

## Oxford Poverty & Human Development Initiative (OPHI)

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# OPHI

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**Conceptual Overview of Human Development:  
Definitions, Critiques, and Related Concepts**  
*Background paper for the 2010 Human Development Report<sup>1</sup>*

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**Abstract:** The purpose of this background paper is i) to synthesize the discussions regarding the concept of human development, so as to inform the 2010 Report's definition, and ii) drawing on the extensive policy and academic literatures, to propose relationships between the concept of human development and four related concepts: the Millennium Development Goals, Human Rights, Human Security, and Happiness. Inequality, the duration of outcomes across time, and environmental sustainability are also prominent due to their fundamental importance.

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<sup>1</sup> **To do:**

Add references throughout.  
Add longer articulation of human development concept  
Add section on inequality, sustainability, climate  
Add box on inequality of opportunity vs of outcomes  
Add section on the NHDRs

## Introduction

In his *Reflections on Human Development*, Mahbub ul Haq commended long-sighted institutions:

When bombs were still raining on London, John Maynard Keynes was preparing the blueprint for the Bretton Woods institutions. When Europe was still at war, Jean Monnet was dreaming about a European Economic Community. When the dust of war still had not begun to settle, the Marshall Plan for the reconstruction of Europe was taking shape. When hostility among nations was still simmering, the hopeful design of a United Nations was being approved by the leaders of the world...

Like those institutions and authors, the 2010 *Human Development Report* will be a forward-gazing report. For the report will be released at a time of instability – with the new pressures of climate change, the immediate uncertainties about economic stability, new strains on global security, and an ever-changing configuration of political leaders. It will be judged not so much by how well it encapsulates and celebrates the past 20 years as by how well it can steer future policies.

Against that context, this background paper reconsiders the concept of human development, and tries to articulate a concept that is simple yet rich, full yet open-ended, flexible yet responsible, normative yet visionary; inspiring yet practical. It does so drawing on the rich tapestry of people, communities, and institutions that have engaged human development over the past 20 years, and whose voices, poems, criticisms, and disappointments have improved it. We could do more and must do more to incorporate those voices and images into a final document. Yet their imprint is here already.

The paper is structured as follows. First, we consider the definition of human development that was put forward in the reports from 1990 until 2009. We will add to this some highlights from the 550 *National Human Development Reports* that have also contributed substantively to our understanding of the term. From these reports we observe how human development has been defined, what dimensions it has comprised, and how inequality, time, and environmental sustainability have been reflected in this tradition. Building on that basis, together with the accumulated literature on the capability approach and human development from international institutions and academic and policy groups, we propose a richer ‘capsule’ sentence defining human development and explain its four components.

But sometimes concepts are best sketched in comparative terms. So Part II of this paper relates human development to other key concepts, namely

- The Millennium Development Goals (MDGs)
- Human Rights
- Human Security
- Happiness

A post-script to this paper traces the evolution of the World Bank’s concept of poverty from 1946 to the year 2000.

## Part I. Human Development in the HDRs 1990-2009

How has the concept of human development evolved in the *HDRs* itself, and has this evolution been conscious or incidental? This section briefly reviews the concepts of human development found in each of the reports 1990-2009. We begin with a slightly longer introduction to the 1990

report, both because it is foundational to the rest and also because, on reflection, subsequent reports often were narrower than it.

### ***HDR 1990***

The 1990 *Human Development Report* gave the clear and fundamental articulation of the concept of human development. The first Chapter of that report, entitled “*Defining and Measuring Human Development*”, opens with these by-now-famous words:

People are the real wealth of a nation. The basic objective of development is to create an enabling environment for people to live long, healthy, and creative lives. This may appear to be a simple truth. But it is often forgotten in the immediate concern with the accumulation of commodities and financial wealth.<sup>2</sup>

The opening section observed that this goal is so often lost from sight, and yet it is not new. Aristotle, Lagrange, Smith, Ricardo, Marx and Mill articulated similar and related positions. Renewed attention to their work is required given countries’ uneven progress on human development, and the economic crisis and adjustments of the 1980s. Thus, “the expansion of output and wealth is only a means. The end of development must be human well-being.”

The section on ‘Defining human development’ lasts merely one page. It includes a box (reprinted in Appendix 1) which, like many subsequent reports, sheds the richness of the concept of human development. The text has three substantive paragraphs, described below, which are interspersed with clarifications as to human development’s linkages with, and distinctions from, other foci such as income, welfare, and basic needs.

The text, as well as the box “Human Development Defined” begins with what came to be a standard formulation: ‘Human development is a process of enlarging people’s choices’ followed by examples of what key choices might be – which I term the ‘dimensions’ of human development. As we shall see, this structure is followed quite readily in subsequent years’ reports, although the wording and examples vary over time. The 1990 paragraph read:

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

The second substantive paragraph focuses on development as concerned with both a *process* and the levels of achieved well-being, which we might call *outcomes*. A second feature of this description is a distinction between the formation of human capabilities that enable people to act, and how people actually act – responsibly or not – to advance their own well-being, to contribute to economic growth, and also to pursue leisure activities. As we shall see, these aspects of human development are less prominent in subsequent descriptions of it.

The term *human development* here denotes both the *process* of widening people’s choices and the *level* of their achieved well-being. It also helps to distinguish clearly between two sides of human development. One is the formation of human capabilities, such as improved health or knowledge. The other is the use that people make of their acquired capabilities, for work or leisure.

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<sup>2</sup> (UNDP, 1990)

The third paragraph provides a number of important qualifications and clarifications. First, it joins the economic system – the production and distribution of commodities – to human lives, by asking how these commodities expand human capabilities, and how people use these capabilities. Second, it clarifies a concern for freedom, both in the form of opportunity freedom (choice) and of process freedom (development as a participatory and dynamic process). Finally, it clarifies that human development, because of its breadth and generality, pertains to countries at all levels of development.

Human development...brings together the production and distribution of commodities and the expansion and use of human capabilities. It also focuses on choices – on what people should have, be and do to be able to ensure their own livelihood. Human development is, moreover, concerned not only with basic needs satisfaction but also with human development as a participatory and dynamic process. It applies equally to less developed and highly developed countries.

### ***Subsequent HDRs***

The 1990 account of human development contained a number of conceptual features which were not equally sustained in subsequent human development reports, and which have rarely survived the translation of the concept of human development into other institutions. Without being able to do justice to them, we sketch some features of subsequent reports' definition of human development.

The 1991 report argued that, "The real objective of development is to increase people's choices." However it added two interesting turns. First, in addressing growth, it argued that to advance human development growth ought to be "participatory, distributed well, and sustainable."<sup>3</sup> Second, it presented and developed the proposition that, "It has to be development *of* the people, *by* the people, *for* the people."<sup>4</sup> We will return to this proposition and wording.

From 1992, we see the formalization of a narrow definition of human development as 'enlarging people's choices'. True, the first Report, in 1990, defined human development as "a process of enlarging people's choices"<sup>5</sup> (it was phrased this way in the 1990 report's box on Human Development Defined). But the 1990 report had a much fuller account than that mere sentence. From 1992, process concerns cease to be central to the definition of human developing in many subsequent HDRs.

The 1993 Report focused on *People's Participation*. Interestingly, though, in the conceptual account of human development, the report lacked a prominent conceptual statement of whether participation was of intrinsic value, or merely instrumental to human development.

The first *Human Development Report*, in introducing the concept of human development, argued that the real purpose of development should be to enlarge people's choices. Subsequent Reports have developed the basic concept, looking in particular at how human development could be financed and at its international dimensions – through trade, overseas development assistance, and international migration flows.

At times in that report, participation seemed to have instrumental importance only insofar as it leads to better outcomes: "Human development involves widening [people's] choices, and greater participation enables people to gain for themselves access to a much broader range of

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<sup>3</sup> p 13

<sup>4</sup> (UNDP, 1991) p 13

<sup>5</sup> (UNDP, 1992)p 12

opportunities.”<sup>6</sup> At other times, the intrinsic value of participation is clearly stated, but this point is not developed. “The important thing is that people have constant access to decision-making and power. Participation in this sense is an essential element of human development.” The report does clarify that the relevant kinds of participation include the participation of individuals and groups.

The 1994 report, on *Human Security*, introduced sustainability of outcomes across time: “the purpose of development is to create an environment in which all people can expand their capabilities, and opportunities can be enlarged for both present and future generations.”<sup>7</sup>

The 1995 report on *Gender*, returned to the original language from 1990, “Human Development is a process of enlarging people’s choices.”<sup>8</sup> However, almost without explanation, it presented four principles which it argued to be ‘essential’ to the human development paradigm: Productivity, Equity, Sustainability (across time), and Empowerment.<sup>9</sup>

The 1996 report, *Economic growth and human development*, argued that “Human development went far beyond income and growth to cover the full flourishing of all human capabilities. It emphasized the importance of putting people – their needs, their aspirations, their choices – at the centre of the development effort.” It argued, also that “Human development can be expressed as a process of enlarging people’s choices.”<sup>10</sup>

The 1997 report, *Human Development to eradicate poverty*, presented its concept of human development in a ‘Glossary’. With incomplete echoes of the 1990 definition, the glossary contained three parts: a definition, a discussion of dimensions, and clarification regarding income. We begin with the definitions:

“The process of widening people’s choices and the level of well-being they achieve are at the core of the notion of human development. Such choices are neither finite nor static.”

[*Dimensions*] But regardless of the level of development, the three essential choices for people are to lead a long and healthy life, to acquire knowledge and to have access to the resources needed for a decent standard of living. Human development does not end there, however. Other choices, highly valued by many people, range from political, economic and social freedom to opportunities for being creative and productive and enjoying self-respect and guaranteed human rights.

