equality and women’s empowerment are not add-on issues in the development dialogue, but a mainstream dimension of the development discourse locally, nationally and globally. Women have proved to be productive economic actors, prudent decisionmakers, visionary leaders, compassionate volunteers and constructive peacekeepers. And many women are expanding their horizons.

Focusing primarily on girls and disadvantaged groups, Nepal’s Welcome to School Initiative led to an increase in net enrolment of 470,000 children, 57 percent of them girls, within a year of its implementation in 2005. Nepal’s policy on adolescent girls was initially centred on health and education but now encompasses needs in employment, skills development and civic participation.

Access to employment opportunities and to finance has opened opportunities for many poor women. The Women Development Act in the Philippines allows women to borrow money, obtain loans, execute security and credit arrangements and access loans in agrarian reform and land resettlement programmes under the same conditions as men. Financial services in South Africa and the United States are similarly regulated to avoid gender discrimination.

Romania’s Order No. 473/2014 supports female entrepreneurs by financing their best business plans. It aims to cultivate entrepreneurship among woman-owned businesses. Bangladesh is encouraging female participation in the workforce, with the ambition of bringing the share of women in the workforce up from 34 percent to 82 percent by 2026, thus adding 1.8 percentage points to GDP. In the Democratic Republic of Congo a new family code is being drafted to support women in business. All these efforts contribute to women’s economic empowerment, which needs to be appropriately conceptualized.

Women have become active in areas where they were not traditionally active, and they have excelled in every aspect of life where they are engaged, even in societies where women have faced great obstacles in overcoming their traditional roles. Consider the success of Kimia Alizadeh, the Iranian female athlete at the 2016 Olympics, who not only competed but won a medal. There is now a female fighter pilot in the United Arab Emirates.

Women are demanding gender equality in all walks of life. Nearly 15,000 people recently signed an online petition in Saudi Arabia calling on the government to abolish the country’s guardianship system, which prevents women from engaging in fundamental tasks without the permission of a male relative or without being accompanied.

Society is gradually accepting and appreciating what women can achieve and contribute. Norms, values and legal frameworks are evolving. Côte d’Ivoire is tackling legal discrimination against women. While in the 1990s very few countries legally protected women from violence, today 127 do. This is partly the result of successful awareness-raising on the human and economic cost of such violence. Lebanon now penalizes domestic violence. Peru prohibits sexual harassment in public spaces. Hungary criminalized economic violence as a form of domestic violence. Cabo Verde adopted a new law in 2011 to fight gender-based violence. The State of Palestine recently elaborated the Arab region’s first national strategy to fight violence against women, with the participation of survivors of violence.
Countries where the rule of law is applied also have more gender-equal laws

El Salvador obtained its first conviction in a case of femicide after a national protocol to guide investigations was adopted. In Latin America and the Caribbean the United Nations Entity for Gender Equality and the Empowerment of Women is working with the Office of the High Commissioner for Human Rights to promote the adoption of a regional model protocol for investigating femicide. Gambia and the United Republic of Tanzania have banned child marriage, raising the legal age of marriage for both boys and girls to 18. And in Mozambique, marrying the survivor of rape is no longer a defence option for rapists.

Specialized courts that tackle acts of violence against women can help provide effective legal action. Domestic and family violence courts were created in Brazil through the Maria da Penha Law. The Indian inheritance law reform improved the economic freedom of women, who were thereby able to double their spending on their daughters’ education thanks to increased savings.

Slowly opening the space for action on some taboos

Several issues that were once rarely discussed and poorly addressed have received increased attention from the general public, civil society and policymakers over the last two decades. Among the groups of people who have benefited from breaking these taboos are lesbian, gay, bisexual, transgender and intersex people, women and girls who suffered female genital mutilation and cutting, and survivors of gender-based violence. Same-sex marriage is performed in nearly two dozen countries. Numerous countries recognize civil unions, registered partnership and unregistered cohabitation. Even though lesbian, gay, bisexual, transgender and intersex people have equal constitutional rights in only five countries, at least their existence is recognized and their problems are discussed in various platforms.

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BOX 1.8

Five misconceptions about women’s economic empowerment

- Women’s economic contribution is limited when women are not employed. Globally, women are less engaged in paid employment than men. In 2015, 36 percent of women and 44 percent of men worked full time for an employer. However, women’s economic contribution in unpaid care and domestic work is remarkable: a 2011 survey in 46 countries found that, on average, 28 percent of women and 6 percent of men spent three to five hours a day on household work.

- Women’s economic participation equals women’s economic empowerment. Increasing the number of women in the workforce is an important objective, but if they enter it under poor conditions, their empowerment may not be improved. Exploitation, dangerous or stigmatized work, low pay and job insecurity are unfavourable terms often encountered by women.

- There is an automatic win-win between gender equality and wider development outcomes. Gender equality has been found to promote economic growth, household poverty reduction and human development. But the reverse is not always true. This means that governments need to pay dedicated attention to gender equality and not rely solely on growth to achieve it.

- What works for one group of women will work for another. Women across the world often face similar obstacles, such as limited access to property and financial services, lack of social protection and unpaid care burden. Yet demographic, economic and cultural contexts also contribute to these barriers and make each woman’s experience different from others’. Policymakers cannot consider women to be a homogeneous group and apply standardized solutions to gender issues. Tailored approaches are required.

- Increasing women’s individual skills and aspirations is the main challenge. Women’s capacity to seize economic opportunities can be substantially improved through individual support such as training in business management skills, but structural causes of gender inequality must be addressed simultaneously. A survey of 67 countries in 2009 showed that 20 percent of men believed that women should not be allowed to hold any job that they are qualified for outside of their home.

Source: Hunt and Samman 2016.
including the United Nations. According to a report by GLSEN, the situation of lesbian, gay, bisexual, transgender and intersex students in the United States may be gradually improving, but it remains troublesome. Many civil society organizations such as OutRight Action International have been working to address these issues.

Several countries have implemented legal reforms to reduce female genital mutilation and cutting, femicide, acid violence and honour violence. Gambia has outlawed female genital mutilation and cutting. El Salvador and Mexico have enacted legal reforms that define femicide as a criminal offence and have adopted measures to prevent and punish the crime.

The first law banning acid violence was passed in Bangladesh in 2002, and the death penalty was introduced later as punishment for the crime. Acid attacks in Bangladesh fell from 494 incidents in 2002 to 59 in 2015. The Indian Penal Code was amended in 2013 to recognize acid violence as a criminal act. Female parliamentarians, political leaders and nongovernmental advocates in Pakistan have actively supported new legislation to prevent acid attacks against women. About 100 acid attacks in Colombia occur each year, so the country strengthened its legislative framework and enacted a law in January 2016 to impose sentences of 12–50 years imprisonment for perpetrators.

The Acid Survivor Foundation, active in Bangladesh, Cambodia and India, provides support to acid violence survivors. A dedicated helpline in the State of Palestine, including online counselling and referral mechanisms, has already provided information to and potentially saved the lives of 18,000 callers.

### Increasing awareness of sustainability

Awareness of sustainability has been increasing. It is much more visible in the global development agenda today than it was in the 1990s (Box 1.9). Both the 2030 Agenda and the Paris Agreement on climate change bear this out. This increased visibility results from changes in the environment, natural resources and the climate that we can now all perceive. These changes have made it necessary to transform the way we produce, consume and function to protect our ability—and the ability of future generations—to live on the planet.

Realization is growing that natural resources are everybody’s responsibility, from individuals to global institutions. They are global common-pool resources, meaning that they are limited (overuse reduces the availability for other users) and that anyone can access them relatively freely (regulating their consumption is difficult). So their management must be global, but national and local actions can have considerable impacts. The pollution of a river by a single factory can deplete natural resources along the riverbanks for kilometres downstream and pollute underground water reserves over an even larger area. Positive individual actions, if repeated by millions of people, can likewise make a difference.

**Box 1.9**

#### The growing recognition of the importance of environmental sustainability

In 1992 a milestone summit was organized in Rio de Janeiro that led to the United Nations Framework Convention on Climate Change. In 2000 environmental sustainability was included as one of the eight Millennium Development Goals and subsequently integrated into most international and national development strategies. At the World Summit on Social Development in 2005, environmental sustainability was recognized as one of the three pillars of sustainable development, along with economic development and social development.

The year 2015 was a turning point with the adoption of the 2030 Agenda, which gives unprecedented attention to environmental sustainability and climate change, and the Paris Agreement on climate change, through which 195 member states committed to reducing carbon emissions. Three of 17 Sustainable Development Goals are dedicated to environmental sustainability, and all of the others call for environmentally sustainable practices in their respective fields. Increasingly perceptible resource depletion and climate change highlight the importance of integrating environmental sustainability in development strategies for the good of present and future generations.

Climate-smart agriculture and climate-smart development are gaining currency. For example, about 500,000 solar panels were installed every day in 2015, an unprecedented growth that meant that renewable energy had become the world’s top source of installed power capacity. On a single day—11 July 2016—India planted 50 million trees to take on climate change. In 2015, 247,000 electric cars were sold in China. Globally, 13 percent of greenhouse
In spite of heated debates leading to bitter gridlock at the national, regional and global levels, through the rubble the tender shoots of a global consensus are emerging to ensure a sustainable world for future generations. The 2030 Agenda adopted by 193 member states of the United Nations on 25 September 2015 is among the most important platforms for efforts to end poverty by 2030 and pursue a sustainable future. The agenda includes 17 Sustainable Development Goals, 169 targets and 230 indicators (box 1.10).

Similarly, parties to the United Nations Framework Convention on Climate Change reached a landmark agreement on 12 December 2015 in Paris, charting a fundamentally new course in the two-decade-old global climate efforts. After four years of negotiations the treaty is the first to consider both developed and developing countries in a common framework, urging them all to make their best efforts and reinforce their commitments in the coming years. All parties should now report regularly on emissions and on efforts to implement their commitments and submit to international review. The Paris Agreement on climate change came into force on 4 November 2016. More than 70 countries, which account for nearly 60 percent of global emissions, have ratified it.

The first UN Summit for Refugees, held in September 2016, brought member states together to agree on a more humane and coordinated way to respond to the risks faced by refugees and migrants and to prepare for future challenges. It resulted in the New York Declaration, a series of national and international commitments (see chapter 6).

A recent groundbreaking ruling by the International Criminal Court in The Hague sentenced an Islamic militant from Mali who helped destroy the fabled shrines of Timbuktu to imprisonment for nine years. The trial was unique on two fronts: it was the first at the court to focus solely on cultural destruction as a war crime, and it was the court’s first prosecution of an Islamic militant.

The human development approach and the 2030 Agenda

The human development approach and the 2030 Agenda have three common analytical links (figure 1.10):

- Both are anchored in universalism—the human development approach by emphasizing the enhancement of freedoms for every human being and the 2030 Agenda by concentrating on leaving no one behind.
- Both share the same fundamental areas of focus—eradicating extreme poverty, ending hunger, reducing inequality, ensuring gender equality and so on.
- Both have sustainability as the core principle.

The links among the human development approach, the 2030 Agenda and the Sustainable Development Goals are mutually reinforcing in three ways. First, the conceptual foundation of the 2030 Agenda is strengthened by the analytical elements of the human development approach and its conceptual foundation. Similarly, the human development approach is enriched by elements in the narrative of the 2030 Agenda.

Second, the Sustainable Development Goal indicators can be used with the human development indicators in assessing progress towards the Sustainable Development Goals. Similarly, the human development approach can supplement the Sustainable Development Goal indicators with additional indicators.
The links among the human development approach, the 2030 Agenda and the Sustainable Development Goals are mutually reinforcing.

Third, the Human Development Report can be an extremely powerful advocacy instrument for the 2030 Agenda and the Sustainable Development Goals. And the Sustainable Development Goals can be a good platform for the greater visibility of the human development approach and the Human Development Report through 2030.

Universalism is at the core of human development. And given the progress in human development over the past 25 years and the hope it presents, human development for everyone must be and can be attained. But there are considerable challenges and barriers to universal human development. So universalism of human development must not remain a philosophical tenet. It must become a practical reality to analyse the who and where of why human development not reaching everyone—a task for chapter 2.

### BOX 1.10

**Sustainable Development Goals**

| Goal 1 | End poverty in all its forms everywhere |
| Goal 2 | End hunger, achieve food security and improved nutrition and promote sustainable agriculture |
| Goal 3 | Ensure healthy lives and promote well-being for all at all ages |
| Goal 4 | Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all |
| Goal 5 | Achieve gender equality and empower all women and girls |
| Goal 6 | Ensure availability and sustainable management of water and sanitation for all |
| Goal 7 | Ensure access to affordable, reliable, sustainable and modern energy for all |
| Goal 8 | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all |
| Goal 9 | Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation |
| Goal 10 | Reduce inequality within and among countries |
| Goal 11 | Make cities and human settlements inclusive, safe, resilient and sustainable |
| Goal 12 | Ensure sustainable consumption and production patterns |
| Goal 13 | Take urgent action to combat climate change and its impacts¹ |
| Goal 14 | Conserve and sustainably use the oceans, seas and marine resources for sustainable development |
| Goal 15 | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss |
| Goal 16 | Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |
| Goal 17 | Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development |

¹. Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.

FIGURE 1.10

Analytical links between the human development approach and the 2030 Agenda

Review the narrative of the 2030 Agenda and examine parts that can enrich it
Use analytical elements of human development to strengthen its conceptual foundation

The core principle
Fundamental life objectives
Principle of universalism
Common anchors
Eradication of extreme poverty, ending hunger...
Freedoms for every human being
Leaving no one behind

The human development approach
The 2030 Agenda and the Sustainable Development Goals

Chapter 2

Universalism—
from principles
to practice
Infographic 2.1 Barriers to universalism

- Intolerance and exclusion
  - Discriminatory laws
  - Social norms
  - Violence

- Narrow self-identities
  - Nationalism
  - Identity politics

- Weak bargaining power
  - Inequality
  - Lack of voice

- Elite capture of institutions
  - Rise of 1 percent
  - Lack of pluralism
Universalism—from principles to practice

The progress in human development over the past 25 years has been impressive on many fronts. More children are going to school, people are living longer, incomes are higher and people have greater potential to shape their societies and their future under democratic forms of government. But the gains have not been universal, and not all lives have been lifted. This reality was the impetus for the intergovernmental agreement on the 2030 Agenda, which aims to leave no one behind. Millions of people are indeed unable to reach their full potential in life because they suffer deprivations in multiple dimensions of human development—lacking income and secure livelihoods, experiencing hunger and malnutrition, having no or limited access to social services, fearing violence and discrimination and being marginalized from the political processes that shape their lives. There are imbalances across countries; socioeconomic, ethnic and racial groups; urban and rural areas; and women and men. Some groups are more deprived than others, and the most deprived individuals belong to multiple disadvantaged groups—an older, ethnic minority woman in a least developed country, for example.

The absolute deprivations in basic human development remain pronounced and demand urgent attention. But being left behind is a dynamic and relative process, so universalism—human development for everyone—requires a forward-looking approach. As gains are achieved, other deprivations may become more critical, and new groups may bear the burden of being left behind. Many people appear to be doing well according to measures such as minimum schooling and income, but the quality of education and of work conditions are low for many millions of people. Likewise, people are living longer and healthier lives, but many face deficits in political freedom and in opportunities for political participation.

Demographic shifts, transitions from peace to insecurity and other macro threats such as epidemics, financial crises, natural disasters and climate change all generate new forms of advantage and disadvantage. In this digital age a lack of reliable access to information, infrastructure or technology can severely curtail opportunities, even in developed countries, reshaping patterns of deprivation. And even as restrictive social norms—such as restrictions on women working outside the home—lose force in some societies, others—such as discrimination against older people—become more powerful. Who is left behind, how and why are questions with different answers in different places at different times.

Enabling all human beings to realize their full potential demands urgent attention to inequality and to relative capabilities and opportunities. It is not enough to enable those with the least capabilities to move above minimum thresholds. For instance, even if extreme poverty were to be eradicated globally or universal primary school enrolment attained, the wealthy and highly educated could simultaneously accrue enormous economic resources or achieve higher tertiary enrolment rates, thereby maintaining or even widening gaps in key capabilities. Despite absolute gains for all people, the possibilities for those with the least wealth and education to realize their full potential would continue to lag.

Because the starting points vary widely across individuals, more equitable outcomes may require greater attention and support for the people who are farthest behind. It is particularly important to close the gaps in voice and agency. Institutions and policies may otherwise disproportionately reflect the values and interests of elites, who often have greater voice. There is a risk that gaps could become self-perpetuating and ever more difficult to eradicate. And extreme inequalities in voice and agency can breed economic, social and political instability and conflict.

Human development embodies a commitment to ensure rights, voice, security and freedom—not to most, but to all people in every corner of the world. It also stresses the importance of sustaining capabilities and opportunities throughout an individual’s lifecycle and for subsequent generations.
One of the main challenges of practical universalism—advancing from ideas to actions and institutions—is reaching those who experience the most extreme deprivations and those who are the most socially marginalized and excluded. Technical and financial barriers can be overcome, and there are indeed strong collective efforts in this direction. But deep-seated barriers to universalism, including discriminatory social norms and laws and inequalities in agency and voice, require more attention. There is also a need to appreciate the dynamic nature of deprivations and exclusion—that gains can be reversed by health or financial shocks, that new barriers can emerge if conflict erupts or community security and services deteriorate and that new groups without reliable access to the Internet can be marginalized when that access becomes central to livelihoods.

The goal is not only to reach the most deprived and ensure that no one is left behind today, but also to protect those at risk of being left behind tomorrow. Universalism is a principle of the human development approach, and now is the time to translate it into practice by identifying and breaking down barriers that exclude certain groups, narrowing the wide gaps in life chances among different groups, proposing policy options that fit contexts and levels of development and identifying institutional shortcomings. This is practical universalism.

Momentum towards universalism

Space is opening for the practice of universalism and the extension of human development to everyone. The 2030 Agenda takes a universal approach. Its Sustainable Development Goals embody a shared vision of progress towards a safe, just and sustainable world in which all human beings can thrive. The goals reflect principles of universality that no one and no country should be excluded and that everyone and every country share a common—albeit differentiated—responsibility for the outcomes of all. Global momentum is thus in place to enable policymakers and advocates to move in ways that may have been much more difficult in the past.

Translating principle into policy and institutional practice requires mapping out who the deprived are, where they live, what the extent of their deprivation is and what the risks of new deprivations are. The Report on the World Social Situation 2016 noted that universalism is possible only after those who are being left behind have been identified. With this reasoning, this chapter:

- Looks beyond national averages and existing measures.
- Comprehends the development barriers that often block particular groups, such that some groups are disproportionately marginalized and more at risk of emerging threats.
- Contextualizes human development, identifying deprivations and inequalities across the spectrum of countries with different incomes and human development profiles and mapping out how new barriers can emerge, even as some deprivations are overcome.
- Analyses the barriers to practical universalism so that steps can be taken to eliminate them.

Beyond averages—using the family of human development indices

Human development is about improving the life chances of individuals. However, the measures used to monitor progress in human development often cover only countries and not individuals or groups. Disaggregated measures are therefore needed that show who is deprived, where they live and the nature of their deprivations. National, subregional and regional Human Development Reports have identified deprivations by analysing data disaggregated by age, gender, subnational units, ethnicity and other parameters. Disaggregating and analysing the family of human development indices—the Human Development Index (HDI), the Inequality-adjusted Human Development Index (IHDI), the Gender Development Index (GDI), the Gender Inequality Index (GII) and the Multidimensional Poverty Index (MPI)—are early steps towards quantifying the scale of deprivations globally.

Human Development Index

The HDI is one tool for identifying deprivations in a selection of essential capabilities (a
long and healthy life, knowledge and a decent standard of living). Country-level trends on the HDI have been impressive over the past 25 years: Between 1990 and 2015 the number of countries classified as having low human development fell from 62 to 41, and those classified as having very high human development rose from 11 to 51. These shifts reflect improvements in the life conditions of millions of people. But the trends also reflect average national progress. The unfortunate reality is that millions of people fall on the wrong side of the average and struggle with hunger, poverty, illiteracy and malnutrition, among other deprivations. Making human development work for everyone requires a greater understanding of who these people are and where they live.

Disaggregated HDI values within countries confirm that many people live with unacceptably high deprivation, even though their country appears to have improved in HDI value and rank. Panama is classified as having high human development, but 2 of its 12 provinces are classified as having low human development, while the capital province is classified as having very high human development. Ethiopia is classified as having low human development, as are 9 of its 11 regions, but 2 regions are classified as having medium human development. In both countries the split is between capital provinces and more rural areas.

Disaggregation at the global level suggests that a third of the world’s population lives in low human development (figure 2.1). Many of these people are severely deprived in education, health and income. Medium, high and very high human development countries are home to hundreds of millions of people living in low human development. Many people are being left behind in countries across the development spectrum.

**Inequality-adjusted Human Development Index**

Unequal concentrations of well-being mean that indicators of average human development like the HDI do not reflect the well-being of a vast portion of the population. The IHDI quantifies the effects of inequality on human development, measured in terms of the HDI.

Some 22 percent of the world’s human development is lost because of inequality. Inequality in education contributes the most to overall inequality, followed by inequality in income and inequality in life expectancy. Sub-Saharan

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**FIGURE 2.1**

A third of the world’s population lives in low human development

Africa has the highest loss of human development because of inequality (32 percent).7

At the country level unequal distribution of human development occurs both in low human development countries, such as Comoros (where 46 percent of human development is lost because of inequality) and in very high human development countries, such as Chile (where 18 percent of human development is lost because of inequality).8 The IHDI indicates that human development for everyone will require considerable interventions to overcome unequal distributions in key capabilities within countries.

Gender Development Index and Gender Inequality Index

Women are more likely than men to suffer from low human development.9 Many groups are disadvantaged, but the systemic deprivations of women relative to men deserve to be highlighted because women constitute half the world’s population. The deprivations facing women are the most extreme barrier to global progress in human development.

Despite the fact that in all regions women have longer life expectancy than do men and the fact that in most regions the expected number of years of schooling for girls is similar to that for boys, women consistently have a lower HDI value than do men. The largest differences captured by the GDI are in South Asia, where the HDI value for women is 17.8 percent lower than the HDI value for men, followed by the Arab States with a 14.4 percent difference and Sub-Saharan Africa with 12.3 percent.

Much of the variation in HDI between women and men is due to lower income among women relative to men and to lower educational attainment among women relative to men. Part of the variation in the HDI between men and women is generated by barriers to women working outside the home, to accessing education, to voicing their concerns in political arenas, to shaping policies and to receiving the benefits of high-quality and accessible health care.

The GII is a composite index that captures the inequality that many women face in reproductive health, secondary education, political representation and the labour market (figure 2.2). Women are the most disadvantaged in low human development countries.10

A challenge to global progress in human development across all regions and groups, gender inequality is most severe in low and medium human development countries and in the Arab States, South Asia and Sub-Saharan Africa.11 As countries’ human development improves, women’s choices and opportunities must be equal to those of men so that everyone benefits from advances in human development.

Multidimensional Poverty Index

Deprived people often lack capabilities and opportunities across multiple dimensions. The MPI, which is calculated for 102 developing countries, reveals more about the depth and overlapping nature of people’s nonincome deprivations than do one-dimensional measures of poverty. Based on 10 indicators, the MPI identifies households that are acutely deprived by their health, education and standard of living. Almost 1.5 billion people in the developing countries for which the MPI is calculated live in multidimensional poverty, 53.9 percent of them in South Asia and 33.5 percent in Sub-Saharan Africa.12 People are also deprived in developed countries (box 2.1).

Some systematic patterns of deprivation can be inferred from poverty measures. People in rural areas are far more likely than people in urban areas to be multidimensionally poor (29
There is a high likelihood that if a household is deprived in one of the 10 indicators used to calculate the MPI, it will also be deprived in others.
deprived, a more comprehensive cross-sectoral approach to policy may thus be more effective than interventions that separately target particular elements of poverty. Poverty rates differ between men and women. Although at the global level households headed by men and those headed by women are almost equally likely to be multidimensionally poor—29 percent of man-headed households and 28 percent of woman-headed households are multidimensionally poor—there is considerable variation across countries and regions.\textsuperscript{16} Because the MPI is calculated at the household level rather than at the individual level, complementary research may be needed to clarify the relationship between gender and poverty.

People are more likely to fall into multidimensional poverty during conflict, and people in conflict areas face particular barriers to moving out of multidimensional poverty. An average of 49 percent of the population in 24 countries in conflict for which the MPI is calculated lives in multidimensional poverty, and another 16 percent live in near-poverty. An average of 27 percent of people in these countries live in severe multidimensional poverty.

Deprivations also vary across socioeconomic groups. In Sub-Saharan Africa poor people, especially women attending school in rural communities, are far less likely than nonpoor people to be learning critical skills such as reading, writing and mathematics.\textsuperscript{17} In Chad the richest quintile of the population averages 6.7 years of schooling, compared with 1.0 for the poorest quintile. The story is similar in Ethiopia—7.5 years for the richest quintile and 1.6 years for the poorest quintile—and in Madagascar—9.8 years and 1.7 years.\textsuperscript{18} In South Africa HIV prevalence is higher among the poorest socioeconomic groups. Access to basic social services of acceptable quality is often limited among people living in poverty, intensifying the disparities in well-being. In Zambia poor people are less likely to use public hospitals because of financial and physical barriers, despite having greater need than other income groups.\textsuperscript{19}

Too many people are still missing out

The HDI, GII, GDI and MPI indicate that not everyone is lifted as countries progress on these average measures. Despite the overall progress, about one-third of people in the world live in unacceptably low human development. Many of them—especially women and girls, people in rural areas and people in countries in conflict—suffer multiple and overlapping deprivations.

Viewing the nation as the primary unit of analysis for policymaking and measurement has value, but looking directly at the conditions of individuals is essential for identifying who is being left behind. Countries’ human development may improve, but this does not mean that entire populations are better off or benefit equally. Supplementing national measures with subnational measures is important for policymaking. Data disaggregation is critical for identifying the integrated actions needed to support universalism and the full realization of life potential among all people (see chapter 3). Melinda Gates, co-chair of the Bill & Melinda Gates Foundation, argues that getting a clearer picture of poverty and deprivation is a fundamental first step towards designing and implementing more effective policies and interventions (see special contribution).

A look at disadvantaged groups

All people in all circumstances are not equally disadvantaged. People with certain characteristics, in certain locations or at particularly vulnerable stages of the lifecycle are more likely than other people to lack access to capability-enhancing resources and opportunities to suffer deprivations. These groups are also disproportionately exposed and vulnerable to emerging threats such as epidemics, climate change and natural disasters, so progress may be less sustainable among these groups even when gains in human development are achieved. Group distinctions such as ethnicity or religion can serve as dividing lines to support discrimination and restrict access to resources and opportunities. The result can be differences in the human development outcomes of particular groups. The following subsections identify some of the groups that are missing out on progress in human development and show how deprivations may take shape in particular contexts and conditions.
I was asked last year to select one photograph that has profoundly influenced my life. I chose an image known as Migrant Mother—a haunting picture of a woman named Florence Owens Thompson sitting with three of her children in their makeshift home, a rudimentary tent. The photograph was taken in California in 1936 as millions of American families struggled through the Great Depression. Florence and her family are destitute and desperate.

That iconic photograph, which I first came across in high school, still comes to mind whenever poverty is the topic of conversation. Poverty as a category of analysis is an abstraction. Migrant Mother captures its harsh, biting reality better than any other image—and any dictionary definition or economic indicator—that I have ever seen. And what motivates me is that, 70 years on, this struggle is still daily life for more than a billion people around the world.

In my work I have seen that struggle firsthand. I have seen how lack of family planning advice and contraceptives leaves parents with more mouths to feed than they can afford; how not getting the right food and nutrients leaves people unable to fulfil their potential; and how disease leaves adults too weak to work, and children too sick for school.

So while there are robust and legitimate debates going on about the methodology and measurements we use to classify poverty, first and foremost we must remember what it actually means to be poor. Essentially, being poor is about deprivation. Poverty not only deprives people of food, shelter, sanitation, health, income, assets and education, it also deprives them of their fundamental rights, social protections and basic dignity. Poverty also looks different in different places. While in East Africa it is related mostly to living standards, in West Africa child mortality and lack of education are the biggest contributors.

All this complexity and variation is impossible to capture in a definition of poverty as simplistic as living on less than $1.90 a day. If we really mean to “end poverty in all its forms everywhere,” as laid out in the first Sustainable Development Goal (SDG), then it fits that we have to know what all those forms are. We need to have a far clearer picture of the most marginalized and most vulnerable. Not just those who are financially poor, but those facing a number of distinct disadvantages, such as gender, race and ethnicity, that taken together deprive them of the chance to lead healthy, productive lives.

One of the reasons I find Migrant Mother so powerful is that it focuses on the plight of a woman and how she is scarred by deprivation, at a time when their hardship and suffering was sometimes overlooked by policymakers. Similarly, because many surveys tend to focus solely on the head of household—and assume that to be the man—we have less idea of the numbers of women and children living in poverty and the proportion of woman-headed households in poverty.

Getting a clearer picture of poverty and deprivation is a fundamental first step towards designing and implementing more effective policies and interventions, as well as better targeting scarce resources where they will have the greatest impact. That’s why our foundation is supporting partners to better identify who and where the poorest and most vulnerable are, collect better information on what they want and need to improve their lives and develop a better understanding of the structural barriers they face. The findings will then be used to develop strategies that specifically target those identified within the first 1,000 days of SDG implementation.

This report is a welcome contribution to these efforts, along with the United Nations Development Programme’s ongoing work to revamp the Human Development Index (HDI), including an explicit focus on women and girls. Since its creation in 1990 the HDI has been a central pillar of multidimensional poverty and a key instrument to measure both how much we have achieved and the challenges ahead. The report is also a timely addition to the calls made by the Commission on Global Poverty, the Organisation for Economic Co-Operation and Development and others for incorporating quality of life dimensions into the way we understand and determine human deprivation.

I am excited by the prospect of a broader, more sophisticated approach to determining poverty. But all the best data in the world won’t do us much good if they sit on a shelf collecting dust. They must be used to influence decisionmaking and accountability, and ultimately to transform the lives of the world’s most vulnerable people. The last 15 years have shown us that progress on poverty is possible. But we also know that it is not inevitable—nor has it been universal. My hope is that this report will catalyse the global community to ensure that, this time, no one is left behind. Let’s not squander this momentum.

Melinda Gates

Co-chair of the Bill & Melinda Gates Foundation
Gender disparities in human development, while narrowing slowly, are embedded in social norms and long-standing patterns of exclusion from household and community decision-making that limit women's opportunities and choices (box 2.2).

Gender-based discrimination starts before school, even before birth. The preference for a son can lead to sex-selective abortions and missing women, particularly in some South Asian countries. Discrimination continues in families through intrahousehold resource allocation. The gender politics of food—nurtured by the assumptions, norms and values about women needing fewer calories—can push women into a perpetual state of malnutrition and protein deficiency. Women and girls sometimes eat last and least within the household. Early marriage among girls limits their long-term capabilities and potential. Each year, 15 million girls in developing countries marry before age 18, and if there is no reduction in the incidence of early marriage among girls, by 2050, 18 million girls will be married before age 18.\textsuperscript{20} Worldwide, one out of eight age-eligible girls does not attend primary or secondary school.\textsuperscript{21} Only 62 of 145 countries have achieved gender parity in primary and secondary education.\textsuperscript{22}

As highlighted in the 2015 Human Development Report, women face numerous disadvantages in paid and unpaid work. The global labour force participation rate is 49.6 percent among women and 76.2 percent among men.\textsuperscript{23} Women employed in vulnerable work or the informal economy may lack decent work conditions, social security and voice and have lower earnings than do other workers. Women also suffer discrimination in relation to productive assets, such as the right to land and property. Women are barred from owning land because of customary laws and social norms and practices. Only 10–20 percent of landholders

**BOX 2.2**

**Gender-based inequalities in South Asian households**

Women in South Asia are often excluded from decision-making, have limited access to and control over resources, are restricted in their mobility and are often under threat of violence from male relatives. These deprivations are linked strongly to patriarchal social norms and attitudes that impede equitable gender relationships within households. They have consequences for health, education and community participation.

Discrimination at each stage of the female life-cycle contributes to health disparities—from sex-selective abortions (particularly common in India and Pakistan) to lower nutrition intake and the neglect of health care among girls and women. A girl between her first and fifth birthdays in India or Pakistan has a 30–50 percent greater chance of dying than a boy. The maternal mortality ratio in South Asia is also stubbornly high, second only to that in Sub-Saharan Africa. This is partly because many births are not attended by skilled health personnel (44 percent in Bangladesh). Decisions about seeking care are made largely by husbands or older male and female household members, and mistrust or misinformation about modern health facilities for child delivery restricts access by women.

Inequality in work and education begins in childhood. Girls in South Asia learn domestic skills in the household and begin to take on domestic duties and child care. There are strong beliefs in rural areas that sons should be educated because they will remain in the family and support ageing parents, while daughters are likely to serve other families after marriage. Cultural beliefs that the role of a woman is to be a wife and mother have direct consequences on parents’ incentives to invest in expanding their daughters’ capabilities through education and preparation for paid work. Another common perception is that education for girls beyond primary school will make it harder for a woman to find a husband.

Legislation promoting gender equality is vital for women in South Asia. But households are where most decision-making takes place, and norms and values continue to perpetuate inequalities between men and women across generations, even when such laws are in place. If women are not encouraged to work outside the home, labour laws will not reach them. If families do not allow girls to attend school, scholarships and school gender quotas will not support them. And if violence against women is overlooked in the home, women will not feel empowered to voice their concerns.

