United Nations Development Programme
Human Development Report Office
Occasional Paper Series

ISSUES FOR A GLOBAL HUMAN DEVELOPMENT AGENDA
This paper has been written by a team comprising Jon Hall and Christina Hackmann (Human Development Report Office or HDRO, UNDP) alongside Rolph van der Hoeven (Erasmus University, Rotterdam) and James Heintz (University of Massachusetts, Amherst), under the guidance of Eva Jespersen (HDRO, UNDP). We are grateful to many people who contributed comments to the paper at various stages, including: Jose Dallo (UNDP); Gabriele Koehler (Institute for Development Studies); Paul Ladd (UNDP), Claire Melamed (Overseas Development Institute); Deepak Nayyar (Jawaharlal Nehru University), Alfredo Gonzalez Reyes (UNDP), Ben Slay (UNDP) and Frances Stewart (Oxford University). Colleagues from HDRO also provided many useful comments. Of course any mistakes that remain are the authors’ responsibility.

TABLE OF CONTENTS

I
Introduction p. 1

II
Changes and Challenges p. 4
The World in 2015 Is Different p.4
Some Major Changes since 2000 p. 4
Demographic Shifts p. 6
Economic Volatility and Macroeconomic Management p. 6
Human Development Challenges p. 7
Planetary Boundaries, Thresholds and Tipping Points p. 7
Fighting Poverty in Richer Countries p. 8
Employment and Employment Security p. 8
Equity and Inequality p. 9
Does this Mean for a Post-2015 Development Agenda? p. 9

III
Human Development and the Post-2015 Development Agenda p. 10
Why Do We Need Goals …? p. 10
And Who Needs the Goals …? p. 11
Goals and Targets For Galvanizing Action p. 11

IV
Addressing Major Core Challenges p. 13
Maintaining the Planet’s Life Support Systems p. 13
Decent Employment for All p. 15
Towards a Less Unfair World p. 18
Equity and Inequality within Countries p. 18
Inequalities in Power p. 20
Equity and Inequality among Countries p. 21
Equity and Inequality among Generations p. 22
Reducing Poverty p. 22

V
Concluding Remarks p. 24
References p. 25
The United Nations General Assembly adopted the Millennium Declaration on 8 September 2000 to recognize major challenges facing the global community. Building on the different global summits in the 1990s and the principles of the UN charter of 1945, Member States affirmed their commitment to the United Nations, and their resolution to strive for peace, security, development, poverty eradication, protection of the environment, human rights, democracy, good governance and protection of the vulnerable. The Declaration explicitly recognizes unequal development, inequalities and persistent poverty as major international concerns.

The Millennium Development Goals (MDGs) were derived from the Declaration and from goals set during a series of conferences in the 1990s. They provided concrete targets around which global resources and policies could be mobilized, and have been the dominating framework for international development cooperation since 2000. Though opinions on their impact are mixed, there is broad agreement that they were, at the very least, successful in highlighting the urgent need to end poverty globally. They raised awareness of pressing global challenges, and they rallied international support. The goals represented a step forward in international development thinking, since they went beyond an emphasis on growth alone, and provided the first internationally endorsed agreement to address poverty in its multiple dimensions. By aiming for considerable improvements in income generation, education and health, they placed people at the centre of development thinking, reflecting the concept of human development.

At the global level, there has been significant progress in meeting a number of the MDGs. Some of the goals related to poverty reduction and parity in primary school enrollment are expected to be achieved by 2015. Substantial advances have been made in reducing child mortality, and preventing and treating HIV/AIDS, malaria and tuberculosis. But the full picture is more complex, and regional differences in progress can be stark. Much of the reduction in income poverty at the global level has been concentrated in East Asia (mainly China), while sub-Saharan Africa and parts of South Asia lag behind. Moreover, improvements in income poverty do not always translate into advancements in other areas, such as providing decent work (particularly for women and youth), improving food security and reducing malnutrition, or enhancing environmental sustainability, where there has been relatively little or no progress.

The design and implementation of the MDGs has also been criticized, as has a lack of clarity in their purpose. Criticisms include:

- Some argue that the MDGs are biased against countries with low starting points—e.g., halving numbers of people in poverty in a very low-income country, like Madagascar, is a much taller order than halving poverty in a more developed economy, like Costa Rica.

- Others have pointed out that the MDGs have been misused as a development planning tool when they were really created to mobilize donor support and to establish a new normative framework.

- The MDGs are primarily targeted at developing countries, locating global problems of development in the least developed countries and so excluding scrutiny of outcomes and policies in high-income economies.

- The data for the accurate monitoring of progress towards reaching the MDGs may be of poor

---

1 Fukuda-Parr 2012.
2 Easterly 2009.
3 Fukuda-Parr et. al. 2011.
4 Saith 2006.
quality or simply not available, while many important issues, such as political and civil rights or equity, remain largely unmeasured.

By highlighting aspects of human development, such as education, health or income generation, the simplicity of the MDGs, often seen as an advantage, is also a limitation. This narrow development focus comes at the expense of principles and values inherent in the Universal Declaration of Human Rights and the Millennium Declaration. It means the MDGs do not address root causes of poverty and inequalities. Values and principles, such as freedom, universality, equity, human rights, non-discrimination, justice, tolerance, solidarity or shared responsibility are not explicitly included. But rights, freedoms and ultimately human development are of universal importance. They represent the core of the Millennium Declaration and are still valid in today’s changing world. Indeed, they can be particularly relevant as guiding values and principles for what a post-2015 development agenda aims to achieve.

The focus of the MDGs is also insufficient in addressing critical areas for sustainable human development—such as climate change, environmental degradation, labour market challenges and decent work, gender equality, governance, peace and security, and growing inequalities, within and among countries as well as between generations.

Discussions continue about what the MDGs have and have not achieved, and there is surprisingly little evidence or research available to help answer those questions. While the strengths and weaknesses of the MDGs should continue to be discussed, we believe they have, at least, demonstrated that goals play an important role. Goals can help concretize key developmental challenges, can assist in providing policy coherence, can facilitate the mobilization and allocation of resources (including philanthropic and corporate assistance, both of which are increasingly important), can generate broad political support within nations, and can provide a basis for monitoring progress.

We believe that a future UN development agenda, based on the Millennium Declaration and taking into account changes that have occurred since the declaration was put forward, will be critical for global action to address the root causes of poverty and inequality, within planetary boundaries. Moreover, we believe that human development thinking offers a guiding light in both the selection and application of the next set of Global Development Goals (GDGs), because human development is about expanding the scope of what people can do and become in the course of their lives. When extended over the entire population, human development enlarges the potential of society, redefining what is possible. The core goal of human development is to increase the choices and freedoms available to people. Many factors limit individual choices—insufficient income, poor health, a lack of educational opportunities, a lack of political voice or human rights, insecurity, discrimination, a degraded environment, the threat of violence and disability. Policies to enhance human development involve identifying and removing constraints that limit the substantive freedoms people enjoy while simultaneously creating new opportunities. Human development is not static, it is about social progress. The frontier of what is possible can be pushed out, making an expanded set of choices available for future generations.

There remains much to be agreed. But many—including the authors—believe the post-2015 agenda should seek to promote development that is both equitable and can be sustained into the future.

- **Equity**—reflecting fairness and justice—differs from equality, which is frequently defined in terms of equal amounts (e.g., income equality) and equal outcomes. Advances in human development should be fair and recognize that people and countries start from different positions. They should address existing inequities, and often require a focus on the most vulnerable or on historically disadvantaged groups.

- **Sustainability** means that achievements in human development must be maintained over time. There are many potential threats to sustainability: climate change, environmental destruction, conflict, economic crises, failure to invest in future generations and political impasses. Therefore, sustainability has multiple dimensions: environmental, social and economic. Improvements in human development may also reinforce sustainability. For example, better educational and health outcomes contribute to social and political

---

5 Ibid.
7 UN System Task Team to support the preparation of the Post-2015 UN Development Agenda 2012.
8 Van der Hoeven 2012.
9 Fukuda-Parr 2012.
sustainability—which, in turn, can support future gains in human development.

While some talk of sustainable development and others of human development, in reality there is little to set the two concepts apart prima facie, even if there are often differences in emphasis between the two. As the first principle from the 1992 Rio Declaration on Environment and Development states, “Human beings are at the centre of concern for sustainable development. They are entitled to a healthy and productive life in harmony with nature.”

Various intergovernmental and civil society fora have been established to guide UN member states in the process of defining a future global development agenda. The paper builds on this work and lays out what the Human Development Report Office sees as some of the key issues that need to be addressed in a post-2015 framework. This paper specifically highlights the role of a human development approach in that work. It does so by highlighting and proposing a way forward to deal with a number of critical human development challenges that have risen in prominence since the Millennium Declaration and MDGs were prepared, arguing that a post-2015 human development framework should directly address the limitations of the current MDG framework.

