

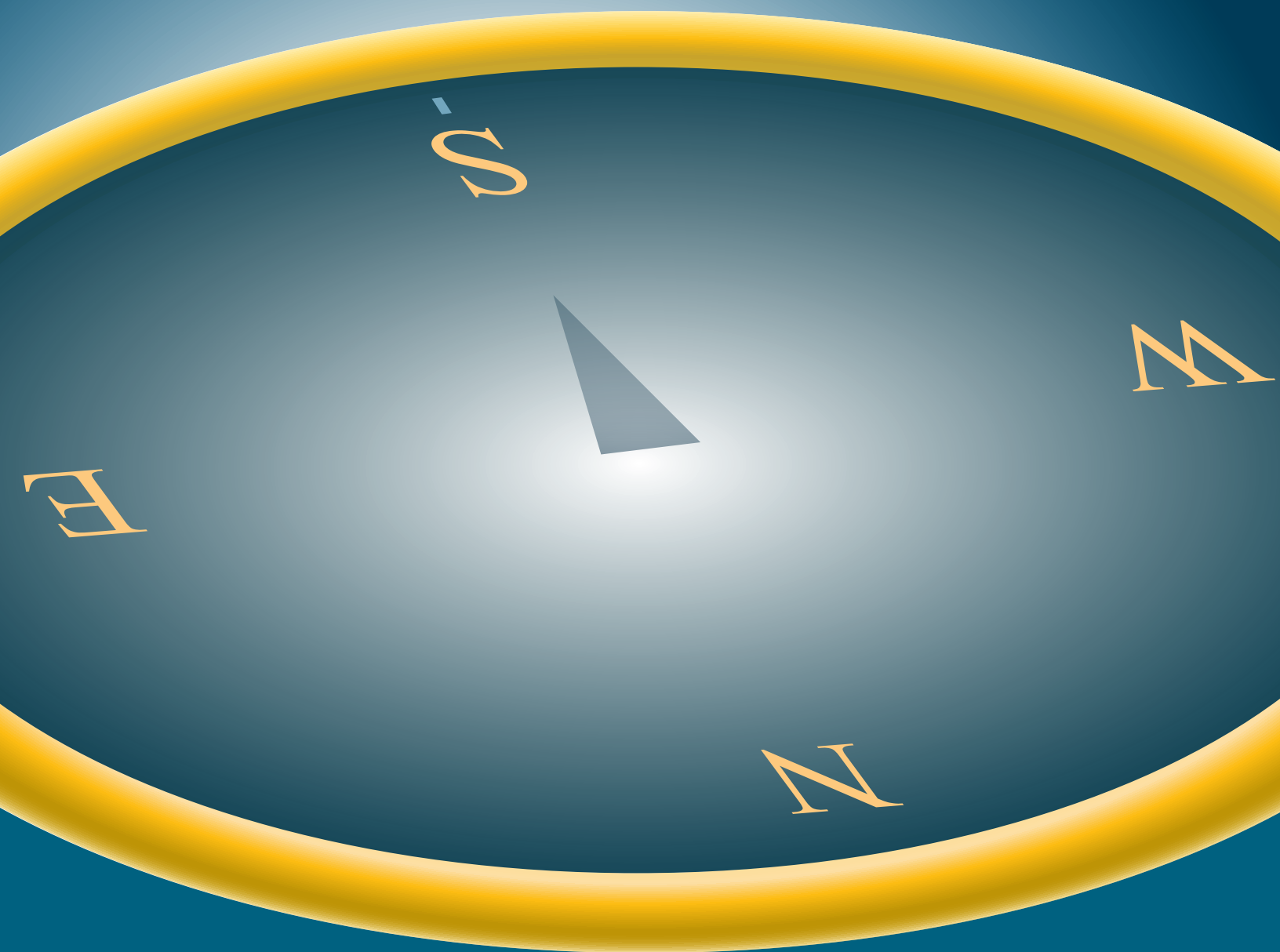
Summary

# Human Development Report 2013



## **The Rise of the South:**

Human Progress in a Diverse World



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## Summary

# Human Development Report 2013

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## The Rise of the South:

### Human Progress in a Diverse World



Published for the  
United Nations  
Development  
Programme  
(UNDP)

*Empowered lives.  
Resilient nations.*

# Foreword

The 2013 Human Development Report, *The Rise of the South: Human Progress in a Diverse World*, looks at the evolving geopolitics of our times, examining emerging issues and trends and also the new actors which are shaping the development landscape.

The Report argues that the striking transformation of a large number of developing countries into dynamic major economies with growing political influence is having a significant impact on human development progress.

The Report notes that, over the last decade, all countries accelerated their achievements in the education, health, and income dimensions as measured in the Human Development Index (HDI)—to the extent that no country for which data was available had a lower HDI value in 2012 than in 2000. As faster progress was recorded in lower HDI countries during this period, there was notable convergence in HDI values globally, although progress was uneven within and between regions.

Looking specifically at countries which lifted their HDI value substantially between 1990 and 2012 on both the income and non-income dimensions of human development, the Report examines the strategies which enabled them to perform well. In this respect, the 2013 Report makes a significant contribution to development thinking by describing specific drivers of development transformation and by suggesting future policy priorities that could help sustain such momentum.

By 2020, according to projections developed for this Report, the combined economic output of three leading developing countries alone—Brazil, China and India—will surpass the aggregate production of Canada, France, Germany, Italy, the United Kingdom and the United States. Much of this expansion is being driven by new trade and technology partnerships within the South itself, as this Report also shows.

A key message contained in this and previous Human Development Reports, however, is that economic growth alone does not automatically translate into human development progress. Pro-poor policies and significant investments

in people's capabilities—through a focus on education, nutrition and health, and employment skills—can expand access to decent work and provide for sustained progress.

The 2013 Report identifies four specific areas of focus for sustaining development momentum: enhancing equity, including on the gender dimension; enabling greater voice and participation of citizens, including youth; confronting environmental pressures; and managing demographic change.

The Report also suggests that as global development challenges become more complex and transboundary in nature, coordinated action on the most pressing challenges of our era, whether they be poverty eradication, climate change, or peace and security, is essential. As countries are increasingly interconnected through trade, migration, and information and communications technologies, it is no surprise that policy decisions in one place have substantial impacts elsewhere. The crises of recent years—food, financial, climate—which have blighted the lives of so many point to this, and to the importance of working to reduce people's vulnerability to shocks and disasters.

To harness the wealth of knowledge, expertise, and development thinking in the South, the Report calls for new institutions which can facilitate regional integration and South–South cooperation. Emerging powers in the developing world are already sources of innovative social and economic policies and are major trade, investment, and increasingly development cooperation partners for other developing countries.

Many other countries across the South have seen rapid development, and their experiences and South–South cooperation are equally an inspiration to development policy. UNDP is able to play a useful role as a knowledge broker, and as a convener of partners—governments, civil society and multinational companies—to share experiences. We have a key role too in facilitating learning and capacity building. This Report offers very useful insights for our future engagement in South–South cooperation.

Finally, the Report also calls for a critical look at global governance institutions to promote a fairer, more equal world. It points to outdated structures, which do not reflect the new economic and geopolitical reality described, and considers options for a new era of partnership. It also calls for greater transparency and accountability, and highlights the role of global civil society in advocating for this and for greater decision-making power for those most directly affected by global challenges, who are often the poorest and most vulnerable people in our world.

As discussion continues on the global development agenda beyond 2015, I hope many will

take the time to read this Report and reflect on its lessons for our fast-changing world. The Report refreshes our understanding of the current state of global development, and demonstrates how much can be learned from the experiences of fast development progress in so many countries in the South.

A handwritten signature in black ink that reads "Helen Clark". The signature is fluid and cursive, with the first letters of "Helen" and "Clark" being capitalized and prominent.

Helen Clark

*Administrator*

United Nations Development Programme

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# Summary

When developed economies stopped growing during the 2008–2009 financial crisis but developing economies kept on growing, the world took notice. The rise of the South, seen within the developing world as an overdue global rebalancing, has been much commented on since. This discussion has typically focused narrowly on GDP and trade growth in a few large countries. Yet there are broader dynamics at play, involving many more countries and deeper trends, with potentially far-reaching implications for people’s lives, for social equity and for democratic governance at the local and global levels. As this Report shows, the rise of the South is both the result of continual human development investments and achievements and an opportunity for still greater human progress for the world as a whole. Making that progress a reality will require informed and enlightened global and national policymaking, drawing on the policy lessons analysed in this Report.

## The rise of the South

The rise of the South is unprecedented in its speed and scale. It must be understood in broad human development terms as the story of a dramatic expansion of individual capabilities and sustained human development progress in the countries that are home to the vast majority of the world’s people. When dozens of countries and billions of people move up the development ladder, as they are doing today, it has a direct impact on wealth creation and broader human progress in all countries and regions of the world. There are new opportunities for catch-up for less developed countries and for creative policy initiatives that could benefit the most advanced economies as well.

Although most developing countries have done well, a large number of countries have done particularly well—what can be called the “rise of the South”. Some of the largest countries have made rapid advances, notably Brazil, China, India, Indonesia, Mexico, South Africa and Turkey. But there has also been substantial progress in smaller economies, such as Bangladesh, Chile, Ghana, Mauritius, Rwanda and Tunisia (figure 1).

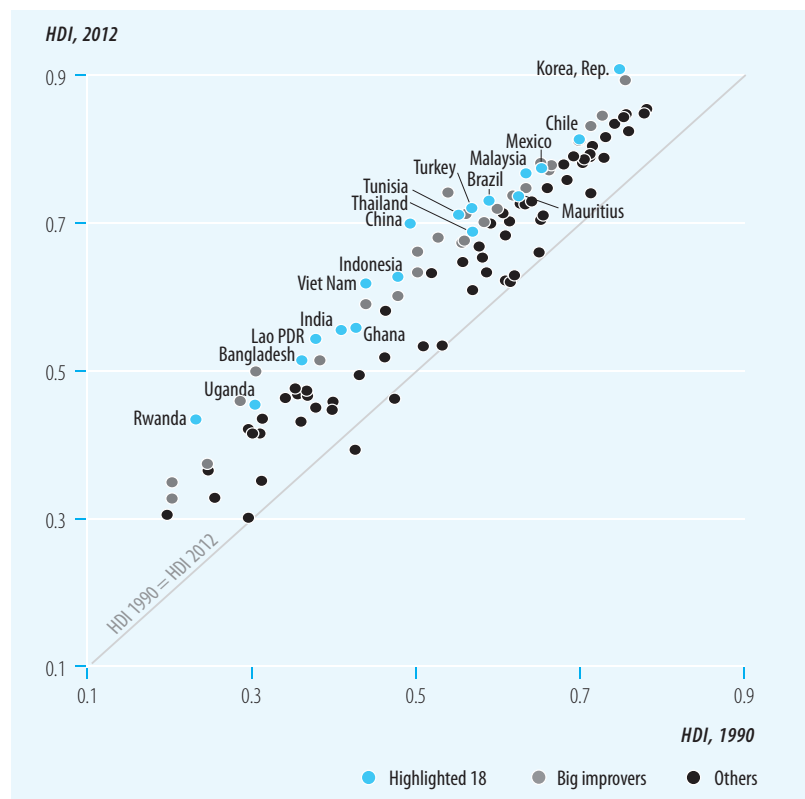
While focusing on the rise of the South and its implications for human development, the 2013 *Human Development Report* is also about this changing world, driven in large measure by the rise of the South. It examines the progress being made, the challenges arising (some as a result of that very success) and the opportunities emerging for representative global and regional governance.