Source: Banu 2016.
in developing countries are women.\textsuperscript{24} Women take on a disproportionate amount of unpaid work in the home, forgoing opportunities for other activities, including education, visits to health centres and work outside the home. There are more women than men living in poverty. In 2012 in Latin America and the Caribbean there were 117 women in poor households for every 100 men, an 8 percent increase since 1997.\textsuperscript{25}

In many countries outcomes in educational attainment and health are worse for girls than for boys. Globally, 60.3 percent of adult women have at least some secondary education, compared with 69.2 percent of adult men.\textsuperscript{26} Maternal mortality ratios and adolescent birth rates are declining but remain high in Sub-Saharan Africa, at 551 deaths per 100,000 live births and 103 births per 1,000 women ages 15–19.\textsuperscript{27}

One of the most brutal forms of women’s disempowerment is violence against women, including in the home, in all societies, among all socioeconomic groups and at all levels of education. According to a 2013 global review, one-third of women—and more than two-thirds in some countries—have experienced physical or sexual violence inflicted by an intimate partner or sexual violence inflicted by a nonpartner. Some 20 percent of women experienced sexual violence as children.\textsuperscript{28} Nearly a quarter of girls ages 15–19 worldwide reported having been victims of violence after turning 15.\textsuperscript{29}

Violence against women can be perpetuated through social norms. For example, female genital mutilation and cutting remain widespread. New estimates indicate that 200 million women and girls living today have undergone female genital mutilation, even though the majority of men and women oppose the practice in many countries where it is performed.\textsuperscript{30} Acid attacks against women are a heinous form of violence common in communities where patriarchal gender orders are used to justify violence against women. In the last 15 years more than 3,300 acid-throwing attacks have been recorded in Bangladesh, Colombia, Pakistan, Uganda and the United Kingdom.\textsuperscript{31} The true number is likely much higher because many cases go unrecorded. In some societies women are also targets of honour-based violence, where the concept of honour and shame is fundamentally bound up with the expected behaviours of women, as dictated by their families or societies. Worldwide, 5,000 women a year are murdered in such honour killings.\textsuperscript{32}

When women are discriminated against, society suffers. Even in a narrow economic sense, gender gaps in women’s entrepreneurship and labour force participation account for estimated economywide income losses of 27 percent in the Middle East and North Africa, 19 percent in South Asia, 14 percent in Latin America and the Caribbean and 10 percent in Europe.\textsuperscript{33} In Sub-Saharan Africa annual economic losses because of gender gaps in effective labour (the labour force participation rate and years of schooling) are estimated at $95 billion.\textsuperscript{34}

**Ethnic minorities**

In many developing and developed countries ethnic minority status is associated with lower capabilities and opportunities. More than 250 million people worldwide face discrimination solely on the basis of caste or inherited status.\textsuperscript{35} In Viet Nam there are gaps between the capabilities of ethnic or linguistic minorities and the Kinh-Hoa majority. In 2012, 50.9 percent of the ethnic minority population was living in multidimensional poverty, compared with only 16.5 percent of the Kinh-Hoa population. In 2008 the poverty rate was 51 percent among ethnic minorities and 54 percent among non-Vietnamese speakers, compared with only 26 percent among the Kinh-Hoa population. Some 84.6 percent of Kinh-Hoa children ages 12–23 months were fully immunized in 2014, compared with 69.4 percent of ethnic minority children.\textsuperscript{36}

Evidence from Nepal shows similar patterns of disadvantages among ethnic minority groups. The 2014 Nepal National Human Development Report found wide variations in HDI values across population groups, although the trends are towards less inequality. The Newar people have the highest HDI value, 0.565, followed by the Brahman-Chhetris (0.538), followed by Janajatis (0.482), Dalits (0.434) and Muslims (0.422; figure 2.4). The variations in HDI values are significant within these groups, depending on location. The highest inequalities are in education, and this may have pronounced long-term effects on capabilities later in life.
Deprivations among ethnic minorities are also apparent in very high human development countries. Measure of America produces an HDI value that is disaggregated by ethnic group for each state in the United States. The country’s average HDI value (scaled from 0 to 10) is 5.03; the HDI value for Latinos (4.05), African Americans (3.81) and Native Americans (3.55) are below this average, while the HDI values for Whites (5.43) and Asian Americans (7.21) are above it (figure 2.5). Box 2.3 focuses on the issue of human development within the United States.
individuals born into communities that are geographically isolated, predominantly home to politically and socially excluded minorities or disproportionately exposed to environmental pressures have fewer opportunities.

Where individuals are born has an immense effect on their potential capabilities and opportunities. People born in the least developed countries, fragile states and countries in conflict suffer huge disadvantages relative to people born in stable, highly developed countries. Citizenship, an ascribed group characteristic, can tie individuals to place-based conditions of violence and insecurity, under-resourced public programmes or vulnerability to environmental change and economic shocks, with devastating effects on life chances (box 2.4).

The resources available to individuals to enhance their capabilities vary by country. For example, public spending on health care programmes and insurance in Organisation for Economic Co-operation and Development (OECD) countries averages 7.7 percent of GDP, while public health expenditures in the least developed countries average only 1.8 percent of GDP.\(^3\) Public expenditure on education is 5.1 percent of GDP in OECD countries but 3.3 percent in the least developed countries.\(^3\) In 2010 the share of the population living on degraded land (land with limited productive capacity) was only 3.4 percent in OECD countries but 23.5 percent in the least developed countries.\(^3\) These statistics suggest why people in different countries face different means of reaching their full potential.

Individuals born into communities that are geographically isolated, predominantly home to politically and socially excluded minorities or disproportionately exposed to environmental pressures have fewer opportunities. Whole communities risk being left behind unless unbalanced service distribution is rectified.
The ability to access health care, education, water and housing can vary greatly by region in a country, as can the quality of these services.
Sudan in the mid-2000s the use of antenatal health care services was five times greater in urban areas than in rural areas.46

The 2016 Mongolia National Human Development Report highlights differences in levels of inequality in human development across aimags, first-level administrative subdivisions.47

Likewise, the HDI in China varies considerably across regions: from the equivalent of a medium human development country in some provinces (for example, Gansu, at 0.689) to the equivalent of a high human development country in other provinces (for example, Fujian, at 0.758) and to the equivalent of a very high human development country in Beijing (at 0.869).48

Migrants and refugees

Individuals born into disadvantage—in conflict-affected situations, countries at risk of environmental disaster or areas with few economic opportunities—have few strategies available to better their conditions. One option may be to leave their home and community in search of more physically and economically secure environments despite the risks the journey presents and the potential obstacles to be faced.

The United Nations Population Fund reported in 2015 that 244 million people were living outside their home countries.49 Many are seeking better economic opportunities and hope to enhance their livelihoods and send money back home. A 2012 survey in Somalia reported that more than 60 percent of young people intended to leave the country in search of better work opportunities.50 In 2010/2011 one person in nine born in Africa who had obtained a tertiary diploma lived in an OECD country.51

Not all migrants move because of hardship, and not all move because of a lack of choices at home. Many migrants return with new skills and experience as opportunities for employment at home increase, particularly in emerging economies. But many migrants, especially the world’s nearly 23 million refugees, asylum-seekers and stateless people, are fleeing extreme conditions.52 And there are 50 million irregular migrants who seek better conditions at great risk, often relying on smugglers for travel.53 People migrating to flee conflict and insecurity usually experience declines in their overall human development, but migration is still a better choice than exposure to the harms they would face by staying home. Migrants who leave without the push of violence typically improve their human development potential by migrating.54

Migrants fleeing conflict are cut off from their main sources of income and may lack access to health care and social services beyond emergency humanitarian assistance (box 2.5). They frequently face harassment, animosity and violence in receiving countries. Trying to find work and earn an income is the single greatest challenge. In many countries refugees are not permitted to work; when they are, they see few opportunities. Many also lack identification papers, limiting access to formal jobs and services. People fleeing conflict are especially vulnerable to trafficking, forced labour, child labour, sex work and work in other exploitative, high-risk activities.

Migrants also confront barriers to participation in political and public life. Numerous countries impose restrictions on noncitizens in voting and holding elected public office. The restrictions may be based on the duration of the stay of the migrants, reciprocal laws in the country of origin or the scope of the election—most countries grant noncitizens the right to vote at communal but not regional or national elections. Language barriers can also be a key obstacle to community engagement. Newspapers, websites, television and radio programmes covering host country political and public issues in the migrants’ native language can encourage civil participation.

As migrant and refugee flows surge, the infrastructure and services of host countries are challenged to absorb the newcomers. The pressure is especially intense in Jordan, Lebanon and Turkey, which have taken in the vast majority of refugees from the conflict in the Syrian Arab Republic.55 All basic services in Lebanon are under stress, especially the education system, which has welcomed refugee children from the Syrian Arab Republic but is now stretched thin.56

Indigenous peoples

Indigenous peoples are characterized by distinct cultures and close relationships with the land they inhabit. There are more than 370 million self-identified indigenous peoples in some 70 countries. Latin America alone numbers more than 400 groups, and Asia and the Pacific
Because indigenous self-determination is explicitly limited by the right of states to territorial integrity, the representation of indigenous groups in parliament is a powerful symbol of self-determination and of inclusion more widely.

Indigenous peoples account for around 5 percent of the world’s population but 15 percent of people living in poverty. Indigenous peoples face deprivations caused by social, economic and political exclusion. In Africa indigenous peoples are more vulnerable to HIV and AIDS because of a range of factors, including stigmatization, structural racism and discrimination, and individual and community disempowerment. In the United States Native Americans die at rates higher than the national average, especially as a result of liver disease, diabetes, accidents, homicide, suicide and chronic lower respiratory diseases.

Indigenous children are challenged in education systems by daily schedules that do not accommodate nomadic movement, and curricula rarely incorporate their history, culture and language. In many countries this leads to substantial gaps in years of schooling between indigenous children and nonindigenous children (table 2.1). In Guatemala nonindigenous children average twice as many years of schooling as indigenous children. Income-generating opportunities are more difficult to access when indigenous young people have low educational attainment.

Calls for self-determination through self-government have been at the forefront of the relationship between states and indigenous communities since the mid-20th century. Because indigenous self-determination is explicitly limited by the right of states to territorial integrity, the representation of indigenous groups in parliament is a powerful symbol of self-determination and of inclusion more widely.

In some cases, indigenous peoples have established their own parliaments or councils that act as consultative bodies—for example, the Sami people of Finland, Norway and Sweden. In other cases, such as the Maori in New Zealand, parliamentary seats are allocated for indigenous representatives.

Lesbian, gay, bisexual, transgender and intersex individuals

In many countries people who are lesbian, gay, bisexual, transgender and intersex suffer extreme discrimination and insecurity that deprive them of dignity, basic rights and opportunities. Statistics on sexual orientation are scarce, especially in countries where same-sex sexual acts are illegal or socially invisible. But recent surveys in...
developed countries give some indication of the size of the population. In Australia 3 percent of the adult population self-identified as gay, lesbian or “other” in 2014.63 In the United Kingdom 545,000 adults identified as gay or lesbian, and 220,000 identified as bisexual in 2012.64 In the United States 3.4 percent of adults identified as lesbian, gay, bisexual or transgender.65 In these surveys younger respondents were more likely than older respondents to self-report as lesbian, gay, bisexual, transgender or intersex, suggesting that social norms influence the likelihood of higher response rates.

Same-sex sexual acts are illegal among men in 73 countries and among women in 45. In 13 countries where lesbian, gay, bisexual, transgender and intersex people are not considered criminals, their prospects for human development are limited by discrimination in social and economic life. Unlike other minorities the lesbian, gay, bisexual, transgender and intersex community is often hidden. Sexual minorities may not disclose their identity for fear of legal punishment, social abuse, hostility and discrimination by society or by close friends and family members. Because differences in sexual orientation are not openly recognized in many societies, data on discrimination are not widely available, and evidence-based policymaking is difficult.

For 25 countries with data, attitudes towards the lesbian, gay, bisexual, transgender and intersex community have become more tolerant since the 1990s (figure 2.6). Social acceptance has increased as the adoption of antidiscrimination legislation has moved forward. Social norms and legislation have positively reinforced one another. Where intolerance remains high, legislation is critical to pushing back against hostile and discriminatory behaviour that limits the choices of a large global population.

Older people

Given that many countries have an ageing population, what are the deprivations facing older people? By 2020 the number of people ages 60 and older will be greater than the number of children under age 5. The proportion of the world’s population over age 60 will double between 2015 and 2050, to 22 percent.67 Few countries are prepared to cope with this demographic transition. Without adequate health systems, social protection, and work and retirement schemes in place, older people are deprived of opportunities to maintain and expand their capabilities. They also suffer from prejudicial attitudes and discriminatory policies and practices, often referred to as ageism.68 These issues may be particularly pertinent for women, because the life expectancy of women usually exceeds that of men. Pensions may be unavailable to women who have performed unpaid care work for much of their lives or who have worked in the informal sector. Older men are more likely to have pensions as a benefit of their paid formal work. Poverty rates are higher among older women than among older men.69 In the European Union older women are 37 percent more likely than older men to live in poverty.70

Women are often expected to continue well into old age unpaid care work for spouses and grandchildren. This can be a source of fulfilment but also takes a physical toll and may come with little recognition. Many older people,
Deprivations suffered in old age are generally accumulated through the lifecycle. Particularly women, are also constrained by psychological and physical abuse that reduces their sense of security and dignity. A HelpAge International study found that two-thirds of older people who experience emotional, economic and physical abuse in Moldova are women.71

The general increase in life expectancy means that older people have many healthy, productive years ahead of them. In 2014, 11 percent of entrepreneurs in the United States were in the 55–64 age group.72 Many older people are still capable and willing to work, and many need to continue working if adequate retirement schemes are not in place. But hiring practices that discriminate against older people limit their opportunities for work, and a mandatory retirement age may force older people to leave the labour market.

Deprivations suffered in old age are generally accumulated through the lifecycle. Children in poorer households may suffer from malnutrition, have poorer health, have less schooling and end up in a low-skilled, low-paid job without health insurance or retirement benefits. In the United Kingdom people in wealthier neighbourhoods live six years longer than people in poor neighbourhoods and spend 13 more years without disability.73

**Persons with disabilities**

Physical and social barriers may deprive persons with disabilities of the chance to achieve their full life potential. Special facilities allow persons with disabilities, older people and other groups with limited mobility to fully participate in public life. Although around 1 billion people worldwide live with some form of disability, adequate infrastructure for persons with disabilities is still underdeveloped, making independent mobility a challenge for many.74 Remote rural areas present severe mobility challenges. Additional impediments may remain even when infrastructure is in place—such as discriminatory hiring practices that limit access to jobs for persons with disabilities.
Deprivations can materialize when development leads to new needs and new mechanisms of exclusion.

People with mental health conditions are particularly vulnerable to social exclusion. In 27 European countries the gap in unemployment rates between individuals with mental health conditions and those without widened between 2006 and 2010 (before and after the financial crisis), and social stigmatization was an important factor contributing to job insecurity. In Germany the unwillingness to recommend an individual with depression for a job increased between 1990–2000 and 2000–2010. An estimated 350 million people worldwide are affected by depression, about 60 million are affected by bipolar affective disorders, 21 million by schizophrenia and other psychoses and 47.5 million by dementia. The fact that half a billion people suffer from these conditions means that the exclusion of people with mental health conditions from work and social activities is a major barrier to universalism.

Deprivations in human development as a dynamic process

The universal achievement of some basic capabilities will not enable all people to realize their full life potential. Many dimensions of human development may still be lacking, including agency, security and sustainability. And the capabilities that matter most vary in different contexts and at different stages of the lifecycle. Security may be at the top of the list for a household in a conflict-affected country, while interesting work opportunities may be the top priority of an educated young person. Nor does rising above the low human development threshold ensure that people are protected from emerging and future threats to human development. Indeed, 900 million people live close to the threshold of multidimensional poverty and risk falling into poverty after even a minor setback in health, education or livelihood. The condition of being deprived is therefore dynamic.

Deprivations can materialize when development leads to new needs and new mechanisms of exclusion. Political transitions, demographic shifts and outbreaks of violence put pressure on achieved gains. Climate change, financial crises and epidemics push people into multidimensional poverty. People in developed countries can lack opportunities for work, education and access to information, despite extensive information and communication technology infrastructure. Because broadband Internet systems do not reach some rural areas or carry prohibitive costs. This section elaborates on important but perhaps underemphasized issues of human development—quality, information access, security, and lifecycle and intergenerational deprivations—that are increasingly central to people's life potential.

From quantity to quality in human development

Over the last quarter-century, assessments of human development have focused primarily on quantitative achievements. But with substantial progress in human development linked to measures of quantity, such as years of schooling or life expectancy, there are questions about whether quality has also improved. Has quality in education, health and standards of living been enhanced? Quality is an important yardstick against which the progress in human development across countries and individuals should be examined. Large variations in the quality of human development across groups can become the basis for inequality and the perpetuation of deprivations throughout an individual’s lifecycle and across generations. Within the human development approach, the concept of quality can be explored in opportunities for public participation, the enforcement of rights and the quality of work. As a starting point, the analysis is directed at the quality of education, health and living standards—the dimensions of human development that compose the HDI.

Many countries have made gains in access to education, but improvements in the quality of education have not kept pace. One-third of primary school–age children are not learning basic mathematics and reading even though half of them have spent at least four years in school. Girls’ enrolment in primary education has increased, but the results in terms of literacy are not encouraging. In half of the 53 developing countries with data, the majority of adult women who completed four to six years of
People are living longer but also spending more years suffering because of illness and disability. These outcomes are linked partly to the quality of teaching. The number of primary school teachers trained according to national standards is below 75 percent in around a third of the countries for which data are available. High pupil–teacher ratios are also a challenge to quality of education. Ratios in primary education were above 40 to 1 in 26 countries (23 in Sub-Saharan Africa) in 2011. Such lack of support diminishes the prospects of learning and raises the likelihood of dropping out of school.

Health is improving worldwide. People are living longer. Life expectancy at birth globally was four years longer in 2015 than in 2000. This is due in part to declines in death and illness caused by HIV and AIDS and malaria in the past decade as well as to advances in treating communicable, maternal, neonatal and nutritional disorders. Improvements in sanitation and indoor air quality, greater access to immunization and better nutrition have also enabled children in poor countries to live longer. But are the added years of life expectancy healthy years or years with illnesses and disability? The World Health Organization has examined healthy life expectancy by measuring the years lived in good health without disability. Analysis for 188 countries in 1990, 2005 and 2013 indicates that there have been increases in healthy life expectancy but that they have not been as dramatic as the increase in overall life expectancy. The difference between life expectancy and healthy life expectancy can be interpreted as years that are burdened with illness and disability. In 2015 the difference was more than 10 years in nine countries (table 2.2). People are living longer but also spending more years suffering because of illness and disability.

It is assumed that people’s living standards improve when incomes rise. However, the quality of people’s lives can vary greatly even as per capita income rises. Per capita income measures can rise when goods and services that are consumed in response to social malaise and problems—such as police protection, prison systems, legal services and mental health services—increase. Per capita income likewise excludes some goods and services that may raise the quality of people’s lives, such as unpaid care work and ecological services. Qualitative improvements in people’s standard of living thus need to be assessed beyond quantitative growth in per capita income.

Inequality in access to advanced, high-quality education, health care and other services restricts the ability of some people to expand their capabilities. It also affects the distribution of income in the long run. Inequality in the quality and quantity of education is directly related to unequal income. Segregated education systems can reinforce class distinctions and the intergenerational perpetuation of inequalities. Governments can take steps to reduce differences in service quality between

<table>
<thead>
<tr>
<th>Country</th>
<th>Relative difference between life expectancy and healthy life expectancy (percent)</th>
<th>Absolute difference between life expectancy and healthy life expectancy (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicaragua</td>
<td>14.8</td>
<td>11.1</td>
</tr>
<tr>
<td>Qatar</td>
<td>13.4</td>
<td>10.5</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>13.4</td>
<td>10.0</td>
</tr>
<tr>
<td>Australia</td>
<td>13.2</td>
<td>10.9</td>
</tr>
<tr>
<td>United States</td>
<td>12.9</td>
<td>10.2</td>
</tr>
<tr>
<td>Sweden</td>
<td>12.6</td>
<td>10.4</td>
</tr>
<tr>
<td>Spain</td>
<td>12.6</td>
<td>10.4</td>
</tr>
<tr>
<td>Chile</td>
<td>12.5</td>
<td>10.1</td>
</tr>
<tr>
<td>Finland</td>
<td>12.5</td>
<td>10.1</td>
</tr>
</tbody>
</table>

The digital divide continues to impede universal benefits and could push people who are already deprived in other areas further behind.

Broadband coverage and variations in access to computers and smartphones could generate new forms of exclusion. Inexpensive and reliable access to the Internet is becoming essential to the development of capabilities in other areas, such as education, work and political participation. Access to information is crucial for high-quality education and thus for expanding opportunities among children and youth. The biggest challenge is to make these benefits available to all people everywhere. However, the digital divide continues to impede universal benefits and could push people who are already deprived in other areas further behind.

Less than half the world’s population (47 percent) uses the Internet. Only 25 percent of people in Sub-Saharan Africa are users, and only 42 percent of people in Asia and the Pacific and the Arab States are. In contrast, two-thirds of the population is online in the Americas and in the Commonwealth of Independent States. The rate in Europe is 79 percent.

Prices in many regions make connecting to the Internet prohibitively expensive. Basic mobile or fixed broadband plans cost much more in developing countries than in developed countries and cost the most in the least developed countries (figure 2.7). But digital divides exist even in developed countries.

To enable all people to benefit from the opportunities that information and communication technology holds for human development, striving for universal access to free Wi-Fi may be needed. Combined with access

**BOX 2.6**

**The challenge of a two-tier public and private system for universal access to quality services**

Despite advances towards universal public education, healthcare and social protection in many countries, people are still being left behind in accessing high-quality services. Quality differs greatly between public and private services in some cases. Access to high-quality services is too often a privilege reserved for well-off populations. Highly unequal societies face the risk of segmentation between a universal public system and a smaller private system for elites.

Take Argentina. Despite expanded investment in public schools between 2003 and 2011, enrolment in private schools increased from 22 percent to 39 percent. In Latin America and the Caribbean on average 50 percent of children of households in the highest income quintile attended private primary and secondary schools in 2010, compared with less than 4 percent of children of households in the lowest income quintile. In Turkey expansion among private health care providers has resulted in more social stratification in the consumption of health services because higher income patients are abandoning public services for private services that are often better in quality.

The use of private services by middle and upper segments of the welfare distribution across countries increases the likelihood of poor-quality public services because large segments of the population do not have a vested interest in public service quality, social pressure is insufficient to maintain good-quality, universally accessible public services and public services are becoming less cost-efficient because of user flight. The sustainability of funding for public programmes is at risk if the middle class does not have a vested interest in the programmes.

A two-tier public and private service system is not inherently negative. It is problematic only if there are extreme variations in quality between the two options that reinforce inequalities in opportunity among those who can pay and those who cannot. There are wide disparities in quality between public and private education services in many developing countries. A recent review of 21 studies in Ghana, India, Kenya, Nepal, Nigeria and Pakistan found that students in private schools tend to achieve better learning outcomes than do students in state schools. Teaching is also often better in private schools than in state schools—for example, in India, Kenya, Nigeria, Pakistan, South Africa and Tanzania.

Notes
2. Daude 2012.
4. Day Ashley and others 2014.

Epidemics, violence, climate change and natural disasters can quickly undermine progress in human development to high-quality education, universal Internet access could greatly increase opportunities and reduce inequalities everywhere.

Security threats

There may be threats to the security of the more abundant choices and opportunities available to people today. Epidemics, violence, climate change and natural disasters can quickly undermine the progress of individuals who have exited poverty and push poor people into more extreme poverty. They can also generate new deprivations. Millions of people around the world are exposed to climate-related natural disasters, droughts and associated food insecurities and subsist on degraded land. Between 1995 and 2014 more than 15,000 extreme weather events resulted in more than 525,000 deaths worldwide and economic losses of more than $2.97 trillion.\(^8^9\)

Some groups are more exposed to threats than others. Many women depend on agriculture for their livelihoods and are therefore disproportionately exposed to climate pressures on food production. Children are physiologically and metabolically less able than adults to adapt to heat and other climate-related exposure and are more likely to be injured or killed during natural disasters.\(^9^0\) They may also be kept out of school following disasters. During the Ebola outbreak in 2014 an estimated 5 million children were deprived of education in Guinea, Liberia and Sierra Leone because schools were closed for months.\(^9^1\)

Women were also disproportionately affected by the Ebola outbreak: they faced higher risks of infection because of their role caring for the sick, and they suffered from less antenatal, perinatal and postnatal care. In Sierra Leone’s Kenema District avoidance of hospitals and birthing centres for fear of exposure to Ebola resulted in 29 percent fewer antenatal care visits and 21 percent fewer postnatal care visits.\(^9^2\)

Voicing concerns about these emerging threats can carry risk. Defenders of land and the environment around the world suffer from threats and physical violence, criminalization and restrictions on their freedoms. As environmental pressures have increased, so have physical threats against environmental activists. A record number of environmentalists were killed in 2015—185 in 16 countries, up 59 percent from 2014. Members of indigenous groups, who accounted for 40 percent of the deaths in 2015, are among the most at risk.\(^9^3\)

The physical insecurity of those who speak out about environmental pressures is part of a larger condition of physical insecurity and violence that severely restrict the choices and freedoms of individuals around the world. Many feel insecure in their homes and communities. One billion girls and boys ages 2–17 worldwide experienced physical, sexual or psychological violence in the prior year, according to one study.\(^9^4\) Some 25 percent of children suffer physical abuse, and nearly 20 percent of girls are sexually abused at least once in their life.\(^9^5\) Elder abuse remains a hidden problem: 10 percent of older adults were abused in the prior month.\(^9^6\) Homicide is also a major social concern. In 2012, 437,000 people worldwide were the victims of intentional homicide.\(^9^7\) Average homicide rates in Latin America and the Caribbean between 2010 and 2014 exceeded 20 per 100,000 people.\(^9^8\)

Freedom from violence was one of the most frequently cited concerns among respondents
to a survey on human security carried out by the Human Development Report Office. Physical security and freedom from the threat of violence were particular concerns among female respondents (box 2.7). For women, real or perceived physical and emotional violence is a major barrier to meeting their full human potential and feeling free to move about.

**Deprivations throughout the lifecycle and across generations**

Lifelong deprivations among children and adults can begin even before birth (figure 2.8). Starting at conception, the environment to which pregnant women are exposed and the choices available to them shape the future skills and abilities of their children in ways that are difficult to alter as the children grow. A lack of medical attention, poor nutrition and heavy physical demands put unborn children at risk. Poor children are more likely than their more affluent peers to experience myriad environmental risks before birth, including household disruption, pollution and violence. These antenatal exposures to stress have been found to mould life trajectories in health and cognitive and socioemotional development—precisely the areas of development that might otherwise allow individuals to be productive members of society (box 2.8). For instance, children in Canada who had been exposed in the womb to a strong winter storm in 1998 later exhibited lower levels of cognitive development, language functioning and motor functioning than did children who had not been exposed. Antenatal exposure to a 2005 earthquake in Chile has been negatively associated with children’s future cognitive ability. Such exposure to stress can play a role in the intergenerational transmission of disadvantage by constraining development potential early in life.100

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**BOX 2.7**

**Human security from a woman’s point of view**

A survey conducted by the Human Development Report Office asked women of all ages and occupational backgrounds around the world, “What does human security mean to you?” Many women responded that they were concerned with physical and psychological violence.

“Human security is the right to move freely in your town without worrying about whether you will return home unharmed and unthreatened.”

—A female teacher from Brazil

“It is impossible to feel safe as a human being if our own existence is not recognized or respected, even if we have access to all sorts of opportunities.”

—A female economist from Mauritania

“Human security means being able to go about alone outside any time of the day or night and not fear any possible violence. It means that I should not consider my gender, religion or any other distinctive features when making a decision to spend time outdoors for fear of malicious intent.”

—A female development worker from Kazakhstan

“Human security for me is freedom from fear, fear of being looked down at because of being a woman and being assaulted and disrespected because of the same”

—A female student from India

“Human security is being able to sleep peacefully, not being afraid of getting home late at night because of violators, not driving with closed windows for fear that someone will grab my bag, going to the supermarket without being afraid of having my belongings stolen from the car, going to the Yaoundé market without hiding my money in my bra, and walking freely along Kennedy Avenue.”

—A woman from Cameroon

“Human security is the freedom to live your life free from hate crimes, sexism, racism and other kinds of oppression, freedom to express yourself and be active in society.”

—A female activist from Sweden

“Human security means freedom from abuse and violence, particularly child abuse, domestic violence, interpersonal violence and intimate partner violence. It is about the protection of children, youth, elderly, persons with disabilities and women from violence and crime.”

—A female researcher from Trinidad and Tobago

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Educational attainment is a central mechanism for perpetuating socioeconomic stratification across generations. Advantaged parents can afford more and better education for their children, which has many benefits in the labour market. There is also a direct transmission of economic advantage through inheritance and the use of job referral networks to favour children. These mechanisms affect later stages of the lifecycle, when children have reached school age or working age. But a growing body of research suggests that the intergenerational perpetuation of deprivation begins before birth and that the intergenerational transmission of advantage may already be advanced when children enter the education system.

Exposure to environmental stressors in the womb has been connected to poor birth outcomes such as lower birthweight and higher probability of preterm birth. It has also been connected to children’s developmental outcomes such as motor skills, cognitive ability, emotional stability, attention deficit disorder and early educational achievement. Given that birth outcomes and early childhood development predict educational and economic attainment in adulthood, the higher probability that poor people will be exposed to risks in the womb may constitute the first injustice and may play a central role in the persistence of disadvantage across generations.

Why does antenatal exposure have such persistent effects over the lifecycle? The antenatal period includes critical and sensitive developmental stages in which the effect of the environment on future capabilities is especially strong and potentially irreversible, regardless of subsequent interventions. During the antenatal period the central nervous system and the brain undergo a cascade of critical developmental processes that are particularly susceptible to the environment and that shape later abilities in a cumulative fashion. An antenatal shock can result in reduced language ability in the first years of life, which may affect the ability to read and to succeed in school overall.

Abundant research in the biological and behavioural sciences highlights the importance of investing in the well-being of populations in the early stages of life, starting at conception. An economic perspective suggests that investments in capabilities early in life are much more cost-effective than investments later on.
Parents’ educational attainment and earnings are strong predictors of children’s educational attainment. A study in South Africa found that fathers with high educational attainment pass on three-fifths of their earnings advantage to sons. Daughters who inherit the low educational attainment of their parents are more disadvantaged as adults: They are 9 percent more likely to be in the bottom of the occupation distribution relative to the overall population. In the United Kingdom people whose father had low educational attainment are 7.5 times more likely to have little education than are people with a highly educated father; in turn, people with low educational attainment are 11 times more likely to be deprived of material assets than are people with higher educational attainment.

As the 2015 Human Development Report stressed, increasing women’s access to education and paid work may have effects on the choices of subsequent generations of girls. Girls are more likely to be employed and to earn more as adults if their mother was employed. In the United States the daughters of mothers who are employed earn 23 percent more than the daughters of mothers who do not work outside the home. In Senegal the parents’ education is positively associated with the offspring’s adult living standards, and maternal education has a much larger positive effect than does paternal education. Interventions to overcome deprivations today need to be viewed as opportunities to prevent deprivations among future generations.

Interventions for women early in life can prevent deprivations later in the lifecycle (figure 2.9). When investments in life capabilities occur sooner rather than later, as through early childhood education and care, the prospects improve for education and work. This is because capabilities at any stage in life are path dependent and reflect the challenges and opportunities encountered at earlier stages. Children who do not have access to early childhood education may not do as well in primary and secondary school. Young people who have an education but live in an area with a sluggish labour market may resort to informal work or remain unemployed, which can lead to an insufficient pension in old age. Older people may suffer illnesses and disabilities accumulated over years of strenuous physical labour and insufficient preventive health care. The barriers facing marginalized groups may emerge at various points throughout the lifecycle and lead to

**FIGURE 2.9**

Interventions for women early in life can prevent deprivations later in the lifecycle

- More sufficient pensions and social protection for women in old age
- More women in parliament and upper management positions
- Higher likelihood of labour force participation and paid work
- Lower likelihood of child marriage and adolescent pregnancies
- Equitable access to primary and secondary education for girls

Fulfilling basic needs is an essential part of expanding capabilities but is insufficient to enable people to reach their full potential. Severe deprivations in old age. Early interventions can prevent subsequent limitations, along with interventions that help individuals recover from past deprivation.

What do people value in human development beyond the basics?

Fulfilling basic needs is an essential part of expanding capabilities but is insufficient to enable people to reach their full potential. This is especially so in a world characterized by new and often more precarious forms of work, escalating violence and mounting environmental crises. Many people are deprived of a sense of security that they will be able to retain tomorrow the gains they have made today. Many are deprived of voice and opportunities to participate in the collective valuation of policies and priorities. Others lack access to good-quality services and to information and communication technology. Practical universalism requires attention to these and other dimensions of human development in which people in both developed and developing countries remain deprived.

Development in some of these dimensions may not have appeared so urgent in the past simply because of the scale of the deprivation in basic needs. Parents of children who lack access to schooling may not worry about the quality of secondary education. Families that are trying to get by on less than $1.90 a day may not prioritize the prevention of environmental crises. But as the types of deprivations captured in the HDI and MPI are reduced for individuals and societies, other deprivations become more prominent. People have more choices and freedoms, but there are still constraints that limit life potential.

Surveys based on subjective evaluations provide insights into the diversity of values across populations and suggest links between the surroundings and the development priorities of individuals. For example, the My World global survey being conducted by the United Nations in support of the 2030 Agenda assessed development issues that matter most to people. More than 9 million responses have prioritized action issues from 16 options, ranging from securing a good education and ensuring political freedom to tackling climate change. The top three priorities are good education, better health care and better job opportunities. A disaggregation of the survey data by development status, age, gender, citizenship and region shows more variation in the top priorities. There are thus differences in the aggregate priorities of individuals in countries at different levels of human development (figure 2.10). Good education is the top priority across all human development groups, and the top three priorities are similar in the low, medium and high human development countries. But an honest and responsive government and access to clean water and sanitation are among the top three priorities in very high human development countries, where better health care and better job opportunities are not even among the top five priorities.

A survey by the Pew Research Center reinforces the context specificity of people’s priorities and concerns. Some 83 percent of respondents in 34 developing countries considered crime to be the biggest problem in their country. Corruption, lack of health care, poor schools and water pollution were also viewed as major problems. The percentage of respondents who listed crime as a concern was 93 percent in Tunisia, compared with only 31 percent in Poland, where 59 percent of respondents listed health care as a very big problem (which compared with only 17 percent in China).

Income can also shape people’s priorities. Respondents in a nationwide opinion survey in Chile were asked what was most important to them in order to have a happy life. The answers of respondents in the highest and lowest income quintiles varied substantially. Respondents in the highest income quintile most often cited the achievement of life goals and targets, whereas respondents in the lowest income quintile cited a peaceful life without much disruption (figure 2.11). Leading a meaningful life and enjoying the good things in life were less of a priority among respondents in the lowest income quintile.

People’s priorities and values appear to be context specific. In Algeria, where youth unemployment rates are high, a young woman may value employment most. Once integrated into the labour market and at the peak of her career, she may value free time the most. A
Because values evolve and shift according to the context, the human development approach remains relevant even as basic needs are met.

healthy older man in Norway may value good interpersonal relationships with friends and family the most, despite having valued free time more when he was younger and working, like his Algerian counterpart. Because values evolve and shift according to the context, the human development approach remains relevant even as basic needs are met.