Chapter 2 reviews briefly the changing nature of poverty worldwide, the evolving economic and geopolitical landscape, major demographic changes and the shifts in global governance structures since 2000. It argues that several development challenges have become increasingly acute: sustaining development within planetary boundaries; the need to provide decent employment opportunities and reduce people’s vulnerability and precariousness; and expanding inequalities and the challenge of global equity (further elaborated in Chapter 4). Chapter 3 details some of the guiding principles that should underpin a selection of goals and targets for the post-2015 agenda—issues that go to the heart of the raison d’être for the goals. Chapter 3 also considers the importance of translating these issues into goals and targets that can be used to galvanize action. Next, Chapter 4 discusses how the human development challenges introduced in Chapter 2 need to be addressed in a post-2015 development agenda, gives examples of different policy approaches around the world.

The paper concludes by arguing that a human development approach to policy-making will help ensure that development challenges are tackled in a way that recognizes their complexity, and that coherent policies are designed according to their impact on people.
THE WORLD IN 2015 IS DIFFERENT, AND WILL CONTINUE TO CHANGE RAPIDLY

Just as the MDGs reflected the world and its development challenges and priorities in 2000, the post-2015 agenda should do the same for today’s world. We discuss a number of changes and challenges here that should be borne in mind for the next set of GDGs. Some, such as the changed geography of the world’s poor, are fundamentally new. Others, such as various looming environmental crises, were present in 2000 but are now increasingly in the spotlight: The time left to address them before irreversible change occurs is fast running out.

The decade following the establishment of the MDGs in 2000 was characterized by fast growth in some emerging middle-income countries, a lack of progress in addressing climate change and unprecedented shocks, such as surging global energy and food prices in 2004-2008. In 2008 the world was confronted by interlocking financial, economic and social crises, which were triggered by the upheaval in US financial markets. The financial crisis in particular was partly a consequence of financial globalization, with the liberalization of the banking system in many developed countries and a growing pressure by the Bretton Woods organizations for external capital market liberalization in developing countries. Since then, there has been the increased “precarisation” of many families in most countries in the world. This economic and social precarisation through financial and macroeconomic instability adds to growing human insecurity from increasing environmental threats. Moreover, the crisis of 2008 and the ensuing measures to deal with the global recession led to a build-up of debt in many high-income countries (including in some an inability to service debt taken on before the crisis), and has prompted growing fiscal austerity. This has led to reductions in social spending and increases in unemployment that have posed serious challenges to the European Monetary Union, increasing the sense of instability and social insecurity.

A conclusion of the experiences of the first decade of the 21st century is that, “Issues of inequality, vulnerability and human development on the one hand, and, instability, recessions and recovery on the other are intertwined.” A post-2015 human development agenda, as will be argued, needs to deal, at national and global levels, with threats to human security from economic volatility, macroeconomic mismanagement, climate change, poverty and political oppression.

SOME MAJOR CHANGES SINCE 2000

A More Global World

One fundamental change reshaping development thinking is that deepening globalization means many developing countries are having an increasing influence on global markets, institutions and ideas. Indeed the current distinction between ‘developed’ and ‘developing’ countries is a product of the pattern of global capitalist development over the past two to three centuries. And as this distinction changes it will influence a post-2015 global development agenda.

In 1700, Asia, Africa and Latin America accounted for about three-quarters of global population and two-thirds of world income. Indeed, just China and India together made up about half the world’s population and income. The economic decline of Asia relative to the rest of the world, which began in 1820, continued apace as its share in the world gross domestic product (GDP) dropped from 36 percent

12 Van der Hoeven 2010b.
13 Stiglitz 2012.
in 1870 to 15 percent in 1950.\textsuperscript{14} But by the end of the 20th century, the resurgence of Brazil, China, India and others was evident. These three countries alone are projected to account for 40 percent of world output by 2050.\textsuperscript{15}

In 1992, China’s trade with sub-Saharan Africa was worth about US $1 billion. It exceeded $140 billion in 2011. Indian companies are investing in Africa’s infrastructure and multiple industries, from hospitality to telecommunications; Brazil has over 300 companies in Angola alone. And large developing economies are also investing in developed countries. New trade routes are flourishing: countries as diverse as Morocco, South Africa, Thailand, Turkey and Viet Nam each have substantial export and import relationships with more than 100 economies.\textsuperscript{16} Within their borders, countries such as Mexico and Thailand are making rapid progress towards providing universal health care coverage in innovative ways.

Thus one of the most important changes since the formulation of the MDGs is the rapid growth of large developing countries such as Brazil, China and India. Negotiations on a post-2015 development framework might therefore see both a shift in power and content: Aspects of macroeconomic management in particular might play a stronger role than last time around. Figure 1 from the \textit{World Economic and Social Survey, 2010} shows the growth of the economic clout of these countries, especially over the last decade. Western Europe and the United States, the principal providers of official development assistance (ODA), contributed less than half of world GDP (purchasing power parity or PPP/per capita) in 2008. Ironically, it was not the greatly increased GDP of these emerging countries, but the 2008 financial crisis that led the group of G8 countries to accept the G20 as an institute of global governance to fend off the crisis and build a basis for an improved global financial structure.

New regional approaches are also emerging to tackle major challenges. Trade policy represents a good example in which the international stalemate has led to bilateral and regional trade agreements, e.g., as in the Asia-Pacific region. Climate change negotiations are another example where a lack of international agreement and policy coherence triggers cooperation within smaller and, at times, more like-minded, groups. On one hand, this allows more voices to be heard, but at the same time, these developments can compromise the possibility for international agreement and policy coherence. Overall, insufficient multilateral as well as highly pluralistic structures are posing ever greater challenges to the global governance system in the new century.\textsuperscript{17}

Building blocks for greater global coordination and cooperation exist at the regional level. Numerous regional groupings provide space for countries to coordinate trade, development, security, regulatory and other economic policies.\textsuperscript{18} Regional groupings may also provide an opportunity to address some of the inequities that are evident in current global institutions. Smaller, less powerful states often have a larger voice in regional bodies compared to global institutions. Therefore, regional cooperation plays a complementary role in facilitating global coordination by providing greater scope for participation and voice.\textsuperscript{19}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Figure1}
\caption{Shifting global economic power measured as shares of world gross product, 1950-2008}
\end{figure}

\begin{footnotesize}
\begin{enumerate}
  \item Measured in PPP.
  \item HDRO calculations based on United Nations Statistics Division (UNSD) data (2012).
  \item Betts et. al. 2012.
  \item Ibid.
  \item Ocampo 2010.
\end{enumerate}
\end{footnotesize}
this time around; that will also influence the nature of the GDGs. In 2000 the goals were largely donor-driven, and in part reflected a demand from donor countries for those receiving aid to report on their progress. The donor countries were able to dictate the terms of the goals. Thirteen years later many countries have reduced their aid dependence and are more embedded in the global economy, and so proposals for new sets of goals are “bound to fail if they do not root themselves in the politics and economics of the times.”

DEMOGRAPHIC SHIFTS

Another area in which there has been considerable change—and in which there will be considerably more— involves the shifting demographic profiles of many countries and the growing global population. These create enormous challenges in many countries, although their nature varies from place to place. They will have an impact on many areas of human development, including economic growth, poverty reduction and environmental sustainability.

Demographers see the 21st century as one with higher population levels but slower growth rates than the previous century. In developed countries, as well as in some developing countries, particularly in East Asia and the Pacific, a rising share of older people and upward pressure on the dependency ratio raise questions about income support, burgeoning health care costs, and the provision of care for old people. Other countries, including many lower income economies have more youthful populations. As the youth enter the labour force, they may deliver a boost to economic growth in the form of a demographic dividend (the benefit generated when more people are employed in economic activities). But the realization of the demographic dividend depends on creating adequate employment opportunities and insuring that individuals are able to transition into more productive activities. Given the staggering youth unemployment rates worldwide, and the large number of young people employed in informal work, the demographic dividend is not a foregone conclusion. Countries with youthful populations need to invest in the education and health of young and working age people: failure to do so will hamper economic and human development. Furthermore improvements in education and health can benefit development through lowering fertility and mortality rates.

These demographic dynamics put pressure on educational and social systems and labor markets, and raise serious concerns about whether past practices and existing policies can sustain and advance equitable human development. They also call for a global and humane approach to migration that is concerned with the plight of workers, and their families, in order to deal which looming imbalances in labor-markets of both poor and rich countries, as argued in the HDR 2009, Overcoming Barriers: Human Mobility and Development

MACROECONOMIC MANAGEMENT

The 2008 global economic crisis provides a clear example of the implications of financial instability and economic volatility for human development. The crisis undermined growth, public resources and access to employment. The global recession diminished the resources for improving many of the aspects of life that people value most, such as health, housing, employment and education. Other recent crisis have also impacted human development: including Mexico (1994), East Asia (1997), Argentina (2001) and Turkey (2001). Within narrow policy settings that an economic crisis can dictate, there is often no explicit link between the conduct of macroeconomic policy and human development outcomes. Relationships between macro-policy and human development are frequently presumed, rather than explored—e.g., restrictive monetary policy is assumed to be helpful to the poor. Even the connections between the goals of macroeconomic policy (e.g., low inflation) and economic growth are not firmly established and may be contradictory. An emphasis on market liberalization, including liberalization of financial markets and cross-border flows, has contributed to the types of fragility and volatility associated with the global economic crisis.

