

## **Mahbub ul Haq: Human Development for Poverty Alleviation<sup>1</sup>**

*“The objective of development must be viewed as a selective attack on the worst forms of poverty. Development goals must be defined in terms of progressive reduction and eventual elimination of malnutrition, disease, illiteracy, squalor, unemployment, and inequalities. The concerns for more production and better distribution should be brought together in defining the pattern of development.”*

Mahbub ul Haq in *The Poverty Curtain*, Columbia University Press, New York 1976

I start with this quote because thirty-five years ago Mahbub ul Haq wrote these words which are as relevant to Pakistan today as they were at that time.

Today, February 22nd, happens to be the seventy-seventh birthday of Mahbub ul Haq who, as we all know, was the pioneer in developing the concept of human development in order to link economic development goals and strategies with those of social development. Mahbub ul Haq not only clearly articulated and passionately advocated for human development but he also provided the world with a statistical measure (Human Development Index) to quantify the indicators of economic growth with human development. Mahbub ul Haq’s vision of human development went beyond the conventional definition to improvements in education, health, nutrition and women’s empowerment. It is a much broader concept to include the totality of social, economic and political systems in a country that impact on people’s lives and livelihoods.

Today human development has become a critical element in national planning for economic development. Yet in their preoccupation with macro-economic stability and quantitative targets of economic growth, policy makers often lose sight of the social imperatives of economic development.

Social sector development is essential for both improving productivity and ensuring equity. While human productivity is an essential element of economic growth, to treat human being as only a resource for the production process obscures the centrality of people as the ultimate end of development. Human development paradigm is concerned not only with building human capability through investment in education and health it is also concerned with using that capability fully through an enabling framework for growth and employment. Human development model regards economic growth as essential, but pays equal attention to its quality and distribution, its link to human lives and to its sustainability.

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<sup>1</sup> Khadija Haq’s presentation at the UNDP MH Commemorative event, Feb 22, 2011, Islamabad

Mahbub ul Haq never tired of saying that there is no automatic link between expanding income and promoting human welfare. A link between growth and human lives has to be created consciously through deliberate public policy – such as public spending on social services, and fiscal policy to redistribute income and assets. Such a deliberate, forward-looking and equitable public policy has been missing in Pakistan over the last sixty-four years. And that is what has led to the current state of both low growth and increased poverty and human deprivation.

Haq's experience with Pakistan's development planning in the 1960s convinced him early in his professional life that focusing on GNP growth without giving attention to its content, structure and distribution would not deliver a sustainable and equitable development of a country. He questioned the wisdom of the development economists, including himself, who were 'chasing elusive per capita income level' that focused on growth rates without giving any consideration to its distribution and social impact. In May 1971 at a SID conference in Ottawa he raised many eyebrows in the international community by declaring 'It is time to stand development theory on its head, since a rising growth rate is no guarantee against worsening poverty.'

Mahbub ul Haq based this statement on the experience of Pakistan where despite healthy growth rates of GNP in the 1960s, unemployment had increased, real wages had declined, and the income disparity between East and West Pakistan had nearly doubled. (Later on the two parts of Pakistan separated and East Pakistan became the independent country of Bangladesh). As Haq said, 'we do know that the rate of growth, as measured by the increase in GNP, has been fairly respectable in the 1960s, especially by historical standards. We also know that some developing countries have achieved a fairly high rate of growth over a sustained period. But has it made a dent on the problems of (mass) poverty? Has it resulted in a reduction in the worst forms of poverty – malnutrition, disease, illiteracy, shelterless population, squalid housing?'<sup>2</sup>

Orthodox economic development policies at the time were not only preoccupied with GNP growth but the policies for growth were also divorced from those of distribution. This was due, as Haq asserted, based on his experience in Pakistan, to the misguided faith of policy makers in the fiscal systems of developing countries and on their misjudgment of economic and political institutions. He wrote at that time, 'We know now that the coverage of these fiscal systems is generally narrow and difficult to extend. We also know that once production has been so organized as to leave a fairly large number of people unemployed, it becomes almost impossible to redistribute incomes to those who are not even participating in the production stream.' He went on to contend, 'Divorce between production and distribution policies is false and dangerous. The distribution policies must be built into the very pattern and organization of production.'<sup>3</sup>

Mahbub ul Haq refined these ideas and fed into the UN global conferences of the 1990s, using the publication and outreach of the UNDP Human Development Reports. The World Summit for Social Development in 1995 and the Beijing Conference on Women a few months later were particular points of focus. The HDR1994 outlined an agenda and proposed key points

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<sup>2</sup> Mahbub ul Haq, *Employment in the 1970s: A New Perspective*, in Society for International Development, *International Development Review* 1971/4.

<sup>3</sup> *ibid*

for the World Summit and HDR1995 for the Beijing Conference. The impact of both documents went far beyond the conference walls.

Today, it is widely accepted that the real purpose of development is to enlarge people's choices in all fields – economic, political, social and cultural- and to achieve this in a way which is sustainable over the long term. Seeking increases in income is one of the many choices people make, but it is not the only one.’<sup>4</sup>

The creation of the Human Development Report, with a small group of people on the ideas and approach, provided the opportunity for major intellectual advance. Haq's critical partner in this was Amartya Sen, a close friend of Mahbub whose originality and depth would win him the 1998 Nobel prize in economics. Mahbub gave drive and inspiration, eloquence and intellectual passion in linking human development to the problems and policy issues of the time. Sen helped formulate the concepts and underlying theory. Together they ensured that the human development approach evolved with the depth and relevance of a new paradigm.

#### *Policy implications for Pakistan*

The pervasive economic and social development crisis that Pakistan is going through today cannot be resolved by quick-fix technocratic solutions. As the problems are rooted in the prevailing social, economic, political and institutional systems in the country, the imperative is to think in terms of systemic reforms. There is a need to create a system which, for example, can truly reform the land tenure system, set up credit institutions that work for the poor, empower women, provide quality basic education and primary healthcare to all, organize a more fair and equitable system of taxation, ensure justice to the poor, and establish institutions of good governance.

Second, sufficient resources must be allocated to achieve social development goals in Pakistan within a realistic and manageable timeframe. Is this possible under the current situation of resource constraint?

Third, the entire civil society needs to be mobilized to achieve social development goals, not just the government.

Fourth, no social or economic development goals in Pakistan will be achieved without improving the status of women. The Constitution guarantees equal rights for women, yet its interpretation and successive amendments to the original Constitution have eroded the

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<sup>4</sup> Mahbub ul Haq, *Reflections on Human Development*, Oxford University Press, 1995

constitutional rights of women. Human rights of women are violated everyday under the garb of religion, custom and tradition. In every indicator of human development – education, health, employment, wage rate – females are far behind males, although whenever girls have been given the opportunity to compete with boys they have consistently outperformed them.

Finally, there must be commitment at the highest level of decision-making to improve the human condition of Pakistan. This is vital to make a significant difference. It is easy to prescribe institutional changes that are necessary to advance development. But the reforms which are absolutely necessary are the ones the ruling groups have resisted for the last 64 years.