



# World Development Challenges Report

## Development from a broader lens



Shared Prosperity **Dignified Life**





Shared Prosperity **Dignified Life**



## **VISION**

ESCWA, an innovative catalyst for a stable, just and flourishing Arab region

## **MISSION**

Committed to the 2030 Agenda, ESCWA's passionate team produces innovative knowledge, fosters regional consensus and delivers transformational policy advice. Together, we work for a sustainable future for all.



# World Development Challenges Report

## Development from a broader lens



UNITED NATIONS  
Beirut

© 2022 United Nations

All rights reserved worldwide

Photocopies and reproductions of excerpts are allowed with proper credits.

All queries on rights and licenses, including subsidiary rights, should be addressed to the United Nations Economic and Social Commission for Western Asia (ESCWA), e-mail: [publications-escwa@un.org](mailto:publications-escwa@un.org).

The findings, interpretations and conclusions expressed in this publication are those of the authors and do not necessarily reflect the views of the United Nations or its officials or Member States.

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Links contained in this publication are provided for the convenience of the reader and are correct at the time of issue. The United Nations takes no responsibility for the continued accuracy of that information or for the content of any external website.

References have, wherever possible, been verified.

Mention of commercial names and products does not imply the endorsement of the United Nations.

References to dollars (\$) are to United States dollars, unless otherwise stated.

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

United Nations publication issued by ESCWA, United Nations House,  
Riad El Solh Square, P.O. Box: 11-8575, Beirut, Lebanon.

Website: [www.unescwa.org](http://www.unescwa.org).

22-00275

**Photos credit:**

Cover: ©iStock-FG Trade, ©iStock-Jomkwan, ©iStock-poco\_bw

# Report team

## Report senior advisers

Selim Jahan  
Terry McKinley

## Task leader

Tarik Alami

## Report coordinators

Youness Abouyoub  
Khalid Abu-Ismaïl

## Core team

Khalid Abu-Ismaïl (lead author)  
Maria Hitti  
Abdulkarim Jaafar

## Contributing authors

Youness Abouyoub  
Youssef Chaitani  
Vladimir Hlasny  
Phoebe W. Ishak  
Natasha Lindstaedt  
Manuella Nehme  
Oussama Safa  
Radia Sedaoui  
Marlene Ann Tomaszekiewicz

## Reviewers

Fatima Al Shamsi  
Ali Al Za'tari  
Ibrahim Awad  
Clair Brown  
Mohammad Hassan Hakimian  
Massoud Karshenas  
Samir Makdisi  
Jose Antonio Ocampo  
Siddig Abdulmageed Salih  
Nisreen Salti  
Frances Stewart  
Redouane Taouil  
Zafiris Tzannatos

## Research support

Tala Abdulsamad  
Rihab Baltaji

## Editing, formatting and design

ESCWA Conference Management Section  
Editor: Gretchen Luchsinger



# Acknowledgements

This report benefited from extensive consultations as well as expert group meetings with many regional and global advisers and reviewers from different renowned institutions.

We are grateful to all contributors for their inputs and dedication throughout the process. In addition to the report team, we would like to thank Ali Abdel Gadir Ali (Economic Research Forum and formerly the Arab Planning Institute), Harry Patrinos (World Bank) and Svend-Erik Skaaning (Aarhus University) for their constructive comments on the report, the quality of the education background paper and Arab governance index background paper, respectively. Additionally, we would like to express our gratitude to the Arab Society for Economic Research for organizing a session to discuss the methodology and the main findings of the Development Challenges Index in November 2021. We are grateful to Scott Massey (Global Action Platform) for organizing a session at the Global Action Summit in December 2021 devoted to presenting the initial findings of this report and to Sherine Ghoneim (Economic Research Forum) in collaboration with the United Nations Development Programme for inviting us to present our methodology and provide comments at an expert meeting on human development measurement in the same month.

Within ESCWA, we received extensive comments from Mounir Tabet. We are indebted to him for his guidance and for chairing the ESCWA publication committee overseeing the production of this report. We also extend our thanks to the following ESCWA colleagues who provided feedback at various stages of drafting: Mohamad Nawar Al-Awa, Carol Chouchani Cherfane, Mehrnaz Elawady, Nibal Idlibi, Karam Karam, Marwan Khawaja, Juraj Reican and Niranjan Sarangi. We would also like to thank Nathalie Grand, Jeanette Abi Ezz, Maria Al Azzi, and Clement Bergeot for their support in reviewing the Development Challenges Index and uploading it on the simulator as well as Lubna Ismail for coordinating the preparation and publication process. Last but by no means least, we would like to thank ESCWA Conference Management Section for the support throughout the editing process.

The findings, interpretations and conclusions expressed in this publication are those of the authors and do not necessarily reflect the views of the reviewers or other contributors to the report.

# Report background papers

**Rethinking Human Development:**  
Concepts and Measurements

**Development Challenges Index:**  
statistical measurement and validity

**Domestic conflict:**  
a proposed index and its implications for Arab States

**Environmental sustainability and human development:**  
perspectives from the Arab Region

**Healthy Life Expectancy Index reveals a regional paradox**

**Institutions and human development:**  
a panel Granger causality analysis

**Quality of Education**  
Measurement and implications for Arab States

**Towards an Arab governance index**

**What drives quality-adjusted human development achievements?**



# Foreword

Over the past three decades, the world has transformed. People's aspirations have changed and so have their development challenges. The global geopolitical landscape has shifted, broadening endorsement of collective approaches such as the Millennium Development Goals and the Sustainable Development Goals (SDGs).

Deepening and emerging challenges have spurred us to write this report as a contribution to ongoing global dialogue on development progress beyond gross domestic product (GDP). It also provides a tool for countries to re-evaluate development outcomes and pursue constructive regional and national discussion on related policies. The report proposes a new global Development Challenges Index (DCI) that measures shortfalls in desirable achievements in three areas: the quality of basic human development, environmental sustainability and good governance.

One of the main findings is that governance is one of the world's most pressing development challenges. The only challenge on the rise globally, it contributes most to a poor showing on the DCI. This is largely due to increased shortfalls in democratic governance over the past two decades, not so much because of gaps in effective governance.

Another core insight centres on the significant share of the world's population living in difficult conditions with serious development challenges. Only 15 countries have a very low level of challenges; 49 countries face high and 25 countries very high challenges.

Globally, serious deprivations in the quality of human development remain. No region has a very low score on quality-adjusted human development challenges. Much must still be achieved, even in the two most developed regions of the world, Europe and North America. Education challenges comprises the most significant share of quality-adjusted human development challenges in most regions, followed by income challenges.

Environmental sustainability remains a major global concern even as regions have shown little sign of progress. The burden of increased climate change and energy intensity is higher for North America, and to a lesser extent for Europe and Central Asia, while the burden of poor environmental health is the main concern for developing regions.

As the ultimate aim of this report is to trigger policy debate, we hope it will lead to follow-up dialogues to address fundamental challenges at the global, regional and, most importantly, national levels.



**Rola Dashti**  
Executive Secretary of ESCWA  
Under Secretary-General of the United Nations

# Contents

<b>Report team</b>	<b>iii</b>
<b>Acknowledgements</b>	<b>v</b>
<b>Report background papers</b>	<b>vi</b>
<b>Foreword</b>	<b>vii</b>
<b>Abbreviations</b>	<b>xii</b>
<b>Regional classification</b>	<b>1</b>
<b>Key messages</b>	<b>3</b>
<b>Introduction</b>	<b>5</b>

<b>1</b>	<b>World development challenges</b>	<b>8</b>
	A. Development Challenges Index	<b>9</b>
	B. A modest reduction in global development challenges	<b>12</b>
	C. Correlations with other global indices	<b>16</b>
	D. Conclusion	<b>19</b>

<b>2</b>	<b>Quality-adjusted human development</b>	<b>20</b>
	A. Main findings	<b>21</b>
	B. Influencing factors	<b>26</b>
	C. Conclusion	<b>35</b>

<b>3</b>	<b>Environmental sustainability</b>	<b>36</b>
	A. Main findings	<b>37</b>
	B. Influencing factors	<b>43</b>
	C. Conclusion	<b>47</b>

<b>4</b>	<b>Good governance</b>	<b>48</b>
	A. Main findings	<b>49</b>
	B. Influencing factors	<b>53</b>
	C. Conclusion	<b>59</b>

<b>5</b>	<b>Main conclusions and policy implications</b>	<b>60</b>
	A. Main conclusions	<b>61</b>
	B. Policy implications	<b>64</b>

<b>Annex</b>	<b>70</b>
<b>References</b>	<b>126</b>

## List of figures

Figure 1.	Calculating the DCI	<b>12</b>
Figure 2.	DCI regional scores and shares of the three challenges, 2000, 2010 and 2020	<b>13</b>
Figure 3.	Population in each DCI category by region, 2000, 2010 and 2020	<b>14</b>
Figure 4.	Least (green) and most (red) challenged countries globally on the DCI, 2020	<b>15</b>
Figure 5.	Top 10 deteriorations (left) and improvements (right) on DCI ranks	<b>16</b>
Figure 6.	Comparing how countries fare on the HDI and DCI	<b>17</b>
Figure 7.	The SDGI and the DCI	<b>18</b>
Figure 8.	The SPI and the DCI, 2020	<b>19</b>

Figure 9.	Quality-adjusted human development challenge index regional scores and dimension shares, 2000, 2010 and 2020	<b>22</b>
Figure 10.	Population in each quality-adjusted human development challenge index category by region, 2000, 2010 and 2020	<b>23</b>
Figure 11.	Least (green) and most (red) challenged countries globally on the quality-adjusted human development challenge index	<b>24</b>
Figure 12.	Top 10 deteriorations (left) and improvements (right) in rank on the quality-adjusted human development index	<b>25</b>
Figure 13.	Quality-adjusted human development challenge index rank and HDI rank, 2020	<b>26</b>
Figure 14.	Healthy life expectancy challenge index and capacity of health system index	<b>27</b>
Figure 15.	Quality-adjusted education challenge index and pupil-teacher ratio index	<b>28</b>
Figure 16.	Quality-adjusted education challenge index and Internet users	<b>29</b>
Figure 17.	Inequality-adjusted income challenge index and economic complexity index	<b>30</b>
Figure 18.	Inequality-adjusted income challenge index and unemployment rate	<b>31</b>
Figure 19.	Unemployment and vulnerable employment rates	<b>31</b>
Figure 20.	Inequality-adjusted income challenge index and the vulnerable employment indicator	<b>32</b>
Figure 21.	Male and female mean years of schooling	<b>33</b>
Figure 22.	Male and female GNI per capita	<b>34</b>
Figure 23.	Governance challenge index and quality-adjusted human development challenge index	<b>35</b>
Figure 24.	Environmental sustainability challenge index regional scores and dimension shares, 2000, 2010 and 2020	<b>37</b>
Figure 25.	Population in each environmental sustainability challenge index category by region, 2000, 2010 and 2020	<b>38</b>

Figure 26.	Least (green) and most (red) challenged countries globally on the environmental sustainability challenge index, 2020	<b>39</b>
Figure 27.	Top improvements and deteriorations on the environmental sustainability index	<b>42</b>
Figure 28.	Governance and environmental sustainability	<b>43</b>
Figure 29.	Governance and climate change	<b>44</b>
Figure 30.	Governance and environmental health	<b>45</b>
Figure 31.	Healthy life expectancy and environmental health	<b>46</b>
Figure 32.	Climate change and energy efficiency and modern renewables	<b>47</b>
Figure 33.	Governance challenge index regional scores and dimension shares, 2000, 2010 and 2020	<b>50</b>
Figure 34.	Population in each governance challenge index category by region, 2000, 2010 and 2020	<b>51</b>
Figure 35.	Top deteriorations (left) and improvements (right) in rank on the governance challenge index	<b>51</b>
Figure 36.	Least and most challenged countries globally on the governance challenge index, 2020	<b>52</b>
Figure 37.	Governance challenge index and human rights and freedoms indicators, 2020	<b>54</b>
Figure 38.	Human rights and freedoms indicators and governance challenge index dimensions, 2020	<b>55</b>
Figure 39.	The governance challenge index and the Global Peace Index, 2020	<b>58</b>

## List of boxes

Box 1.	Background papers for the report	<b>6</b>
Box 2.	Zooming in on climate change and energy efficiency challenges	<b>40</b>
Box 3.	Governance, democracy and human rights measurement conundrums	<b>56</b>
Box 4.	Conflict and human development in the Arab region	<b>58</b>

# Abbreviations

<b>DCI</b>	Development Challenges Index
<b>GDP</b>	Gross domestic product
<b>GCC</b>	Gulf Cooperation Council
<b>GNI</b>	Gross national income
<b>HDI</b>	Human Development Index
<b>ODA</b>	Official development assistance
<b>SDGs</b>	Sustainable Development Goals
<b>SDGI</b>	Sustainable Development Goals Index
<b>SPI</b>	Social Progress Index



# Regional classification\*

1

## **Arab region (19 countries)**

Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, Yemen.

2

## **East Asia and the Pacific (18 countries)**

Australia, Cambodia, China, Fiji, Indonesia, Japan, Korea (Republic of), Lao People's Democratic Republic, Malaysia, Mongolia, Myanmar, New Zealand, Papua New Guinea, Philippines, Singapore, Thailand, Vanuatu, Viet Nam.

3

## **Europe and Central Asia (50 countries)**

Albania, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Malta, Moldova (Republic of), Montenegro, Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, Türkiye, Turkmenistan, Ukraine, United Kingdom, Uzbekistan.

4

### **Latin America and the Caribbean (25 countries)**

Argentina, Barbados, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay, Venezuela (Bolivarian Republic of).

5

### **North America (2 countries)**

Canada, United States of America.

6

### **South Asia (9 countries)**

Afghanistan, Bangladesh, Bhutan, India, Iran (Islamic Republic of), Maldives, Nepal, Pakistan, Sri Lanka.

7

### **Sub-Saharan Africa<sup>1</sup> (40 countries)**

Angola, Benin, Botswana, Burkina Faso, Burundi, Cabo Verde, Cameroon, Central African Republic, Chad, Congo (Republic of the), Côte d'Ivoire, Democratic Republic of the Congo, Eswatini (Kingdom of), Ethiopia, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, South Africa, Tanzania (United Republic of), Togo, Uganda, Zambia, Zimbabwe.

\* The regional classification only includes countries for which data is available.



# Key messages

The report offers four main findings:

**1** A significant share of the world population still lives in **difficult** and in some cases **deteriorating development conditions**.

**2** There is still much to be achieved, especially in terms of the **quality of human development**, even in the richest regions.

**3** **Environmental sustainability** is a major concern for both **developed** and **developing countries**.

**4** **Governance** is the world's most pressing development challenge.

Addressing these challenges requires action on four policy fronts:

1 Strengthen **environmental and health systems** to improve **healthy life outcomes**.

2 Build **knowledge-based economies** with **integrated education** and **labour market systems**.

3 Forge **strong links** between **government effectiveness** and **democratic governance**.

4 Prioritize the most **challenged countries** and ensure **human security** in **conflict-stricken countries**.

# Introduction

In Our Common Agenda, the Secretary-General of the United Nations called for finding measures of progress that complement gross domestic product (GDP), in line with target 17.19<sup>2</sup> of the Sustainable Development Goals (SDGs). As noted by the United Nations Department of Economic and Social Affairs, “The 2030 Agenda has shed new light on the long-recognized shortcomings of GDP for measuring critical policy objectives beyond economic growth, notably the social and environmental impacts and sustainability of economic activities, with attention to both people’s well-being and preservation of the planet.”<sup>3</sup>

The present report is motivated by the search for a new measure of progress beyond GDP and by the need to find plausible measures of development. Plausibility implies that any proposed measure should have four basic attributes. First, it should reflect present-day realities and strive to realistically capture challenges of concern to all countries in all regions, rich and poor. Second, it should be as simple as possible to understand and explain. Third, it should have wide coverage, geographically and over time, to allow in-depth analyses and understanding of development challenges. Last, but by no means least, it should be based on a sound conceptual framework.

The report accepts the capability approach<sup>4</sup> as a basic foundation and capitalizes on its many strengths. It also seeks to address fundamental tenets of this approach that are not reflected in current global development indices, notably the Human Development Index (HDI).<sup>5</sup> The main objective is to capture the complexity of development and its broad spectrum of enhanced human capabilities.<sup>6</sup> Consequently, the report proposes the Development Challenges Index (DCI) to measure shortfalls in three crucial pillars: quality-adjusted human development achievements, environmental sustainability and good governance.

Addressing both quantitative and qualitative aspects of core human development dimensions reflected in the

HDI is crucial. Some countries have made progress on basic quantitative indicators of health, education and income without necessarily achieving much progress on quality. The first innovation of the present report is that it uses appropriate qualitative variables to discount the quantitative income, health and education dimensions of the HDI.

In the spirit of the SDGs, environmental sustainability is critical to ensure intergenerational justice.<sup>7</sup> This report’s proposed measurement framework therefore integrates two broad aspects of sustainability, namely, environmental health and energy efficiency and climate change, as a starting point for capturing an inherently complex and multifaceted global challenge.

The report considers governance achievements as enablers of human capability, as reflected in political participation, accountability guarantees, the rule of law and effective State institutions, all of which complement well-being and sustainability. Good governance leads to better systems of justice and decreases spatial and gender inequalities, which reduce political instability and induce inclusive economic growth.<sup>8</sup> This in turn leads to better social development and sustainability outcomes, further enhancing individual capabilities and peace and security conditions required for maintaining systems of good governance.<sup>9</sup> The adoption of the SDGs makes a strong case for the inclusion of governance as a measure of progress, especially under SDG 16.

In short, the report applies a broader perspective to assessing development challenges. Issues related to measuring capabilities in health, education and income, as captured by the HDI, are only one aspect.

This quality-centred and expanded approach to assessing and responding to development challenges presents a better policy link to the SDGs. As the global community implements the 2030 Agenda for Sustainable

### Box 1. Background papers for the report

This report builds on nine background papers commissioned by ESCWA.<sup>10</sup> The first two papers introduce the conceptual framework and methodology for the DCI, and describe in detail the indicators, aggregation methodology and results of robustness and sensitivity analyses. The third background paper re-examines the human development achievements in the health dimension of the HDI by using the healthy life expectancy indicator. The fourth background paper proposes a quality-adjusted education index that can be viewed as a revised HDI education index. It incorporates a measure of education quality through scores on international student assessments. The fifth background paper outlines a set of qualitative indicators to formulate a quality-adjusted human development index that discounts HDI scores by quality indicators on three dimensions, namely: income distribution, quality of education and healthy life expectancy.

The sixth background paper proposes an inclusive environmental sustainability index focusing on dimensions that are most relevant to the Arab region but also within a global context. The seventh background paper proposes an Arab governance index in which 13 indicators from the Varieties of Democracy data set are used to represent three pillars of good governance. The eighth background paper revisits the question of causality between institutions and three different measures of development: the HDI, human capital and real GDP per capita. It examines the causal effect between development and institutions using the panel Granger causality procedure in 158 countries disaggregated by income level.

Finally, the ninth background paper proposes a domestic conflict index that policymakers and other relevant stakeholders can use to assess a given country's level of internal conflict. An innovation, this index is based only on objective indicators such as internally displaced people, battle-related deaths and frequency of conflict. The nine papers provide the conceptual backbone for the proposed DCI and analytical framework of the report.

Development to address the wide-ranging challenges that humanity faces, such as poverty, hunger, inequality, climate change and environmental degradation, the proposed DCI focuses on overcoming deficits that fundamentally constrain achievement of the goals, especially amid challenges such as the COVID-19 pandemic. This approach may help policymakers better scrutinize their national development policies. By measuring challenges rather than achievements, the index brings the least developed countries to the forefront, as they face the most severe challenges and remain the main focus of efforts to leave no one behind.

The report covers 163 countries, finding all have challenges to address. For instance, even the least challenged nations, such as the Nordic and other European countries, and some countries in East Asia and the Pacific, namely Japan, New Zealand and Singapore, are far from achieving a zero-challenge score under the DCI. This is mainly due to the inclusion of indicators on climate change and energy efficiency, which underlines the importance of measuring and improving environmental performance. To mitigate these challenges, governments must act on international environmental treaties, encourage the participation of civil society organizations and guarantee media freedom to increase environmental awareness.<sup>11</sup>

Many Latin American countries, such as Venezuela and Barbados, have witnessed the largest deteriorations worldwide in their DCI scores in the past two decades, for several reasons. Governments in this region have largely failed to take advantage of an economic boom to ensure that growth becomes sustainable and truly inclusive. Productivity has not significantly improved while inequality remains stubbornly high, whether measured by income or other well-being outcomes. Education quality lags that of other regions, with unequal access to education, high dropout and repetition rates, and poor teacher quality. The region also faces a wide array of environmental issues. A lack of sewage waste treatment, oil spills and the dumping of industrial and heavy metal waste have led to high levels of water pollution. Vehicle emissions and stationary source fuel combustion have increased air pollution. Other challenges relate to ineffective democratic governance, corruption and the lack of transparency and accountability in political institutions.

South and East Asian and the Pacific economies, notably China, have made remarkable progress in sustaining high economic growth rates, raising incomes and lengthening life expectancy. Their pattern of economic growth, rapid

industrialization and urbanization, however, has not been environmentally sustainable. These processes pressure the environment, including surface and groundwater, air quality, land and natural resources. This in turn has adversely affected human health and the productivity of natural resources. In addition, although these regions have made significant improvements in government effectiveness in recent years, democratic backsliding has shifted the political tides, leading to a resurgence of illiberalism. Several countries still lack accountability, independent rule of law, participation in decision-making and legal transparency.

Sub-Saharan Africa is the most challenged region in the world. Most countries there confront a double deficit in basic quantitative and qualitative aspects of human development. They struggle with low-quality education, slow economic growth, high indebtedness, poverty and the fallout of the COVID-19 pandemic. They also face numerous environmental issues, including water, air and solid waste pollution, with dire implications for human health. Poor governance and horizontal inequalities have fuelled protracted subnational conflicts.<sup>12</sup>

The Arab region faces severe deficits in governance. The region contends with poor-quality public services, restricted freedoms, limited autonomy, constrained political participation, and low levels of voice and accountability. These governance challenges have led to a rapid escalation in political instability and conflicts and significant losses in income per capita for conflict-affected countries, especially the Syrian Arab Republic. Most countries, rich or poor, have severe deficits in the quality of education. This has played a role in widening skills and knowledge gaps between education and labour markets outcomes. Environmental challenges have surged in recent years, ranging from water scarcity to land degradation and biodiversity loss, with consequences that include diminishing food security. Arab States fare significantly worse on the DCI compared to other global development indices. None are present in the very low or low development challenges groups. Oil-rich Arab countries are particularly affected, incurring some of the highest losses in ranking compared to the HDI.

As with other global development indices, the DCI is grounded in the capabilities approach, contributes to global and regional discourse on measuring

development progress, and provides countries with a valuable tool to assess national comparative performance on key development indicators. It has three main novelties. First, by factoring in the quality of human development achievements and by integrating the contextual dimensions of environmental sustainability and governance, it establishes a more relevant measurement yardstick. Second, by shifting the analytical focus to the most challenged countries, or those with the highest DCI scores, it encourages more informed dialogue on priorities to genuinely leave no one behind. Finally, as each of the three challenges is of critical importance, it is enlightening to look at them independently as well as when amalgamated into a single index. The proposed methodology allows for an easy decomposition of results for each challenge and its components.

The Fourth Industrial Revolution poses major challenges and opportunities to countries worldwide. It is a cross-cutting issue that has major implications for all aspects of development including quality of human development, environmental sustainability and governance. However, the vast majority of highly and very highly challenged countries are ill-equipped to reap its benefits and are the most vulnerable to its negative impacts. In this report, we were not able to award sufficient attention to this challenge due to data insufficiency. However, closely related indicators including those on innovation, knowledge production and decent employment were discussed in the quality-adjusted human development section. The analysis shows that there is a significant knowledge deficit that hampers the ability of the most challenged countries to close the digital divide. As more data becomes available, this issue will certainly receive additional attention in future reports.

The report is structured as follows. Chapter 1 introduces the DCI and analyses results over 2000-2020 at the global and regional levels, comparing findings with those of other global development indices. Chapters 2-4 cover the results of quality-adjusted development, environmental sustainability and governance challenge indices, respectively, focusing on global and regional level challenges. The chapters analyse index findings and their correlation with major influencing factors and policy drivers. Chapter 5 concludes with general policy recommendations.

# 1. WORLD DEVELOPMENT CHALLENGES



**The present chapter offers a bird's-eye view of regional and global development challenges based on DCI scores and the evolution of index components over the past two decades. It finds that Sub-Saharan Africa followed by the Arab region and South Asia are the most challenged regions worldwide. A large gap separates them from their nearest neighbours, Latin America and the Caribbean and East Asia and the Pacific.**

There are notable global and regional differences in the acuteness of the three challenges captured in the DCI, related to quality-adjusted human development, environmental sustainability and governance. Shortfalls

in governance are quite significant and play a large role in deterring progress globally. This is largely due to high and rising governance challenges in South and Central Asia, Latin America and the Caribbean and the Arab region. Shares of the three challenges are more evenly distributed for Sub-Saharan Africa, but from 2000-2010, the quality of human development was more pressing. In North America, lagging achievement on environmental sustainability is the most notable challenge.

The DCI captures progress in reducing development challenges over the past two decades, with the index falling globally from 0.485 to 0.437. The same pattern has held across most regions. East Asia and the Pacific achieved the highest rate of decline. Since 2010, however, Latin America and the Caribbean and North America have scored higher on the DCI. This is a significant finding as it indicates that development progress, when measured from a broader lens, does not always move in one direction.

Although DCI results are statistically close to other global development indices such as the HDI, SDG Index (SDGI) and Social Progress Index (SPI), discrepancies in results for some countries can be strikingly large.

## A. Development Challenges Index

Many debates have centred on issues to consider in measuring development achievements. The present report makes the case for adopting a broad and qualitative framework that focuses on the most developmentally challenged countries. In earlier years, a focus on quantitative achievements was justified because shortfalls in human development were so profound. As countries filled in the gaps, however, the quality of human development has become increasingly important. It is imperative that human development measures go beyond quantitative achievements to capture the quality of progress.

As a first step towards this goal, this report adapts the global HDI to reflect the quality of human development achievements. Such an analytical approach implies an appropriate methodology for discounting HDI achievements by measures of quality. A broader development measurement framework also entails integrating other dimensions. The present report proposes two contextual challenges that are of fundamental importance at all levels,

global, regional or national: environmental sustainability and governance.

The case for integrating these aspects is strong. Environmental sustainability is an important operating condition for human development. Sen and Anand endeavoured to address the integration of sustainability and human development using a theoretical and systematic approach.<sup>13</sup> They argued that sustainability is essentially intertwined with intergenerational equity. In the context of the environment, sustainability means that “the present generation should strive to preserve the environment in such a fashion as to equitably bequeath comparable human-development benefits to future generations”.<sup>14</sup>

Today, the world faces intensified environmental threats in various forms, such as increased extreme weather episodes, prolonged droughts, wildfires and floods. Such natural occurrences pose serious barriers to social and economic well-being, either directly through rising death tolls and financial costs owing to physical damages, or indirectly through an



array of adverse impacts on water stress levels, marine and terrestrial ecological balance, economic growth and poverty alleviation, and so on. Almost all economic sectors incur substantial losses following natural disasters, but agriculture may be more susceptible due to crop destruction or constraints on cultivation that impact crop quality, with negative implications for food security and poverty.

The second and arguably most acute global development challenge is that of good governance. Well-being has largely been the focus of the human development approach and the Human Development Reports over the years. With well-being realized to a certain degree, it has become more important to emphasize agency. That freedom has an independent and intrinsic worth of its own and is instrumental in enhancing well-being. Agency is fundamentally linked to freedom of expression, democratic space and participation. Democratic governance and efficient institutions help ensure the protection of human rights and the creation of democratic space and opportunities for participation. In contrast, as seen from recent history in many Arab countries, deficits in good governance and effective institutions undercut both well-being and agency, ensuring they cannot be guaranteed or sustained.

Realigning the analytical lens of human development implies a measurement adjustment with three aspects. The first entails integrating quality into the HDI measurement framework by discounting achievements to reflect their quality-adjusted levels, such as from income achievements to distribution-adjusted income achievements, from years of schooling to years adjusted by quality of education received, and from life expectancy to healthy life expectancy. The second involves adding two contextual dimensions, good governance and environmental sustainability. A third adjustment is in shifting the focus from achievements to shortfalls in development.

In sum, the proposed DCI measures challenges to three development achievements: basic well-being freedoms (as measured by the quality adjustment of the HDI's three traditional dimensions, health, education and income), environmental sustainability and good governance.<sup>15</sup>

Data sources and details on constructing the DCI, including the minimum and maximum levels used for indicators, are detailed in the main methodological background technical paper for this report. It also describes statistical validation and robustness tests.<sup>16</sup>

The following principles guided the DCI methodology, including the choice of indicators (table):

- Indicators must make sense, be meaningful and relevant and reflect human development concerns.
- Data availability must be considered. There must be a match between aspiration and reality.\*
- The weights of the three challenges should be equal, reflecting a normative stance that all challenge indices are of the same importance, and following the computing formula of the HDI. Weights within dimensions may be adjusted to the relative importance of a component.


\* The DCI is not claiming to capture all indicators of development. However, in order to come up with a tool that allows national, sub-regional and regional comparisons to assess and enhance development policies, we try given data availability limitations to capture the essential dimensions of development with the highest possible country coverage.

Constructing the DCI involves two simple steps. The first entails a conversion from achievement indicators to challenge indicators by subtracting the former from 1. The second step is to take the simple average of the indices reflecting the challenges (figure 1). For the present report, all results are presented as shortfalls from a maximum level of achievements. Given the shift from achievements to challenges, plotting the HDI or other achievement indices against the DCI would likely yield a negative correlation.

Two main advantages come from computing the DCI this way. First, in line with the guiding criterion of maintaining simplicity, the use of an arithmetic average rather than a geometric one leads to an index that is easy to compute and interpret. Although there are often good reasons to use a geometric average in calculating composite indicators, especially ones with interdependent relationships among dimensions, a geometric average becomes more problematic with indices with many indicators and dimensions. Additionally, arithmetic averages allow relatively easy calculation of the shares of the challenges in the overall index and the shares of the dimensions in each of the three challenges. Furthermore, in this case, DCI robustness tests have shown little difference in country rankings or scores between scenarios using geometric and simple averages.



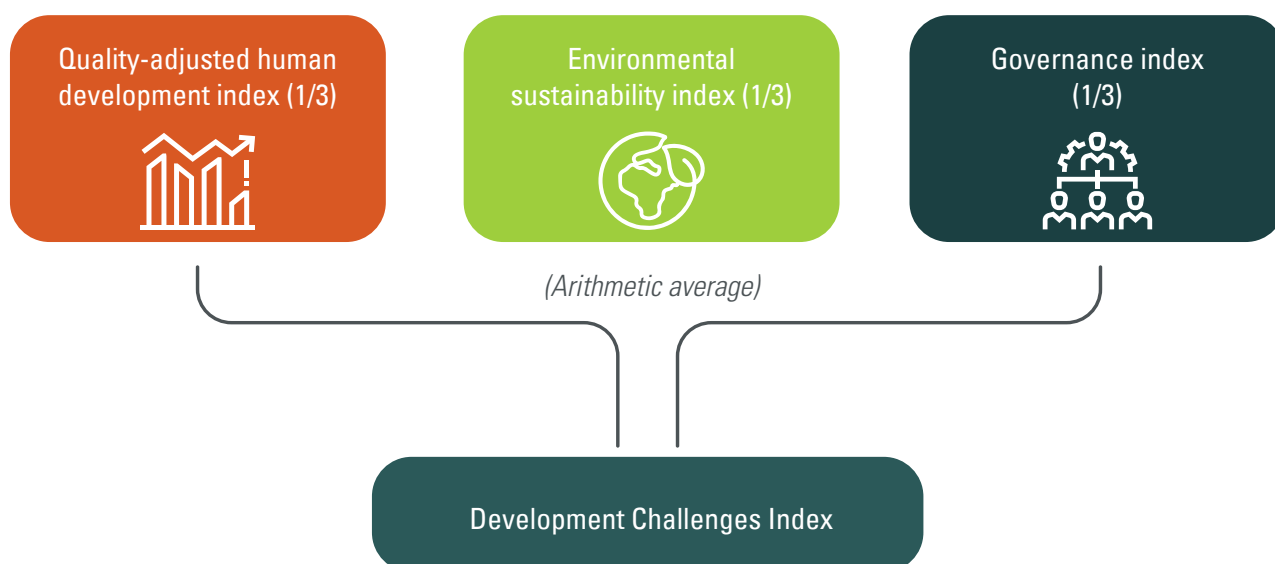
### Framework for the DCI's three sets of challenges to development

Challenge index	Dimension	Subdimension	Indicator
 <b>Quality-adjusted human development challenge index</b>	Health challenge index		Healthy life expectancy at birth, years
	Education challenge index		Expected years of schooling
			Mean years of schooling
			Harmonized test scores (discount factor)
	Income challenge index		Gross national income (GNI) per capita
			HDI inequality in income (discount factor)*
 <b>Environmental sustainability challenge index</b>	Climate change and energy efficiency challenge index	Climate change	Carbon dioxide emissions per capita production
			Material footprint per capita
		Energy efficiency	Energy intensity per unit of gross domestic product (GDP)
	Environmental health challenge index	Air quality	PM 2.5 (particulate matter) exposure
			Household solid fuels
			Ozone exposure
		Sanitation and drinking water	Unsafe sanitation
			Unsafe drinking water
		Heavy metals	Lead exposure
		Waste management	Controlled solid waste
 <b>Governance challenge index</b>	Democratic governance challenge index	Rule of law and access to justice	Transparent laws with predictable enforcement
			Access to justice
		Institutional accountability	Executive oversight
			Judicial accountability
			Rigorous and impartial public administration
		Participation	Consultation with civil society organizations
			Civil society participatory environment
	Government effectiveness challenge index		Government effectiveness (quality of infrastructure and public service delivery)

Source: ESCWA.

\* The income inequality indicator has been used given its role as a determinant of poverty and due to the lack of comparable poverty data (for instance, fixed poverty lines suffer from several problems and limitations). Therefore, when better poverty data becomes available, it will be used instead of income inequality to discount the income component.

**Figure 1. Calculating the DCI**



Source: Abu-Ismaïl, Hlasny, Jaafar and others, 2022.

Second, the shift from development achievements to development challenges implies reversing the focus of the narrative. The top scorers will now be countries with the gravest challenges. This shift is imperative to ensure that countries are not left behind in the global discussion on human development and the SDGs.

Scores on the DCI and its components are distributed among five categories: very low, low, medium, high and very high challenges. Countries scoring up to 0.2 are considered to be in the very-low challenge category. Scores from 0.2-0.3 are graded as within the low-challenge category; scores from 0.3-0.45 are within the medium-challenge category; while

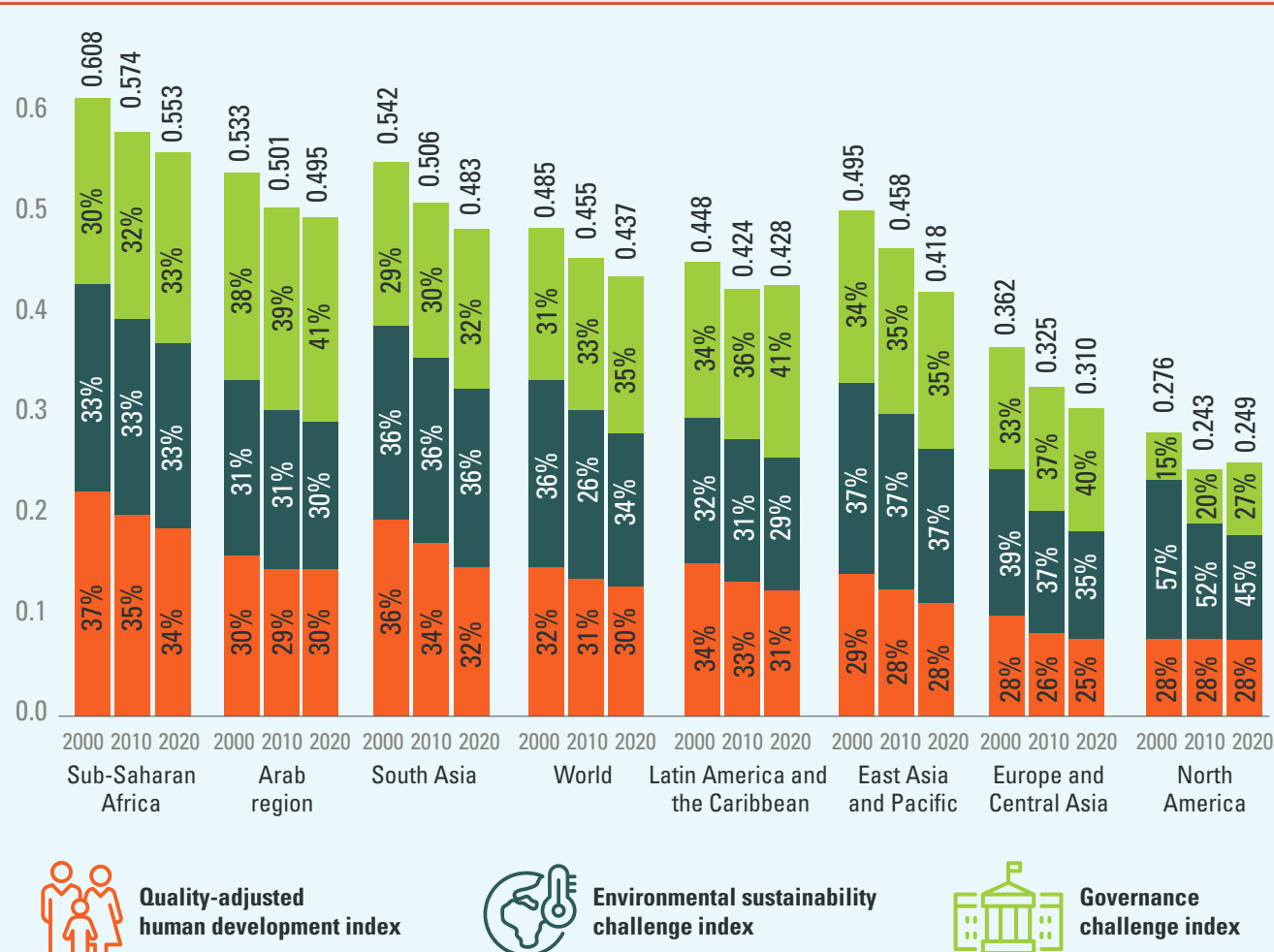
scores from 0.45-0.55 are graded as high. Countries that score above 0.55 are within the very high-challenge category.

To calculate regional scores, countries were divided into seven regions: the Arab region, East Asia and the Pacific, Europe and Central Asia, Latin America and the Caribbean, North America, South Asia and Sub-Saharan Africa. This followed the global Human Development Report groupings to the extent possible. Some differences exist, however. All members of the League of Arab States with available data are included in the Arab region. North America was added as a group.

## B. A modest reduction in global development challenges

Over the past two decades, reductions on the DCI have occurred globally, from 0.485 to 0.437, and in most regions (figure 2). East Asia and the Pacific achieved the highest rate of decline. Since 2010, Latin America and the Caribbean and North America have scored higher on the DCI, although the latter, with a low score of 0.249, is the least challenged region. Consistent with

HDI results, Sub-Saharan Africa is the most challenged region with an average DCI score of 0.553 in 2020. The Arab region and South Asia are high-challenge regions lying well above the world average. There is a conspicuous gap between their DCI levels and those of Latin America and the Caribbean and East Asia and the Pacific.

**Figure 2. DCI regional scores and shares of the three challenges, 2000, 2010 and 2020**

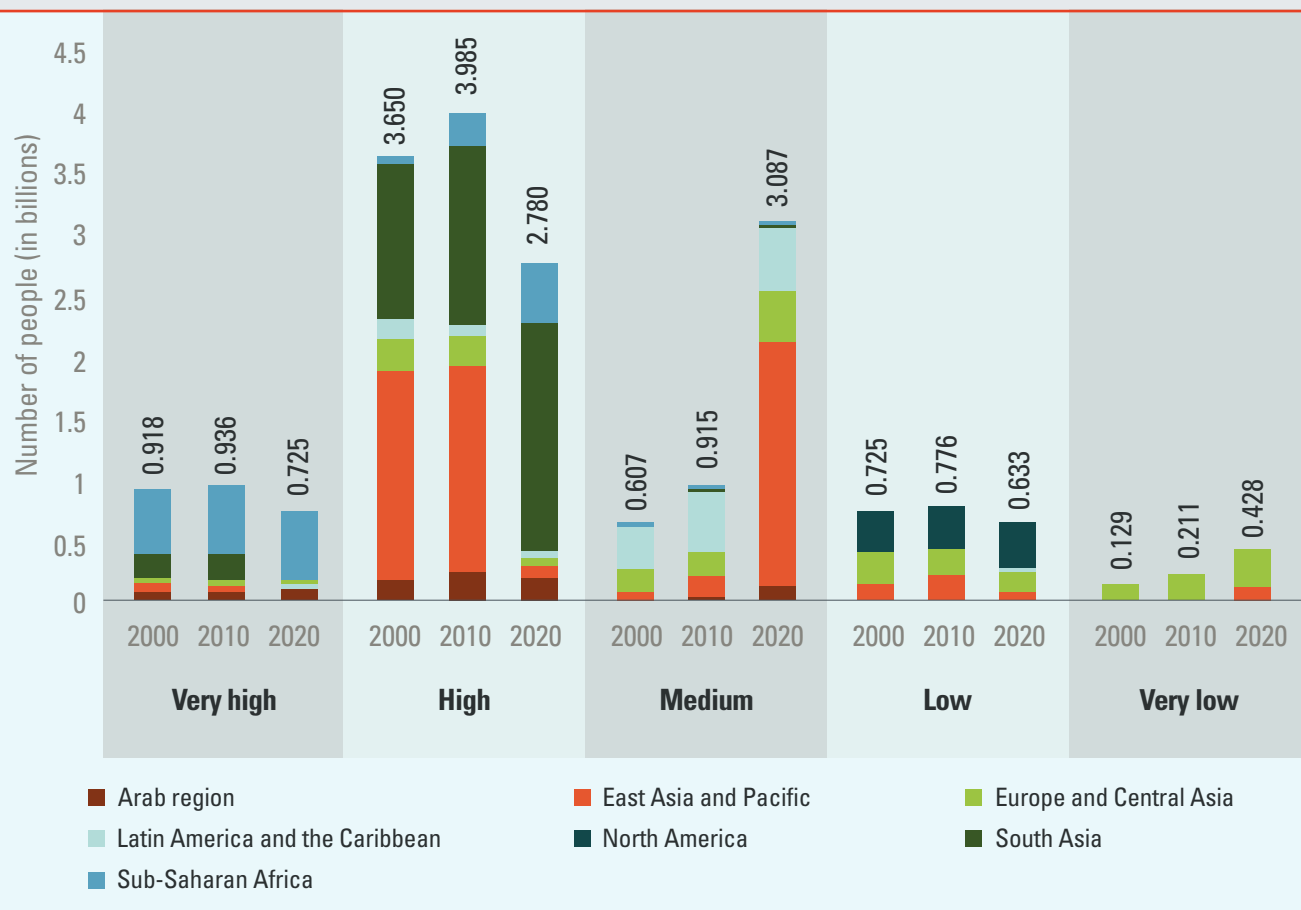
Source: ESCWA calculations.

Globally, governance is the most pressing challenge followed by sustainability. Both hold the largest shares of the global DCI, at 35 per cent and 34 per cent, respectively. Regionally, there are notable differences in the severity of the three challenges. Significant global shortfalls in governance come in part from high and rising governance challenges in the Arab region, Latin America and the Caribbean, and South and Central Asia. Challenge shares are more equally divided for Sub-Saharan Africa but from 2000 to 2010, the quality of human development was a more pressing concern. In North America, lagging achievement on environmental sustainability is the most significant challenge at almost 45 per cent of the DCI score.

The graduation of East Asia and the Pacific from the high- to the medium-challenge group has led to a significant drop

in the share of the world population living with significant challenges, from 60 per cent in 2000 to 36 per cent in 2020. There has been little movement in the very high- to high-challenge group, however (figure 3). The population share living in countries with very low challenges increased from 2 to 5 per cent between 2000 and 2020. These countries are mainly from East Asia and the Pacific and Europe. In the low DCI group, Canada and the United States hold the majority of people. Despite some improvements, nearly 3.5 billion people still live in countries facing serious constraints to development, as indicated by the population shares in the very high- and high-challenge groups. Without the gains made by East Asia and the Pacific, specifically by China, the world's DCI picture in 2020 would look nearly identical to that of 2000.

**Figure 3. Population in each DCI category by region, 2000, 2010 and 2020**



Source: ESCWA calculations.

Among countries, Haiti scored highest on the DCI worldwide at 0.658. Switzerland was the least challenged country with a score of 0.124 (figure 4). The scores are consistent with the DCI conceptual framework where even the least challenged countries still have development shortfalls to address, while even the most challenged countries have reduced their challenges, albeit at a minimal level. As expected, the most challenged countries are mainly from Sub-Saharan Africa while the least challenged are mainly European.

The largest deteriorations in DCI ranks over 2000-2020 were mainly witnessed in countries in the Arab region and Latin America and the Caribbean. Several countries in these two regions saw a rise in between-country inequalities in human development outcomes, especially since 2010, often related to conflict.