[*Role of Income*] Income is clearly only one option that people would like to have, though an important one. But it is not the sum total of their lives. Income is also a means, with human development the end.<sup>11</sup>

In 1998, the report *Consumption for human development*, human development is presented, once again, as “a process of enlarging people’s choices,” and a definition including the core dimensions is presented in a box entitled ‘What is Human Development’.<sup>12</sup>

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<sup>6</sup> (UNDP, 1993) p 21

<sup>7</sup> (UNDP, 1994) p 13

<sup>8</sup> (UNDP, 1995) p 11

<sup>9</sup> (UNDP, 1995) p 12

<sup>10</sup> (UNDP, 1996) p 49 both quotes

<sup>11</sup> (UNDP, 1997)

<sup>12</sup> (UNDP, 1998) p 14

The 1999 report on *Globalization* shuddered from the untimely death of Mahbub ul Haq, the architect and founder of the *Human Development Reports*, who was by then working on a South Asian report on governance. It was also the year in which Sen published *Development as Freedom*. Interestingly, the global 1999 report gave, without explanation, new prominence to the concept of agency: “[T]he central concern [of the *Human Development Report*] has always been people as the purpose of development, and their empowerment as participants in the development process.”<sup>13</sup>

At its first decade, the 2000 report on *Human rights and human development* picked up again the 1990 reference to processes and outcomes: “Human development is the process of enlarging people’s choices, by expanding human functionings and capabilities. Human development thus also reflects human outcomes in these functionings and capabilities. It represents a process as well as an end.” This report also reiterates the 1991 formulation as developing being ‘of, for, and by’ the people: “In the ultimate analysis, human development is development of the people, for the people and by the people.”<sup>14</sup>

In 2001, the opening paragraphs of the report on *Making new technologies work for human development* gave a succinct although not novel account of human development: “Human development...is about creating an environment in which people can develop their full potential and lead productive, creative lives in accord with their needs and interests. People are the real wealth of nations. Development is thus about expanding the choices people have to lead lives that they value. And it is thus about much more than economic growth, which is only a means – if a very important one – of enlarging people’s choices. Fundamental to enlarging these choices is building human capabilities – the range of things that people can do or be in life.”<sup>15</sup>

In 2002, the report focused on *Deepening democracy in a fragmented world*. The report drew out, perhaps more prominently than in previous formulations, the centrality of human values. “Human development is about people, about expanding their choices to lead lives they value.”<sup>16</sup> The 2002 report also, appropriately given its theme, gave more prominence to the agency aspect, and argued that participation forms a third ‘pillar’ of human development. “People are not only the beneficiaries of economic and social progress, they are also its agents, both as individuals and by making common causes with others.”<sup>17</sup>

In 2003, the report addressed *Millennium Development Goals: A compact among nations to end human poverty*. The report did not articulate clear linkages between the concept of human development and the MDGs, but did mention that “Every *Human Development Report* has argued that the purpose of development is to improve people’s lives by expanding their choices, freedom and dignity.”<sup>18</sup>

The 2004 *Human Development Report* focused on *Cultural Liberty in today’s diverse world*. Early on, it defined human development as “the process of widening choices for people to do and be what they

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<sup>13</sup> (UNDP, 1999) p 18

<sup>14</sup> (UNDP, 2000)

<sup>15</sup> (UNDP, 2001)

<sup>16</sup> (UNDP, 2002) p 13

<sup>17</sup> (UNDP, 2002) p 53

<sup>18</sup> (UNDP, 2003)

value in life.”<sup>19</sup> Later on, the report did contain a full restatement of human development, as cited below:

People are the real wealth of nations. Indeed, the basic purpose of development is to enlarge human freedoms. The process of development can expand human capabilities by expanding the choices that people have to live full and creative lives. And people are both the beneficiaries of such development and the agents of the progress and change that bring it about. This process must benefit all individuals equitably and build on the participation of each of them. ...

The range of capabilities that individuals can have, and the choices that can help to expand them, are potentially infinite and vary by individual. However, public policy is about setting priorities, and two criteria are helpful in identifying the most important capabilities for assessing meaningful global progress in achieving human well-being, the purpose of this Report. First, these capabilities must be *universally valued*. Second, they must be *basic to life*, in the sense that their absence would foreclose many other choices.<sup>20</sup>

The 2005 report on *International Cooperation* mentioned human development as follows: “Human development is about freedom. It is about building human capabilities—the range of things that people can do, and what they can be.”<sup>21</sup>

The 2006 report on *Water scarcity*, did not advance conceptually on earlier reports. Indeed the 2006 report lacks a statement on human development except in the overview.<sup>22</sup>

The report on *Climate change* in 2007-8 opened with a novel statement which combined a focus on freedom with agency “All development is ultimately about expanding human potential and enlarging human freedom. It is about people developing the capabilities that empower them to make choices and to lead lives that they value.”<sup>23</sup> Later on, the report also contains a more standard definition, “Human development is about people. It is about expanding people’s real choice and the substantive freedoms – the capabilities – that enable them to lead lives that they value.”<sup>24</sup>

The 2009 report on *Migration* defined human development as “the expansion of people’s freedoms to live their lives as they choose.”<sup>25</sup> Another description was the following: “putting people and their freedom at the centre of development.”<sup>26</sup>

In terms of dimensions, the report stressed that, “Human development is concerned with the full range of capabilities, including social freedoms that cannot be exercised without political and civic guarantees...”<sup>27</sup> Special attention is paid to the social bases of self-respect and to relations between social, economic, and racial groups as migrants regularly confront prejudices.

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<sup>19</sup> (UNDP, 2004) p 6

<sup>20</sup> (UNDP, 2004) p 127

<sup>21</sup> (UNDP, 2005)

<sup>22</sup> Ultimately, human development is about the realization of potential. It is about what people can do and what they can become—their capabilities—and about the freedom they have to exercise real choices in their lives. (UNDP, 2006) p 2.

<sup>23</sup> (UNDP, 2008) p 1

<sup>24</sup> (UNDP, 2008) p 24

<sup>25</sup> (UNDP, 2009) p 14

<sup>26</sup> (UNDP, 2009) p 16

<sup>27</sup> (UNDP, 2009) p 60



## ***Dimensions of Human Development***

What do we make of this set of definitions? Clearly they were written in the context of policy and advocacy reports. It would not be accurate to award great importance to small textual differences. Given that the emphasis of the reports is not conceptual, differences might be inadvertent rather than deliberate. Further, the descriptions of human development are made in the context of reports addressing particular themes, hence the differences will be motivated in part by the context and content of the report. However, treating the texts accurately, we can see a few patterns.

First, as table 1 shows, there is a clear common definition of human development as a process of ‘enlarging people’s choices’. The particular wording varies over time, with later reports engaging the language of freedoms and capabilities more often. However this is the most common single definition of human development. As will be noted at once, this definition loses a great deal of the richness present in the longer definition from 1990. It could have been the case the subsequent reports retained that richness in their conceptual chapter but it does seem, rather, that the evolution of reports led to an abbreviation of the conceptual statement and, at least during many years, an omission of human agency, collective action, and process freedoms. Furthermore, the short definition does not explicitly include time – the need to sustain outcomes across years and indeed generations, on a limited planet. It also does not include principles such as equity.

**Table 1: Short Definitions of human development:  
Enlarging (*expanding*) people’s choices (*freedoms, capabilities*)**

1990	a process of enlarging people’s choices (p 10)
1991	The real objective of development is to increase people’s choices (p 13)
1992	a process of enlarging people’s choices. (p 12)
1993	involves widening [people’s] choices
1994	to create an environment in which all people can expand their capabilities... (p 13)
1995	a process of enlarging people’s choices (p 11).
1996	a process of enlarging people’s choices. (p 49)
1997	the process of enlarging people’s choices
1998	a process of enlarging people’s choices.
1999	the process of enlarging people’s choices
2000	a process of enhancing human capabilities
2001	about expanding the choices people have to lead lives that they value.
2002	about people, about expanding their choices to lead lives they value. (p. 13)
2003	to improve people’s lives by expanding their choices, freedom and dignity.

2004	the process of widening choices for people to do and be what they value in life. (p. 6)
2005	about building human capabilities—the range of things that people can do, and what they can be.
2007/8	about expanding people’s real choice and the substantive freedoms – the capabilities – that enable them to lead lives that they value. (p 24)
2009	the expansion of people’s freedoms to live their lives as they choose (p 14)

A second observation is that the dimensions that are mentioned vary, although there is some consistency among them. Table 2, below, provides a list of the ‘dimensions’ that are named in the main statement of human development each year. These lists are never meant to be exhaustive, merely illustrative. So again, a great deal of weight cannot be placed on the annual changes. However still it is interesting to notice how the language and categories have evolved over time.

**Table 2: Dimensions mentioned in different reports.**

Dimensions mentioned in HDR by year	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	07	09
Long healthy life	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Knowledge	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Resources for decent std of life	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Political freedom	X	X						X							X			X
Guaranteed Human Rts	X					X		X		X	X							
Self Respect	X					X		X		X	X							
Good physical environment		X	X		X													
Freedom of Action & Expression			X															
Participation				X	X								X					
Human Security					X		X											
Political, Social & Econ Freedoms						X		X	X	X								
Being creative						X		X	X	X	X							
Being Productive						X		X	X	X	X							
Freedom							X	X										
Democracy							X											
Dignity & Respect of others								X										
Empowerment									X		X							
A sense of belonging to a community									X	X	X							
Security											X							X
Sustainability											X							
Enjoying political and civil freedoms to participate in the life of one’s community.														X				
Cultural liberty															X			
Social & Political Participation																X		
Civil & Political Rights																	X	

In particular, we can see that in all years, health, education, and living standards have been mentioned without exception. Process freedoms of one kind or another have been mentioned every year except 2001. Interestingly, work and employment only appear under the names ‘creativity and productivity’, and only for five years. Similarly, the environment was only mentioned five years, although its centrality to human development at this time is indisputable. Human rights and physical security appear in nine reports and are often mentioned even if not in the ‘list’ of dimensions. Social freedoms including dignity and respect, belonging, and participation appear in six reports, and cultural liberties in one report. Hence there is no any ‘fixed’ list of dimensions of human development – a position Sen has supported.<sup>28</sup> The range of possible dimensions includes:

**Health and Life**  
**Education**  
**Decent Standard of Living**  
**Political Freedom & Process Freedoms**  
**Creativity and Productivity**  
**Environment**  
**Social & relational**  
**Culture & Arts**

The language of human rights, as we shall see later, permeates the reports in different ways, and human rights are sometimes included among the ‘dimensions’ or specific capabilities mentioned.

