

Progress of Human Development in India

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ABSTRACT Many economists in recent decades have pointed out that the third world countries have remained underdeveloped on account of underdevelopment of human resources. Human development is the end while economic growth is only a means to this end. The ultimate purpose of the entire exercise of development is to treat men, women and children – present and future generations—as ends, to improve the human condition, to enlarge people's choices. In terms of human development, India with a Human development index value of 0.611 stands 126th Place out of the 177 countries for which Human development report 2006 calculated the index. The reform process will not be able to achieve the objective of human development, because the private sector is merely concerned with profit motive. Therefore, large –scale investments in human resources are needed under public sector if physical capital available is to be exploited in a more efficient way. Human development index of India has improved from 0.515 in 1990 to 0.611 in 2004, but India still has miles to go before she can enter the group of high human development countries. The process of development has to accelerate the pace of human development. In this paper an attempt is made to highlight some of the factors which promotes human development.

1. INTRODUCTION

Human development report 1990, has defined human development 'as the process of enlarging people's choices'. The most critical ones are to lead a long and healthy life, to be educated and to enjoy a decent standard of living. Additional choices include political freedom, other guaranteed human rights and various ingredients of self respect. Human development is thus a process of widening people's choices as well as raising the level of well-being achieved (UNDP 1997). The concept of human development puts people back at center stage, after decades in which a maze of technical concepts had obscured this fundamental vision (Paul Streeten 1996). "Income clearly is only one option that people would like to have, though an important one. But it is not the sum total of their lives. Income is also a means, with human development the end (UNDP 1997). Economic growth contributes most to poverty reduction when it expands the employment, productivity and wages of poor people and when public resources are channeled to promoting human development. A virtuous cycle of economic growth and human development arises when growth is labour using and employment generating and when human skills and health improve rapidly. The defining difference between the economic growth and the human develop-

ment schools is that the first focuses exclusively on the expansion of only one choice – income – while the second embraces the enlargement of all human choices- whether economic, social, cultural or political (Mahbub-ul-Haq 1996). "Haq rightly warns" unless societies recognize that their real wealth is their people, an excessive obsession with creating material wealth can obscure the goal of enriching human life." The world Bank (IBRD 2006) is used GNI per capita to classify the economies by income per capita and by region: Low- income \$ 825 or less in 2004; middle income, \$ 826 to \$ 10, 665; and high income, \$ 10, 066 and above. A further division at GNI per capita \$ 3, 255 is made between lower-

Table 1: GNP per capita and PPP estimates of GNP per capita in U.S dollars (2004) (in U.S \$)

Country	GNP per capita	PPP estimates of GNP per capita
Norway	52030	38550
Switzerland	48230	35370
United states	41400	39710
United kingdom	33940	31460
Australia	26900	29200
China	1290	5530
Srilanka	1010	4000
India	620	3100
Bangladesh	440	1980
Kenya	460	1050
Niger	230	830

Source: World Bank, World Development Report 2006.

middle – income and upper- middle – income economies.

It Can be concluded from the table 1 that while GNP per capita in India was only \$ 620 in 2004 as against \$ 41,400 in USA, the PPP estimate of GNP per capita in India was \$ 3100 against \$ 39710 in USA (which is the standard for comparison) in 2004. If we use PPP estimates of GNP per capita, we find that income inequalities between the High, middle and lower income economies are some what lower than those we observe on the basis of exchange rates as conversion factors.

Human development report states (UNDP 2006) that millions of the world's people lack access to safe water not because of scarcity, but because they are locked out by poverty, inequality and government failures. Tackling these problems holds the key to resolving the global water crisis. Safe water and sanitation are fundamental to human development. When people are deprived in these areas they face diminished opportunities to realize their potential as human beings. Unsafe water and inadequate sanitation are two of the great drivers of world poverty and inequality. They claim millions of lives, destroy livelihoods, compromise dignity and diminish prospects for economic growth.

Poor people especially poor women and children, bear the brunt of the human costs. At the start of the 21st century we live in a world of unparalleled prosperity. Yet almost 2 million children die each year for want of clean water and toilet. More than 1 billion people do not have access to safe water and some 2.6 billion lack adequate sanitation. Mean while, inadequate access to water as a productive resource consigns millions to lives of poverty and vulnerability. The rest of the paper is organized as follows. Various human development indices of UNDP and HDI and its trends for selected countries have been discussed in Section ii. Comparison of human development indices for some selected countries and HDI trends among selected states are discussed in Section iii. The progress of human development in India is discussed in Section iv. Section v presents concluding observations.

II. HUMAN DEVELOPMENT

The search for an alternative to GNP as a measure of economic development has led to the

computation of the Human Development Index (HDI). The United Nations development programme (UNDP) introduced the HDI in its first Human development report prepared under the able stewardship of Mahbub ul Haq, and published in 1990. The measure has been enlarged and refined over the years and many related indices of human development like Gender- Related development Index (GDI), Gender empowerment measure (GEM) Human poverty index (HPI) have been developed in subsequent human development reports published annually by UNDP.

