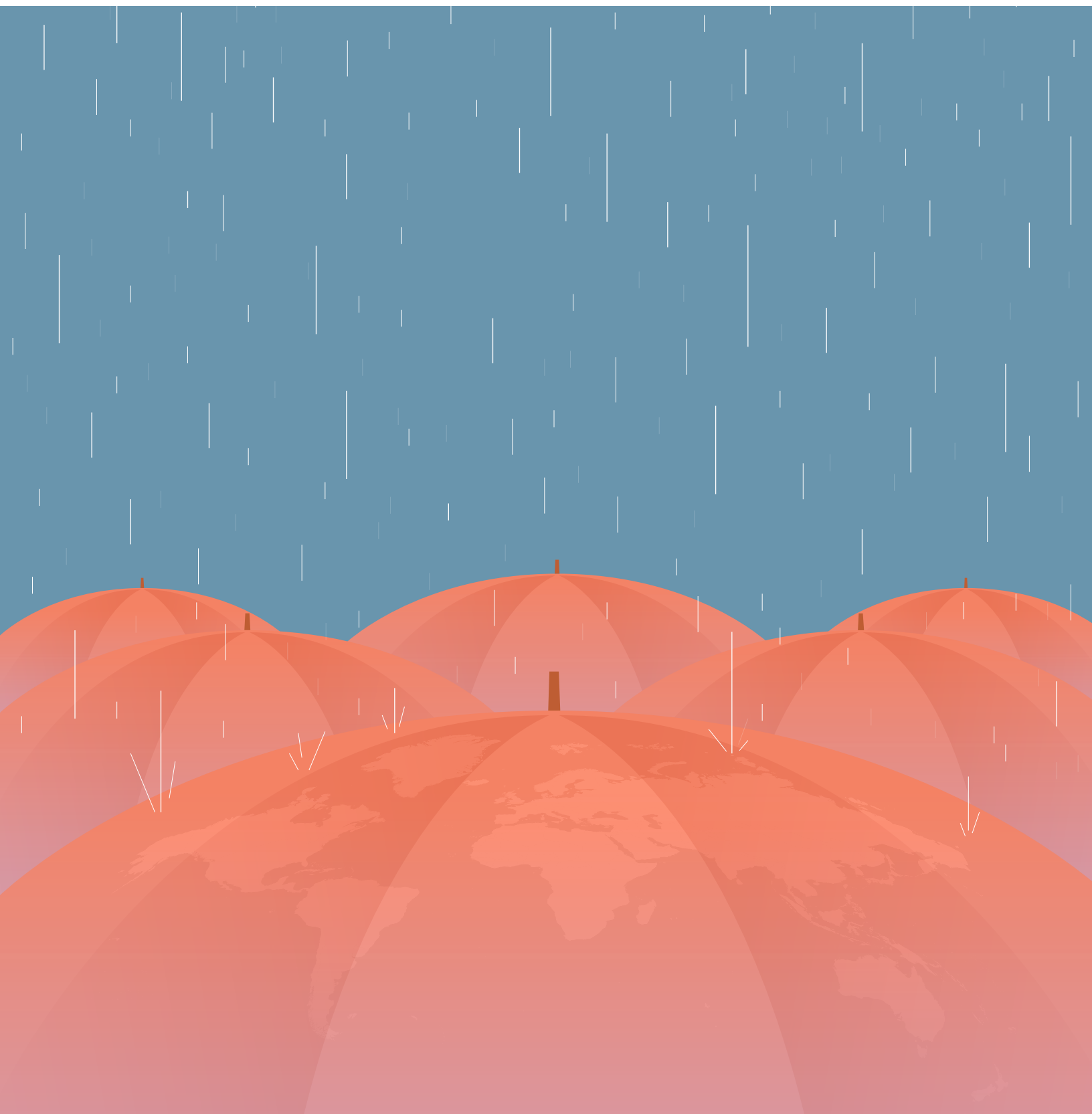


Summary

Human Development Report 2014



Sustaining Human Progress:
Reducing Vulnerabilities and Building Resilience



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Summary

Human Development Report 2014

Sustaining Human Progress:

Reducing Vulnerabilities and Building Resilience



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*Empowered lives.
Resilient nations.*

Foreword

The 2014 Human Development Report—*Sustaining Progress: Reducing Vulnerabilities and Building Resilience*—looks at two concepts which are both interconnected and immensely important to securing human development progress.

Since the United Nations Development Programme's (UNDP) first global *Human Development Report (HDR)* in 1990, most countries have registered significant human development. This year's Report shows that overall global trends are positive and that progress is continuing. Yet, lives are being lost, and livelihoods and development undermined, by natural or human-induced disasters and crises.

However, these setbacks are not inevitable. While every society is vulnerable to risk, some suffer far less harm and recover more quickly than others when adversity strikes. The Report asks why that is and, for the first time in a global *HDR*, considers vulnerability and resilience through a human development lens.

Much of the existing research on vulnerability has considered people's exposure to particular risks and is often sector-specific. The Report takes a different and more holistic approach. It considers the factors which contribute to risks to human development and then discusses the ways in which resilience to a broad group of evolving risks could be strengthened.

This approach is particularly important in our interconnected world. While globalization has brought benefits to many, it has also given rise to new concerns, manifest at times as local reactions to the spillover effects of events far away. Preparing citizens for a less vulnerable future means strengthening the intrinsic resilience of communities and countries. The Report lays the groundwork for doing that.

In line with the human development paradigm, the Report takes a people-centred approach. It pays particular attention to disparities between and within countries. It identifies the 'structurally vulnerable' groups of people who are more vulnerable than others by virtue of their history or of their unequal treatment by the rest of society. These vulnerabilities have often evolved and persisted over long

periods of time and may be associated with gender, ethnicity, indigeneity or geographic location—to name just a few factors. Many of the most vulnerable people and groups face numerous and overlapping constraints on their ability to cope with setbacks. For example, those who are poor and also from a minority group, or are female and have disabilities, face multiple barriers which can negatively reinforce each other.

The Report considers the way in which vulnerabilities change during our lives—by taking a 'life cycle approach'. Unlike more static models, this analysis suggests that children, adolescents and the elderly each face different sets of risks which require targeted responses. Some periods of life are identified as particularly important: for example, the first 1,000 days of a child's life or the transition from school to work or from work to retirement. Setbacks at these points can be particularly difficult to overcome and may have prolonged impacts.

Based on analysis of the available evidence, the Report makes a number of important recommendations for achieving a world which addresses vulnerabilities and builds resilience to future shocks. It calls for universal access to basic social services, especially health and education; stronger social protection, including unemployment insurance and pensions; and a commitment to full employment, recognizing that the value of employment extends far beyond the income it generates. It examines the importance of responsive and fair institutions and increased social cohesion for building community-level resilience and for reducing the potential for conflict to break out.

The Report recognizes that no matter how effective policies are in reducing inherent vulnerabilities, crises will continue to occur with potentially destructive consequences. Building capacities for disaster preparedness and recovery, which enable communities to better weather—and recover from—shocks, is vital. At the global level, recognizing that risks which are transborder in nature require collective action, the Report calls for global commitments and better international governance.

These recommendations are both important and timely. As UN Member States prepare to conclude negotiations on the post-2015 development agenda and launch a set of sustainable development goals, the evidence collected and analysed in the Report, and the human development perspective on which it is based, are particularly valuable. Eradicating poverty, for example, will be a central objective of the new agenda. But, as the Report argues, if people remain at risk of slipping back into poverty because of structural factors and persistent vulnerabilities, development progress will remain precarious. The eradication of poverty is not just about ‘getting to zero’—it is also about staying there.

Achieving UNDP’s vision to help countries achieve the simultaneous eradication of poverty and significant reduction of inequalities and exclusion and to promote human and sustainable development, requires a deep appreciation

of the concepts of vulnerability and resilience. Unless and until vulnerabilities are addressed effectively, and all people enjoy the opportunity to share in human development progress, development advances will be neither equitable nor sustainable.

The Report aims to help decisionmakers and other development actors lock in development gains through policies which reduce vulnerability and build resilience. I recommend it to all who wish to see sustained development progress, especially for the most vulnerable people in our world.



Helen Clark

Administrator

United Nations Development Programme

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Summary

As successive *Human Development Reports (HDRs)* have shown, most people in most countries have been doing steadily better in human development. Advances in technology, education and incomes hold ever-greater promise for longer, healthier, more secure lives. But there is also a widespread sense of precariousness in the world today—in livelihoods, in personal security, in the environment and in global politics. High achievements on critical aspects of human development, such as health and nutrition, can quickly be undermined by a natural disaster or economic slump. Theft and assault can leave people physically and psychologically impoverished. Corruption and unresponsive state institutions can leave those in need of assistance without recourse.

Real progress on human development, then, is not only a matter of enlarging people’s critical choices and their ability to be educated, be healthy, have a reasonable standard of living and feel safe. It is also a matter of how secure these achievements are and whether conditions are sufficient for sustained human development. An account of progress in human development is incomplete without exploring and assessing vulnerability.

Traditionally, the concept of vulnerability is used to describe exposure to risk and risk management, including insuring against shocks and diversifying assets and income. The Report takes a broader approach, emphasizing the close links between reducing vulnerability and advancing human development. We introduce

the concept of *human vulnerability* to describe the prospects of eroding people’s capabilities and choices. Vulnerability as a concept is less abstract when broken down into who is vulnerable, what are they vulnerable to and why (figure 1).

We particularly emphasize systemic and perennial sources of vulnerability and ask why some people do better than others in overcoming adversity. People experience varying degrees of insecurity and different types of vulnerability at different points along the life cycle. Children, adolescents and older people are inherently vulnerable, so we ask what types of investments and interventions can reduce vulnerability during sensitive transitional periods of the life cycle.

FIGURE 1

Who is vulnerable, to what, and why?



Source: Human Development Report Office.

Vulnerability threatens human development—and unless it is systematically addressed, by changing policies and social norms, progress will be neither equitable nor sustainable

The Report makes the case that the sustained enhancement of individuals' and societies' capabilities is necessary to reduce these persistent vulnerabilities—many of them structural and many of them tied to the life cycle. Progress has to be about fostering resilient human development. There is much debate about the meaning of resilience, but our emphasis is on *human resilience*—ensuring that people's choices are robust, now and in the future, and enabling people to cope and adjust to adverse events.

Institutions, structures and norms can either enhance or diminish human resilience. State policies and community support networks can empower people to overcome threats when and where they may arise, whereas horizontal inequality may diminish the coping capabilities of particular groups.

The Report explores the types of policies and institutional reforms that can build resilience into the fabrics of societies, particularly for excluded groups and at sensitive times during the life cycle. It examines universal measures that can redress discrimination and focuses on the need for collective action to resolve vulnerability that stems from unresponsive national institutions and the shortcomings of global governance.

Human progress

The 2013 *HDR* revealed that more than 40 developing countries—with the majority of the world's population—had greater gains on the Human Development Index than would have been predicted given their situation in 1990. We cannot take these achievements for granted, however. There is evidence that the overall rate of progress is slowing across all human development groups (figure 2). It is critical to deal with vulnerability now to secure gains and prevent disruptions to continuing progress. With the lead-up to the post-2015 agenda and the development of a set of sustainable development goals, this is a time of reflection for the international community and an opportunity for change and new forms of global cooperation to reduce persistent and systemic vulnerability.