For the first time in 150 years, the combined output of the developing world’s three

leading economies—Brazil, China and India—is about equal to the combined GDP of the longstanding industrial powers of the North—Canada, France, Germany, Italy, United Kingdom and the United States. This represents a dramatic rebalancing of global

FIGURE 1

**More than 40 countries of the South experienced significantly greater HDI gains since 1990 than would have been predicted based on their previous HDI performance**



Note: Countries above the 45 degree line had a higher HDI value in 2012 than in 1990. Blue and grey markers indicate countries with significantly larger than predicted increases in HDI value between 1990 and 2012 given their HDI value in 1990. These countries were identified based on residuals obtained from a regression of the change in log of HDI between 2012 and 1990 on the log of HDI in 1990. Countries that are labelled are a selected group of rapid HDI improvers that are discussed in greater detail in chapter 3 of the full Report. Source: HDRO calculations.

The South is emerging alongside the North as a breeding ground for technical innovation and creative entrepreneurship

economic power: In 1950, Brazil, China and India together represented only 10% of the world economy, while the six traditional economic leaders of the North accounted for more than half. According to projections in the Report, by 2050, Brazil, China and India will together account for 40% of global output (figure 2), far surpassing the projected combined production of today's Group of Seven bloc.

The middle class in the South is growing rapidly in size, income and expectations (figure 3). The sheer number of people in the South—the billions of consumers and citizens—multiplies the global human development consequences of actions by governments, companies and international institutions in the South. The South is now emerging alongside the North as a breeding ground for technical innovation and creative entrepreneurship. In North–South trade, the newly industrializing economies have built capabilities to efficiently manufacture complex products for developed country markets. But South–South interactions have

enabled companies in the South to adapt and innovate with products and processes that are better suited to local needs.

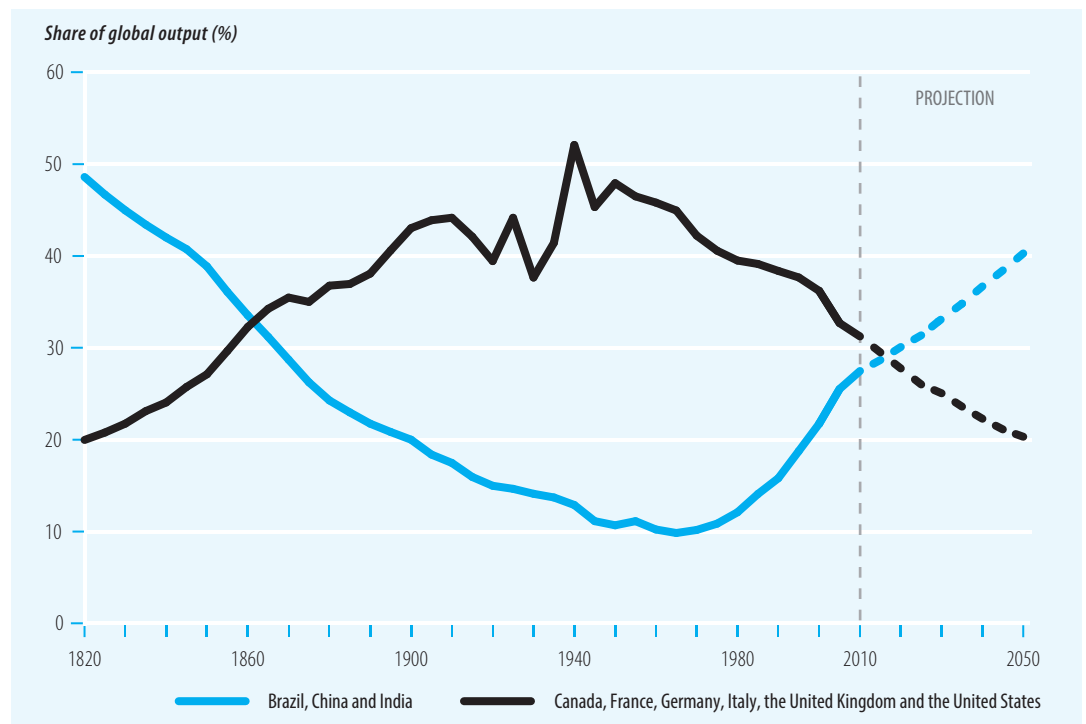
## The state of human development

The Human Development Index (HDI) in 2012 reveals much progress. Over the past decades, countries across the world have been converging towards higher levels of human development. The pace of HDI progress has been fastest in countries in the low and medium human development categories. This is good news. Yet progress requires more than average improvement in the HDI. It will be neither desirable nor sustainable if increases in the HDI are accompanied by rising inequalities in income, unsustainable patterns of consumption, high military spending and low social cohesion (box 1).

An essential part of human development is equity. Every person has the right to live

FIGURE 2

**Brazil, China and India combined are projected to account for 40% of global output by 2050, up from 10% in 1950**



Note: Output is measured in 1990 purchasing power parity dollars.

Source: HDRO interpolation of historical data from Maddison (2010) and projections based on Pardee Center for International Futures (2013).



a fulfilling life according to his or her own values and aspirations. No one should be doomed to a short life or a miserable one because he or she happens to be from the “wrong” class or country, the “wrong” ethnic group or race or the “wrong” sex. Inequality reduces the pace of human development and in some cases may even prevent it entirely. Globally, there have been much greater reductions in inequality in health and education in the last two decades than in income (figure 4). Virtually all studies agree that global income inequality is high, though there is no consensus on recent trends.

## A more global South

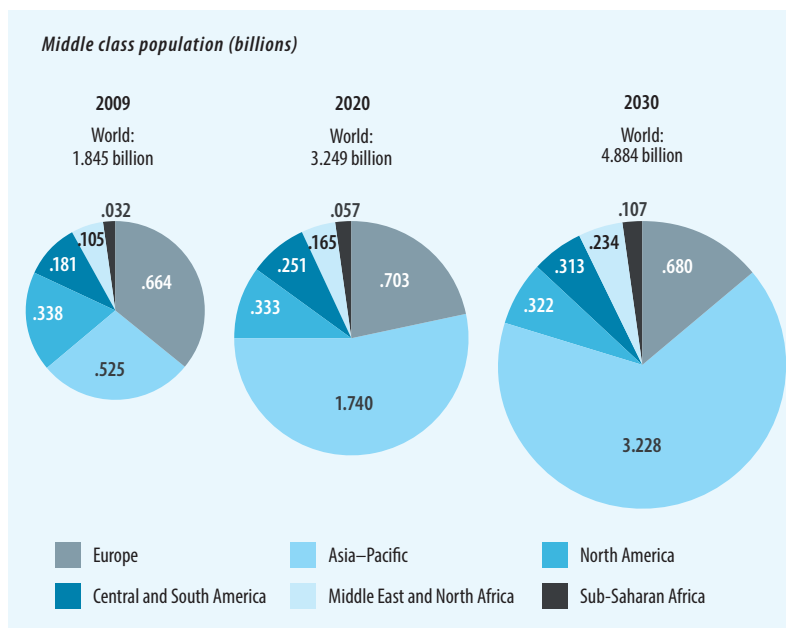
Global production is rebalancing in ways not seen for 150 years. Growth in the cross-border movement of goods, services, people and ideas has been remarkable. By 2011, trade accounted for nearly 60% of global output. Developing countries have played a big part in this (box 2): between 1980 and 2010, they increased their share of world merchandise trade from 25% to 47% and their share of world output from 33% to 45%. Developing regions have also been strengthening links with each other: between 1980 and 2011, South–South trade as a share of world merchandise trade rose from 8.1% to 26.7% (figure 5).

All developing countries are not yet participating fully in the rise of the South. The pace of change is slower, for instance, in most of the 49 least developed countries, especially those that are landlocked or distant from world markets. Nevertheless, many of these countries have also begun to benefit from South–South trade, investment, finance and technology transfer. There have, for example, been positive growth spillovers from China to other developing countries, particularly close trading partners. These benefits have to some extent offset slackening demand from the developed countries. Growth in low-income countries would have been an estimated 0.3–1.1 percentage points lower in 2007–2010 had growth fallen at the same rate in China and India as in developed economies.

Many countries have also benefited from spillovers into sectors that contribute to human

FIGURE 3

The middle class in the South is projected to continue to grow



Note: The middle class includes people earning or spending \$10–\$100 a day (in 2005 purchasing power parity terms). Source: Brookings Institution 2012.

development, especially health. Indian firms, for example, are supplying affordable medicines, medical equipment, and information and communications technology products and services to countries in Africa. Brazilian and South African companies are doing the same in their regional markets.

Nevertheless, exports from larger countries can also have disadvantages. Large countries generate competitive pressures in smaller countries that can stifle economic diversification and industrialization. But there are also instances where competitive jolts have been followed by industrial revival. A competitive role today may easily turn into a complementary role tomorrow. Moving from competition to cooperation seems to depend on policies for dealing with new challenges.

## Drivers of development transformation

Many countries have made substantial progress over the past two decades: the rise of the South has been fairly broad-based. Nevertheless, several high achievers have not only boosted

All developing countries are not yet participating fully in the rise of the South

## What is it like to be a human being?

Almost half a century ago, the philosopher Thomas Nagel published a famous paper called “What Is It Like to Be a Bat?” The question I want to ask is: what is it like to be a human being? As it happens, Tom Nagel’s insightful paper in *The Philosophical Review* was also really about human beings, and only marginally about bats. Among other points, Nagel expressed deep scepticism about the temptation of observational scientists to identify the experience of being a bat—or similarly, a human being—with the associated physical phenomena in the brain and elsewhere in the body that are within easy reach of outside inspection. The sense of being a bat or a human can hardly be seen as just having certain twitches in the brain and of the body. The complexity of the former cannot be resolved by the easier tractability of the latter (tempting though it may be to do just that).

The cutting edge of the human development approach is also based on a distinction—but of a rather different kind from Nagel’s basic epistemological contrast. The approach that Mahbub ul Haq pioneered through the series of *Human Development Reports* which began in 1990 is that between, on the one hand, the difficult problem of assessing the richness of human lives, including the freedoms that human beings have reason to value, and on the other, the much easier exercise of keeping track of incomes and other external resources that persons—or nations—happen to have. Gross domestic product (GDP) is much easier to see and measure than the quality of human life that people have. But human well-being and freedom, and their connection with fairness and justice in the world, cannot be reduced simply to the measurement of GDP and its growth rate, as many people are tempted to do.

