

SUMMARY SHEET



Human Development





EduTap Hall of Fame



NABARD Grade A 2021

62 Selections Out of 74



Mr. Albin Sunny



Mr. Amol Darade



Mr. Ankith



Mr. Deepak Kumar



Mr. Gowtham



Mr. Vikram Joshi



Mr. Vinayak Langote



Ms. Arti Shukla



Mr. Nimish



Mr. Nithin



Mr. Prajakt Dhawale



Mr. Pravin



Ms. Dharana



Ms. Pavithra

RBI Grade B 2020 - 21

198 Selections Out of 257



Mr. Ajil



Mr. Aman Choudhary



Mr. Arun Sharma



Ms. Ila Sahu



Mr. Nishant Yadav



Ms. Ojaswi Dale



Mr. Parimal S Athaley



Ms. Resmarani Sahoo



Mr. Ryan Varghese



Mr. Shubham



Mr. Somya Atre



Ms. Srishti Dabas



Ms. Twinkle Dahliya



Mr. Vaibhav Nayer

SEBI Grade A 2022

58 Selections Out of 80



Abhishek Ashish



Anurag Bolia



Avinash Jaiswal



Chetan Choraria



Gourav Singh



Himanshi



Vishwabahu



Rishabh



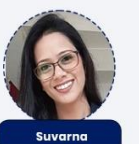
Roshan Lal



Srinidhi Adhikary



Sushant Sanjay



Suvarna



Vivek Sharma



Shweta Meena



Contents

1	GDP alone cannot symbolize the development of a country: Why?.....	4
2	Meaning of Human Development	5
3	Why is human development needed? How important is human development?	6
4	What is Human Development approach?	7
5	Pillars of Human Development.....	8
5.1	Equity	8
5.2	Efficiency and Productivity	8
5.3	Participation and Empowerment	9
5.4	Sustainability.....	9
6	Dimensions of Human Development.....	9
6.1	Education: Human Capital and Human Capability.....	10
6.2	Health and Human Development.....	11
6.3	Gender and Human Development.....	12
7	Status of Human Development in India.....	14
8	Reasons for Low Human Development in India	16
9	Way Forward	16
10	The Human Development Report.....	17
10.1	The Human Development Index (HDI).....	18
10.2	Inequality-Adjusted HDI (IHDI)	18
10.3	Gender Development Index (GDI)	19
10.4	Gender Inequality Index (GII)	19
10.5	Multidimensional Poverty Index (MPI).....	20
11	Gross National Happiness.....	21
12	Limitations of HDI	21
13	Conclusion	22

EduTap

In the chapter 'Growth and Development – National Income and Per Capita Income', we had discussed about the **differences between 'Growth' and 'Development'**.

There was a detailed discussion on **how the economic growth of a nation is calculated**.

By using various measures, like GDP, the economic growth can definitely be calculated, but **can GDP symbolize the overall development of a country?**

1 GDP alone cannot symbolize the development of a country: Why?

The following arguments make us realize the fact that GDP alone cannot symbolize the development of a country.

- ✓ **Distribution of GDP – how uniform is:** If the GDP of the country is rising, the welfare may not rise as a consequence. This is because the rise in GDP may be concentrated in the hands of very few individuals or firms.

Let us consider an example to understand this,

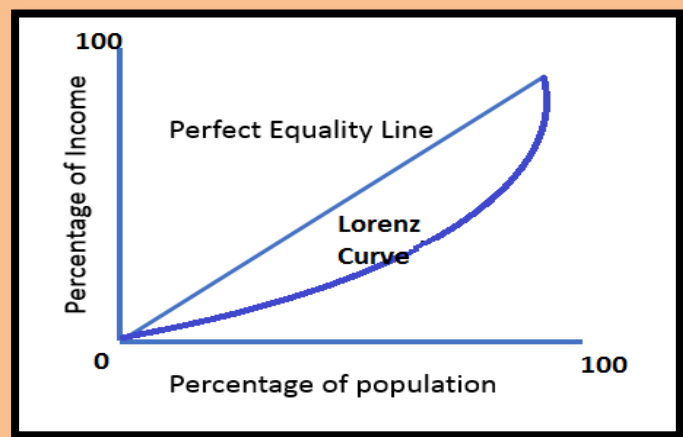
1. **Suppose in year 2000**, an imaginary country had 100 individuals each earning Rs 10. Therefore, the GDP of the country was Rs 1,000 (by income method).
 2. In 2001, let us suppose the same country had 90 individuals earning Rs 9 each, and the rest 10 individual earning Rs 20 each.
 3. Suppose there had been no change in the prices of goods and services between these two periods.
 4. **The GDP of the country in the year 2001** was $90 \times (\text{Rs } 9) + 10 \times (\text{Rs } 20) = \text{Rs } 810 + \text{Rs } 200 = \text{Rs } 1,010$.
 5. Observe that compared to 2000, the GDP of the country in 2001 was higher by Rs10.
 6. But this has happened when 90 per cent of people of the country have seen a drop in their real income by 10 per cent (from Rs 10 to Rs 9), whereas only 10 per cent have benefited by a rise in their income by 100 per cent (from Rs 10 to Rs 20).
 7. 90 per cent of the people are worse off though the GDP of the country has gone up.
 8. If we relate welfare improvement in the country to the percentage of people who are better off, **then surely GDP is not a good index.**
- ✓ **Unaccounted activities:** Many activities in an economy are **not evaluated in monetary terms**. For example, the domestic services women perform at home are not paid for.
 - ✓ **Does not take into account the overall social development of a nation.** For that purpose, we need to look at other indicators like Human Development Index as well. Only when there is inclusive development, a country is said to prosper.

To measure the income inequality that exists in a country, we can use the Lorenz Curve and the Gini-Coefficient

1. Lorenz Curve

- It is a **graphical representation of wealth distribution** developed by American economist **Max Lorenz in 1905**.

- On the graph given below, the **straight diagonal line** represents **perfect equality of wealth distribution**; the **Lorenz curve** lies beneath it, showing the **reality of wealth distribution**.
- The **difference between** the straight line and the curved line is the **amount of inequality of wealth distribution**.



2. Gini-Coefficient: The Gini-coefficient can be calculated using the formula

- **Gini-coefficient = Area between Line of Equality and Lorenz Curve / Area under Line of Equality.**
- The **value** ranges from **0 to 1**.
- Tracking it can demonstrate wealth trends in particular nations over time.
- In an economy with perfect equality, 20% of the population would hold 20% of the wealth. As the percentage of the population in consideration rises, so does their cumulative wealth.
- In a **perfect inequality curve**, the **Gini-coefficient is 1** and the curve represents **100% of a nation's wealth held by one single person or entity**.
- The **greater the disparity within a nation**, the **closer the Gini-coefficient will be towards 1**.

From the above discussion, we can **infer** that we need a **different approach** to measure the **development of a country**. An approach that would be able to give a **true reflection of a country's progress**. One such approach is the **Human Development approach**.

Before proceeding ahead with Human Development Approach, let us try to understand the meaning of Human development, which is discussed in the subsequent section.

2 Meaning of Human Development

- 1. Meaning and Its Pillars:** Human development aims to **enrich people's lives by widening their choices**. Through investing in people, in terms of **education, health, safety**, and so on, this discipline attempts to **build human capability**.
 - Capability is basically what people are actually able to do and to be.
 - **Equality, sustainability, productivity, and empowerment** are the **four pillars** of human development.
- 2. Inclusive Development- Theme:** This approach emphasizes the belief that **though economic growth is essential**, its **quality and distribution** determine the extent to which it **enriches people's lives** in a sustainable manner.
 - The attempt is to create an environment in which people can enjoy **long, healthy, and creative lives**. The idea of human development is also linked with the concepts of **rights, liberty and justice**.
 - Seeing humans as ends of development process was not the sole purview of human development paradigm.
- 3. The UN Declaration on Human Rights (1948)** put forward that **all humans should be free and equal in dignity and rights**, such as the right to **work**, the right to **education**, the right to **health**, the right to **vote**, the right to **nondiscrimination**, the right to **decent standard of living** etc.
 - It was written in the hope that the **atrocities** committed during the **Second World War would never be repeated again**. There are significant connections between **human rights approach** and that of human development and capability.