With the growing global integration of economies, the interdependencies that exist among countries may limit policy space. For example, decisions that affect core
interest rates in a large, influential economy may alter the monetary conditions elsewhere. Financial investments respond to interest rate differentials, and efforts to keep rates low may lead to capital outflows. Similarly, exchange rate strategies in one economy affect the competitiveness of others. Free movements of short-term investments affect the space available to conduct independent macroeconomic policy. This, in turn, alters the economic environment within which human development is realized. Uncoordinated approaches to macroeconomic management may use resources ineffectively and constrain human development. For example, the accumulation of foreign exchange reserves as an insurance policy against financial volatility represents a potential cost from uncoordinated policies. Global coordination around macroeconomic management may prove to be essential.

The specific mix of macroeconomic policies to support human development and economic growth will vary from one country to the next, and depend on a variety of factors, including the structure of the economy, the level of financial and economic development, the nature of institutions (including financial institutions) and the relationship to the global economy. Recognizing that one size does not fit all, the UN’s Committee for Development Policy recommended a number of key areas for rethinking macroeconomic management:

- Controlling portfolio flows and harnessing their sectoral allocation to promote fixed investment and economic development;
- Promoting an exchange rate regime that reduces currency crises and supports growth;
- Taking steps to create the policy space for countercyclical fiscal and monetary policies that pay greater attention to real economic outcomes, such as employment, and distributive dynamics;
- Pursuing a trade policy that avoids the collapse of import competing sectors, diversifies exports and promotes regional trade integration; and
- Continuing and intensifying polices that improve banking and macroeconomic regulations.

HUMAN DEVELOPMENT CHALLENGES THAT HAVE RISEN IN PROMINENCE

Since the MDGs were first introduced, a number of challenges have intensified in the face of various crises or changed in nature. These are not adequately addressed in the current set of goals and are of growing concern for all countries.

Four critical areas fundamentally important to achieving human development are highlighted in this section: environmental crises, especially climate change; poverty; the global crisis in employment and the need for decent work; and growing inequalities. These areas represent specific challenges that—while not brand new per se—have grown in prominence in recent years, or changed in nature. They are not, however, meant to represent a comprehensive approach to human development, which would be beyond the scope of this paper. For example, there is also an essential need to ensure development processes are both accountable and participatory, but this is not covered here.

Failing to address each and all of these challenges will undermine a future development agenda set to eliminate poverty. We briefly consider these challenges here, and return to them for a more detailed discussion on tackling them in Chapter 4.

PLANETARY BOUNDARIES, THRESHOLDS AND TIPPING POINTS

One of the biggest perceived weaknesses of the MDGs is the paucity of environmental goals within them. The environment was mentioned only in Goal 7 on ensuring environmental sustainability, which had just two targets dealing with the natural environment. This deficiency needs to be addressed in the next set of development goals.

Arrays of statistics paint a stark picture of the health of the world’s ecosystems today.

Dominant in the debate is the growing evidence for climate change. In August 2012, Arctic sea ice coverage was the lowest on record, while CO2 emissions last year were at their highest ever level. The International Energy

---

25 Committee for Development Policy 2012.

26 MDG 7a: “Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.” MDG 7b: “Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss.” The other two targets dealt with slums and drinking water.
Agency is among those who claim the growth in emissions is “perfectly in line with a temperature increase of 6 degrees Celsius (by 2050), which would have devastating consequences for the planet.”

The loss of biodiversity continues ‘unrelentingly’ with some 17,000 species at risk of extinction. This situation looks set to deteriorate further when one considers the pressures on biodiversity from habitat loss, climate change and pollution. Global deforestation continues apace in many countries. Over the last decade, about 13 million hectares of forest worldwide were converted to other uses or lost through natural causes each year (a slight improvement compared to 16 million hectares per year in the 1990s). Human modification of the nitrogen cycle has been even greater than our modification of the carbon cycle. People now convert more N2 from the atmosphere into reactive forms than all of the Earth’s terrestrial processes combined. This pollutes waterways and coastal zones, is emitted to the atmosphere in various forms or accumulates in the terrestrial biosphere.  

Water is becoming increasingly scarce, and by 2050 about half a billion people are likely to be ‘water-stressed’, while in the seas, there are steep challenges ahead in managing global fisheries.

**FIGHTING POVERTY IN RICHER COUNTRIES**

Fighting poverty (broadly defined) remains a key goal of a future development agenda. However, this goal is rather different than it was at the turn of the millennium. A post-2015 framework needs to recognize that poverty and economic insecurity are multidimensional and are found in all countries: in those that are rich, poor and in the middle. Rapid economic growth in large emerging countries means that almost three-quarters of the poor—currently defined as those living on less than $1.25 per person per day—live in countries now classified as middle-income.

This trend will continue. Of these 72 percent that live in middle-income countries, 61 percent are in stable countries and 11 percent in fragile and conflict affected countries (FCAS). Only 28 percent of the world’s poor live in low-income countries, of which 12 percent are in FCAS and 16 percent in stable countries.

**EMPLOYMENT AND EMPLOYMENT SECURITY**

Globalization, especially financial globalization, has had a huge influence on employment and employment security. The nature of work is changing, and there is more flexible work in developing and developed countries. Informal employment persists in many developing countries, though in some of the more dynamic developing countries there is perhaps more work in the formal sector, but with increasing wage inequality and insecurity.

The crisis of 2008 had repercussions around the world. Employment has not recovered as fast as GDP growth. This impacted the poor, who did not benefit from the boom years in the run up to the crisis. Indeed poor workers and their families were hurt threefold: first, they were left behind in the run-up to the crisis; second, they were severely affected during the crisis; and third, they are now suffering from reduced government expenditure. This reduced expenditure is a consequence of austerity budgets adopted to tackle public debt—debt which, in many cases, came from bailing out banks and to stimulate the economy during the crisis.

Many governments acted during the 2008 crisis to counteract the downturn, and acted better than during the great depression of the 1930s. Some developing countries took measures to protect the poor, both at macro- and meso-levels. But the crisis of 2008 and the initial bold measures taken could have been a strong signal for an overhaul of financial globalization and for arresting the trend of growing inequality and precarisation in the labour market. That did not happen. Governments, in some cases coordinated by international organizations, are now suffering from reduced government expenditure.
acted in the 2008 crisis as a banker of last resort and orchestrated financial bailouts, but failed to adequately protect existing jobs, and to effectively address rising levels of joblessness and precarious employment. Little or no progress has been made in developing a global framework for migration.36

EQUITY AND INEQUALITY

The MDGs, by emphasizing targets at global and national levels, have not highlighted the inequalities that averages conceal.37 Progress at the average level can often hide worsening conditions for those at lower income levels. Data on income inequality for 141 countries since 1990 show that “the tendency is for increasing inequality in growing economies … unless actively counteracted by policy.”38 The increase has been most acute in the large middle-income countries, where most of the world’s poor now live (it increased most in Eastern Europe and the Former Soviet Union as well as Asia). Inequality, has, however, declined from an extreme high in Latin America after 2000, and in some of sub-Saharan Africa.39 Future reductions in inequality in middle- and upper-income countries could potentially help large numbers of people living in extreme situations in a way that focusing only on the least developed economies would fail to do.

WHAT DOES THIS MEAN FOR A POST-2015 DEVELOPMENT AGENDA?

This chapter has argued that fundamental changes at the global level and the crises that the world has witnessed over recent years require novel approaches to persistent and emerging problems. Countries may be more connected than ever before, suggesting a need for stronger, more relevant global institutions, with regional institutions also playing a role. Greater coherence is needed among the different levels of institutions. Many of the key development challenges of today are complex in their causes and effects; they cannot be solved using silo-based policy-making that fails to recognize their complexity. Innovative ‘whole-of-government’ policies are needed which build on the MDGs but could also define a framework for the post-2015 agenda.

The world of 2012 is very different to that of 2000. In today’s world, political unrest of the kind associated with the events in the Arab region makes clear that governments need to be accountable to a citizenry that demands effective participation in decision-making. When this is missing, national policies, traditional development aid interventions and global development frameworks (such as the MDGs) are insufficient.

In Chapter 4 we return to argue that the most pressing global challenges need to be confronted in a post-2015 framework, and that they should be tackled in the context of a comprehensive approach to human development.

