



Maitreyee

Briefing of the Human Development and Capability Association
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Dear HDCA Members,

The annual global *Human Development Report* (HDR) was first launched in 1990 with the single goal of putting people back at the center of the development process in terms of economic debate, policy and advocacy. This goal was both massive and simple, with far-ranging implications — going beyond income to assess people’s long-term well-being, and emphasizing that development is about increasing people’s choices and freedoms. Since then, the global Reports’ messages – and the tools to apply them – have been embraced by people around the world, as evidenced in part by the preparation of more than 550 national and regional HDRs in over 125 countries. These HDRs, both as a collective body of work, and as individual, locally-owned reports, are helping influence change with their ideas and through their innovative use of data, analysis, and advocacy.

This special edition of *Maitreyee* looks more closely at some of the evolving work and impact of the global and national HDRs.

We begin our ‘Insights’ section with the Concept Note for the 2007 global HDR. Under the leadership of Kevin Watkins, this year’s Report will examine how water resources and markets can be governed in a way that puts human development at the centre of the water agenda. Sir Richard Jolly and Deepayan Basu Ray follow with a closer look at the Human Security (HS) framework first articulated in the global HDR 1994, including current HS conceptual debates and HS applications, and a critique of national reports. Many challenges related to the use of HD and HS frameworks involve decentralized governance. Timothy Scott reviews the work of national HDRs on such key HD-decentralization issues as: local accountability and participation; financing of public services; and equity in social spending.

Our ‘In the Practice’ session offers a more in-depth sample of HDR country-level work. Sarah Burd-Sharps presents a revealing look at non-income based disparities in the explosive, resource-rich Niger Delta and related issues of political exclusion explored by the region’s HDR. Jim Chalmers takes us to Papua New Guinea for a preview of the country’s sub-national HDR on customary learning and indigenous knowledge. We close with Arunabha Ghosh’s discussion of economic growth and equity in India, which draws on research and strong empirical evidence from both the global and national HDRs.

Our next edition of *Maitreyee* in October will look at structures of power.

Sarah Burd-Sharps and Timothy Scott (guest editors), Human Development Report Office

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Insights

Human Development Report 2006 Concept Note¹

Human Development Report Office

Water is one of the great human development challenges of the 21st century. Access to water on a secure and sustainable basis is fundamental to life and human well-being. It is one of the most basic requirements for extending human freedom, overcoming capability deprivation, extending human dignity, and achieving social justice. The sustainable management of water is also vital to the ecological integrity of the planet.

As competition for water intensifies within and between countries, the management and regulation of water is becoming an increasingly critical human development concern. HDR 2006 will look at how water resources and water markets can be governed in a fashion that puts human development at the centre of the water agenda.

The crisis in water has many dimensions. Progress towards ‘water for all’ has been limited. Notwithstanding an international ‘water decade’, an estimated 1.1 billion people lack access to safe water and almost 2.5bn people – 40 per cent of the world’s population – lack access to adequate sanitation. Looking beyond household consumption and access to sanitation, the livelihoods of many of the world’s poorest people are constrained by inadequate access to water as a productive resource.

Growing competition for water poses growing threats to poverty reduction efforts and challenges for international cooperation between countries. Similarly, the combined effects of rapid urbanization – including the urbanization of poverty – and the erosion of sanitation infrastructures is already acting as a brake on human development. In addition to the current social and economic costs of inadequate access to water and sanitation, the management of water systems raises important questions for ecological sustainability and cross-generational equity. As the recent Millennium Ecological Assessment documents, the failure to manage water in an ecologically sustainable fashion is at the heart of some of the most severe environmental problems facing governments. The loss of wetlands, soil erosion, salination, and losses in agricultural productivity are all symptomatic of these problems.

Resolving these problems through effective public policy responses is vital to the attainment of the Millennium Development Goals, and to wider efforts to overcome poverty and extreme inequality.

Much of the debate on the global ‘water crisis’ starts from a presumption of scarcity. HDR 2006 will explore the political economy of water shortages and water insecurity and set out an agenda for change. The point of departure for the report is that water scarcity and water security is rooted not primarily in physical availability, important as this is in some areas, but in structures of entitlement, or enforceable claims on scarce resources. Initially developed to explain famine in the midst of food abundance, Sen’s notion of entitlements is a useful starting point for challenging some of the received wisdom on water. While water scarcity is a fact of life in some regions, it is an insufficient explanation for the wider crisis. In many cases, people lack access to water, whether as a consumption good or as a productive input, not because it is unavailable, but because they are poor, because they lack enforceable rights to land or tenure, because they are women, or because of disadvantage associated with group

¹ The global *Human Development Report 2006* will be launched by November 2006. Previous HDRs are available in electronic format at: <http://hdr.undp.org/reports/>

membership or location. In some cases, people are denied access to water because others consciously exclude them.

These markers for disadvantage structure the markets and institutions through which access to water is governed. The urban poor often go thirsty while middle-class suburbs waste water. Similarly, the rural poor are often excluded from access to irrigation and reliable water inputs while large-scale commercial producers are given incentives to over-use water. Patterns of scarcity reflect and reinforce asymmetric power relations, socio-economic inequalities and other distributional factors, such as asset ownership.

HDR 2006 will explore the markets, institutions and wider governance structures that exclude poor people from water. It will argue that the water crisis is in part a crisis rooted in governance and a failure to redress wider inequalities in power. At the same time, the operation of water markets pose challenges that are central to human development. The supply and pricing of water and sanitation services raises important questions about distributional equity, along with a host of wider social, political and cultural questions. Similarly, the terms on which groundwater or surface water is used for productive purposes has a bearing on livelihoods today and on ecological sustainability tomorrow. Water is one of the defining features of the 'global commons' – and it poses some of the starkest public policy challenges in terms of commons management.

