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FULBRIGHT SCHOOL OF PUBLIC POLICY AND MANAGEMENT

Human Development

Development Policy

Summer 2023

Before the Human Development approach: Gunnar Myrdal and "Cumulative Causation"

- *Asian Drama: An Inquiry into the Poverty of Nations* (1968)
  - 2,500 pages, 3 volumes on the mutual-reinforcing challenges of South and Southeast Asia
  - Low productivity, low capital per worker, low levels of education, poor health and states captured by elites.
- Argued that social and institutional factors were critical to development.
  - Pessimistic view of South and Southeast Asian development
  - Forerunner of *Why Nations Fail*: Development captured by selfish elites

Gunnar Myrdal

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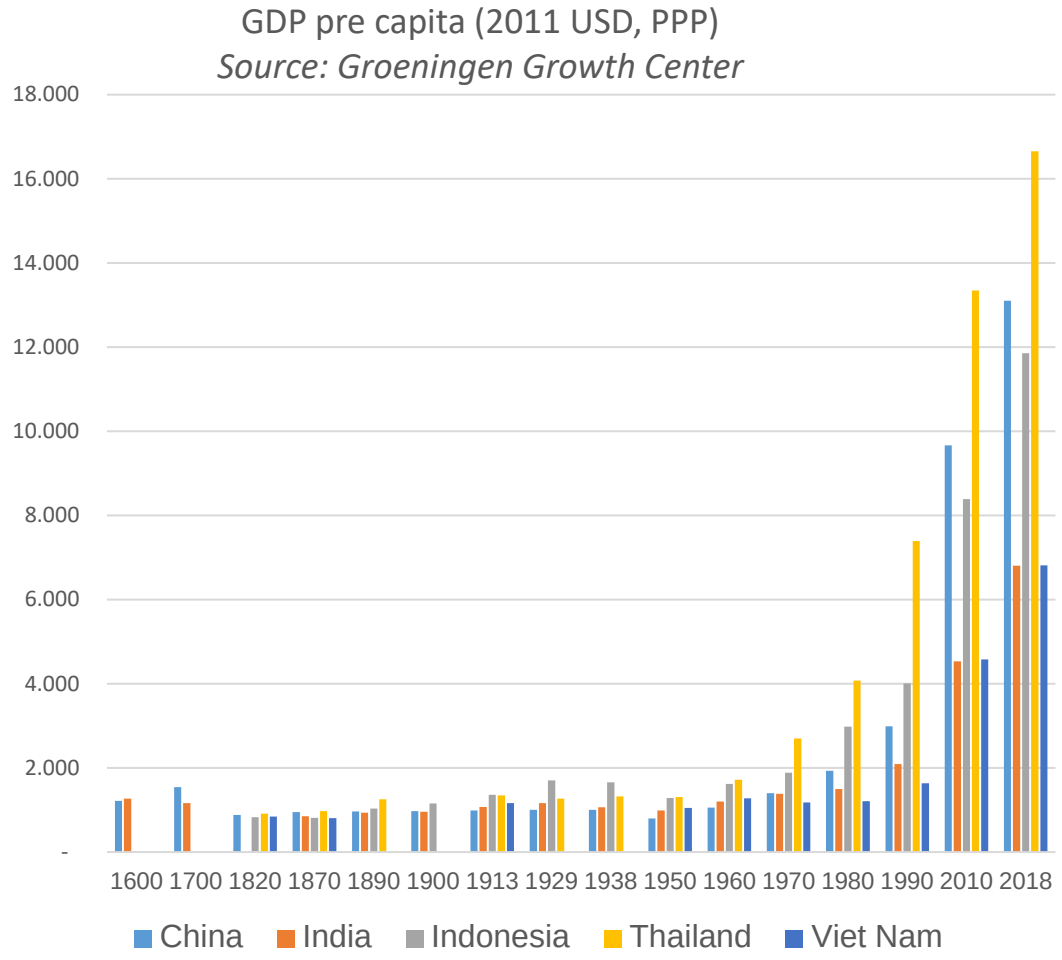
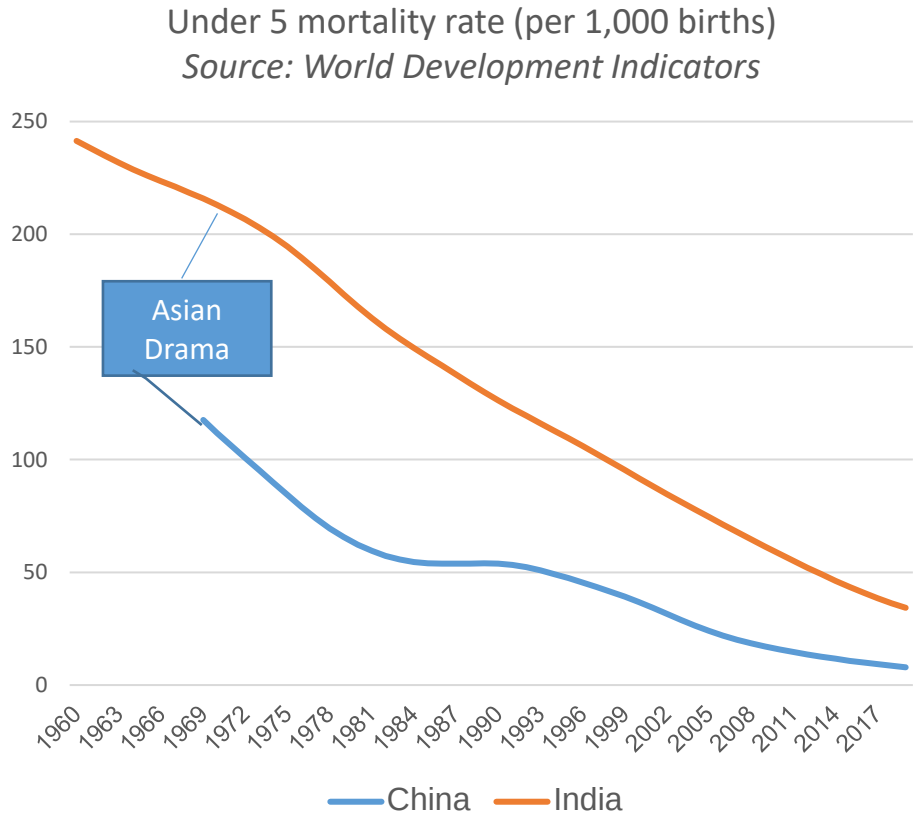
Postwar Asia: Independence, growth, improvements to human health and education





