

Planning Commission - UNDP sponsored
"Strengthening State Plans for Human Development"

Training of Trainers Workshop on Human Development

MODULE: 2

The Human Development Approach

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Module 2

The Human Development Approach

Time – 1 hour thirty minutes

Learning Outcomes:-

Knowledge acquired through this module will allow the participants to:-

- Explain concept of welfare
- Discuss Four Pillars of Human Development
- State the Human Development Dimensions
- Discuss Growth & Human Development

Inter-active Session

The Specificity of Human Development

HD is often confused with, or reduced to, some more specific notions in the field of development. It should therefore be noted that HD is conceptually related but clearly different from notions such as:

- Human capital
- Human resources
- Social development
- Satisfaction of "basic human needs"
- Poverty eradication programs
- Adjustment with human face
- Human rights

One of the most common misconceptions is to treat human development as being synonymous with human capital and human resource development. Human capital is a term coined by Schultz in 1960s to refer to the stock of skills and productive knowledge embodied in people. Just as physical capital (machines, equipment, assets and so on) make a contribution to the national income, Schultz argued that individuals, through the human capital embodied in them, also make a contribution to national income. Thus, human capital and the human resource development framework that is based on the concept of human capital, consider human beings mainly as a means to the end which is higher national income. The investment made in people in terms of education, health, nutrition is justified in terms of the 'rate of return' it yields to the individual as well as to the family and society.

The human development paradigm, on the other hand, regards people as ends in themselves, and not as means to an end. Thus, the education, health, nutrition that are embodied in people

are valuable in themselves not because they enable people to contribute to the national income. Investment in individuals is not justified in terms of rates of return logic but because it enhances their capabilities.

Having distinguished between the two concepts, it is necessary to recognize that the two concepts are linked. Human development provides the foundations for human resources to contribute better to national income. For example, the returns to education are higher when the bulk of the population has a minimum level of learning rather than a few individuals acquiring higher levels of learning while the majority is illiterate.

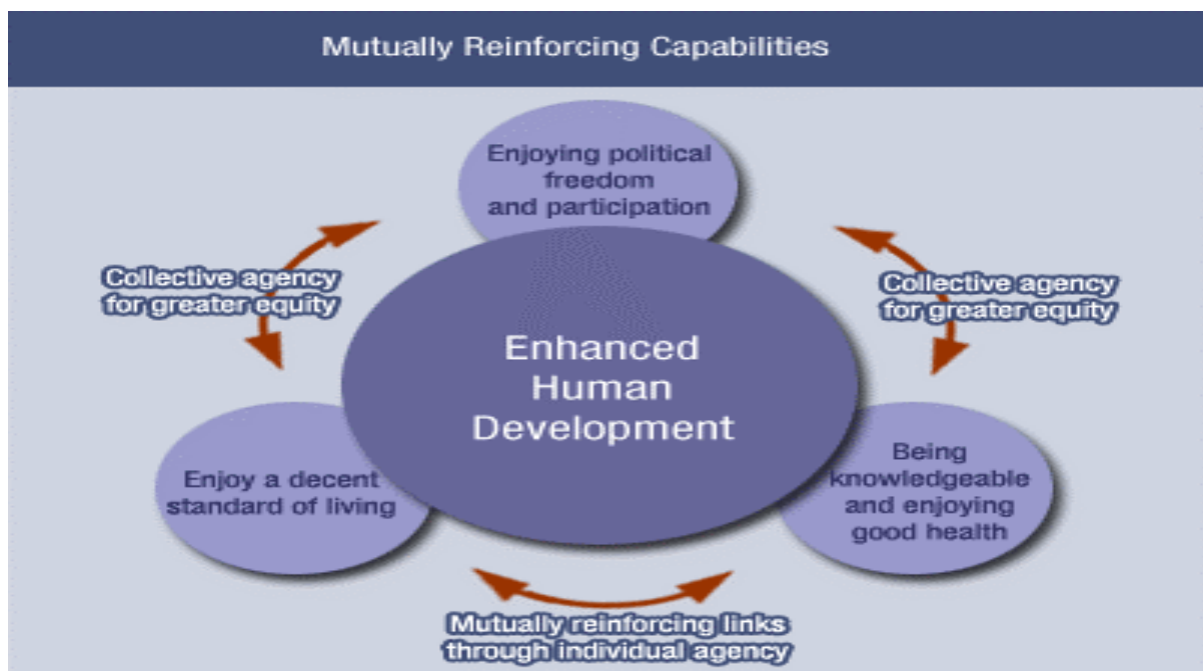
What differentiates HD from other theories and methodologies of development is the "holistic" or integrative character of HD. The HD approach strives to simultaneously achieve the three basic developmental values of efficiency, equity, and freedom.