These named aspects have a number of features which are important. First, they are **flexible** – there is not one ‘fixed and forever’ (Sen 2004) list of relevant dimensions or capabilities. This flexibility allows human development to be relevant in different cultural and national contexts. It also enables applications that address ‘rich’ countries and persons as well as poorer people and countries.

Second, the **focal space has been consistent**: people’s lives and capabilities. It would be very easy for human development reports aiming to influence policy to gravitate to resources that policy makers can influence directly – access to public services, social expenditures, or other easy-to-measure administrative targets. But there is not a direct equivalence between these inputs and human outcomes. For example, equivalent social expenditures go along with divergent human development outcomes. Institutions, policies, growth, and other intermediate activities are of critical instrumental importance to human development, and understanding of them must inform policies to advance human development. But the evaluative space for human development remains people’s lives and capabilities.

Third, the discussion includes, at least in early reports, both the **creation of capabilities and** also the **use** to which people put these freedoms. This creates the space for a more direct discussion of responsibilities and imperfect obligations than has been undertaken to date. This facet of human development is likely to become prominent in the coming years, particularly given the realities of climate change.

Also, the description of human development as enlarging people’s choices, however fundamental, is not enough. It must be complemented by **procedural principles** such as equity, efficiency, sustainability, respect for human rights, and responsibility. For human freedoms could well be expanded in ways that exacerbate inequality, that are wasteful, or short-sighted, or that infringe upon

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<sup>28</sup> Sen *Feminist Economics* 2004.

the human rights of one group in order to expand the freedoms of another. Furthermore the groups of concern vary widely, and include women as well as racial or ethnic groups, certain age categories, or geographical groups.

In particular, attention to people as ‘agents’ who create and maintain positive outcomes must be continuously sustained alongside attention to people as ‘beneficiaries’ of development.

### ***Inequality, Sustainability, and the Environment***

- *This section is under development and will appear in the 15 Dec version; I have sent the quotes from the HDRs on these themes that it will draw on.*

### ***Tentative Restatement of Human Development***

One of the positive aspects of the HDR tradition is that the description of human development was **living, not calcified**; it has varied over time and place and context while maintaining an underlying consistency. In no way is it suggested that that living engaged approach to human development be replaced by a static form of words. What is proposed, however, is that the core components of human development include *process freedoms* in addition to capability expansion, and that considerations of *time, the environment, and equity* be integral to human development.

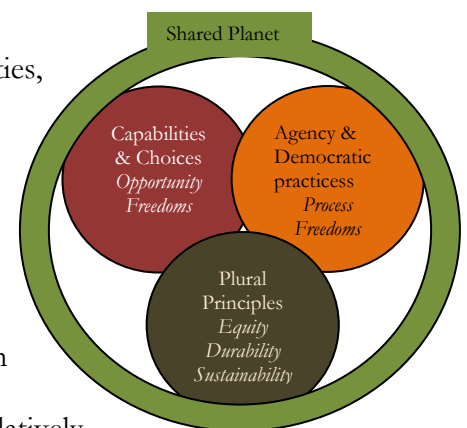
As a tentative statement for improvement, I would propose the following wording as a ‘short’ definition of Human Development:

**Human Development is a process of expanding people’s real freedoms – their valuable capabilities – and empowering people as active agents of equitable development on a shared planet.<sup>29</sup>**

People are both the beneficiaries and the agents of long term, equitable human development, both as individuals and as groups. Hence Human Development is development *by* the people *of* the people and *for* the people.

We might explain human development in terms of four parts: capabilities, process freedoms, principles, and constraints.

**Capabilities:** Human development focuses on expanding people’s real freedoms. When human development is successful, people are able to enjoy activities and states of being that they value and have reason to value. With human development, people live long and healthy lives, enjoy education and a decent quality of life. They are able to be productive and creative at home or at work, shape their own destiny, and together advance shared objectives. With human development, people are able to enjoy human relationships and feel relatively



<sup>29</sup> I am grateful to the participants of consultations in Delhi, Oxford, Lima, Valencia, and Busan for their input into this definition as well as for correspondence with other colleagues by email. Alternative wording: ‘active agents in long term equitable development processes’

secure. In human development the ‘focal space’ is people lives. Resources, income, institutions, and political or social guarantees are all vitally important means and policy goals; yet ultimately success is evaluated in terms of the lives people are able to lead, the capabilities they enjoy.

**Process Freedoms:** Human beings are not only the beneficiaries of development; they are also agents, whose vision, ingenuity, and strength are vital to advancing their own and others’ well-being. Human development supports people as agents, both personally within families and communities, and collectively in public debate, collective action, and democratic practices. While the spaces for agency will vary, human development empowers people for good, enabling them to have voice and to participate in the processes that affect their lives. Hence Human Development is development *by* the people *of* the people and *for* the people.

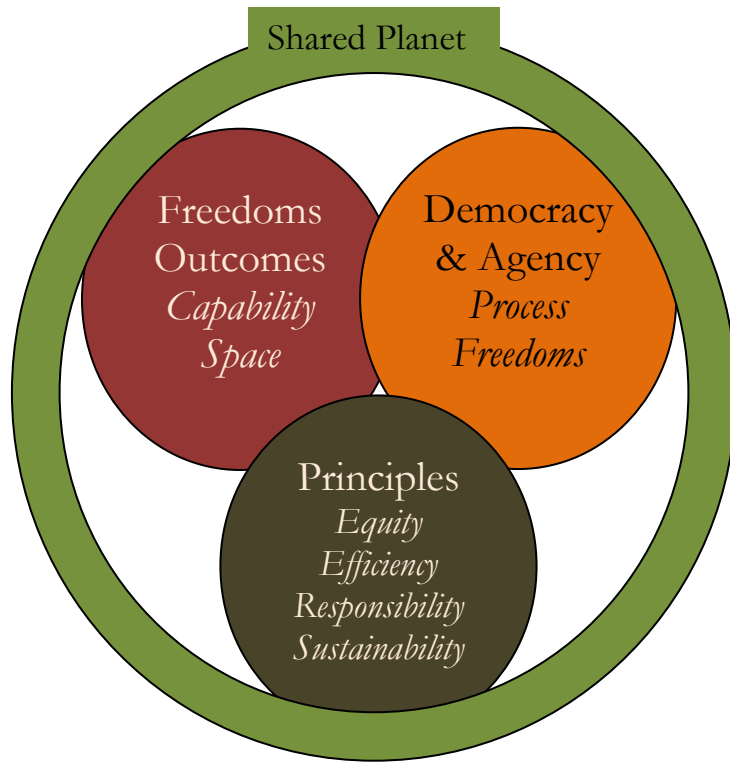
**Principles:** Policies to advance human development also consider a few principles such as equity, efficiency, the sustainability of outcomes across time and on this planet. Some applications of human development apply additional principles such as a priority concern for the poorest of the poor, and whether the processes respect human rights obligations and other responsibilities. By applying these principles it is possible to identify certain policies that are more expensive, less equitable, and less sustainable than others and rule them out. The *HDRs* have regularly introduced principles by which to evaluate human development. By identifying the principles that are often used to guide human development, the reports invite a wider discussion of these values in civil society and also a more explicit application of these concerns in policy.

**Shared Planet:** A particularly important principle is environmental sustainability. Nearly seven billion people now share our small planet. Some live in extreme poverty; others in gracious luxury. The limits of our common planet will shape human development more sharply in the coming years than it did during the first twenty years. The onset of climate change requires a fundamental re-shaping of the behaviours and aspirations of many persons and of the institutions that produce the goods and services we enjoy.

Clearly different nations and communities will emphasise different dimensions, principles, and forms of agency than others, such that their human development carries the melody of their culture, values, and current priorities. Indeed the concepts, poems, and speeches of different intellectuals and public figures may be drawn upon to articulate human development in different contexts. Human Development is not one size fits all; it is flexible and responsive. However we suggest that the development of effective policies and actions to support human development requires consideration of these four components.

The diagramme below portrays the first three components of human development as colored shapes, and the environmental constraints as a green band encircling them all. The text box below that replicates the alternative wording of the definition of human development which was used in previous *Human Development Reports*.

*Feedback on the wording of this section, and the explanation of the components, is particularly welcome.*



**THE VERBAL 'INGREDIENTS' OF A STATEMENT OF HUMAN DEVELOPMENT DRAWING ON PAST 19 REPORTS ARE LISTED BELOW.**

a /the process  
of  
enlarging/expanding/widening/building  
people's  
freedoms/choices/capabilities/real opportunities/real choice  
to do and be what they value in life  
and

empowering/involving people actively/as active  
agents/participants in development processes

~or~

expanding the realm of/scope for human agency

**People are not only the beneficiaries of economic and social progress, they are also its agents, both as individuals and by making common causes with others.**

## **Part II: Conceptual Relationships: the MDGs, Human Security, Human Rights, and Happiness**

Human Development remains a powerful and deeply necessary concept. It is powerful because it succinctly clarifies the ends and means of development, and crystallizes development objectives, processes, and principles. It is deeply needed because while the dominant paradigm guiding development has evolved significantly, it is still not reliably and consistently focused on human lives.

Given the centrality and the need for a clear identification of ends and means, and the need to focus professional efforts of economists, lawyers, politicians, and other groups on shared objectives, it is not surprising that concepts exist which are related to human development but partially distinct from it, such as human rights, human security, happiness, and the Millennium Development Goals. Some of these (rights, happiness) pre-dated human development; others have emerged subsequently.