36 As argued in the HDR (UNDP 2009).
37 Vandemoortele 2011.
38 Kanbur 2011.
39 Ortiz et al. 2011.
WHY DO WE NEED GOALS .... ?

A natural first step in starting to think about the GDGs is to ask “What do we hope the set of goals and targets will achieve?” The answer to which, though simplistic, must surely be “to help achieve global development.” We must then ask the altogether more difficult questions, “What is global development?” and, “How do we hope these goals and targets will bring this about?”

Agreeing on this is difficult, especially when there is so little evidence linking the overall impact of the MDGs on global development. While it might admittedly be difficult directly to attribute development outcomes to the existence of the goals, that alone does not mean one should not try. A number of commentators argue that ‘startlingly’ little research has been undertaken into such an important question.40

The lack of understanding of how—or even whether—the MDGs have had an impact translates into a lack of clarity around how a new set of GDGs could be useful post-2015. Some see the goals as a way to build development consensus around the things ‘that really matter’. Others see them as a way to raise attention about key issues—including to incentivize donor action—and so boost progress towards the goals. Some see them as a tool to strengthen accountability by empowering citizens through data. And still others see them as planning tools to organize government action.

Agreeing on a purpose—or a vision—for the next agenda is a vital first step in the negotiation process. There will be no hope of agreement if people are not considering the goals and indicators from a common standpoint.

Ultimately the purpose of a set of GDGs should, we believe, be to foster equitable, sustainable human development.

It is also important to remind ourselves that the set of goals is just that: a set—a package—of goals, not a collection of disparate targets. This difference could be significant. One important characteristic of the GDGs—that sets them apart from other global targets—is that they could be designed as a package of goals covering the economic, social and environmental domains. This characteristic offers at least two key opportunities that were largely not capitalized on the last time around with the MDGs.

1) By encouraging attention to a set of targets, the goals can encourage holistic—whole-of-government and multisectoral—thinking and approaches to development. These would recognize that the major development challenges do not lend themselves to simple solutions, but require multi-faceted approaches if they are to be successful.

2) By laying out these goals side by side and recognizing their synergies, the framework can help to make more explicit the linkages among the goals, and that they all need to be achieved if genuine progress is to be made. This can be important in the political economy of reform and in helping politicians garner support for some policy decisions that might seem unpopular in the short term.

So the GDGs should be seen as a coherent set that, when striven for together, will help contribute to overall development. While the GDGs should function together, the different goals and targets are different parts of the overall machine, and may support achieving different outcomes in different ways. One goal might entail generating public support for a policy (for tackling CO2 emissions, for example), while another might involve building stronger

---

40 “Given the substantial political and financial investment in the MDGs, and the need to design an effective post-2015 framework, being unable to attribute— with any certainty—progress due to the MDGs is a truly lamentable gap in our knowledge.” (Green et al. 2012).
government accountability (by reporting on levels of inequality, for example). Another might help ensure resources are well directed (on education, for example). But the purpose of all the goals—when taken together—should remain in sight, namely to improve sustainable, equitable human development.

There is an opportunity for this angle to play a stronger part in the selection—and application—of the next set of GDGs. It could encourage governments to use the goals as a tool to tackle challenges in a whole-of-government way. However, in order to select a set of coherent goals, one needs to have a view of the ways in which broad development outcomes are achieved. In particular, links among the….spheres, or the ‘ecosystems’ of…change, and so on need to be understood.

... AND WHO NEEDS THE GOALS?

There seems to be broad agreement that the next set of GDGs should seek to be universal: The post-2015 framework cannot be selectively applied to certain groups while excluding others. The approach should not, for example, be applicable only to developed or developing countries.

As the Committee for Development Policy put it, “To be truly global, the new international development agenda must apply to the whole world, not just to developing countries, as in practice since 2000. People all around the world continue to suffer from poverty and insecurity: therefore, all countries should be committed to making development progress, both individually and collectively.”

The components of a universal framework (e.g., reduction of poverty, promoting equity and sustainability) should be applied meaningfully to both developed and developing countries, although the details with regard to setting targets or prioritizing policies will differ. By being universal, a post-2015 framework should encourage further commitment, accountability and responsibility for its achievement by developed and developing countries alike, even if their responsibilities are differentiated.

The principle of universalism does not imply that policies cannot be targeted or the most vulnerable prioritized. Rather universalism requires that the criteria for defining and evaluating human development (e.g., the enhancement of substantive freedoms) must not be exclusionary. Nor does universalism preclude pluralism. The idea of universal goals must also recognize that different countries occupy different places on the development spectrum, and that national targets need to recognize national conditions. In 2015 the goals are much more likely to reflect a shared vision for the globe that comes from both the North and South, and include goals that are important and relevant to all countries, not just the poorest. The idea of ‘global goals and national targets’ is now gaining currency as a way to square the circle, and this is explored later on.

GOALS AND TARGETS FOR GALVANIZING ACTION

Moving from the more abstract concepts underpinning human development to the more concrete, the process of setting specific goals has an essential role in realizing a post-2015 development agenda. As we have already said, goals can be used by different people for distinct purposes. A goal might be used by policy-makers to focus attention and resources on addressing a key concern; it might be used by civil society to hold policy-makers accountable; it might be used to generate grass-roots awareness of—and support for addressing—a development challenge; or it might be used by commentators to encourage a facts-based debate about whether—and what—progress is really being achieved by a nation or region. In all cases though, the goals galvanize action towards addressing a core challenge.

“Global targets help focus the attention on human development and human rights, which are areas of universal concern that apply to all countries—not just the poorest ones…… global targets mean more than the mobilization of official development assistance. They encourage all nations to accelerate progress, yet their applicability can only be judged within the country-specific context.”

A goal is a target, and generally the progress towards achieving that target is measured by an indicator. Targets might be rather loosely described; for example: “Achieve full and productive employment and decent work for all, including women and young people.” But indicators must be much more rigorously defined. Before selecting an indicator, a number of questions need to be addressed. There is no indicator of ‘decent work’ per se, so how does one define it? How does one decide which employment is—and is not—productive? Is the intention of this goal to reduce unemployment, or reduce the proportion of people not participating in the labour market? And what

41 Committee for Development Policy 2012.
42 Vandemoortele 2012.
age groups should be included: The target was surely not designed to include the very young or the very old?

Both the goals and the indicators are, therefore, important, because “what we measure affects what we do; and if our measurements are flawed, decisions may be distorted.”

That said, indicators make good servants but bad masters. A well-crafted set of development indicators will typically focus on outcomes. They will allow policy-makers and society to assess progress, but not predetermine which particular policies are needed. And a poorly designed set of indicators can lead to perverse incentives around “hitting the target but missing the point.” If, for example, an indicator for education development focused only on the number of teachers in the school system, with no understanding of what they were teaching, or how well they teach, the education outcomes for those at school might decline rather than improve. There are diverse paths to achieving development, and the indicators should allow for this.

Indeed, in recognition of these diverse paths—and the diverse places that countries occupy on each path—the idea of global goals and national indicators is gaining support.

One can imagine at least three broad types of targets and indicators that could accompany broad global goals.

1| We know where to go and how to get there. These are targets that every country would agree to and might be measured in the same way, albeit recognizing that every nation has a different starting point and perhaps different desired destinations. Every country, for instance, might agree that climate change needs to be addressed, and might agree to measure progress through reductions in CO2 emissions per capita. Of course countries would also recognize that current emission levels vary as widely as do the reductions nations need to achieve.

2| We know which road to take… but can we decide when we’ve arrived? These targets might differ radically among countries, although they apply to the same global goal. That is, they reflect progress towards some desired common future, but recognize different interpretations of exactly what that future would like. For example, all countries might agree that they would like the world to be less unfair. But opinions on what is an ‘unacceptable’ level of unfairness would vary widely among different nations.

3| We know we’d like to go somewhere—but we don’t know where. These targets might promise simply that governments would collect and provide information on a key development area to help a nation decide for itself whether progress is being made. The target would be simply for each government to collect and provide the data to citizens. For example, one might imagine governments committing to report back annually on measures of subjective well-being in a nation—such as life satisfaction—without setting any target for the level of happiness to be achieved.

Several of the issues that were not included in the MDGs, but that warrant serious consideration for a future set of development goals, suffer from a lack of data. Sometimes this is for practical reasons: We may agree on how to assess biodiversity loss, but gathering the data is an immense task. In other cases it is for conceptual reasons: We may agree that good governance, social cohesion or reducing vulnerability are important for development, but we may not agree on how to capture these multidimensional concerns using a few statistical indicators. Such issues are not easily solved, but the choice of goals should drive the selection of indicators, rather than the availability of data driving the choice of goals. A set of ‘ideal’ indicators should be selected. They can then be modified to reflect what data are available, but the starting list can provide a powerful mobilizing force for collecting the data needed to bring them to life. It is important to involve statisticians at this step of the process to ensure that these indicators are both ‘ideal’ and also well-defined and practicable (even if new data will be needed to populate them).