FIGURE 2.10

There are differences in the aggregate priorities of individuals in countries at different levels of human development

<table>
<thead>
<tr>
<th>Priority</th>
<th>Low human development</th>
<th>Medium human development</th>
<th>High human development</th>
<th>Very high human development</th>
</tr>
</thead>
<tbody>
<tr>
<td>A good education</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Better health care</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Better job opportunities</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>An honest and responsive government</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Affordable and nutritious food</td>
<td>5</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Access to clean water and sanitation</td>
<td>4</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Protection against crime and violence</td>
<td>5</td>
<td></td>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>


FIGURE 2.11

The priorities of Chileans vary by income

<table>
<thead>
<tr>
<th>Priority</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading a meaningful life</td>
<td></td>
</tr>
<tr>
<td>Sharing with others</td>
<td></td>
</tr>
<tr>
<td>Leading a peaceful life without much disruption</td>
<td></td>
</tr>
<tr>
<td>That loved ones have a good life</td>
<td></td>
</tr>
<tr>
<td>Achieving life goals and targets</td>
<td></td>
</tr>
<tr>
<td>Enjoying the good things in life</td>
<td></td>
</tr>
</tbody>
</table>

Most important to have a happy life

Source: UNDP 2012a.
Whether intentional or unintentional, the exclusion from the opportunities of one group by another group is often the root of deprivation and disadvantage.

### Barriers to universalism

Deprivations can be eliminated. The progress since the first Human Development Report in 1990 demonstrates this. The global HDI value has increased 20 percent since then, from 0.597 to 0.717. The increase in the HDI value for the least developed countries is 46 percent.110

Progress has not come easily, but the path to progress may have been easier than the path to the goal of leaving no one behind. Individuals who are still deprived may be the most difficult to reach—geographically, politically, socially and economically. It is time to push to eradicate the remaining deprivations not only in access to health care, education and livelihoods, but also in other dimensions of well-being, such as security, freedom of participation in political life and access to advanced, high-quality services.

The realization of this vision will face challenges. Some barriers may require technical solutions—greater fiscal resources and development assistance, gains in technology and improved data resources for monitoring and evaluation (see chapter 3). These barriers can be addressed, albeit not easily, through changes in national policies (see chapter 4) and in international systems (see chapter 5).

Other barriers are deeply embedded in social and political relationships and identities. The context in which many individuals make choices is fraught with insecurity, glaring inequalities and competition for scarce resources. Discriminatory laws, exclusionary social norms, violence, imbalances in political participation and unequal distribution of opportunities all stand in the way of progress. Exclusion can be intentional or unintentional, but the results are the same—some people will be more deprived than others, and not all people will have an equal chance to realize their full potential. Men have more choices than women, rich people have more choices than poor people, citizens have more choices than migrants and some ethnicities have more choices than others.

Progress towards universal human development requires a deep awareness and understanding of the drivers and dynamics of these groups’ exclusion. The drivers and the dynamics inevitably vary across countries and regions. Universalism in practice is possible, but key barriers and types of exclusion must be overcome (see infographic 2.1 at the beginning of the chapter).

### Intolerance and exclusion and the related mechanisms

Whether intentional or unintentional, one group excluding another group from opportunities is often the root of deprivation and disadvantage. Membership in a group fulfills a basic desire to belong to a family, a community, a religion or a race. Individuals have multiple group affiliations at any one time and belong to different groups throughout life. Groups allow individuals to identify with others based on a shared characteristic or interest, but they also permit exclusion.

Group inequalities reflect divisions that are socially constructed and sustained because they establish a basis for unequal access to valued outcomes and scarce resources. Once inequalities are established, the organizational focus becomes how to maintain the distinctions and ensure group loyalty and solidarity so that those who benefit from membership in the group are able to maintain their advantageous positions. At the same time the dimensions and mechanisms of exclusion are dynamic, as are the characteristics that groups use as a basis for exclusion. An ethnic minority group may penetrate the political space that has been occupied by the majority—a success from the perspective of equity in political participation—but the members of the ethnic minority who occupy the space may then use class divisions to exclude others in the same ethnic minority from participating in policy decisions. It is thus important to recognize that group identity and barriers of exclusion tend to shift under strategies to protect advantages.

Many dynamics have a bearing on group formation and protection strategies. Today, trends in global income distribution present challenges to collective agreements and cooperation across countries and population segments. Voters in the lower middle class in developed countries are frustrated with the lower than average growth in their living standards relative to elites (box 2.9). The frustration is coupled with an awareness of high income growth in emerging economies such as China and India,
which may become a source of resentment against trade with and migration from developing countries.

The pace of change is rapid and unpredictable, and many people are struggling to find their way. With globalization and greater human mobility, come changes in demographic structures, languages and cultural diversity. From a human development perspective, diversity should be celebrated as a powerful ingredient of human creativity. But there are also risks that social cohesion, mutual respect and tolerance of differences can be strained or break down altogether, resulting in xenophobia, nationalism, discrimination and violence. There can be a lack of recognition or appreciation for different beliefs and views, norms and cultures, and lifestyles. Historically, people have navigated periods of widespread change and unpredictability, but these periods are often characterized by immense suffering and conflict. Strict and extreme beliefs and views —whether religious or political—breed intolerance and prevent flexibility and adjustability to change. It is therefore crucial to identify and reverse patterns of intolerance during such times, whether discriminatory laws, exclusionary social norms or violence and coercion and to instead respond to emerging global challenges through mutual respect and collaboration. Discrimination, exclusion and intolerance run counter to universalism—the centrepiece of human development and the cornerstone of the world we want.

### Box 2.9

**From the champagne glass to the elephant curve**

The 1992 Human Development Report showed that global income distribution followed a champagne glass pattern, where the bulk of income is concentrated at the top of the distribution, and the global income distribution in 1998 and 2008 reflected that pattern (see left panel of figure). One might conclude that the people who are not at the top of the distribution have a collective interest in redistributing resources. But there seems to be a different lived experience across the stem of the glass. The rate of change in the real income between 1988 and 2008 follows an elephant curve (see right panel of figure). The percentage change in real income favoured those who were in the bottom half and the top decile of the global income distribution, whereas the real income of the lower middle class in developed countries—grew only modestly. For example, in Germany the real income of the poorest 50 percent grew 0–7 percent, in the United States the poorest 50 percent saw real income growth of slightly over 20 percent and in Japan the poorest 10 percent saw real income decline.

Income gains from 1998 to 2008 have not been even across income deciles

<table>
<thead>
<tr>
<th>Percentage change in real income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>P10–P20</td>
</tr>
<tr>
<td>P20–P30</td>
</tr>
<tr>
<td>P30–P40</td>
</tr>
<tr>
<td>P40–P50</td>
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<tr>
<td>P50–P60</td>
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<tr>
<td>P60–P70</td>
</tr>
<tr>
<td>P70–P80</td>
</tr>
<tr>
<td>P80–P90</td>
</tr>
<tr>
<td>P90–P95</td>
</tr>
<tr>
<td>Richest 1%</td>
</tr>
</tbody>
</table>

**Note**

**Source:** Human Development Report Office estimates based on Milanović (2016) and UNDP (1992).
Legal and political institutions can be used and abused to perpetuate group divisions. An extreme case relates to the rights of the lesbian, gay, bisexual, transgender and intersex community in the 73 countries and five territories where same-sex sexual acts are illegal, including 13 where such acts are punishable by death. Only 10 countries grant lesbian, gay, bisexual, transgender and intersex people equal constitutional rights. Laws are discriminatory in other cases because they prevent certain groups from accessing services or opportunities, such as when host countries legally bar refugees from working. State policies can be discriminatory as well—such as denying citizenship or the right to vote or run for political office. National borders thus become legal instruments that can reinforce inequalities between the citizens of different countries. Within-country inequalities are wide, but the laws and practices in countries of birth can also determine life chances and opportunities.

In some cases women do not have the same legal rights as men. Women’s opportunities are impeded by law in 155 out of 173 countries with data. In 100 countries women are prevented from engaging in some professions because of their gender. In 32 countries the procedures that women face to obtain a passport differ from those that men face. In 18 countries women need their husband’s approval to take a job. And in 46 countries laws do not protect women from domestic violence. Women also face discrimination if their opportunities and choices are restricted because appropriate protective laws have not been enacted—for example, when paid maternity leave is not mandated or when discriminatory hiring practices are tolerated.

As the 2015 Human Development Report highlighted, far more women would become active in the labour market and have better wages and positions of influence if regulations were in place to reduce workplace harassment against women, ensure equal wages and hiring practices and provide care options for children and older people. Discriminatory laws and the lack of legislation restrict women’s freedoms and impede their full participation in public life as equal members of society. These outcomes are linked to the fact that women are often excluded from the political spaces where policies and legislation are agreed. Globally women hold only 22 percent of the seats in parliament, 26 percent of the seats on the highest courts and 18 percent of ministerial positions.

Regulations and the nature of institutions can also indirectly limit the access poor people have to services and resources. For example, banks that require minimum deposits limit access to financial services for poor people. Around 2 billion people worldwide are still unbanked—lacking accounts at banks, other financial institutions or mobile money service providers. Similarly, the absence of birth registrations and lack of identity cards can prevent poor people from gaining access to many public services.

Social norms are implicitly established rules of behaviour. Some may be helpful in promoting harmonious coexistence, but others may be discriminatory, prejudicial and exclusive. For example, prejudice and social perceptions often lead to unequal outcomes among different groups in job markets, which reduces livelihood opportunities for minorities. In employment recruitment in the United States White job applicants are often systematically selected over African American and Latino job applicants, even when the minorities have equal or higher qualifications. African Americans are often rejected solely on the basis of their names (which employers glean from resumes) and receive only half as many job offers as White candidates. Despite Nepal’s laws against untouchability, individuals considered of lower caste continue to be excluded from certain jobs and services, and Dalits earn considerably less than non-Dalits. Discriminatory treatment of persons with disabilities is widespread and has implications for their livelihoods. In Mauritius, Panama, Peru, the Russian Federation and the United States the employment gap between persons with disabilities and persons without disabilities is more than 40 percentage points.

In many countries social norms reduce choice and opportunities for women and girls. As the 2015 Human Development Report highlighted, norms and traditions that distribute the bulk of unpaid work in the home to women
Intolerance of others—legal, social or coercive—is antithetical to human development and to universalism.
Extreme inequality and the concentration of capabilities and opportunities among a narrow elite are part of a vicious circle. These barriers will require finding ways to link collective interests to equity and justice (see chapter 3).

**Elite capture of institutions**

Some thrive in a global labour market owing to their advanced skills and education. They retire comfortably with private pension funds and savings. They send their children to the best schools for advanced tertiary education. They live in the safest communities. And they have the means to influence the political process in their favour.

There are links among income inequality, inequalities in education and health care and inequalities in political participation and influence. The top 1 percent of the wealth distribution holds 46 percent of the world’s wealth.\(^{129}\) Much of the income gain in recent decades has been at the top: 44 percent of the income earned between 1988 and 2008 went to only 5 percent of the population.\(^ {130}\) Such income inequalities influence inequalities in other dimensions of well-being.

Extreme inequality and the concentration of capabilities and opportunities among a narrow elite are part of a vicious circle. As inequalities become wider, marginalized and excluded groups face growing deficiencies in opportunities to expand and apply their capabilities and to influence the institutions and policies that determine the subsequent distribution. Positive opportunities for political participation and influence are central to breaking the vicious circle.

The interests of the middle class may also sometimes lead to policy decisions that perpetuate deprivations and the exclusion of poorer groups. Antipoverty programmes have been opposed in some countries because they do not benefit the middle class, an important political constituency.\(^ {131}\) One result is that redistribution programmes can have limited coverage among the poorest population and exhibit substantial leakage to the middle class and elites. Some programmes tie eligibility for transfers to employment in the formal sector in order to gain the support of the middle class.\(^ {132}\) In Tanzania distributing vouchers for agricultural inputs disproportionately benefited the households of village officials, who received 60 percent of the vouchers.\(^ {133}\) These approaches increase political support, but miss those who are most in need of support.

Conditional cash transfers have generated impressive reductions in poverty, but their reach has extended beyond poor people. In some cases this has been to ensure that people who are near poverty and people who are vulnerable have access to funds, but there is also leakage to those with less need. The share of nonpoor beneficiaries of conditional cash transfers increased from 46 percent in 2004 to 65 percent in 2010 in Ecuador and from 40 percent in 2002 to 61 percent in 2010 in Mexico.\(^ {134}\)

Elite capture of the benefits of development and the institutions—markets, states and civil society—that guide the distribution of opportunities can widen and perpetuate divisions in capabilities in highly unequal societies.\(^ {135}\) The extreme concentration of capabilities and opportunities at the top can erode democratic governance and reduce pluralism in decision-making. Equity and justice take a back seat to rules that perpetuate divides.

**Weak bargaining power**

Excluded groups are in a weak position to instigate the transformation of institutions because of the extent of inequality and elite capture. They lack agency and voice and have little political leverage to influence policy outcomes and legislation through traditional means. Over the past three decades, various measures have shown a decline in rights of free association and collective bargaining (figure 2.13).\(^ {136}\) The increasingly flexible and part-time nature of work reduces the ability of traditional worker organizations, such as trade unions, to counter elite interests.

Other, sometimes dangerous and debilitating, means of participating become more attractive in highly unequal societies. There has been a steady increase in local and global protests in recent years, including demonstrations and rallies, campaigns of social and political movements and unorganized crowd actions such as riots (843 worldwide between 2006 and 2013).\(^ {137}\) This suggests that people do not feel sufficiently empowered by established political processes and are choosing to voice their concerns in alternative ways.
Divisions and exclusions, while often deep, are not static. Shocks, disasters, crises, political shifts, the spread of technologies, the globalization of information, business and social networks—all open space for new alignments and the redistribution of political and material resources across groups. This is why we need to understand emerging trends that can unite, empower and motivate people to push for change and the potential collective interests of groups that may stand to gain influence and leverage. The 2030 Agenda is momentous in that it focuses on the universal reduction of deprivations. If this intergovernmental agreement can be harnessed to truly shift institutions onto a path that promotes justice, equity and sustainability, remaining deprivations and inequalities can be overcome.

Economic, ecological and technological systems extend across national borders. Decisions in one nation or region can affect individuals on the opposite side of the world. Trade policies in Europe can affect agricultural livelihoods in Latin America. Carbon emissions in Asia can generate climate vulnerabilities in Africa. Financial policies in the United States can shift global capital flows. Universal human development and ensuring opportunities for all thus require a united global effort to reduce inequalities and empower marginalized groups.

At a time when global action and collaboration are imperative, self-identities are narrowing. Social and political movements linked to identity, whether nationalist or ethnopolitical, seem to be increasing in frequency and strength. Identity politics are on the rise. Data from 1816 to 2001 show a peak in 2001 when almost 90 percent of the conflicts in the world were being fought by nationalists seeking to establish separate nation-states or between ethnicities over ethnic balances of power within existing states.¹³⁸ The Brexit is one of the most recent examples of a retreat to nationalism among individuals who are feeling alienated in a changing world. This shift towards support for nationalism might have been foreseen.

**FIGURE 2.13**

Over the past three decades there has been a decline in rights of free association and collective bargaining

<table>
<thead>
<tr>
<th>Year</th>
<th>Freedom of Association and Collective Bargaining Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>9</td>
</tr>
<tr>
<td>1990</td>
<td>8</td>
</tr>
<tr>
<td>1995</td>
<td>7</td>
</tr>
<tr>
<td>2000</td>
<td>6</td>
</tr>
<tr>
<td>2005</td>
<td>5</td>
</tr>
<tr>
<td>2010</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: Data are for 73 countries. Source: Human Development Report Office estimates based on Marx, Soares and Van Acker (2015).

Groups may be organizing and participating in peaceful marches and rallies, but they are also using civil disobedience to magnify their voices by blocking roads and occupying city streets and public spaces. They are using technology to leak government and corporate data. The global circulation of the Panama Papers drew attention to grievances against offshore tax havens and hidden wealth accumulation among the world’s political and corporate leaders.

**Narrow self-identities**

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**Breaking down barriers**

Divisions and exclusions, while often deep, are not static. Shocks, disasters, crises, political shifts, the spread of technologies, the globalization of information, business and social networks—all open space for new alignments and the redistribution of political and material resources across groups. This is why we need to understand emerging trends that can unite, empower and motivate people to push for change and the potential collective interests of groups that may stand to gain influence and leverage. The 2030 Agenda is momentous in that it focuses on the universal reduction of deprivations. If this intergovernmental agreement can be harnessed to truly shift institutions onto a path that promotes justice, equity and sustainability, remaining deprivations and inequalities can be overcome.

The human development approach has always advocated for the expansion of capabilities and freedoms to the fullest for all people regardless of gender, nationality, ethnicity, sexual orientation or any other group identity. But translating universalism from principle to practice will have to rely on more than mapping the groups that have been bypassed in the human development journey and identifying the barriers to ensure that human development reaches everyone. It will also require refocusing on some elements of the human development analytical approach that have so far been insufficiently considered, such as voice and participation, identity and diversity, inclusion and social justice. Chapter 3 is devoted to such analysis.

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Chapter 3

Reaching everyone—analytical and assessment issues
Infographic 3.1 Human development represents freedom of well-being as well as freedom of agency

- Functionings: Things a person values being or doing
- Capabilities: Set of combinations of functionings that can be achieved
- Voice and autonomy: Agency to do or achieve what is valued
Chapter 3  Reaching everyone—analytical and assessment issues

The human development approach is anchored in the idea of universalism, whereby all people—present and future—can realize their full potential. Two issues stand out. First, practical universalism shows that progress in human development is unbalanced across and within countries, socioeconomic groups, ethnic and racial groups, women and men, and generations and have not always reached the most deprived. Second, the world of today differs from the world of 25 years ago and presents new opportunities and challenges. It is thus necessary to map out those who have been left out of the progress in human development and to understand why. It is equally important—as this chapter outlines—to address analytical and assessment issues that, once resolved, may help the barriers to universal human development be overcome.

The human development approach is based on two fundamental freedoms—the freedom of well-being, including functionings and capabilities, and the freedom of agency, including voice and autonomy. Functionings are the various things that a person may value being and doing, and capabilities are the combinations of functionings that a person can achieve. Agency is related to “what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important” (see infographic 3.1 on the preceding page).1

What aspects need to be analysed

Over the years the Human Development Report has emphasized that human development is about expanding choices. This remains true. Choices determine who we are and what we do. Those choices rest on four foundations: the wide range of options that we have to choose from—our capabilities; the social and cognitive constraints and social norms and influences that shape our values and choices; our own empowerment and the agency we exercise individually and as part of groups in shaping our options and opportunities; and the mechanisms that exist to resolve competing claims in ways that are fair and conducive to realizing human potential (figure 3.1).

Examining these foundations is particularly important to ensuring human development for everyone. The human development approach, grounded in the capability approach, provides a systematic way to articulate these ideas. It can be especially powerful in illuminating the interplay among factors that can operate to the disadvantage of individuals and groups in different contexts.

This chapter highlights ideas from the human development approach that need to be re-emphasized to ensure that human development reaches everyone. It also presents specific analytical perspectives for examination.

The human development approach has shown continuity but also resilience. It has proven robust but also adaptable to changes in the world over the past quarter-century. The core definitions of the approach have been used in diverse ways. They have been used to describe whether and how much people have a say in matters that concern their lives, a meaningful opportunity to contribute to development and a chance to obtain a fair share of the fruits of development. And they have been simplified by attributing to human development any improvement in the human condition that allows people to live longer and healthier lives. The human development approach is ultimately “simple yet rich, full yet open-ended, flexible yet responsible, normative yet visionary, inspiring yet practical.”2

Human rights—the bedrock of the human development approach

The definition of human rights consistently used in the Human Development Report is that of the Universal Declaration of Human Rights of 1948, which considers political and
Focusing on accountability for failures within a social system broadens the outlook beyond the minimum claims of human development and can be a powerful tool in seeking remedy to socioeconomic rights as well as civil and cultural rights. Human rights thus include the right to life, liberty and security; the freedom of assembly, thought, religion and opinion; the right to work; the right to an adequate standard of living, food, clothing, housing and education; and the right to participate in community life.

Human development and human rights are closely related. The best way to secure human rights may be to consider rights in terms of capabilities. The right to bodily integrity, to associate freely, to political participation and all other rights are secured when the relevant capabilities are available. To secure a right is to enable people to be or do something that they have reason to value. Yet certain fundamental rights may be recognized on paper but not implemented or available in practice. Women may have the right to vote by law but be threatened with violence if they leave the house. They thus lack the capability to exercise the human right of political participation.

Human rights offer a useful perspective for analysing human development such as “the idea that others have duties to facilitate and enhance human development.” The 2000 Human Development Report highlighted that “to have a particular right is to have a claim on other people or institutions that they should help or collaborate in ensuring access to some freedom.” With invoked duties come the notions of accountability, culpability and responsibility. For example, recognizing the human right to free basic education means much more than merely agreeing that it is a good thing for everyone to have a basic education—or even that everyone should have an education. Rather, asserting this right is claiming that all people are entitled to a free elementary education and that if some lack access to it, there must be accountability somewhere in the social system.

This focus on accountability for failures within a social system broadens the outlook beyond the minimum claims of human development. This broader perspective can be a powerful tool in seeking remedy, and the analysis of human development can profit from it. Such a perspective spotlights the strategies and actions of various duty bearers to contribute to fulfilling human rights and advancing the corresponding aspects of human development. It also leads to an analysis of the responsibilities of actors and institutions when rights go unfulfilled. This analysis and understanding are essential to achieving progress in human development for everyone.

Voice, participation and democratic practice—an integral part of human development

The ability to deliberate, participate in public debates and be agents in shaping their own lives and environments is a fundamental value of most people. There are three main reasons within the human development approach to value voice and participation (box 3.1). Voice
and participation are both a means and an end. Truly functional, participatory democracy, which is much broader than a voting process, leads to a virtuous circle. Political freedoms empower people to demand policies that expand their opportunities to hold governments accountable. Debate and discussion help communities shape priorities. A free press, a vibrant civil society and the political freedoms guaranteed by a constitution underpin inclusive institutions and human development. The human development approach views people not only as beneficiaries of development, but also as architects of their own lives.7

Related to this is the notion of agency. People who enjoy high levels of agency are engaged in actions congruent with their values. When people are coerced into an action, are submissive or desirous to please or are simply passive, they are not exercising agency.8

Well-being and agency—the two fundamental freedoms in the human development approach—are related yet distinct. An agent is someone who acts and brings about change. Agency can advance one’s own well-being, but it can also further the well-being of others. People may thus volunteer for causes that do not advance their own well-being, such as protecting the rights or improving the conditions of vulnerable groups or conserving ecosystems, landmarks or historical monuments. People may put themselves in gruelling situations, working to promote causes they believe in at the cost of their own health or security. They are exercising their agency. Human agency thus advances any goals that are important to individuals—for themselves, for their communities or for other entities.

The exponential spread of information and communication technologies, along with rising education and literacy rates, has provided individuals with new tools for participation (box 3.2). Online participation can have a major impact on agency and empowerment. But new forms of participation also face challenges and risks that must be addressed. Equal access to the Internet for all people must be pursued between and within countries. And people must be protected from the risks of misinformation and online violence—such as cyberbullying, online sexual abuse, harassment or hate speech—that target mostly children and women.9

The primary focus of the human development approach and of the Human Development Report has largely been on the freedom of well-being. This is reflected in the way the Human Development Index (HDI) has been constructed. This focus may have arisen because basic deprivations were once more widespread, attracting the preponderance of analysis, measurement and policy response. But as well-being was realized, emphasizing freedom of agency has become more important. That freedom has an independent, intrinsic worth, in addition to an instrumental value because it enhances well-being.

**BOX 3.1**

**Voice and participation—intrinsic, instrumental and constructive**

Voice and participation are intrinsically important, make instrumental contributions and play a constructive role in the human development approach:

- **Intrinsic.** Voice and participation have high intrinsic value to people as key functionings.
- **Instrumental.** Voice and participation enhance democratic political freedoms and thus have instrumental value in expanding capabilities. The functionings of being well fed and free of disease or having an adequate education may appear basic. In practice, even these are difficult to achieve without the ability to participate in society. Being excluded and shut off and not possessing voice are usually the reasons that people and groups lack basic capabilities, sometimes generation after generation.
- **Constructive.** Societies and nations must deliberate and decide, through give and take, their common priorities and agendas. Effective participation ensures that all groups sit at the table. Broad, truly representative participation in civic dialogue is the way to ensure that societies advance towards realizing the concept of justice, the principles of universalism and sustainability, and other values that they hold collectively.

*Source: Human Development Report Office.*
Looking at the world only through the lens of threats sometimes imposes the tyranny of the urgent over the essential.

Human security—a precondition for human development

The concept of human security shifts the attention from interstate conflicts towards people’s feelings of insecurity. It encompasses concerns about jobs, income, health, the environment and crime. It also means protection from sudden and harmful disruptions in life. According to the 1994 Human Development Report, “human security is not a concern with weapons—it is a concern with human life and dignity.”

Millions of people around the world must cope with the impacts of climate change, natural disasters, economic and health crises, and intolerance and violence (see chapter 1). Because of these new realities and the aspiration of leaving no one behind, the concept of human security remains highly relevant. The emphasis should be on achieving a deep understanding of threats, risks and crises and addressing them through joint action based on the crucial concepts and approaches of human development and human security. Two ideas are relevant:

• Countering the shock-driven response to global threats. There is no denying that an inevitable short-term security imperative exists requiring an emergency response. This is understandable from a human agency perspective. The effect of shocks on global attention nonetheless has significance in responding to questions about who is being left behind and why. This is because precisely these forgotten or difficult to reach populations are usually the most at risk to shocks. But looking at the world only through the lens of threats sometimes imposes the tyranny of the urgent over the essential. Peaks in attention to emergencies fail to address the gradual and complex process of vulnerability that builds between shocks. The human development and human security approaches, while remaining available to confront short-term security imperatives, should become involved in aligning efforts to shift the emphasis away from shock-driven responses to global threats. People are also left behind when threats are protracted and require a long-term commitment to crisis management.

• Promoting a culture of prevention. How should we understand and practise prevention as part of the development process? If one sees the world through the prism of threats, it may appear normal for crises to be considered opportunities. A return to business as usual once the emergency has passed may appear equally normal. Yet, while crisis prevention may receive the least attention in the cycle of crisis management, it is the component that, everybody agrees, should be the most important.

To shift from a shock-driven response to crisis to a needs-driven one, human development strategies must be anchored in the everyday and not rooted in emergencies. Human security emphasizes the centrality of people in the calculations that make us assign importance to some threats over others. This emphasis should also encourage us to pay attention to the full cycle of relief, recovery and prevention in crisis management.
Human decisionmaking—to be examined more closely

The functionings that individuals realize through their capabilities flow from a confluence of conscious or subconscious choices. In making choices, people often fail to take into account the spillovers and long-term consequences. They may follow the herd or fail to correct for cognitive bias. They may simply be overwhelmed and unable to process all the available information—with important implications for human development. Examples include the failure to save for retirement or taking on bad loans although better options are available. Such mistakes are well documented in the literature on behavioural and cognitive science.\(^\text{12}\)

People face many decisions, ranging from the trivial to the consequential. They face multiple options and have to make choices, sometimes as part of a group. Development economists and practitioners use standard models to assess how people make choices. Psychologists and experimental and behavioural economists, meanwhile, have been documenting the mistakes in how people make choices.\(^\text{13}\) People’s decisions seem to be swayed by considerations that should not matter—the default option, the order in which options are presented and sometimes seemingly irrelevant options. Some researchers say that people are irrational or that they make (predictably) irrational choices.\(^\text{14}\) Dan Ariely, James B. Duke Professor at Duke University and a leading authority on behavioural economics, shares his thoughts on how to advance human development in a less than rational world (see special contribution).

What seems like irrational behaviour by a group, such as poor people, may at times simply reflect a lack of access to services that everyone else takes for granted. People with stable incomes may fail to save and ensure future financial security. This may appear to be irrational behaviour. But it may simply be that these people lack access to basic services such as savings accounts. In the Philippines about 30 percent of people who were offered a savings account with no option to make a withdrawal for six months accepted. Individuals who used the accounts increased their savings 82 percent more than the control group did.\(^\text{15}\)

Some choices seem to irrationally depend on considerations that should not matter—how healthy and unhealthy foods are arranged in the supermarket or whether a company signs up employees automatically for a retirement savings plan. In all walks of life, how the options are presented and experienced can have an effect on the choices made.\(^\text{16}\)

In some cases understanding how and under what conditions choices are made may suggest straightforward policy fixes.\(^\text{17}\) In many other cases there may be no easy policy fixes. So being aware of the vagaries of human behaviour is essential. Only by being aware of how people make choices can planners design programmes and policies to support decisionmaking appropriately among people who may otherwise be especially prone to mistakes. Policy design involves judgements about default options, how much information to introduce and how the information is framed, presented and disseminated. Understanding how people make choices can enhance the process.\(^\text{18}\) Some of these insights are integrated into policymaking. Others are novel, and a large number of researchers around the world are working on uncovering them.\(^\text{19}\)

Collective capabilities—helping marginalized groups

Human development is not only a matter of promoting the freedoms that individuals have and have reason to choose and value. It is also a matter of promoting the freedoms of groups or collective entities. Individuals are not the only unit of moral concern; structures of living together are, too.\(^\text{20}\) The failure to explicitly include them in evaluating the state of affairs leads to the loss of important information.

Take the example of a society that makes explicit arrangements to include persons with disabilities in the mainstream, allowing them to lead full lives as individuals and members of society. Or a society that is open towards and accepting of refugees, allowing them to find work and integrate in the mainstream. Conversely, a community that discourages lesbian, gay, bisexual, transgender or intersex individuals from marrying or having children limits the fulfilment of these people’s lives. Societies vary in the number, functions and effectiveness
How did you get into studying how individuals make decisions or choices? Was this a rational decision?
I got into this following my experience of being in hospital for a very long time. I was badly injured when young. While in hospital, there were a number of things that I thought were very wrong, and I didn’t like. One was how the bandages were replaced for burn patients. What is the right approach for doing this—ripping them fast, or taking them out slowly? What is the best way to minimize the pain? The nurses said they knew the best approach, which was to rip them off fast. They followed their intuition. I didn’t agree that this was the right way. Despite good intentions, the nurses were wrong about this.

After leaving the hospital, I thought about doing experiments to understand how we sometimes have bad intuitions. Where do these fail us the most? What is the right model of human behaviour? I wanted to understand how people behave, how we make mistakes and also how we can do better.

This was not a “rational” decision. I did not consider all my options and think about them. I found something I liked to do and felt passionate about. I jumped right into it without thinking too much and without thinking for too long.

What have we learned from behavioural economics about how individuals and groups make decisions? How has this changed how economists think about decisionmaking? What are the implications in terms of policies for health, education and well-being?
People, in general, don’t make very thoughtful, rational decisions. For example, take texting and driving and our general addiction to cellphones. This is quite irrational. Most of the messages and emails we get do not need immediate attention.

There is the concept of random reinforcement. A rat gets food every 100th time he presses a lever. If the food is given on any random press between 1 and 200, the rat will go on pressing for much longer in hope of a reward. This is why we are addicted to our phones. From time to time we get an email or message that is very exciting, and hence we are hooked. We check our phones way too often, including when we are driving.

Take overeating, underexercising, financial decisionmaking, and there are millions of other places where we fail. In terms of relevant policies, this is not always an information problem. With smoking, for example, the barrier is not lack of good information.

A policy is a tool to get people to behave in a different way. If the model that the policy is based on is wrong, the policy will fail. There are some assumptions in standard models that have to be questioned. For example, people do not usually think long term.

And then, with banking regulation there is a need to understand the model. Bankers are not bad people, but there are conflicts of interest. Policies are introduced, for example, to increase transparency, but they do not achieve much. What is needed is a better theory of how people behave, what the conflicts of interest are and what can be done to bring down these conflicts of interest.

Being able to lead a long and healthy life, being well informed and being able to participate and make decisions are the foundations of well-being in the human development approach. This view holds that the expansion of individuals’ choices should be the goal of development. Given what we know from behavioural economics, would you say this view can be qualified, or nuanced, in some way?
This is a beautiful but naïve perspective. Choices are all good when they have no cost. Having choices can lead to what has been called the burden of choice.

We have to ask ourselves: Are we helping people by giving choices? Is it fair? Do you want to choose when to end your parent’s life, when to pull life support?

There are tiny choices—where to drink coffee, eat. People have no time to think about those choices. People take what is easily available. They don’t make these choices with full agency. There are the middle-range choices, for example, which camera or stereo system to buy. These are the decisions where people can make the right choice—given the right information, if they have the time and they think about it.

Then there are the really huge choices, involving marriage, house, savings, etc. When people get bad news, say about a health condition, they “shut down.” Studies show that with people who have prostate cancer, the course of treatment depends on which doctor they see first. If they see a surgeon, they have surgery. If they see a different doctor, they have a different treatment plan, not surgery.

It is with the very small and the very big choices that we have to help people.

We want to explore how individuals act as part of groups. How much are individual decisions impacted by social norms, values, stereotypes and prejudices? How do norms such as those of fairness, cooperation and honesty come to be, and how are they sustained?

With honesty, we have to think about rationalization. There are different aspects of honesty. People ask, how dishonest can I be and yet feel good about myself? This has to do with social norms. In some countries, bribery is ok. People ask themselves, what is acceptable here? They end up saying, ok, this is acceptable. If you live in a country where giving a bribe to a public official is common practice, you tell yourself that this is perfectly acceptable.

In the United States everyone gets away with illegal downloads. This is corruption! There is a big social element to it. People know it is illegal. Because everyone does it, this empties the moral content of it.
Society must organize resources, technology, expertise, policies and institutions in a way that enables individuals to take action to achieve human freedoms.21

What social institutions—family, community, nongovernmental organizations, neighbourhood or social clubs, and cooperatives—can be or do reflects collective capabilities. Such capabilities enhance human development, particularly among people who are marginalized or deprived and whose freedom cannot be enhanced through the actions of individuals alone.

The collective capabilities of social institutions are essential in many cases. Every individual values freedom from hunger, but few individuals have the capability to achieve this freedom through their own efforts. Society must organize resources, technology, expertise, policies and institutions in a way that enables individuals to take action to achieve the freedom. Similarly, people in forced labour may not escape it without collective capabilities or the capabilities of institutions.

