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**The Human Development Index and the possible implementation of
the Democracy Index: an open debate**

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ABSTRACT

In this work, the focus is on The Human Development Index as well as The Human Development Approach, the Human development index (HDI) can be considered as an alternative to the more well-known Gross Domestic Product (GDP). Even though, this type of traditional index measures the market value of goods and services of a nation in a fixed period; the HDI represents the first attempt to overcome GDP, as a more person-focused and multi-dimensional approach. The United Nations Human development index, which today is used and recognized globally, is composed of three indicators: health, education, and income. In my work, I will focus on the analysis of the wide debate that spread around the possibility, as well as the possible necessity, to introduce a new type of indicator: the democracy index, with the purpose of measuring and evaluate the situation and the freedom of the politics' life of a Nation. It is very interesting to understand how the implementation of this type of index is not so easy analysing the spread of debate with opposing positions on the topic. My work's purpose is to studies highlight and analyse the debate on the topic and the different possibilities for the feasible evolution of the human development index.

SUMMARY (IN ITALIAN)

Nel seguente lavoro di ricerca l'obiettivo è porre in evidenza l'importanza dello sviluppo umano, teoria contrapposta a quella del puro sviluppo economico. Per poter compiere l'analisi ho deciso di concentrarmi prima nelle definizioni di sviluppo, che per molto tempo coincideva con la concezione di sviluppo ed accrescimento economico, per poi analizzare il concetto di Prodotto interno lordo (PIL). Il PIL risulta essere non solo l'indice più utilizzato per misurare la crescita economica di una nazione ma anche il più conosciuto. Ho proseguito sottolineando pregi e difetti del PIL che risulta un indice troppo semplicistico per calcolare e comprendere tutte le dimensioni e gli aspetti caratterizzanti dello sviluppo in genere ed in particolare riguardo lo sviluppo ed il benessere umano.

La misurazione e valutazione del benessere è un altro punto importante del mio lavoro, comprendere che cosa significa il benessere dell'individuo non è semplice, ma dalla ricerca fatta è emerso come sia un termine contenitore di svariati altre dimensioni ed aspetti che trattano a loro volta di diversi e numerosi aspetti della realtà e vita umana, dal benessere mentale a quello fisico, dalla possibilità di sentirsi sicuri al concetto chiave di libertà. Libertà intesa nel suo senso più ampio: d' espressione, di parola di raggiungere uno stato di benessere il più completo possibile.

Dal concetto di benessere sono poi giunta alla definizione dell'approccio allo sviluppo umano. È stato fondamentale trattare il "predecessore" ovvero l'approccio che più di tutti ha ispirato il modello di sviluppo umano: "approccio delle capacità" teorizzato dall'economista e filosofo Indiano Amartya Sen con aiuto e contributo della filosofa Statunitense Martha Nussbaum.

Nel presentare e ripercorrere i pilastri fondamentali di questo approccio non è possibile tralasciare alcuni concetti: capacità (*capabilities*) e funzionamenti (*functionings*), le capacità possiamo essenzialmente comprenderle con le possibilità che ogni individuo possiede, mentre i funzionamenti riguardano ciò che potrebbero e possono realizzare ed attuare. Il concetto fondamentale di questo approccio è la libertà che ogni individuo ha insieme alle capacità di giungere alla miglior situazione possibile sia raggiungere ciò che ritiene per lui importante e rilevante. Dalle importanti basi teoriche poste dall'approccio delle capacità l'approccio allo sviluppo umano è stato teorizzato. Grazie al contributo di Sen e l'economista Pakistano Mahbub Ul Haq i quali hanno lavorato congiuntamente al primo report promosso dal comitato per il rapporto e sviluppo umano delle Nazioni Unite, nel 1990 tale report viene pubblicato; presenta i principi e i pilastri su cui l'approccio dello sviluppo umano si baserà: ancora una volta la libertà ritorna come concetto fondamentale, la definizione di sviluppo fornita non condivide più aspetti legati all'economia, bensì riguarda la possibilità di aumentare le disponibilità di scelta degli individui.

Il primo report delle Nazioni Unite sulla valutazione dello sviluppo umano è stato pubblicato nel 1990. All'interno di tale report per la prima volta veniva presentato, in una prima versione, l'indice di sviluppo umano; un indice che con un approccio innovativo ha l'obiettivo di misurare e valutare con un valore numerico il livello di sviluppo umano di una data Nazione.

L'indice di sviluppo umano indaga su tre ambiti rilevanti: l'educazione, la salute ed il reddito nazionale pro capite. Ogni ambito viene valutato da un preciso e relativo indice di riferimento: l'educazione viene calcolata attraverso la media di anni medi di istruzione fornita e dagli anni di istruzione previsti. L'indice della salute viene calcolato con il rapporto tra aspettativa di vita alla nascita e dei valori prefissati di 20 anni come minimo ed 85 come massimo valore possibile, infine, il

reddito nazionale pro capite viene calcolato attraverso il reddito nazionale lordo pro capite e confrontato con la parità di potere d'acquisto. Il valore complessivo e totale dell'indice è dato dalla media geometrica dei tre indici precedentemente considerati. Le Nazioni vengono poi categorizzate in base al risultato ottenuto : Stati a sviluppo umano molto alto, ad alto sviluppo umano, a medio sviluppo umano, a basso sviluppo umano. Nel mio lavoro ho voluto inserire i primi 30 Paesi a sviluppo umano molto alto, tra i quali figura anche l'Italia.

Nonostante l'impatto rivoluzionario che l'indice di sviluppo Umano ha innegabilmente avuto nel concetto di comprensione e valutazione dello sviluppo, questo non è esente da criticità. La prima problematica riguarda una serie di aspetti che non vengono considerati dall'indice stesso, la critica riguarda il non aggiornamento degli indici che compongono il valore complessivo, quest'ultimi stessi non vengono aggiornati dall'implementazione dell'indice stesso, molti aspetti non vengono considerati, un'altra criticità riguarda la raccolta dati che risulterebbe avvenire da dati "secondari".

Nella terza parte del mio lavoro mi sono concentrata sul rapporto tra democrazia e l'approccio di sviluppo umano. L'analisi inizia con la definizione del termine democrazia, prosegue dimostrando la reale connessione che è presente tra la democrazia e lo sviluppo umano, risulta evidente che i valori cardine della democrazia corrispondono a dei principi fondamentali dell'approccio allo sviluppo umano, approccio che come abbiamo visto pone al centro l'individuo e la sua libertà, allo stesso modo il processo democratico riserva un ruolo fondamentale alla voce del individuo e alle sue libertà, come ad esempio, la libertà di esercitare dei doveri ed allo stesso modo di avere dei diritti. Vista l'importanza che la democrazia possiede nelle vite degli individui e la sua imponente espansione come forma di potere tra gli stati è necessario riflettere sulla possibilità e necessità di assegnare un valore numerico

con lo scopo di valutare più facilmente il livello di democrazia di una nazione.

L'analisi poi continua e si focalizza sul presentare una serie di tentativi che sono stati implementati con il tentativo di valutare il livello e lo stato delle democrazie nel mondo. gli esempi presentati dimostrano la possibilità concreta di valutare un concetto complesso come la democrazia attraverso dati concreti è possibile.

Comprendere che è possibile calcolare con un valore numerico il livello di democrazia rappresenta un importante passo per contribuire nel completare la valutazione generale di benessere e dello sviluppo umano.

Nella parte conclusiva il focus è sul dibattito riguardante la possibilità ed eventualità di poter inserire un valore ed indice di democrazia nel calcolo totale dell'indice di sviluppo umano in modo tale da arricchire e completare l'indice di un valore riguardante la democrazia. Il dibattito si polarizza su due poli prevalenti; da un lato non si ritiene possibile modificare l'indice di sviluppo umano inserendo un indice di tipo democratico, dall'altra parte vi è la convinzione di poter migliorare ed aggiornare tali indice con una proposta concreta di un indice di democrazia.

INTRODUCTION

Measuring development is the starting point of this work. Traditionally too often development is correlated with economic growth. The aim of the work is to demonstrate that there is a different way to understand and evaluate the level of development. In the particular times that we are living, several aspects inspired me to deal with this theme. First, the global Covid Pandemic of the past years demonstrates and reveals the importance of being healthy, being free as well as the necessity of feeling safe. Secondly, the quality of life that we have is connected with the environment in which we live, increasingly the natural catastrophe and extreme weather conditions affect our everyday life, should remember to us how climate change is a concrete issue and something that we have to deal with today. The aim of the work is to evidence alternative ways of measuring development: the human development approach.

This “new” approach is a people-center as well as multidimensional one, in the human development approach the main aspect is the single individuals, the development is in connection with the development in several aspects of everyone’s life. Development is not only economic power but also emotions, relations with others, freedom, and the environment, to cite some.

I found particularly fascinated by this approach as well as by the numerical index that is structured in this approach: the human development index. The HDI represents a concrete evaluation of the nation’s development based on the wellness and level of development of its citizens. As is going to be presented in detail, the HDI investigates three subject matters human development, health education, and income. Moreover, since freedom is one of the main features of this index the focus was moved to the concept of political freedom and especially democracy, which is considered in a strong relationship with human development. The last part, questions what oriented the analysis,

if the positive connection between democracy and human development has been demonstrated, how is possible to evaluate it? Starting from this issue, I reported some attempts to calculate and give a numerical date to the concept of democracy.

In the last part, two main contributions are analyzed on one hand the certainty in favor of the possibility to enrich and renewing the traditional HDI with the implementation of a democracy index in the calculation process, and on the other hand, the conviction that this is not something that can or should be implemented in the HDI.

CHAPTER 1: MEASURING DEVELOPMENT:

1. THE MEANING OF MEASURING DEVELOPMENT

Measuring development is the final object of the traditional economic theory, in which development has always been strictly connected to economic growth. Through several indexes, economic growth was calculated and categorized. However, development is defined as

“A multi-sectoral process, involving social, economic and political change aimed at improving people’s lives”¹

Economic growth is the focus of the policies makers that used the two most famous and well know economic indexes The Gross Domestic Product, GDP, and the Gross National Product GNP.

Referring to these indicators it seems clear that economic improvement and growth does not include all the sector and dimensions of people’s lives, so why will be economic growth the only focus and the main priority of policy maker? In fact, it should not; several main aspects should be implicated in measuring development:

“Economic growth does not necessarily correspond with the improvement of life conditions”²

¹ Alkire, Sabina (2010), “Human Development: Definitions, Critiques, and Related Concepts, Background paper for the 2010 Human Development Report”, available at: https://www.ophi.org.uk/wp-content/uploads/OPHI_WP36.pdf

² Radovanovic, Bojana (2011) “ Human Development index as a measure of human development”, available at: <https://philpapers.org/rec/RADHDI>

Since 1990, the attention moved from only economic growth to the concept of people centre aspects of life health education and more started to be considered. In order to measure development is necessary to think and create an index with the aim of measuring those aspects.

In this chapter, the main economic index will be analysed and at the end, the human development approach will be studied, demonstrating the importance of other important aspects in addition to just economic factors.

In the next part will be presented the main economic index for measuring development: Gross Domestic Product (GDP), in the following part will be presented both the human development and the capabilities approaches for the evaluation of people and national development. The second part is going to deal with the presentation of the process of creation and implementation of the Human development index.