This section notes first some commonalities between the different concepts. Then the unique conceptual contribution of each approach is identified in greater depth.

What follows is a conceptual discussion. It is important to stress this point because at another level, human development, human rights, human security, and the MDGs are all advanced by different and indeed overlapping parts of the United Nations Institutions. Hence an alternative analysis would

scrutinise the extent to which institutions have ‘chosen’ one concept to guide their own work and view other concepts as competitors. This would uncover territorial tensions within UN institutions, as well as among other national, international and bilateral institutions, it would reveal power dynamics, and also the human need to motivate staff by portraying their work as meaningful and possibly superior to others. Such analysis is not undertaken.

Additionally, activities associated with each of these terms have been successfully or poorly implemented to various degrees in different contexts. In some contexts, for example, the MDGs may seem technocratic; in others, traditional but helpful; in still others they may galvanise vibrant social movements. Hence to some readers, a particular concept will have a positive or negative association due to their experience of its implementation in a particular context. Once again, an analysis of the varied track record of implementation is a valid and interesting undertaking which some have attempted, but is not considered here.

The tensions between the concepts discussed here which stem not from definitional differences but rather from institutional mandates, implementation, and territorial disputes, are real. However this *conceptual* discussion will leave them to one side. It could be useful, in a different setting, to explore these tensions directly and overtly, particularly among the UN Institutions, and generate a statement of human development which could be shared by different agencies.<sup>30</sup>

### ***Similarities between all approaches***

At some level, all of conceptual approaches share a similar agenda, which can be framed at the most basic level as being to focus the objective of professional efforts on improving people’s lives. The primary audiences of each approach, the primary literatures, and the ‘dominant’ paradigms, and the specific foci of the distinct approaches, however, differ.

For example, the primary *audience* for human development at least initially was development planners, economists, and those working on ‘aid’ in international and bilateral institutions. The dominant *paradigm* with which human development compared itself and with respect to which it articulated its value-added was one focused on growth of the economy as the primary objective. The human development paradigm purported to *add value* by making two fundamental changes. First, it changed the *unit of analysis* from the economy to the person. This allowed considerations of equity and of poverty to accompany assessments of wellbeing. Second, it changed the *space* in which progress was tallied from income to capabilities or freedoms. In the earlier framework, the healthy economy was one that was growing in terms of income per capita. In the human development framework, a healthy economy is one that is growing in terms of people’s freedoms and capabilities. Clearly this ‘shift’ is tremendously underspecified, leaving each country or group to decide itself on focal capabilities, distributional weights, and so on. And yet, shifting the unit of analysis and the focal space – even given this open-endedness – decisively influenced markers of success, and consequently, the policies that are advocated to advance human development.

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<sup>30</sup> There are many examples of missed opportunities for synergy. For example the Regional and National Human Development Reports were a natural space in which to contextualise the MDGs and specify national policy goals that would advance the MDGs as well as other goals efficiently and effectively. They certainly were designed for this purpose. In practice, the MDG reports grew up alongside the NHDRs as separate policy documents and have created considerable confusion as people (rightly) think that these agendas are overlapping.



To the extent that the different conceptual approaches of human security, human rights, and human development articulate similar claims in distinct disciplines, literatures and audiences, it is not surprising that they are somewhat intertwined, overlapping and indeed mutually reinforcing. While the subsequent sections will clarify the distinctions between the concepts, the reader should not lose sight of this fundamental sympathy.

## IIA. The MDGs

### *~MDGs: Background from a Human Development perspective*

Since 1990, the HDRs advocated the development of national and international action plans that would specify HD goals and targets, have clear budgetary implications, and influence national governments and development assistance institutions. The call for the setting of explicit international objectives and commitments that appear in the 1990, 1991, and 1994 *Human Development Reports* directly foreshadow the MDGs in substance and process. While many remember that the 1990 *Human Development Report* launched the HDI, few recall that the report also called for the setting of ‘global targets for human development.’ In particular, Chapter Four, on development strategies, recalled that during the past three decades, global targets had already been set singly by world conferences and UN General Assembly debates - for example, reducing under 5 mortality by half or to 70 per 1000, whichever was lower. The 1990 *HDR* acknowledged that setting such targets are advocated as having benefits – such as creating a ‘conducive environment and political pressure for their serious pursuit nationally and internationally’. The report also cited critics, who argued that: ‘the global targets have not price tag, are not differentiated according to different country situations, are not accompanied by concrete national and international plans for implementation – and that any link between national progress and global targets is only incidental.’ (p 67). The report argued that the time had come to set ‘more realistic and operational’ targets.

Quantified global targets for the year 2000 do exist for some of the key indicators of human development examined in this Report.

- Complete immunisation of all children.
- Reduction of the under-five child mortality rate by half or to 70 per 1,000 live births, whichever is less.
- Elimination of severe malnutrition, and a 50% reduction in moderate malnutrition.
- Universal primary enrolment of all children of primary school age.
- Reduction of the adult illiteracy rate in 1990 by half, with the female illiteracy rate to be no higher than the male illiteracy rate.
- Universal access to safe water.

To catalyse this process, it enumerated quantified time-bound global targets that already existed for the year 2000 (p 67, reprinted to the right). It then discussed whether those targets seemed realistic based on empirical assessment of country progress to date. And it drew attention to recent studies that had attempted to identify the rough financial costs of realising certain goals. The section closed by proposing four criteria for quantifiable, time-bound international development targets:

- The number of global targets should be kept small to generate the necessary political support and policy action for their implementation. The international agenda is already crowded, and having too many targets diffuses policy attention
- The implications for human and financial resources must be worked out in detail, country by country, *before* fixing any global targets – to ensure that the targets are realistic.
- Different targets should be fixed for different groups of countries, depending on their current state of human development and past rates of progress.
- National strategies for human development should bridge national planning and global target-setting, for without national development plans the global targets have no meaning.

Clearly the MDGs directly reflect the first and fourth points –having a small set of goals and national strategies to achieve them. Just as clearly, the country-by-country costings were not completed before the MDGs were adopted, and while the goals were set at the international rather than the national level, distinct national targets were not explicitly set for different country groupings. Yet it does seem clear beyond any reasonable doubt that one root of the MDGs reaches directly back to the 1990 *Human Development Report*, and that the 2010 Report offers a signal opportunity to re-state this.

Lest the reader imagine that the call for international goals, financial plans, and concerted political action was an incidental tangent never again mentioned in the *Human Development* literature, they need only read the 1991 *HDR*. For the 1991 *HDR* reiterated these points and developed them even more explicitly: ‘Broad concepts must be translated into concrete plans, and words into practical action, both nationally and internationally.’ (p 77) At the national level, the Report argued that nations should develop plans having four elements: 1) a human development profile, 2) human development goals and targets, 3) budget restructuring plans, and 4) a viable political strategy (p 77). But as before, the 1991 report did not stop at National goals. The 1991 *HDR* closes by calling for a “Global Compact on Human Development”, in which countries and donors would unite behind shared goals. While the goals and targets could, it suggested, arise from National plans, the substance was not deeply mysterious: “Targets should include universal primary education and primary health care, safe water for all and the elimination of serious malnutrition... Another aim should be the expansion of employment opportunities.” (p 84)

The 1994 *Human Development Report* carried the Global Compact idea forward yet again, proposing what was now called a 20:20 compact,<sup>31</sup> having the end date of 2005 rather than 2000 and specific budgetary costings (See Box 4.8 pasted below from page 77 of the 1994 report). In the following year, the penultimate chapter of Mahbub ul Haq’s book *Reflections on Human Development* reiterated the vital need for a Global compact on development using the 20:20 ideas of shared responsibilities, shared goals, and consensus. He recognised that doing so would limit some of the more visionary aspects of human development, yet thought that this was acceptable:

The task of overcoming the worst aspects of human deprivation in the next decade is far too important to be sacrificed on the altar of unnecessary controversy (p 185).

Concretely, ul Haq proposed that the priorities be given to universal access to basic education, primary health care facilities, clean water, and immunization, that maternal mortality be halved, that severe malnutrition be eliminated and family planning services be extended. He acknowledged that income and work were significant omissions from this list, but argued that these seven goals could be a starting point.

It is beyond a doubt that the UNDP, particularly in the person of Mahbub ul Haq, played a leading role within the UNDP in formulating and advancing the need for a set of time-bound, quantifiable and realistic internationally agreed goals and targets, and for related budgetary analyses. Indeed, the UNDP HDRs contain draft goals, a draft wording of a new Global Compact, considerations of the strengths and weaknesses of this proposal, and motivation for continuing to try to advance it. Thus the 2010 *Human Development Report* should at very least acknowledge that the concept of human

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<sup>31</sup> The concrete proposal was that developing countries earmark 20% of their national budgets, and that donors earmark 20% of their budgets, for human development priority concerns.

development and the work of the Human Development Report Office contributed significantly to the MDGs.

### *~The MDGs and Human Development: Conceptual Relationship*

The primary audience for the MDGs are also development planners, economists, and those in international and bilateral institutions. Like human development, they focus on the human being as the fundamental unit of analysis, and shift the currency of assessments to indicators and targets that better reflect human lives. Growth and other changes are evaluated insofar as they generate positive change in the core 'human' variables. The focal space of the MDGs is more specifically articulated and more limited than human development – both in its focus only on limited capabilities and in its exclusion of process features such as empowerment – but the general aim of the MDGs is clearly congruent with human development, and achieving the MDGs would tremendously advance human development.

The Millennium Development Goals arose from the *Millennium Declaration* which was agreed upon by heads of states in 2000. Conceptually, the MDGs are a particular quantitative articulation of some core human development priorities. They are *particular* in that the final set are particular to a time and place, and to the possibilities and limits of a consensus decision by a particular community (in this case, 'international' as represented by particular people). They are quantitative in that they identify certain goals, targets, and a time frame for global progress; yet other goals, targets, and time frames might have been reasonably chosen both at the international level and at regional or national levels. The MDGs articulate *some* human development priorities, but are clearly not exhaustive; other aspects of human development – including those present in the Millennium Declaration itself – may be of comparable or greater priority in a given context.

