

Measuring human progress

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THERE is a need to re-examine indicators used to measure development and human progress, apart from the national economic performance, says Sultan of Perak, Sultan Nazrin Muizzuddin Shah.

"Our notion of what constitutes progress and development has to evolve in order to address current challenges. Firstly, at the most basic level, we need to re-examine the indicators currently commonly used to measure development and 'human progress,'" he said at the launch of the Pangkor Dialogue 2017 at the Amanjaya Convention Centre here on Sunday.

He said traditional objective measures of well-being could themselves be further strengthened through the use of subjective, or self-reported, indicators.

"So, while we continue to focus on measures of Gross Domestic Product (GDP) and material well-being, we should recognise that a broader range of indicators is necessary to monitor the trends in development

and prosperity more fully," he said, citing, as an example, Bhutan, a country famously known for rejecting GDP as the measure of progress since more than four decades ago.

"Instead of GDP, Bhutan championed Gross National Happiness, which seeks to achieve well-being through the spiritual, physical and social well-being of its people.

"The concept of happiness as a basis of development has since gained traction at the global level.

"The first World Happiness Report published in 2012 by the United Nations sought to complement economic variables such as income and employment with indicators such as health, family life, social safety nets, the freedom to make life choices, generosity and perceptions of corruption," he said, citing a cluster of high-performing countries, including Norway, Denmark, Iceland, Switzerland and Finland, which ranked at the top of the World's Happiness Report list.

"These are countries the fiscal policies of which are used to generate relatively equal societies allowing for greater social mobility and income security. The report found a strong correlation between equality and happiness.



Sultan of Perak, Sultan Nazrin Muizzuddin Shah, speaking at the launch of the Pangkor Dialogue 2017 at the Amanjaya Convention Centre, Ipoh, yesterday. PIC BY MUHAIZAN YAHYA

"Meanwhile, at the bottom of the list, are countries that are either conflict-stricken, poverty-stricken or both, such as Central African Republic, Burundi, Tanzania, Syria, and Rwanda."

The second issue highlighted by Sultan Nazrin revolved around the future of employment. He pointed out that many of today's jobs would not exist in the future.

"One study suggests that at least 50 per cent of 700 different current job categories may be fully automated in coming years.

"Many careers that require years of specialist training are now within reach of A.I. (Artificial Intelligence) software, especially when combined with advancing robotics.

"In middle-income countries, it is not simply a question of the 'supply and demand' of jobs in the market, but is an issue of youth disinterest in the types of jobs available," he said.

Moreover, the benefits of these emerging technologies would not

be equally felt by all, and the digital divide could create further inequality for those left behind.

Thus, he said, policy-making on education was important.

"The choices we make today in these areas can determine how these processes play out in the future," he said.

The third point Sultan Nazrin highlighted was related to the government's stability and ability to access funding to meet sustainable development goals. This was based on the estimate by the UN which suggested that developing countries would require more than US\$2.5 trillion (RM10.5 trillion) a year to achieve sustainable development by the year 2030.

"In the foreseeable future and in many countries, the government's ability to strategically mobilise various sources of financing for development purposes will be difficult, given the continuous fiscal crises and the rolling back of many

essential services.

"The same is true with humanitarian crises. Climate change, unpredictable natural disasters escalating in severity, compounded by political instability, poverty, the emergence of new diseases and the persistence of old ones, would likely bring an escalation of humanitarian crises that require financing far beyond the current capacity."

In this respect, he suggested the importance of the role of Islamic finance to address this.

"Of the ongoing humanitarian crises in the world today, 90 per cent occur in OIC (Organisation of Islamic Cooperation) member states, (while) 31 of the 33 conflicts today occur in Muslim-majority countries. Various Islamic financial institutions are working to address the issue of how Islamic instruments including *waqf*, *zakat* (alms), and *sukuk* can be effectively distributed to meet development and humanitarian needs," he said.