



Human Development: Meaning, Objectives and Components

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Meaning of Human Development:

The term 'human development' may be defined as an expansion of human capabilities, a widening of choices, 'an enhancement of freedom, and a fulfilment of human rights.

At the beginning, the notion of human development incorporates the need for income expansion. However, income growth should consider expansion of human capabilities. Hence development cannot be equated solely to income expansion.

Income is not the sum-total of human life. As income growth is essential, so are health, education, physical environment, and freedom. Human development should embrace human rights, socio-economic-political freedoms. Based on the notion of human development, Human Development Index (HDI) is constructed. It serves as a more humane measure of development than a strictly income-based benchmark of per capita GNP.

The first UNDP Human Development Report published in 1990 stated that: **“The basic objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives.”** It also defined human development as “a process of enlarging people’s choices”, “and strengthen human capabilities” in a way which enables them to lead longer, healthier and fuller lives.

From this broad definition of human development, one gets an idea of three critical issues involved in human development interpretation. These are: to lead a long and healthy life, to be educated, and to enjoy a decent standard of living. Barring these three crucial parameters of human development as a process enlarging people’s

choices, there are additional choices that include political freedoms, other guaranteed human rights, and various ingredients of self-respect.

One may conclude unhesitantly that the absence of these essential choices debars or blocks many other opportunities that people should have in widening their choices. Human development is thus a process of widening people's choices as well as raising the level of well-being achieved.

What emerges from- the above discussion is that economic growth measured in terms of per capita GNP focuses only on one choice that is income. On the other hand, the notion of human development embraces the widening of all human choices—whether economic, social, cultural or political. One may, however, contest GDP/GNP as a useful measure of development since income growth enables persons in expanding their range of choices.

This argument is, however, faulty. Most importantly, human choices go far beyond income expansion. There are so many choices that are not dependent on income. Thus, human development covers all aspects of development. Hence it is a holistic concept. **“Economic growth, as such becomes only a subset of human development paradigm.”**

Objectives of Human Development:

In the traditional development economics, development meant growth of per capita real income. Later on, a wider definition of development came to be assigned that focused on distributional objectives. Economic development, in other words, came to be redefined in terms of reduction or elimination of poverty and inequality.

These are, after all, 'a goods-oriented' view of development. True development has to be 'people- centred'. When development is defined in terms of human welfare it means that people are put first. This 'people-oriented' view of development is to be called human development.

It is thus clear that per capita income does not stand as a true index of development of any country. To overcome this problem and to understand the dynamics of development, the United Nations Development Programme (UNDP) developed the concept of Human Development Index (HDI) in the 1990s. This index brought in revolutionary changes not only in development, but also in the policy environment in which the government was assigned a major role instead of market forces.

Economic development now refers to expanding capabilities. According to Amartya Sen, the basic objective of development is ‘the expansion of human capabilities’. The capability of a person reflects the various combinations of ‘doings and beings’ that one can achieve. It then reflects that the people are capable of doing or being. Capability thus describes a person’s freedom to choose between different ways of living.

For example:

Can people read and write? Are foodstuffs distributed among people in a universal manner? Do poor students get midday meal in schools? Do the poor children get adequately nourishing diets at home? No one would doubt that an illiterate poor person cannot have the same capabilities that a rich literate one gets. Thus capability failure leads to poverty and deprivation. This perspective of development, as enunciated by A. Sen, suggests why development economists put greater emphasis on education and health.

There are many countries in the world which —despite high levels of per capita GDP growth/ real income—experience high mortality rate, undernourishment rate, poor literacy, and so on. This is a case called ‘growth without development’. M. P Todaro and S. C. Smith assert: “Real income is essential, but to convert the characteristics of commodities into functions.... surely requires health and education as well as income.” In other words, income does not define peoples’ ‘well- being’ adequately.

Well-being, although a diverse notion, should consider health and education, in addition to income. Sen’s intellectual insights and fundamental ideas induced UNDP to formulate HDI as a comprehensive measure of development. It may be reiterated that the HDI as used in the Human Development Reports to compare different countries in the world has been designed as alternative to per capita GDP/GNP. Today, it is the most single commonly used measure to evaluate development outcomes.