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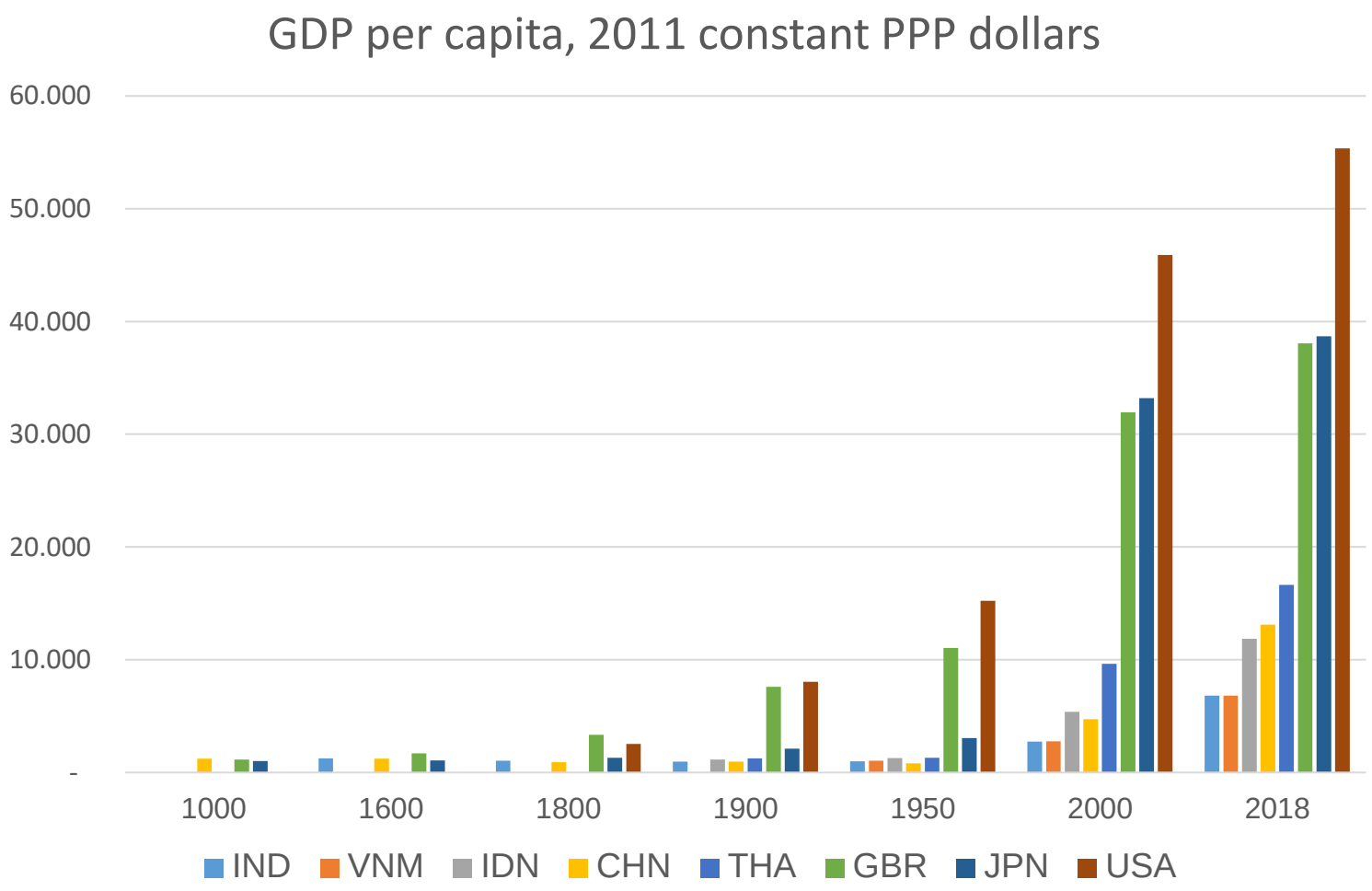
Human development in history

- Lives of poverty and early death the historical norm
- 20th century developments
  - Global markets
  - The nation state and the idea of equality in citizenship
- Conditions of human existence transformed



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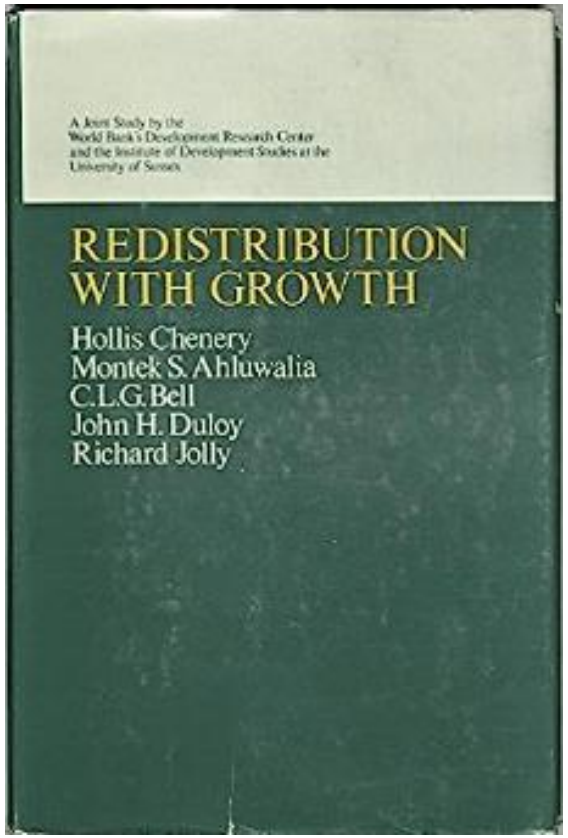
But average income conceals vast differences in living conditions, even within countries

- *Redistribution with Growth* (1974) advocated investment on health and education to give the poor the assets they need to prosper.
- "Basic Needs" approach (1976) foreshadows "Leave No One Behind" of the Sustainable Development Goals (2015)
- Debt crisis of 1980s: Shift from redistribution to stabilization and structural adjustment programs.