The intrinsic complexity of human development is important to acknowledge, partly because we should not be side-tracked into changing the question: that was the central point that moved Mahbub ul Haq’s bold initiative to supplement—and to some extent supplant—GDP. But along with that came a more difficult point, which is also an inescapable part of what has come to be called “the human development approach.” We may, for the sake of convenience, use many simple indicators of human development, such as the HDI, based on only three variables with a very simple rule for weighting them—but the quest cannot end there. We should not spurn workable and useful shortcuts—the HDI may tell us a lot more about human quality of life than does the GDP—but nor should we be entirely satisfied with the immediate gain captured in these shortcuts in a world of continuous practice. Assessing the quality of life is a much more complex exercise than what can be captured through only one number, no matter how judicious is the selection of variables to be included, and the choice of the procedure of weighting.

The recognition of complexity has other important implications as well. The crucial role of public reasoning, which the present *Human Development Report* particularly emphasizes, arises partly from the recognition of this complexity. Only the wearer may know where the shoe pinches, but pinch-avoiding arrangements cannot be effectively undertaken without giving voice to the people and giving them extensive opportunities for public discussion. The importance of various elements in evaluating well-being and freedom of people can be adequately appreciated and assessed only through persistent dialogue among the population, with an impact on the making of public policy. The political significance of such initiatives as the so-called Arab Spring, and mass movements elsewhere in the world, is matched by the epistemic importance of people expressing themselves, in dialogue with others, on what ails their lives and what injustices they want to remove. There is much to discuss—with each other and with the public servants that make policy.

The dialogic responsibilities, when properly appreciated across the lines of governance, must also include representing the interest of the people who are not here to express their concerns in their own voice. Human development cannot be indifferent to future generations just because they are not here—yet. But human beings do have the capacity to think about others, and their lives, and the art of responsible and accountable politics is to broaden dialogues from narrowly self-centred concerns to the broader social understanding of the importance of the needs and freedoms of people in the future as well as today. This is not a matter of simply including those concerns within one single indicator—for example, by overcrowding the already heavily loaded HDI (which stands, in any case, only for current well-being and freedom)—but it certainly is a matter of making sure that the discussions of human development include those other concerns. The *Human Development Reports* can continue to contribute to this broadening through explication as well as presenting tables of relevant information.

The human development approach is a major advance in the difficult exercise of understanding the successes and deprivations of human lives, and in appreciating the importance of reflection and dialogue, and through that advancing fairness and justice in the world. We may be much like bats in not being readily accessible to the measuring rod of the impatient observational scientist, but we are also capable of thinking and talking about the many-sided nature of our lives and those of others—today and tomorrow—in ways that may not be readily available to bats. Being a human being is both like being a bat and very unlike it.

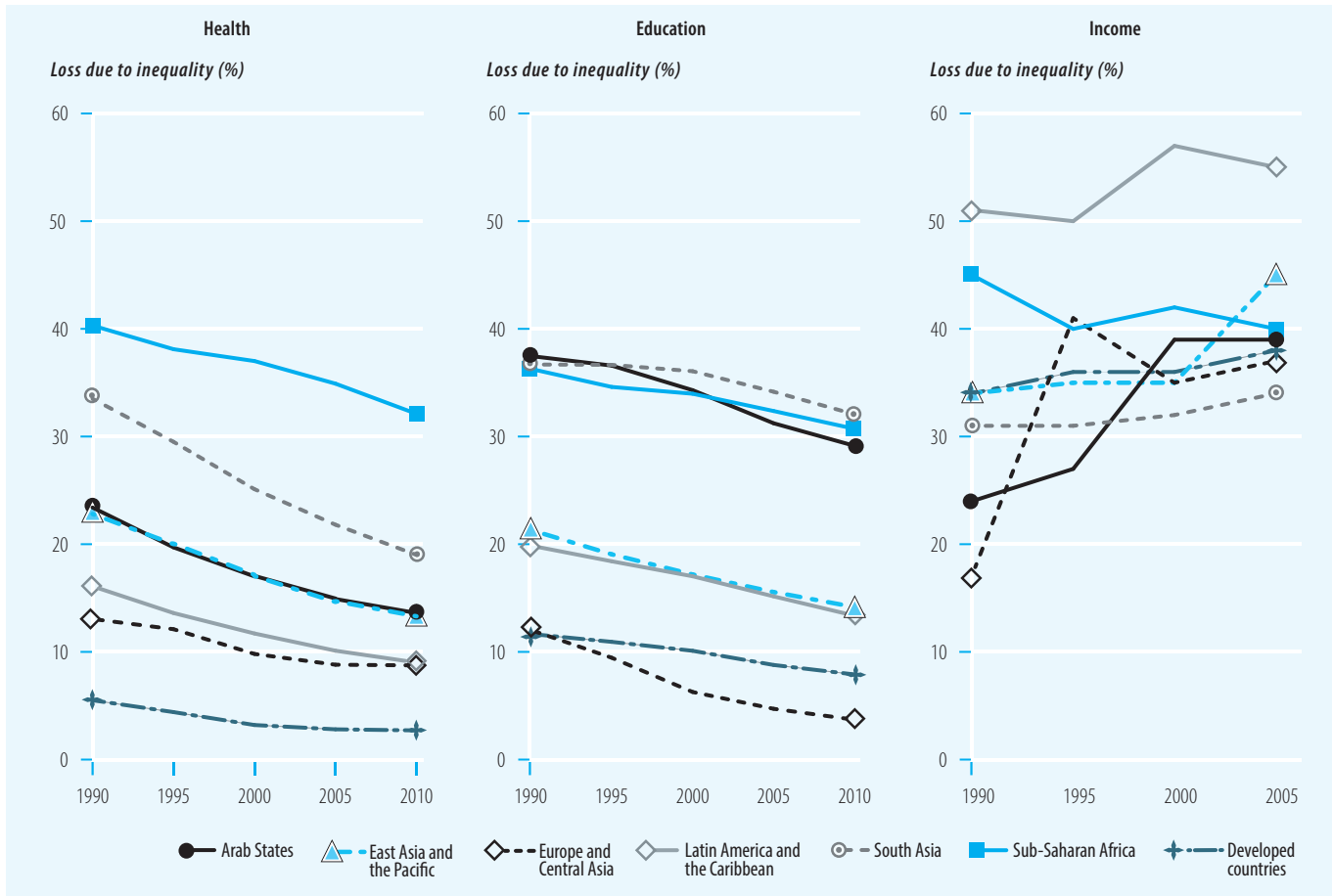
national income, but have also had better than average performance on social indicators such as health and education (figure 6).

How have so many countries in the South transformed their human development prospects? Across most of these countries, there have been three notable drivers of development: a proactive developmental state, tapping of global markets and determined social policy and innovation. These drivers are not derived

from abstract conceptions of how development should work; rather, they are demonstrated by the transformational development experiences of many countries in the South. Indeed, they challenge preconceived and prescriptive approaches: on the one hand, they set aside a number of collectivist, centrally managed precepts; on the other hand, they diverge from the unfettered liberalization espoused by the Washington Consensus.

FIGURE 4

Most regions show declining inequality in health and education and rising inequality in income



Note: Based on a population-weighted balanced panel of 182 countries for loss due to health inequality, 144 countries for loss due to education inequality and 66 countries for loss due to income inequality. Data on income inequality from Milanović (2010) are available through 2005.  
 Source: HDRO calculations using health data from United Nations Department of Economic and Social Affairs life tables, education data from Barro and Lee (2010) and income inequality data from Milanović (2010).

Driver 1: a proactive developmental state

A strong, proactive and responsible state develops policies for both public and private sectors—based on a long-term vision and leadership, shared norms and values, and rules and institutions that build trust and cohesion. Achieving enduring transformation requires countries to chart a consistent and balanced approach to development. Countries that have succeeded in igniting sustained growth in income and human development have not, however, followed one simple recipe. Faced with different challenges, they have adopted varying on market regulation, export promotion, industrial development and technological adaptation and progress. Priorities need to

be people-centred, promoting opportunities while protecting people against downside risks. Governments can nurture industries that would not otherwise emerge due to incomplete markets. Although this poses some political risks of rent seeking and cronyism, it has enabled several countries of the South to turn industries previously derided as inefficient into early drivers of export success once their economies became more open.

In large and complex societies, the outcome of any particular policy is inevitably uncertain. Developmental states need to be pragmatic and test a range of different approaches. Some features stand out: for instance, people-friendly developmental states have expanded basic social services. Investing in people’s capabilities—through health, education and other public

## The South's integration with the world economy and human development

In a sample of 107 developing countries over 1990–2010, about 87% can be considered globally integrated: they increased their trade to output ratio, have many substantial trading partnerships<sup>1</sup> and maintain a high trade to output ratio relative to countries at comparable income levels.<sup>2</sup> All these developing countries are also much more connected to the world and with each other: Internet use has expanded dramatically, with the median annual growth in the number of users exceeding 30% between 2000 and 2010.

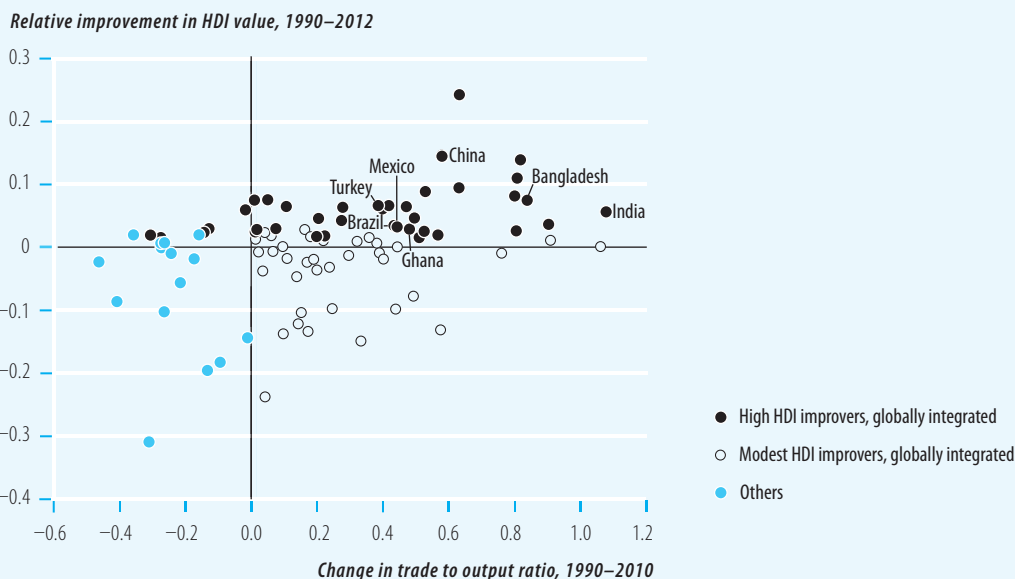
While not all globally integrated developing countries have made rapid gains in Human Development Index (HDI) value, the converse is true. Almost all developing countries that made the most improvement in HDI value relative to their peers between 1990 and 2012 (at least 45 in the sample here) have integrated more with the world economy over the past two decades; their average increase in trade to output ratio is about 13 percentage points greater than that of the group of developing countries with more modest improvement in HDI value. This is consistent with earlier findings that countries tend to open more as they develop.<sup>3</sup>

The increasingly integrated countries with major improvement in HDI value include not only the large ones that dominate the headlines, but also dozens of smaller and least developed countries. Thus they constitute a larger and more varied group than the emerging market

economies often designated by acronyms, such as BRICS (Brazil, Russian Federation, India, China and South Africa), IBSA (India, Brazil and South Africa), CIVETS (Colombia, Indonesia, Viet Nam, Egypt, Turkey and South Africa) and MIST (Mexico, Indonesia, South Korea [Republic of Korea] and Turkey).

