

Reseña

Leandro Prados de la Escosura (2022). *Human Development and the Path to Freedom. 1870 to Present*. Cambridge: CUP, pp. 330. ISBN: 978-1-108-70858-6 (paperback).

Leandro Prados de la Escosura, a distinguished economic historian with a long career in research on economic growth and globalization, has sought to understand the evolution of human development in the 150 years since 1870, and how it has differed from patterns in GDP per capita. What kind of improvements have been achieved in human development when measured as a greater capacity for freedom? Has it always been linked to economic growth?

To this end, he constructs an *Augmented Human Development Index (AHD)* that includes not only the three dimensions of human development measured by the United Nations (UN) since 1990—a long and healthy life, access to knowledge, and a decent standard of living—but also incorporates freedom of choice. The two first dimensions lie within the capability approach, with standard of living seen as the way to achieve them, while freedom of choice reflects individuals' ability to make decisions about their lives.

In the first chapter, Prados de la Escosura sets out the state of the art and the methodological decisions taken to construct an index that covers such a long period of time, from 1870 to 2015, and a huge number of countries, 115 (in 1870) to 162 countries (in 1990). It is this extensive coverage of the augmented human development index that allows him to make comparisons over time and across regions and countries. Unlike the UN human development index, Prados de la Escosura opts for a non-linear or convex transformation (Kakwani methodology) of the logarithms of life expectancy and average years of schooling, rather than a linear transformation. By so doing, he assigns more importance to the achievements attained in the upper levels. This is especially useful when making comparisons over time and between countries, given that most of the changes in these indicators happened in the early stages, with it being difficult to achieve further improvements when high levels have already been accomplished. In comparison, the AHD calculated using this methodology has smaller values and shows greater growth over time.

Chapter 2 is dedicated to showing the world index and its subindices. The AHD registered a huge increase over the analyzed period, especially between the 1920s and 1970s. This contrasts with the lower GDP per capita growth during the period 1913-1950, and conversely the higher increase in GDP per capita than in human development during the period 1950-1970. The main explanation for the improvement in the AHD is the rise in life expectancy at birth as a consequence of the first health transition. This transition was prompted by the diffusion of the germ theory of disease, which encouraged the

adoption of hygienic habits that were not expensive to apply. It also had consequences in terms of the development of drugs, vaccines and antibiotics. This epidemiological transition came to an end in the 1970s, meaning health made a smaller contribution to the AHD from then on. On the contrary, liberal democracy did not contribute during the interwar period, a period of autocracies and totalitarianism. Although there was a spread of democracy at the beginning of the twentieth century, major gains were not made until the last quarter of that century. Schooling contributed in the 1870s with the expansion of mass primary education in Europe and its offshoots, and grew steadily over the whole period. It is worth noting that schooling advances were not always related to democratization. Furthermore, the expansion of civil and political rights was not related to economic growth.

Chapter 3 presents all possible ways of analyzing world AHD inequality and its dimensions, and in comparison to inequality in GDP per capita: Milanovic's inequality, concept 1 and 2, absolute and relative inequality, growth incidence curves (annual cumulative growth by decile). The main finding here is that while inequality in income per capita increased until the late twentieth century, relative AHD inequality declined from 1900 onwards, although the absolute inequality increased. The main contributors to AHD inequality are schooling and political and civil liberties; and up to the 1920s, life expectancy. Driving the reduction in AHD inequality were the spread of primary and secondary schooling, the epidemiological transition from the 1920s on, and liberal democracy, albeit with delay at the end of the twentieth century.

Having analyzed world inequality, subsequent chapters, which make up part II of the book, focus on the differences between rich countries (OECD) and the Rest (chapter 4) and the pattern in Latin America and Africa (chapters 5 and 6, respectively). These three chapters follow a similar structure: they examine the AHD trend across and within regions, the main drivers and the contribution of the different composite indices to AHD growth, the catching up to the OECD, and the differences in catching up by region or countries. Prados de la Escosura also provides a very informative and interesting summary and review of the literature on well-being and inequality in Latin America and on Africa's economic performance, accompanied by a comparison of the results obtained for these regions.

The main achievement is the catching up in the AHD, especially between the 1920s and the 1990s. However, there is a divergence in performance in terms of GDP per capita between the OECD countries and the Rest. Another important difference was the second health transition, which took place from 1995 in the OECD countries, and produced a substantial reduction in mortality caused by cardiovascular and respiratory diseases, but did not occur in the Rest. The drivers of this general pattern and in different regions were life expectancy and schooling,

with these two dimensions contributing to both the catching up between 1920s and the 1970s, and the spread of freedom since the 1990s.

Latin America stands out for the general achievements by the developing countries in the 1890s and in the interwar period (1913-1950). Moreover, contradicting the findings of earlier studies, progress in human development also occurred during the so-called lost decade in terms of GDP of the 1980s. Africa is notable for its strong upward trend in the AHDI compared to its very poor economic performance. However, in an international comparison, Africa's relative position in the world distribution of GDP per capita is much higher than its position in terms of the AHDI (50th and 10th percentile, respectively). An interesting finding is that regardless of the wide variety of geographical and resource abundance conditions of countries, it is the quality of institutions that seems to drive human development achievements in African countries.

This book is a very careful, detailed, and insightful study that uses all possible means of analysis to look at the AHDI and its composite indices. By so doing, it identifies the main drivers of the AHDI, patterns in its growth, and the process by which

developing countries catch up to developed ones. The book provides a wealth of tables and figures, with four appendices containing extensions to many of them, while the first appendix lists the sources.

Reading this book helps us realize that progress in human development has been achieved in periods with different conditions in terms of living standards, GDP per capita levels and growth, and civil and political rights. It demonstrates that other factors also matter, such as the diffusion of medical knowledge and public policies governing health services, including vaccination and antibiotics, and schooling. Another conclusion that can be drawn is that higher levels of GDP per capita and freedom would have led to greater progress in human development over the whole period analyzed, through better nutrition and dwellings, which in turn reduce morbidity, and public spending to support a better quantity and quality of provision in health and education.

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