

## **A 20<sup>th</sup> Anniversary Human Development Discussion with Amartya Sen**

Amartya Sen, the Nobel laureate in economics, and a seminal contributor to the first Human Development Reports and the Human Development Index, spoke with UNDP about the origins of the HDI and his collaboration with the Report's founder, Mahbub ul Haq, on the occasion of the Report's 20<sup>th</sup> anniversary. Following are edited excerpts from that conversation:

**Interviewer:** Your involvement with the first Human Development Report and the Human Development Index were an outgrowth of your close personal friendship and professional collaboration with Mahbub ul Haq. Looking back now, how do you see that relationship, and Mahbub ul Haq's intellectual legacy?

**Professor Sen:** The Human Development initiative is really an intellectual product of Mahbub ul Haq's thinking over decades. And I was very fortunate to be a close friend of his; I had known him from our undergraduate days together. We first met on the very first day of class. We were walking to class and I saw this guy and we started chatting and we found we had many things in common. Throughout our undergraduate days, we saw each other and chatted with each other regularly, argued and agreed and disagreed and so on. So I knew already that Mahbub and I agreed that something was going wrong in the field of economics. It couldn't be all about economic growth; it had to be something about human lives. He was very aware of that. His first book, in 1962, was about Pakistan, but it discussed in some detail why this was not the right way of thinking. If I remember right, he mentioned that if Pakistan grew for forty years at a very high rate, it would reach the income level of Egypt. Now, he didn't want to be dismissive of Egypt, but he didn't think that was what we were trying to achieve. He wanted to see human development not constrained by poverty, with human life immediately improved, rather than waiting for the millennium. That was the vision that he had.

In 1989 he was working in New York, and he called me, saying he wanted to "bring to fruition things that you and I have been talking about for a long time." I of course was thrilled - though I knew that he was a very hard taskmaster. He was very keen that I drop everything, which I didn't. But I dropped almost anything I could drop to come and work with him.

There was some talk then that maybe we could get by with only one indicator - only life expectancy, which is a not a bad indicator, and does quite a lot of work, compared with the GDP per capita. But clearly it was not going to represent the educational aspects of human development. There are a lot of capabilities of human beings - freedoms -, which are not well represented by life expectancy alone. So we talked, and I still remember having really a rather great time. He had this favorite Chinese restaurant, and we would go there and spend hours chatting away. And something emerged from this.

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I thought that the first Human Development Report was a success, and had been possible, only because of the intellectual leadership of Mahbub.

**Interviewer:** This was a direct, conscious challenge to the prevailing development orthodoxy of the era, and the United Nations Development Programme promised Mahbub ul Haq the intellectual freedom to promote this alternative vision. Did that surprise you?

**Professor Sen:** Yes, it did surprise me, and to be honest I didn't initially believe it. I kept on telling Mahbub that there is only so much freedom you could have. But I was mistaken. The Administrator of UNDP was willing to give Mahbub a huge amount of freedom to do things, because Mahbub was very skilled at generating confidence that he was not going to bring the UN shame. And it became increasingly clear that there was a huge amount of interest everywhere. My friends and other economists were all watching what Mahbub was doing.

The first real debate we had was about the Human Development Index, which I ultimately helped him devise. I was very opposed to it originally. I didn't really want it. I didn't want one number, because one number would have the feature of simplifying everything so much.

**Interviewer:** But that was his strategy, wasn't it?

**Professor Sen:** That was the strategy. I told Mahbub, look; you are a sophisticated enough guy to know that to capture complex reality in one number is just vulgar, like GDP. And he called me back later and said, "Amartya, you're quite right. The Human Development Index will be vulgar. I want you to help me to do an index which is just as vulgar as GDP, except it will stand for better things." I went to New York to see him after that, when I was working on it. The main problem in the Human Development Index that Mahbab prepared it himself so that you couldn't have weights other than one, one, one. Even though one, two, three is no more arbitrary than one, one, one, that's not the way it comes across to the public. So we tried out different weighting systems. We would also look at our understanding of the countries, since we also know one hundred other things about them, to try to see to what extent it tallied with the kind of implicit wisdom that we had. So, there was theory to empirical results, and empirical results back to theory. I really enjoyed that.