Clearly, the MDGs articulate human development priorities. First, most goals and targets are measured in the space of human capabilities, or in the closest feasible space to it. Where they do not (e.g. slum housing, or AID), the resources are justified in terms of the capabilities they would generate. Second, multiple capabilities are argued to be of importance at the same time. Third, the goals are argued to be interconnected: the UN *Roadmap towards the Implementation of the MDGs*, published 6 September 2001, recognizes the interconnectedness of the MDGs, and advocates an integrated approach to them:

Given that all the issues around poverty are interconnected and demand crosscutting solutions, such measures as the "School meals" and "Take home rations" programmes can have multiple benefits that extend beyond nutritional assistance. Education provides the skills that can lift families out of extreme poverty and preserve community health. In particular, when society facilitates girls' empowerment through education, the eventual impact on them and their families' daily lives is unequalled (page 3).

In addition to the goals themselves, there are other conceptual linkages to human development. One relates to the motivation: **the MDGs provide an explicit platform for concerted political and social action towards common goals**. Human Development requires not only economic decisions but also political mobilisation and action; this is expressed in the 2003 HDR, which emphasises the importance of democratic practice above 'formal' democracy. It is also present recurrently in the writings of Jean Drèze and Amartya Sen on the need for action by the state, civil society groups, social movements, private sector, philanthropists and individual citizens, in order to address pervasive deprivation.

Further, as is often noted, the MDGs specified quantitative, time-bound targets, and subsequent work has tried to articulate the financial requirements and political actions required to meet them. In this way **the goals were argued to be realistic and feasible priorities** rather than long term utopias. Whether or not they are met, or could have been met, the aim to identify feasible alternatives is inherent to the human development approach.<sup>32</sup>

The MDGs thus can be seen conceptually as one application of human development to an international context.

Even if there were no conceptual linkage – which there clearly is – there could be an instrumental connection. As human development concerns the expansion of capabilities, then insofar as the MDGs have resulted in more education for children and for girls in particular, in better nutrition, lower child and maternal mortality, decreased prevalence of HIV/AIDS, TB and Malaria etc, than would have occurred in their absence – the MDGs have been instrumental to human development.

There are, at the same time, clear distinctions between the MDGs and Human Development. These mainly arise because the MDGs are one possible application of human development among many. A mobile phone can often be set up with several different ring tones, background colors, alarm settings and contacts; it can be set up for a business account or a personal account or a child's account within a family. Any one particular configuration of a mobile phone shows some but not all possibilities of that phone. In the same way, the MDGs express one particular application of human development, but there could be – and have been – others. Human Development is an incomplete, open-ended 'paradigm' and the MDGs are one particular contextual application of it. Understanding this, one immediately can identify other differences.

First, the MDGs are time-bound, and pertain to the international community; human development is an enduring conceptual framework that can be used at local, state, national, or regional levels. Second, the MDGs were fixed from 2000 to 2015; Human development is open-ended and its priorities need periodic debate – as will occur for any successor to the MDGs, for example, after 2015. Third, human development pertains to all countries at all levels of development, and indeed all people including the wealthy and elite. Whereas the decision to give priority attention to the poor or relatively deprived may be one features of human development in national applications – and commendable in them – one could also imagine a group meeting of billionaires that wished to support the capabilities of their members rather than merely add to their incomes. This too, would be human development. Next, human development does invest in analysing the interconnections between variables; whereas in some approaches to meeting the MDGs, each goal was analysed independently of others. Finally, the 2000 MDGs are imperfect reflections of human development as a number of critics have mentioned. One crucial issue is an absence of empowerment or concern for people's agency in the MDGs (as well as reproductive issues, work, and human rights); most human development approaches would consider this, as well as considering the responsibility of different agents towards the poor.

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<sup>32</sup> Indeed this aspect has been stressed even more in Amartya Sen's most recent book (A. Sen, 2009).

### *~View from the MDGs:*

Usually, the MDGs are introduced with no history at all, as a consensus that was reached in the year 2000. In the best accounts, the Millennium Declaration is cited. For example, the website of the United Nations that is devoted to the MDGs describes their genesis thus:

In September 2000, building upon a decade of major United Nations conferences and summits, world leaders came together at United Nations Headquarters in New York to adopt the [United Nations Millennium Declaration](#), committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets - with a deadline of 2015 - that have become known as the Millennium Development Goals.<sup>33</sup>

An ahistorical perspective draws attention to the consensus decision in a positive manner thus is the natural way to describe the MDGs, and this analysis supports that presentation. It is particularly constructive as any specific historical account would undoubtedly be controversial and could be divisive. The absence of history leaves it open to many specifications – as is widely recognised, success has many fathers. The UNDP HDRO clearly played an historic role in bringing the MDGs, but there were also other fathers, so the lack of formal attribution seems understandable if incomplete.

Hulme and Fukuda-Parr focus on how the MDGs have galvanized international support by institutional actors and by civil society groups. The implications of their analysis is that in this way the MDGs improved upon the first decade of human development. In particular, they find “that the MDGs’ super-norm brought specificity and concreteness to the idea of ending global poverty. Earlier specifications of ‘development and poverty eradication’ had been too vague to capture the imaginations and empathy of leaders and publics around the world” (*Working paper* page 4).

In their analysis, the MDGs have been useful and effective as in promoting the broad norm of eradicating global poverty. Because the MDGs are internally plural, and composed of the eight goals and the many targets, Hulme and Fukuda-Parr refer to the MDGs as a ‘super-norm’. They also argue that the mechanisms by which the MDGs were advanced were distinct from the characteristics of ‘norm’ entrepreneurs. They articulate the idea of ‘message entrepreneurs’ who were willing to make pragmatic concessions in order to build a consensus which was supported by diverse organizations and groups.

Conceptually, however, the story is different. As was elaborated above, conceptually the MDGs are directly related to human development, as a particular example of an international consensus on some core areas of human development. What is missing is a clear acknowledgement of conceptual linkages, which has created considerable confusion particularly at the national level. In addition, much of the MDG work has not drawn upon a wealth of previous research. For example *Millennium Project* was charged with addressing the policy and budgetary implications of the MDGs. Their 2005 report, ‘Investing in Development: A Practical Plan to Achieve the Millennium Development Goals’ quotes only one *Human Development Report* – the 2003 *HDR* on the MDGs which Sachs had largely authored. It otherwise does not cite any of the early work on costing, nor the *HDRs*. Equally noteworthy is the silence from the Human Development community: the 2003 *HDR* did not link the MDGs to the earlier calls of the UNDP and HDRO for such goals. The 2010 Report is a chance to rearticulate forcefully and accurately the conceptual linkages between these consequences.

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<sup>33</sup> <http://www.un.org/millenniumgoals/bkgd.shtml> accessed 20 November 2009

## IIB. Human Rights & Human Development

“Human rights are the rights possessed by all persons, by virtue of their common humanity, to live a life of freedom and dignity. They give all people moral claims on the behaviour of individuals and on the design of social arrangements—and are universal, inalienable and indivisible.”<sup>34</sup>

Human rights and human development have much in common.<sup>35</sup> Both hold that people should not be treated as a means to an end, but should be treated as ends. Also, they are both focused on the advancement of human freedoms, as these familiar quotations from the founding documents of international human rights show.

*...recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of the freedom, justice, and peace in the world...*<sup>36</sup>

*All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.*<sup>37</sup>

The 2000 *Human Development Report* had, on the inside of the front cover the following description of the similarities and distinct histories of human rights and human development:

Human rights and human development share a common vision and a common purpose—to secure, for every human being, freedom, well-being and dignity. Divided by the cold war, the rights agenda and the development agenda followed parallel tracks. Now converging, their distinct strategies and traditions can bring new strength to the struggle for human freedom. *Human Development Report 2000* ... shows how human rights bring principles of accountability and social justice to the process of human development.<sup>38</sup>

Human rights pre-dated human development, and have been taken up by and influenced a great many disciplines and institutions. However it could be argued that human rights were in part developed to address the legal community – and secondarily political and activist communities - and the practices by which legal disputes were settled was shifted from positive law to include moral claims. Normative claims, even fundamental ones, were given legal status. Human rights law works to align claims with duties to protect people’s lives, hence once again could be seen as shifting the focal space – in this case from precedent to human freedoms.<sup>39</sup>

This is indeed the view taken by the 2000 *Human Development Report*, which argues:

Until the last decade human development and human rights followed parallel paths in both concept and action—the one largely dominated by economists, social scientists and policy-makers, the other by political activists, lawyers and philosophers. They promoted divergent

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<sup>34</sup> 2000 HDR p 16

<sup>35</sup> (J. Drèze, 2004, 2006; Jean Drèze & Sen, 2002; Nussbaum, 2003; A. Sen, 2004, 2005; A. K. Sen, 1984; ul Haq, 1995; UNDP, 2000; Vizard, 2006).

(Nussbaum, 2003; A. Sen, 2004, 2005; A. K. Sen, 1984; ul Haq, 1995; UNDP, 2000; Vizard, 2006)

*International human rights instruments are available on <http://www.un.org/rights/index.html>*

<sup>36</sup> Preamble, Universal Declaration of Human Rights cited in HDR 2000

<sup>37</sup> Article 1, Universal Declaration of Human Rights

<sup>38</sup> HDR 2000, inside of front cover

<sup>39</sup> For other works that discuss the relationship between human rights and human development please see (Anand & Sen, 2000; Fukuda-Parr, 2008; Osmani, 2005; A. Sen, 2005; A. K. Sen, 2004; ul Haq, 1995; Vizard, 2006)

strategies of analysis and action—economic and social progress on the one hand, political pressure, legal reform and ethical questioning on the other. But today, as the two converge in both concept and action, the divide between the human development agenda and the human rights agenda is narrowing. There is growing political support for each of them—and there are new opportunities for partnerships and alliances. (p 2). 222

The Universal Declaration of Human Rights adopted in 1948 sets out the universal and inalienable freedoms to which all people are equally entitled. These include the human rights to food, health, housing, an adequate standard of living, education, protection of the family, democracy, participation, the rule of law, and protection against enslavement, torture, cruel or inhuman or degrading treatment or punishment. Clearly the human freedoms these rights aim to protect overlap with the dimensions of human development enumerated earlier. Even if certain dimensions have been more or less emphasized in practice, conceptually human rights do include economic, social and cultural rights, and human development does include civil and political liberties. However whereas human rights specify a set of rights, human development is more flexible and context specific, with no fixed and forever set of inalienable and indivisible capabilities.