- According to the Human Development Report (2000), “**Human Rights and Human Development share a common vision and a common purpose** – to secure **freedom, wellbeing and dignity** of all people everywhere”.
 - A **human right** is claimed to be a fundamental benefit that should be enjoyed universally by all people everywhere on the basis of equality and non-discrimination.
4. The **Evolution of the concept of human development** can be traced to the writings of renowned thinkers and philosophers of ancient times.
- **Aristotle**, the great philosopher reflected in his writing that “**wealth is not the good that we are seeking for; it is merely for the sake of something else**”.
 - Another great philosopher, Immanuel **Kant** argues that **human beings are ends in themselves**, rather than the means to other ends.
 - **Adam Smith, Robert Malthus, Karl Marx, John Stuart Mill**, and many other modern economists have also come forward with the similar **idea of treating human beings as the real end of all activities**.
 - However, the undeniable reality is that **human beings are the beneficiaries of progress**, and, at the same time, they are directly or indirectly, **the primary means of production**. Thus, **human beings are the means through which a productive progress is brought about**.
5. **Human Development** has been accepted in **development economics literature** as
- An expansion of human capabilities
 - A widening of choices
 - An enhancement of freedoms
 - A fulfillment of human rights

Having understood the meaning of human development, let us now understand why is human development needed and its importance in bringing about economic development.

3 Why is human development needed? How important is human development?

A country can **never progress** until and unless its **people lead a healthy and happy life**. Even an **economic development of a country depends on its human resources**. Capital, natural resources, as well as other productive resources remain inactive in the nature. Human resources are necessary to mobilize them.

The following points clearly help us understand the importance of Human Resource in Economic Development:

1. **Utilization of Natural resources:** Human resources are necessary for the utilization of natural resources like mineral, water, forest etc. Utilization of these resources is necessary for economic development. Thus, only human resources mobilize and utilize them properly.
2. **Compensate the deficiency of natural resources:** The utilization of human resource compensates the deficiency of natural resources. Many countries are poor in natural resources like *Japan, Hong Kong, Singapore etc.* but they are able to achieve high economic growth by properly utilizing human resource.
3. **Utilization of physical capital:** Only the existence of physical capital can't do anything for economic development. They should be properly utilized. To operate machinery & equipment and to run factories and industries is impossible without the involvement of human resource.
4. **Increase in production:** The human resources of a country help to increase in the production of different goods and services. By using skilled human resources, a country can produce the variety of goods and services having high quality.
5. **Changes in technology:** Human resources of a country can bring the new technology. Advance technology is necessary to bring development in country.

After having studied the indispensability of human beings in bringing about economic growth and development, let us now study in a little more detail the concept of human development approach.

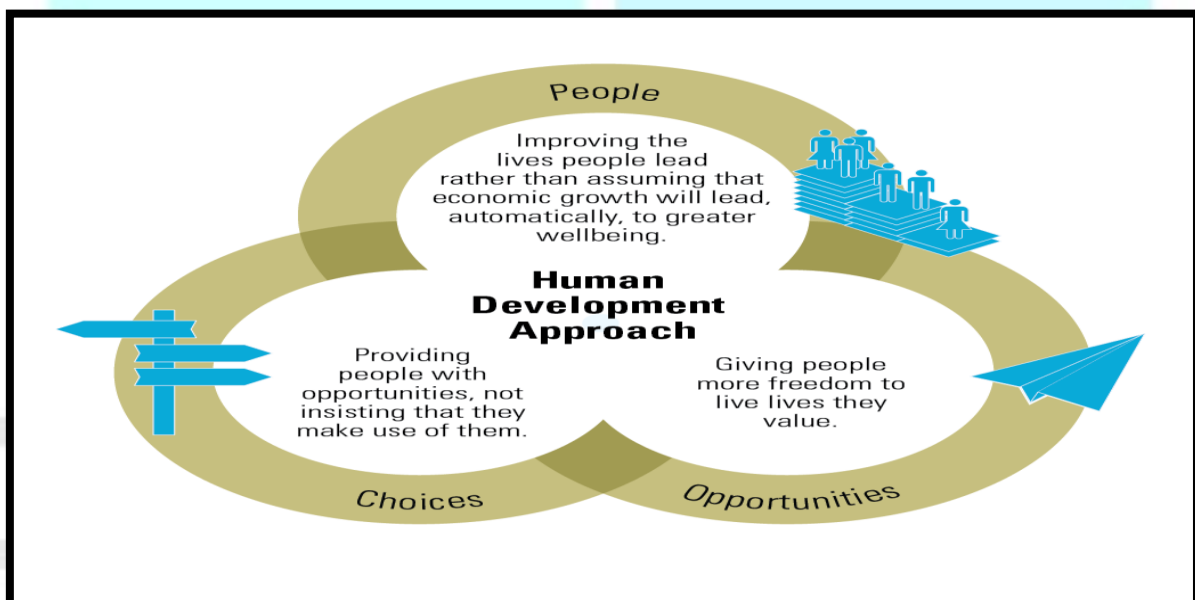
4 What is Human Development approach?

It is an approach to development in which the **objective** is to **expand what people are able to do and be** – what might be called, **people's real freedoms**.

- It **puts people first**. Or we can rather say that it puts human beings at the center of development. For each action taken, the effect it has on the human beings is measured. People are provided with **fair opportunities and choices**. So, we can call it as **people-focused approach to development**.
- In this kind of approach, a **healthy economy** is one which enables people to **enjoy a long healthy life, a good education, a meaningful job, family life, democratic debate**, and so on.

In other words, **Human Development Approach** focuses on the following:

1. **People:** The human development approach focuses on improving the lives people lead rather than assuming that economic growth will lead, automatically, to greater opportunities for all. Income growth is an important means to development, rather than an end in itself.
2. **Opportunities:** Human development is about giving people more freedom and opportunities to live lives they value. In effect this means developing people's abilities and giving them a chance to use them.
 - **For example**, educating a girl would build her skills, but it is of little use if she is denied access to jobs, or does not have the skills for the local labour market.
3. **Choices:** Human development is, fundamentally, about more choice. It is about providing people with opportunities, not insisting that they make use of them. No one can guarantee human happiness, and the choices people make are their own concern.
 - The process of development – human development - should at least create an environment for people, individually and collectively, to develop to their full potential and to have a reasonable chance of leading productive and creative lives that they value.



Concept of Human Development:

- The human development concept was developed by **economist Mahbub ul Haq**.
- At the World Bank in the 1970s, and later as minister of finance in his own country, Pakistan, Dr. Haq argued that existing measures of human progress failed to account for the true purpose of development—to improve people's lives.

- In particular, he believed that the commonly used measure of Gross Domestic Product failed to adequately measure well-being.
- Working with **Nobel Laureate Amartya Sen** and other gifted economists, in 1990 Dr. Haq published **the first Human Development Report**, which was commissioned by the United Nations Development Programme.

Having understood the human development approach, let us now look at the pillars of human development, which is discussed in subsequent section.

5 Pillars of Human Development

The **human development approach** is inherently multidimensional. The central goal of human development is to **enable people to become direct agents in their own lives**. People are not passive objects of social welfare provisions but are **active subjects with the power to determine how they choose to live**.

