"Looking into the new development paradigm: How does the Arab region fair against others?"

The conventional wisdom is that many Arab countries have witnessed a major transformation in socioeconomic development since the early 1970s led by the oil rich countries. Accordingly the development stylized facts on the region covering the period from the 1980s to 2010 would typically include the following: (i) relatively high but volatile growth; (ii) low poverty, inequality with a broad middle class, (iii) rapid improvements in human development especially in health and education, and (iv) curtailed voice and limited political freedoms.

The presentation will show that these development facts are highly sensitive to the choice of measurement methodology and that alternative stylized facts may emerge once we adopt ‘more realistic’ measures. This is clearly the case when the issue involves the measurement of human development. Human development, while clearly dependent on material welfare and the provision of the basic necessities of life, is really about people having greater opportunities and choice. It is also fundamentally about creating a society in which human dignity is respected and human agency is promoted and is thus inherently in contradiction with situations of mining of environmental assets and denial of basic human dignity.

The global HDI although revolutionary in leading us to rethink human development progress, does not incorporate these fundamental aspects of human development achievement. In this paper we introduce three new measures, which take into account these missing elements. In fact, some of the very countries experiencing upheavals were leaders in developing regions in terms of HDI improvements between 1970 and 2010 (Abu-Ismail et al. 2011). Using this region as a case study, we make subsequent revisions to UNDP’s HDI by first amending the income component of HDI, followed by the addition of a measure of governance and finally an environmental component. With each addition, we analyze the country shifts in score and ranking from previous iterations and detail our specific methodology for choice of variables and measurement. We conclude with an analysis of how countries perform over time under our new measure in comparison with the time dynamics of the original HDI. The new measures significantly affect Arab human development levels and their country rankings. In addition, the narrative on Arab human development dynamics is less rosy than painted by the UNDP HDI.