- a. **Efficiency** is defined as the optimal use of existing resources. From an HD perspective, it is the maximum enlargement of the material base for the satisfaction of human choices. The value of efficiency is crucial to the HD paradigm because, as any other theory of development, it must deal with how to increase the availability of goods and services to satisfy human needs.
- b. **Equity** corresponds to commutative and distributive justice, particularly to the apportionment of opportunities among different human beings. Equity is the main value underlined by critics of the prevailing or "neoliberal" model, and enters the HD paradigm from these socially based criticisms.
- c. **Freedom**, that is, the possibility of choosing, comes to be the bridge laid by the HD approach between efficiency and equity. As Sen puts it, freedom has a "constitutive" and an "instrumental" value; freedom is valuable in itself and valuable as a means both to potentiate human energies (efficiency) and for everybody's needs and preferences to impinge upon the apportionment of opportunities (equity).

HD thus advocates for a new synthesis among the three cardinal developmental values of our time. It is "pluralist" and "holistic" in that it pursues efficiency, equity and freedom simultaneously, and in that it strives to find out the "synergies" or virtuous circles leading from each of these values to the others.

Let us look at some synergies. The redistribution of social opportunities widens the market and increases the productivity of workers: equity bringing about efficiency. The existence of liberties allows for creativity to flourish and thus enhances efficiency. Or, a prosperous economy provides more opportunities for personal fulfillment, whereby efficiency contributes to the stability of democratic freedoms.

Equity makes public deliberations among equals possible for human beings; hence freedom grows along with equality.



Source: *Human Development Report, 2002*

Why did the HD paradigm arise?

HD has generated worldwide interest and controversy, both in the academic community and among policy makers and planners. To quote Mahbub ul Haq, “the obvious is often the most difficult to see”. It is obvious - but difficult to see - development in terms of enlarging people's choices. Thanks to the internal evolution of both political philosophy and the theory of economic development, such an obvious fact was "discovered" during the last two decades or so. But besides this internal reason, there were some external circumstances that help explain the emergence of the new paradigm.

- a. The notion of “human development” served to unify the many voices unsatisfied with the prevailing reduction of development to economic growth. All those unsatisfied with conventional economic models, those concerned with social justice, the environmentalists, and the excluded minorities found in HD a solid and coherent formulation of their basic intuitions.
- b. The new paradigm evolved side by side with the so-called “third wave of representative democracy”, which began in Latin America, swept off the Berlin Wall, gained 17 countries in Eastern Europe, reached Africa and Asia, and completed some 67 democratized countries. Participatory democracy has been advancing as well and is

being affirmed through such institutions as referendum, plebiscite, popular consultation, and other forms of grass roots decision-making. At the same time minorities (religious, national, ethnic, gender, and lifestyle-related) in many countries claimed and found acknowledgement of their rights.