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Then when the report came out, I saw it on the front page of so many papers, with the Human Development Index number and the ranking of countries. Mahbub was immensely pleased when the Canadian prime minister was fighting for election, and said he couldn't understand how the opposition could think about voting against the government, since Canada was at the top of the Human Development league tables. It was quite clear that he had understood something, which I had not. And maybe there was something that I could contribute on the theory side of it. But he understood that in order to communicate, you have to have the simplicity that GDP had.

Interviewer: How would you explain to a layman – not an economist - the main difference between the HDI and the GDP?

The main difference between GDP and HDI is that the GDP concentrates on external characteristics of people, namely what they own, what commodities they have and their value, while the HDI tries to concentrate on how human lives are going. People-centered is its big characteristic, and the GDP is commodity-centered. The distinction between commodities and capabilities is a very large one. The HDI is on one side, and GDP is on the other.

Interviewer: The original intent behind the HDI was also to provide an incentive for political leaders – by making them and their constituencies conscious of how their countries did in the HDI rankings - to invest in health and education over the long term, and to see that as at least as important as short-term economic growth. Do you think it's been successful in actually changing behavior, in the way that you and Mahbub ul Haq hoped that it would?

Professor Sen: I think to a good extent it has. Not as much as Mahbub might have hoped for, but it certainly changed the nature of the game. After the HDI became a success, it had to be supplemented by other numbers – it did not reflect much about gender balance, for example, so we worked on that. And differences in life expectancy are of course much greater for the poorer economies. For the richer economies, we need different kinds of indicators. When I was asked by President Sarkozy, along with Joe Stiglitz, to work on a commission to produce different sets of indicators in Europe, we were very much aware of the fact that the game is different here, because it's about OECD countries -- Europe, America, Japan -- rather than Mahbub's main interest, namely the

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poor countries, and what to do about them. But even in this Sarkozy work, we owed a lot to Mahbub. When the time came to present the report, which Joe Stieglitz chaired, I did mention that we had a real sense of gratitude to Mahbub ul Haq, because this whole area was opened up by Mahbub, and everything that's happened since then has happened because of his leadership. This is the impact of Mahbub in the human development effort: it extends far beyond the UNDP, far beyond the United Nations.

Interviewer: In your book "*Development is Freedom*" you emphasize the aspects of human development that lie outside the Human Development Index: political freedoms, people's ability to choose where and how they wish to live, transactional freedoms. There has been a continuing debate about whether it is possible to quantify those factors in any rigorous, meaningful, consistent way. What is your view? Are these inherently subjective questions?

Professor Sen: No, I think there's quite a lot of it you can capture. The work of mine, which if I may take the liberty of mentioning, that Mahbub kept quoting, was a book in 1984 called *Commodities and Capabilities*. It was kind of a formal lecture – a mathematical lecture. But Mahbub would comment on the fact that I made a big distinction between judging people and how their lives are going by looking at the commodity basket they own, as opposed to the freedoms and the capability they actually enjoyed. And Mahbub tried to tell me that this is the thing to do - and obviously you have done a few things, as he pointed out, but there are other things to do. But we also have to recognize that some things that are deeply important for us, like democracy and human rights, may be difficult to capture.

There was a time when Mahbub got very interested in getting indicators of political democracy and political freedom, and I could understand, having had the experience of Pakistan, where he was actually part of the government. He felt that there was something that he really ought to do to establish a strong case for democracy in a way that Pakistan in particular needed, and the world also did. For a couple of years I didn't work with him, because I said I was not going to get you an index of freedom, even though freedom is the most important thing I write about, because an index is not the right way of thinking about this. For a couple of years he did try, and then he called me up and he said, "Look, I agree with you, I think ultimately it did not lead to the kind of distinction that I was hoping would come out." Which

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it didn't. I think he recognized that certain things which you can easily capture in terms of human thought will not be captured in the index.

