

CHAPTER 2 HUMAN DEVELOPMENT

INTRODUCTION

The concept of human development goes beyond mere economic growth, focusing on improving individuals' overall well-being through access to education, health, and resources that enhance their quality of life. This chapter explores **human development**, examining key **indicators** like life expectancy, literacy rates, and income, and providing **international comparisons** to assess progress across nations. Additionally, it clarifies the distinction between **growth**—which refers to the increase in economic output—and **development**, which involves a broader improvement in living standards and societal welfare. Through this comparison, the chapter highlights how growth does not always equate to human development.

TOPICS TO BE COVERED

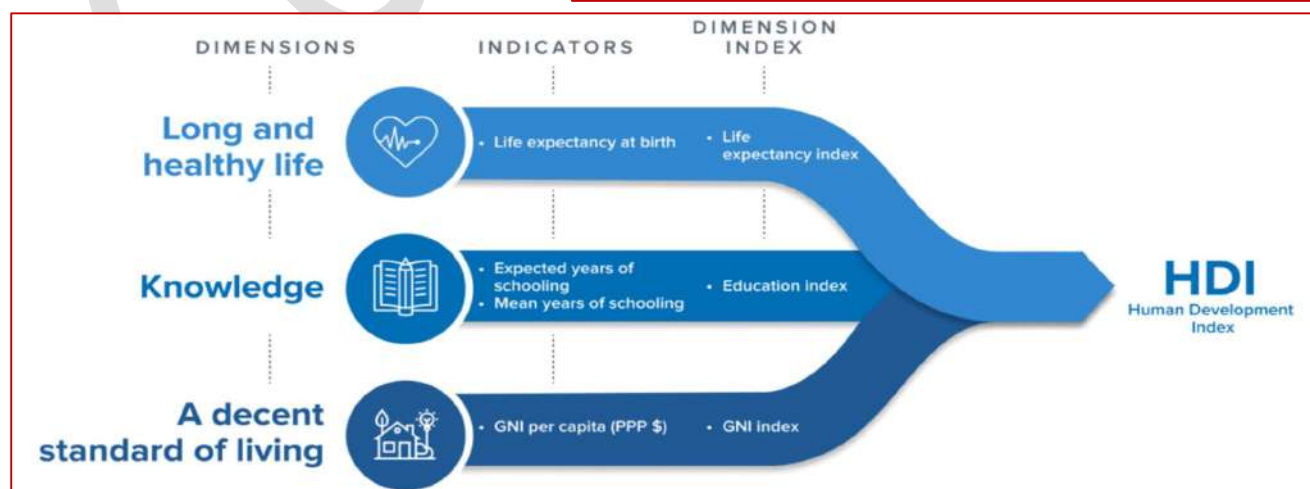
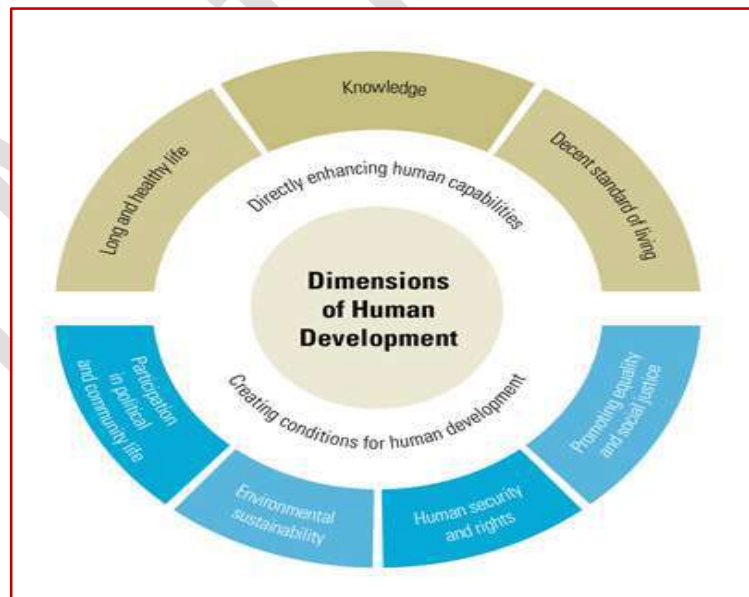
1. Human development - concept; selected indicators, international comparisons.
2. Growth and development - Meaning, difference

CONCEPT OVERVIEW

HUMAN DEVELOPMENT: It is a broad concept that goes beyond mere economic growth. It involves enhancing the quality of life, increasing freedoms, and creating opportunities for people to live meaningful lives. This document explores the different aspects and measurements of human development, drawing on the work of prominent economists and international reports.