- c. A third impulse to the HD paradigm came from the “discovery” of yet another obvious point: that the key to economic growth is not to be found in any of the three classic “factors of production”—natural resources, capital, and non-qualified labor; the key is in the human brain. Thus, some 90 % of the price you pay for a CD goes to the interpreter, the songwriter, the cover designer, and similar creative talents; 80 % of the retail price of an average computer is meant to cover royalties, and when you buy an automotive vehicle, three fourths of each dollar go to expenses in engineering, design, marketing, and other “intellectual” inputs.
- d. The HD paradigm appeared simultaneously with the "knowledge revolution", which many see as the defining characteristic of our time. It is of course quite difficult to measure the advancement of knowledge. It is estimated that 95 % of all accumulated knowledge dates from the 20th century. In the last 25 years, we have learned three times as much as all throughout the previous millennia.
- e. The revolution of knowledge is closely associated with an extraordinary increase of richness—the fourth force impelling the HD paradigm. It has been estimated that the value of goods and services produced by humankind after World War II is equivalent to that of whatever was produced during the previous half million years. The current generation has as much wealth as that of all the previous generations combined. This yields an extraordinary opportunity to enhance the standard of living and to enlarge the choices for everyone. Today we are in condition to deal with the problem of ensuring an extended, educated and worthy life for all human beings.
- f. Lastly, HD coincides with the spreading recognition that, regardless of nationality, race or ethnic origin, language, religion, gender, or any other consideration, we all have civil, political, economic, social, and cultural inalienable rights. This new consciousness is a major endorsement to HD, an endorsement reinforced by legislation and public actions in many countries, as well as by a host of international conventions.

Human Development: moving from concepts and analysis to action

The HD concept and approach has been widely discussed and well received also thanks to the preparation of Human Development Reports (HDRs). UNDP has pioneered the preparation of HDRs. The publication of the first HDR in 1990 could be considered as a landmark. In fact for the first time countries were ranked according to their performance in human development rather than on GNP.

Fourteen HDRs have been prepared at the global level to provide information on the state of human development in the world, country-by-country and region-by-region. In addition to the annual update on the set of human development indicators and composite indices, each year a fresh theme is chosen for in-depth analysis.

After the advent of global reports, many countries (by 2002 count over 140) have engaged in the preparation of national level HDRs. In India the Planning Commission, Government of India has prepared a National HDR in 2002, defining a human profile for India. But many large countries have also engaged in the preparation of sub-national HDRs. In India the preparation of State HDRs, pioneered with the preparation of the Madhya Pradesh HDR (MPHDR) in 1995, has helped to highlight the diversity and disparities existing within States.

HDRs are a tool for action. In fact while highlighting human development issues they provide suggestions on policy interventions required and on the need to focus attention on particular issues. In the case of Madhya Pradesh, for example, the MPHDR has helped to mainstream the concerns, debate and action on human development. Further, it helped to shift attention on basic minimum services, with the remarkable increase in their share of Plan investment (from 18.73 per cent in the Eighth Plan to 42.37 per cent in the Ninth Plan).

The State HDRs published so far are: Himachal Pradesh HDR (2002), Karnataka HDR (1999), Maharashtra HDR (2002), Madhya Pradesh HDR (1995, 1998, 2002), Rajasthan HDR (2002), Sikkim HDR (2001), Assam (2003), West Bengal (2004), Orissa (2004), Punjab (2004), Kerala (2005) and Tamil Nadu HDR (2003). Other States are in the process of finalizing their respective reports (e.g. Uttar Pradesh etc.).

GROUP EXERCISE 1

Form participants into State-wise or district-wise groups and ask them to prepare an outline profile of human development for their State/district. Give each group a check-list of elements for the profile, which should be presented as a chart/poster.

Checklist to prepare human development profile of your State/District

Education:

- a) Literacy Rate (disaggregated by sex)
- b) Primary enrolment rate (disaggregated by sex)
- c) Drop out rate (Classes I-V) (disaggregated by sex)
- d) Teacher-pupil ratio
- e) No. of schools per thousand population

Health:

- a) Infant Mortality Rate (IMR)
- b) Under Five Mortality Rate (U5 MR)
- c) Life expectancy at birth
- d) No. of hospital beds per lakh population
- e) Rural population per Primary Health Centre (PHC)

Livelihood:

- a) Per capita income
- b) Workforce Participation Rate (Male and Female)

Demography:

- a) Sex Ratio
- b) Decadal growth of population

Infrastructure:

- a) Percentage of households with potable water supply
- b) Percentage of households with access to toilets
- c) Percentage of electrified villages

If possible please provide data for two time points.

Share profiles in the plenary and discuss key issues. Include five indicators which in your opinion, data should be collected on a regular basis.