The figure below plots improvement in HDI value<sup>4</sup> against the change in trade to output ratio, an indicator of the depth of participation in global markets. More than four-fifths of these developing countries increased their trade to output ratio between 1990 and 2012. Among the exceptions in the subgroup that also made substantial improvement in HDI value are Indonesia, Pakistan and Venezuela, three large countries that are considered global players in world markets, exporting or importing from at least 80 economies. Two smaller countries whose trade to output ratio declined (Mauritius and Panama) continue to trade at levels much higher than would be expected for countries at comparable income levels. All countries that had substantial improvement in HDI value and increased their trade to output ratio between 1990 and 2012 are highlighted in the upper right quadrant of the figure. Countries in the lower right quadrant (including Kenya, the Philippines and South Africa) increased their trade to output ratio but made modest improvement in HDI value.

### Human progress and trade expansion in the South



1. Bilateral trade exceeding \$2 million in 2010–2011.

2. Based on results from a cross-country regression of trade to GDP ratio on income per capita that controls for population and landlockedness.

3. See Rodrik (2001).

4. Relative HDI improvement is measured by residuals from a regression of the change in the log of HDI value between 1990 and 2012 on the log of initial HDI value in 1990. Five countries with black dots in the upper left quadrant made substantial improvement in HDI value but reduced their trade to output ratio between 1990 and 2010, though they either maintained a large number of substantial trading ties globally or traded more than predicted for countries at comparable levels of income per capita. Countries with open circles in the upper right and lower right quadrants had modest relative improvement in HDI value between 1990 and 2012 but increased their trade to output ratio or maintained a large number of substantial trading ties.

Source: HDRO calculations; trade to output ratios from World Bank (2012a).

services—is not an appendage of the growth process but an integral part of it (figures 7 and 8). Rapid expansion of quality jobs is a critical feature of growth that promotes human development.

### Driver 2: tapping of global markets

Global markets have played an important role in advancing progress. All newly industrializing countries have pursued a strategy of “importing what the rest of the world knows and exporting what it wants”. But even more important is the terms of engagement with these markets. Without investment in people, returns from global markets are likely to be limited. Success is more likely to be the result not of a sudden opening but of gradual and sequenced integration with the world economy, according to national circumstances, and accompanied by investment in people, institutions and infrastructure. Smaller economies have successfully focused on niche products, the choice of which is often the result of years of state support built on existing competencies or the creation of new ones.

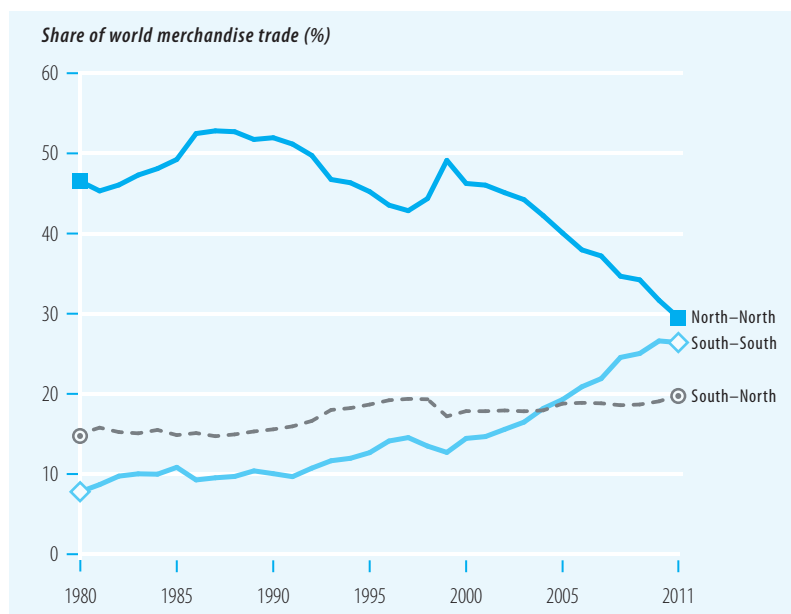
### Driver 3: determined social policy innovation

Few countries have sustained rapid growth without impressive levels of public investment—not just in infrastructure, but also in health and education. The aim should be to create virtuous cycles in which growth and social policies reinforce each other. Growth has frequently been much more effective at reducing poverty in countries with low income inequality than in countries with high income inequality. Promoting equality, particularly among different religious, ethnic or racial groups, also helps reduce social conflict.

Education, health care, social protections, legal empowerment and social organization all enable poor people to participate in growth. Sectoral balance—especially paying attention to the rural sector—and the nature and pace of employment expansion are critical in determining how far growth spreads incomes. But even these basic policy instruments may not empower disenfranchised groups. Poor people on the fringes of society struggle to

FIGURE 5

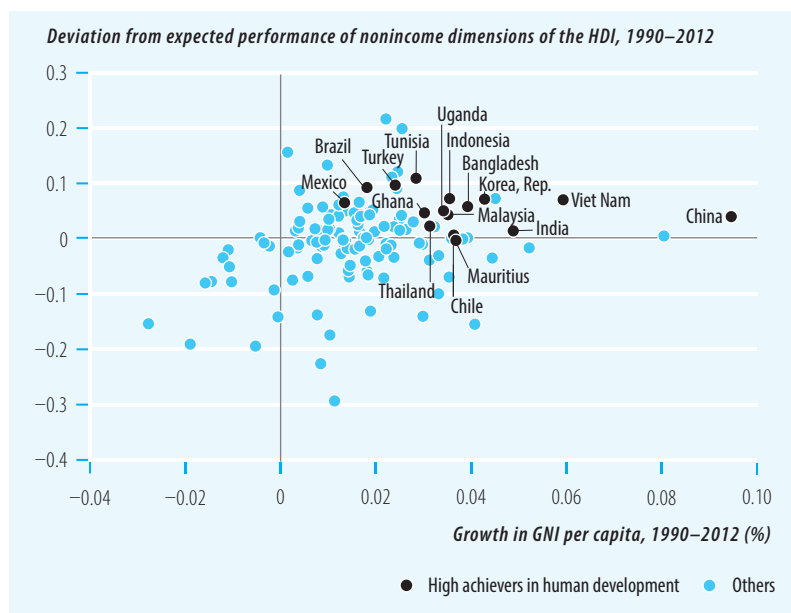
As a share of world merchandise trade, South–South trade more than tripled over 1980–2011, while North–North trade declined



Note: North in 1980 refers to Australia, Canada, Japan, New Zealand, the United States and Western Europe. Source: HDRO calculations based on UNSD (2012).

FIGURE 6

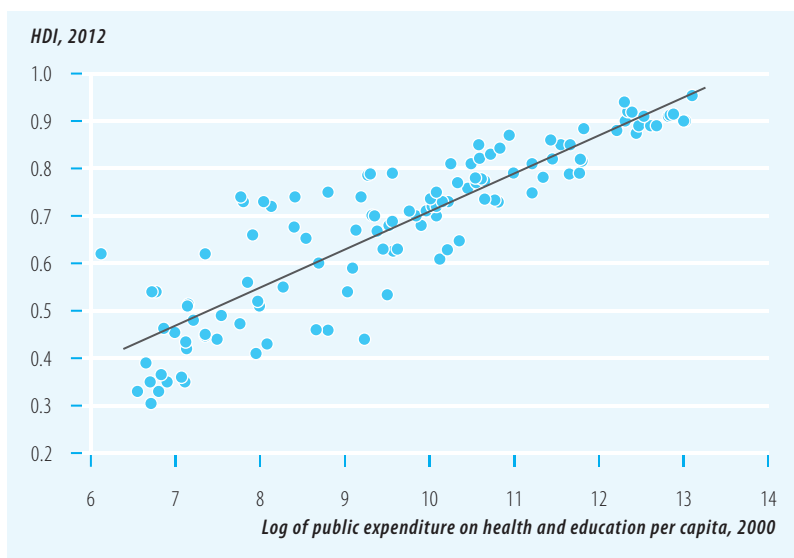
Some countries have performed well on both the nonincome and the income dimensions of the HDI



Note: Based on a balanced panel of 96 countries. Source: HDRO calculations.

FIGURE 7

Current HDI values and previous public expenditures are positively correlated . . .



Source: HDRO calculations and World Bank (2012a).

FIGURE 8

. . . as are current child survival and previous public expenditure on health



Source: HDRO calculations based on World Bank (2012a).

voice their concerns, and governments do not always evaluate whether services intended to reach everyone actually do. Social policy has to promote inclusion—ensuring nondiscrimination and equal treatment is critical for political and social stability—and provide basic social services, which can underpin long-term economic growth by supporting the emergence of a healthy, educated labour force. Not all such services need be provided publically. But the state should ensure that all citizens have secure access to the basic requirements of human development (box 3).

An agenda for development transformation that promotes human development is thus multifaceted. It expands people’s assets by universalizing access to basic services. It improves the functioning of state and social institutions to promote equitable growth where the benefits are widespread. It reduces bureaucratic and social constraints on economic action and social mobility. And it holds leadership accountable.

## Sustaining momentum

Many countries of the South have demonstrated much success. But even in higher achieving countries, future success is not guaranteed. How can countries in the South continue their pace of progress in human development, and how can the progress be extended to other countries? The Report suggests four important areas to facilitate this: enhancing equity, enabling voice and participation, confronting environmental pressures and managing demographic change. The Report points to the high cost of policy inaction and argues for greater policy ambition.

## Enhancing equity

Greater equity, including between men and women and across groups, is not only valuable in itself, but also essential for promoting human development. One of the most powerful instruments for this purpose is education, which boosts people’s self-confidence and makes it easier for them to find better jobs, engage in public debate and make demands on government for health care, social security and other entitlements.

### Why New York City looked South for antipoverty policy advice

In New York City, we are working to better the lives of our residents in many ways. We continue to improve the quality of education in our schools. We have improved New Yorkers' health by reducing smoking and obesity. And we have enhanced the city's landscape by adding bike lanes and planting hundreds of thousands of trees.

We have also sought to reduce poverty by finding new and better ways to build self-sufficiency and prepare our young people for bright futures. To lead this effort, we established the Center for Economic Opportunity. Its mission is to identify strategies to help break the cycle of poverty through innovative education, health and employment initiatives.

Over the last six years, the centre has launched more than 50 pilot programmes in partnership with city agencies and hundreds of community-based organizations. It has developed a customized evaluation strategy for each of these pilots, monitoring their performance, comparing outcomes and determining which strategies are most successful at reducing poverty and expanding opportunity. Successful programmes are sustained with new public and private funds. Unsuccessful programmes are discontinued, and resources reinvested in new strategies. The centre's findings are then shared across government agencies, with policymakers, with nonprofit partners and private donors, and with colleagues across the country and around the world who are also seeking new ways to break the cycle of poverty.