Components of Human Development:

The noted Pakistani economist Mahbub ul Haq considered four essential pillars of human development.

These are:

- i. Equality,
- ii. Sustainability,

iii. Productivity, and

iv. Empowerment.

Equality:

If development is viewed in terms of enhancing people's basic capabilities, people must enjoy equitable access to opportunities. Such may be called equality-related capabilities. To ensure equality-related capabilities or access to opportunities what is essential is that the societal institutional structure needs to be more favourable or progressive.

In other words, the unfavourable initial asset distribution, like land, can be made more farmer-friendly through land reform and other redistributive measures. In addition, uneven income distribution may be addressed through various tax-expenditure policies. Economic or legislative- measures that interferes with market exchange may enable people to enlarge their capabilities and, hence, well-being.

Further, to ensure basic equality, political opportunities need to be more equal. In the absence of effective political organisation, disadvantaged groups are exploited by the 'rich' to further their own interests rather than social goals. However, participatory politics gets a beating by the inequality in opportunities in having basic education.

It is to be added here that basic education serves as a catalyst of social change. Once the access to such opportunity is opened up in an equitable way, women or religious minorities or ethnic minorities would be able to remove socioeconomic obstacles of development. This then surely brings about a change in power relations and makes society more equitable.

Sustainability:

Another important facet of human development is that development should 'keep going', should 'last long'. The concept of sustainable development focuses on the need to maintain the long term protective capacity of the biosphere. This then suggests that growth cannot go on indefinitely; there are, of course, 'limits to growth.'

Here we assume that environment is an essential factor of production. In 1987, the Brundtland Commission Report (named after the then Prime Minister Go Harlem Brundtland of Norway) defined sustainable development as '... development that meets the needs of the present without compromising the ability of future

generations to meet their basic needs.’ This means that the term sustainability focuses on the desired balance between future economic growth and environmental quality. To attain the goal of sustainable development, what is of great importance is the attainment of the goal of both intra-generation and inter-generation equality.

This kind of inequality includes the term ‘social well-being’ not only for the present generation but also for the people who will be on the earth in the future. Any kind of environmental decline is tantamount to violation of distributive justice of the disadvantaged peoples. Social well-being thus, then, depends on environmental equality.

Productivity:

Another component of human development is productivity which requires investment in people. This is commonly called investment in human capital. Investment in human capital—in addition to physical capital—can add more productivity.

The improvement in the quality of human resources raises the productivity of existing resources. Theodore W. Schultz—the Nobel Prize-winning economist—articulated its importance: **“The decisive factors of production in improving the welfare of poor people are not space, energy, and crop land; the decisive factor is the improvement in population quality.”** Empirical evidence from many East Asian countries corroborate this view.

Empowerment:

The empowerment of people—particularly women—is another component of human development. In other words, genuine human development requires empowerment in all aspects of life. Empowerment implies a political democracy in which people themselves make the decisions about their lives. Under it, people enjoy greater political and civil liberties and remain free from excessive controls and regulations. Empowerment refers to decentralisation of power so that the benefits of governance are reaped by all peoples.

It focuses on grassroots participation which promotes democracy by enfranchising the disadvantaged groups. Unfortunately, benefits are cornered by the elites because of lack of empowerment of people. Participation as a goal is a feature of ‘bottom-up’ development strategy rather than ‘top-down’. Further, development policies and strategies male-dominated. But the benefits of development are to be made ‘gender-sensitive’.

Discrimination against women in health and education is very costly from the viewpoint of achieving development goals. Education of women can lead to a virtuous circle of lower fertility, better care of children, more educational opportunity, and higher productivity. Above all, as women's education rises, women's independence in making their own choices also increase.

Anyway, decentralization and participation empower people, specially the women and the poor. It then breaks the 'deprivation trap'. Mahbub ul Haq asserts: **"If people can exercise their choices in the political, social and economic spheres, there is a good prospect that growth will be strong, democratic, participatory and durable."**

Measures of Development:

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Measuring 'development' depends on what you understand by the term. If you take it in purely economic terms, as the traditional view did, then the GNP per capita is the measure for assessing development.

