

Human Development Report 2016***Human Development for Everyone*****Pg. 26, Box 5.3**

The global reports have been complemented over the years by more than three dozen regional and subregional Human Development Reports and more than 700 national Human Development Reports.⁸ Subnational reports have also been produced, including 19 state-level reports in India and a municipal HDI in Brazil.

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Although income inequality across households has risen in many countries, some estimates show that it has narrowed across the world as a whole because the incomes of developing and developed regions have been converging. Relative global inequality has declined steadily over the past few decades, from a relative Gini coefficient of 0.74 in 1975 to 0.63 in 2010, driven by declining inequality between countries arising from the extraordinary economic growth in, primarily, China and India.

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Globalization has been heralded over the years as an engine of growth. In China and India opening up the economy to the world accelerated growth, which in turn helped address human development challenges— reducing poverty, improving health outcomes and extending access to basic social services. Thanks largely to China, the extreme poverty rate in East Asia dropped from 60 percent in 1990 to 3.5 percent in 2013.

Pg. 37, Box 1.6**Human security, as people see it**

Human security for me is to have a voice. It means the right to participate in political process, the right to criticize injustice. —*A male professor from India*

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In 2005 India aimed to connect every community with more than 1,000 people (and every community with more than 500 people in hilly, tribal and desert areas) to an all-weather road. Four years later, 70 percent of the target communities were connected.

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The Indian inheritance law reform improved the economic freedom of women, who were thereby able to double their spending on their daughters' education thanks to increased savings.

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The Indian Penal Code was amended in 2013 to recognize acid violence as a criminal act. The Acid Survivor Foundation, active in Bangladesh, Cambodia and India, provides support to acid violence survivors.

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Climate-smart agriculture and climate-smart development are gaining currency. For example, about 500,000 solar panels were installed every day in 2015, an unprecedented growth that

meant that renewable energy had become the world's top source of installed power capacity. On a single day— 11 July, 2016—India planted 50 million trees to take on climate change.

Pg. 48 Box 2.2

Gender-based inequalities in South Asian households

Discrimination at each stage of the female lifecycle contributes to health disparities—from sex selective abortions (particularly common in India and Pakistan) to lower nutrition intake and the neglect of health care among girls and women. A girl between her first and fifth birthdays in India or Pakistan has a 30–50 percent greater chance of dying than a boy.

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Health care in India exemplifies the extreme geographic differences in health services. In the mid-2000s, 39 percent of children overall and 59 percent in urban areas benefited from full immunization coverage, theoretically provided by the public sector. Kerala had one public hospital bed per 1,299 people, but Uttar Pradesh only one bed per 20,041. Almost all births in Kerala were attended by health personnel, compared with just 27 percent in Uttar Pradesh.

Pg. 60, Box 2.6

The challenge of a two-tier public and private system for universal access to quality services

There are wide disparities in quality between public and private education services in many developing countries. A recent review of 21 studies in Ghana, India, Kenya, Nepal, Nigeria and Pakistan found that students in private schools tend to achieve better learning outcomes than do students in state schools. Teaching is also often better in private schools than in state schools— for example, in India, Kenya, Nigeria, Pakistan, South Africa and Tanzania.

Pg. 71, Box 2.7

Human security from a woman's point of view

“Human security for me is freedom from fear, fear of being looked down at because of being a woman and being assaulted and disrespected because of the same” —*A female student from India*

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Voters in the lower middle class in developed countries are frustrated with the lower than average growth in their living standards relative to elites (box 2.9). The frustration is coupled with an awareness of high income growth in emerging economies such as China and India, which may become a source of resentment against trade with and migration from developing countries.

Pg. 79, Fig 2.12

FIGURE 2.12

In South Asia many girls marry before age 18— some before age 15



Pg. 115, Box 4.6**Social businesses attract young people**

Social businesses are emerging as new areas of work among young people. They are cause-driven entities designed to address a social problem – non-loss, non-divident companies, financially self-sustainable, the primary aim of which is not to maximize profits (though profits are desirable) but social benefits.

