REBOOTING HUMAN DEVELOPMENT: UNDP REPORT HIGHLIGHTS PARALYSIS IN SECURING THE FUTURE OF PEOPLE AND THE PLANET

"The world is lurching from crisis to crisis, trapped in a cycle of firefighting and unable to tackle the roots of the troubles that confront us. Without a sharp change of course, we may be heading towards even more deprivations and injustices."

United Nations Development Programme
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That we live in uncertain times is beyond debate. Uncertainty – prompted by plagues, violence, droughts and floods – has been a feature of life since "time immemorial," but what is different today is that the world is fundamentally changing. As we cope with the COVID-19 pandemic, geopolitical conflict and its consequences (wars in Ukraine and conflicts elsewhere), domestic political instability and extreme weather events, and as we search for ways to overcome our overwhelming sense of insecurity, we are navigating uncharted waters.

In short, multiple sources of uncertainty are interacting with one another in ways that are unprecedented. For the first time in the 32 years that the United Nations Development Program ("UNDP") has been tracking human development,[1] its index value measuring education, health and standards of living globally ("HDI") has declined for two years running.[2] This decline (including in some very high HDI countries) mirrors a breakdown in global trust and heightened polarization, and in effect erases the gains of the preceding five years. People feel insecure, unsafe and untrusting, with manifold consequences for communities and societies. It is a paradox that, in spite of historically high measures of aggregate wellbeing, people's perceptions about their lives and society are overwhelmingly one of insecurity.

We are caught in three volatile cross-currents: dangerous planetary change of the Anthropocene and its interaction with human inequality; societal transformations on par with the Industrial Revolution; and intensification of political and social polarization within and across countries, combined with disinformation, all exacerbated by human inequality and a geopolitical order that is in significant flux. The backsliding of democracies, an unprecedented number of persons forcibly displaced across the globe, increased armed conflict both within and outside of fragile states, and the growing frustration with, and alienation from, political systems of increasing numbers of citizens are plainly manifest.

It would be counterproductive to view crises as one-off and hope for a return to "normal"; the confluence of the foregoing factors means there is no going back unless we accept and address these fundamental underlying changes.

The foregoing conclusions are key conclusions of the 2021/2022 Human Development Report issued this past week by the UNDP, entitled "Uncertain Times, Unsettled Lives:

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[1]   Human development is about agency and freedom. It encompasses expanding the richness of human life rather than simply the richness of the economy measured as by GDP.

[2]   The crisis is deepening for many. Over 90% of countries registered a decline in their HDI score in either 2021 or 2022, and more than 40% registered a decline in both years.

Shaping our Future in a Transforming World" (the "Report"). The Report cites the pandemic and the war in Ukraine as examples of what the authors refer to as the new "uncertainty complex." Each highlights the limits of global governance, each has had a devastating impact on global supply chains, each highlights our vulnerability and each exposes the extent to which communities and societies across the globe are inter-dependent. These factors are "transforming shocks into an impending global catastrophe."

A Way Forward

The Report does not only dwell on causes, but, building on the premise that the hero and the villain in the uncertainty paradigm are one and the same – human choices, also offers solutions to navigating, and overcoming, the new uncertainty complex. The key drivers of uncertainty ironically are all unintended consequences of progress. In essence, our choices and the values that we have fashioned have tended to promote policies and paths for developments that are unsustainable – socially, economically and environmentally. The resulting inequality has benefitted a few at the expense of far too many.

The drivers of uncertainty cited in the Report – planetary change, transition uncertainty and polarization – are morphing constantly and simultaneously, and they call for transformational change. The answers are three mutually reinforcing, and overlapping, prescriptions for pursuing development in a manner that might help restore a sense of security:

- *investment*, ranging from renewable energy to preparedness for pandemics and extreme natural hazards, and nature-based human development, to enable the socio-economic and planetary conditions necessary for mankind to flourish;

- *insurance* to protect against contingencies associated with planetary imbalances and insecurity, through a broader sharing of risk (closing, what Swiss Re has long referred to as, the "protection gap"); and

- *embracing change through innovation* in its many facets – cultural, economic and technological, with goals ranging from adaptive peacebuilding to energy efficiency, social innovation, addressing disinformation (including by enhancing digital literacy) and data and measurements.

