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Author

Nederveen Pieterse, J

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Assessment

Protest Begets Progress, Probably: *Human Development Report 2013***Jan Nederveen Pieterse**

UNDP, *Human Development Report 2013. The Rise of the South: Human Progress in a Diverse World*. New York: UNDP, 2013. ix + 203 pp. Downloadable from: <http://hdr.undp.org/en/2013-report>

INTRODUCTION

Is this a significant publication or just another UN agency report? It deals with the rise of the South, which is the most important trend among the transformations that have been taking place since approximately 2000. It does so from a human development perspective, with a view to how development affects the majority of the population — in fact, the world population — which is a profoundly relevant perspective to adopt. In addition it seeks to renew the human development approach. So I think it is an important work.

The *Human Development Report 2013* (HDR) is optimistic about overall development trends, yet also identifies setbacks and offers sobering information on trends in inequality; it seeks to innovate human development thinking and identifies the major drivers of development transformation. It features well-organized data and graphs, documents propositions with examples across the spectrum of developing countries, and covers issues ranging from protests to global governance. I will review these elements and conclude with an overall assessment.

The report on the whole is remarkably upbeat and leaves behind the pessimism that has long prevailed in development studies. It represents a clear break with the sense of impasse and perplexity that has prevailed in development thinking since the 1990s. The sources of development pessimism have been several: disaffection with the Washington Consensus; postmodern questioning of social engineering alongside radical post-development and anti-development critiques; and critiques of development as part of late capitalism. To a large extent these critiques have been commentaries not on

development per se but on the development industry, on development orchestrated from the North, and on the business of international development cooperation. These critiques confront development decades that in many respects were perplexing failures, and paired economic growth with steeply rising inequality. This report opens a different chapter in that it deals with development led not from the North, but from the South, with South–South relations rather than North–South relations.

The report shows momentous progress in human development across many developing countries, including some of the greatest social improvements on record:

The rise of the South is unprecedented in its speed and scale. Never in history have the living conditions and prospects of so many people changed so dramatically and so fast. Great Britain, where the Industrial Revolution originated, took 150 years to double output per capita; the United States, which industrialized later, took 50 years. Both countries had a population below 10 million when they began to industrialize. In contrast, the current economic take-offs in China and India began with about 1 billion people in each country and doubled output per capita in less than 20 years — an economic force affecting a hundred times as many people as the Industrial Revolution did. (p. 11)

The proportion of people living in extreme poverty fell from 43.1% in 1990 to 22.4% in 2008; more than 500 million people have been lifted out of poverty in China alone. (p. 12)

For the first time in 150 years, the combined output of the developing world's three leading economies — Brazil, China and India — is about equal to the combined GDP of the long-standing industrial powers of the North — Canada, France, Germany, Italy, the United Kingdom and the United States. This represents a dramatic rebalancing of global economic power. In 1950, Brazil, China and India together accounted for only 10% of the world economy, while the six traditional economic leaders of the North accounted for roughly half. According to projections in this Report, by 2050 Brazil, China and India will together account for 40% of global output . . . far surpassing the projected combined production of today's Group of Seven bloc. (p. 13)

In some respects the report is more optimistic about the rise of emerging economies and South–South relations than business media and the IMF with their rollercoaster assessments of growth in emerging markets, probably because the report deals not with the vicissitudes of growth but with strides in human development. Yet the report's sobering finding is that while poverty has gone down in millions, inequality has not, or, as in China's case, has markedly increased. As the report notes, there is 'an inverse relationship between inequality and human development', as captured by the Inequality-adjusted Human Development Index (IHDI):

IHDI trends for 66 countries over 1990–2005 show that overall inequality declined marginally due to declines in health and education inequality being offset by increases in income inequality. Most regions show rising inequality in income and declining inequality in health and education. Latin America has seen income inequality fall since 2000, but it still has the most unequal distribution of all regions. Sub-Saharan Africa has the most inequality in health, while South Asia has the most inequality in education. (pp. 29–30)