2. GROSS DOMESTIC PRODUCT: BENEFITS AND DISADVANTAGES

The Gross Domestic Product (GDP) is the most used and well-known economic index implied in the nation's economy, the GDP is *“is the standard measure of the value added created through the production of goods and services in a country during a certain period. As such, it also measures the income earned from that production, or the total amount spent on final goods and services”*³ The formula to obtain the GDP is:

$$GDP = C + I + G + NX$$

In which **C** is equal to the private consumptions, **I** is the private investment **g** is the public expenditures including investment, and **NX** is the net export. In the calculations, goods and services are calculated at the price market and the fixed period is usually one year.

GDP does not measure the economic growth of a whole country but it can be applied to smaller sections and areas through the application of the GDP per capita.⁴

The GDP was created by the Russian economist mathematics and statistics Simon Kuznets back in 1937 when he was working in the United States. The year 1929 set an important point in the GDP history, is an important date because is the year of the financial crisis, both for the US and the world. The difficulty was to really understand how the

³ The Organisation for Economic Co-operation and Development (OECD):
<https://www.oecd.org/about/>

⁴ Definition of GDP per capita of the World Bank: *GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products.*

market situation was and how the crisis was important, so in this background, the first attempt at GDP was theorized; it was initially focused only on the United States territory. Kuznets presented to the United States Congress “The National Income 1929-1935”⁵ in which were measured the economic production of the Nation. After the Bretton Woods conference in 1944, GDP became the most important as well as the standard index for evaluating and measuring countries’ economies.

GDP is the measure of the economy through the evaluation of market transactions,

Even though GDP it has been one of the main indicators and measures of economic growth for several years presents some critical issues

An important evaluation of the GDP was made with the “Stiglitz Report” officially entitled “Report by the Commission on the Measurement of Economic Performance and Social Progress”⁶

“In February 2008, the President of the French Republic, Nicholas Sarkozy, unsatisfied with the present state of statistical information about the economy and the society, asked, Joseph Stiglitz (President of the Commission), Amartya Sen (Advisor), and Jean-Paul Fitoussi (Coordinator) to create a Commission, subsequently called “The Commission on the Measurement of Economic Performance and Social Progress” (CMEPSP). The Commission’s aim has been to identify the limits of GDP as an indicator of economic performance and social progress, including the problems with its measurement; to consider what additional information might be required for the production of more relevant indicators of social progress; to assess the feasibility of

⁵ GDP a brief history, available at : <https://foreignpolicy.com/2011/01/03/gdp-a-brief-history/>

⁶ Stiglitz J, Sen A, Fitoussi J-P. 2009. Report of the commission on the measurement of economic performance and social progress, Available at: https://cross-legacy.ec.europa.eu/system/files/07_rapport_stiglitz.pdf

alternative measurement tools, and to discuss how to present the statistical information in an appropriate way.”⁷

One of the main shortcomings of GDP is the calculation process that excludes from the value of the entire non-market items, for instance, the products and services made by households. Products and services like agricultural production, the animals breeding for the production of milk or food, as well as the services that are made inside the households like cleaning, cooking, and kids or elderly people assistance. Those activities that can seem common mean a lot of time and effort, especially in developing countries.

In addition, It does not fully consider the “shadow economy“ which are economic activities that could be legal or not that avoid taxation, for instance, drug trafficking and prostitution; some adjustments are made to take into consideration also this type of economy but it is not possible to have a real calculation of the situation. The activity that is defined as “non-market transactions”⁸ are “based on imputation”⁹ so in this way is possible to give a certain value even to non-economic transactions. The primary justification for imputing values is the “comprehensiveness of measures” and this is the reason for including some of the imputation in the calculation of GDP.

It is essential to include and comprehend even this type of transaction because only in this way is possible to have a look at the most accurate representation and evaluation of the economy, otherwise leaving it completely outside the process of calculation will be a distorted representation of the economic situation.

⁷ Stiglitz J, Sen A, Fitoussi J-P. 2009. Report of the commission on the measurement of economic performance and social progress, Available at: https://cros-legacy.ec.europa.eu/system/files/07_rapport_stiglitz.pdf

⁸ Op. Cit.

⁹ Op. Cit.

Intermediate goods are all excluded as well as all the goods that are not “newly” produced, like used items. Excluded from the calculation are also all the products and goods produced abroad.

It does not consider any other aspect of non-monetary aspects that are impotent for human well-being the development calculated by the GDP is just about economic growth, which is not equal to the right evaluation of the well-being of a person as well as the well-being of a nation.

It seems clear that the GDP Is a useful economic index to study and gave dates on the growth in the quantity of production, but it misses some necessary considerations of different dimensions and variables to have a wider look and calculation of the level of development of a country. For instance, different indexes were theorized to “go beyond GDP” and to intervene in the calculation of the different levels of development taking into consideration other important aspects like health, education, inequality, and so on.

3. MEASURING WELL-BEING

As previously highlighted, the aim of the GDP is to measure economic growth and, from an economic point of view, the development of a nation. Nevertheless, when we refer to development we cannot stop only to the economic aspects, development is about several aspects. One of the aspects that are fundamental in the concept of development is the correlation with the well-being of a single person in order to archive the well-being of a nation.

Even though the term well-being could seem an easy concept to understand is necessary to define the concept in order to understand its real meaning of it.

Inappropriately, Well-being is often correlated with the concept of economic growth, while is a more multi-dimensional concept.

First is necessary to understand and define what the meaning of well-being is. If we look at the definitions given in any dictionary, it is defined as a general state of satisfactory conditions of existence a state characterized by health, happiness, and prosperity.

Even if the well-being concept seems clear and common, people are not so easy to describe and define clearly.

One important contribution was given by the Organization for Economic Cooperation and Development with the 2017 report Guidelines for Measuring Subjective Well-being; the definition given of the concept in the report is:

*“Good mental states, including all of the various evaluations, positive and negative, that people make of their lives and the affective reactions of people to their experiences.”*¹⁰ An important contribution was given also in the “Report by the Commission on the Measurement of

¹⁰ Organisation for Economic Co-operation and Development (OECD) (2013). OECD Guidelines on Measuring Subjective Well-being. Available at : <https://www.ncbi.nlm.nih.gov/books/NBK189563/>

Economic Performance and Social Progress” the so call “Stiglitz Report”, that remarked, once again, on the importance of well-being:

“Is time for our measurement system to shift emphasis from measuring economic production to measuring people’s well-being”¹¹,

The economic aspect, as well as the possession of goods and economic resources, are not enough to give a complete comprehension of the well-being, even though are important to consider in the evaluation they cannot represent the only dates to evaluate the quality of life.

Furthermore, it has been highlighted that well-being is multidimensional defining the following as the aspect that should be taken into consideration:

- i. *Material living standards (income, consumption, and wealth)¹²;*
- ii. *Health¹³;*
- iii. *Education¹⁴;*
- iv. *Personal activities including work¹⁵;*
- v. *Political voice and governance¹⁶;*
- vi. *Social connections and relationships¹⁷;*
- vii. *Environment (present and future conditions)¹⁸;*
- viii. *Insecurity, of an economic as well as a physical nature¹⁹.*

¹¹ Stiglitz J, Sen A, Fitoussi J-P. 2009. Report of the commission on the measurement of economic performance and social progress, Available at: https://cros-legacy.ec.europa.eu/system/files/07_rapport_stiglitz.pdf

¹² Op. Cit.

¹³ Op. Cit.

¹⁴ Op. Cit.

¹⁵ Op. Cit.

¹⁶ Op. Cit.

¹⁷ Op. Cit.

¹⁸ Op. Cit.

¹⁹ Op. Cit.

The report presents a really interesting point of view on the situation of measuring well-being, it is undeniable e that today the economic aspects and resources are part of the well-being of people's lives but it also something more, all the non-monetary and non-economic factors describes above are necessary to achieve the better well-being situation possible.

Furthermore, it has expressed the necessity to create and theorized one or more indexes that could capture the level of human well-being even if it recognized the difficulty of capturing all the different dimensions. One of the main pillars of well-being is represented by the "people's capabilities" which are going to be explained in depth in the next part of this work.

All these are defined as part of the complete well-being of a person and is clear that to achieve well-being is necessary to intervene in different aspects of a human being, from the single necessity, health education, as though collective's aspects like relationships and the environment. Now the question is how is possible to calculate and evaluate well-being and how is it possible to measure it? Numerous attempts were made to investigate and capture the best way to categorize it.

Many indices attempt to calculate and analyse those factors; as is going to be present in the following chapter, the Human Development Index (HDI) is one of these that particularly focused on the first three points presented above material living standard, health, and education. This work will focus particularly on the HDI but is important that other attempts were made with other important indexes, for instance, the inequality-adjusted HDI and the multidimensional poverty index²⁰.

²⁰ UNDP, (2010) Human Development Report 2010. The Real Wealth of Nations: Pathways to Human Development rep. Available at:

The implementation of this new kind of index is not created with the aim of substituting the traditional economic index but on the contrary to enrich and enlarge the point of view to enlarge the evaluation of people's well-being. Let us think about the utility of these new kinds of indicators to give dates and information to the policymakers in order to achieve the necessities of people.

The report itself took into consideration three different conceptual approaches to analyze the measuring of well-being:

- The first one regards the subjective well-being
- The second one is the capabilities approach
- The third one is about “fair allocation”²¹

The first approach is linked to the idea that the goal of humanity is to be satisfied; the individuals decide for themselves and are responsible for their actions

The third approach is concerned with the “fair allocations” idea that is about focusing on equality for all the members of a society.

The second approach is the so-call “capabilities approach”, which will be presented thoroughly in the next part of this work, is about two main pillars ”functioning” and “capabilities”;

The first one are the possibilities of doing and having whatever people think is the best for them while the second term is about the possibility to choose their own functioning.

<https://hdr.undp.org/system/files/documents/human-development-report-2010-complete-english.human-development-report-2010-complete-english>

²¹ Stiglitz J, Sen A, Fitoussi J-P. 2009. Report of the commission on the measurement of economic performance and social progress, Available at: <https://ec.europa.eu/eurostat/documents/8131721/8131772/Stiglitz-Sen-Fitoussi-Commission-report.pdf>

Nevertheless, for now, it is interesting that these entire approaches even if have some differences share some theoretical aspects, especially about the necessity of measuring people's possibilities so they highlight the importance of looking at non-monetary things.

Several recommendations were made in the report to try to improve the situation of measuring well-being.

These recommendations regard several aspects that we analysed. Is relevant especially the second one deal with the necessity of freedom of people and the importance of trying to improve the way of investigating the dates of people of well-being indicators:

Recommendation 2: Quality of life also depends on people's objective conditions and opportunities. Steps should be taken to improve measures of people's health, education, personal activities, political voice, social connections, environmental conditions, and insecurity.²²

It seems clear that the evaluation and calculation of well-being is necessarily a multidimensional approach that involved non-monetary items. In the next part, the human development approach is going to be analysed in order to demonstrate one attempt to redefine the traditional economic-link term and the meaning of development.