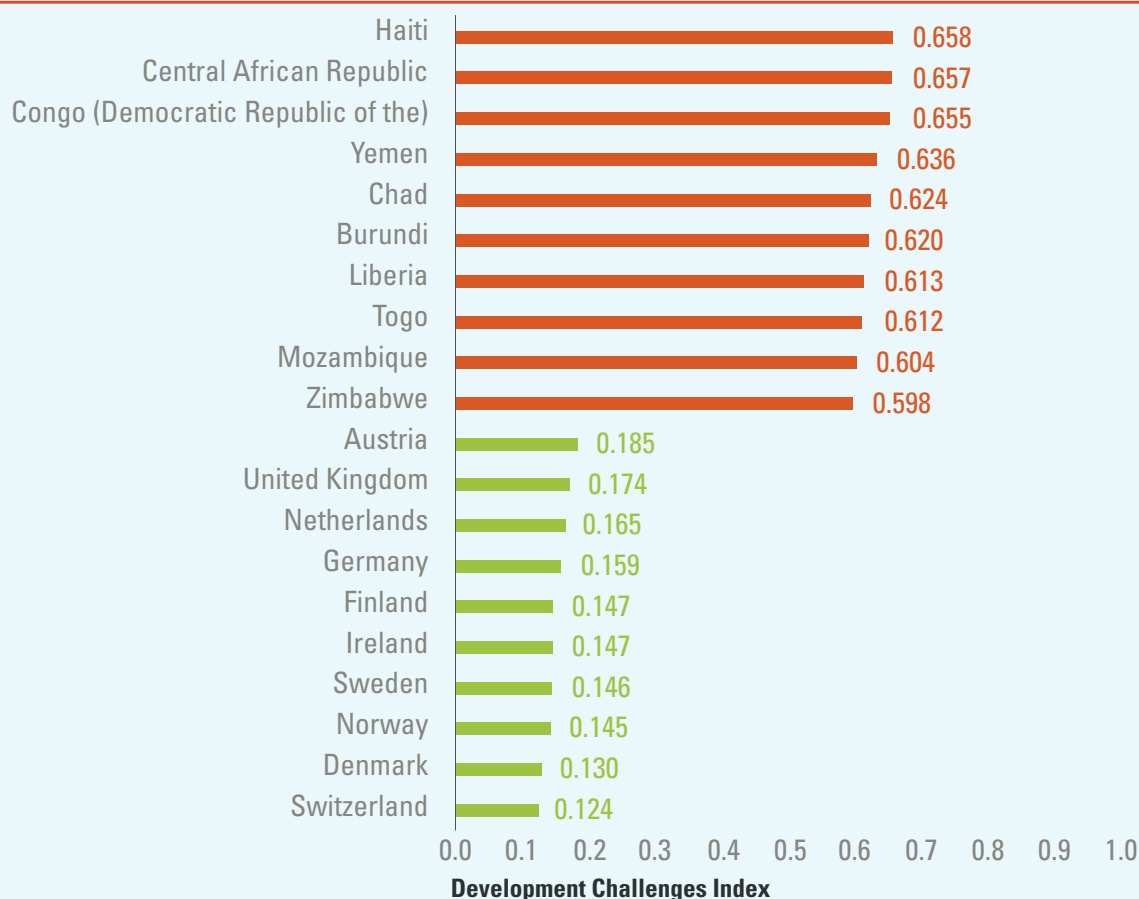
©iStock-PeopleImages



Among countries, **Haiti** scored  
**highest** on the **DCI**  
**worldwide** at **0.658**.



**Figure 4. Least (green) and most (red) challenged countries globally on the DCI, 2020**

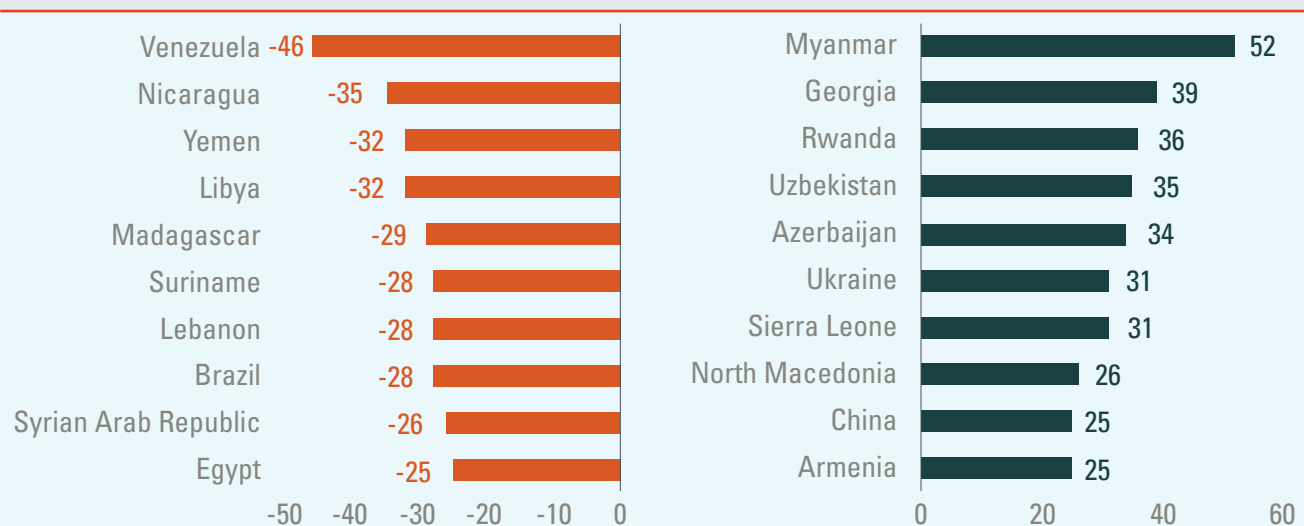


Source: ESCWA calculations.

The largest improvements in rank often came in countries that in 2000 had severe deprivations in one or more DCI dimensions. Myanmar and Rwanda initially had very high challenges from years of

conflict. Post-Soviet countries such as Azerbaijan, Georgia and Uzbekistan had high challenges in all three dimensions but have made significant improvements in the last two decades (figure 5).

**Figure 5. Top 10 deteriorations (left) and improvements (right) on DCI ranks (2020 rank minus 2000 rank)**



Source: ESCWA calculations.

Note: A positive change means an improvement in the rank while a negative change means a deterioration.

## C. Correlations with other global indices

How does the narrative of development challenges presented in the previous section differ from those offered by other leading global indices of development progress? This section considers this question, focusing on three indices with common conceptual and methodological grounds: the HDI, the SDGI and the SPI.

Nearly all 20 of the highest-performing countries on the HDI are in the least-challenged group of the DCI, with very high rank and score correlation. For the Nordic and most Northern European countries, the DCI will not make much difference. For medium and low HDI country groups, differences in scores and ranks are significant (figure 6).

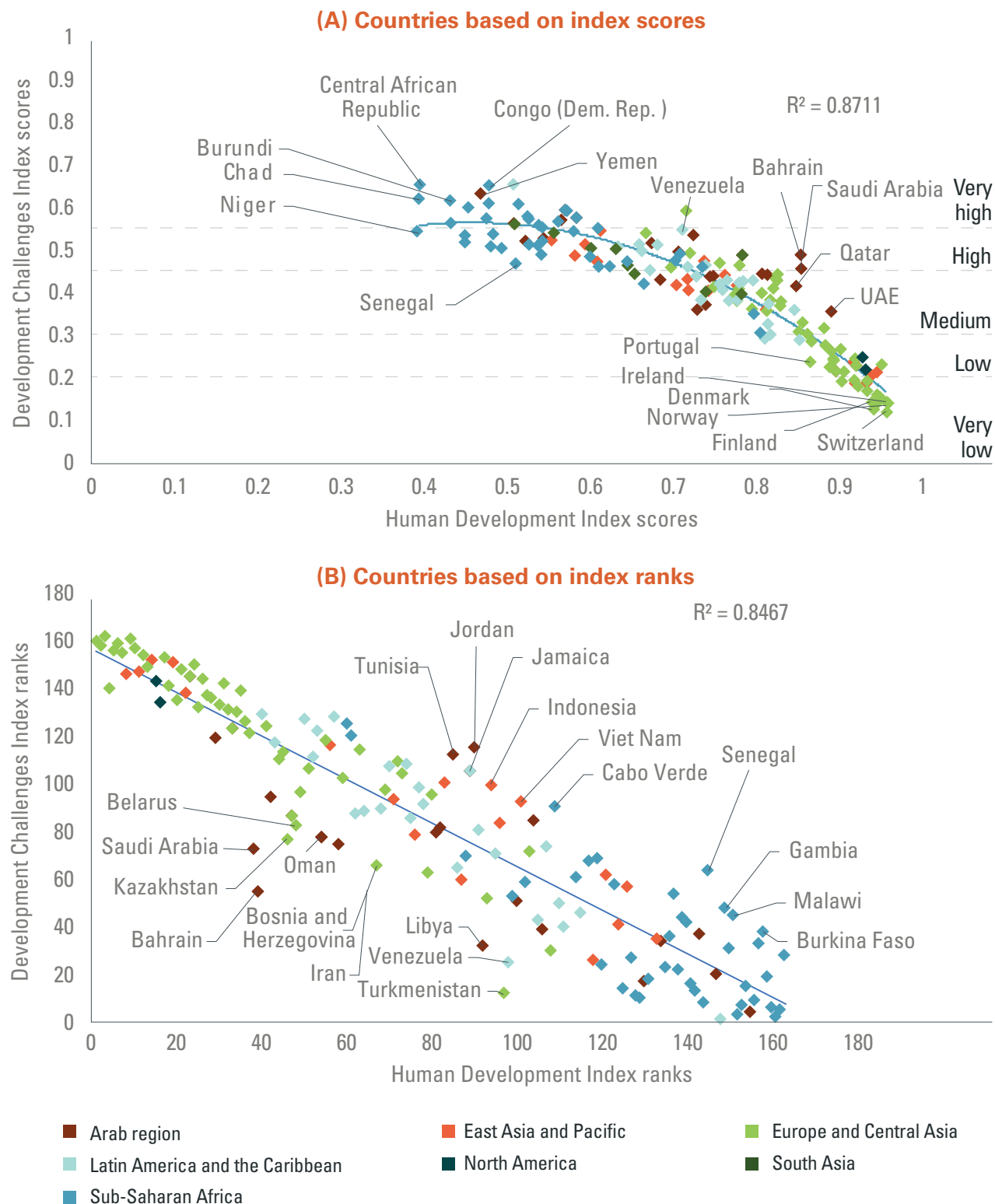
Human development assessments can change dramatically for some countries depending on the index. This is glaringly obvious for the Arab Gulf Cooperation Council (GCC) countries. All belong to the very high HDI group. By shifting from the HDI to the DCI, however, Bahrain, Oman and Saudi Arabia showed enormous losses in rank. So did oil-rich East European and Central Asian countries, such as Belarus and Kazakhstan. Jordan and Tunisia had significant improvements on the

DCI relative to the HDI, underscoring how even within a region, the DCI can significantly change assessment of human development achievements and progress. It effectively penalizes resource-abundant countries that have major governance deficits, have failed to diversify their economies and have substantial environmental sustainability challenges from energy-intensive production and consumption patterns.

The biggest rank improvements were in small resource-poor economies with good governance and sound environmental sustainability performance, such as Cabo Verde, as well as larger economies that have witnessed significant economic structural transformation in recent years, such as Indonesia.

**"Nearly all 20 of the highest-performing countries on the HDI are in the least-challenged group of the DCI, with very high rank and score correlation."**

**Figure 6. Comparing how countries fare on the HDI and DCI**



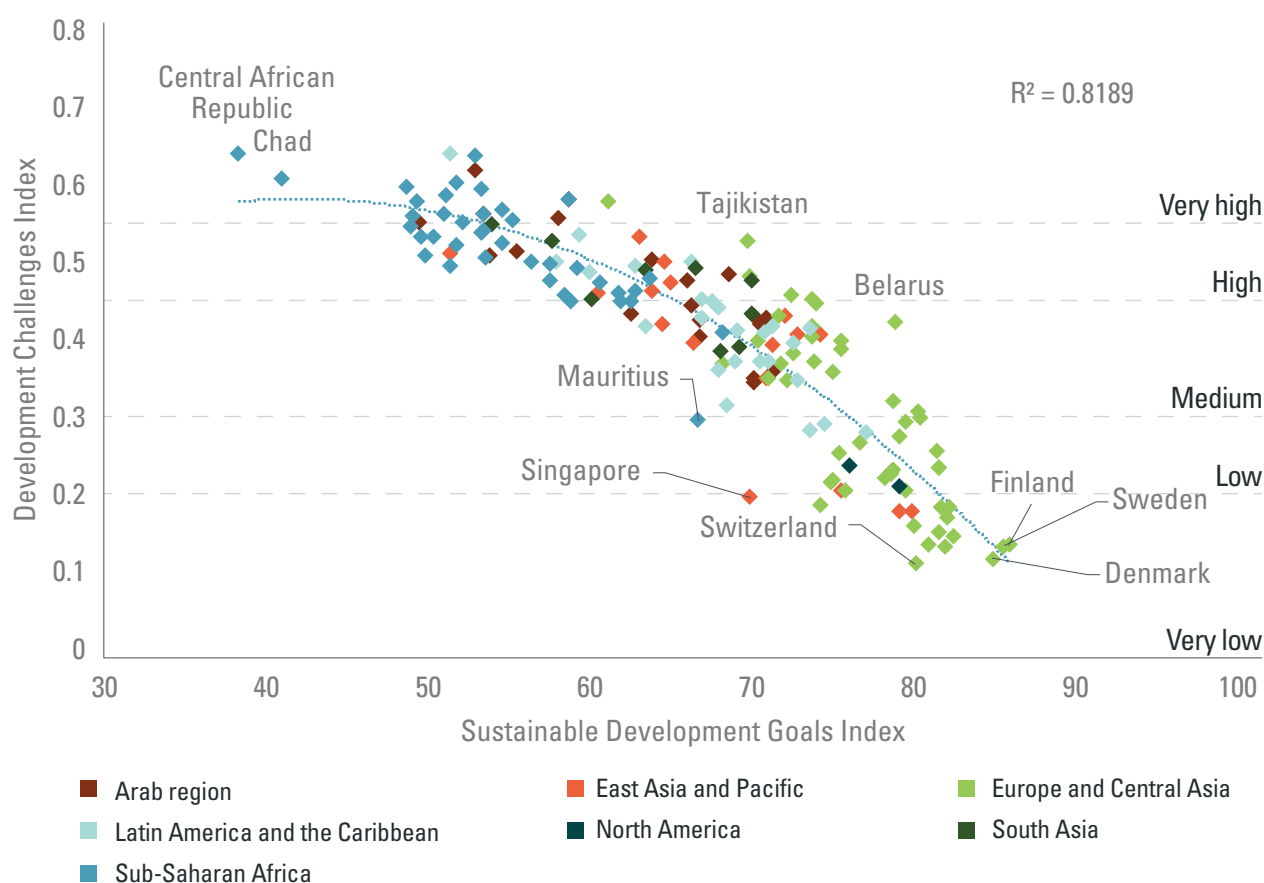
Source: ESCWA calculations.

Although the SDGI's overall correlation with the DCI is quite strong, the relationship diverges from the HDI (figure 7). This is not surprising since the SDGI includes more diverse dimensions and indicators to measure progress on the 17 SDGs. One notable difference is that the dispersion is quite high all over the graph, including on the lower right side, where medium- to high-performing countries on the SDGI and low- and very low-challenge countries on the DCI are located. The higher dispersion indicates that the differences in rank between the SDGI and the DCI will be notable even where broader regional development patterns remain the same. Regional rankings would not be much different. Sub-Saharan Africa would still be the least-performing region and Europe and Central Asia the best-performing region.

Comparing the DCI with the SPI is of special interest since the two have the highest correlation. This is not surprising since the SPI measures the extent to which countries meet the social and environmental needs of their citizens. It encompasses many indicators, including on governance and personal freedom, that correspond with the DCI indicators.<sup>17</sup>

As with the HDI, this correlation is highest for the very low-, low- and medium-challenge countries on the DCI, depicted by low dispersion from the regression line (figure 8). This dispersion starts to increase for high- and very high-challenge countries, which gives the plot a funnel-like shape. Although both the DCI and SPI look at a broader measure of well-being and consider the freedom of choice, an important distinction is that the DCI has half the indicators of the SPI. The SPI, like the HDI, focuses on achievements.

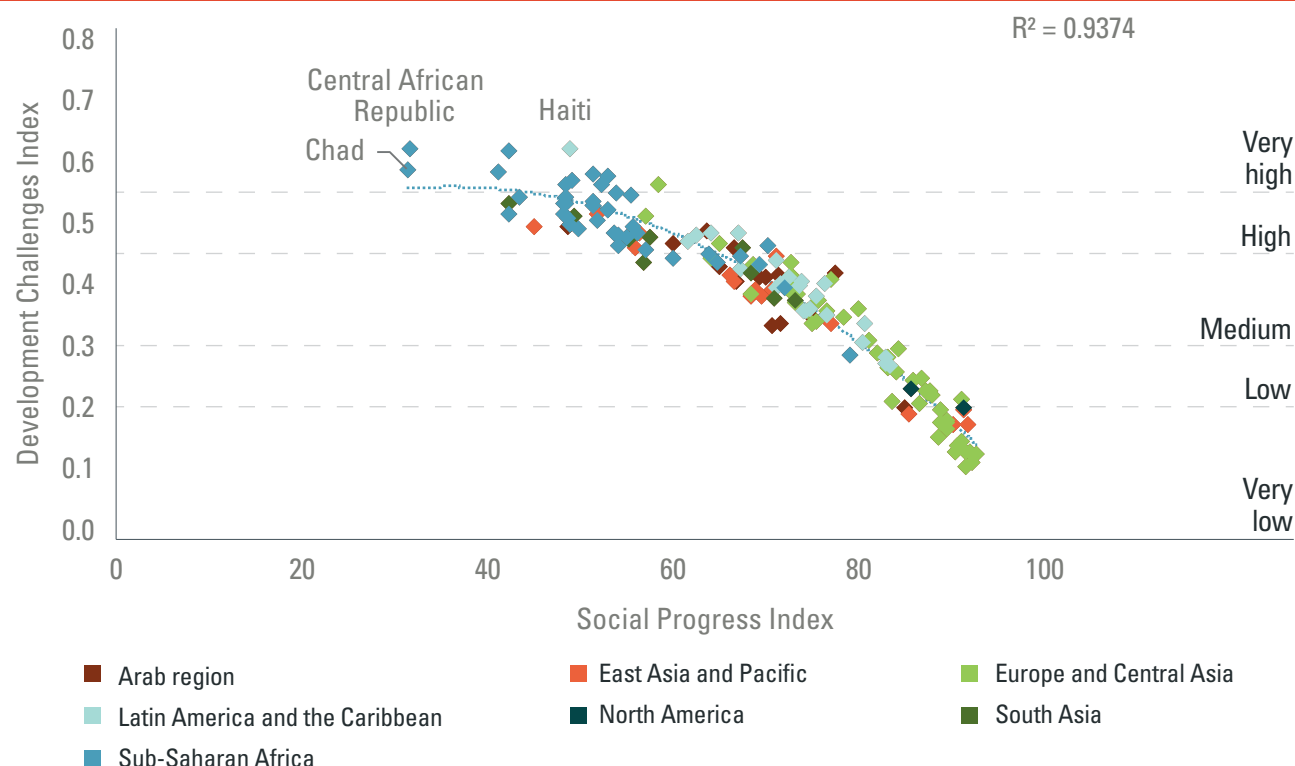
**Figure 7. The SDGI and the DCI**



Source: ESCWA calculations and United Nations, 2021.

Note: The SDGI is an evaluation of each country's overall performance on the 17 SDGs, weighting each goal equally. The score indicates a country's position between the worst outcome (0) and the desired outcome (100).



**Figure 8. The SPI and the DCI, 2020**

Source: 2020 Social Progress Index, [www.socialprogress.org/index/global](http://www.socialprogress.org/index/global).

Finally, clear non-linearity in the relationship between the DCI and SPI is also evident with the SDGI and the HDI. After a certain threshold of development progress, specifically, after reaching a medium level of challenges

on the DCI, the path to further progress becomes easier. This is a compelling justification for an analytical and measurement framework that shifts the focus to the poorest and most challenged countries.

## D. Conclusion

The DCI brings a new and interesting angle to the global discussion on human development. Despite progress over 20 years, a significant share of people still lives in difficult conditions and faces serious development deficits. Globally, governance is the most pressing challenge followed by sustainability. Regional and country variations, however, are quite remarkable. Two regions, Latin America and the Caribbean and North America, have witnessed worrisome DCI increases between 2010 and 2020.

Despite strong correlation with other global development indices such as the SPI, HDI and SDGI,

major differences in the DCI's conceptual framework result in shifting development narratives, especially for oil-rich countries, which lose their traditionally high rankings. At the same time, in spotlighting the most developmentally challenged countries, the DCI is a step towards mobilizing more concerted efforts to overcome their destitution and extreme deprivation. As future progress appears much easier after reaching a medium score on the DCI, focusing first on those left behind would mean the world at large will be more likely to realize its common development agenda.

## **2. QUALITY-ADJUSTED HUMAN DEVELOPMENT**



**The quality-adjusted human development challenge index measures shortfalls in achievements in healthy lives, quality education and equally distributed income. No region has a very low quality-adjusted human development challenge index, which means there is still much to be achieved even in the world's most developed regions, North America and Europe and**

**Central Asia. Sub-Saharan Africa faces very high challenges, followed by South Asia and the Arab region, which scored high and medium, respectively.**

Within the index, the quality-adjusted education component has the most significant share in most regions, followed by the quality-adjusted income index. Since some countries in South Asia have improved their challenge scores from very high to high, the number of people living in very high-challenge countries has declined. The largest share of the world population now lives in countries with medium quality-adjusted human development challenges.

## A. Main findings

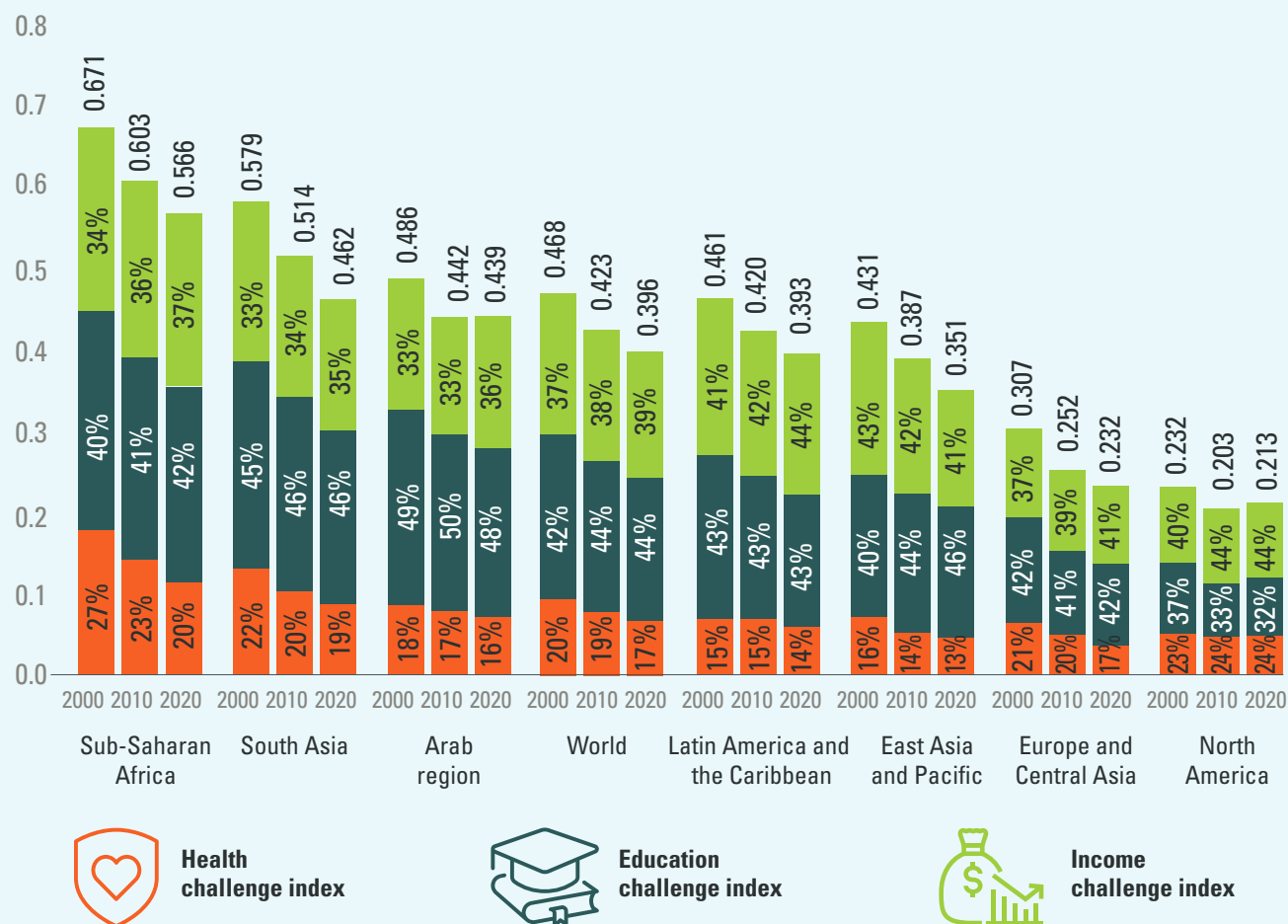
Sub-Saharan Africa is the most challenged region as was the case two decades ago (figure 9). Despite some progress, deprivations are acute, resulting from many factors, including poor governance, civil wars and shocks such as the AIDS pandemic.<sup>18</sup> Another region witnessing a high level of challenges is South Asia yet it also shows the greatest decline in challenges from 2000 to 2020. The least challenged region, North America, is the only region that witnessed an increase in its quality-adjusted human development challenge index in 2020 compared with 2010, after an improvement between 2000 and 2010.

For all regions, except Latin America and the Caribbean and North America, the largest share of the quality-adjusted human development challenge index comes from the education dimension (figure 9). The largest share in North America and Latin America and the Caribbean comes from the income component. This was also the case for North America since 2000, but this region's quality-adjusted human development challenge is very low; all its dimension scores are below 0.3. For Latin America and the Caribbean, the education component had the largest share in 2000 and 2010. A change to the income dimension having the largest share is not surprising given the upward trend in many educational indicators in the region over the past 15 years.<sup>19</sup> Yet future data might show different trends, especially after the COVID-19 pandemic caused an unprecedented education crisis.<sup>20</sup>



**"For Latin America and the Caribbean, the education component had the largest share in 2000 and 2010."**

**Figure 9. Quality-adjusted human development challenge index regional scores and dimension shares, 2000, 2010 and 2020**



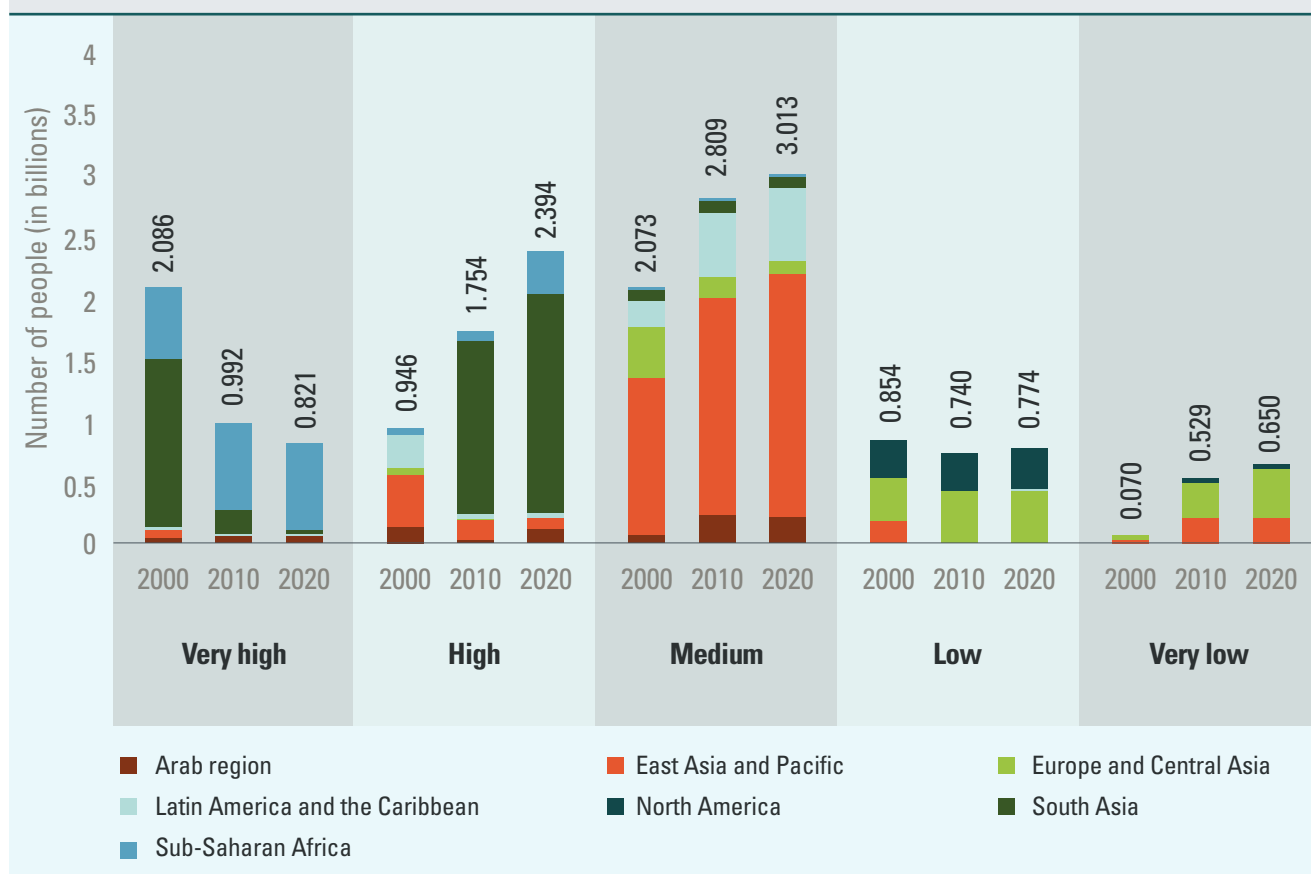
Source: ESCWA calculations.

The Arab region is particularly challenged in education, with shares of 48 per cent in 2020, 50 per cent in 2010 and 49 per cent in 2000 in the overall quality-adjusted human development challenge index. This is not surprising given the well-documented and very high inequality in education between and within Arab countries.<sup>21</sup> It is crucial to address gaps in education, which is often referred to as the great equalizer, given myriad effects on other challenges and especially in view of the Fourth Industrial Revolution.

In terms of global population shares at each level of the quality-adjusted human development challenge index, the highest share in 2020 was in the medium-challenge category (figure 10). This is an important improvement from 2000, when

the highest share was in the very high-challenge category. The change is mainly due to improved scores of some highly populated countries in South Asia, however, such as Bangladesh and India, which moved from the very high- to the high-challenge category between 2000 and 2010. Pakistan made this move between 2010 and 2020. Another reason for global improvement is progress in some countries in East Asia and the Pacific, such as Indonesia, which moved from the high- to the medium-challenge category between 2000 and 2010. Most people still living in very high-challenge countries are in Sub-Saharan Africa. Some progress has been made in countries with low challenges. France, Germany, the Republic of Korea and Singapore moved from the low- to the very low-challenge category between 2000 and 2010.

**Figure 10. Population in each quality-adjusted human development challenge index category by region, 2000, 2010 and 2020**



Source: ESCWA calculations.

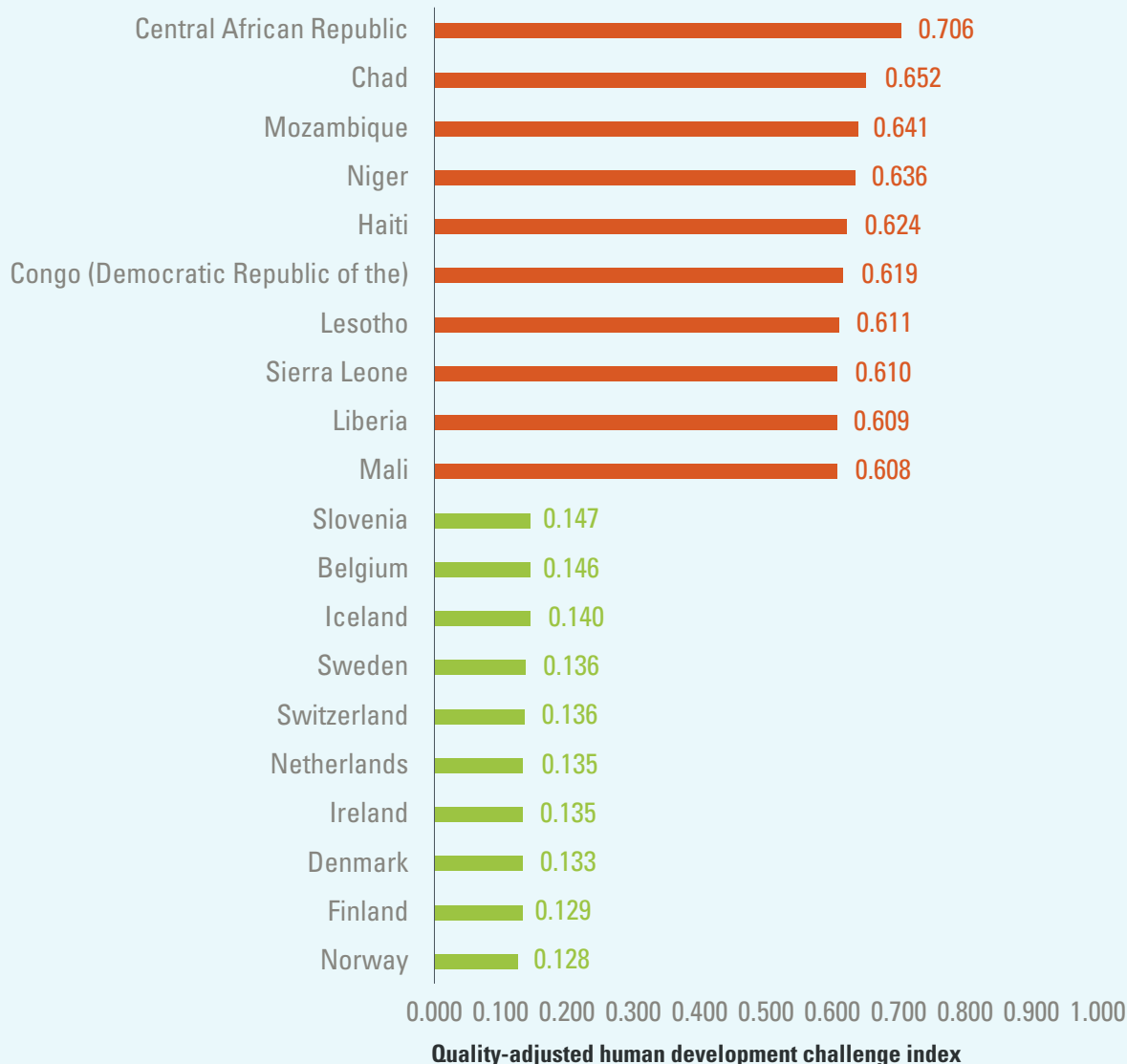
Nine of the 10 most challenged countries are in Sub-Saharan Africa (figure 11). While several reasons explain this poor performance, the fact that almost all of the most challenged countries are in this region underlines the need for major improvements in basic dimensions of development. Other regions, having notably reduced basic development concerns, should focus on tackling environmental and governance challenges.

Some subregional variations are evident. For instance, the tenth country in the most challenged group, Haiti, is in Latin America and the Caribbean, where the regional challenge level is lower than the global average. While North America is the least challenged region, the 10 least-challenged countries are all from Europe and Central Asia; five are Nordic countries. These variations could be attributed to several country-specific reasons. In Haiti,

political instability and multiple shocks to the economy have led to high and increasing poverty rates and very high inequality. Health and education outcomes are poor. The World Bank expects a child born today in Haiti to be only 45 per cent as productive as they could be with a full education and health care.<sup>22</sup>



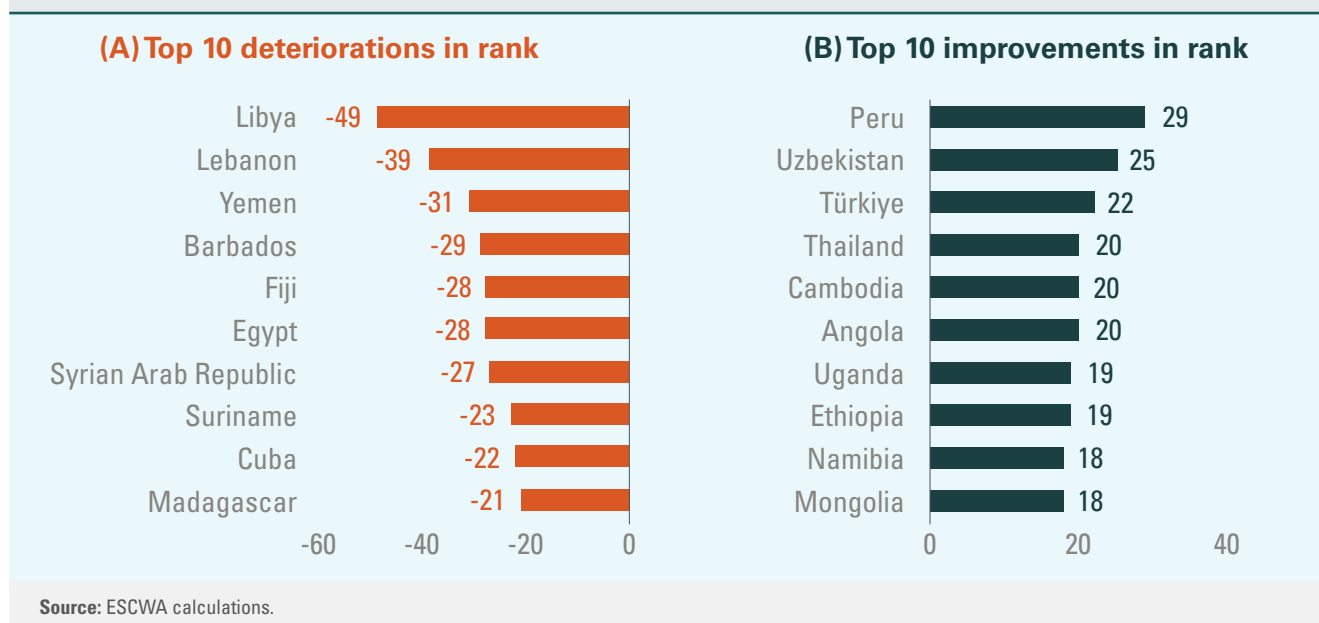
**Figure 11. Least (green) and most (red) challenged countries globally on the quality-adjusted human development challenge index**



Source: ESCWA calculations.

Over 2000-2020, many countries witnessed an increase in quality-adjusted human development challenge index scores. This occurred for different reasons, although conflict was among the main drivers. Three of the 10 countries with the highest deterioration in ranking on the index are conflict-affected Arab States, Libya, Yemen and the Syrian Arab Republic, respectively (figure 12). Egypt and Lebanon, which have witnessed significant political instability and economic hardships, are in the same group.

Peru has registered the highest global decline in quality-adjusted human development challenges through solid reforms that increased public expenditures on health, education and infrastructure, and led to lower inequality and poverty.<sup>23</sup> Following economic and social achievements since the early 2000s,<sup>24</sup> Türkiye also appears among the top 10 countries globally in improvements, along with four countries from Sub-Saharan Africa. It is more difficult for a country starting from a point of relatively low challenges to make noticeable improvements, which explains the

**Figure 12. Top 10 deteriorations (left) and improvements (right) in rank on the quality-adjusted human development index (2020 rank minus 2000 rank)**

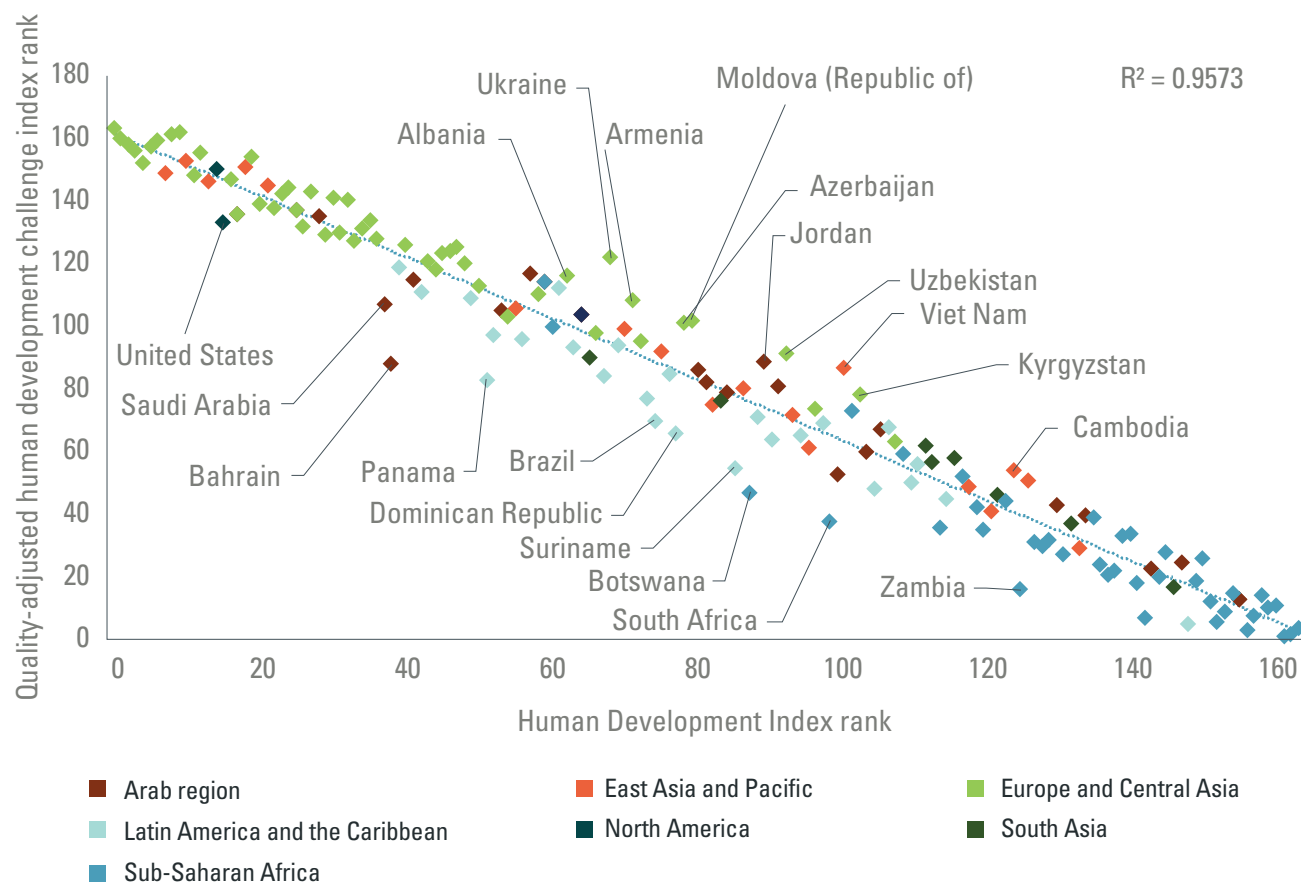
presence of high- and very high-challenge countries in the group with the greatest improvements.

While all countries' HDI scores were discounted by quality-adjustment variables to calculate the index, some were more affected than others (figure 13). Some outliers have fewer quality-adjusted human development challenges than other countries with similar HDI ranks. For example, Ukraine has the highest rank improvement on the quality-adjusted human development index compared with the standard HDI. This is because Ukraine is the best performer in reducing income inequality. Following Ukraine, Viet Nam, Uzbekistan, Moldova and Kyrgyzstan, respectively, saw the best improvements.

Among countries with the best improvements in rank, 7 of the top 10 are from Europe and Central Asia. The remaining countries are from East Asia and the Pacific (two) and the Arab region (one). Some countries below the regression line have higher challenges than other countries with similar HDI levels. One is Bahrain, with the greatest loss in rank, mainly due to poor performance on the inequality-adjusted income component compared with a very high HDI income score. Poor income performance is driven by factors including low-quality education for poor families resulting in fewer chances of getting jobs with appropriate salaries, which exacerbates income inequality.<sup>25</sup> The top 10 countries in terms of the greatest deteriorations in rank include four from Latin America and the Caribbean, three from Sub-Saharan Africa, two from the Arab region and one from North America (figure 12).



**Figure 13. Quality-adjusted human development challenge index rank and HDI rank, 2020**



Source: ESCWA calculations.

## B. Influencing factors

Three indicators particularly influence the quality-adjusted human development challenge index: the pupil-teacher ratio, the number of doctors and number of hospital beds per 1,000 individuals, and knowledge use in the economy, often captured by economic diversification and complexity indices.<sup>26</sup> Countries striving to improve these variables generally show the best outcomes on the index. Additional factors that directly or indirectly influence these inputs are the use of technology, decent employment, gender equality and institutional strength, especially government effectiveness.