Groups and coalitions are a means of exercising collective agency, which is much more powerful than people exercising individual agency. Groups to which individuals belong, including groups that individuals may establish, can expand individual capabilities and afford individuals new freedoms. A leading example is the Grameen Bank experience in Bangladesh, where groups of destitute women helped empower individual women economically and socially, which individual efforts might not have achieved. Informal workers in many economies have organized to demand their rights to better conditions. Through organization and collective action since 2002, waste pickers in Buenos Aires transformed a hazardous activity based on poor technology into a cooperative system of urban recycling based on decent work conditions, appropriate technology and reduced incidence of child labour.22

Social values and norms—key impacts on universalism

Social values and norms influence the parameters of the freedoms that are enhanced through human development. Societies may limit the freedoms that are recognized among individuals who are, say, women, gay, transgender, with disabilities or of a particular race or religion (see chapter 2). For example, a society that expects women to perform only unpaid care work explicitly or implicitly discourages girls from attaining higher education and fulfilling their full potential.

The norms and values of a society may not support the most disadvantaged. Prejudice against some groups is sometimes deeply ingrained in culture and practice. Women face explicit and implicit discrimination in school and working life.23 This discrimination is found even in environments that would be expected to reward merit objectively, such as higher education and the scientific community.24 In advanced countries groups may face discrimination and lack of opportunities based on race. In the United States the bias of educators against African American children has an impact as early as preschool.25 Bias and prejudice thus play a role in almost all important aspects of life. What individuals do and how they act are dictated largely by social traditions of privilege and subordination.
Groups are governed by social norms that also influence the behaviour of individuals and often shape the freedoms individuals articulate, particularly agency. The effect on freedom has been analysed in terms of adaptive preferences, the mechanism people use to adjust their preferences according to their circumstances. The frequently unconscious adaptation of preferences distorts perceptions of freedom so that individuals may not notice that their freedom of choice has been constrained.

The concept of adaptive preferences is especially applicable to the gender debate. The deprivation in agency associated with social norms and culture is evident in the practice of early marriage, the lack of women’s control over household resources and the attitudes that expose women to the risk of gender-based violence. Almost half the women surveyed in Africa report agency-related deprivation in more than one area of their lives. Women who are educated, who work or who live in urban areas have more voice and autonomy. In Africa almost 20 percent of women who live in rural areas and have no more than a primary education experience three major deprivations, compared with 1 percent of women who live in urban areas and have higher education.

Social norms, rules and conventions are not created in a vacuum. Norms and expected and accepted behaviour evolve. The circumstances that may have given rise to particular norms may change, but the norms themselves may not. Traditions and norms tend to become entrenched. Once established, a norm can be difficult to dislodge. Many anachronistic and sometimes perverse social norms persist for generations. Traditions, including dowry from the families of brides and child marriage, are maintained by households under social pressure. Violating a norm can cause psychological discomfort, financial loss or worse. In these cases the focus should be how the norms can influence the effects of healthy policies and the identification of ways to alter the norms (box 3.3).

### Multiple identities—how they influence agency and well-being

Multiple identities influence an individual’s agency and well-being (functionings and capabilities): citizenship, residence, geographic origin, class, gender, politics, profession, employment, social commitments and so on. Each of these groups is associated with a specific aspect of an individual’s identity. Group affiliations and identities are more fluid than fixed. Each person belongs to a number of groups at one time. People are born into some groups—a woman, an Asian, lefthandedness. Other groups may be abandoned, such as religion. Still others may be joined, such as citizenship. No single identity can completely define an individual throughout her or his life.

People have the liberty of choosing their identities. Individuals have reason to recognize, value and defend the freedom to choose identities. Liberty is important and valuable because all individuals deserve the space to consider the various facets, nuances and choices associated with their identity. Liberty is also a precondition for peaceful coexistence in multiethnic and multicultural societies.

Three identity issues have implications for human development. First, the space for multiple identities is more limited among people who are marginalized, and those people may lack the freedom to choose the identity they

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**BOX 3.3**

### Strategies for changing social norms

- Rectify mistaken beliefs about what others do or think.
- Use the mechanisms of social pressure.
- Change the symbolic meaning of a social norm.
- Create or exploit conflicts among different norms.
- Change the signalling function of norm compliance.
- Change the incentives for supporting norms among key actors.
- Send countermessages through appropriate messengers.
- Adjust how norms interact with laws.

value. This absence can be a serious deprivation in their lives because it limits their agency.

Second, many people favour a single identity to the disadvantage of all others and deny reasoning and choice in selecting identities. Much extremism and hatred can be undermined by promoting the acceptance of multiple identities over a single identity, such as ethnicity, religion or caste. Embracing single identities may make other groups or identities appear as rivals or even enemies. It misses all the multiple identities that may be shared, such as humanity, parents or neighbours. Multiple identities are essential to the freedom of agency because they provide people with the chance to explore different functionings and capabilities, and they can ensure autonomy.

Third, identity groups interact and compete with each other over limited economic and political resources and power. Groups often seek to obtain more power at the cost of other groups. They are often able to become entrenched in positions of power. The resulting concentration of economic and political control within a single group can be difficult to unravel (see chapter 2). In this process, marginalized groups experiencing deprivations—such as indigenous groups, older people and ethnic minorities—lose out and may become excluded from progress in human development.

Yet groups have the space to interact and share their concerns in a participatory democratic system. They should seek a common understanding of a fair society through negotiation and discussion so all people possess the freedom to explore different identities and choose their own path. Collective values and collective aspirations can be fostered through a collective discourse in which all constituencies truly and effectively participate.

**The interdependence of freedoms — the inevitability of tradeoffs**

According to the human development approach, all people should be able to lead the kind of life that they have reason to value. But the freedom of one person or group may interfere with the freedom of another person or group. This can be an unintended outcome or a deliberate goal. Given the political economy of societies, there may be attempts by richer and more powerful groups to restrict the freedom of others. This is reflected in the affluence bias of the policy matrix, the way the legal system functions and the way institutions operate in many economies. This elite capture represents an attempt of the rich and the powerful to curb the opportunities of poor and deprived people.

The human development approach recognizes that more must be done than merely calling for the expansion of capabilities and freedoms. All societies need to make tradeoffs, decide among the claims of competing groups on finite resources and establish priorities in a context of unequal distribution of income and wealth, voice and participation, inclusion and diversity, and so on. Following reasoned debate, societies need to determine the principles for settling these issues to realize a more just society.

**Sustainable development as social justice**

Interdependent freedoms and choices are also characteristic of intergenerational equity—the freedoms of future generations in relation to the freedoms of the present generation. The 2011 Human Development Report defines sustainable human development as "the expansion of the substantive freedoms of people today while making reasonable efforts to avoid seriously compromising those of future generations."28

This is similar to many conventional notions of environmental sustainability. But it also reflects the concept of universalism, which goes deeper. Universalism argues that the life experiences of all individuals within and across generations are equally important. The human development approach therefore considers sustainability as a matter of distributional equity both within and across generations. Human Development Reports have consistently advanced this integrated approach to sustainability.

The human development approach reiterates that sustainable development is much broader than the protection of natural resources and the environment; that environmental degradation exerts larger, unequal impacts on poor, marginalized and vulnerable people; and that climate change affects the people and countries the most that have least contributed to it.
The more command women have over household income, the more they participate in the economy, the more girls are enrolled in secondary school and the larger the benefits for their families, their communities and their countries.

Gender equality and women’s empowerment—vital markers

If human development must reach everyone, gender equality and women’s empowerment need to be central. When women are allowed to work in a profession of their choice, when they have access to financial services and when they are protected by law from domestic violence, they are able to lead lives to their full potential. The more command women have over household income, the more they participate in the economy, the more girls are enrolled in secondary school and the larger the benefits for their families, their communities and their countries.

Gender equality and women’s empowerment need to be addressed in a mainstreamed and integrated way. Sustainable Development Goal 5 covers gender equality and the empowerment of all women and girls, and it proposes relevant targets and indicators. But gender equality and women’s empowerment should not be limited to a single goal. Gender-focused targets are also covered by Sustainable Development Goal 3 (good health and well-being) and Goal 4 (quality education). These goals and targets have catalysing effects on achieving the other Sustainable Development Goals.

Gender parity is often mistaken for gender equality. Gender parity is an equality of numbers. Gender equality, by contrast, refers to the social relationship between men and women and has deeper dimensions. Take the example of women’s participation in peacebuilding efforts to end conflicts. At times, female representatives are invited to negotiations in order to meet a formal requirement for equal participation. However, when women are empowered to be effective participants, they can have a great impact. In the recently completed Colombia peace process, one-third of participants in the negotiations were women. Their lobbying ensured that those who committed sexual violence in the conflict would not be eligible for pardons. The women also advocated for economic support for women in rural areas for new development activities. When women are included in the peace process, there is a 20 percent increase in the probability of an agreement lasting at least 2 years and a 35 percent increase in the probability of an agreement lasting at least 15 years.

Checking whether progress in human development reaches everyone—assessment requirements

Averages are not adequate for determining whether everyone benefits from progress in human development; a disaggregated approach is needed. Nor will a purely quantitative assessment succeed; qualitative aspects are needed, too. Data on freedom of agency also need to be reviewed, particularly on voice and accountability. Other indicators of human well-being can provide insights, such as the social progress index. Finally, good generation and dissemination of data are important and require additional in-depth research, experimentation, consultations and alliance-building among stakeholders.

The disaggregated perspective

An assessment of whether progress in human development is reaching everyone requires disaggregated data by region, gender, rural–urban location, socioeconomic status, race, ethnicity and so on. Disaggregated data unmask the averages and show who has been bypassed, where they are and why.

Development barriers often fall along group lines. People with certain characteristics, in certain locations and with certain identities are more likely to lack access to essential services and opportunities and are more prone to be victims of discrimination and other forms of social exclusion.

To include everyone in progress in human development, the excluded and marginalized, as well as the depth of their deprivations, need to be identified, often through data disaggregated in National Human Development Reports. For example, Ethiopia’s 2014 National Human Development Report presented HDI values disaggregated by region, Mexico’s 2010 National Human Development Report presented HDI values disaggregated by indigenous group and
Investments in national statistical capacities, more financing to support longer and more detailed surveys that target the individual rather than the household and greater use of big data will be needed to strengthen and extend survey coverage.

By disaggregating data, policymakers can better target interventions that address the specific needs of diverse populations. This approach is particularly important for groups that are often invisible in data, such as the lesbian, gay, bisexual, transgender and intersex community. When data are collected through household surveys, including Demographic and Health Surveys, Multiple Indicator Cluster Surveys and the Living Standards Measurement Study, efforts can be made to increase the frequency of these surveys and improve their comparability. However, using the disaggregated data that already exist is a start towards understanding patterns of exclusion.

Disaggregated data can also be mobilized through perception surveys. For example, a 2015 field survey in Nigeria revealed that people’s perceptions of threats to security were much more intense in the Federal Capital Territory than in the South-South region (figure 3.2). Such information alerts policymakers to the barriers to a sense of security in the Federal Capital Territory and to the need to undertake remedial action.

**FIGURE 3.2**

People’s perceptions of threats to security were much more intense in Nigeria’s Federal Capital Territory than in the South-South region

Source: UNDP 2015b.
Disparities in one area may reinforce disparities in other areas and create a dynamic whereby people are left further and further behind in human development.

Determining the types of disaggregation needed to reveal inequalities along particular dimensions can be difficult without understanding the processes of exclusion and marginalization in a society. It is thus important that decisions about data collection be rooted in qualitative and historical research on these processes in each context. For example, in Mongolia, data have been disaggregated by disability. In 2010 the share of people ages 10 or older with no education was three times higher among persons with disabilities than among the rest of the population, and persons with disabilities were also less likely to obtain higher education (8 percent versus 18 percent of the rest of the population).37

Disparities in one area may reinforce disparities in other areas and create a dynamic whereby people are left further and further behind in human development. For example, women are generally disadvantaged relative to men in obtaining the benefits of human development. If such women are living in ecologically fragile areas, they are doubly deprived: because of their gender and because of their location. The deprivations may pile up if these women are also poor. The assessment perspective should thus address these dynamics and focus first on those who are furthest behind.

One key dimension of data disaggregation is gender, yet this dimension is missing or opaque in most development indicators. The 2030 Agenda, particularly Sustainable Development Goal 5, focuses on targets that will require gender-disaggregated data, including:38

• Ending all forms of discrimination against all women and girls everywhere.
• Eliminating all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.
• Eliminating all harmful practices, such as child, early and forced marriage and female genital mutilation.
• Recognizing and valuing unpaid care and domestic work through the provision of public services.
• Ensuring women’s full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life.
• Ensuring universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development (1994) and the Beijing Platform for Action (1995) and the outcome documents of their review conferences.

Qualitative assessment

Progress in human development has often been widespread and impressive quantitatively but is less impressive when the quality of outcomes is factored in. The differences in quality across groups can also be stark. In terms of people and their lives, low quality implies a lack of the tools necessary to reach one’s full potential and express all one’s capabilities.

More children are enrolled in and attending school than ever. But 250 million children worldwide do not learn basic skills, even though half of them have spent at least four years in school.39 In most countries class size, the number of qualified teachers and the availability of improved facilities are more desirable in better-off neighbourhoods than in poorer neighbourhoods, leading to wide differences in learning.

International testing has been conducted since the 1950s to compare cognitive achievement at various levels of schooling across countries and to identify the causes of measured differences (box 3.4). Most of these attempts to assess the quality of education reflect the principle that cognitive development is the main objective of education and thus measure the success of education systems based on this concept. Scholastic test scores provide a gauge of how well the curriculum is learned and of students’ learning achievements at the main exit points of school systems.

Global health is also improving. People are living longer. Global life expectancy at birth was 4.9 years longer in 2015 than in 2000, though there were wide variations across regions and countries. The increase in life expectancy at birth from 2000 to 2015 was greatest in Sub-Saharan Africa (8.8 years), followed by South Asia (5.5 years) and Latin America and the Caribbean (3.8 years).40 But are the added years of life expectancy healthy years or years characterized by illness and disability? The notion of healthy life expectancy helps answer this question (see chapter 2). The increase in
An assessment that combines well-being with agency and participation at the political level may be a more complete assessment of human development.
One dimension that lends itself to measurement is women’s participation in national political life and decisionmaking. One dimension that lends itself to measurement is women’s participation in national political life and decisionmaking, which is measured using women’s share of seats in the national parliament. (This indicator is included in the Gender Inequality Index.) By shedding light on a key dimension of women’s agency, this indicator complements the HDI and provides a more complete picture of a nation’s progress.
All regions have made progress in closing the gap in representation in parliament between women and men.

HDI values can be estimated separately for women and men by estimating education, health and income outcomes among women and men separately. The gender-based differences in well-being outcomes tend to be more pronounced in the education and health outcomes. They are also measured more clearly, are better understood and reflect more robust data. So estimates of nonincome HDI values among women and men are used—that is, HDI values constructed from the education and health dimensions alone.

The trend in nonincome HDI values and in women’s and men’s shares of seats in parliament is moving in the desired direction in every region, even if initial points and changes over time vary (figure 3.4). Yet all regions have made progress in closing the gap in representation in parliament between women and men. Latin America and the Caribbean has one of the strongest performances, while East Asia and the Pacific has made little progress.

Other measures of well-being

Various measures of human well-being have been proposed and constructed over the years. In the context of human development reaching everyone, this section examines whether some of these measures can provide an assessment framework for capturing universal well-being.

Social progress index

The social progress index ranks countries by social progress—how societies improve in social, political and economic structures so that everyone benefits. Gains may derive from direct human action, such as through social enterprise or social activism, or as a natural progression in sociocultural evolution. The index measures the extent to which countries provide for the social and environmental needs of their citizens. Fifty-three indicators on basic human needs, the foundations of well-being and opportunity to progress show the relative performance of nations.
Various measures of human well-being have been proposed and constructed over the years.

**World happiness index**

The world happiness index annually surveys numerous people in various countries around the world to identify the country with the happiest population. Rankings are based on responses to a life evaluation questionnaire that is based on Cantril’s ladder. It asks respondents to think of a ladder on which their best possible life would be step 10, while their worst possible life would be step 0. Respondents are then asked to rate their lives at the present moment as a step on the ladder. The researchers identify the result as the perception respondents have of their own happiness. The responses are weighted based on six other factors: level of gross domestic product (GDP), life expectancy, generosity, social support, freedom and corruption.

**Better life index**

The better life index is a composite index computed for the 35 Organisation for Economic Co-operation and Development countries plus Brazil, the Russian Federation and South Africa. It measures well-being according to 11 themes in living conditions (housing, income and jobs) and quality of life (community, education, environment, civic engagement, health, life satisfaction, safety and work–life balance).

**Subjective measures of well-being**

Some countries support subjective measures of well-being or happiness. For example, Bhutan has a gross national happiness index. The United Kingdom, through the Office for National Statistics, is one of the first countries to officially embrace the measurement of life satisfaction and happiness, with measures of national well-being. Proponents note that a single measure of happiness, which arguably summarizes people’s feelings about many aspects of well-being, avoids the need to weight components. Others note that an individual’s happiness may also be related to his or her relative—rather than absolute—level of well-being in a society, which may hinder cross-country comparisons. Many people, including young people, are thinking of a long-term vision of the future in terms of achieving a life that can be graded “good” (box 3.6).

**Human development indicators and Sustainable Development Goal indicators**

Human development indicators and Sustainable Development Goal indicators may support each other (figure 3.5). For example,

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**BOX 3.6**

**A long-term vision of the future—the Leimers List**

In 1967 Martin Luther King, Jr., called for a world perspective. The young people of HOPE XXL are trying to answer that call. HOPE XXL wants to ensure that all people can achieve a life they grade as “good” (at least a 8 on a scale of 0 to 10).

HOPE XXL started in 2009 in The Netherlands. Ten young people from the Liemers region developed the first version of the Liemers List: a long-term vision of the future. HOPE XXL has since grown into an international movement with thousands of young people joining and sharing their ideas. During a series of international events, including the 2012 European conference with Kofi Annan, the Liemers List was developed further. The Liemers List was finalized by young people from all over the world at the HOPE XXL Global Summit in Costa Rica in January 2015 and presented to the United Nations in February 2015.

HOPE XXL challenges everyone to contribute. To implement the Liemers List, HOPE XXL has proposed a new approach to international cooperation called the People’s Partnership. It is an essential element in the young people’s vision of the future and a new approach to international cooperation. In the People’s Partnership all countries are paired together to realize the goal of all persons grading their lives as good. HOPE XXL believes that the number 8 encompasses the greater goal of the UN Global Goals and is therefore the perfect symbol to communicate to reach a wider audience. The first partnership is between Bangladesh and The Netherlands, and HOPE XXL is focusing on strengthening the relationship between the two countries.

Source: HOPE XXL 2015.
Data need to be generated and disseminated on the basis of innovative perspectives to encourage the participation of more people, use of new technologies and reliance on more aspects of people’s perceptions.

Sustainable Development Goal indicator 3.2.1 on the under-five mortality rate can draw on data in the Human Development Report (see Statistical table 8) and be used to track progress. Similar examples can be drawn from such areas as poverty and inequality, education and gender equality. Human development indicators in the Human Development Report may also identify and integrate Sustainable Development Goal indicators in the Human Development Report statistical tables, particularly those on sustainability, urbanization and governance.

New ways to generate and disseminate data

Data need to be generated and disseminated on the basis of innovative perspectives—to encourage the participation of more people, use of new technologies and reliance on more aspects of people’s perceptions. In a survey of existing projects that use new sources of data and their suitability for measurement of the Sustainable Development Goals, the most common sources of new data were mobile phones, satellite imagery and social media (figure 3.6).47

One issue in the data generation and the dissemination process is Big Data. Big Data is about data characterized by high volume, high velocity, great variety and often also significant veracity.48 It is as much associated with how, where and why it is generated, whether collected purposely by official or private entities or as byproducts of data generated for other
A true data revolution would draw on existing and new sources of data to integrate statistics into decisionmaking purposes. Granularity—detail—is a particular strength, enabling deeper, more nuanced analysis and tracking, but it is also associated with elements of risk, particularly pertaining to the protection of individuals or groups who may not be aware that they are being monitored. The World Economic Forum obtained data from LinkedIn to add granularity to analysis of tertiary education for its 2016 Human Capital Report. In the international context Big Data has wide application in humanitarian situations and for data on community behaviour as part of programme and project implementation.

The UN Secretary-General’s High-Level Panel on Sustainable Development called for a data revolution for sustainable development in 2013 through a new international initiative to improve the quality of statistics and information available to citizens. It asked stakeholders to take advantage of new technology, crowdsourcing and improved connectivity to empower people with information on the progress towards the Sustainable Development Goal targets. It maintained that better data and statistics would help governments track progress and ensure that decisions were based on evidence. These enhanced data and statistics can also strengthen accountability. A true data revolution would draw on existing and new sources of data to integrate statistics into decisionmaking, promote open access to and use of data and ensure increased support for statistical systems.

Particularly important in the call for a data revolution is the focus on empowering citizens through information, including through the transparency and openness of official statistics and through government accountability. The call was also recognition that the trajectory of progress in internationally available official statistics was inadequate and needed new momentum, despite the efforts of the Partnership in Statistics for Development in the 21st Century and other bilateral, regional and global initiatives.

A dashboard approach has become a common approach for measuring development outcomes. It provides colour-coded tables that show the levels and progress of humanity on various development indicators. Such an approach can be effective in presenting data on well-being. This edition of the Human Development Report experiments with two dashboards, one on the environmental, economic and social aspects of sustainable development and one on gender equality and women’s empowerment (see the statistical annex). A dashboard does not convey a definitive conclusion on country achievements, merely an indication. But if useful, dashboards could be extended to other areas of human development.

The human development approach recognizes that the choices people make are the ways in which they realize their aspirations, though the claims of individuals are interdependent and can compete with one another. A practical realization of universal outcomes thus requires considering not only the ways choices are made, but also the ways those choices can be enhanced not for a few, not for the most, but for everyone. And that is where policies become important—a theme taken up in chapter 4.
Chapter 4

Caring for those left out—national policy options
Infographic 4.1 National policies to care for those left out—a four-pronged strategy
Basic human development has progressed well on average in all regions of the world. But not everyone has benefited from this progress—at least not equitably. Some have been left out, and some have been left behind. Given the challenges of today’s world, this chapter identifies the key national policies and strategies that need to be pursued to achieve basic human development for everyone and to protect the gains that have been made.

Ensuring that human development reaches everyone calls for a four-pronged policy approach (see infographic 4.1 on the facing page). First, universal policies are needed to reach those left out. There are three important aspects of universal policies. One, universalism is an idea, but as chapter 2 shows, practical universalism is another matter, particularly in policy areas. For example, a country may be committed to universal health care, but difficult geography may prevent it from establishing health care centres that are accessible to all localities. Two, even with universal outcomes, there may be disparities. For instance, a country may attain universal primary education, but the quality of learning may vary between schools in rich neighbourhoods and schools in poor neighbourhoods. Three, because of these factors, universal human development policies need to be reoriented to reach those left out. Thus, economic growth is an important means to achieve human development, but if the benefits of growth are to reach disadvantaged and marginalized people, growth will have to be inclusive such that poor and disadvantaged people actively participate in the generation of growth and have an equitable share in the outcome.

Second, even with the new focus on universal policies, some groups of people have special needs that would not be met (see chapter 2). Their situations require specific measures and attention. For example, persons with disabilities require measures to ensure their mobility, participation and work opportunities.

Third, human development achieved does not mean human development sustained. Particularly in today’s world, with all the risks and vulnerabilities (see chapter 1), progress in human development may be slowed or even reversed. This makes it essential to protect the gains and avoid reversal, especially for people who have achieved only the basics in human development and for people who have yet to achieve the basics. The first group could fall back below the threshold of basic human development, and the second might make no headway towards reaching it. Thus human development has to be resilient.

Fourth, people who have been left out will have to be empowered so that if policies and the relevant actors fail to deliver, these people can raise their voice, demand their rights and seek to redress the situation. That requires a framework for human rights and access to justice, a space for dialogue and effective participation, and a mechanism for demanding accountability.

Reaching those left out using universal policies

Some policies that enhance human development, especially universal ones, can have more than proportionally positive impacts on marginalized and vulnerable people. Identifying and reorienting these policies can narrow the human development deficits of those left out. Essential in this are pursuing inclusive growth, enhancing opportunities for women, addressing lifecycle capabilities and mobilizing resources for human development priorities—because universal policies are resource intensive.

Pursuing inclusive growth

For human development to reach everyone, growth has to be inclusive. This means that...
Lack of access to finance has been identified as a major constraint to an inclusive growth process

Formulating an employment-led growth strategy

The major elements of an employment-led growth strategy are:

- **Removing barriers to employment-centred development.** For example, small- and medium-size enterprises often face bias in market entry and access to credit, and entrepreneurs may lack access to information and marketing skills. Removing these barriers requires multiple levels of support to improve the productivity and income of such enterprises.

- **Designing and implementing a conducive legal and regulatory framework to tackle informal work.** Informal workers are among the most vulnerable and insecure, and a regulatory framework can provide protection, which increases security and incentives to enhance productivity and value added.

- **Strengthening the links between large firms (typically capital intensive) and small and medium-size enterprises (typically labour intensive).** Industrial clusters supported by public investment can increase access to capital and technology and promote transfers of skills. Those actions can shift resources to sectors with greater potential for creating jobs and adding value.

- **Focusing on sectors where poor people live and work, especially in rural areas.** Policy measures to sustain and generate jobs in agriculture can improve productivity (without displacing jobs) through intensive cultivation, regular changes in cropping patterns, integrated input packages and better marketing. As the 2015 Human Development Report indicated, low-cost, sustainable technologies are available in agriculture and can be transferred to and adapted in various economies through collaboration across developing countries.

- **Adjusting the distribution of capital and labour in public spending to create jobs.** Public spending can support job creation by favouring technologies and sectors that enhance human development. It can also have a demonstration effect, signalling to the rest of the economy the many ways of using more labour-intensive technologies.

Securing decent work opportunities and better jobs for all people around the world with the notion of just jobs—those with fair remuneration, rights at work and opportunities for economic mobility—is the main feature of the Global Deal launched in September 2016 (box 4.1).

Enhancing financial inclusion

People who are left out lack access to productive resources, including land, inputs and technology. But lack of access to finance has been identified as a major constraint to their economic opportunities and to becoming a part of the inclusive growth process. From 2011 to 2014, 700 million additional people worldwide became bank account holders, yet 2 billion people are still unbanked. Financial services can be a bridge out of poverty and vulnerability. Several measures can enhance the financial inclusion of the poor.

- **Expanding banking services to disadvantaged and marginalized groups.** Opening bank branches in rural areas, offering easy banking services, using group solidarity as collateral (as with the Grameen Bank in Bangladesh) and having simple procedures that can be followed by people with low literacy can all reach people now unbanked. The Former Yugoslav Republic of Macedonia has a model for others to emulate (box 4.2).

- **Steering credit towards unserved remote areas and sectors.** Investment banks in Argentina, Brazil, Malaysia and the Republic of Korea have directed credit to industrial sectors specializing in exports.

- **Reducing interest rates and providing credit guarantees and subsidized credit to small and medium-size enterprises.** In Nigeria an agricultural lending facility provided incentives
Financial services can be a bridge out of poverty and vulnerability

The Global Deal—a triple-win strategy

Decent work and good labour relations contribute to greater equality and more inclusive economic development, benefiting workers, companies and societies (a triple win). The Global Deal—initiated by the Prime Minister of Sweden and designed with the Organisation for Economic Co-operation and Development and the International Labour Organization—aims to enhance dialogue among like-minded national governments, companies, employer associations, trade unions and broader civil society to improve employment conditions and boost productivity.

It aims to develop a platform for parties to collaborate and to strengthen existing cooperation structures. It will build on established initiatives and projects, providing political direction and impetus to overall development and systematizing and scaling up existing processes. The expectation is that it will contribute to inclusive growth, reduce inequalities and become a step towards achieving the Sustainable Development Goals and the ultimate goal of eradicating extreme poverty.

Source: Devan and Randolph 2016; Global Citizen 2016.

Providing finance to rural farmers in the former Yugoslav Republic of Macedonia

Two-thirds of the poor people in the former Yugoslav Republic of Macedonia, mostly subsistence farmers, unemployed people and pensioners, live in rural areas, where they lack the finance for investment and rural financial and technical services.

A 2008 Agricultural Financial Services Project that was aligned with the country’s rural development policy concentrated on two basic services. In one, groups of clients were formed, their financial literacy was enhanced and the technical and managerial skills of service providers were improved. In the other, only agricultural financial services and technical support were provided through agricultural investments.

In a simple but focused approach, the project provided 2,745 loans, lifting the average participant household’s annual business income from €5,166 to €8,050 in two years. Project-linked branches offering credit and credit officers expanded fivefold.¹


Note
¹. IFAD 2009, 2016.

Investing in human development priorities

In 2014 public expenditure as a percentage of such basic social services as health care was 3 percent in developing countries; the share in education was 4.7 percent between 2005 and 2014.² Yet a major part of this expenditure may not reach those who need the services the most. Most disadvantaged and marginalized groups lack universal primary education, universal health care, improved sanitation and decent housing. But simply increasing social spending is not enough because in many instances such spending goes for modern health facilities for well-off groups in urban areas rather than to mother and child care centres in rural areas. Focused investments in human development

to banks to allocate a large share of their credit to agribusiness, particularly small entrepreneurs. Such loans accounted for 1 percent of total bank loans in 2010 and are expected to reach 10 percent by 2020.³

• Harnessing modern technology to promote financial inclusion. In Africa 12 percent of adults have mobile bank accounts, compared with 2 percent globally.⁶ Kenya leads the way at 58 percent, followed by Somalia, the United Republic of Tanzania and Uganda at 35 percent.⁷ M-Pesa in Kenya is a prime example of how mobile phone technology can reach the unbanked. BKash, a mobile banking system in Bangladesh, has changed the way poor people transfer money, including remittances by garment workers, bill payments and the purchase of daily necessities.
Focused investments in human development priorities can deliver high-quality services to disadvantaged and marginalized groups. 

Investing in human priorities is intended to reach those who lack basic social services such as education and health care that are essential for enhancing human capital so that these people can not only be part of inclusive growth, but also enhance their capabilities, which are intrinsically valuable.

But there are four relevant policy considerations. First, the mere availability of services or access to them is not enough; the effective use of services also requires affordability and adaptability. Low-cost but good services are possible and can be affordable for poor people. In Nicaragua compact ultrasound machines that can be carried on bicycles are being used to monitor the health of pregnant women, improving antenatal care at relatively low cost.9 Similarly, services must be sensitive to the cultural and social norms of the contexts in which they are provided. For example, the presence of only male doctors in rural mother and child care centres would be a disincentive for women and girls to use the centres.

Second, mere provisioning of services without considering quality is detrimental to poor people. Many services in poor areas are low quality—partly because of the perception that poor people do not want to pay for high-quality services and partly because of the perception that it is enough that poor people have some services, regardless of the quality. The result: Most high-quality services are enjoyed by the affluent. But poor people are usually ready to pay for high-quality and affordable services. In 2004 poor parents in Chad paid for schooling both in cash ($2 is the average annual contribution) and in kind (volunteering at community or government schools).10 Parents also covered the cost of books and other supplies.

High-quality services can indeed be provided to poor people, as in Burkina Faso. The Office National de l’Eau et de l’Assainissement (the National Office of Water and Sanitation), the utility in charge of water and wastewater services in the capital, Ouagadougou, and other urban areas, provides piped water only to formal settlements.11 But about 16 percent

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**FIGURE 4.1**

Investments in priority human development to ensure human development for everyone

<table>
<thead>
<tr>
<th>Public expenditure ratio</th>
<th>Social allocation ratio</th>
<th>Social priority ratio</th>
<th>Human expenditure ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government share of GNP</td>
<td>Social services share of government spending</td>
<td>Human priority share of social sector spending</td>
<td>Human priority share of GNP</td>
</tr>
</tbody>
</table>

The human expenditure ratio is the product of three ratios:

\[ E/Y = \text{public expenditure as a proportion of national income} \]

\[ S/E = \text{the proportion of public expenditure going to the social sector—the social allocation ratio} \]

\[ P/S = \text{the proportion of expenditure in the social sectors going to human development priorities—the social priority ratio} \]

Put differently, the human expenditure ratio is \( E/Y \times S/E \times P/S \)

of Ouagadougou’s nearly 2 million inhabitants live in informal settlements, which are beyond the utility’s mandate. To skirt this problem, the utility designed five-year concession contracts for private firms to build and operate water networks in five informal settlements, beginning in 2013. The utility sells bulk water to the operators and regulates the tariffs. The model has been so successful that the utility added two more concessions in Ouagadougou and three in Houndé in 2015. Another should be ready by the end of 2016 in Bobo-Dioulasso.

Third, nongovernmental organizations have become major actors in many countries by providing such basic social services as health care, education and safe drinking water. The BRAC nonformal education system in Bangladesh is a prime example. Following an innovative curriculum but providing education in a cost-effective way has boosted both school attendance and retention. Two major measures that BRAC schools have initiated are separate toilets and two free sets of school uniforms for girls. These measures have contributed immensely to the education of girls in Bangladesh. BRAC also leads in providing basic social services, particularly in conflict and postconflict countries such as Afghanistan. In many countries nongovernmental organizations and foundations (for instance, the Bill & Melinda Gates Foundation) are working with governments and other agencies on immunization drives for children. Public–private partnerships and alliances may thus be an effective mechanism for providing services.

Fourth, innovative services rarely include poor people, even though poor people often need these services the most. As the UN Secretary-General’s High-Level Panel on Access to Medicines highlighted, medical innovations have saved and improved millions of lives around the world, but access to them is highly unequal. Vulnerable groups are prevented from fully benefiting from the innovations because of multiple factors, including limited resources, stigma, discrimination, poor health education, unavailability of health insurance, regulatory barriers and exclusive marketing rights.

One stark example: The international nongovernmental organization Médecins Sans Frontières validated new tests for tuberculosis to be used in low-income, humanitarian settings. Yet the cost was too high for affected developing countries, which obtained the tests only after a dedicated public–private partnership was created. Economic and political choices around the funding and support of innovations often result in such barriers to access. Identifying gaps in the protection of target populations, determining the best new ways to address persistent challenges and providing evidence of the efficiency of the new methods may convince decisionmakers to scale up innovations and ensure inclusiveness.

Since 2000, governments around the world have increasingly used the Internet to engage with their populations, publishing official documents and data on websites, allowing citizens to undertake administrative procedures online and sometimes inviting them to provide feedback or even participate in political decision-making (box 4.3). But with a digital divide and without a digital dividend, few marginal and vulnerable groups can take advantage of these services.

**Undertaking high-impact multidimensional interventions—win-win strategies**

Universal human development could be accelerated if some multidimensional high-impact interventions are pursued. Measures such as providing school meals, redistributing assets and prioritizing local actions are a crucial part of the answer because such interventions have strong and multiple impacts; they are win-win strategies.