²²Stiglitz J, Sen A, Fitoussi J-P. 2009. Report of the commission on the measurement of economic performance and social progress, Available at: <https://ec.europa.eu/eurostat/documents/8131721/8131772/Stiglitz-Sen-Fitoussi-Commission-report.pdf>

4. THE HUMAN DEVELOPMENT APPROACH

Starting From the capability approach, that was explained before, it was possible to come to the theorization about human well-being. What was created was the human development approach, with a clear aim:

“The human development process is one of enlarging people’s choice”

Now the aim of development is not just economic growth but is a more multi-dimensional and complex aspect that involves several components in order to be achieved. It is well e explain in the words of the first United Nations Development Program report (1990):

“First, national income figures, useful though they are for many purposes, do not reveal the composition of income or the real beneficiaries. Second, people often value achievements that do not show up at all, or not immediately, in higher measured income or growth figures: better nutrition and health services, greater access to knowledge, more secure livelihoods, better working conditions, security against crime and physical violence, satisfying leisure hours, and a sense of participating in the economic, cultural and political activities of their communities. Of course, people also want higher incomes as one of their options. But income is not the sum total of human life.”²³

Moreover, is remarked in this words:

“Human development puts people back at center stage, after decades in which a maze of technical concepts had obscured this fundamental vision. This is not to say that technical analysis should be abandoned. Far from it. But we should never lose sight of the ultimate purpose of

²³ UNDP (United Nations Development Programme). 1990. Human Development Report 1990: Concept and Measurement of Human Development. New York. Available at: <https://hdr.undp.org/system/files/documents/hdr1990encompletenostatpdf.pdf>.

the exercise, to treat men and women as ends, to improve the human condition, to enlarge people's choices”²⁴

Mahbub ul Haq is considered the founder together with Amartya Sen of the economic and philosophical theory of the human development approach.

The focus now has been moved from just economic growth and an economic power increment to the final aim of expanding people's possibilities; now at the “center” of development, there are the individuals.

As is well explained in the United Nations Human Development Report the human development approach is about the possibility of choice that everyone has, in order to choose and obtain their best potential.

For instance, the choice to fast, decided by someone for personal or religious motives is a very different situation from the constraint of starving for someone that cannot have access to food.²⁵

Freedom is the focus of this approach is the concept of having freedom to determine what best is for yourself. The Human Development Index, which is going to be the focus of the next part, was theorized with the acknowledgment by the scholars that supported this type of development approach. For those reasons it is necessary to define and highlight the important pillars of the capabilities approach that inspired the implementation of the human development approach.

We can define the capabilities approach as the base from which the theorization of the human development approach started and for this

²⁴ Alkire, Sabina (2010), “Human Development: Definitions, Critiques, and Related Concepts, Background paper for the 2010 Human Development Report”, available at: https://www.ophi.org.uk/wp-content/uploads/OPHI_WP36.pdf

²⁵ <https://hdr.undp.org/about/human-development>

purpose is relevant to be necessary to emphasize the main aspects of this approach.

Starting Back in the 80s from the work of the Indian economist and philosopher Amartya Sen and with the important contribution of the American philosopher Martha Nussbaum the so-called “capabilities approach” was theorized.

The capabilities approach references several philosophical ideas as well as ancient thinkers, for instance, “Aristotele, Smith Kant, Mill, and Marx among others”²⁶. In times that are more recent the predecessor of Sen’s approach was the “basic needs approach” witch deal also with human development.

In the capabilities approach, the focus is on the capabilities and so on what humans can possibly do. As already highlighted, the focus now is the individuals it can define as a people-center approach.

Sen defines capabilities as “the various combination of functionings that the person can achieve. Capability is, then, *“a set of vectors of functionings, reflecting the person’s freedom to lead one type of life or another...to choose from possible livings”* ²⁷

The possibility of what a human can do is the possibility to be in conditions that lead to obtaining what everyone found more desirable for himself or herself. Of course, capabilities refer only to what a human take into consideration and have value for themselves.

It does not focus only on what people own or on economic growth or economic power, is about having the possibility to achieve what the single necessitates. Another important pillar of this approach is the

²⁶ Alkire, S. (2010). “Human Development: Definitions, Critiques, and Related Concepts.” *OPHI Working Papers* 36, University of Oxford.

²⁷ Sen, A. K. (1992). *Inequality re-examined*. Cambridge, MA: Harvard University Press

concept of functioning, which is “*the various things a person may value doing or being*”²⁸. Essentially are all those actions that an individual can choose to do as well as dimensions in which they are, for instance, being well nourished as well as a good level of education the possibility to choose a job, and even the health of the body.

Of course not all functioning can be considered essential or primary aspects of a human’s life; for instance, some of them are linked with the essential standard of living like being well nourished or hydrated as well as the possibility to live in a safe place are different for another type of capabilities; that can be connected to the self-realization the empowerment.

The freedom to choose among different possibilities that are the best for yourself represents an example of tangible freedom, which is translated as a “*positive power or capacity of doing and enjoying worth doing or enjoying*”.²⁹

The concept of freedom is quite fundamental in this approach, the definition given in Sen’s work is “*freedom is the real opportunity that we have to accomplish what we value*”³⁰. Furthermore, Sen defines two main aspects of freedom: opportunity and process; the first one is related to “*the ability of a person to achieve those things that she reasons to value*” while the second aspect referred to “*the freedom involved in the process itself*”.³¹

Another pillar of the capability approach is “agency” which is the characteristics of a person that is able to achieve what she designed as a goal, the definition given by Sen referred to an “agent” as “someone

²⁸ Sen, A. K. (1992). *Inequality re-examined*. Cambridge, MA: Harvard University Press.

²⁹ Alkire, Sabina (2010), “Human Development: Definitions, Critiques, and Related Concepts, Background paper for the 2010 Human Development Report”, available at: https://www.ophi.org.uk/wp-content/uploads/OPHI_WP36.pdf

³⁰ Op. cit.

³¹ Sen, A. (2002) "Health: Perception versus observation", *British Medical Journal*, no 324

who acts and brings about change “³². The concept of agency is important because it gives self-empowerment to people as well as to a community or a group that can intervene for empowering and pursuing their objectives.

The meaning of well-being for the capabilities approach is well expressed in Sen’s Definition of well-being:

“There are many fundamentally different ways of seeing the quality of living, and quite a few of them have some immediate plausibility. You could be well off, without being well. You could be well, without being able to lead the life you wanted. You could have got the life you wanted, without being happy. You could be happy, without having much freedom. You could have a good deal of freedom, without achieving much. We can go on.”³³

Sen even if has always remarked on the fundamental importance of the concepts of capabilities, has stressed in his literature that the definitions and list of fundamental capabilities are not something that can be done. The reasons beyond this decision are the strong Sen’s conviction that is not possible to determine a list that could represent all the dimensions of capabilities as well as that he strongly believes that is not possible to list them without the people’s consensus and discussion.

Sen believes in the importance of the selection of capabilities which, that is, in fact, necessary for instance in the HDI, but not in the

³² Sen, A. (1999) *Development as Freedom*, Oxford University Press, Oxford

³³ Sen, A. (1984). *The Living Standard. Oxford Economic Papers*, 36

“specification of only one authoritative canonical list of capabilities to be applied at all times and places”³⁴

For many this lack of the definition and delimitation of capabilities has been criticized as an incompleteness, this is the reason why Martha Nussbaum has tried to define a proposal of fundamental capabilities. She thinks that is important to overcome this shortage in order to set some essential concepts, as follows below the fundamentals capabilities thought by Nussbaum (2000):

CENTRAL HUMAN FUNCTIONAL CAPABILITIES:

- ***Life:*** *Being able to live to the end of a human life of normal length; not dying prematurely, or before one’s life is so reduced as to be not worth.*³⁵
- ***Bodily health:*** *Being able to have good health, including reproductive health; to be adequately nourished; to have adequate shelter.*³⁶
- ***Bodily integrity:*** *Being able to move freely from place to place; to be secure against violent assault, including sexual assault and domestic violence; having opportunities for sexual satisfaction and for choice in matters of reproduction.*³⁷
- ***Senses, imagination, and thought:*** *Being able to use the senses, to imagine, think, and reason- and to do these things in a “truly human” way, a way informed and cultivated by an adequate education,*

³⁴ Alkire, S. (2010). “Human Development: Definitions, Critiques, and Related Concepts.” *OPHI Working Papers* 36, University of Oxford.

³⁵Nussbaum, M. (2000). *Women and Human Development: The Capabilities Approach* (The Seeley Lectures). Cambridge: Cambridge University Press

³⁶ Op. Cit.

³⁷ Op.cit

including but by no means limited to, literacy and basic mathematical and scientific training. Being able to use imagination and thought in connection with experiencing and producing self-expressive works and event of one's own choice, religious, literary, musical and so forth. Being able to use one's mind in ways protected by guarantees of freedom of expression with respect to both political and artistic speech, and freedom of religious exercise; being able to search for the ultimate meaning of life in one's own way. Being able to have pleasurable experiences and to avoid non-necessary pain³⁸.

- **Emotions:** *Being able to have attachments to things and people outside ourselves; love those who love and care for us, to grieve at their absence; in general to love to grieve to experience longing, gratitude and justified anger. not having one's emotional development blighted by overwhelming fear and anxiety, or by traumatic events of abuse or neglect.*³⁹
- **Practical reason:** *Being able to form a conception of the good and to engage in critical reflection about the planning of one's life (this includes liberty of conscience and of religious observance)⁴⁰.*
- **Affiliation:** *A. Being able to live with and toward others, to recognize and show concern for other human beings, to engage in various forms of social interaction; to be able to imagine the situation of another and to have compassion for that situation; to have the capability for both justice and friendship. (Protecting this capability means protecting institutions that constitute and nourish such forms of affiliation, and protecting the freedom of assembly and political speech.)B. Having the social bases of self-respect and non-humiliation; being able to be*

³⁸ Nussbaum, M. (2000). *Women and Human Development: The Capabilities Approach* (The Seeley Lectures). Cambridge: Cambridge University Press

³⁹ Op. cit.

⁴⁰ Op.cit

treated as a dignified being whose worth is equal to that of others. This entails, at a minimum, protections against discrimination on the basis of race, sex, sexual orientation, religion, caste, ethnicity, or national origin.⁸⁴ In work, being able to work as a human being, exercising practical reason, and entering into meaningful relationships of mutual recognition with other workers.⁴¹

- **Other species:** *Being able to live with concern for and in relation to animals, plants, and the world of nature.⁴²*
- **Play:** *Being able to laugh, to play, and to enjoy recreational activities⁴³.*
- **Control over one's environment:** *A. Political: Being able to participate effectively in political choices that govern one's life; having the right of political participation, protections of free speech and association. B. Material: being able to hold propriety not just formally but in terms of real opportunity; and having property rights on an equal basis with others, having the right to seek employment on an equal basis with others; having the freedom from unwarranted search and seizure⁴⁴.*

The dimensions of those capabilities are different but at the same time interconnected between them, for instance, bodily health is fundamental also for the other's capabilities. Moreover, Nussbaum in her work presents three levels of capabilities:

- The basic capabilities: “ *the innate equipment of individuals that is the necessary basis for developing the more advanced capabilities and a*

⁴¹ Nussbaum, M. (2000). *Women and Human Development: The Capabilities Approach* (The Seeley Lectures). Cambridge: Cambridge University Press

⁴² Op. cit.