What accounts for the trend of 'declining inequality in health and education and rising inequality in income'? The report is brief: 'The rise in income inequality to some extent reflects a failure of national fiscal, and particularly

taxation, systems. This can be offset by social protection. In Latin America, for example, income inequality has declined as a result of cash transfer programmes' (p. 31). This raises several issues. First, it is a small answer to a BIG question. Second, while social programmes have dented inequality in Latin America, their impact is minor in relation to overall inequality. Thus in Brazil inequality has shrunk yet Brazil remains among the most unequal countries (Nederveen Pieterse and Cardoso, 2013). Third, the 'elephant' question not posed by the report is what this says about the quality of growth in emerging economies and the implications for global stratification and inequality. On global inequality the report cites studies with opposing findings (p. 29). The HDR discusses national and regional data rather than global trends and shies away from wider questions of global inequality. While the chapter on challenges ahead ranks 'enhancing equity' as the top policy priority for developing countries, the discussion is patchy and limited (pp. 88–91). On the whole, this is a brief and inconclusive treatment of a central problem. Other assessments — such as those of the middle class and South–South relations — show similar limitations.

The HDR notes the growing middle class. 'By 2030, 80% of the world's middle class is projected to live in the South. Countries in South Asia and East Asia and the Pacific will alone account for 60% of the middle class population and 45% of total consumption expenditure. Another estimate is that by 2025, a majority of the 1 billion households earning more than \$ 20,000 a year will live in the South' (p. 56). On the upside this means a growing reliance on domestic markets in developing countries and less dependence on export-led growth. However, combine this trend with growing inequality and the picture turns murky. Consumerism rises and the poor stay behind. Unbundling the middle class further shows that the majority are lower-middle class and just a precarious step above poverty. A view that has become prominent in Washington development thinking is to sideline poverty alleviation and to focus instead on policies that strengthen the middle class (Birdsall, 2010), on the premise that 'what is good for the middle class is good for society'. The report skirts this discussion.

The report's discussion of developments in India is ambiguous. The report lauds several countries:

among the top 15 countries in reducing HDI shortfall are Algeria, Brazil and Mexico, even though their growth in income per capita averaged only 1%–2% a year over 1990–2012. Their experience points to the second broad strategy that has paid human development dividends: giving primacy to state investment in people's capabilities — especially their health, education and nutrition — and making their societies more resilient to economic, environmental and other threats and shocks. (p. 64)

But its assessment of others, in particular India, is reserved:

India's economic performance has also been impressive, averaging nearly 5% income growth a year over 1990–2012. Nevertheless, India's per capita income is still low, around \$3,400 in 2012; to improve living standards, it will need further growth, since it is difficult to achieve much poverty reduction through redistribution alone at low income. India's performance in

accelerating human development, however, is less impressive than its growth performance. Indeed, Bangladesh, with much slower economic growth and half India's per capita income, does nearly as well — and better on some indicators. (p. 64)

'Further growth' is a perplexing counsel in view of the report's critical assessment of India's growth path in the next sentence and the glaring inadequacies of India's development. 'More growth' glosses over the predatory and crony capitalist character of India's growth. Prioritizing growth without specifying what kind of growth doesn't make much sense. In India a fierce debate has been raging about more growth or more growth with equity — in short, the Bhagwati/Sen debate (see Mishra, 2013). Also absent from this treatment is India's huge underground economy, so large that it distorts many assessments and short-circuits policies (Kumar, 2002, 2013). Again one comes away with the sense of a treatment that skirts major questions and that seems, at best, superficial.