**Providing school meals.** School meal programmes provide multiple benefits: social protection by helping families educate their children and protect their children’s food security in times of crisis; nutrition, because in poor countries school meals are often the only regular and nutritious meal a child receives; education, because a daily school meal provides a strong incentive to send children to school and keep them there; and a boost to local agriculture, because food is often bought locally, benefiting local farmers. Evidence from Botswana, Cabo Verde, Côte d’Ivoire, Ghana, Kenya, Mali, Namibia, Nigeria and South Africa bears testimony to all the benefits of school feeding programmes.
Differences in educational attainment prevent poor people from becoming part of the high-productivity growth process.

Rural infrastructure, especially roads and electricity, is another area. Building rural roads reduces transport costs, connects rural farmers to markets, allows workers to move more freely and promotes access to schools and health care clinics. More than 1 billion people worldwide lack electricity. Electrification in rural communities in Guatemala and South Africa has helped increase employment among marginalized groups. Low-cost options such as mini-grids have been successful in Kenya (green mini-grid), Senegal (smaller community projects) and the United Republic of Tanzania (good consumer tariff) and can be easily replicated elsewhere. Mini-grids—often supplied by hybrid generation systems and incorporating smart technologies—are also connecting rural households.

Cost-effective nutritional interventions can address deficiencies in iodine and micronutrients—deficiencies common among disadvantaged and marginalized groups. Adding iodine to salt, removing taxes on micronutrients and fortifying staples and condiments have improved the nutrition status of poor people. Such easy low-cost interventions can be readily scaled up and replicated elsewhere.

**Redistributing assets.** Redistributive policies are often framed as reducing inequalities in outcomes (such as income) or providing social protection (as in cash transfers). But redistributing assets can also bring those left out into the growth process. For example, land reform has been advocated as a prerequisite for levelling the playing field so that growth is equitable. But customary laws for property tenure are still the norm in many societies. Such laws cover more than 75 percent of the land in most African countries and deprive women in particular. Appropriate land legislation can be formulated to supersede customary laws.

Human capital is an asset, and differences in educational attainment, one aspect of this asset, prevent poor people from becoming part of the high-productivity growth process. And the outcome of that difference becomes stark in tertiary education. In the United States in 2015 the median weekly income of a person with a master’s degree was $1,341, but that of a person with only a high school diploma was roughly half that, at $678. (The 2015 Human Development Report called for democratizing tertiary education both nationally and globally.)

Subsidizing inputs for poor people enhances their productivity and contributes to the growth process. For example, subsidizing green energy would be both poverty reducing and environment friendly. Bangladesh’s central bank has financed environmentally sustainable initiatives through a low-cost refinancing window. Jordan and Morocco have followed suit.

**Prioritizing local actions.** Local approaches can limit conflict, protect minority rights, improve service delivery and be more responsive to local needs and citizen preferences.

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**E-government**

E-government can reduce costs and expand reach to even the most secluded areas of a country, as long as the Internet is accessible. In 2000 the United States launched the government’s official web portal to provide information and services to the public. Today 159 governments publish information online on finance, 151 on health, 146 on education, 132 on labour, 130 on the environment and 123 on social welfare. Another rapidly developing area is open government data—freely accessible on websites with raw data, giving people the opportunity to follow their government’s results and to hold it accountable.

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**Notes**


Providing autonomy to local governments in formulating and implementing local development plans allows plans to reflect the aspirations of local communities. Fiscal decentralization can also empower local governments to collect their own revenues and depend less on central government grants, under a formula for revenue generation between the central government and local governments. In Latin America decentralization increased local government spending from 20 percent of total government spending in 1985 to about 30 percent in 2010. But the share of own-source revenue remained unchanged, at about 10 percent of the national total, making local government finances more vulnerable and less predictable, undermining long-term planning. Indonesia’s big bang decentralization provides resources to meet local needs (box 4.4).

But if the local approach is to ensure human development for those left out, it will also require people’s participation and greater local administrative capacity. A transparent and accountable mechanism should be in place to monitor human development outcomes. With community involvement and support from the central government and other development partners, local approaches can contribute much to human development in the poorest areas, as in Moldova (box 4.5). The participatory model has worked so well that 70 towns and communities have adopted it, and 350,000 Moldovans are involved in improving local development.

Enhancing opportunities for women

Creating opportunities for women requires ensuring women’s empowerment in the economic, political and cultural spheres (figure 4.2). Investing in girls and women has multidimensional benefits—for example, if all girls in developing countries completed secondary education, the under-five mortality rate would be halved.

As more girls finish primary and secondary education, they can carry on to higher education, enabling them to do the work of the future and move up the career ladder. But more women should be in science, technology, engineering and mathematics, where much future demand for high-level work will be. Only one-fifth of countries had achieved gender parity in research by 2015, meaning that 45–55 percent of researchers were women. Increasing women’s enrolment in tertiary education and in science, technology, engineering and mathematics requires such incentives as scholarships, admission quotas and internships with research institutions and technology firms.

**BOX 4.4**

Fiscal decentralization in Indonesia—improving service delivery

Starting in 2000, when devolution to cities and districts became a focus of government reforms, decentralization was especially strong on the expenditure side in Indonesia. Subnational governments now manage almost a third of total public spending and about half of development outlays. Local governments are obliged to provide health care, education, and environmental and infrastructure services. Some of the major steps of the reforms:

- Local governments were given budget autonomy. The next higher administrative level was mandated to review legality. Law 32/2004 expanded higher-level oversight of local budgeting.
- Local and provincial assemblies are now elected every five years.
- Provincial governors and local mayors have been directly elected since 2005.
- The Public Information Disclosure Act, passed in 2008, promised better access to public information as well as more transparency.
- Citizens provide input into local government planning, and there are mechanisms for providing small-scale community services.

The positive outcomes of the reforms include a substantial increase in local public spending on services and better service delivery in some sectors. But there have been issues with spending efficiency in some areas, as well as disputes over the extent of gains. And more attention has to be paid to developing effective local accountability mechanisms.

Source: Smoke 2015.
Investing in girls and women brings multidimensional benefits—for example, if all girls in developing countries were to complete secondary education, the under-five mortality rate would be halved.

Women also have to juggle paid employment outside the home and unpaid care work inside the home as well as balance their productive and reproductive roles. Reserving jobs for women on maternity leave for up to a year and flexible working arrangements, including telecommuting, can allow women to return to work after giving birth. Women could also be offered salary increases to return to work.

Reducing the burden of unpaid care work among women can also give women more choices. Enlarging care options, including day

**FIGURE 4.2**

Factors that enable or constrain women’s empowerment—six direct and four underlying factors

![Diagram of factors enabling or constraining women’s empowerment]

Source: Hunt and Samman 2016.

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**BOX 4.5**

How local government makes a difference in Moldova

Telenesti, a town of 9,000, was once one of Moldova’s poorest. For 20 years basic water, sewerage and garbage services were a rare luxury for most people. Then Telenesti’s municipal government teamed with local residents to improve basic services under a national participatory initiative.

A long-standing problem was that local governments had little experience in guiding local development. Under socialism they depended on the distant central government for direction. So more than 10,000 local officials—80 percent of the national total—were trained in how to engage with community members and better manage public services.

Telenesti has since renovated its water network, added street lighting and built new roads. It became the first town in the country to provide all residents with access to a sewerage system.

Source: UNDP 2013a.
Mentoring, coaching and sponsoring can empower women in the workplace by using successful senior female managers as role models and as sponsors.

Breaking the glass ceiling

The glass ceiling, though cracked in many places, is far from being shattered. Women in business hold 24 percent of senior management positions globally, but 33 percent of businesses have no women in those posts. Gender requirements in selection and recruitment and incentive mechanisms for retention can enhance women’s representation in the public and private sectors. The criteria for promoting men and women into senior management positions should be identical, based on equal pay for equal work.

In developing countries business leadership positions that are open to women are often limited to micro or small enterprises. In such contexts, policies promoting women’s entrepreneurship and supporting the participation of women-led small and medium-size enterprises in public sector procurement can be particularly relevant.

Women’s representation can be increased through affirmative action, such as quotas for women on corporate boards, as in the European Union. Such efforts are even more effective when accompanied by policies that raise retention rates. Mentoring, coaching and sponsoring can empower women in the workplace by using successful senior female managers as role models and as sponsors. All these approaches can change norms and promote women to positions of seniority and responsibility. A complementary approach is to encourage men to join professions traditionally dominated by women.

**BOX 4.6**

**Arab States—opening opportunities for women**

Business associations are emerging to support female entrepreneurs through training, research, networking and other services. Examples include the MENA Businesswomen’s Network Association in Bahrain, the Occupied Palestinian Territory Business Women’s Forum and the National Association of Women Entrepreneurs of Tunisia.

Female labour force participation may increase in the Arab States as businesses and governments recognize the financial benefits of employing women, especially given women’s higher educational attainment and purchasing power.

In Saudi Arabia the number of women employed has increased 48 percent since 2010, thanks partly to petitions and legal reforms that enable women to work in formerly closed sectors, including law, to go outside unaccompanied by men, to exercise voting rights and to be elected at certain levels of government. In Jordan the online platform for engineering contractors, Handasiyat.net, has attracted female engineers seeking to work from home.

Notes

The Norwegian quota law requires all public (limited) companies listed on the Norwegian Stock Exchange as well as state-owned, municipal, intermunicipal and cooperative companies to appoint boards that include at least 40 percent women. Women made up 6 percent of the boards of public limited liability companies in 2002 and 40 percent only six years later.37

Addressing lifecycle capabilities

Capabilities built over a lifetime have to be nurtured and maintained. And vulnerabilities that people face in various phases of their lives must be overcome. To ensure that human development reaches those left out, building capabilities should be seen through a lifecycle lens.

Helping children prepare for the future

Universally fulfilling outcomes are more likely when all children can acquire the skills that match the opportunities open to young people joining the workforce. Much attention is correctly focused on what is needed to ensure that all children, everywhere, complete a full course of schooling.

But the formal education system is only part of a continuum of influences that connects a newborn to adulthood. Social and cultural influences operate inside and outside the school system. Factors critical to learning and life outcomes make themselves felt even in the womb and are cumulative, so that a shortfall at one stage can be compounded later and become harder—if not impossible—to address.

At one level, school systems have to be flexible enough to accommodate divergent cultures. At another, promoting school readiness—creating capabilities that promote learning—is as important as schooling for producing positive life outcomes, such as increased productivity, higher income, better health and greater upward mobility. Traditional methods of remediation, such as public on-the-job training or adult literacy programmes to boost the skills of disadvantaged young people, have lower returns than early childhood programmes. A better choice is early interventions in the preschool years that promote learning and retention in school. Early childhood education services have expanded considerably since 2000, but the gaps, still large, require urgent attention.

The World Bank has found that every dollar spent on preschool education earns $6–$17 in public benefits in the form of a healthier and more productive workforce.38 Many developing countries seem to have accepted this. Ethiopia says that it will increase preschool enrolment to 80 percent by 2020, from 4 percent in 2009. Ghana now includes two years of preschool in the education system. China is contemplating providing preschool facilities for all youngsters.39

Empowering young people

Voting is often the main avenue to influencing a political process, but it seems to be less attractive to younger voters than to older voters. In Canada 35–50 percent of voters ages 18–34 voted in 2004–2011, compared with 65–78 percent of voters ages 55–74.40 Young people also seem disenchanted with traditional politics. That should not be interpreted as a lack of interest in public life.

Millennials are seeking alternative ways to improve their communities, both locally and globally. Sixty-three percent of them have donated to charity, 52 percent have signed petitions and 43 percent have volunteered for civil society organizations.41 They are also looking to social movements and community organizations as platforms for their political interests and action. In Egypt, the Syrian Arab Republic and Tunisia young protesters used their mobile phones to post comments, photos and videos of events during the Arab Spring live on social media, to generate national and international support for their demands.42

The challenge in these areas is integrating into policymaking the opinions and convictions of young people expressed through alternative forms of participation. One approach might be through government-sponsored advisory roles, youth parliaments and roundtable discussions. At least 30 countries have some kind of non-adult parliamentary structure, nationally or in cities, villages or schools.43 Government agendas developed for children and youth, such as those in New Zealand, can also promote participation.

On the economic front creating new opportunities for young people and preparing
young people with the skills needed to take advantage of those opportunities are required. More than one-third of the skills important in today’s economy will have changed by 2020.44 Acquiring skills for the 21st century has to be part of lifelong learning of the four C’s—critical thinking, collaborating, creating and communicating (Figure 4.3).

Unbridling young people’s creativity and entrepreneurship requires policy support for sectors and enterprises in new areas of the economy, for young entrepreneurs involved in startups or crowdsourcing, for instance, and for social entrepreneurs (Box 4.7).

Protecting vulnerable workers

Three of the world’s ten largest employers are replacing workers with robots, and an estimated 57 percent of jobs in Organisation for Economic Co-operation and Development countries are at risk because of automation (Figure 4.4).45 The world is also moving towards a knowledge economy, so that low-skilled or marginal workers are losing their livelihoods. The European Union is expected to add 16 million new jobs between 2010 and 2020, but the number of jobs available for people with little or no formal education is anticipated to decline by around 12 million.46

As some jobs disappear, new jobs will appear in nontradables such as education, health care and public services, which are also fundamental to enhancing human development. Workers should be educated for and guided towards such jobs. For example, skills can be developed so workers can transition to sustainable employment in the green economy, solar energy and wind power.

A fit-for-the-future skill-learning system can be designed and implemented starting in secondary school and continuing in tertiary education. An emphasis on science, technology, engineering and mathematics may be necessary. But flexibility in the curricula of the learning

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**Figure 4.3**

21st century skills

<table>
<thead>
<tr>
<th>Ways of thinking</th>
<th>Tools for working</th>
<th>Ways of working</th>
<th>Skills for living in the world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity</td>
<td>Information and communication technology</td>
<td>Communication</td>
<td>Citizenship</td>
</tr>
<tr>
<td>Critical thinking</td>
<td>Information literacy</td>
<td>Collaboration</td>
<td>Life and career</td>
</tr>
<tr>
<td>Problemsolving</td>
<td></td>
<td></td>
<td>Personal and social responsibility</td>
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<tr>
<td>Decisionmaking</td>
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<tr>
<td>Learning</td>
<td></td>
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</tbody>
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**Box 4.7**

Social businesses attract young people

Social businesses are emerging as new areas of work among young people. They are cause-driven entities designed to address a social problem—nonloss, non-dividend companies, financially self-sustainable, the primary aim of which is not to maximize profits (though profits are desirable) but social benefits.

Inspired by a particular cause and by the desire to give back to society, numerous successful young commercial entrepreneurs around the world are transitioning from for-profit ventures to engage in social change. A survey of 763 commercial entrepreneurs in India who made the transition from commercial to social entrepreneurship between 2003 and 2013 and a quantitative analysis of 493 entrepreneurs indicated that 21 percent of successful entrepreneurs shifted to social change efforts. Most are skilled organization builders, independently wealthy, often establishment outsiders, and some from the diaspora.

Source: UNDP 2015a.
Older people require dedicated attention to ensure that their human rights are respected. Systematic training is crucial, and training should provide multitasking skills and the agility to move from one line of activity to another. Workers whose livelihoods are threatened can transition to jobs at similar and higher levels with the aid of wage subsidies and temporary income support.

Caring for older people

Older people form a particularly vulnerable group that often suffers from deprivations in health, income and social life (see chapter 2). They require dedicated attention from policymakers to ensure that their human rights are respected and that opportunities are available so they can enjoy self-realization and contribute to society. Some appropriate measures include:

- Establishing a combination of public and private provisioning of elder care. Public provision of health care can be strengthened through affordable but high-quality health services targeted exclusively at older people. Because of changing family structures and women’s increasing economic activity, market mechanisms can enable private provision of such care (such as the employment of private caregivers) or innovative collective community-based systems. Under the Fureai Kippu system in Japan, people earn credits for caring for older people that they can use later when they need care or that they can transfer to others.47
- Strengthening the social protection for older people through basic noncontributory social pensions (as in Brazil).48 Countries should also explore fully funded contributory pensions and social pensions.49
- Creating opportunities for older people to work where they can contribute, including teaching children, care work and voluntary work. Older relatives may provide care for children whose parents are working or have migrated for work or where the children have become orphans. In Denmark and the Netherlands more than 60 percent of women and more than 40 percent of men ages 60–65 provide care for their grandchildren.50 In the United Kingdom 30 percent of people ages 65–74 engage in voluntary work.51

Mobilizing resources for human development priorities

Public policies for human development priorities require domestic and external resources. One of the critical issues is how resources are mobilized for such investments. The domestic revenue base in many developing countries is generally low. For example, in 2002 tax revenue as a share of GDP was about 7.2 percent in low human development countries, compared with nearly 15 percent in very high human development countries.52 Foreign direct investment favours certain countries (such as China and India), but not so much other countries. The economic lifeline of some poor countries is official development assistance, the prospect of which is rather dim because of the global political economy situation. Given such diverse circumstances, there are at least five options that developing countries can explore to generate the necessary resources.

Creating fiscal space

Fiscal space is the financing available to governments through policy actions aimed at enhancing resource mobilization and reforms...
Consolidating and streamlining remittances could make them a funding source for human development priorities.

Using climate finance as human development priority financing

The 2030 Agenda and the Paris Climate Change Agreement mark the global community’s commitment to take action to end poverty, confront inequality and tackle climate change, which impact marginalized and vulnerable people the most. Climate finance has thus emerged as a major resource to help countries tackle climate change. Given the differences in concerns in middle-income countries and the least developed countries, there has been a debate about the appropriate relationship between development finance and climate finance.

Concerns vary across countries. Developed and middle-income countries that emit the majority of the carbon dioxide into the atmosphere are seeking financing and technologies to reduce emissions and mitigate climate change. But in the least developed countries, where emissions are low, climate finance can expand climate-resilient livelihoods, improve water and sanitation systems and ensure food security. These investments go beyond climate adaptation programmes in the narrow sense to focus on achieving human development by increasing the long-term climate resilience of economies and societies.

Exploiting other means

An estimated $1 trillion flows illegally out of developing and emerging economies each year, more than these economies receive in foreign direct investment and official development assistance. Beyond depriving the world’s needy countries, this propels crime, corruption and tax evasion. Most of the money is lost through trade invoicing—changing prices to secretly move money across borders. If exporting and importing countries collaborate to monitor invoicing through trade rules and other mechanisms, such flows can be identified and seized.

Development impact bonds can be floated to open revenue streams from private investors and allow public entities to transfer risk. They also force policymakers to measure the
Ending subsidies to the rich or for commodities such as fossil fuel can generate resources for human development. But they need clear goals—such as building 1 million toilets. A clear quantitative goal may sound great and be easily measurable, but the toilets would make little difference if they are not part of a locally led sustainable sanitation system.

Stopping corruption and capital flight can also provide resources for human development. In 2010, $21 trillion worth of financial assets were transferred to offshore tax havens. Nigeria is estimated to have lost over $400 billion to corruption between independence and 1999. And $12 billion a year is said to disappear from the Ukrainian budget. A small fraction of that could do much to reach those left out.

Ending subsidies to the rich or for commodities such as fossil fuel can free resources for human development. In 2014 the richest 20 percent of India’s population enjoyed subsidies of $16 billion thanks to six commodities and services—cooking gas, railways, power, aviation fuel, gold and kerosene—and exempt-exempt-exempt tax treatment under the public provident fund. The International Monetary Fund estimates that fossil fuel companies benefit from global subsidies of $10 million a minute largely because polluters are not charged for the cost of the environmental damage they cause. That cost includes the harm to local populations by air pollution as well as to people across the globe affected by the floods, droughts and storms driven by climate change.

In the 1990s a 20:20 compact was proposed for basic human development—developing countries would devote 20 percent of their domestic budget to human development priorities, complemented by 20 percent of official development assistance. Given the 2030 Agenda, such ideas should be revived.

### Using resources efficiently

Efficiency in resource use is equivalent to generating additional resources. For example, telemedicine can deliver medical advice and treatment options to patients irrespective of their location, thereby reducing the cost of service provision. Frontline health workers have difficulty diagnosing pneumonia, which kills more than 1 million children a year, and pre-eclampsia, the second-leading cause of maternal deaths. To change this, the Phone Oximeter mobile health platform uses a low-cost sensor powered by a mobile phone to measure blood oxygen levels and then displays informed advice for diagnosis and treatment.

### Pursuing measures for groups with special needs

Because some groups in society are systematically discriminated against and thereby left out, only positive discriminatory measures can achieve more equitable outcomes in human development. To ensure that human development reaches everyone, measures are needed for some groups with special needs—such as women, ethnic minorities, indigenous peoples, persons with disabilities, people living with HIV and AIDS and vulnerable workers.

One of these measures is to collect disaggregated data on all these groups (see chapter 3). Other policy measures are affirmative action and specific interventions to promote human development for marginalized groups.

### Using affirmative action

Affirmative action—positive discrimination for distributive justice—has been important in redressing historical and persistent group disparities and group discrimination and in reiterating that every human being has equal rights. Women, ethnic minorities and persons with disabilities face various forms of discrimination because of their sex, ethnicity or circumstances (see chapter 2). Stigma and norms also contribute to the disparities and discrimination affecting indigenous peoples or people living with HIV and AIDS. Affirmative action may take the form of enrolment quotas for ethnic minorities in tertiary education or preferential treatment for female entrepreneurs in obtaining subsidized credit through the banking system.

Affirmative action such as quotas not only reserves jobs for persons with disabilities, but also provides an opportunity for the rest of society to observe the capabilities and achievements of these people, changing bias, attitudes and social norms. One area where affirmative action has
made a difference is in women’s representation in parliament (box 4.8).

India’s affirmative action programme—launched in 1950, making it the world’s oldest—was originally intended to benefit Scheduled Castes, which include Dalits, or untouchables, who had been oppressed for centuries under the caste system and accounted for about 16 percent of the population, and Scheduled Tribes, the historically neglected tribal groups that accounted for about 8 percent of the population. The programme was expanded in the early 1990s to include the Other Backward Classes, lower castes of socially and educationally disadvantaged people encompassing about 25 percent of the population. The programme has not remedied caste-based exclusions, but it has had substantial positive effects. In 1965, for example, Dalits held fewer than 2 percent of senior civil service positions, but the share had grown to 11 percent by 2001.

In 2013, 32 of the 38 state universities and 40 of the 59 federal universities in Brazil had some form of affirmative action policy. Between 1997 and 2011 the share of Afro-Brazilians of college age enrolled in university rose from 4 percent to 20 percent.

**BOX 4.8**

**Affirmative action has helped increase women’s representation in parliament**

Gender-based quotas in senior positions and parliaments have gained prominence since the adoption of the Beijing Declaration and Platform for Action at the United Nations Fourth World Conference in 1995 and the Committee on the Elimination of Discrimination against Women’s general recommendation 25 (2004) on special temporary measures, including quotas. Governments have increasingly adopted quotas since the conference to boost women’s participation, counter discrimination and accelerate change.

In countries with some type of parliamentary gender quota a higher share of parliamentary seats are held by women. Women average 26 percent of the seats in lower houses and in single houses of parliament in countries with voluntary party quotas, 25 percent in countries with legislated candidate quotas and 23 percent in countries with reserved seats for women. Compare this with 16 percent in countries with no such quotas. Countries with quotas for female parliamentarians have provided confidence and incentives for women to contest general parliamentary seats and win those seats.

Rwanda, with female representation of 64 percent in the House of Deputies, is a shining example. The 2003 constitution set aside 30 percent of legislative seats for women. Each election since has increased the seats held by women, both those reserved for women and some of the nonreserved seats. Women’s representation in the House of Deputies rose to 64 percent in 2013. Today, women account for over 60 percent of the members of parliament. Since the introduction of quotas, women have not only increased their number of representatives, they have also used their positions to pass laws empowering women, including preventing and punishing violence against women, increasing property rights for women and promoting women in the labour force.

**Notes**


**Promoting human development for marginalized groups**

Despite the great diversity in identities and needs (see chapter 2), marginalized groups, such as ethnic minorities, indigenous peoples, persons with disabilities, people living with HIV and AIDS, and lesbian, gay, bisexual, transgender and intersex individuals, often face similar constraints in their efforts to enhance their capabilities and freedoms, such as marginalization in basic well-being, voice and autonomy, or rights and privileges. They often face discrimination, social stigma and risk of being harmed. But each group also has special needs that must be met for the group to benefit from progress in human development.

First, for some vulnerable groups, such as ethnic minorities or persons with disabilities, anti-discrimination and other rights are guaranteed in constitutions and other legislation. Similarly, special provisions often protect indigenous peoples, as in Canada and New Zealand. Yet in many cases effective mechanisms for full equality in law are lacking. National human rights commissions or commissions for specific groups can provide oversight and ensure that the rights
Quotas in favour of ethnic minorities and the representation of indigenous peoples in parliaments are a means not only to foster self-determination, but also to raise issues of special concern of these groups are not violated. Some of these groups are not recognized as marginalized in many countries. Only five countries recognize the rights of lesbian, gay, bisexual, transgender and intersex people (box 4.9; see also chapter 2).

Second, recognition of the special identity and status of marginalized groups, such as ethnic minorities or indigenous peoples, is necessary. Thus, because recognizing the right to self-determination sends a powerful message about the need for protection, recognizing the right of self-determination among indigenous communities is crucial. The special relationship of many indigenous peoples and the land should likewise be recognized, with measures to advance human development among these people reflecting an awareness of this reality. Ethnic minorities and indigenous peoples have distinct cultures and languages that need to be taken into consideration in expanding access to health care facilities and education opportunities. Education in their native language not only recognizes the importance of distinct native languages, but is also conducive to greater learning among children.

Third, effective participation by disadvantaged groups in the processes that shape their lives needs to be ensured. Quotas for ethnic minorities and indigenous peoples in parliaments are thus a means not only to foster self-determination, but also to help them raise their concerns. Some indigenous peoples have their own parliaments or councils, which are consultative bodies (see chapter 2). New Zealand has the longest history of indigenous self-representation in a national legislature (box 4.10). Mirna Cunningham Kain, activist for the rights of the Nicaraguan Miskitu indigenous peoples rights activist and former chairperson of the United Nations Permanent Forum on Indigenous Issues, emphasizes that the there is much to learn from indigenous peoples’ quest for peace and development in a plural world (see special contribution).

BOX 4.9

**Overcoming discrimination against lesbian, gay, bisexual, transgender and intersex individuals**

Overcoming the discrimination and abuse of lesbian, gay, bisexual, transgender and intersex (LGBTI) individuals requires a legal framework that can defend the relevant human rights. Where LGBTI people are criminalized, they are widely discriminated against. In countries with no basic legal tolerance for LGBTI people, there is almost no room for a defence based on the principle of antidiscrimination: The main protection is for LGBTI people to deny their sexual preference. Awareness campaigns need to be launched in households, communities, schools and workplaces so that acceptance becomes easier. Nonacceptance within households often leads teenagers to run away or drift and encourages harassment in schools and discrimination in hiring. Help centres, hotlines and mentoring groups can assist this community.

**Source:** Human Development Report Office.

BOX 4.10

**Maori representation in New Zealand’s parliament**

The Maori Representation Act of 1867 introduced a dual constituency system in New Zealand whereby members of parliament are elected from two sets of single-member electorates, one for people of Maori descent and the other for people of European descent—now referred to as general electorates. In 1975 the act was amended to introduce a Maori Electoral Option, which gave electors of Maori descent the right to choose whether they enrolled in the Maori or the general electorates.

Electoral reform in the 1990s affected Maori representation in two ways. First, it allowed the number of Maori electorates, which had remained fixed at four since 1867, to vary up or down depending on the numbers of voters of Maori descent who elected to enroll to vote in those electorates. Second, it introduced proportional representation, which allowed Maori and other groups to be elected from party lists. This resulted in the election of Maori from a wider range of political parties and a much higher number of Maori members of parliament (currently 25 out of 121 total members of parliament).

**Source:** Edwards 2015; Forbes 2015.
From my lifelong experiences, being an advocate for the rights of some of the most marginalized peoples, allow me to share what I have learned and come to see as essential elements to ensure peaceful societies and sustainable development in a plural world.

Celebrating diversity
Indigenous peoples contribute to diversity, and their history emphasizes the importance of revitalizing and celebrating ancient cultures, music, languages, knowledge, traditions and identities. Living in an era where xenophobia, fundamentalism, populism and racism are on the rise in many parts of the world, celebrations and positive messages about the value of diversity can contribute to counter negative stereotypes, racism and discrimination and instead foster tolerance, innovation and peaceful coexistence between peoples. This is essential to safeguard the inherent belief in human beings’ equal worth, as reflected in the fundamental principles of the Universal Declaration on Human Rights.

Taking special measures to ensure equality and combat discrimination
The world today is more unequal than ever before—yet, there is an increasing recognition of the crucial importance of addressing systematic inequalities to ensure sustainable development. To address inequalities, a first step is to repeal discriminatory policies and laws that continue to exist in many countries, preventing particular groups of peoples from fully realizing their potential. For indigenous peoples, it is necessary to adopt positive or special measures to overcome discrimination and ensure the progressive achievement of indigenous peoples’ rights, as emphasised in the UN Declaration on the Rights of Indigenous Peoples (article 21.2). This includes measures to safeguard cultural values and identities of indigenous peoples (article 8.2) or to ensure access to education in their own languages (article 14). Further, nondiscrimination for indigenous peoples is strongly related to the right to self-determination and cultural integrity. These principles should be promoted in the context of addressing target 16b of the 2030 Agenda, promoting and enforcing nondiscriminatory laws and policies.

Getting down to the root causes of conflicts
No solution to conflicts and injustices will be possible without addressing the root causes for these conflicts. For indigenous peoples, root causes most often relate to violations against their human rights, in particular rights related to their lands, territories and resources. Across the world, indigenous peoples increasingly experience militarization, armed conflict, forced displacements or other conflicts on their lands, which have become increasingly valuable in light of globalization and the continued quest for resource extraction. Indigenous human rights and environmental defenders, who mobilize to protect their rights, face death threats, harassment, criminalization and killings. According to an Oxfam Report, 41 percent of murders of human rights defenders in Latin America were related to the defence of the environment, land, territory and indigenous peoples. The essential and first step to prevent conflict and ensure peaceful development is hence to protect, promote and ensure the basic rights of all peoples, including their free, prior and informed consent on development activities taking place on their lands. In that light the 2030 Agenda’s goal 16 on peaceful societies and strong institutions is essential. In particular, the focus on transparency, the rule of law and equal access to justice will be crucial to ensure accountability to the rights of all peoples.

Bringing in the voices, world views and power of indigenous peoples
Indigenous peoples have called for their rights to be at the negotiating table and have a voice in decisionmaking processes. “Nothing about us, without us” goes one of the mottoes, that is being repeated. Consistent with the UN Declaration on the Rights of Indigenous Peoples article 7, indigenous peoples have the collective right to live in freedom, peace and security as distinct peoples. Furthermore, in postconflict societies, states should ensure the participation of indigenous peoples through their own representative institutions in peace negotiations, peacebuilding, peacekeeping, humanitarian assistance and reconciliation processes. By strengthening indigenous peoples’ own institutions and governance systems and ensuring their inclusion in essential decisionmaking processes at the local, national and global levels, just solutions to conflicts can be found, and the structural root causes that led to the conflicts can be addressed. Indigenous peoples can also contribute to peace processes through their ancient wisdom and approaches to reconciliation and peace. Indigenous approaches to reconciliation often go beyond legal solutions with an essential focus on forgiveness, coexistence and harmony, which can inspire in a conflict situation that might otherwise seem protracted. The world has much to learn from indigenous peoples in the quest for peace and development in a plural world, as the one we are living in.

Mirna Cunningham Kain
Nicaraguan Miskitu, indigenous peoples rights activist and former chairperson of the United Nations Permanent Forum on Indigenous Issues
Fourth, among marginalized groups inclusion and accommodation are fundamental human rights and are critical to empowering them to live independently, find employment and participate in and contribute to society on an equal basis. An environment conducive to productivity and creativity is essential among persons with disabilities, though finding and sustaining employment may be difficult. Ensuring skill and vocational training among persons with disabilities, expanding their access to productive resources (such as finance for self-employment) and providing information over mobile devices are positive steps. More efficient information flows and infrastructure can help persons with disabilities obtain work and help employers take advantage of this wealth of human ingenuity. Some countries are relying on these techniques to enlarge employment choices among persons with disabilities (box 4.11).

There is also a need to encourage behavioural shifts in favour of persons with disabilities. Changing social norms and perceptions to promote the perception that persons with disabilities are differently abled and should be given a fair opportunity in work is fundamental and should be backed by a legal framework that discourages discrimination.

Technology can enhance the capacities of persons with disabilities. Indonesia instituted a legal requirement for Braille templates for blind voters or voters with visual impairments at all polling stations. Cambodia has made such templates available since 2008. The Philippines offers special voter registration facilities before election day and express lanes for voters with disabilities.

Fifth, migrants and refugees—often compelled to leave their home countries by violent conflict and consequently a desperate form of migration—are vulnerable in host countries (see chapter 2). Although a cross-border issue (chapter 5 analyses it as a global challenge), the problem also needs to be addressed locally. And actions need to reflect the new nature of migration and its context. Countries should pass laws that protect refugees, particularly women and children, a big part of the refugee population and the main victims. Transit and destination countries should provide essential public goods in catering to displaced people, such as schooling for refugee children; refugees will otherwise become a lost generation. Destination countries should formulate temporary work policies and provisions for refugees because work is the best social protection for these people (box 4.12).

A comprehensive set of indicators measuring human development among migrant families should be created. Governments should establish comprehensive migration policy regimes, given that migration boosts national economies, as in Sweden (box 4.13). Because the refugee problem is global, collaboration among national and international actors would represent a step forward.

Making human development resilient

Progress in human development can stagnate or even be reversed if threatened by shocks from environmental degradation, climate

**BOX 4.11**

**Enlarging employment choices among persons with disabilities in Serbia**

Living with a disability in Serbia has often meant being poor and unemployed and facing prejudice and social exclusion. More than 10 percent of the population has disabilities, more than 70 percent of persons with disabilities live in poverty, and only 13 percent of persons with disabilities have access to employment.

In 2009 the government introduced the Law on Professional Rehabilitation and Employment of Persons with Disabilities. The law established an employment quota system that legally obliged all employers with 20–50 employees to hire at least one person with disabilities and one more for every 50 additional employees. Private companies could opt not to comply with the quotas, but then had to pay a tax that would fund services for persons with disabilities. Almost 3,700 persons with disabilities found employment in 2010, up from only 600 in 2009.

