



Human development in Africa: A long-run perspective



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ARTICLE INFO

Article history:

Received 7 November 2011

Available online 23 January 2013

JEL classification:

O15

O55

I00

I30

N3

N37

Keywords:

Africa

Human development

Life expectancy

Education

ABSTRACT

Long-run trends in Africa's wellbeing are provided on the basis of a new index of human development, alternative to the UNDP's *HDI*. A long-run improvement in African human development is found that it falls short of those experienced in other developing regions. A closer look at Africa reveals the distinctive behaviour north and south of the Sahara, with Sub-Saharan Africa falling behind other developing regions and North Africa catching up. Education has been human development's driving force over time. Since the late 1980s, stagnating life expectancy largely due to the spread of HIV/AIDS and the arresting effect of economic mismanagement and political turmoil on growth, help to explain Africa's falling behind. Human development advancement since the mid-twentieth century is positively associated to being a coastal and resource-rich country and negatively to political-economic distortions. The large country variance of the recovery during the last decade suggests being cautious about the future's prospects.

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1. Introduction

How has Africa performed in terms of wellbeing over the long run? How has it behaved in comparison with other developing regions? What determines their differences? These are recurring questions among social scientists. The recent past has been the focus of economists who occasionally have ventured in the half-century since independence (see, for example, Ndulu et al., 2008). Dearth of data has not discouraged economic historians from investigating African long-run performance and providing explicit hypotheses about its causes (Acemoglu and Robinson, 2010; Austin, 2008a, 2008b; Bates et al., 2007; Heldring and Robinson, 2012; Jerven, 2010; Nunn, 2008). Discussion has focused on GDP per head trends (Fourie and van Zanden, 2012; Jerven, 2009, 2010, 2011a, 2011b, 2011c; Smits, 2006) but since development is widely accepted as a multidimensional process, a more comprehensive approach has been put forward in recent years. Dimensions of development, largely neglected, are now in the agenda: new research on health and nutrition (Austin et al., 2009; Cogneau and Rouanet, 2009; Moradi, 2008, 2010), education (Cogneau and Moradi, 2011; Frankema, 2012) and inequality and living standards (Bowden et al., 2008; Bowden and Mosley, 2012; Frankema and van Waijenburg, 2012; Moradi and Baten, 2005; de Zwart, 2011a, 2011b).

This paper contributes to a multidimensional approach to wellbeing by providing a new historical index of human development (*HIHD*), constructed as an alternative approach to the United Nations Development Programme's index (UNDP, 2010).¹ The *HIHD* has

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¹ Fosu and Mwabu (2010) provide an overview of human development in Africa between 1970 and 2005 on the basis of the pre-2010 UNDP index.

been computed with a new database on education, longevity, and per capita income for the pre-independence era. More specifically, indirect estimates of real per capita GDP and all (primary, secondary, and tertiary) enrolment rates were built at the country level.

The new Human Development Index (*HIHD*) provides systematically lower levels of human development, although roughly the same long run trends than the conventional, pre-2010 UNDP Index (*HDI*) and its hybrid successor (*Hybrid HDI*), and deepens the gap between Africa and the rest of the world.² A long-run improvement in human development is observed in Africa but it falls short of those experienced in Latin America or South-East Asia. A closer look at Africa reveals the distinctive behaviour north and south of the Sahara, with Sub-Saharan Africa falling behind other developing regions and North Africa catching up. The decomposition of human development progress into its dimensions shows that education has been its driving force over time, with the exception of the 1930s and 1940s, when the health transition started. Since the late 1980s stagnating life expectancy due to the spread of HIV/AIDS (and the resilience of malaria) together with arrested growth – largely resulting from economic mismanagement, political turmoil and civil wars – help to explain why Africa has fallen behind in terms of wellbeing. Geography and institutions are the ultimate determinants of human development. Its advance in Africa since mid-twentieth century is positively associated to being a coastal and resource rich country and negatively to political-economic distortions. The recovery of human development during the last one and a half decades has varied widely across countries suggesting a cautious optimism.

