

Human Development Report 2014



Sustaining Human Progress:
Reducing Vulnerabilities and Building Resilience

SUSTAINING HUMAN PROGRESS: REDUCING VULNERABILITIES AND BUILDING RESILIENCE

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Why resilience and vulnerabilities?

- **Post-2015:** from getting to zero to staying at zero
- In our increasingly connected world we face – and must manage - **new vulnerabilities**
- Vulnerability is often managed in silos. **Human Development theory is an holistic approach.**



Focus of the report

Basic Propositions: The underlying drivers of vulnerability are –

- Low Capabilities in health, education, income, personal security
- Inadequate Policies and Poor Social & State Institutions

Central Theses: Essential to –

- Enhance Choices, Protect Choices
- Set policies that aim at reducing vulnerability and building resilience



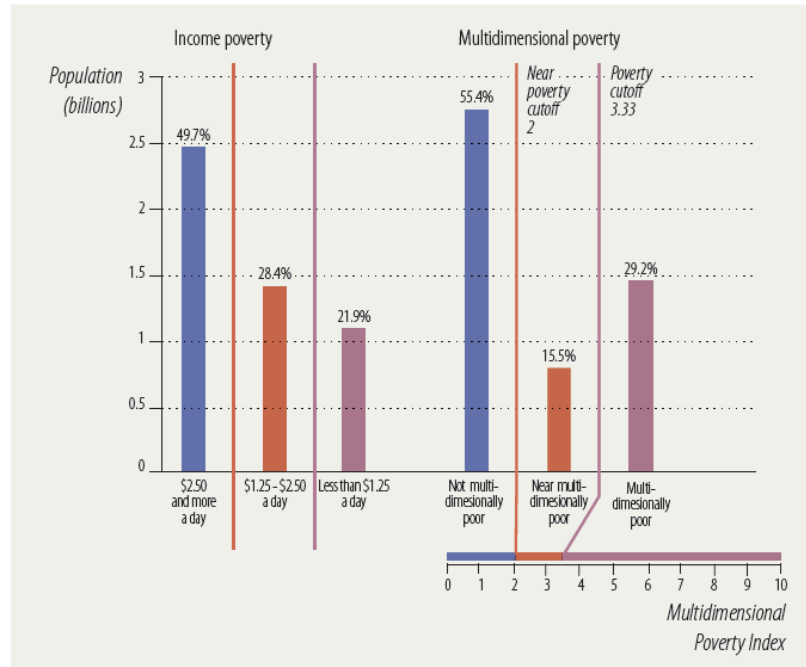
Who is Vulnerable and Why?

- **Over 2.2 billion** with overlapping deprivations in health, education and living standards. Some 1.5 billion deprived in all three.
- **80% of the globe** lack comprehensive social protection. About 12% in chronic hunger.
- **Nearly half of all workers**—more than 1.5b—in informal/precarious employment.



Poverty

Some 1.2 billion people live on less than \$1.25 a day, and 1.5 billion people live in multidimensional poverty