New York is fortunate to have some of the world's brightest minds working in our businesses and universities, but we recognize there is much to learn from programmes developed elsewhere. That is why the centre began its work by conducting an international survey of promising antipoverty strategies.

In 2007, the centre launched Opportunity NYC: Family Rewards, the first conditional cash transfer programme in the United States. Based on similar programmes operating in more than 20 other countries, Family Rewards reduces poverty by providing households with incentives for preventive health care, education and job training. In designing Family Rewards, we drew on lessons from Brazil, Mexico and dozens of other countries. By the end of our three-year pilot, we had learned which programme elements worked in New York City and which did not; information that is now helpful to a new generation of programmes worldwide.

Before we launched Opportunity NYC: Family Rewards, I visited Toluca, Mexico, for a firsthand look at Mexico's successful federal conditional cash transfer programme, Oportunidades. We also participated in a North–South learning exchange hosted by the United Nations. We worked with the Rockefeller Foundation, the World Bank, the Organization of American States and other institutions and international policymakers to exchange experiences on conditional cash transfer programmes in Latin America, as well as in Indonesia, South Africa and Turkey.

Our international learning exchanges are not limited to these cash transfer initiatives; they also include innovative approaches to urban transportation, new education initiatives and other programmes.

No one has a monopoly on good ideas, which is why New York will continue to learn from the best practices of other cities and countries. And as we adapt and evaluate new programmes in our own city, we remain committed to returning the favour and making a lasting difference in communities around the world.

Education also has striking benefits for health and mortality (box 4). Research for the report find that mother's education is more important to child survival than household income or wealth is and that policy interventions have a greater impact where education outcomes are initially weaker. This has profound policy implications, potentially shifting emphasis from efforts to boost household income to measures to improve girls' education.

The Report makes a strong case for policy ambition. An accelerated progress scenario suggests that low HDI countries can converge towards the levels of human development achieved by high and very high HDI countries. By 2050, aggregate HDI could rise 52% in Sub-Saharan Africa (from 0.402 to 0.612) and 36% in South Asia (from 0.527 to 0.714). Policy interventions under this scenario will also have a positive impact on the fight against poverty. By contrast, the costs of inaction will be increasingly higher, especially in low HDI countries, which are more vulnerable. For

instance, failing to implement ambitious universal education policies will adversely affect many essential pillars of human development for future generations.

### Enabling voice and participation

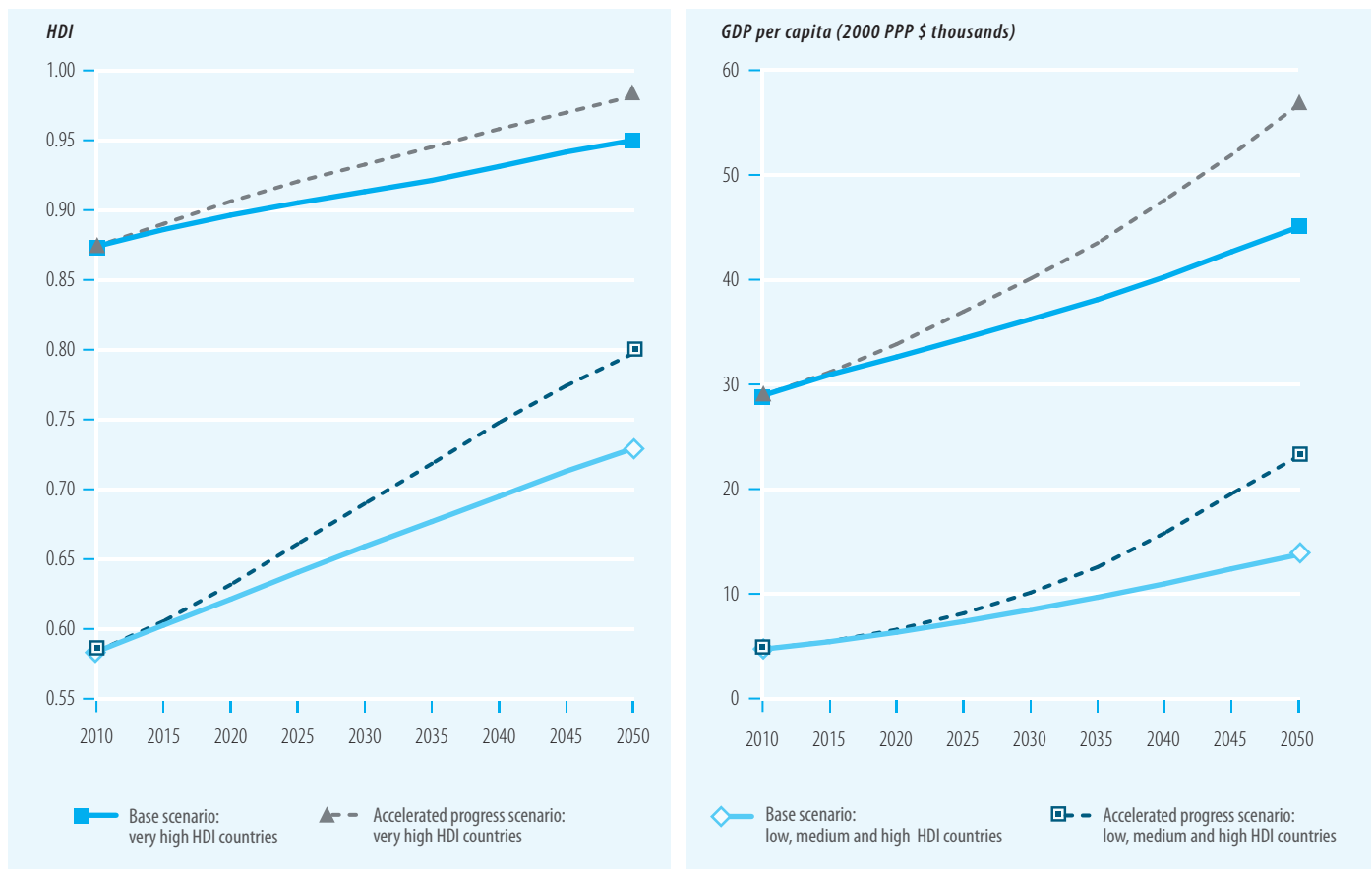
Unless people can participate meaningfully in the events and processes that shape their lives, national human development paths will be neither desirable nor sustainable. People should be able to influence policymaking and results, and young people in particular should be able to look forward to greater economic opportunities and political participation and accountability.

Dissatisfaction is on the rise in the North and the South as people call for more opportunities to voice their concerns and influence policy, especially on basic social protection. Among the most active protesters are youth, in part a response to job shortages and limited employment opportunities for educated

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The Report makes a strong case for policy ambition

FIGURE 9



In terms of human development, the cost of inaction is higher for countries with lower HDI values. In terms of GDP per capita loss, the cost of inaction is proportionally the same for countries irrespective of their HDI value.

Source: HDRO calculations based on Pardee Center for International Futures (2013).

young people. History is replete with popular rebellions against unresponsive governments. This can derail human development as unrest impedes investment and growth and autocratic governments divert resources to maintaining law and order.

It is hard to predict when societies will reach a tipping point. Mass protests, especially by educated people, tend to erupt when bleak prospects for economic opportunities lower the opportunity cost of engaging in political activity. These “effort-intensive forms of political participation” are then easily coordinated through new forms of mass communication.

### Confronting environmental challenges

While environmental threats such as climate change, deforestation, air and water pollution,

and natural disasters affect everyone, they hurt poor countries and poor communities most. Climate change is already exacerbating chronic environmental threats, and ecosystem losses are constraining livelihood opportunities, especially for poor people.

Although low HDI countries contribute the least to global climate change, they are likely to experience the greatest loss in annual rainfall and the sharpest increases in its variability, with dire implications for agricultural production and livelihoods. The magnitude of such losses highlights the urgency of adopting coping measures to increase people’s resilience to climate change.

The cost of inaction will likely be high. The longer action is delayed, the higher the cost will be. To ensure sustainable economies and societies, new policies and structural changes



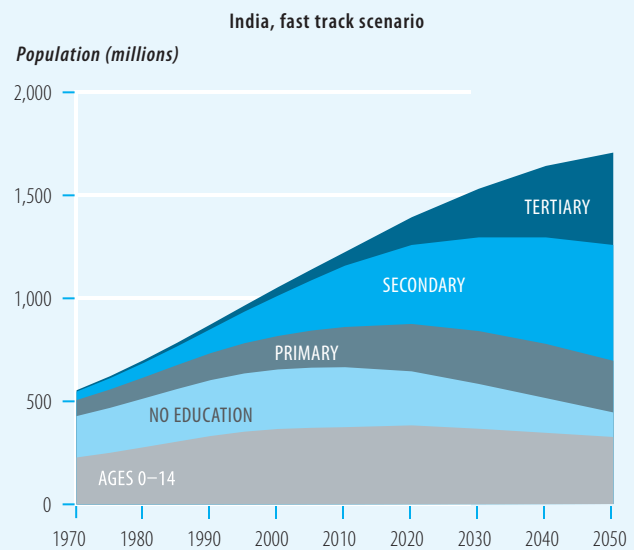
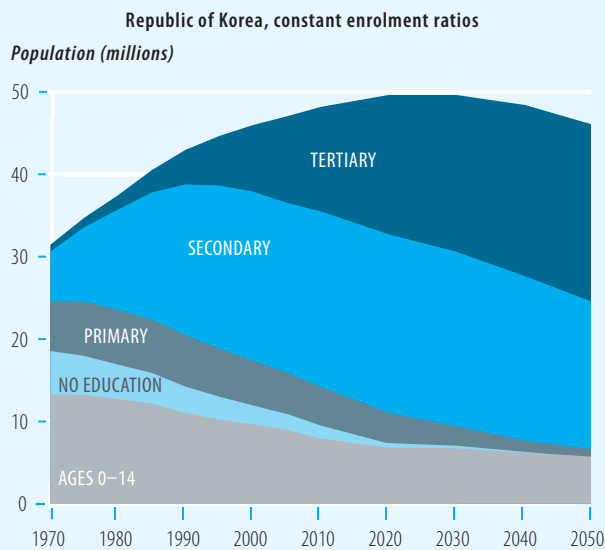
## Why population prospects will likely differ in the Republic of Korea and India

Educational attainment has risen rapidly in the Republic of Korea. In the 1950s a large proportion of school-age children received no formal education. Today, young Korean women are among the best educated women in the world: more than half have completed college. As a consequence, elderly Koreans of the future will be much better educated than elderly Koreans of today (see figure), and because of the positive correlation between education and health, they are also likely to be healthier.

Assuming that enrolment rates (which are high) remain constant, the proportion of the population younger than age 14 will drop from 16% in 2010 to 13% in 2050. There will also be a marked shift in the population's education composition, with the proportion having a tertiary education projected to rise from 26% to 47%.