GROWTH VS. DEVELOPMENT

1. **Growth:** Refers to quantitative changes over time, which can be positive or negative. It is value-neutral.
2. **Development:** Refer to qualitative changes that are always positive. Development involves improvements in the quality of life and well-being.



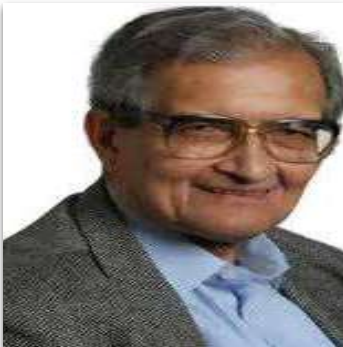
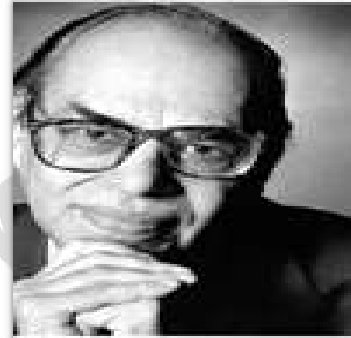


PIONEERS HUMAN DEVELOPMENT

For decades, economic growth was the primary measure of a country's development, assuming that a bigger economy equated to higher development

Dr. Mahbub-ul-Haq

Introduced the concept of human development, emphasizing the enlargement of people's choices and improve their lives. Development under this concept focuses on people as the central element, with the goal being to create conditions where they can lead meaningful lives, which implies not just a long life but a life with purpose, health, education, and freedom.



Prof. Amartya Sen

Focused on freedom as both a means and an end to development, highlighting the importance of social and political institutions. According to Sen, increasing freedoms is crucial for human development, and his work explores the role of social and political institutions in enhancing these freedoms.

THE FOUR PILLARS OF HUMAN DEVELOPMENT

1. **EQUITY:** Ensures equal access to opportunities regardless of gender, race, income, or caste.
2. **SUSTAINABILITY:** Involves the continuity of opportunities across generations, ensuring future generations have the same chances as the current one.
3. **PRODUCTIVITY:** Refers to the productivity of human labour, which should be constantly enhanced by building capabilities.
4. **EMPOWERMENT:** Relates to the power to make choices, which comes from increased freedom and capabilities.

Approaches to Human Development

1. **INCOME APPROACH:** Links human development with income levels, positing that higher income leads to higher development.
2. **WELFARE APPROACH:** Views individuals as beneficiaries of development activities, with the government playing a key role in increasing human development.

3. **BASIC NEEDS APPROACH:** Focuses on providing basic needs like health, education, and housing, often ignoring the aspect of human choice.
4. **CAPABILITIES APPROACH:** Associated with Prof. Amartya Sen, this approach emphasizes building capabilities in health, education, and resource access.
5. **HUMAN DEVELOPMENT INDEX (HDI):** Ranks countries based on health, education, and access to resources, with scores ranging from 0 to 1.
6. **HUMAN POVERTY INDEX (HPI):** Measures the shortfall in human development, focusing on factors like life expectancy, literacy rates, and access to clean water.

INTERNATIONAL COMPARISONS

International comparisons of human development reveal that size or per capita income does not always correlate with higher development levels. Smaller or less wealthy nations can sometimes outperform larger or richer countries in human development rankings.

HUMAN DEVELOPMENT INDEX (HDI)

1. **HDI:** It measures countries based on health (life expectancy), education (literacy and enrolment), and access to resources (purchasing power). Countries are ranked on a scale from 0 to 1, with higher scores indicating higher human development.
2. **GROWTH:** It refers to changes that are quantitative in nature. It is value-neutral, meaning growth can either be positive (indicating an increase) or negative (indicating a decrease). Growth does not necessarily imply improvement. For instance, if a city's population increases but there is no improvement in infrastructure or services, growth has occurred, but not development.
3. **DEVELOPMENT:** It involves qualitative changes that are always value-positive. Development occurs when there is a positive change in the quality of life. For Example: Development is when increased population in a city is accompanied by improved housing, better healthcare, and enhanced education facilities.
4. **Development cannot happen without positive growth, but positive growth alone does not always lead to development.**

HUMAN DEVELOPMENT INDEX (HDI)

1. The Human Development Index (HDI) is a composite index that ranks countries based on their performance in three key areas:
 - a. **Health:** Measured by life expectancy at birth. A higher life expectancy indicates a healthier population with a better quality of life.
 - b. **Education:** Measured by the adult literacy rate and the gross enrolment ratio. These indicators reflect the accessibility and quality of education.
 - c. **Access to Resources:** Measured by income, specifically in terms of purchasing power (adjusted to U.S. dollars).
2. **Each of these dimensions is equally weighted, and the HDI score ranges from 0 to 1:**
 - a. *A score close to 1 indicates a very high level of human development.*
 - b. *A score close to 0 indicates a low level of human development.*
3. The HDI reflects achievements in human development but does not account for the distribution of these achievements across the population.