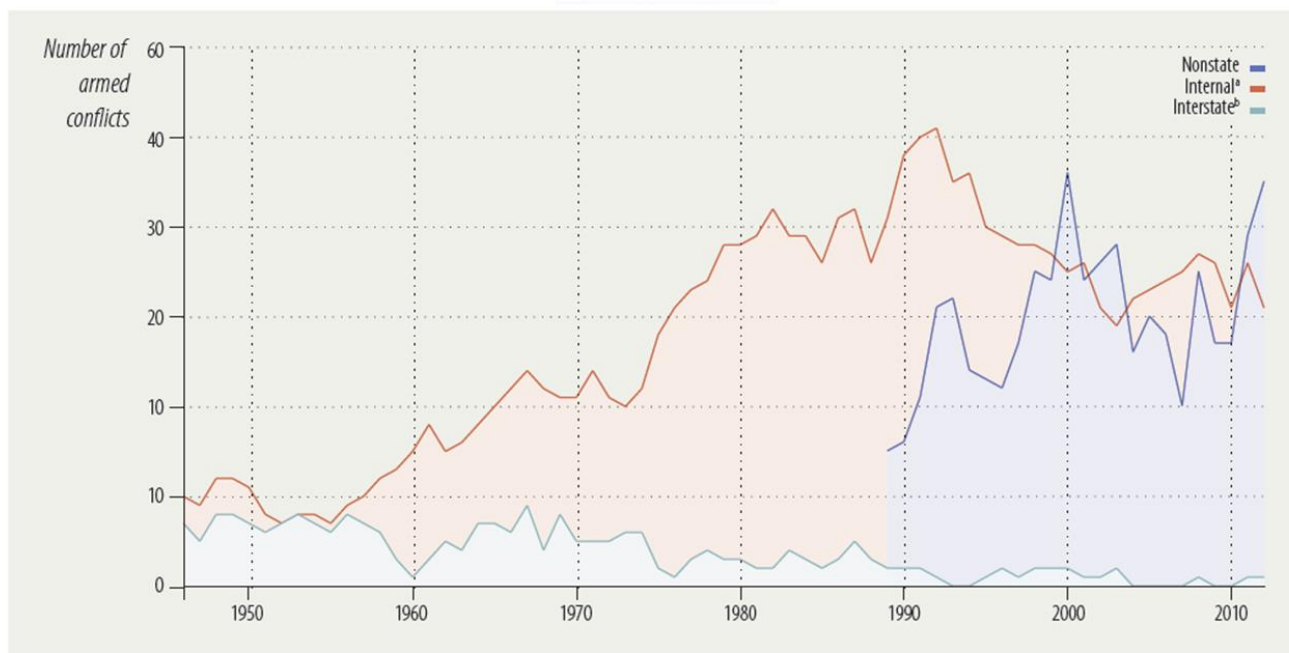


Source: Multidimensional poverty, Human Development Report Office calculations based on various household surveys, including ICF Macro Demographic and Health Surveys, United Nations Children's Fund Multiple Indicator Cluster Surveys and several national household surveys; Income poverty, Human Development Report Office calculations based on data from the World Bank's World Development Indicators database.



Conflict

Internal and nonstate armed conflicts account for the vast majority of conflicts worldwide



a. Includes internationalized internal conflicts.

b. Includes extrasystemic conflicts.

Source: UCDP and PRIO 2013; UCDP 2013.



Two Guiding Principles for Human Development

- **Embracing Universalism:** Equal life chances require unequal attention to the poor and disadvantaged.
- **Putting People First:** All policies need to reflect on their impact on people's lives.



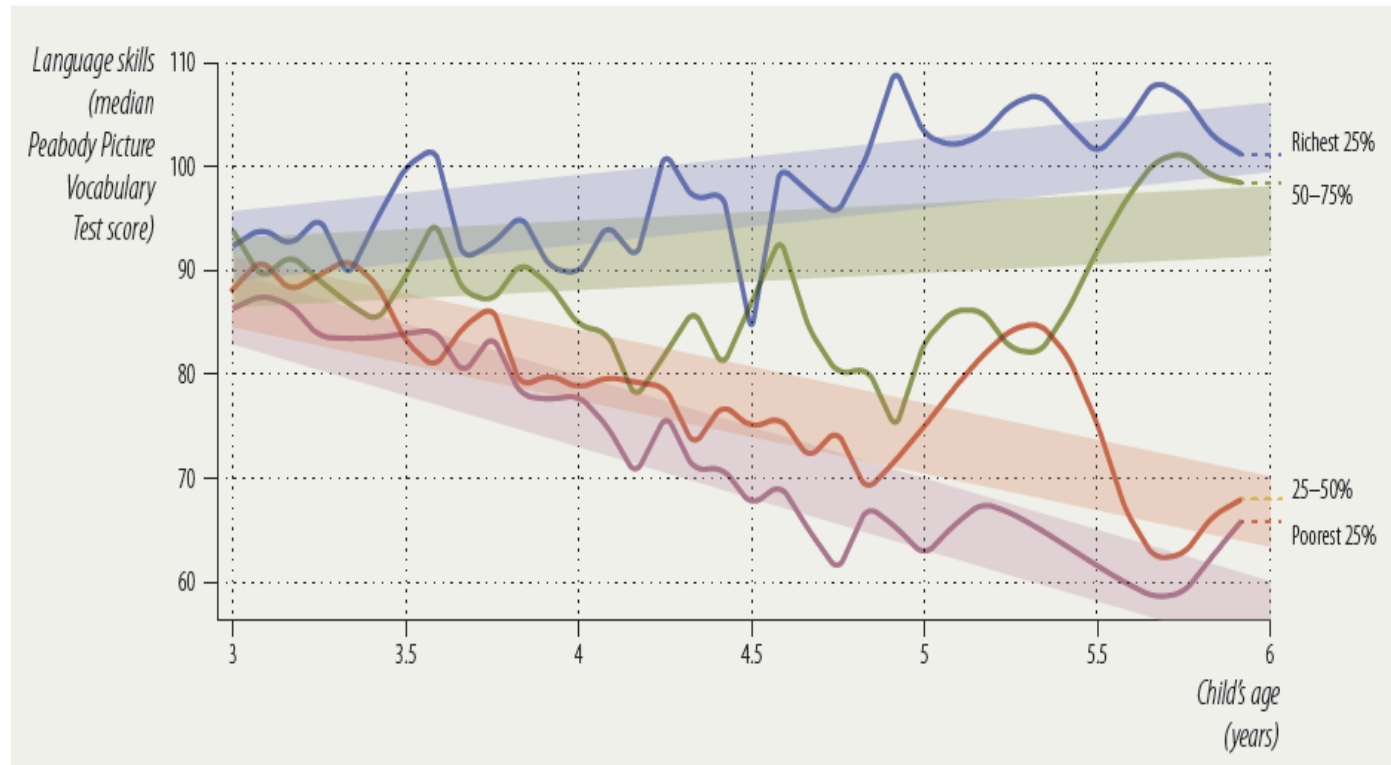
New Concepts, Old Realities

- **Life capabilities, sensitive periods**
Threats face by individuals from infancy through youth, adulthood and old age
- **Structural vulnerabilities**
e.g. The poor, minorities, women and the elderly
- **Violence, personal insecurity**
45 million displaced by violence or conflict



Gaps Open Early and are Hard to Close

Poor children are already at a vocabulary disadvantage by age 6, as shown in the case of Ecuador



Source: Paxson and Schady 2007.



