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Institute on Comparative Regional Integration Studies



Future Trends Series - GR:REEN Project

Title of the report

The Rise of the South: Human Progress in a Diverse World (Human Development Report 2013)

Area

Economy

Reporter

UNDP

Type of the Reporter

International Organisation

Periodically updated?

Yes

First issued year

1990

Latest update

2013

Official website

<http://www.undp.org/>

Language available

English

Short summary

In the past few years, the rise of the South has been much discussed. Focus has mainly been on GDP and trade growth in a few large countries. This means that broader dynamics – involving many countries and deeper trends – are neglected even though these dynamics can have a huge impact on social equity and democratic governance at the local and global levels. That is why this report tries to show that the rise of the South is both the result of constant human development investments and an opportunity for greater human progress for the world as a whole.

Key trends

1. The rise of the South

The South has risen at an unprecedented speed and scale. By 2050, Brazil, China and India combined are projected to account for 40% of world output in purchasing power parity terms.

2. Enhancing equity

By 2050, aggregate HDI could rise 52% in Sub-Saharan Africa (from 0.402 to 0.612) and 36% in South Asia (from 0.527 to 0.714). Such policy interventions will also have a positive impact on the fight against poverty. By contrast, the costs of inaction will rise, especially in low HDI countries, which are more vulnerable. For instance, failing to implement ambitious universal education policies will adversely affect many essential pillars of human development for future generations.

3. Massive expansion of the middle class

By 2030, more than 80% of the world's middle class is projected to be residing in the South and to account for 70% of total consumption expenditure.¹³ The Asia-Pacific Region will host about two-thirds of the world's middle class by 2030, Central and South America about 10% and Sub-Saharan Africa 2%. By 2025, annual consumption in emerging market economies will rise to \$30 trillion, from \$12 trillion in 2010, with the South home to three-fifths of the 1 billion households earning more than \$20,000 a year.

4. Unprecedented connectedness

Countries of the South are also hosting more tourists than ever from other developing countries: by 2020, there will be nearly 1.6 billion tourist arrivals globally, with 75% of them expected to be intraregional. The share of South-South trade in world commerce has more than tripled over the past three decades to 25%; South-South foreign investment now accounts for 30%–60% of all outside investment in the least developed countries.

5. The more educated world

Assuming a robust increase in school enrolment rates, the share of the world's people older than 15 who lack formal schooling is projected to shrink from 12% in 2010 to 3% in 2050, and the share with secondary or tertiary education will climb from 44% in 2010 to 64% in 2050. Furthermore, the digital divide is rapidly narrowing, giving people from everywhere comparable access to information, especially through increasingly affordable mobile broadband Internet.

6. The environmental challenge

Because of the anticipated adverse effects of global warming on agricultural production, access to clean water and improved sanitation, and pollution. The average global HDI value would be 8% lower by 2050 than under the "base case" scenario, which assumes a continuation but not a worsening of current environmental trends.

Under a more severe "environmental disaster" scenario, the global HDI value in 2050 would fall 15% below that under the baseline scenario—22% below in South Asia and 24% below in Sub-Saharan Africa, effectively halting or even reversing decades of human development progress in both regions.

Suggestions

Four specific areas of focus for sustaining development momentum: enhancing equity, including on the gender dimension; enabling greater voice and participation of citizens, including youth; confronting environmental pressures; and managing demographic change.

The Report also suggests that as global development challenges become more complex and transboundary in nature, coordinated action on the most pressing challenges of our era, whether they be poverty eradication, climate change, or peace and security, is essential. As countries are increasingly interconnected through trade, migration, and information

and communications technologies, it is no surprise that policy decisions in one place have substantial impacts elsewhere.

Methodology

Research from primary and secondary sources and modelling

Reference to other trends reports? If yes, which reports?

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