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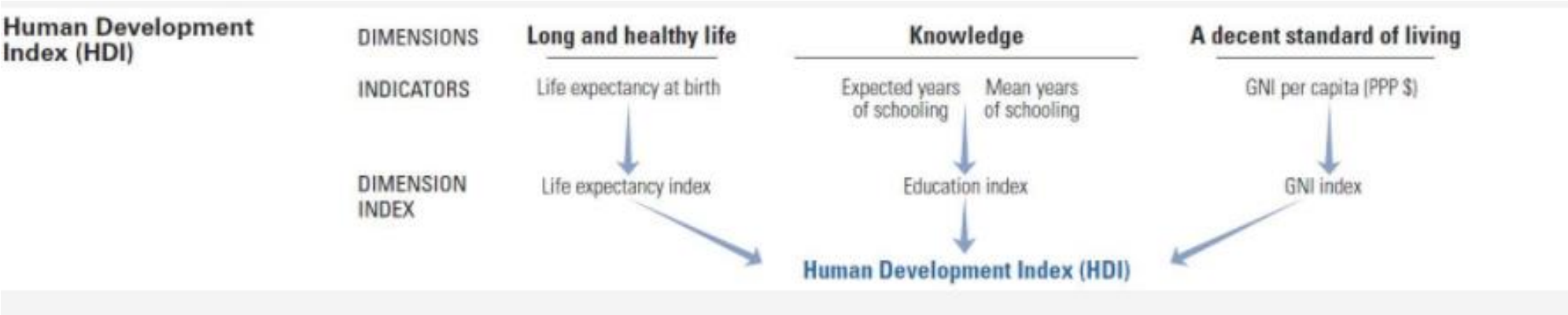
Human Development was a response to the failures of structural adjustment

- UNDP team led by Pakistani economist Mahbub ul Haq produced first Human Development Report in 1990
- Based on RwG, Basic Needs and capabilities approach developed by Amartya Sen.
- ‘Basic objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives.’



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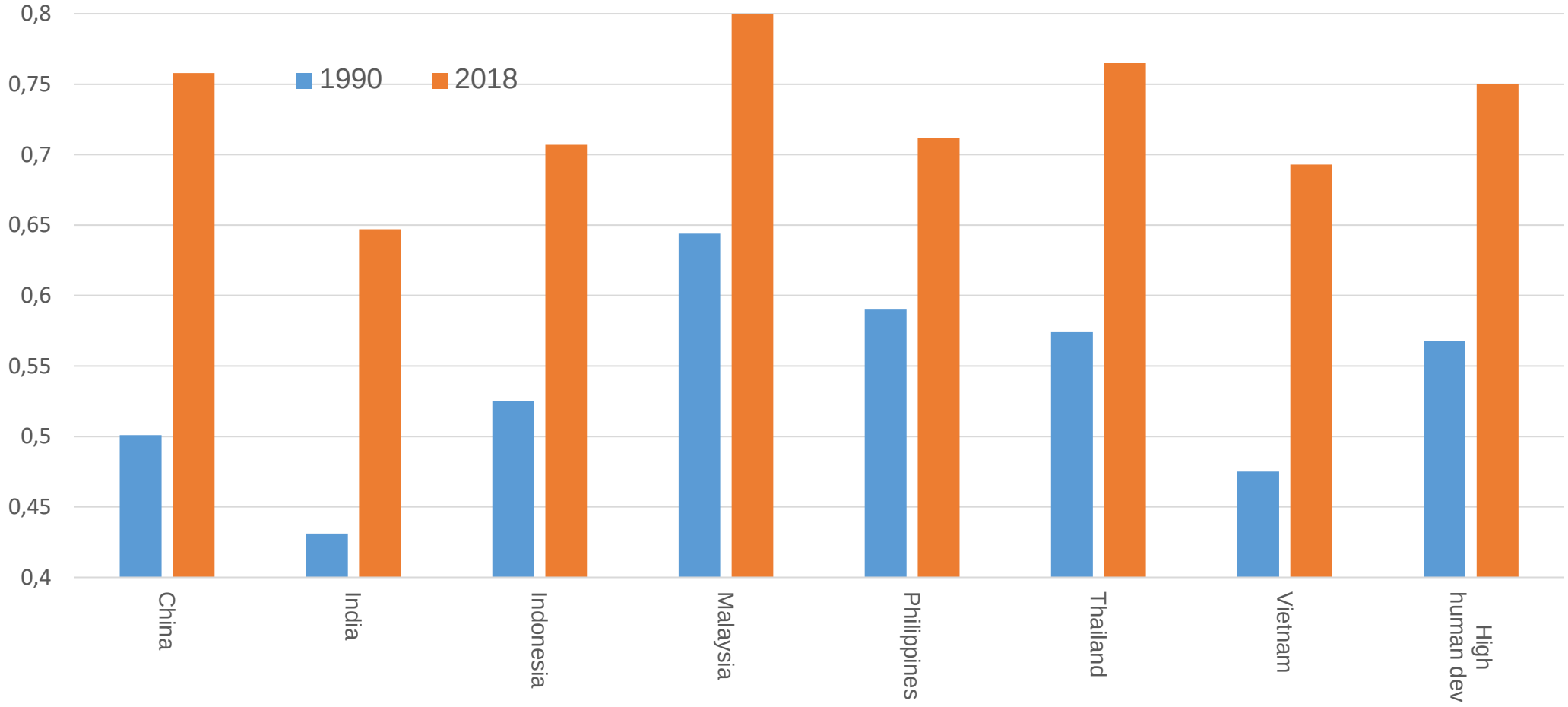
Southeast Asian countries have performed well in HDI terms