These relationships should not be taken as unidirectional causalities running from one variable to another. In some

cases, greater causality is expected from some indicators to others, such as from having more and better trained doctors to having more years of healthy life. In other cases, there may be bidirectional causality. For example, higher incomes could help generate more decent jobs and introduce more knowledge in the production process and hence induce a more complex economy. But initial conditions and policies conducive to diversification, decent employment and knowledge use in production often result in higher incomes and lower inequalities. These issues are not of much concern to this report since defining the most effective factors for overcoming development challenges rests on considering each country's specificities.



# 1 Health and education system capacities and knowledge

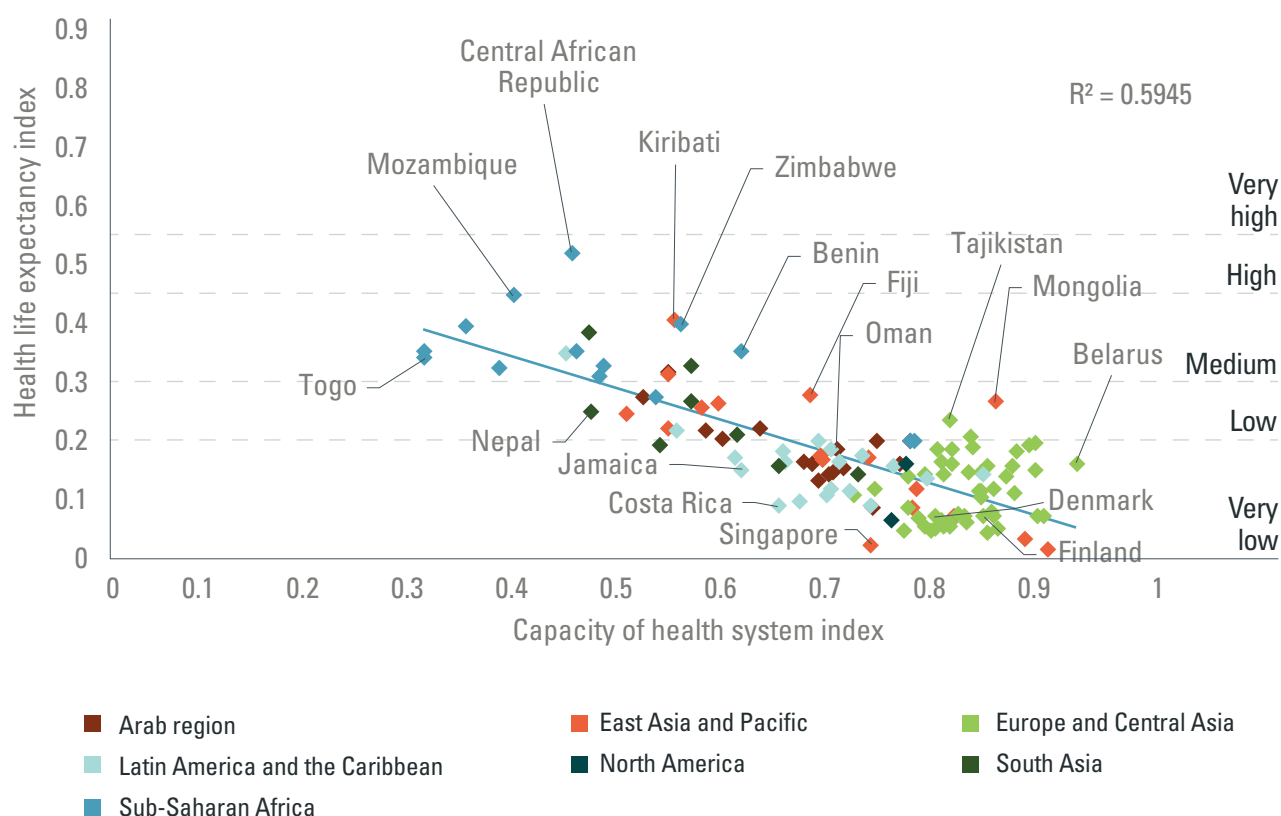
There are high negative correlations between the healthy life expectancy challenge index and the capacity of the health system index, based on the simple average of the two indicators of the number of doctors and number of hospital beds per 1,000 individuals (figure 14). Similar patterns are evident between the quality-adjusted education challenge index and the pupil-teacher ratio index (figure 15). Both indices were rescaled so that a higher number of per capita doctors and/or hospital beds was associated with lower health challenges and a lower number of students per teacher was associated with lower educational challenges.

Poor health and educational outcomes in many countries are a logical result of insufficient institutional capacities, such as a lack of nearby hospitals, doctors or teachers. Outliers show differences in the use of resources, however.

Many countries, especially in Sub-Saharan Africa and the Arab region, have greater challenges than expected given their input indicators, which suggests poor use of health and education capacities. Countries below the regression line, such as the Nordic countries, likely demonstrate better use of available capacities.<sup>27</sup>

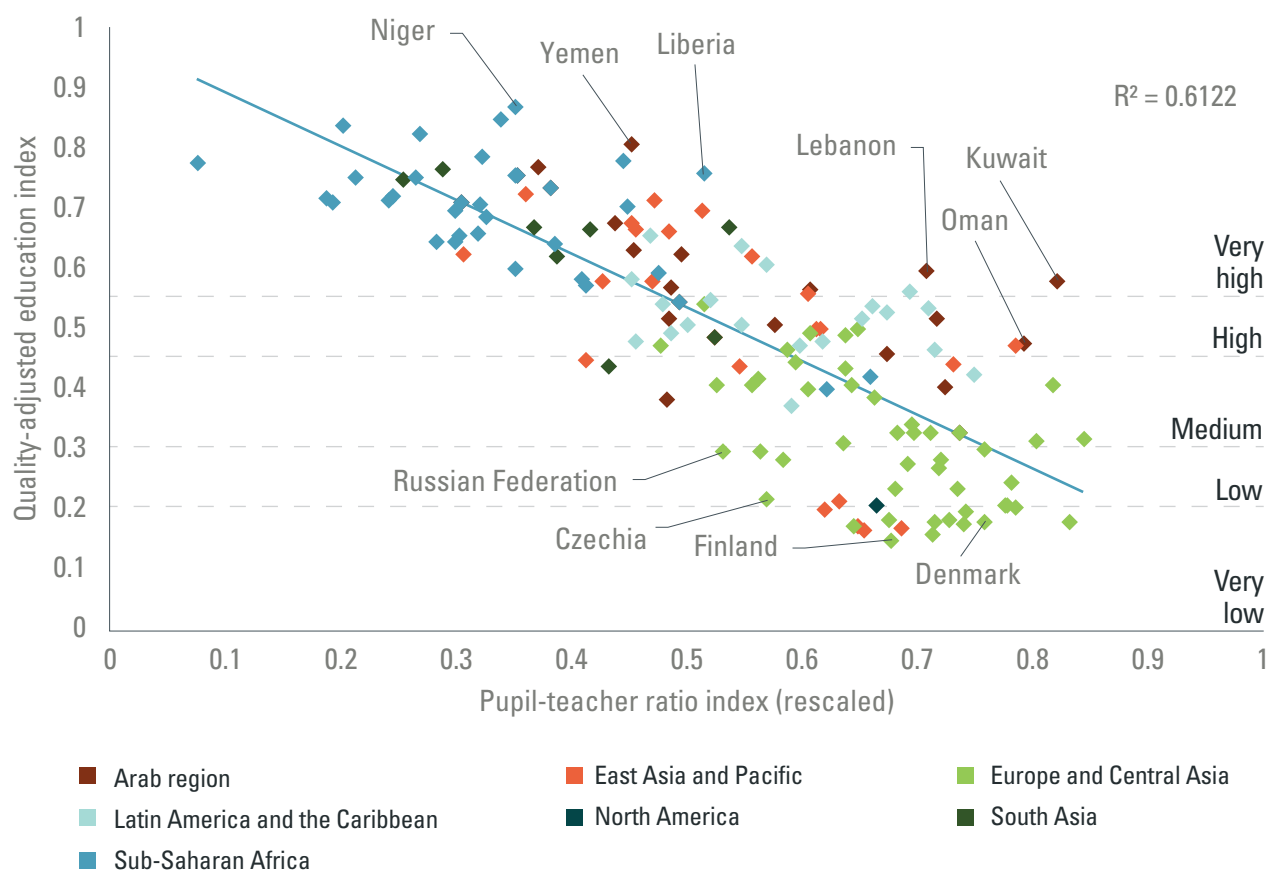
Access to and use of technology is an important driver to consider given its direct influence on education quality and more generally on opportunities from the Fourth Industrial Revolution. One basic indicator of the use of technology that has wide country coverage is the number of Internet users as a percentage of the population. While this is not a good proxy for technological knowledge or skills, it still suggests the level of access to information, which is a key pillar of knowledge acquisition and quality education.

**Figure 14. Healthy life expectancy challenge index and capacity of health system index**



Source: ESCWA calculations.

**Figure 15. Quality-adjusted education challenge index and pupil-teacher ratio index (rescaled)**

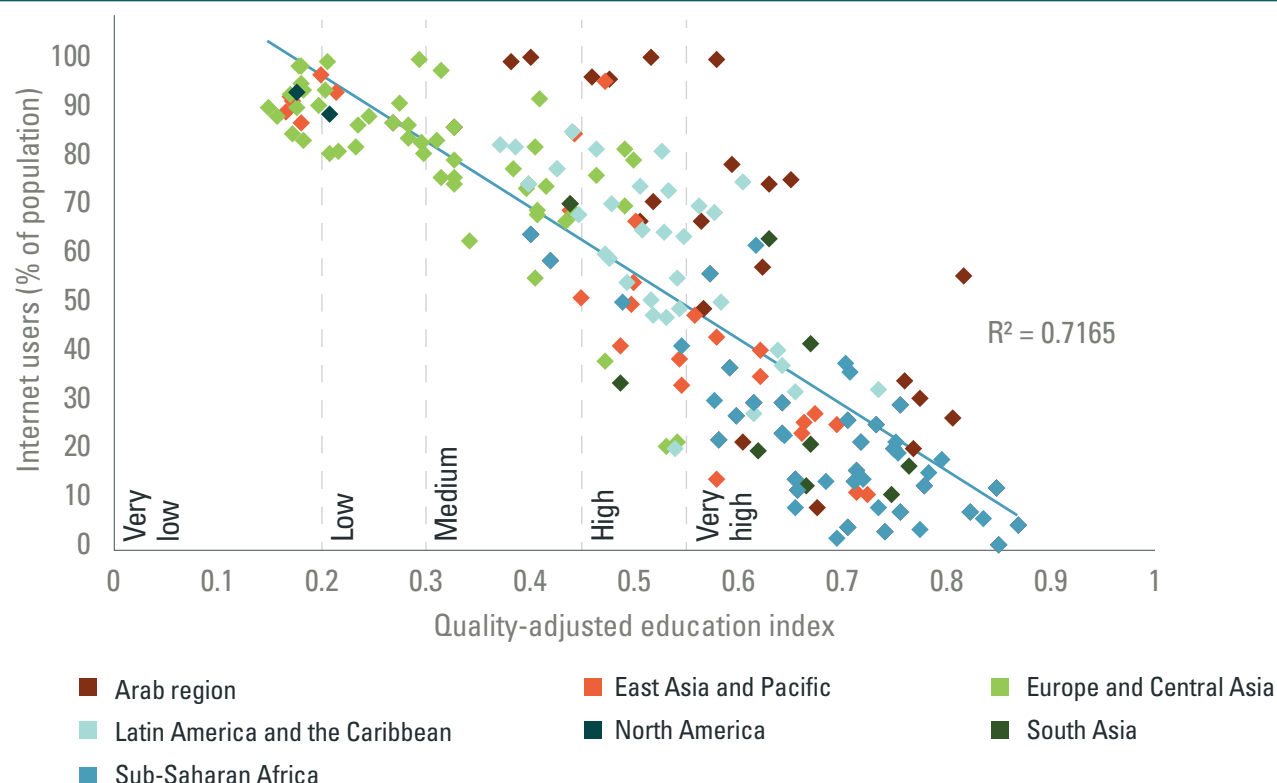


Source: ESCWA calculations.

Consistent with this hypothesized nexus, there is a very strong correlation between the quality-adjusted education challenge index and Internet users (figure 16). Interestingly, most Arab and Latin American and Caribbean countries appear above the regression line while many European and Central Asian countries fall below it. This shows that when including these indicators, poorer and more challenged countries perform better than expected given their educational and overall developmental challenge levels. Less challenged countries in Europe and Central Asia perform worse, relatively. With technology in general and the Internet in particular, more widely available, performance on the Internet indicator is almost the same in high- and low-challenge countries. Exceptions remain, however, with Sub-Saharan Africa negatively impacted by including such indicators mostly due to enduring – and in some cases widening – technology gaps.

A more important measure of technological advancement is the degree to which a country generates knowledge and ultimately translates it into human development gains. One index capturing this dimension is the economic complexity index. It naturally sits well with the quality-adjusted human development income and education challenge indices and correlates with the inequality-adjusted income



**Figure 16. Quality-adjusted education challenge index and Internet users**

Source: ESCWA calculations.

challenge index (figure 17). This is in line with findings that show that the level of economic diversification and knowledge content of the production process predict current and future levels of income and possibly even income distribution.

Again, the presence of outliers is explained by the fact that some countries have greater efficiencies in the use of their economic resources, such as Finland and Norway. Others have lower efficiencies resulting in high inequality-adjusted income challenges relative to their level of economic complexity, such as Mexico and South Africa.

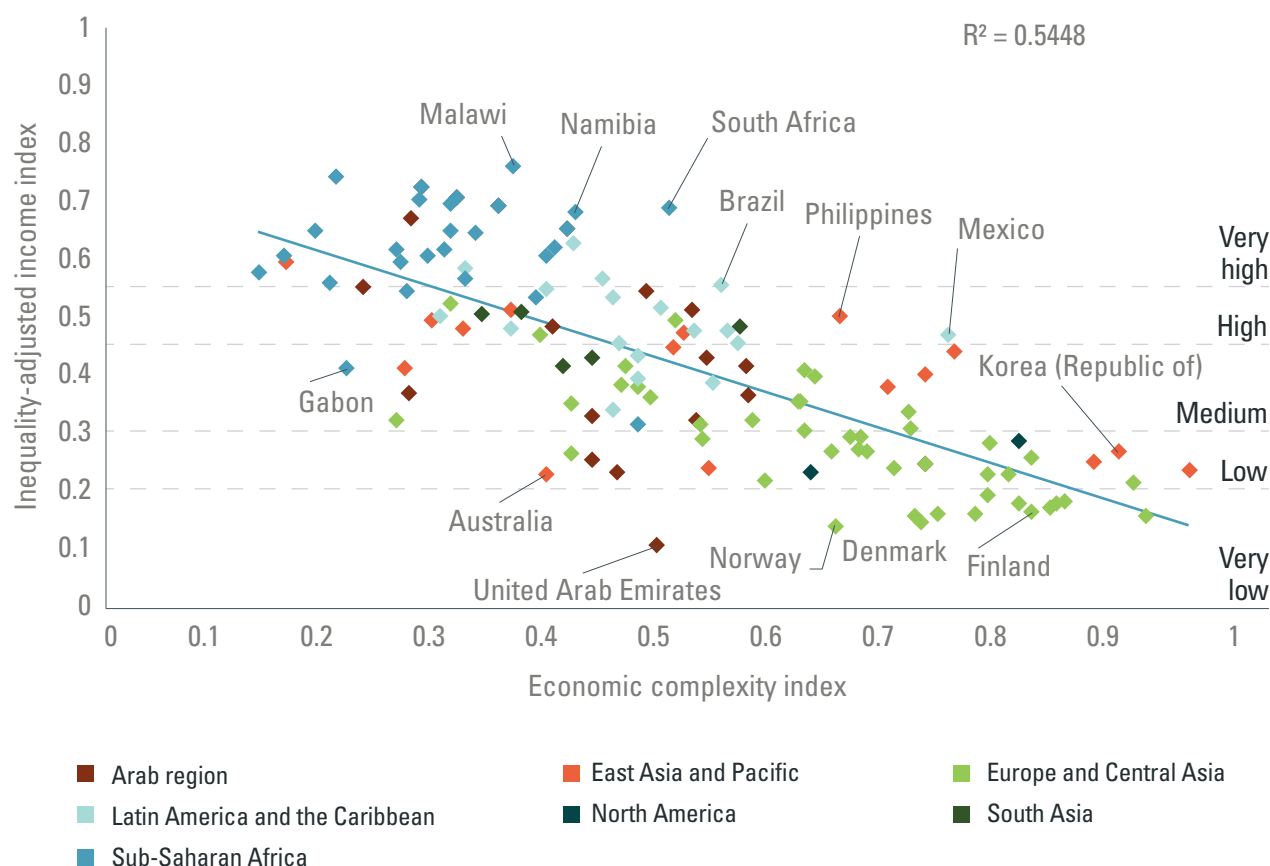
Improving health and education sector capacities by increasing the numbers of doctors, hospital beds and teachers is essential to reducing quality-adjusted health and education challenges. So is higher investment in knowledge-intensive, high value-added sectors, as they tend to generate broad-based decent employment and improve economic complexity. These combined effects will diminish inequality-adjusted income challenges, especially with the increasing digitalization which will gravely affect low-skill, low-wage jobs. That said, today's technological trends will further increase the inequality-adjusted income challenge if these root causes are not addressed.

## 2 Decent work and the Fourth Industrial Revolution

Employment is vital to quality human development achievements, especially the income dimension. Through employment, quality education can translate into higher and better-distributed incomes.

Employment in general and youth employment in particular remain pressing challenges in most countries, however, especially those in the low-income group.

**Figure 17. Inequality-adjusted income challenge index and economic complexity index**



Source: ESCWA calculations and the Harvard Growth Lab, <https://atlas.cid.harvard.edu/rankings>.

Globally, the total unemployment rate for those aged 15 and above was 6.6 per cent in 2019. The rate for youth (aged 15-24) was 15.2 per cent, more than double the overall rate. Total and youth unemployment rates were 5.6 per cent and 9.1 per cent, respectively, in low-income countries.

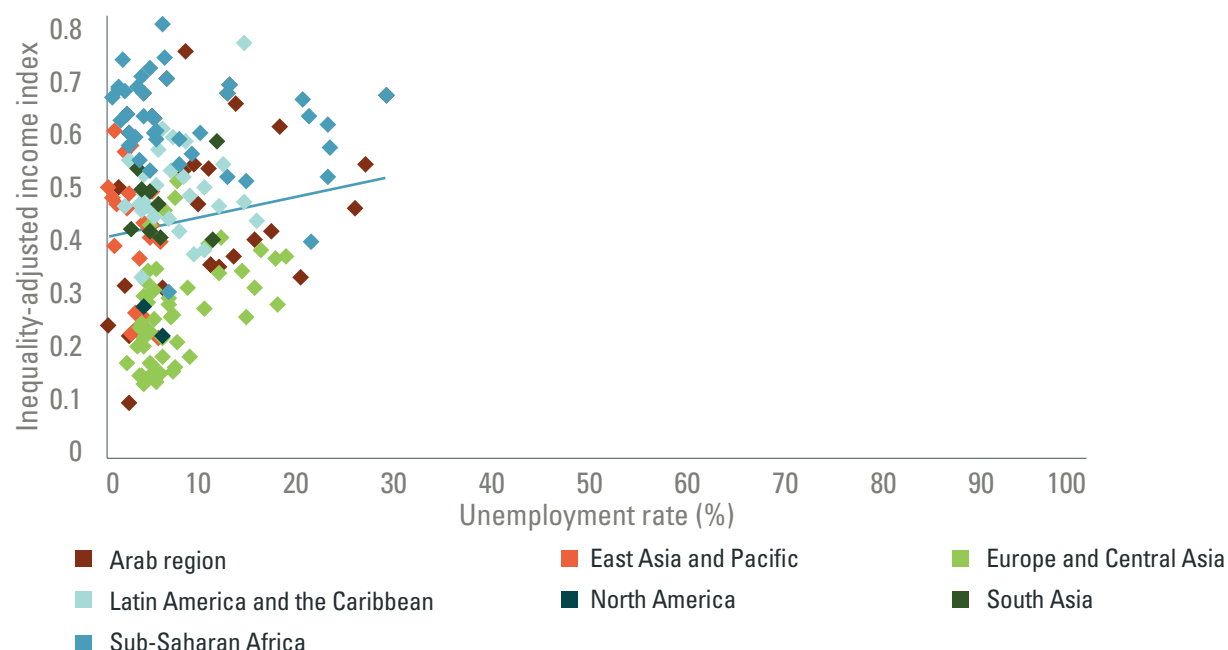
While the unemployment rate is an important indicator for labour market performance, it cannot provide a full picture. In fact, lower unemployment in low-income countries compared to the global average could arise from several reasons, including the inability of many people to afford being unemployed, which forces them to accept any job. High rates of informality and vulnerability occur in more challenged, lower-income countries. For instance, 62 per cent of total employment worldwide is informal compared to a much higher 88 per cent in low-income countries.<sup>28</sup> The share of vulnerable employment in total employment

is 44 per cent globally compared to 79 per cent in low-income countries.<sup>29</sup>

The quantity of jobs alone is not sufficient. Jobs must be decent and high in productivity, providing safe and stable working conditions and incomes. Creating such jobs can support the transition towards knowledge-based economies, which ultimately rely on increasing skilled labour across sectors.

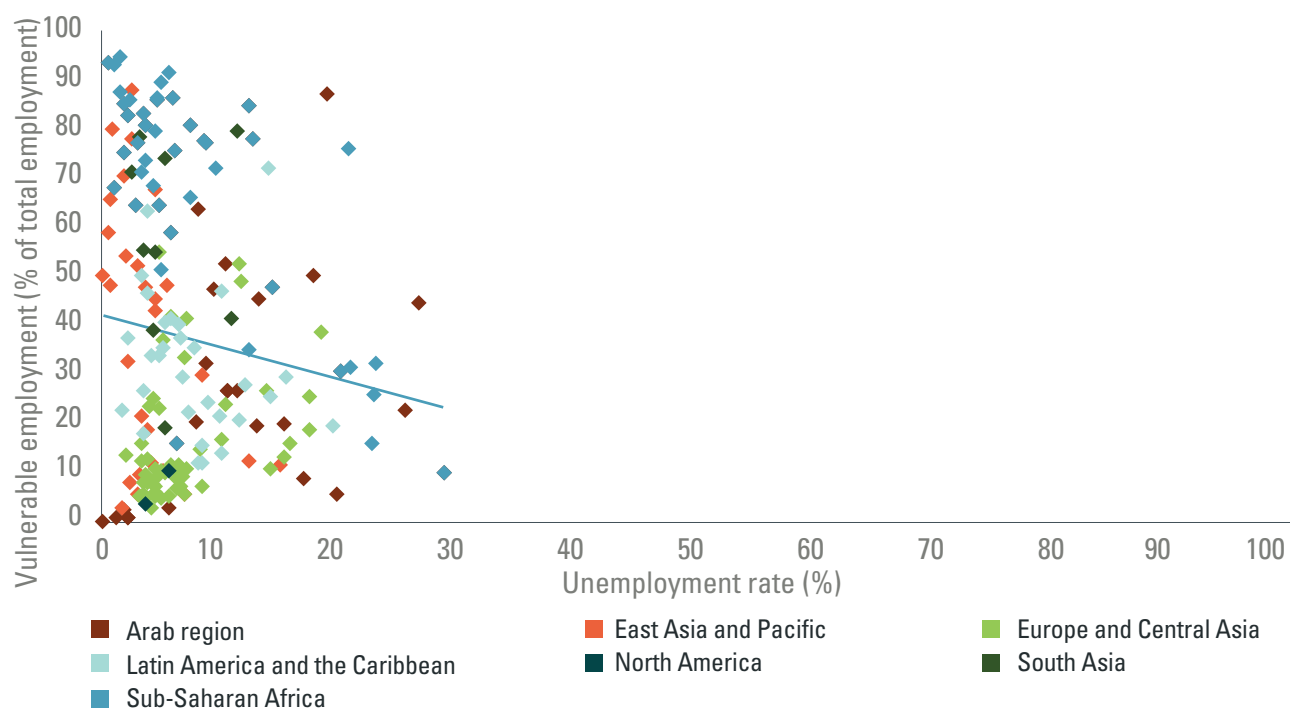
Decent work, income levels and distribution, and economic complexity correlate with each other. It is not surprising to see poor correlations between the unemployment rate and both the inequality-adjusted income challenge index and the vulnerable employment indicator (figures 18 and 19). This contrasts with a strong correlation between the vulnerable employment indicator and the inequality-adjusted income challenge index (figure 20).

**Figure 18. Inequality-adjusted income challenge index and unemployment rate**



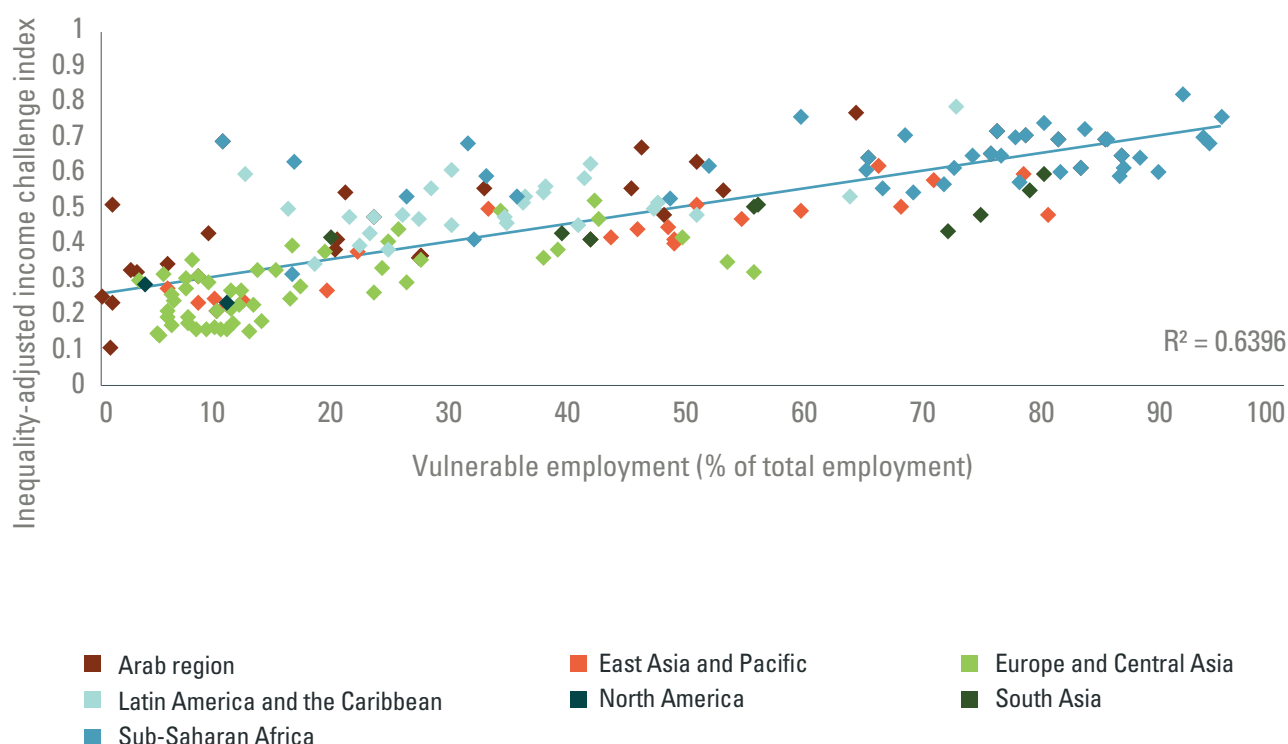
Source: ESCWA calculations and ILOSTAT.

**Figure 19. Unemployment and vulnerable employment rates**



Source: ESCWA calculations and ILOSTAT, [www.ilo.org/shinyapps/bulkexplorer20/?lang=en&segment=indicator&id=UNE\\_2EAP\\_SEX\\_AGE\\_RT\\_A](http://www.ilo.org/shinyapps/bulkexplorer20/?lang=en&segment=indicator&id=UNE_2EAP_SEX_AGE_RT_A).

**Figure 20. Inequality-adjusted income challenge index and the vulnerable employment indicator**



Source: ESCWA calculations and World Bank data, <https://data.worldbank.org/indicator/SL.EMP.VULN.ZS>.

Since decent jobs lead to more complex economies and in turn higher and better-distributed incomes, accounting for decent employment in development indices is important. While vulnerable employment is a good proxy for decent employment as shown by these correlations, the two concepts are not the same. For instance, decent employment entails decent working time, access to paid leave and career advancement opportunities, to name a few dimensions, which is by no means an easy task.<sup>30</sup> Therefore, vulnerable employment represents only one important aspect of a much broader concept.

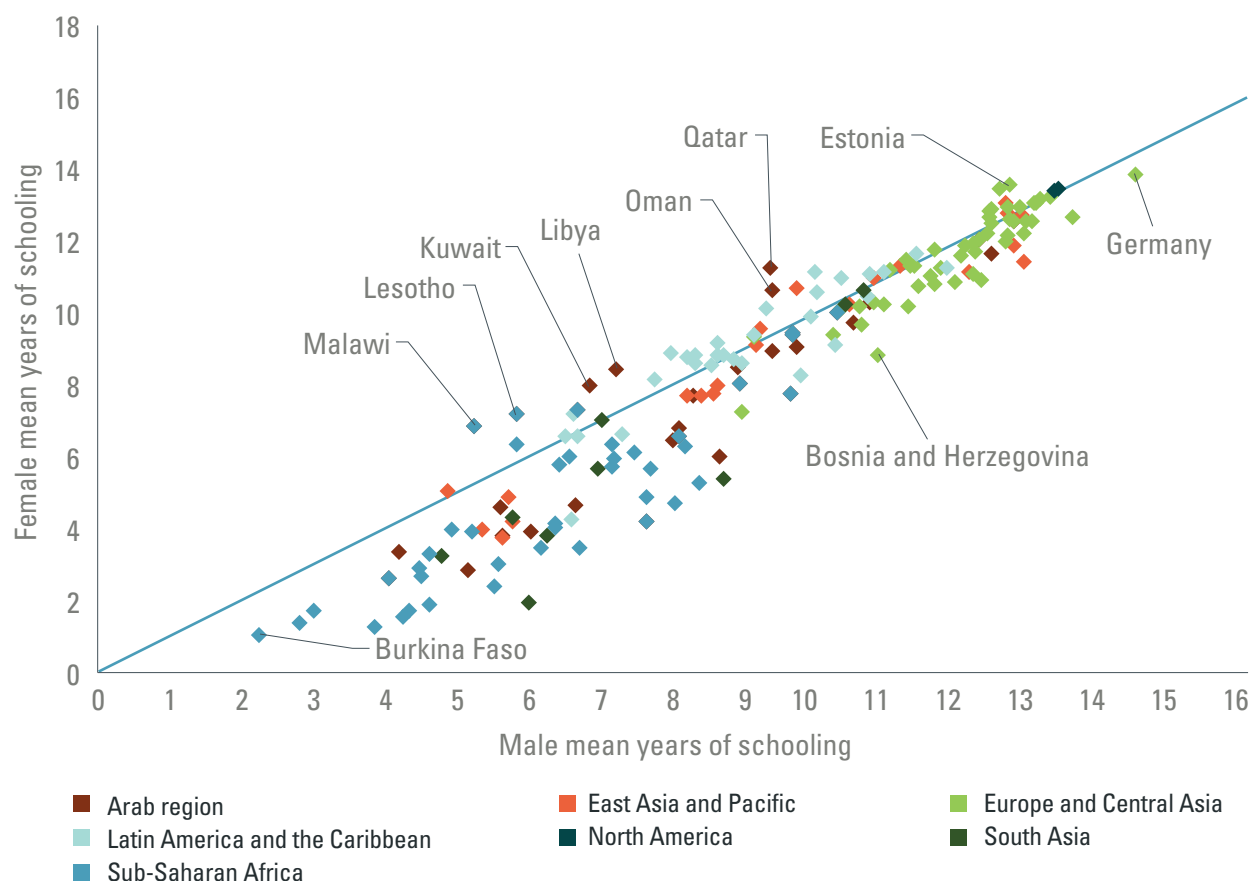
This is also vital as the world is changing rapidly in the course of the Fourth Industrial Revolution, and gaps

between developing countries and developed countries will widen due to the digital divide. For instance, exponentially increasing knowledge and productivity in some countries, leading to improved complexity, will help these countries to cope with the new technologies and changing demands. On the other hand, other countries will be left behind and unequipped with the skills needed amid these fundamental changes. It is therefore important to adopt active labour market programmes (skill development and training for workers in particular) which will result in the creation of more decent and knowledge-intensive jobs that are less vulnerable to technological changes.

### 3 Gender equality

Gender disparities in education, employment and incomes are major obstacles to human development. Despite significant improvements in the past decades, women

and girls still face many inequalities in basic indicators of human development. Factoring in the quality of development shows even sharper inequalities.

**Figure 21. Male and female mean years of schooling**


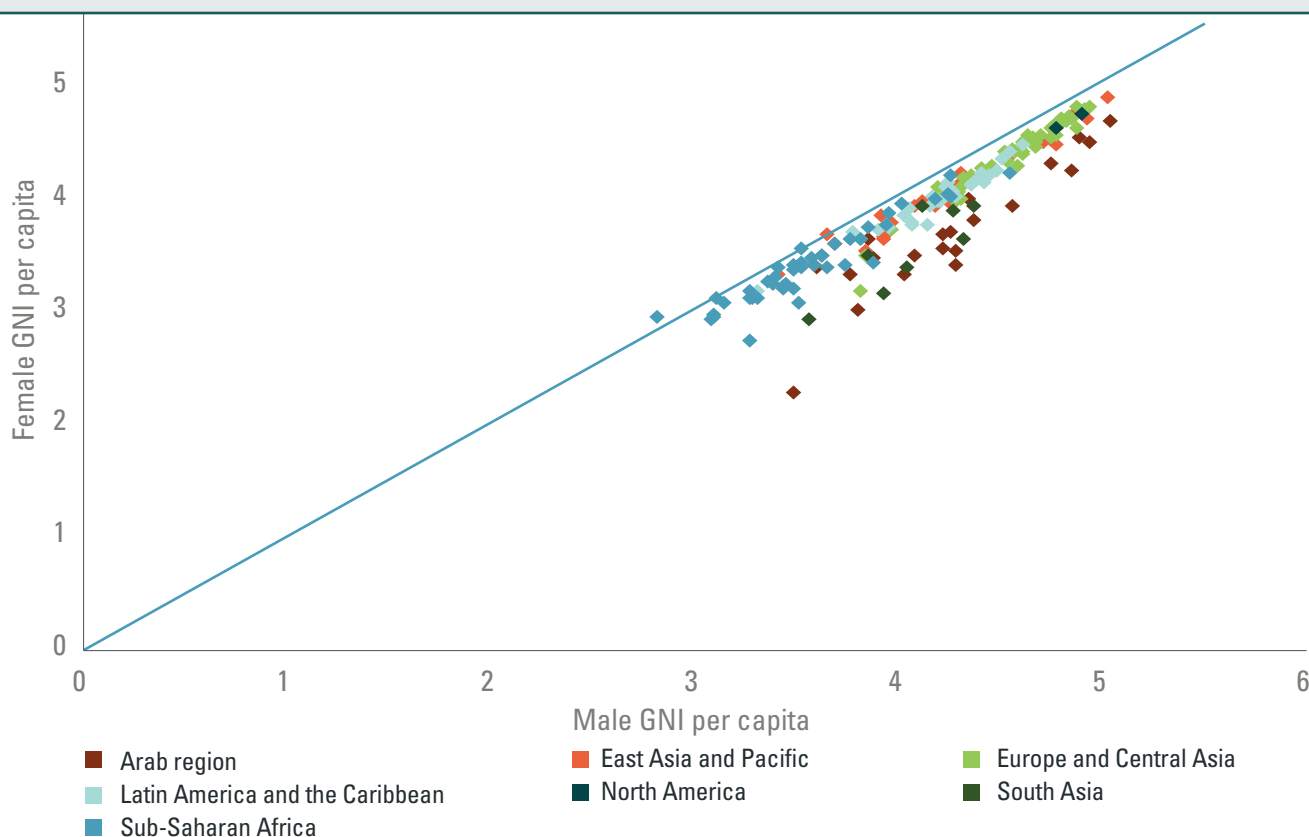
Source: UNDP, 2020.

Education is among the most important aspects of gender inequality. While the gender gap has improved globally in the last few years, it is still prominent, especially for poorer and more challenged countries. Most countries still achieve fewer years of schooling for women than for men (figure 21). This gender gap is widest for countries with an average of less than 10 years of schooling, with a few exceptions such as Kuwait, Lesotho and Libya.

Globally, on average, women's GNI per capita is \$10,000 less than that of men (\$24,458 for men compared with \$14,441 for women).<sup>31</sup> In average monthly wages, a woman in informal employment earns only 47 per cent of what a man in formal employment earns.<sup>32</sup> Women in the formal sector earn only 79 per cent of what men in formal employment earn.<sup>33</sup> This income gender gap is highest for Arab and South Asian countries (figure 22).



**Figure 22. Male and female GNI per capita (Log scale)**



Source: UNDP, 2020.

## 4 Governance and quality human development: a mutual reinforcement

What makes some countries perform better on drivers of human development achievements? In short, they have good governance and institutional effectiveness, which equips them to create requisite policies and make them work.<sup>34</sup> Without such capacities, a country will likely end up with high challenges relative to its endowments.

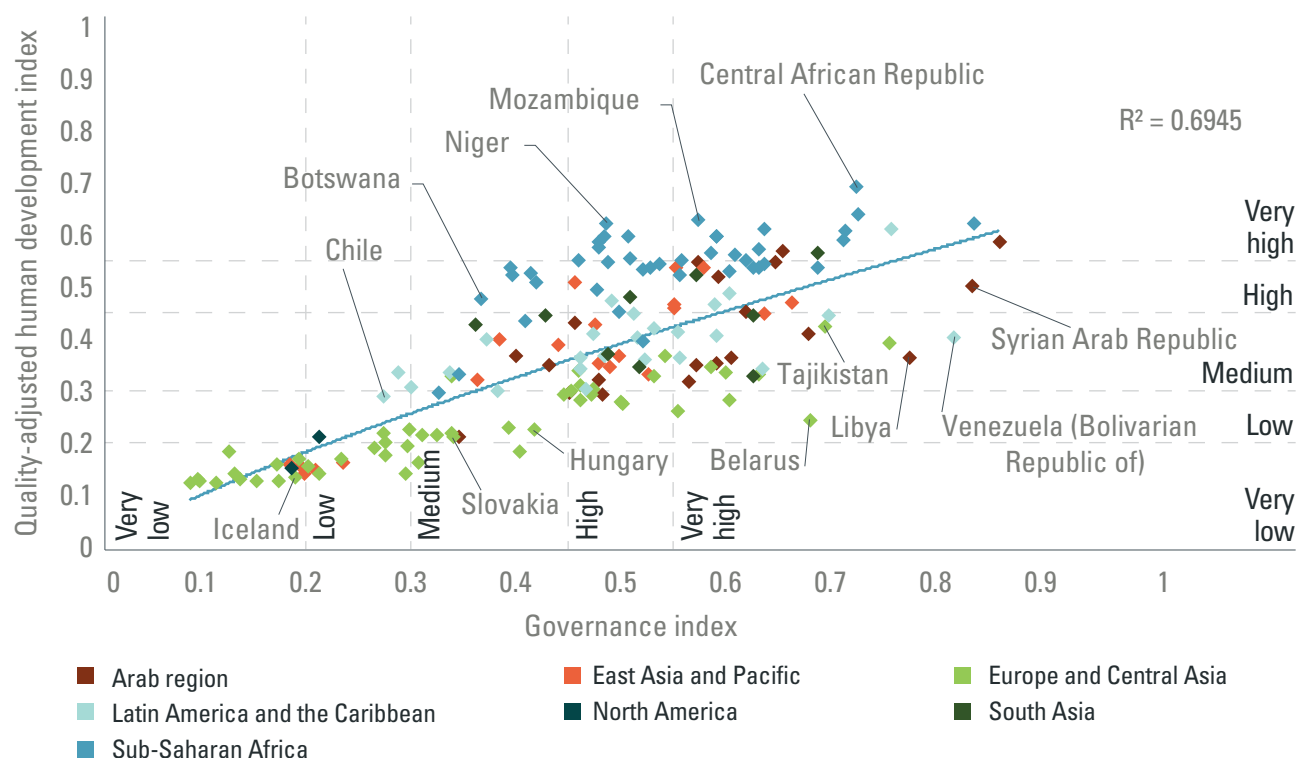
Governance is both an enabler of and an essential condition for inclusive development. The two are mutually reinforcing. Good governance can facilitate development, while development can bolster State capacity.<sup>35</sup> A strong and capable State can provide important services critical to development, such as adequate health care, infrastructure, education, environmental protection, disease control and research, and development support for entrepreneurship. Equally, economic development can contribute to the fiscal health of the State, providing revenues to deliver on these objectives. Top performers on governance are generally

also among the top performers on development, shown in the positive correlation between the governance challenge index and the quality-adjusted human development challenge index (figure 23).

The positive relationship between governance and quality-adjusted human development depends on a country's initial circumstances. With very high human development challenges, marginal improvements will not sufficiently change State capacity and governance. The same can be said for marginal improvements in governance not noticeably impacting human development. As both governance and development make more significant improvements, however, this can lead to more noticeable advances in both.<sup>36</sup> Countries without significant initial challenges are more likely to improve governance by improving their development status.



**Figure 23. Governance challenge index and quality-adjusted human development challenge index**



Source: ESCWA calculations.

## C. Conclusion

All regions have witnessed declines in quality-adjusted human development challenges over the past decade, except North America, which nevertheless is still the least challenged region. In almost all regions, the highest share of the quality-adjusted human development challenge index comes from the education component, which demonstrates the need for educational system reforms globally. The highest share of the world's population is now living in countries with medium quality-adjusted human development challenges, a major improvement since 2000 when the highest share was in very high-challenge countries.

Health and education system capacities and knowledge use in the economy influence quality-adjusted human development outcomes. Countries striving to improve these policy-oriented input variables have generally shown the best outcomes. This influence takes place through various channels, including, most importantly, decent employment,

gender equality and institutional strength. Influence is strongly affected by governance frameworks and institutional effectiveness but does not flow only in one direction, as better quality-adjusted human development results also lead to improved institutions.

The relationship between good governance and human development is far more robust at lower levels of challenges. Countries with low and very low quality-adjusted human development challenges have more consistent governance performance owing to the presence of strong and reliable institutions. This is not the case for other countries where there are clear disparities below and above the regression line. This complex relationship between governance and human development is the subject of further scrutiny in Chapter 4, where the internal structure of the governance challenge index and shares of its various aspects will be analysed in more depth.

# 3. ENVIRONMENTAL SUSTAINABILITY



Environmental sustainability is a major global concern, with regions showing minimal progress. As expected, the burden of increased climate change and energy intensity is higher for North America and to a lesser extent for Europe and Central Asia, while the burden of poor environmental health is the main concern for developing

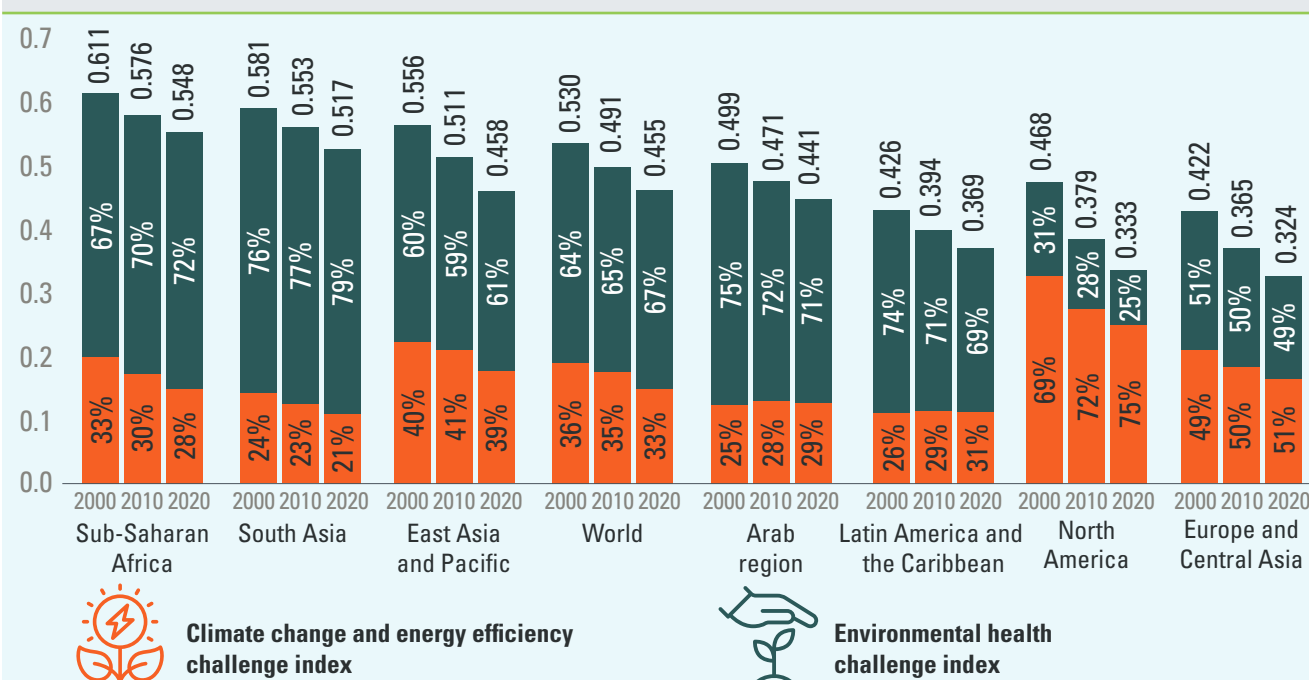
regions. Reflecting the seriousness of the challenge, no region recorded a low or very low environmental sustainability index score. Sub-Saharan Africa is the most challenged, largely owing to its very high score on the environmental health dimension. Europe and Central Asia is the least challenged region.