The growing importance of South–South relations looms large in this report as a major turn in international development cooperation. The HDR notes the familiar problems of the emphasis on resource extraction and competition in manufactured goods, such as cheap Chinese industrial goods crowding out domestic products, also in third markets, so South–South cooperation in effect leads to deindustrialization (even in Latin America where industrialization has a longer history than in China) and hampers economic diversification. The report's assessment is that 'neither the complementary nor the competitive perspective is sufficient to explain South–South interactions. Because a competitive role today may easily turn into a complementary role tomorrow, these labels should not be applied rigidly. Moving from competition to cooperation seems to depend on policies for dealing with new challenges' (p. 54), an assessment that matches other research findings (Broadman, 2007; Cheru and Obi, 2010). The report singles out compensatory policies:

Between 2001 and 2008, countries and institutions from the South met 47% of official infrastructure financing for Sub-Saharan Africa. . . . Brazil, China and India are important providers of development assistance, which is substantial for countries in Sub-Saharan Africa. . . . Brazil has transplanted its successful school grant programme and its programme for fighting illiteracy to its African partners. In 2011, it had 53 bilateral health agreements with 22 African countries. . . . China has complemented its investment flows and trade arrangements with finance and technical assistance for building hard infrastructure. (pp. 56–7, 63–66)

The report also notes positive effects of South–South cooperation on general development cooperation:

The rise of the South is influencing development cooperation bilaterally, regionally and globally. Bilaterally, countries are innovating through partnerships that bundle investment, trade, technology, concessional finance and technical assistance. Regionally, trade and monetary arrangements are proliferating in all developing regions, and there are pioneering efforts to deliver regional public goods. Globally, developing countries are participating actively in multilateral forums — the G20, the Bretton Woods institutions and others — and giving impetus to reforms in global rules and practices. (p. 56)

Yet the report omits discussion of darker episodes such as the question of ‘land grabs’ in South–South relations (e.g. Cotula, 2013) and on the whole this comes across as a scant and rosy treatment.

RENEWING HUMAN DEVELOPMENT

A criticism of the HD approach has been its individualistic bias, as an aggregation of individual attributes (income, education, longevity) collated in the HD Index. Some critics argue that the next step beyond human development should be social development, not in the sense of a laundry list of social policies but acknowledging the fundamental importance of social institutions (Nederveen Pieterse, 2010). Social development as an alternative theme has been around since the 1995 UN World Summit on Social Development in Copenhagen (Møller and Rasmussen, 1995). In India, the Council for Social Development publishes a regional Social Development Report (Mohanty, 2010). The 2013 HDR acknowledges this line of criticism and initiates a reorientation:

Individuals cannot flourish alone; indeed, they cannot function alone. The human development approach, however, has been essentially individualistic, assuming that development is the expansion of individuals’ capabilities or freedoms. Yet there are aspects of societies that affect individuals but cannot be assessed at the individual level because they are based on relationships, such as how well families or communities function, summarized for society as a whole in the ideas of social cohesion and social inclusion. . . . So one task of the human development approach is to explore the nature of social institutions that are favourable for human flourishing. Development then has to be assessed not only for the short-run impact on individual capabilities, but also for whether society evolves in a way that supports human flourishing. (p. 36)

The report defines and operationalizes ‘human development beyond the individual’ as social competencies:

An integrated society relies on effective social institutions that enable people to act collectively, enhancing trust and solidarity between groups. These institutions include formal nongovernmental organizations, informal associations and cooperatives, as well as norms and rules of behaviour. They influence individual human development outcomes, social cohesion and social stability. To differentiate them from individual capabilities, the functioning of these institutions and their impact on people can be described as ‘social competencies’. The extent to which social competencies foster more cohesive societies can be assessed by their success at achieving social inclusion and social stability . . . Social action favouring human development (such as policies to extend education, progressive taxation and minimum wages) happens not spontaneously, but because of groups that are effective in supporting change, such as producer groups, worker associations, social movements and political parties. These organizations are especially crucial for poorer people, as demonstrated by a group of sex workers in Kolkata, India, and women in a squatter community in Cape Town, South Africa, who improved their conditions and self-respect by joining together and exerting collective pressure. (pp. 35, 81).