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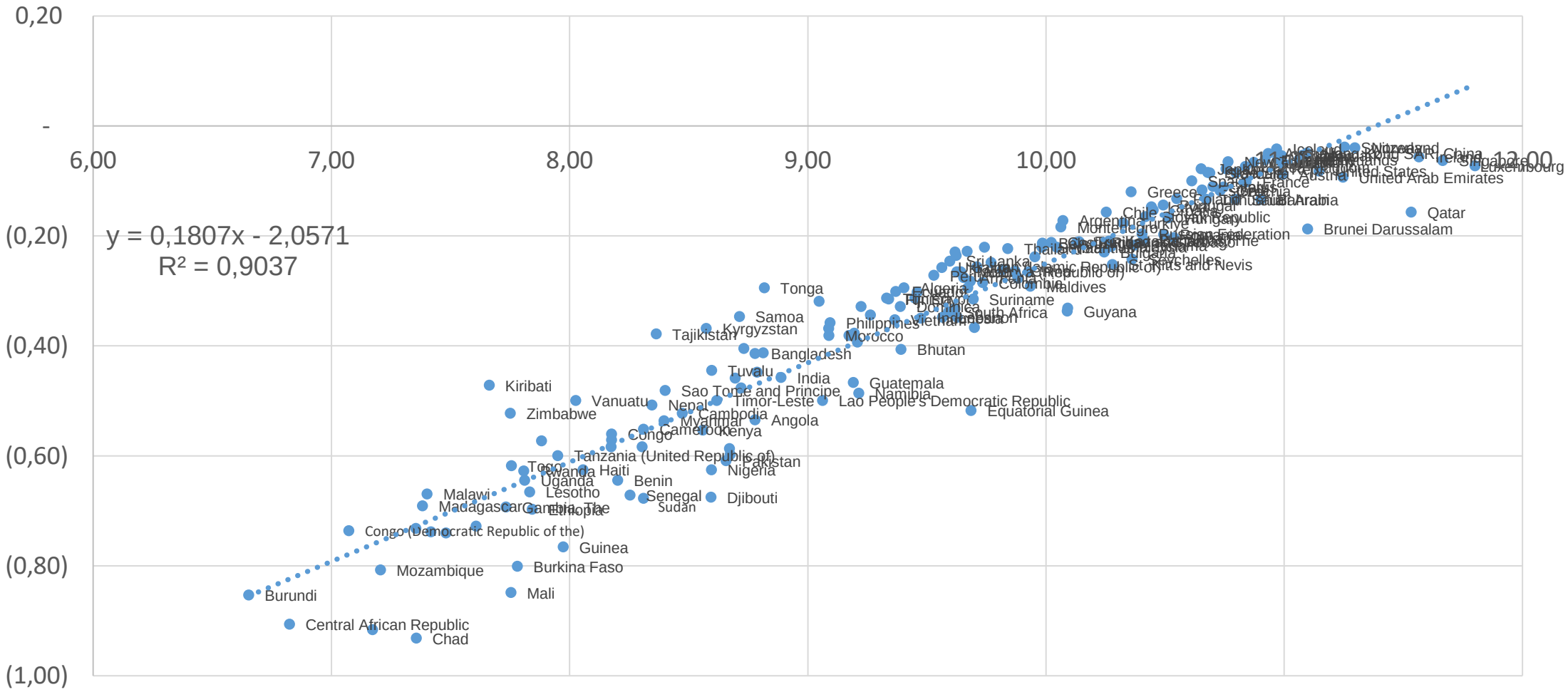
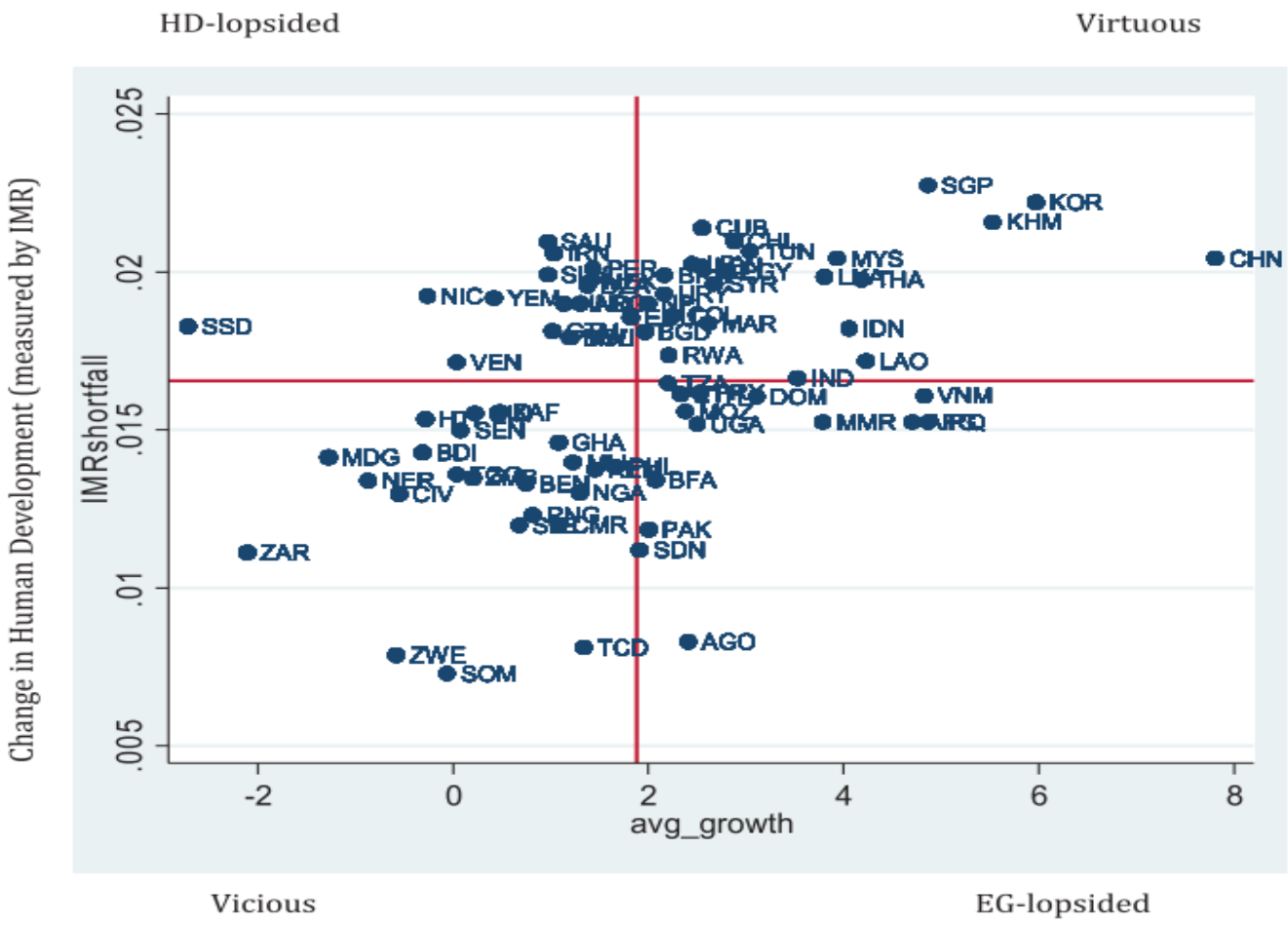
Close relationship between HDI and GDP per capita in Purchasing Power Parity terms