We also have to ask a basic question: Whose prosperity are we observing? We need to look

beyond averages and income thresholds to gather a more comprehensive view of how improvements in well-being are distributed among individuals, communities and countries. Average loss of human development due to inequality has declined in most regions in recent years, driven mainly by widespread gains in health. But disparities in income have risen in several regions, and inequality in education has remained broadly constant. Declines in inequality should be celebrated, but offsetting growing income disparities with progress in health is not enough. To tackle vulnerability, particularly among marginalized groups, and sustain recent achievements, reducing inequality in all dimensions of human development is crucial.

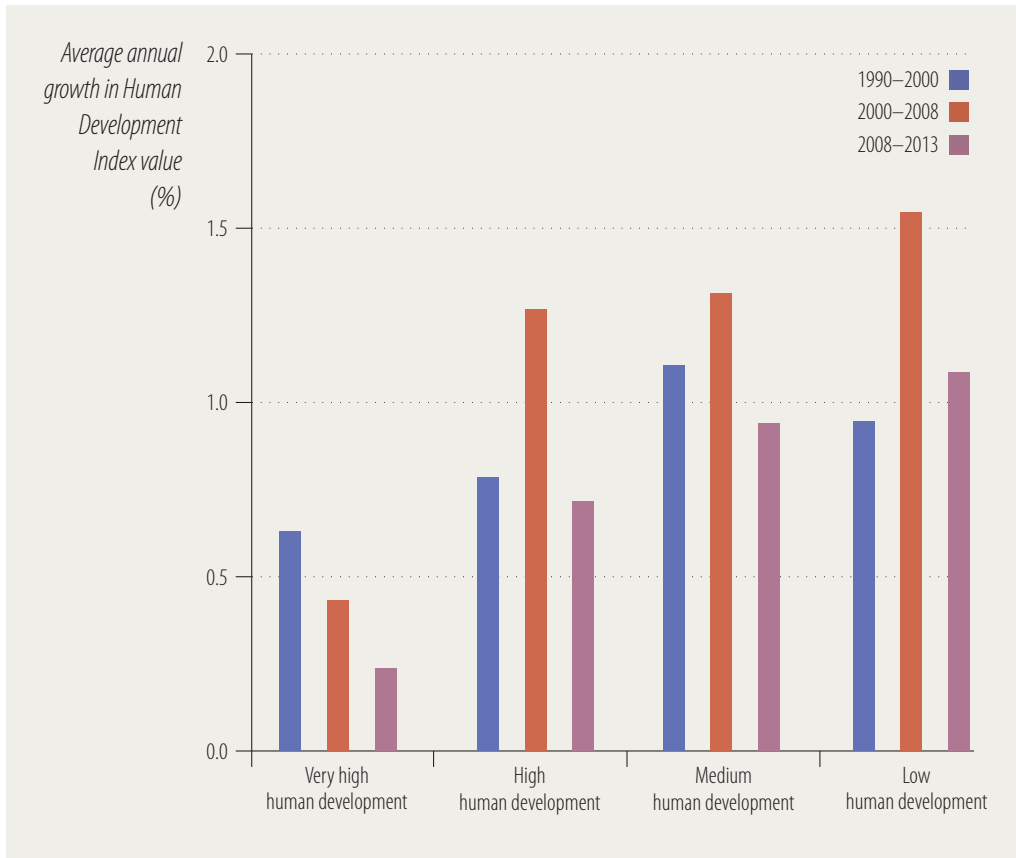
Vulnerable people, vulnerable world

Those living in extreme poverty and deprivation are among the most vulnerable. Despite recent progress in poverty reduction, more than 2.2 billion people are either near or living in multidimensional poverty (figure 3). That means more than 15 percent of the world's people remain vulnerable to multidimensional poverty. At the same time, nearly 80 percent of the global population lack comprehensive social protection. About 12 percent (842 million) suffer from chronic hunger, and nearly half of all workers—more than 1.5 billion—are in informal or precarious employment.

People with limited core capabilities, such as in education and health, are less able to easily live lives they value. And their choices may be restricted or held back by social barriers and other exclusionary practices. Together, limited capabilities and restricted choices prevent them from coping with threats. At certain stages of the life cycle, capabilities may be restricted due to inadequate investments and attention at the appropriate times, yielding vulnerabilities that may accumulate and intensify. Among the factors that condition how shocks and setbacks are felt and tackled are circumstances of birth, age, identity and socioeconomic status—circumstances over which individuals have little or no control.

FIGURE 2

All four human development groups have experienced a slowdown in Human Development Index growth



Note: Population-weighted panel for 141 developed and developing countries.
Source: Human Development Report Office calculations.

Life cycle vulnerabilities

Capabilities are built over a lifetime and have to be nurtured and maintained; otherwise they can stagnate. Many of people’s vulnerabilities (and strengths) are the result of their life histories, with past outcomes influencing present exposure and ways of coping. The formation of life capabilities has two features. First, life capabilities at any stage of life are affected by investments in the preceding stages of life. They are also affected by the interplay among the immediate environment, the community and society. Second, short-term shocks frequently have long-run consequences. Individuals may not automatically bounce back from what appears to be a transitory shock. Some effects can be reversed, but not always; reversal is context-specific and not necessarily cost-effective.

When investments in life capabilities occur earlier, future prospects are better (see the solid blue line in figure 4). The opposite is also true—the lack of timely and continuing investments in life capabilities can heavily compromise an individual’s ability to achieve full human development potential (see the solid red line in figure 4). Later interventions can help individuals recover—but usually only partially—and move to a higher human development path (see the dashed blue lines in figure 4).

Too often, poverty disrupts the normal course of early childhood development—more than one in five children in developing countries lives in absolute income poverty and is vulnerable to malnutrition. In developing countries (where 92 percent of children live) 7 in 100 will not survive beyond age 5, 50 will not have their birth registered, 68 will not receive early childhood education, 17 will never

Life cycle vulnerability, structural vulnerability and insecure lives are fundamental sources of persistent deprivation—and must be addressed for human development to be secured and for progress to be sustained

FIGURE 3

Some 1.2 billion people live on less than \$1.25 a day, and 1.5 billion people live in multidimensional poverty



Source: Multidimensional poverty, Human Development Report Office calculations based on various household surveys, including ICF Macro Demographic and Health Surveys, United Nations Children's Fund Multiple Indicator Cluster Surveys and several national household surveys; income poverty, Human Development Report Office calculations based on data from the World Bank's World Development Indicators database.

enrol in primary school, 30 will be stunted and 25 will live in poverty. Inadequate food, sanitation facilities and hygiene increase the risk of infections and stunting: Close to 156 million children are stunted, a result of undernutrition and infection. Undernutrition contributes to 35 percent of deaths due to measles, malaria, pneumonia and diarrhoea. The impact is greatest if the deprivation is in early childhood.

Lacking basic nutrition, health care and stimulation to promote healthy growth, many poor children enter school unready to learn, and they do poorly in class, repeat grades and are likely to drop out. Even at age 6, or by the time of school entry, a poor child may already be at a disadvantage (figure 5). Gaps in skills open early. For example, word accumulation begins very early in life. In the United States at age 36 months the verbal skills of children from different socioeconomic backgrounds differ markedly, and the differences, or

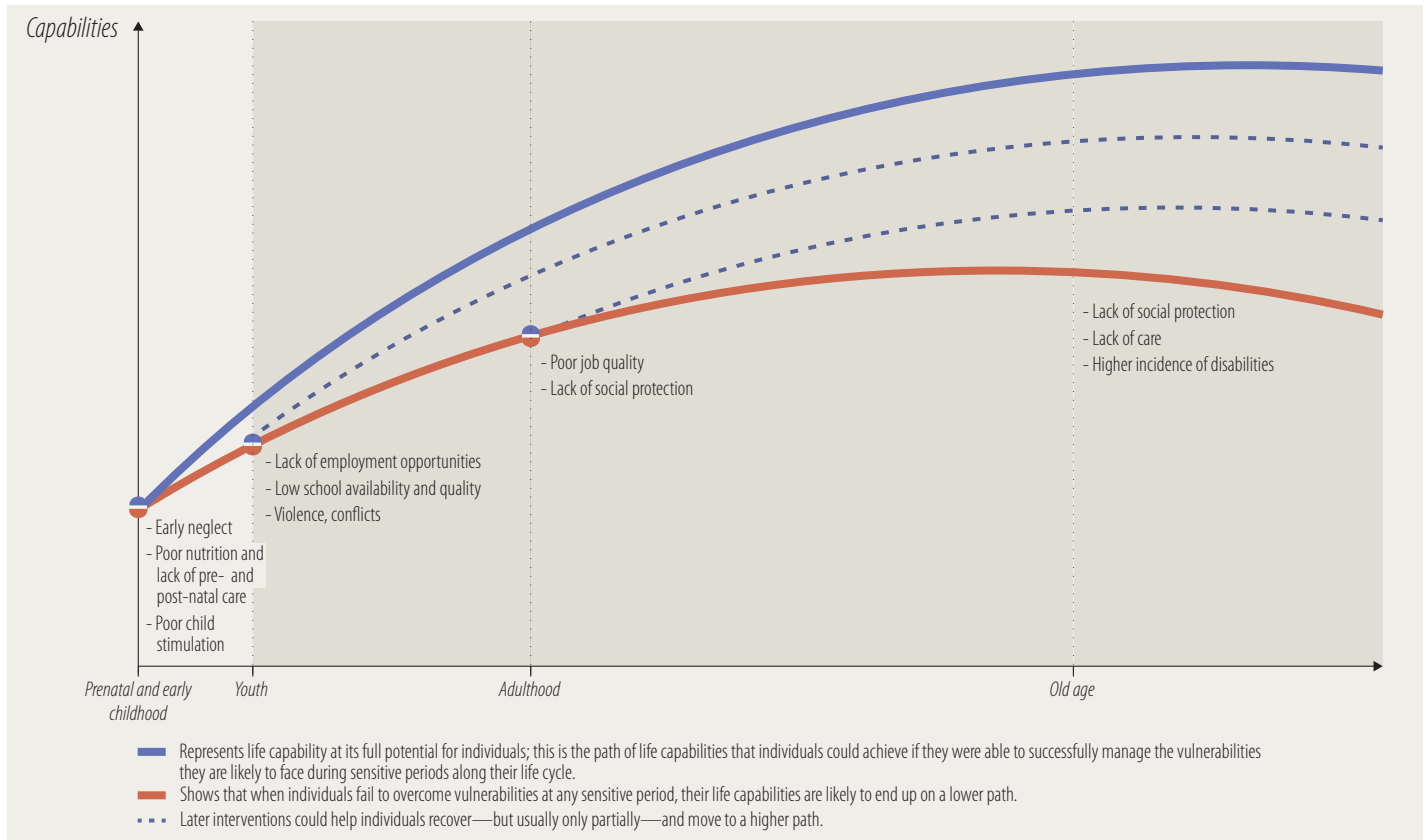
trajectories, for verbal skills, are still present at age 9. Timely interventions—such as investments in early childhood education—are therefore critical.

Youth—ages 15 to 24—is a key period of transition when children learn to engage with society and the world of work. In many countries the number of young people is rising. Young people around the world are especially vulnerable to marginalization in the labour market because they lack work experience, social networks, job search abilities and the financial resources to find employment. So they are more likely to be unemployed, underemployed or employed on more precarious contracts. In 2012 the global youth unemployment rate was an estimated 12.7 percent—almost three times the adult rate.