Amartya Sen contributes a text box on the importance of ‘public discussion’ that adds a further element to renewing the HD approach, acknowledging complexity:

Assessing the quality of life is a much more complex exercise than what can be captured through only one number, no matter how judicious is the selection of variables to be included, and the choice of the procedure of weighting. . . . The recognition of complexity has other important implications as well. The crucial role of public reasoning. . . arises partly from the recognition of this complexity. Only the wearer may know where the shoe pinches, but pinch-avoiding arrangements cannot be effectively undertaken without giving voice to the people and giving them extensive opportunities for public discussion. The importance of various elements in evaluating well-being and freedom of people can be adequately appreciated and assessed only through persistent dialogue among the population, with an impact on the making of public policy. The political significance of such initiatives as the so-called Arab Spring, and mass movements elsewhere in the world, is matched by the epistemic importance of people expressing themselves, in dialogue with others, on what ails their lives and what injustices they want to remove. (p. 24)

DRIVERS OF TRANSFORMATION

‘What accounts for the superior generation of growth and its conversion into human development? What are the policy lessons from the diverse human development experiences of these countries? Indeed, what are the drivers of transformation?’. In response to its own question, the report identifies three major drivers of the ongoing transformations: ‘the proactive role of developmental states; tapping global markets; and determined social policy innovation’ (p. 65).

That the role of the state is crucial may seem an open door (bringing the state back in has been on the agenda since the mid-1990s) but is nevertheless important. It implies, of course, a rejection of the Washington Consensus, which the report reiterates at several junctures. William Easterly’s adage, ‘The rich have markets, the poor have bureaucrats’ (2005) has been countered by Fukuyama’s book on state building (2005), which shows how Washington Consensus policies have undermined the very state capacities that are crucial to development. The HDR discusses the role of developmental states under several headings such as ‘Fostering state–market complementarities’. Under the heading ‘Setting policy priorities’, we find: ‘More important than getting prices right, a developmental state must get policy priorities right. They should be people-centred, promoting opportunities while protecting against downside risks. Getting policies and policy priorities right raises the equally important issue of getting policymaking right. Governing institutions and policies are profoundly and inextricably linked; one cannot succeed without the other’ (p. 68). A further heading is ‘Enhancing public investment’: ‘Governments can encourage a market-disciplined private sector by adopting a dynamic view of comparative advantage, nurturing sectors that would not

otherwise emerge due to incomplete markets' (p. 69). With regard to the proactive developmental state, the report notes:

In many high-performing developing countries, the state operates differently from the conventional welfare state, which aims to correct market failures and build social safety nets while promoting market-led growth. Instead, developmental states have been proactive: initiating and monitoring transformations in people's lives. Rather than merely being market-friendly, these states have been development-friendly. Those with strong, innovative social programmes are often also people-friendly — a necessary progression in the move from a focus on growth to human development. (p. 66)

The second driver of transformation is 'Tapping of global markets'. The discussion makes sense, although the heading is weak ('tapping' is an unfortunate choice of words) and some of the examples raise questions. 'A common element of the fast-developing countries of the South has been to strengthen the capabilities of people and the competencies of firms while embracing global markets. This has enabled them to source intermediate inputs and capital goods at competitive world prices, adopt foreign knowhow and technology and use them to sell to global markets' (p. 74). The report distances itself from simply dismantling trade barriers and favours 'a more nuanced consensus': 'successful and sustained progress is more likely to be the result of gradual and sequenced integration with the world economy, according to national circumstances, and accompanied by investment in people, institutions and infrastructure. Country studies confirm that what is needed is a package that involves the interaction of reforms in trade, exchange rates, and fiscal, monetary and institutional policies' (p. 74). Thus, 'rather than opening suddenly to world markets some of the more successful countries have opened gradually, as the situation demanded' (p. 75); examples are China and India.