- **People should be empowered** so that they can **define their respective priorities, as well as choose the best means to achieve them**. Thus, **agency and expansion of freedom** go hand in hand. In order to be agents of their own lives, people need the freedom to be **educated**, to **speak** in public without fear, or have freedom of **expression and association**.
- **The four main pillars of human development are**
 1. Equity
 2. Efficiency and productivity
 3. Participation and empowerment
 4. Sustainability

5.1 Equity

1. **The principle of equity** encompasses **the ideal of equality** whereby **all human beings** should have **equal rights and entitlements to human, social, economic, and cultural development**, and an **equal voice** in civic and political life.
2. **Affirmative Action:** The principle of equity also recognizes that **those who have unequal opportunities** due to various disadvantages may require **preferential treatment or affirmative action**.
 - Since the opportunities available to different sections of society vary, ensuring that the **sections deprived of basic opportunities** such as health and education are **provided access to these benefits**, is the goal of equality.
 - Thus, **equity aims at equality**, not only of **economic resources**, but of **education, health, employment opportunities, democratic participation**, etc., too. Realization of the goal of equal opportunities leads to equity outcomes.

5.2 Efficiency and Productivity

1. **Efficiency** is defined as the **least costly method of reaching goals** through the **optimal use of human, material, and institutional resources to maximize opportunities** for individuals and communities, thereby enhancing productivity.
 - Efficient use of **scarce national resources** leads, for instance, to the building of infrastructure like **roads and dams**, which in turn lead to **better outcomes for human beings**.
2. **Productivity can be enhanced through efficient use of resources**. It also requires **investment in people** and **enabling a macroeconomic environment** for them to achieve their **maximum potential**.
 - For human development, people must be enabled to increase their productivity and to participate fully in the process of maximizing opportunities so that they become effective agents of growth.

5.3 Participation and Empowerment

1. **Participation and engagement in social and political life** is an important aspect of human development. People's participation is crucial in **community programmes and government interventions**.
 - Mobilization of grassroots support through **decentralization in planning will increase people's participation** in decision making because it brings government closer to people.
 - Participation also **enables people to seek answers** from authorities and can go a long way in **improving the quality of social service delivery**.
 - It **pressurizes local authorities** to take swift remedial action in situations where gaps or shortfalls are identified in the functioning of institutions.
2. **Empowerment** can occur through enhanced participation and involvement. For instance, **reservations of women in various elected bodies** are made to empower them through such **participation**. Involvement of parents, guardians and/or communities in village education committees is another example.

5.4 Sustainability

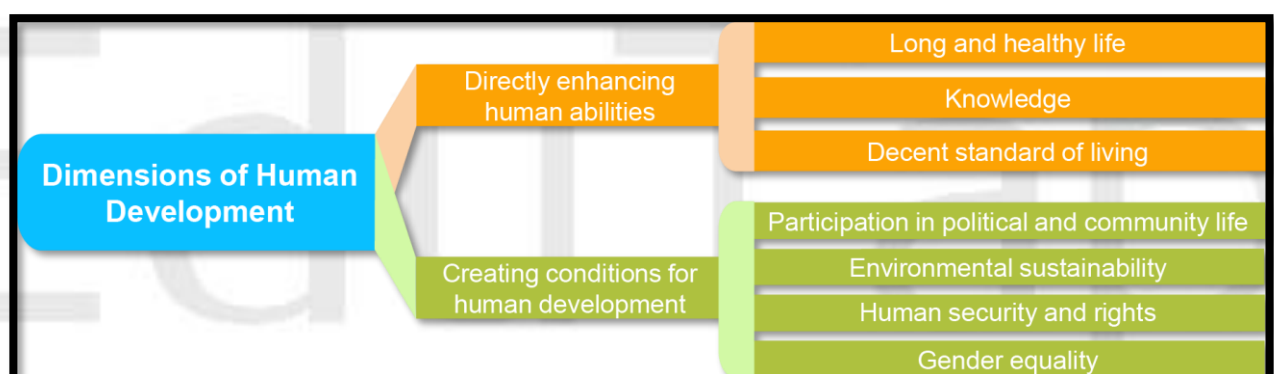
Human development questions the long-term sustainability of economic growth and aims to ensure that **resources are utilized in a manner that meets present day human needs while preserving the environment, so that the needs of future generations can also be met with.**

- Hence, **use of resources without degrading the environment** is essential to **ensure that the improvements made are not temporary in nature** and have the potential for future growth as well.
- For instance, if the development process does not create institutions that are supportive of people's rights, it cannot be sustainable in the long run.

After understanding the pillars of Human development, let us look at the pathbreaking work of Amartya Sen in the Subsequent section.

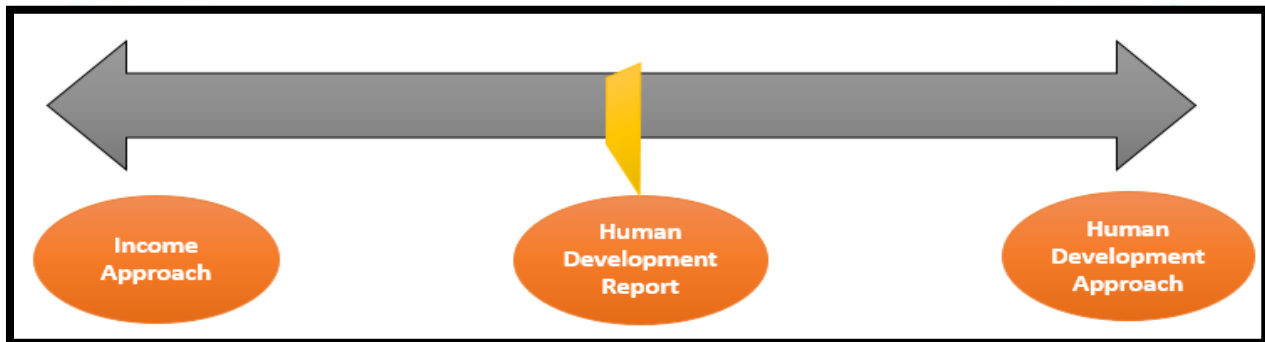
6 Dimensions of Human Development

1. There can be many dimensions of human development, but it is important to list down the important ones so that **the concept of human development becomes measurable and practical**.
 - For this purpose, UNDP has come up with the dimensions that have been mentioned in the diagram below.
 - The diagram below looks at aspects of human development that are **foundational** (that is they are a fundamental part of human development); and aspects that are more **contextual** (that is they help to create the conditions that allow people to flourish).
2. **Three foundations for human development** are to live a healthy and creative life, to be knowledgeable, and to have access to resources needed for a decent standard of living.
 - **Many other aspects are important too**, especially in helping to create the right conditions for human development, such as environmental sustainability or equality between men and women.



3. **Assessment of development:** So far, we have seen that **overall**, there are **two approaches** to measure the development of a country, one is the **income approach** and the other is the **human development approach**.

- Now, these two approaches are at the extreme ends. We need to find a balance between the two.
- To fulfill this purpose, UNDP comes out with the **Human Development Report** that measures the human development of a country by using certain parameters that are measurable when compared to the **idealist human development approach** which seems very vague as it can encompass various dimensions under it.



Let us now understand the components of Human development report in detail. Broadly, the main dimensions are: (i) education (ii) health and (iii) gender.

6.1 Education: Human Capital and Human Capability

1. **Comparing Human Capital against Human Capability:** Comparing human capital, as given by Gary S. Becker, Theodore Schultz, with the **capability approach**, given by Sen, who argues that **education as a human capital** concentrate on the agency of human beings, through skill and knowledge as well as effort, in **augmenting production possibilities**.
 - The **capability approach to education** focuses on the **ability of human beings to lead lives they have reason to value**, and to enhance the substantive **choices** they have.
 - Both approaches are connected because they both are concerned with the role of human beings, and in particular, with the actual abilities that they achieve and acquire.
 - Consider the following example: if **education makes a person more efficient in commodity production**, then there is clearly an **enhancement of human capital**. This can **add to the value of production** in the economy, **and to the income** of the person who has been educated. But, even with the same level of income, a person may benefit from education in **reading, communicating, arguing, being able to choose in a more informed way, being taken seriously by others**, and so on.
 - The **benefits of education**, thus, **exceed its role as human capital in commodity production**. The broader human capability perspective would add these roles. Thus, the **human capital perspective fits into the broader human capability perspective**, which covers the direct, as well as indirect, consequences of human abilities.
2. **Amartya Sen** has identified **three distinct ways to link the importance of education to the expansion of valuable capabilities**.
 - a) Education fulfills an instrumental social role. For example, **literacy fosters public debate and dialogue** about social and political arrangements.
 - b) Education also has an instrumental process role in facilitating our **capacity to participate in the decision-making process** in the household and at the community, or national level.
 - c) Education has an empowering and distributive role in facilitating the **ability of disadvantaged, marginalized, and excluded groups to organize themselves politically**, since, without education,

these groups would be unable to gain access to centers of power, and affect the redistribution of resources.