Debates over water, including the rationale and strategies for achieving universal access, remain polarized. Some commentators stress that the obligation to provide access to water is rooted in human rights. Others evoke the importance of water as a public good with strong externalities in health, ecology and education. Many analysts argue that as water becomes increasingly scarce efforts to promote universal access should reflect its market value – and that this value should be reflected in the 'right' price.

Each of these perspectives offers insights which will inform HDR 2006. Notions of human rights, global public goods and market efficiency can all be used to advance the case for institutionalizing universal access to water, though none offer a ready-made prescription for resolving the core problem.

HDR 2006 will attempt to identify the economic, political and institutional conditions under which water markets and water systems can be managed to meet the needs of people lacking entitlements to water by virtue of their poverty, marginalization, and lack of control over institutions.

The Human Security Framework and NHDRs¹

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The development of the human security framework by the 1994 global *Human Development Report* (HDR) of the United Nations Development Programme (UNDP) was a pioneering step. The report shifted the focus of security from the protection of the state and its borders by military means to the protection of individuals from a wider range of threats to their well-being and security, and by a wider range of measures and policies, from the local and community levels to the national and international arenas. HDR 1994 defined human security as including "...safety from such chronic threats as hunger, disease and repression, and protection from sudden and hurtful disruptions in the patterns of daily lives, whether in homes, jobs or communities."

The strength and appeal of human security is not only in its new elements but in the growing inability of traditional concepts of security to generate adequate responses to many of the new causes of insecurity in the world today, particularly in the post-cold war situation. Recent reports for and by the UN – notably by the Secretary-General's High-level Panel on *Threats, Challenges and Change*, and the Secretary-General's own report *In Larger Freedom* – have greatly enhanced the notion of human security as a useful tool of analysis, explanation and policy generation. Nonetheless, there are still doubts about and opposition to the concept, especially among persons writing within the framework of international relations and political science.

Human security has been a main theme in a dozen or so national HDRs. These NHDRs reinforce the value of human security as an operational approach to people-centred security that is able to identify priorities and produce important conclusions for national and international policy. In particular, the reports of Afghanistan, Latvia, Macedonia and Bangladesh make strong contributions to the conceptualization of human security in a national context, enabling multidimensional analysis of interconnected factors.

General Conclusions on the Human Security Approach

The various objections to human security concerns and approaches elaborated in some recent academic literature hold little water when tested against the approaches and findings of the NHDRs:

- **Human security does more than merely rename as security problems issues that have already been recognized in other contexts and that already have perfectly good names.** The NHDRs bring in new issues and a fresh approach to security, and often show the need to tackle the elements involved in a new and integrated manner.
- **A human security approach does not necessarily encourage military solutions to issues deserving other actions and approaches.** Undoubtedly, in Afghanistan, military

¹ Extracted from "The Human Security Framework and National Human Development Reports: A Review of Experiences and Current Debates" by Richard Jolly and Deepayan Basu Ray (Institute of Development Studies, Sussex) for UNDP, May 2006. This review is available at:
http://hdr.undp.org/docs/nhdr/thematic_reviews/Human_Security_Guidance_Note.pdf

action and approaches represent three-quarters of the resources and much of the political pre-occupations of the coalition countries in the war on terror. But the analysis of the Afghanistan NHDR shows that this strategy is far from succeeding and argues strongly that a broader approach more directed towards human security would deal with many of the elements being neglected. Such an approach would give much less priority to military action and much more to non-military initiatives.

- **The human security approach may encourage the UN and others to investigate broad and complex causes – this is feasible given the availability of appropriate analytical skills.** The Afghanistan NHDR reaches back into earlier history to elucidate the causes and consequences of human insecurities. In doing this, the NHDR adds depth and subtlety to its analysis and recommendations. The professional skills, quality and boldness of those involved in preparing the report made this possible – the analysis was not intrinsically easier in Afghanistan than in other countries. The moral is that other NHDRs on human security need to continue to ensure people of appropriate quality, imagination and intellectual courage. This is no more than the conclusion from other NHDRs, whether on human security or more generally on human development.
- **A human security approach can be politically realistic.** The NHDRs show there is value and interest in adopting a human security approach. Undoubtedly, the political involvements and complications of the Afghanistan situation make the recommendations of this particular NHDR very difficult to implement at the moment. As the report brings out, however, the present strategy does not appear to be succeeding. And in the longer run, many of the report's recommendations will need to be tackled. In the case of many other NHDRs, strategies proposed appear to involve fewer conflicts of interest. Policy approaches presented in the Latvia and Macedonia NHDRs include many elements that could be implemented without arousing great opposition or conflicts of interest.
- **A human security approach offers many political contributions in a post-conflict situation.** The report of Afghanistan demonstrates many relevant elements, as do the reports of Timor-Leste and the Solomon Islands. This broadening of the agenda in post-conflict situations would seem to have wide use and applicability.
- **Would a broader approach to human security complicate the international machinery for reaching decisions and taking actions on threats identified?** This was indeed the argument a year or two ago. But in the last 12 months, the UN Secretary-General has made the framework of human security the integrating concept for his *In Larger Freedom* report and for his proposals for UN reform. Some of the most important of these new UN initiatives were accepted in principle at the UN Summit in September 2005. These included the proposal for a Peace-building Commission and for acceptance of the principle of the 'responsibility to protect and the right to intervene'.

Recommendations for NHDR and Other National Level Studies

Several recommendations can be made about methodology for the preparation of future NHDRs and other national studies on human security.