The design of the goals and indicators must be an iterative process. Goal-setting is inherently political, but the goals are unlikely to be well formulated until the corresponding indicators are defined. And as the indicators can be instrumental in the definition—or at least the operationalization—of the goals, it is vital that their selection and design are seen as a key part of the process, not a technocratic addendum.
The decision about which indicators to use is as much political as it is technical, and so the selection of goals and indicators should be seen as part and parcel of the same task, with all key stakeholders involved, including statisticians.

Four challenges were identified in Chapter 2 that have enormous implications for the realization of human development objectives: environmental crises, especially climate change; providing decent work; addressing growing inequalities; and reducing global poverty in a world where far fewer of the poor live in low-income countries. A failure to address any of these will undermine the future development agenda.

This chapter explores these core challenges in greater detail, along with the principle of insuring participation in the development process. It shows how the inclusion of these issues in a post-2015 framework would improve national policy-making and global coordination.

The chapter will also demonstrate how looking through a human development lens can help tackle each challenge. In general, applying a human development lens to policy-making can help in one or more of three ways.

One can use an HD lens as a:

i Framing tool to consider how each challenge impacts on human development. This can set the challenges in a broader context. For example, inequality has an impact on many aspects of human development.

ii Planning tool to think ahead about what one needs to do to maintain human development in the face of a given challenge. For example, what policies are required to maintain human development in the face of climate change?

iii Whole-of-government tool to think differently—and more holistically—about the policies required to tackle a challenge. For example, dealing with unemployment is not about simply providing jobs. It is about educating people, and ensuring they have access to child care, or to a doctor if they get sick.

These ideas are explored further below.

MAINTAINING THE PLANET’S LIFE SUPPORT SYSTEMS

Whether the planet is able to sustain life and ecosystem support services—clean air, fresh water, food and a well-regulated climate—has a direct impact on human development, since we rely on these natural services for survival. The urgency of addressing environmental concerns has increased from the spread and acceleration of unsustainable ways of living and production processes. This trend seems set to continue given growing pressure from an expanding world population.

Several ‘environmental’ issues are crucial to human survival, and hence human development. Many of these concerns also hit the poorest the hardest, and their impacts are exacerbated by poverty. Environmental concerns cannot, therefore, be tackled in isolation from other issues and must be solved within a broader human development framework. Indeed, at the United Nations Conference on Sustainable Development (Rio+20), held in Rio de Janeiro in June 2012, Member States agreed to establish an intergovernmental working group to design Sustainable Development Goals (SDGs) in recognition of this very point. However, while there is hope that the SDG process will integrate with the UN-led work on GDGs, there is no information as yet about how this will happen in practice.
Applying the human development lens as a framing tool demonstrates that environmental concerns relate closely to equity and sustainability: Growing environmental concerns could have an enormous impact on human development. The 2011 HDR looked at scenarios of what our world could look like in 2050. The ‘base case’ scenario assumed only limited change in inequality and environmental threats. It suggested the global HDI could rise 19 percent by 2050. This represents a rate of progress in lifting human development similar to that achieved between 1990 and 2010.

An ‘environmental challenges’ scenario was also constructed, taking into account, among other things, the impact of global warming on agricultural production; challenges related to water, sanitation and pollution; and growing inequality and its consequences—such as a higher probability of conflict. Under this scenario, the increase in the global HDI was predicted to be about half that in the ‘base case’ scenario and only a third of the base case rise in South Asia and sub-Saharan Africa.

Under an even more adverse ‘environmental disaster’ scenario, the global HDI would be 15 percentage points below the “base case” scenario by 2050. The most dramatic impact of that would be on sub-Saharan Africa and South Asia, both of which would fall more than 20 percentage points below the ‘base case’ scenario.

Many of today’s challenges are universal, faced by the great majority of countries. Many cross national boundaries and need to be solved at a regional or global level. None more so than climate change, which many would argue is the single greatest global challenge we face.

Climate change is arguably the most pressing of all the environmental challenges, and a functioning atmosphere is perhaps the ultimate global public good. It is non-rival and non-excludable: Respectively, one person’s benefit from the atmosphere does not detract from another’s; and another’s; property rights over the atmosphere cannot be enforced. As a result there are classic free-rider problems, and neither the market nor national governments are able to reduce greenhouse gas emissions in the absence of international cooperation.

Collective action is needed to reduce greenhouse gas emissions, yet the cooperation required to prevent further climate change has not been achieved. One country, acting independently, does not have an incentive to reduce its own emissions without a guarantee that other countries will do likewise. Despite decades of negotiations in various forums, progress has been slow and uneven. National and regional efforts to reduce greenhouse gases, such as regional carbon trading schemes, have taken hold and represent important steps towards limiting climate change. Nevertheless, an effective set of global institutions for truly addressing the threat has not been realized. This institutional gap poses enormous challenges for sustainable human development.46

Applying the human development lens as a ‘whole-of-government-tool’ demonstrates that if environmental concerns are to be tackled seriously, they need to be seen as fundamental issues of human development, rather than as ‘green’ issues in competition with—or in addition to—those that matter for human development.

Many environmental concerns hit the poorest the hardest and are exacerbated by poverty, increasing overall vulnerability and insecurity (both direct threats to life as well as threats to economic security). Environmental concerns cannot, therefore, be tackled in isolation from other issues. The 2011 HDR shows that they have a direct impact on questions of equity, and the most effective solutions for advancing sustainable human development happen at the nexus of economic, social and environmental policy-making. UNDP’s recent publication Triple Wins for Sustainable Development47 looks at joined-up policies that work and reinforce each other to sustain livelihoods and increase resilience in the face of different kinds of shocks, in particular those caused by environmental or economic insecurities (such as natural disasters or unemployment). Instead of focusing on trade-offs between the three strands of development, the report highlights the range and significance of the complementarities between them, and the value of ‘triple win policies’ for integrating social development, economic growth and environmental sustainability.

Some strategies include specific programmes that bring together different stakeholders in a joint approach with government. Examples are Nepal’s Rural Energy Programme, Niger’s Sowing Seeds of Change in the Sahel programme and Ethiopia’s Productive Safety Net. At a macro-level, Bhutan represents an example of aligning goals in poverty reduction with those of environmental sustainability.46 After experiencing the impact of the current global economic crisis, the Philippine

---

47 UNDP 2012a.
Government introduced an Economic Recovery Plan with a focus on economic as well as social interventions that combine spending on health, training and education as well as food security.48

Nepal’s Rural Energy Programme is providing low-cost, decentralized and renewable energy to rural communities. It is focusing on remote and isolated parts of Nepal, targeting vulnerable groups such as lower social castes, indigenous people and women. It has increased rural income and employment-generating opportunities by providing improved cooking stoves and building micro-hydropower systems. Overall, the programme connected 59,000 households to micro-hydropower, installed nearly 15,000 improved cooking stoves and is planning to introduce modern energy services to almost a million Nepalese in remote rural areas. This improved access to renewable energy services has reduced energy costs, increased household income and school enrollment rates, improved child and maternal health, and triggered businesses around each micro-hydropower station.

Whole-of-government human development approaches highlight that promoting equity requires more than social policies. It is equally important to construct economic and environmental policies in ways that support marginalized and vulnerable groups.

### DECENT EMPLOYMENT FOR ALL

One of the consequences of continued globalization and the recent financial and economic crisis is that concern for employment in general, and especially for decent work, has become increasingly prominent in the discourses on development and development cooperation.49

There are several dimensions of employment that are important to consider when thinking about global development. They include reducing unemployment, reducing underemployment, creating new jobs, encouraging people into—or back into—the labour force (such people may not be counted among the unemployed because they aren’t actively seeking work at the moment); and improving working conditions.

Employment is important to human development in ways beyond just the financial. It is essential for self-respect and dignity, and can provide people with a social contact. Employment can open up opportunities and choices for the individual, and influence other areas of human development, such as health or family education.50 A decent job can be empowering; it can provide people with rights, a voice, a social network and it can enhance their livelihood as well as opportunities, through a stable income and a secure social and economic status.

Using the human development approach as a framing lens can help demonstrate those ways in which a decent job is important beyond the income it provides.51

A decent job can be empowering; it can provide people with rights, a voice and a social network; and it can enhance their livelihood as well as opportunities, through a stable income and a secure social and economic status.