Ambitious policies are critical for meeting young people's expectations in the labour market. Under an 'ambitious policy' scenario,

FIGURE 4

When investments in life capabilities occur earlier, future prospects are better



Source: Human Development Report Office calculations.

global youth unemployment would be less than 5 percent by 2050 due to the dual effect of fewer young people entering the labour market and higher economic growth. However, there are important regional heterogeneities. Under a ‘business as usual’ scenario the gap would continue to grow, particularly in Sub-Saharan Africa. But ambitious policies (fast track education policies and accelerated economic growth) would close the gap in supply and demand for young workers for South Asia and reduce it for Sub-Saharan Africa (figure 6). In South Asia the gap would be closed by 2050 due to the dual effect of education policies on population dynamics (which would reduce the number of young people that enter the labour market) and higher economic growth. For Sub-Saharan Africa additional policies to raise employment intensity of growth would be needed to close the gap.

Poverty and social exclusion are problems for those who are ageing, especially because

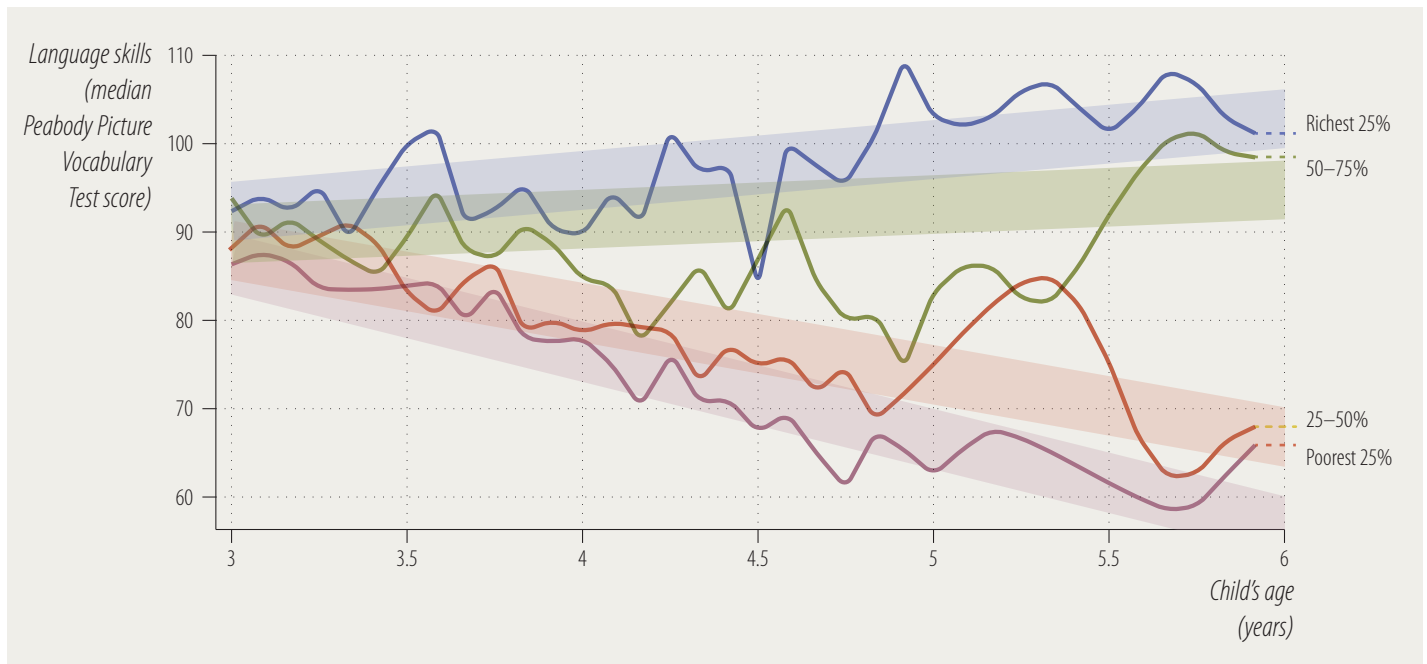
roughly 80 percent of the world’s older population does not have a pension and relies on labour and family for income. And as people age, they generally become physically, mentally and economically more vulnerable. Poverty in old age is more often chronic, since the lack of economic opportunities and security during earlier life accumulates into vulnerability in old age. The cumulative disadvantages during younger life also imply the transfer of poverty from one generation to another.

Structural vulnerabilities

Where social and legal institutions, power structures, political spaces, or traditions and sociocultural norms do not serve members of society equally—and where they create structural barriers for some people and groups to exercise their rights and choices—they give rise to structural vulnerabilities. Structural

FIGURE 5

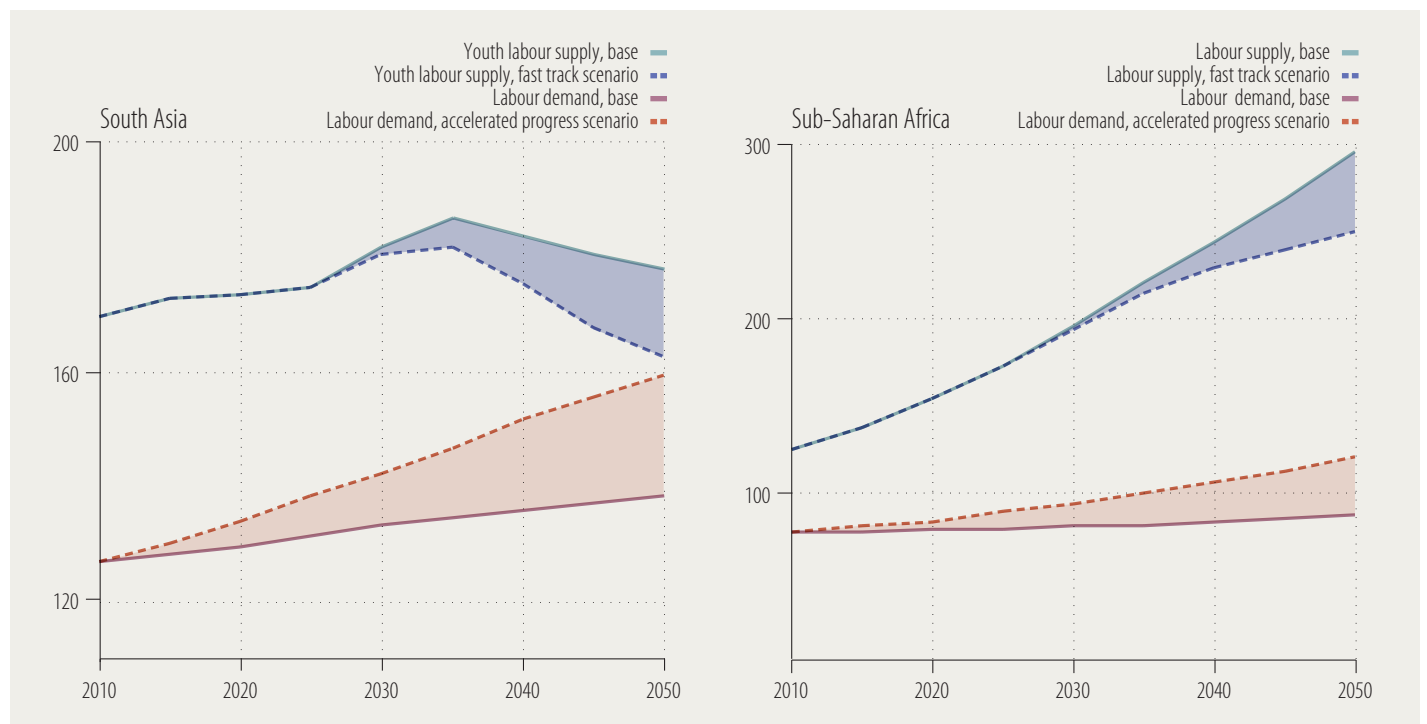
Poor children are already at a vocabulary disadvantage by age 6, as shown in the case of Ecuador



Source: Paxson and Schady 2007.

FIGURE 6

Fast track education policies and accelerated economic growth would eliminate the gap in supply and demand for young workers in South Asia and narrow it in Sub-Saharan Africa between 2010 and 2050



Source: Human Development Report Office calculations based on Lutz and KC (2013) and Pardee Center for International Futures (2013).

vulnerabilities are often manifested through deep inequalities and widespread poverty, which are associated with horizontal or group inequalities based on socially recognized and constructed group membership. The poor, women, minorities (ethnic, linguistic, religious, migrant or sexual), indigenous peoples, people in rural or remote areas or living with disabilities, and countries landlocked or with limited natural resources tend to face comparatively higher barriers, sometimes of a legal nature, to build capabilities, exercise choices and claim their rights to support and protection in the event of shocks.

The insecurity of those facing structural vulnerabilities has evolved and persisted over long periods to create divisions—in gender, ethnicity, race, job type and social status—that are not easily overcome. People who are structurally vulnerable may be as capable as others but may still face additional barriers to overcoming adverse conditions. For example, people with disabilities often lack easy access to public transportation, government offices and other public spaces such as hospitals, which makes it more difficult to participate in economic, social and political life—or to seek assistance when faced with threats to their physical well-being.

Many face overlapping structural constraints on their ability to cope—for example, people who are poor and from a minority group, or women with disabilities. Three-quarters of the world's poor live in rural areas, where agricultural workers suffer the highest prevalence of poverty. They are caught in intractable cycles of low productivity, seasonal unemployment and low wages and are particularly vulnerable to changing weather patterns. Disenfranchised ethnic and religious minorities are vulnerable to discriminatory practices, have limited access to formal justice systems and suffer from the legacy of past repression and prejudice. And while indigenous peoples make up about 5 percent of the world's population, they account for some 15 percent of the world's poor, with as many as a third of them in extreme rural poverty. Worldwide, more than 46 percent of people ages 60 and older live with disabilities, facing severe challenges to full participation in society, further heightened by discriminatory social attitudes.

Group violence and insecure lives

Conflict and a sense of personal insecurity have pervasive adverse impacts on human development and leave billions of people living in precarious conditions. Many countries in the bottom tier of the Human Development Index are emerging from long periods of conflict or still confront armed violence. More than 1.5 billion people live in countries affected by conflict—about a fifth of the world's population. And recent political instability has had an enormous human cost—about 45 million people were forcibly displaced due to conflict or persecution by the end of 2012—the highest in 18 years—more than 15 million of them refugees. In some areas of West and Central Africa lawlessness and armed conflict continue to threaten human development advances, with long-term repercussions for national progress. And in a number of countries in Latin America and the Caribbean, despite high human development achievements, many people feel threatened by rising rates of homicide and other violent crimes.

Building resilience

People's well-being is influenced greatly by the larger freedoms within which they live and by their ability to respond to and recover from adverse events—natural or humanmade. Resilience underpins any approach to securing and sustaining human development. At its core, resilience is about ensuring that state, community and global institutions work to empower and protect people. Human development involves removing the barriers that hold people back in their freedom to act. It is about enabling the disadvantaged and excluded to realize their rights, to express their concerns openly, to be heard and to become active agents in shaping their destiny. It is about having the freedom to live a life that one values and to manage one's affairs adequately. The Report highlights some of the key policies, principles and measures that are needed to build resilience—to reinforce choices, expand human agency and promote social competences (box 1). It also indicates that achieving and sustaining human development progress can depend on the effectiveness of preparedness and response when shocks occur.

Policy responses to vulnerability should prevent threats, promote capabilities and protect people, especially the most vulnerable

Principles and policies

Drawing on ideas governing human development and the promotion of equal life chances, we advance four guiding principles for designing and implementing policies to reduce vulnerability and enhance resilience.