A sub-theme, 'Building up industrial competencies for global markets', acknowledges the contributions of state-led development under prior periods of import substitution, rather than dismissing them as in neoliberal views. Another theme is 'Piggybacking on niche products'. One example given is Bangladesh and its specialization in the garment industry, triggered by a 1978 collaboration agreement between the Desh Company and Daewoo of South Korea 'that connected Bangladesh to international standards and a network of apparel buyers' (p. 76). However, the report doesn't discuss the flipside of this specialization. The government has become captive to the apparel industry and labour standards and safety have become lax, resulting in deadly fires and disasters. The example of Ghana's cocoa industry fails to impress because while producer prices have significantly increased, the industry falls short of climbing the ladder of value added. Thus some case discussions come across as overly positive.

The third driver, determined social policy innovation, is classic human development: 'social policies become as important as economic policies in advancing human development. In fact, social and economic policies can hardly be disentangled because their goals and instruments are analogous'

(p. 83). The report devotes extensive discussion to cash transfer programmes such as Mexico's *Oportunidades* and similar programmes in Brazil, India, China and Chile. While these programmes have become a favourite in international donor circles, the report notes their limitations:

Cash transfer programmes have been particularly important in reducing poverty and improving income inequality through redistribution. But transfers cannot substitute for public provision of essential goods and services. At best, they can supplement resources of the poor. Offering cash so that households can buy health care of their choice is unlikely to work where high-quality health care is in short supply. Similarly, giving cash to households so that they can choose their school is unlikely to help the poor if few schools offer high-quality education. Nor can cash transfers substitute for incomes earned through decent work. (p. 83)

PRAGMATISM

Pragmatism is a well-established theme in development studies. A familiar point of reference is Deng Xiaoping's 'crossing the river by feeling the stones' (Ho, 2009). The HDR notes, 'Countries were pragmatic in adopting policies suited to their unique circumstances' (p. 21). It continues:

Between 1979 and 1989, no fewer than 40% of China's national regulations were deemed experimental. The first set of agrarian reforms permitted farmers to lease land, submit a share of produce at fixed prices to the state and sell the surplus. Next came the expansion of the township and village enterprises. The gradual approach reflected the pragmatism of Chinese leaders. Another reason for this pragmatism was the perception that the transition was impossible to plan, compounded by disillusionment with the whole planning system. (p. 74)

As a motif that runs through the report, pragmatism unfolds several nuances. In discussing the three 'drivers of development', the report adds: 'These drivers do not spring from abstract conceptions of how development should work; rather, they are demonstrated by the transformational development experiences of many countries in the South'. Thus pragmatism represents an *inductive* approach — based on the experiences of developing countries rather than on abstract notions. In the wake of development eras that have been doctrinaire and driven by macro-theories in the North (modernization theory, the Washington Consensus), pragmatism is a welcome *corrective*. The passage above continues, 'indeed, they challenge preconceived and prescriptive approaches: on the one hand, they set aside a number of collectivist, centrally managed precepts; on the other hand, they diverge from the unfettered liberalization espoused by the Washington Consensus' (p. 74).

This comes up again in discussing changes in finance: 'The evolving regional financial architecture fostered by countries of the South offers renewed space for policies that emphasize pragmatism rather than ideology and ensures that conditionality is narrow and appropriate to the country' (p. 35). Pragmatism also stems from *complexity*: 'In large and complex

societies, the outcome of any particular policy is inevitably uncertain. Developmental states therefore need to be pragmatic and test a range of different approaches' (p. 4). A related meaning of pragmatism is *flexibility*: 'These drivers suggest an evolution towards a new approach, in which the state is a necessary catalyst that pragmatically adjusts its policies and actions in line with new realities and the challenges of global markets' (p. 66).