HDI and growth, 1970-2014



Source: Frances Stewart 2019

- Asian countries in the virtuous circle category
- Latin American countries in the HD lopsided quadrant
- African countries in the vicious circle quadrant
- Few countries in economic growth lopsided category

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Historic progress, deepening inequalities

- Markets and globalization unleashed productivity growth, but also gave rise to massive inequalities
- Half of Indian children affected by malnutrition
- Gender division of labor (women crowded into worst jobs) and unequal distribution of social reproduction work
- States mediate between economic and social outcomes
  - Elite capture: India and Indonesia as examples of governments that protect elite interests
  - Bureaucratic capacity to develop health and education services
  - Covid-19 pandemic again exposed the degree of commitment to equality and bureaucratic capacity of Southeast Asian governments

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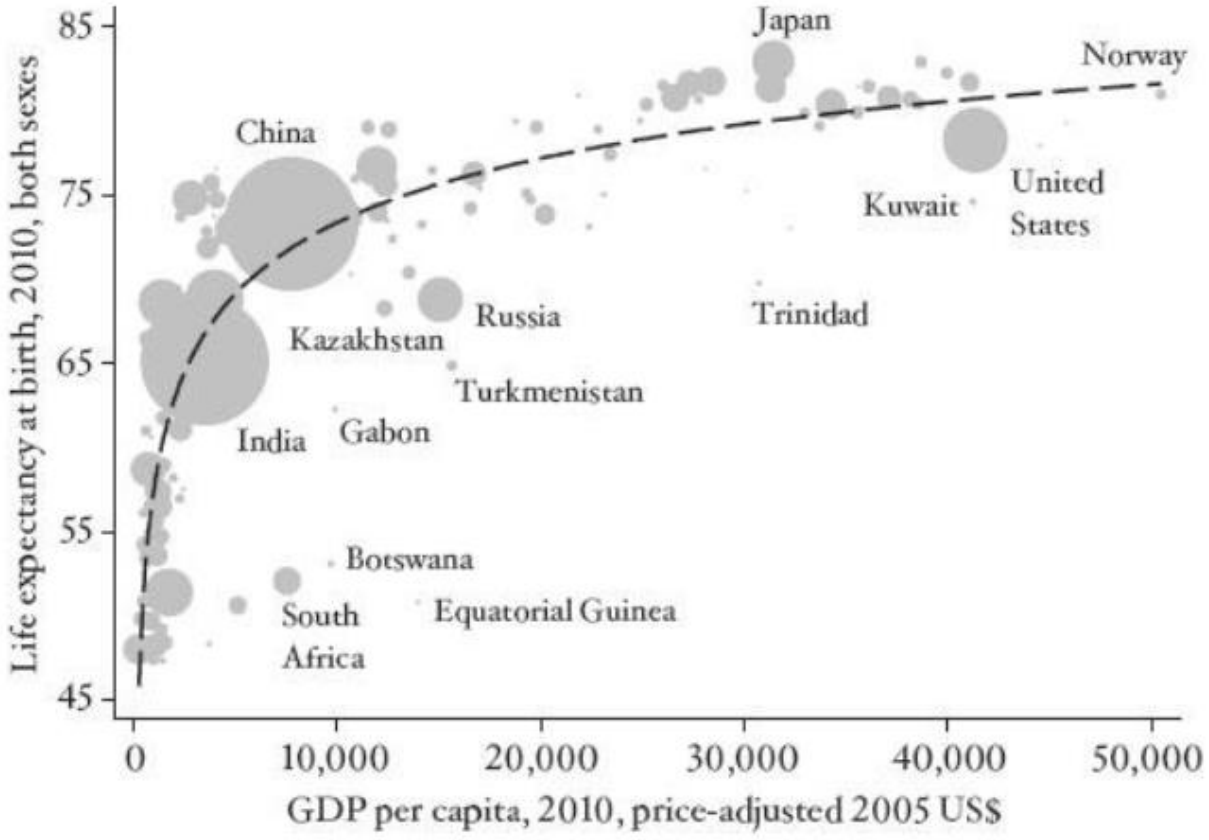
Life expectancy and GDP per capita