⁴³ Op.cit

⁴⁴ Op.cit

ground of moral concern"⁴⁵ are the most essential ones that everyone has at birth

- The internal capabilities: "*developed states of the person herself that are, so far as the person herself is concerned, sufficient conditions for the exercise of the requisite functions*"⁴⁶. Differently from the basic one, those are a more mature awareness and the help from the environment and the people around the individuals. Those capabilities necessitated a positive background For instance a new-born can easily learn how to crawl and walk, but he can learn how to interact with others or to play with others if his alone.
- Combined capabilities : "*which may be defined as internal capabilities combined with suitable external conditions for the exercise of the function*" The differences between internal and combined capabilities are not clear but are easier to understand with an example, "*a person accustomed to exercising religious freedom, and freedom of speech is no longer able to do so, here the internal capability is full present while the combined one is not*"⁴⁷

Sen, as was already reported, is not a supporter of the idea of listing capabilities because he believes that listing some of them will be a problem of being "tremendously over-specified"⁴⁸ and will be left out other important and different capabilities

⁴⁵ Nussbaum, M. (2000). *Women and Human Development: The Capabilities Approach* (The Seeley Lectures). Cambridge: Cambridge University Press

⁴⁶ Nussbaum, M. (2000). *Women and Human Development: The Capabilities Approach* (The Seeley Lectures). Cambridge: Cambridge University Press

⁴⁷ Op. Cit.

⁴⁸ Sen, A. (1993) "capability and well-being" , in M. Nussbaum, and A. Sen, "the quality of life", Oxford.

The human development approach's aim was to put attention and focus on the traditional and historical vision of development equal to the economic growth itself. Although the importance of this approach is undeniable, it is not perfect and received several criticisms.

The first issue is about the perception of this approach as too individualistic because it is too individual-centered and focused only on the single person; the target is about the single person more than groups.

Another critical point is about the next generation, we already said that the Human Development is an individualistic process in which importance is given by the choice of the single person, but this can represent an issue for the next generation. If the main worry is the best situation and opportunity for everyone the serious risk is that, no one will be worried about the future because it is not something that will be interesting.

Reflecting on the environmental issues, the dramatic change in the weather the problem of extremely polluted air and water, and the short supply of natural resources, are problems that partially we are dealing with today. For example, climate change is going to get worse if we do not intervene seriously today, even if tomorrow we are built going to address the consequences of all these problems the necessity to intervene is now. The best choice is necessary today for tomorrow, even if it is not going to affect me in any way. This process was investigated by Raworth in one of his works in which he describes "the safe and just path for humanity"⁴⁹ in which the importance of choice is both for what is present in the world today and the issues for the one that is going to live tomorrow.

⁴⁹ Raworth, K. (2012). A safe and just space for humanity: Can we live inside the doughnut. OXFAM Discussion Papers. Oxford: OXFAM

Another criticism is about political issues, the human development approach does not go deep into the political issues but it has been clear by his found actors (Sen and Nussbaum) that the right way to influence government decisions is through a “reasoned consensus” for Sen and a “cross-cultural consensus” for Nussbaum⁵⁰. The issue here is that there is no such index that can investigate political issues, how decisions are taken the consensus is spread how is the freedom of people to intervene in the political scenario, as is going to be deeply investigated later in this work

Those are the main criticism as well as the challenge to overcome nowadays for the human development approach that even with his shortages, The human development approach is a very revolutionary approach to the more traditional one connected to economic growth, and GDP calculation. Even though today the traditional model is still very important and used globally, the importance of what human development has brought is still central, it has a predominant position in looking at the development of people and nations. This is a new approach to looking at development.

Moreover, Thanks to the human development approach the creation of the Human Development Index was possible, and is possible to have a more complete vision of the well-being of countries is given.

The capability approach, as well as the human development approach, puts at the centre the human being and their necessity, the main role here is given to the importance of human well-being ne it is clear that it cannot come just from the GDP calculation and refer just to economic growth. Specifically for those reasons, the Human Development Index

⁵⁰ Frances Stewart (2019) The Human Development Approach: An Overview, Oxford Development Studies

HDI has been created with the goal of finding a way to measure development correlated with this new approach.

CHAPTER II: THE HUMAN DEVELOPMENT INDEX

1. DEFINITION OF HUMAN DEVELOPMENT INDEX (HDI)

The human development index is part of the theorization and work of Amartya Sen, (who was one of the consulter of the human development report (HDR)), and Mahbub Ul Haq, the special advisor of the United Nations development program (UNDP). Sen and Ul Haq working on the report found the necessity of the theorization and implementation of an alternative measure for the calculation and definition of well-being, the necessity of an alternative to the GDP.

“People are the real wealth of a nation”⁵¹

With these words, The United Nations development program (UNDP) started and presented in 1990 the first annual Human development report (HDR)⁵² in which the Human Development Index was employed for the first time. Since then the report and the HDI ranking is calculated and published regularly every year ⁵³

⁵¹ UNDP (United Nations Development Programme). 1990. Human Development Report 1990: Concept and Measurement of Human Development. New York.. Available at: <https://hdr.undp.org/system/files/documents/hdr1990encompletenostatspdf.pdf>.

⁵² UNDP (United Nations Development Programme). 1990. Human Development Report 1990: Concept and Measurement of Human Development. New York.. Available at: <https://hdr.undp.org/system/files/documents/hdr1990encompletenostatspdf.pdf>.

⁵³ Only due to the covid 2019 pandemic, the 2021 -2022 report considered two years in the same report.

The report defines the concept of development focusing not only on the economic growth but also on personal growth finalized with appropriate levels of human well-being.

The Human development index is defined, in the human development report, as

*“A summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions.”*⁵⁴

It is fundamental to highlight how the implementation of this index and the evaluation of these types of indexes demonstrate the importance of measuring development without an economic evaluation but with a more individual-centered approach,

*“people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone”*⁵⁵

Amartya Sen, which was one of the consultants of the UNDP's first report, at the beginning of the process was not sure about the creation of a numerical index; Sen was not sure that an index could really embrace the complexity and parts of human development. In any case, Ul Haq really emphasized the importance of a numeric index that could represent an alternative to go “beyond GDP”, in his words *“We need a measure of the same level of vulgarity as GDP – just one number – but a measure that is not as blind to social aspects of human lives as GDP is.”*⁵⁶

⁵⁴UNDP (United Nations Development Programme). 1990. Human Development Report 1990: Concept and Measurement of Human Development. New York. Available at: <https://hdr.undp.org/system/files/documents/hdr1990encompletenostatpdf.pdf>.

⁵⁵ Op. cit.

⁵⁶ UNDP (United Nations Development Programme). 1999. Human Development Report 1999: Globalization with a Human Face. New York.

Sen has defined the HDI, since its implementation, as “*an illuminating concept that serves to integrate a variety of concerns about the lives of people and their well-being and freedom*”⁵⁷

The strength of the HDI is that is very clear and understandable to everyone, just looking at the ranking, with no particular economic knowledge, is possible to understand the human development situation around the world.

Furthermore, the HDI is the main indicator of the human development paradigm that was presented in the chapter before.

2. COMPOSITION OF THE INDEX

The HDI analyzes the well-being of a certain nation analyzing three different dimensions of individual development: long and healthy life (A), knowledge (B), and a decent standard of living(C).

Those three dimensions are measured through precise indexes and indicators:

A. Life expectancy index: the indicator here is the life expectancy at birth.

⁵⁷ Sen, Amartya (2000a) ‘A Decade of Human Development.’ Journal of Human Development

B. Education index: obtain by the expected years of schooling and mean years of schooling

C. Gross National Income (GNI) index: measured by the GNI per capita

The combination of the life expectancy index, education index, and income index gives the total amount of HDI, which is a composite index.

To calculate and obtain those values is necessary to set “goalposts” to obtain a number between zero and one, those “goalposts” are the minimum value like “a natural zero” and the maximum value is “an aspirational target to achieve. Thanks to these goalposts, the dimension indices are calculated with this formula:

$$DIMENSION\ INDEX = \frac{ACTUAL\ VALUE - MINIMUM\ VALUE}{MAXIMUM\ VALUE - MINIMUM\ VALUE} \text{ }^{58}$$

The 2014 United Nations Human Development Report⁵⁹ introduced four categorizations for the level of human development achievements defined as “cutoff points” (COP). Those COP are calculated using quartiles (q) on the average distribution of the indicators on the average of 2004-2013:

$$COP_q = HDI (LE_q, EYS_q, MYS_q, GNI_{PCQ}) \text{ } q = 1, 2, 3 \text{ }^{60}$$

⁵⁸ (2022) UNDP *Technical notes*. rep. Available at: https://hdr.undp.org/sites/default/files/2021-22_HDR/hdr2021-22_technical_notes.pdf

⁵⁹UNDP, (2014) Human development report 2014 “Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience”.rep. Available at: <https://hdr.undp.org/system/files/documents/human-development-report-2014.human-development-report-2014>

⁶⁰ (2022) UNDP *Technical notes*. rep. Available at: https://hdr.undp.org/sites/default/files/2021-22_HDR/hdr2021-22_technical_notes.pdf

Shown below is the summary of the development levels that can be achieved with respective points.

| | |
|-----------------------------|-----------------|
| Very high human development | 0.800 and above |
| High human development | 0.700–0.799 |
| Medium human development | 0.550–0.699 |
| Low human development | Below 0.550 |

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Is important to highlight that the composition and the calculation of the index described in this work is the one employed today; that was presented in the 2010 Human Development Report “The Real Wealth of Nations: Pathways to Human Development” in which the renovation was introduced.⁶²

The modification and adjustment of the HDI calculation from 1990 to 2010 ones were caused by the necessity of representing a better-suited reality.

⁶¹(2022) UNDP *Technical notes*. rep. Available at: https://hdr.undp.org/sites/default/files/2021-22_HDR/hdr2021-22_technical_notes.pdf

⁶² UNDP, (2010) *Human Development Report 2010. The Real Wealth of Nations: Pathways to Human Development* rep. Available at: <https://hdr.undp.org/system/files/documents/human-development-report-2010-complete-english.human-development-report-2010-complete-english>

2.1 LIFE EXPECTANCY INDEX:

The definition of the concept of life expectancy at birth given by the world health organization is the following:

*“ life expectancy at birth is the average number of years that a newborn could expect to live, if he or she were to pass through life exposed to the sex-and age-specific death rates prevailing at the time of his or her birth, for a specific year, in a given country, territory or geographic area.”*⁶³

The life expectancy index (LEI) measures the duration of life expectancy of a Nation. The “goalposts” set for the LEI are 20 years as the minimum value and 85 years as the maximum value for the life expectancy at birth⁶⁴. Those were the aged chosen because of the historical background no country showed a life expectancy of fewer than 20 years, while the maximum value is set at 85 years for the aspirational results for several countries in the past years

$$LIFE\ EXPECTANCY\ INDEX = \frac{LE^{\wedge} - 20}{85 - 20} \in (0,1)$$

LE^{\wedge} Is the life expectancy at birth in a given Nation

⁶³<https://www.who.int/data/gho/indicator-metadata-registry/imr-details/3131#:~:text=Definition%3A,%2C%20territory%2C%20or%20geographic%20area.>

⁶⁴ 2022) UNDP *Technical notes*. rep. Available at: https://hdr.undp.org/sites/default/files/2021-22_HDR/hdr2021-22_technical_notes.pdf

2.2 EDUCATION INDEX

The education index is calculated through two indicators: the expected years of schooling of children (a) and the mean years of schooling of the adult population (b).