But employment issues were notably absent from the MDG’s when they were formulated in 2000. Mkandawire52 Amsden argue that neglecting employment issues in the 1990s and the beginning of the third millennium resulted from too much focus on poverty alleviation without adequate emphasis on the contribution of paid work.53 Five years later, the 2005 World Summit outcome document contained a reference to employment issues.54 This led, in 2007, to the inclusion of a new sub-goal under MDG 1: Achieve full and productive employment and decent work for all, including women and young people.55

---

48 Stewart 2012a.
49 See Ocampo et al. and ILO 2009.
51 Ernst et al. 2012.
52 Mkandawire 2011.
53 “To slay the dragon of poverty, deliberate and determined investments in jobs above starvation wages must play a central role, whether for self-employment or paid-employment. The grass roots approach to solving poverty doesn’t go far enough, because it aims only at improving the supply side of the labor market, making job seekers more capable, and not the demand side, making new jobs available for them. ….Employment generation is different from poverty alleviation because it has a concept behind it, ‘capital’. This means that the labor market is influenced by, and influences, all flows through the savings-investment nexus, including accumulation, distribution and innovation. It is at the heart of political conflict” Amsden 2011.
54 UN World Summit 2005, Outcome document paragraph 47.
55 With four indicators: growth rate of GDP per person employed, employment-to-population ratio, proportion of employed people living below $1 (PPP) per day, and proportion of own-account and contributing family workers in total employment.
This still leaves many questions open as to how to achieve the goal of full and decent employment. In recent writings, there is a growing concern that, although the need for an employment goal is now established, too little coordinated effort has been undertaken to operationalize that goal. For example, a recent review of the MDGs assesses the change in employment issues globally and in selected countries by means of a number of employment indicators. It also gives a variety of examples that mention the successes of employment schemes, training schemes for entrepreneurs or unemployed youth, improved collective bargaining and social security. However, looking at the different examples, it is not clear how international support in general has contributed to more and/or better employment since the introduction of the employment goal into the MDGs. Most of the examples do not make use of any counterfactual analysis or even mention whether other schemes or policies have contributed to employment creation. The development of small and medium enterprises is generally seen as one effective strategy for accelerating job creation, as micro-, small and medium enterprises account for over 90 percent of businesses in all countries and employ 33 percent of formal workers in low-income countries. But it remains difficult to distil from the United Nations Development Group (UNDG) 2010 outcome review how successful efforts have been in respect in creating more and better employment.

High unemployment represents a triple waste. It is a loss of output—with the production of goods and services below what would otherwise be; a waste of human energy and creativity—with people left in idleness or frustration when they otherwise would feel wanted and socially useful; and third, a destructive denial of opportunities for gaining experience, confidence and self-respect especially for young people at the early stages of life. Employment is a source of income, but it also represents a means through which individuals may be able to develop skills, enhance their capabilities, and make meaningful contributions, depending on the types of employment available. In these respects, employment directly contributes to human development in ways that go beyond the income earned.

Using the human development perspective as a planning tool, one might think of how one can maintain economic and social security, rights and voice in the face of unemployment. This requires thinking not just about jobs, but about equipping individuals with the capabilities to do the jobs that exist. Indeed, if one applies the human development perspective as a whole-of-government tool, it is obvious that providing decent employment is not simply a matter of creating jobs. Education and training, for example, are also central. While in developed countries, high educational achievements can shield people from the risk of unemployment, labour markets in developing countries often only offer limited formal employment opportunities, and there are often mismatches—both surpluses and deficits—between the levels of skills in the labour force and the demand for skilled labour. At the same time, education in developing countries needs to react to structural change, and generally needs to improve in order to supply the necessary skills for economic development. It is something of a balancing act. The International Labour Organization’s (ILO) 2012 report ‘Global Employment Trends for Youth’ finds that high education in developing countries does not automatically lead to a job, but at the same time a decent job is difficult to secure without a good education.

In that regard, the relevance of environmental sustainability needs to be recognized, as the 2011 HDR notes that “environmental degradation affects capabilities and can impact on health, education and other dimensions of well-being.”

The question of education is also becoming increasingly relevant against the background of demographic changes. As discussed in Chapter 2, the sub-Saharan region in particular is expected to benefit from a demographic dividend if countries there can integrate their growing young labour force into the labour market. However, labour markets need to prepare for these changes, as the labour force is currently growing in regions where few opportunities exist. Encouraging proper labour market information is essential in facilitating change through the role of education.

The right educational investment is an important policy lever in the context of demographic shifts. The 2013 HDR will highlight how educational achievement influences the trajectory of dependency ratios and how countries can shape their demographic outlook through ambitious educational policies.
Investments in women’s education can directly improve human development outcomes by enhancing the choices women are able to make in the course of their lives and reducing gender inequalities. A movement towards parity in educational attainment has other indirect effects that can support human development, including influencing demographic dynamics. A major factor for child survival is a mother’s education. Educated women also tend to take better advantage of contraception, particularly when reproductive health is prioritized as a development issue, and, as a result, they have greater control over reproductive choices. On average, this leads to women having fewer children. The children tend to be healthier and better educated, which can help reap a demographic dividend.62

Improving women’s education supports economic growth by helping women’s integration into the labour force. Better education among women, and young men, has spurred economic growth in countries like Brazil. Projections for countries such as Kenya show the significant development gains that could be made by adopting stronger educational policies.63 Faster rates of growth can reinforce gains in human development when the correct set of policies and programmes is in place.

A human development perspective also recognizes that the creation of any jobs is not enough. The world should aspire to creating secure and decent jobs. Policies fostering decent employment should “provide gradual improvements in the quality and returns of labour, including through the effective enforcement of labour rights, as a main route out of poverty.”64 Enhancing compliance with labour standards has brought gains in productivity, attracted investment, improved working conditions and boosted growth.65

Policies should therefore give particular focus to those employed in the most vulnerable and insecure sectors. Improving working conditions for women in the garment sector would be an example of emphasizing such a human development priority. A human development perspective would emphasize improving factories that do not provide decent working conditions, rather than shutting them down, and pushing for stronger labour laws and enforcement to provide channels for workers to claim their rights and to seek remedies.

Young people have suffered particularly from the deterioration in labour market conditions and the lack of decent employment. This is a new phenomenon, but its momentum increased during the economic and financial crises. It is argued that, already, they form a lost generation, suffering a human resources handicap that most will not be able to correct in their lifetime.66 Governments in effect opted to pass on an increasing social debt to future generations by neglecting youth unemployment in the austerity budgets aimed to reduce public debt. The rate of youth unemployment rose globally from 11.7 percent in 2007 to 12.7 percent in 2011, the advanced economies being particularly hard hit, where the rate jumped from 12.5 percent to 17.9 percent over this period. In addition to the 75 million unemployed youth around the world in 2011—a growing number of whom are in long-term unemployment—an estimated 6.4 million young people have given up hope of finding a job and have dropped out of the labour market altogether. Young people who are employed are increasingly likely to find themselves in part-time employment and often on temporary contracts. In developing countries, youth are disproportionately among the working poor.67

Using the human development approach as a whole-of-government tool can help one to think more broadly about the impacts of policies. Consider, for example, a programme of targeted public work aimed at youth from 15-25. This might be effective in the short term in generating employment, but over the longer term might tempt young people out of the education system, which could affect their future employment prospects. Moreover, thought would also be given to the spillover effects of such a policy on other people. Might it increase unemployment among those in the 26—30 age group, for example.

The 2010 Egypt National Human Development Report on youth points out that social mobility for youth in the country is low, as socio-economic status, poverty and family background determine educational achievement. Rural poverty, in particular, has led to high levels of migration to urban areas, loosening family ties, and increasing problems of informal settlements and urban slums. Youth exclusion in community and public life has resulted in a ‘waithood’ period where they wait for their lives to begin. At least 90 percent of the

---

62 Abdurazakov, Minsat and Pineda 2012.
63 Lutz and Samir 2012.
64 Commission for the Legal Empowerment of the Poor and UNDP 2008.
65 UNDG 2010.
67 ILO 2012a.
unemployed are under age 30, female labour participation is at one of the lowest rates in the world, and youth perceive that opportunities are unequally distributed. Taking a human development perspective suggests that a future development framework should not only encourage purely labour market policies but link them to educational policies and providing services in health and education as well as enhance civic inclusion and participation for improved cultural development and civic education.\textsuperscript{68}

In Somalia, fostering youth empowerment and inclusion is seen as key for positive transformation in the country. Creating opportunities is essential for countering a sense of unclear identity and marginalization in a conflict environment. The 2012 Somalia National Human Development Report: Empowering Youth for Peace and Development calls for an empowerment agenda as feelings of insecurity and humiliation, and the lack of educational and employment opportunities cause high frustration levels. The unemployment rate among youth is at 67 percent. The Somalia report underlines that successful employment policies need to be built on linkages to rights-based, equitable as well as socio-political approaches that include building social and political capabilities, as well as enhancing voice, participation and agency so youth can make choices about their own lives.\textsuperscript{69}

Decent secure work often brings with it social protection in the form of benefits such as a pension. A lack of protection can cause an increased exposure to poverty, exclusion from health and education, and reduced opportunities for productive activities, such as formal employment. The best known example is how a lack of health insurance can throw individuals into poverty.\textsuperscript{70} Overcoming these insecurities is a major aim for public policies focused on human development. Social protection is the most relevant tool to be pursued in a decent employment agenda.