## A. Main findings

Regional environmental sustainability challenge scores for 2000, 2010 and 2020 are based on components on climate change and energy efficiency, and environmental health (figure 24). All regions witnessed slight reductions

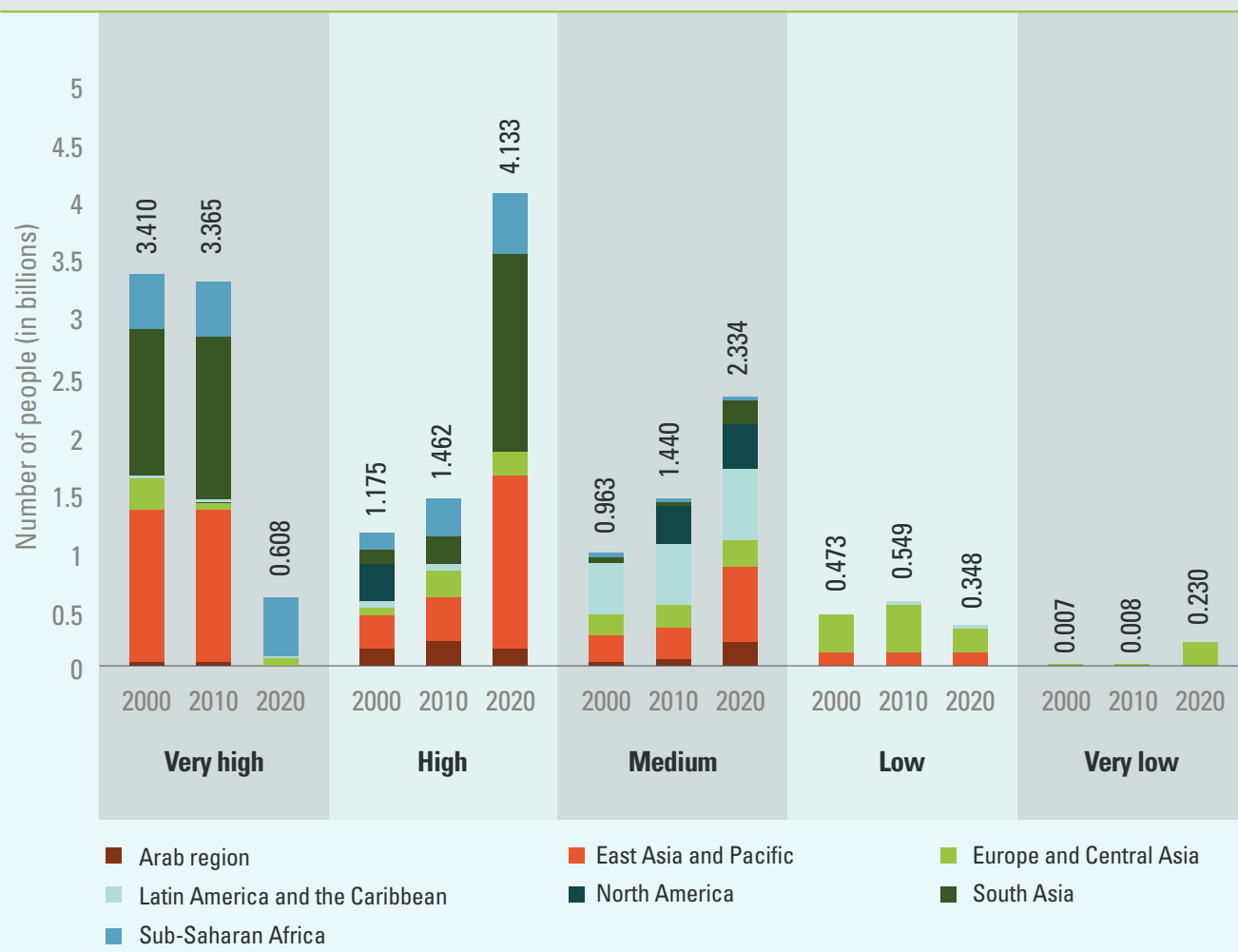
in their scores, indicating a decline in their environmental challenges. Europe and Central Asia retained the least challenged position for all three years; North America had the biggest drop in scores.

**Figure 24. Environmental sustainability challenge index regional scores and dimension shares, 2000, 2010 and 2020**



Source: ESCWA calculations.

**Figure 25. Population in each environmental sustainability challenge index category by region, 2000, 2010 and 2020**



Source: ESCWA calculations.

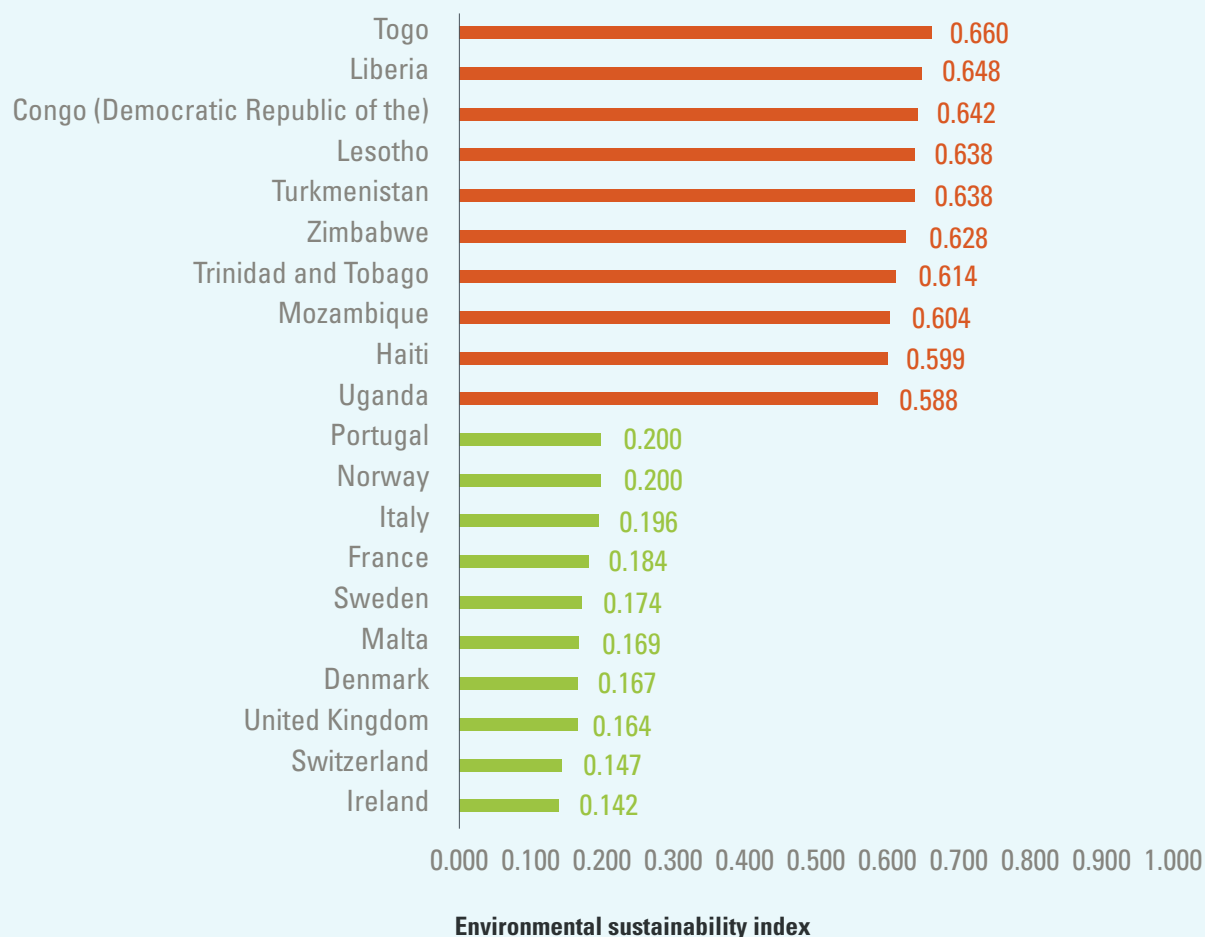
Most regions have a higher environmental health challenge than a climate change and energy efficiency challenge, with South Asia having the highest share of environmental health at around 80 per cent. The only two regions with a higher climate change and energy efficiency share are Europe and Central Asia and North America. In the latter, three quarters of its score came from this dimension. Developed regions that have resolved basic environmental health challenges, such as access to clean water and sanitation, and reduced household solid fuels and PM 2.5 exposure, tend to exert higher planetary pressures.

Only 7.5 per cent of the world's population live in low- and very low-challenge countries on environmental

sustainability, mostly in Europe (figure 25). A striking 62 per cent is in very high- and high-challenge countries. Some improvements in the distribution between these two categories is evident, with several countries in South and East Asia and the Pacific moving from very high challenges to high challenges. China and India should be highlighted, given their significant demographic weight. Progress is insufficient, however, given the large share of people still far from realizing a sustainable development path.

Among countries, the 10 least challenged are in Europe (figure 26). Many have adopted proactive green energy strategies. For instance, in the past 10 years, Denmark has witnessed a rise in its share of modern renewables

**Figure 26. Least (green) and most (red) challenged countries globally on the environmental sustainability challenge index, 2020**



Source: ESCWA calculations.

from 15 to 35 per cent of the total primary energy supply. It aspires to achieve 100 per cent green electricity by 2030 and zero net greenhouse gas emissions by 2050.<sup>37</sup> The

most challenged countries are mostly from Sub-Saharan Africa along with Haiti and Trinidad and Tobago from the Caribbean and Turkmenistan from Central Asia.

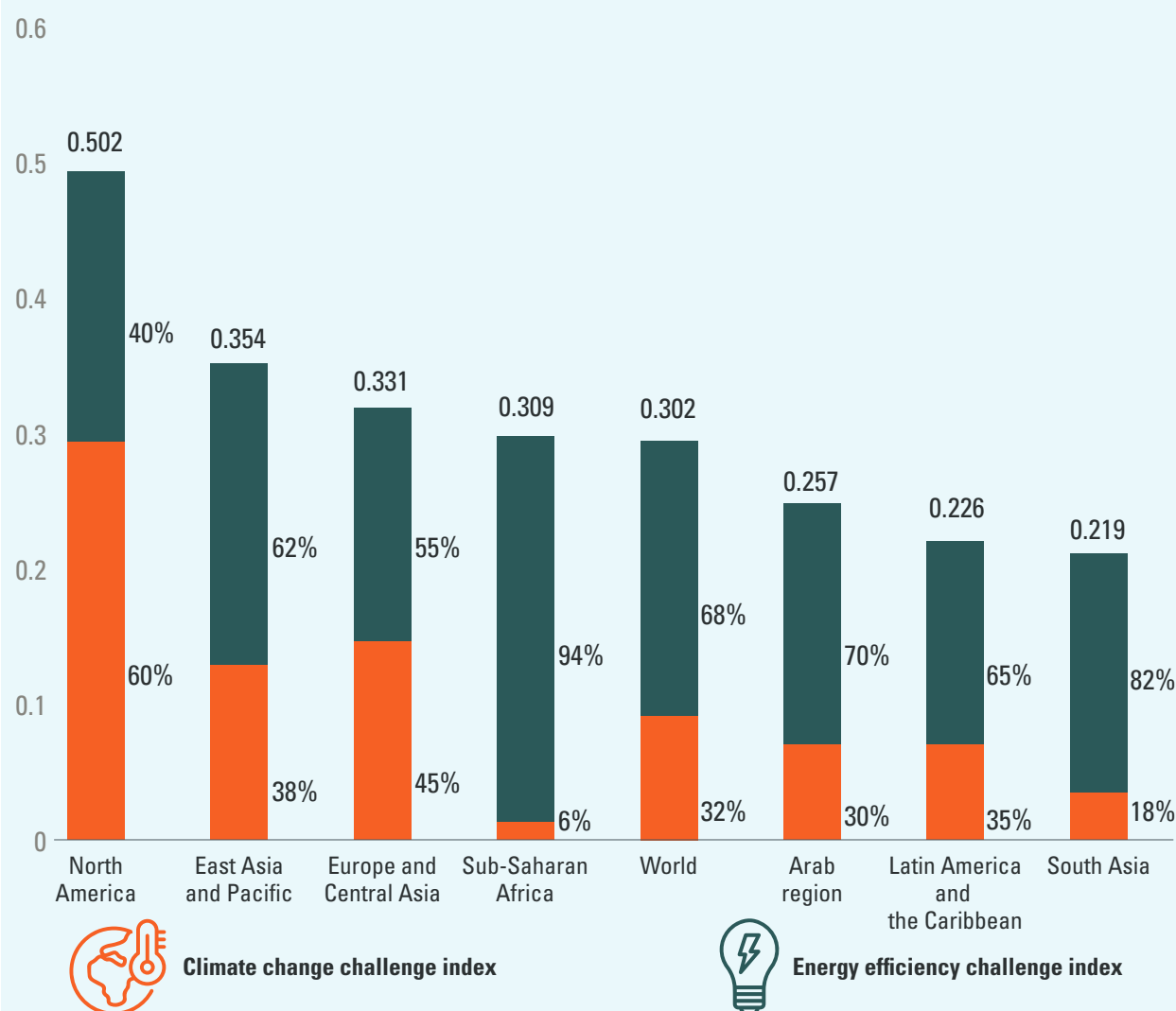
©iStock-South\_agency



## Box 2. Zooming in on climate change and energy efficiency challenges

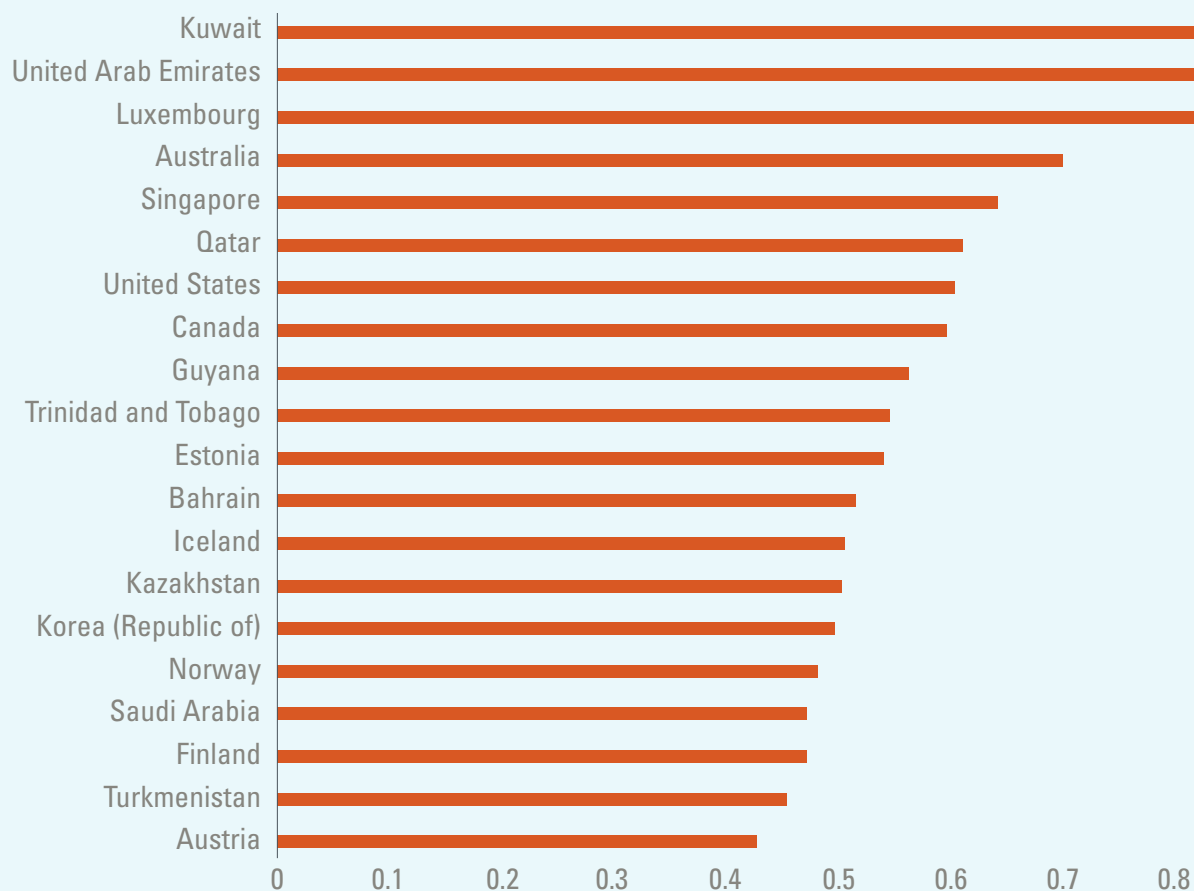
While most of the population living in low-and very low-challenge countries is in Europe and Central Asia, it is important to note that lower scores in richer regions are a result of good environmental health performance. However, when it comes to climate change and energy efficiency, these regions are among the largest emitters and therefore the largest contributors to climate and planetary pressures. For instance, North America scores by highest on the climate change and energy efficiency challenge with a high score of 0.502 (figure A). More precisely, the climate change challenge score of North America stands at 0.602, compared to a score of 0.04 for Sub-Saharan Africa. As for Europe and Central Asia, it scores relatively better on this front as many middle-income and Asian countries are included in this region, but if we look at the 20 highest challenged countries in terms of climate change, almost half of them are high-income European countries (figure B).

### A. Climate change and energy efficiency challenge index regional scores and sub-dimension shares, 2020



Source: ESCWA calculations.

## B. Most challenged countries globally on the climate change challenge index, 2020



Source: ESCWA calculations.

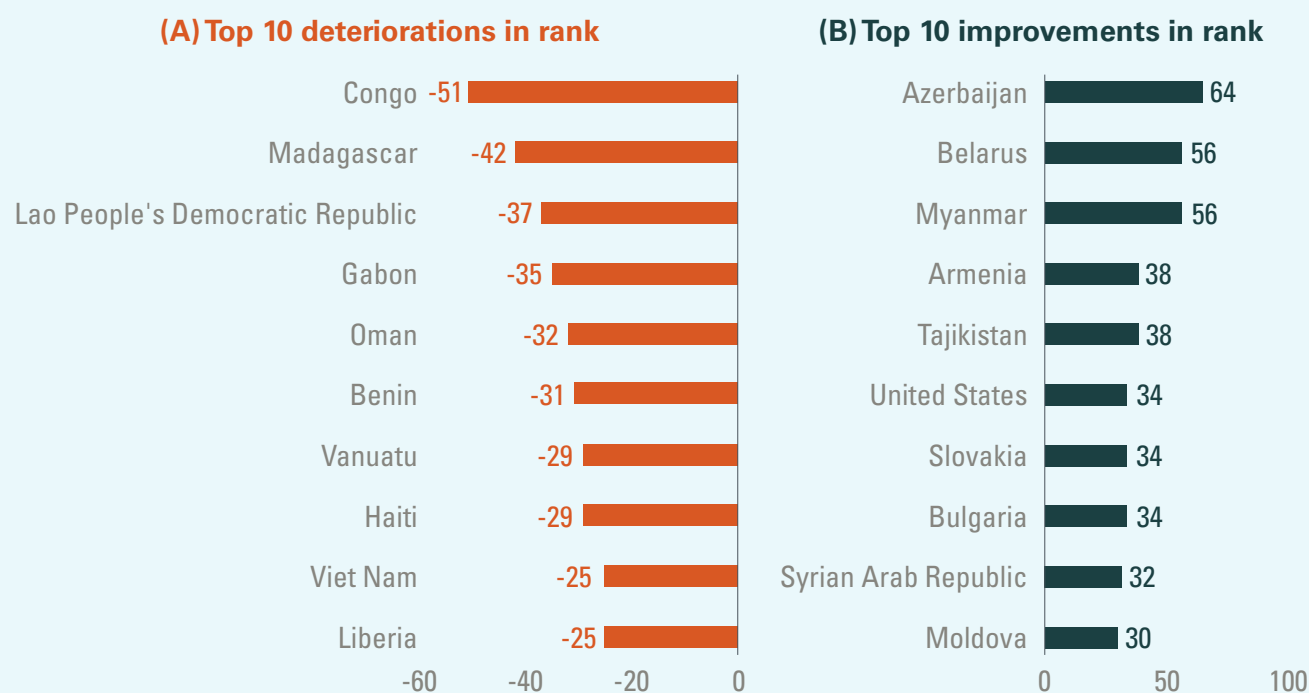
The slight decline in environmental sustainability challenge scores in the past decade indicates that countries worldwide are starting to become more aware of the importance

of preserving the environment. There are considerable disparities in progress, however, and some countries face increased environmental sustainability challenges (figure 27).

©kynny/iStock / Getty Images Plus via Getty Images



**Figure 27. Top improvements and deteriorations on the environmental sustainability index (2020 rank minus 2000 rank)**



Source: ESCWA calculations.

There is no regional narrative on sustainability progress since countries from all regions are among the top global winners and losers on the environmental sustainability index. The United States is among the top 10 globally for an improved ranking, due to advances on both dimensions of environmental sustainability, especially environmental health. In the Arab region, The Syrian Arab Republic has made among the top improvements but this is unfortunately explained by reduced energy consumption from the economic devastation caused by conflict. Several post-Soviet countries are at the top, including Azerbaijan, Belarus and Tajikistan. These countries had very high challenges in environmental health in 2000 and have shown dramatic improvements in the past two decades,

especially in access to water and sanitation and solid waste management.

Among the 10 countries that deteriorated the most in the ranking, half are low-income and least developed countries in Sub-Saharan Africa (figure 27). Their growth patterns have been associated with a significant rise in their material footprint, which is not surprising given their relatively low baselines. Overall, the results indicated that some of the most challenged countries are adopting environmentally friendly policies, mainly to reduce fossil-fuel energy dependency and climate change pressures, while the poorest countries are moving in the other direction as they embark on economic transformation.



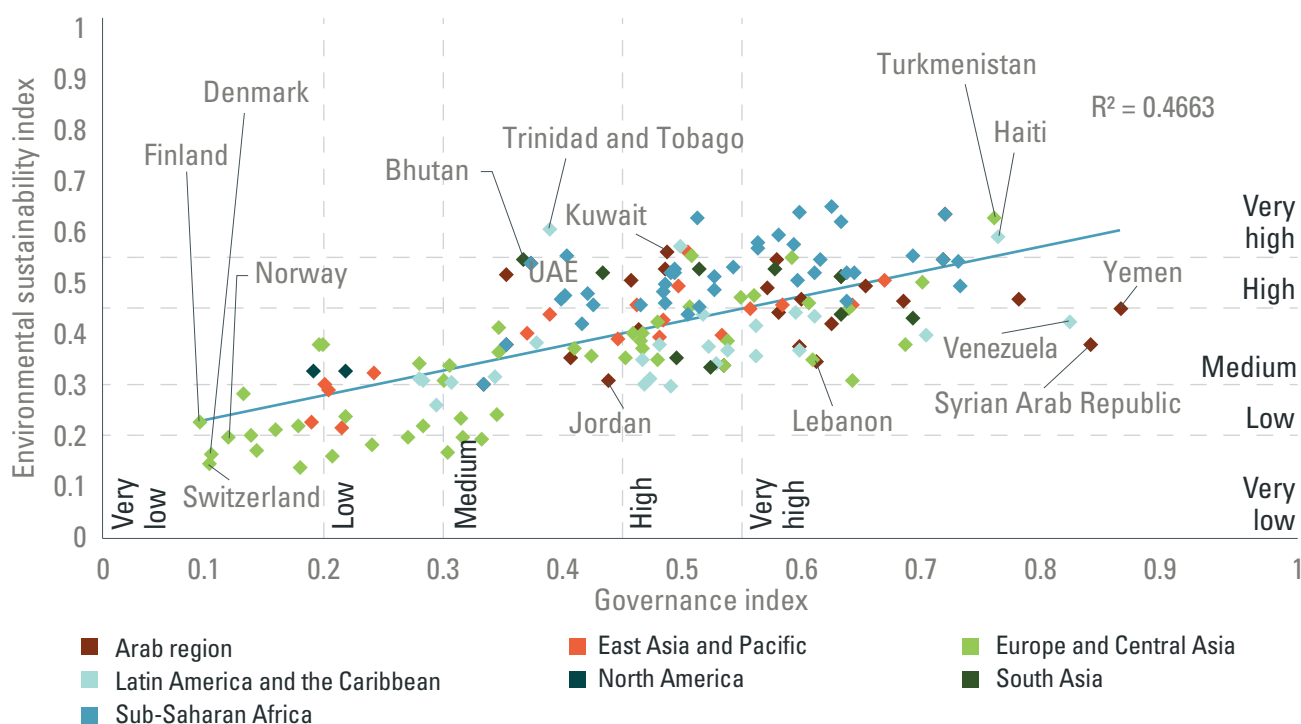


## B. Influencing factors

Governance influences environmental sustainability but the relationship is not straightforward. Overall, the governance challenge index seems to have a positive correlation with the environmental sustainability index (figure 28). Governance seems to affect each component of the environmental sustainability index differently, however. It is negatively correlated with climate change (figure 29), highlighting the fact that some of the richer countries with better governance systems, like Canada, Luxembourg, Singapore and the United States, are also among the world's biggest emitters of greenhouse gases. Consistent with these results, one of the main global challenges is that no clear relationship exists between energy efficiency and governance. The main conclusion is that governance systems in the richer world are generally not effective when it comes to addressing global sustainability challenges. They must explore how to develop policies to meet the benchmarks of the Paris Agreement on climate change.

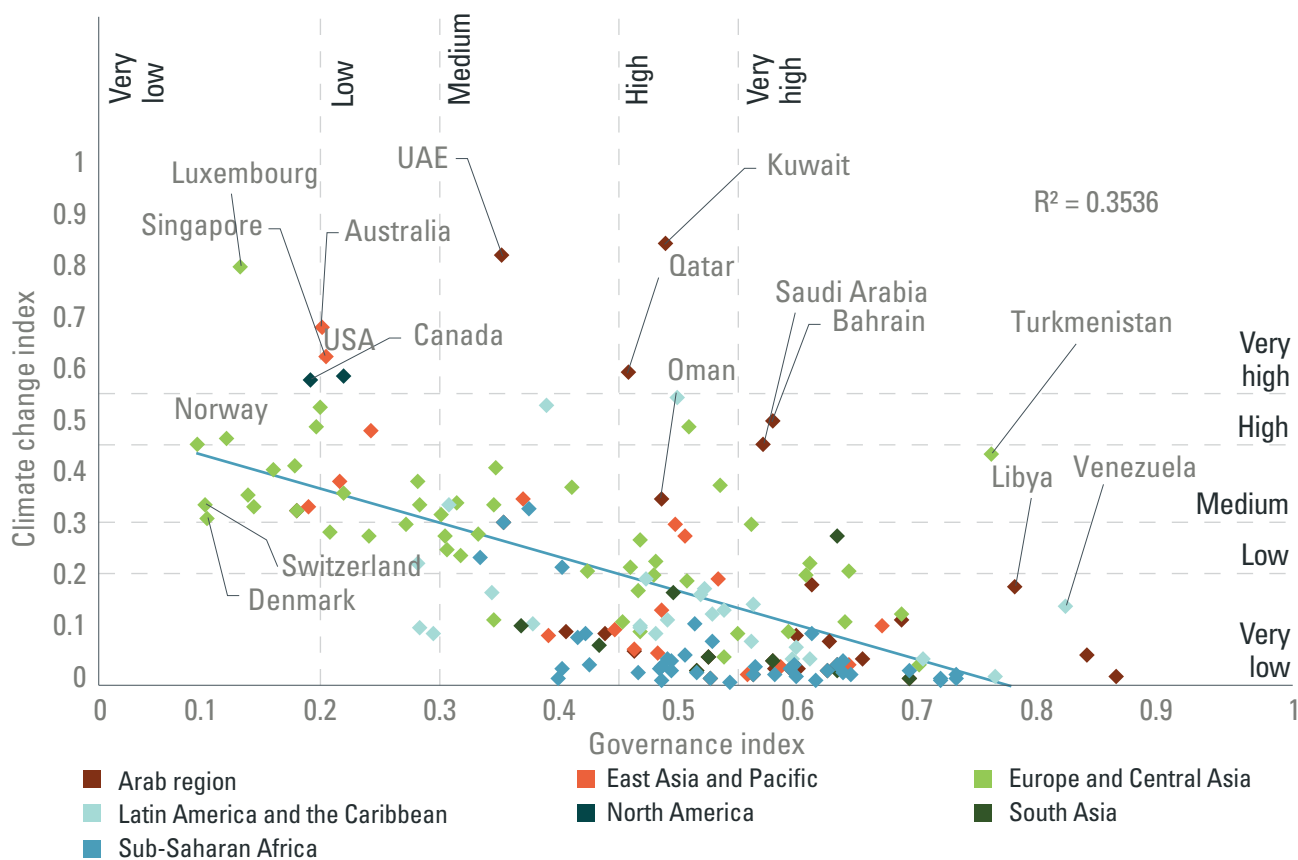


**Figure 28. Governance and environmental sustainability**



Source: ESCWA calculations.

**Figure 29. Governance and climate change**



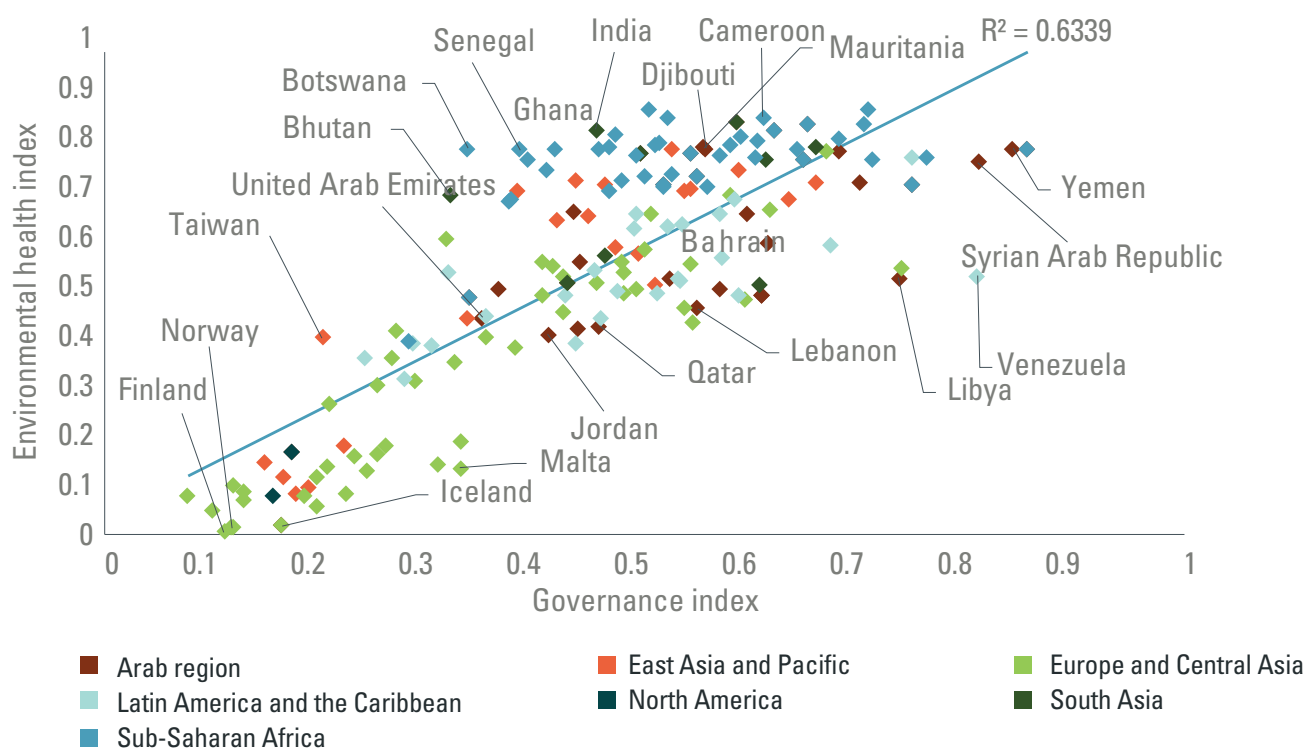
Source: ESCWA calculations.

On the other hand, environmental health and governance move in tandem, suggesting that good governance is key for better-quality air, access to drinking water and sanitation, good waste management and absence of

heavy metals (figure 30). Not surprisingly, the most challenged countries in terms of governance, such as the Syrian Arab Republic and Yemen, also have the worst environmental health, which is also partly due to conflict.



**Figure 30. Governance and environmental health**



Source: ESCWA calculations.

Examining the nexus between environmental health and healthy life expectancy reveals a strong positive relationship (figure 31). This is expected since the environmental health index was designed to capture the health impact of environmental factors such as

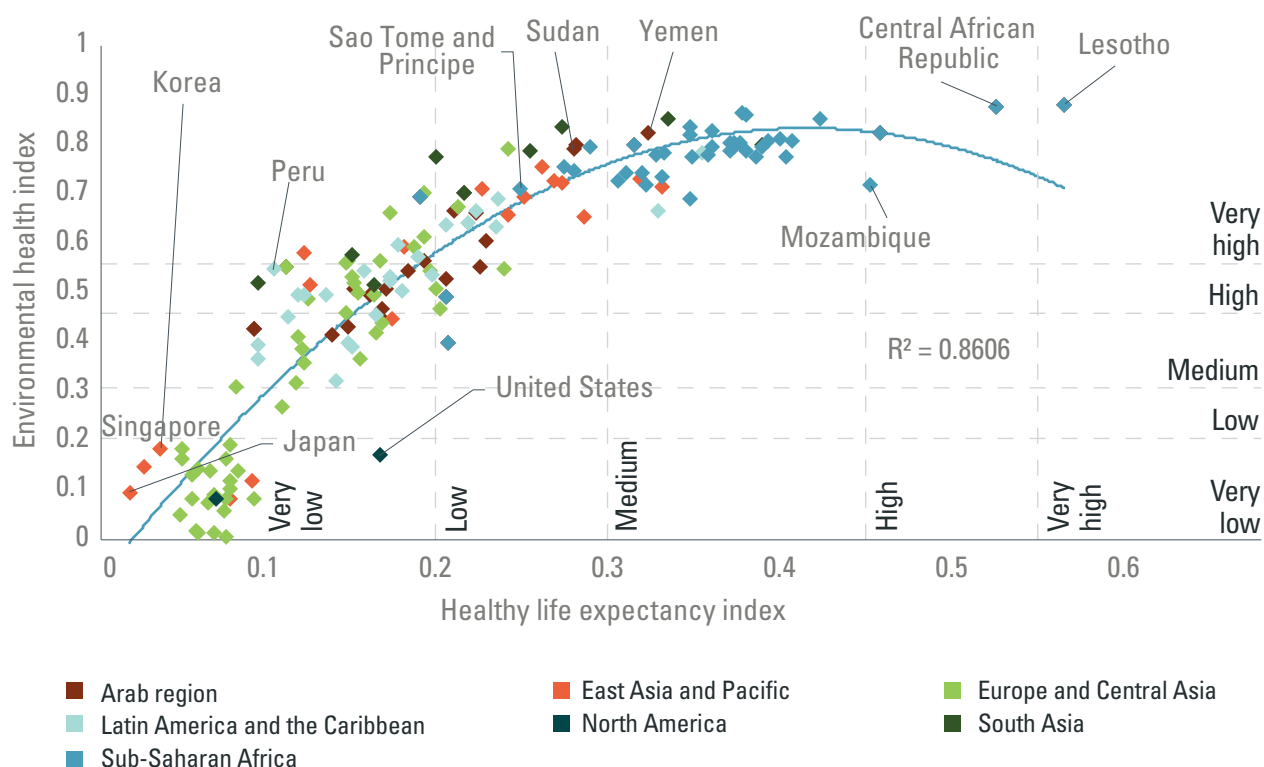
air pollution and access to water and sanitation. But the relationship is not linear. Only after reaching a relatively low-challenge level on the environmental health index does healthy life expectancy start to significantly improve.

©Stock-Mordolf

**Environmental health and governance move in tandem, suggesting that good governance is key for better-quality air, access to drinking water and sanitation, good waste management and absence of heavy metals.**



**Figure 31. Healthy life expectancy and environmental health**



Source: ESCWA calculations.

Another important finding is the lack of a correlation between modern renewables and climate change and energy efficiency (figure 32). This can be explained by countries' insufficient adoption of green technologies, leading to an insignificant impact on planetary

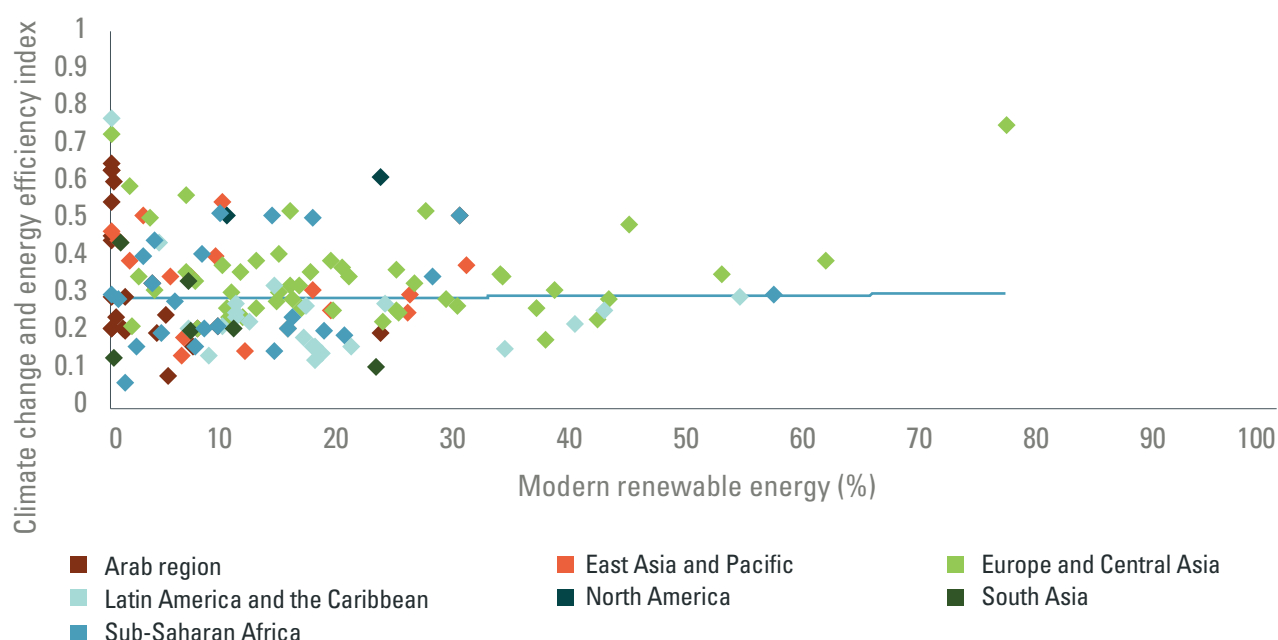
pressures or energy savings. It is essential for countries to accelerate efforts to encourage clean sources of energy that reduce carbon dioxide and other greenhouse gases and the material footprint while also improving energy efficiency.

©iStock-PeopleImages

The environmental health index was designed to capture the health impact of environmental factors such as air pollution and access to water and sanitation.





**Figure 32. Climate change and energy efficiency and modern renewables**

Source: ESCWA calculations.

## C. Conclusion

The SDGs and the 2030 Agenda for Sustainable Development highlight environmental sustainability as a major global challenge but the environmental sustainability index confirms that regions have shown little progress. Developed countries should take more steps towards reducing energy intensity and material footprints, as the main paths to tackle sustainability challenges. Developing countries carry a double burden. They should focus primarily on improving environmental health but

they also need to avoid the climate change and energy consumption trajectories taken by richer countries in the past. Technological advancements can make this easier for poorer countries but adopting them requires significantly more support from the richest countries.

In the end, global sustainability is contingent on prompt and prudent actions by all countries. Not taking these will result in human development failures for current and future generations.

# 4. GOOD GOVERNANCE



**Poor governance may be the world's most pressing development challenge. It has far-reaching consequences affecting all other aspects of human development, particularly those related to economic prosperity and social and political stability. Against this backdrop, the present chapter sets out two key findings. First, governance is the most significant challenge in the DCI and the only component that is on the rise**

**globally. Second, conspicuous regional and subregional gaps exist in key indicators of government effectiveness, particularly in the Arab region.**

Towards answering the complex question of what determines good governance, the present chapter unpacks the governance index to better understand its internal dynamics. It considers whether there is a trade-off between good governance practices, including those pertaining to the rule of law, accountability and participation, and government effectiveness, centred on the degree of satisfaction with institutional performance and the quality of public service delivery. The chapter argues that there is no need for a trade-off; countries should pursue both.

## A. Main findings

Over 2000-2020, the world's average and average regional governance challenges increased, outside East Asia and the Pacific and the Arab region, which witnessed slight improvements (figure 33). The Arab region's score on the index, however, was still higher than before the 2011 uprisings.

For many regions, and for the world average, the government effectiveness component of the index has decreased since 2000. Government effectiveness still has a higher share than democratic governance in the baseline as well as the most recent year for all regions, however, except East Asia and the Pacific, where the democratic governance share is higher.

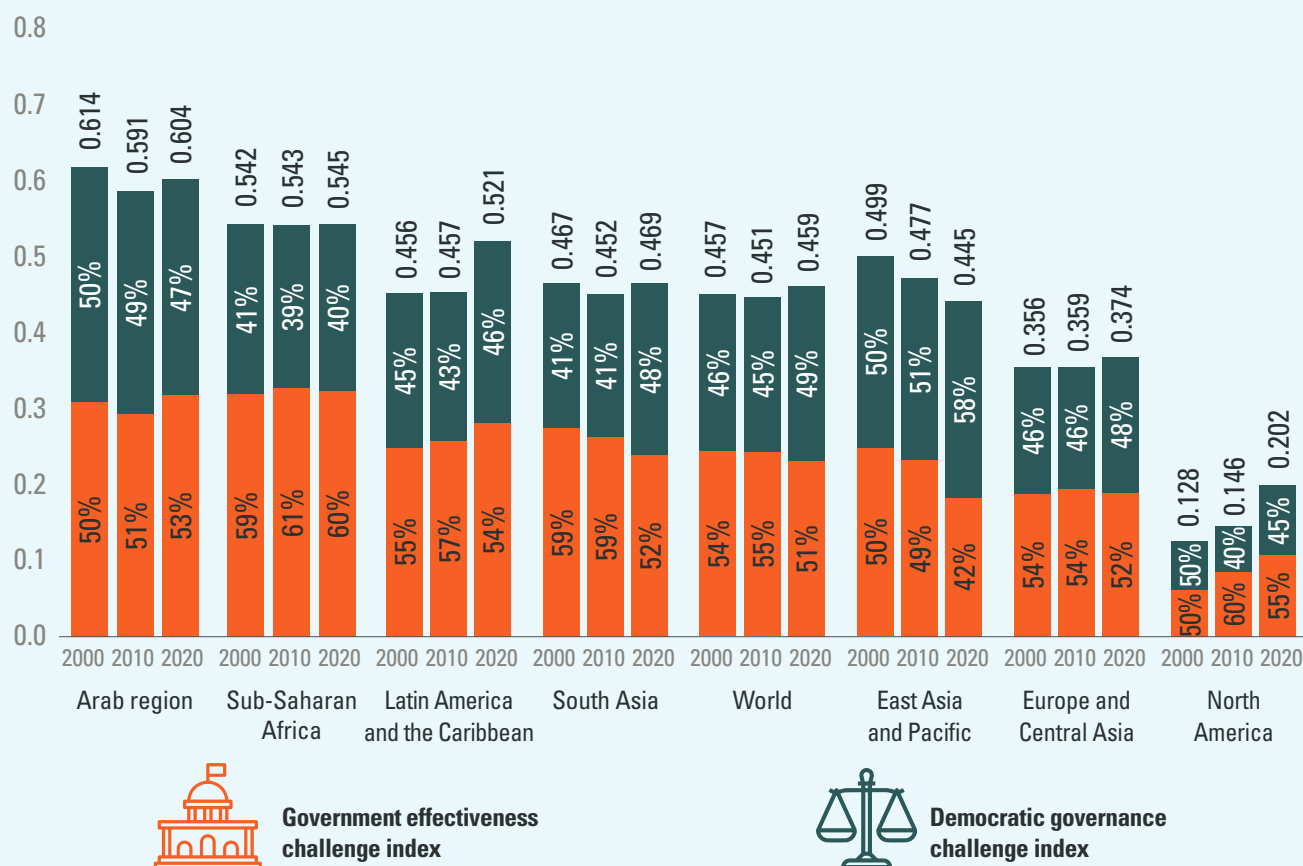
An overall increase in the democratic governance component is largely due to increased challenges in most regions. Sub-Saharan Africa and the Arab region witnessed slight improvements, with the former remaining in the medium-challenge category and the latter in the very high-challenge category.