For India, the picture looks very different. Before 2000, more than half the adult population had no formal education. Despite the recent expansion in basic schooling and impressive growth in the number of better educated Indians (undoubtedly a key factor in India's recent economic growth), the proportion of the adult population with no education will decline only slowly. Partly because of this lower level of education, particularly among women, India's population is projected to grow rapidly, with India surpassing China as the most populous country. Even under an optimistic fast track scenario, which assumes education expansion similar to Korea's, India's education distribution in 2050 will still be highly unequal, with a sizeable group of uneducated (mostly elderly) adults. The rapid expansion in tertiary education under this scenario, however, will build a very well educated young adult labour force.

### Comparative population and education futures in the Republic of Korea and India



Source: Lutz and KC 2013.

are needed that align human development and climate change goals in low-emission, climate-resilient strategies and innovative public-private financing mechanisms.

### Managing demographic change

Between 1970 and 2011, world population swelled from 3.6 billion to 7 billion. As that population becomes more educated, its growth rate will decrease. Development prospects are influenced by the age structure of the population, as well as its size. An increasingly critical concern is the dependency ratio—that is, the number of younger and older people divided by the working-age population ages 15–64.

Some poorer countries will benefit from a “demographic dividend” as the share of the population in the workforce rises, but only if there is strong policy action. Girls’ education, for instance, is a critical vehicle of a possible demographic dividend. Educated women tend to have fewer, healthier and better educated children; in many countries educated women also enjoy higher salaries than uneducated workers.

The richer regions of the South, by contrast, will confront a very different problem, as their population ages, reducing the share of the working-age population. The rate of population ageing matters because developing countries will struggle to meet the needs of an older population if they are still poor. Many developing

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Some intergovernmental processes would be invigorated by greater participation from the South

countries now have only a short window of opportunity to reap the full benefits of the demographic dividend.

Demographic trends are not deterministic, however. They can be altered, at least indirectly, by education policies. The Report presents two scenarios for 2010–2050: the base case scenario, in which enrolment ratios remain constant at each level of education, and a fast track scenario, in which the countries with the lowest initial education levels embrace ambitious education targets. The decline in the dependency ratio for low HDI countries under the fast track scenario is more than twice that under the base case scenario. Ambitious education policies can enable medium and high HDI countries to curb projected increases in their dependency ratios, in order to make their demographic transition towards an ageing population less difficult.

Addressing these demographic challenges will require raising educational attainment levels while expanding productive employment opportunities—by reducing unemployment, promoting labour productivity and increasing labour force participation, particularly among women and older workers.

## Governance and partnerships for a new era

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The new arrangements promoted by the South and the resulting pluralism are challenging existing institutions and processes in the traditional domains of multilateralism—finance, trade, investment and health—sometimes directly and sometimes indirectly through alternative regional and subregional systems. Global and regional governance is becoming a multifaceted combination of new arrangements and old structures that need collective nurturing in multiple ways. Reforms in global institutions must be complemented by stronger cooperation with regional institutions—and in some cases broader mandates for those regional institutions. The accountability of organizations must be extended to a wider group of countries, as well as to a wider group of stakeholders.

Many of the current institutions and principles for international governance were designed for a world order that does not match

contemporary reality. One consequence is that these institutions greatly underrepresent the South. If they are to survive, international institutions need to be more representative, transparent and accountable. Indeed, some intergovernmental processes would be invigorated by greater participation from the South, which can bring substantial financial, technological and human resources.

In all of this, governments are understandably concerned with preserving national sovereignty. Overly strict adherence to the primacy of national sovereignty can encourage zero-sum thinking. A better strategy is responsible sovereignty, whereby countries engage in fair, rule-based and accountable international cooperation, joining in collective endeavours that enhance global welfare. Responsible sovereignty also requires that states ensure the human rights security and safety of their citizens. According to this view, sovereignty is seen not just as a right but as a responsibility.

This changing world has profound implications for the provision of public goods. Areas of global international concern meriting urgent attention and cooperation include trade, migration and climate change. In some cases, public goods can be delivered by regional institutions, which can avoid the polarization that slows progress in larger, multilateral forums. Increasing regional cooperation may, however, have disadvantages—adding to a complex, multilevel and fragmented tapestry of institutions. The challenge therefore is to ensure “coherent pluralism”—so that institutions at all levels work in a broadly coordinated fashion.

International governance institutions can be held to account not just by member states, but also by global civil society. Civil society organizations have already influenced global transparency and rule setting on aid, debt, human rights, health and climate change. Civil society networks can now take advantage of new media and new communications technologies. Yet civil society organizations also face questions about their legitimacy and accountability and may take undesirable forms. Nevertheless, the future legitimacy of international governance will depend on the capabilities of institutions to engage with citizen networks and communities.

## Conclusions: partners in a new era

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Many countries of the South have already demonstrated what can be done to ensure that human development proceeds in ways that are both productive and sustainable, but they have gone only part of the way. For the years ahead, the Report suggests five broad conclusions.

### Rising economic strength in the South must be matched by a full commitment to human development

Investments in human development are justified not only on moral grounds, but also because improvements in health, education and social welfare are key to success in a more competitive and dynamic world economy. In particular, these investments should target the poor—connecting them to markets and increasing their livelihood opportunities. Poverty is an injustice that can and should be remedied by determined action.

Good policymaking also requires greater focus on enhancing social capacities, not just individual capabilities. Individuals function within social institutions that can limit or enhance their development potential. Policies that change social norms that limit human potential, such as strictures against early marriages or dowry requirements, can open up additional opportunities for individuals to reach their full potential.

### Less developed countries can learn and benefit from the success of emerging economies in the South

The unprecedented accumulation of financial reserves and sovereign wealth funds in the South as well as the North provides an opportunity to accelerate broad-based progress. Even a small portion of these funds dedicated to human development and poverty eradication could have a large effect. At the same time South–South trade and investment flows can leverage foreign markets in new ways that enhance development opportunities, such as by participating in regional and global value chains.

Burgeoning South–South trade and investment in particular can lay the basis for shifting manufacturing capacity to other less developed regions and countries. Recent Chinese and Indian joint ventures and startup manufacturing investments in Africa serve as a prelude to a much expanded force. International production networks provide opportunities to speed up the development process by allowing countries to leap-frog to more sophisticated production modes.

### New institutions and new partnerships can facilitate regional integration and South–South relationships

New institutions and partnerships can help countries share knowledge, experiences and technology. This can be accompanied by new and stronger institutions to promote trade and investment and accelerate experience sharing across the South. One step would be to establish a new South Commission to bring a fresh vision of how the diversity of the South can be a force for solidarity.

### Greater representation for the South and civil society can accelerate progress on major global challenges

The rise of the South is leading to a greater diversity of voice on the world stage. This represents an opportunity to build governance institutions that fully represent all constituencies that would make productive use of this diversity in finding solutions to world problems.

New guiding principles for international organizations are needed which incorporate the experience of the South. The emergence of the Group of 20 is an important step in this direction, but the countries of the South also need more equitable representation in the Bretton Woods institutions, the United Nations and other international bodies.

Active civil society and social movements, both national and transnational, are using the media to amplify their calls for just and fair governance. The spread of movements and increasing platforms for vocalizing key messages and demands challenge governance institutions to adapt more-democratic and more-inclusive principles. More generally, a

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The unprecedented accumulation of financial reserves provides an opportunity to accelerate broad-based progress

fairer and less unequal world requires space for a multiplicity of voices and a system of public discourse.

### The rise of the South presents new opportunities for generating a greater supply of public goods

A sustainable world requires a greater supply of global public goods. Global issues today are increasing in number and urgency, from mitigation of climate change and international economic and financial instability to the fight against terrorism and nuclear proliferation. They require a global response. Yet in many areas, international cooperation continues to be slow—and at times dangerously hesitant. The rise of the South presents new opportunities for providing global public goods more effectively and for unlocking today’s many stalemated global issues.

“Publicness” and “privateness” are in most cases not innate properties of a public good but social constructs. As such, they represent a policy choice. National governments can step in when there is underprovision at the national level, but when global challenges arise, international cooperation is necessary and can happen only by voluntary action of many governments. Given the many pressing challenges, progress in determining what is public and what is private

will require strong, committed personal and institutional leadership.

\* \* \*

The 2013 *Human Development Report* presents the contemporary global context and charts a path for policymakers and citizens to navigate the increasing interconnectedness of the world and to face the growing global challenges. It describes how the dynamics of power, voice and wealth in the world are changing—and identifies the new policies and institutions necessary to address these 21st century realities and promote human development with greater equity, sustainability and social integration. Progress in human development requires action and institutions at both the global and national levels. At the global level, institutional reforms and innovation are required to protect and provide global public goods. At the national level, state commitment to social justice is important, as is the reality that one-size-fits-all technocratic policies are neither realistic nor effective given the diversity of national contexts, cultures and institutional conditions. Nevertheless, overarching principles such as social cohesion, state commitment to education, health and social protection, and openness to trade integration emerge as means of navigating towards sustainable and equitable human development.

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The rise of the South presents new opportunities for providing global public goods more effectively and for unlocking today’s many stalemated global issues