Embracing universalism

All individuals are equally valuable and entitled to protection and support. So there has to be a greater recognition that those most exposed to risks and threats, children or people living with disabilities, may require additional support to ensure that their life chances are equal to others'. Universalism may thus require unequal entitlements and attention. Equal consideration for all could demand unequal treatment in favour of the disadvantaged.¹

Putting people first

Reducing vulnerabilities calls for renewing the core message of human development as 'putting people first'—a message promoted consistently in all *Human Development Reports* since the first in 1990. All public policies, especially the macroeconomic, must be seen as means to an end, not as ends in themselves. Policymakers must ask some basic questions. Is economic growth improving the lives of people in things that really matter—from health, education and income to basic human security and personal freedoms? Are people feeling more vulnerable? Are some people being left

behind? And, if so, who are they, and how can such vulnerabilities and inequities be best addressed?

Committing to collective action

Meeting today's challenges requires collective action. When people act collectively, they marshal their individual capabilities and choices to overcome threats, and their combined resilience deepens development progress and makes it more sustainable. The same can be said of states acting collectively to reduce vulnerabilities to transborder threats by provisioning global public goods. Despite the many uncertainties that surround us, one thing seems clear: A positive vision of the public domain will depend in large measure on the successful provisioning of public goods, both national and global.

Coordinating between states and social institutions

Individuals cannot flourish alone. Indeed, they cannot function alone. When they are born, family provides their life support. In turn, families cannot function independent of their societies. Policies to improve social norms, social cohesion and social competences become important so that governments and social institutions can act in concert to reduce vulnerabilities. And when markets and systems themselves produce vulnerabilities, governments and social institutions must guide markets to limit vulnerabilities and help people where markets fail to do so.

Note

1. Sen 1992.

Universal provision of basic social services

Universalism implies equal access and opportunities to build core capabilities. The case for universal provision of basic social services—education, health care, water supply and sanitation, and public safety—rests on the premises that all humans should be empowered to live lives they value and that access to certain basic elements of a dignified life ought to be delinked from people's ability to pay. Universal coverage of basic social services is possible at early stages of development (figure 7). And recent experience—for example, in China, Rwanda and Viet Nam—shows that it can be achieved fairly fast (in less than a decade).

Universal provision of basic social services can raise social competences and reduce structural vulnerability. It can be a powerful force for equalizing opportunities and outcomes. For instance, universal high-quality public education can mitigate the gaps in education of children from rich and poor households.

Intergenerational transmission of capabilities such as education within families can perpetuate the benefits in the long run. Universal policies also promote social solidarity by avoiding the disadvantages of targeting—social stigma for recipients and segmentation in the quality of services, as well as failure to reach many of the vulnerable.

One commonly held misconception is that only wealthy countries can afford social protection or universal basic services. As the Report documents, the evidence is to the contrary. Except for societies undergoing violent strife and turmoil, most societies can—and many have—put in place basic services and social protection. And they have found that an initial investment, of just a small percentage of GDP, brings benefits that far outweigh the initial outlay.

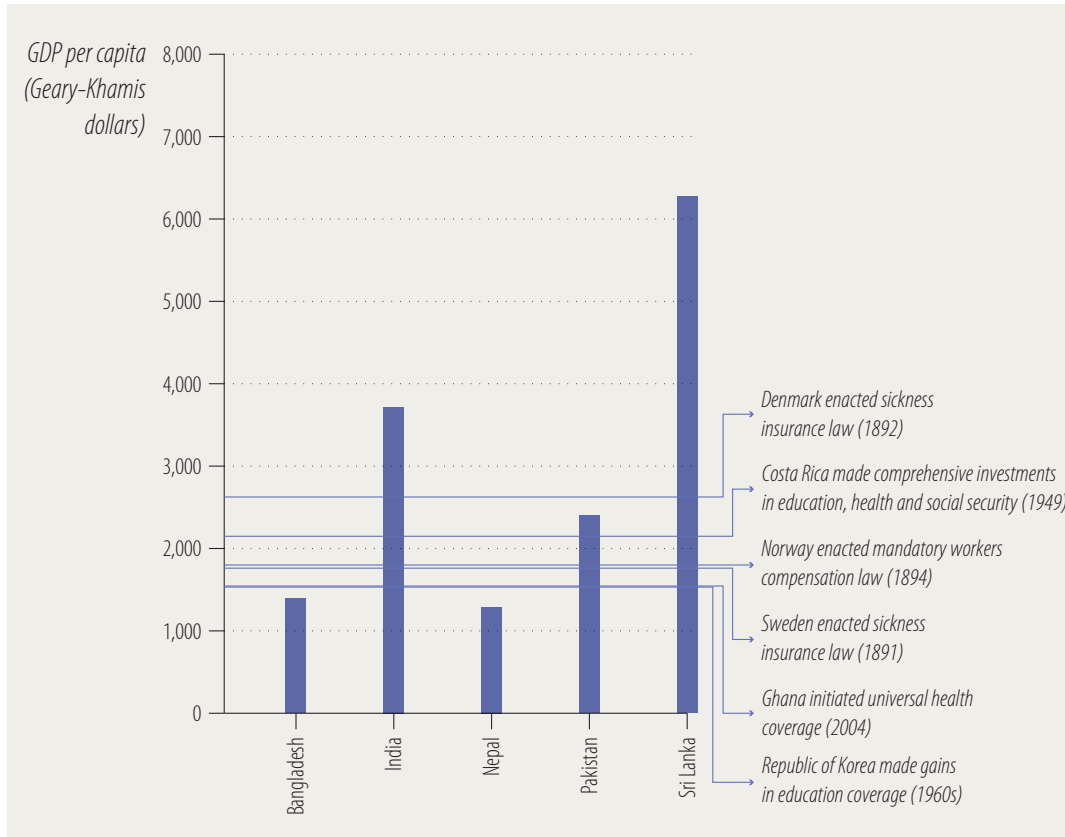
Addressing life cycle vulnerabilities

People experience varying degrees of insecurity and different types of vulnerability at different points along the life cycle. These

Everyone should have the right to education, health care and other basic services. Putting this principle of universalism into practice will require dedicated attention and resources, particularly for the poor and other vulnerable groups

FIGURE 7

Several countries started putting in place measures of social insurance when their GDP per capita was lower than that of most countries in South Asia today



Source: Calculations based on Maddison (2010).

sensitive junctures include early childhood and the transitions from youth to young adulthood and from adulthood to old age. Timing the interventions is critical—since failing to support the development of capabilities at the right time is costly to fix later in life. Early childhood development provides a good example of how universalism helps support investments in human capabilities across the life cycle.

However, it is common for fewer resources to be available for early childhood development and for per capita social spending to increase with age. Spending on health, education and welfare that increases over the life course does not nurture and support capability development during the crucial early years (figure 8).

Strengthening social protection

Social protection, including unemployment insurance, pension programmes and labour

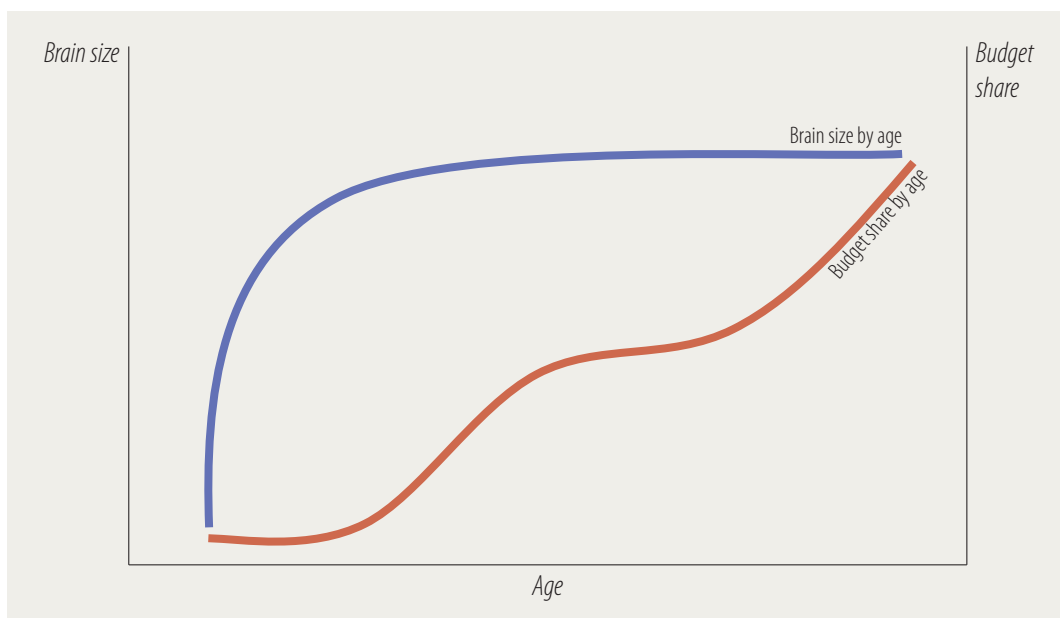
market regulations, can offer coverage against risk and adversity throughout people’s lives and especially during sensitive phases. By providing an additional and predictable layer of support, social protection programmes help households avoid selling off assets, taking children out of school or postponing necessary medical care, all detrimental to their long term well-being. Further, the distribution networks and mechanisms for administering social protection programmes can also be used to provide short-term emergency responses and assistance during crises such as natural disasters and droughts.

Many social protections have positive spinoff effects. Unemployment insurance improves the working of labour markets by allowing the unemployed to choose jobs that better match their skills and experience rather than forcing them to simply take the first job that comes along. Income support to households has been shown to encourage labour market participation by

Strong universal social protection not only improves individual resilience—it can also bolster the resilience of the economy as a whole

FIGURE 8

Spending on health, education and welfare that increases over the life cycle does not nurture and support capability development during the crucial early years



Source: Karoly and others 1997.

providing resources to enable people to search for better opportunities, including allowing members of the household to migrate to find jobs. Some contend such support may reduce the incentive to get back to work. Much depends on the design of the policy. Nevertheless, there is considerable evidence that labour market regulations have a net benefit and are able to reduce inequality.

Social protection is feasible at early stages of development and can even bring about other benefits such as stimulating spending and reducing poverty. Social protection offsets output volatility by reducing fluctuations in disposable income. Strong universal social protection policies not only improve individual resilience, they also bolster the resilience of the economy as a whole.

Promoting full employment

Full employment as an objective was central to macroeconomic policies in the 1950s and 1960s. It disappeared from the global agenda during the era of stabilization that followed the oil shocks of 1973 and 1979. It is now time to return to that commitment so that progress can

be robust and easily sustained. Not only does full employment extend universalism to the labour market, it also helps support the provisioning of social services. Indeed, full employment was important for sustaining the Nordic model, since high employment helped ensure adequate tax revenues to finance universal provision.

Full employment is also desirable for its social benefits. Unemployment entails high economic and social costs, leading to a permanent loss in output and a decline in labour skills and productivity. The loss of production and associated tax revenue can require higher public spending to support unemployment insurance. Long-term unemployment is also a serious threat to health (physical and mental) and to the quality of life (including children's education). And unemployment tends to be associated with an increase in crime, suicide, violence, drug abuse and other social problems. Therefore, the social benefits of a job far exceed the private benefit—the wage.

Jobs foster social stability and social cohesion, and decent jobs strengthen people's ability to manage shocks and uncertainty. Jobs, as a means of livelihoods, strengthen human agency and have larger value for families and

Full employment should be a policy goal for societies at all levels of development

communities. Secure employment has a high psychological value as well.

Policies supporting structural transformation, increasing formal employment and regulating conditions of work are thus needed to reduce employment vulnerability in the medium to long run, but they will be insufficient to tackle the vulnerabilities of the majority of the workforce in the short run. So policies are also essential to address the vulnerabilities—and secure the livelihoods—of the mass of the workforce that will remain in traditional and informal activities in the short run.