3. Overall, **education has an interpersonal impact** because people are able to **use the benefits of education to help others as well as themselves**, and can contribute to **democratic freedoms**, and to the **overall good** of society as a whole.
4. **International declarations** such as the **Millennium Development Goals**, Education for All, and the Decade of Education for Sustainable Development, attempt to look at education beyond simple human capital concerns.
5. The **human development perspective**, thus, considers the **purpose of education to be much wider than simply developing skills that will enhance economic growth**. Education **nurtures the processes of critical reflection and connection** with others that are intrinsically ethical.
6. Education brings **empowerment**, and it is central to **human growth**. Not only does it **open the minds** of people and **further their horizons**, it also opens the way for people to **acquire other valuable capabilities**.
7. The **human development reports** take into account the central importance of education by incorporating an **education indicator – literacy rates – into the first Human Development Index**, later versions include education indicators based on **enrollment rates**.

6.2 Health and Human Development

The **conventional** approach argues that **health**, through its **contribution to the quality of human capital**, has a **strong, and significant effect on economic growth**. This approach puts **economic growth** as an **end**, and **health** as a **means** to achieving this end.

- The reverse is also argued, where **wealth** is seen as a **necessary input** for the achievement of **health** outcomes. However, these approaches lead to the **critical question of whether economic growth is necessary for improving health**.
1. **Amartya Sen**, by quoting the examples of **pre-reform China, Sri Lanka, and Kerala (India)**, describes that **improvement in health (without economic growth)** can be attained by **prioritizing social services** especially health care, and basic education.
 - He says that “health is among the **most important conditions of human life**, and a critically significant constituent of **human capabilities** which we have reason to value.
 - In addition to its intrinsic value, health is **instrumental to economic growth, educational achievements and cognitive development, employment opportunities, income earning potential** as well as for **dignity, safety, security and empowerment**”.
 2. Considerable empirical evidence supports the capability approach in **substantiating the importance of conversion factors in translating health inputs to valued health outputs**.
 - One clear example of a conversion factor in health is **education**. Numerous studies have demonstrated that **educated individuals** tend to have **lower mortality and morbidity** than less educated counterparts.
 - In addition, **children of educated mothers fare better** in terms of health than those with less education.
 - **Yet another conversion factor is the authority an individual has within their household, or community**, to assess or convert, a particular resource into a value-added health outcome.
 - For example, the **unequal rights to property, unequal access to economic assets, and restrictions on physical mobility, especially in the case of women, hamper their health situation**.
 - Thus, **conversion factors include a number of external conditions**, the natural and manmade environment in which we operate, the formal and informal rules and regulations to which we subscribe, social and family dynamics that determine our daily lives, and so on.
 3. A **basic principle of public health** is that **all people have a right to health**. Differences in the incidence and prevalence of health conditions and health status between groups are commonly referred to as **health disparities**.

- **Most health disparities affect groups that are marginalized** because of socioeconomic status, race or ethnicity, sexual orientation, gender, disability, geographic location, or some combination of these.
 - People in **these groups not only experience worse health**, they also tend to have **less access to the ‘social determinants or conditions** (e.g., healthy food, good housing, good education, safe neighborhoods, freedom from racism, and other forms of discrimination) **that support a healthy life**.
 - **Health disparities are referred to as health inequities when they are the result of the systematic and unjust distribution of these critical conditions**.
 - According to **WHO**, **health equity**, is experienced when everyone has the **opportunity to “attain their full health potential”** and **no one is “disadvantaged from achieving this potential because of their social position or other socially determined circumstance.”**
 - **Health** is, thus, a **fundamental capability** which is **instrumental** in the **achievement of other capabilities**.
4. The **unfair distribution of health capabilities** may **affect social justice** in several ways. For example, **high maternal undernutrition**, leads to **intra-uterine growth retardation**, which leads to a **high prevalence of low-birth-weight babies**.
- This phenomenon contributes to a **high prevalence of child undernutrition** and **adult ailments**. Thus, **women’s deprivation** in terms of **nutrition** and **health** attainment has serious **repercussions for society** as a whole.
 - **Deprivation in health** can cause **deprivation** in a number of other dimensions such as **education, employment, and participation** in social spheres.
 - When people are **ill or malnourished**, their **overall capabilities are greatly reduced**. **Lack of good health** can, therefore, be at the **heart of interlocking deprivations**.
 - The 2005 WHO Report finds a close link between chronic diseases and poverty. Poor health is not just suffering from illness. For those living in poverty, it pushes individuals and households towards **losses in productivity, incomes, assets, and education further entrenching the cycle of poverty**. Health deprivations, thus, reinforce deprivations in other dimensions, which in turn reinforce deprivations in health.

6.3 Gender and Human Development

In no society do women enjoy the same opportunities as men. A widespread pattern of inequality persists among men and women in their access to education, health, and nutrition, and even more, in their participation in the economic and political spheres.

Amartya Sen has identified seven different types of gender inequalities presently existing in this world.

- 1) **Mortality inequality:** In some regions in the world, inequality between women and men directly involves matters of life and death, and *takes the brutal form of unusually high mortality rates of women*, and a consequent preponderance of men in the total population, as opposed to the preponderance of women found in societies with little, or no gender bias in health care and nutrition.
 - Mortality inequality has been observed extensively in North Africa, and in Asia, including China, and South Asia.
- 2) **Natality inequality:** Given the preference for boys over girls that many male-dominated societies have, gender inequality can **manifest itself** in the form of the parents wanting the newborn to be a boy rather than a girl.
 - There was a time when this could be no more than a wish, but with the **availability of modern medical techniques** to determine the gender of the foetus, sex-selective abortion has become common in many countries.