- a- The expected years of schooling for children is the measure of the expected years of education provided to children in a country; here the goalposts are set as 18 years for the maximum level and 0 years for the minimum, 18 years was chosen because it is the average time to obtain a master degree.⁶⁵

$$(EY SI) = \frac{EYS^{\wedge}}{18} \in (0,1)$$

EYS^{\wedge} is the estimate of the expected years in a given nation

- b- the mean years of schooling for the adult population is the estimated average of the total years of schooling, here the goalposts are fixed as 15 years for the maximum value and 0 for the minimum, and 15 years is “the project maximum for 2025”⁶⁶

$$(MY SI) = \frac{MYS^{\wedge}}{15} \in (0,1)$$

⁶⁶ 2022) UNDP *Technical notes*. rep. Available at: https://hdr.undp.org/sites/default/files/2021-22_HDR/hdr2021-22_technical_notes.pdf

\hat{MYS} is the estimate for the mean years of schooling in a given nation

To obtain the educational index is necessary to calculate the arithmetical average with this formula:

$$EDUCATION\ INDEX = \frac{MY\ SI + EY\ SI}{2} \in (0,1)$$

2.3 INCOME INDEX

The income index (II) measures the level of a decent standard of living through the Gross National income (GNI) per capita. The goal sets fixed for this index are 100\$ as the minimum and 75.000\$ as the maximum. The GNI per capita is in relation to the 2017 purchasing power parity (PPP).

The formula implied is a logarithmic transformation because of practical necessity: the proportional increase in income in respect of a higher standard of living.⁶⁷

$$INCOME\ INDEX = \frac{\ln(\hat{GNI}) - \ln(100)}{\ln(75.000) - \ln(100)} \in (0,1)$$

⁶⁷ 2022) UNDP *Technical notes*. rep. Available at: https://hdr.undp.org/sites/default/files/2021-22_HDR/hdr2021-22_technical_notes.pdf

GNI ^ represents the estimated Gross national income per capita

However, it is necessary to highlight that not every country has the availability of the GNI per capita in constant 2017 PPP indicators in the World Bank Database⁶⁸, in those cases the Human Development Report Office (HDRO) “calculates it by converting GNI in local currency from current to constant term”⁶⁹

The total value of the Human development index is the geometric meaning of the three-dimensional indices:

$$HDI = (I_{Health} + I_{Education} + I_{Income})^{1/3}$$

⁶⁸ <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD>

⁶⁹(2022) UNDP *Technical notes*. Rep. Available at: https://hdr.undp.org/sites/default/files/2021-22_HDR/hdr2021-22_technical_notes.pdf. The process for the calculation of the missing indicators is the following: First, the GNI per capita in the current term is converted into PPP terms for the base year and secondly, the GNI constant term is constructed by applying the real growth rates to the GNI per capita in PPP term for the base year. The real growth rate is implied by the ratio of the nominal growth of GNI per capita in current local currency terms to the GDP deflator.

3. RANKING HDI 2021

After the definition and the components of the HDI the following chart is presented the latest ranking of the first 30 countries presented in the 2021-2022 human development report titled “ Uncertain Times, Unsettled Lives: Shaping our Future in a Transforming World “⁷⁰. Hereafter are listed and presented the first-thirties countries that are categorized into the “very high human development “category.

Is important to remind you that today 191 countries have dates and are ranking in the HDI, Some nations lack dates and are not considered by the HDI: Monaco, Vatican City, North Korea, and Nauru.⁷¹

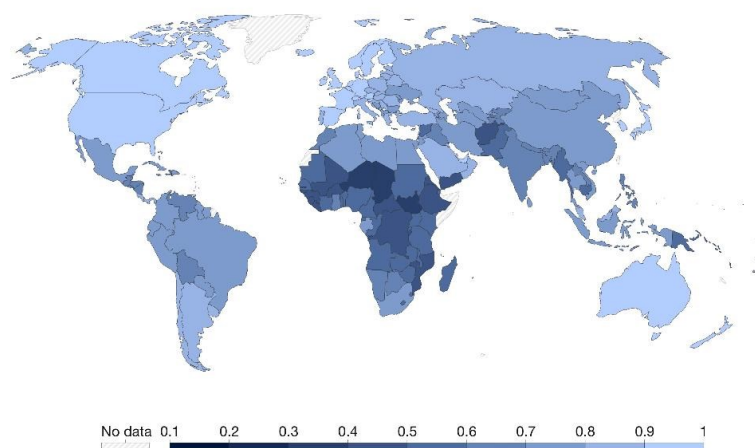
| HDI RANK | COUNTRY | HDI VALUE 2021 |
|-----------------|------------------------|-----------------------|
| 1 | SWITZERLAND | 0,962 |
| 2 | Norway | 0,961 |
| 3 | Iceland | 0,959 |
| 4 | Hong Kong, China (SAR) | 0,952 |
| 5 | Australia | 0,951 |
| 6 | Denmark | 0,948 |
| 7 | Sweden | 0,947 |
| 8 | Ireland | 0,945 |
| 9 | Germany | 0,942 |
| 10 | Netherlands | 0,941 |
| 11 | Finland | 0,940 |
| 12 | Singapore | 0,939 |
| 13 | Belgium | 0,937 |

⁷⁰UNDP (United Nations Development Programme). 2022. Human Development Report 2021-22: Uncertain Times, Unsettled Lives: Shaping our Future in a Transforming World. New York Available at: https://hdr.undp.org/system/files/documents/global-report-document/hdr2021-22pdf_1.pdf

⁷¹ <https://hdr.undp.org/data-center/country-insights#/ranks>

| | | |
|----|----------------------|-------|
| 13 | New Zealand | 0,937 |
| 15 | Canada | 0,936 |
| 16 | Liechtenstein | 0,935 |
| 17 | Luxembourg | 0,930 |
| 18 | United Kingdom | 0,929 |
| 19 | Japan | 0,925 |
| 19 | Korea | 0,925 |
| 21 | United States | 0,921 |
| 22 | Israel | 0,919 |
| 23 | Malta | 0,918 |
| 23 | Slovenia | 0,918 |
| 25 | Austria | 0,916 |
| 26 | United Arab Emirates | 0,911 |
| 27 | Spain | 0,905 |
| 28 | France | 0,903 |
| 29 | Cyprus | 0,896 |
| 30 | Italy | 0,895 |

The graphical visualization of the 2021 human development index around the world:⁷²



⁷² Max Roser (2014) - "Human Development Index (HDI)". Published online at OurWorldInData.org. Retrieved from: '<https://ourworldindata.org/human-development-index>'

4. A CRITICAL REVIEW OF THE HUMAN DEVELOPMENT INDEX

The HDI is an index that has drastically changed the evaluation of well-being, during its implementation since the 1990s it has been commended as well as criticized. It is significant to mention that the HDI has to endure several modifications and adjustments in order to improve and overlap better with the reality of the world, the latest one dating back to 2010.

In 2018 The United Nations Human Development Report Office produced a background paper entitled “Human development indices and Indicators: a critical evaluation”⁷³ in which the meaning and function history of some human development indicators is recalled.

The first argument presented is the document if those human development Indicators, like the HDI, are still necessary or should be changed in order to fit more into today’s reality that has unequivocally changed since 1990.

In any case, it is important to highlight how the public perceptions and knowledge of the HDI are sediment in the audience, the HDI that cannot be erased from the human development subject. “HDI is an established brand that one should not abandon easily”⁷⁴, is important to emphasize and recall the central role of the HDI, even if the index is one of the main ones it has been criticized to improve. The critiques are about different aspects and parts of the HDI itself. In the following paragraphs, I will analyze and briefly explain the main criticisms of the index.

⁷³ Klasen, S. (2018) *Human Development Indices and Indicators: A Critical Evaluation*. rep. Available at: <https://hdr.undp.org/system/files/documents/klasenfinalpdf.pdf>.

⁷⁴ Op. cit

As pointed out before, the HDI had a revision back in 2010 and the critiques that follow are on how the index is implemented today.

The first criticism is about the resources of dates involved in the calculation of the index itself; the dates involved are defined as “secondary dates “because they are not collected by the Human Development Report Office (HDRO) personally. Dates come from intermediate, like reports of UN agencies, international organizations, or taking for guaranteed the ones that the governments directly transmit. The 2021-2022 UNDP report collected dates thanks to different agents. For instance, the United Nations Department of Economic and social affairs (UNDESA) for the life expectancy at birth; the United Nations educational scientific and cultural organization (UNESCO) and the United Nations Children’s Fund (UNICEF) among others for the mean years of schooling dates as well as the World Bank for the dates on the GNI per capita ⁷⁵

The major change that occurred in the HDI back in 2010 ⁷⁶is the modification of the calculation of the final total value of the index, before the 2010 review the calculation was through the arithmetic mean, while today is with the geometric mean. The criticism of the geometric calculation is that is not “very intuitive, simple or transparent, thereby undercutting one of the key advantages of the HDI”⁷⁷.

⁷⁵ UNDP (United Nations Development Programme). 2022. Human Development Report 2021-22: Uncertain Times, Unsettled Lives: Shaping our Future in a Transforming World. New York Available at: https://hdr.undp.org/system/files/documents/global-report-document/hdr2021-22pdf_1.pdf

⁷⁶UNDP (United Nations Development Programme). 2010. Human Development Report 2010: The Real Wealth of Nations: Pathways to Human Development. New York. Available at: <https://hdr.undp.org/system/files/documents/human-development-report-2010-complete-english.human-development-report-2010-complete-english>

⁷⁷ Klasen, S. (2018) *Human Development Indices and Indicators: A Critical Evaluation*. Rep. Available at: <https://hdr.undp.org/system/files/documents/klasensfinalpdf.pdf>.

The implementation of the geometric mean in favor of the arithmetic one was introduced to avoid some omissions and criticality in the final rate of HDI. Giving equal importance and the same value to all three indicators in the formula for the calculation of the index was a mistake. For instance, a country with a high PIL and a low life expectancy index, and high schooling could have an HDI rate very close to the one of another country with a high PIL and schooling but with a low life expectancy. So, with the use of the geometric mean “poor performance in any dimension is now directly reflected in the HDI”⁷⁸

An additional important critique of the HDI, supported by the UNDP itself⁷⁹, is that “countries may accelerate in the HDI but not excel in the broader dimensions: it is possible to have a high HDI and be unsustainable undemocratic and unequal”⁸⁰.

The criticism apppoint to the HDI is about the dearth of some important dimensions of human development, given that the HDI for its nature is presented as a multi-dimensional approach that should consider other aspects of human well-being, it is reductive to constrict the whole human well-being into just three dimensions. For instance, the HDI miss “freedom, political social and human rights and sustainability issue”⁸¹. As well as “peace, security, environmental concerns cultural

⁷⁸ Klasen, S. (2018) *Human Development Indices and Indicators: A Critical Evaluation*. Rep. Available at: <https://hdr.undp.org/system/files/documents/klasfinalpdf.pdf>.

⁷⁹ UNDP (United Nations Development Programme). 2010. *Human Development Report 2010: The Real Wealth of Nations: Pathways to Human Development*. New York. Available at: <https://hdr.undp.org/system/files/documents/human-development-report-2010-complete-english.human-development-report-2010-complete-english>

⁸⁰ Op cit.