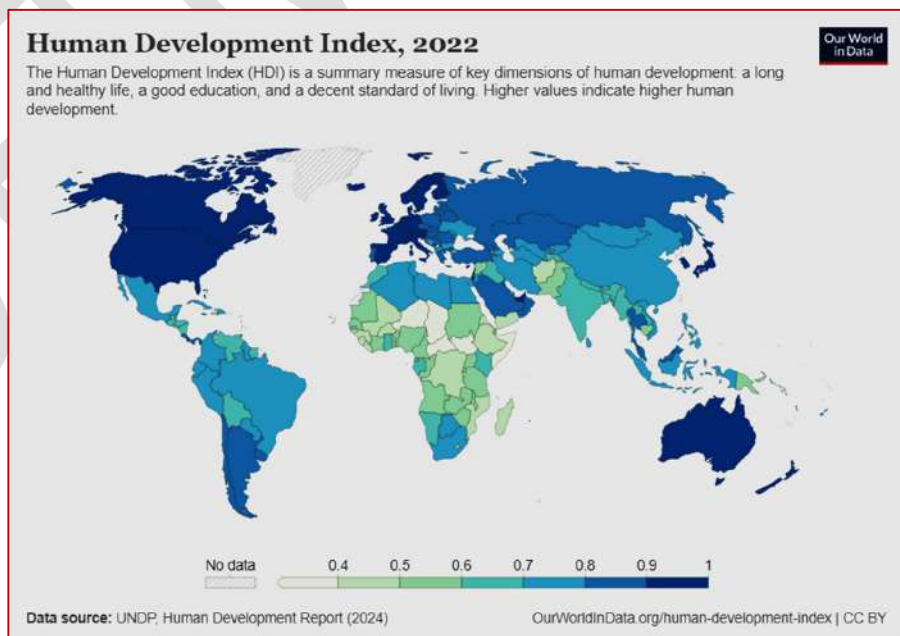
THE FOUR PILLARS OF HUMAN DEVELOPMENT

1. **EQUITY:** Equity ensures equal access to opportunities for everyone, regardless of gender, race, income, or caste. For example, in India, a significant number of school dropouts are women and individuals from socially and economically backward groups, indicating unequal access to educational opportunities.
2. **SUSTAINABILITY:** Sustainability refers to the continuity of opportunities across generations. It involves the responsible use of environmental, financial, and human resources to ensure that future generations have the same opportunities. For example, failing to educate girls today limits their future opportunities, which in turn affects the next generation.
3. **PRODUCTIVITY:** Productivity here refers to human labour productivity—how efficiently human work is carried out. Enhancing productivity requires improving people's capabilities, such as through better education and health facilities. People are considered the real wealth of nations, and their productivity is directly linked to the nation's development.
4. **EMPOWERMENT:** Empowerment is about having the power to make choices, which comes from freedom and capability. It requires good governance and policies that are oriented towards empowering people, especially those from socially and economically disadvantaged groups.



APPROACHES TO HUMAN DEVELOPMENT

1. **INCOME APPROACH:** This is one of the oldest approaches, where human development is seen as closely linked to income. The assumption is that a higher level of income reflects a higher level of freedom and, consequently, human development.
2. **WELFARE APPROACH:** It views people as beneficiaries of development activities, where the government is responsible for improving human development by increasing expenditure on education, health, and social services. People are seen as passive recipients, not active participants, in development.
3. **BASIC NEEDS APPROACH:** It was proposed by the International Labour Organization (ILO), this approach focuses on fulfilling six basic needs: health, education, food, water supply,



sanitation, and housing. It overlooks individual human choices, emphasizing instead the provision of these basic needs.