Notes
1. UNDP 2011a. 2. UNDP 2011a.

Progress in human development can stagnate or even be reversed if threatened by shocks from environmental degradation, climate change, natural disasters, global epidemics and conflicts. Vulnerable and marginalized groups—those already left out—are the major victims.

Promoting social protection

Social protection provides support for those left out, but it can also have an impact on development by enhancing capabilities. Social protection includes social security, social assistance and social safety nets. Only 27 percent of the world’s population is covered by a comprehensive social protection system—about 5.2 billion people are not. Policy options to expand social protection include:

- Pursuing well designed, well targeted and well implemented social protection programmes. A social protection floor—a nationally defined set of basic social security guarantees—launched within the UN system in 2009 and updated with concrete recommendations in 2012 aims to secure a minimum level of health care, pensions and other social rights for everyone. Countries are exploring ways to finance the floor, ranging from restructuring current public expenditures to extending social security contributions, restructuring debt and using the foreign exchange reserves of central banks.

- Combining social protection with appropriate employment strategies. Creating jobs through a public works programme targeted at poor people can reduce poverty through income generation, build physical infrastructure and protect poor people against shocks. The National Rural Employment Guarantee Programme in India and the Rural Employment Opportunities for Public Assets Programme in Bangladesh are prime examples.

- Providing a living income. A guaranteed basic minimum income for all citizens, independent of the job market, is also a policy option. Finland is about to launch an experiment whereby a randomly selected group of 2,000–3,000 citizens already on unemployment benefits will receive a basic monthly income of €560 (approximately $600), which would replace their existing benefits. The amount is the same as the country’s guaranteed minimum social security support. A pilot study to run in 2017–2018 will assess whether this basic income transfer can reduce poverty, social exclusion and bureaucracy, while increasing employment. Switzerland held a
Human development will never be resilient in the fight against HIV and AIDS unless everyone who needs help can be reached. Yes, much progress has been made in scaling up antiretroviral therapy, but 18 million people living with HIV still do not have access to it. Particular populations are left out; young women, who may be exposed to gender-based violence and have limited access to information and health care, are among the most exposed. Still, there have been successes in reducing infection rates among women and children and in expanding their access to treatment (box 4.14).

In an increasingly interconnected world, in which people move around more and more easily and frequently, being prepared for possible health crises has become a priority in both developed and developing countries. The recent epidemic of the Zika virus provides a good example of why countries should be prepared for health shocks. The outbreak of the virus

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**Reaching those left out in the fight against HIV and AIDS**

Malawi is a leader in the fight against HIV and AIDS with a game-changing approach known as Option B+, adopted in 2011. The programme provides antiretroviral therapy to all pregnant women with HIV in a treat-all approach, which removes the delays and hurdles involved in determining eligibility. Early treatment helps women stay healthy, protects their next pregnancies from infection and reduces the risk of transmitting HIV to their partners. A year after Option B+ was introduced, the number of pregnant and breastfeeding women living with HIV who were on antiretroviral therapy had risen from 1,257 in the second quarter of 2011 to 10,663 in the third quarter of 2012. Following this success, Malawi launched the 2015–2020 National HIV and AIDS Strategic Plan in 2014 to reach populations missed by previous initiatives.

Brazil opened its first clinic for transgender people in São Paulo in 2010 and has since opened nine more primary health care services in the city centre. In Kigali, Rwanda, the Women’s Equity in Access to Care and Treatment Clinic, dedicated to working with women and vulnerable young people and adolescents living with HIV, supports nearly 400 young people living with HIV, 90 percent of them on antiretroviral therapy. In Dar es Salaam, United Republic of Tanzania, the faith-based organization Pastoral Activities and Services for People with AIDS Dar es Salaam Archdiocese offers testing and counselling to increase enrolment in care, treatment and support among children and adolescents living with HIV. In Nairobi, Kenya, the Mathari hospital provides antiretroviral therapy for those living with HIV who inject drugs. And Support for Addiction, Prevention and Treatment in Africa provides psychosocial counselling, testing for HIV and other sexually transmitted infections, and needle and syringe programmes at two facilities.

**Notes**
1. CDC 2013; UNAIDS 2016f. 2. UNAIDS 2016c.
Source: UNAIDS 2016f.
occurred at the beginning of 2015 in Brazil, and the virus spread rapidly across countries in the Americas. The spread of the virus has been so rapid and alarming that in February 2016 the World Health Organization declared the virus a Public Health Emergency of International Concern.

Countries have reacted in different ways to the spread of the Zika virus. Countries with an ongoing virus transmission such as Colombia, the Dominican Republic, Ecuador and Jamaica have advised women to postpone pregnancy.80

In Brazil a new mosquito strain was released to try to fight the virus, and members of the armed forces were sent across the country to educate people about mosquito control and to warn them of the risks linked to the virus.81

The revised strategic response plan designed by the World Health Organization, in collaboration with more than 60 partners, focuses on research, detection, prevention, and care and support.82

The Ebola epidemic that tore through West Africa in 2014 claimed 11,310 lives. A combination of factors contributed to its savagery, including a mobile population, crumbling public health systems, official neglect and hazardous burial practices. A genetic mutation may have made Ebola more deadly by improving the virus’s ability to enter human cells. This suggests that the scope of the epidemic was expanded. According to one alarming finding, patients infected with mutated versions of Ebola are much more likely to die.83

Natural disasters—earthquakes, floods, tsunamis, volcanic eruptions and the like—can generate enormous loss of life, drive people into poverty and even reverse progress in human development. The effects of disasters on human well-being can be greatly reduced, especially among the groups that are most exposed. Building disaster resilience into policies and programmes can reduce the associated risks and greatly mitigate the effects.

This is the approach at the heart of the Sendai Framework for Disaster Risk Reduction agreed in March 2015. Several programmes illustrate the innovations involved in the approach. In Azerbaijan meteorological stations are being modernized with automatic alarm systems to alert authorities when critically high water levels are reached.84 The system also collects data that can be used to predict seasonal flooding.

Sri Lanka has implemented projects to improve the resilience of school buildings that can jointly serve as community facilities during disasters such as the 2004 tsunami.85 The buildings are designed with storm-resilient toilets, solar systems for electricity, high foundations to reduce flood vulnerability and flat concrete roofs to resist high winds. The success of these and similar programmes requires cooperation and collaboration among various stakeholders and affected groups (government, civil society, scientific research institutions, the private sector, women, migrants, poor people and children). It also requires communication and shared resources among institutions at all levels and an understanding of the different roles these institutions play in disaster monitoring and response.

Combating violence and ensuring people’s security

Violence endangers people’s security. The drivers of violence are complex and thus call for a multipronged approach that includes:

- **Promoting the rule of law based on fairness and zero tolerance for violence.** This approach needs a civic space for dialogue and participatory decisionmaking against violence and close collaboration with local leaders and credible intermediaries to promote dialogue with gangs and alienated groups.

- **Strengthening local governments, community policing and law enforcement personnel in hotspots of violence not only to address violence, but also to fight corruption.**

- **Developing high-quality infrastructure, improving public transit in high-crime neighbourhoods and building better housing in the poorest urban areas to enhance the trust between the authorities and people left out.** The Medellín miracle in Colombia’s second largest city is a prime example of how a multipronged approach can turn a city once notorious for its homicide rate (about 6,000 a year in 1991) into a thriving and agreeable place to live.86

- **Providing socioeconomic alternatives to violence, particularly among young people, by building social cohesion.**

- **Developing response and support services to address violence and aid its victims.**
Successful programmes in disarmament, demobilization and reintegration must recognize that ex-combatants are a heterogeneous group and often include child soldiers, so a targeted, phased approach is needed.

Maintaining human well-being in postconflict situations

Many societies, especially those with low human development, face great difficulty in achieving progress in well-being because they are in the grips of violent conflict or its aftermath. Human development policies in such situations must include both political and economic measures.

On the political front a three-pronged approach to transforming institutions is needed during postconflict relief, recovery and reconstruction. First is to ensure people’s security. This needs to be done through citizen protection and community policing, including the vetting and redeployment of security forces accountable to the public. The need to immediately deploy an effective police force—national or international—trained in dealing with violence against women is urgent.

Second is to pursue faster caseload processing to ensure social accountability, especially in delivering humanitarian relief and establishing the groundwork for future powersharing.

Third is to reintegrate ex-combatants. Disarmament, demobilization and reintegration of ex-combatants are early steps in the transition from war to peace. Disarmament and demobilization require security, the inclusion of all warring parties, political agreement, a comprehensive approach and sufficient resources. Reintegration focuses on reinsertion, addressing the economic needs of ex-combatants and economic reintegration. Successful programmes in disarmament, demobilization and reintegration must recognize that ex-combatants are a heterogeneous group and often include child soldiers, so a targeted, phased approach is needed.

BOX 4.15

Success in reducing maternal and child mortality in Afghanistan

After the collapse of the Taliban in 2002, Afghanistan adopted a new development path and, with the help of donors, invested billions of dollars in rebuilding the country’s economy and health systems. These investments have improved maternal and child health and reduced maternal and under-five mortality.

The 2010 Afghanistan Mortality Survey estimated that there were 327 maternal deaths per 100,000 live births and 97 deaths among children under age 5 per 1,000 live births.

Decreases in the maternal mortality ratio and the under-five mortality rate are consistent with changes in key determinants of mortality, including higher age at marriage, greater contraceptive use, lower fertility, better immunization coverage, improvements in the share of women delivering in health facilities, more widespread antenatal and postnatal care, greater involvement of community health workers and increased access to the basic package of health services.

Source: Rasooly and others 2014.
Addressing climate change

Climate change jeopardizes the lives and livelihoods of poor and marginalized people through food insecurity, health and other risks. Addressing it requires three initial policy measures.

**Putting a price on carbon pollution and ending fossil subsidies**

Putting a price on carbon pollution brings down emissions and drives investment into cleaner options. There are several paths governments can take to price carbon, all leading to the same result (box 4.16). The choice of the instrument will depend on national and economic circumstances. There are also more indirect ways of accurately pricing carbon, such as through fuel taxes, the removal of fossil fuel subsidies and regulations that incorporate a social cost of carbon. Greenhouse gas emissions can also be priced through payments for emission reductions. Private or sovereign entities can purchase emissions reductions to compensate for their own emissions (offsets) or to support mitigation activities through result-based finance.

These measures begin to capture what are known as the external costs of carbon emissions—costs that the public pays for in other ways, such as higher food prices because of damage to crops, higher health care costs because of heat waves and droughts, and damage to property because of flooding and sea level rise—and tie them to their sources through a price on carbon.

These options are intended to make those who are responsible for the damage and who are in a position to limit it pay for remediation. Rather than placing formal restrictions on emissions, a price on carbon raises the awareness of polluters while giving them a choice. They can interrupt their polluting activities, find ways to reduce their emissions or agree to pay the price for the pollution they generate. This is the most flexible and least costly way for society to achieve environmental protection. It is also an efficient way to encourage innovations in clean technologies while promoting economic growth.

Approximately 40 countries and more than 20 cities, states and provinces use carbon pricing mechanisms, and more intend to do so in coming years. These mechanisms cover around half of the emissions of these entities, or 13 percent of annual global greenhouse gas emissions. The Paris Agreement on climate change further encourages countries to cooperate internationally on carbon markets and link their respective carbon pricing policies.

Getting prices right is only one part of the equation. Cities are growing fast, particularly in developing countries. Over half the global population is urban today; by 2050 that proportion is expected to reach two-thirds. With careful planning in transport and land use and the establishment of energy efficiency standards, cities can avoid locking in unsustainable patterns. They can open access to jobs and opportunities for poor people, while reducing air pollution.

**BOX 4.16**

Two paths in carbon pricing

There are two main types of carbon pricing: an emissions trading system and a carbon tax. An emissions trading system—sometimes referred to as a cap-and-trade system—caps the total level of greenhouse gas emissions and allows industries with low emissions to sell their extra allowances to larger emitters. By creating supply and demand for emissions allowances, the system establishes a market price for greenhouse gas emissions. The cap helps ensure that the required emission reductions will take place to keep the emitters (in aggregate) within their preallocated carbon budget.

A carbon tax directly sets a price on carbon by defining a tax rate on greenhouse gas emissions or—more commonly—on the carbon content of fossil fuels. It is different from an emissions trading system in that the reduction in emissions as a result of the tax is not pre-defined, though the price of carbon is.

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Rather than placing formal restrictions on emissions, a price on carbon raises the awareness of polluters while giving them a choice; it is the most flexible and least costly way for society to achieve environmental protection.
Poor people and environmental damage are often caught in a downward spiral. Past resource degradation deepens today’s poverty, which forces poor people to deplete resources to survive.

By phasing out harmful fossil fuel subsidies, countries can reallocate their spending to where it is most needed and most effective, including targeted support for poor people. In 2013 global fossil fuel subsidies totalled $550 billion and accounted for a large share of some countries’ GDP. Yet fossil fuel subsidies are not about protecting the poor: The wealthiest 20 percent of the population captures six times more benefit from such subsidies than does the poorest 20 percent.

Increasing energy efficiency and the use of renewable energy

About 1.2 billion people worldwide lack access to electricity, and 2.8 billion rely on solid fuels, such as wood, charcoal and coal, which cause noxious indoor air pollution, for cooking. The Sustainable Energy for All Initiative sets out three goals for 2030: achieve universal access to modern energy, double the rate of improvement in energy efficiency and double the share of renewable energy in the global energy mix. More than 20 years of effort in improving energy efficiency have reduced global energy use to one-third less than it otherwise would have been. Choosing renewable energy is more affordable than ever. Prices are falling, and developing utility-scale renewable energy is now less expensive than the cost of fossil fuel facilities in a number of countries.

Focusing on the poverty–environment nexus—complex but critical for marginalized people

The poverty–environment nexus is complex. Environmental damage almost always affects people living in poverty the most. These people become the major victims of air and water pollution, experience drought and desertification and generally live nearest to the dirty factories, busy roads, waste dumps and ecologically fragile lands. There is an irony here. Even though poor people bear the brunt of environmental damage, they are seldom the creators of it. The rich pollute more, generate more waste and put more stress on nature.

Poor people and environmental damage are often caught in a downward spiral. Past resource degradation deepens today’s poverty, which forces poor people to deplete resources to survive. Biodiversity, on which poor people’s lives, livelihoods, food and medicine depend, has passed the precautionary threshold in half the world’s land.

It would be too simplistic to explain the poverty–environment nexus in terms of income only: Questions about the ownership of natural resources, access to common resources (such as water), the strengths and weaknesses of local communities and local institutions, and ensuring poor people’s rights and entitlements to resources are all part of the policy options because they impact people’s environmental behaviour.

Climate-smart agriculture supports development while ensuring food security as climate changes. Using this approach, farmers can raise productivity and improve their resilience to climate change. Their farms, along with forests, can absorb and store carbon, creating carbon sinks and reducing overall emissions.

Through a Poverty–Environment Initiative led jointly by the United Nations Development Programme and the United Nations Environment Programme, the mutually reinforcing links between poverty and environment have been mainstreamed into the national and local development strategies of 24 countries and into the sector strategies of 18 countries in an integrated fashion, focusing on multi-dimensional development issues (box 4.17).

Protecting the gains of human development and stopping the reversals of these gains would model resilience in concentric circles around the individual, the family and tight local groups, the local community, local government, the state and the planet. The government’s role is to ensure a balance between the protection and the empowerment of the individual and the concentric circles of security providers, which are either extensions of the individual or, if they are malfunctioning, the threats to the individual. Latvia has been at the forefront of such an approach, which can be replicated in other parts of the world (box 4.18).

Empowering those left out

If policies do not deliver well-being to marginalized and vulnerable people and if institutions fail to ensure that people are not left out, there must be instruments and redress
The landscape of human rights tools for addressing deprivations and exclusion across the dimensions of human development is complex. Frameworks are in place to guarantee universal human rights and justice for all people. But state commitments to upholding these rights vary, national institutions have different implementation capacities and accountability mechanisms are sometimes missing. The Universal mechanisms so that these people can claim their rights and demand what they deserve.

Upholding human rights

The landscape of human rights tools for addressing deprivations and exclusion across the dimensions of human development is complex. Frameworks are in place to guarantee universal human rights and justice for all people. But state commitments to upholding these rights vary, national institutions have different implementation capacities and accountability mechanisms are sometimes missing. The Universal
Declaration of Human Rights, adopted in 1948, has served as the foundation for global and national human rights and moral calls for action. It has drawn attention to human rights by influencing national constitutions and prompting international treaties aimed at protecting specific types of rights, including the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights.

Governments have been selective in recognizing international treaties and vary in adoption of mechanisms for greater accountability (figure 4.5). Optional protocols have been established to provide individuals with a means to file complaints about rights violations to international committees. These committees are entrusted to conduct inquiries into serious and systematic abuses.

Human development for all entails a full commitment to human rights that, as measured by ratifications of human rights treaties, has yet to be made. It also requires strong national human rights institutions with the capacity, mandate and will to address discrimination and ensure the protection of human rights across multiple dimensions. Such institutions, including human rights commissions and ombudsmen, handle complaints about rights abuses, educate civil society and states about human rights and recommend legal reforms.

Treating development as a human right has been instrumental in reducing deprivations in some dimensions and contexts. For example, under the Indian Constitution the state must provide schools within a reasonable distance to the communities they serve; after this provision became a motive of public litigation against the government in the Supreme Court, such schools were provided.

Treating the full expansion of choices and freedoms associated with human development as human rights is a practical way of shifting highly unequal power balances. Human rights provide principles, vocabularies and tools for defending the rights, help reshape political dynamics and open space for social change.

In an integrated world, human rights require global justice. The state-centred model of accountability must be extended to the obligations of nonstate actors and to the state’s obligations beyond national borders. Human rights cannot be realized universally without well established domestic mechanisms and stronger international action (see chapter 5).

Ensuring access to justice

Access to justice is the ability of people to seek and obtain remedy through formal or informal judicial institutions. The justice process has qualitative dimensions and should be pursued in accordance with human rights principles and standards. A central feature of the rule of law is the equality of all before the law—all people have the right to the protection of their rights by the state, particularly the judiciary. Therefore, equal access to the courts and other institutions of justice involved in enforcing the law is important. Access to justice goes beyond access to the formal structures of the courts and the legal system; it is more than legal empowerment alone.

Poor and disadvantaged people face immense obstacles, including their lack of awareness and legal knowledge, compounded by structural and personal alienation. Poor people have limited access to public services, which are often expensive and cumbersome and lack adequate resources, personnel and facilities. Police stations and courts may not be available in remote areas, and poor people can rarely afford the cost of legal processes, such as legal fees. Quasi-judicial mechanisms may also be inaccessible or prejudicial.

Obstacles to justice for indigenous peoples and for racial and ethnic minorities stem from their historically subordinate status and from sociopolitical systems that reinforce bias in the legal framework and the justice system, which may tend to criminalize the actions of and incarcerate members of these minorities disproportionately. This leads to a systemic reinforcement of weaknesses and susceptibility to abuse by law enforcement officials.

The political and legal marginalization of historically oppressed or subordinate groups can still be seen in these groups’ limited access to justice. Ethnic minorities, poor rural people and people displaced by conflict have traditionally faced some of the largest barriers to justice.

Universal access to justice is particularly important for marginalized groups. Legal empowerment and knowledge are essential so that people can claim their rights. The weakest in society need them the most. The state-financed
Legal Aid Service in Georgia is a promising example that has produced timely and tangible results (box 4.19).  

Promoting inclusion  

Countries have deployed various political approaches in dealing with difference and diversity among their population and within borders. Societies have dealt with cultural diversity and heterogeneous populations through multiple measures that focus on integration, assimilation and multiculturalism.  

These approaches have often required an evolving notion of citizenship with sociopolitical features. These features have had varying effects.
The right to information requires the freedom to use that information to form public opinions, call governments to account, participate in decisionmaking and exercise the right to freedom of expression on people’s well-being and human development priorities because they have had a broad impact on people’s political freedoms, their relative position in markets and their status in social and public life. For example, some 1.5 billion people worldwide cannot prove who they are.⁹⁷ Without birth registration, a birth certificate or any other identification document, they face barriers carrying out everyday tasks such as opening a bank account, accessing social benefits and obtaining health insurance. New technologies can help countries build robust and inclusive identification systems.

Where the deprived, excluded group is a demographic majority, democratic institutions may lead to comprehensive policies that reduce socioeconomic inequalities. This was the case in post-apartheid South Africa and in Malaysia following the adoption of the New Economic Policy in 1970.

Inclusion is at the core of the 2030 Agenda. The pledge to leave no one behind is embedded in the vision of a just, equitable, tolerant, open and socially inclusive world in which the needs of the most vulnerable are met.

Ensuring accountability

Holding social institutions publicly and mutually accountable, especially in protecting the rights of excluded segments of a population, requires explicit policy interventions. One major instrument to accomplish this is the right to information. Since the 1990s more than 50 countries have adopted new instruments that protect the right to information.⁹⁸ In 2015 more than 100 countries had national laws or national ordinances and regulations on the right to information.⁹⁹ While laws on freedom of information were enacted in advanced industrialized countries to promote good governance, transparency and accountability, they had a somewhat different trajectory in many developing countries (box 4.20).

The right to information requires the freedom to use that information to form public opinions, call governments to account, participate in decisionmaking and exercise the right to freedom of expression. This right of access to information places two key obligations on governments: to publish and disseminate to the public key information on what public bodies are doing and to respond by letting the public view the original documents or receive copies of documents and information.

Participatory exercises to hold state institutions accountable, such as public expenditure tracking surveys, citizen report cards, score cards, social audits and community monitoring, have all been used to develop direct accountability relationships between service users and service providers. They also provide stakeholder inputs in deliberative exercises that prioritize and allocate local services and resources through participatory budgeting, sector-specific budget monitoring and participatory audits, all improving citizen engagement in the management of public finances.

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**Box 4.19**

**Equality under the law—Georgia’s Legal Aid Service**

Georgia’s state-financed Legal Aid Service was established in 2007 to provide legal advice, particularly to vulnerable groups, as part of a sweeping package of judicial reforms. The service operates as an independent entity accountable to parliament. Its independence and transparency are safeguarded by the Legal Aid Council.

The government has established the High School of Justice to train judicial professionals.¹ Lawyers have gained public outreach skills, particularly on behalf of marginalized groups.

Three-quarters of respondents to a 2010 survey rated the service “very satisfactory,” and 71 percent said that they had achieved a favourable outcome in court.² By 2015 the service had expanded to 18 offices across the country and had provided free legal assistance to more than 75,000 people. The majority of beneficiaries were from the most vulnerable groups—57 percent without jobs, 11 percent without the education to understand legal language, 10 percent socially vulnerable and 4 percent ethnic minorities. Fifty-eight percent of users were women.

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Notes

1. UNDP 2016g. 2. UNDP 2016g.


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People’s freedoms, including those associated with voice and accountability, can have instrumental or indirect value for other development objectives, because different types of freedoms can be complementary.
Chapter 5

Transforming global institutions
Challenges and reforms in global institutions—a summary

**Structural challenges in global institutions**
- Inequitable globalization
- Unbalanced governance of economic globalization
- Underfunded multilateralism
- Reactive multilateralism
- Limited inclusiveness
- Limited informed deliberation

**Multilateral institutions**
- Greater equity and legitimacy of multilateral institutions
- Well funded multilateralism and cooperation
- Globally defending people’s security

**Global markets and their regulation**
- Macro-economic stability
- Fair trade and investment rules
- Fair system of migration
- Global tax coordination
- Sustainable global economy

**Global civil society**
- Promote and support inclusive civil society networks
- Increase information flow and transparency
- Protect investigative journalism
- Expand participation in multilateral processes

**Options for reforming global institutions**
- Increase information flow and transparency
- Promote and support inclusive civil society networks
- Expand participation in multilateral processes
- Protect investigative journalism
- Increase information flow and transparency
- Promote and support inclusive civil society networks
- Expand participation in multilateral processes

**Challenges and reforms in global institutions**

Infographic 5.1 Challenges and reforms in global institutions—a summary
Transforming global institutions

The current global landscape is very different from what the world faced in 1990. New global challenges threaten the 2030 Agenda for “leaving no one behind.” Inequality and exclusion, violence and extremism, refugees and migration, pollution and environmental degradation—all are caused by humans and their interactions, particularly across borders. That is why their solution depends not only on the actions of individual countries, but also on the construction of global collective capabilities to achieve results that no country can on its own.

All these cases involve global public goods and spillovers, which have grown in tandem with globalization and human connectivity. Uncoordinated national policies addressing global challenges—cutting greenhouse gas emissions, protecting labour rights, ensuring minimum incomes, cooperating to strengthen fragile states, providing humanitarian aid and refuge to those extremely endangered—are bound to be insufficient because of the existence of externalities. So global and regional institutions are necessary to bring systematic attention, monitoring and coordination to key global issues.

International institutions and the resulting global order have enabled considerable progress in human development. But these institutions have also coexisted with persistent extreme deprivation—leaving behind large segments of the global population—and persistent human insecurity (see chapters 1 and 2). The mixed success calls for reforms, with an agenda that keeps what works and addresses evident gaps.

The main global social institutions—markets, multilateral organizations and civil society—are the focus of this chapter. They include rules and regulations governing the interchange of goods, services, capital and labour; multilateral organizations setting and enforcing the promotion of global public goods; and global networks of citizens promoting their diverse interests. The chapter addresses the structural challenges for human development, particularly for reaching everyone, and presents reform options.

On the challenges and structural deficiencies, the leitmotif is inequality among countries at different levels of development and among segments of the global population. Asymmetries persist in the way countries participate in global markets, in defining rules, in financing compensatory mechanisms and in having the capacity to pursue accountability. These inequalities constitute barriers to practical universalism and compromise fairness, as some groups have decisive advantages in defining both the rules of the game and the payoffs. The winners and losers of globalization depend on the way globalization is pursued.

To respond to these challenges, global institutions can enhance collective capabilities. They can expand opportunities for international exchange (including people, knowledge, goods, services and capital), both for cooperation and for participation and accountability. But there is tension between globalization and democratic national policymaking. International rules can constrain some national policies, including those that today’s developed countries used in the past. However, it is possible to construct better global institutions and governance along the following lines:

- **Rules that over-restrict development policies are not an inevitable result of globalization.** They are the consequence of a particular path to globalization, where some countries and some voices have had a greater say at the negotiating table. But if broader views are included more systematically and more equitably, it will be possible to enact human development–friendly rules for all. In particular, expanding opportunities requires that countries retain meaningful space for national policymaking under democratic principles.

- **The generation of global public goods demands stronger multilateralism and policy coherence, able to match the common good with the common responsibility, all endowed with legitimacy.** For example, curbing the inflow of migrants cannot be fully separated from the responsibility to protect people facing extreme deprivation abroad.
Collective decisions shape global institutions—through the interactions of different groups, with varying costs and benefits.

Developing countries require enhanced capacities to use globalization for sustainable development. In the past they have accepted—through democratic processes—the restrictions on national policymaking in investment protection treaties, tax incentives to foreign companies and the liberalization of trade. Some of these commitments later become obstacles for development policies in some countries.

Structural challenges in global institutions

Human development for everyone requires identifying relevant barriers to practical universalism at the level of the main global institutions: markets, multilateral organizations and global civil society.

Governance of economic globalization

Unbalanced governance of economic globalization

The globalization of market institutions regulating the international flow of goods, services, capital and labour is neither spontaneous nor inevitable. The world has previously seen waves of globalization followed by periods of protectionism, a result of collective national, regional and global decisions. Globalization requires minimum standards, rules and trust. For individuals globalization can be seen as intrinsically human development–enhancing, since it opens new opportunities for interacting, travelling and investing (an expansion of individual capabilities). But it also implies exposure to external shocks through interactions with other people and nations. Some shocks will expand capabilities, some will reduce them (table 5.1). Based on these effects, collective decisions shape global institutions—through the interactions of different groups, with varying costs and benefits.

Multilateral and bilateral organizations determine the main rules and standards. For trade in goods and services the World Trade Organization is the main standard-setting entity: Member countries are bound by its norms. For the flow of capital the main mechanisms of protection are international investment agreements and bilateral investment treaties. For the flow of labour there is a mix of bilateral agreements and international conventions.

The multilateral mechanisms protecting foreign goods and foreign capital from

| TABLE 5.1 |

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade</td>
<td>• Access to goods and services at a lower price</td>
</tr>
<tr>
<td></td>
<td>• Access to larger markets</td>
</tr>
<tr>
<td></td>
<td>• Upgrading and diversifying economic structures</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>• Access to new sources of financing</td>
</tr>
<tr>
<td></td>
<td>• Ability for firms to diversify risks by accessing other markets</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Migration</td>
<td>• Access to a broader labour market for host countries</td>
</tr>
<tr>
<td></td>
<td>• Access to better working and living conditions than in source countries for migrants</td>
</tr>
<tr>
<td></td>
<td>• Remittances for source countries</td>
</tr>
<tr>
<td></td>
<td>• Flow of knowledge and culture</td>
</tr>
</tbody>
</table>

discriminatory treatment are much more prevalent than those protecting foreign workers from discrimination (figure 5.1). The World Trade Organization has 164 members subject to its standards and rules; 181 countries have signed investment protection treaties, which provide legal mechanisms for affected corporations to sue states. But fewer than 50 countries are committed to protecting migrants, their basic rights as human beings and their economic rights as workers.

The asymmetry in multilateral and bilateral institutions regulating international markets has affected patterns of globalization. The globalization of trade has surged since 1990, averaging 6.7 percent growth a year. The globalization of finance has expanded even faster. Foreign direct investment increased 8.9 percent a year over 1990–2015. Meanwhile the number of migrants has grown 1.9 percent a year, keeping the share of migrants in the world population stable over the last 25 years, at around 3 percent.

Mobility differs for goods, services, capital and labour. It is more limited for workers than for goods or for capital, which can move in seconds. But there has been little progress in policies favouring labour mobility. About 73 percent of surveyed countries had migration policies consistent with keeping migration constant (typically no intervention), 16 percent had policies to lower migration and only 11 percent had policies to increase it.4

One of the main costs of globalization is the transmission of “major” external shocks, those beyond “normal” cycles. A collapse in terms of trade because of global recession, a sudden stop of capital flows or a surge in migrants caused by a conflict in a neighbouring country are external events with the potential to create large cross-border crises. From the point of view of a particular country, these external shocks are typically exogenous, but from the point of view of the international community, they are endogenous human-caused events. So in many cases they are preventable. Similarly, once the shock starts, individual countries rarely have the capacity to affect its magnitude and duration. Instead, the coordinated action of many countries must contain and reduce the negative effects.

**FIGURE 5.1**

The number of countries subscribing to multilateral instruments varies

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Number of countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Trade Organization (members)</td>
<td>164</td>
</tr>
<tr>
<td>Countries with a bilateral investment treaty</td>
<td>181</td>
</tr>
<tr>
<td>Migration: ILO Convention 97 on Migration for Employment</td>
<td>49</td>
</tr>
<tr>
<td>Migration: ILO Convention 143 on Migrant Workers</td>
<td>23</td>
</tr>
<tr>
<td>International Convention on the Protection of the Rights of all Migrant Workers and Members of their families</td>
<td>49</td>
</tr>
</tbody>
</table>

**Note:** Growth rates are for 1990–2015.

Inequitable globalization

The current architecture of international institutions and unbalanced evolution of global markets present challenges to human development on two fronts. Some population segments have progressed, leaving others behind. And unregulated financial globalization has increased people’s economic insecurity (see chapters 1 and 2).

Capital tends to be concentrated in the wealthiest segment of the population, which enjoys the benefits of mobility and the increasingly flexible forms of production (global value chains). Some of the gains are transmitted to the rest of society, but the positive effects cannot be taken for granted (box 5.1). The increasingly complex global economy has also created loopholes that might accommodate illegal activities and tax evasion, undermining government effectiveness (box 5.2).

Barriers to migration undermine one path to development for people in poor countries. Orderly migration increases opportunities for people in developing countries. Individuals generally see moving to another country as a way to increase their well-being and human development. More than 75 percent of international migrants move to a country with higher human development than in their home country. In some cases they discover choices they did not have at home. For instance, women may be allowed to study and work more freely. Refugees can escape violence and persecution and hope that their human rights will be respected.

International migrants are a source of money, investment and trade for their home country. But the costs of migration can be unacceptably high. They derive from the lack of protection of migrants’ basic rights, resulting in,

BOX 5.1

Transnational corporations and human development—no automatic link

Transnational corporations have been one of the most notable faces of globalization. The stock of foreign direct investment grew from $2 billion in 1990 to $25 billion in 2015. This increase has been associated with investment treaties (see figure 5.1) and national investment policies liberalizing or promoting foreign direct investment. An underlying promise is that foreign direct investment can enhance human development, through different channels: the increase in productive capacity (particularly in developing countries, which are capital scarce), the transfer and diffusion of technology and knowhow, the creation of employment and skill development and increases in tax revenues. But these positive links should not be taken for granted.

• A significant share of foreign direct investment is devoted to mergers and acquisitions related to existing assets. In those cases, there is no direct creation of productive capacity. In 2015, 41 percent of foreign direct investment inflows were for mergers and acquisitions.

• Foreign direct investment tends to come from and go to high-income countries. In such economies the stock of foreign direct investment was 37 percent of GDP in 2015, compared with 31 percent in transition countries and 28 percent in developing countries.

• Transnational corporations often operate protected by investment treaties that might prevent the correction of negative externalities rooted in their operations. For example, legislative reform in the renewable energy sector was the top activity by states pursuing investment arbitration in 2015. Similarly, the Energy Charter Treaty is by far the most frequently invoked international investment agreement.

• Transnational corporations have been changing the global pattern of production through global value chains, geographically fragmenting production processes. Today around 80 percent of global exports are nested within global value chains. If a country imports all high value-added inputs, it might end up exporting sophisticated final goods with relatively low value-added. One consequence is that for developing countries, engaging in a manufacturing global value chain does not necessarily upgrade the productive and social structure.

• Transnational corporations often use geographical fragmentation to avoid taxes.

• Another effect of global value chains is the rising share of value added generated by capital and high-skilled labour, with pervasive consequences for the distribution of income across and within countries (between investors and workers and between different segments of the population, in general). For example, in Latin America foreign direct investment widened income gaps.

Notes
The governance of multilateral institutions is important not only for achieving their key functions, but also for expanding the collective capabilities among nations. An appropriate structure ensures the legitimacy and the quality of the work of such institutions.

The International Monetary Fund (IMF) helps solve information, commitment and coordination problems that might affect the stability and soundness of the global monetary system. In practical terms it performs surveillance work (having access to sensitive information) and acts as a trusted advisor. Its effectiveness depends on how trustworthy, competent and impartial countries see it.