- It is particularly prevalent in East Asia, in China and South Korea in particular, but also in Singapore and Taiwan, and it is beginning to emerge as a statistically significant phenomenon in India and South Asia as well. This is **high tech sexism**.
 - Sen coined the term, '**missing women**', to describe the phenomena of sex ratio imbalances. Sex ratios were viewed as a composite indicator of the status of women in any society by the Committee on the Status of Women in India (CSWI) in its report, "Towards Equality", in 1974.
- 3) **Basic facility inequality:** Even when demographic characteristics do not show much or any anti-female bias, there are other ways in which women can have less than a fair deal.
- Afghanistan may be the only country in the world where the government is keen on actively excluding girls from schooling (it combines this with other features of massive gender inequality), but there are many countries in Asia, Africa, and in Latin America, where girls have far less opportunity for schooling than boys.
 - There are **other deficiencies in basic facilities available to women**, varying from encouragement to cultivate one's natural talents, to fair participation in the social functions of their communities.
- 4) **Special opportunity inequality:** Even when there is relatively little difference in basic facilities, including schooling, the opportunities for higher education may be far fewer for young women than for young men.
- Indeed, gender bias in higher education and professional training is observed even in some of the richest countries in the world, in Europe, and North America.
- 5) **Professional inequality:** In terms of employment, as well as in promotions at work, women often face greater handicaps than men.
- A **country like Japan** may be egalitarian in matters of demography, or basic facilities, and even, largely, in higher education, and yet, progress to elevated levels of employment and occupation seems to be much more problematic for women than for men.
- 6) **Ownership inequality:** In many societies, the ownership of property can also be very unequal. Even basic assets, such as homes and land, maybe asymmetrically shared.
- **The absence of claims to property** can not only reduce the voice of women, but also make it harder for women to enter and flourish in commercial, economic, and even some social activities. This type of inequality exists in most parts of the world, with local variations.
 - **For example**, even though traditional property rights have favoured men in most of India, in the state of Kerala, there has been, for a long time, matrilineal inheritance for an influential part of the community, namely the Nairs.
- 7) **Household inequality:** Often enough, there are basic inequalities in gender relations within the family, or the household, which can take many different forms.
- Even in cases in which there are no overt signs of anti-female bias in, say, survival, or son-preference, or education, or even in promotion to higher executive positions, the family arrangements can be quite unequal in terms of sharing the burden of housework and child care.
 - **For example**, it is common in many societies to take it for granted that while men will work outside the home, their women could work too, if, and only if, they combine work with various inescapable, and unequally shared household duties.
 - This **unequal status** leaves **considerable disparities** between **how much women contribute to human development**, and **how they share its benefits**.
 - **Response of the human development approach:** It is sensitive to aspects of discrimination that are particularly important in women's lives, but are unrelated to income and economic growth, **such as lack of autonomy** in decisions about their lives and the ability to influence decision-making within the family, community, and nation.
 - The human development approach also has the **scope to delve into complex issues**, such as the unequal sharing of unpaid work that constrain women's life choices.
 - Given the constraints on women's agency in almost all societies by political institutions such as male-dominated political parties, social institutions such as the family, and social norms such as

women's responsibilities for care work, these issues and their underlying **causes clearly must be tackled.**

- Gender analysis has kept the approach vibrant, contributing particularly to the development of its agency aspects.

Having understood the different dimensions of Human development report, let us now look at the present status of human development in India in the subsequent section.

7 Status of Human Development in India

- The theme of the HDR 2021-22 which was compiled amidst the COVID Pandemic is "Uncertain Times, Unsettled Lives: Shaping our Future in a Transforming World".
 - India was ranked 132 out of 191 countries in the Human Development Index (HDI) 2021.
 - With this, India has registered a decline in its score for two consecutive years for the first time in 30 years.
- India's HDI value is 0.633 (medium human development category) as compared to the global average of 0.732.
- The drop in India's HDI from 0.645 in 2018 to 0.633 in 2021 can be attributed to falling life expectancy at birth.
- The report also notes **that about 90% of countries** have registered a reduction in their HDI value in 2020 or 2021.

The Human Development Report published by the United Nations Development Programme estimates the HDI in terms of three basic parameters: to live a long and healthy life, to be educated and knowledgeable, and to enjoy a decent economic standard of living.

Key points

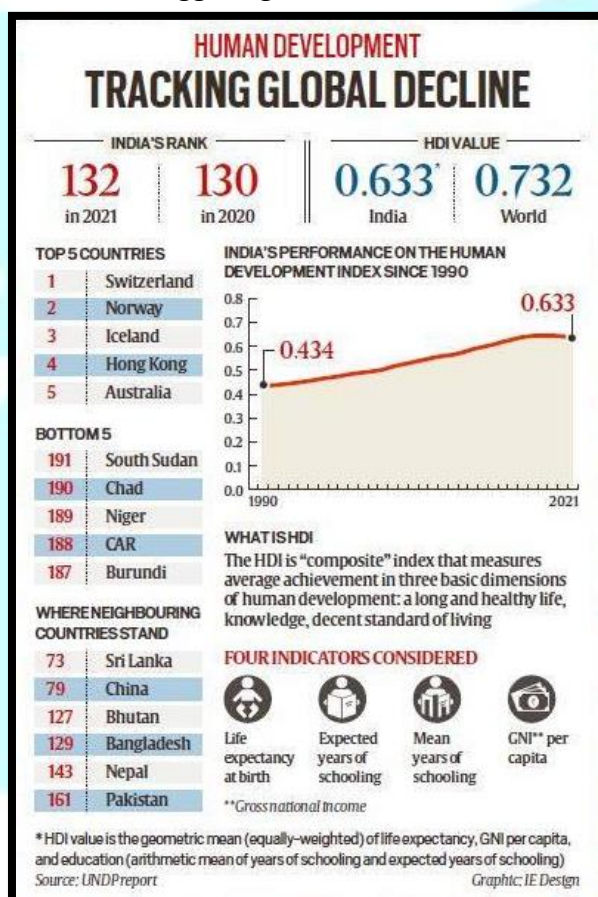
1. **Human Development Index:** HDI emphasizes that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone.
2. **Based on three Basic Dimensions of Human Development:**
 - a) A long and healthy life,
 - b) Access to knowledge, and
 - c) A decent standard of living.
3. **Top Performers for 2021 - 22:** Switzerland topped the index, followed by Norway and Iceland. Hong Kong and Australia complete the top five.
4. **Performance of the India's Neighbours:**

Among India's neighbours, Sri Lanka (73rd), China (79th), Bangladesh (129th), and Bhutan (127th) are ranked above India, while Pakistan (161st), Nepal (143rd), and Myanmar (149th) are worse off. The report said around 90 percent of countries registered a decline in their HDI value in 2020 or in 2021.
5. **India's Performance**
 - **India has slipped by 2 places ranking 132 against 130 in the year 2021-22 out of 191 countries.**
 - India fell in the list of medium human development category with the HDI value of 0.633, lower than its value of 0.645 in the 2020 report.
 - Between 1990 and 2021, India's HDI value changed **from 0.434 to 0.633**, registering a change of 45.9%
 - **Life expectancy in India** has increased from 58.7 years in 1990 to 67.2 years in 2021. This symbolises an increase of 14.4% and points towards improvement in healthcare and standard of living in the country.
 - **Expected years of schooling in India** have witnessed a 48.75% surge. It was 8 years in 1990 and rose to 11.9 years in 2021.
 - There has been a significant improvement in **mean years of schooling** as India recorded a shift **from 2.8 years** as mean years of schooling to **6.7 years as mean years of schooling.**

- This denotes a 139% increase in the mean years of schooling.
- **According to 2017 as the base year**, the per capita GNI of India has increased from \$1,790 in 1990 to **\$6,590 in 2021**. This is a tremendous increase of 268%
- Among India's neighbours, Sri Lanka (73rd), China (79th), Bangladesh (129th), and Bhutan (127th) are ranked above India, while Pakistan (161st), Nepal (143rd), and Myanmar (149th) are worse off.

Additional Information

- India has retained its **132nd position in the Gender Development Index**, the female life expectancy dropped from 71 years in the 2020 report to 68.8 years in the 2021 report.
- India scored 0.123 on the Multi-Dimensional Poverty Index (MPI) with a headcount ratio of 27.9%, with 8.8% population reeling under severe multidimensional poverty.
- Over the last decade, India has lifted a staggering **271 million out of multidimensional poverty**.