A major objection to its use is the failure to include non-marketed (and, therefore, non-priced) subsistence production (for instance, wheat which farmers produce for their own consumption) and much of a housewife's work and other welfare and income distribution considerations. As a result, there have been numerous attempts to remedy these defects and to create a composite indicator of development.

Basically, indicators of development can be classified in two groups—those that measure development in terms- of 'normal' pattern of interaction among social economic and political factors and those that measure development in terms of the 'quality of life'.

In 1970, a study was conducted by the United Nations Research Institute on Social Development (UNRISD). The study attempted to select the most appropriate indicators of development and conducted an analysis of the relationship between these indicators at different levels of development. The result of the study was the construction of a composite social development index.

The new index consisted of 16 core indicators (9 social indicators and 7 economic indicators) and was found to correlate more highly with individual social and economic indicators than did per capita GNP. The rankings of some countries under the development index differed from their per capita GNP rankings. It was also found that the development index correlated more closely with per capita GNP in the case of developed countries than in the case of developing ones.

Another study was made by Adelman and Morris to seek a measure of development by analysing the pattern of interaction among social, economic and political factors. They classified 74 developing countries on the basis of 41 variables. The method of factor analysis was used to examine the interdependence between social and political variables and the level of economic development. They found numerous correlations between certain key variables and economic development.

A major criticism of these studies was that they sought to measure development in terms of structural change in the country rather than human welfare. There is also the implicit assumption that developing countries must develop along the lines of the developed countries.

Further, there is an undue emphasis on measuring inputs (such as number of doctors per 1000 population or enrolment of figures in school) rather than on outputs (such as life expectancy, literacy) which are the actual objectives of development.

In response to these criticisms, further studies were conducted to develop composite indicators to measure development in terms of meeting the basic needs of the majority of the population of a country or in terms of 'quality of life'. This led to the development of a new index.

It was in 1979 that Morris D. Morris developed a single composite index using three indicators— life expectancy at age one, infant mortality and literacy. For each indicator, the performance of a country is rated on a scale of 1 to 100, where 1 represents the 'worst' performance and 100 the "best' performance. In case of life expectancy, the upper limit of 100 was assigned to 77 years and the lower limit of 1 was assigned to 28 years.

Similarly, for infant mortality, the upper limit was set at 9 per 1000 and the lower limit at 229 per 1000. Literacy rates, measured as percentages 1 to 100, provided their own direct scale. Once a country's performance in life expectancy, infant mortality and literacy has been rated on a scale of 1 to 100, the composite index—the

Physical Quality of Life Index (PQLI)—for the country is calculated by averaging the three ratings, giving- equal weightage to each.

A study conducted in early 1980s found that countries with low per capita GNP tended to have low PQLIs and countries with high per capita GNPs tended to have high PQLIs although the correlation between GNP and PQLI was not substantially close. There were also some countries with high per capita GNP but very low PQLIs.

On the surface, PQLI seems to be free of the basic problems associated with GNP as a measure of development. It aims at incorporating welfare considerations by measuring the ends of development in forms of quality of life.

It also incorporates distributional characteristics since a country cannot achieve high national averages of life expectancy, infant mortality and literacy unless majorities of its population are receiving the benefits of progress in each of these areas. Moreover, like GNP, this simple measure can be used to make inter-country comparisons as data on these indicators is easily available.

A major criticism of the PQLI, however, is that it fails to include many other social and psychological characteristics suggested by the term ‘quality of life’—human rights, justice, security and so on. The index has also been criticised on the grounds of lacking a rationale in giving equal weightage to all the three indicators and the possibility that measures such as life expectancy and infant mortality reflect practically the same phenomenon.

To overcome the limitations of PQLI and other indicators, the Human Development Index (HDI) was developed. The index was pioneered by the Pakistani economist, the late Mahbub-ul-Haq, in partnership with the Indian economist, Prof. Amartya Sen, and is being annually worked out by the United Nations Development Programme (UNDP) since 1990.

The UNDP has defined human development as “a process of enlarging people’s choices”. This depends not only on income but also on other social indicators. (Earlier indices such as the PQLI took up the social indicators separately.)

