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Human development is the process of enlarging people's choices

Defining human development

Human development is a process of enlarging people's choices. The most critical ones are to lead a long and healthy life, to be educated and to enjoy a decent standard of living. Additional choices include political freedom, guaranteed human rights and self-respect — what Adam Smith called the ability to mix with others without being “ashamed to appear in public.”

It is sometimes suggested that income is a good proxy for all other human choices since access to income permits exercise of every other option. This is only partly true for a variety of reasons:

- Income is a means, not an end. It may be used for essential medicines or narcotic drugs. Well-being of a society depends on the uses to which income is put, not on the level of income itself.
- Country experience demonstrates several cases of high levels of human development at modest income levels and poor levels of human development at fairly high income levels.
- Present income of a country may offer little guidance to its future growth prospects. If it has already invested in its people, its potential income may be much higher than what its current income level shows, and vice versa.
- Multiplying human problems in many industrial, rich nations show that high income levels, by themselves, are no guarantee for human progress.

The simple truth is that there is no automatic link between income growth and human progress. The main preoccupation of development analysis should be how such a link can be created and reinforced.

The term *human development* here denotes both the *process* of widening people's choices and the *level* of their achieved well-being. It also helps to distinguish clearly between two sides of human development. One is the formation of human capabilities, such as improved health or knowledge. The other is the use that people make of their

acquired capabilities, for work or leisure.

This way of looking at development differs from the conventional approaches to economic growth, human capital formation, human resource development, human welfare or basic human needs. It is necessary to delineate these differences clearly to avoid any confusion:

- GNP growth is treated here as being necessary but not sufficient for human development. Human progress may be lacking in some societies despite rapid GNP growth or high per capita income levels unless some additional steps are taken.

- Theories of human capital formation and human resource development view human beings primarily as means rather than as ends. They are concerned only with the supply side — with human beings as instruments for furthering commodity production. True, there is a connection, for human beings *are* the active agents of all production. But human beings are more than capital goods for commodity production. They are also the ultimate ends and beneficiaries of this process. Thus, the concept of human capital formation (or human resource development) captures only one side of human development, not its whole.

- Human welfare approaches look at human beings more as the beneficiaries of the development process than as participants in it. They emphasise distributive policies rather than production structures.

- The basic needs approach usually concentrates on the bundle of goods and services that deprived population groups need: food, shelter, clothing, health care and water. It focuses on the provision of these goods and services rather than on the issue of human choices.

Human development, by contrast, brings together the production and distribution of commodities and the expansion and use of human capabilities. It also focusses on choices — on what people should have, be and do to be able to ensure their own livelihood. Human development is, moreover, concerned not only with basic needs satisfaction but also with human development as a participatory and dynamic process. It applies equally to less developed and highly developed countries.

Human development as defined in this Report thus embraces many of the earlier approaches to human development. This broad definition makes it possible to capture better the complexity of human life — the many concerns people have and the many cultural, economic, social and political differences in people's lives throughout the world.

The broad definition also raises some questions: Does human development lend itself to measurement and quantification? Is it operational? Can it be planned and monitored?

Theories of human capital

Human welfare approach

The basic needs approach