Perhaps the key contribution of human rights is to specify responsibilities and to structure the core responsibilities and accountabilities of certain ‘duty-bearers’, particularly the state. The language of responsibility and obligation is present, but nascent, in human development – for example the 1990 *HDR* referred to how people used their expanded freedoms. Human rights draws out responsibilities of institutions and persons explicitly. Indeed human rights can identify not only ‘perfect’ legally binding obligations, but also imperfect obligations, in which people are bound by some underspecified moral obligation to do what they can to help. Thus human rights emerged in the realm of public international law, and sought to bind states. States were asked to ratify the treaties and thus voluntarily accede to binding obligations. As the era in which human rights were advanced as colored by the Cold War, in practice, Western countries and more wealthy countries tended to emphasize the political and civil human rights, and Soviet bloc countries as well as poorer countries tended to emphasise the economic, social and cultural rights.

Human rights also complement human development by providing an ‘absolute’ safeguard, which prohibits certain actions from proceeding which would directly violate the human rights of some groups – even if their overall impact on human development could be positive. This can be tremendously powerful, for example when the negative impacts would affect only a small minority community. They also are politically appealing, and although agency is not explicitly a part of the human rights concept, in fact many activist groups have arisen in order to protect and advance human rights.<sup>40</sup>

Human rights also support agency in a different way from human development, because citizens and people are engaged to defend human rights. The very language and thought process of human rights can be empowering. It can give people a way to voice their grievances and seek justice, to challenge and reverse abuses of power. Also, a discourse of human rights appeals to people as agents. As the 2000 *HDR* put it, the rights approach “directs attention to the need for information and political voice for all people as a development issue—and to civil and political rights as integral parts of the development process.”

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<sup>40</sup> (Fukuda-Parr, 2008)

Human development complements and adds to human rights in several ways also. First, if at times human rights are seen as focused mainly on governments, human development reinforces the idea that *all* people and institutions are agents who have the possibility and responsibility to support human rights and human development. Indeed the very implementation of human rights requires activism and political engagement and social movements – and these are explicitly a part of the human development approach.

Second, while some human rights are to be progressively realized, the options by which decisions of how to implement this progressive realization require analysis and trade-offs. Human rights are argued to be *indivisible*, in that some cannot be selected and others ignored. Yet in realizing human rights progressively, it is necessary to understand their interconnections. The empirical analysis that is naturally undertaken by human development analysts can help to specify the most effective sequence of policies, the causal connections between different human rights, and the instrumental value that one capability has in advancing other capabilities.

Third, human development calls for the ongoing discussion of the priorities and goals of development in a contextual, dynamic way that draws on the values and value judgments of groups. The original list of human rights was fixed in 1948 by a particular group of people and leaders, and subsequent treaties have involved a small group of leaders. It can be important in local contexts to critically discuss how precisely to specify the human rights and

## **IIC. Human Security & Human Development**

The idea of human security directly parallels human development.<sup>41</sup> For human security, a key reference audience are the military although it also includes those working in humanitarian emergencies, conflict and post-conflict zones. Since Westfalia, the dominant paradigm for this audience has framed security in terms of the protection of a nation's territorial boundaries from violent assault. The unit of analysis was the physical territory of the country and the focal variable was territorial aggression.

The human security paradigm shifts the *unit of analysis* from the territory to the human beings who dwell within them. It then shifts the *focal variable* from one single threat – that of territorial aggression – to the multiple threats that could undermine people's security, dignity and livelihood – their vital core. Like human development, human security must be specified prior to implementation. Yet also like human development, simply the shift of unit of analysis and focal space alone has cross-cutting implications for security policies to advance human security.

Like human development, human security scrutinises the interconnections between dimensions of human security; it recognises that the core aspects of human development are of intrinsic value. It also locates the focal space in which to evaluate human security in the capabilities or freedoms that people enjoy.

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<sup>41</sup> This is clearly indicated in a box authored by Amartya Sen within the 2003 document *Human Security Now* p x. For additional references please see (Alkire, 2003, 2007; Commission on Human Security, 2003; Gasper, 2005; Haq, 1995; Kaldor, 2007; King & Murray, 2001-02; MacFarlane & Khong, 2007; Tajbakhsh & Chenoy, 2007; ul Haq, 1995)



Human security is best seen not as a ‘competitor’ to human development, but rather as a subcategory of human development, which has several distinctive qualities:

1. Whereas human development focuses on the protection and expansion of capabilities, human security has a more limited focus. It focuses on creating a minimum set of capabilities and of protecting these vital capabilities from critical pervasive threats.
2. Whereas human development does not specify one ‘fixed’ list of capabilities but allows the priorities to be specified in different contexts by democratic processes. In contrast, human security does focus – it focuses on a minimum set of capabilities that pertain to the ‘vital core’ of persons. Thus while human security does pertain to rich and poor nations and persons, it restricts attention only to certain core aspects of life.
3. Human security explicitly includes attention to violence, and often studies how poverty causes violence and how violence contributes to poverty. Human security writings often explore also the trade-offs for example between investments in military capabilities and investments in people’s survival, livelihood and dignity.
4. Human development has stressed the intrinsic aspect of capabilities and also investigated their instrumental value in advancing economic growth and in advancing other dimensions of human development. Human security likewise stresses the intrinsic importance of its core capabilities, however it brings an explicit analysis of the instrumental value of these for political and military security.
5. Both human security and human development emphasise both the need to involve and empower people as agents, and also the need to clarify the role and obligations of other institutions in protecting (for human security) or protecting and advancing (for human development) core capabilities.
6. Human development can be applied in many distinct situations; human security has been developed particularly for situations of conflict and post-conflict, in fragile states, among refugees and internally displaced persons, and in situations of long term threats of violence.
7. Human development in theory incorporates the short term and the long term issues; in practice often human development has been interpreted as focusing on long-term issues rather than short-term emergencies. Human security challenges human development to develop more adequate responses to short-term crises related to conflict or to natural disaster, to financial crises, or climatic disasters.

## **IID. Happiness & Human Development**

The recent surge of interest in happiness and subjective well-being reflects an increased desire to consider how material well-being translates into psychological experiences of fulfillment.<sup>42</sup> As the Sarkozy Report’s section on the Quality of Life makes clear, this approach shares with human development a fundamental aim to reorient economic assessments away from aggregate income and to the realities of human lives.<sup>43</sup> It therefore shares a criticism of income and resource-focused

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<sup>42</sup> For example, the OECD project on ‘Measuring the Progress of Societies’ convenes many different groups who share this common desire to reorient social and economic goals; groups participating in this project come from the happiness perspective as well as from human development, Quality of life, and wider approaches to well-being and human flourishing.

<sup>43</sup> See particularly (A. Sen, 2009) Ch 13 and Sarkozy report of Commission on the Measurement of Economic Performance and Social Progress and their working papers on <http://www.stiglitz-sen-fitoussi.fr>. See also (Alkire, 2005; Argyle & Martin, 1991; Bruni, Comim, & Pugno, 2008; Clark, 2005; Diener, 2000; Diener, Lucas, Schimmack, & Helliwell, 2009; Inglehart & Welzel, 2005; Kahneman, Diener, & Schwarz, 1999; Kahneman & Krueger, 2006;

approaches, and also brings an important emphasis and expertise on the measurement of subjective experiences.

Some of the 'happiness' literature defines well-being sufficiently broadly that it is more or less synonymous with Human Development. For example, Bhutan's concept of Gross National Happiness, and its Gross National Happiness index, has nine domains: health, education, standard of living, governance, environment, community vitality, culture and spirituality, time use, and emotional well-being.<sup>44</sup> The domains and indicators used to reflect gross national happiness thus could be seen as a country-specific articulation of human development, in which the goal itself was named in a culturally appropriate manner.

However in defining happiness so broadly, Bhutan is an outlier. The huge majority of studies of happiness and 'well-being' define and measure these in far narrower terms than is widely understood, and certainly in far narrower terms than human development does. It is worth, therefore, enumerating the distinctions between this second (internally diverse) literature and the human development approach, while appreciating, as mentioned above, the fundamental similarity of motivation between both approaches, the tremendous popular interest in happiness, and the shared aim of reorienting development and economics towards human flourishing.

The happiness literature is internally diverse. In particular, there are distinct definitions of happiness, and distinct indicators. Two of the most widely used indicators are:

1. *Happiness* "Taking all things together, would you say you are: 1 Very happy; 2 Rather happy; 3 Not very happy; 4 Not at all happy
2. *Satisfaction* "Overall, how satisfied are you with your life? Are you...5 Very satisfied; 4 Satisfied; 3 Neither unsatisfied or satisfied; 2 Unsatisfied; or 1 Very unsatisfied.