⁸¹ Klasen, S. (2018) *Human Development Indices and Indicators: A Critical Evaluation*. Rep. Available at: <https://hdr.undp.org/system/files/documents/klasfinalpdf.pdf>.

freedom and human rights, human development is incomplete without human freedom”⁸²

Regarding this, several academics believe that important dimensions and issues are not taken into consideration by the index. Furthermore, the index does not take into account the possibility of inequality among countries as well as inequality in the same country moving from one region to another; it gives us just a comprehensive vision.

Moreover, the use of Gross Domestic Product (GDP) employed in the calculation of the income index for those countries that miss the GNI per capita in constant 2017 purchasing power parity (PPP), as previously seen, has been criticized. The reason is that it does not seem the most accurate value to use: it does not take into consideration some important aspects of a country, like non-market production.⁸³

Therefore, is emphasized in the HDR of 2010 (in which a major renovation of the index was presented) that the HDI should have been seen also as:

“The starting point of a conversation about what we mean by development, rather than as its endpoint”⁸⁴

In this work, the focus will be on the correlation between human development and democracy, in particular with the aim of understanding the concrete possibility of introducing a democracy

⁸² Jack Hou, Patrick Paul Walsh & Jing Zhang (2015) The dynamics of Human Development Index, The Social Science Journal, available at:<https://doi.org/10.1016/j.soscij.2014.07.003>

⁸³ Klugman, J., Rodríguez, F. & Choi, HJ. The HDI 2010: new controversies, old critiques. *J Econ Inequal* 9, 249–288 (2011). Available at <https://doi.org/10.1007/s10888-011-9178-z>

⁸⁴ Klugman, J., Rodríguez, F. & Choi, HJ. The HDI 2010: new controversies, old critiques. *J Econ Inequal* 9, 249–288 (2011). Available at <https://doi.org/10.1007/s10888-011-9178-z>

dimension inside the calculation and value of the Human development index.

CHAPTER III: DEMOCRACY AND HUMAN DEVELOPMENT

INDEX

1. RELATION BETWEEN DEMOCRACY AND HUMAN DEVELOPMENT

As was presented in the previous chapter, development is a multidimensional aspect that comprehends several aspects and that should be focusing on human capabilities. For several years, the development process was analyzed only from an economic point of view. In this part, the aim is to understand how an important political institution as democracy is in relation to the concept of human development.

First is important to try to give a definition of democracy, even if the broader literature history of the concept. The meaning can be seen from the etymology of the word democracy, from the Greek word that combines *Demos* and *Kratos*, *Demos* means people while *Kratos* can be translated into power, “power to people”. The United Nations at the world summit of 2005 gives an interesting definition:

“Democracy is a universal value based on the freely expressed will of people to determine their own political, economic, social and cultural systems and their full participation in all aspects of their lives”⁸⁵

An important question is how democracy and human development are connected; it can seem evident that the positive connection between them, democracy seems the best option to improve an individual’s life as well as well-being, because is the most freedom political structure.

⁸⁵ Resolution adopted by the General Assembly on 16 September 2005, 60/1 2005 World Summit Outcome.

Is important to highlight the connections between democracies and human development.

First of all the centre of the democratic process are citizens and so the individuals, the “*empowerment of citizens*”⁸⁶, the freedom given with elections as well as the freedom to choose and the freedom of expression is really giving power to the single individual.

*“Democracy has an instrumental role in enhancing the hearing that people get in response to their claims to political attention”*⁸⁷.

In addition, Sen remarked that in a democratic state, people could have their capabilities full field because of the “*protective power of democracy*”⁸⁸, people that live in a democratic state have more access to availability and help from the organization itself.

There are several aspects in which democracy is connected with human development, one of them deal with the possibility of free participation in the electoral process, the citizens can choose who better represents their ideas and can deal with what they believe is relevant and more important for them.

Another point is about the importance of the evaluation of “basic capabilities” which are “the *ability to satisfy certain elementary and crucially important functionings up to certain levels*”⁸⁹. A community of people can have those necessities and in order to do this they have to exchange ideas make proposals and discussion between the members.

⁸⁶ Christoforou, “Social Capital and Human Development”; Fung and Wright, Deepening Democracy.

⁸⁷ Drèze, J. and Sen, A. (2002) India: Development and Participation, 2nd edn., Oxford: Oxford University Press.

⁸⁸ Sen, A. (1999) Development as Freedom, Oxford: Oxford University Press

⁸⁹ Sen, A. (2003) “Democracy and Its Global Roots,” The New Republic

“Even the idea of ‘needs’ (including the understanding of ‘economic needs’), which is often taken to be fixed and well-defined, can respond to public discussion and exchange of information, views and analyses”

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In this process, the group defined which are the most important for them specifying them. This debate in Sen’s View is *“a crucial part of exercises of democracy and responsible social choice”*⁹¹. What is important in the democratic process are the public discussions that can and should be

*” the opportunity for citizens to participate in political discussions and so to in a position to influence the public choices”*⁹².

In Sen’s words, democracy is *“the exercises of public reason”*⁹³.

As already highlighted the three main dimensions survey of the Human Development Index are health, education, and a decent standard of living, but is not take into consideration any aspects of participation in the political life of a country, not the freedom or the form of government are not take in consideration.

As we have already seen, the human development approach is focused on the individual’s freedom and the aim is to expand people’s possibilities to achieve what they prefer, for this reason is important to understand the connection between human development and democracy.

In my opinion, the connection is stronger and is founded on and the human development approach instead of the pure economic tradition of

⁹⁰ Sen, A. (2003) “Democracy and Its Global Roots,” The New Republic

⁹¹ Op. Cit.

⁹² Sen, A. (2003) “Democracy and Its Global Roots,” The New Republic

⁹³ Op.Cit.

development linked with the concept of GDP. This is even stressed in Sen's work.

When Sen was asked in the late 90s, which was the most important event that occurred in the twenty century he answered, with no hesitations, he answered "*the rise of democracy*"⁹⁴. This is because he argues that even if numerous relevant events occurred, the emergence of democracy will be the most important event if someone will look back after 20 years.

Sen argues that democracy was born in ancient Greece but has taken several steps during history to become the form of government as is known today.

*"from the signing of the magna carta in 1215; to the French and the American revolutions in the eighteenth century; to the widening of the franchise in Europe and North America in the nineteenth century"*⁹⁵

Sen argues that it was in the twenty century that democracies spread all over the world from Europe to America and Africa to Asia.

The definition that Sen gives of democracy is the following:

"We must not identify democracy with majority rule. Democracy has complex demands, which certainly include voting and respect for election results, but it also requires the protection of liberties and freedoms, respect for legal entitlements, and the guaranteeing of free discussion and uncensored distribution of news and fair comment. Even elections can be deeply defective if they occur without the different sides getting an adequate opportunity to present their respective cases, or without the electorate enjoying the freedom to obtain news and to consider the views of the competing protagonists. Democracy is a

⁹⁴Sen, Amartya. (2000). Democracy as a Universal Value. American Educator, available at: <https://www.journalofdemocracy.org/articles/democracy-as-a-universal-value/>

⁹⁵ Sen, Amartya. (2000). Democracy as a Universal Value. American Educator, available at: <https://www.journalofdemocracy.org/articles/democracy-as-a-universal-value>

*demanding system, and not just a mechanical condition (like majority rule) taken in isolation”*⁹⁶

Sen believes that democracy can intervene in citizens’ life in three ways:

- *Political freedom*⁹⁷, the possibility to choose, and the “civil and political rights” respect are part of living a good life and as well to achieve personal well-being.
- *The instrumental value of democracy*⁹⁸, people are more supported to ask for their necessities by the policymakers.
- *The opportunity of democracy to learn from one another*⁹⁹, in order to achieve their necessities requests and needs people have to dialogue with one another.

Another important role of the democratic institution deals with the facing terrible situation in a country as to faces like, for instance, earthquakes and flood, the democratic state intervene for helping the citizens, and this can preserve a series of capabilities for them.

Sen defined democracy as a “universal value”, because of three characteristics that democracy has: the “*intrinsic importance of political participation and freedom in human life*”¹⁰⁰

*“The instrumental importance of political incentives in keeping governments responsible and accountable, the constructive role of democracy in the formation of values and in the understanding of needs, rights and duties.”*¹⁰¹

⁹⁶ Sen, Amartya. (2000). Democracy as a Universal Value. American Educator, available at: <https://www.journalofdemocracy.org/articles/democracy-as-a-universal-value>

⁹⁷ Op. cit.

⁹⁸ Op. cit.

⁹⁹ Op. cit.

¹⁰⁰ Op. cit.

¹⁰¹ Sen, Amartya. (2000). Democracy as a Universal Value. American Educator

Is important to define what a “universal value” is clear that not everyone in the world believes in the importance and is a supporter of democracies, but even if there is no total consent, Sen argues that there will not be any other universal value if the total consensus was the only criteria to define something as so. To be recognized as a universal value is necessary that people understand and see it as something valuable for them. This is particularly true for democracies that with his expansion in the twenty century have seen the consensus spread rather than decline.

Democracy that is not recognized as a universal value by some individuals has been also criticized, the main criticism is the correlation between the presence of poor people will be not interested in democracy and they will reject it. Sen argues that this is not true arguing that first of all, as was already reported, the activity of protection and intervention in difficulty is one of the main features of democracy, and their needs could be identified and answered fast by the democratic state. Moreover, Sen argues that when people in difficulty are asked to choose or reject democracy they will choose it. An example is the election in India back in the seventies, in those elections asked the citizens to accept a particular emergencies state in which some rights should have been removed in order to affront an emergency. The results of the elections were clear, people refused to accept the state of emergency with the consequences for their rights; is relevant that Sen defined the “*Indian electorate as one of the poorest in the world*”¹⁰².

Martha Nussbaum gave another important contribution to the concept of democracy in his book: “*Not For Profit: Why Democracy Needs The Humanities*”. Here what she supports is the fundamental importance of democracies as well as the education of democracies, the possibility of intervening with kids and teens and giving them the acknowledgments

¹⁰² Sen, Amartya. (2000). Democracy as a Universal Value. American Educator..

and the basis to become well-informed citizens and not “*useful machines rather than complete citizens who can think for themselves*”¹⁰³.

She explained how an education focusing quite exclusively on economic and technological aspects leaving aside all the humanities disciplines that will contribute to the complete formation of individuals, helping them develop critical thought, nonetheless, she does not support the only study of those kinds of disciplines but a better integration of the economic and humanities ones.

*“The human development model is committed to democracy since having a voice in the choice of the policies that govern one’s life is a key ingredient of a life worthy of human dignity”*¹⁰⁴.

Even Nussbaum recalls the importance that an institution like democracy has on human development. Highlighting the aspects of dignity but also remarking on the importance that freedom for both democracy and the human development model itself.

*“Human development (...) it is closely related to the constitutional commitments (...) of many if not most of the world democratic nations”*¹⁰⁵

Furthermore, Nussbaum defines it as a series of capacities that citizens should have in order to achieve a democratic state in which well-being, freedom, and the best quality of life are pursued; the author argues that

¹⁰³ Nussbaum, Martha C. *Not for Profit: Why Democracy Needs the Humanities*. Princeton University Press, 2010.

¹⁰⁴ Nussbaum, Martha C. *Not for Profit: Why Democracy Needs the Humanities*. Princeton University Press, 2010.

¹⁰⁵ Op.cit.

the nation should procure the education for the citizens able to achieve the following competencies.