The Report also concludes that culture plays a large role in the sense of creating the social and contextual conditions needed for change to take root. It also lays out three enablers of cultural change:

- *education* to cultivate evolving values, with a focus on curricula, broadening diversity in teaching, embracing horizontal teaching practices and preventing violent extremism;

- *social recognition* to legitimize those values, to further the protection of human rights, reduce discrimination and reduce the stigma of mental health; and

- *representation* to promote and protect inclusiveness, including transitional justice and support for social movements.

Addressing the Climate Crisis

The Report highlights the impact on the drivers of uncertainty of the negative feedback loop – the overlap. Uncertainty and polarization are preventing action to reduce human pressures

on the planet. We appear to be paralyzed – unwilling or unable to act in the face of clear evidence of the climate crisis. The geographic scope of national government efforts are no match for the planetary scale of the Anthropocene's challenges, while political polarization and transition uncertainty affect how domestic imperatives are weighed against (and take precedence over) global threats.

We are now shaping planetary trajectories, and the changed points of reference – from global temperatures to biodiversity loss, are introducing new and unprecedented levels of planetary uncertainty. The Report notes that for the first time in history, human-made materials outweigh the Earth's biomass. Microplastics are ubiquitous. The stark challenge is that human-induced forces are not "neatly sequenced" and are not occurring in isolation. Quite the contrary, they are "stacked on top of each other, interacting and amplifying in unpredictable ways. For the first time in human history, anthropogenic existential threats loom larger than those from natural hazards."

Lessons from the Pandemic

The global response to the pandemic (which the Report characterizes as a "window into a new reality," a "painful glimpse into deep, emblematic contradictions, exposing a confluences of frailties") was anything but "global." Responses were largely uncoordinated among countries, and addressing tail risk at the global level through diversification was impossible when the entire system was at risk and countries undermined risk-sharing. That said, the silver lining of the pandemic was the unprecedented expansion of the reference points "for the possible," namely the development and distribution of effective vaccines (albeit not evenly, with vaccination rates low or substantially non-existent in low-income countries) and the acceptance (albeit not universally) of social distancing and self-isolation. The pandemic highlighted the importance of civil society as a responder. It also highlighted both the growing gap in equality and also the vulnerability of society as a whole if those less fortunate are left to fend for themselves.

The pandemic makes the case for investment.   The Report estimates that additional investment to avoid future pandemics is $15 billion per year, a fraction of the economic cost of the pandemic – more than $7 trillion in lost production and more than $16.9 trillion in emergency fiscal responses, not to mention the cost in human lives and lost learning.

The pandemic offers a few other lessons. First it is not over, and global supply chains remain under stress, contributing to unemployment and inflation. The virus foreshadows what the global community stands to endure first as we "move deeper into the Anthropocene" and second if the climate crisis is not properly mitigated. The Report reminds us that in recent years we have witnessed record temperatures, wildfires and storms, causing other planetary-level changes, including biodiversity loss. How will we live in a world without an abundance of insects? Without pollinators, how will we grow food and other agricultural products at scale?

Governance

Investment is need to reform governance structures to become more effective, to overcome power imbalances, to promote inclusion and build trust for sustained collective action, and foster civic engagement and participation. The Report notes that the human impact on the planet and unsustainable economic and social systems virtually guarantee societal and

environmental upheaval. Every community, however measured, will feel its effects for generations. Our governance ecosystem, with its penchant for siloed solutions, is badly positioned to be effective. To be effective, governance must focus not only on the individual actors and components, but how they interact with one another and their interrelationships. Better governance would rebuild social capital at scale, bridge the decision-making silos and create inclusive layers of decision-makers that can embrace local knowledge.