While the Arab region faces the highest governance challenges and has the highest score on the democratic governance dimension, Sub-Saharan Africa has the highest government effectiveness challenge. The reasons include

poor infrastructure and public services and insufficient public expenditure. For example, most roads are poorly maintained and often unpaved, ports are inefficient by global standards and electricity infrastructure is the world's least developed, accessible and reliable.<sup>38</sup> In public services, Sub-Saharan Africa's investment in health is particularly low, with expenditure at 5.2 per cent of GDP in 2018 compared to a world average of 9.9 per cent.<sup>39</sup> Out-of-pocket expenditure as a percentage of current health expenditure, which can be used as a proxy for the equity of the health system of a country, was 33 per cent in Sub-Saharan Africa compared to a world average of 18 per cent.<sup>40</sup>

**"Sub-Saharan Africa's investment in health is particularly low, with expenditure at 5.2 per cent of GDP in 2018 compared to a world average of 9.9 per cent."**

**Figure 33. Governance challenge index regional scores and dimension shares, 2000, 2010 and 2020**



Source: ESCWA calculations.

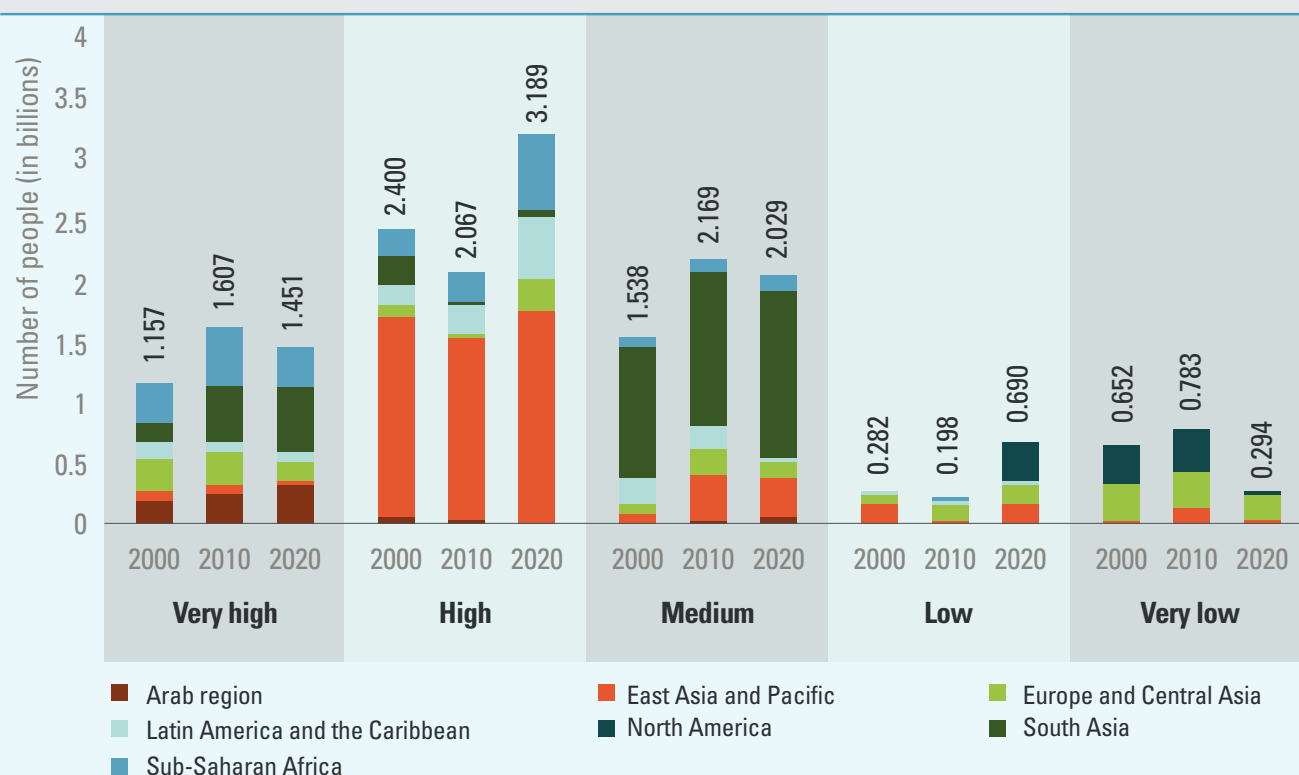
Regarding the distribution of world population across the five challenge categories, the largest share lives in high-challenge countries as was true in 2000 (figure 34). In 2010, however, the highest number of people was in the medium-challenge category. A noticeable deterioration between 2010 and 2020 was mainly driven by an increase in governance challenges in some Sub-Saharan African as well as European and Central Asian countries. The increase from a high to a very high level in some countries between 2000 and 2010, such as Iran and Sri Lanka, led to more people living in countries with very high governance challenges. People from all regions are in the very high-challenge category, with the exception of North America, which has low governance challenges.

Georgia, which witnessed fast-paced government reforms after the Rose Revolution in 2003,<sup>41</sup> registered the highest overall improvement in rank over 2000-2020

(figure 35). Peru, with the highest improvement in rank on the quality-adjusted human development challenge index, also appears among the top 10 countries improving on the governance challenge index. This highlights the importance of governance in driving quality-adjusted human development. Türkiye witnessed the highest overall deterioration in its governance challenge rank from 2000 to 2020. This could be attributed to several events including electoral law reforms that gave more control of ballot stations to government officials; the state of emergency that has been extended several times to give more authority to governors; the jailing of Peoples' Democratic Party deputies; and the sales of media groups to government-friendly businesses.<sup>42</sup> Iran is also among the bottom 10 in the loss of rank. It has witnessed significant increases in government effectiveness and democratic governance challenges, which were already in the high- and very high-challenge categories, respectively.

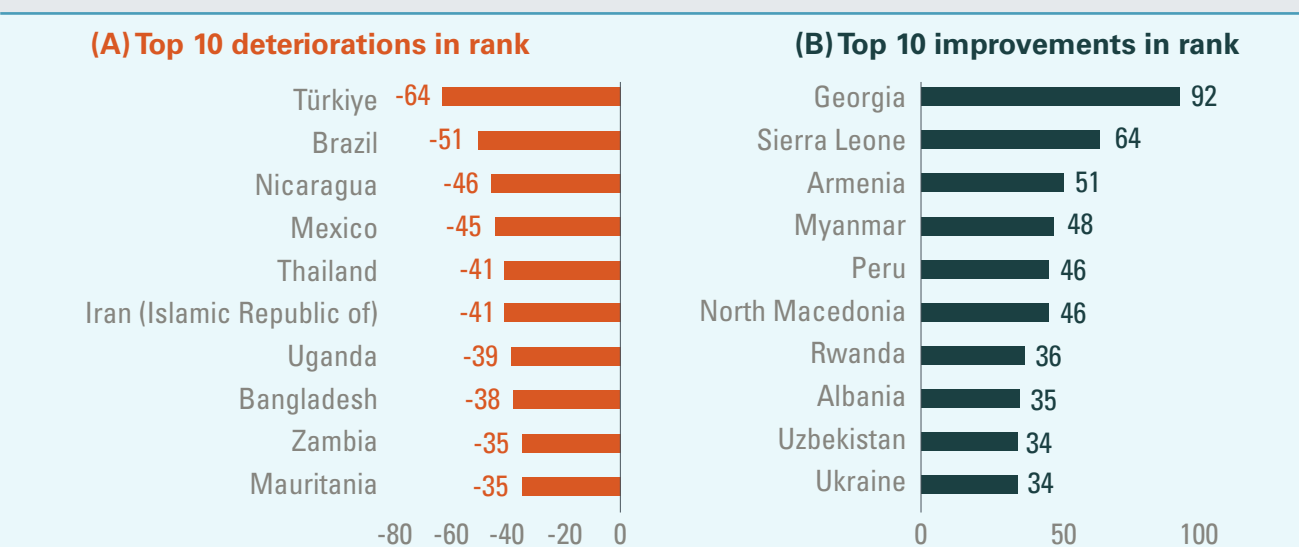


**Figure 34. Population in each governance challenge index category by region, 2000, 2010 and 2020**



Source: ESCWA calculations.

**Figure 35. Top deteriorations (left) and improvements (right) in rank on the governance challenge index (2020 rank minus 2000 rank)**

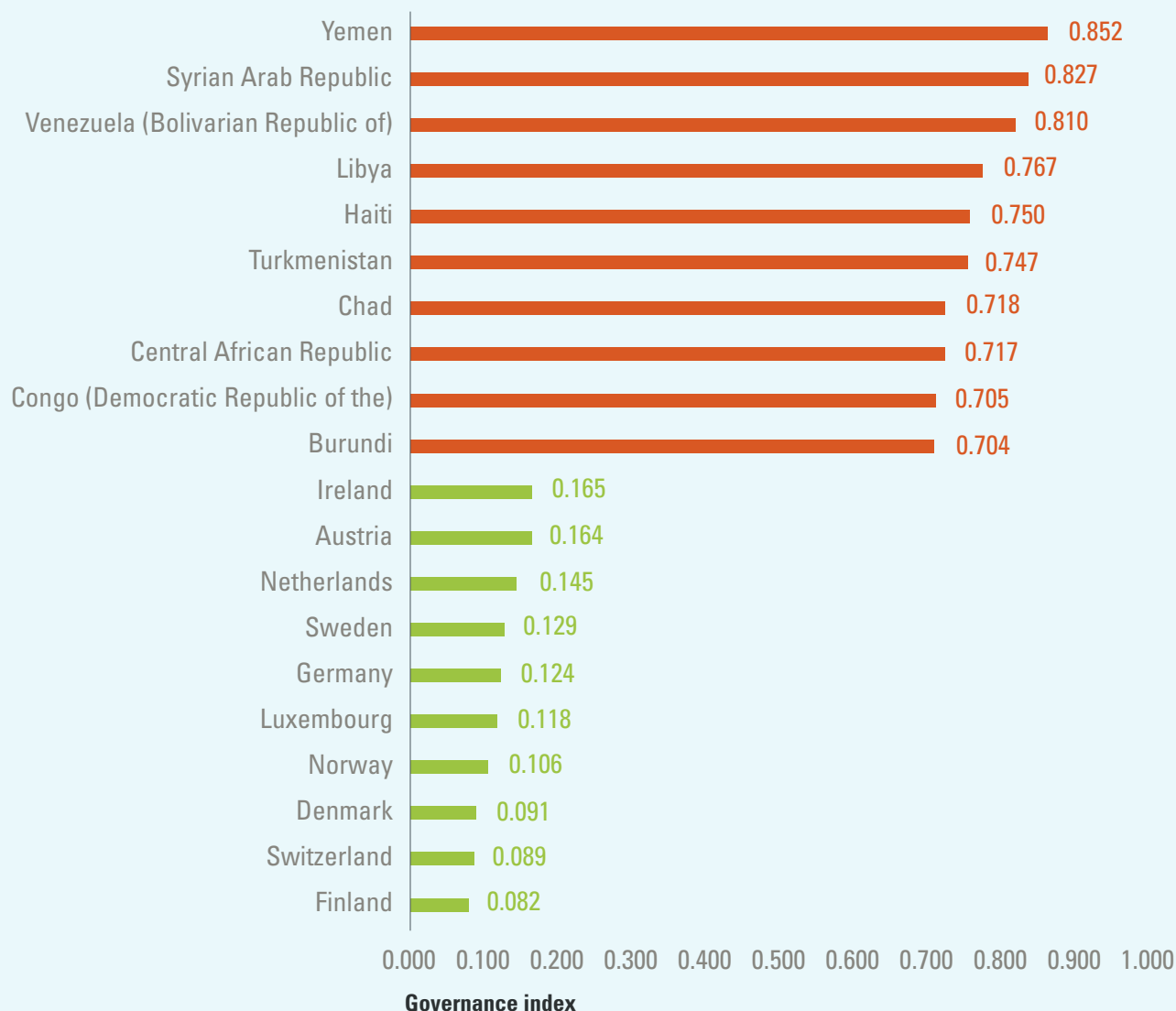


Source: ESCWA calculations.

Regional aggregates conceal wide subregional variations. This is evident when looking more closely at the most and least challenged places in terms of governance (figure 36). For example, while North America is the least challenged on governance, countries with the eight lowest scores on the challenge index are in Europe and Central Asia. Nonetheless, other countries in Europe and Central Asia face very high governance challenges, which drives up the region's average.

Denmark, Norway and Switzerland are among the five least challenged countries in terms of governance. They are also among the five least challenged on the DCI. Haiti and Yemen are among the five most challenged on both. Despite some exceptions, countries with good performance on the governance challenge index tend to have fewer developmental challenges compared to countries with poor performance on governance,<sup>43</sup> showing again the association between governance and human development outcomes.

**Figure 36. Least (green) and most (red) challenged countries globally on the governance challenge index, 2020**



Source: ESCWA calculations.

## B. Influencing factors

### 1 Respect for human rights and basic freedoms

Governance has four underpinnings: structure, process, mechanism and strategy. Structure refers to both formal and informal institutions. Process implies the complex dynamics of policymaking. As a mechanism, governance entails institutional control and compliance procedures. As a strategy, it reflects stakeholders' decisions on all other dimensions. Democratic governance can be construed as a system of collectively binding traditions, rules and policies that regulate a society. These are created, modified and controlled by its members through participative and representative arrangements, based on respect for human rights and equal rights and obligations.<sup>44</sup> Although it is possible for the State to provide services to citizens without ensuring the protection of human rights, an environment that safeguards rights and freedoms is at the heart of a development and capability approach.

While the governance challenge index considers the process and outcomes of governance, good governance and human rights go hand in hand. This requires probing both jointly. For instance, laws and institutions protect human rights, and these institutions operate better and gain more legitimacy if rights are protected for all citizens. A strong correlation is evident between the governance challenge index and human rights and freedoms indicators from the Varieties of Democracy data set, including the simple average of the indicator on harassment of journalists and government censorship of the media, and the simple average of the indicator on freedom from political killings and freedom from torture (figure 37).

Countries that face high challenges on human rights and fundamental freedoms often perform poorly on governance. High human rights and governance challenges are driven by threats to fundamental freedoms and low levels of participation.<sup>45</sup> Canada and Sweden are among the top performers on these indicators, which complements their low governance challenge and overall development challenge scores. In contrast, the Arab region shows conspicuous deficits in human rights, reflecting various infringements on rights and individual liberties and the repressive nature of many regimes. These deficits are

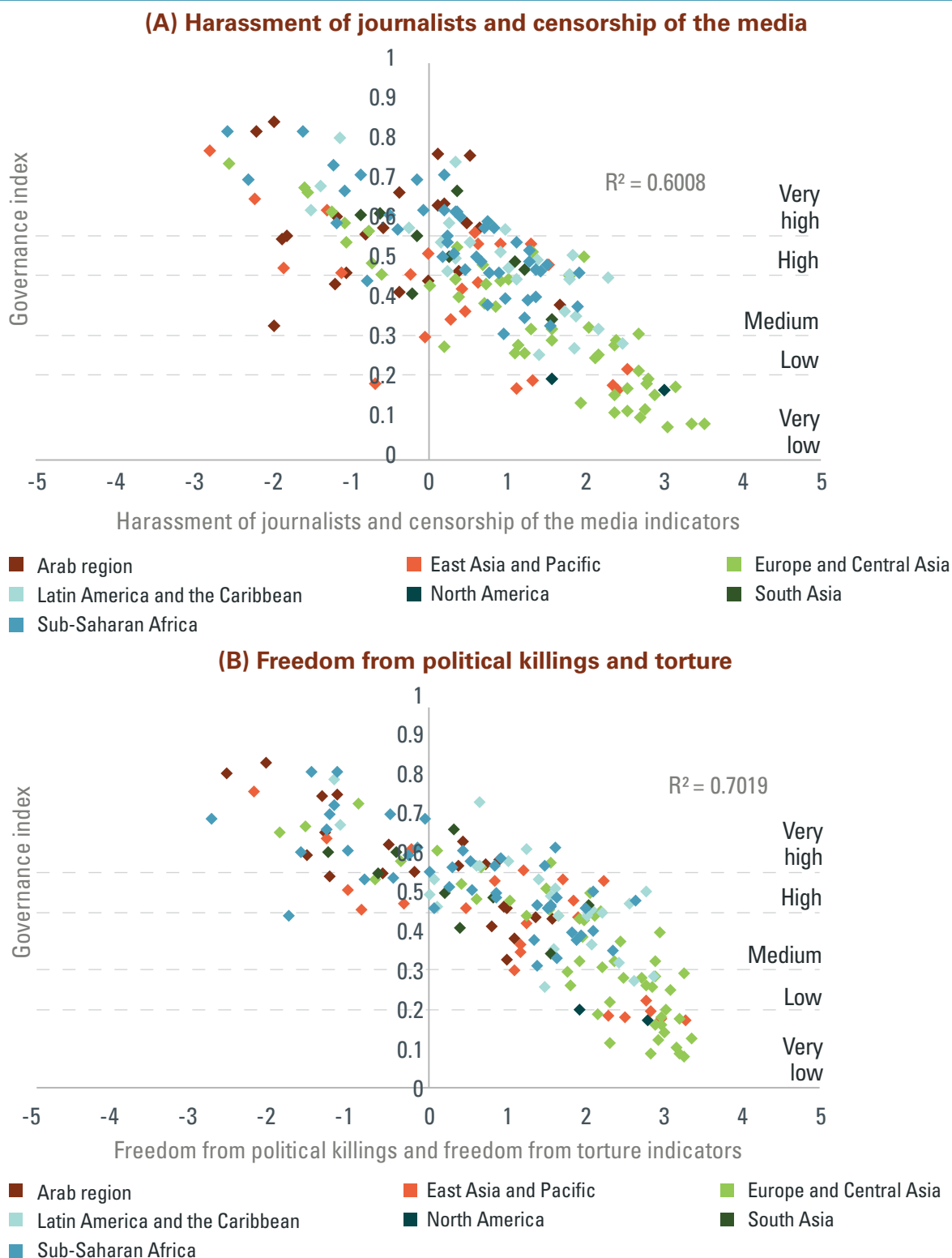
important to address, especially in view of the demands of the Arab uprisings.

A look at the relationships between human rights and freedom indicators and each of the governance challenge dimensions shows a stronger correlation between human rights and freedoms and democratic governance challenges (figure 38). This relationship could be explained by the fact that democracy is a political system that functions properly by guaranteeing fundamental rights and freedoms.<sup>46</sup> Moreover, since laws and institutions are needed to protect human rights and freedoms, human rights and good institutions tend to go hand in hand. A relationship, though weaker, also appears between human rights and freedoms indicators and government effectiveness challenges. This could be explained by the fact that for governments to be effective, basic human rights must be guaranteed to ensure that citizens can participate and engage with their government.



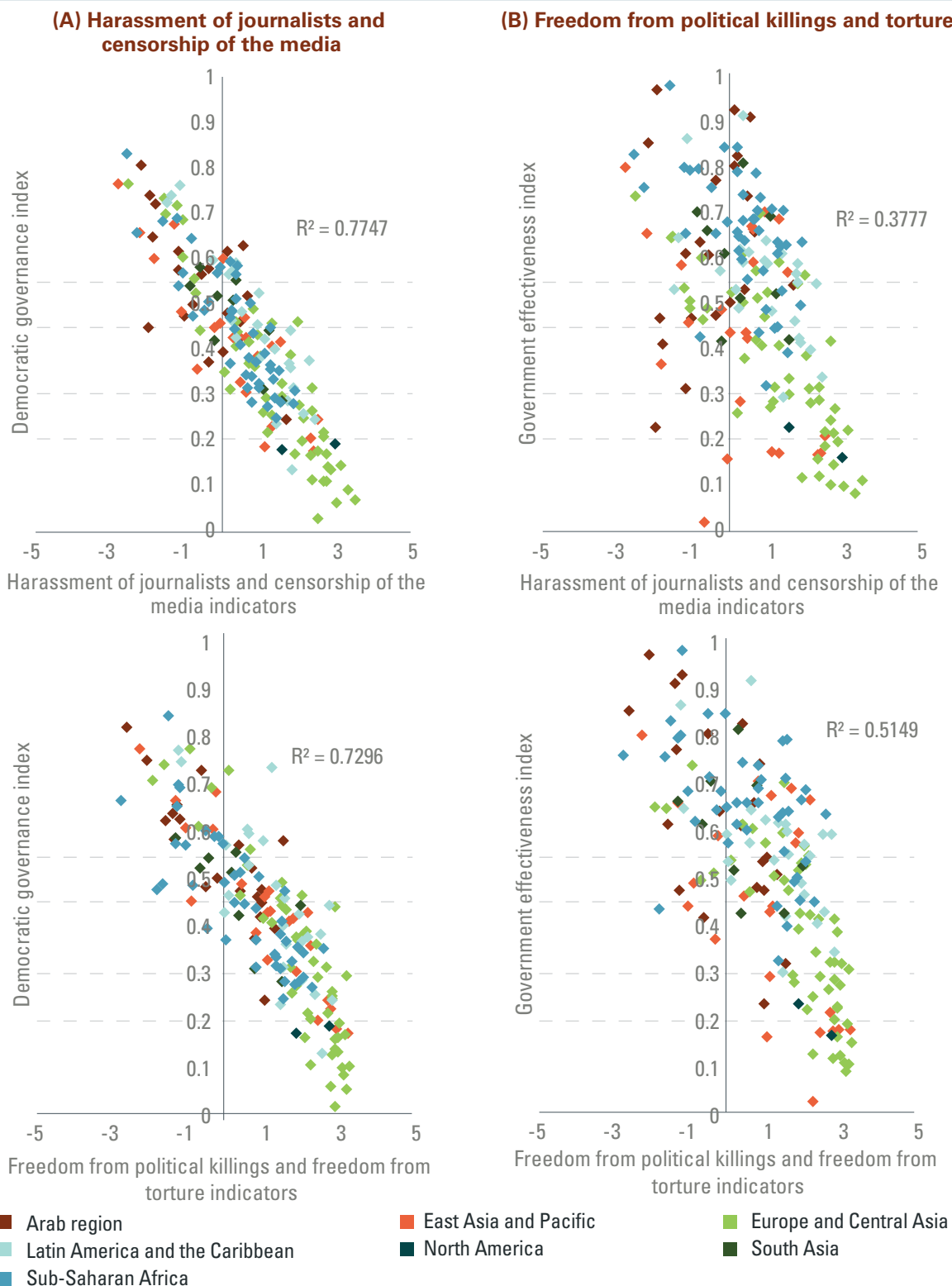
©iStock-time99lek

**Figure 37. Governance challenge index and human rights and freedoms indicators, 2020**



Source: ESCWA calculations.

**Figure 38. Human rights and freedoms indicators and governance challenge index dimensions, 2020**



Source: ESCWA calculations.

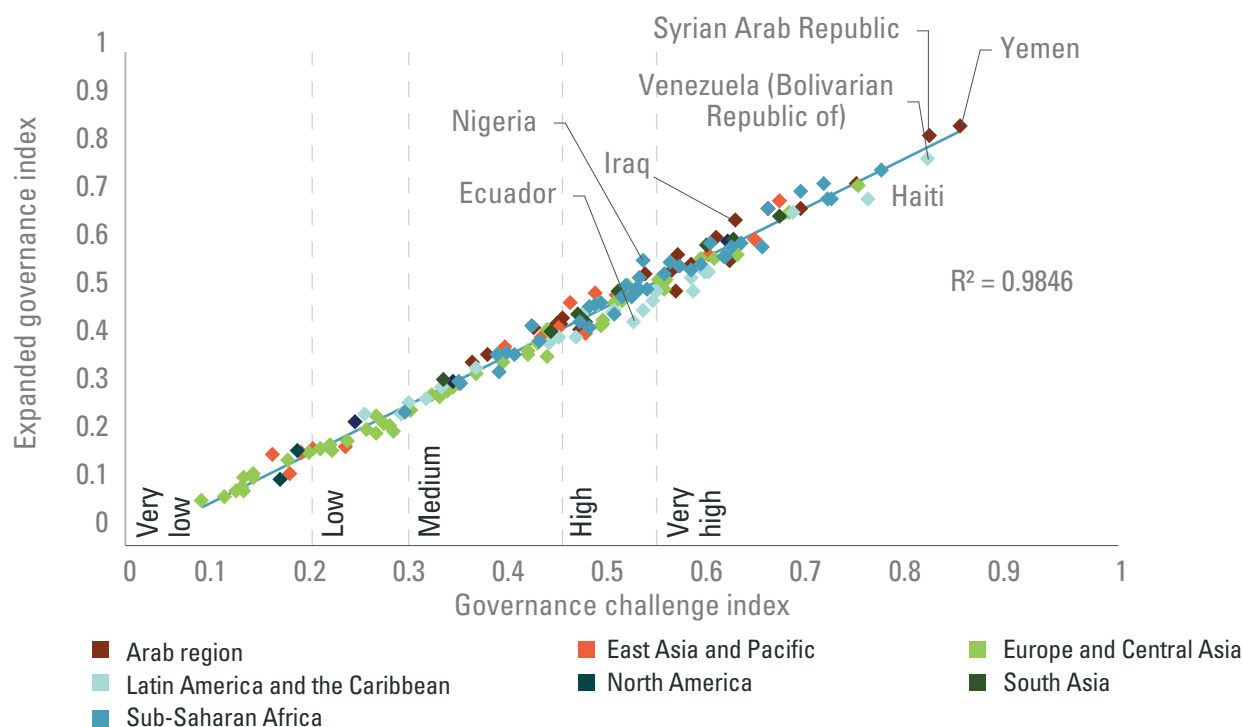
### Box 3. Governance, democracy and human rights measurement conundrums

A debate took place in preparing this report, wrestling with whether to include human rights and freedoms as part of the DCI's governance index. There were two main opinions driven by equally valid normative considerations. The first, reflected in the DCI framework, is that democratic governance indicators (the rule of law and access to justice, institutional accountability and participation) and the quality of delivery of public services (as measured by the government effectiveness index) in combination are fundamental determinants of human rights outcomes, if for different reasons. Following Occam's Razor, there is no need to include human rights and freedoms as a separate category. The second opinion was that the very nature of human development necessitates including indicators on individual human rights and freedoms.

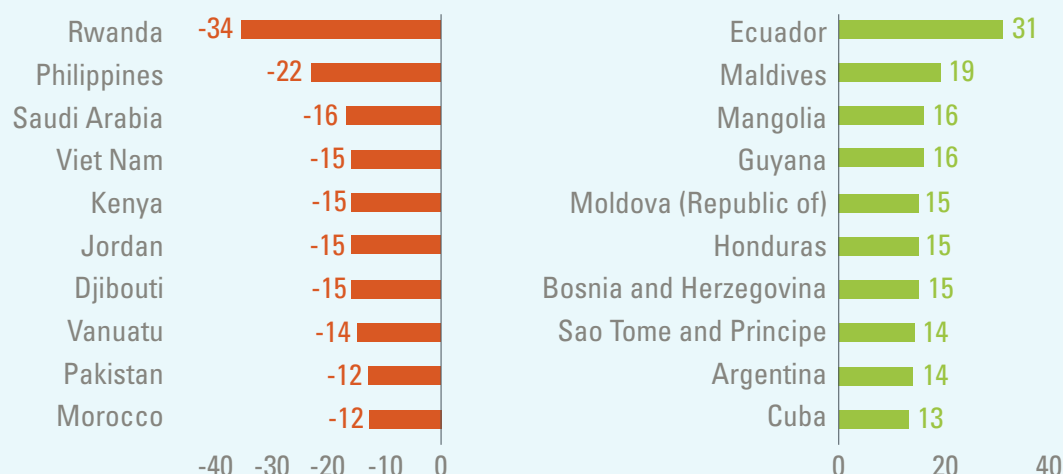
Following this discussion, an index sensitivity analysis included human rights and freedoms as a dimension of the governance challenge, awarding it a 25 per cent weight, along with 25 per cent for democratic governance and 50 per cent for government effectiveness. The human rights and freedoms dimension was computed as the arithmetic average of four indicators reviewed in this section, namely: harassment of journalists, government censorship of the media, freedom from political killings and freedom from torture. All were standardized using the regular min-max formula and subtracted from a maximum of 1 to reflect the degree of challenges.

The figures below show the results. The adopted governance challenge index and a governance challenge index expanded by these indicators show a near perfect correlation. For the vast majority of countries, the inclusion of these indicators did not change the ranking. For a few countries, including four Arab countries, there were significant losses in rank on the DCI using the expanded governance challenge index (marked in red).

#### The expanded governance index and the governance challenge index



Source: ESCWA calculations.

**Top deteriorations (red) and improvements (green) in ranks on the DCI using the expanded governance index**

Source: ESCWA calculations.

## 2 Absence of conflict

A lack of human rights and freedoms prevents people from enjoying a decent life as do gaps in essential public services. Both can be major drivers of violence and conflict, which explains the strong correlation between the governance challenge index and the Global Peace Index produced by the Institute for Economics and Peace (figure 39). The peace index includes 23 quantitative and qualitative indicators on the level of societal safety and security, the extent of ongoing domestic and international conflict, and the degree of militarization. The strong correlation is a result of the association of the index with both democracy and effectiveness.

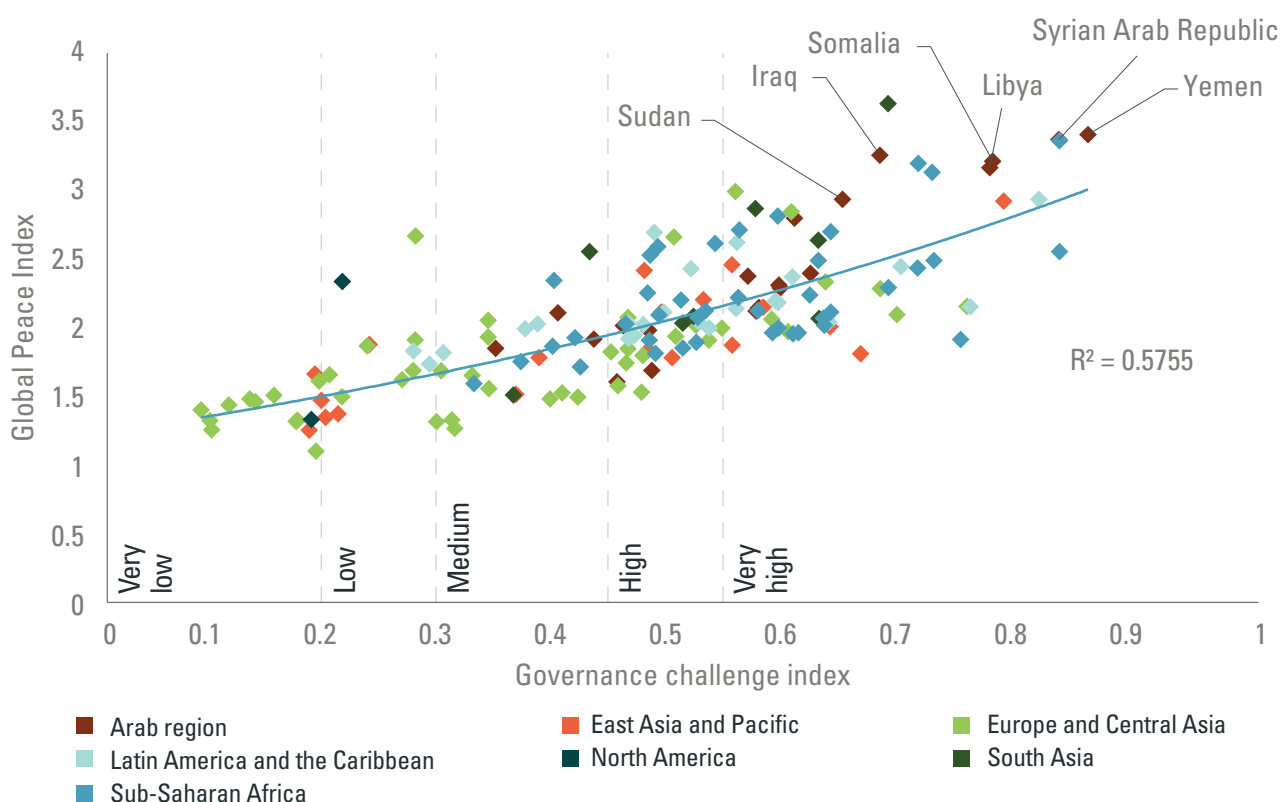
Many countries with acute governance challenges and high levels of violence relative to their governance challenge scores are conflict-affected Arab countries, which shows that poor governance has had an especially severe impact in the Arab region.

Over time, poor governance and unaccountable and ineffective public institutions can exacerbate political and socioeconomic exclusion and worsen systemic inequality and human rights violations. Thwarted citizen aspirations for governance systems that respect human dignity may fuel popular discontent with the State and its institutions. This can prompt widespread social unrest, political instability and serious conflict.

©iStock-Delmaine Donso



**Figure 39. The governance challenge index and the Global Peace Index, 2020**



Source: ESCWA calculations and Institute for Economics and Peace.

#### Box 4. Conflict and human development in the Arab region

In recent years, the world has witnessed an upsurge in conflicts. Many have escalated into prolonged and lethal struggles fought on a mass scale with devastating consequences. This is particularly the case for conflicts involving external parties. In tandem, numerous low-level armed conflicts that do not result in annual casualties of over 1,000 individuals could potentially escalate and pose a serious threat to development.<sup>47</sup>

The Arab region has been particularly impacted by longstanding conflicts, including a seven-decade occupation by Israel of the State of Palestine and other Arab territories. This is in addition to the Lebanese civil war and three major wars in the Gulf. Since the onset of the Arab uprisings in 2011, violence has intensified through domestic and cross-border conflicts spurred by complex geopolitical and national drivers. The latter encompass governance deficits, human rights abuses, scarcer resources and tensions based on identity, among others. Some 163 million people live in Arab countries suffering conflict or occupation, including Iraq, Libya, Somalia, the State of Palestine, Sudan, the Syrian Arab Republic and Yemen.

ESCWA calculations show that conflict has significantly affected development in countries with large-scale conflicts, namely Iraq, Libya, Sudan, the Syrian Arab Republic and Yemen. Compared to a no-conflict scenario, the accumulated cost of conflict in the Syrian Arab Republic and Yemen, for example, amounts to a nearly 20 and 12 per cent increase in their DCI values, respectively. Had these two countries remained on their pre-conflict development paths, the Syrian Arab Republic may have moved from the very high- to the high-challenge group; Yemen may have been close to doing the same.



Moreover, estimates are conservative as present statistics do not capture the full impact of a generation of unschooled children or the real opportunity costs of diverting economic resources from human development to military expenditure. Conflict erodes institutional capacities, infrastructure and human capital, leaving countries more prone to and vulnerable from risks and hazards. The pandemic has only worsened governance and development deficits and increased socioeconomic deprivation. Both ongoing conflicts and growing socioeconomic challenges pose serious threats to the Arab region's prospects.

Conflicts and their repercussions are not confined to national borders. Multiple spillover effects across the Arab region include the massive cross-border movement of refugees. With millions of refugees and internally displaced persons, the region is now the epicentre of the world's forced displacement crisis. In 2020, over 6 million Syrians remained in exile as refugees, for instance, while roughly the same number were displaced within the country. High risks of conflict will impede the return of many to their homes.

The fragmentation of armed actors, exclusivist ideologies, human rights abuses, geopolitics, the weakness or absence of local peace assets and anaemic State institutions all obstruct reconciliation and the transition to peace. Resolving conflicts and preventing their upsurge are compelling priorities for the Arab region.

**Note:** For more, see Abu-Ismail, Chaitani and Nehme, 2021.

## C. Conclusion

Over 2000-2020, most regions recorded increased governance challenges, particularly in democratic governance. The Arab region scored highest on democratic governance challenges, illustrating a deficit that continues to plague the region, while Sub-Saharan Africa scored highest on government effectiveness challenges. Government effectiveness is a higher share of the governance challenge index than democratic governance for all regions except East Asia and the Pacific. Very high-challenge countries are in all regions and are home to a significant share of the world's population.

Good governance is influenced by many factors, social, economic, historical and cultural. These are grounded in fundamental values and principles, such as respect for human rights and freedoms. Governance and human rights are mutually reinforcing and equally important for the attainment of development goals. Conflict is strongly associated with the lack of good governance and deficits in human rights and freedoms as well as essential services. Improved governance can be an important part of preventing potential conflict.

# **5. MAIN CONCLUSIONS AND POLICY IMPLICATIONS**



**As the world progresses, development is changing. Many developing countries have made quantitative achievements on various development goals. For them, the quality of achievements is now critical. Quality is also important from an equity perspective because in many societies, it is enjoyed mainly by the richer class. Most poorer populations face a double burden of quantitative and qualitative deprivations; the poorest face the most severe deficits. New development challenges related**

**to environmental sustainability, voice and autonomy and human security have emerged but with limited scope to measure them.**

This report offers a more comprehensive measure of development, the DCI. It considers the quality of human development and covers environmental sustainability and governance. Rather than an achievement outlook, it presents a perspective on shortfalls. While achievements tell us how far we have come, challenges tell us how far we have to go.

As the global community implements the 2030 Agenda for Sustainable Development, with its aspirations to address wide-ranging challenges, including poverty, hunger, inequality, climate change and environmental degradation, the DCI trains attention on overcoming deficits that are fundamental to achieving the SDGs.

## A. Main conclusions

### **1 There is still much to be achieved, especially on the quality of human development, even in the richest regions**

The DCI demonstrates that the poorest countries globally have remained the most challenged throughout the past two decades, with an increased share of challenges for countries in Sub-Saharan Africa in 2020. At the same time, there has been a significant drop in the percentage of individuals in countries in the high-challenge category, from 60 per cent in 2000 to 36 per cent in 2020. Although the share of individuals in very low-challenge countries increased from 2 to 5 per cent in from 2000-2020, this entailed a small number of people. In general, for the majority of people, significant development challenges remain, indicating that concerted efforts are needed to achieve a substantial reduction, especially for the most challenged countries.

Human development assessments change dramatically for some countries depending on how progress is measured. For example, by shifting from the HDI to the DCI, three GCC countries, Bahrain, Oman and Saudi Arabia, showed

some of the greatest losses in rank, alongside Belarus and Kazakhstan. Countries with the largest deteriorations in rank have poor governance and undiversified, resource-rich economies. Since the DCI rewards countries that have improved their economic structure, the biggest rank improvements are for small, non-oil economies with low levels of governance and environmental sustainability challenges, such as Cabo Verde. Larger economies that have undergone industrialization and structural transformation in the past few years, such as Indonesia, also do well.

There are serious deprivations in the quality of human development globally. No region has a very low quality-adjusted human development challenge index, which means there is still much to be achieved, even in the two most developed regions of the world, Europe and North America.

Regarding the number of people in each category of quality-adjusted human development challenges, in

2020, the highest share of the world population lived in the medium-challenge category. This is an important improvement since the highest share was in the very high-challenge category in 2000. Many countries witnessed an increase in their quality-adjusted human development challenge index scores over this period, however. Conflict was one of the main reasons for major deteriorations. Three of the 10 countries with the highest losses in rank on the index are conflict-affected Arab countries.

Health-care systems have deteriorated due to various challenges, such as ageing populations and more prevalent chronic diseases, which have increased the demand for care. Driven by rapid changes in lifestyle and increases in non-communicable diseases, the gap between life expectancy and healthy life expectancy has been widening, especially in developing countries. COVID-19 created new institutional challenges, exacerbating deficiencies in public and private health-care systems worldwide, with disproportionate effects on the most vulnerable, namely children, women and older persons. Several countries have experienced significant demographic changes as a result of the pandemic affecting life expectancies. The need to improve the quality of health care and its relevance to human development have both risen tremendously.

Spillover effects of COVID-19 have reinforced the importance of health and its role in influencing the economy and distribution of wealth. The World Bank estimates that global poverty, using the \$1.90 per day poverty line, increased dramatically in 2021, from 7.8 to 9.1 per cent of the global population due to COVID-19. An estimated additional 97 million people now live below \$1.90 a day.<sup>48</sup> In addition, according to ESCWA projections, the world is unlikely to meet the SDG 1 target of eradicating extreme poverty by 2030.<sup>49</sup> Also, ESCWA estimates reveal an exacerbation of wealth inequality in the Arab region after the pandemic. The share of wealth for the top 1 per cent on the spectrum of affluence increased from 37 per cent to 45 per cent, and that of the top 10 per cent rose from 75 per cent to 81 per cent.<sup>50</sup>

Employment is vital to quality human development achievements, especially in terms of income. Employment in general and youth employment in particular, however, remain pressing challenges in most countries, especially those in the low-income group. Accounting for decent employment in development indices is important as decent jobs lead to more

complex economies, which in turn lead to higher and better-distributed incomes and make the best use of quality education.

Gender disparities in education, employment and incomes are major obstacles to human development. Women have made major gain in past decades but confront many inequalities on multiple human development indicators. When considering quality, these inequalities further intensify.

Finally, governance is both an enabler of and condition for inclusive development. Good governance can facilitate development; development can bolster State capacity.<sup>51</sup> The positive relationship between governance and quality-adjusted human development depends on a country's initial circumstances, however. For countries with very high challenges, marginal improvements in one of these aspects will not make an impact on the other.<sup>52</sup> Improving governance is easier to achieve in countries that have not yet reached high levels of challenges.



**"An estimated additional  
97 million people now  
live below \$1.90 a  
day."**

## 2 Environmental sustainability is a major concern for both developed and developing countries

Most regions have higher environmental health challenges than climate change and energy efficiency challenges. Environmental health challenges account for around 80 per cent of the environmental sustainability challenge in South Asia. The only two regions that score higher on the climate change and energy efficiency component are Europe and Central Asia and North America. In the latter, three quarters of its score comes from this dimension.

Only 7.5 per cent of the total world's population lives in low- and very low-challenge countries, mostly in Europe; 62 per cent lives in very high- and high-challenge countries. Nevertheless, some improvements in the distribution of the population between these two categories is evident, with several countries in South and East Asia and the Pacific moving from the very high-challenge to the high-challenge group. Globally, countries have become more aware of the importance of preserving the environment, yet some countries seem to be left behind and have increased their rank on the environmental sustainability challenge index.

Among the top achievers are several post-Soviet countries, including Azerbaijan, Belarus and Tajikistan. They had very high environmental health challenges in 2000 and have shown improvements in the past two decades, especially in access to water and sanitation and solid waste management. Among the 10 countries that deteriorated the most, half are low income and least developed countries from Sub-Saharan Africa, indicating that their growth patterns are associated

with a significant rise in their material footprint. This is not surprising given their relatively low baselines.

The governance challenge index positively correlates with the environmental sustainability challenge index, but the relationship is not straightforward. Governance systems in the richer world are generally not effective in addressing global sustainability challenges and planetary pressures. In contrast, environmental health and governance move in tandem, suggesting that good governance is key for better quality air, access to drinking water and sanitation, good waste management and absence of heavy metals.

Examining the nexus between environmental health and healthy life expectancy reveals a strong positive relationship, which is expected, since the environmental health index was designed to capture the health impact of environmental factors such as air pollution and access to water and sanitation. Yet this relationship is not linear. Only after reaching a relatively low challenge level on the environmental health index does healthy life expectancy start to significantly improve.

There is little correlation between modern renewable energy and climate change and energy efficiency. This can be explained by countries' insufficient adoption of green technologies, leading to an insignificant impact on planetary pressures or energy savings. Urgent reforms should encourage the adoption of clean energy to reduce carbon dioxide and material footprints and boost energy efficiency.

## 3 Governance is the world's most pressing development challenge

Global and regional average governance challenges rose over 2000-2020, outside East Asia and the Pacific and the Arab region, which saw slight improvements. The overall increase is largely due to greater democratic governance challenges in most regions. While the Arab region faces the highest governance challenge and has the highest score on the democratic governance challenge dimension, Sub-Saharan Africa confronts the highest challenges in government effectiveness. This is due to poor infrastructure and public service conditions and the shortage of public expenditure.

The largest share of people lives in countries that are highly challenged on governance. Notable deterioration between 2010 and 2020 occurred through higher governance challenge scores in some Sub-Saharan African as well as European and Central Asian countries. Between 2000 and 2020, the number of people living in countries with very high governance challenges rose.

Good governance and human rights go hand in hand, demonstrated by a strong correlation between the

governance challenge index, particularly the democratic governance component, and human rights and freedoms indicators. In contrast, poor governance and unaccountable and ineffective public institutions can exacerbate political and socioeconomic exclusion, worsen systemic inequality

and provoke human rights violations. Across the globe and especially in the Arab region, citizens' thwarted aspirations for governance systems that respect human dignity fuel popular discontent that could eventually lead to further social unrest, political instability and conflict.

## B. Policy implications



the financing of effective health-care systems, especially in the poorest and most challenged countries. Affordable universal health coverage would strengthen prevention, preparedness, response and recovery from current and future pandemics. To this end, a global action summit on health could agree on necessary actions.