But the Human Development Report is not just the index. There's prose. There are many, many tables with all kinds of information. There are statements about how to think about this, that, and the other. And Mahbub was using all those tools. The tradition that the Human Development Report Office inherited from Mahbub - and it's very important to remember on the report's 20<sup>th</sup> anniversary - is one of open-mindedness. It's continuous engagement, continuous learning, and recognizing that some of the things that we try to measure will not be measurable in numbers. Those which are measurable easily in numbers, we should focus on those, but at the same time, rather than trying to make nonsense out of numerical indicators and trying to put something which doesn't fit there - write about it. People have read prose for generations - they have read the epics, read poetry, read novels, read essays, to learn from each other.

Interviewer:

When you look back at your original intellectual partnership and friendship with Mahbub ul Haq, do you think that the society and economies around you when you grew up made both of you think differently than would have been the case if you had been young economists from, say, Boston or London?

Professor Sen:

Well, that is difficult for me to tell actually; because I grew up the way I grew up. Some of my earliest memories are from Dhaka and Bangladesh, and I also spent three years in Burma. My father was teaching in Mandalay. When I react against military rule and want democracy to be furthered everywhere, including in Burma, I go back to what I remember of the free lifestyle of Burma of those days.

I think the Pakistani experience of Mahbub influenced him. His family was from Kashmir; he nearly died at the time of partition. The world had a reason to sigh with relief when his family didn't perish. He had gone through all those things, and he could have turned very bitter. But he didn't learn animosity, which now seems to be so characteristic of so many of these religion-based extremist movements. He grew up to transcend it. His life was in Bengal, and from what is now the Bangladesh area. His staff was full of people from India, from China, from Latin America, from Africa. He had that

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kind of world vision, and I think that that world vision was helped by his upbringing. But I think we may underestimate him if we try to link him to his past. Human beings have an ability to transcend their backgrounds. We all read world literature. We read world poetry. We are inspired by ideas of people who lived thousands of miles of away and thousands of years earlier. But they still influence us. They speak to us. I think I would like to think of Mahbub as a global intellectual, rather than as someone who being informed by his local upbringing – though that locality must have also played a part.

**Interviewer:** Is there anything in Maubub ul Haq's vision, and in your work with him, that should perhaps be better reflected in the priorities of the international development agencies, or the United Nation generally? Is there something they should be doing differently?

**Professor Sen:** I think there is something that all of us should be doing differently. There is something for all us to learn. Reasoning can always be improved, and the remedy for bad reasoning is good reasoning. We have to engage in those debates. Announcing that you could do better by following Mahbub's wisdom, or my wisdom, or somebody else's wisdom, would be quite the wrong thing to do.

Mahbub came to see me just a couple months before he died. I was at Cambridge, at Trinity College. We were sitting not very far from where we had first met in 1953. By then already it was almost half a century later, and we chatted about many things that had happened and many things that hadn't happened. He was very concerned about the danger to peace in the world. And I often think of that, since we are all very concerned about that. The face of violence and terrorism came out more sharply later, but he was already concerned about that, and he knew that it isn't going to be a forum that is going to change it, it has to be more engagement and more discussion about what is going wrong. And real debates, not what I would say are shallow phrases like the clash of civilizations, which says almost nothing. But something about why is this happening - and how can we address that - and that is what he was talking with me about. We had a very good discussion, and I didn't know of course that I wouldn't see him again.

He was always open to ideas, and I think the institutions that you are referring to should be open to ideas too, but I think that to a great extent they are. And when they close their minds, they do it for a reason. If you don't

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agree, you ought to engage them, rather than begin by saying here is why I criticize you. That's not way to do it. I think to enter into an engaging debate is the only way of making the world a better place.

Bill: Thank you very much.