PROTEST

The report discusses at length the wave of protests that has swept through much of the world in recent years — the Arab spring, protests in Greece, Spain, France, Brazil, Turkey, Russia, China, Indonesia, Thailand, Bahrain, South Africa and Ukraine. 'In recent years, countries in both the North and the South have faced escalating crises of legitimacy that have pitted citizens against their institutions' (p. 92). In facing challenges ahead, the report counsels 'enabling voice and participation'. Displaying a gift for understatement it notes, 'in many countries, organizations representing the poor are not supported but discouraged. . . . According to a recent International Labour Organization report, government dissatisfaction, measured by the Social Unrest Index, rose in 57 of 106 countries from 2010 to 2011. The largest increases were in countries of the North, followed by those in the Arab States and Sub-Saharan Africa' (p. 91).

Among the foci of unrest, the report notes austerity ('borne disproportionately by the poor', p. 91), rising food prices ('riots in response to high food prices in 2008 challenged stability in more than 30 countries in Africa and the Arab States', p. 91), unemployment and low wages ('In Viet Nam strikes doubled in 2011 as workers struggled to gain higher wages in the face of inflation', p. 91) and environmental pollution. The account is part informative, insightful and part basic sociology. 'Among the most active protesters are youth, in part a response to job shortages and limited employment opportunities for educated young people. In a sample of 48 countries, youth unemployment was more than 20% in 2011, well above the 9.6% overall rate' (p. 91). Part of this is 'a mismatch between education and economic opportunity . . . Of the 20 countries with the largest increases in mean years of schooling over 1980–2010, 8 were in the Arab States' (p. 93). The report acknowledges the role of social media:

The Internet and social media, as 'low-cost aggregators' of public opinion, are amplifying people's voices. In China, for example, the post-1990 generation is highly educated, politically aware and outspoken on social media. Less than a week after the July 2011 high-speed train accident in Wenzhou, China's two major microblogs (weibos) had distributed some 26 million messages commenting on the accident and expressing concerns about safety. . . . Mass protests, especially by educated people, tend to erupt when bleak prospects for economic opportunities lower the opportunity cost of engaging in political activity. These 'effort-intensive forms of political participation' are then easily coordinated through new forms of mass communication. (pp. 92, 94)

GLOBAL GOVERNANCE

On the global horizon, the report advocates better representation for the South ('For example, China, which is the world's second largest economy and holds more than \$3 trillion in foreign reserves, has had a smaller voting share in the World Bank than both France and the United Kingdom', p. 109); a greater role for global civil society; coherent pluralism ('to ensure that institutions at all levels work in a coordinated fashion to provide global public goods', p. 113) and responsible sovereignty ('taking the long-term interests of the world as a whole into account when formulating national policy', p. 116). It also advocates rules governing migration ('rules to protect the rights of migrants and provide agreed international norms for the flow of immigrants between source and host countries', p. 107). And 'since regionalism may be here to stay', it counsels 'to gradually multilateralize regionalism' as a step towards multilateral agreements. The South has already developed several alternative institutions and approaches including regional monetary and support arrangements, such as the Chiang Mai Initiative, the Arab Monetary Fund, the Latin American Reserve Fund, the Andean Development Corporation, and the Sao Paulo Round ('in which 22 developing countries agreed to reduce tariffs at least 20% on about 70% of the trade among themselves', pp. 114–15).

SOCIAL WASH?

Human development remains a major relevant synthesis in development studies. It is relevant to know that Bangladesh, a poorer country, scores higher on some HD indicators than its mighty neighbour India. It is relevant to know that wealthy countries such as Saudi Arabia rank lower in HD than countries such as Sri Lanka. The HD approach is powerful because all along it has treated social policy *as part of* economic policy and thus advocated the principle of shared growth decades before it became the norm in mainstream development thinking (Commission on Growth, 2010). The approach is powerful because it provides policy makers and government agencies with policy objectives and tools. That these objectives are to some degree measurable provides a level of accountability and a yardstick of comparison. HD rankings provide information that is meaningful to much wider constituencies than the business rankings and ratings that dominate mainstream media and the narrow rankings of the IMF and World Bank. The HD Reports have moved international public opinion in meaningful ways and have influenced development studies and institutions in pertinent ways. And yet, HD is a partial story.