Encouraging this shift and creating widespread productive employment require more-effective strategies of economic development, including greater public investment in infrastructure, development of human capabilities, active promotion of innovation and strategic policies for trade, particularly exports.

Responsive institutions and cohesive societies

Building human resilience requires responsive institutions. Adequate policies and resources are needed for providing adequate jobs, health care and education opportunities, especially for the poor and vulnerable. In particular, states that recognize and take actions to reduce inequality among groups (so called horizontal inequality) are better able to uphold the principle of universalism, build social cohesion and prevent and recover from crises.

Persistent vulnerability is rooted in historic exclusions—women in patriarchal societies, Black people in South Africa and the United States, and Dalits in India encounter discrimination and exclusion due to longstanding cultural practices and social norms. Responsive and accountable institutions of governance are critical to overcoming the sense of injustice, vulnerability and exclusion that can fuel social discontent. Civic engagement and collective mobilization, in turn, are also indispensable for ensuring that states recognize the interests and rights of vulnerable people.

States can intervene to reduce horizontal inequality with a mix of policy interventions. Direct interventions such as affirmative action may work to immediately address historic injustices, but its long-term impact is ambiguous.

And it cannot always fix the structural drivers behind persistent inequality. Policies are needed that respond in the short term and promote long-term and sustainable access to social services, employment and social protections for vulnerable groups. These may include formal incentives and sanctions such as preventative laws. For example, rights-based laws can lead to considerable improvements for vulnerable groups, who are empowered with legal recourse and public scrutiny when institutions fail them.

Changing norms to build tolerance and deepen social cohesion is also a necessary and often overlooked aspect of building resilient societies. More-cohesive societies are better at protecting people from adversity and may be more accepting of policies based on the principle of universalism. Lack of social cohesion is correlated with conflict and violence, especially in situations of unequal access to resources or benefits from natural wealth, and with the inability to deal effectively with rapid social or economic change or the impact of economic or climate-related shocks. Indeed, pursuing the broad goals of equity, inclusion and justice reinforces social institutions and in turn deepens social cohesion.

Building capacities to prepare for and recover from crises

Natural disasters expose and exacerbate vulnerabilities, such as poverty, inequality, environmental degradation and weak governance. Countries and communities that are underprepared, that are unaware of risks and that have minimal preventive capacity suffer the impact of disasters far more severely. Greater efforts are needed to strengthen national and regional early warning systems. Regional cooperation on early warning can be highly effective, since natural hazards often affect multiple countries simultaneously. Early warning is a major element of disaster risk reduction. It saves life and reduces economic and material losses from disasters.

No matter how well a country is prepared and how good its policy framework is, shocks occur, often with inevitable and highly destructive consequences. The key objective is then to rebuild while increasing social, material and institutional resilience. Responses to extreme weather events have been complicated by weak institutions and conflict. The resilience of a country includes its

The effects of crises, when they occur, can be lessened through preparedness and recovery efforts that can also leave societies more resilient

capacity to recover quickly and well from disasters. This entails managing the immediate effects of the disasters as well as implementing specific measures to avoid further socioeconomic consequences. Societies unprepared to handle shocks often incur damages and losses that are much more extensive and prolonged.

While efforts to build social cohesion vary according to context and national circumstances, some common elements can be identified. Policies and institutions that fight exclusion and marginalization, create a sense of belonging, promote trust and offer the opportunity of upward mobility can reduce the potential for conflict. Increasing public awareness and access to information can generate public support for peace and less contentious politics. Involving credible intermediaries and mediators can build trust and confidence among conflicted and polarized groups and consensus on issues of national import, ranging from the conduct of elections to the elements of a new constitution. Investing in jobs and livelihoods can help communities and individuals recover from crises in the short term and increase resilience to the challenges of future crises.

Deepening progress and collective action

Globalization has brought countries together and provided new opportunities. But it has also increased the risk of adverse events being transmitted more rapidly. Recent events have exposed huge gaps in how globalization is managed on issues ranging from food security to energy access, from financial regulation to climate change. These cross-border challenges are likely to continue in coming decades, with global governance architectures short on capacity to prevent or minimize shocks. Policymakers and leaders may find themselves unprepared for the sheer speed and scale of these changes.

Elements of a global social contract

Capabilities can be enhanced and choices protected at the national level, but national measures are more easily enacted when global commitments are in place and global support is available. The lead-up to the post-2015

agenda and the development of the sustainable development goals is an opportunity for the international community and member states to commit to universal public services, national social protection floors and full employment as key goals for the global community. Global commitments to these goals could open up policy space at the national level for states to determine the approaches for building employment and providing social services and protections that work best in their particular contexts, but global agreements are essential because they can instigate action and commitment and generate financial and other support.

Improving global governance

Today, multiple challenges are coming together to assume greater significance—from climate change to conflict to economic crises and social unrest. Particular policies are needed to reduce the likelihood of specific types of threats, but larger, first-order changes to governance architectures may be needed before progress is likely to be made on such problems as financial volatility, imbalanced trade regimes or climate change (box 2).

Policy changes are also needed to reduce particular types of shocks. The list of global challenges is long, and our recommendations are by no means exhaustive, but we know that financial and trade systems can be adjusted and environmental threats reduced by refocusing institutions towards providing global public goods. The recommendations include financial mechanisms and institutions that ensure access to liquidity, reduce the volatility of financial flows and minimize contagion. A review of the rules guiding trade in agriculture and services is also in order, based on the trend towards bilateral trade agreements and inclusion of nontrade provisions that reduce national policy space in other areas. Climate change is one of the most critical challenges to the global development agenda. The underprovision of climate stability—a global public good—and the manifestation of vulnerability to extreme weather events and food crises have been a recurring threat in different regions of the world. Urgent actions are needed on this front. There are promising actions at the subnational level, but multilateral action is key to a comprehensive approach.

Vulnerabilities are increasingly global in their origin and impact, requiring collective action and better international governance

Four essential agendas on global governance

Hyogo Framework for Action

The Hyogo Framework for Action, adopted by 168 countries in 2005, aims to reduce global disaster risk by 2015.¹ It puts forward a comprehensive set of tasks and actions that focus on building the capacity of local and national institutions, supporting early warning systems, supporting a culture of safety and resilience, reducing the drivers of vulnerability and strengthening disaster preparedness and response.

The framework has spearheaded collective action towards disaster risk reduction in national, regional and international agendas. But there is more to be done, and progress has not been uniform across countries or action areas. Remaining challenges include developing and using indicators and setting early warning systems in multihazard environments and enhancing the capacity of states to integrate disaster risk reduction into sustainable development policies and planning at the national and international levels.

World Humanitarian Summit

The World Humanitarian Summit, scheduled for 2016, aims to make humanitarian action more global, effective and inclusive—and more representative of the needs of a rapidly changing world.² It will be an opportunity to coordinate international humanitarian organizations around issues of vulnerability reduction and risk management.

Responding to the growing number of complex humanitarian emergencies will start by identifying and implementing approaches to reduce and manage humanitarian risks. The summit will be an opportunity to assess how humanitarian and development actors can take a more systematic, cohesive approach to planning, prioritizing and funding programmes—and how action can be coordinated across economic, social and environmental domains. It will encourage collaboration among affected countries, donors and international organizations to jointly build humanitarian and development strategies.

Climate change—2 degree limit

In the 2009 Copenhagen Accord and 2010 Cancun Agreements 195 parties to the United Nations Framework Convention on Climate Change agreed to limit the average rise in global temperature to less than 2 degrees Celsius from preindustrial levels.³ This commitment is based on the general scientific consensus that a 2 degree increase is the most the world can afford in order to limit dangerously disruptive impacts.

The international community's pledges and commitments are not yet sufficient to meet this goal. The Intergovernmental Panel on Climate Change's projections conclude that global temperatures will likely increase 1.5 degrees by the end of the 21st century and could easily increase 2 degrees if major action is not taken to reduce emissions.⁴ Achieving the objective is still technically and economically feasible, but political ambition is needed to close the gap between current emissions and the level that will set the world on a below 2 degrees trajectory by 2020.

Post-2015 agenda and sustainable development goals

In the run-up to the post-2015 agenda and the sustainable development goals, the international community has an unparalleled opportunity to make vulnerability reduction a priority in international development frameworks. The Millennium Development Goals helped reduce poverty and improve the lives of many. But continuing progress is not guaranteed unless the shocks are reduced and the capacities of people to cope are improved. Along these lines, the call for getting to zero poverty should be extended to staying at zero poverty, and progress needs to be maintained in other areas. Those most vulnerable to natural disasters, climate change and financial setbacks must be specifically empowered and protected. Making vulnerability reduction central in future development agendas is the only way to ensure that progress is resilient and sustainable.

Notes

1. UNISDR 2005. 2. UNOCHA 2014. 3. UNFCCC 2009, 2011. 4. IPCC 2013.

Collective action for a more secure world

Reducing vulnerability to transnational threats, whether by fixing governance architectures to reduce shocks or taking steps to enable people to cope, requires greater leadership and cooperation among states and across international organizations. It also requires a more coherent approach that sets priorities and reduces spillovers—and more-systematic engagement with civil society and the private sector.

The lack of coordination, cooperation and leadership stifles progress towards addressing global challenges and reducing vulnerabilities. Although proposals to fix the standstill in global governance cooperation have not yet been taken up, the world has changed

dramatically over the past decade. Global challenges are more pressing than ever, and the global geopolitical environment is different. As the 2013 *HDR* highlighted, the rise of the South presents an opportunity to make global governance more representative—and more effective. But this will require new resolve for international cooperation and leadership.

Global governance tends to be organized in silos, with separate institutions focusing on such issues as trade, climate, finance and migration. This makes it very difficult to take a systems perspective on global challenges or to identify spillovers and contradictions in the actions of states and international agencies. Complete and thorough assessments of the multiple and at times overlapping architectural issues of global governance are needed to

Broadening our thinking on vulnerability

The United Nations has long emphasized human security, in all of its dimensions. When I was chief economist of the World Bank, we surveyed thousands of poor people throughout the world to ascertain what was of most concern to them, and at the top of the list (along with the obvious concerns about a lack of income and insufficient voice in the matters that affected their lives) was insecurity—vulnerability.

At its basic level, vulnerability is defined as an exposure to a marked decrease in standard of living. It is of special concern when it is prolonged, and when standards of living fall below critical thresholds, to a point of deprivation.

Economists' traditional single-minded focus on GDP has led them to lose sight of vulnerability. Individuals are risk-averse. The realization that they are vulnerable thus leads to large welfare losses—even before they face the consequences of a shock itself. The failure of our systems of metrics to adequately capture the importance of security to individual and societal well-being was a key criticism of GDP by the International Commission on the Measurement of Economic Performance and Social Progress.

If we are to formulate policies to reduce vulnerability, it is essential to take a broad view about what creates such vulnerability. Individuals and societies are inevitably exposed to what economists call “shocks,” adverse

events that have the potential to lead to marked decreases in living standards. The larger the shocks, the greater their depth and duration, and the greater vulnerability, other things equal. But individuals and societies develop mechanisms for coping with shocks. Some societies and economies have done a better job of enhancing the capacity to cope with shocks than others. The greatest vulnerabilities arise in societies that have allowed themselves to be exposed to large shocks, but have left large fractions of their populations without adequate mechanisms for coping.