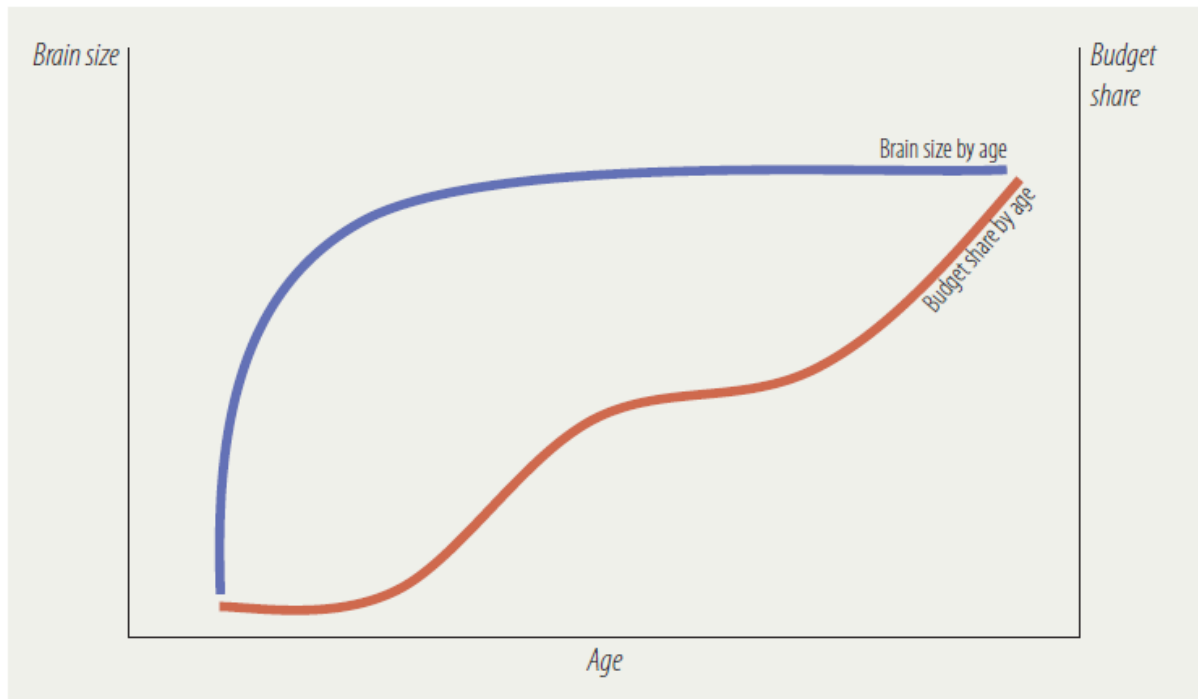
Universal Basic Social Services

- **Universal access to basic social services enhances resilience**
- **Universal or targeted spending?**
When benefits are narrowly targeted the middle class are less willing to fund them
- **Imperative and feasible even at early stages of development**
- **Addressing life cycle vulnerabilities** - timing matters, so resources should be available when most needed



Get the Timing Right

Spending on health, education and welfare that increases over the life cycle does not nurture and support capability development during the crucial early years



Source: Karoly and others 1997.



Full Employment

- **Full Employment** - a central policy goal in the 1950s/60s - has fallen out of fashion. It must return.
- **Jobs bring benefits far beyond a salary.** They foster social cohesion, bring dignity and belonging, help individuals to manage shocks and volatility



Social Protection

- Time to introduce **social protection floors** to protect immediate choices and help individuals make better long term decisions during crises.



Social Inclusion, Responsive Institutions

- **Social inclusion** builds resilience and by transforming norms helps address violent conflict.
- **Take direct measures to address group inequalities**, such as affirmative action, alongside broader pro-poor policies.
- **Responsive institutions** that give a voice to the poor - and react to their concerns - can be hard to build but worth the effort.



In an Interconnected World

National action can only go so far; collective action is essential.
Two profound challenges for the 21C

- Under provisioning of global public goods, e.g. reducing CO2 emissions
- Architectural deficits in global governance (which are perhaps growing), e.g. financial governance

Inaction risks social instability whether from financial crises, climate change, or mass unemployment.



Can Globalization Work for People?

- **Elements of a Global Social Contract.**
- **Renewed attention on fragile states and conflict.**
- **Greater fiscal space and less tax avoidance.**
- **Stronger global/regional shock absorbers e.g. Regional Monetary Funds.**



Towards Inclusive, Resilient, Sustainable Progress?

- **A better balance between private and public interests.**
- **We need more than markets. Collective action and public goods are essential.**
- **Sustaining progress takes work and requires protecting achievements against vulnerability and building resilience. Targeting vulnerable groups and reducing inequality are essential.**

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