Simply expanding health system capacities without addressing environmental drivers of morbidity and mortality, however, may result in missed opportunities to increase healthy life expectancy. For example, access to clean drinking water is paramount to health. This requires better governance of water resources to ensure an effective and equitable equilibrium between existing uses and growing needs, and to sustain water security in a changing climate. Other policies to improve environmental and human health comprise expanding access to and investment in sanitation and raising awareness of sound hygiene practices.

Globally, increasing planetary pressures and energy inefficiency, which have direct and indirect impacts on health, are alarming. These could derail sustainable development without urgent policy corrections. All mechanisms should be deployed to expand human freedoms while mitigating planetary pressures, including through social norms and values, incentives and regulations, and nature-based human development.<sup>53</sup> Governments play an important role as they hold the formal authority and power to generate collective action on shared challenges, whether that entails enacting and enforcing a carbon price, removing laws that marginalize and disenfranchise, or establishing policy and institutional frameworks. Three incentives may be particularly effective. The first is finance, which includes incentives within financial firms as well as the regulatory authorities that oversee them. The second is pricing, such as through carbon pricing that redirects investment and consumption towards low-carbon technologies. The third is collective action, including at the international level.

01

### Policy message 1.

Strengthen environmental systems to improve healthy life outcomes

The world's development challenges are too big for a single actor, whether a national government or an international development organization. They require actions at the national and global levels and a series of alliances. The following four-pronged action plan emphasizes the need to act on every challenge depicted by the DCI.

Preventing and mitigating unforeseen health shocks requires global action. Governments should work together to ensure the more equitable distribution of vaccines and



©iStock-Pornpak Khunatorn



Moves towards lower energy intensity and modern renewables should accelerate. Proactive energy efficiency policies can stimulate change. Countries worldwide should harness the technological advancements and green technologies that are increasingly available. They should take bolder steps to propel the global energy transition to modern renewables. To encourage this transition, energy prices should be adjusted, with a gradual phasing out of subsidies for traditional energy. Lower-cost finance for renewable energy and concessional loans would bolster sustainable and long-term investments,<sup>54</sup> with building new clean energy infrastructure requiring total energy investment spending in the range of 2-3 per cent of GDP per year.<sup>55</sup>

Collaboration between the public and private sectors, including risk-sharing as low-carbon solutions mature, is important to attract diversified and resilient sources of capital needed for long-term investments in energy systems.<sup>56</sup> Private and public sector investments in clean energy infrastructure will both protect the climate and result in large-scale job creation.

Improving healthy life outcomes depends on protecting the health of environmental systems, which can only happen by adopting new technologies and changing prevailing consumption patterns. The COVID-19 pandemic revealed an unforgiving trade-off of unlimited human needs set against the planet's limited environmental capacity. Countries must shift to more sustainable economic growth models that work for both people and the planet.



### Policy message 2.

Build knowledge-based economies with integrated education and labour market systems to harness opportunities and minimize the negative impacts of the Fourth Industrial Revolution

Quality education plays a crucial role in strengthening inclusive growth and overall economic development. It reduces social disparities, especially gender disparities, stimulating



improvements in girls' lifetime earnings, and reducing child marriage, child mortality and maternal mortality.<sup>57</sup> Governments should focus on developing well-rounded and integrated educational systems that reach males and females in all regions of a country, including the most vulnerable people in rural areas. Subsidies and scholarship programmes would allow more students to complete their education and enter the labour market with required skills.

A lack of decent jobs breaks the relationship between high-quality education, decent employment and the reduction of poverty and inequality. Many countries worldwide have witnessed income growth yet income inequality has worsened largely because greater educational attainment has not resulted in higher personal income from higher-skilled jobs. Today, 71 per cent of the world's population lives in countries where income inequality has increased.<sup>58</sup>

These are alarming findings, especially since countries with highly inequitable income and wealth distribution have less equitable social outcomes and are more prone to social polarization and domestic conflict.<sup>59</sup> Macroeconomic policies should be carefully scrutinized to encourage decent job creation that promotes inclusive growth and productivity. This includes not only designing effective fiscal and monetary policies and tools but also formulating pro-employment sectoral and industrial policies to improve diversification and re-emphasizing the role of monetary policy in supporting private sector development, especially through small and medium enterprises.<sup>60</sup>

Future generations need to be adequately prepared for more knowledge-intensive economies. Young people need more creative and critical thinking skills, particularly enhanced competency in STEM (science, technology, engineering and math) subjects. This will help ensure that they benefit from digital transformations during the Third Industrial Revolution and can thrive amid labour-displacing technologies such as automation and robotics associated with the Fourth Industrial Revolution.

03

**Policy message 3.**  
Forge strong links between government effectiveness and democratic governance

The human development framework has two fundamental freedoms: well-being, including functionings and capabilities, and agency, including voice and autonomy.<sup>61</sup> The human development approach has largely focused on well-being but as more people and countries have realized this, it has become important to emphasize agency. This has an independent and intrinsic worth of its own and is instrumental in enhancing all forms of well-being. For example, the ability to deliberate, participate in public debates and shape their own lives and environments is of fundamental value to most people, if not all.





From a human development perspective, participation is both a means and an end. Truly functional, participatory democracy, which is much broader than just the voting process, leads to a virtuous cycle. Political freedoms empower people to demand policies that expand their opportunities to hold governments accountable. Debate and discussion help communities shape their priorities. A free press, a vibrant civil society and the political freedoms guaranteed by a constitution underpin inclusive institutions and human development. The human development approach views people not just as beneficiaries of development but as the architects of their lives.<sup>62</sup>

When people are coerced into an action, submissive or desirous to please or simply passive, they are not exercising agency, a concept related to but distinct from well-being. An agent is someone who acts and brings about change. Agency can advance one's own well-being and that of others. For example, people volunteer for causes that may not determine their own well-being, such as protecting the rights of vulnerable groups or conserving certain ecosystems, landmarks or historical monuments. They may even put themselves in gruelling and difficult situations, at a cost to their own health or security. Here, they are exercising their agency.

Unfortunately, the DCI indicates that agency is not fully valued, especially in the very high- and high-challenge countries, and in the Arab region, where deficits are

particularly acute. In many more authoritarian regimes, there is a tendency to achieve better results on government effectiveness and on the quality-adjusted human development challenges index relative to the democratic governance pillar. Yet government effectiveness and institutions do not directly represent dimensions of human development; they are critical means to enhance human development.

When rethinking human development measurement, it is imperative to recognize that without effective institutions, well-being cannot be ensured or sustained. At the same time, well-being is not a substitute for agency. Both agency and well-being are essential aspects of human development. Strong institutions should ensure that government effectiveness and democratic principles operate in a virtuous nexus.<sup>63</sup> By the same token, democratic governance without quality public services is also not a solution. Some countries have focused more on democracy than effectiveness, such as Albania, which has one of the largest infrastructure gaps in the Western Balkans.<sup>64</sup> There is no inherent reason why well-being and agency should not play complementary roles; governments must aim to enhance both effectiveness and democracy.

One concrete example of how government effectiveness and agency work to complement each other is when improved infrastructure and public service delivery reduce the costs and improve the quality of health and

education. This in turn reduces the costs of producing goods and services, expands the market, and increases community interaction and political participation. As a result, improved social outcomes help people expand their capabilities. Likewise, higher-quality education leads to more informed gap assessments and complaints, and thus to greater accountability by public sector employees. Not only do well-educated citizens complain more but their complaints lead to better conduct by officials fearful of being punished. This in turn enhances accountability and government effectiveness.<sup>65</sup>

Human development and conflict are highly interlinked and directly connected to well-being and agency.<sup>66</sup> Lower risks of conflict are more likely where policies create institutional and governance reform plans, close gaps between formal and actual rights, strengthen civil society capacities to dialogue with authorities, develop strong political checks to protect accountability and raise awareness of accountability in building public trust and confidence. The most challenged countries in terms of agency are also the most highly affected by long-standing domestic and cross-border conflicts. Since conflict is strongly linked to governance systems and human rights, countries with weaknesses in these are at heightened risk of conflict. Good governance and respect for human rights and basic freedoms is imperative for eradicating conflict.<sup>67</sup>



**04**

**Policy message 4.**  
Prioritize the most challenged countries and ensure human security in conflict-stricken countries

Resolving the world's development challenges requires focusing first on the most challenged countries. They have multifaceted challenges and lag on all dimensions of quality human development, environmental sustainability and governance. Their vulnerability is reflected in stubbornly high extreme headcount poverty rates, which can cross 45 per cent.<sup>68</sup>

A great deal of international support goes to the most highly challenged countries, including through official development assistance (ODA) to improve economic development and welfare. ODA per capita received by high-challenge countries has declined

since 2007, however.<sup>69</sup> And aid is not being disbursed according to need. Examining DCI scores and net ODA per capita received by countries shows the two do not correlate.<sup>70</sup> Shortfalls in the aid system include the reality that some countries gain better financial support due to the political objectives of donor countries. In many cases, support has focused more on expanding markets and economic growth than on human development outcomes.

To provide additional support to highly challenged countries, the global community should implement measures similar to those provided to the least developed countries. These include international tax cooperation to reduce tax evasion from multinational companies and to set standard wages to avoid inequalities. Such measures should also comprise integrating capacity development assistance for domestic tax revenue mobilization, introducing global tax incentives to promote domestic processing, providing policymaking support, establishing a sustainable infrastructure fund and creating cash transfer programmes.

In today's world of protracted conflict and violence, human security has assumed new importance. Millions of people globally, especially in countries in the very high- and high-challenge categories of the DCI, have to cope with climate change, natural disasters, economic and health crises, and intolerance and violence. Towards leaving no one behind, the emphasis should be on a deep understanding of threats, risks and crises, against which both human development and human security actions are crucial.<sup>71</sup> The following two ideas deserve emphasis:<sup>72</sup>





## Countering the shock-driven response to global threats.

There is an inevitable short-term security imperative, which requires emergency responses and is understandable from a human agency perspective. Looking at the world only through the lens of threats imposes the tyranny of the urgent over the important, however. Focusing attention on emergencies fails to address the gradual and complex process of how vulnerability builds between shocks. Consequently, the human development and human security frameworks, while remaining sensitive to short-term security imperatives, should align efforts to counter a shock-driven response to global threats. People are left behind when threats are protracted and require a long-term commitment to crisis management.



## Promoting a culture of prevention.

When seeing the world in terms of the occurrence of threats, as with human security thinking, it is very common to hear that crises are opportunities. Yet going back to business as usual once an emergency has peaked is an equally common response. In the crisis management cycle, prevention is the phase that receives the least attention even as there is widespread agreement that it should be the most important. To move from a shock-driven to a needs-driven response to crises, strategies for change must be anchored to times of peace and human development and not just to emergencies. Human security emphasizes the centrality of people in calculations that value some threats over others, and highlights the full cycle of relief, recovery and prevention.



# Annex

## Statistical tables

**Table A.1, on the DCI and its components,** ranks countries by their 2020 DCI values and presents scores on the three main challenges, namely, the quality-adjusted human development challenge; the environmental sustainability challenge; and the governance challenge. The table also shows the difference in rankings between DCI 2020 values, HDI values, GNI per capita values and DCI 2000 values.

HDI and GNI ranks are inverted to be comparable with the DCI. A positive change means an improvement in the rank while a negative change means a deterioration.

**Table A.2, on the quality-adjusted human development challenge index dimensions and indicators,** presents countries' scores on the three dimensions of the quality-adjusted human development challenge, namely, the healthy life expectancy challenge index, the quality-adjusted education challenge index and the quality-adjusted income challenge index. The table also shows the raw data for indicators in these three dimensions.

**Table A.3, on the quality-adjusted human development challenge index and input indicators,** presents countries' scores on three input indicators believed to affect human development, along with their raw data.

**Table A.4, on the environmental sustainability challenge index dimensions and indicators,** presents countries' scores on the two dimensions of the environmental sustainability challenge, namely, the climate change and energy efficiency challenge index and the environmental health challenge index. The table also shows the raw data for indicators in these two dimensions.

**Table A.5, on the governance challenge index dimensions and indicators,** presents countries' scores on the two dimensions of the governance challenge, namely, the democratic governance challenge index and the government effectiveness challenge index. The table also shows the raw data for indicators in these two dimensions.

**Table A.1:** The DCI and its components

DCI rank	Country	Index	Challenges			Rank changes		
		DCI	Quality-adjusted human development challenge index	Environmental sustainability challenge index	Governance challenge index	DCI rank-HDI rank	DCI rank-GNI per capita rank	DCI 2020 rank-DCI 2000 rank
Very high development challenges								
1	Haiti	0.658	0.624	0.599	0.750	-15	-12	-13
2	Central African Republic	0.657	0.706	0.549	0.717	-1	0	-8
3	Democratic Republic of the Congo	0.655	0.619	0.642	0.705	-9	-1	2
4	Yemen	0.636	0.599	0.456	0.852	-5	-5	-32
5	Chad	0.624	0.652	0.501	0.718	3	-3	-6
6	Burundi	0.620	0.602	0.553	0.704	2	5	0
7	Liberia	0.613	0.609	0.648	0.583	-4	0	3
8	Togo	0.612	0.564	0.660	0.611	-12	-3	0
9	Mozambique	0.604	0.641	0.604	0.565	1	3	-7
10	Zimbabwe	0.598	0.548	0.628	0.618	-25	-13	-13
11	Congo	0.596	0.549	0.561	0.679	-25	-13	-15
12	Turkmenistan	0.596	0.402	0.638	0.747	-55	-82	0
13	Lesotho	0.583	0.611	0.638	0.499	-9	-13	-11
14	Zambia	0.580	0.579	0.582	0.578	-25	-15	-5
15	Guinea	0.578	0.584	0.527	0.622	5	-6	2
16	Madagascar	0.577	0.575	0.555	0.601	-7	6	-29
17	Syrian Arab Republic	0.574	0.512	0.384	0.827	-17	-15	-26
18	Cameroon	0.571	0.555	0.529	0.629	-15	-13	-13
19	Mali	0.567	0.608	0.511	0.583	14	-1	-18
20	Sudan	0.567	0.560	0.501	0.639	3	-13	11
21	Afghanistan	0.565	0.577	0.438	0.679	3	2	18
22	Nigeria	0.563	0.562	0.577	0.549	-4	-18	2
23	Uganda	0.557	0.534	0.588	0.548	-6	9	-9

DCI rank	Country	Index	Challenges			Rank changes		
		DCI	Quality-adjusted human development challenge index	Environmental sustainability challenge index	Governance challenge index	DCI rank-HDI rank	DCI rank-GNI per capita rank	DCI 2020 rank-DCI 2000 rank
Very high development challenges								
24	Eswatini (Kingdom of)	0.555	0.540	0.529	0.596	-20	-34	3
25	Venezuela (Bolivarian Republic of)	0.551	0.413	0.431	0.810	-41	-28	-46
High development challenges								
26	Lao People’s Democratic Republic	0.549	0.480	0.512	0.655	-20	-30	-7
27	Angola	0.548	0.548	0.472	0.623	-10	-23	12
28	Niger	0.548	0.636	0.528	0.478	27	23	-2
29	Pakistan	0.544	0.535	0.534	0.563	-3	-14	-6
30	Tajikistan	0.543	0.434	0.510	0.686	-26	-5	8
31	Ethiopia	0.541	0.555	0.540	0.528	17	13	24
32	Libya	0.539	0.375	0.475	0.767	-40	-64	-32
33	Sierra Leone	0.539	0.610	0.529	0.476	26	21	31
34	Mauritania	0.531	0.532	0.476	0.585	4	-11	-19
35	Papua New Guinea	0.527	0.549	0.462	0.570	4	-3	-16
36	Benin	0.525	0.561	0.536	0.479	8	9	-24
37	Djibouti	0.525	0.561	0.448	0.566	16	-12	9
38	Burkina Faso	0.522	0.589	0.505	0.472	32	23	-2
39	Iraq	0.520	0.419	0.471	0.671	-19	-31	14
40	Nicaragua	0.517	0.457	0.405	0.690	-13	-7	-35
41	Cambodia	0.517	0.461	0.463	0.628	1	4	14
42	Tanzania (United Republic of)	0.517	0.544	0.495	0.512	18	20	8
43	Guyana	0.516	0.484	0.580	0.484	-16	-22	4
44	Côte d’Ivoire	0.515	0.547	0.477	0.520	19	0	2
45	Malawi	0.512	0.599	0.467	0.471	32	42	7
46	Honduras	0.512	0.500	0.440	0.595	-3	-2	-15

DCI rank	Country	Index	Challenges			Rank changes		
		DCI	Quality-adjusted human development challenge index	Environmental sustainability challenge index	Governance challenge index	DCI rank-HDI rank	DCI rank-GNI per capita rank	DCI 2020 rank-DCI 2000 rank
High development challenges								
47	Nepal	0.508	0.490	0.535	0.500	5	17	3
48	Gambia	0.508	0.566	0.459	0.500	33	31	7
49	Bangladesh	0.506	0.456	0.445	0.619	1	7	0
50	Guatemala	0.502	0.478	0.447	0.581	-4	-10	2
51	Egypt	0.500	0.462	0.426	0.611	-13	-24	-25
52	Uzbekistan	0.497	0.354	0.559	0.577	-19	-2	35
53	South Africa	0.495	0.534	0.562	0.388	-12	-23	-15
54	Rwanda	0.493	0.564	0.465	0.451	27	38	36
55	Bahrain	0.493	0.360	0.554	0.564	-70	-83	8
56	Iran (Islamic Republic of)	0.492	0.337	0.520	0.618	-43	-23	-16
57	Myanmar	0.490	0.471	0.458	0.543	19	16	52
58	Kenya	0.489	0.506	0.490	0.470	17	22	12
59	Gabon	0.479	0.406	0.519	0.513	-3	-27	-19
60	Mongolia	0.478	0.376	0.567	0.491	-17	-11	4
61	Namibia	0.477	0.539	0.485	0.406	11	-3	3
62	Vanuatu	0.476	0.520	0.462	0.448	19	37	-24
63	Azerbaijan	0.473	0.340	0.455	0.624	-22	-21	34
64	Senegal	0.472	0.549	0.481	0.387	45	36	2
65	Suriname	0.469	0.458	0.446	0.503	-13	-25	-28
66	Bosnia and Herzegovina	0.468	0.343	0.469	0.592	-31	-27	-21
67	India	0.468	0.457	0.528	0.419	16	16	15
68	Sao Tome and Principe	0.465	0.462	0.444	0.490	21	34	-2
69	Ghana	0.465	0.519	0.464	0.411	24	23	0
70	Botswana	0.464	0.488	0.546	0.359	-6	-29	4

DCI rank	Country	Index	Challenges			Rank changes		
		DCI	Quality-adjusted human development challenge index	Environmental sustainability challenge index	Governance challenge index	DCI rank-HDI rank	DCI rank-GNI per capita rank	DCI 2020 rank-DCI 2000 rank
High development challenges								
71	Bolivia (Plurinational State of)	0.464	0.423	0.424	0.546	2	10	-2
72	Kyrgyzstan	0.463	0.378	0.479	0.534	11	33	17
73	Saudi Arabia	0.460	0.328	0.497	0.557	-53	-71	23
74	El Salvador	0.457	0.415	0.373	0.583	17	15	-3
Medium development challenges								
75	Kuwait	0.448	0.301	0.570	0.473	-31	-79	-23
76	Bhutan	0.448	0.438	0.552	0.353	24	7	17
77	Kazakhstan	0.447	0.284	0.562	0.494	-41	-33	20
78	Oman	0.446	0.331	0.535	0.471	-32	-36	-17
79	China	0.445	0.354	0.500	0.482	-9	-19	25
80	Algeria	0.443	0.364	0.381	0.584	-3	7	6
81	Paraguay	0.442	0.431	0.372	0.523	8	4	-3
82	Lebanon	0.441	0.375	0.353	0.597	0	-10	-28
83	Belarus	0.437	0.252	0.386	0.672	-33	-22	20
84	Philippines	0.436	0.439	0.401	0.467	16	18	-6
85	Morocco	0.434	0.440	0.415	0.449	25	30	2
86	Brazil	0.433	0.413	0.379	0.507	-3	-3	-28
87	Russian Federation	0.433	0.269	0.483	0.546	-30	-28	22
88	Trinidad and Tobago	0.432	0.310	0.614	0.374	-14	-28	-12
89	Cuba	0.431	0.352	0.312	0.627	-11	27	-5
90	Mexico	0.427	0.372	0.363	0.547	-6	-16	-23
91	Cabo Verde	0.425	0.446	0.427	0.401	36	39	-15
92	Dominican Republic	0.424	0.421	0.386	0.466	6	-10	-5
93	Viet Nam	0.422	0.362	0.433	0.470	30	36	2



DCI rank	Country	Index	Challenges			Rank changes		
		DCI	Quality-adjusted human development challenge index	Environmental sustainability challenge index	Governance challenge index	DCI rank-HDI rank	DCI rank-GNI per capita rank	DCI 2020 rank-DCI 2000 rank
Medium development challenges								
94	Thailand	0.421	0.342	0.403	0.518	1	-9	-10
95	Qatar	0.420	0.305	0.511	0.443	-27	-68	14
96	Moldova (Republic of)	0.418	0.339	0.391	0.523	12	13	14
97	Türkiye	0.414	0.291	0.355	0.595	-18	-22	-19
98	Ukraine	0.414	0.287	0.461	0.492	3	16	31
99	Ecuador	0.411	0.371	0.347	0.514	12	27	0
100	Indonesia	0.410	0.409	0.444	0.375	30	26	11
101	Fiji	0.408	0.399	0.394	0.432	20	20	-7
102	Maldives	0.406	0.381	0.358	0.480	22	1	6
103	Serbia	0.403	0.314	0.431	0.466	-2	3	11
104	Sri Lanka	0.401	0.355	0.338	0.509	6	24	-1
105	North Macedonia	0.397	0.347	0.394	0.451	14	8	26
106	Jamaica	0.387	0.410	0.387	0.363	31	43	-6
107	Bulgaria	0.387	0.307	0.409	0.444	-6	-5	-2
108	Peru	0.386	0.351	0.355	0.453	14	30	20
109	Colombia	0.385	0.378	0.303	0.476	19	21	7
110	Armenia	0.384	0.321	0.379	0.453	18	25	25
111	Montenegro	0.383	0.290	0.408	0.453	-9	2	-10
112	Panama	0.377	0.373	0.305	0.453	0	-10	-6
113	Tunisia	0.376	0.376	0.359	0.392	34	45	12
114	Romania	0.373	0.300	0.355	0.464	-5	-7	7
115	Albania	0.366	0.301	0.360	0.438	14	28	12
116	Jordan	0.364	0.357	0.313	0.423	42	49	-1
117	Malaysia	0.364	0.330	0.406	0.355	9	-1	-2

DCI rank	Country	Index	Challenges			Rank changes		
		DCI	Quality-adjusted human development challenge index	Environmental sustainability challenge index	Governance challenge index	DCI rank-HDI rank	DCI rank-GNI per capita rank	DCI 2020 rank-DCI 2000 rank
Medium development challenges								
118	Argentina	0.363	0.313	0.319	0.458	-3	10	-2
119	Georgia	0.362	0.337	0.417	0.331	10	28	39
120	United Arab Emirates	0.360	0.218	0.524	0.337	-15	-38	9
121	Seychelles	0.354	0.341	0.384	0.338	18	4	6
122	Hungary	0.334	0.233	0.361	0.409	-5	-3	-9
123	Barbados	0.330	0.343	0.319	0.328	12	28	-12
124	Poland	0.321	0.190	0.377	0.395	-7	-2	-3
125	Croatia	0.313	0.239	0.314	0.385	2	5	1
126	Mauritius	0.310	0.306	0.306	0.319	22	13	0
127	Slovakia	0.307	0.219	0.370	0.332	-1	0	2
128	Uruguay	0.306	0.316	0.310	0.292	14	21	-4
Low development challenges								
129	Costa Rica	0.296	0.345	0.265	0.280	22	25	-4
130	Chile	0.293	0.298	0.316	0.266	6	19	1
131	Latvia	0.290	0.233	0.345	0.290	1	7	9
132	Lithuania	0.280	0.226	0.349	0.266	0	3	9
133	Czechia	0.271	0.170	0.345	0.300	-6	1	3
134	Greece	0.268	0.227	0.245	0.331	0	11	0
135	United States	0.252	0.219	0.333	0.204	-13	-21	-6
136	Slovenia	0.249	0.147	0.314	0.286	-8	5	0
137	Estonia	0.249	0.175	0.387	0.184	1	7	9
138	Italy	0.245	0.222	0.196	0.317	1	-1	-7
139	Korea (Republic of)	0.242	0.168	0.330	0.228	-3	-2	2
140	Portugal	0.242	0.223	0.200	0.302	11	12	2

DCI rank	Country	Index	Challenges			Rank changes		
		DCI	Quality-adjusted human development challenge index	Environmental sustainability challenge index	Governance challenge index	DCI rank-HDI rank	DCI rank-GNI per capita rank	DCI 2020 rank-DCI 2000 rank
Low development challenges								
141	Iceland	0.236	0.140	0.386	0.181	-19	-9	-5
142	Israel	0.233	0.208	0.224	0.268	-4	7	0
143	Cyprus	0.230	0.184	0.238	0.268	10	10	4
144	Canada	0.223	0.159	0.333	0.177	-5	-3	0
145	Malta	0.220	0.202	0.169	0.289	7	11	2
146	Spain	0.218	0.199	0.201	0.256	5	9	-4
147	Australia	0.218	0.161	0.305	0.186	-9	2	-2
148	Singapore	0.210	0.147	0.294	0.190	-5	-14	8
Very low development challenges								
149	Luxembourg	0.199	0.190	0.288	0.118	6	-12	2
150	Belgium	0.197	0.146	0.241	0.204	-1	2	-1
151	France	0.196	0.177	0.184	0.226	11	8	-3
152	Japan	0.192	0.156	0.218	0.201	7	12	4
153	New Zealand	0.192	0.166	0.232	0.176	3	17	0
154	Austria	0.185	0.166	0.223	0.164	7	2	-1
155	United Kingdom	0.174	0.164	0.164	0.193	3	13	-1
156	Netherlands	0.165	0.135	0.214	0.145	-1	3	-1
157	Germany	0.159	0.149	0.203	0.124	-2	6	-2
158	Finland	0.147	0.129	0.232	0.082	4	12	0
159	Ireland	0.147	0.135	0.142	0.165	-3	0	7
160	Sweden	0.146	0.136	0.174	0.129	2	11	-1
161	Norway	0.145	0.128	0.200	0.106	-2	4	1
162	Denmark	0.130	0.133	0.167	0.091	7	7	0
163	Switzerland	0.124	0.136	0.147	0.089	2	3	0

Country	Index	Challenges			Rank changes		
	DCI	Quality-adjusted human development challenge index	Environmental sustainability challenge index	Governance challenge index	DCI rank-HDI rank	DCI rank-GNI per capita rank	DCI 2020 rank-DCI 2000 rank
<i>Other countries or territories</i>							
American Samoa	..	..	..	..	..	..	..
Andorra	..	..	..	..	..	..	..
Antigua and Barbuda	..	..	0.344	..	..	..	..
Aruba	..	..	..	..	..	..	..
Bahamas	..	..	0.352	..	..	..	..
Belize	..	0.439	0.436	..	..	..	..
Bermuda	..	..	..	..	..	..	..
British Virgin Islands	..	..	..	..	..	..	..
Brunei Darussalam	..	..	0.365	..	..	..	..
Cayman Islands	..	..	..	..	..	..	..
Channel Islands	..	..	..	..	..	..	..
Comoros	..	0.580	..	0.646	..	..	..
Curacao	..	..	..	..	..	..	..
Dominica	..	..	..	..	..	..	..
Equatorial Guinea	..	..	..	0.742	..	..	..
Eritrea	..	..	0.524	0.827	..	..	..
Faroe Islands	..	..	..	..	..	..	..
French Polynesia	..	..	..	..	..	..	..
Gibraltar	..	..	..	..	..	..	..
Greenland	..	..	..	..	..	..	..
Grenada	..	..	..	..	..	..	..
Guam	..	..	..	..	..	..	..
Guinea-Bissau	..	0.623	..	0.629	..	..	..
Hong Kong, China (SAR)	..	..	..	0.309	..	..	..

Country	Index	Challenges			Rank changes		
	DCI	Quality-adjusted human development challenge index	Environmental sustainability challenge index	Governance challenge index	DCI rank-HDI rank	DCI rank-GNI per capita rank	DCI 2020 rank-DCI 2000 rank
<i>Other countries or territories</i>							
Isle of Man	..	..	..	..	..	..	..
Kiribati	..	0.510	..	..	..	..	..
Korea (Democratic People's Rep. of)	..	..	..	0.779	..	..	..
Kosovo*	..	..	..	0.512	..	..	..
Liechtenstein	..	..	..	..	..	..	..
Macau, China (SAR)	..	..	..	..	..	..	..
Marshall Islands	..	..	..	..	..	..	..
Micronesia (Federated States of)	..	0.519	..	..	..	..	..
Monaco	..	..	..	..	..	..	..
Nauru	..	..	..	..	..	..	..
New Caledonia	..	..	..	..	..	..	..
Northern Mariana Islands	..	..	..	..	..	..	..
Palau	..	..	..	..	..	..	..
State of Palestine	..	..	..	..	..	..	..
State of Palestine/Gaza	..	..	..	..	..	..	..
State of Palestine/West Bank	..	..	..	..	..	..	..
Puerto Rico	..	..	..	..	..	..	..
Saint Kitts and Nevis	..	..	..	..	..	..	..
Saint Lucia	..	0.386	..	..	..	..	..
Saint Vincent and the Grenadines	..	..	..	..	..	..	..
Samoa	..	..	0.395	..	..	..	..
San Marino	..	..	..	..	..	..	..
Sint Maarten (Dutch part)	..	..	..	..	..	..	..
Solomon Islands	..	0.549	..	..	..	..	..

**Note:** \* All references to Kosovo are under United Nations Security Council resolution 1244.

**Table A.2:** Quality-adjusted human development challenge index: dimensions and indicators

DCI rank	Country	Dimensions			Indicators					
		Health life expectancy challenge index	Quality-adjusted education challenge index	Quality-adjusted income challenge index	Healthy life expectancy at birth	Expected years of schooling	Mean years of schooling	Harmonized test scores*	GNI per capita	HDI inequality in income*
Very high development challenges										
1	Haiti	0.349	0.735	0.787	55.8	9.7	5.6	337.815	1709	50.400
2	Central African Republic	0.520	0.775	0.824	46.4	7.6	4.3	368.730	993	49.200
3	Democratic Republic of the Congo	0.380	0.735	0.741	54.1	9.7	6.8	310.197	1063	27.600
4	Yemen	0.318	0.806	0.673	57.5	8.8	3.2	321.327	1594	21.800
5	Chad	0.418	0.836	0.703	52	7.3	2.5	333.111	1555	28.400
6	Burundi	0.353	0.696	0.759	55.6	11.1	3.3	422.748	754	20.900
7	Liberia	0.365	0.756	0.704	54.9	9.6	4.8	331.746	1258	22.700
8	Togo	0.342	0.657	0.694	56.2	12.7	5	383.718	1602	26.900
9	Mozambique	0.447	0.750	0.727	50.4	10	3.5	368.244	1250	28.400
10	Zimbabwe	0.398	0.598	0.647	53.1	11	8.5	396.139	2666	28.800
11	Congo	0.342	0.654	0.650	56.2	11.7	6.5	370.614	2879	31.000
12	Turkmenistan	0.235	0.530	0.442	62.1	11.2	10.3	417.002	14909	26.200
13	Lesotho	0.560	0.641	0.633	44.2	11.3	6.5	392.912	3151	29.600
14	Zambia	0.375	0.655	0.708	54.4	11.5	7.2	358.140	3326	44.800
15	Guinea	0.395	0.751	0.605	53.3	9.4	2.8	408.249	2405	17.800
16	Madagascar	0.322	0.706	0.697	57.3	10.2	6.1	350.773	1596	27.600
17	Syrian Arab Republic	0.220	0.760	0.557	62.9	8.8	5.1	336.321	3613	18.300
18	Cameroon	0.373	0.644	0.649	54.5	12.1	6.3	378.869	3581	35.000
19	Mali	0.371	0.847	0.607	54.6	7.5	2.4	307.365	2269	16.600
20	Sudan	0.275	0.774	0.631	59.9	7.9	3.8	379.634	3829	33.000
21	Afghanistan	0.384	0.748	0.601	53.9	10.2	3.9	354.759	2229	14.837
22	Nigeria	0.375	0.733	0.577	54.4	10	6.7	309.025	4910	28.100

DCI rank	Country	Dimensions			Indicators					
		Health life expectancy challenge index	Quality-adjusted education challenge index	Quality-adjusted income challenge index	Healthy life expectancy at birth	Expected years of schooling	Mean years of schooling	Harmonized test scores*	GNI per capita	HDI inequality in income*
Very high development challenges										
23	Uganda	0.305	0.642	0.653	58.2	11.4	6.2	397.160	2123	24.900
24	Eswatini (Kingdom of)	0.453	0.577	0.590	50.1	11.8	6.9	440.305	7919	37.900
25	Venezuela (Bolivarian Republic of)	0.193	0.528	0.519	64.4	12.8	10.3	392.078	7045	25.200
High development challenges										
26	Lao People's Democratic Republic	0.264	0.694	0.482	60.5	11	5.3	368.142	7413	20.300
27	Angola	0.367	0.719	0.558	54.8	11.8	5.2	325.965	6104	28.900
28	Niger	0.355	0.869	0.686	55.5	6.5	2.1	304.922	1201	16.400
29	Pakistan	0.329	0.765	0.511	56.9	8.3	5.2	338.657	5005	17.200
30	Tajikistan	0.236	0.542	0.525	62	11.7	10.7	390.566	3954	14.500
31	Ethiopia	0.275	0.796	0.595	59.9	8.8	2.9	348.199	2207	13.400
32	Libya	0.178	0.603	0.343	65.2	12.9	7.6	376.725	15688	13.942
33	Sierra Leone	0.402	0.779	0.650	52.9	10.2	3.7	315.876	1668	17.700
34	Mauritania	0.276	0.767	0.551	59.8	8.6	4.7	342.094	5135	24.600
35	Papua New Guinea	0.325	0.725	0.596	57.1	10.2	4.7	363.321	4301	28.900
36	Benin	0.355	0.685	0.642	55.5	12.6	3.8	383.923	3254	32.000
37	Djibouti	0.309	0.816	0.559	58	6.8	4.1	329.260	5689	27.700
38	Burkina Faso	0.365	0.783	0.618	54.9	9.3	1.6	403.654	2133	17.300
39	Iraq	0.224	0.651	0.383	62.7	11.3	7.3	363.432	10801	12.700
40	Nicaragua	0.173	0.614	0.585	65.5	12.3	6.9	391.990	5284	30.700
41	Cambodia	0.245	0.622	0.515	61.5	11.5	5	451.890	4246	14.300
42	Tanzania (United Republic of)	0.300	0.714	0.618	58.5	8.1	6.1	388.480	2600	22.400
43	Guyana	0.324	0.642	0.485	57.2	11.4	8.5	346.366	9455	25.100



DCI rank	Country	Dimensions			Indicators					
		Health life expectancy challenge index	Quality-adjusted education challenge index	Quality-adjusted income challenge index	Healthy life expectancy at birth	Expected years of schooling	Mean years of schooling	Harmonized test scores*	GNI per capita	HDI inequality in income*
High development challenges										
44	Côte d'Ivoire	0.367	0.708	0.567	54.8	10	5.3	373.231	5069	27.000
45	Malawi	0.325	0.711	0.761	57.1	11.2	4.7	359.484	1035	32.400
46	Honduras	0.218	0.656	0.627	63	10.1	6.6	399.751	5308	37.800
47	Nepal	0.249	0.669	0.552	61.3	12.8	5	368.558	3457	16.300
48	Gambia	0.327	0.754	0.617	57	9.9	3.9	352.900	2168	17.500
49	Bangladesh	0.195	0.665	0.508	64.3	11.6	6.2	368.315	4976	16.600
50	Guatemala	0.231	0.637	0.567	62.3	10.8	6.6	405.258	8494	35.400
51	Egypt	0.218	0.623	0.545	63	13.3	7.4	355.987	11466	36.500
52	Uzbekistan	0.187	0.405	0.471	64.7	12.1	11.8	474.075	7142	17.900
53	South Africa	0.342	0.573	0.688	56.2	13.8	10.2	342.764	12129	57.000
54	Rwanda	0.269	0.718	0.705	60.2	11.2	4.4	358.084	2155	36.400
55	Bahrain	0.165	0.402	0.514	65.9	16.3	9.5	451.706	42522	46.832
56	Iran (Islamic Republic of)	0.158	0.439	0.415	66.3	14.8	10.3	432.108	12447	19.700
57	Myanmar	0.256	0.661	0.496	60.9	10.7	5	424.631	4961	14.501
58	Kenya	0.315	0.582	0.621	57.7	11.3	6.6	454.958	4244	33.100
59	Gabon	0.316	0.489	0.412	57.6	13	8.7	456.128	13930	21.200
60	Mongolia	0.267	0.448	0.412	60.3	14.2	10.3	434.619	10839	16.900
61	Namibia	0.344	0.592	0.682	56.1	12.6	7	406.662	9357	53.600
62	Vanuatu	0.313	0.664	0.583	57.8	11.7	7.1	347.686	3105	19.700
63	Azerbaijan	0.207	0.491	0.322	63.6	12.9	10.6	415.946	13784	8.900
64	Senegal	0.284	0.755	0.608	59.4	8.6	3.2	412.454	3309	25.900
65	Suriname	0.229	0.543	0.600	62.4	13.2	9.3	391.982	14324	46.700
66	Bosnia and Herzegovina	0.142	0.491	0.397	67.2	13.8	9.8	416.134	14872	20.200

DCI rank	Country	Dimensions			Indicators					
		Health life expectancy challenge index	Quality-adjusted education challenge index	Quality-adjusted income challenge index	Healthy life expectancy at birth	Expected years of schooling	Mean years of schooling	Harmonized test scores*	GNI per capita	HDI inequality in income*
High development challenges										
67	India	0.267	0.618	0.485	60.3	12.2	6.5	399.000	6681	18.800
68	Sao Tome and Principe	0.244	0.615	0.527	61.6	12.7	6.4	394.956	3952	14.900
69	Ghana	0.309	0.702	0.545	58	11.5	7.3	307.276	5269	24.100
70	Botswana	0.384	0.545	0.536	53.9	12.8	9.6	391.318	16437	39.784
71	Bolivia (Plurinational State of)	0.213	0.518	0.538	63.3	14.2	9	403.229	8554	31.200
72	Kyrgyzstan	0.167	0.471	0.494	65.8	13	11.1	420.087	4864	13.800
73	Saudi Arabia	0.200	0.459	0.324	64	16.1	10.2	398.969	47495	27.366
74	El Salvador	0.184	0.584	0.477	64.9	11.7	6.9	435.923	8359	21.800
Medium development challenges										
75	Kuwait	0.089	0.579	0.234	70.1	14.2	7.3	383.402	58590	20.453
76	Bhutan	0.211	0.669	0.435	63.4	13	4.1	386.739	10746	20.000
77	Kazakhstan	0.182	0.405	0.264	65	15.6	11.9	416.155	22857	10.300
78	Oman	0.187	0.477	0.329	64.7	14.2	9.7	423.513	25944	20.100
79	China	0.118	0.500	0.443	68.5	14	8.1	441.000	16057	27.400
80	Algeria	0.156	0.567	0.369	66.4	14.6	8	374.089	11174	11.400
81	Paraguay	0.167	0.578	0.548	65.8	12.7	8.5	385.544	12224	37.800
82	Lebanon	0.164	0.595	0.365	66	11.3	8.7	389.889	14655	15.732
83	Belarus	0.164	0.296	0.296	66	15.4	12.3	488.143	18546	10.800
84	Philippines	0.236	0.578	0.502	62	13.1	9.4	361.646	9778	28.100
85	Morocco	0.205	0.629	0.485	63.7	13.7	5.6	380.405	7368	20.700
86	Brazil	0.175	0.506	0.558	65.4	15.4	8	413.245	14263	41.000
87	Russian Federation	0.196	0.295	0.317	64.2	15	12.2	497.546	26157	18.800
88	Trinidad and Tobago	0.160	0.426	0.343	66.2	13	11	458.289	26231	21.900

DCI rank	Country	Dimensions			Indicators					
		Health life expectancy challenge index	Quality-adjusted education challenge index	Quality-adjusted income challenge index	Healthy life expectancy at birth	Expected years of schooling	Mean years of schooling	Harmonized test scores*	GNI per capita	HDI inequality in income*
Medium development challenges										
89	Cuba	0.131	0.446	0.479	67.8	14.3	11.8	406.859	8621	22.668
90	Mexico	0.167	0.479	0.471	65.8	14.8	8.8	430.065	19160	33.400
91	Cabo Verde	0.185	0.618	0.535	64.8	12.7	6.3	394.668	7019	27.590
92	Dominican Republic	0.200	0.605	0.456	64	14.2	8.1	345.217	17591	30.400
93	Viet Nam	0.176	0.438	0.473	65.3	12.7	8.3	519.100	7433	19.100
94	Thailand	0.122	0.501	0.404	68.3	15	7.9	426.600	17781	23.800
95	Qatar	0.144	0.517	0.254	67.1	12	9.7	427.478	92418	25.353
96	Moldova (Republic of)	0.191	0.464	0.361	64.5	11.5	11.7	438.621	13664	14.000
97	Türkiye	0.120	0.399	0.355	68.4	16.6	8.1	477.963	27701	24.100
98	Ukraine	0.195	0.342	0.325	64.3	15.1	11.4	478.173	13216	8.500
99	Ecuador	0.118	0.492	0.502	68.5	14.6	8.9	420.149	11044	29.900
100	Indonesia	0.222	0.557	0.449	62.8	13.6	8.2	394.915	11459	23.100
101	Fiji	0.280	0.496	0.421	59.6	14.4	10.9	383.336	13009	21.214
102	Maldives	0.091	0.629	0.422	70	12.2	7	376.246	17417	25.800
103	Serbia	0.147	0.385	0.409	66.9	14.7	11.2	457.453	17192	24.000
104	Sri Lanka	0.145	0.487	0.432	67	14.1	10.6	400.000	12707	22.400
105	North Macedonia	0.162	0.499	0.382	66.1	13.6	9.8	413.617	15865	19.200
106	Jamaica	0.153	0.542	0.534	66.6	13.1	9.7	387.133	9319	32.000
107	Bulgaria	0.158	0.408	0.356	66.3	14.4	11.4	441.093	23325	21.800
108	Peru	0.100	0.471	0.481	69.5	15	9.7	415.025	12252	28.600
109	Colombia	0.109	0.507	0.517	69	14.4	8.5	419.028	14257	35.500
110	Armenia	0.144	0.435	0.384	67.1	13.1	11.3	442.969	13894	17.400
111	Montenegro	0.145	0.397	0.326	67	15	11.6	436.130	21399	16.900
112	Panama	0.115	0.547	0.458	68.7	12.9	10.2	376.865	29558	36.900

DCI rank	Country	Dimensions			Indicators					
		Health life expectancy challenge index	Quality-adjusted education challenge index	Quality-adjusted income challenge index	Healthy life expectancy at birth	Expected years of schooling	Mean years of schooling	Harmonized test scores*	GNI per capita	HDI inequality in income*
Medium development challenges										
113	Tunisia	0.147	0.564	0.417	66.9	15.1	7.2	384.079	10414	16.900
114	Romania	0.149	0.416	0.336	66.8	14.3	11.1	442.162	29497	22.700
115	Albania	0.107	0.443	0.352	69.1	14.7	10.1	434.128	13998	13.200
116	Jordan	0.135	0.507	0.431	67.6	11.4	10.5	429.954	9858	17.900
117	Malaysia	0.169	0.442	0.379	65.7	13.7	10.4	445.675	27534	26.869
118	Argentina	0.144	0.399	0.395	67.1	17.7	10.9	408.173	21190	25.200
119	Georgia	0.187	0.407	0.418	64.7	15.3	13.1	399.766	14429	22.500
120	United Arab Emirates	0.164	0.383	0.107	66	14.3	12.1	448.041	67462	9.244
121	Seychelles	0.200	0.420	0.402	64	14.2	10	463.379	26903	29.300
122	Hungary	0.142	0.299	0.258	67.2	15.2	12	495.481	31329	14.500
123	Barbados	0.145	0.387	0.498	67	15.4	10.6	455.864	14936	33.600
124	Poland	0.115	0.207	0.248	68.7	16.3	12.5	530.086	31623	13.500
125	Croatia	0.116	0.327	0.274	68.6	15.2	11.4	487.581	28070	14.700
126	Mauritius	0.202	0.401	0.316	63.9	15.1	9.5	472.767	25266	18.200
127	Slovakia	0.118	0.310	0.230	68.5	14.5	12.7	485.350	32113	11.700
128	Uruguay	0.136	0.425	0.387	67.5	16.8	8.9	437.697	20064	23.400
Low development challenges										
129	Costa Rica	0.091	0.464	0.479	70	15.7	8.7	428.556	18486	33.900
130	Chile	0.091	0.370	0.433	70	16.4	10.6	452.218	23261	31.100
131	Latvia	0.160	0.234	0.306	66.2	16.2	13	503.870	30282	19.600
132	Lithuania	0.151	0.234	0.295	66.7	16.6	13.1	495.886	35799	20.600
133	Czechia	0.113	0.215	0.182	68.8	16.8	12.7	512.222	38109	8.900
134	Greece	0.075	0.314	0.291	70.9	17.9	10.6	468.636	30155	17.800
135	United States	0.162	0.208	0.289	66.1	16.3	13.4	511.799	63826	27.100

DCI rank	Country	Dimensions			Indicators					
		Health life expectancy challenge index	Quality-adjusted education challenge index	Quality-adjusted income challenge index	Healthy life expectancy at birth	Expected years of schooling	Mean years of schooling	Harmonized test scores*	GNI per capita	HDI inequality in income*
Low development challenges										
136	Slovenia	0.078	0.182	0.180	70.7	17.6	12.7	520.809	38080	8.700
137	Estonia	0.105	0.176	0.242	69.2	16	13.1	543.206	36019	14.800
138	Italy	0.056	0.326	0.284	71.9	16.1	10.4	492.988	42776	21.800
139	Korea (Republic of)	0.035	0.200	0.269	73.1	16.5	12.2	537.210	43044	20.200
140	Portugal	0.073	0.328	0.268	71	16.5	9.3	508.515	33967	16.900
141	Iceland	0.055	0.206	0.159	72	19.1	12.8	497.683	54682	11.700
142	Israel	0.047	0.269	0.309	72.4	16.2	13	480.752	40187	23.700
143	Cyprus	0.047	0.284	0.220	72.4	15.2	12.2	502.162	38207	13.200
144	Canada	0.067	0.176	0.235	71.3	16.2	13.4	533.998	48527	18.100
145	Malta	0.064	0.327	0.214	71.5	16.1	11.3	474.435	39555	13.000
146	Spain	0.053	0.274	0.269	72.1	17.6	10.3	506.621	40975	19.500
147	Australia	0.075	0.180	0.229	70.9	22	12.7	515.685	48085	17.300
148	Singapore	0.025	0.166	0.250	73.6	16.4	11.6	575.272	88155	25.000
Very low development challenges										
149	Luxembourg	0.062	0.315	0.194	71.6	14.3	12.3	492.848	72712	19.000
150	Belgium	0.080	0.196	0.163	70.6	19.8	12.1	516.808	52085	11.400
151	France	0.053	0.283	0.196	72.1	15.6	11.5	510.261	47173	13.500
152	Japan	0.016	0.214	0.237	74.1	15.2	12.8	537.723	42932	16.700
153	New Zealand	0.087	0.171	0.241	70.2	18.8	12.8	519.748	40799	16.400
154	Austria	0.075	0.245	0.178	70.9	16.1	12.5	507.639	56197	14.100
155	United Kingdom	0.089	0.171	0.231	70.1	17.5	13.2	520.356	46071	17.000
156	Netherlands	0.065	0.183	0.157	71.4	18.5	12.4	519.635	57707	12.200
157	Germany	0.075	0.158	0.215	70.9	17	14.2	517.281	55314	17.700
158	Finland	0.073	0.149	0.165	71	19.4	12.8	533.708	48511	10.600



89

Country	Dimensions			Indicators					
	Health life expectancy challenge index	Quality-adjusted education challenge index	Quality-adjusted income challenge index	Healthy life expectancy at birth	Expected years of schooling	Mean years of schooling	Harmonized test scores*	GNI per capita	HDI inequality in income*
<i>Other countries or territories</i>									
Puerto Rico	..	..	..	..	..	..	..	..	..
Saint Kitts and Nevis	..	0.526	..	..	13.8	8.7	409.074	25038	..
Saint Lucia	0.187	0.517	0.453	64.7	14	8.5	417.761	14616	27.400
Saint Vincent and the Grenadines	0.200	0.539	..	64	14.1	8.8	391.393	12378	..
Samoa	0.235	0.546	..	62.1	12.7	10.8	369.908	6309	..
San Marino	..	..	..	..	13.1	..	..	..	..
Sint Maarten (Dutch part)	..	..	..	..	..	..	..	..	..
Solomon Islands	0.313	0.714	0.621	57.8	10.2	5.7	350.519	2253	19.400
Somalia	0.460	..	..	49.7	..	..	..	..	21.325
South Sudan	0.387	0.823	0.693	53.7	5.3	4.8	335.587	2003	32.300
St. Martin (French part)	..	..	..	..	..	..	..	..	..
Taiwan Province of China	..	..	..	..	..	..	..	..	..
Timor-Leste	0.256	0.674	0.505	60.9	12.6	4.8	371.441	4440	13.600
Tonga	0.200	0.486	..	64	14.4	11.2	385.957	6365	..
Turks and Caicos Islands	..	..	..	..	..	..	..	..	..
Tuvalu	..	..	0.527	..	12.3	..	346.498	6132	23.898
Virgin Islands (United States)	..	..	..	..	..	..	..	..	..
<i>Regions</i>									
Arab region	0.214	0.628	0.474	63.218	12.373	6.970	371.090	14840.096	24.225
East Asia and the Pacific	0.137	0.486	0.430	67.468	13.988	8.515	442.586	17296.962	25.128
Europe and Central Asia	0.119	0.293	0.283	68.436	15.963	11.661	493.218	34984.041	17.144
Latin America and the Caribbean	0.163	0.501	0.514	66.027	14.746	8.703	413.629	14818.438	34.708



Country	Dimensions			Indicators					
	Health life expectancy challenge index	Quality-adjusted education challenge index	Quality-adjusted income challenge index	Healthy life expectancy at birth	Expected years of schooling	Mean years of schooling	Harmonized test scores*	GNI per capita	HDI inequality in income*
<i>Regions</i>									
North America	0.152	0.204	0.283	66.638	16.290	13.400	514.094	62243.799	26.169
South Asia	0.264	0.633	0.489	60.478	11.808	6.462	389.617	6530.073	18.396
Sub-Saharan Africa	0.347	0.715	0.636	55.915	10.191	5.634	351.334	3680.232	27.550
World	0.203	0.527	0.458	63.832	13.240	8.147	419.872	16660.318	23.594
<b>Note:</b> * ESCWA imputed data values in red.									