- Epidemiological transition: from infectious disease to chronic illness (heart disease and cancer)
- Close correlation between income and health outcomes
- Under-achievers: United States, South Africa and Equatorial Guinea are unequal countries
- Over-achievers: Japan, Korea, Vietnam, lower inequality



Source: Deaton 2013

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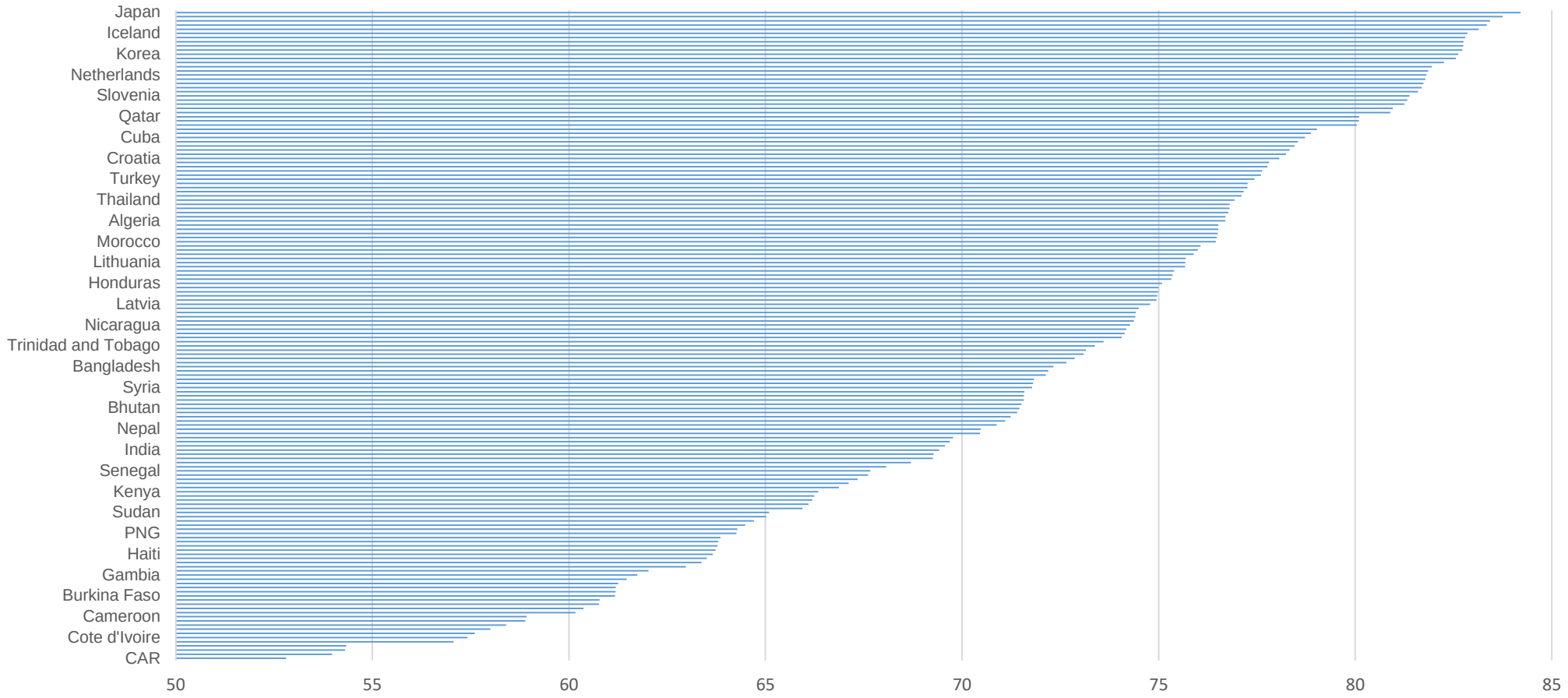
Life expectancy at birth, 2018