One of the biggest contributors to vulnerability—something that has adverse effects on many of the other factors mentioned—is inequality, and it is a contributor in many ways. Inequality causes instability, increasing the frequency of big swings in the economy. Extremes of inequality mean that larger fractions of the population are in poverty—with a lower ability to cope with shocks when they occur. Extremes of economic inequality inevitably lead to political inequality—with the result that governments are less likely to provide the systems of social protection that can protect those at the bottom from the consequences of large shocks. We need to begin thinking of inequality not just as a moral issue—which it is—but also as a fundamental economic concern, integral to thinking about human development, and especially relevant to any analysis of vulnerability.

(Abridged version)

A global effort is needed to ensure that globalization advances and protects human development—national measures are more easily enacted when global commitments are in place and global support is available

ensure that global cooperation is efficient and targeted towards the most critical areas. These assessments could best be made by a nonpolitical body of independent experts who can take an objective systems perspective on global issues and provide advice and recommendations to governing bodies.

Governance improves when citizens are directly involved. In close relationships with the public, governments can obtain accurate information about people's vulnerabilities and track the effects of policy interventions. Such engagement can result in efficient state interventions and public resources. Effective engagement occurs when people have the freedom, security, capability and voice to influence decisionmaking. They must also believe in their power to produce desired effects through collective action.

* * *

The oft-postulated goal of more-inclusive, -sustainable and -resilient global growth and development requires a positive vision of the global public domain and recognition that ‘the world

we want’ depends on successful provision of natural and humanmade public goods. Markets, while important, cannot provide adequate social and environmental protections on their own. States, individually and collectively, have to be brought back in with a stronger, more forthcoming willingness to cooperate—through the harmonization of national policies or through international collective action. Governments need greater policy space to provide protections and employment for their people. Civil society can generate political will, but only if citizens recognize the value to the individual of cross-border collaboration and public goods.

Progress takes work. Many of the Millennium Development Goals are likely to be met at the national level by 2015, but success is not automatic, and the gains are not necessarily permanent. Taking development a step further requires protecting achievements against vulnerability and shocks, increasing resilience and deepening progress. Identifying and targeting vulnerable groups, reducing inequality and addressing structural vulnerability are essential to sustaining development over an individual's lifetime and across generations.

Countries and HDI ranks in 2013 and change in rank from 2012 to 2013

Afghanistan	169	0	
Albania	95	2	↑
Algeria	93	0	
Andorra	37	0	
Angola	149	0	
Antigua and Barbuda	61	-1	↓
Argentina	49	0	
Armenia	87	0	
Australia	2	0	
Austria	21	0	
Azerbaijan	76	-1	↓
Bahamas	51	0	
Bahrain	44	0	
Bangladesh	142	1	↑
Barbados	59	-1	↓
Belarus	53	1	↑
Belgium	21	0	
Belize	84	0	
Benin	165	0	
Bhutan	136	0	
Bolivia (Plurinational State of)	113	0	
Bosnia and Herzegovina	86	0	
Botswana	109	-1	↓
Brazil	79	1	↑
Brunei Darussalam	30	0	
Bulgaria	58	0	
Burkina Faso	181	0	
Burundi	180	0	
Cambodia	136	1	↑
Cameroon	152	0	
Canada	8	0	
Cape Verde	123	-2	↓
Central African Republic	185	0	
Chad	184	-1	↓
Chile	41	1	↑
China	91	2	↑
Colombia	98	0	
Comoros	159	-1	↓
Congo	140	0	
Congo (Democratic Republic of the)	186	1	↑
Costa Rica	68	-1	↓
Côte d'Ivoire	171	0	
Croatia	47	0	
Cuba	44	0	
Cyprus	32	0	
Czech Republic	28	0	
Denmark	10	0	
Djibouti	170	0	
Dominica	93	-1	↓
Dominican Republic	102	0	
Ecuador	98	0	
Egypt	110	-2	↓
El Salvador	115	0	
Equatorial Guinea	144	-3	↓
Eritrea	182	0	
Estonia	33	0	
Ethiopia	173	0	
Fiji	88	0	
Finland	24	0	
France	20	0	
Gabon	112	-1	↓
Gambia	172	0	
Georgia	79	2	↑
Germany	6	0	
Ghana	138	0	
Greece	29	0	
Grenada	79	-1	↓
Guatemala	125	0	
Guinea	179	-1	↓
Guinea-Bissau	177	0	
Guyana	121	0	
Haiti	168	0	
Honduras	129	0	
Hong Kong, China (SAR)	15	0	
Hungary	43	0	
Iceland	13	0	
India	135	0	
Indonesia	108	0	
Iran (Islamic Republic of)	75	-2	↓
Iraq	120	0	
Ireland	11	-3	↓
Israel	19	0	
Italy	26	0	
Jamaica	96	-3	↓
Japan	17	-1	↓
Jordan	77	0	
Kazakhstan	70	0	
Kenya	147	0	
Kiribati	133	0	
Korea (Republic of)	15	1	↑
Kuwait	46	-2	↓
Kyrgyzstan	125	1	↑
Lao People's Democratic Republic	139	0	
Latvia	48	0	
Lebanon	65	0	
Lesotho	162	1	↑
Liberia	175	0	
Libya	55	-5	↓
Liechtenstein	18	-2	↓
Lithuania	35	1	↑
Luxembourg	21	0	
Madagascar	155	0	
Malawi	174	0	
Malaysia	62	0	
Maldives	103	0	
Mali	176	0	
Malta	39	0	
Mauritania	161	-2	↓
Mauritius	63	0	
Mexico	71	-1	↓
Micronesia (Federated States of)	124	0	
Moldova (Republic of)	114	2	↑
Mongolia	103	3	↑
Montenegro	51	1	↑
Morocco	129	2	↑
Mozambique	178	1	↑
Myanmar	150	0	
Namibia	127	0	
Nepal	145	0	
Netherlands	4	0	
New Zealand	7	0	
Nicaragua	132	0	
Niger	187	-1	↓
Nigeria	152	1	↑
Norway	1	0	
Oman	56	0	
Pakistan	146	0	
Palau	60	0	
Palestine, State of	107	0	
Panama	65	2	↑
Papua New Guinea	157	-1	↓
Paraguay	111	0	
Peru	82	0	
Philippines	117	1	↑
Poland	35	-1	↓
Portugal	41	0	
Qatar	31	0	
Romania	54	1	↑
Russian Federation	57	0	
Rwanda	151	0	
Saint Kitts and Nevis	73	0	
Saint Lucia	97	-4	↓
Saint Vincent and the Grenadines	91	0	
Samoa	106	-2	↓
São Tomé and Príncipe	142	-1	↓
Saudi Arabia	34	0	
Senegal	163	-3	↓
Serbia	77	1	↑
Seychelles	71	-1	↓
Sierra Leone	183	1	↑
Singapore	9	3	↑
Slovakia	37	1	↑
Slovenia	25	0	
Solomon Islands	157	0	
South Africa	118	1	↑
Spain	27	0	
Sri Lanka	73	2	↑
Sudan	166	0	
Suriname	100	1	↑
Swaziland	148	0	
Sweden	12	-1	↓
Switzerland	3	0	
Syrian Arab Republic	118	-4	↓
Tajikistan	133	1	↑
Tanzania (United Republic of)	159	1	↑
Thailand	89	0	
The former Yugoslav Republic of Macedonia	84	1	↑
Timor-Leste	128	1	↑
Togo	166	1	↑
Tonga	100	0	
Trinidad and Tobago	64	0	
Tunisia	90	0	
Turkey	69	0	
Turkmenistan	103	1	↑
Uganda	164	0	
Ukraine	83	0	
United Arab Emirates	40	0	
United Kingdom	14	0	
United States	5	0	
Uruguay	50	2	↑
Uzbekistan	116	0	
Vanuatu	131	-3	↓
Venezuela (Bolivarian Republic of)	67	-1	↓
Viet Nam	121	0	
Yemen	154	0	
Zambia	141	2	↑
Zimbabwe	156	4	↑

Note: Positive or negative values and arrows indicate the number of positions upward or downward a country's rank changed from 2012 to 2013 using consistent data and methodology; a blank indicates no change.

Human development indices

HDI rank	Human Development Index	Inequality-adjusted HDI		Coefficient of human inequality	Gender Inequality Index		Gender Development Index		Multidimensional Poverty Index		
	Value	Value	Difference from HDI rank		Value	Rank	Value	Rank	Value ^a	Year and survey ^a	
	2013	2013	2013 ^a	2013	2013	2013	2013	2013 ^a			
VERY HIGH HUMAN DEVELOPMENT											
1	Norway	0.944	0.891	0	5.5	0.068	9	0.997	5	..	..
2	Australia	0.933	0.860	0	7.5	0.113	19	0.975	40	..	..
3	Switzerland	0.917	0.847	-1	7.6	0.030	2	0.953	76	..	..
4	Netherlands	0.915	0.854	1	6.6	0.057	7	0.968	51	..	..
5	United States	0.914	0.755	-23	16.2	0.262	47	0.995	7	..	..
6	Germany	0.911	0.846	1	7.0	0.046	3	0.962	61	..	..
7	New Zealand	0.910	..	..	..	0.185	34	0.971	47	..	..
8	Canada	0.902	0.833	-2	7.5	0.136	23	0.986	24	..	..
9	Singapore	0.901	..	..	..	0.090	15	0.967	52	..	..
10	Denmark	0.900	0.838	0	6.8	0.056	5	0.989	17	..	..
11	Ireland	0.899	0.832	-1	7.4	0.115	20	0.965	56	..	..
12	Sweden	0.898	0.840	3	6.4	0.054	4	1.004	6	..	..
13	Iceland	0.895	0.843	5	5.6	0.088	14	0.982	30	..	..
14	United Kingdom	0.892	0.812	-4	8.6	0.193	35	0.993	13	..	..
15	Hong Kong, China (SAR)	0.891	..	..	..	..	..	0.969	49	..	..
15	Korea (Republic of)	0.891	0.736	-20	16.8	0.101	17	0.940	85	..	..
17	Japan	0.890	0.779	-6	12.2	0.138	25	0.951	79	..	..
18	Liechtenstein	0.889	..	..	..	..	..	..	..	..	..
19	Israel	0.888	0.793	-4	10.4	0.101	17	0.984	29	..	..
20	France	0.884	0.804	-2	8.9	0.080	12	0.989	17	..	..
21	Austria	0.881	0.818	4	7.1	0.056	5	0.935	91	..	..
21	Belgium	0.881	0.806	0	8.5	0.068	9	0.977	38	..	..
21	Luxembourg	0.881	0.814	3	7.5	0.154	29	0.961	66	..	..
24	Finland	0.879	0.830	9	5.5	0.075	11	1.006	8	..	..
25	Slovenia	0.874	0.824	9	5.7	0.021	1	1.006	8	..	..
26	Italy	0.872	0.768	-1	11.6	0.067	8	0.962	61	..	..
27	Spain	0.869	0.775	1	10.5	0.100	16	0.985	25	..	..
28	Czech Republic	0.861	0.813	9	5.5	0.087	13	0.969	49	..	..
29	Greece	0.853	0.762	0	10.5	0.146	27	0.959	69	..	..
30	Brunei Darussalam	0.852	..	..	..	..	..	0.981	31	..	..
31	Qatar	0.851	..	..	..	0.524	113	0.979	32	..	..
32	Cyprus	0.845	0.752	-3	10.9	0.136	23	0.940	85	..	..
33	Estonia	0.840	0.767	3	8.5	0.154	29	1.042	70	..	..
34	Saudi Arabia	0.836	..	..	..	0.321	56	0.897	112	..	..
35	Lithuania	0.834	0.746	-3	10.4	0.116	21	1.036	58	..	..
35	Poland	0.834	0.751	-2	9.7	0.139	26	1.010	14	..	..
37	Andorra	0.830	..	..	..	..	..	..	..	..	..
37	Slovakia	0.830	0.778	9	6.2	0.164	32	1.000	1	..	..
39	Malta	0.829	0.760	5	8.2	0.220	41	0.954	75	..	..
40	United Arab Emirates	0.827	..	..	..	0.244	43	0.958	70	..	..
41	Chile	0.822	0.661	-16	18.5	0.355	68	0.962	61	..	..
41	Portugal	0.822	0.739	0	9.8	0.116	21	0.970	48	..	..
43	Hungary	0.818	0.757	7	7.3	0.247	45	0.998	4	..	..
44	Bahrain	0.815	..	..	..	0.253	46	0.961	66	..	..
44	Cuba	0.815	..	..	..	0.350	66	0.962	61	..	..
46	Kuwait	0.814	..	..	..	0.288	50	0.987	22	..	..
47	Croatia	0.812	0.721	-2	11.1	0.172	33	0.987	22	..	..
48	Latvia	0.810	0.725	0	10.3	0.222	42	1.033	52	..	..
49	Argentina	0.808	0.680	-4	15.3	0.381	74	1.001	2	0.015 ^a	2005 N
HIGH HUMAN DEVELOPMENT											
50	Uruguay	0.790	0.662	-8	15.7	0.364	70	1.015	25	..	..
51	Bahamas	0.789	0.676	-3	14.0	0.316	53	..	..	..	..
51	Montenegro	0.789	0.733	5	7.1	..	..	..	..	0.012 ¹	2005/2006 M
53	Belarus	0.786	0.726	6	7.5	0.152	28	1.021	32	0.001	2005 M
54	Romania	0.785	0.702	4	10.4	0.320	54	0.973	43	..	..
55	Libya	0.784	..	..	..	0.215	40	0.931	93	..	..
56	Oman	0.783	..	..	..	0.348	64	..	..	..	..
57	Russian Federation	0.778	0.685	3	11.6	0.314	52	1.038	61	..	..
58	Bulgaria	0.777	0.692	5	10.8	0.207	38	0.994	8	..	..