**Table A.3:** Quality-adjusted human development challenge index: input indicators

Table A3: Quality-adjusted human development challenge index: Input indicators								
DCI rank	Country	Indices			Indicators			
		Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
Very high development challenges								
1	Haiti	0.380	..	..	0.085	0.71	..	..
2	Central African Republic	0.398	0.073	..	0.072	1	83.412	..
3	Democratic Republic of the Congo	..	0.376	0.139	0.074	..	33.198	-1.804
4	Yemen	0.511	0.445	0.238	0.525	0.71	26.930	-1.311
5	Chad	..	0.199	..	0.047	..	56.888	..
6	Burundi	0.351	0.295	..	0.050	0.79	42.524	..
7	Liberia	..	0.507	0.269	0.038	..	22.323	-1.153
8	Togo	0.241	0.314	0.343	0.013	0.7	40.145	-0.784
9	Mozambique	0.339	0.208	0.250	0.050	0.7	55.274	-1.249
10	Zimbabwe	0.512	0.346	0.314	0.179	1.7	36.408	-0.929

DCI rank	Country	Indices			Indicators			
		Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
Very high development challenges								
11	Congo	..	..	0.216	0.165	..	..	-1.420
12	Turkmenistan	0.772	..	0.331	2.225	4.03	..	-0.844
13	Lesotho	..	0.379	..	..	..	32.948	..
14	Zambia	..	0.298	0.376	0.163	..	42.060	-0.618
15	Guinea	0.300	0.261	0.214	0.083	0.3	47.149	-1.432
16	Madagascar	..	0.316	0.299	0.181	..	39.812	-1.006
17	Syrian Arab Republic	0.641	..	..	1.287	1.46	..	..
18	Cameroon	..	0.277	0.180	0.088	..	44.834	-1.601
19	Mali	..	0.333	0.402	0.140	..	37.827	-0.490
20	Sudan	0.695	..	..	0.407	6.74	..	..
21	Afghanistan	0.434	0.249	..	0.278	0.5	48.790	..
22	Nigeria	..	..	0.121	0.449	..	..	-1.897
23	Uganda	..	0.294	0.401	0.095	..	42.659	-0.495
24	Eswatini (Kingdom of)	0.575	0.449	0.484	0.329	2.1	26.596	-0.079
25	Venezuela (Bolivarian Republic of)	..	..	0.272	..	0.86	..	-1.140
26	Lao People's Democratic Republic	0.574	0.507	0.375	0.495	1.5	22.337	-0.628
27	Angola	..	0.241	0.159	..	..	50.030	-1.705
28	Niger	0.256	0.346	..	0.043	0.31	36.337	..

DCI rank	Country	Indices			Indicators			
		Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
High development challenges								
29	Pakistan	0.544	0.283	0.364	0.962	0.63	44.077	-0.680
30	Tajikistan	0.781	0.507	0.282	2.103	4.67	22.301	-1.088
31	Ethiopia	0.267	..	0.368	0.046	0.33	..	-0.658
32	Libya	0.752	..	0.207	1.894	3.7	..	-1.463
33	Sierra Leone	..	0.438	..	0.025	..	27.522	..
34	Mauritania	..	0.366	0.295	0.171	..	34.278	-1.026
35	Papua New Guinea	..	0.354	0.164	..	..	35.522	-1.678
36	Benin	..	0.322	..	0.048	..	39.197	..
37	Djibouti	0.511	0.417	..	0.224	1.4	29.375	..
38	Burkina Faso	..	0.317	0.391	0.065	..	39.722	-0.547
39	Iraq	0.601	..	..	0.854	1.3	..	..
40	Nicaragua	0.578	..	0.333	0.954	0.93	..	-0.836
41	Cambodia	0.460	0.301	0.388	0.193	0.9	41.704	-0.561
42	Tanzania (United Republic of)	..	0.237	0.481	0.014	..	50.633	-0.093
43	Guyana	..	..	..	..	1.71	..	..
44	Côte d'Ivoire	..	0.300	0.308	0.231	..	41.822	-0.961
45	Malawi	0.316	0.189	0.276	0.017	1.3	58.679	-1.121
46	Honduras	0.511	0.462	0.367	0.598	0.64	25.598	-0.665

DCI rank	Country	Indices			Indicators			
		Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
High development challenges								
47	Nepal	0.442	0.529	..	0.595	0.3	20.907	..
48	Gambia	0.432	0.348	..	0.102	1.1	36.138	..
49	Bangladesh	0.517	0.409	0.323	0.497	0.79	30.055	-0.883
50	Guatemala	..	0.539	0.409	..	0.26	20.262	-0.455
51	Egypt	0.606	0.488	0.488	0.821	1.43	23.679	-0.061
52	Uzbekistan	0.775	0.519	0.418	2.374	3.98	21.507	-0.411
53	South Africa	..	0.406	0.495	0.800	..	30.332	-0.023
54	Rwanda	..	0.184	..	0.123	..	59.509	..
55	Bahrain	0.640	0.714	0.561	0.926	1.89	11.923	0.305
56	Iran (Islamic Republic of)	0.647	0.426	0.359	1.153	1.7	28.525	-0.706
57	Myanmar	0.557	0.478	0.305	0.620	1.04	24.360	-0.974
58	Kenya	..	0.403	0.432	0.196	..	30.651	-0.339
59	Gabon	..	..	0.214	0.356	..	..	-1.428
60	Mongolia	0.840	0.405	0.324	2.859	7	30.383	-0.878
61	Namibia	..	0.468	0.414	..	..	25.092	-0.431
62	Vanuatu	..	0.450	..	0.165	..	26.565	..
63	Azerbaijan	0.820	0.629	0.227	3.446	4.82	15.430	-1.367
64	Senegal	..	0.347	0.375	0.071	..	36.318	-0.627

DCI rank	Country	Indices			Indicators			
		Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
High development challenges								
65	Suriname	0.698	0.675	..	1.131	3.05	13.393	..
66	Bosnia and Herzegovina	0.757	0.598	0.634	2.162	3.49	16.927	0.670
67	India	0.502	0.381	0.608	0.759	0.48	32.750	0.539
68	Sao Tome and Principe	0.601	0.397	..	0.316	2.9	31.158	..
69	Ghana	0.430	0.441	0.340	0.127	0.9	27.246	-0.798
70	Botswana	..	0.487	0.404	0.527	..	23.713	-0.482
71	Bolivia (Plurinational State of)	0.643	0.582	0.292	1.590	1.27	17.798	-1.043
72	Kyrgyzstan	0.780	0.470	0.507	2.213	4.41	24.989	0.037
73	Saudi Arabia	0.723	0.665	0.635	2.378	2.23	13.815	0.673
74	El Salvador	0.626	0.446	0.527	1.566	1.06	26.895	0.134
Medium development challenges								
75	Kuwait	0.723	0.811	0.359	2.646	2.04	8.881	-0.703
76	Bhutan	0.573	0.362	..	0.406	1.74	34.669	..
77	Kazakhstan	0.851	0.549	0.381	3.980	6.06	19.639	-0.593
78	Oman	0.672	0.783	0.404	1.925	1.49	9.674	-0.481
79	China	0.759	0.608	0.768	1.865	4.02	16.427	1.341
80	Algeria	0.690	0.479	0.239	1.833	1.9	24.320	-1.307
81	Paraguay	0.589	..	0.390	1.277	0.83	..	-0.550

DCI rank	Country	Indices			Indicators			
		Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
Medium development challenges								
82	Lebanon	0.729	0.699	0.571	2.012	2.73	12.483	0.354
83	Belarus	0.922	0.556	0.678	5.191	10.83	19.233	0.888
84	Philippines	..	0.420	0.635	..	0.99	29.084	0.675
85	Morocco	0.590	0.447	0.387	0.914	1.1	26.801	-0.563
86	Brazil	0.701	0.540	0.543	1.882	2.11	20.223	0.214
87	Russian Federation	0.878	0.523	0.492	4.014	8.16	21.259	-0.038
88	Trinidad and Tobago	0.759	..	0.511	2.650	3.03	..	0.053
89	Cuba	0.889	0.801	0.279	7.954	5.32	9.160	-1.106
90	Mexico	0.649	0.450	0.758	2.324	1	26.552	1.288
91	Cabo Verde	..	0.526	..	0.781	..	21.074	..
92	Dominican Republic	0.652	0.561	0.464	1.527	1.44	18.923	-0.180
93	Viet Nam	0.661	0.539	0.529	0.828	2.6	20.277	0.145
94	Thailand	..	0.604	0.734	0.445	..	16.638	1.169
95	Qatar	0.676	0.707	0.438	2.694	1.2	12.168	-0.309
96	Moldova (Republic of)	0.810	0.579	0.464	2.484	5.66	17.923	-0.181
97	Türkiye	0.723	0.597	0.628	1.814	2.75	16.978	0.640
98	Ukraine	0.849	0.686	0.574	2.992	7.46	12.980	0.368
99	Ecuador	0.670	0.480	0.305	2.037	1.39	24.262	-0.974

DCI rank	Country	Indices			Indicators			
		Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
Medium development challenges								
100	Indonesia	0.494	0.596	0.503	0.274	0.99	17.035	0.016
101	Fiji	0.640	..	..	0.860	2	..	..
102	Maldives	..	0.766	..	1.038	..	10.163	..
103	Serbia	0.826	0.654	0.633	3.113	5.59	14.293	0.667
104	Sri Lanka	0.696	0.516	0.429	0.893	3.6	21.737	-0.356
105	North Macedonia	0.798	0.640	0.514	2.874	4.37	14.913	0.068
106	Jamaica	0.583	0.472	0.384	0.455	1.78	24.794	-0.579
107	Bulgaria	0.868	0.633	0.611	4.033	7.27	15.207	0.555
108	Peru	0.649	0.589	0.339	1.305	1.59	17.387	-0.806
109	Colombia	0.686	0.493	0.520	2.034	1.68	23.302	0.100
110	Armenia	0.795	0.629	0.422	2.914	4.2	15.419	-0.392
111	Montenegro	0.774	..	..	2.376	3.93	..	..
112	Panama	0.694	0.512	0.452	1.569	2.25	21.962	-0.240
113	Tunisia	0.677	0.599	0.567	1.283	2.18	16.872	0.335
114	Romania	0.820	0.554	0.718	2.257	6.84	19.335	1.088
115	Albania	0.698	0.586	0.436	1.216	2.89	17.573	-0.318
116	Jordan	0.643	0.568	0.534	1.395	1.4	18.537	0.170
117	Malaysia	0.663	0.721	0.706	1.536	1.62	11.656	1.029

DCI rank	Country	Indices			Indicators			
		Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
Medium development challenges								
118	Argentina	0.833	..	0.458	4.001	4.95	..	-0.211
119	Georgia	0.813	0.807	0.492	5.997	2.89	8.982	-0.039
120	United Arab Emirates	0.679	0.476	0.498	2.371	1.36	24.523	-0.012
121	Seychelles	0.758	0.649	..	2.121	3.6	14.488	..
122	Hungary	0.849	0.747	0.832	3.231	7	10.767	1.662
123	Barbados	..	0.661	..	..	5.89	13.992	..
124	Poland	0.823	0.766	0.720	2.415	6.64	10.181	1.099
125	Croatia	0.821	0.673	0.674	3.000	5.49	13.506	0.870
126	Mauritius	0.755	0.613	0.465	2.194	3.4	16.198	-0.173
127	Slovakia	0.836	0.626	0.783	3.466	5.78	15.539	1.413
128	Uruguay	0.770	0.740	0.505	3.956	2.48	11.019	0.025
Low development challenges								
129	Costa Rica	0.624	0.706	0.567	1.376	1.15	12.205	0.334
130	Chile	0.716	0.582	0.464	2.294	2.12	17.794	-0.182
131	Latvia	0.829	0.725	0.641	3.189	5.72	11.537	0.705
132	Lithuania	0.872	0.672	0.671	4.735	6.69	13.517	0.857
133	Czechia	0.860	..	0.861	4.019	6.66	..	1.803
134	Greece	0.840	0.793	0.522	5.404	4.2	9.380	0.108



DCI rank	Country	Indices			Indicators			
		Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
Low development challenges								
135	United States	0.749	0.656	0.810	2.588	2.77	14.199	1.548
136	Slovenia	0.803	0.665	0.823	3.001	4.49	13.802	1.617
137	Estonia	0.819	0.731	0.693	3.455	4.76	11.312	0.964
138	Italy	0.792	0.726	0.788	3.950	3.17	11.481	1.440
139	Korea (Republic of)	0.872	0.611	0.921	2.304	11.98	16.287	2.106
140	Portugal	0.814	0.702	0.660	4.940	3.39	12.353	0.801
141	Iceland	0.789	0.767	..	3.889	3.13	10.144	..
142	Israel	0.777	0.710	0.740	3.463	2.99	12.071	1.201
143	Cyprus	0.748	0.710	0.537	1.951	3.43	12.039	0.183
144	Canada	0.735	..	0.629	2.311	2.6	..	0.646
145	Malta	0.803	0.687	..	2.860	4.67	12.939	..
146	Spain	0.783	0.682	0.666	3.811	2.97	13.132	0.829
147	Australia	0.802	..	0.394	3.567	3.84	..	-0.531
148	Singapore	0.730	0.645	0.870	2.294	2.48	14.694	1.851
Very low development challenges								
149	Luxembourg	0.807	0.833	..	2.905	4.81	8.303	..
150	Belgium	0.827	0.732	0.735	3.068	5.76	11.277	1.177
151	France	0.836	..	0.775	3.238	6.06	..	1.373

DCI rank	Country	Indices			Indicators			
		Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
Very low development challenges								
152	Japan	0.884	0.624	0.985	2.412	13.11	15.661	2.427
153	New Zealand	0.767	0.640	0.526	3.383	2.74	14.916	0.129
154	Austria	0.887	0.771	0.861	5.123	7.42	10.017	1.806
155	United Kingdom	0.747	0.635	0.801	2.756	2.57	15.133	1.507
156	Netherlands	0.790	0.717	0.696	3.547	3.41	11.806	0.980
157	Germany	0.880	0.703	0.917	4.194	8.06	12.303	2.087
158	Finland	0.809	0.669	0.809	3.812	3.97	13.667	1.546
159	Ireland	0.771	..	0.772	3.232	2.96	..	1.360
160	Sweden	0.765	0.705	0.840	3.984	2.34	12.233	1.698
161	Norway	0.778	0.822	0.587	2.698	3.68	8.594	0.436
162	Denmark	0.775	0.748	0.719	4.010	2.6	10.737	1.094
163	Switzerland	0.832	0.774	0.933	4.247	4.69	9.929	2.166
Other countries or territories								
American Samoa		..	..	..	..	..	..	..
Andorra		..	0.756	..	3.333	..	10.498	..
Antigua and Barbuda		..	0.701	..	..	3.01	12.406	..
Aruba		..	..	..	..	..	..	..
Bahamas		0.743	0.552	..	2.308	2.83	19.449	..

Country	Indices			Indicators			
	Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
<i>Other countries or territories</i>							
Belize	0.565	0.547	..	0.566	1.22	19.783	..
Bermuda	..	..	..	..	..	..	..
British Virgin Islands	..	0.722	..	..	..	11.617	..
Brunei Darussalam	0.722	0.775	..	1.781	2.76	9.895	..
Cayman Islands	..	0.622	..	..	..	15.747	..
Channel Islands	..	..	..	..	..	..	..
Comoros	..	0.432	..	0.272	..	28.058	..
Curacao	..	..	..	..	..	..	..
Dominica	..	0.683	..	..	3.8	13.077	..
Equatorial Guinea	..	0.494	..	..	..	23.227	..
Eritrea	0.356	0.325	..	0.063	0.7	38.741	..
Faroe Islands	..	..	..	..	..	..	..
French Polynesia	..	..	..	..	..	..	..
Gibraltar	..	0.657	..	..	..	14.170	..
Greenland	..	..	..	..	..	..	..
Grenada	..	0.610	..	..	3.58	16.351	..
Guam	..	..	..	..	..	..	..
Guinea-Bissau	..	..	..	0.127	..	..	..

Country	Indices			Indicators			
	Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
<i>Other countries or territories</i>							
Hong Kong, China (SAR)	..	0.676	..	..	..	13.348	..
Isle of Man	..	..	..	..	..	..	..
Kiribati	0.529	0.463	..	0.204	1.86	25.489	..
Korea (Democratic People's Rep. of)	0.915	0.538	..	3.701	13.2	20.300	..
Kosovo	..	..	..	..	..	..	..
Liechtenstein	..	0.853	..	..	..	7.802	..
Macau, China (SAR)	..	0.673	..	..	..	13.498	..
Marshall Islands	..	..	..	0.423	..	..	..
Micronesia (Federated States of)	..	0.548	..	..	..	19.711	..
Monaco	0.971	0.729	..	7.507	13.8	11.385	..
Nauru	..	0.313	..	1.346	..	40.178	..
New Caledonia	..	..	..	..	..	..	..
Northern Mariana Islands	..	..	..	..	..	..	..
Palau	..	..	..	1.421	..	..	..
State of Palestine	..	0.477	..	..	..	24.453	..
State of Palestine/Gaza	..	..	..	..	..	..	..
State of Palestine/West Bank	..	..	..	..	..	..	..
Puerto Rico	..	0.672	..	..	..	13.536	..

Country	Indices			Indicators			
	Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
<i>Other countries or territories</i>							
Saint Kitts and Nevis	0.735	0.664	..	2.676	2.3	13.873	..
Saint Lucia	0.691	0.644	..	2.681	1.41	14.739	..
Saint Vincent and the Grenadines	..	0.652	..	..	4.32	14.393	..
Samoa	..	..	..	0.345	..	..	..
San Marino	0.839	0.892	..	6.109	3.8	6.931	..
Sint Maarten (Dutch part)	..	..	..	..	..	..	..
Solomon Islands	0.500	0.464	..	0.194	1.4	25.410	..
Somalia	0.303	..	..	0.023	0.87	..	..
South Sudan	..	0.263	..	..	..	46.750	..
St. Martin (French part)	..	..	..	..	..	..	..
Taiwan Province of China	..	..	..	..	..	..	..
Timor-Leste	..	0.445	..	0.695	..	26.949	..
Tonga	..	0.517	..	0.540	..	21.633	..
Turks and Caicos Islands	..	0.584	..	..	..	17.692	..
Tuvalu	..	0.626	..	0.917	..	15.576	..
Virgin Islands (United States)	..	..	..	..	..	..	..
<i>Regions</i>							
Arab region	0.639	0.519	0.428	1.164	2.109	22.251	-0.361
East Asia and the Pacific	0.721	0.590	0.711	1.588	3.991	17.652	1.056

Country	Indices			Indicators			
	Health sector capacity index	Pupil-teacher ratio index	Economic complexity index, standardized	Number of physicians per 1,000 people	Number of hospital beds per 1,000 people	Pupil-teacher ratio, primary	Economic complexity index
<i>Regions</i>							
Europe and Central Asia	0.817	0.640	0.665	3.372	5.419	15.455	0.824
Latin America and the Caribbean	0.684	0.523	0.524	2.162	1.849	21.644	0.121
North America	0.748	0.656	0.791	2.559	2.752	14.199	1.455
South Asia	0.515	0.375	0.541	0.766	0.610	33.641	0.203
Sub-Saharan Africa	0.321	0.321	0.288	0.208	0.645	40.414	-1.061
World	0.650	0.503	0.583	1.479	2.699	24.564	0.415

**Table A.4:** Environmental sustainability challenge index: dimensions and indicators

DCI rank	Country	Dimensions		Indicators			
		Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
Very high development challenges							
1	Haiti	0.416	0.782	0.3	1.37	9.79	21.805
2	Central African Republic	0.219	0.878	0.1	2.55	5.05	12.185
3	Democratic Republic of the Congo	0.508	0.776	0	1.99	13.84	22.350
4	Yemen	0.090	0.823	0.4	1.1	2.04	17.710
5	Chad	0.151	0.851	0.1	1.54	3.53	14.868
6	Burundi	0.326	0.781	0	1.58	7.7	21.929
7	Liberia	0.510	0.787	0.3	1.58	13.6	21.261
8	Togo	0.483	0.836	0.4	2.5	11.26	16.360
9	Mozambique	0.489	0.719	0.3	1.98	11.48	28.094
10	Zimbabwe	0.480	0.775	0.8	3.22	11.02	22.474

DCI rank	Country	Dimensions		Indicators			
		Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
Very high development challenges							
11	Congo	0.302	0.819	0.6	2.2	6.94	18.071
12	Turkmenistan	0.727	0.550	13.7	21.53	13.33	45.047
13	Lesotho	0.394	0.882	1.3	11.39	8.04	11.766
14	Zambia	0.374	0.790	0.3	3.48	8.58	20.997
15	Guinea	0.240	0.814	0.3	2.28	5.52	18.619
16	Madagascar	0.330	0.779	0.2	0.84	7.82	22.065
17	Syrian Arab Republic	0.215	0.553	1.7	3.38	4.48	44.740
18	Cameroon	0.194	0.864	0.3	1.92	4.45	13.603
19	Mali	0.217	0.805	0.2	4.62	4.76	19.510
20	Sudan	0.210	0.792	0.5	4.98	4.48	20.753
21	Afghanistan	0.077	0.800	0.3	1.22	1.75	20.050
22	Nigeria	0.292	0.861	0.7	2.7	6.63	13.926
23	Uganda	0.432	0.743	0.1	2.53	10.1	25.659
24	Eswatini (Kingdom of)	0.233	0.824	1.1	9.57	4.45	17.580
25	Venezuela (Bolivarian Republic of)	0.327	0.535	4.8	7.26	6.02	46.512
High development challenges							
26	Lao People's Democratic Republic	0.296	0.728	2.7	7.53	5.76	27.151
27	Angola	0.147	0.796	1.1	3.35	3.01	20.371
28	Niger	0.227	0.829	0.1	3.2	5.17	17.145
29	Pakistan	0.214	0.854	1.1	3.19	4.63	14.641
30	Tajikistan	0.227	0.793	0.6	3.7	5	20.739
31	Ethiopia	0.331	0.748	0.1	0.75	7.89	25.150
32	Libya	0.407	0.544	8.1	3.9	7.47	45.636
33	Sierra Leone	0.248	0.809	0.1	6.35	5.36	19.062

DCI rank	Country	Dimensions		Indicators			
		Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
High development challenges							
34	Mauritania	0.153	0.800	0.6	2.5	3.35	20.021
35	Papua New Guinea	0.207	0.716	0.9	2.58	4.57	28.356
36	Benin	0.274	0.797	0.6	4.41	6.05	20.274
37	Djibouti	0.097	0.799	0.7	2.31	2.02	20.147
38	Burkina Faso	0.206	0.804	0.2	3.95	4.57	19.554
39	Iraq	0.337	0.605	5.3	2.75	6.58	39.508
40	Nicaragua	0.213	0.598	0.9	4.32	4.53	40.235
41	Cambodia	0.230	0.695	0.6	3.62	5.08	30.503
42	Tanzania (United Republic of)	0.263	0.726	0.2	1.38	6.19	27.439
43	Guyana	0.495	0.665	3.1	118.07	5.19	33.532
44	Côte d'Ivoire	0.147	0.806	0.3	0.94	3.45	19.403
45	Malawi	0.198	0.735	0.1	1.2	4.67	26.458
46	Honduras	0.215	0.666	1	3.99	4.59	33.426
47	Nepal	0.280	0.790	0.3	2.78	6.43	21.003
48	Gambia	0.133	0.786	0.3	2.32	2.96	21.436
49	Bangladesh	0.113	0.776	0.5	2.36	2.45	22.409
50	Guatemala	0.201	0.692	1.1	3.87	4.25	30.789
51	Egypt	0.190	0.662	2.4	4.83	3.58	33.774
52	Uzbekistan	0.415	0.703	2.8	6.03	8.72	29.674
53	South Africa	0.435	0.689	8.1	8.46	7.7	31.083
54	Rwanda	0.175	0.756	0.1	3.11	3.93	24.438
55	Bahrain	0.599	0.508	19.8	14.38	8.22	49.194
56	Iran (Islamic Republic of)	0.524	0.517	8.8	14.05	9.08	48.338
57	Myanmar	0.162	0.754	0.5	1.43	3.69	24.603



DCI rank	Country	Dimensions		Indicators			
		Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
High development challenges							
58	Kenya	0.237	0.743	0.4	2.99	5.36	25.737
59	Gabon	0.316	0.721	2.5	4.46	6.59	27.863
60	Mongolia	0.410	0.724	8.9	13.86	6.37	27.606
61	Namibia	0.195	0.775	1.7	8.19	3.53	22.484
62	Vanuatu	0.191	0.733	0.5	7.59	3.77	26.711
63	Azerbaijan	0.238	0.673	3.7	6.26	4.26	32.718
64	Senegal	0.166	0.796	0.7	2.44	3.64	20.358
65	Suriname	0.257	0.634	3.1	14.17	4.08	36.587
66	Bosnia and Herzegovina	0.377	0.561	6.5	10.17	6.52	43.875
67	India	0.219	0.837	2	4.6	4.38	16.327
68	Sao Tome and Principe	0.175	0.713	0.6	5.91	3.54	28.661
69	Ghana	0.129	0.799	0.6	3.57	2.67	20.071
70	Botswana	0.293	0.798	3	34.11	2.99	20.209
71	Bolivia (Plurinational State of)	0.207	0.641	2	5.53	4	35.921
72	Kyrgyzstan	0.295	0.663	1.6	8.65	5.88	33.734
73	Saudi Arabia	0.466	0.528	18.4	12.39	5.58	47.248
74	El Salvador	0.170	0.575	1.1	6.27	3.27	42.484
Medium development challenges							
75	Kuwait	0.713	0.427	23.7	46.46	6.82	57.286
76	Bhutan	0.403	0.702	1.6	10.37	8.28	29.794
77	Kazakhstan	0.532	0.592	17.6	18.13	6.79	40.809
78	Oman	0.504	0.566	13.9	10.4	7.75	43.355
79	China	0.417	0.582	7	20.88	6.3	41.757
80	Algeria	0.266	0.496	3.7	3.09	5.26	50.446

DCI rank	Country	Dimensions		Indicators			
		Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
Medium development challenges							
81	Paraguay	0.212	0.532	1.1	15.13	3.4	46.817
82	Lebanon	0.236	0.469	3.5	15.44	3.36	53.054
83	Belarus	0.331	0.441	6.9	0.43	6.3	55.909
84	Philippines	0.143	0.659	1.3	4.4	2.77	34.070
85	Morocco	0.163	0.667	1.8	3.86	3.17	33.271
86	Brazil	0.255	0.503	2.2	17.37	3.93	49.676
87	Russian Federation	0.495	0.470	11.7	9.93	8.12	52.986
88	Trinidad and Tobago	0.773	0.454	31.3	5.57	19.52	54.567
89	Cuba	0.129	0.495	2.5	7.76	1.82	50.512
90	Mexico	0.200	0.525	3.8	9.83	3	47.525
91	Cabo Verde	0.158	0.696	1.2	8.57	2.73	30.407
92	Dominican Republic	0.132	0.639	2.3	6.57	2.05	36.080
93	Viet Nam	0.273	0.594	2.2	12.66	4.82	40.644
94	Thailand	0.290	0.516	4.2	14.96	4.53	48.388
95	Qatar	0.591	0.431	38	13.23	6.91	56.857
96	Moldova (Republic of)	0.238	0.544	1.3	3.78	5.09	45.563
97	Türkiye	0.224	0.487	5.2	16.15	2.59	51.308
98	Ukraine	0.413	0.510	5.1	12.14	7.51	49.044
99	Ecuador	0.196	0.498	2.5	10.95	3.1	50.242
100	Indonesia	0.178	0.710	2.3	6.25	3.18	28.985
101	Fiji	0.136	0.653	2.4	7.23	2.05	34.717
102	Maldives	0.195	0.520	3	14.52	2.59	47.952
103	Serbia	0.340	0.522	5.2	16.68	5.3	47.801
104	Sri Lanka	0.098	0.579	1.1	4.11	1.76	42.092

DCI rank	Country	Dimensions		Indicators			
		Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
Medium development challenges							
105	North Macedonia	0.224	0.564	3.5	13.77	3.25	43.629
106	Jamaica	0.230	0.545	2.8	7.9	4.13	45.539
107	Bulgaria	0.321	0.497	6.3	12.82	4.97	50.318
108	Peru	0.162	0.549	1.7	9.59	2.6	45.124
109	Colombia	0.155	0.450	2	10.66	2.27	54.952
110	Armenia	0.193	0.565	1.9	8.15	3.44	43.546
111	Montenegro	0.283	0.533	3.2	26.65	3.44	46.674
112	Panama	0.113	0.496	2.6	8.04	1.39	50.390
113	Tunisia	0.211	0.508	2.7	6.31	3.85	49.169
114	Romania	0.210	0.500	3.8	16.94	2.53	50.035
115	Albania	0.164	0.555	1.6	11.39	2.51	44.474
116	Jordan	0.211	0.414	2.4	6.73	3.89	58.558
117	Malaysia	0.367	0.446	8.1	24.15	4.51	55.366
118	Argentina	0.240	0.398	4.4	14.67	3.31	60.192
119	Georgia	0.220	0.613	2.6	9.12	3.83	38.714
120	United Arab Emirates	0.600	0.448	21.3	49.57	4.39	55.221
121	Seychelles	0.276	0.492	6.7	22.33	2.86	50.813
122	Hungary	0.263	0.459	5.1	14.85	3.69	54.115
123	Barbados	0.245	0.393	4.5	11.07	3.76	60.654
124	Poland	0.343	0.411	9.1	24.54	3.67	58.862
125	Croatia	0.240	0.388	4.5	16	3.16	61.237
126	Mauritius	0.211	0.400	3.8	20.81	2.17	59.984
127	Slovakia	0.383	0.357	6.6	35.28	4.16	64.338
128	Uruguay	0.297	0.323	2	37.7	2.97	67.711

DCI rank	Country	Dimensions		Indicators			
		Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
Low development challenges							
129	Costa Rica	0.134	0.395	1.6	8.26	2.1	60.497
130	Chile	0.266	0.366	4.6	17.54	3.6	63.435
131	Latvia	0.270	0.420	3.7	23.15	3.36	58.003
132	Lithuania	0.330	0.368	4.8	36.32	3.21	63.238
133	Czechia	0.372	0.317	9.9	23.04	4.32	68.274
134	Greece	0.297	0.194	7	25.79	2.96	80.631
135	United States	0.493	0.172	16.6	32.48	4.66	82.754
136	Slovenia	0.318	0.311	6.9	23.72	3.68	68.910
137	Estonia	0.503	0.270	14.8	29.58	5.62	72.983
138	Italy	0.246	0.145	5.6	21.89	2.47	85.513
139	Korea (Republic of)	0.473	0.186	12.9	28.57	5.47	81.415
140	Portugal	0.234	0.166	5	18.65	2.63	83.368
141	Iceland	0.753	0.019	10.8	34.79	12.98	98.098
142	Israel	0.284	0.164	7.7	23.88	2.66	83.584
143	Cyprus	0.290	0.185	6.3	27.54	2.78	81.482
144	Canada	0.583	0.083	15.3	34.94	6.87	91.664
145	Malta	0.199	0.139	3.6	26.52	1.36	86.086
146	Spain	0.269	0.132	5.7	24.13	2.77	86.829
147	Australia	0.527	0.084	16.9	43.35	4.33	91.638
148	Singapore	0.437	0.150	7.1	76.1	2.87	84.973
Very low development challenges							
149	Luxembourg	0.503	0.074	15.9	105.56	2.35	92.637
150	Belgium	0.343	0.140	8.7	24.1	3.8	85.999
151	France	0.283	0.085	5.2	22.46	3.38	91.471

DCI rank	Country	Dimensions		Indicators			
		Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
Very low development challenges							
152	Japan	0.339	0.097	9.1	25.93	3.43	90.280
153	New Zealand	0.345	0.120	7.3	24.46	4.16	88.034
154	Austria	0.327	0.120	7.7	32.9	2.79	87.988
155	United Kingdom	0.246	0.083	5.6	22.71	2.38	91.732
156	Netherlands	0.338	0.090	9.5	27.67	3.14	90.960
157	Germany	0.302	0.104	9.1	22.99	2.84	89.572
158	Finland	0.456	0.007	8.5	36.14	5.35	99.267
159	Ireland	0.225	0.058	8.1	21.46	1.41	94.189
160	Sweden	0.333	0.016	4.1	32.24	3.85	98.405
161	Norway	0.385	0.015	8.3	37.88	3.53	98.546
162	Denmark	0.251	0.083	6.1	24.6	2.19	91.685
163	Switzerland	0.244	0.050	4.3	32.11	1.71	95.010
Other countries or territories							
American Samoa		..	..	..	..	..	..
Andorra		..	0.076	6.1	..	..	92.397
Antigua and Barbuda		0.243	0.445	5.9	12.54	3.24	55.511
Aruba		..	..	8.4	..	3.44	..
Bahamas		0.236	0.469	4.7	20.21	2.61	53.146
Belize		0.275	0.597	1.5	7.79	5.52	40.321
Bermuda		..	0.288	9.5	..	..	71.186
British Virgin Islands		..	..	7.2	..	..	..
Brunei Darussalam		0.470	0.260	18.5	19.98	4.91	73.996
Cayman Islands		..	..	8.7	..	1.99	..
Channel Islands		..	..	..	..	..	..

Country	Dimensions		Indicators			
	Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
<i>Other countries or territories</i>						
Comoros	..	0.727	0.3	..	3.07	27.264
Curacao	..	..	33.8	..	17.53	..
Dominica	..	0.532	2.5	..	3.62	46.834
Equatorial Guinea	..	0.724	4.3	..	1.75	27.576
Eritrea	0.204	0.845	0.2	6.22	4.29	15.485
Faroe Islands	..	..	13.1	..	..	..
French Polynesia	..	..	2.8	..	..	..
Gibraltar	..	..	18.8	..	..	..
Greenland	..	0.295	9.1	..	..	70.513
Grenada	..	0.537	2.4	..	2.92	46.302
Guam	..	..	..	..	..	..
Guinea-Bissau	..	0.849	0.2	..	10.82	15.137
Hong Kong, China (SAR)	..	..	5.9	..	1.42	..
Isle of Man	..	..	..	..	..	..
Kiribati	..	0.771	0.6	..	6.29	22.944
Korea (Democratic People's Rep. of)	0.254	..	1.2	1.01	5.77	..
Kosovo	..	..	5.0	..	..	..
Liechtenstein	..	..	4.0	..	..	..
Macau, China (SAR)	..	..	3.4	..	0.74	..
Marshall Islands	..	0.674	2.6	..	11.03	32.565
Micronesia (Federated States of)	..	0.692	1.3	..	6.09	30.761
Monaco	..	0.107	..	..	..	89.331
Nauru	..	0.579	4.7	..	3.52	42.092
New Caledonia	..	..	19.3	..	..	..