Inspired by a particular cause and by the desire to give back to society, numerous successful young commercial entrepreneurs around the world are transitioning from for-profit ventures to engage in social change. A survey of 763 commercial entrepreneurs in India who made the transition from commercial to social entrepreneurship between 2003 and 2013 and a quantitative analysis of 493 entrepreneurs indicated that 21 percent of successful entrepreneurs shifted to social change efforts. Most are skilled organization builders, independently wealthy, often establishment outsiders, and some from the diaspora.

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Foreign direct investment favours certain countries (such as China and India), but not so much other countries.

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In the mid-2000s Brazil and India identified higher expenditure efficiency in areas where stronger revenue efforts were identified as a means to boost the fiscal space.

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Ending subsidies to the rich or for commodities such as fossil fuel can free resources for human development. In 2014 the richest 20 percent of India's population enjoyed subsidies of \$16 billion thanks to six commodities and services — cooking gas, railways, power, aviation fuel, gold and kerosene — and exempt tax treatment under the public provident fund.

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India's affirmative action programme — launched in 1950, making it the world's oldest — was originally intended to benefit Scheduled Castes, which include Dalits, or untouchables, who had been oppressed for centuries under the caste system and accounted for about 16 percent of the population, and Scheduled Tribes, the historically neglected tribal groups that accounted for about 8 percent of the population. The programme was expanded in the early 1990s to include the Other Backward Classes, lower castes of socially and educationally disadvantaged people encompassing about 25 percent of the population. The programme has not remedied caste-based exclusions, but it has had substantial positive effects. In 1965, for example, Dalits held fewer than 2 percent of senior civil service positions, but the share had grown to 11 percent by 2001.

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Combining social protection with appropriate employment strategies. Creating jobs through a public works programme targeted at poor people can reduce poverty through income generation, build physical infrastructure and protect poor people against shocks. The National Rural Employment Guarantee Programme in India and the Rural Employment Opportunities for Public Assets Programme in Bangladesh are prime examples.

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Treating development as a human right has been instrumental in reducing deprivations in some dimensions and contexts. For example, under the Indian Constitution the state must provide schools within a reasonable distance to the communities they serve; after this provision became a motive of public litigation against the government in the Supreme Court, such schools were provided.

Pg. 133, Box 4.20**Right to information — actions in developing countries**

Since 2005 India has introduced progressive acts on the right to socioeconomic entitlements, including information, work, education, forest conservation, food and public service. These acts have been marked by their explicit use of rights-based claims and by the design of innovative governance mechanisms that seek to enhance the transparency, responsiveness and accountability of the state. Social audits, defined as mechanisms by which information on expenditures and implementation problems is gathered and then presented for discussion in a public meeting, have become popular, thanks to the work of the Indian grassroots group Mazdoor Kisaan Shakti Sangathan.

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The IMF's governance structure (which is dominated by Group of 7 countries) matters. After reforms agreed on in 2010 and implemented in January 2016, the United States alone has veto power, with almost 17 percent of the voting power. Brazil, China, India, the Russian Federation and South Africa combined have 14 percent of the voting power. There are some complaints that lending decisions have been connected to the borrower's alignment with the main shareholders' interests.

Pg. 142, Box 5.3

In addition, some rules can restrict the use of social policy, such as India's National Food Security Act.

BOX 5.3**The World Trade Organization and India's national development policies**

India's National Food Security Act of 2013 grants the "right to food" in the biggest ever food safety net programme, distributing highly subsidized food grain (61 million tonnes) to 67 percent of the population. The scale of buying grain from poor farmers for sale to poorer consumers put India at risk of violating its World Trade Organization obligations in agriculture. World Trade Organization members are subject to trade sanctions if they breach a ceiling on their agricultural subsidies. But the method of calculating the ceiling is fixed on the basis of 1986–1988 prices and in national currency, an unusually low baseline.