It is somewhat ironic to note that MDG goals and targets exist for youth literacy rates and HIV prevalence, but for whether or not these same people are obtaining a decent job, are included and engaged actively within their society, and see opportunities for developing their lives according to their own choices. To back a whole-of-government approach, a post-2015 framework needs to develop a much stronger approach to better indicators for decent employment, in particular youth employment, that are closely linked to social and political capabilities, and based on the idea of agency and empowerment. The examples show that it is equally important to design economic and environmental policies that are inclusive and enhance the rights of marginalized and vulnerable groups, thereby reducing societal inequalities. Placing human development at the center of public discussion on human progress can offer various ways to promote participation and voice, empowerment and equity, as well as social justice within societies.

TOWARDS A FAIRER WORLD

Equity is central when a human development perspective is applied. It has an ethical dimension—it refers to those inequalities that are considered to be unjust. The distinction between inequity and inequality is critical. Equity has an intrinsic value in itself because of its relation to justice and fairness. Inequality refers to any ‘differences, variation and disparities’ in the characteristics of individuals and groups as well as in outcomes. Yet our evaluation of what is equitable is often based on prevailing inequalities: We need to use measures of inequality as proxies for inequity. From a human development perspective, any inequality that infringes upon capabilities and substantive freedoms of an individual or a group, and thereby on rights, choices and opportunities, is unjust.\textsuperscript{71}

Stewart describes inequalities as either ‘horizontal’ or “vertical”. Horizontal inequalities flow from people’s membership in a population group, defined by gender, race, religion or birthplace, rather than some inherent capability (such as intelligence). Vertical inequality relates to differences among individuals, often measured by individual economic resources. While some vertical inequality might be socially tolerable, horizontal inequalities in terms of capabilities—i.e., unequal access to political, economic or social resources among different cultural, ethnic or religious groups—should not be tolerated.\textsuperscript{72}

\textsuperscript{68} UNDP, 2010. 
\textsuperscript{69} UNDP 2012b. 
\textsuperscript{70} Ernst et al. 2012. 
\textsuperscript{71} Melamed et al. 2013. 
\textsuperscript{72} Stewart, ed. 2008.
EQUITY AND INEQUALITY WITHIN COUNTRIES

The 2013 HDR observes that inequality reduces the Human Development Index (HDI) by an average of 23 percent. Losses are particularly severe in low human development countries, and are often related to health and education—pillars of human development that are essential for inclusive growth—rather than income. Evidence finds that more equal societies have higher secondary enrolments among poor children. This is just one example of how investing in equitable human development can create a virtuous cycle of development, spurring economic growth that translates into improved human development outcomes.

High levels of inequality also erode social cohesion and generalized trust. Research further links inequality to crime, while group inequalities can lead to civil disobedience or even war.

Inequalities are “particularly unjust when they systematically disadvantage specific groups of people, whether because of gender, race or birthplace (that is, horizontal inequalities).” Political imbalances and concentration of power can reinforce disparities. At the individual and household level, profound disparities are often linked to group-level characteristics and associated with historical patterns of discrimination, which negatively impact on the voices and rights of these groups, and their inclusion within society. Multiple forms of inequalities (cultural, spatial, economic, social and political) intersect, reinforce each other, and reinforce social inclusion as well as disempowerment over time. The 2011 HDR argues that “inequalities in outcomes are largely the product of unequal access to capabilities.” Differences in outcome should derive from the choices people make rather than their ability to exercise choice. Unfortunately this is mostly not the case.

Promoting equity through a post-2015 agenda for development will not be a straightforward technical matter. Much depends on national and international political will. Recent events in North Africa, especially in Egypt and Tunisia, indicate that the MDGs lack essential elements for advancing equitable human development. Several countries in the region had received praise for being among the 10 highest achievers in making progress on the MDGs. Yet this ‘progress’ was not sufficient to stem a groundswell of popular dissatisfaction with the regimes that delivered it. As the recent Arab Development Challenges Report shows clearly, lack of employment, high levels of unemployment among school leavers, a low share of women in full-time employment, and autocratic regimes that ignored the voices of the people, especially the poor, resulted in growing dissatisfaction. Political inclusion is as relevant as economic inclusion: People strive for both good jobs and a voice in their societies.

A post-2015 framework will need to provide incentives for governments to implement appropriate policies that are inclusive and accountable. Choosing the right objectives and metrics will be crucial for achieving the greatest impact. Policy planning from a human development perspective suggests that policies should aim to reduce inequalities in opportunities and increase capabilities (and opportunity to use them). For example, promoting equality, in particular gender equality, in educational outcomes will have a greater impact on underlying inequitable political and social relationships and opportunities than the equal distribution of bed-nets. For any future framework, the lack of data on inequalities is likely to be a major constraint. However, well-designed targets on inequality, with appropriate resources to enable national statistical offices to meet the new requirements, could improve data collection, just as the MDGs did. Indicators for measuring inequalities would need to be rigorous and persuasive, and simple enough to serve as an effective communication and advocacy tool for all.

Examples from different countries on measuring inequality could provide inputs on how using the human development approach as a planning tool in national policies and programming can allow a government to enhance the capabilities of its citizens as well as better target those who are lagging behind, as National Human Development Reports from Brazil, India and Mexico have shown.

74 Stewart et al.
75 Ibid.
76 Wilkinson 2009.
77 Melamed et al. 2013.
78 UNDP 2011b.
79 Kabeer 2010.
80 UNDP 2011b.
81 Melamed et al. 2013.
82 UNDP 2011a.
83 Pagliani 2010.
In India, the HDI is used to guide national development planning. States are focusing on districts with low human development, and aim to identify causes and constraints for underdevelopment and marginalization. Budgets for social services are allocated according to the respective human development status of these districts, with a focus on disadvantaged groups and areas. This has increased service delivery and government accountability.86

The governments of Brazil and Mexico have identified relevant indicators for human development that serve to monitor trends in progress at a decentralized level. Mexico pioneered the inequality-adjusted HDI, which allows the calculation of persistent inequalities for different dimensions of human development, as well as the disaggregation and identification of disparities among and within social groups. In Brazil, the Human Development Atlas is an electronic publication, containing the HDI and some 220 additional socio-economic indicators, disaggregated by groups, gender, age and income. The tool has proven useful in targeting state programmes as well as in increasing transparency and knowledge on entitlements. Both are powerful mechanisms for improving government services and empowering citizens.86

Redistributive spending and cash transfers have played a major role in targeted policies and the reduction of inequalities in Brazil and Mexico. While they have proven effective in certain situations, a human development approach would caution that targeted policies should not exclusively be designed as welfare systems, but should aim at improving opportunities among those targeted.

While using targeted approaches can be useful. In general a human development perspective would argue for both improvement and inclusiveness of public services, in order to avoid a two-class system for poorer and richer members of a society. A post-2015 framework that provides incentives for national policies to aim for a reduction of inequalities might choose to adopt the ‘getting to zero’ approach. This aims to create robust public services that are available, accessible and accountable to all parts of the population. It would suggest, for example, that a goal around providing quality health services might be more effective in reducing inequalities in health outcomes than goals focused on specific conditions. A post-2015 agenda that focuses on the poorest risks leading to parallel systems that meet minimum needs, though at low quality, while inequalities can develop further, as the wealthier use different services.87

The MDG target on education is a case in point. It may have reduced inequality in access to education, per se, but may have increased inequality in access to quality education, and this needs to be born in mind when assessing progress overall.88 Post-2015 targets will need to be chosen carefully to avoid new dimensions of inequality. The feasibility of providing universal public services of a sufficient quality to retain support from different levels of society will play a major role and be context-specific.

Another approach to reducing in-country inequalities is to promote inclusive economic growth. A post-2015 framework needs to trigger income and employment growth for the bottom quintile of the population, as well as aggregate progress in GDP, to ensure we improve human development outcomes among the working poor.89 It also needs to give greater and explicit attention to participation and empowerment, as advances in education and health access in themselves do not guarantee greater voice and inclusion within a society.

INEQUALITIES IN POWER

Empowerment is an integral part of human development: people need to be aware of their rights and able to exert influence over the choices they make, as well as the processes that influence them. And that can enable active participation in their community and in economic life.

The level of empowerment is further determined by the norms, behaviours and characteristics of a community surrounding an individual: People are influenced by the customs, rules and principles of their society, and their family ties. Different community attributes can improve

88 Ibid., p.10.
89 Ibid., p.27.
individual capabilities and human development as well as empower individuals to exercise choices and rights.\textsuperscript{90}

Governments play an essential role in empowering citizens. Various examples show that success in advancing human development is often home-grown, and can be fostered by placing human development at the center of public discussions on progress, and through promoting participation, equity, social cohesion and social justice within societies.

Experience, such as those from Colombia\textsuperscript{91} and Turkey, underline the relevance of national ownership, and show how government efforts that are participatory, inclusive and accountable towards their citizens can work best.