There is a need to undertake special surveys of public opinion to clarify the attitudes of people to different types of threats and the ranking they give to how these affect them. Special surveys have produced interesting and apparently reliable information at relatively modest cost. Such surveys should be made a recommended part of all NHDRs dealing with human security, and could be used to support other related national initiatives. The methodology of the Latvian NHDR is of particular relevance for analysing human security in

other countries and situations. It included investigating for a random sample of the population the most important insecurities that they subjectively felt or objectively experienced – with a ranking and rating of the different insecurities according to how intensely they were felt to be a problem.

Methodologies need to be developed at the country level to analyse and comparatively assess the costs and benefits of different actions to deal with or diminish the various types of threats to human security, and to explore trade-offs, especially in terms of the issues emerging from surveys or analysis that present the gravest threats to people. Some experiments with different approaches to cost-benefit analysis in this area would be useful. Trial and error in exploring tradeoffs and in applying well-considered methodology could be useful for some future human security studies or NHDRs.

There would be value in a more pragmatic approach to analysis and action, especially one giving less attention to each of the seven areas of insecurity identified in the 1994 global HDR. Attention should be concentrated on whichever dimensions of insecurity are identified in the surveys of public opinion and other analyses of the experience of people in the country. Attention to gender insecurities almost certainly should be one area of concern, but detailed focus on others should be varied depending on the situation and the extent to which earlier NHDRs and other national level assessments have dealt with other causes of insecurity as part of a more general human development analysis.

Combining a human security and human development analysis in many areas of concern and action would often seem useful. Some projections of future problems and trends likely to lead to human insecurity would also be useful, along with analysis of measures to pre-empt or moderate them. There are also good grounds for including some element of human security in future NHDRs and other national studies dealing with general issues of human development.

Though government motivations to implement policies for relieving different forms of human insecurity will inevitably vary in different countries, human security analyses can still be of widespread importance and use. The information obtained and the analysis of human security needs can be used to critique the inadequacy or neglect of security issues in present policies, to build coalitions for change, and to pressure policy makers to respond to specific needs. This could help to mark a real advance in international action for peace and security.

Decentralisation and the Human Development Approach¹

Timothy Scott, UNDP Human Development Report Office

Since 1992, over 500 national and regional *Human Development Reports* (HDRs) have been produced by more than 140 countries, many exploring links between human development and decentralisation. These HDRs represent a useful body of work targeting cutting-edge issues of decentralisation, human development, and a range of related sectors (education, health, employment) and cross-cutting development themes (gender, globalisation, governance, human security, etc.). They offer innovative analytical approaches, data, analysis and recommendations relevant to such key HD-decentralisation issues as: increased levels of local accountability and participation; the more sufficient and efficient use of financing for decentralized services; improved equity in social spending across regions; and the sustainability of measures supporting these goals. While some HDR material is not necessarily new from a theoretical perspective, HDRs' practical application to local contexts is fresh and influencing change.

Identifying inequality through disaggregated data and qualitative surveys

HDRs use locally-relevant data to assess decentralisation and human development links and their policy-making implications. Some of the HDR data most valuable to their analyses and for related advocacy efforts include information disaggregated by region, sector, and other parameters that capture characteristics of potential marginalization.

In addition to providing and assessing statistical data, the HDRs offer a range of composite indices. In Egypt a disaggregated *Human Deprivation Indicator* measures the percentage of the population without access to health services, piped water and sanitation, under-five child mortality rates and malnutrition levels, non-enrolment in primary and secondary schools, illiteracy, unemployment and poverty levels. A *Basic Needs Spending Index* has been developed in Chile, which adds to the *Human Development Index* such criteria as the availability of meals and other subsidies for pre-school and basic education. In Venezuela, a *Disparities Reduction Rate* measure looks at relative HD progress made through decentralized spending policies.

The reports also take advantage of other qualitative data. In several countries, HDRs are drawing on and conducting specialized surveys to capture such information. In Albania, an expert survey was conducted to rank on a numerical scale the extent to which a transfer of powers to municipal governments has been realized based on independently observed levels of implementation. Some HDR surveys look at people's ability to influence local decision-making. In Kosovo, a survey has gathered information on civic participation in trade unions, public forums and demonstrations, petition signing and other citizen initiatives. Through this and other data, relationships between levels of satisfaction with political institutions are compared with the extent of civil participation.²

Increased levels of local accountability and participation

Several HDRs succeed in advocating for greater accountability of local governments, as well as for local participation and the creation of more effective entry points for people to

¹ Extracted from: "Decentralisation and the Human Development Approach: Findings and Recommendations from a Review of National Human Development Reports", to be published by UNDP in June, 2006.

² UNDP/Oslo Governance Center 2005.

shape governance. HDR recommendations focus on strengthening cultures of participation by making information on decentralisation more available. Reports also look at NGOs and other civil society organizations, not only as partners in participatory debates and planning, but also in the implementation of decentralised services and complementary HD initiatives. In Uzbekistan, local community structures, or *makhallas*, have been responsible for distributing food and medicine to the elderly and benefits to unemployed mothers with children. Because the *makhallas* are often better informed about the living standards and needs of the local population, this approach has proven more effective in earmarking limited government resources for the poorest.

Many HDRs focus on the specific effects of decentralisation on and the need for greater involvement of marginalized groups as defined by gender, rural-urban and geographic residence, ethnicity, religion, age, and physical and mental ability. The Reports assess how some local governments are supporting entities to address the needs of marginalized ethnic groups, and ways to enhance their participation. Local committees in Ecuador, for example, are mandated to formulate policy recommendations for the government to reduce poverty among indigenous ethnic communities. Indigenous participation is encouraged through mechanisms based on local traditions.