On the basis of answers to this question, the happiness of populations is evaluated, primarily because cross-country data for these indicators are widely available. The 'happiness' question focuses more on the mood state, whereas the 'satisfaction' question evokes a more reflective response. In addition, two additions are often implemented and analysed. In the first, the satisfaction question is repeated, but the words 'your life' are replaced with certain domains of life such as 'your health, your security, your community'. This indicator is intended to reflect respondents' subjective evaluations of distinct domains of life. The second approach is to ask respondents to record their subjective state of happiness at distinct times of the day and night when they are engaged in different activities. Such diary of evaluated time use provides information on the flow of hedonic experiences which is arguably more accurate and precise than responses to the above survey questions. However because of the cost and complexity of this collecting these data, they are not at this time widely available from nationally representative samples in many countries.<sup>45</sup>

The many studies of happiness – its measurement, its determinants, and its role in public policy - bring to human development two tremendous resources. First, they debate and clarify how happiness and subjective well-being should be defined and measured. Capabilities concern the freedoms people have to enjoy beings and doings they value and have reason to value. Clearly being

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Kahneman, Krueger, Schkade, Schwarz, & Stone, 2004; Kenny & Kenny, 2006; Layard, 2005; McGillivray, 2007; Ng, 2003; Offer, 1996; Qizilbash, 2006; Samman, 2007; Van Praag & Ferrer-i-Carbonell, 2004; Veenhoven, 1994)

<sup>44</sup> See [www.grossnationalhappiness.com](http://www.grossnationalhappiness.com) and Alkire, Santos and Ura (OPHI Research in Progress)

<sup>45</sup> (Kahneman & Krueger, 2006)

happy is a state that most people value and have reason to value, and as such it is a functioning, a specific and intrinsically valuable dimension of human development. Hence the current development of improved measures of happiness, and exploration of their cross-cultural validity, are providing critical inputs into this underemphasized aspect of human development. This will also strengthen the applicability of human development to 'rich' countries where subjective questions are arguably less influenced by adaptive preferences and more influenceable by public policy. The happiness literature also is beginning to explore empirical interconnections and indeed causal linkages between subjective states and more familiar dimensions of human development such as health and employment. Careful studies of the 'instrumental' power of different freedoms in advancing other capabilities – such as the instrumental value of female education in controlling family size<sup>46</sup> – has always been a core part of human development. Thus the literatures on the causes and correlates of happiness is of direct interest.

However there are a number of problems with having as the sole objective the achievement of happiness and subjective well-being.

The first distinction – and one which is often overlooked – is that the happiness literature does not emphasise people's agency or give equivalent attention to democratic processes. Rather, the happiness literature seems to adopt a more social engineering approach, which shifts the power and the emphasis away from democratic practice and debate as a venue in which to identify core priorities, and away from people and communities as agents of development. In the happiness approach, people are viewed as experts of their own well-being, and their response to questionnaires regarding their subjective state is treated as authoritative. However ordinary people are not engaged as agents in deciding how to trade off subjective well-being with other dimensions of life. Furthermore, the expansion of happiness is treated as a 'scientific' project, with psychologists telling us what actually makes us happy, and recommending changes that would make us happier (such as employment, or marriage/partnership, or being educated in ways that root self-esteem in absolute achievements not relative states<sup>47</sup>).

A second, is that happiness is given either absolute priority, or at least a prominent position among social goals. Yet this might have troubling policy implications. For example, given that further income, above a certain level, does not make people happy, and given also that many of the causes of happiness appear to be internal, it is likely that in any given country a tremendously poor and deprived homeless person had achieved a very high level of equanimity and happiness, and that a rich banker who had recently lost his job and reputation because of a badly judged action but remained a multi-millionaire was utterly miserable. Public policy might expand national happiness by investing less in the happy homeless person, and transferring public resources to counseling and life coaching for the distressed millionaire.

A third problem is that even if happiness were to correlate with high achievements in other domains in all countries, a unidimensional measure might still not be as useful for policy purposes as using data on multiple dimensions.

A fourth question, which is an empirical question to a large extent, is the extent to which public policy can efficiently produce happiness. In 'Elements of a Theory of Human Rights', Sen suggests

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<sup>46</sup> (Jean Drèze & Murthi, 2001)

<sup>47</sup> (Layard, 2005)

that capabilities that are given central priority as human rights which impose obligations on others should respect two criteria. First, they should be widely recognized as being of special importance. And second, they should be socially influenceable – that is, effectively and directly influenced by public policies. Sen gives the example of serenity which might clearly be widely recognized as having a special importance, but which seems to be obtained through personal journeys rather than efficiently produced by public policies. Can happiness be influenced by public policy as directly as famine, infectious disease, or a need for primary education?

Finally, a further challenge in using cross-sectional happiness data to guide policy, particularly in developing countries, is that subjective data may reflect a person's actual subjective state, and they may also reflect, to some extent, the respondent's culture, aspirations, personality, or mood at the moment of the survey (which may change depending on the order of questions). A particularly difficult issue for the use of subjective data among poor and uneducated groups is the issue of 'adaptive preferences'. For example, consider the question of how satisfied people are with their health status. Data on self-reported health are often used in the absence of objective data on health status; they are very quick hence inexpensive to gather, and in some contexts seem to reflect objective health status. However in developing countries, poorer groups may have lower expectations for health, and their comparison groups may be other poor persons, hence their self-reported health may be higher than their health status would be when judged objectively, or would be if the same respondents had access to other information. Sen gives the example of how women in the Indian state of Bihar have higher self-reported health than women in Kerala, yet the morbidity and mortality data show that women in Bihar have much lower health achievements than those in Kerala. If the subjective data are used to guide policy, this would suggest that public resources should be transferred away from Bihar to Kerala, and this seems deeply problematic.

Clearly happiness and human development have much in common. Both consider the unit of analysis to be the person, and both focus on creating an economy to serve the flourishing of human beings. It seems that the happiness literature resonates with a popular demand and motivates popular engagement, particularly in developed countries. Further it brings expertise on the measurement and empirical analysis of the interconnection between subjective states and other dimensions of human development. It can be seen as enriching human development in vital ways. Human development provides a core framework for development, which complements a focus on happiness alone, by articulating a role for people as agents, and arguing that human flourishing is comprised of multiple dimensions, each of which have intrinsic importance.

## ***Conclusion***

This paper has tried to articulate in a preliminary way a rich yet succinct concept of human development, and to clarify its conceptual relation to the MDGs, Human Rights, Human Security, and Happiness. It is meant to provide the basis for discussion and improvement by readers, and we would invite your criticisms, comments, additions, corrections, and reactions.

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## ***Postscript: A brief conceptual history of poverty at the World Bank until 2000: from absence to presence to multidimensionality***<sup>48</sup>

Sabina Alkire

The World Bank is not monolithic; it is an internally complex organizations, whose staff and projects reflect a multitude of experiences, disciplinary expertise, and opinions. Any attempt to streamline such diversity into a neat conceptual evolution of an idea such as poverty is bound to be both contested and radically incomplete to the point of occasional inaccuracy. However this Postscript does attempt to trace exactly that: the conceptual evolution of poverty within the World Bank's work from 1946-2000. It does so drawing on documentary sources, which were supplemented by staff interviews, using mainly documents that were officially promulgated from the 'anchor' rather than from country offices.

The World Bank was first opened as the International Bank for Reconstruction and Development (IBRD) in 1946, and its task was to provide lending and loan guarantees for projects which aided reconstruction in post-war Europe, immediately, and development, continuously. As the purposes of the *Articles of Agreement* of the World Bank reveal, the early grounds of loan allocation were nearly all economic. On December 13, 1946, Bank president Eugene Meyer produced these practical criteria for evaluating loan applications:

Are funds available from private sources on reasonable terms? What is the effect of the loan on the country's economy and how sound is the investment? What are the prospects that the borrower will be able to meet the obligations incurred? If the loan is to be granted, what would be a reasonable rate of interest and what other charges should be made? Is the schedule of repayments appropriate to the loan? What methods of supervision can be undertaken to see that the credit is properly used and repaid?<sup>49</sup>

These considerations suggest that the Bank's predominant concern in 1946 was its own survival and reputation to investors. Only one consideration -- that which looked beyond financial mechanics to ask what was the "effect of the loan on the country's economy" -- prefigured all more idealistic and articulate Bank objectives.

Throughout the fifties and sixties, the Bank's objective was to increase the GNP of recipient countries.<sup>50</sup> The evolution which occurred in this period was the broadening of the scope of projects considered productive of growth. Hence whereas at first loans were given for capital infrastructure in transport, power, and communications, subsequently education, health, and agriculture also became seen as legitimate projects for Bank loans.

The transformation of lending assistance occurred in the 1970s. In his historic Nairobi Speech of 1973, McNamara described the conditions of hundreds of millions of citizens who live in absolute poverty: "This is absolute poverty: a condition of life so limited as to prevent realization of the potential of the genes with which one is born; a condition of life so degrading as to insult human dignity -- and yet a condition of life so common as to be the lot of some 40% of the peoples of the

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<sup>48</sup> This section draws extensively, and often verbatim, on Alkire 1994, *The Concept of Poverty Alleviation in the World Bank* (MPhil thesis, University of Oxford).

<sup>49</sup> Eugene Meyer, *Address before the Annual Meeting of the Life Insurance Association of America, New York, December 13, 1946*, published by IBRD. p 4.

<sup>50</sup> WDR78 "Conclusion on its Development Experience 1950-1975" (by definition, an increase in GNP is identical with "economic growth").

developing countries. And are not we who tolerate such poverty, when it is within our power to reduce the number afflicted by it, failing to fulfill the fundamental obligations accepted by civilized men since the beginning of time?”<sup>51</sup> It is well-documented that under McNamara, the Bank undertook vigorous confrontation of poverty by re-orientating lending to those sectors (such as rural development and health) which were understood to be most influential on the poor.

This imprint of the poverty priority is evident in the first two *World Development Reports*, published in 1978 and 1979, which reported on the “twin objectives of economic growth and poverty alleviation.” Of course the Bank had always supported ‘the poor’ to some extent - as was evident in the impetus to establish the IDA in 1960, and when the income criterion came into effect (1967), yet it had never before held this objective alongside economic growth.