Inclusive national policy-making can enhance empowerment as well as voice and accountability. In Turkey, the 2008 Human Development Report on youth initiated a broad-based public dialogue, in which youth organizations played a major role in influencing the Government. It led eventually to Government developing a youth policy. In Colombia, the preparation of the 2008 Human Development Report on the region of Valle de Cauca offered opportunities to over 4,000 people to participate in workshops, interviews and meetings. It engaged government agencies, civil society, academia, the private sector as well as the target groups. These broad consultative mechanisms created a sense of ownership of regional reforms, and fostered empowerment among participants, who were able to voice their concerns.

**EQUITY AND INEQUALITY AMONG COUNTRIES**

The mechanisms through which a post-2015 framework could drive reductions in inequalities among countries are not well developed. Building on the existing MDG 8, generating new global partnerships for reducing inequalities is a challenge, dependent on political will.

One approach that has found wide support is the implementation of a global social protection floor, comprising a basic set of rights and services that every person should enjoy. Promoting social protection globally would address multidimensional vulnerabilities, and would aim to reach poor and marginalized groups. A global partnership for social protection would also seek to support those countries that wish to set up a social protection floor, but worry that in doing so they will become economically uncompetitive.\textsuperscript{92}

Coordination across countries is essential for addressing issues of global equity. Although social protection policies are often considered to be the mandate of individual national governments, numerous factors point to the need to consider social protection from a global perspective, including high levels of poverty (despite the progress made in recent years), economic crises, systemic risks, the changing nature of employment around the world and growing inequalities.\textsuperscript{93} The establishment of a social protection floor for all countries provides a basic level of security to mitigate these economic risks. Although a global social floor is only one element of a broader socio-economic strategy, social protection floors have proven effective in arresting growing trends of inequality and poverty in several circumstances.\textsuperscript{94}

While they may have helped economic growth and poverty reduction, international finance, trade and investment as well as international migration have had mixed effects on inequality. In all these areas, international cooperation and coordination are essential. For example, reduced tax evasion and tax avoidance would lead to a more equitable global system, but this requires coordination and trust among countries. Research suggests that increased labour mobility improves economic outcomes through the inflow of remittances and the ability to address key labour market constraints. Immigration reform therefore represents another area in which international cooperation could increase labour mobility, delivering real economic benefits. A post-2015 framework could explicitly incorporate aspects of migration policy, such as simplified visa requirements.\textsuperscript{95}

\textsuperscript{90} Stewart 2012a.  
\textsuperscript{91} Pagliani 2010.  
\textsuperscript{92} Herfkens 2011.  
\textsuperscript{93} ILO 2011.  
\textsuperscript{94} Globalization 2004 and Van Ginneken 2009.  
\textsuperscript{95} Melamed and Samman 2013.
EQUITY AND INEQUALITY AMONG GENERATIONS

Finally, a focus on sustainability, including environmental sustainability, is essential to address intergenerational inequalities. Over-consumption of finite resources today threatens to limit the opportunities of people to enjoy clean water or air, or fertile soils now and in the future. A post-2015 framework must come to grips with issues of human (economic, social and cultural) and labour rights as well as issues of inequality and redistribution.

It will be crucial to get the objectives, accountability and metrics right. Objectives should tackle structural reasons for inequality, such as the lack of equal access to quality education and health systems. National accountability will be important for implementing policies on public services or inclusive growth, where broad global agreements might serve best. However, specific global agreements could be useful for creating mutual accountability among governments in highly contested areas, such as migration or trade. Also, the quality of indicators is important: they need to be simple enough to be used for communication, but contain sufficient information to be persuasive.

REDUCING POVERTY

The fact that most of the poor do not live in countries no longer classified as ‘poor’ anymore has important consequences for many of the MDG targets, not least those of poverty reduction. For most of the world’s poor, traditional ODA-funded projects will be less relevant. Poor households in middle-income countries would benefit more from improved access to social services, good productive jobs, or a well-functioning, rights-based system that give people access to government services and ensure workers can exercise their labour rights. But how can the post-2015 development goals allow the poor in middle-income countries to benefit from a greater share of the proceeds of development? Taking a broad approach to poverty is important—one that recognizes the fight against poverty requires tackling the entire ecosystem of poverty. Framed in a human development perspective, a post-2015 framework must come to grips with issues of human (economic, social and cultural) and labour rights as well as issues of inequality and redistribution.

Metrics are also important in understanding what genuine poverty looks like and who it impacts. Measures of poverty based solely on income are crude and only tell a small part of the picture. Measures of multidimensional poverty, though conceptually challenging, will be crucial to ensuring the right policies are applied—and the right investments made—in the right places and among the most needy.

It has also become clear that people in fragile and conflict-affected countries—23 percent of the world’s poor—cannot be adequately reached through traditional development aid. All this shows that the MDGs, as the development aid community designed them in 2000, are relevant only to a small fraction of the world’s poor. Tackling poverty requires tackling the ecosystems that surround and maintain poverty. This requires a human development approach almost by definition, and using the human development lens as a whole-of-government tool is particularly effective.

The human development lens can also help clarify the implications of policies aimed at tackling poverty in the most developed countries. Current austerity programmes in Europe, for example, are going to affect inequality and the human development approach can help think through the likely affects. Tony Atkinson details discussions in the UK around reducing government funded child benefit payments. These are currently made to all children, but there is a suggestion that they should be targeted only at poorer families. This may seem progressive, prima facie, until one considers that “helping poor families would be borne by better-off families with children, not by better-off people as a whole.” A human development approach would favour raising taxes on the better-off and spending the revenue on poorer children as well as the deficit.

The changing geopolitical landscape, the increasing diversity of developing countries, and the number of poor

96 Melamed and Samman 2013.
97 Sumner 2010.
98 Atkinson 2012.
people living in countries of radically different development levels and patterns all imply that a post-2015 development framework needs to give much more attention to national development patterns, goals and targets. 99

An emphasis on the national level is important for two more reasons.

First, it strengthens the special position of the least developed countries and the poor who are living in these countries. A post-2015 framework could continue to give special attention to the least developed countries.

Second, the crises of 2008, and the current fiscal challenges that many governments face and that were caused by the financial crisis, make it clear that the extent to which the poor and the socially disadvantaged are protected in industrialized countries has also become a serious political and societal problem. One might therefore contemplate setting targets that are relevant and applicable to developed countries. Ongoing globalization and greater interconnectedness is creating hardship for vulnerable socio-economic groups in developed countries, and it would be unwise to ignore this in a post-2015 framework.

99 This is already an ongoing trend. Since 2000, various countries have either reproduced or translated MDGs at their own national level.
Building on a wealth of work underway within—and outside—the UN system, this paper has discussed some of the key issues that need to be addressed in a post-2015 human development agenda.

The world of 2012 is very different from that of 2000: Major crises have taken place; new challenges have emerged or risen in prominence; and the entire development landscape is now quite different, with only a quarter of the world’s poor living in countries now classed as least developed. Many countries from the South are rapidly growing; the entire geo-political power balance is shifting. A new development framework must pay attention to all this. It must also pay attention to issues that every country is grappling with:

- How can development be sustained within the planet’s boundaries?
- How can poverty—in all its dimensions—be reduced for this and future generations?
- How can employment be provided for all in a way that ensures workers are treated fairly and have a sense of dignity?
- And how can inequity, within and among nations, be reduced?

The paper has argued that taking a human development approach both to the design of a post-2015 framework, and to policy-making more generally will help ensure that development challenges are tackled in a way that recognizes their complexity. The human development approach can:

- Assist policy-makers to support human development in the face of each challenge; and
- Promote the whole-of-government solutions that each challenge requires: complex, multifaceted, problems call for a coherent set of economic, social and environmental solutions that complement, rather than contradict, one another. These policies must be designed according to their impact on people, and that in turn requires taking a human development approach of putting people at the heart of development.

Moreover, we have argued that development goals and indicators must be chosen to work together in a way that can frame and drive development, and ensure that the root causes of development challenges are addressed, not just their symptoms. The smartest indicators will provide national policy-makers with support and focus, without dictating the specific actions they need to take: Local problems often require local solutions.

Better global governance is also needed for aspects of development that national policy-making, or the market, alone can never hope to solve. In our ever more connected world, cooperation and coherence are increasingly vital. The GDGs are a chance to promote collaborative solutions to complex challenges. These solutions can involve the public and private sectors, and citizens at large. They can cross national boundaries and policy-making silos alike. This too must be a part of the post-2015 human development agenda.
REFERENCES


Ernst, C., Hagemeier, K., Marcadent, P. and M. Oelz (2012) “Decent work and empowerment for Pro-Poor Growth” in Poverty Reduction and Pro-Poor Growth: The Role of Empowerment, OECD.


UN System Task Team to support the preparation of the Post-2015 UN Development Agenda: “Realizing the Future We Want