Country	Dimensions		Indicators			
	Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
<i>Other countries or territories</i>						
Northern Mariana Islands	..	..	..	..	..	..
Palau	..	0.431	13.2	..	11.02	56.927
State of Palestine	..	0.568	0.7	..	3.75	43.176
State of Palestine/Gaza	..	..	..	..	..	..
State of Palestine/West Bank	..	..	..	..	..	..
Puerto Rico	..	..	..	..	0.43	..
Saint Kitts and Nevis	..	0.453	4.6	..	2.41	54.740
Saint Lucia	..	0.522	2.3	..	2.33	47.788
Saint Vincent and the Grenadines	..	0.559	2.0	..	3.26	44.105
Samoa	0.214	0.576	1.3	7.89	4.11	42.399
San Marino	..	0.097	..	..	..	90.292
Sint Maarten (Dutch part)	..	..	..	..	9.34	..
Solomon Islands	..	0.796	0.3	..	5.47	20.414
Somalia	..	0.742	0.0	2.33	..	25.788
South Sudan	..	0.810	0.2	1.64	..	19.025
St. Martin (French part)	..	..	..	..	..	..
Taiwan Province of China	..	0.408	..	..	..	59.215
Timor-Leste	..	0.711	0.4	..	0.94	28.871
Tonga	..	0.564	1.3	..	3.67	43.628
Turks and Caicos Islands	..	..	5.9	..	4.03	..
Tuvalu	..	0.586	1.0	..	3.68	41.428
Virgin Islands (United States)	..	..	..	..	..	..
<i>Regions</i>						
Arab region	0.257	0.624	5.0	6.558	4.419	37.583

Country	Dimensions		Indicators			
	Climate change and energy efficiency challenge index	Environmental health challenge index	Carbon dioxide emissions per capita	Material footprint per capita	Energy intensity per unit of GDP	Environmental health
<i>Regions</i>						
East Asia and the Pacific	0.354	0.561	6.0	18.001	5.327	43.921
Europe and Central Asia	0.331	0.318	7.2	18.504	4.448	68.230
Latin America and the Caribbean	0.226	0.513	2.8	12.492	3.610	48.709
North America	0.502	0.163	16.5	32.734	4.889	83.675
South Asia	0.219	0.815	2.0	4.563	4.398	18.486
Sub-Saharan Africa	0.309	0.786	0.8	2.803	7.148	21.354
World	0.302	0.607	4.6	12.186	5.019	39.293

**Table A.5:** Governance challenge index: dimensions and indicators

DCI rank	Country	Dimensions		Indicators							
		Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
Very high development challenges											
1	Haiti	0.591	0.909	-1.025	0.183	0.822	0.652	-1.465	-0.657	1.205	-2.034
2	Central African Republic	0.595	0.839	-1.159	0.289	0.590	-0.543	-1.519	0.564	0.216	-1.690
3	Democratic Republic of the Congo	0.570	0.840	-0.470	0.270	-0.446	-0.234	-1.271	0.252	1.438	-1.693
4	Yemen	0.740	0.965	-1.875	0.129	-1.419	-1.044	-1.496	-1.744	0.480	-2.308
5	Chad	0.644	0.793	-0.785	0.249	-1.381	-0.111	-2.362	-0.892	1.375	-1.460
6	Burundi	0.657	0.752	-0.543	0.269	-2.431	-0.259	-0.708	0.110	-0.591	-1.259
7	Liberia	0.384	0.782	0.821	0.625	0.656	0.320	-0.063	1.826	1.712	-1.410
8	Togo	0.585	0.636	-0.054	0.294	-0.918	-0.855	-0.602	-0.318	1.346	-0.691
9	Mozambique	0.488	0.643	-0.068	0.524	0.131	0.688	-0.610	1.028	0.375	-0.724
10	Zimbabwe	0.486	0.750	-0.962	0.705	1.578	0.278	-0.829	-0.574	1.118	-1.251



DCI rank	Country	Dimensions		Indicators							
		Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
Very high development challenges											
11	Congo	0.570	0.788	-1.160	0.339	0.471	-1.109	-0.331	0.597	0.627	-1.435
12	Turkmenistan	0.763	0.731	-1.234	0.128	-1.438	1.077	-1.779	-2.042	-1.988	-1.158
13	Lesotho	0.316	0.681	1.447	0.858	2.066	0.765	0.440	0.851	1.724	-0.912
14	Zambia	0.504	0.652	-0.104	0.346	2.345	-1.862	-0.093	0.930	0.908	-0.768
15	Guinea	0.567	0.678	-0.076	0.240	-1.887	0.590	-1.290	0.486	1.625	-0.894
16	Madagascar	0.502	0.700	-0.065	0.516	-0.106	0.387	-0.579	0.430	0.887	-1.002
17	Syrian Arab Republic	0.806	0.847	-1.310	0.039	-1.710	0.110	-2.181	-2.476	-1.454	-1.729
18	Cameroon	0.582	0.675	0.170	0.489	-1.548	-0.417	-1.743	-0.044	0.477	-0.883
19	Mali	0.435	0.731	1.078	0.645	-0.449	-0.081	-0.322	1.104	1.380	-1.154
20	Sudan	0.480	0.798	-0.158	0.382	-0.528	0.173	-0.295	1.063	2.310	-1.486
21	Afghanistan	0.552	0.806	-0.299	0.196	-1.765	0.089	-0.352	1.250	1.628	-1.523
22	Nigeria	0.393	0.705	1.239	0.687	0.709	1.346	-0.791	1.055	1.052	-1.029
23	Uganda	0.484	0.613	0.364	0.546	0.789	-0.398	-0.205	0.746	0.368	-0.577
24	Eswatini (Kingdom of)	0.540	0.652	-0.316	0.558	-0.493	0.888	-0.630	0.021	-0.265	-0.769
25	Venezuela (Bolivarian Republic of)	0.762	0.858	-1.881	0.157	-1.782	-1.926	-2.514	-1.215	0.332	-1.780
High development challenges											
26	Lao People's Democratic Republic	0.658	0.652	-0.490	0.242	-0.963	0.163	-0.324	-0.751	-1.169	-0.766
27	Angola	0.511	0.736	0.036	0.534	0.627	0.857	-0.110	-0.531	0.234	-1.182
28	Niger	0.336	0.621	1.637	0.676	1.311	0.459	1.021	1.031	2.226	-0.617
29	Pakistan	0.520	0.607	-0.857	0.283	1.351	-0.773	-1.794	1.573	1.598	-0.546
30	Tajikistan	0.732	0.640	-2.004	0.204	-1.986	-0.139	-1.139	-1.422	-0.364	-0.710

DCI rank	Country	Dimensions		Indicators							
		Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
High development challenges											
31	Ethiopia	0.448	0.608	0.521	0.695	-0.713	-0.230	0.302	1.685	0.329	-0.552
32	Libya	0.629	0.904	-2.385	0.101	1.041	0.975	-2.532	-0.028	0.958	-2.009
33	Sierra Leone	0.250	0.703	1.532	0.823	1.096	1.260	1.408	2.509	2.493	-1.016
34	Mauritania	0.517	0.653	-0.106	0.312	-0.389	0.685	-0.020	0.326	1.438	-0.772
35	Papua New Guinea	0.472	0.668	0.347	0.647	0.716	-0.053	-0.982	0.408	0.784	-0.847
36	Benin	0.409	0.550	-0.017	0.801	0.069	1.007	1.642	0.257	0.974	-0.264
37	Djibouti	0.499	0.633	0.254	0.614	-1.403	0.352	0.078	0.735	0.352	-0.677
38	Burkina Faso	0.311	0.632	2.409	0.450	1.556	0.852	0.683	2.296	2.356	-0.670
39	Iraq	0.577	0.766	-0.469	0.315	0.654	0.178	-1.813	-0.299	0.654	-1.327
40	Nicaragua	0.738	0.641	-1.698	0.261	-2.009	-1.349	-1.327	-1.775	0.102	-0.714
41	Cambodia	0.675	0.581	-1.237	0.299	-2.126	-1.328	-1.403	-0.414	0.566	-0.419
42	Tanzania (United Republic of)	0.371	0.653	0.972	0.744	1.781	0.846	0.613	0.741	0.906	-0.773
43	Guyana	0.383	0.585	0.752	0.702	0.123	1.782	0.565	1.071	1.144	-0.438
44	Côte d'Ivoire	0.446	0.594	0.568	0.563	-1.421	0.570	0.476	1.098	1.723	-0.481
45	Malawi	0.285	0.657	2.086	0.756	2.063	0.888	0.625	1.658	2.002	-0.794
46	Honduras	0.574	0.617	-0.814	0.344	-0.848	-1.126	-0.166	0.716	0.897	-0.596
47	Nepal	0.312	0.688	0.811	0.795	1.606	1.298	0.640	1.430	2.067	-0.944
48	Gambia	0.368	0.633	1.011	0.873	1.181	0.314	0.967	0.187	1.367	-0.672
49	Bangladesh	0.581	0.656	-0.926	0.285	-0.643	0.268	-2.020	0.602	1.137	-0.788
50	Guatemala	0.526	0.636	0.365	0.322	0.703	-1.163	-0.352	0.908	0.698	-0.687
51	Egypt	0.616	0.607	-0.790	0.525	-0.736	0.519	-1.425	-1.324	-0.275	-0.545
52	Uzbekistan	0.556	0.599	0.171	0.561	-0.570	0.420	-0.100	0.031	-1.252	-0.507

DCI rank	Country	Dimensions		Indicators							
		Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial account-ability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
High development challenges											
53	South Africa	0.342	0.435	1.117	0.894	1.122	1.170	0.744	0.848	1.018	0.299
54	Rwanda	0.475	0.426	0.511	0.548	0.176	1.954	-0.026	0.152	-0.103	0.342
55	Bahrain	0.719	0.409	-0.550	0.304	-1.198	-2.185	-1.348	-0.641	-1.639	0.429
56	Iran (Islamic Republic of)	0.539	0.697	0.256	0.550	0.840	0.100	0.389	-0.706	-0.888	-0.989
57	Myanmar	0.387	0.698	0.474	0.690	1.282	1.167	0.873	0.486	1.335	-0.997
58	Kenya	0.371	0.568	1.258	0.693	1.508	0.877	1.085	0.661	0.969	-0.354
59	Gabon	0.345	0.681	2.199	0.847	-1.754	0.153	1.751	1.719	1.542	-0.910
60	Mongolia	0.416	0.566	0.491	0.728	0.740	0.216	1.105	0.764	0.566	-0.344
61	Namibia	0.327	0.486	1.647	0.800	1.485	1.835	2.422	-0.037	1.012	0.050
62	Vanuatu	0.306	0.590	1.325	0.840	2.006	1.829	0.895	1.553	0.644	-0.461
63	Azerbaijan	0.718	0.531	-0.825	0.244	-0.959	-1.579	-1.114	-1.640	-0.615	-0.170
64	Senegal	0.281	0.494	2.469	0.862	1.058	1.254	0.659	0.955	2.348	0.011
65	Suriname	0.401	0.605	0.486	0.737	1.712	-0.122	-0.072	0.886	1.157	-0.539
66	Bosnia and Herzegovina	0.489	0.694	0.548	0.608	0.656	-0.611	-1.226	0.275	0.910	-0.975
67	India	0.421	0.417	1.138	0.665	0.872	-0.247	0.391	0.559	1.062	0.387
68	Sao Tome and Principe	0.353	0.627	1.472	0.788	1.213	0.725	1.699	1.073	0.426	-0.645
69	Ghana	0.296	0.527	2.471	0.905	1.917	1.819	-0.655	0.787	1.379	-0.153
70	Botswana	0.275	0.444	2.255	0.851	1.035	2.054	1.912	1.610	0.875	0.257
71	Bolivia (Plurinational State of)	0.483	0.610	0.299	0.474	0.258	0.040	-0.007	0.562	1.097	-0.562
72	Kyrgyzstan	0.462	0.606	0.559	0.583	0.244	1.052	0.108	0.393	0.373	-0.540
73	Saudi Arabia	0.647	0.466	-0.620	0.316	-1.751	1.005	-0.571	-0.750	-0.986	0.146

DCI rank	Country	Dimensions		Indicators							
		Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
High development challenges											
74	El Salvador	0.598	0.568	-0.944	0.279	0.396	-0.455	-0.420	-1.269	1.386	-0.356
Medium development challenges											
75	Kuwait	0.419	0.528	1.676	0.782	0.798	0.282	0.011	0.146	0.260	-0.158
76	Bhutan	0.286	0.420	1.213	0.862	2.275	1.752	1.874	1.781	0.426	0.373
77	Kazakhstan	0.524	0.464	-0.087	0.646	-0.338	0.589	-0.234	-0.122	-0.380	0.156
78	Oman	0.474	0.467	0.329	0.752	-0.355	1.997	0.855	-0.216	-0.967	0.142
79	China	0.599	0.364	-0.957	0.353	1.014	0.731	-0.629	-0.148	-1.497	0.648
80	Algeria	0.565	0.603	0.278	0.649	-0.502	-0.052	-1.250	-0.370	-0.911	-0.526
81	Paraguay	0.455	0.591	0.459	0.745	0.648	0.229	0.038	0.296	0.107	-0.466
82	Lebanon	0.461	0.734	-0.252	0.579	0.714	0.145	-0.690	0.269	2.048	-1.170
83	Belarus	0.700	0.644	-1.853	0.317	-1.664	-1.047	-0.835	-1.959	0.840	-0.729
84	Philippines	0.450	0.484	-0.637	0.704	-0.020	1.256	-0.731	0.629	1.373	0.061
85	Morocco	0.395	0.502	0.224	0.887	1.085	0.706	-0.317	0.600	0.955	-0.030
86	Brazil	0.428	0.587	0.015	0.642	0.957	0.731	0.148	0.431	1.461	-0.447
87	Russian Federation	0.603	0.489	-0.613	0.380	-1.241	0.773	-0.755	-0.749	0.213	0.033
88	Trinidad and Tobago	0.289	0.459	1.446	0.862	2.228	0.814	0.920	1.788	1.341	0.180
89	Cuba	0.724	0.530	-1.207	0.192	-1.067	1.702	-0.893	-2.007	-2.152	-0.168
90	Mexico	0.567	0.527	-0.090	0.339	-0.132	0.546	-0.039	-0.575	0.197	-0.155
91	Cabo Verde	0.357	0.446	1.062	0.781	2.248	1.091	0.780	0.966	0.303	0.247
92	Dominican Republic	0.369	0.563	0.741	0.599	-0.496	-0.101	0.464	3.317	1.785	-0.331
93	Viet Nam	0.485	0.455	-0.121	0.542	-0.523	0.430	-0.252	0.781	1.130	0.200
94	Thailand	0.601	0.435	-1.153	0.334	-0.086	-0.824	-1.171	-0.025	0.778	0.301

DCI rank	Country	Dimensions		Indicators							
		Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
Medium development challenges											
95	Qatar	0.574	0.311	0.220	0.620	-1.594	1.370	0.392	-1.208	-1.278	0.908
96	Moldova (Republic of)	0.457	0.589	0.410	0.761	-0.261	-0.935	0.959	0.894	0.292	-0.456
97	Türkiye	0.684	0.505	-1.413	0.300	-1.557	1.054	-1.676	-0.827	-1.116	-0.044
98	Ukraine	0.417	0.568	-0.554	0.694	1.650	0.332	-0.320	1.305	1.150	-0.356
99	Ecuador	0.443	0.585	1.135	0.545	0.648	-0.308	0.461	0.166	1.594	-0.439
100	Indonesia	0.330	0.421	1.609	0.606	0.803	1.273	0.615	1.619	2.330	0.369
101	Fiji	0.430	0.435	0.110	0.719	-0.181	1.360	0.082	0.298	1.359	0.302
102	Maldives	0.441	0.519	1.323	0.603	1.050	0.409	0.045	0.484	0.195	-0.114
103	Serbia	0.442	0.489	0.799	0.742	0.343	0.942	-0.168	-0.228	0.757	0.032
104	Sri Lanka	0.509	0.510	0.188	0.660	-1.055	0.214	-0.594	-0.193	0.937	-0.070
105	North Macedonia	0.434	0.468	1.047	0.692	0.471	-0.192	-0.128	0.956	0.568	0.138
106	Jamaica	0.315	0.412	1.107	0.721	1.788	1.147	1.136	1.117	2.214	0.414
107	Bulgaria	0.377	0.511	1.440	0.748	1.209	-1.014	0.529	1.657	1.008	-0.072
108	Peru	0.361	0.544	0.997	0.598	2.605	0.568	0.777	1.837	0.541	-0.237
109	Colombia	0.463	0.488	0.064	0.562	1.224	1.111	-0.029	-0.075	0.730	0.040
110	Armenia	0.384	0.521	1.145	0.772	1.082	0.034	0.703	1.007	0.795	-0.124
111	Montenegro	0.406	0.499	0.182	0.763	0.388	1.094	0.022	1.269	0.696	-0.015
112	Panama	0.425	0.481	0.535	0.770	0.806	-0.007	0.915	0.604	0.294	0.072
113	Tunisia	0.246	0.537	1.036	0.892	2.752	1.800	1.163	2.438	1.277	-0.204
114	Romania	0.388	0.541	0.130	0.798	1.482	0.954	0.607	0.583	0.940	-0.221
115	Albania	0.352	0.524	1.275	0.906	1.684	-0.054	0.561	0.471	1.346	-0.136
116	Jordan	0.373	0.473	0.719	0.834	1.647	1.067	0.100	0.573	0.857	0.115
117	Malaysia	0.426	0.284	0.557	0.781	-0.018	0.522	0.054	0.400	1.086	1.041

DCI rank	Country	Dimensions		Indicators							
		Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
Medium development challenges											
118	Argentina	0.376	0.540	0.996	0.771	0.805	-0.428	1.271	0.872	1.601	-0.217
119	Georgia	0.327	0.336	0.684	0.776	1.742	0.848	1.412	1.526	1.427	0.788
120	United Arab Emirates	0.448	0.227	2.340	0.522	-0.623	2.732	1.294	-0.415	-0.578	1.326
121	Seychelles	0.284	0.392	1.905	0.950	0.884	1.577	1.428	0.962	1.588	0.512
122	Hungary	0.440	0.378	-0.044	0.857	0.216	0.230	0.844	-0.087	0.681	0.581
123	Barbados	0.260	0.396	1.850	0.889	1.275	1.571	1.373	2.133	1.487	0.489
124	Poland	0.371	0.419	0.628	0.741	1.660	1.472	0.783	0.345	1.196	0.376
125	Croatia	0.363	0.407	0.911	0.853	1.676	0.519	0.680	0.369	1.233	0.438
126	Mauritius	0.317	0.320	1.024	0.818	2.091	1.268	0.425	1.043	1.734	0.866
127	Slovakia	0.278	0.385	1.439	0.961	2.647	0.551	1.346	1.650	0.920	0.544
128	Uruguay	0.247	0.337	2.325	0.921	1.123	1.864	2.153	1.530	1.472	0.782
Low development challenges											
129	Costa Rica	0.138	0.422	2.465	0.962	2.730	3.266	2.662	2.346	2.054	0.362
130	Chile	0.237	0.295	2.373	0.825	3.151	1.526	1.383	1.608	1.548	0.989
131	Latvia	0.264	0.317	1.750	0.924	1.699	1.330	1.842	2.770	0.098	0.882
132	Lithuania	0.251	0.281	1.333	0.936	3.298	2.022	1.320	1.246	1.163	1.059
133	Czechia	0.298	0.301	0.859	0.987	1.959	1.113	1.228	1.335	0.980	0.957
134	Greece	0.257	0.406	1.892	0.973	1.082	1.200	1.144	1.626	2.101	0.444
135	United States	0.181	0.228	2.066	0.927	1.030	2.361	1.774	3.026	2.582	1.319
136	Slovenia	0.314	0.259	1.199	0.943	2.072	0.962	1.116	0.382	1.457	1.166
137	Estonia	0.146	0.223	2.816	0.941	2.859	3.411	3.230	2.161	1.255	1.343
138	Italy	0.220	0.415	1.811	0.979	2.518	1.124	1.279	1.742	2.385	0.400
139	Korea (Republic of)	0.248	0.208	1.630	0.972	1.958	1.444	1.643	1.693	1.531	1.416

DCI rank	Country	Dimensions		Indicators							
		Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
Low development challenges											
140	Portugal	0.316	0.288	1.399	0.860	2.041	1.484	0.986	1.385	0.378	1.023
141	Iceland	0.177	0.186	2.164	0.939	2.302	1.759	2.011	2.351	2.666	1.524
142	Israel	0.263	0.273	2.239	0.932	1.704	2.564	1.381	0.799	1.164	1.096
143	Cyprus	0.219	0.316	1.901	0.974	2.463	1.507	1.651	2.106	1.525	0.883
144	Canada	0.193	0.162	2.601	0.922	1.583	2.213	2.110	2.822	1.398	1.644
145	Malta	0.294	0.285	1.486	0.901	1.603	1.024	1.028	1.456	1.469	1.039
146	Spain	0.199	0.314	2.471	0.977	1.604	2.000	2.755	2.518	1.039	0.895
147	Australia	0.205	0.167	1.719	0.969	2.275	2.818	3.198	1.274	1.503	1.619
148	Singapore	0.358	0.021	1.732	0.887	0.503	2.703	2.260	-0.514	-0.141	2.335
Very low development challenges											
149	Luxembourg	0.115	0.122	3.071	0.987	1.336	2.207	3.275	3.461	2.454	1.842
150	Belgium	0.141	0.267	2.819	0.991	2.226	1.890	3.028	2.488	2.399	1.124
151	France	0.210	0.242	2.241	0.963	1.534	1.777	2.787	1.720	1.942	1.248
152	Japan	0.230	0.172	2.933	0.971	1.812	3.005	1.841	1.172	0.541	1.596
153	New Zealand	0.179	0.173	2.653	0.966	2.540	1.858	3.228	2.189	1.242	1.589
154	Austria	0.169	0.160	2.263	0.957	2.096	2.232	2.726	2.545	1.985	1.655
155	United Kingdom	0.171	0.216	2.125	0.926	1.996	2.219	3.358	1.775	2.787	1.377
156	Netherlands	0.171	0.119	2.059	0.968	2.413	2.453	2.259	3.109	1.285	1.853
157	Germany	0.029	0.219	3.562	0.995	2.928	3.414	3.918	3.509	2.940	1.361
158	Finland	0.064	0.100	3.634	0.987	2.947	3.526	2.393	3.118	2.750	1.949
159	Ireland	0.136	0.195	3.240	0.979	1.667	1.364	2.710	3.142	2.566	1.480
160	Sweden	0.111	0.147	3.828	0.978	3.362	1.450	3.198	1.834	2.853	1.719
161	Norway	0.109	0.102	2.721	0.935	2.949	2.411	3.105	2.460	3.178	1.937
162	Denmark	0.070	0.112	1.967	0.997	3.224	3.615	2.598	3.595	2.995	1.891

DCI rank	Country	Dimensions		Indicators							
		Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
Very low development challenges											
163	Switzerland	0.093	0.085	3.276	0.990	1.805	2.986	3.503	3.478	2.090	2.020
Other countries or territories											
American Samoa		..	0.354	..	..	..	..	..	..	..	0.697
Andorra		..	0.125	..	..	..	..	..	..	..	1.826
Antigua and Barbuda		..	0.526	..	..	..	..	..	..	..	-0.150
Aruba		..	0.266	..	..	..	..	..	..	..	1.130
Bahamas		..	0.404	..	..	..	..	..	..	..	0.452
Belize		..	0.627	..	..	..	..	..	..	..	-0.646
Bermuda		..	0.182	..	..	..	..	..	..	..	1.543
British Virgin Islands		..	..	..	..	..	..	..	..	..	..
Brunei Darussalam		..	0.204	..	..	..	..	..	..	..	1.438
Cayman Islands		..	0.266	..	..	..	..	..	..	..	1.130
Channel Islands		..	..	..	..	..	..	..	..	..	..
Comoros		0.472	0.820	0.427	0.730	-1.897	-0.147	-0.252	0.362	1.772	-1.593
Curacao		..	..	..	..	..	..	..	..	..	..
Dominica		..	0.532	..	..	..	..	..	..	..	-0.180
Equatorial Guinea		0.688	0.795	-1.460	0.398	-0.421	-1.424	-1.298	-1.325	-0.654	-1.471
Eritrea		0.830	0.825	-2.327	0.085	-1.904	-0.972	-1.365	-1.966	-1.915	-1.617
Faroe Islands		..	..	..	..	..	..	..	..	..	..
French Polynesia		..	..	..	..	..	..	..	..	..	..
Gibraltar		..	..	..	..	..	..	..	..	..	..
Greenland		..	0.334	..	..	..	..	..	..	..	0.799
Grenada		..	0.509	..	..	..	..	..	..	..	-0.065
Guam		..	0.354	..	..	..	..	..	..	..	0.697



Country	Dimensions		Indicators							
	Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
Other countries or territories										
Guinea-Bissau	0.471	0.787	0.556	0.443	0.293	0.018	-1.076	1.500	1.132	-1.432
Hong Kong, China (SAR)	0.459	0.158	-0.020	0.785	-0.686	1.518	0.046	-0.260	0.765	1.662
Isle of Man	..	..	..	..	..	..	..	..	..	..
Kiribati	..	0.524	..	..	..	..	..	..	..	-0.136
Korea (Democratic People's Rep. of)	0.764	0.793	-1.488	0.041	0.406	1.554	-1.716	-1.817	-3.193	-1.464
Kosovo	0.463	0.561	0.761	0.451	0.688	0.121	0.400	1.008	0.556	-0.319
Liechtenstein	..	0.125	..	..	..	..	..	..	..	1.824
Macau, China (SAR)	..	0.266	..	..	..	..	..	..	..	1.130
Marshall Islands	..	0.782	..	..	..	..	..	..	..	-1.406
Micronesia (Federated States of)	..	0.513	..	..	..	..	..	..	..	-0.083
Monaco	..	..	..	..	..	..	..	..	..	..
Nauru	..	0.511	..	..	..	..	..	..	..	-0.076
New Caledonia	..	..	..	..	..	..	..	..	..	..
Northern Mariana Islands	..	..	..	..	..	..	..	..	..	..
Palau	..	0.505	..	..	..	..	..	..	..	-0.047
State of Palestine	..	0.627	..	..	..	..	..	..	..	-0.644
State of Palestine/Gaza	..	..	-0.141	0.464	..	1.202	-0.785	-1.274	1.873	..
State of Palestine/ West Bank	..	..	0.838	0.849	..	0.277	0.138	1.171	1.146	..
Puerto Rico	..	0.549	..	..	..	..	..	..	..	-0.260
Saint Kitts and Nevis	..	0.354	..	..	..	..	..	..	..	0.697
Saint Lucia	..	0.465	..	..	..	..	..	..	..	0.153

Country	Dimensions		Indicators							
	Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
<i>Other countries or territories</i>										
Saint Vincent and the Grenadines	..	0.465	..	..	..	..	..	..	..	0.153
Samoa	..	0.390	..	..	..	..	..	..	..	0.523
San Marino	..	..	..	..	..	..	..	..	..	..
Sint Maarten (Dutch part)	..	..	..	..	..	..	..	..	..	..
Solomon Islands	..	0.681	..	..	..	..	..	..	..	-0.913
Somalia	..	0.921	..	..	..	..	..	..	..	-2.094
South Sudan	0.682	0.972	-1.139	0.240	-1.072	-0.708	-2.408	-0.317	-0.153	-2.344
St. Martin (French part)	..	..	..	..	..	..	..	..	..	..
Taiwan Province of China	0.187	0.174	2.734	0.948	1.798	1.072	2.720	1.555	2.989	1.586
Timor-Leste	0.427	0.659	0.908	0.490	1.531	0.926	0.996	0.381	0.711	-0.802
Tonga	..	0.464	..	..	..	..	..	..	..	0.156
Turks and Caicos Islands	..	..	..	..	..	..	..	..	..	..
Tuvalu	..	0.628	..	..	..	..	..	..	..	-0.651
Virgin Islands (United States)	..	0.354	..	..	..	..	..	..	..	0.697
<i>Regions</i>										
Arab region	0.564	0.645	-0.371	0.483	-0.339	0.433	-0.946	-0.451	0.204	-0.732
East Asia and the Pacific	0.514	0.376	-0.229	0.480	0.883	0.919	-0.200	0.299	-0.369	0.590
Europe and Central Asia	0.362	0.386	0.977	0.729	0.889	1.386	1.066	0.993	1.105	0.540
Latin America and the Caribbean	0.474	0.567	0.131	0.531	0.642	0.410	0.094	0.243	0.944	-0.351

Country	Dimensions		Indicators							
	Democratic governance challenge index	Government effectiveness challenge index	Transparent laws with predictable enforcement	Access to justice index	Executive oversight	Judicial accountability	Rigorous and impartial public administration	Civil society consultation	Civil society participatory environment	Government effectiveness
<i>Regions</i>										
North America	0.182	0.221	2.121	0.926	1.087	2.346	1.809	3.005	2.460	1.353
South Asia	0.453	0.484	0.653	0.577	0.734	-0.212	-0.084	0.642	1.070	0.058
Sub-Saharan Africa	0.435	0.655	0.726	0.617	0.424	0.558	-0.183	0.828	1.010	-0.781
World	0.452	0.466	0.408	0.579	0.706	0.638	0.067	0.628	0.642	0.146

# References

- Abdelbaki, H. H. (2012). An Analysis of Income Inequality and Education Inequality in Bahrain. *Modern Economy* 3(05): 675.
- Abouyoub, Y., and N. Lindstaedt (2021). Towards an Arab Governance Index. Beirut: ESCWA. [www.unescwa.org/sites/default/files/pubs/pdf/arab-governance-index-english.pdf](http://www.unescwa.org/sites/default/files/pubs/pdf/arab-governance-index-english.pdf).
- Abu-Ismaïl, K. (2020). Impact of COVID-19 on Money Metric Poverty in Arab Countries. Beirut: ESCWA. [www.un.org/unispal/wp-content/uploads/2020/07/I2000216.pdf](http://www.un.org/unispal/wp-content/uploads/2020/07/I2000216.pdf).
- (2021). What Drives Quality-Adjusted Human Development Achievements? Beirut: ESCWA. [www.unescwa.org/sites/default/files/pubs/pdf/what-drives-quality-adjusted-human-development-achievements-english.pdf](http://www.unescwa.org/sites/default/files/pubs/pdf/what-drives-quality-adjusted-human-development-achievements-english.pdf).
- Abu-Ismaïl, K., Y. Chaitani and M. Nehme (2021). Domestic Conflict: A proposed index and its implications for Arab States. Beirut: ESCWA. [www.unescwa.org/sites/default/files/pubs/pdf/domestic-conflict-proposed-index-implications-arab-states-english.pdf](http://www.unescwa.org/sites/default/files/pubs/pdf/domestic-conflict-proposed-index-implications-arab-states-english.pdf).
- Abu-Ismaïl, K., and V. Hlasny (2020). Wealth Inequality and Closing the Poverty Gap in Arab Countries. Beirut: ESCWA. [www.unescwa.org/sites/www.unescwa.org/files/publications/files/wealth-inequality-closing-poverty-gap-arab-countries-english.pdf](http://www.unescwa.org/sites/www.unescwa.org/files/publications/files/wealth-inequality-closing-poverty-gap-arab-countries-english.pdf).
- Abu-Ismaïl, K., V. Hlasny, A. Jaafar and others (2022). Development Challenges Index: Statistical measurement and validity. Beirut: ESCWA. [www.unescwa.org/sites/default/files/pubs/pdf/development-challenges-index-english\\_0.pdf](http://www.unescwa.org/sites/default/files/pubs/pdf/development-challenges-index-english_0.pdf).
- Abu-Ismaïl, K., and P. Ishak (2021). Institutions and Human Development: A Panel Granger Causality Analysis. Beirut: ESCWA. [www.unescwa.org/sites/default/files/pubs/pdf/institutions-human-development-panel-granger-causality-analysis-english.pdf](http://www.unescwa.org/sites/default/files/pubs/pdf/institutions-human-development-panel-granger-causality-analysis-english.pdf).
- Abu-Ismaïl, K., A. Kuncic and N. Sarangi (2016). Governance-adjusted Human Development Index: The case for a broader index and its implications for Arab States. Beirut: ESCWA. [https://archive.unescwa.org/sites/www.unescwa.org/files/publications/files/governance-adjusted-human-development-index-english\\_0.pdf](https://archive.unescwa.org/sites/www.unescwa.org/files/publications/files/governance-adjusted-human-development-index-english_0.pdf).
- Alvaredo, F. (2018). *The World Inequality Report*. Cambridge, Massachusetts: Harvard University Press.
- Alvaredo, F., L. Assouad and T. Piketty (2019). Measuring Inequality in the Middle East 1990-2016: The World's Most Unequal Region? *Review of Income and Wealth* 65(4): 685-711.
- Amnesty International (2020). China 2020. [www.amnesty.org/en/countries/asia-and-the-pacific/china/report-china/](http://www.amnesty.org/en/countries/asia-and-the-pacific/china/report-china/).
- Aranoff, S. L., D. R. Pearson, D. Tanner Okun and others (2009). Sub-Saharan Africa: Effects of Infrastructure Conditions on Export Competitiveness, Third Annual Report. Washington, DC: United States International Trade Commission. [www.usitc.gov/publications/332/pub4071.pdf](http://www.usitc.gov/publications/332/pub4071.pdf).
- Baca Campodonico, J. F., J. Peschiera Cassinelli and J. Mesones (2014). The Impact of Public Expenditures in Education, Health, and Infrastructure on Economic Growth and Income Distribution in Peru. Washington, DC: Inter-American Development Bank.
- Behrendt, C., M. Bierbaum and V. Schmitt (2020). Thematic Brief: Social Protection. United Nations Economist Network. [https://www.un.org/sites/un2.un.org/files/2021/04/a-tb\\_on\\_social\\_protection.pdf](https://www.un.org/sites/un2.un.org/files/2021/04/a-tb_on_social_protection.pdf).
- Bergstrom, K. (2020). The Role of Inequality for Poverty Reduction. Policy Research Working Paper No. 9409. Washington, DC: World Bank. <https://openknowledge.worldbank.org/handle/10986/34507>.
- Botero, J., A. Ponce and A. Shleifer (2013). Education, Complaints, and Accountability. *The Journal of Law and Economics* 56(4): 959-996.
- Center for American Progress (2017). Trends in Turkish Civil Society. [www.americanprogress.org/issues/security/reports/2017/07/10/435475/trends-turkish-civil-society/](http://www.americanprogress.org/issues/security/reports/2017/07/10/435475/trends-turkish-civil-society/).

- Cingolani, L., K. Thomsson and D. De Crombrugghe (2015). Minding Weber More Than Ever? The impacts of state capacity and bureaucratic autonomy on development goals. *World Development* 72: 191-207.
- Dan-Woniowe, F. D. (2020). The Nexus between Poor and Bad Governance, and Sub-National Conflicts in Africa. *Open Journal of Political Science* 10(04): 697. [www.scirp.org/journal/paperinformation.aspx?paperid=103502](http://www.scirp.org/journal/paperinformation.aspx?paperid=103502).
- Duarte, D., L. Mecco and C. Ungerer (2019). Getting Service Delivery Right in Albania Through Effective PPP Monitoring. *World Bank Blogs*. <https://blogs.worldbank.org/ppps/getting-service-delivery-right-albania-through-effective-ppp-monitoring>.
- ESCWA (Economic and Social Commission for Western Asia) (2014). Arab Governance Report I: Governance challenges in countries undergoing transition. Beirut.
- (2015) Arab Development Outlook: Vision 2030. Beirut. [www.unescwa.org/sites/default/files/pubs/pdf/arab-development-outlook-vision-2030-english\\_0.pdf](http://www.unescwa.org/sites/default/files/pubs/pdf/arab-development-outlook-vision-2030-english_0.pdf).
- (2022). Rising Wealth Inequality in the Arab Region amid COVID-19. Beirut. [www.unescwa.org/sites/default/files/news/docs/22-00183\\_rising\\_wealth\\_inequality\\_in\\_the\\_arab\\_region\\_amid\\_covid-19\\_policy-brief-en.pdf](http://www.unescwa.org/sites/default/files/news/docs/22-00183_rising_wealth_inequality_in_the_arab_region_amid_covid-19_policy-brief-en.pdf).
- ESCWA and others (2017). Arab Climate Change Assessment Report. E/ESCWA/SDPD/2017/RICCAR/Report. Beirut.
- Fiszbein, A., and S. Stanton (2018). The Future of Education in Latin America and the Caribbean: Possibilities for United States investment and engagement. [www.observatorioeducacion.org/sites/default/files/usaidd-layout-6.12.2018-final\\_pdf.pdf](http://www.observatorioeducacion.org/sites/default/files/usaidd-layout-6.12.2018-final_pdf.pdf).
- Forsyth, L. (2019). Climate Change and Corruption. Green Economy Coalition. [www.greeneconomycoalition.org/news-and-resources/climate-change-and-corruption](http://www.greeneconomycoalition.org/news-and-resources/climate-change-and-corruption).
- Gasiorowski, M. (2000). Democracy and Macroeconomic Performance in Underdeveloped Countries: An empirical analysis. *Comparative Political Studies* 33(3): 319-349.
- Gomez, O. A., A. Muto and S. G. Kamidohzono (2016). Sharing the Journey: The way ahead for human development and human security frameworks. New York: Human Development Report Office. <https://hdr.undp.org/system/files/documents//jicalayoutpdf.pdf>.
- Graham, J., T. W. Plumptre and B. Amos (2003). Principles for Good Governance in the 21st Century. Ottawa: Institute on Governance.
- Human Rights Watch (2020). Iran Events of 2020. [www.hrw.org/world-report/2021/country-chapters/iran](http://www.hrw.org/world-report/2021/country-chapters/iran).
- ILO (International Labour Organization) (2013). Employment Intensive Investment Programme: Creating jobs through public investment. Geneva. [www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_policy/---invest/documents/publication/wcms\\_619821.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_policy/---invest/documents/publication/wcms_619821.pdf).
- (2020). Measuring Job Quality: Difficult but necessary. Geneva. <https://ilostat.ilo.org/measuring-job-quality-difficult-but-necessary/>.
- (2021). Global Wage Report 2020-21: Wages and minimum wages in the time of COVID-19. Geneva.
- Jahan, S. (2022). Rethinking Human Development: Concepts and measurements. Beirut: ESCWA.
- Kirschlaeger, P. G. (2014). The Relation Between Democracy and Human Rights. In *Globalistics and Globalization: Aspects and Dimensions of Global View*, L. E. Grinin, I. V. Ilyin, and A. Korotayev, eds. HAL Open Science. <https://hal-hprints.archives-ouvertes.fr/hprints-01861188/document>.
- McKinley, T. (2016). The Need for a New Framework for Defining a Development Measure for the Arab Countries. Beirut: ESCWA. [https://arabsdg.unescwa.org/sites/default/files/2020-10/the\\_need\\_for\\_a\\_new\\_framework\\_for\\_defining\\_a\\_development\\_measure\\_for\\_the\\_arab\\_countries.pdf](https://arabsdg.unescwa.org/sites/default/files/2020-10/the_need_for_a_new_framework_for_defining_a_development_measure_for_the_arab_countries.pdf).
- McKinley, T. (2022; not published). Development Challenges: Policy recommendations for the Arab region. Beirut: ESCWA.

- Menichetti, E., and A. El Gharas (2017). How Can Renewable Energy Help Contribute to the Development of the MENA Countries? MENARA Future Notes 6. [www.iai.it/sites/default/files/menara\\_fn\\_6.pdf](http://www.iai.it/sites/default/files/menara_fn_6.pdf).
- Mo Ibrahim Foundation (2018). Public Service in Africa. <https://mo.ibrahim.foundation/sites/default/files/2019-03/2018-Forum-Report.pdf>.
- Norris, P. (2012). Making Democratic Governance Work: How regimes shape prosperity, welfare, and peace. Cambridge University Press.
- OECD (Organisation for Economic Co-operation and Development) (2019). OECD Environmental Performance Reviews: Denmark 2019. Paris. [www.oecd-ilibrary.org/sites/1eeec492-en/index.html?itemId=/content/publication/1eeec492-en](http://www.oecd-ilibrary.org/sites/1eeec492-en/index.html?itemId=/content/publication/1eeec492-en).
- Pierini, M. (2018). Türkiye's Perfect Path to Autocracy. Carnegie Europe. <https://carnegieeurope.eu/strategieurope/76278>.
- Roy, I. (2008). Civil Society and Good Governance: (Re-) conceptualizing the interface. *World Development* 36(4): 677-705.
- Sen, A. (1985). Well-Being, Agency and Freedom: The Dewey Lectures 1984. *The Journal of Philosophy* 82(4): 169-221. <https://doi.org/10.2307/2026184>.
- (1999). *Development as Freedom*. Oxford: Oxford University Press.
- (2013). The Ends and Means of Sustainability. *Journal of Human Development and Capabilities* 14(1): 6-20.
- Sen, A., and S. Anand (1994). *Sustainable Human Development: Concepts and Priorities*. HDRO Occasional Paper #8. New York: Human Development Report Office.
- Skelcher, C. (2007). Does Democracy Matter? A transatlantic research design on democratic performance and special purpose governments. *Journal of Public Administration Research and Theory* 17(1): 61-76.
- Smith, B. C. (2007). *Good Governance and Development*. Basingstoke, United Kingdom: Macmillan International Higher Education.
- Strand, H., S. A. Rustad, H. M. Nygård and others (2020). Trends in Armed Conflict, 1946-2019. *Conflict Trends* 8.
- Tahiroglu, M. (2020). How Türkiye's Leaders Dismantled the Rule of Law. *The Fletcher Forum of World Affairs* 44(1): 67-96.
- United Nations (n.d.). International Support for the Least Developed Countries: A different way? LDC Portal. <https://www.un.org/ldcportal/>.
- (2005). *Development Challenges in Sub-Saharan Africa and Post-conflict Countries*. New York. [https://www.un.org/en/development/desa/policy/cdp/cdp\\_publications/2005cdpreport.pdf](https://www.un.org/en/development/desa/policy/cdp/cdp_publications/2005cdpreport.pdf).
- (2021). *The Sustainable Development Goals Report 2021*.
- United Nations Department of Economic and Social Affairs (2020a). *World Social Report 2020: Inequality in a Rapidly Changing World*. New York. <https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2020/01/World-Social-Report-2020-FullReport.pdf>.
- United Nations Department of Economic and Social Affairs (2020b). *Report of the UN Economist Network for the UN 75th Anniversary: Shaping the Trends of Our Time*. New York.
- United Nations Department of Economic and Social Affairs (2021). *Finding Measures of Progress That Complement GDP: Measuring and valuing what matters to people and the planet*. Note for the Second Regular Session of the Chief Executives Board. New York.
- United Nations Sustainable Development Group (2021). *Secretary-General's Policy Brief: Investing in jobs and social protection for poverty eradication and a sustainable recovery*. <https://unsdg.un.org/sites/default/files/2021-09/SG-Policy-Brief-on-Jobs-and-Social-Protection-Sept%202021.pdf>.
- UNCTAD (United Nations Conference on Trade and Development) (2021). *Trade and Development Report 2021*. Geneva. [https://unctad.org/system/files/official-document/tdr2021\\_en.pdf](https://unctad.org/system/files/official-document/tdr2021_en.pdf).

UNDP (United Nations Development Programme) (1990). Human Development Report 1990. Concepts and measurement of human development. New York. <http://hdr.undp.org/en/reports/global/hdr1990>.

——— (2002). Human Development Report 2002. New York. <https://hdr.undp.org/system/files/documents//human-development-report-2002-english.human-development-report-2002-english>.

——— (2010). Assessment of Development Results: Evaluation of UNDP Contribution, Georgia. <https://www.oecd.org/countries/georgia/47861316.pdf>.

——— (2020). The Next Frontier: Human development and the Anthropocene. Human Development Report 2020. New York. <https://hdr.undp.org/system/files/documents//hdr2020pdf.pdf>.

UNICEF (United Nations Children's Fund) (2020). Girls' Education: Gender equality in education benefits every child. New York.

Van Doeveren, V. (2011). Rethinking Good Governance: Identifying common principles. *Public Integrity* 13(4): 301-318.

Vigoda-Gadot, E. (2002). *Public Administration: An interdisciplinary critical analysis*. CRC Press.

Waldo, D. (1948.) *The Administrative State*. New York: Ronald Press.

World Bank (n.d.). *World Development Indicators*. Washington, DC.

——— (2021a). Acting Now to Protect the Human Capital of Our Children: The costs of and response to COVID-19 pandemic's impact on the education sector in Latin America and the Caribbean. Washington, DC.

——— (2021b). *The World Bank in Türkiye*. Washington, DC.

——— (2021c). *The World Bank in Haiti*. Washington, DC.

——— (2021d). Poverty, Median Incomes, and Inequality in 2021: A diverging recovery. Washington, DC. <https://documents1.worldbank.org/curated/en/936001635880885713/pdf/Poverty-Median-Incomes-and-Inequality-in-2021-A-Diverging-Recovery.pdf>.

World Economic Forum (2021). *Fostering Effective Energy Transition 2021 Edition*. [www3.weforum.org/docs/WEF\\_Fostering\\_Effective\\_Energy\\_Transition\\_2021.pdf](http://www3.weforum.org/docs/WEF_Fostering_Effective_Energy_Transition_2021.pdf).

# Endnotes

- 1 Since Mauritania and Sudan were included in the Arab region group, they were excluded from the Sub-Saharan Africa group to avoid double counting.
- 2 Target 17.19 is the following: By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries. See the SDG tracker: <https://sdg-tracker.org/global-partnerships>.
- 3 United Nations Department of Economic and Social Affairs, 2021.
- 4 The capability approach proposes that individual well-being and social arrangements should be primarily evaluated according to the extent of freedoms people have to promote or achieve functionings they value, and that these freedoms must be understood in terms of their capabilities. By focusing on capabilities, i.e., what people are able to do and be, this approach goes beyond what people simply have.
- 5 The conceptual framework for this report is based on Jahan, 2022.
- 6 Sen, 1999.
- 7 Anand and Sen, 2013.
- 8 ESCWA, 2015.
- 9 Abu-Ismaïl, Kuncic and Sarangi, 2016.
- 10 The links to the background papers are provided at the beginning of the report.
- 11 Forsyth, 2019.
- 12 Dan-Woniowei, 2020.
- 13 Sen and Anand, 1994.
- 14 McKinley, 2016.
- 15 For more information on the DCI methodology, please refer to Abu-Ismaïl, Hlasny, Jaafar and others, 2022.
- 16 Abu-Ismaïl, Hlasny, Jaafar and others, 2022.
- 17 The index combines three dimensions: basic human needs, foundations of well-being and opportunity. Each dimension includes four components, with each composed of between three and five specific outcome indicators. For more information, please visit: <https://www.socialprogress.org/index/global>.
- 18 United Nations, 2005.
- 19 Fiszbein and Stanton, 2018.
- 20 World Bank, 2021a.
- 21 Alvaredo, Assouad and Piketty, 2019; Alvaredo, 2018.
- 22 World Bank, 2021c.
- 23 Baca Campodonico, Peschiera Cassinelli and Mesones, 2014.
- 24 World Bank, 2020b.
- 25 Abdelbaki, 2012.
- 26 Abu-Ismaïl, 2021.
- 27 Ibid.
- 28 ILO, 2020.
- 29 World Bank statistical database, 2021.
- 30 ILO, 2020.
- 31 ESCWA calculations based on data from UNDP, 2020.
- 32 ILO, 2021.
- 33 Ibid.
- 34 Abu-Ismaïl, 2021; Abu-Ismaïl and Ishak, 2021.



- 35 Smith, 2007; Cingolani, Thomsson and De Crombrugghe, 2015.
- 36 Abu-Ismaïl, Kuncic and Sarangi, 2016.
- 37 OECD, 2019.
- 38 Aranoff, Pearson, Tanner and others, 2009.
- 39 Mo Ibrahim Foundation, 2018.
- 40 World Bank, n.d.
- 41 UNDP, 2010.
- 42 Pierini, 2018.
- 43 Smith, 2007.
- 44 ESCWA, 2014.
- 45 Amnesty International, 2020; Human Rights Watch, 2020.
- 46 Kirchsclaeger, 2014.
- 47 Strand and others, 2020.
- 48 World Bank, 2021d.
- 49 ESCWA, 2022a.
- 50 ESCWA, 2022b.
- 51 Smith, 2007; Cingolani, Thomsson and De Crombrugghe, 2015.
- 52 Abu-Ismaïl, Kuncic and Sarangi, 2016.
- 53 UNDP, 2020.
- 54 Menichetti and El Gharas, 2017.
- 55 UNCTAD, 2021.
- 56 World Economic Forum, 2021.
- 57 UNICEF, 2020.
- 58 United Nations Department of Economic and Social Affairs, 2020a.
- 59 Bergstrom, 2020.
- 60 McKinley, 2022; not published.
- 61 UNDP, 2016.
- 62 UNDP, 2002.
- 63 Abu-Ismaïl and Ishak, 2021.
- 64 Duarte, Mecco and Ungerer, 2019.
- 65 Botero, Ponce and Shleifer, 2013.
- 66 Abouyoub and Lindstaedt, 2021.
- 67 Abu-Ismaïl, Chaitani and Nehme, 2021.
- 68 McKinley, 2022; not published.
- 69 ESCWA calculations.
- 70 Ibid.
- 71 Gomez, Muto and Kamidohzono, 2016.
- 72 Jahan, 2022.



The current development landscape is very different from what it was three decades ago. Some challenges, such as inequality and governance, have lingered or deepened. Others, such as sustainability and global pandemics, have emerged or resurfaced. Moreover, even though many developing countries have made quantitative achievements on various basic development goals over the past few decades, persistent deficits remain in the quality of those achievements.

Accordingly, this report proposes a new global Development Challenges Index (DCI) that measures shortfalls in achievements in three key and interdependent areas: quality-adjusted human development, environmental sustainability and good governance. The report proposes a four-pronged action plan that cuts across the three components of the DCI. This plan includes strengthening environmental and health systems to improve healthy life outcomes, building knowledge-based economies with integrated education and labour market systems, establishing strong links between government effectiveness and democratic governance, and prioritizing the most challenged countries.

*“As the ultimate aim of this report is to trigger policy debate, we hope it will lead to follow-up dialogues to address fundamental challenges at the global, regional and, most importantly, national levels.”*

***Rola Dashti***

*Executive Secretary of ESCWA  
Under Secretary-General of the United Nations*

