

HUMAN DEVELOPMENT REPORT 1999

Adm
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Foreword

This is the first *Human Development Report* that bears my signature as Administrator. For a new Administrator, the *Human Development Report* is a crown jewel of UNDP. Its robust editorial independence and its unapologetic scholarship have led its authors to say the unthinkable, and they then have the pleasure of watching conventional opinion catch up. I believe that Mahbub ul Haq, to whom this tenth Report is dedicated, would be proud that the tradition is being so vigorously maintained.

This year's Report comes down clearly in favour of the power of globalization to bring economic and social benefits to societies: the free flow of money and trade is matched by the liberating power of the flow of ideas and information driven by new technologies.

However, as it has so effectively in the past, the Report champions the agenda of the world's weak, those marginalized by globalization, and calls for a much bolder agenda of global and national reforms to achieve globalization with a human face. It cautions that globalization is too important to be left as unmanaged as it is at present, because it has the capacity to do extraordinary harm as well as good. I fully endorse this view.

Let me comment on only two aspects of the Report's wide-ranging recommendations for change in how global society is organized.

First, governance. My own view is that we are seeing the emergence of a new, much less formal structure of global governance, where governments and partners in civil society, the private sector and others are forming functional coalitions across geographic borders and traditional political lines to move public policy in ways that meet the aspirations of a global citizenry. Some issue campaigns have led to shifts in global policy, such as the antilandmine campaign and the

campaign for millennium debt relief. These coalitions use the convening power and the consensus-building, standard-setting and implementing roles of the United Nations, the Bretton Woods institutions and international organizations, but their key strength is that they are bigger than any of us and give new expression to the UN Charter's "We, the peoples." We must not suffocate this new diplomacy with new institutions, but first try to adapt and strengthen those we have—not least by reaching out to these new global coalitions of stakeholders.

Second, markets. In listing the negative impacts of markets on people, it is important not to appear to be rejecting markets as the central organizing principle of global economic life. Markets need institutions and rules—and too frequently in the global setting they are not yet adequately subjected to the control of either. But the unleashing of competition within countries and between countries has ushered in for many an era of prosperity and liberty.

Where I fully agree with the authors is that this empowerment has been uneven—leaving countries, regions, ethnic and religious groups, classes and economic sectors the victims of increased inequality. Sixty countries have been getting steadily poorer since 1980. The losers from globalization are both a huge human and political waste and the source of disappointment and often tragedy for themselves and the families that depend on them. Markets have brought dislocation and heartache as well as remarkable advances. As the authors argue, these failures, unaddressed, will compound and encroach on the security of today's market winners.

Public health problems, immigration and refugees, environmental degradation and broader social and political breakdown are the new security challenges that breed in a context

of unattended global inequality. For all our sakes we need to work together to build the frameworks of a new global society and economy that respect differences, protect the weak

and regulate the strong. We must do so, however, in ways that are innovative and reflective of the new forces in our societies—and that keep markets free but fair.

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The analysis and policy recommendations of the Report do not necessarily reflect the views of the United Nations Development Programme, its Executive Board or its Member States. The Report is the fruit of a collaborative effort by a team of eminent consultants and advisers and the Human Development Report team. Richard Jolly, Special Adviser to the Administrator, together with Sakiko Fukuda-Parr, Director of the Human Development Report Office, led the effort.

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Contents

OVERVIEW

Globalization with a human face 1

TEN YEARS OF HUMAN DEVELOPMENT 15

CHAPTER ONE

Human development in this age of globalization 25

The world has changed 28

Global integration—rapid but unbalanced 30

Social fragmentation—reversals in progress and threats to human security 36

What's to be done? 43

CHAPTER TWO

New technologies and the global race for knowledge 57

The race for knowledge 57

The new technologies—drivers of globalization 57

Access to the network society—who is in the loop and on the map? 61

The new rules of globalization—shaping the path of technology 66

Impacts on people 68

The need to reshape technology's path 72

CHAPTER THREE

The invisible heart—care and the global economy 77

Human development, capabilities and care 77

Care—or “tender loving care” 78

Globalization and care 79

Care and market rewards 80

Redistributing the costs and responsibilities of care—to family, state and corporation 80