A Human Development Profile for India

Several significant changes have taken place in India since independence. There has been visible progress in the economic sphere with adoption of new technologies, diversified production, and sophisticated management. Macro-economic indicators have shown a distinct upswing in the last few years.

Select Macroeconomic Indicators

	Indicator	2003-04	2004-05
1.	GDP at factor cost in Rs. Crores at 1999-2000 prices	2208196 (P)	2376729 (Q)
2.	Per capita Net National Product at 1999-2000 prices	18517 (P)	19649 (P)
3.	Foreign exchange reserves in Rs. Crores	490129	619116
4.	Food grains (million tones)	213.5	204.6

Source: Economic Survey 2002-2003

Notes: (P) – Provisional Estimates (Q) – Quick Estimates

Changes have also taken place in the social sphere. Affirmative action for disadvantaged communities has weakened practices such as untouchability and caste discrimination. Women by and large enjoy more freedoms than ever before. On the political front, India is acknowledged to be a vibrant democracy with increased participation by women and men in political decision making.

However, when viewed through the lens of HD, the glass can be considered half-full or half-empty. Much depends upon the eye of the beholder. The country has recorded impressive gains in many areas, with significant reductions in the intensity of poverty, but there is still much ground to cover in terms of ending human deprivations.

Between 1951 and 2000, per capita income more than doubled, foodgrain production increased fourfold, and the index of industrial production went up 15 times. Still around 26.10% (1999-2000) of the country's population lives below the poverty line - defined as access to minimum calories needed for healthy living. The country has achieved self-sufficiency in foodgrain production, it has built up a good safety stock of foodgrains, and famines have been virtually eliminated. Even so, some 47% of children under three years of age remain malnourished. In 1951, the country had only 725 primary health care centres. This increased to more than 154,000 primary health centres and sub-centres by 1995. Life

expectancy nearly doubled to 61 years and infant mortality was halved to 74 deaths per 1,000 live births during 1951-95. Current estimates put the infant mortality rate value at 71 deaths per 1000 live births. Apart from impressive achievements in higher education, the number of primary schools increased almost threefold - from 210,000 in 1951 to 590,000 in 1995. As a result, literacy nearly tripled during 1951-91. Yet almost half the population in 2001 - some 460 million people are still illiterate. Less than two-thirds of the children reach Grade V of primary schooling, and of those completing Grade V, many cannot even read or write a simple sentence. Close to 62.30% of the population is reported to have access to safe drinking water in 1991. However, problems of rapidly declining water tables, deteriorating quality and increasing contamination threaten this availability. Despite the narrowing of gender gaps along several fronts, India is one of the few countries where there are fewer women than men-- 933 females per 1000 males in 2001-- a reflection of systematic deprivation and strong anti-female bias that pervades society.

India today remains a country of stark contrasts and striking disparities. Some states and districts of India report levels of social advancement similar to leading industrialized countries. Other parts of India report achievement levels that are worse than the average of the poorest countries in the world. For example, only 39 out of 150 countries in the world - and all of them by far richer - reported a lower infant mortality rate than Kerala's in 1995. At the same time, only 24 countries had a higher rate of infant mortality than Orissa. The life expectancy of a girl born in Kerala today, around 74 years, is 20 years more than that of a girl born in Uttar Pradesh. Less than 15% of adult women are illiterate in Kerala. On the other hand, 66% or more women are illiterate in Bihar, Rajasthan and Uttar Pradesh. Birth rates have fallen with rising incomes and education, reduced child deaths, and improved access to family planning services. The total fertility rate is 2 or less in Kerala, Tamil Nadu and Goa. It is however 4 or more in Bihar, Haryana, Madhya Pradesh, Rajasthan, and Uttar Pradesh. Were all of India to have Kerala's birth and child death rates, there would be 10 million fewer births and 1.5 million fewer infant deaths in the country every year - and a dramatic reduction in population growth with 13 million fewer births.

