

Rescue HD from the HDI!

New agenda for HD in the 21st
century

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Frequently asked questions about HD

- I agree with the ideals and values of HD.
What do I do?
- What is a strategy for HD? How do we achieve HD?
- How do HD policies differ from neoliberalism?
- How is HD different from the ‘Basic Needs’ approach?

HD: a paradigm or a destination

‘the purpose is to shift the focus of development economics from national income accounting to people centered policies’

Mahbub ul Haq

A destination?

- Expanding choices that people have to lead lives to their full potential (or enlarge capabilities and functionings of all people to do and be things that they wish to be.)
- Which choices or which capabilities and functionings? Are they universal? Can they change over time? Who decides?

A paradigm? - Key elements

- *Explicit philosophical roots*: capabilities and functionings theoretical framework explicitly argued, rooted in works of Aristotle, Kant, Marx, Smith, etc.
- *Evaluative aspect*: improving human lives, and understanding how these improvements can be made.
- *Agency aspect*: what people can do to achieve improvements in their lives through individual, social and political processes.

Make no mistake

- Human development is much more complex than the HDI.
- HDI's shortcomings:
 - an instrument for evaluative aspects of HD
 - Does not capture important capabilities, notably political freedom and participation that are essential to freedom, dignity and agency

Evaluative aspects

- Which capabilities? Which constraints?
- The HDI: knowledge, survival, decent standard of living, participation and voice
- HD approach was never intended to be imprisoned in the HDI. Important capabilities change
- Missing dimension: political freedoms.

Agency aspects

- ‘People are the real wealth of a nation.’
- Individual vs. collective agency:
- Education and health vs. social movements and political reforms.
- Human rights – intrinsic as well as instrumental value

Table 1: Comparing key features of HD approach with the Neo-liberal alternative and the Basic Needs antecedent

	Human Development	Neo-liberalism	Basic needs
<u>Philosophical reasoning for normative assumptions – explicit?</u>	Explicit	Implicit	Not specified
Well being concept:	Functionings and capabilities	Utility	Meeting basic needs

Evaluative aspect			
Leading criterion for evaluating development progress	Human capabilities; equality of outcomes, fairness and justice in institutional arrangements	Economic well being, economic growth, efficiency	Poverty reduction in terms of income, and access to basic social services
Measurement tools favoured:	Human outcomes, deprivational and distributional measures	Economic activity and condition, averages and aggregate measures	Access to material means; derivational measures

<p><u>Agency aspect:</u> People in development as ends and/or means</p>	<p>Ends and means: beneficiaries and agents</p>	<p>Means: Human Resources for economic activity</p>	<p>Ends: Beneficiaries</p>
<p>Mobilizing agency</p>	<p>Individual action and collective action</p>	<p>Individual action</p>	<p>?</p>

'Development strategy' – key operational goals	Expanding people's choices (social, economic, political)	Economic growth	Expanding basic social services
Policy concern with Distribution of benefits and costs	Emphasis on equality and human rights of all individuals	Concern with poverty	Concern with poverty
Policy concern with human rights and freedoms	Ultimate end with intrinsic value. Priority policy concern.	No explicit connection. Current search for link between political and civil freedoms and economic growth.	No explicit connection

5 point agenda for HD: a 'New York consensus'

- Priority to social development, 'meeting basic needs' of all people
- Economic growth to generate resources for human development
- Political and social reforms for democratic governance that secures human rights and dignity, expand freedoms and collective agency
- Equity in the above
- Global policies, institutions and public goods favourable to poor countries

Policy priorities depend on time and place: from the age of planning to the age of globalisation

- From public investments to democratic politics
- From 'investing in people' to political empowerment
- From individual to collective agency
- From expenditures reform to reform of political institutions
- From education and health to civil and political freedoms

Critical issues for a new policy agenda

- Evaluative aspects – poor growth performance - research *pro poor* growth and macroeconomic policies
- Evaluative aspect – address gaps in HDI (political freedom)
- Agency – *pro-poor* democracy - reforms of political institutions and processes
- Agency – social institutions and norms and HD