The fundamental problem is what precisely is the status of HD — is it social policies correcting or ameliorating economic policies, or is it an alternative macroeconomic approach? Is it a matter of growth with redistribution as add-on (which is often dismissed, and in the US the very

term redistribution is a non-starter), or does it refer to an alternative macro-economic framework? This isn't a minor matter. In elections in Brazil, Bolsa Família is under criticism and so is the Rural Livelihood programme in India. The onslaught on social policies cannot be won by numbers alone — the question is which numbers and what is the time frame? To counteract the short-termism and class myopia of business and the media, the issue is to demonstrate that shared growth is better growth and human capacitation yields higher productivity. At issue is a different growth model — growth that may be slower and more modest but of higher quality, more sustainable, with greater social cohesion. In a post-Keynesian era of accelerated globalization this requires a major rethink (cf. Nederveen Pieterse, 2012; Traub-Merz, 2012). In the combined HDRs there might be material to make such a case but this particular report neither raises nor answers this question and thus raises far larger problems than it addresses.

This report raises questions about whether the Human Development Report as a genre is sustainable or has outlived its usefulness. Although two years in the making (there is no HDR 2012), in places it comes across as not well thought through and even flippant on major issues. Does it make sense to devote a report to the rise of the South, replete with critical information, without providing an *overall* assessment of the quality of growth in the South? Does it make sense to counsel 'further growth' for India and in the next sentence criticize India's growth path? Significant as the rise of the South is, the jumbo question is: does it bode a major pattern change, or is it rather a geographic extension of existing growth models? At several junctures (inequality, the middle class, South–South relations), the report could be more critical. On top of this report one might need another report that addresses its loose ends. Some problems are intrinsic to the HDR genre and some are specific to this report.

One problem is empiricism and trust in numbers as a major policy tool; numbers are only as good as the theory that guides them. The report provides ample numbers but relatively little explanation of what they portend. In keeping with the genre of the policy report, it fails to provide critical macro analysis. As a UN report it displays the features of the genre such as UN boilerplate of benevolent platitudes. The report's subtitle, *Human Progress in a Diverse World* elicits the question 'which world is not diverse?'. The UN is an edifice of cooperating nations and UN reports are often exercises in methodological nationalism. We enter a neighbourhood in which each house is named after a nation. International institutions come with international diplomacy. Member nations are the sponsors of UN agencies and are among the sources as well as the audience of the report, which raises questions of sociology of knowledge.

The HD approach is state-centric. This has been its major strength in the era of market fundamentalism, but the rise of the South opens a different chapter, in which state power is a major asset as well as a major problem, along with state legitimacy and capacity, which is the key problem that is now being faced in the BRICS, Turkey, Thailand, Egypt, and so forth. The

main script of HD Reports is that states should be proactive, engage the private sector and world markets, and implement social policies as part of economic policies. On these main points this report is no different, except that prescription has become description, since now the subject matter is the actual policies of emerging societies. Previous HD reports have documented gaps between growth and HD. The 1996 HDR identified a number of ‘unwelcome types of growth’: ‘jobless growth; ruthless growth, which is accompanied by rising inequality; voiceless growth, which denies the participation of the most vulnerable communities; rootless growth, which uses inappropriate models transplanted from elsewhere; and futureless growth, which is based on unbridled exploitation of environmental resources’ (p. 65).

This report widens the HD repertoire to include social capabilities and ‘enhancing voice and participation’. The expanded script reads: states must cooperate with and check market forces, and civil society must check states. The idea that development requires a strong state *and* a strong civil society has long been a given in critical literature (e.g. Friedmann, 1992) but is new to HD. This script expansion is a logical forward step. If a quarter of HD achievements are lost to inequality (the HD Index when adjusted for inequality drops by a quarter, p. 14), protesting inequality is vital indeed. But the implications of this expanded script haven’t yet been fully assimilated. It raises the question of gaps between HD policies and social capabilities and voice. Governments may implement HD policies while inhibiting social competencies and voice. This report hasn’t yet crossed the threshold of exploring, and exposing, gaps between HD and voice.