HDI rank	Human Development Index	Inequality-adjusted HDI		Coefficient of human inequality	Gender Inequality Index		Gender Development Index		Multidimensional Poverty Index		
	Value	Value	Difference from HDI rank		Value	Rank	Value	Rank	Value ^a	Year and survey ^d	
	2013	2013	2013 ^a		2013	2013	2013	2013 ^b			
59	Barbados	0.776	..	..	..	0.350	66	1.021	32	..	..
60	Palau	0.775	..	..	..	..	..	..	..	..	..
61	Antigua and Barbuda	0.774	..	..	..	..	..	..	..	..	..
62	Malaysia	0.773	..	..	..	0.210	39	0.935	91	..	..
63	Mauritius	0.771	0.662	-2	14.1	0.375	72	0.957	72	..	..
64	Trinidad and Tobago	0.766	0.649	-6	15.0	0.321	56	0.994	8	0.007	2006 M
65	Lebanon	0.765	0.606	-17	20.3	0.413	80	0.900	110	..	..
65	Panama	0.765	0.596	-18	21.4	0.506	107	0.978	36	..	..
67	Venezuela (Bolivarian Republic of)	0.764	0.613	-10	19.4	0.464	96	0.999	2	..	..
68	Costa Rica	0.763	0.611	-11	19.1	0.344	63	0.973	43	..	..
69	Turkey	0.759	0.639	-3	15.6	0.360	69	0.884	118	..	..
70	Kazakhstan	0.757	0.667	9	11.8	0.323	59	1.015	25	0.004	2010/2011 M
71	Mexico	0.756	0.583	-13	22.3	0.376	73	0.940	85	0.024	2012 N
71	Seychelles	0.756	..	..	..	..	..	..	..	..	..
73	Saint Kitts and Nevis	0.750	..	..	..	..	..	..	..	..	..
73	Sri Lanka	0.750	0.643	1	14.2	0.383	75	0.961	66	..	..
75	Iran (Islamic Republic of)	0.749	0.498	-34	32.1	0.510	109	0.847	128	..	..
76	Azerbaijan	0.747	0.659	7	11.5	0.340	62	0.952	77	0.009	2006 D
77	Jordan	0.745	0.607	-5	18.5	0.488	101	0.842	130	0.004	2009 D
77	Serbia	0.745	0.663	12	10.9	..	..	..	..	0.001	2010 M
79	Brazil	0.744	0.542	-16	26.3	0.441	85	..	..	0.012 ^g	2012 N
79	Georgia	0.744	0.636	4	14.0	..	..	0.941	84	0.008	2005 M
79	Grenada	0.744	..	..	..	..	..	..	..	..	..
82	Peru	0.737	0.562	-9	23.4	0.387	77	0.957	72	0.043	2012 D
83	Ukraine	0.734	0.667	18	9.1	0.326	61	1.012	21	0.002 ^g	2007 D
84	Belize	0.732	..	..	..	0.435	84	0.963	60	0.030	2011 M
84	The former Yugoslav Republic of Macedonia	0.732	0.633	7	13.3	0.162	31	0.944	83	0.007 ^f	2011 M
86	Bosnia and Herzegovina	0.731	0.651	13	10.7	0.201	36	..	..	0.006 ^f	2011/2012 M
87	Armenia	0.730	0.655	15	10.2	0.325	60	0.994	8	0.002	2010 D
88	Fiji	0.724	0.613	6	15.1	..	..	0.937	89	..	..
89	Thailand	0.722	0.573	-2	20.0	0.364	70	0.990	14	0.004 ^g	2005/2006 M
90	Tunisia	0.721	..	..	..	0.265	48	0.891	116	0.006	2011/2012 M
91	China	0.719	..	..	..	0.202	37	0.939	88	0.026 ^h	2009 N
91	Saint Vincent and the Grenadines	0.719	..	..	..	..	..	..	..	..	..
93	Algeria	0.717	..	..	..	0.425	81	0.843	129	..	..
93	Dominica	0.717	..	..	..	..	..	..	..	..	..
95	Albania	0.716	0.620	11	13.4	0.245	44	0.957	72	0.005	2008/2009 D
96	Jamaica	0.715	0.579	1	18.6	0.457	88	0.989	17	..	..
97	Saint Lucia	0.714	..	..	..	..	..	..	..	..	..
98	Colombia	0.711	0.521	-10	25.7	0.460	92	0.972	46	0.032	2010 D
98	Ecuador	0.711	0.549	-3	22.4	0.429	82	..	..	..	..
100	Suriname	0.705	0.534	-6	23.5	0.463	95	0.974	41	0.033 ^f	2010 M
100	Tonga	0.705	..	..	..	0.458	90	0.966	54	..	..
102	Dominican Republic	0.700	0.535	-4	23.4	0.505	105	..	..	0.026	2007 D
MEDIUM HUMAN DEVELOPMENT											
103	Maldives	0.698	0.521	-7	24.2	0.283	49	0.936	90	0.008	2009 D
103	Mongolia	0.698	0.618	16	11.4	0.320	54	1.021	32	0.077	2005 M
103	Turkmenistan	0.698	..	..	..	..	..	..	..	..	..
106	Samoa	0.694	..	..	..	0.517	111	0.948	81	..	..
107	Palestine, State of	0.686	0.606	13	11.7	..	..	0.974	41	0.007	2006/2007 N
108	Indonesia	0.684	0.553	5	19.1	0.500	103	0.923	98	0.024 ^g	2012 D
109	Botswana	0.683	0.422	-21	36.5	0.486	100	0.964	58	..	..
110	Egypt	0.682	0.518	-5	22.8	0.580	130	0.855	125	0.036 ⁱ	2008 D
111	Paraguay	0.676	0.513	-5	23.7	0.457	88	0.966	54	..	..
112	Gabon	0.674	0.512	-5	24.0	0.508	108	..	..	0.073	2012 D
113	Bolivia (Plurinational State of)	0.667	0.470	-10	29.4	0.472	97	0.931	93	0.097	2008 D
114	Moldova (Republic of)	0.663	0.582	16	12.0	0.302	51	0.990	14	0.005	2005 D
115	El Salvador	0.662	0.485	-7	26.2	0.441	85	0.965	56	..	..
116	Uzbekistan	0.661	0.556	14	15.3	..	..	0.945	82	0.013	2006 M
117	Philippines	0.660	0.540	10	18.0	0.406	78	0.989	17	0.038 ^{g,i}	2008 D