Women fare worse than men on most social indicators. A computation of the Gender-related Development Index (GDI) for Indian states reveals not only the low levels of human development and the extent of gender inequalities within India, but more importantly, it provides a measure of how badly Indian states are doing vis-a-vis other nations of the world. At the top of the list of Indian states is Himachal Pradesh with a GDI value of 0.858. Bihar is at the bottom with a GDI value of 0.469. Similarly, disparities exist between and within communities in India. For instance, communities classified as belonging to Scheduled Castes and Scheduled Tribes have significantly lower literacy and higher child mortality rates than the rest of the population.

Comparative performance on human development: India and selected countries

The first National Human Development Report presents the following balance sheet for the country.

S.No.	Indicators	India
DEMOGRAPHY		
1	Total Population – 2001	1.02 bn
2	Sex Ratio – 2001	933
3	Sex Ratio Children 0-6 years – 2001	927
6	Dependency Ratio -1991	12
INCOME		
7	Per Capita Net State Domestic Product (at 1993-94 prices, Rs.), 1998-99	9,647
8	Percentage of Persons in Labour Force, 1999-2000	62
9	Percentage of Female in Labour Force, 1999-2000	39
10	Percentage of Population Below Poverty Line - 1999-2000	26
EDUCATION		
11	Literacy Rate - 2001 (%)	65
12	Male Literacy Rate - 2001 (%)	76
13	Female Literacy Rate - 2001 (%)	54
14	Rural Literacy Rate - 2001 (%)	59
15	Rural Male Literacy Rate - 2001 (%)	71
16	Rural Female Literacy Rate - 2001 (%)	47
17	Urban Literacy Rate - 2001 (%)	80
18	Urban Male Literacy Rate - 2001 (%)	86
19	Urban Female Literacy Rate - 2001 (%)	73
20	Gross Enrolment Ratio Class I-V (6-11 years), 1999-2000	95
21	Boys-Gross Enrolment Ratio Class I-V (6-11 years), 1999-2000	104
22	Girls -Gross Enrolment Ratio Class I-V (6-11 years), 1999-2000	85
23	Teacher-Pupil ratio (Primary School), 1999-2000	43
HEALTH		
24	Life Expectancy at Birth, 1992-96 (yrs.)	61
25	Life Expectancy at Birth (Rural), 1992-96 (yrs.)	59
26	Life Expectancy at Birth (Urban), 1992-96 (yrs.)	66
27	Infant Mortality Rate – 2001	71
28	Under 5 Mortality Rate – 1991	94
29	Under 5 Mortality Rate - Male -1991	91
30	Under 5 Mortality Rate - Female -1991	101
31	Maternal Mortality Rate - 1998 (per 100,000 live births)	407
32	Total Fertility Rate – 1998	3
33	Percentage of children underweight (-2SD), 1998-99	47
34	Percentage of houses with access to safe drinking water - 1991	62
35	Percentage of houses with access to toilet facilities - 1991	49

Source: Various Publications of Government of India

How does this compare with other countries? The following table gives an idea.

	Life expectancy		Adult literacy		Real GDP per capita (PPP US\$)	
	1960	2004	1960	2004	1960	2004
INDIA	44.0	63.6	34	61	617	3139
BOTSWANA	45.5	34.9	41	81.2	474	9945
INDONESIA	41.2	67.2	54	90.4	490	3609
CHINA	47.1	71.9	..	90.9	723	5896
THAILAND	52.3	70.3	60	98	985	8090
SOUTH KOREA	53.9	77.3	88	98	690	20499

Source: Human Development Report 2006.

In 1960, the levels of income in Botswana and Indonesia were lower than in India. But by 2004, the situation was reversed. During this period, Botswana and Indonesia also recorded significantly more rapid advances in health and education than India did. Again, in 1960, South Korea and India had similar levels of per capita income. By 2004, South Korea's income was nearly 7 times higher than India's. This increase in income between 1960-2004 coincided with a period when life expectancy in South Korea went up from 54 years to 77.3 years. Similarly, China, Indonesia and Thailand have all achieved and sustained higher levels of per capita incomes than India because they have done much better in terms of expanding human capabilities. These countries recognized the strong complementarities between income expansion and social development. If human poverty has to be eradicated, India must also invest in people.