More sufficient and efficient use of local financing

Several HDRs focus their research and analysis on the challenge of inadequate levels of local funding and/or inadequate levels of independent decision-making over the use of funds at local levels. Due to institutional constraints, local governments are at times unable to revise and implement innovative, more HD-oriented approaches to social spending management. In several countries, including those with transition economies, such as Russia and Bulgaria, the combined push towards a market economy with the initiation of decentralisation processes have left many (often those in rural regions) deprived of adequate basic social services.

As part of efforts to achieve greater efficiency, some HDRs comment on the need for national and sub-national entities to provide only services that have a direct impact on the population of their respective territory. In Venezuela, for example, services with a more national impact, such as health standards, the HDR recognizes, are better financed and delivered by the national authority; while those with a more direct regional impact, such as roads, are best the responsibility of regions; and those services affecting local levels, such as community centres, are best the responsibility of local authorities.

Improved equity in social spending

Several reports also look at issues of equity in public spending across sub-national regions. They bring attention to inequities between regions and related issues of economic reform, internal migration, social mobility, and social opposition occurring between the included and excluded groups within and across territories. Reports look at the dominance of rural areas by municipal centres with large populations, where – as in Macedonia – a concentration of representatives means they are more able to influence regional allocation decisions. The HDRs provide evidence that existing gaps may increase if policies do not allow regions to keep a share of benefits from oil and other natural resources derived from their territories, or make allowances for wealthier districts with stronger tax bases. In Indonesia, HDR data revealed that the richest local government enjoys per capita revenues 50 times greater than the poorest government.

HDR advocacy and impact

Because of the way HDRs are prepared, launched and followed-up, the HDRs are having a direct impact on decentralisation and human development initiatives. National and local strategies and policies are being revised to involve and better reflect the needs of the poor and marginalized. Budget priorities are being shifted with corresponding changes in allocation and redistribution systems, and legislation. HD data is being incorporated into statistical and policy decision-making systems. Donors are targeting more relevant HD priorities. Prominent media coverage and civil society campaigns are being used to advocate for policy changes and longer-term changes in ways of thinking.

The *2002 Argentina HDR*, for example, calls for an equitable decentralisation policy, more cooperative federalism, and genuine and sustainable competitiveness as key to human development. It produced an Extended Human Development Index (EHDI), which measures infant mortality, unemployment, and education quality to reveal overlooked social and geographical differences. A special Gross Geographical Product measurement profiles provincial statistics that did not previously exist. A massive outreach campaign, timed to coincide with national reform discussions, stretched from the media to the poorest communities via a cultural caravan. Ministries of Social Development, Health and Education are using the EHDI for designing policies and deciding resource allocations. Parliament used the report to draft a bill on federal tax co-sharing. Provinces have begun preparing human development indices and reports as a first step towards designing decentralized local human development strategies.

Recommendations and policy implications

Not all HDRs have achieved equal levels of quality, innovation and policy impact. At the same time, there is much room for other partners to benefit from a greater application of the Human Development approach on decentralisation issues.

HDR teams and others groups involved in similar exercises can take advantage of the many potential comparative advantages of the HD approach and the core standards upon which successful HDR processes are already being based by:

- providing comprehensive, multi-disciplinary analysis
- ensuring locally relevant, and locally owned HDR processes
- ensuring participatory, inclusive HDR preparation
- focussing on gender issues, marginalized groups, HD data
- identifying specific success-criteria for HD-oriented decentralisation
- assessing longer-term decentralisation impact
- investing in follow-up advocacy and capacity building programmes

Positive changes in human development cannot be guaranteed even by the most well-intentioned, best planned and resourced interventions. Nonetheless, through the impact of the HDRs and complementary decentralisation initiatives, collective efforts aimed at increasing the chances for positive human development outcomes can be successful.

In the Practice

Bitter “sweet crude”: Oil and Poverty in the Niger Delta¹

Sarah Burd-Sharps, Human Development Report Office

The roar sounded like a jet engine, but it wasn't. It was one of the Niger Delta's natural gas flares that burn day and night throughout this region. Hundreds of these towering infernos of burning fuel spew toxins, heat and soot several stories high, mocking those around them who go about their days with barely enough energy to keep one light bulb burning steady and bright. Rather than harness this by-product of oil extraction, oil companies have been burning the gas into the air for almost five decades. The flares rain down chemicals that cause respiratory illness, blinding light that disturbs sleep and irritates eyes, and pollution that contributes to greenhouse gases, acid rain and damage to agricultural land and lakes.

Nigeria is a land of paradoxes. It is OPEC's seventh largest producer, yet a Nigerian born today can expect to live an average of 43 years. Oil companies pull over 2.5 million barrels of “West African sweet crude” out of the earth every day, but a whole state in which the oil wells are located is not yet linked to the national electric grid. And despite another blockbuster year for Shell, Mobil, Total and others in Nigeria, the government imports refined oil for domestic use.

Since last year, UNDP has been supporting a Human Development Report (HDR) for the Niger Delta, the fertile river delta that comprises less than 10% of Nigeria's land mass, but provides all of its oil. Oil was first discovered there in 1958 and today more than 1,400 wells dot the region. The HDR project aimed to look at quantitative measures of human development in the region, and to involve people of all tribes, ages and walks of life in the search for a future that would build on all of the region's endowments – its natural resources and, most importantly, its people, who are sophisticated, entrepreneurial and tremendously resourceful.

On paper, the 30 million people of the Niger Delta are not worse off than the rest of their compatriots. The percentage of those living on less than US\$1 per day is at or below the national average in most of the delta. On some social indicators, they are doing better than average. Yet, the Niger Delta has been the site of violent conflict and inter-community strife for decades. The message that comes through clearly from stakeholder meetings and research for this report is that the people of the Niger Delta, while they are on a par with the rest of the country on traditional income measures, suffer profoundly from the indignities of their situation. They live amidst an economic bonanza that has brought them little benefit and decades of environmental damage, loss of social order and blighted lives.