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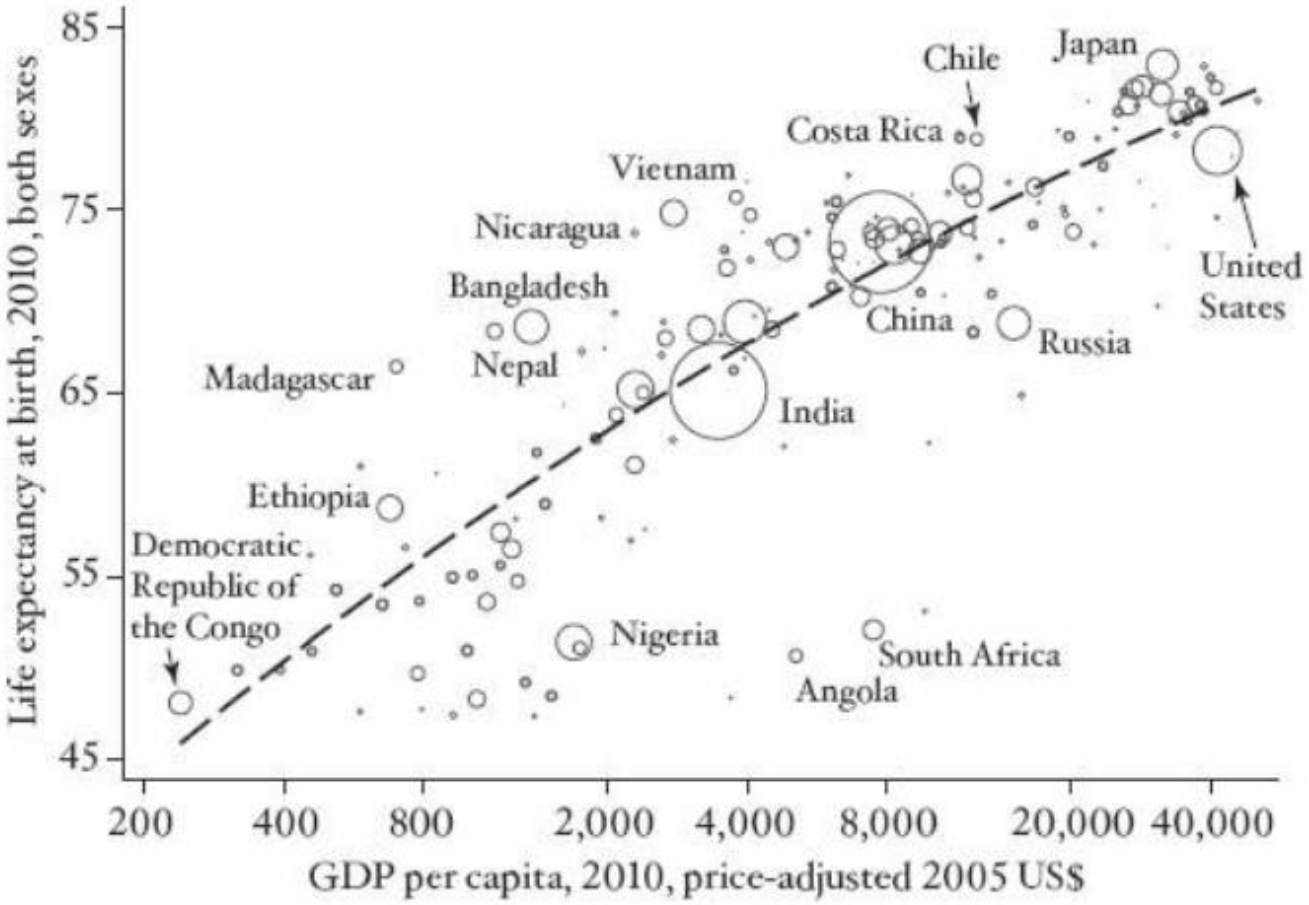
Over and under-achievers

- Wars is a major cause of low life expectancy
- HIV/AIDS has lowered life expectancy in may African countries
- Life expectancy in Russia fell with fall of Soviet Union, economic contraction and collapse of social services



Source: Deaton 2013

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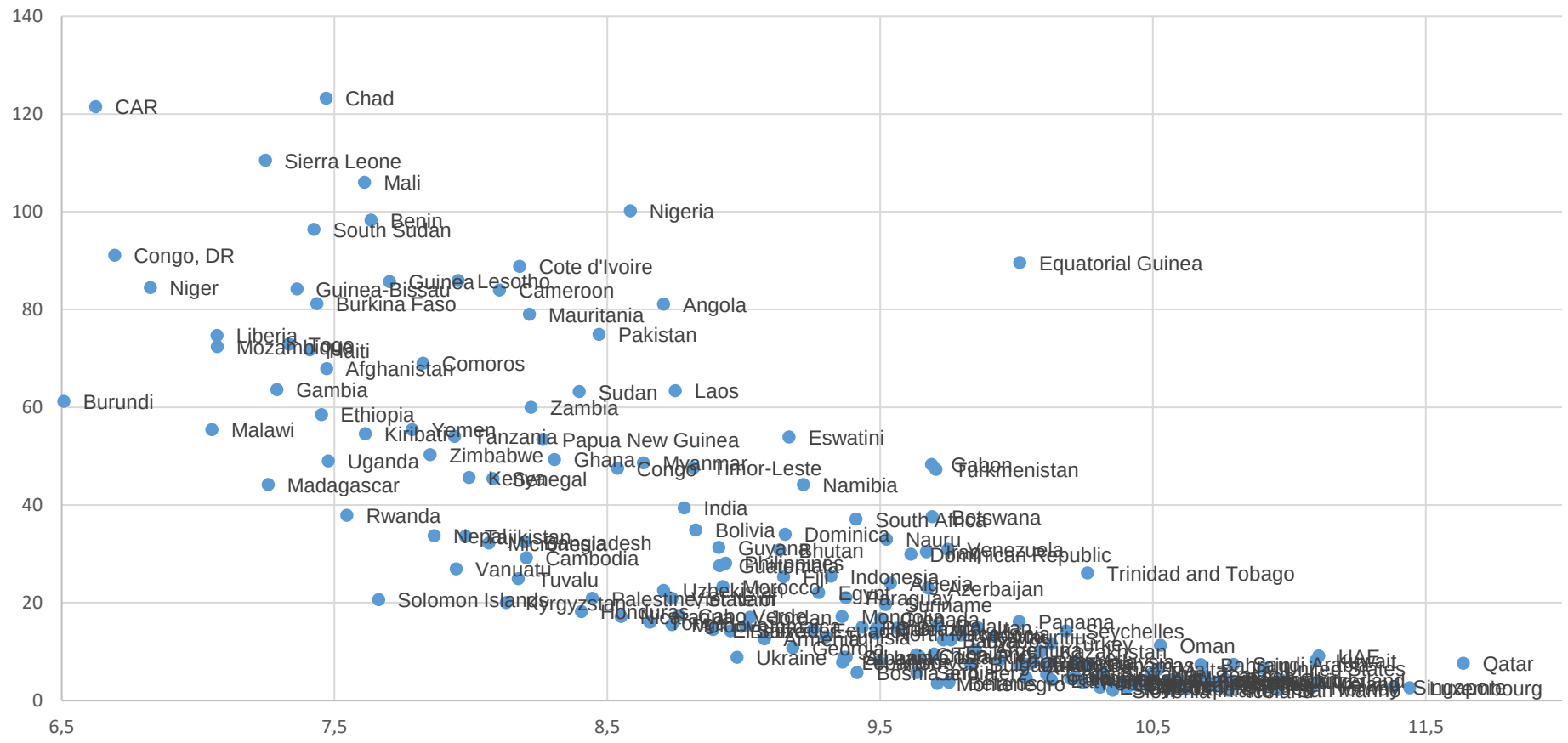
Infant mortality and GDP per capita, 2017 (log scale)