A series of numerous abilities are described in Nussbaum's work: from the ability to reflect on political issues; to the capacity to overcome differences about gender, race, or religion among citizens that are all equal; to the ability to have personal thoughts and the capacity of doing an evaluation of political leader. Finally is important to expand the understanding of the Nation as a whole that is also part of a world order to prevent the focus on personal and local issues.

Another aspect for which democracy and human development deal is with "citizen's empowerment"¹⁰⁶. For instance, empowerment takes place through the possibility of having free media and access to information. Another aspect of interaction regard specifically electoral democracy; in that democracies citizens are called to choose and vote for their leader and representatives they need the support and the votes in order to achieve that position, and to do so they will be facilitating the requests as well as answering the necessary coming from the electors. Furthermore, democracies have "*both short and long-term effects on human development*"¹⁰⁷ Because some decisions applied and some policies can have a result in the present of the actuation as well as produce results in the future.

In this section of the work, the close relationship between democracy and the human development approach was demonstrated. The following section of the work will present some examples of democracy indexes that have been theorized in the past with the important goal of evaluating the level of democracy in the nations. This is because it is

¹⁰⁶ John Gerring, Carl Henrik Knutsen, Matthew Maguire, Svend-Erik Skaaning, Jan Teorell & Michael Coppedge (2021) Democracy and human development: issues of conceptualization and measurement, Democratization

¹⁰⁷ Op. Cit.

important in the perspective of evaluating human development to enrich the possibilities of having clear and understandable data on the level of democracy. Furthermore, democracies since their expansions in the twenty century is evident that are the most actualize form of government and also for this reason is important to evaluate the level and conditions of democracies around the world.

2. A DEMOCRACY INDEX?

As was presented in the previous part, democracy is an important concept and institutions strictly connect con the possibility of human development. In order to have a wider vision and evaluation of the level of human development it will be necessary also to define the value of democracies in which thousands of citizens lives their life.

It is an interesting point of view to remark on the importance of democracies in connection with human development; with a superficial and a simple exercise can be made in order to demonstrate the correlation between human development , the HDI and the implementation of democracy. If we look at the first ten countries categorized with, the Highest Human Development Index nines out of ten are nations in which democracy is present. This is just a superficial point of view that anyone can have just looking at data, on the relations between democracy and human development.

Is not possible to evaluate the real conditions and implementation of democracy just by looking at Nation that define themselves as democratic. The issue to address is how is it possible to really evaluate and calculate the level of democracy in concrete. Some attempts to

evaluate democracies were made in the past, for instance different “democracies index” exist today. In the next paragraphs, it will be presented the possibilities of how a democracy index could be represented, what should take into consideration, as well as what should not be comprehended in it.

Several attempts of indices were made in order to achieve the best evaluation of democracy possible. In the following part, the most important and relevant ones are going to be presented. These types of indexes are interesting because they give a research methodology to investigate the complexity of democracy.

As is going to be discussed, the possibility of having a numerical valuation of democracy represents an important aspect of the human development index itself that could be enriched with this index in his calculation; it could provide a wider vision of the evolution of human development.

A first example of evaluating democracy is presented in by the varieties of democracy the “V-dem project” is *“a unique approach to conceptualizing and measuring democracy. We provide a multidimensional and disaggregated dataset that reflects the complexity of the concept of democracy as a system of rule that goes beyond the simple presence of elections. The V-Dem project distinguishes between five high-level principles of democracy: electoral, liberal, participatory, deliberative, and egalitarian, and collects data to measure these principles”*¹⁰⁸ The V-Dem project produced an annual global dataset on democracy.

One of the achievements of this project was also to define a “polyarchy index” an index that evaluates electoral democracy. The meaning of

¹⁰⁸ V-Dem official website: <https://www.v-dem.net/about/v-dem-project/>

polyarchy is not so different from the concept of democracy, in the words of the author Robert Dahl who theorize this concept:

“Democracy is a political system one of the characteristics of which is the quality of being completely or almost completely responsive to all its citizens.” Yet he reserved this term, “democracy,” for an ideal system without empirical referents, instead preferring to label countries living up to the empirical requirements of democracy as “polyarchies.”¹⁰⁹. Polyarchy can be understood as electorate democracy is composed of five fundamental components:

Elected officials, Free, Fair, and Frequent Elections, Associational Autonomy Inclusive Citizenship Freedom of Expression¹¹⁰.

In order to measure this index five indices are necessary¹¹¹

- *Elected Executive¹¹²*: it measures how the election of the executive chief is done if there are direct or indirect elections
- *Clean elections¹¹³*: it evaluates the “transparency” of the election process if there have been manipulations or frauds.
- *Freedom of organization¹¹⁴*: is about the possibility of freedom in a pluralistic way of present and creation of political parties and organizations
- *Inclusive citizenships¹¹⁵*: it measured the possibility to vote
- *Freedom of expression¹¹⁶*: it deals with the possibilities of freedom in several aspects like access to media and social discussion

¹⁰⁹ Dahl, Robert (1971) Polyarchy. New Haven & London: Yale University Press

¹¹⁰ Dahl, Robert (1998) On Democracy. New Haven & London: Yale University Press.

¹¹¹ V-Dem institute, “measuring electoral democracy with V-dem data: introducing a New Polyarchy index” J. Teodorell, M. Coppedge, S. Skaaning, and S. Lindberg, available at: https://www.v-dem.net/media/publications/v-dem_working_paper_2016_25_edited.pdf

¹¹² Op. Cit.

¹¹³ Op. Cit.

¹¹⁴ Op. Cit.

¹¹⁵ Op. Cit.

¹¹⁶ Op. Cit.

The construction of the total index is given by the multiplication of all the indexes reported below, and for this reason, it is also defined as the Multiplicative polyarchy index (MPI)¹¹⁷:

$$\begin{aligned} MPI = & \textit{elected executive} * \textit{clean election} * \textit{freedom of organization} \\ & * \textit{inclusive citizenships} * \textit{freedom of expression} \end{aligned}$$

From the achievements of the V-dem also in the work: “Democracy and human development: issues of conceptualization and measurement” the concept of MPI is considered the best way to highlight the plausible connection between democracy and human development.

Democracy is not a simple concept to evaluate, because is the result of combined aspects. Nevertheless, the MPI index proposal is evaluated as an efficient proposal. Moreover, in “Democracy and human development: issues of conceptualization and measurement”¹¹⁸ arguments demonstrate that some peculiar aspects of the electorate democracies improve human development but in order to achieve this some characteristics have to respect:

“elections are clean and not marred by fraud or systematic irregularities,

the chief executive is selected (directly or indirectly) through elections,

suffrage is extensive, political and civil society organizations operate freely, and there is freedom of expression, including access to alternative sources of information”¹¹⁹

¹¹⁷ V-Dem institute, “measuring electoral democracy with V-dem data: introducing a New Polyarchy index” J. Teodorell, M. Coppedge, S. Skaaning, and S. Lindberg, available at: https://www.v-dem.net/media/publications/v-dem_working_paper_2016_25_edited.pdf

¹¹⁸ John Gerring, Carl Henrik Knutsen, Matthew Maguire, Svend-Erik Skaaning, Jan Teorell & Michael Coppedge (2021) Democracy and human development: issues of conceptualization and measurement, Democratization

¹¹⁹ Op. Cit.

Another relevant initiative is the one promoted by “Freedom House” which is an independent organization of scholars, journalist’s, political figures, and individuals established in 1941 in New York with the aim of “*support and defend democracy around the world*”¹²⁰.

What is interesting is that freedom house published the annual “Freedom in the world report”: a report of numerical data as well as supportive text in which 195 countries are evaluated on several dimensions. The report is edited to evaluate:

- “*Electoral process*”¹²¹,
- *political pluralism and participation*¹²²,
- *the functioning of the government*¹²³,
- *freedom of expression and of belief*¹²⁴,
- *associational and organizational rights*¹²⁵,
- *the rule of law*¹²⁶,
- *personal autonomy and individual rights*”¹²⁷.

The procedure to have an evaluation on all these aspects is giving a score from 0 to 4 for each political rights and civil liberties indicator; every indicator is investigated through the use of numerous questions: *Electoral Process (3 questions), Political Pluralism, and Participation (4), and Functioning of Government (3). The civil liberties questions are grouped into four subcategories: Freedom of Expression and Belief (four questions), Associational and Organizational Rights (3), Rule of*

¹²⁰Freedom house website: <https://freedomhouse.org/reports/freedom-world/freedom-world-research-methodology>

¹²¹ Op. Cit.

¹²² Op. Cit.

¹²³ Op. Cit.

¹²⁴ Op. Cit.

¹²⁵ Op. Cit.

¹²⁶ Op. Cit.

¹²⁷ Op. Cit.

*Law (4), and Personal Autonomy and Individual Rights (4)*¹²⁸. Experts analyzed the level of a country through the responses to those questions and assign a vote from 0, the lowest level to 4 the maximum level of development in those rights; the average score that a county can obtain is 40 for the political rights part and 60 for the civil rights part

Questions are precisely made in order to investigate the specific part of indicators. The results obtained by the single state are categorized in range and translated in defined of three categories: “status of Free, Partly Free, or Not Free”¹²⁹

A team of academic advisors and analysts actuates the investigation as well as the evaluation.

The last contribution reported is the “democracy index” which is a calculation of democracy promoted by “The Economist”, a newspaper, that created an “Economist Intelligence Unit’s Index of Democracy”¹³⁰.

Theorized for the first time in 2007 with the aim of trying to find a way consensual evaluate democracy. The economist proposal started with the awareness that the most known and recognized theory on the subject was the “freedom house” organization, which was explained before. Starting from this important contribution the economist intelligence unit theorized five categories: “*electoral process and pluralism; civil liberties; the functioning of government; political participation; and*

¹²⁸Freedom house website: <https://freedomhouse.org/reports/freedom-world/freedom-world-research-methodology>

¹²⁹ Op. cit.

¹³⁰ Economist intelligence website: <https://www.eiu.com/n/campaigns/democracy-index-2022/>

political culture. The five categories are interrelated and form a coherent conceptual whole.”¹³¹

The methodology employed is based on 60 indicators grouped together into the five categories described above, each category has a rating from zero to 10 and the total score of the index is made with the simple average of those five categories. After this, the countries are subdivided into four categories:

- *Full democracies—scores of 8-10*¹³².
- *Flawed democracies—scores of 6 to 7.9*¹³³.
- *Hybrid regimes—scores of 4 to 5.9*¹³⁴.
- *Authoritarian regimes—scores below 4.*¹³⁵

What is important to highlight is that freedom once again is a fundamental aspect; democracy could not even exist if freedom is not guaranteed. The freedom house is the most important example that remarks the central concept of freedom. Nevertheless, the democracy index and the contribution on the matter of the “V-Dem” project are important to demonstrate concrete attempts to analyze and evaluate the democratic system itself. One observation that can be made is that the democratic index proposed by the economist is a more complete type of index that involved more indicators specifically create to evaluate the democracy of nations.

¹³¹ The Economist Intelligence Unit’s index of democracy available at: https://www.economist.com/media/pdf/democracy_index_2007_v3.pdf

¹³² Op. Cit.

¹³³ Op. Cit.

¹³⁴ Op. Cit.