The three basic indicators are: longevity, knowledge, and a decent standard of living. Longevity is measured by life expectancy at birth; knowledge is measured by a combination of the adult literacy rate and the combined primary, secondary, and

tertiary gross enrolment ratios; and standard of living is measured by GDP per capita (in purchasing power parity US\$).

Before the **HDI** is computed, an index needs to be created for each dimension, the life expectancy index, education index (comprising literacy index and gross enrolment index) and income index. Performance in each dimension is expressed as a value between 0 and 1 by applying the general formula: $\text{dimension index} = (\text{actual value} - \text{minimum value}) / (\text{maximum value} - \text{minimum value})$. Values (max, min) for each dimension, life expectancy (85, 25), literacy (100, 0), gross enrolment ratio (100,0) and per capita income in PPP US\$ (40000, 100) are used in computing the HDI.

The literacy index and gross enrolment index are given two-thirds and one-third weightage to arrive at the education index. The HDI is calculated as a simple average of the three.

Countries are classified into three categories: high human development (HDI 0.800 and above), medium human development (HDI 0.799-0.500) and low human development (HDI below 0.500).

(In the beginning, only adult literacy was chosen as index of knowledge; it was later decided to include school enrolment in this index.)

Once the increase in income passes the cut-off point, it is faced with diminishing returns and this makes it necessary to let the social indicators determine the HDI. Thus, the index is tuned to the growing concern among nations, regarding human development.

The HDI, unlike other indices which measure absolute levels, ranks countries in relation to each other. The index takes the progress made from the minimum towards the maximum. The distance travelled is expressed in percentage terms. A clear picture emerges of the wide disparities that exist in the levels of human development between the developing and the developed countries.

The same exercise is repeated in respect of the other two components of the index. The distance travelled in each case is then used as the basis for combining the three devices, and this gives a common denominator to rank countries on a uniform scale.

The human development indicators may be defined as some selected indices which throw light on inter- and intra-country variations in socioeconomic and political well-being. Thus, it is possible for geographers to study regional disparity with the help of these indices.

The HDI is not quite perfect either, merely because it seems scientific and the formulae used -to arrive at the final average looks complex; the weighting scheme that it uses is just as ad hoc as any other. But it is certainly one way to combine important development indicators.

The per capita GNP, ultimately, cannot be ignored totally. What matters is that the national average truly reflects an even distribution of the income; that a large majority of the population has an income closer to than farther from the national average.

Equitable economic development is also the responsibility of the government, its economic policies, interventions, and implementation strategies.

Other indices were introduced in the Human Development Report over the years.

The gender-related development index (GDI) was introduced in the 1995 report.

The **GDI** measures achievements in the same dimensions and using the same variables as the HDI does, but taking account of inequality in achievement between men and women. The findings show that hardly any country fares well by GDI; gender equality is strongly associated with human poverty; and not necessarily with income poverty and gender equality can be achieved at different income levels and stages of development as well as under different cultural systems and political ideologies.

The gender empowerment index (**GEM**) was also introduced in HDR 1995. The GEM measures gender inequality in economic and political opportunities. The Nordic countries do well in both GDI and GEM.

The human poverty index (**HPI**) was introduced in HDR 1997. While the HDI measures average achievements in basic dimensions of human development, the HPI measures deprivations in those dimensions. HPI-1 measures human poverty in developing countries, while HPI-2 measures human poverty in industrialised countries.

HPI-1 is based on the indicators of probability at birth of not surviving up to age 40; adult literacy rate; and deprivation in economic provisioning, measured by percentage of people without access to safe water, percentage of people without access to health services, and percentage of children under five years who are underweight.

HPI-2 is based on the indicators of probability at birth of not surviving up to age 60; adult functional illiteracy rate; percentage of people living below the income poverty line (50 per cent of median disposable household income); and long-term unemployment rate (12 months or more).

The technological achievement index (TAI) was a part of HDR 2001. The TAI is aimed at capturing how well a country is creating and diffusing technology and building a human skill base. The index measures achievements, and not potential, effort or input. It has four components—creation of technology or more precisely the capacity for innovation; diffusion of recent innovations summed up in the Internet; diffusion of old innovations which is seen essentially as a function of the spread of telephone connectivity and access to electricity; and human skills defined broadly to encompass “basic education to develop cognitive skills and skills in science and mathematics”.