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## HUMAN DEVELOPMENT<sup>†</sup>

### Human Development: Means and Ends

By PAUL STREETEN\*

“So act as to treat humanity, whether in thine own person or in that of any other, in every case as an end, never as means only.” So wrote Immanuel Kant in his *Fundamental Principles of the Metaphysics of Morals*. This is not a very clear guideline. We certainly have to use others as means, and do so all the time. How else would we get our mail delivered, our food cooked, our cars serviced, our articles published? The whole division of labor is based on using other human beings as means. But Kant said “never as means *only*.” This may be regarded as too minimal a requirement. If we occasionally nod and smile at our exploited slave, does that fulfill the condition of treating him not as means only? Still, in spite of the imprecision, we know what Kant was driving at. It might serve as the motto for those concerned with human development.

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

Human beings are both ends in themselves and means of production. There are six reasons why we should promote human development and poverty eradication. First,

and above all, it is an end itself, that needs no further justification. Second, it is a means to higher productivity. A well-nourished, healthy, educated, skilled, alert labor force is the most important productive asset. This has been widely recognized, though it is odd that Hondas, beer, and television sets are often accepted without questioning as final consumption goods, while nutrition, education, and health services have to be justified on grounds of productivity.

Third, it reduces human reproductivity, by lowering the desired family size. This is generally regarded as desirable. It is paradoxical that a policy that reduces infant mortality and raises health standards generally should lead to lower population growth. One might think that more survivors mean more mouths to feed. But evidence shows that people try to overinsure themselves against infant deaths and that reduced child deaths lead to lower desired family size. It is true that there is a time lag of about two decades between falling child mortality and lower fertility rates. But other components of the human development strategy, such as better and longer education of girls, pay off sooner in smaller families.

Fourth, human development is good for the physical environment. The poor are both a cause (though not as large a cause as the rich) and the main victim of environmental degradation. Deforestation, desertification, and soil erosion are reduced with poverty reduction. The impact of population growth and population density on the environment is more controversial. The conventional view is that it is detrimental. However, recent research has shown that rapid (though not accelerating) population growth and high population density (particularly if combined with secure land rights) can be good for terracing, soil conservation, and forests.

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More people in Guinea have meant more, not fewer trees. In Nepal increased erosion was the result of depopulation; terraces could not be maintained for lack of people. In the Kakagema District in Kenya the density of trees varies with the density of population. A study of the Machakos District in Kenya found a fivefold increase in population associated with a shift from a highly degrading to a much more sustainable agriculture.<sup>1</sup>

Fifth, reduced poverty contributes to a healthy civil society, democracy, and greater social stability. China has witnessed a rapid reduction in poverty, while maintaining an autocracy, but the call for freedom cannot be suppressed for long.

Sixth, it has political appeal, for it may reduce civil disturbances and increase political stability.

Looking at the first two reasons, I will call those who stress the means or productivity aspect, with a strong emphasis on income and production, the *human-resource developers* (an extreme form of whom are the human capitalists who adopt the human-capital approach), and I will call those who stress the end aspect the *humanitarians*. At first blush, there appears to be a unity of interest between the human-resource developers and the humanitarians. Although their motives are different, both have the same cause at heart, and they should embrace each other for example, when it comes to promoting education. Means are means toward ends, which presumably are the same ends in both camps. This harmony of interest is reinforced by the widespread notion that "all good things go together."<sup>2</sup>

This unity of interests would exist if there were rigid links between economic production (as measured by income per head) and human development (reflected by human

indicators such as life expectancy or literacy, or by achievements such as self-respect, not easily measured). But these two sets of indicators are not very closely related. Sri Lanka with an income per head of \$500 enjoys a life expectancy of 71 years, while Oman, with an income of \$6,700, has a life expectancy of only 66 years. There are many other similar discrepancies, even though the correlation between economic and human indicators is quite high for all countries.

A lot of these discrepancies are, of course, due to different income distributions. Average income per head can conceal great inequalities. But there are other reasons too. The content and access to social services varies, particularly in poor countries and different ratios devoted to primary education and basic health services are also important.

Nor is there agreement on policies between human-resource developers and humanitarians. Means have a way of acquiring the characteristics of ends to which those who sponsored the initial ends do not subscribe.<sup>3</sup> The following seven points of difference are not based on the unity of logic but are comparable to the unity of psychological traits in different personalities.

First, humanitarians are concerned also with the unproductive, the lame ducks, and the unemployables: the old, infirm, disabled, and chronically sick. As Sudhir Anand and Amartya Sen (1993a,b) have pointed out, these people suffer from a double disadvantage: they face greater difficulties in earning income and in converting income into well-being.