The IMF’s governance structure (which is dominated by Group of 7 countries) matters. After reforms agreed on in 2010 and
implemented in January 2016, the United States alone has veto power, with almost 17 percent of the voting power. Brazil, China, India, the Russian Federation and South Africa combined have 14 percent of the voting power. There are some complaints that lending decisions have been connected to the borrower’s alignment with the main shareholders’ interests. For example, the systemic exemption clause—in effect during 2010–2015 to assist Greece—allowed the IMF to provide loans to countries with unsustainable debts if the countries’ problems could pose a threat to international financial stability. The policy has pros (defending global financial stability) and cons (creating moral hazard). Such a case also raises an alert about possible tension at the geopolitical level.

The IMF’s Independent Evaluation Office found that trust in the organization was variable, “with authorities in Asia, Latin America and large emerging markets the most sceptical, and those in large advanced countries the most indifferent.” Limited trust affects its role not only as advisor, but also as lender in times of crisis. It is argued that as a result of this limited trust, developing economies have chosen to accumulate very large reserves as self-insurance, a choice that is costly for countries and inefficient (with a recessionary bias) for the world.

The World Bank is also governed by shareholders, predominately Group of 7 countries, though China became the third largest voter after the United States and Japan since a 2010 reform. There may be tension between the goal of eradicating poverty and the goal of overcoming failures in capital markets and providing global public goods.

The governance of international trade is dominated by rules—the General Agreement on Tariffs and Trade and its successor, the World Trade Organization. They have favoured trade expansion in a context of generalized trade liberalization in developing countries as a result of structural adjustment in the 1980s and 1990s. However, the rules affect national space to define public policies. In particular, they limit the use of trade policy to support sectoral or industrial development (policies used in the past by today’s developed countries to promote their industries). In addition, some rules can restrict the use of social policy, such as India’s National Food Security Act (box 5.3).

The World Trade Organization’s Doha Development Round offered some space for rebalancing the rules, this time towards a development-oriented perspective. But progress on the key issues of this round, negotiated since 2001, has been limited. With the Doha Round stalled, international trade rules have been dominated by regional and bilateral trade agreements, where protecting investments and intellectual property rights have become central. In practice, industrial countries (the main source of foreign direct investment and

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**BOX 5.3**

**The World Trade Organization and India’s national development policies**

India’s National Food Security Act of 2013 grants the “right to food” in the biggest ever food safety net programme, distributing highly subsidized food grain (61 million tonnes) to 67 percent of the population. The scale of buying grain from poor farmers for sale to poorer consumers put India at risk of violating its World Trade Organization obligations in agriculture. World Trade Organization members are subject to trade sanctions if they breach a ceiling on their agricultural subsidies. But the method of calculating the ceiling is fixed on the basis of 1986–1988 prices and in national currency, an unusually low baseline.

This clear asymmetry in international rules reduces national space for development policy. India, as other developing countries, did not have large agricultural subsidies when the rules were originally agreed. The act—which aims to stave off hunger for 840 million people and which can play a pivotal role in the UN agenda to end hunger everywhere—is being challenged because it raises India’s direct food subsidy bill from roughly $15 billion a year to $21 billion. In comparison, the United States increased its agricultural domestic support from $60 billion in 1995 to $140 billion in 2013.

The matter has not been resolved, except for a negotiated pause in dispute actions against countries with existing programmes that notify the World Trade Organization and promise to negotiate a permanent solution.

Source: Montes and Lunenborg 2016.
The expenditures of UN operational and peacekeeping activities are funded largely by a few donor countries. As the only UN body with the capacity to issue binding resolutions, the Security Council has a decisive role in selecting the UN Secretary-General (appointed by the General Assembly but only on the recommendation of the Security Council, according to Article 97 of the UN Charter).

Second, the expenditures of both operational and peacekeeping activities are funded largely by a few donor countries. For the UN system as a whole, 55 percent of resources are earmarked by donors, meaning that they have to be spent on specific, predetermined activities. For its operational activities (62 percent of UN expenditure), core resources (those not restricted) represent a small and declining proportion of total funding, falling from 32 percent in 2003 to 24 percent in 2014 (figure 5.3).

FIGURE 5.2

Net payments of royalties and licences from developing to developed countries have grown immensely since 1990

The funding of global institutions appears inadequate for achieving international targets.

Noncore resources, typically earmarked to a certain thematic or geographical area, have been increasing, resulting in UN development agencies having to compete for funding from donors. While earmarked funds can in some cases expand the resource envelope, they have generally crowded out core resources.

**Underfunded multilateralism**

The resources channelled through the main global institutions are modest. In 2014 official development assistance was a mere 0.17 percent of global GDP,25 UN spending in 2014 was 0.06 percent of global GDP.26 Lending from the main international financial institutions has also been limited: IMF disbursements were 0.04 percent of global GDP,27 and multilateral development bank disbursements were 0.09 percent of global GDP.28 If directed to one goal, these resources make a difference. But they are often directed to multiple fronts, some associated with deprivations and some with global public goods (with increasing demand, as for peace and security). The European Union, facing fewer deprivations, manages around 1 percent of its members’ GDP.29

The funding of global institutions appears inadequate for achieving international targets. The Sustainable Development Goals, far broader than the Millennium Development Goals, require investments in developing
countries of $3.3–4.5 trillion over the next 15 years. Subtracting current annual investments of $1.4 trillion, the resource gap is around $2.5 trillion (around 3 percent of global GDP in current prices). The global agenda also demands a strong global approach. The United Nations—leading this agenda, which includes several issues intrinsically global, particularly those related to the environment and climate change—has a budget that is very small (around 2 percent of the resource gap for achieving the Sustainable Development Goals in developing countries).

Nor is the Sustainable Development Goals’ more ambitious agenda matched by resources provided by traditional donor countries through official development assistance. The typical contribution of developed countries has with a few exceptions been consistently below 0.7 percent of gross national income (GNI), a mark established in 1970 and reaffirmed by the Monterrey Consensus in 2002 and by the Sustainable Development Goals last year. In 2014 the average contribution of donor countries through this channel was 0.39 percent of GNI.

Two problems demand a strong economic role of global institutions: the underprovision of public goods when left to voluntary decentralized decisions, and the imperfections in capital markets. Reducing carbon dioxide emissions under the Paris Agreement on climate change would require annual clean energy investments equivalent to 1.5 percent of every country’s GDP. The resource gaps are also wide for such urgent issues as forcibly displaced people. Despite record contributions from donors in 2015 ($3.36 billion), the funding gap for the Office of the United Nations High Commissioner for Refugees grew to 53 percent, from 36 percent in 2010. In 2016 its estimated funding need is $6.55 billion—equivalent to 0.4 percent of global military expenditure.

Reactive multilateralism

Over the last few years the number of countries in conflict and the number of casualties have trended upward. Today’s armed conflicts are increasingly within countries, reducing the traditional tools of coercive diplomacy and deterrence. But the consequences are felt globally, both because the international community must respond to international terrorism and violations of human rights and because extreme human insecurity can be a source of border tensions and refugee crises. These “new” phenomena have the following characteristics:

- The majority are supported by illegal financing.
- Nonstate actors are much more prominent.
- Civilians account for the vast majority of victims. Of people killed or injured by explosive weapons in populated areas, 92 percent are civilians.

These crises highlight the weakness of global institutions, whether their inadequate response to forced migration or their failure to prevent crises through bolder development programmes. In most cases the surge in international cooperation seems to have waited until the situation reached a global scale.

International cooperation is based on sovereignty. Bilateral cooperation takes place between two sovereign states. Multilateral cooperation through UN entities is demand driven: Programmes are agreed with governments. The underlying assumption is that the nation-state can protect its citizens, which is not always the case. But the envelope of resources also depends on the priorities of donor countries. Therefore, this system of demand and supply leaves some people behind. Consider the three main sources of refugees in 2010–2015 (Afghanistan, Somalia and the Syrian Arab Republic). In the late 1990s they received 0.4 percent of total official development assistance, despite accounting for 0.8 percent of the population of developing countries. In the last few years, after the crisis became a reality affecting other countries, they received around 5 percent, led more by their instability than by the root social conditions causing it.

Untapped potential of global civil society

Limited participation in multilateral processes

One notable institutional change over the past 25 years is the progressive involvement of global civil society movements in formal multilateral processes. In 2000 the United Nations Millennium Declaration encouraged
Global social movements have spotlighted inequality, sustainability and the globalization of markets. Nongovernmental organizations were among the first stakeholders to bring environmental sustainability to the attention of the general public and policymakers in the 1980s and 1990s. Today, they implement environmental programmes independently or in partnership with governments and multilateral institutions. They also monitor progress and ensure that governments and corporations respect their commitments.

**Limited inclusiveness**

Information and communication technologies have allowed civil society to gather across borders and share ideas, online or offline, but are unequally spread around the world. Telecommunication infrastructure and online participation tools are positively correlated (figure 5.5). The more a country’s telecommunication infrastructure is developed, the more likely the existence of online mechanisms for civil society participation in public and political life.

Although less than 5 percent of the world’s people are native English speakers, 53 percent of online content is in English. Around 85 percent of user-generated content on Google today

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**FIGURE 5.4**

Of the more than 4,500 nongovernmental organizations granted consultative status by the United Nations Economic and Social Council, 72 percent were admitted after 2000.

<table>
<thead>
<tr>
<th>% of nongovernmental organizations</th>
<th>2000–2015</th>
<th>2006–2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996 ECOSOC opens consultative status to noninternational nongovernmental organizations</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Millennium Development Goals encourage partnerships with civil society</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>29</td>
<td>29</td>
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<td>1996–2005</td>
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<td>1946–1955</td>
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</tbody>
</table>
New forms of participation—particularly through social networks with global reach—are increasingly important in policymaking. They are based on fast and decentralized interactions, which do not always allow proper fact-checking and analysis. So the policy debate can be too reactive and based on a short-term news cycle. Computer-generated fake accounts (bots) can alter the information that governments and the media extract from social networks.

Social media can also spread false information. User-created content allows anyone to publish anything regardless of its veracity. Aggregating users by their identity, tastes and beliefs into “echo chambers” makes it easier to persuade groups of people. This is reinforced by a confirmation bias that leads people to focus on information matching their own opinion rather than be open to other arguments.

**Options for institutional reform**

The global order and its effects on human development depend on the quality of global institutions. While national policies can facilitate a country’s insertion in global society, a good economic, social and political order requires institutions to coordinate the collective actions of all countries. The following options for reform aim to make better global institutions by promoting global public goods.

**Stabilizing the global economy**

The history of financial crises shows how capital markets tend to underestimate risks in times of liquidity and to overreact in times of trouble.
Macroeconomic coordination among larger economies is key to preserving the public good of stability. Global imbalances could be more systematically addressed with greater participation of the United Nations in Group of 7 and Group of 20 meetings, on behalf of developing countries with small economies but great exposure to external shocks.

The 2008 financial crisis triggered a wide array of coordination efforts, led by the Group of 20, around a consensus for countercyclical fiscal and monetary policy. An important measure was the heavy capitalization of multilateral development banks. And the IMF approved the largest issuance of special drawing rights in its history ($250 billion), allocating 60 percent to high-income countries.\(^5\)

After the crisis the main central banks (US Federal Reserve, Bank of Canada, European Central Bank, Bank of England, People’s Bank of China and Bank of Japan) used currency swaps to provide liquidity and stabilize exchange rate markets, working among themselves and with some central banks from developing countries.\(^4\) Such coordination should be enhanced and made more systematic. One proposal is a global international reserve system based on special drawing rights and managed by the IMF, allowing countries to deposit unused special drawing rights at the IMF, which could finance its lending operations, facilitating countercyclical policy and efficient risk sharing.\(^5\)

Regulate currency transactions and capital flows

To help capital markets channel resources from savers to investors and facilitate the smoothing of consumption, regulation has become well accepted, but mainly in the space of banks. The Financial Stability Board coordinates national financial authorities and international standard-setting in their efforts to come up with regulatory and supervisory policies. But there has been reluctance to regulate nonbank international capital flows.\(^5\)

One option is to tax international transactions. A multilateral tax on the four major trading currencies (with a very small rate of 0.1 percent) could raise roughly 0.05 percent of global GDP.\(^5\) Such transaction taxes in France curtail trading volumes and intraday volatility with negligible effect on liquidity.\(^5\) A multilateral tax could reduce speculation and the associated short-term volatility and strengthen the longer term segments of capital markets, linked to productive investment.

Another option is to use capital controls. Even the IMF (which in 1997 attempted to make capital account liberalization mandatory for all its members) has recently acknowledged their benefits,\(^5\) highlighting that they reduced vulnerabilities (overheating and excessive indebtedness) before the financial crisis in 2008.\(^6\)

Applying fair trade and investment rules

A fair system regulating the flow of goods, services, knowledge and productive investment is a global public good. International trade has been a strong engine of development for many countries, particularly in Asia. But two problems are now crucial. First, trade rules—including their extension to intellectual property rights and investment protection treaties—tend to favour developed countries. Second, global trade has slowed in recent years, which might reduce opportunities for developing countries.\(^6\) The international agenda should be to set rules to expand trade of goods, services and knowledge to favour human development and the Sustainable Development Goals.

Finalize the World Trade Organization’s Doha Round

For developing countries, one of the most important global public goods would be a fair and well functioning World Trade Organization. There is hope: As developing countries have gained negotiating power, multilateral agreements can, despite their limitations, become a tool for fairer trade. The Doha Round intends to add development principles to trade rules, by introducing implementation issues to ease the ability of developing countries to perform World Trade Organization obligations, by addressing imbalances in agricultural subsidy regimes and by strengthening and operationalizing special and differential treatment (see Sustainable Development Goal target 17.10).
Migration can continue to be a source of human development if the long-term needs of host countries match the interests of migrants.
to ensure their right to work, allow them to start companies and facilitate tax collection. The Romans’ economic success improved how the host community perceived them.

Establish a global mechanism to coordinate economic migration

The International Organization for Migration joined the UN system in September 2016 (box 5.7). Long-term migration policies, with a human development perspective, require continuous and consistent coordination and cooperation at all levels. As part of the UN system the International Organization for Migration becomes a permanent member of the Chief Executives Board, the highest entity for UN coordination, and its subsidiary bodies. The International Organization for Migration is now formalized in UN country teams as part of the UN Development Assistance Framework. It is poised to be the main supporter of negotiations to adopt the Global Compact for Safe, Orderly and Regular Migration, scheduled for 2018.

Facilitate guaranteed asylum for forcibly displaced people

The 1951 Refugee Convention and its 1967 Protocoloblige countries to welcome asylumseekers on their territories and to not send them back where their lives may be at risk.

Only 148 of 193 UN member states are party to the convention or its protocol.

The safety of forcibly displaced people during their journey must also be ensured through humanitarian aid or organized transportation. Since displacement lasts on average 17 years, their journeys require international coordination and agreement to share the responsibility of care in times of emergency and in the longer term. In the Kenyan refugee camp of Kalobeyei, refugees have been granted plots of land and the right to sell their produce and to open businesses for more sustainable livelihoods.

Coordinating taxes and monitoring finance, globally

One of the pillars of human development is a system of taxation to finance key human development priorities. But the recent wave of globalization has been weakening governments’ ability to collect taxes and curb illicit financial flows.

Move towards a global automatic exchange of information from financial institutions

A global financial register, recording ownership of all financial securities in circulation in the world, would facilitate the work of tax and regulatory authorities tracking income and

**BOX 5.7**

**International Organization for Migration—a new member of the UN family**

The International Organization for Migration—the lead global agency on migration—joined the UN system as a related organization in September 2016, precisely when the international community faced the task of coordinating a holistic approach to the global challenge of large movements of migrants and refugees. It embraces areas as diverse as migration, humanitarian assistance (including food security), public health and labour markets. With its new status, cooperation with UN agencies, funds and programmes will be deepened on substantial issues as well as in such areas as administrative cooperation, reciprocal representation and personnel arrangements.

As part of a regional response to the Syrian crisis, the International Organization for Migration provided assistance for 4 million people in Iraq, Jordan, Lebanon, the Syrian Arab Republic and Turkey. It has room for cooperation with the Office of the High Commissioner for Refugees and other specialized UN agencies, funds and programmes. It is expected to play a key role from a migration perspective in the long-term normalization of the crisis, providing services in prescreening, counseling, medical processing, training, transport, reception and integration.

Notes

1. IOM 2016a, 2016b. 2. UNHCR 1997.

detecting illicit flows. This is feasible if existing registries from main markets are centralized and expanded to include derivatives.67

On-demand information (for example, one government requesting information about some taxpayer) is not effective, since it has to go through an investigation with limited information (precisely why information is being requested). But an active global mechanism is feasible. In 2010 the US Congress passed the Foreign Account Tax Compliance Act, which requires financial institutions in the world to inform US tax authorities of assets held by US citizens.68

Integrated information systems can reduce illicit financial flows, enabling authorities at both ends of the flows to act against them. For instance, the destination of illicit flows from Africa is concentrated in its main trading partners (Canada, China, Europe, India, Japan, the Republic of Korea and the United States).69

Given the institutional weakness of most African countries, their trading partners could boost transparency.

\textit{Increase technical capacity of countries to process information and implement active policies against tax evasion, tax avoidance and illicit flows}

To make the globalization of information work in favour of public policies, governments require preparation. Even if information about foreign assets becomes readily available as the result of a data revolution, its effectiveness will depend on adequate and systematic analysis. So international cooperation should support the development of technical capacity in this area.

\textbf{Making the global economy sustainable}

The Paris Agreement on climate change is a milestone but will not be enough in itself. Experts agree that countries’ current pledges to reduce greenhouse gas emissions (intended nationally determined contributions) will not keep global warming below the critical level of 1.5°–2°C above preindustrial levels.70 In fact, if all countries were to keep to their pledges, the global mean temperature would rise 2.4°–2.7°C by 2100.71

Yet curbing global warming is possible. Coordinated global action has worked well in the past, as in moves to halt ozone depletion in the 1990s. The 1987 Montreal Protocol on Substances That Deplete the Ozone Layer and subsequent compliance by signatory states led to a sharp decline in atmospheric chlorine, which depletes the ozone layer.72 Then, however, both the problem and the solution appeared much more straightforward. Now the world has a clear diagnosis of the problem associated with greenhouse gases, but the solution is not as clear and even less incentive-compatible. Still, things may be changing: A proposed plan to raise global investment in energy efficiency and to expand renewable energy from the current 0.4 percent of GDP a year to 1.5–2 percent of GDP a year would reduce carbon dioxide emissions 40 percent over 20 years, to levels consistent with a limited increase in temperatures, and have positive net macroeconomic effects.73 With enough political commitment, these targets are feasible.

Technological development has already allowed the decoupling of economic growth and carbon dioxide emissions in 21 countries, including Germany, Spain, Sweden, the United Kingdom and the United States.74 World economic growth in 2014 and 2015 was not accompanied by emissions growth.75 So there is space for a good equilibrium. If countries have access to those technologies through new investments, a decisive investment plan can overcome the feared tradeoff between faster economic development and lower greenhouse gas emissions.

Environmentally sustainable policies are not only the right thing to do for future generations, they are also an effective way of promoting human development now. An aggressive investment plan is likely to have a positive effect on job creation, based on estimates in Brazil, China, Germany, India, Indonesia, the Republic of Korea, South Africa, Spain and the United States. In India increasing clean energy investments by 1.5 percent of GDP a year for 20 years will generate a net increase of about 10 million jobs annually, after factoring in job losses from retrenchments in the fossil fuel industries.76

Continuing advocacy and communication on the need to address climate change and protect the environment are essential to gather
Today’s new realities and aspirations call for improved representation of developing countries in the governance of multilateral organizations.

Improving transparency in appointing heads of multilateral organizations

The appointment process of heads of multilateral organizations should be more transparent. The lack of transparency limits the opportunity to shape each organization for future challenges. In 2016 the United Nations made some progress on this front, with the election of the Secretary-General preceded by public declarations of candidacies and public informal dialogues with member states. This progress should continue with more robust processes in all multilateral organizations.

Increase coordination and effectiveness to achieve people-centred goals

The performance of multilateral institutions should be assessed on people’s agency and well-being. The multilateral system is committed to achieving the Sustainable Development Goals by 2030. This powerful agenda might require institutional adjustments, such as reshaping entities to strengthen coherence, increase accountability and ensure synergy, or binding mechanisms to make effective the common but differentiated responsibility of countries. The advancement of disadvantaged groups in many parts of the world depends heavily on the consistent work of multilateral organizations (box 5.8).

Ensuring well funded multilateralism and cooperation

The international community should expand the resource envelope for global action, including global financing for national development and for institutional public goods.

Strengthening multilateral and regional development banks

Multilateral and regional development banks can address the lack of resources to support poverty eradication, the knowledge gaps in policymaking, the market failures affecting the financing of socially valuable projects.

Support from governments, corporations and individuals. Technological advances and better knowledge of impacts on the environment have provided the tools to correct ways of living, consuming and producing. This correction will come with a cost, including inevitable job losses in polluting industries. But the 2015 Human Development Report showed that different ways to respond to this challenge, such as targeted social policies and the development of new professional skills for affected workers. A good balance requires access to technology, economic incentives aligned with green investment, and resources to invest. Indeed, efficiency and sustainability depend on identifying the “right” social costs of the different types of energy and on tackling failures in credit markets.

One promising option is to expand access to credit through national and multilateral development banks. Germany is a world leader in energy efficiency thanks to the decisive action of Germany’s state-owned development bank, KfW. Its loans and subsidies for investment in energy-efficiency measures in buildings and industry have leveraged voluminous private funds. And the recently created New Development Bank, which is expected to emphasize sustainable development and renewable energy, has explicitly committed to giving priority to clean energy projects. In 2016 it approved its first package of loans worth $811 million to Brazil, China, India and South Africa.

Assuring greater equity and legitimacy of multilateral institutions

With today’s new realities the time has come to examine the governance structures of multilateral institutions.

Increase the voice of developing countries in multilateral organizations

There has been progress over the last few years with the recapitalization of the IMF and multilateral development banks to face the financial crisis, but most developing countries remain under-represented. The UN Security Council should open more space for developing countries. Today’s new realities and aspirations call for improved representation of developing countries in the governance of multilateral organizations.
Multilateral and regional development banks played an active countercyclical role in the financial crisis of 2008, a role to be strengthened.

Multilateral and regional development banks played an active countercyclical role in the financial crisis of 2008, a role to be strengthened.

They reacted quickly to the paralysis in private trade financing, committing to $9.1 billion, on top of the $3.2 billion they were already providing. The Group of 20 agreed in 2009 to support the recapitalization of multilateral development banks.80

Development banks can catalyse long-term private financing and thus leverage public resources. For example, in 2012 the European Investment Bank doubled its paid-in capital by €10 billion, which increased its lending capacity by €80 billion. Given typical cofinancing of at least 50 percent by private investors, this opened financing space of €160 billion.81 If multilateral development banks diversify, they can accommodate broader objectives in line with the Sustainable Development Goals. In the last few years two very large multilateral

(local, national, regional or global) and financial instability.

The World Bank Group is the most important multilateral development bank (with around 50 percent of multilateral development bank disbursements over 2004–2012).74 Founded to address market failures in international capital markets, it now has the primary goal of reducing extreme poverty. It is also a knowledge bank, collecting and disseminating data and ideas.

Multilateral and regional development banks played an active countercyclical role in the financial crisis of 2008, a role to be strengthened. For example, the multilateral development banks increased their lending to developing and emerging countries 72 percent between 2008 and 2009, precisely when private capital markets were contracting their flows of resources.79

Global institutions supporting gender equality and women’s empowerment have evolved over the last three decades. In addition to the continuing work of the Commission on the Status of Women (since 1946) and the 1979 Convention on the Elimination of all Forms of Discrimination against Women, two important processes have been under way.

First, the institutional architecture has been expanded since the 1995 Beijing Platform for Action, which defined strategic objectives and actions by governments, regional organizations, multilateral organizations and private sector and civil society organizations. In July 2010 the United Nations Entity for Gender Equality and the Empowerment of Women, also known as UN Women, was created to consolidate the mandates of four previously separate entities in the UN system and to lead, coordinate and promote the accountability of the UN system in its work on gender equality and women’s empowerment.

Second, the normative work on gender equality and women’s empowerment has been progressively mainstreamed through different instruments, following the rights-based and evidence-based premise that improving the situation of women is not only a moral imperative, but also a prerequisite and an effective—and indispensable—development tool. In 2000 the UN Security Council approved the landmark resolution 1325, stressing the key role of women in preventing and resolving conflicts through peace negotiations, peacebuilding, peacekeeping, humanitarian responses and postconflict reconstruction. In 2015 it approved resolution 2242, strengthening the agenda for Women, Peace and Security within the UN system and defining the accountability of all peace actors, including UN peacekeepers.

The dual role of gender equality and women’s empowerment—as a means and end of human development—has been consistently reflected in the global development agenda. In the Millennium Development Goals and in the 2030 Agenda and the Sustainable Development Goals, gender equality and women’s empowerment appear both as standalone goals and part of most development objectives. This view, in turn, has trickled down to other multilateral, regional, national and local government entities, supported by a global network of civil society organizations.

A majority of developing regions have achieved gender parity in primary education, and gaps have narrowed in secondary and tertiary education. But in most areas progress has been too slow and uneven.1 One important global institutional challenge is to generate accurate and updated sex-disaggregated statistical data and information for all countries, particularly in lagged statistical areas such as time use, essential for comprehensive analysis of the economic and noneconomic situation of women and men in a rapidly changing world.

Note
1. UNDESA 2015e.

Development banks have been created: the Asian Infrastructure Investment Bank, supporting an infrastructure-led view of development and a regional emphasis (box 5.9), and the New Development Bank, emphasizing sustainable development and renewable energy.

**Increase official development assistance from traditional donors**

Developed countries should increase their contributions to official development assistance, meeting their commitment of 0.7 percent of gross national income (supported in the Addis Ababa Agenda and a target under Sustainable Development Goal 17). Meeting this target would have added an estimated $191 billion to actual official development assistance in 2014, an increase of 141 percent (figure 5.6). Meeting this Sustainable Development Goal target would be crucial to achieve other Sustainable Development Goals, in particular in the least developed countries—unable to mobilize domestic resources or access private international capital markets.

**Expand the participation of developing countries through South–South and triangular cooperation**

With the rise of donors that do not form part of the Organisation for Economic Co-operation and Development—Development Assistance Committee, the landscape of development cooperation has been changing, with South-South cooperation and triangular cooperation gaining importance. The first is a long-standing form of international cooperation with its roots in the 1970s; the second emerged at the end of the 1990s. In both forms developing countries share skills, knowledge and resources to meet their development goals. Triangular cooperation includes either a Development Assistance Committee donor or a multilateral institution, facilitating funding, training and management. As suggested by the Paris Declaration for Aid Effectiveness, developing countries should assume ownership of technical cooperation projects and carefully select areas of cooperation and partner countries according to their needs.

**BOX 5.9**

The new regional development bank—for infrastructure in Asia

Regional development banks provide technical and financial assistance to developing countries through technical cooperation, grants and low-interest loans. Traditionally the regional development banks have included the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development and the Inter-American Development Bank. The Asian Infrastructure Investment Bank, a major new institution, emerged in January 2016.

Considering the substantive challenge of reaching the Sustainable Development Goals by 2030, the regional development banks complement global cooperation. They can disseminate region-specific knowledge, align their programmes and projects to region-specific challenges and appear as more legitimate regional actors than global institutions. The Asian Infrastructure Investment Bank is the first major regional development bank funded mainly by the region’s emerging economies. Of $85.9 billion in subscriptions, China contributes 34.7 percent, India 9.7 percent and the Russian Federation 7.6 percent. This reflects a shift towards a greater role for emerging countries in development finance, with potentially important implications for global governance, including more diverse sources of finance for developing and emerging country borrowers as well as more favourable lending conditions.

The Asian Infrastructure Investment Bank’s mandate is slightly different from that of other development banks in that it emphasizes investing in infrastructure and other productive areas rather than directly targeting poverty reduction and social protection.

The expansion of regional development banking is a major step in development policies, but also a management and governance challenge. Griffith-Jones (2016) underscores clear targets in the context of clear development frameworks; good governance to increase efficiency and promote alignment with national development strategies; correct incentives for bank staff and for borrowers to ensure that loans maximize development impact and ensure a minimum commercial return; transparency of operations; and technical assistance to limit adverse social and environmental effects in operations.
Although financial contributions from most non–Development Assistance Committee donors are not officially reported to the Organisation for Economic Co-operation and Development, some estimates provide insights on the increasing amount of these financial flows to developing countries. Saudi Arabia, as the largest non–Development Assistance Committee donor in financial terms, provided $13.7 billion in 2014, followed by the United Arab Emirates, with $5.1 billion the same year. China increased its aid flows from $2.6 billion in 2010 to $3.4 billion in 2014, and India from $708 million to $1.4 billion. Substantial resources also came from Qatar ($1.3 billion in 2013), the Russian Federation ($876 million in 2014), Mexico ($529 million in 2013), Brazil ($500 million in 2010) and South Africa ($148 million in 2014). Smaller countries such as Chile and Costa Rica have also contributed ($49 million and $24 million, respectively, in 2014), especially in triangular cooperation agreements with other donors.

South–South cooperation has become popular because of several comparative advantages of developing countries. First, given their own very recent path to development, they are more familiar with recent development challenges. Second, many southern countries share the same development contexts and perspectives background as their cooperation partners. Third, some South–South cooperation projects may be more cost-efficient than traditional technical cooperation. Shorter distances between partner countries can reduce travel costs, while fees for translation are saved when the two partner countries speak the same language (table 5.2).

Triangular cooperation has benefits similar to those of South–South cooperation. An example of triangular cooperation is Germany’s support for Brazil and Peru to create a Centre for Environmental Technology. The centre trains experts in air technology, the Clean Development Mechanism, regeneration of degraded areas, energy efficiency, renewable energy and innovations in environmental technologies. It was jointly funded by the German Regional Fund for the Promotion of Triangular Cooperation in Latin America and the Caribbean and the Brazilian and Peruvian governments.

Another example of triangular cooperation is Brazil’s Centre of Excellence against Hunger. A joint initiative between the World Food

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**TABLE 5.2**

South–South cooperation advantages in Asia and Latin America

<table>
<thead>
<tr>
<th>Comparative advantage of southern partners</th>
<th>South–South cooperation example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expertise through recent path to development</td>
<td>Based on India’s outstanding capacities in information and communication technology, the Indian government established the Indian Technical and Economic Cooperation Civilian Training Programme. The purpose is to share expertise in information technology, telecommunication, management, renewable energy, small and medium-size enterprise, rural development and other specialized disciplines. Financed with some $32 million by the Indian government, 10,000 participants, mostly from the least developed countries, were trained in 2014–2015.a</td>
</tr>
<tr>
<td>Alignment thanks to regional background—and cost-efficiency</td>
<td>Argentina and Colombia are cooperating in the peace negotiations between the Colombian government and the Fuerzas Armadas Revolucionarias de Colombia. The two countries are working on a database with genetic profiles of people who disappeared during the conflict to identify and register victims. This work aims at establishing justice and reparation for the victims’ families. The common regional background, including the same language and similar culture, can be useful in this delicate work.</td>
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</table>

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The existing multilateral institutions have a long-established legitimacy and functioning capacity to convene states around common actions. But they require substantial reforms to address today’s issues.

Programme and the Brazilian government, the centre makes the successful Brazilian strategy of addressing Zero Hunger available to other developing countries. Brazil had reduced the number of people suffering from hunger from 22.8 million in 1992 to 13.6 million in 2012.86

The centre, launched in 2011, aims to improve food security, social protection and school attendance (through school feeding) in developing countries—mostly in Africa but also in Asia and Latin America—through training, workshops, technical missions and national consultations.87

Explore options for funding global public goods

In view of conflicts, insecurity, financial volatility and environmental degradation, awareness of the need to provide global public goods is increasing, but collective action problems encourage states to free ride. That is why such goods are hugely underfunded.

One option is the traditional mechanism of UN financing, included in the Charter of the United Nations: “The expenses of the organization shall be borne by the Members as apportioned by the General Assembly.” In 2014 assessed contributions accounted for around 29 percent of UN system revenues, more than half of which were devoted to peacekeeping operations.88 Given the growing share of earmarked resources, enhanced mandatory assessed contributions can be explored to increase the global collective capabilities to, for example, deal with crises—such as climate mitigation and adaptation—that have global repercussions. Contributions can be an incentive device, linking them to the generation of negative externalities, such as carbon dioxide emissions.89

The Adaptation Fund established under the Kyoto Protocol of the United Nations Framework Convention on Climate Change is financed in part by government and private donors as well as from a 2 percent share of proceeds of Certified Emission Reductions issued under the Protocol’s Clean Development Mechanism projects. Since 2010 it has committed almost $360 million to climate adaptation and resilience activities in 61 countries.90 The collapse of carbon prices has greatly reduced this mechanism’s revenues.

A global financial transaction tax to increase funding for developing countries has been proposed by some entities (such as the UN Department of Economic and Social Affairs). As discussed earlier, this would increase the cost of purely speculative financial transactions. Some of the revenues could go towards global public goods.91 About 30 economies have some form of financial transaction tax. The European Union is the closest to adopting a comprehensive approach, including 10 member states, but has yet to make a final decision.92

Other innovative ways to fund global public goods include taxes, fees and levies; funds from private companies; public sources from developing countries (including South–South cooperation); and partnerships that combine sources. UNITAID, established in 2006 by the governments of Brazil, Chile, France, Norway and the United Kingdom, aims to prevent and treat HIV and AIDS, tuberculosis and malaria. Through traditional contributions and an additional tax on airfares, it raises around $300 million a year.93

Globally defending people’s security

Rising geopolitical instability, challenging globalization and reappearing nationalism and xenophobia in many countries make it more important than ever to bring the world together through multilateral organizations. The existing multilateral institutions have a long-established legitimacy and functioning capacity to convene states around common actions. But they require substantial reforms to address today’s issues.

Discussions are under way to ensure that the United Nations provides a forum to reach multilateral decisions promptly in response to major global problems—and that it possesses the means to implement decisions effectively. Some of the proposed solutions are restructuring current mechanisms towards prevention rather than towards mere reaction, prioritizing field operations and coordinating better internally and with civil society and the private sector. In a special contribution, Carol Bellamy, chair of the Governing Board of the Global Community Engagement and Resilience
The international community should be able to act in cases of evident deterioration of human conditions, particularly in crisis situations.