6. Other Findings of the Report

- As per the report, the last two years have had a serious impact on billions of people worldwide due to crises such as the COVID-19 pandemic and the Russia-Ukraine war which have been aggravated by sweeping social and economic shifts and dangerous planetary changes.
- The report notes that people across the globe are feeling more distressed and insecure about their lives and the future, in the wake of the Covid pandemic.
- "While perceived insecurity is higher in low and medium HDI countries, some of the largest increases in feelings of insecurity are in very high HDI countries. Ethnic minorities of both sexes were severely affected in the United Kingdom, with the largest increase in mental distress among men with a background from Bangladesh, India, or Pakistan," the report added.
- The report lauds India's efforts through pilot projects to ensure a minimum guaranteed income.
- "Compared to 2019, the impact of inequality on human development is lower. **India is bridging the human development gap between men and women faster than the world**. This development has come at a smaller cost to the environment. India's growth story reflects the country's

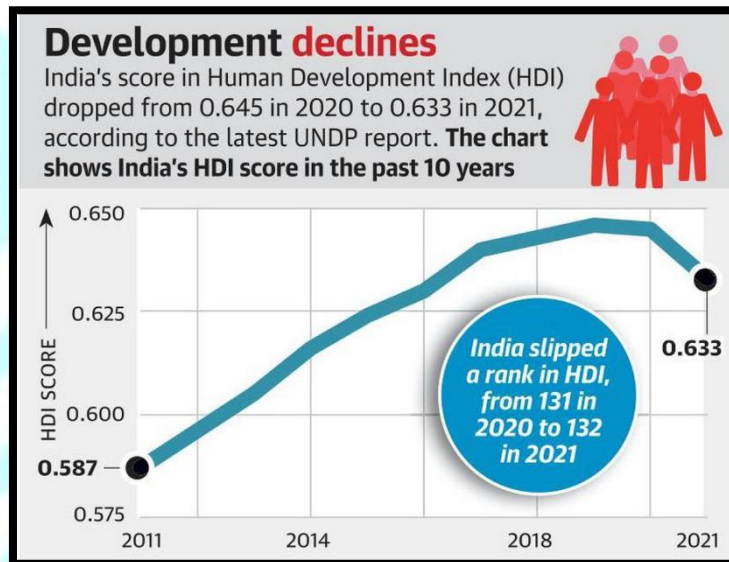
investments in inclusive growth, social protection, gender-responsive policies, and push towards renewables to ensure no one is left behind.”.

After understanding that India's Standing is poor in HDI, let us now explore the reasons for its poor standing which is discussed in a subsequent section.

8 Reasons for Low Human Development in India

Reasons behind India's drop:

Like global trends, in India's case, the drop in HDI from 0.645 in 2019 to 0.633 in 2021 can be attributed to falling life expectancy.



Having understood the reasons for the dismal performance of India, let us look at the way forward for India in the Subsequent section.

Parameters where India showed improvement:

The report highlighted some areas where India showed improvement.

- **Inequality:**
 - Compared to 2019, the impact of inequality on human development is lower.
 - India is bridging the human development gap between men and women faster than the world.
 - This development has come at a smaller cost to the environment.
- **Health and education:**
 - The intergovernmental organisation lauded India's investment in health and education, helping it come closer to the global human development average since 1990.
 - Clean water, sanitation, and affordable clean energy:
 - The country is improving access to clean water, sanitation, and affordable clean energy.
- **Vulnerable population:**
 - According to the UN recent policy decisions made by the country have increased access to social protection for vulnerable population groups, it highlighted.

9 Way Forward

1. **Fair Income Distribution:** While the size of economic resources is a key factor affecting human development, *the distribution and allocation of these resources* also play a major role in determining the level of human development.

- Many global case studies show that high growth accompanied by more effective income distribution can help enhance human development, even with moderate social expenditures.
 - **For Example**, South Korea and Taiwan improved income distribution through early land reforms.
2. **Investing in Social Infrastructure:** Universalization of education and health care could have pulled deprived sections out of the poverty trap.
 - Sustaining and improving the quality of life will also depend on policies crafted to handle major emerging challenges such as urbanisation, the housing deficit, access to power, water, education, and health care.
 3. **Streamlining of the Finances:** Streamlining the traditional approach of generating new sources of revenue generation, steps like rationalized targeting of subsidies, judicious use of revenues meant for social sector development, etc. will probably meet the financial requirements needed for improving HDI.
 4. **Good Governance Reforms:** Effective performance evaluation of the projects and activities engaged in the social sector development through innovative methods like outcome budgeting, social auditing, and participatory democracy has been known to yield positive results.
 5. **Gender Empowerment:** Government should invest in Gender equality and women's empowerment, as they are integral to human development.

Let us now look at the human development report and its components in detail, which is released annually.

10 The Human Development Report

The Human Development Report (HDR) is an **annual milestone** published by the **Human Development Report Office of the United Nations Development Programme (UNDP)**.

- The only year without a Human Development Report since 1990 was 2012.
- In addition to a global Report, UNDP publishes regional, national, and local Human Development Reports.

UNDP

- The United Nations Development Programme (UNDP) is the United Nations' global development network.
- Headquartered in New York City, UNDP advocates for change and connects countries to knowledge, experience and resources to help people build a better life. It provides expert advice, training and grants support to developing countries, with increasing emphasis on assistance to the least developed countries.
- The status of UNDP is that of an executive board within the United Nations General Assembly. The UNDP Administrator is the third highest-ranking official of the United Nations after the United Nations Secretary-General and Deputy Secretary-General.
- UNDP is funded entirely by voluntary contributions from member nations.

Currently, the UNDP is one of the main UN agencies involved in the development of the Post-2015 Development Agenda. (The Post-2015 Development Agenda refers to a process led by the United Nations that aims to help define the future global development framework that will succeed the Millennium Development Goals.)

Note: Kindly refer India's rank in the indices mentioned below in the last two years. Also, the comparison of India with its neighbours, among the BRICS countries is important. The data regarding top three countries should also be referred.

Kindly go through Edu Tap's monthly ESI current affairs document for all the updates.

10.1 The Human Development Index (HDI)

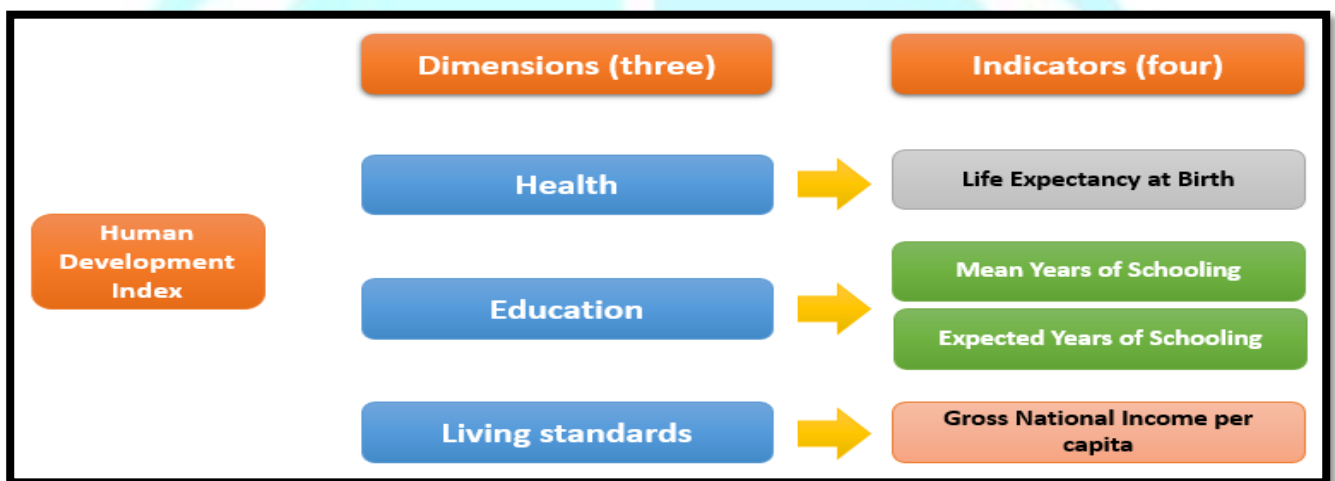
The first Human Development Report introduced the **Human Development Index (HDI)** as a **measure of achievement** in the **basic dimensions** of human development across countries.

1. What was the need for this index?

- The state of the nation is often expressed through GDP (Gross Domestic Product), daily stock market results, consumer spending levels, and national debt figures. But these numbers provide only a partial view of how people are faring. However, these monetary measures are inadequate proxies of development.
- Thus, The Human Development Index was developed as an **alternative to simple money metrics**.