¹³⁵ The Economist Intelligence Unit’s index of democracy available at: https://www.economist.com/media/pdf/democracy_index_2007_v3.pdf

Given the demonstration that calculated democracy levels is possible, as well as the demonstration of the positive connection between democracy and human development; the issue now regards the possibility of enriching the existing index of human development HDI with a democracy index. To answer this question is necessary to present two opposite points of view on the question.

3. THE IMPLEMENTATION OF THE DEMOCRACY INDEX IN THE HDI

As presented in the previous part, the possibility of evaluating democracy is concrete. Furthermore, it has been demonstrates the positive connection and relation that democracy and human development have.

The question now is about the possibility of enriching the actual version Of the Human Development Index with the introduction of a “democracy index” with the existing ones that evaluate health, education, and income, in order to spread the possibility of evaluating an important part of human development.

Professor Leandro Prados De La Escoura made an important contribution to this subject. In his theory, Prados De La Escoura

explained that after thirty from his presentation, HDI needs to be improved¹³⁶.

His proposal is to add, with the present three indices of the total index, a new dimension with a “liberal democracy index “with the objective of measuring “political and civil liberties”. With this new index the HDI is now defined as “Augmented Human Development Index “ (AHDI)

In order to calculate the AHDI is necessary to change some criteria employ in the calculation of HDI:

The life expectancy index is now calculated as:

“the average number of years of life which would remain for male and female reaching the ages specified if they continue to be subjected to the same mortality experience in the years to which these life expectancies refer”¹³⁷.

The goalposts set are 85 years for the maximum and 20 years for the minimum. The dates for the evaluation of this work come primarily from the human development reports of UNDP, as well as from the database of the World Bank, either way, is necessary to evidence that the lack of some dates has the necessity of been assumed by the Prados itself.¹³⁸

The education index is measured *“by the average years of total schooling (..) For the population aged 15 and over”¹³⁹. The goal post has been set as 15 for the maximum value and zero as the minimum.*

¹³⁶ Prados de la Escosura, L. (2021), “Augmented Human Development in the Age of Globalisation”, Economic History Review

¹³⁷ Prados de la Escosura, L. (2023),” Augmented Human Development, Concept , Sources And Procedures”

¹³⁸ Prados de la Escosura, L. (2023),” Augmented Human Development, Concept , Sources And Procedures”

¹³⁹ Op. cit.

The collection of data comes from different sources, the Human development report of UNDP, and “the Clio-infra dataset”¹⁴⁰.

The liberal democracy index “*combines the electoral democracy index and the liberal component index*”¹⁴¹ It evaluates aspects like “*freedom of association, expression, suffrage, and clean election*”¹⁴² The goalposts here are fixed as one and zero. The date collection for this aspect comes from the work of the “V-Dem project”, which was analysed in the previous part; the electoral democracy index and the liberal index are implied to define the Liberal democracy index. This component is made of two freedom; the first is “a negative freedom”, that is a “*sence of coercion and control over one’s ability to express opinions and participate in public life*”¹⁴³ and the other is how freedoms are implemented in the society, this second freedom regards the existence of democracy. To overcome the dearth of dates for some countries here, especially before 1990, the author supposed that the countries had followed their neighbours state development and given the same value.

The income is evaluated through GPD per capita “in 1990 dollars adjusted for its purchasing power adjusted”¹⁴⁴ and is calculated with a logarithmic transformation, the goalposts set are 47000 U.S. dollars and 100 U.S. dollars. The data collected here is carried out from “the Maddison project database”¹⁴⁵ as well as from the World Bank database.

¹⁴⁰ <https://clio-infra.eu/>

¹⁴¹ ¹⁴¹ Prados de la Escosura, L. (2023),” Augmented Human Development, Concept , Sources And Procedures”

¹⁴² Op. cit.

¹⁴³ Milanovic B. (2023) “*On income, education, and freedom: A few comments on Prados’ Augmented Human Development Index*” Rivista di storia economica.available at: <https://rivisteweb.it/doi/10.1410/106850>

¹⁴⁴ Op.cit.

¹⁴⁵ <https://www.rug.nl/ggdc/historicaldevelopment/maddison/releases/maddison-project-database-2020?lang=en>

The total value of the AHDI is calculated with the following formula, in which the index is combined with a geometric average:

$$AHDI = LEB^{1/4} \cdot EDU^{1/4} \cdot LD^{1/4} \cdot UNY^{1/4} \text{ }^{146}$$

In this formula, **LEB** corresponds to life expectancy, **EDU** is the value of education, **LD** is the liberal democracy and **UNY** is the income per capita.

An important aspect is that this index evaluates a time space from 1870 to 2020, the starting point is not casual, is from the late 90s when the spreading of knowledge on the importance of health influence the life expectancy value, as well as the begging of mass education. Furthermore, the number of countries taken into consideration in this tame space by the AHDI is 162¹⁴⁷ countries after 1990.

An opposite point of view on the question is the one presented and supported the Branko Milanovic, a Serbian-American economist. Milanovic published, “A Few Comments about the new proposal of AHDI made by Pedros”. The starting point for Milanovic is the introduction of a “political side” in the evaluation of the Human development index; this political part is represented by the democracy index that evaluates different freedom related to the political dimension. Even though Milanovic is not a supporter of the new conception and the AHDI, it recognized that after 30 years this proposal represents “the most important development”¹⁴⁸ since his first definition.

¹⁴⁶ Prados de la Escosura, L. (2023),” Augmented Human Development, Concept , Sources And Procedures”

¹⁴⁷ Op. cit.

¹⁴⁸ Milanovic B. (2023) “On income, education, and freedom: A few comments on Prados’ Augmented Human Development Index” *Rivista di storia economica*. Available at: <https://rivisteweb.it/doi/10.1410/106850>

The critics are developed based on different arguments: the main criticism is about the conception of political freedom as primary goods. For Prados, the possibility of having political rights and freedom is in relation to human development because it “*gives individuals agency to exercise their choice in general*”¹⁴⁹. The term agency in this context has to be understood as Sen’s view on agency, and so it translates into personal empowerment and the capacity of having a “voice”.

While Milanovic is a critic of democracy inclusion in the index, he appreciates the importance of agencies given in Prados’s work. Milanovic supports the evaluation of agencies because it is clear and understandable as well as measurable. Furthermore, it expresses a connection between agencies and a positive increment in human development.

Milanovic is not enthusiastic in his analysis of the democracies index. He focuses on the aspect of this new component about the freedoms that are “politically bundled” because in his opinion is the most “problematic one”¹⁵⁰. The issue is about the liberal democracy index chosen implied in the calculation presented in Prados’s work; the core of the problem is using the democracy index as the term of comparison to investigate because this form of government is not the only way viable. “*Other ways are not only possible but have existed, and continue to exist*”¹⁵¹.

¹⁴⁹. Milanovic B. (2023) “*On income, education, and freedom: A few comments on Prados’ Augmented Human Development Index*” *Rivista di storia economica* available at: . <https://rivisteweb.it/doi/10.1410/106850>

¹⁵⁰ Milanovic B. (2023) “*On income, education, and freedom: A few comments on Prados’ Augmented Human Development Index*” *Rivista di storia economica* available at: . <https://rivisteweb.it/doi/10.1410/106850>

¹⁵¹ Op.Cit.

The problem is taking as guaranteed that democracy is the best way to intervene in a state; this is problematic because it does not take into consideration other people's points of view. Having different backgrounds, historical traditions as well as traditional beliefs, and religious credo, do not share the same ideas and do not give the same importance and meaning to the structure of democracy. From an occidental and European point of view, democracy represents the best choice possible, but aspects and peculiar elements of it can be unacceptable and unreasonable to other people.

People could prefer an evaluation made throughout different ways, *“corporatist or representative bodies; a single party system via intra-party debate; by consultative monarchy; oligarchic or elite rule with popular participation, the «dictatorship of virtue» à la Savonarola, etc.*

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Is not possible to impose a concept of the best way to govern society.

The introduction of this politicized index is in addition to three indexes that are free from the political levels and represent the main issue. Is not possible to introduce an index with those characteristics in a United Nations program that, for its founding treaty, refrains any from politicization, also because it will not respect all countries' opinions on the topic.

Moreover, Milanovic believes that the problem is with trying to give a numerical value to democracy in general; in his opinion is not possible to capture all the aspects that compose democracies.

“How do we account for the fact that the rich «buy» policies they like by supporting electoral campaigns of those who would do their

¹⁵²Milanovic B. (2023) *“On income, education, and freedom: A few comments on Prados' Augmented Human Development Index”* Rivista di storia economica available at: . <https://rivisteweb.it/doi/10.1410/106850>

bidding? How do we account for the creation of «the correct» opinion by the media owned by the rich?”¹⁵³

Denouncing situations and aspects that cannot be measured but represent decisive situations that influence into the democratic process. The attempt to evaluate democracy will be always “heavily politicized”¹⁵⁴ and should not introduce in the evaluation of HDI that is composed of three indices, health education, and income, with a wide acceptability and that are not politicized.

The debate on the possible modification of the traditional HDI in favour of a new AHDI or an index that comprehends a democratic index is still open. Both the positions and analyses present above are reasonable and have valid arguments.

¹⁵³Milanovic B. (2023) “*On income, education, and freedom: A few comments on Prados’ Augmented Human Development Index*” *Rivista di storia economica* available at: . <https://rivisteweb.it/doi/10.1410/106850>

¹⁵⁴ Op. Cit.

CONCLUSIONS

The current work aimed to define the fundamental aspects of human development, and the human development index as well as evaluate the possibility of introducing a democracy index together in the calculation of the HDI

Starting from the general conception of measuring development was possible to analyze the human development approach as well as the index that was created in this approach: the HDI.

In this work, the focus was on the human development approach, the human development index, and the possible implementation of a democracy index. The arguments analyzed result important in order to achieve a broader vision and compute soon on the real meaning of development from a human perspective.

Is important to have the awareness as well as knowledge to overcome the traditional model of economic growth equivalent to development. Many other aspects than just economic power enrich the single individual life. I found the capability approach as well as the human development approach really interesting points of view in the consciousness of development. I am a supporter of the Human development index; the possibility of having a numerical simple date gives the opportunity to everybody to have a broader comprehension of the stage of a Nation's development. The debate on the possible implementation of a democracy index was presented through two opposite poles. A concrete work theorized by Pedros demonstrates the possibility of an AHDI "augmented human development index" in order to evaluate political freedom and democracy. The main critics come from Branko Milanovic, who argues how the introduction of this type of index is not possible, explaining the impossibility of evaluating democracy

I personally shared the words and thoughts on the theme with Milanovic when he affirmed:

“We have to be grateful to Leandro Prados to have produced a work of tremendous scope that blends empirics, economic history, philosophy (in the justification of elements that make for human happiness), and mathematics (in the way that these multidimensional elements are combined), and that thus allows us to discuss such topics again”¹⁵⁵

The topic addressed is so wide and characterized by numerous aspects that debate as well as the studies will not stop today. I think that the constant evaluation and discussions on the theme of human development and the Human Development Index represent an opportunity to capture new aspects to enlarge the awareness of the theme as well as to improve it. I believe that the process of analysis on these themes’ continuous improvements as well as adjustments will be achieved.

¹⁵⁵ Milanovic B. (2023) *“On income, education, and freedom: A few comments on Prados’ Augmented Human Development Index”* Rivista di storia economica.

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