The challenge of care in the global economy 81

CHAPTER FOUR

National responses to make globalization work for human development 84

Capturing global opportunities 84

Protecting people against vulnerabilities 90

Overcoming the resource squeeze 92

Generating pro-poor growth—reducing inequalities and enhancing human capabilities	94
Creating effective alliances of national actors	95
Formulating strategies for emerging new issues in the global system	96

CHAPTER FIVE

Reinventing global governance—for humanity and equity	97
Putting human concerns and rights at the centre of global governance	98
Protecting human security in economic crisis	101
Reducing other causes of human insecurity	103
Narrowing global gaps	104
Specific actions to strengthen the bargaining position of poor countries in global governance	108
Start now to build the global architecture required for the 21st century	110
All these actions begin with people	114

References 115

SPECIAL CONTRIBUTIONS

Ten years of human development <i>Paul Streeten</i>	16
Assessing human development <i>Amartya Sen</i>	23
Partnership with the United Nations <i>Ted Turner</i>	100

BOXES

1.1	Globalization—what's really new?	30
1.2	Shrinking time, shrinking space, disappearing borders—but for whom?	31
1.3	The concept of human security	36
1.4	Merry Christmas—and have a Happy New Year elsewhere	37
1.5	The collapse of the East Asian financial markets— economies recovering, but human recovery will take longer	40
1.6	Buildup and reversal of short-term capital flows—lessons of East Asia	41
1.7	Why crime syndicates like globalization	43
2.1	What is the Internet?	58
2.2	HealthNet for better patient care	59
2.3	Defending Gorbachev, defeating the Multilateral Agreement on Investment—how the Internet made a difference	60
2.4	Trading places—the rise of data processing	61
2.5	Innovating with the Internet	64
2.6	Preparing for the information age—set the wheels in motion	66
2.7	What is TRIPS?	67
2.8	Ethics and technology—a luxury concern?	72
2.9	Questioning the ownership of knowledge	73
2.10	Rerouting the genetic revolution—the CGIAR proposal	74
3.1	If we are going to compete, let it be in a game of our choosing	78
3.2	Globalization leads to the feminization of labour—but the outcome is mixed	80
3.3	More paid work doesn't reduce unpaid work	81

3.4	Support for men's child-care responsibilities in Western Europe	82
4.1	More trade, more capital, more human deprivation—Russia	85
4.2	Opening the Polish economy with institutional reforms	86
4.3	Liberalizing foreign investment in India	87
4.4	Foreign direct investment for human development in Malaysia	88
4.5	Incentives to multinationals—and nationals—in Mauritius	88
4.6	Short-term capital controls in Chile	89
4.7	Revealing the human trafficking in Eastern Europe and the CIS	89
4.8	Social protection for Tunisia's poor	90
4.9	Ireland's social partnership agreements	91
4.10	Upgrading skills and achieving worker flexibility in Sweden	91
4.11	Responses to the eroding welfare state	93
4.12	NGOs as a powerhouse in national alliances	96
4.13	Meeting the challenges of globalization—Fundación Chile	96
4.14	Using national human development reports to outline impacts and priorities	96
5.1	Keynes's vision for global governance	98
5.2	The successes and failures of global governance since 1945	99
5.3	Social auditing of multinational corporations	101
5.4	Globalization without Poverty—a European initiative	101
5.5	Global crime—the international response	104
5.6	Renegotiating Lomé—one size doesn't fit all	105
5.7	Developing countries and trade—active participation in the millennium round	106
5.8	Debt—a need for accelerated action	107
5.9	NGOs and global advocacy	110
5.10	Global public goods—the missing element	111