The Niger Delta is the “golden goose” of Nigeria, providing 80% of the country's total revenue and 90% of foreign exchange earnings. For 2005, the country's oil export revenue is estimated at US\$45 billion. Measuring poverty using *dollar-a-day income* as well as *caloric intake*, most of the Niger Delta fares significantly better than the country as a whole. Overall *school enrolment* for both boys and girls and *life expectancy*, are well above the national average. But anyone you ask on the streets of Port Harcourt will tell you these measures reveal little about their daily struggles in this fertile region of swampland and mangrove forest. Comparisons with the rest of the country only reflect on Nigeria's appalling situation – the country that provides one fifth of America's oil has a life expectancy at about the level of Afghanistan and one of the highest child mortality rates in the world.

¹ Views expressed by this article are those of the author and do not necessarily reflect the views of UNDP.

Before oil, the predominant occupation of the 40 or so ethnic groups in the Niger Delta was farming and fishing. The river delta was known for its biodiversity in plants, fish and wildlife. The report explores the current situation, looking at a broad range of human development dimensions. The primary *livelihood* is still agriculture and aquaculture, but there is little investment by the government now for the equipment, roads for transport to market, credit and agricultural extension necessary to eke out a living from the land or lakes. And pollution from oil flares, spills and exploration has affected soil fertility, waterways and the atmosphere. Looking beyond livelihoods, *communications* are extremely limited, with only 38 telephone lines per 1,000 persons, access to potable *water* (amidst a vast network of freshwater tributaries) is low and declining, and, the ultimate irony, the main *energy* sources for this region are firewood and kerosene.

Over the years, oil companies have made some contributions to poverty reduction in the Delta. They have built clinics and schools in the communities adjacent to their wells, while relying on the government to keep them stocked and staffed, and have offered compensation to communities for oil spills. (Shell alone had 236 spills in the Niger Delta in 2004.) Most of the large multinational companies have recently realized that these efforts were naïve and unsustainable – a band-aid solution at best – and were more likely perversely fuelling pipeline sabotage and intra-community strife. Conforming with the ideas of corporate social responsibility internationally, they have largely taken a more rights-based approach, are holding stakeholder consultations and are bringing more Nigerians into decision-making positions in the corporate hierarchy.

While many in the Niger Delta give them an “A” for effort, the damage done still runs deep. Oil profits are soaring, investment in the region is booming, and on a comparative scale, things are not worse here than elsewhere in Nigeria. *Why then do the people of the Niger Delta feel such a profound sense of injustice and bitterness?*

As I listened to adults reflect on their experiences in the Niger Delta during their lifetimes, I could hear the rage and humiliation they have experienced as the oil economy began to permeate every aspect of life. Collusion of government officials with oil companies – who will give anything for the right to drill and operate – occurred almost from the outset. Shifts occurred when some traditional authority figures – chief and elders – abused their positions and compromised community land and laws to share in the action. And in perhaps its most insidious form, youth have formed militia groups to take back control over resources or to take advantage of easy oil money. In turn, the response is a militarization and arms build-up by police that contributes to a sense of siege felt by all.

Federal Government structures for sharing revenue have only served to institutionalize a total lack of accountability and representation. The mandated 13% of revenue given to local government in oil-producing states comes every month directly from the nation’s capitol, with little regard for how it is used. While this method of bypassing state government was created to avoid corruption, it has created allegiance upwards but no accountability to the people. Many local representatives don’t even live in and rarely visit their bailiwicks. Representatives on the influential Niger Delta Development Commission, created to oversee approximately US\$160 million annually, are appointed by the President himself. These “big men”, as they are called by local residents, are not ashamed to build obscenely large mansions with 40-car garages, and the newspapers routinely report on their Swiss bank accounts. Suspicion and mistrust of their government could not be higher.

Despite sporadic efforts by government agencies, oil companies and donors to invest in the region, nothing systematic has taken hold. In telecommunications, the lack of access has increased isolation as the world globalizes. While more affordable technology has been developed recently to harness the natural gas by-product of oil extraction, Nigeria continues to flare more gas than anywhere else in the world, depriving a people of the fuel that comes

from their land and contributing more greenhouse gases than all of sub-Saharan Africa combined. Unemployment is rising as the government focuses on oil investment to the almost total neglect of those sectors where most people work – small-scale food cultivation and processing, fishing, services such as welding, etc. But oil investment has not meant oil employment. With little effort to train local people in the skills of the modern oil sector, they are excluded as foreign oilmen take up their positions on the rigs.

The situation is made worse by the well-known impact of natural resource extraction on the environment. The level of devastation of air, water, soil and forest resources in the delta represents a complete failure of the state and the market to protect the region. Oil spills run in the hundreds every year, with finger pointing all around. The government claims that oil multinationals do not meet international standards, oil companies refuse to clean up spills that result from intentional sabotage, and compensation and enforcement mechanisms are very weak. The result of this lack of political voice, injustice and limited opportunity is the current crisis of the Niger Delta – a downward spiral of frustration that has had repercussions well beyond Nigeria's borders.

Response to the situation is varied: Many struggle to survive with subsistence activities, and to stay safe in their villages. Some take part in organized resistance in a struggle for self-determination and civil and environmental rights. Still others are engaged in the struggle for control of whatever drop they can get of the country's oil. And the actions of oil companies have tended, inadvertently, to stimulate violence. Over the years, they have paid huge ransoms in oil vessel hijackings and abduction of foreign oil workers, offered "access fees" to communities to gain entrance to a spill site, divided districts through uneven social investments, and precipitated vicious attacks on village elders through compensation payments for land to individuals.