2. Components of the Human Development Index:

- **HDI** is a composite statistic of **life expectancy, education, and per capita income indicators**, which are used to **rank countries** into **four tiers of human development**. Countries are ranked based on a **scale ranging between 0 (low) to 1 (high)**.
- Countries fall into **four broad human development categories**: Very High Human Development, High Human Development, Medium Human Development and Low Human Development.
- A country scores higher HDI when the lifespan is higher, the education level is higher, and the GDP per capita is higher.



Note: Before 2011, the human development index used adult literacy rates rather than mean years of schooling.

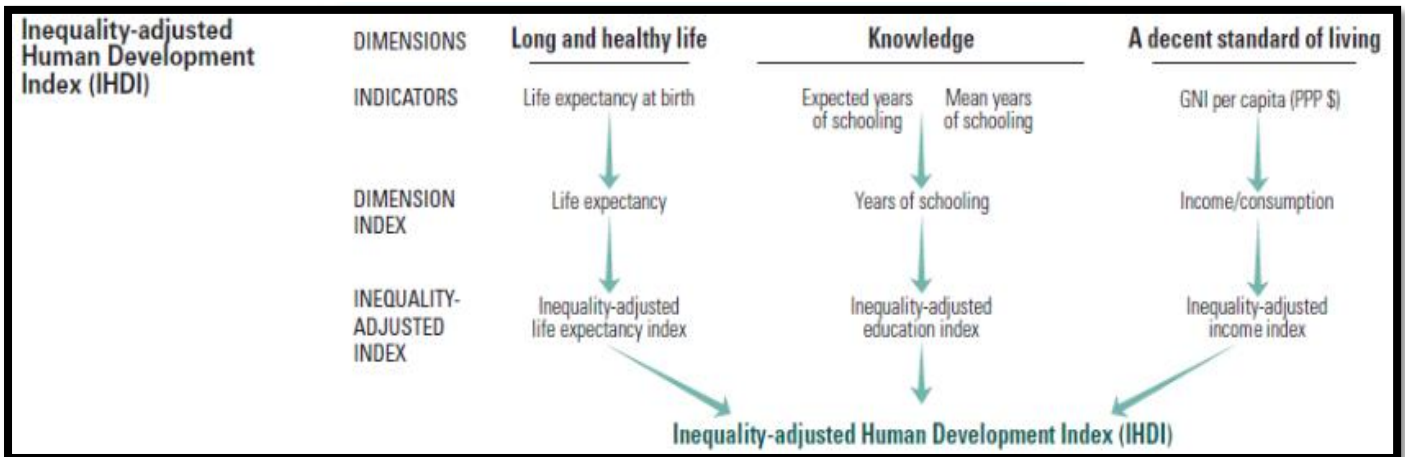
UNDP also releases **various other indices** along with the Human Development Index such as the Inequality-adjusted Human Development Index (IHDI), the Gender Development Index (GDI), the Gender Inequality Index (GII) and the Multidimensional Poverty Index (MPI).

10.2 Inequality-Adjusted HDI (IHDI)

What is the purpose of the Inequality-adjusted HDI (IHDI)?

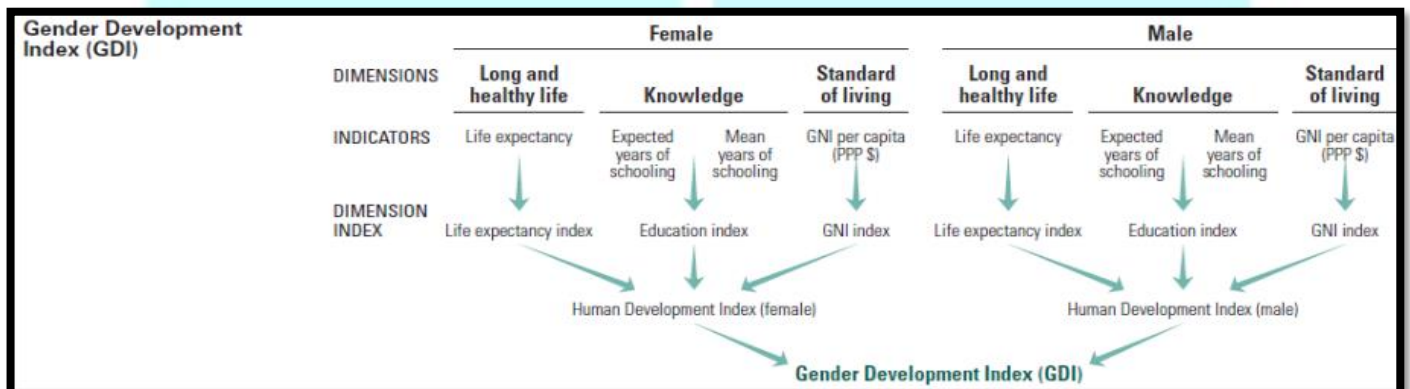
- The HDI represents a **national average of human development achievements** in the **three basic dimensions making up the HDI: health, education and income**.
- Like all averages, it **conceals disparities** in human development across the population within the same country. Two countries with different distributions of achievements can still have the same average HDI value.
- The IHDI takes into account not only the average achievements of a country on health, education, and income, but also **how those achievements are distributed among its population** by “discounting” each dimension’s average value according to its level of inequality.
- An IHDI value can be interpreted as the level of human development when inequality is accounted for.

- The relative difference between IHDI and HDI values is the loss due to inequality in the distribution of the HDI within the country.



10.3 Gender Development Index (GDI)

- The **GDI measures gender gaps in human development achievements** by accounting for disparities between women and men in three basic dimensions of human development—**health, knowledge and living standards** using the same component indicators as in the HDI.
- The GDI is the **ratio of the HDIs calculated separately for females and males** using the same methodology as in the HDI.
- The **closer the ratio is to 1**, the **smaller the gap between women and men**.
- It is a direct measure of gender gap showing the female HDI as a percentage of the male HDI.
- The GDI shows how much women are lagging behind their male counterparts and how much women need to catch up within each dimension of human development.
- It is useful for understanding the real gender gap in human development achievements and is informative to design policy tools to close the gap.

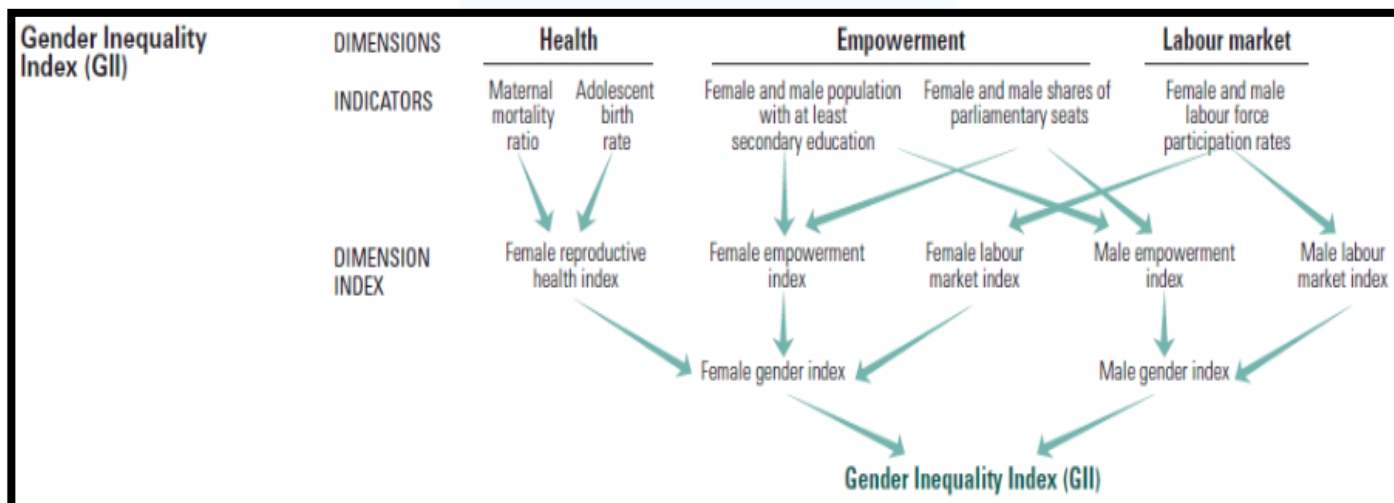


10.4 Gender Inequality Index (GII)

- Gender inequality remains a major barrier to human development.
- Girls and women have made major strides since 1990, but they have not yet gained gender equity. The disadvantages facing women and girls are a major source of inequality. All too often, women and girls are discriminated against in health, education, political representation, labour market, etc.—with negative consequences for development of their capabilities and their freedom of choice.
- The **GII is an inequality index**. It measures gender inequalities in three important aspects of human development—**reproductive health**, measured by maternal mortality ratio and adolescent birth rates; **empowerment**, measured by proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older with at least some secondary education; and