There may be a bonus for the community looking after them, if not for higher productivity, at least for reduced reproductivity. If parents know that the community will care for them if they become disabled or infirm, an important cause of the desire for large families, and particularly many sons, disappears. This will also reduce the discrimina-

<sup>1</sup>I am indebted to Robert Chambers (1993) for this information. His paper also contains a list of sources on this subject.

<sup>2</sup>Thus, Jere R. Behrman (1993 p. 1749) writes about better nutrition among the poorer members of society, "That productivity and equity concerns are in harmony is an important plus."

<sup>3</sup>Some of the differences are due to the fact that one group attaches end values to what for the other group are pure means. The humanitarians may attach such value to participation.

tion against females, but these benefits are incidental.

Second, the ability to convert means into ends, resources into worthwhile or satisfying activities, varies widely between different people. Even such a basic good as food meets the needs of nutrition differently according to the rate of metabolism, the sex, the age, the workload of the individual, the climate, whether an individual female is pregnant or lactating, and whether she is ill, has parasites in her stomach, or needs the food for other uses than her own consumption, such as entertainment or ceremonies.

Third, the resource or means approach lends itself to treating individuals as passive "targets"; the approach that sees them as ends regards them as active, participating agents. Adherents, of the latter approach would be more reluctant to talk of "target groups" for policies and would appeal more to people's full participation.

Fourth, the content of their educational curriculum (and health program) is different. One will aim at general education and learning for its own sake and for understanding the world, while the other will be more vocational, aiming at training (including training for flexibility) rather than education.

Fifth, their views on the role of women will differ, one advocating access to the labor market, the other stressing the nurturing functions: breast-feeding, preparing meals, and looking after the family.

Those who advocate women's freedom on grounds of efficiency will welcome the benefits for men also, because they are engaged in a positive-sum game. On the other hand, those who are concerned with women's rights as an end, will advocate policies that reduce the benefits to men and involve sacrifices by them.

Sixth, their sectoral priorities will be different, housing being least connected with raising production, education, most, with nutrition and health somewhere in the middle.

Seventh, the constituencies to which they appeal for support will also be different. The human-resource developers appeal to

mainstream economists, bankers,<sup>4</sup> including the World Bank,<sup>5</sup> and technocrats; the humanitarians to the churches, NGO's, action groups, idealists, and moral philosophers.

The approach that sees nutrition, education, and health as ends in themselves rather than means to higher productivity will argue for projects and programs that enhance these ends, even when conventionally measured rates of return on these investments turn out to be zero. It amounts to standing the conventional approach on its head, or rather back on its feet again.

Human development is defined as the enlargement of the range of choices. Some basic-needs interpretations have run in terms of commodity bundles or specific needs satisfactions. In our book *First Things First* (Streeten et al., 1981 pp. 21) we say: "First, and most important, the basic needs concept is a reminder that the objective of the development effort is to provide all human beings with the *opportunity* for a full life. In the past two decades, those concerned with development have sometimes got lost in the intricacies of means... and lost sight of the end. They came near to being guilty, to borrow a term from Marx, of 'commodity fetishism'." "Opportunity" is near in meaning to Sen's (1984, 1985, 1987) "capability" (see also Jean Drèze and Sen, 1989). Sen goes beyond the analysis of commodities in terms of their characteristics, which consumers value, and analyzes the characteristics of the consumers; whether they have the capability to make use of commodities. We tried hard to get away

<sup>4</sup>John Maynard Keynes (1931 p. 176) said of bankers "Lifelong practices...make them the most romantic and least realistic of men." But this does not seem to apply to this area.

<sup>5</sup>The World Bank's (1993) *World Development Report 1993* on health has the sub-title "Investing in Health," as if good health had to show economic returns higher than the cost of capital. What if the returns to investment in health are zero?

from "the detached objects people happen to possess"<sup>6</sup> and to emphasize the end: the opportunity for people to live full lives.

The item in the United Nations Development Programme's *Human Development Reports* (1990, 1991, 1992, 1993) that has caught the public's eye and caused most controversy is perhaps analytically the weakest: it is the human-development index (HDI). It is clear that the concept of human development is much deeper and richer than what can be caught in *any* index or set of indicators. This is also true of other indicators. But, it might be asked, why try to catch a vector in a single number?

Yet, such indexes are useful in focusing attention and simplifying the problem. They have a stronger impact on the mind and draw public attention more powerfully than a long list of many indicators combined with a qualitative discussion. They are eye-catching. The strongest argument in their favor is that they show up the inadequacies of other indexes, such as GNP, and thereby contribute to an intellectual muscle therapy that helps us to avoid analytical cramps.