**2012 HDI ranks and changes in rank from 2011 to 2012**

Afghanistan	175		
Albania	70	-1	↓
Algeria	93	-1	↓
Andorra	33	-1	↓
Angola	148		
Antigua and Barbuda	67	-1	↓
Argentina	45	-1	↓
Armenia	87	-1	↓
Australia	2		
Austria	18		
Azerbaijan	82	-1	↓
Bahamas	49		
Bahrain	48		
Bangladesh	146	1	↑
Barbados	38		
Belarus	50	1	↑
Belgium	17		
Belize	96		
Benin	166		
Bhutan	140	1	↑
Bolivia, Plurinational State of	108		
Bosnia and Herzegovina	81	-1	↓
Botswana	119	-1	↓
Brazil	85		
Brunei Darussalam	30		
Bulgaria	57		
Burkina Faso	183		
Burundi	178	-1	↓
Cambodia	138		
Cameroon	150		
Canada	11	-1	↓
Cape Verde	132	-1	↓
Central African Republic	180	-1	↓
Chad	184		
Chile	40		
China	101		
Colombia	91		
Comoros	169	-1	↓
Congo	142		
Congo, Democratic Republic of the	186		
Costa Rica	62		
Côte d'Ivoire	168	1	↑
Croatia	47	-1	↓
Cuba	59		
Cyprus	31		
Czech Republic	28		
Denmark	15		
Djibouti	164		
Dominica	72		
Dominican Republic	96	2	↑
Ecuador	89		
Egypt	112		
El Salvador	107	-1	↓
Equatorial Guinea	136		
Eritrea	181	1	↑
Estonia	33	1	↑
Ethiopia	173	-1	↓
Fiji	96	2	↑
Finland	21		
France	20		
Gabon	106		
Gambia	165		
Georgia	72	3	↑
Germany	5		
Ghana	135		
Greece	29		
Grenada	63	-1	↓
Guatemala	133		
Guinea	178	-1	↓
Guinea-Bissau	176		
Guyana	118	1	↑
Haiti	161	1	↑
Honduras	120		
Hong Kong, China (SAR)	13	1	↑
Hungary	37		
Iceland	13		
India	136		
Indonesia	121	3	↑
Iran, Islamic Republic of	76	-2	↓
Iraq	131	1	↑
Ireland	7		
Israel	16		
Italy	25		
Jamaica	85	-2	↓
Japan	10		
Jordan	100		
Kazakhstan	69	-1	↓
Kenya	145		
Kiribati	121		
Korea, Republic of	12		
Kuwait	54	-1	↓
Kyrgyzstan	125		
Lao People's Democratic Republic	138		
Latvia	44	1	↑
Lebanon	72		
Lesotho	158	1	↑
Liberia	174		
Libya	64	23	↑
Liechtenstein	24		
Lithuania	41	2	↑
Luxembourg	26		
Madagascar	151		
Malawi	170	1	↑
Malaysia	64	1	↑
Maldives	104	-1	↓
Mali	182	-1	↓
Malta	32	1	↑
Mauritania	155		
Mauritius	80	-1	↓
Mexico	61		
Micronesia, Federated States of	117		
Moldova, Republic of	113		
Mongolia	108	2	↑
Montenegro	52	-2	↓
Morocco	130		
Mozambique	185		
Myanmar	149		
Namibia	128		
Nepal	157		
Netherlands	4		
New Zealand	6		
Nicaragua	129		
Niger	186	1	↑
Nigeria	153	1	↑
Norway	1		
Oman	84	-1	↓
Pakistan	146		
Palau	52	2	↑
Palestine, State of	110	1	↑
Panama	59	1	↑
Papua New Guinea	156		
Paraguay	111	-2	↓
Peru	77	-1	↓
Philippines	114		
Poland	39		
Portugal	43	-3	↓
Qatar	36		
Romania	56	-1	↓
Russian Federation	55		
Rwanda	167		
Saint Kitts and Nevis	72	-1	↓
Saint Lucia	88		
Saint Vincent and the Grenadines	83	-2	↓
Samoa	96		
Sao Tome and Principe	144		
Saudi Arabia	57		
Senegal	154	-2	↓
Serbia	64		
Seychelles	46		
Sierra Leone	177	2	↑
Singapore	18		
Slovakia	35		
Slovenia	21		
Solomon Islands	143		
South Africa	121	1	↑
Spain	23		
Sri Lanka	92		
Sudan	171	-1	↓
Suriname	105		
Swaziland	141	-1	↓
Sweden	7		
Switzerland	9		
Syrian Arab Republic	116		
Tajikistan	125	1	↑
Tanzania, United Republic of	152	1	↑
Thailand	103	1	↑
The former Yugoslav Republic of Macedonia	78	-2	↓
Timor-Leste	134		
Togo	159	1	↑
Tonga	95		
Trinidad and Tobago	67	-1	↓
Tunisia	94		
Turkey	90		
Turkmenistan	102		
Uganda	161		
Ukraine	78		
United Arab Emirates	41	-1	↓
United Kingdom	26		
United States	3	-1	↓
Uruguay	51		
Uzbekistan	114	1	↑
Vanuatu	124	-2	↓
Venezuela, Bolivarian Republic of	71	-1	↓
Viet Nam	127		
Yemen	160	-2	↓
Zambia	163		
Zimbabwe	172	1	↑

**Note:** Positive or negative values and arrows indicate the number of positions upward or downward a country's rank changed from 2011 to 2012 using consistent data and methodology; a blank indicates no change.

# Human development indices

HDI rank	Human Development Index	Inequality-adjusted HDI		Gender Inequality Index		Multidimensional Poverty Index	
	Value	Value	Rank	Value	Rank	Value	Year
<b>VERY HIGH HUMAN DEVELOPMENT</b>							
1	Norway	0.955	0.894	1	0.065	5	..
2	Australia	0.938	0.864	2	0.115	17	..
3	United States	0.937	0.821	16	0.256	42	..
4	Netherlands	0.921	0.857	4	0.045	1	..
5	Germany	0.920	0.856	5	0.075	6	..
6	New Zealand	0.919	..	..	0.164	31	..
7	Ireland	0.916	0.850	6	0.121	19	..
7	Sweden	0.916	0.859	3	0.055	2	..
9	Switzerland	0.913	0.849	7	0.057	3	..
10	Japan	0.912	..	..	0.131	21	..
11	Canada	0.911	0.832	13	0.119	18	..
12	Korea, Republic of	0.909	0.758	28	0.153	27	..
13	Hong Kong, China (SAR)	0.906	..	..	..	..	..
13	Iceland	0.906	0.848	8	0.089	10	..
15	Denmark	0.901	0.845	9	0.057	3	..
16	Israel	0.900	0.790	21	0.144	25	..
17	Belgium	0.897	0.825	15	0.098	12	..
18	Austria	0.895	0.837	12	0.102	14	..
18	Singapore	0.895	..	..	0.101	13	..
20	France	0.893	0.812	18	0.083	9	..
21	Finland	0.892	0.839	11	0.075	6	..
21	Slovenia	0.892	0.840	10	0.080	8	0.000 2003
23	Spain	0.885	0.796	20	0.103	15	..
24	Liechtenstein	0.883	..	..	..	..	..
25	Italy	0.881	0.776	24	0.094	11	..
26	Luxembourg	0.875	0.813	17	0.149	26	..
26	United Kingdom	0.875	0.802	19	0.205	34	..
28	Czech Republic	0.873	0.826	14	0.122	20	0.010 2002/2003
29	Greece	0.860	0.760	27	0.136	23	..
30	Brunei Darussalam	0.855	..	..	..	..	..
31	Cyprus	0.848	0.751	29	0.134	22	..
32	Malta	0.847	0.778	23	0.236	39	..
33	Andorra	0.846	..	..	..	..	..
33	Estonia	0.846	0.770	25	0.158	29	0.026 2003
35	Slovakia	0.840	0.788	22	0.171	32	0.000 2003
36	Qatar	0.834	..	..	0.546	117	..
37	Hungary	0.831	0.769	26	0.256	42	0.016 2003
38	Barbados	0.825	..	..	0.343	61	..
39	Poland	0.821	0.740	30	0.140	24	..
40	Chile	0.819	0.664	41	0.360	66	..
41	Lithuania	0.818	0.727	33	0.157	28	..
41	United Arab Emirates	0.818	..	..	0.241	40	0.002 2003
43	Portugal	0.816	0.729	32	0.114	16	..
44	Latvia	0.814	0.726	35	0.216	36	0.006 2003
45	Argentina	0.811	0.653	43	0.380	71	0.011 2005
46	Seychelles	0.806	..	..	..	..	..
47	Croatia	0.805	0.683	39	0.179	33	0.016 2003
<b>HIGH HUMAN DEVELOPMENT</b>							
48	Bahrain	0.796	..	..	0.258	45	..
49	Bahamas	0.794	..	..	0.316	53	..
50	Belarus	0.793	0.727	33	..	..	0.000 2005
51	Uruguay	0.792	0.662	42	0.367	69	0.006 2002/2003
52	Montenegro	0.791	0.733	31	..	..	0.006 2005/2006
52	Palau	0.791	..	..	..	..	..
54	Kuwait	0.790	..	..	0.274	47	..
55	Russian Federation	0.788	..	..	0.312	51	0.005 2003
56	Romania	0.786	0.687	38	0.327	55	..
57	Bulgaria	0.782	0.704	36	0.219	38	..
57	Saudi Arabia	0.782	..	..	0.682	145	..
59	Cuba	0.780	..	..	0.356	63	..
59	Panama	0.780	0.588	57	0.503	108	..
61	Mexico	0.775	0.593	55	0.382	72	0.015 2006

HDI rank	Human Development Index	Inequality-adjusted HDI		Gender Inequality Index		Multidimensional Poverty Index	
	Value	Value	Rank	Value	Rank	Value	Year
62	Costa Rica	0.773	0.606	54	0.346	62	..
63	Grenada	0.770	..	..	..	..	..
64	Libya	0.769	..	..	0.216	36	..
64	Malaysia	0.769	..	..	0.256	42	..
64	Serbia	0.769	0.696	37	..	..	0.003 2005/2006
67	Antigua and Barbuda	0.760	..	..	..	..	..
67	Trinidad and Tobago	0.760	0.644	49	0.311	50	0.020 2006
69	Kazakhstan	0.754	0.652	44	0.312	51	0.002 2006
70	Albania	0.749	0.645	48	0.251	41	0.005 2008/2009
71	Venezuela, Bolivarian Republic of	0.748	0.549	66	0.466	93	..
72	Dominica	0.745	..	..	..	..	..
72	Georgia	0.745	0.631	51	0.438	81	0.003 2005
72	Lebanon	0.745	0.575	59	0.433	78	..
72	Saint Kitts and Nevis	0.745	..	..	..	..	..
76	Iran, Islamic Republic of	0.742	..	..	0.496	107	..
77	Peru	0.741	0.561	62	0.387	73	0.066 2008
78	The former Yugoslav Republic of Macedonia	0.740	0.631	51	0.162	30	0.008 2005
78	Ukraine	0.740	0.672	40	0.338	57	0.008 2007
80	Mauritius	0.737	0.639	50	0.377	70	..
81	Bosnia and Herzegovina	0.735	0.650	45	..	..	0.003 2006
82	Azerbaijan	0.734	0.650	45	0.323	54	0.021 2006
83	Saint Vincent and the Grenadines	0.733	..	..	..	..	..
84	Oman	0.731	..	..	0.340	59	..
85	Brazil	0.730	0.531	70	0.447	85	0.011 2006
85	Jamaica	0.730	0.591	56	0.458	87	..
87	Armenia	0.729	0.649	47	0.340	59	0.001 2010
88	Saint Lucia	0.725	..	..	..	..	..
89	Ecuador	0.724	0.537	69	0.442	83	0.009 2003
90	Turkey	0.722	0.560	63	0.366	68	0.028 2003
91	Colombia	0.719	0.519	74	0.459	88	0.022 2010
92	Sri Lanka	0.715	0.607	53	0.402	75	0.021 2003
93	Algeria	0.713	..	..	0.391	74	..
94	Tunisia	0.712	..	..	0.261	46	0.010 2003
<b>MEDIUM HUMAN DEVELOPMENT</b>							
95	Tonga	0.710	..	..	0.462	90	..
96	Belize	0.702	..	..	0.435	79	0.024 2006
96	Dominican Republic	0.702	0.510	80	0.508	109	0.018 2007
96	Fiji	0.702	..	..	..	..	..
96	Samoa	0.702	..	..	..	..	..
100	Jordan	0.700	0.568	60	0.482	99	0.008 2009
101	China	0.699	0.543	67	0.213	35	0.056 2002
102	Turkmenistan	0.698	..	..	..	..	..
103	Thailand	0.690	0.543	67	0.360	66	0.006 2005/2006
104	Maldives	0.688	0.515	76	0.357	64	0.018 2009
105	Suriname	0.684	0.526	72	0.467	94	0.039 2006
106	Gabon	0.683	0.550	65	0.492	105	..
107	El Salvador	0.680	0.499	83	0.441	82	..
108	Bolivia, Plurinational State of	0.675	0.444	85	0.474	97	0.089 2008
108	Mongolia	0.675	0.588	60	0.328	56	0.065 2005
110	Palestine, State of	0.670	..	..	..	..	0.005 2006/2007
111	Paraguay	0.669	..	..	0.472	95	0.064 2002/2003
112	Egypt	0.662	0.503	82	0.590	126	0.024 2008
113	Moldova, Republic of	0.660	0.584	58	0.303	49	0.007 2005
114	Philippines	0.654	0.524	73	0.418	77	0.064 2008
114	Uzbekistan	0.654	0.551	64	..	..	0.008 2006
116	Syrian Arab Republic	0.648	0.515	76	0.551	118	0.021 2006
117	Micronesia, Federated States of	0.645	..	..	..	..	..
118	Guyana	0.636	0.514	78	0.490	104	0.030 2009
119	Botswana	0.634	..	..	0.485	102	..
120	Honduras	0.632	0.458	84	0.483	100	0.159 2005/2006
121	Indonesia	0.629	0.514	78	0.494	106	0.095 2007
121	Kiribati	0.629	..	..	..	..	..
121	South Africa	0.629	..	..	0.462	90	0.057 2008