McNamara’s mandate to relieve absolute poverty coincided with a dramatic increase of the Bank’s financial resources and Bank personnel. Simultaneously, the Bank’s objective became something broader than economic growth. In the 1970s, an awareness of the interdependence of different disciplines (economics, social policy, political processes, technological progress) emerged: “The economic growth of nations has been associated with far-reaching changes in their social and political structures.”<sup>52</sup> GNP growth alone then became an unsatisfactory measure of development. The discussion of what development really is, and what indicators best represent it, began in earnest. The *World Development Reports* of the late seventies affirm that aspects of welfare such as health care, nutrition, literacy, family planning, employment, and urban planning are important in their own right, as well as in order to promote economic growth. Furthermore the 1978 *World Development Report* stated that growth, modernization, and an increase in living standard (note already the broadening of goals beyond growth alone) “have been neither sufficiently fast nor sufficiently broad-based to reduce the numbers in absolute poverty.”<sup>53</sup> The key insight is that the Bank now judged economic achievements to be insufficient if they did not *lead to* a decrease in poverty. This marks the conceptual shift which did not occur in the first two decades of Bank history, but arguably emerged in the third: a Bank objective defined in terms of impact on the poor.

The Bank objective championed in the eighties, in retrospect, was in conceptual terms a poor substitute for its predecessor. In common with the major international actors during the eighties, the Bank selected as its objective a neoclassical system of deregulated prices and markets. The ‘new goals’ were: 1. improving the system of prices and incentives and market performance, 2. programming public investment 3. disciplining government attention to the most important issues and investments, 4. facilitating coordination and consultation internally and with the private sector, and 5. enabling swift responses to external changes.<sup>54</sup>

The rationale for this near-worldwide retraction is obvious: impatience at the recurrent failure of comprehensive planning to achieve growth (and its unfortunate success in creating price distortions), a desire for efficiency, and at least a rudimentary faith in the market.<sup>55</sup> Unfortunately, the results

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<sup>51</sup>pp 6-7. *Address to the Board of Governors* by Robert S. McNamara, President, World Bank Group, Nairobi, Kenya, September 24, 1973 (IBRD).

<sup>52</sup>p 44 *WDR79*.

<sup>53</sup>p 11 *WDR78*.

<sup>54</sup>Baum, p 27.

<sup>55</sup>The rationale was also flawed: the perceived failure of structuralist means to achieve the broad bright goals of the seventies should not have led to disillusionment with the goals themselves, but rather to re-evaluation of how they might best be achieved.

were disappointing. “For the poor [in many developing countries]” wrote president Barber Conable in 1990, “the 1980s was a lost decade.”<sup>56</sup>

Yet it would be simplistic to say that the general eighties’ turn towards ‘narrow goods’ pervaded the whole of Bank activities. The 1980s also produced the first comprehensive poverty report, “Focus on Poverty: A Review of Bank Operations in FY84” which was reissued in 1985 and 1986. The report recommended that the consequences for the poor of all Bank projects -- not just poverty projects -- be appraised. A Task Force was established in 1988 to study poverty reduction, and it created the Core Poverty Program (CPP) and devised more qualitative forms of poverty assessment.<sup>57</sup> The late eighties also gave increased attention to the social costs of adjustment, and to the requirements of data collection. Thus the experiences of the eighties, both positive and negative, paved the way for a focus on multidimensional poverty.

The poverty focus of 1990 was a necessary prerequisite for a move to a multidimensional focus. In 1990, Bank President Barber B. Conable called the eradication of poverty the “integrating theme for the many facets of the Bank’s work, and ... the raison d’être for our operational emphases.”<sup>58</sup> The 1990 *World Development Report* went so far as to be moralistic about this concern: “No task should command a higher priority for the world’s policy makers than that of reducing global poverty.”<sup>59</sup> A later statement portrayed all Bank development efforts as deriving from its concern for the poor: “The basic mission of the World Bank and the core of its assistance program is the reduction of poverty. The Bank’s overall mandate to promote development arises from this fundamental imperative.”<sup>60</sup>

The 1990 *World Development Report* was given to the topic “Poverty” and represented the foundational document of this objective, one which argued that the problem of poverty could be addressed professionally and technically, and laid out the Bank’s strategy for so doing. The two-fold strategy for poverty reduction which was outlined in the 1990 *WDR* was operationalized for policy makers in *Assistance Strategies to Reduce Poverty* 1991, for the entire staff in *Operational Directive 4.15*, 1991, and for operational task managers in the *Poverty Reduction Handbook* 1992. A preliminary review of World Bank poverty programs, and a summary of trends, was published as *Implementing the World Bank’s Strategy to Reduce Poverty: Progress and Challenges*, April 1993.

But how did the Bank define Poverty Alleviation? This is no easy question, for although stated objective was single (poverty reduction) there seemed to be many dimensions which were argued to contribute to it. In the mid 1990s, I examined internal bank documents, and determined that “The Bank seems to pursue the following items, and only the following items as “ends:” Education, Health, Nutrition, Consumption, and the Environment”. However this definition was gathered only by a documentary review and staff interviews; it was not explicitly articulated as policy.

Yet by 1997, the Bank had, according to its own documentation in the year 2001, moved to a multidimensional definition of poverty. The definitive public statement of this move was the 2000 *World Development Report* on poverty led by Ravi Kanbur. This report articulated three complementary

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<sup>56</sup>Foreword to *WDR90* p iii.

<sup>57</sup>The qualitative assessments were to be “based on the *purpose* of the particular project/study” *Poverty Reduction Handbook* 9.3.

<sup>58</sup>*Address to the Board of Governors of the World Bank Group*, Sept 25, 1990.

<sup>59</sup>p 5.

<sup>60</sup>p 5. Opening statement of the “Foreword” to *Assistance Strategies to Reduce Poverty*. (Hereafter *Assistance Strategies*.)

pillars of poverty reduction: opportunities, security, and empowerment. It was in preparation for this WDR that the Bank financed the *Voices of the Poor* study, which articulated the multidimensionality of ill-being drawing on a re-analysis of 40 participatory studies and new participatory studies in 20 countries.

The overview of the 2000-1 *WDR* opens with these words, which state clearly the move to a multidimensional approach:

Poor people live without fundamental freedoms of action and choice that the better-off take for granted. They often lack adequate food and shelter, education and health, deprivations that keep them from leading the kind of life that everyone values. They also face extreme vulnerability to ill health, economic dislocation, and natural disasters. And they are often exposed to ill treatment by institutions of the state and society and are powerless to influence key decisions affecting their lives. These are all dimensions of poverty.

The WDR used the *Voices of the poor* material to articulate these dimensions poignantly, drawing on the experiences and words of poor people: “The experience of multiple deprivations is intense and painful. Poor people’s description of what living in poverty means bears eloquent testimony to their pain...” (overview, continued from above). In sum, the WDR 2000/1 called “for a broader, more comprehensive strategy to fight poverty.” (overview)

Thus evidently from 1946 to 2000, the concept of poverty within the World Bank – at least as it was expressed in certain centrally promulgated documents – evolved from a unidimensional to a multidimensional concept of poverty. How central the poverty reduction objective has remained since 2000, and the extent to which the verbal emphasis on multiple dimensions has been translated into projects and assessments, is an open question.



Excerpt from the 1990 Report, pages 10-11, section on *Defining Human Development*

*Human development is the process of enlarging people's choices*

- Many fast-growing developing countries are discovering that their high GNP growth rates have failed to reduce the socioeconomic deprivation of substantial sections of their population.
- Even industrial nations are realizing that high income is no protection against the rapid spread of such problems as drugs, alcoholism, AIDS, homelessness, violence and the breakdown of family relations.
- At the same time, some low-income countries have demonstrated that it is possible to achieve high levels of human development if they skilfully use the available means to expand basic human capabilities.
- Human development efforts in many developing countries have been severely squeezed by the economic crisis of the 1980s and the ensuing adjustment programmes.

Recent development experience is thus a powerful reminder that the expansion of output and wealth is only a means. The end of development must be human well-being. How to relate the means to the ultimate end should once again become the central focus of development analysis and planning.

How can economic growth be managed in the interest of the people? What alternative policies and strategies need to be pur-

### Defining human development

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

It is sometimes suggested that income is a good proxy for all other human choices since access to income permits exercise of every other option. This is only partly true for a variety of reasons:

- Income is a means, not an end. It may be used for essential medicines or narcotic drugs. Well-being of a society depends on the uses to which income is put, not on the level of income itself.
- Country experience demonstrates several cases of high levels of human development at modest income levels and poor levels of human development at fairly high income levels.
- Present income of a country may offer little guidance to its future growth prospects. If it has already invested in its people, its potential income may be much higher than what its current income level shows, and vice versa.
- Multiplying human problems in many industrial, rich nations show that high income levels, by themselves, are no guarantee for human progress.

The simple truth is that there is no automatic link between income growth and human progress. The main preoccupation of development analysis should be how such a link can be created and reinforced.

The term *human development* here denotes both the *process* of widening people's choices and the *level* of their achieved well-being. It also helps to distinguish clearly between two sides of human development. One is the formation of human capabilities, such as improved health or knowledge. The other is the use that people make of their

BOX 1.1

#### Human development defined

Human development is a process of enlarging people's choices. In principle, these choices can be infinite and change over time. But at all levels of development, the three essential ones are for people to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living. If these essential choices are not available, many other opportunities remain inaccessible.

But human development does not end there. Additional choices, highly valued by many people, range from political, economic and social freedom to opportunities for being creative and productive, and enjoying personal self-respect and guaranteed human rights.

Human development has two sides: the formation of human capabilities — such as improved health, knowledge and skills — and the use people make of their acquired capabilities — for leisure, productive purposes or being active in cultural, social and political affairs. If the scales of human development do not finely balance the two sides, considerable human frustration may result.

According to this concept of human development, income is clearly only one option that people would like to have, albeit an important one. But it is not the sum total of their lives. Development must, therefore, be more than just the expansion of income and wealth. Its focus must be people.

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