ANNEX TABLES

A1.1	Trade flows	45
A1.2	Resource flows	49
A1.3	Information flows	53

BOX TABLES

1.1	Declining cost of transport and communications	30
3.3	Time spent in paid and unpaid work in Bangladesh, 1995	81

TABLES

1.1	Top corporations had sales totalling more than the GDP of many countries in 1997	32
1.2	Unemployment rate in selected OECD countries	32
1.3	The Asian crisis hurts distant economies and people	42
2.1	Who has real access to intellectual property claims?	71
4.1	Trade, economic growth and human development—no automatic link	85
4.2	Foreign direct investment, economic growth and human development—no automatic link	87

4.3	Adjustment and greater income inequality, 1987–88 to 1993–95	92
4.4	Major and minor collectors of trade taxes, 1990–96	92
4.5	Social welfare systems and income inequality, 1998	94
5.1	Eight heavily indebted poor countries, 1995	108
5.2	External debt of the 41 heavily indebted poor countries, 1992–96	108
5.3	Who gets aid?	108
5.4	Global institutions and their membership	109

FIGURES

	Stark disparities between rich and poor in global opportunities	2
1.1	Global integration has progressed rapidly but unevenly . . . with wide disparity between countries	26
1.2	International telephone calls	28
1.3	Less than a third of television programming in Latin America originates in the region	34
1.4	Domestic film industries struggle to hold market share	34
1.5	Uneven ratification of human rights conventions	35
1.6	Inequality has worsened both globally . . . and within countries	38
1.7	Portfolio flows have brought severe volatility to many markets	41
1.8	Provisioning for human development	44
2.1	How long before new technologies gain widespread acceptance?	58
2.2	Software exports from India	61
2.3	Teledensity	62
2.4	Internet users—a global enclave	63
2.5	Worldwide mergers and acquisitions	67
2.6	The race for patents	68
2.7	Drug prices and patent costs	69
3.1	Four sources of caring labour	79
4.1	Differences in human development—Botswana and Mali, mid-1980s	85
4.2	Reduced revenue generation—loss of fiscal strength	93
4.3	Growth—pro-poor or pro-rich?	94
4.4	Subsidies to the poor or the rich?	95

HUMAN DEVELOPMENT INDICATORS

What do the human development indices reveal? 127

Monitoring human development: enlarging people's choices . . .

1	Human development index	134
2	Gender-related development index	138
3	Gender empowerment measure	142
4	Human poverty in developing countries	146
5	Human poverty in industrialized countries, Eastern Europe and the CIS	149
6	Trends in human development and per capita income	151
7	Trends in human development and economic growth	155

... to lead a long and healthy life ...

- 8 Progress in survival 168
 - 9 Health profile 172
-

... to acquire knowledge ...

- 10 Education imbalances 176
-

... to have access to the resources needed for a decent standard of living ...

- 11 Economic performance 180
 - 12 Macroeconomic structure 184
 - 13 Resource use imbalances 188
 - 14 Aid flows from DAC member countries 192
 - 15 Aid and debt by recipient country 193
-

... while preserving it for future generations ...

- 16 Demographic trends 197
 - 17 Energy use 201
 - 18 Profile of environmental degradation 205
 - 19 Managing the environment 209
-

... ensuring human security ...

- 20 Food security and nutrition 211
 - 21 Job security 215
 - 22 Profile of political life 217
 - 23 Crime 221
 - 24 Personal distress 225
-

... and achieving equality for all women and men

- 25 Gender gaps in education 229
 - 26 Gender gaps in economic activity 233
 - 27 Gender gaps in work burden and time allocation 237
 - 28 Gender gaps in political participation 238
-

- 29 Status of selected international human rights instruments 242
 - 30 Basic indicators for other UN member countries 246
-

Note on statistics in the Human Development Report 247

Primary statistical references 251

Definitions of statistical terms 253

Classification of countries 257

Key to countries 260

Index to indicators 261