HDI rank	Human Development Index	Inequality-adjusted HDI		Gender Inequality Index		Multidimensional Poverty Index	
	Value	Value	Rank	Value	Rank	Value	Year
124	Vanuatu	0.626	..	..	..	0.129	2007
125	Kyrgyzstan	0.622	0.516	75	0.357	64	2005/2006
125	Tajikistan	0.622	0.507	81	0.338	57	2005
127	Viet Nam	0.617	0.531	70	0.299	48	2010/2011
128	Namibia	0.608	0.344	101	0.455	86	2006/2007
129	Nicaragua	0.599	0.434	86	0.461	89	2006/2007
130	Morocco	0.591	0.415	88	0.444	84	2007
131	Iraq	0.590	..	..	0.557	120	2006
132	Cape Verde	0.586	..	..	..	..	..
133	Guatemala	0.581	0.389	92	0.539	114	2003
134	Timor-Leste	0.576	0.386	93	..	..	2009/2010
135	Ghana	0.558	0.379	94	0.565	121	2008
136	Equatorial Guinea	0.554	..	..	..	..	..
136	India	0.554	0.392	91	0.610	132	2005/2006
138	Cambodia	0.543	0.402	90	0.473	96	2010
138	Lao People's Democratic Republic	0.543	0.409	89	0.483	100	2006
140	Bhutan	0.538	0.430	87	0.464	92	2010
141	Swaziland	0.536	0.346	99	0.525	112	2010
<b>LOW HUMAN DEVELOPMENT</b>							
142	Congo	0.534	0.368	96	0.610	132	2009
143	Solomon Islands	0.530	..	..	..	..	..
144	Sao Tome and Principe	0.525	0.358	97	..	..	2008/2009
145	Kenya	0.519	0.344	101	0.608	130	2008/2009
146	Bangladesh	0.515	0.374	95	0.518	111	2007
146	Pakistan	0.515	0.356	98	0.567	123	2006/2007
148	Angola	0.508	0.285	114	..	..	..
149	Myanmar	0.498	..	..	0.437	80	..
150	Cameroon	0.495	0.330	104	0.628	137	2004
151	Madagascar	0.483	0.335	103	..	..	2008/2009
152	Tanzania, United Republic of	0.476	0.346	99	0.556	119	2010
153	Nigeria	0.471	0.276	119	..	..	2008
154	Senegal	0.470	0.315	105	0.540	115	2010/2011
155	Mauritania	0.467	0.306	107	0.643	139	2007
156	Papua New Guinea	0.466	..	..	0.617	134	..
157	Nepal	0.463	0.304	109	0.485	102	2011
158	Lesotho	0.461	0.296	111	0.534	113	2009
159	Togo	0.459	0.305	108	0.566	122	2006
160	Yemen	0.458	0.310	106	0.747	148	2006
161	Haiti	0.456	0.273	120	0.592	127	2005/2006
161	Uganda	0.456	0.303	110	0.517	110	2011
163	Zambia	0.448	0.283	117	0.623	136	2007
164	Djibouti	0.445	0.285	114	..	..	2006
165	Gambia	0.439	..	..	0.594	128	2005/2006
166	Benin	0.436	0.280	118	0.618	135	2006
167	Rwanda	0.434	0.287	112	0.414	76	2010
168	Côte d'Ivoire	0.432	0.265	122	0.632	138	2005
169	Comoros	0.429	..	..	..	..	..
170	Malawi	0.418	0.287	112	0.573	124	2010
171	Sudan	0.414	..	..	0.604	129	..
172	Zimbabwe	0.397	0.284	116	0.544	116	2010/2011
173	Ethiopia	0.396	0.269	121	..	..	2011
174	Liberia	0.388	0.251	123	0.658	143	2007
175	Afghanistan	0.374	..	..	0.712	147	..
176	Guinea-Bissau	0.364	0.213	127	..	..	..
177	Sierra Leone	0.359	0.210	128	0.643	139	2008
178	Burundi	0.355	..	..	0.476	98	2005
178	Guinea	0.355	0.217	126	..	..	2005
180	Central African Republic	0.352	0.209	129	0.654	142	..
181	Eritrea	0.351	..	..	..	..	..
182	Mali	0.344	..	..	0.649	141	2006
183	Burkina Faso	0.343	0.226	124	0.609	131	2010
184	Chad	0.340	0.203	130	..	..	2003
185	Mozambique	0.327	0.220	125	0.582	125	2009
186	Congo, Democratic Republic of the	0.304	0.183	132	0.681	144	2010
186	Niger	0.304	0.200	131	0.707	146	2006



HDI rank	Human Development Index	Inequality-adjusted HDI		Gender Inequality Index		Multidimensional Poverty Index	
	Value	Value	Rank	Value	Rank	Value	Year
<b>OTHER COUNTRIES OR TERRITORIES</b>							
Korea, Democratic People's Rep. of	..	..	..	..	..	..	
Marshall Islands	..	..	..	..	..	..	
Monaco	..	..	..	..	..	..	
Nauru	..	..	..	..	..	..	
San Marino	..	..	..	..	..	..	
Somalia	..	..	..	..	..	0.514	2006
South Sudan	..	..	..	..	..	..	
Tuvalu	..	..	..	..	..	..	
<b>Human Development Index groups</b>							
Very high human development	0.905	0.807	—	0.193	—	—	
High human development	0.758	0.602	—	0.376	—	—	
Medium human development	0.640	0.485	—	0.457	—	—	
Low human development	0.466	0.310	—	0.578	—	—	
<b>Regions</b>							
Arab States	0.652	0.486	—	0.555	—	—	
East Asia and the Pacific	0.683	0.537	—	0.333	—	—	
Europe and Central Asia	0.771	0.672	—	0.280	—	—	
Latin America and the Caribbean	0.741	0.550	—	0.419	—	—	
South Asia	0.558	0.395	—	0.568	—	—	
Sub-Saharan Africa	0.475	0.309	—	0.577	—	—	
<b>Least developed countries</b>	0.449	0.303	—	0.566	—	—	
<b>Small island developing states</b>	0.648	0.459	—	0.481	—	—	
<b>World</b>	<b>0.694</b>	<b>0.532</b>	—	<b>0.463</b>	—	—	

#### NOTE

The indices use data from different years—see the *Statistical annex* of the full Report (available at <http://hdr.undp.org>) for details and for complete notes and sources on the data. Country classifications are based on HDI quartiles: a country is in the very high group if its HDI is in the top quartile, in the high group if its HDI is in percentiles 51–75, in the medium group if its HDI is in percentiles 26–50 and in the low group if its HDI is in the bottom quartile. Previous Reports used absolute rather than relative thresholds.



**Global Human Development Reports:** The 2013 Human Development Report is the latest in the series of global Human Development Reports published by UNDP since 1990 as independent, empirically grounded analyses of major development issues, trends, and policies.

Additional resources related to the 2013 Human Development Report can be found on line at [hdr.undp.org](http://hdr.undp.org), including complete editions or summaries of the Report in more than 20 languages; a collection of Human Development Research Papers commissioned for the 2013 Report; interactive maps and databases of national human development indicators; full explanations of the sources and methodologies employed in the Report’s human development indices; country profiles; and other background materials. Previous global, regional and national Human Development Reports (HDRs) are also available at [hdr.undp.org](http://hdr.undp.org).

**Regional Human Development Reports:** Over the past two decades, regionally focused HDRs have also been produced in all major areas of the developing world, with support from UNDP’s regional bureaus. With provocative analyses and clear policy recommendations, these regional HDRs have examined such critical issues as political empowerment in the Arab states, food security in Africa, climate change in Asia, the treatment of ethnic minorities in Central Europe, and the challenges of inequality and citizens’ security in Latin America and the Caribbean.

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- 2002 Deepening Democracy in a Fragmented World
- 2003 Millennium Development Goals: A Compact among Nations to End Human Poverty
- 2004 Cultural Liberty in Today’s Diverse World
- 2005 International Cooperation at a Crossroads: Aid, Trade and Security in an Unequal World
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The 21st century is witnessing a profound shift in global dynamics, driven by the fast-rising new powers of the developing world. China has overtaken Japan as the world's second biggest economy, lifting hundreds of millions of people out of poverty in the process. India is reshaping its future with new entrepreneurial creativity and social policy innovation. Brazil is raising its living standards by expanding international relationships and antipoverty programmes that are emulated worldwide.

But the "Rise of the South" is a much larger phenomenon. Indonesia, Mexico, South Africa, Thailand, Turkey and other developing countries are becoming leading actors on the world stage. The 2013 *Human Development Report* identifies more than 40 developing countries that have done better than expected in human development in recent decades, with their progress accelerating markedly over the past 10 years.

Each of these countries has its own unique history and has chosen its own distinct development pathway.

Yet they share important characteristics and face many of the same challenges. They are also becoming more interconnected and interdependent. And people throughout the developing world are increasingly demanding to be heard, as they share ideas through new communications channels and seek greater accountability from governments and international institutions.

The 2013 *Human Development Report* analyses the causes and consequences of the continuing "Rise of the South" and identifies policies rooted in this new reality that could promote greater progress throughout the world for decades to come. The Report calls for far better representation of the South in global governance systems and points to potential new sources of financing within the South for essential public goods. With fresh analytical insights and clear proposals for policy reforms, the Report charts a course for people in all regions to face shared human development challenges together, fairly and effectively.

*"The Report refreshes our understanding of the current state of global development, and demonstrates how much can be learned from the experiences of fast development progress in so many countries in the South."*

—UNDP Administrator Helen Clark, from the Foreword

*"The human development approach is a major advance in the difficult exercise of understanding the successes and deprivations of human lives, and in appreciating the importance of reflection and dialogue, and through that advancing fairness and justice in the world."*

—Nobel Laureate Amartya Sen, from chapter 1

*"No one has a monopoly on good ideas, which is why New York will continue to learn from the best practices of other cities and countries."*

—New York City Mayor Michael Bloomberg, from chapter 3

*"A close look at the diverse pathways that successful developing countries have pursued enriches the menu of policy options for all countries and regions."*

—Report lead author Khalid Malik, from the Introduction