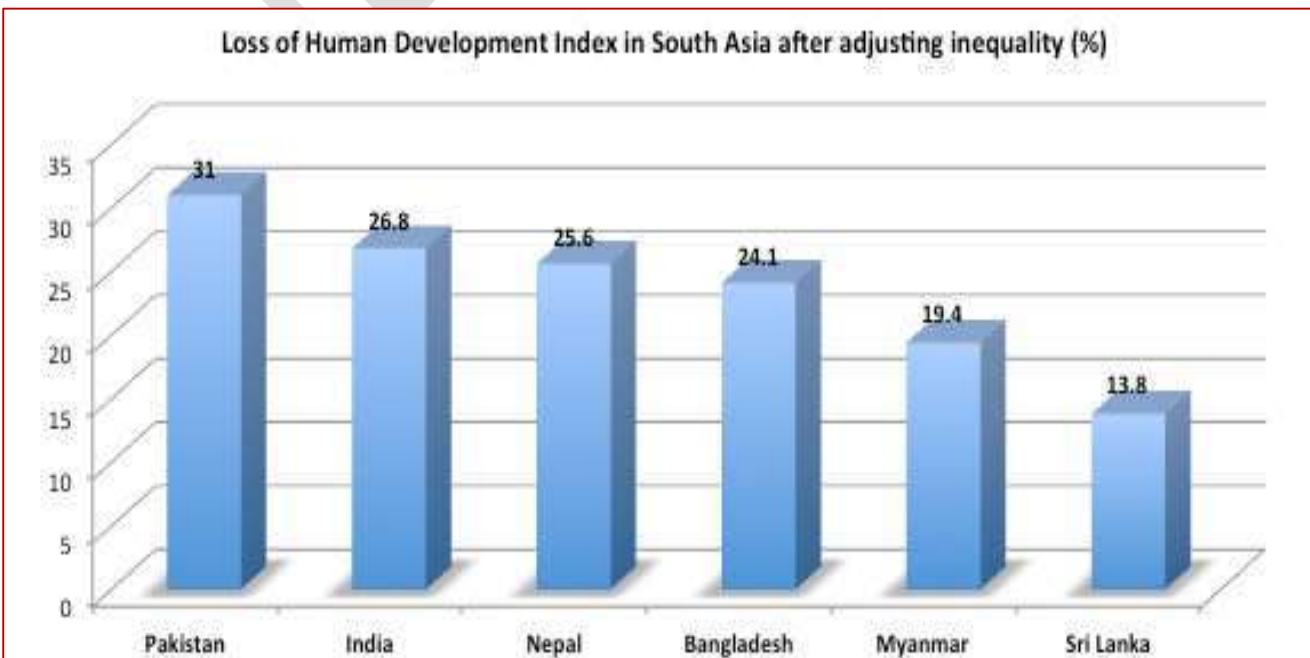
4. **CAPABILITIES APPROACH:** It is associated with Amartya Sen, this approach focuses on building human capabilities in health, education, and access to resources as the key to enhancing human development.
5. **MEASUREMENT OF HUMAN DEVELOPMENT:** The HDI, while useful, has limitations as it does not consider the distribution of human development within a country. The Human Poverty Index (HPI) complements the HDI by measuring the shortfall in human development, considering factors like:
 - a. The probability of not surviving to age 40.
 - b. Adult illiteracy rate.
 - c. Lack of access to clean water.
 - d. The proportion of underweight children.
6. Combining HDI and HPI provides a more comprehensive picture of a country's human development status.

INTERNATIONAL COMPARISONS

International comparisons reveal that size of territory and per capita income are not directly related to human development. Smaller or less wealthy nations can rank higher than larger, wealthier nations due to better social policies and investments in human development. For example, Sri Lanka and Trinidad & Tobago have higher HDI rankings than India despite smaller economies. Countries are classified into four categories based on their HDI scores:

1. Very High Human Development: HDI above 0.800 (e.g., Switzerland, Norway, Iceland).
2. High Human Development: HDI between 0.700 and 0.799.
3. Medium Human Development: HDI between 0.550 and 0.699.
4. Low Human Development: HDI below 0.549.

Countries with higher human development typically invest more in the social sector (education, health) and enjoy political stability, whereas those with lower development often prioritize defence spending over social welfare.



UNIQUE MEASURES AND CASE STUDIES

1. **BHUTAN:** It measures progress through Gross National Happiness (GNH), focusing on the balance between material progress and spiritual well-being. Bhutan's approach emphasizes that material progress should not come at the cost of happiness and well-being.
2. **CORRUPTION AND DEVELOPMENT:** There is often a correlation between corruption levels and human development scores. Countries with higher levels of corruption tend to have lower human development indices.

CONCLUSION

Human development is a complex, multifaceted concept that goes beyond economic growth to include the well-being, freedoms, and opportunities available to people. By focusing on equity, sustainability, productivity, and empowerment, countries can improve the quality of life for their citizens.

THIS SEPTEMBER MARKED THE FIRST ANNIVERSARY OF THE ADOPTION OF THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT AND THE 17 SUSTAINABLE DEVELOPMENT GOALS (SDGS).