Beyond the violence, other costs are huge – daily stress and fear, schools closing for security fears, police and military spending rising rather than social investments, disrupted livelihoods and investment deflected elsewhere. Perhaps the most tragic human cost is the breakdown of social cohesion. There is widespread suspicion of collusion between some politicians, militant youths, retired officers, local businessmen and big oil companies. This has translated into a loss of respect for traditional authority figures and a complete lack of confidence in governance structures, particularly among youth. The resulting restiveness has had tragic reverberations for the whole society.

Despite everything, a survey of focus groups carried out for the Niger Delta HDR found remarkable optimism and resilience. People do not fear hardship, but they abhor the powerlessness of their situation. They are asking to have a reasonable opportunity to be heard, to regain their dignity and to have promises kept. The National Human Development Report, which will be launched this spring, offers the voice of the people of the Niger Delta defining what poverty means to them, and an "agenda" to invest in people and in peace. Echoing the sentiments from a broad and inclusive consultative process, the HDR recognizes that the road ahead is long. It proposes that the start must be urgent reform of governance structures and laws, particularly in the area of land and environment, investment in the livelihoods of the poor and tackling the perception of social exclusion and marginalization. A good start would be to harness the fuel from the flares, a painful symbol of what the country's oil wealth has done for the Niger Delta.

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Customary Learning in Papua New Guinea

Jim Chalmers, UNDP Papua New Guinea

A violent conflict broke out in 1989 in the province of Bougainville, Papua New Guinea. This was caused by dissatisfaction among local groupings over their share in profits gained from the operation of a huge copper mine, and by the environmental damage it caused. Civil conflict continued for nine years. It involved nearly everyone, physically destroying one of the country's most developed provinces, and devastating the socio-economic, political and governance structures. Autonomous elections in June 2005 have resulted in substantial improvements in the political environment. The elected autonomous government has a strong mandate; and political leaders are actively engaged in priority setting and managing divisions. These transformations mark a current need to move forward with activities that support the capacity to deliver long-term public and private services. One set of activities involves a Human Development Report (HDR) for the Autonomous Region of Bougainville (ARB).

The ARB leadership has requested UNDP to facilitate preparation of an HDR that investigates the merger of customary ways of learning with the best of the west. While they reject the idea that western models of literacy can fully satisfy their reconstruction aims, the ARB leaders are confident that alphabetic illiteracy enhances people's options.

An HDR theme has been developed that investigates the basic skills of population groups who were engaged in shaping their worlds under conditions of war, and for whom formal schooling was a casualty of war. Conceptually the theme blends Martha Nussbaum's notion of practical wisdom with new literacy studies.

The latter are characterized by a contextualist approach that centres on recognition that literacy is a broad spectrum of skills.² There is special interest in the link with everyday lives: the circumstances of individuals are seen as instrumental in how linguistic strategies take shape. These emphases will help to supplant binary thinking behind the categories of literacy/illiteracy.

The Report has additional interests in the 'root literacy metaphor' that Martha Nussbaum has called 'practical wisdom'. It is a variety of reason where emotion and imagination play crucial roles. Above all, practical wisdom stems from the ability to have attachments to things and persons outside ourselves. It is a 'literacy' that encompasses being able to live for and in relation to others, to recognize and show concern for other human beings, to imagine the situation of another and have compassion for that situation.

² Literacy is being defined for example as: '.....a flexible set of skills and strategies that link very closely to the context and purpose in which they learned'. <http://www.education.tas.gov.au/english/liteng.htm>.

The Report's target group is currently aged between 15 and 30 years old. These are individuals who would have played a key role in negotiating the successful peace plan.³ It is interesting to reflect on their linguistic skills because it is the effective use of language that new literacy studies highlight above all else. This element of customary (oral) learning will feature strongly in the Report's recommendations.

In Western societies, the backdrop to dispute resolution features a system where one person is pitched against the other, indirectly, and mediated by legal representation. Proceedings are deeply adversarial; the strategic role that empathy plays is limited to the aim of advocates to win over judge and jury. Advocates and clients avoid empathizing with each other: in this cultural context, strategic effectiveness depends on it.

In marked contrast to this in Bougainville there is a cross section of community leaders that directly takes on the negotiating roles. Their representation is marked by cross-cutting relationships of marriage and linguistic roots. This helps shape the strong role of empathy that can be observed in the language use. One can discern willingness and competency in *all* participants to stand in the shoes of the other. This indicates capability as well as strategic intent. But note that something very important is happening besides empathy. In itself, empathy has both the power to resolve disputes and to *cause* conflict.⁴ Thus, a crucial observation needs to be made about negotiators in Bougainville: they blend empathy with a pragmatic *countervailing* force. The latter serves to restore the particularity of events once empathy has enabled negotiators to be clear on the point that they do not want to socially bankrupt the other party. Without the intervention of pragmatism, the dispute proceedings would spiral endlessly into a situation of "too much consensus". But this does not happen because negotiators act to convert the initial force of consideration toward greater force on resolving differences.⁵

When considering the Report's recommendations on blending Western formal and customary learning modalities, we are finding it useful to remember that alphabetic literacy as a dimension of livelihoods is very recent. Basic needs have been and can be met without textual awareness. Humans can communicate well without reading and writing.⁶ At the same time, reading, writing and numeracies help open up a vast new world of choices in information-laden societies. On the other hand, most new literacy studies are focused on text and script cultures. And there are sound reasons for thinking that meaningful participation in democratic societies would increase through renewed emphasis on practical wisdom.⁷

Underpinning the Report's methodology is the localization of basic skills.⁸ Questionnaires are being designed in a matrix that combines sub-skills in writing, reading, numeracies and life skills together with the domains where they are used. The sub-skills are

³ An enhanced ability to resolve conflict has been recognized by a delegation to the ARB from Nagaland in March 2006; Naga peoples have long been seeking a successful outcome to their autonomy struggle.