Health: Vertical vs horizontal programs

- Vertical programs that deliver technological solutions (immunization, oral rehydration therapy, anti-retrovirals) have been extremely effective at reducing mortality and morbidity
- Horizontal programs that build local health care capacity have faced more challenges
  - Costs per patient are higher in remote locations
  - Shortages of administrative and managerial capacity
  - Doctors prefer to work in cities serving wealthier patients with modern facilities
  - Governments have underinvested in basic health care

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Education: National building, literacy and numeracy

- Access to formal education was motivating force for nationalist movements – colonial powers had generally restricted schooling to the elite
- Most countries worked set a goal of universal primary education after independence and later universal secondary education
- Creating a national culture from diverse former colonies: Common curriculum, rituals, credentials
- Benedict Anderson's "Imagined Communities": Lanugage communities, schools and print media created the idea of the nation in former colonies.

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Education: Different starting points and different outcomes

- History is not destiny: Thailand started far behind but accelerated after 1990
- Philippines began with an advantage but lost momentum
- Legacy of past enrollment patterns evident in today's adult population
- Traditional gender biases: Adult women have fewer qualifications and are crowded into low skill occupations, especially in India and Thailand
- Families underinvest in the education and health care of girls

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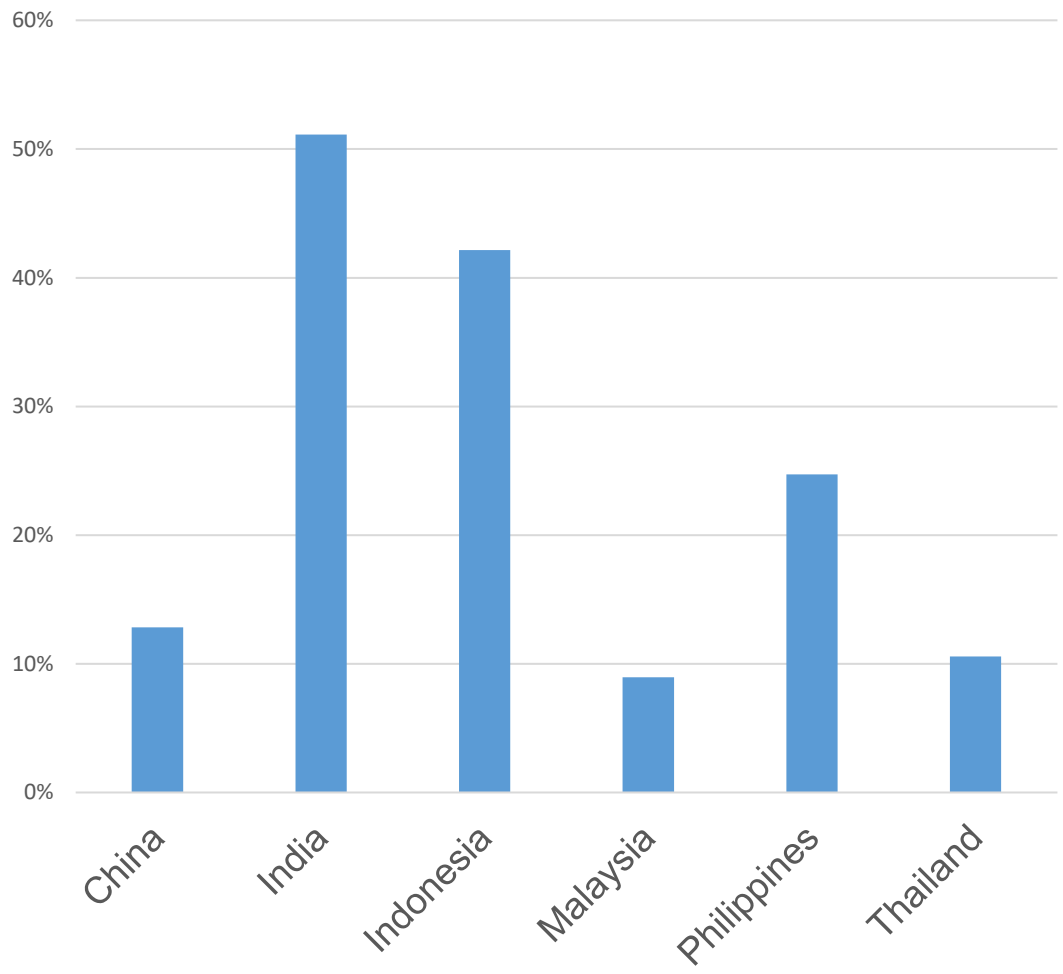
Private secondary school enrollments

- Indian government prioritized higher education while underinvesting in primary and secondary
- Private education filled the gap in India and Indonesia left by government
- Quality of provision is poor: smaller schools, worse facilities, underqualified teachers



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Policy implications

- Tremendous progress in human development but disparities remain
  - Market development is uneven
  - States vary in their aims and capacities
- Overachievers and underachievers in human development
- Human development and nation building: Equality of citizens under law?
- Human development and gender inequality: Gender division of labor and unequal burden of social reproduction

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Discussion questions

1. What does the Covid-19 pandemic tell us about the role of government and the rule of the international community in improving human health?

2. Discuss the relationship between education, economic growth and economic inequality.

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