This clear asymmetry in international rules reduces national space for development policy. India, as other

developing countries, did not have large agricultural subsidies when the rules were originally agreed. The act—which aims to stave off hunger for 840 million people and which can play a pivotal role in the UN agenda to end hunger everywhere—is being challenged because it raises India's direct food subsidy bill from roughly \$15 billion a year to \$21 billion. In comparison, the United States increased its agricultural domestic support from \$60 billion in 1995 to \$140 billion in 2013.

The matter has not been resolved, except for a negotiated pause in dispute actions against countries with existing programmes that notify the World Trade Organization and promise to negotiate a permanent solution.

Pg. 149, Box 5.6**BOX 5.6****Reassessing treaties—some examples**

South Africa, after consultations with the investment community, has allowed existing bilateral investment treaties to lapse and locates investor protections in a domestic law effective December 2015.

Brazil has negotiated new treaties with Angola, Chile, Colombia, Malawi, Mexico, Mozambique and Peru based on a core model of investment facilitation and cooperation. The Brazilian approach generally rejects investor–state arbitration to resolve disputes.

India's new model protects the investor instead of the investment. And it requires the exhaustion of domestic remedies before arbitration can be triggered.

Source: Montes and Lunenburg 2016.

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Integrated information systems can reduce illicit financial flows, enabling authorities at both ends of the flows to act against them. For instance, the destination of illicit flows from Africa is concentrated in its main trading partners (Canada, China, Europe, India, Japan, the Republic of Korea and the United States).

Environmentally sustainable policies are not only the right thing to do for future generations, they are also an effective way of promoting human development now. An aggressive investment plan is likely to have a positive effect on job creation, based on estimates in Brazil, China, Germany, India, Indonesia, the Republic of Korea, South Africa, Spain and the United States. In India increasing clean energy investments by 1.5 percent of GDP a year for 20 years will generate a net increase of about 10 million jobs annually, after factoring in job losses from retrenchments in the fossil fuel industries.

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And the recently created New Development Bank, which is expected to emphasize sustainable development and renewable energy, has explicitly committed to giving priority to clean energy projects. In 2016 it approved its first package of loans worth \$811 million to Brazil, China, India and South Africa.

Pg. 154, Box 5.9**The new regional development bank—for infrastructure in Asia**

The Asian Infrastructure Investment Bank is the first major regional development bank funded mainly by the region's emerging economies. Of \$85.9 billion in subscriptions, China contributes 34.7 percent, India 9.7 percent and the Russian Federation 7.6 percent. This reflects a shift towards a greater role for emerging countries in development finance, with potentially important implications for global governance, including more diverse sources of finance for developing and emerging country borrowers as well as more favourable lending conditions.

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Although financial contributions from most non–Development Assistance Committee donors are not officially reported to the Organisation for Economic Co-operation and Development, some estimates provide insights on the increasing amount of these financial flows to developing countries. Saudi Arabia, as the largest non–Development Assistance Committee donor in financial terms, provided \$13.7 billion in 2014, followed by the United Arab Emirates, with \$5.1 billion the same year. China increased its aid flows from \$2.6 billion in 2010 to \$3.4 billion in 2014, and India from \$708 million to \$1.4 billion.

Pg. 155, Table 5.2

TABLE 5.2

South–South cooperation advantages in Asia and Latin America

Comparative advantage of southern partners	South–South cooperation example
Expertise through recent path to development	Based on India's outstanding capacities in information and communication technology, the Indian government established the Indian Technical and Economic Cooperation Civilian Training Programme. The purpose is to share expertise in information technology, telecommunication, management, renewable energy, small and medium-size enterprise, rural development and other specialized disciplines. Financed with some \$32 million by the Indian government, 10,000 participants, mostly from the least developed countries, were trained in 2014–2015.*