⁴ As Foucault (1973: xx) helps explain, the backdrop to this is that whereas western traditions are focused on identifying *differences* between things in order to make sense of events that make up the world, there is an emphasis in some other cultures on looking for similarities between things. For such cultures, empathy is predominant among the key linguistic forces. But the dialectics of empathy, unchecked by pragmatism, is an endless chain of undifferentiated agreement. As Foucault puts it: empathy has "the dangerous power" of transformation without ceasing. See my article (1998).

⁵ In such proceedings the emphasis on the role of pragmatism in empathy as a capability evokes John Dewey's interest in developing in students "the capacity for associative living".

⁶ Western writing systems have only been around for about 5,000 years; and printing is only 430 years old. All in all, human beings have done very well without literacy for most of our 1,000,000 years of history.

⁷ The Sankhya approach to learning social emotions involved systematic study with due respect for individual differences and situations. There were many branches and disciplines. Knowledges were transmitted through a range of something like sixty four arts and sciences such as dance, song, acting, flower-arranging, gambling, distillation of spiritous liquors, sewing and embroidery work, first-aid and cooking,...' (DeBary, 1958, p.254).

⁸ The Report draws a methodology developed by UNESCO (1999) with the International Literacy Institute.

related to social practices such as the ability to respond to consumer information, election pamphlets, and pharmaceutical dosages; but they also attempt to assess the realm of playfulness or imagination, e.g. by testing a basic grasp of messages on CD labels. In other words, the aim is to link the domains closely with everyday lives. In the area of life skills, questions are being designed to elicit values and actions taken in spheres such as equal opportunity and women's access to education. They also test critical knowledge in areas that include HIV/AIDS, alternatives to violence, environmentally sustainable land use, and meaningful participation in society.

Persons with basic skills are more likely to participate through voting and involvement in the community, including more meaningful work. While basic skills do not guarantee participatory democracy, they are a pre-condition for democracy to take root and for the elimination of poverty. The challenges that remain are first to further develop a measurement tool able to diagnose skills gaps, and second, to develop an understanding of ways to incorporate practical wisdom into the new literacies.

The Report will help contribute knowledge on literacy needed to program more effectively in areas such as election participation and income generation in the informal sector. At the same time, this HDR tests for one particular context. Is it possible and profitable to formulate a test for all contexts? The HDR is working to capture synergies across several areas of ARB development priority which the UN is addressing. This will help investigate, integrate, and further develop the work being done on more targeted approaches to programming in capacity development, poverty reduction, conflict prevention, civil society, empowerment and governance.

Last, but importantly, the Report also brings about an opportunity to localize the Millennium Development Goals through making available better profiling of skills. Contributing to the production of disaggregated data will help confirm the importance of doing diagnosis at local levels, and in turn, it will help satisfy the growing demand by national level analytical and diagnostic tools for locally relevant data.⁹

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⁹ Typically HDRs are users rather than producers of primary data but surveys are being undertaken in this case due to lack of information. Fieldwork, being conducted by local NGOs, will commence in May 2006; the Report publication date is December 2006.

Growth with equity: does it really have to be a life of contradictions?

Arunabha Ghosh, Human Development Report Office

“[W]e are going to enter into a life of contradictions. In politics we will have equality and in social and economic life we will have inequality.”

B.R. Ambedkar¹

The chairman of the Drafting Committee of the Indian Constitution knew well that political equality in a democracy was not a sufficient condition for human development more broadly. Fifty-seven years later it is regularly asked: what does India need to do to become a developed country? The answers tend to focus on infrastructure, reforms in the labour market, and improving the quality of higher education – correct, but only partially. Parallel to the debate on economic growth is a running concern about inequality, because it matters in political calculations of urban versus rural voters, in security concerns about Maoist uprisings, or in efforts to create social safety nets such as through the National Rural Employment Guarantee Programme. It often seems as if the two debates are intended for separate audiences – a middle class impatient for economic growth; a political class concerned about the irritant of inequality. But are they really separate questions or should we rather ask: what does equity have to do with India’s quest to become a developed country?

Since 1990 average incomes in India have grown at 4% every year. This has been accompanied by a reduction in income poverty rates from 37% to about 26% in 2000 (although estimates vary). On current trends India is on track to meet the Millennium Development Goal of halving poverty by 2015 relative to 1990. Relative to the 1980s, when India first started enjoying a consumption-driven economic boom, incomes have grown faster in the last decade. In addition to the exponential growth rates in services, restructuring within the manufacturing sector has spurred dynamism in several industries, such as auto components, biotechnology, chemicals, pharmaceuticals, and telecommunications. Indian multinationals have been on a worldwide buying spree: the number of foreign purchases has increased four-fold in four years, with nearly \$2.5 billion of acquisitions in 2005 alone. For many India is a globalisation success story.

It, then, comes as a surprise to some that the growth success has not translated with equal dynamism into rapid improvements in social indicators. The rate at which child mortality fell was lower in the 1990s compared to the 1980s, exactly the period when income growth was surging. Today Bangladesh, with less than one-twelfth the income of its larger neighbour (measured in PPP terms), has lower child mortality rates than India. We are all products of accidents of birth and cannot choose where we are born. If having better life chances were the first priority, then perhaps some Indian children would have chosen to be born in Bangladesh or Viet Nam.

Those children would tend to be from the bottom quintile of the income ladder. Mortality rates for infants born to the richest fifth of all families are comparable to Brazil’s, less than half that of infants from the poorest families, who face risks similar to infants in Djibouti. The differential in under-five mortality rates is even larger: three times as high for the poorest children. The risk of premature death is determined by access to immunisation. While two-thirds of children from the top quintile are fully immunised, only a fifth from the bottom quintile are as fortunate.

