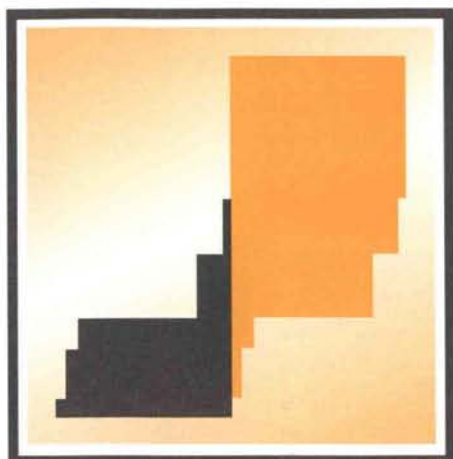


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Foreword

Human advance is conditioned by our conception of progress. The *Human Development Report* series has been dedicated, since its inception in 1990, to ending the mismeasure of human progress by economic growth alone. The paradigm shift in favour of sustainable human development is still in the making. But more and more policy-makers in many countries are reaching the unavoidable conclusion that, to be valuable and legitimate, development progress—both nationally and internationally—must be people-centred, equitably distributed and environmentally and socially sustainable.

This year's *Human Development Report* explores in detail the complex relationship between economic growth and human development. It provides both a mirror, reflecting present patterns of global imbalance, and a telescope, showing the more positive futures possible. In the past 15 years the world has become more economically polarized—both between countries and within countries. If present trends continue, economic disparities between the industrial and developing nations will move from inequitable to inhuman.

Although in pure economic terms the 1980s were a “lost decade” for nearly 70 countries, remarkably, almost all these countries managed to maintain, and some to improve, their growth in levels of human development. This is good news because it shows that deliberate, well-targeted policies can make a critical difference when implemented with dedication, even in the most difficult circumstances. But there can be little doubt that these improvements will not hold unless soon reinforced by restored economic growth.

Economic growth and human development thus exhibit a degree of indepen-

dence, especially in the short term. But there are longer-term links—human development helping economic growth, and economic growth helping human development. Contrary to earlier theories, new theory and evidence suggest that growth and equity need not be contradictory goals. Nor do growth and participation. And there is strong historical evidence from East Asia that heavy national investment in human development—spreading skills and meeting basic social needs—has been a springboard for sustained economic growth over decades.

The central message of *Human Development Report 1996* is clear: there is no automatic link between economic growth and human development, but when these links are forged with policy and determination, they can be mutually reinforcing and economic growth will effectively and rapidly improve human development. Government policies are vitally important. We now know, for example, the limits of trickle-down economics.

What must now be done? The script for human development in the 21st century is still unwritten. It will begin to be written by the policy choices we make even as this century closes. Ideally, these choices will accept the premise that economies exist for people—not people for economies.

Human Development Report 1996 is principally addressed to what countries can do for themselves. It makes important recommendations. All countries must strive to improve the nature and quality of their economic growth. In many countries the immediate needs also include increase in economic growth. Of course, policies must be tailored to national circumstances. The global community can, and must, also help

countries effect their own strategies of sustainable human development.

This is the International Year of Poverty Eradication, heightening the moral commitment that we at UNDP and the other international development agencies give to helping the poorest of the world's poor. Eliminating poverty requires a holistic approach to human development. Not hand-outs, but empowerment. Not Band-Aids, but the preconditions for self-help.

UNDP remains firmly committed to using its unique worldwide network of resources and country offices to support countries in their efforts to achieve sustainable human development. The goals and commitments of the recent series of global summits—from Rio and Cairo to Copenhagen and Beijing—provide a powerful new framework and many concrete specifics for concerted action. We have both an opportunity and a moral imperative to reverse the negative trends of recent times and to reinforce the positive patterns of sustainable human development. This should be the vision guiding us into the next century.

As with earlier *Human Development Reports*, the views expressed in this year's Report have emerged from the professional analysis of an independent team of eminent consultants working under the guidance of my two Special Advisers and the chief architects of the Report, Mahbub ul Haq and Richard Jolly. Dr. Haq was in charge of the process until the end of 1995, when Dr. Jolly took over. Sakiko Fukuda-Parr, Director of the Human Development Report Office, ensured continuity through the change-over.

The views in this Report do not necessarily reflect the views of UNDP, its Executive Board or member governments of UNDP. The real contribution of the series of *Human Development Reports* lies in their intellectual independence and professional integrity. I am confident that the analysis in this Report will enrich the global dialogue on the issues of human development and economic growth. Certainly this is our intention and wish.

New York
March 1996



James Gustave Speth

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*Human Development Report 1996***

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ABBREVIATIONS

CIS	Commonwealth of Independent States
DAC	Development Assistance Committee
FAO	Food and Agriculture Organization
GDI	Gender-related development index
GEM	Gender empowerment measure
HDI	Human development index
ILO	International Labour Organisation
IMF	International Monetary Fund
LDCs	Least developed countries
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PPP	Purchasing power parity
SNA	System of National Accounts
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
WHO	World Health Organization

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