HDI rank	Human Development Index	Inequality-adjusted HDI		Coefficient of human inequality	Gender Inequality Index		Gender Development Index		Multidimensional Poverty Index		
	Value	Value	Difference from HDI rank		Value	Rank	Value	Rank	Value ^a	Year and survey ^a	
	2013	2013	2013 ^a		2013	2013	2013	2013 ^a			
118	South Africa	0.658	..	..	..	0.461	94	..	..	0.041	2012 N
118	Syrian Arab Republic	0.658	0.518	4	20.8	0.556	125	0.851	127	0.024	2006 M
120	Iraq	0.642	0.505	0	21.2	0.512	120	0.802	137	0.052	2011 M
121	Guyana	0.638	0.522	10	18.0	0.524	113	0.985	25	0.031	2009 D
121	Viet Nam	0.638	0.543	15	14.9	0.322	58	..	..	0.026	2010/2011 M
123	Cape Verde	0.636	0.511	4	19.4	..	..	..	..	..	..
124	Micronesia (Federated States of)	0.630	..	..	..	..	..	..	..	..	..
125	Guatemala	0.628	0.422	-8	32.0	0.523	112	0.910	104	..	..
125	Kyrgyzstan	0.628	0.519	10	16.9	0.348	64	0.976	39	0.013	2005/2006 M
127	Namibia	0.624	0.352	-22	39.3	0.450	87	0.978	36	0.200	2006/2007 D
128	Timor-Leste	0.620	0.430	-3	29.4	..	..	0.875	122	0.322	2009/2010 D
129	Honduras	0.617	0.418	-6	31.1	0.482	99	0.929	95	0.098 ^k	2011/2012 D
129	Morocco	0.617	0.433	0	28.5	0.460	92	0.828	132	..	..
131	Vanuatu	0.616	..	..	..	..	..	0.900	110	0.135	2007 M
132	Nicaragua	0.614	0.452	4	25.8	0.458	90	0.912	102	0.088	2011/2012 N
133	Kiribati	0.607	0.416	-4	30.1	..	..	..	..	..	..
133	Tajikistan	0.607	0.491	9	18.8	0.383	75	0.952	77	0.031	2012 D
135	India	0.586	0.418	0	27.7	0.563	127	0.828	132	0.282	2005/2006 D
136	Bhutan	0.584	0.465	9	20.2	0.495	102	..	..	0.128	2010 M
136	Cambodia	0.584	0.440	7	24.6	0.505	105	0.909	105	0.211	2010 D
138	Ghana	0.573	0.394	-1	31.2	0.549	123	0.884	118	0.144	2011 M
139	Lao People's Democratic Republic	0.569	0.430	8	24.1	0.534	118	0.897	112	0.186	2011/2012 M
140	Congo	0.564	0.391	0	30.6	0.617	135	0.928	96	0.192	2011/2012 D
141	Zambia	0.561	0.365	-4	34.5	0.617	135	0.913	101	0.318	2007 D
142	Bangladesh	0.558	0.396	4	28.7	0.529	115	0.908	107	0.237	2011 D
142	Sao Tome and Principe	0.558	0.384	0	30.4	..	..	0.894	115	0.217	2008/2009 D
144	Equatorial Guinea	0.556	..	..	..	..	..	..	..	..	..
LOW HUMAN DEVELOPMENT											
145	Nepal	0.540	0.384	3	27.8	0.479	98	0.912	102	0.197	2011 D
146	Pakistan	0.537	0.375	2	28.7	0.563	127	0.750	145	0.237	2012/2013 D
147	Kenya	0.535	0.360	0	32.7	0.548	122	0.908	107	0.226	2008/2009 D
148	Swaziland	0.530	0.354	-2	33.1	0.529	115	0.877	121	0.113	2010 M
149	Angola	0.526	0.295	-17	43.6	..	..	..	..	..	..
150	Myanmar	0.524	..	..	..	0.430	83	..	..	..	..
151	Rwanda	0.506	0.338	-4	33.1	0.410	79	0.950	80	0.352	2010 D
152	Cameroon	0.504	0.339	-2	32.4	0.622	138	0.872	123	0.260	2011 D
152	Nigeria	0.504	0.300	-14	40.2	..	..	0.839	131	0.239	2011 M
154	Yemen	0.500	0.336	-2	31.7	0.733	152	0.738	146	0.191 ^q	2006 M
155	Madagascar	0.498	0.346	2	30.3	..	..	0.917	99	0.420	2008/2009 D
156	Zimbabwe	0.492	0.358	7	26.8	0.516	110	0.909	105	0.181	2010/2011 D
157	Papua New Guinea	0.491	..	..	..	0.617	135	..	..	..	..
157	Solomon Islands	0.491	0.374	11	23.8	..	..	..	..	..	..
159	Comoros	0.488	..	..	..	..	..	..	..	..	..
159	Tanzania (United Republic of)	0.488	0.356	8	26.9	0.553	124	0.916	100	0.335	2010 D
161	Mauritania	0.487	0.315	-2	34.6	0.644	142	0.801	138	0.362	2007 M
162	Lesotho	0.486	0.313	-2	34.9	0.557	126	0.973	43	0.227	2009 D
163	Senegal	0.485	0.326	3	32.3	0.537	119	0.864	124	0.390	2010/2011 D
164	Uganda	0.484	0.335	5	30.8	0.529	115	0.896	114	0.359	2011 D
165	Benin	0.476	0.311	0	34.2	0.614	134	0.822	134	0.401	2006 D
166	Sudan	0.473	..	..	..	0.628	140	..	..	..	..
166	Togo	0.473	0.317	4	32.6	0.579	129	0.803	136	0.260	2010 M
168	Haiti	0.471	0.285	-3	38.9	0.599	132	..	..	0.242	2012 D
169	Afghanistan	0.468	0.321	7	30.0	0.705	150	0.602	148	0.293 ^q	2010/2011 M
170	Djibouti	0.467	0.306	2	33.7	..	..	..	..	0.127	2006 M
171	Côte d'Ivoire	0.452	0.279	-2	37.9	0.645	143	..	..	0.307	2011/2012 D
172	Gambia	0.441	..	..	..	0.624	139	..	..	0.329	2005/2006 M
173	Ethiopia	0.435	0.307	5	28.0	0.547	121	0.853	126	0.537	2011 D
174	Malawi	0.414	0.282	1	31.6	0.591	131	0.891	116	0.332	2010 D
175	Liberia	0.412	0.273	-1	32.8	0.655	145	0.786	140	0.459	2007 D
176	Mali	0.407	..	..	..	0.673	148	0.771	143	0.533	2006 D

	Human Development Index	Inequality-adjusted HDI		Coefficient of human inequality	Gender Inequality Index		Gender Development Index		Multidimensional Poverty Index	
	Value	Value	Difference from HDI rank		Value	Rank	Value	Rank	Value ^e	Year and survey ^d
HDI rank	2013	2013	2013 ^a	2013	2013	2013	2013 ^b			
177 Guinea-Bissau	0.396	0.239	-4	39.4	..	..	..	..	0.495	2006 M
178 Mozambique	0.393	0.277	2	28.9	0.657	146	0.879	120	0.390	2011 D
179 Guinea	0.392	0.243	-1	37.8	..	..	0.785	141	0.548	2005 D
180 Burundi	0.389	0.257	2	32.6	0.501	104	0.904	109	0.442	2010 D
181 Burkina Faso	0.388	0.252	2	34.6	0.607	133	0.924	97	0.508	2010 D
182 Eritrea	0.381	..	..	..	..	..	..	..	..	..
183 Sierra Leone	0.374	0.208	-3	43.6	0.643	141	0.799	139	0.405	2010 M
184 Chad	0.372	0.232	1	36.8	0.707	151	0.762	144	..	..
185 Central African Republic	0.341	0.203	-2	39.9	0.654	144	0.776	142	0.424	2010 M
186 Congo (Democratic Republic of the)	0.338	0.211	1	36.8	0.669	147	0.822	134	0.399	2010 M
187 Niger	0.337	0.228	3	31.8	0.674	149	0.714	147	0.584	2012 D
OTHER COUNTRIES OR TERRITORIES										
Korea, Democratic People's Rep. of	..	..	..	..	..	..	..	..	..	..
Marshall Islands	..	..	..	..	..	..	..	..	..	..
Monaco	..	..	..	..	..	..	..	..	..	..
Nauru	..	..	..	..	..	..	..	..	..	..
San Marino	..	..	..	..	..	..	..	..	..	..
Somalia	..	..	..	..	..	..	..	..	0.500	2006 M
South Sudan	..	..	..	..	..	..	..	..	..	..
Tuvalu	..	..	..	..	..	..	..	..	..	..
Human Development Index groups										
Very high human development	0.890	0.780	—	12.0	0.197	—	0.975	—	—	—
High human development	0.735	0.590	—	19.3	0.315	—	0.946	—	—	—
Medium human development	0.614	0.457	—	25.2	0.512	—	0.875	—	—	—
Low human development	0.493	0.332	—	32.4	0.587	—	0.834	—	—	—
Regions										
Arab States	0.682	0.512	—	24.2	0.546	—	0.866	—	—	—
East Asia and the Pacific	0.703	0.564	—	19.5	0.331	—	0.943	—	—	—
Europe and Central Asia	0.738	0.639	—	13.2	0.317	—	0.938	—	—	—
Latin America and the Caribbean	0.740	0.559	—	23.9	0.416	—	0.963	—	—	—
South Asia	0.588	0.419	—	28.0	0.539	—	0.830	—	—	—
Sub-Saharan Africa	0.502	0.334	—	33.5	0.578	—	0.867	—	—	—
Least developed countries	0.487	0.336	—	30.9	0.570	—	0.859	—	—	—
Small island developing states	0.665	0.497	—	24.9	0.478	—	..	—	—	—
World	0.702	0.541	—	22.8	0.451	—	0.920	—	—	—

NOTES

- a** Based on countries for which the Inequality-adjusted Human Development Index is calculated.
- b** Countries are ranked by absolute deviation from gender parity in HDI.
- c** The revised Multidimensional Poverty Index is based on a set of revised specifications of deprivations in three dimensions—health, education and living standards outlined in *Technical note 5* at <http://hdr.undp.org>. Not all indicators were available for all countries; caution should thus be used in cross-country comparisons. Where data are missing, indicator weights are adjusted to total 100 percent.
- d** *D* indicates data are from Demographic and Health Surveys, *M* indicates data are

from Multiple Indicator Cluster Surveys and *N* indicates data are from national surveys.

- e** Refers only to the urban part of the country.
- f** Missing indicator on child mortality.
- g** Missing indicators on nutrition.
- h** Refers only to a part of the country (nine provinces). Missing indicator on type of floor.
- i** Missing indicator on cooking fuel.
- j** Missing indicator on school attendance.
- k** Missing indicator on electricity.

SOURCES

Column 1: HDRO calculations based on data from UNDESA (2013a), Barro and Lee (2013), UNESCO Institute for Statistics (2013), United Nations Statistics Division (2014), World Bank (2014) and IMF (2014).

Column 2: HDRO calculations based on data in column 1 and inequalities in distributions of expected length of life, years of schooling, and income or consumption as explained in *Technical note 2* (available at <http://hdr.undp.org>).

Column 3: Calculated based on data in column 2 and recalculated HDI ranks of countries for which the Inequality-adjusted HDI is calculated.

Column 4: Calculated as the arithmetic mean of the estimated inequalities in three dimensions of the HDI as explained in *Technical note 2* (available at <http://hdr.undp.org>).

Column 5: HDRO calculations based on WHO and others (2013), UNDESA (2013a), IPU (2013), Barro and Lee (2013), UNESCO Institute for Statistics (2013) and ILO (2013a).

Column 6: Calculated based on data in column 5.

Columns 7: HDRO calculations based on data from UNDESA (2013a), Barro and Lee (2013), United Nations Statistics Division (2014), UNESCO Institute for Statistics (2013b), World Bank (2014) and ILO (2014).

Column 8: Calculated based on data in column 7.

Columns 9 and 10: Calculated from ICF Macro Demographic and Health Surveys (DHS), United Nations Children's Fund Multiple Indicator Cluster Surveys (MICS) and in some cases from national household surveys based on either DHS or MICS methodology.

Global Human Development Reports: The 2014 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 2014 Human Development Report can be found on line at 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 2014 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.

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More than 200 million people a year, most of them in developing countries, are affected by natural disasters. The number of people displaced by conflict or persecution—45 million by the end of 2012—is the highest in 18 years. Economic setbacks threaten to undermine social gains even in advanced industrialized societies. And in addition to bringing many benefits, globalization has also conveyed new vulnerabilities: Shocks in one part of the world can spread rapidly, impacting people's lives everywhere.

The Report highlights the need for both promoting people's choices and protecting human development achievements. It stresses the importance of identifying and addressing persistent vulnerabilities by building resilience and enhancing people's capability to cope with shocks—financial, natural or otherwise.

Although almost everyone is likely to feel vulnerable at some point in life, some individuals and groups are systematically worse off. Almost 1.5 billion people are multidimensionally poor, with overlapping deprivations in health, education and living standards. And close

to 800 million people are vulnerable to falling back into poverty when setbacks occur. The Report focuses on the people at greatest risk and on key underlying drivers of vulnerability. It analyses structural causes—social marginalization, position in society and insufficient public services—and pays attention to the different vulnerabilities faced at different stages of the life cycle.

Hazards and shocks will inevitably occur, but measures can be taken to contain how far these events reduce human development. The Report argues that most shocks and setbacks can be overcome with the right policies and a stronger commitment to social cohesion. Early detection mechanisms and modest investments at the right time can often considerably reduce vulnerability and build resilience. A human development approach is therefore incomplete unless it incorporates vulnerability and resilience into the analysis. Identifying and targeting vulnerable groups, reducing inequality and addressing structural vulnerabilities are essential to yield robust and sustainable human progress across generations.

“By addressing vulnerabilities, all people may share in development progress, and human development will become increasingly equitable and sustainable.”

—United Nations Development Programme Administrator Helen Clark

“Vulnerability has multiple causes and consequences. Reducing vulnerability is a key ingredient in any agenda for improving human development. But if we are to succeed in reducing vulnerability, we need to approach it from a broad systemic perspective.”

—Nobel Laureate Joseph Stiglitz, from chapter 4

“Human resilience is about removing the barriers that hold people back in their freedom to act. It is also about enabling disadvantaged and excluded groups to express their concerns, to be heard and to be active agents in shaping their destiny.”

—Report lead author Khalid Malik, from chapter 1

“Despite great and varied progress, vulnerable people and vulnerable groups remain—none more so than the disabled. The United Nations estimates that more than a billion people live with some form of disability, and they are disproportionately represented among the world's poorest.”

—Professor Stephen Hawking, from chapter 1