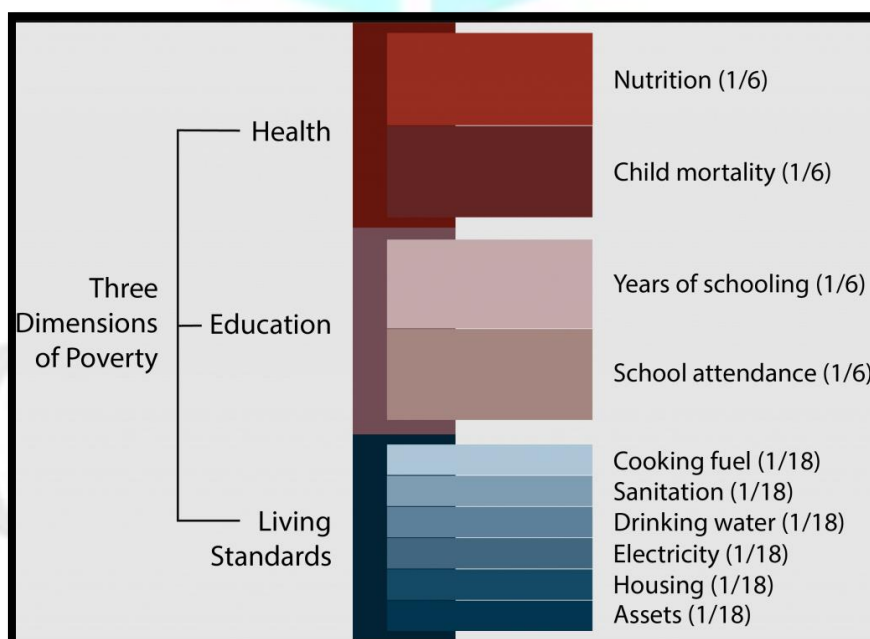
economic status, expressed as labour market participation and measured by labour force participation rate of female and male populations aged 15 years and older.

- The GII is built on the same framework as the IHDl—to **better expose differences in the distribution of achievements between women and men**. It measures the human development costs of gender inequality. Thus, **the higher the GII value the more disparities between females and males and the more loss to human development**.



10.5 Multidimensional Poverty Index (MPI)

- Like development, **poverty is multidimensional** — but this is traditionally ignored by headline money metric measures of poverty.
- The Multidimensional Poverty Index (MPI), published for the first time in the 2010 Report, complements monetary measures of poverty by considering overlapping deprivations suffered by individuals at the same time.
- The index **identifies deprivations across the same three dimensions (education, health and living standards)** as the HDI and shows the number of people who are multidimensionally poor (**suffering deprivations in 33% or more of the weighted indicators**) and the number of weighted deprivations with which poor households typically contend with.
- The MPI can help the effective allocation of resources by making possible the targeting of those with the greatest intensity of poverty; it can help address some SDGs strategically and monitor the impacts of policy intervention.



So far, we have discussed various dimensions of human development through the indices brought out by UNDP.

One very **important dimension of human development** is the 'Happiness' of the individuals. This dimension is very abstract and becomes very difficult to measure it.

The countries have tried to find a way to measure the prevalence of 'Happiness' in their countries. Thus, a concept known as '**Gross National Happiness**' has been evolved.

11 Gross National Happiness

- Gross National Happiness (GNH) is a measurement of the **collective happiness in a nation**.
- In the 1970s, developing countries were focused on increasing economic success to help develop prosperity. Bhutan's King, Jigme Wangchuck, however, believed an economic approach dehumanized the development process.
- The GNH concept evolved through the contribution of international and local scholars and researchers to become an initiative beyond the borders of Bhutan.
- The concept of GNH has often been explained by its **four pillars: good governance, sustainable socio-economic development, cultural preservation, and environmental conservation**.
- Lately the four pillars have been further classified into nine domains in order to create a widespread understanding of GNH and to reflect the holistic range of GNH values.
- The **nine domains** are psychological wellbeing, health, education, time use, cultural diversity and resilience, good governance, community vitality, ecological diversity, and resilience, and living standards.
- The domains represent each of the components of the wellbeing of the Bhutanese people, and the term 'wellbeing' here refers to fulfilling conditions of a 'good life' as per the values and principles laid down by the concept of Gross National Happiness.

To **compare** the prevalence of happiness in various countries, there is a report '**World Happiness Report**' brought out by the **UN Sustainable Development Solutions Network** every year since 2012 on the eve of **International Day of Happiness (20th March)**.

Some important points about this report are mentioned below:

- The World Happiness Report is a **landmark survey of the state of global happiness** which is published by the United Nations Sustainable Development Solutions Network.
- The index ranked countries based on **six parameters** such as healthy life expectancy, GDP per capita, freedom, generosity, public trust (i.e., a lack of corruption in government and business), and social support.
- Together these six parameters are used to generate a happiness score of the country on a **scale from 1 to 10**.

Though the human development index appears Comprehensive, still there are lacunae in it. Let us understand its limitations in the Subsequent section.

12 Limitations of HDI

Though Human Development Index is a very important indicator in giving us an idea about the well-being of the people of a country, it has its own limitations.

These limitations are:

1. **Focus On Basic Dimensions:** The HDI is **not a comprehensive measure of human development**. It just focuses on the basic dimensions of human development and does not take into account a number of other important dimensions of human development.

- For example, other parameters such as **access to clean drinking water, sanitation coverage** also play an important role in the development of an individual.
- 2. **Does not reflect the Efforts of Policies:** It is composed of **long-term human development outcomes**. Thus, it **does not reflect the input efforts in terms of policies** nor can it measure **short-term human development achievements**.
 - For example, life expectancy reflects long-term changes.
- 3. **Lack of Simplicity:** It shares all the limitations of composite measures. But it is important to keep it simple with minimum variables to ensure its acceptability, understanding, and predictability.
- 4. **Conceals the Disparities:** The HDI is an **average measure** and thus **masks a series of disparities and inequalities within countries**. Disaggregation of the HDI in terms of gender, regions, races, and ethnic groups can unmask the HDI and can be and has been used widely for policy formulation.
- 5. **Issue with Income Indicator:** Income enters into the HDI not in its own right, but *as a proxy for resources needed to have a decent standard of living*. The issue with regard to income is how it is transformed into the health and education dimensions of the HDI.
 - Thus, between income and the other two dimensions of the HDI, **the issue is that of transformation**, and not of substitution.
 - **For example**, higher GNI per capita may hide widespread inequality within a country. Some countries with higher real GNI per capita have high levels of inequality (e.g., Russia, and Saudi Arabia).

13 Conclusion

- Any index be it HDI or GDP of a country when **analyzed individually cannot provide the complete picture of human development** of a country and its economy.
- We need to look at the **bigger picture** and take **all possible indexes into account**.
- Any nation **cannot prosper without the upliftment of its people**. Only healthy, happy people can build a prosperous nation.
- India's HDI scores can be substantially enhanced if a politically committed government rolls out inclusive policies that strengthen public health, education, and nutrition, and end gender discrimination to usher in a **more egalitarian order**.