The human-development index comprises (i) the logarithm of GDP per head, calculated at the real purchasing power, not at exchange rates, up to the international poverty line (in *Reports* after the 1990 *Report* this was modified in various ways); (ii) literacy rates (and, since the 1991 *Report*, mean years of schooling); and (iii) life expectancy at birth. These disparate items are brought to a common denominator by counting the distance between the best and worst performers and thereby achieving a ranking of countries. Critics have said that not only are the weights of the three components arbitrary, but also what is excluded and what is included.

As has been seen, one of the great drawbacks of average income per head is that it is an average that can conceal great inequal-

ities. But, it may be objected, the components of the human-development index, namely, life expectancy and literacy, are also averages. They can conceal vast discrepancies between males and females, rich and poor, urban and rural residents, or different ethnic or religious groups. The HDI has in fact been disaggregated by sex, region, and ethnic groups for a few countries.

There are, however, several reasons why averages of human indicators are less misleading than income per head. First, the distribution of literacy and life expectancy is much less skewed than that of income. There is a maximum of 100-percent literacy. In spite of all the achievements of modern medicine, the maximum lifespan has not been extended. For income, on the other hand, the sky is the limit. A very few very high income earners can raise the average. (The median or the mode, were they available, would eliminate some of the distortions.)

Second, therefore, the average of the human indicators tells us something about the distribution. There cannot be high averages with too many people not participating. Since the nonpoor have access to public services before the poor, reductions in infant mortality, and the like are indications of improvements for the poor. For life expectancy the average is actually better than a figure corrected for distribution between men and women. This is so because the potential life expectancy of females is longer than that of males, if we start from the same actual life expectancy (see Anand and Sen, 1993a).

Third, any upward move in a human indicator can be regarded as an improvement. Some might object if only the literacy of boys or the life expectancy of men is increased, but unless it can be shown that such increases worsen the fate of girls and women, by, for example, increasing the ability and desire to oppress, to object would smack of envy and bitch-in-the-manger attitudes.

Fourth, whereas high incomes of some can cause relative deprivation in others, this is not true for human indicators. If any-

<sup>6</sup>Anand and Martin Ravallion (1993 pp. 135-36) criticize the basic needs approach for being still "firmly centered on commodity possession."

thing, the benefits in the health and education of anybody benefit the whole community.

Fifth, international income gaps, whether relative or absolute, may be inevitably widening, but to aim at reducing international gaps in human indicators is both sensible and feasible. In fact, looking at world development in human terms presents a more cheerful picture than in income terms.

Sixth, human indicators show the troubles of overdevelopment or, better, "maldevelopment," as well as of underdevelopment. Diseases of affluence can kill, just as the diseases of poverty. Income, on the other hand, does not reveal the destructive impact of wealth.

Seventh, indicators that measure impact rather than inputs distinguish between goods and anti-bads which bring us back to zero: unnecessary food requirements arising from unwanted pregnancies and feeding children that die; long walks to collect water and fuel, or to look for work; excess work; or, for urban dwellers, high housing and transport costs.

Eighth, there is considerable political appeal in a simple indicator that identifies important objectives and contrasts them with other indicators.

A separate index covers aspects of human freedom and human rights, clearly an important aspect of human development—for life expectancy and literacy could be quite high in a well-managed prison. China shows remarkable progress on human development, but (so far) without freedom.

Should the freedom index be integrated with the human development index? There are some arguments in favor, but the balance of arguments is probably against. First, it might be said that "freedom-from" is so important (and, opportunity costs apart, costless) that no trade-off should be possible between its loss and gains in some of the other indicators.<sup>7</sup> Secondly, political condi-

tions are much more volatile than education and health. Once a mother knows the importance of education for her children, or of hygiene, this knowledge is not lost even when the family's income drops. So human indicators tend to be fairly stable. There is a ratchet effect that prevents rapid, large downward moves. Political indicators, on the other hand, can change overnight with a coup. A third argument against aggregating freedom with the positive aspects of human development is that grading is more subjective and less reliable than measuring life expectancy or literacy.

Finally, one of the most interesting questions is how freedom is related to human development more narrowly interpreted, or how negative and positive rights or freedom are associated. This can be done only if they are recorded by separate indexes, not components of the same.<sup>8</sup> Thus we might formulate a hypothesis that freedom, though not a necessary condition of human development, narrowly defined, is entirely consistent with it even at quite low levels; and that human development, once it has reached a certain stage, leads inevitably to the call for freedom by the people. Here is a message of hope.

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<sup>7</sup>This objection could be mitigated by using a geometrical rather than an arithmetic average. With a zero weight for freedom, the total index becomes zero, however high the other components.

<sup>8</sup>It could be said that the same argument applies to the relation between for example, literacy and life expectancy, and that they should therefore not be lumped together in single HDI. If they move together, only one is needed; if not, one would like to know why. Pioneering attempts to discuss related problems and to measure freedom have been made by Partha Dasgupta (1993).

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