The 2014 Human Development Report pointed out that today’s fragmented global institutions are not accountable or fast-acting enough to address crises. They typically work in an ad hoc manner with neither the mandate nor the resources to tackle modern threats. Each global institution has its own structural problems and drawbacks. For example, the United Nations was founded explicitly to uphold the collective security of sovereign states, a structure that no longer matches today’s security threats. It thus suffers from structural legacies of the Cold War—such as Security Council vetoes—that restrict multilateral actions. Humanitarian organizations, which are usually the first to respond to human suffering in the aftermath of natural disasters, see themselves restricted in conflict prevention and resolution because of their need to preserve absolute impartiality towards the belligerents and nondiscrimination towards the victims. They may stay away from peace processes in order to assure their ability to continue their work in case conflict prevention fails.

Such problems highlight first, the need for institutional adequacy and coherence, and second, the need for commensurate resources to tackle these modern threats. Global and multilateral institutions require fundamental reforms that can endow their international efforts with both legitimacy and capacity—boosting their means of implementation.

The international community should be able to act in cases of evident deterioration of human conditions, particularly in crisis situations. The 2014 Human Development Report argues that the responsibility to protect should be expanded beyond mass atrocities to include other intense deprivations in the human security of particularly vulnerable groups.

**Strengthen global redress mechanisms**

For human security the rule of law imposes dual accountability on the state. First, the state has an obligation to victims of violence to bring perpetrators to justice. Second, when agents of the state break the law they too must be held to account. Yet it is precisely in war-torn societies that the rule of law is absent and difficult to rebuild, leaving the demand for justice unmet.

That is why advocates of human rights saw the establishment of the International Criminal Court as one of their major victories. More than a decade later the assessment is sobering. Prosecutions have been few, slow and difficult, with patchy support and cooperation from member states. There is no clear evidence to suggest that the court’s action has had a deterrent effect—and enhanced protection and empowerment of victims. On the contrary, the court has encountered severe resistance from governments and local communities. In 2016 Burundi and South Africa announced their withdrawal from it.

Adequate, well equipped and well accepted global redress mechanisms are indispensable for resolving cross-border issues, such as genocide, ethnic cleansing, refugees, migrant workers, human trafficking and claims on international or territorial waters. Yet the international forums for deliberating these shared global challenges remain mired with historic deficits in participation and accountability. Global mechanisms to deal with international crimes need to be strengthened, by reasserting country commitments to accountable, collective action at the global level and by holding member states accountable for compliance both in commitments and in action.

**Promoting greater and better participation of global civil society in multilateral processes**

Greater people’s participation should be ensured in multilateral decisionmaking, making it inclusive, equitable and truly global. It should also be based on facts and reason, to produce positive changes in policies.
Preventing violent extremism and promoting human development for all: A critical issue on the global development agenda

“Preventing violent extremism” (PVE) has gradually worked its way onto the global development agenda and now seems set to become a permanent fixture.

Initially there was scepticism among many in the development community, but it has gained much wider legitimacy, for example, through the work of the 35 member state Global Counterterrorism Forum (GCTF). At the same time the fact the PVE agenda emerged from a counterterrorism community was a further concern. While welcoming the effort to correct the security-heavy counterterrorism policies of the past, there remained a suspicion that PVE was no more than a fig leaf and that efforts to engage development would simply continue to instrumentalize it.

While the development community is still far from fully converted, a number of recent advances may alleviate concerns. First, the UN Secretary-General has embraced PVE and its relevance to the global development agenda, publishing his Action Plan to Prevent Violent Extremism in January 2016 and calling on all UN agencies to respond. Second, this builds on a clear recognition of the interdependency of security and development in the Sustainable Development Goals. Third, the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) has recognized PVE contributions by donors as eligible for official development assistance (ODA) status. As a result, some of the most significant development donors—from the UK Department for International Development (DFID) through the Swiss Agency for Development and Cooperation (SDC) to the US Agency for International Development (USAID)—are now funding PVE activities at scale.

Existing research on what causes and may in turn prevent violent extremism—while still in its infancy—nevertheless points up the potential relevance of development interventions. While one of the challenges of PVE remains that its drivers are context-specific and extremely localized, exclusion and marginalization are constants. How to lift the obstacles to human development generated by exclusion and marginalization is one of the themes for this Human Development Report; and it is clear that doing so will also help prevent violent extremism. The sorts of interventions that have been demonstrated to be most effective, for example, include empowering women and girls, educating children especially to think critically, and creating positive alternatives such as apprenticeships and jobs.

Beyond the individual and community levels, the linkages between development and violent extremism at the national and global levels are also becoming clearer. Despite media attention to atrocities committed in a growing number of rich countries, it is worth remembering that the impact of violent extremism is felt disproportionately by poor communities in poorer countries. Rapidly developing countries like Egypt, Kenya and Tunisia are losing a significant proportion of their GDP because of the reduction in tourism in response to concerns about extremism and terrorism. The 2015 Global Terrorism Index estimated that the global economic cost of terrorism (including direct and indirect costs) was over $50 billion in 2014, thereby also making a strong business case for private sector engagement.

The Global Community Engagement and Resilience Fund (GCERF) has been at the forefront with initiatives to prevent violent extremism through promoting human development. They are conceived and developed by affected communities and include activities for raising awareness of violent extremism, mobilizing action against it and creating positive alternatives. In its first two years the fund has distributed about $25 million to support local initiatives to build community resilience against violent extremism in Bangladesh, Kenya, Kosovo, Mali, Myanmar and Nigeria. Such initiatives also seek to bridge different perspectives on security and development among stakeholders and ensure national ownership, doing no harm and protecting the communities that participate.

The challenges of integrating PVE with human development should not be underestimated. But perhaps for the first time in my career, human development for all may actually be attainable. I am strongly committed to contribute to lift a significant barrier that remains in the way of this epochal achievement. Preventing violent extremism is a critical development goal.

Carol Bellamy
Chair of the Governing Board of the Global Community Engagement and Resilience Fund and former executive director of the United Nations Children’s Fund

Expand mechanisms for participation of civil society in multilateral institutions

Efforts have already been made to encourage civil society in multilateral institutions, such as including nongovernmental organizations in international debates as observers or consultants. Some civil society organizations participate in international initiatives, alongside governments and intergovernmental organizations. Consider the Busan Partnership for Effective Development Co-operation, which counts the Bill & Melinda Gates Foundation and the civil society network Better Aids among its signatories. Such participation mechanisms should be developed further to ensure that the
Multilateral organizations must themselves be accountable not only to member states, but also to civil society.

Enhance the transparency and accountability of multilateral institutions

Information and communication technologies provide new tools for civil society and concerned individuals from around the world to monitor the commitments and results of multilateral institutions. Some multilateral institutions recently published databases online so that the public could use them for monitoring and advocacy, starting with the United Nations in 2008,99 the World Bank in 2011100 and the European Union in 2012.101 Other mechanisms include online petitions to address multilateral bodies on specific issues. To support these new forms of civil participation, more people must possess computer skills and have access to the Internet.

Promote and support inclusive global civil society networks focused on specific groups

Networks of women; young people; ethnic minorities; persons with disabilities; lesbian, gay, bisexual, transgender and intersex people; and displaced workers make their voices stronger in the global arena and facilitate peer-learning of best practices to promote inclusion in every country. Civil society has been praised for its positive impact on women’s participation in public and political life (box 5.10).

Increase the free flow of information and knowledge through active transparency mechanisms

In the long term both market and multilateral institutions will benefit from the accountability ensured by a well informed civil society. Well regulated markets collect and disseminate information about prices, wages, taxes paid and service quality. Similarly, multilateral initiatives are standardizing open government practices, such as the Open Government Partnership, which has 70 member countries.102 Multilateral organizations must themselves be accountable not only to member states, but also to civil society.

The International Aid Transparency Initiative is a global benchmark for multilateral organizations to publish relevant information on their programmes. Open government data initiatives publish raw data on freely accessible websites; in 2014, 86 countries provided government data in machine-readable structures, such as Microsoft Excel.103 The United States launched the Open Government Initiative in 2009,104 joined by the United Kingdom in 2010,105 Kenya in 2011,106 Ghana in 2012107 and Japan in 2013,108 to cite a few.

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**BOX 5.10**

**Civil society and women’s participation**

Women are less represented than men in traditional political forums. In 2015 women held 22.5 percent of national parliamentary seats worldwide. When women face discrimination in formally entering political or public life, civil society presents them with alternatives for participation. Of the 11,554 UN online volunteers who contributed their skills for peace and development in 2015, 59 percent were women.1 Civil society organizations have been advocating for gender equity and raising awareness of women’s rights violations for decades.

The role of civil society in gender initiatives is now fully recognized by multilateral institutions. The United Nations Entity for Gender Equality and the Empowerment of Women regards civil society as one of its most important constituencies, playing “a pivotal role in advancing gender equality and the empowerment of women.” In 2016 the Commission on the Status of Women agreed to increase resources and support for women’s and civil society organizations to promote gender equality, the empowerment of women and the rights of women and girls. The United Nations Development Programme’s 2014–2017 Gender Equality Strategy also plans to support women’s networks and civil society movements to bring gender equality perspectives into policymaking and legal reforms.

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**Notes**

1. UNV 2016. 2. UN Women 2014.

The transformation of global institutions can expand human development for everyone. It is a process that requires a delicate balance among the regulation of markets, the governance of multilateral organizations and the participation of an increasingly interconnected global civil society. The three are linked, and their reciprocal accountability is crucial to undertake reforms. Global markets are a great source of dynamism, but they need to be properly regulated to work for the majority. These regulations in turn need to be rooted in legitimate multilateral processes, where the interests of developing countries are central and where the voices of people contribute to the deliberative process. These transformations at the global level are essential for achieving human development for everyone.

Chapter 6 builds on the national policies and global reforms to propose a five point action agenda. It also looks forward to identify the substantive work on human development that needs to be undertaken to extend the frontiers of knowledge on human development for everyone.
Chapter 6

Human development for everyone—looking forward
Infographic 6.1 Human development for everyone—a five-point action agenda

- Identify those who face human development deficits and map where they are
- Pursue a range of available policy options with coherence
- Work towards reforms in the global system
- Implement the Sustainable Development Goals and other global agreements
- Close the gender gap
Human development for everyone — looking forward

We want a world where human development reaches everyone and no one is left behind — now or in the future. In that broader perspective the preceding chapters have articulated the message that since universalism is key to human development, it is both an ethical imperative and a practical requirement. The human development journey will not be universal if we leave anyone behind, and we cannot build a peaceful and prosperous world by excluding people on the path.

Human development for everyone is not a dream; it is a realizable goal. We can build on what we have achieved. We can explore new possibilities to overcome challenges. We can attain what once seemed unattainable, for what seem to be challenges today can be overcome tomorrow. Realizing our hopes is within our reach. The 2030 Agenda and the Sustainable Development Goals are critical steps towards human development for everyone.

But the reality is that the impressive progress on many human development fronts over the past 25 years has bypassed many people, particularly those who are marginalized and vulnerable. Such progress has enriched many lives — but not to the same extent and certainly not for all. The barriers are still substantial — economic, political and social — for all human beings to realize their full potential in life. Such barriers are particularly stark for women and girls, since they are discriminated against just because of their gender.

Overcoming such inequality and barriers is a prerequisite for human development for everyone. Despite the barriers to universalism, a more just, equitable and inclusive world must be viewed as achievable. Particularly where the financial and technological resources exist to eliminate deprivations, the persistence of such injustice is indefensible. A more equal world calls for practical and immediate action on three fronts. First is implementing relevant measures from the range of available policy options. Second is reforming global governance with fairer multilateralism. And third is refocusing on analytical issues, such as disaggregated indicators, voice and autonomy measures and qualitative assessments of human development.

The world has fewer than 15 years to achieve the aspirational and inspirational goals to eradicate poverty, end hunger, achieve gender equality and empower all women and girls. Time is of the essence, as Sub-Saharan Africa shows (figure 6.1). To eliminate extreme poverty by 2030, it must progress twice as fast as its current rate. If nothing happens in the next six years, progress will have to be more than three times faster. If numbers stagnate in the next 11 years, progress will have to be eight times faster.

Human development for everyone — an action agenda

In the context of these aspirations, the Report builds on its analysis and findings to suggest a five-point action agenda for ensuring human development for everyone (see infographic 6.1 on the facing page). These actions cover policy issues and global commitments.

Identifying those who face human development deficits and mapping where they are

Identifying those who have been left out of the progress in human development and mapping their locations are not just parts of an academic exercise, they are essential tasks for useful advocacy and for effective policymaking. Such mapping can help development activists demand action and guide policymakers in formulating and implementing policies to improve the well-being of marginalized and vulnerable people. National and subnational Human Development Reports can be useful instruments for identifying those left behind and mapping their locations.
FIGURE 6.1

Reaching everyone—time is of the essence in Sub-Saharan Africa

- Annual change needed to eliminate education poverty by 2030
- Annual change needed to eliminate ultra poverty* by 2030
- Annual change needed to achieve universal birth registration by 2030
- Annual change needed to reduce under-five mortality to 25 preventable deaths per 1,000 live births by 2030
- Annual change needed to halve national poverty by 2030

*a. Defined as poverty in which individuals cannot afford to meet daily recommended food requirements.

Source: ODI 2016.
Gender equality and women’s empowerment are fundamental dimensions of human development.

A critical element of such a mapping exercise is collecting relevant information and data. Rather than traditional census and household surveys, innovative data collection mechanisms—such as administrative registries, as pursued in some countries in Latin America and the Caribbean—can be more effective (box 6.1).

Pursuing a range of available policy options with coherence

Translating universalism from principle to practice will have to go beyond mapping those left out in the human development journey and identifying the barriers they face. Pursuing necessary policies and empowering those left out are a must.

Human development for everyone requires a multipronged set of national policy options (see chapter 4): reaching those left out using universal policies, pursuing measures for groups with special needs, making human development resilient and empowering those left out.

Keep in mind, however, that country situations differ and policy options have to be tailored to each country. Policies in every country have to be pursued in a coherent way through multistakeholder engagement, local and subnational adaptations and horizontal (across silos) and vertical policy coherence (for international and global consistency).

Closing the gender gap

Gender equality and women’s empowerment are fundamental dimensions of human development. With half of humanity lacking equal progress in human development, human development is not universal. This simple but powerful truth is often forgotten in the preoccupation with average human progress.

Gender gaps exist in capabilities as well as opportunities. As the 2016 Global Gender Gap Report indicates, progress is still too slow for realizing the full potential of half of humanity within our lifetimes. On current trends East Asia and the Pacific will take 111 years to close just the economic gender gap (not to speak of other gender gaps), and the Middle East and North Africa, 356 years.

At a historic gathering in New York in September 2015 some 80 world leaders committed to end discrimination against women by 2030 and announced concrete and measurable national actions to kickstart rapid changes. The commitments address the most pressing barriers for women, such as increasing investment in gender equality, reaching parity for women at all levels of decisionmaking, eliminating discriminatory legislation and tackling social norms that perpetuate discrimination and violence against women. Now is the time to act on what has been promised and agreed.

**BOX 6.1**

Administrative registries in Latin America and the Caribbean

Administrative registries collect multidimensional data on such subjects as time use, income and subjective well-being. A well known example is Brazil’s Cadastro Único shared registry, which provides panel data on the vulnerable population, defined as households earning half or less of a minimum wage per person or three minimum wages in all. The database contains information on the characteristics of the household and each family member and on their social and economic circumstances and access to public services.

Run by Caixa Econômica Federal, a public bank, the database covers about 78 million people, mainly to assign benefits for Bolsa Família, the well known cash transfer programme. It has increased the programme’s outreach while mitigating the risk of data manipulation, fraud and clientelism, for which Bolsa Família was earlier criticized.

Other countries in Latin America and the Caribbean have followed Brazil’s lead. The Dominican Republic’s Single Beneficiary Selection System helps identify and classify households eligible for social programmes. This targeting mechanism has been key for channelling resources to the most vulnerable households, while also improving the monitoring and evaluation of social policy programmes.

A single national database for determining eligibility has other benefits, such as preventing duplication (otherwise people may receive benefits from several programmes), reducing administrative costs across programmes and facilitating the monitoring of criteria for time limits and graduation.

Source: Checchi and van der Werfhorst 2014; ILO 2014a; World Bank 2015c.
The Sustainable Development Goals, critical in their own right, are also crucial for human development for everyone; the 2030 Agenda and the human development approach are mutually reinforcing. Further, achieving the Sustainable Development Goals is an important step for all human beings to realize their full potential in life. In that context the focus should be not only on people who are “just behind and visible,” but also on those who are “far behind and invisible.” Tracking and monitoring the Sustainable Development Goals are thus important to measure progress, identify gaps in sustainable development and change policies and implementation plans, if development is off track. Her Excellency Angela Merkel, chancellor of the Federal Republic of Germany, argues that all of humanity will have to work together towards realizing the inspirational 2030 Agenda (see special contribution).

The historic Paris Agreement on climate change is the first to consider both developed and developing countries in a common framework, urging them all to make their best efforts and reinforce their commitments in the coming years (box 6.2). All parties should now report regularly on their emissions and their efforts to implement their commitments, submitting to international review. On another front, the New York Declaration, announced at the UN Summit for Refugees in September 2016, contains bold commitments to address the issues facing refugees and migrants and to prepare for future challenges (box 6.3). The international community, national governments and all other parties must ensure that the agreements are honoured, implemented and monitored.

Working towards reforms in the global system

In today’s globalized world, national policies for universal human development must be complemented and supplemented by a global system that is fair and that enriches human development. The current architecture of the global system has five glaring shortcomings: the governance of economic globalization is

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**BOX 6.2 The Paris Agreement on climate change**

The key outcomes of the Conference of the Parties of the United Nations Framework Convention on Climate Change were the Paris Agreement and a companion decision known as the 21st Session. Among their provisions:

- Reaffirm the goal of limiting global temperature increase to well below 2°C above preindustrial levels, while urging efforts to limit the increase to 1.5°C.
- Establish binding commitments by all parties to make nationally determined contributions and pursue domestic measures aimed at achieving the contributions.
- Commit all countries to report regularly on their emissions and progress in implementing and achieving nationally determined contributions and to undergo international review.
- Commit all countries to submit new nationally determined contributions every five years, with the clear expectation that they will represent progress beyond the previous contributions.
- Reaffirm the binding obligations of developed countries under the United Nations Framework Convention on Climate Change to support the efforts of developing countries, while encouraging voluntary contributions by developing countries, too.
- Extend through 2025 the current goal of mobilizing $100 billion a year in support by 2020 with a higher goal to be set for the period after 2025.
- Extend a mechanism to address the loss and damage resulting from climate change, which explicitly will not involve or provide a basis for any liability or compensation.
- Require parties engaging in international emissions trading to avoid double counting.
- Call for a new mechanism, similar to the Clean Development Mechanism under the Kyoto Protocol, that enables emission reductions in one country to be counted towards another country’s nationally determined contributions.

Source: UNFCCC 2015.
Human dignity is inviolable. This principle has not changed since 1948 when it was formulated by the United Nations in the Universal Declaration of Human Rights. It does not stop at national borders and applies to everyone regardless of age, gender or religion. However, to what extent have we lived up to this high principle? How far have we progressed in reality towards ensuring that every individual can lead a life in dignity? The Human Development Report sheds light on this regularly. By placing the focus on individuals, it also highlights the necessity of investing in people: in health, in education and training, in economic and social infrastructure.

Poverty and hunger, state fragility and terror—we are aware of these and other existential challenges. However, we also know that good human development is possible. Even in the poorest regions there are not only natural resources, but also tremendous creativity, innovative drive and a willingness to work hard. We have to make the most of these assets in order to seize the opportunities for a life in dignity—regardless of how difficult that might be in some cases.

At a time of increasing globalization, life chances on the different continents are more closely interconnected than ever before. It is therefore all the more important to act jointly on the basis of shared values. That is why we have adopted the 2030 Agenda with its global Sustainable Development Goals. That is why we have concluded a global climate agreement. As a result of these instruments, all states have an obligation and responsibility to tackle the key challenges facing humankind—from the eradication of poverty and the protection of the climate, nature and the environment to ensuring peace.

In many respects, viable answers to such crucial questions require us to fundamentally change how we think and act in the way we live and work. The economy, social issues and the environment have an impact on each other. Economic productivity, social responsibility and protection of the natural resources on our planet therefore have to be reconciled. This is exactly the meaning of the principle of sustainability, which the 2030 Agenda is aiming for. In its essence, it is about nothing less than a life in dignity, justice and peace, a life in an intact environment, social security and the opportunity for every individual to reach their economic potential.

The 2030 Agenda has laid the cornerstone of a new global partnership in which Germany too is assuming an active role. Already in July 2016, at the first High-Level Political Forum in New York, the German government reported on the steps taken towards implementing the agenda at national level, as well as the measures to follow. At the international level we will use our G20 presidency in 2017 in particular to set priorities on the AGENDA.

The consistent implementation of the 2030 Agenda also calls for a transformation of the international system. One key task of the new UN Secretary-General, António Guterres, will therefore be to make the UN structures and institutions fit for purpose. Germany will be happy to support him in this process.

Modern information and communications technologies offer major opportunities for the successful implementation of the 2030 Agenda. They boost the efficiency, effectivity and transparency of measures and processes, thus saving time and money. They open up new possibilities for dialogue and cooperation. They enable everyone to have access to knowledge.

A new chapter for the United Nations, a new path for the global community, and a new world order is needed. The 2030 Agenda is the way forward—sustainability a guiding principle in action— as responsible politicians and decisionmakers in business and society, as individuals who are truly interested in our future.

Before the adoption of the 2030 Agenda it was the time to negotiate. Now is the time to act. It is up to us to enable everyone to live a life in dignity.

Dr. Angela Merkel
Chancellor of the Federal Republic of Germany

unbalanced, globalization remains inequitable, imbalances exist in the governance of multilateral institutions, multilateralism remains reactive to human security and the potential of global civil society remains untapped.

These shortcomings pose challenges to human development on several fronts. The distributional consequences of inequitable globalization promote the progress of some segments of the population, leaving poor and
Voice and autonomy have become more important not only in their own right, but also as critical instruments for the empowerment and well-being of those left out vulnerable people behind. Such globalization makes those left behind economically insecure. And people suffer in lingering conflicts.

To move towards a fairer global system, the agenda for global institutional reforms should focus on global markets and their regulation, on the governance of multilateral institutions and on the strengthening of global civil society. That reform agenda should be promoted vigorously and consistently by bolstering public advocacy, building alliances among stakeholders and pushing through the agenda for reform.

**Human development for everyone — future substantive work**

To ensure universal human development, the action agenda for policies and reforms will have to be backed by substantive work on analytical issues and assessment perspectives. The substantive work must begin with the why questions. Why are people discriminated? Why have social norms and values evolved to what they are now? Answering will require not only economic analysis, but also sociological and anthropological studies.

Some issues in the human development approach need to be refocused. So far, the approach has concentrated more on freedom of well-being than on freedom of agency. This may have a historical reason. In earlier years basic deprivations were more significant, deserving the most analysis, measurement and policy response. But as well-being has been realized, freedom of agency has become more important. Voice and autonomy have become more important not only in their own right, but also as critical instruments for the empowerment and well-being of those left out.

The focus also has to be on analysing and understanding collective capabilities. Collective agency is critical for people who are marginalized and vulnerable, who may not be able to achieve much alone. And because poor and disadvantaged people suffer most from insecurities and vulnerabilities, human security needs to be analysed through its links with human development and the balance between short-term responses and long-term prevention.

To ensure human development for everyone, future substantive work should also concentrate on assessing human development. Reaching everyone requires disaggregated data and the pursuit of three other issues.

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**Box 6.3**

The New York Declaration

- Protect the human rights of all refugees and migrants, regardless of status. This includes the rights of women and girls and promoting their full, equal and meaningful participation in finding solutions.
- Ensure that all refugee and migrant children are receiving education within a few months of arrival.
- Prevent and respond to sexual and gender-based violence.
- Support those countries rescuing, receiving and hosting large numbers of refugees and migrants.
- Work towards ending the practice of detaining children for the purposes of determining their migration status.
- Strongly condemn xenophobia against refugees and migrants and support a global campaign to counter it.
- Strengthen the positive contributions made by migrants to economic and social development in their host countries.
- Improve the delivery of humanitarian and development assistance to those countries most affected, including through innovative multilateral financial solutions, with the goal of closing all funding gaps.
- Implement a comprehensive refugee response based on a new framework that sets out the responsibility of Member States, civil society partners and the UN system, whenever there is a large movement of refugees or a protracted refugee situation.
- Find new homes for all refugees identified by the United Nations High Commissioner for Refugees as needing resettlement and expand the opportunities for refugees to relocate to other countries through, for example, labour mobility or education schemes.
- Strengthen the global governance of migration by bringing the International Organization for Migration into the UN system.

Source: United Nations 2016i.
First, assessments of human development so far have focused on quantitative achievements. But with progress in human development, quality has also become important. For example, more children are enrolled in and attending school, but what are they learning? So along with quantitative monitoring of progress in human development, it is equally important to assess the quality of those achievements.

Second, even though it is more difficult to measure voice and autonomy, research should focus on developing such a measure. Much has been written on this, and human development assessments can build on that work. Such a measure would not only complement the Human Development Index (a measure of well-being), it would also be a powerful instrument to advocate for the voiceless.

Third, various measures of well-being and deprivations have been proposed from different perspectives. Those left out suffer deprivation in multiple aspects of life. So it is crucial that we have a clear idea of multiple deprivations and well-being. Examining how human development measures can benefit from the other measures of well-being would be a worthwhile exercise.

Because universalism is central to the human development approach, some of these analytical and assessment issues would inform and guide the research, analysis and work of future Human Development Reports, including the 2017 Report. This is necessary to extend the frontiers of the human development approach, to better understand human development issues and to address future human development challenges.

Conclusion

From a human development perspective, we want a world where all human beings have the freedom to realize their full potential in life so they can attain what they value. This is what human development is all about—universalism, leaving no one behind. Universal human development must enable all people—regardless of their age, citizenship, religion, ethnicity, gender, sexual orientation or any other identity—to expand their capabilities fully and put those capabilities to use. This also means that capabilities and opportunities are sustainable throughout an individual’s lifecycle and across generations. But those less endowed or lagging behind need support from others—from individuals, communities and states—to realize their full potential.

In the ultimate analysis, development is of the people, by the people and for the people. People have to partner with each other. There needs to be a balance between people and the planet. And humanity has to strive for peace and prosperity. Human development requires recognizing that every life is equally valuable and that human development for everyone must start with those farthest behind.

The 2016 Human Development Report is an intellectual contribution to resolving these issues. We strongly believe that only after they are resolved will we all reach the end of the road together. And when we look back, we will see that no one has been left out.
In 2009 the UN Secretary-General established the Global Partnership on Big Data, aiming to harness Big Data as a public good in the service of sustainable development and humanitarian action. In 2014 the UN Statistical Commission in response to the Global Pulse initiative created a Global Working Group on Big Data. The Global Partnership on Sustainable Development Data was formed among governments, corporations, UN and international financial institutions, nonprofits and academic stakeholders. It currently has 150 members.

Notes
Chapter 2

1. UNDESA 2016.
2. HDI classifications are based on HDI fixed cutoff points, which are derived from the quartiles of distributions of the component indicators. The cutoff points are less than 0.550 for low human development, 0.550–0.699 for medium human development, 0.700–0.799 for high human development and 0.800 or greater for very high human development.

3. UNDP 2014c.
4. UNDP 2014d.


9. Human Development Report Office estimates based on the GDI.


15. UN-Habitat 2014.

22. UNESCO 2015b.

24. SIDA 2015.


28. WHD 2015c.
29. UNICEF 2014b.
33. World Bank 2015h.
34. UNDP 2016a.
35. United Nations 2016g.
36. UNDP 2016e.

40. UNRWA 2013.
41. UNESCO and UNICEF 2015.
42. UNESCO 2013a.
43. Much of the data in this section are from Martinez-Franzoni and Sánchez-Ancochea (2016).
44. Baru and others 2010.
45. Krishnan and others 2016.
47. UNDP 2016i.
48. UNDP 2016c.
49. UNFPA 2015.
50. UNDP 2012b.
51. OECD and UNDESA 2013.
52. UNHCR 2016c.
53. IDA 2016.
54. UNDP 2009.
55. UNHCR 2016b.
57. UNDESA 2016a.
58. IFAD 2012.
59. UNDESA 2013a.
60. IHS 2016.
61. IWGIA 2016.
62. UNDESA 2016e.
63. ABC News 2015.
64. ONS 2012.
66. ILGA 2016b.
69. Shriver Center 2016.
70. UN Women 2015a.
71. HelpAge International and Center for Demographic Research 2015.
72. Kelley and others 2015.
73. UCL Institute of Health Equity 2010.
74. WHO 2011b.
75. Evans-Lacko and others 2013.
76. Angermeyer, Matschinger and Schomerus 2013.
77. WHO 2017.
78. WHO 2011f.

80. UNESCO 2014b.
82. UNESCO 2014b.
83. UNESCO 2014b.

85. IHME 2016.
86. Murray and others 2015.
87. Checchi and van der Werfhorst 2014.
88. IU 2016b.
89. Kreft and others 2015.
90. UNICEF 2011.
94. UNICEF 2011.
95. Kreft and others 2015.
96. The World Health Organization defines elder abuse as an act of commission or omission (neglect) that may be intentional or psychological (involving emotional or verbal aggression) financial or material, inflicting unnecessary suffering, injury or pain.
97. WHO 2015e.
98. UNODC 2013.
100. Torche 2016.
104. Serafin and Tonkin 2014.
106. Lambert, Ravallion and van de Walle 2014.
107. UNDP 2014b.
108. At the time of writing, there were more than 9.7 million survey votes on what matters to respondents. The data may not be statistically representative in all countries and subpopulations, but the results are indicative of variations in values. The responses are based on subjective evaluations. See United Nations (2016a).
109. See Pew Research Center (2014). The survey involved face to face interviews with approximately 1,000 respondents in each country, except China (3,190) and India (2,464).
111. ILGA 2016c.
112. Raub and others 2016.
113. World Bank 2015h.
114. UNDP 2015a.
117. UNDP 2015a.
118. Charmes 2015.
120. WHO 2016d.
121. UNICEF 2016b.
122. IPPR 2012.
123. OECD 2011.
127. See Wimmer (2012). The size of the politically excluded population is calculated as a function of the number of power sharing elites.
128. Alessia, Michailopoulos and Papaioannou 2012.
133. Fan and Christiaensen 2012.
Chapter 3

1 Sen 1985, p. 203.
7 UNDP 2010a.
8 Alkire 2009.
10 UNDP 1994, p. 22.
12 Kahneman and Tversky 2000.
13 Kahneman and Tversky 2000; Thaler 2015.
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Chapter 5

1 For actions with positive externalities the result is underprovision, as individuals or countries decide to free-ride without contributing to their supply. For actions with negative externalities there is a tendency to overprovision or overexploitation, as some individual or countries do not absorb their direct cost.
2 UNCTAD 2016.
3 UNDESA 2015c.
4 UNDESA 2013b.
5 UNDP 2009.
6 For example, in 2015 remittances to Sub-Saharan Africa amounted to 2.46 percent of GDP, over three times more than in 1990. In Latin America and the Caribbean they almost tripled over the same time period, to 1.43 percent of GDP. In 2015 global remittances came to more than four times global official development assistance (World Bank 2016h). See also UNDP (2015a).
8 IMF 2016a.
9 Thacker 1999; Dreher, Sturm and Vreeland 2009; Reinhart and Trebesch 2016.
10 IMF 2016b.
12 Eichengreen and Woods 2016.
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14 World Bank 2016m.
15 Clemens and Krenner 2016; Ravallion 2016.
16 Subramanian and Wei 2007.
17 Seth 2016.
18 Even creating tensions with democratic principles, as described by Rodrik (2011).
19 Chang 2002.
20 Montes and Lunenborg 2016.
21 Protection can go beyond foreign direct investment flows. For instance, the North American Free Trade Agreement introduced clauses to limit potential regulations not only for foreign direct investment, but also for destabilizing short-term speculative flows (Gallagher and others 2013).
22 Montes and Lunenborg 2016; Muricio 2014.
23 Montes and Lunenborg 2016.
24 Jenks and Topping 2016.

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27 Data are the average for the period 2008–2015 to include the response to the global financial crisis (IMF 2016c; World Bank 2016a).
28 Data are for 2012. Ocampo 2015a; World Bank 2016a.
29 European Union 2014.
30 UNCTAD 2014. Similar estimates can be found in Schmidt-Traub (2015).
31 Comparing the UN budget ($48 billion) with the estimated annual resource gap of implementing the Sustainable Development Goals in developing countries ($2.5 trillion).
32 OECD 2016f, table 4.
33 Pollin 2016.
34 UNHCR 2015a.
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70 Independent Commission on Multilateralism 2016; Pollin 2016; IEA 2016d.
71 IEA 2016d; Pollin 2016.
72 Independent Commission on Multilateralism 2016.
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74 World Resources Institute 2016.
75 IEA 2016a.
76 Pollin 2016.
77 UNDP 2015a.
78 Ocampo 2015a.
79 Griffith-Jones 2016.
80 Ocampo 2015a.
81 Griffith-Jones and Cozzi 2015.
82 OECD 2008.
83 Brazil’s development cooperation is significantly higher according to the official figures published by the Brazilian government. The Organisation for Economic Co-operation and Development uses these data but, for its analysis, only includes in its estimates activities in low- and middle-income countries and contributions to multilateral agencies whose main aim is promoting the economic development and welfare of developing countries (or a percentage of these contributions when a multilateral agency does not work exclusively on development activities in developing countries). The Organisation for Economic Co-operation and Development also excludes bilateral peacekeeping activities. Brazil’s official data may exclude some activities that would be included as development cooperation in Development Assistance Committee statistics and so are also excluded from the Organisation for Economic Co-operation and Development estimates that are based on Brazil’s own data. (www.oecd.org/dac/dac-global-relations/brazil-development-co-operation.htm).
84 All data are Organisation for Economic Co-operation and Development estimates, except those for the Russian Federation and the United Arab Emirates, which do not report to the Organisation for Economic Co-operation and Development (www.oecd.org/development/stats/non-dac-reporting.htm).
85 GIZ 2014.
86 WFP 2014.
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88 Jenks and Topping 2018.
89 Sachs 2012.
91 UNDESA 2012.
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93 WHD 2013.
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97 Khan 2016.
98 The Guardian 2016b.
99 UNSD 2008.
100 World Bank 2011b.
101 European Union 2012.
103 UNDESA 2014a.
104 United States of America 2009.
105 United Kingdom 2010.

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1 ODI 2016.
2 WEF 2016b.
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<th>Year</th>
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<td>Concept and Measurement of Human Development</td>
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