

# Sustainable Human Development Index—A Pragmatic Proposal for Monitoring Sustainability within the Affordable Boundaries

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## **Paper Abstract:**

Two powerful concepts – of ‘sustainable development’ and of ‘human development’ – have evolved over the past three decades mutually enriching each other to gradually merge into the idea that a development path cannot claim to be ‘human’ unless it is ‘sustainable’. UN conferences on sustainable development have regularly called for better measurement of sustainable human development, but an agreed measure is still far from sight. With the adoption of the ambitious, complex, and transformative Sustainable Development Goals at the UN Sustainable Development Summit in September 2015 and the cautiously hopeful outcome of the of the COP21 meeting in Paris in December 2015, the issue of robust and reliable indicators to monitor sustainable human development moved a step closer from the realm of academic research and advocacy toward informing policies.

While the Human Development Index (HDI) is well established as an index of human development, an agreed and equally intuitive measure of **sustainable** human development is still absent despite numerous proposals in that direction. The challenges it faces are related both to the selection of indicators and to the way the concept of sustainable development is applied. Apart from preserving the environment, ‘sustainability’ also entails both economic and social aspects: the ability to sustain an achieved level of wellbeing over time without depleting the available stocks of natural, human-made and social capital). This is the logic behind the Brundtland Commission’s original definition of sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. However, it is not easy to define what is to be sustained today and what needs are to be met in the future.

This paper proposes a pragmatic compromise approach to sustainable human development measurement. It builds on a specific understanding of ‘sustainability’ as “ability to sustain the achieved level of human development without relying on debt of any kind” (inter or intra-generational). It looks into two aspects of development: the achieved **status** (the level of wellbeing reflected in the HDI) and the **process** (the way the status has been achieved). The **status** is the development aspect captured in the four dimensions of the HDI (the traditional three plus one dimension covering the environmental aspects of development). In our approach, the state of the natural environment has an intrinsic value similar to the other three dimensions of HDI.

The four dimensions capture only the **status** of human development. They show *what* has been achieved but not *how* (in a sustainable or unsustainable way). As numerous examples show, countries can improve their development status in ways that often boil down to ‘borrowing from future generations, saddling them with debt (monetary, demographic or environmental, just to mention a few). We factor this in by adding the second – sustainability – aspect defined as ‘**ability**

**to sustain**' the status in each human development dimension. The index reflects the 'ability to sustain' through a loss function deflating the reported status for unsustainability.

Using the conceptual framework outlined above, we developed and tested an index of sustainable human development based on the existing HDI with an additional 'environmental' component and deflating the achievements in each dimension for unsustainability. The combination of monitoring the achieved status in all four human development dimensions checked for the (un)sustainability of the development path (the way the status was achieved) in a single robust index is the methodological contribution of this paper.