

Productivity, equity, and sustainability: a trilemma for the contemporary human development?

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Productivity, equity and sustainability are regarded as 'essential components' in the human development paradigm. They reflect structural aspects of an economic system and create the material conditions for a widespread human development and wellbeing. Nevertheless, the consistency between these principles is significantly questioned in the economic literature, depicting a potential 'trilemma' for the contemporary human development. This paper analyses the ability of different economies to consistently advance productivity, equity, and sustainability. A new composite indicator - the Human Development Structural Consistency (HDSC) index - is introduced to measure the integrated performance in productivity, equity and sustainability of 66 economies from 2006 to 2019. The analysis shows a general progressive improvement in the ability of economies to advance consistently the three structural components of human development, albeit the three measures continue to appear incompatible among each other, whereby the process of economic growth is still associated with rising environmental degradation and a weak contrast to inequalities. The paper discusses the possible policy solutions to this 'trilemma', as the structural changes necessary to ensure that improvements in productivity are accompanied by rising equity, sustainability, and an effective human wellbeing.