¹ Speech to the Constituent Assembly of India, 26 November 1949.

Girls and women are also less likely to get access to social services that can improve their life chances. India accounts for a quarter of the world's maternal deaths. Only 16% of women in the bottom quintile have births attended by skilled personnel compared to over four-fifths in the top income group. Girls, between the ages of 1 and 5, are 50% more likely to die than boys. 2005 was meant to be the year for achieving gender parity in access to education. The combined gross enrolment ratio for 2002-03 (the latest year we have numbers for) was 56% for girls compared to 64% for boys. The cycle of risk transmission has much to do with mothers' education. The child mortality rate of children born to mothers who have completed middle school is 58 per 1,000 live births but it rises to 123 for children of illiterate mothers. Similarly, immunisation rates in the former category are double those of the latter.

Inequalities that extend, beyond income, to access to social services have a direct impact on capabilities in child and maternal health, education and empowerment. If human development is about expanding those capabilities, then income growth is insufficient to ensure an eventual equalisation of life chances. The consequences, however, extend beyond the individual. Poor mothers' health is responsible for a third of Indian children being born malnourished. Even if these children survived, poor nutrition in childhood translates into poor health in adulthood – and lower economic productivity of large sections of the workforce.

If economic growth were a policy priority, addressing non-income inequalities would be warranted – and would need targeted public action. This means, at one level, more effective public spending. The recently launched National Rural Health Mission would have to focus on delivery systems and not just increased budgets. Low-cost interventions, such as home-based ante-natal care in Maharashtra, could greatly reduce risks of maternal deaths and undernourished births. It also implies empowering women with access to employment (especially self-employment), who can then take more control of household spending on education and health, and nutritional distribution between boys and girls.

Moreover, decentralisation increases accountability. In Madhya Pradesh Patient Welfare Committees (called *Rogi Kalyan Samiti*) have been set up in public hospitals to involve peoples' representatives in the management of health centres. In education, the success of mid-day meals in increasing enrolment, girls' attendance, completion rates and nutrition standards is now being scaled up nationally. But decentralised control over teacher salaries in rural public schools can counteract teacher absenteeism.

Going beyond social indicators, economic growth itself can be pro-poor. No one would argue that she/he is for 'anti-poor' growth – but perspectives vary. For die-hard believers of the 'trickle down' hypothesis any growth would be pro-poor because, it is claimed, benefits would eventually reach the poor. A different view proposes that the incomes of the poor could rise faster than the national average. Pro-poor growth viewed this way would result in a dynamic decline in income inequalities (as opposed to static tax-and-transfer schemes) – it would also hasten poverty reduction. A simulation exercise for Brazil, Kenya and Mexico in the 2005 global HDR found that pro-poor growth could bring the median poor household out of poverty almost a decade and a half sooner.

For India this could also translate into a reduction in regional inequalities. In southern Bihar, southern Orissa, south-western Madhya Pradesh and southern Uttar Pradesh poverty rates exceed 60%. In many of these regions, agricultural wages have stagnated and growth is virtually "jobless". The policies to achieve pro-poor growth could vary. Some would take longer to show their impact, such as investments in schooling; others could have more immediate effect, such as increasing access to credit and markets for poor farmers, increasing asset ownership for the poor (such as assigning land titles), and improving public health systems. India has the advantage of extensive disaggregated analysis, not least through 18 sub-national NHDRs, many of which have been written by NGOs. They are valuable sources for many more ideas on promoting pro-poor growth.

Such ‘voices from below’ are as important as policy directives from the top. People want to have a say in the decisions that affect their lives. In the same 1949 speech quoted above, Ambedkar urged the use of constitutional methods to achieve social and economic objectives. Where such avenues were open, he argued, there would be no justification for unconstitutional means or the “Grammar of Anarchy”. In over half a century, the institutions of the Indian state – judiciary, electoral commission, Parliament, numerous welfare commissions, etc. – have come under increasing pressure from competing interests, but they have also evolved and strengthened.

Today, there are raging debates about the balance between individual rights (over property, livelihoods, ways of life) and the impact of modernisation. The question is not which side of the debate one falls but how the existing institutions arbitrate between differing opinions and interests. As the economy diversifies and modernises, it is ever more important that steps towards decentralisation and community participation are not diluted; or that dissent is not dismissed as unpatriotic or ‘anti-development’. As with growth and social indicators, equity is an important principle in democratic debate.

Human development is about expanding the political, economic and social choices that people can enjoy. Targeting inequalities expands human capabilities and it is also consistent with the quest for economic growth. The life of contradictions need not be the only alternative. A real globalisation success story can do better on all fronts.

Announcements

HDCA Conference on ‘Freedom and Justice’, in Groningen, 28 Aug- 1 Sep

Registration is now open online: <http://www.philos.rug.nl/hdca2006/>

Oxford/UNDP Human Development Training Course

Magdalen College, Oxford University, 10-23 September 2006

This course is organized by UNDP’s Human Development Report Office, the Human Development and Capability Association (HDCA), and the Department of International Development at the University of Oxford (Queen Elizabeth House). It will bring together UNDP and non-UNDP professionals working in development-related areas. The course is intended primarily for senior development practitioners, researchers, policy-makers, government officials, economists, social statisticians and demographers working on public policy and human development issues.

If you or others in your organisation are interested in applying to this course, please apply online at <http://hdr.undp.org/training/oxford/applications.cfm>. The deadline is June 9, 2006. Unfortunately, no financial aid is available for this course, and applications will only be considered from candidates who have already secured full funding.