Investment also can contribute to nature-based human development, including by leveraging local communities and indigenous people to educate and scale-up transformative change. Investment could be made to manage the risk of extreme temperatures, reduce the risk of ecosystem-based disaster, improve the quality and availability of water, and improve agricultural practices to reduce food insecurity.

Technology

Returning to the levels of uncertainty, the Report notes that a key element is control. The perception of losing control (in contrast to frustrations for not having had much control to begin with) has its own negative consequences, which manifests itself with a distrust of elites, institutions and government itself, greater insularity, a heightened sense of nationalism and social discord (potentially contributing to violence). Technology exacerbates the fraught landscape – both the algorithms and artificial intelligence. Countless aspects of our lives are reduced to data points – and we have no control over how our data are used. This all contributes to the toxic mix.

Mental Wellbeing

Finally, there is mental wellbeing, which is under assault. The pressures on wellbeing are aggravated by each of the drivers cited above. Mental wellbeing can be undermined by trauma, illness, general climate anxiety or food insecurity. Violence – or the threat of violence – is also a major source of mental distress, and its impact can extend well beyond direct physical, mental and emotional trauma. It can cause, or exacerbate, other insecurities that can drive mental distress (food and economic in particular). Violence can also mean a loss of agency, particularly in the context of domestic violence. Mental health issues in turn manifest themselves most in the firm of disability, but also weigh on human development in countless other ways.

Concluding Thoughts

There is plenty more to unpack in the Report. The "uncertainty complex" is far more complicated and far more difficult to address than historical sources of uncertainty. The world is overwhelmed, and the threats unprecedented. The world responds to each threat in crisis mode (with short-term solutions focused on the threats (or components of threats) as they manifest themselves), but fails to step back and see the broader picture. As the world's policymakers respond to never-ending events, the urgency of long-term transformation change fades into oblivion.

While the world focuses on the legacies of the COVID-19 pandemic (about which we were warned and as to which we seem far too complacent about the next round) and the war in Ukraine, or the rise of populism and the broader threats to democracy, or the very real consequences of the cost-of-living crisis and food insecurity, or each extreme weather event

(a third of Pakistan is flooded, and incidentally the same thing happened 12 years ago – we *are* in the midst of a climate crisis), we need to understand that the sources of insecurity are not only complex, but they are interconnected. They interact and they amplify each other. We do ourselves a disservice if we fail to connect the dots and/or remain in denial.

Unprecedented levels of insecurity across the globe manifest themselves in myriad ways, starting with the exponential growth in mental illness and mental health crises. A lack of confidence in institutions and government increases vulnerability of society to conspiracy theories, political extremism and potentially political violence. Ultimately, that insecurity drives polarization and undermines community consensus, which brings us back to paralysis.

The drivers – planetary change, transition dislocation and political and social polarization – imperil our ability to respond, and yet respond we must. In its purest form: uncertainty and polarization are inhibiting action needed to "curb human pressures on the planet." We know what needs to be done and we know what will happen to ecological and social systems if we do not act, yet we are unable to act. And we do not have much time to act.

By highlighting the interrelationships, the Report seeks to illuminate a path forward. That path calls for putting people and the planet at the top of the agenda, rather than focusing on empirical evidence and simply reacting to the crisis of the day. That path calls for empowering global institutions to address global threats – from public health, to climate and biodiversity to malign uses of technology (whether to spread disinformation or for cyber-crime or cyber-warfare). It calls for investment, insurance and innovation, with one by-product being rebuilding social cohesion. It calls for a recognition that global inter-dependence means that it is in the self-interest of the more well-off, whether in any given community or society or among nations, to assist the more vulnerable. It calls for overcoming the culture of denial. And ultimately it is about people making choices and giving the people the ability to do so.

The question is whether we will listen long enough to effectively move forward on that path?

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