Cevdet Yılmaz, Turkey’s Minister of Development, contributes a Box on ‘Strengthening social protection in Turkey’. Michael Bloomberg, Mayor of New York City, contributes a Box ‘Why New York City looked South for antipoverty policy advice’ (‘In designing Family Rewards, we drew on lessons from Brazil, Mexico and dozens of other countries’, p. 85). This suggests a parallel universe. Who would know that the Turkey discussed in this report is the same country where, in 2013, major protests erupted — the Gezi Park protests — and spread to seventy-nine out of eighty-one cities, a country where major economic achievements go together with steep income inequality? The report highlights ‘the promotion of social cohesion and social integration, a stated objective of development strategies of countries such as Brazil’ (p. 3). Who would guess that Brazil, extensively profiled in the report for its achievements, is the same country where, in 2013, major nationwide protests erupted and where teachers’ strikes met with brutal police violence? Who would recognize the Mayor of New York City who contributes to the report as the same mayor who quashed the United States’ major twenty-first century protest movement, the Occupy Wall Street encampment in Zuccotti Park? Since being a ‘Wall Street mayor’ (in popular shorthand) can go together with implementing HD policies, it signals that such policies, however significant they may be, don’t necessarily go all that deep.

There is then a schizophrenia that is intrinsic to HD Reports as a genre, and to this report in particular. While it sets forth HD in an expansive manner that ventures into social capabilities, political protest and social movements, it creates a parallel universe in which (a) everything hinges on economic achievements and advances in HD, set forth in reasonably impressive graphs and statistics, and (b) voice and legitimacy matter. The report manages to both flag politics and avoid politics, which is a UN equivalent of the official script of the international financial institutions: ‘we don’t do politics’ (except when we do). Our politics is *sub rosa* and must be read in between the lines. Such is the pragmatism of international institutions. We are factual, not ideological. Empiricism and pragmatism is not just our ideology, it is our *raison d’être*.

Since the HD approach is state-centric, is the HDR state-friendly, does it gloss over negative trends to mute criticism of government policies so as not to poison the well? The report relies in part on government sources and data, which need careful balancing. Turkey’s social policies are relevant, but so are the AKP’s efforts at authoritarian ‘cultural management’ and its recent steep slide in legitimacy (Kapdan, 2013). Some states failing to deliver are widely known, such as the ANC in South Africa, while others are known locally but not internationally, until protests spill over the streets and fill the squares, as in Brazil.

Does this discussion short-change the HDR? The UNDP is the largest UN agency and human development is a major progressive contribution, yet HD Reports have a mixed record. The 2004 report devoted to culture, *Cultural Liberty in Today’s Diverse World* (the world was diverse then too!), was confused in places and formulaic at best (UNDP, 2004; for a critique see Nederveen Pieterse, 2005). The question the 2013 report poses is how to balance the various registers — growth, human development, inequality, state capacity, social institutions, legitimacy and global dynamics. Of course, an HDR is not an encyclopaedia. A report of 123 pages (plus 80 pages of notes and annexes) cannot be comprehensive. Nevertheless, we expect it to raise central questions and to be judicious in its assessments. It must tread fine lines, lest it be dismissed as HD social wash, with edifying government social policies and intergovernmental initiatives that paper over grim counter-currents. In advocating ‘voice and participation’, this report is in sync with the recent wave of protests in emerging economies and across the world. Whether protests beget progress depends, of course, on the quality of the protests and the institutions that emerge once the dust settles.

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Jan Nederveen Pieterse (jnp@global.ucsb.edu) is Mellichamp Professor of Global Studies and Sociology, Global Studies, University of California, Santa Barbara, 2115 Social Sciences Building, Santa Barbara, CA 93106–7065, USA (see his website, www.jannederveenpieterse.com). He specializes in globalization, development studies and cultural studies, and is the author/editor of twenty-one books and many articles.