The paper opens with a critical discussion of the conventional UNDP Human Development Index and its 2010-revised ‘hybrid’ *HDI*, and the introduction of the proposed alternative, the *HIHD*. The data sources and computation procedures used to derive indices for each dimension of human development are, then, discussed. Later, the new results for African human development are presented in a comparative perspective, providing long-run trends across Africa’s main regions and decomposing the *HIHD* progress into its dimensions. Then, a closer look is taken at the country level from 1950 onwards, in which the ultimate determinants of human development are examined. Some remarks close the paper.

2. An historical index of human development: concept and method

Human development was originally defined as “a process of enlarging people’s choices” that enables them “to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living” (UNDP, 1990: 10). The UNDP index (*HDI*) represents a synthetic measure in which the attainment in life expectancy at birth, education, and (the log of) per capita income – as a proxy for other dimensions of human development not directly associated to health and education (UNDP, 2001: 240) – provide a reduced form of a country’s achievements in terms of human development.

The way in which progress in human development is measured matters. When the original values of a social, non-income dimension, say, life expectancy, which have asymptotic limits, are employed, identical changes in absolute terms result in lower increases as the starting level is higher. Thus, following Amartya Sen (1981), a linear transformation was introduced for non-income dimensions in the Human Development Index (UNDP, 1990) (expression (1)). This linear transformation represents an improvement over the use of the original values since it reduces the denominator and widens the index range. In the UNDP *HDI*, each dimension (I) is transformed into an index according to the following formula,

$$I = (x - Mo) / (M - Mo) \quad (1)$$

where x is the observed value of a given dimension of welfare, and Mo and M represent the maximum and minimum values, or goalposts. Goalposts representing levels above and below those ever achieved were chosen for each indicator in order to facilitate comparisons over time. Each dimension ranges, thus, between 0 and 1.

From 1995 to 2009 *Human Development Reports* used the same set of indicators and goalposts or maximum and minimum values: life expectancy at birth, with 85 and 25 years as goalposts; adult literacy and gross enrolment (primary, secondary, and tertiary) rates, combined by using two-thirds and one-third weights (and 100 and 0 goalposts); and the log of real GDP per head, with 40,000 and 100 dollars as goalposts.³

The 2010 *Human Development Report* introduced major changes in the indicators used to capture human development dimensions. Thus, the expected years of schooling for a school-age child and the mean years of schooling for population aged 25 and above were combined by using an unweighted geometric average, for education. PPP-adjusted per capita Gross National Income (GNI) – that is, GDP plus net receipts of primary income from abroad, replaced purchasing-power-adjusted GDP per head, but the logarithmic transformation was kept.⁴ The new *HDI* also altered its goalposts to the maximum and minimum values observed for each dimension 1980–2010. Upper and lower bounds for life expectancy were established at 83.2 and 20 years. The expected years of schooling and the mean years of schooling were assigned maxima of 20.6 and 13.2 years, respectively, and minima of zero. In the case of per capita income, maximum and minimum of 108,211 and 163 PPP \$ US 2008 were chosen. The

² The alternative index proposed here revises and updates the ‘improved’ index of human development (*IHDI*) provided in Prados de la Escosura (2010) as it incorporates the new goalposts or upper and lower bounds and the multiplicative combination of education indicators introduced in the 2010 revision of the *HDI* (UNDP 2010).

³ In 1999, the logarithmic transformation was introduced to allow for the assumed diminishing returns of income as a measure of a decent standard of living and a crude proxy for those dimensions of wellbeing other than education and health (UNDP 1999). Prior to 1999 per capita income was discounted above a certain threshold – the world average income – with Atkinson’s formula for the utility of income. So, for example, the maximum level, \$40,000 became just \$5,448 in 1995 (UNDP 1995: 134). The logarithmic transformation implied, in turn, discounting all income, not just the income above a given level (UNDP 1999: 159).

⁴ The inclusion of GNI per capita represents an improvement as it captures the income accrued to residents of a country, not just the income produced in the country regardless of the share retained at home.

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