Human Development Index (HDI)

The HDI is a summary measure of human development. It measures the average achievements in a country in three basic dimensions of human development (UNDP 2006).

- A long and healthy life as measured by life expectancy at birth
- Knowledge, as measured by the adult literacy rate (with two – thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (with one- third weight)
- A decent standard of living as measured by GDP per capita in purchasing power parity terms (ppp) in US dollars.

Gender – Related Development Index (GDI)

While the HDI measures average achievement, the GDI adjusts the average achievement to reflect the inequalities between men and women in the following dimensions (UNDP 2006)

- A long and healthy life, as measured by life expectancy at birth.
- Knowledge, as measured by the adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio.
- A decent standard of living as measured by estimated earned income (PPP US \$)

Human Poverty Index for Developing Countries (Hpi-1)

While the HDI measures average achievement, the HPI-1 measures deprivations in the three basic dimensions of human development captured in the HDI (UNDP 2006)

- A long and healthy life- vulnerability to death at a relatively early age, as measured by the probability at birth of not surviving to age 40.

- Knowledge – exclusion from the world of reading and communications as measured by the adult literacy rate.
- A decent standard of living – lack of access to overall economic provisioning, as measured by the unweighted average of two indicators, the percentage of the population without sustainable access to an improved water source and the percentage of children under weight for age.

The Human Development Index for 2004 for selected countries as reported in human development report 2006, Countries have been grouped under 3 categories; (i) countries in the HDI range 0.8 and above are in the high human development group; (ii) countries in the HDI range 0.5 to 0.8 are in the range of medium human development group and (iii) countries in the HDI range less than 0.5 are in the low human development group. In terms of human development, Norway with a HDI value of 0.965 in 2004 ranks first and Australia with a HDI value of 0.957 in 2004 stands third India with a HDI value of 0.611 in 2004 ranks a lowly 126th in terms of human development out of the 177 countries for which human

development report 2006 calculated the index. India which was at No.138 in HDI in 1994 has improved its position to 126 in 2004 (Table 2).

It is observed that the HDI trends for selected countries over the last 15 years (1990 – 2004) reveals that all countries are making efforts in varying degrees to improve their human development indices. If the trend is maintained, several medium HDI countries will enter the high HDI group and several low HDI countries will join the medium HDI range. This is a welcome development. India has improved its HDI index value from 0.510 in 1990 to 0.611 in 2004 (Table 3).

It is observed that near gender equality exists in Norway, Iceland, Australia, United States, New Zealand, Russian Federation, China and Sri Lanka. There is a greater awareness in the world about gender inequality and efforts are being made to reduce gender inequality by promoting the education of females and giving them a better status in the family (Table 4).

It is observed from the table 5 that HDI varies between 0.638 for Kerala and 0.367 for Bihar in 2001 while Kerala can be ranked as a medium HDI state; Bihar presents a dismal value of HDI even

Table 2: Human development index (2004) for selected countries

HDI Rank	Country	Life expectancy at birth (years)	Adult literacy (age 15 and above (%))	Combined primary, secondary and tertiary enrolment ratio (%)	GDP per capita (PPP US\$)	Life expectancy index	Educational index	GDP index	Human development index value
		2004	2004	2004	2004	P ¹	P ²	P ³	$P = \frac{P^1 + P^2 + P^3}{3}$ (2004)
<i>High Human Development (HDI 0.8 and above)</i>									
1.	Norway	79.6	-	100	38454	0.91	0.99	0.99	0.965
2	Iceland	80.9	-	96	33051	0.93	0.98	0.97	0.960
3	Australia	80.5	-	100	330331	0.92	0.99	0.95	0.957
8.	United states	77.5	-	93	39676	0.88	0.97	1.00	0.948
20	Newze-aland	79.3	-	100	23413	0.90	0.99	0.91	0.936
<i>Medium Human Development (HDI 0.5 to 0.8)</i>									
65.	Russian federation	65.2	99.4	88	9902	0.67	0.95	0.77	0.797
81.	China	71.9	90.9	70	5896	0.78	0.84	0.68	0.768
93	Srilanka	74.3	90.7	63	4390	0.82	0.81	0.63	0.755
126	India	63.6	61.0	62	3139	0.64	0.61	0.58	0.611
134	Pakistan	63.4	49.9	38	2225	0.64	0.46	0.52	0.539
137	Bangladesh	63.3	-	57	1870	0.64	0.46	0.49	0.530
<i>Low Human Development (HDI less than 0.5)</i>									
152.	Kenya	47.5	73.6	60	1140	0.37	0.69	0.41	0.491
157.	Eritrea	54.3	-	35	977	0.49	0.50	0.38	0.491
159.	Nigeria	43.4	-	55	1154	0.31	0.63	0.41	0.448
170.	Ethiopia	47.8	-	36	756	0.38	0.40	0.34	0.371
177	Niger	44.6	28.7	21	779	0.33	0.26	0.34	0.311

Source: Human development report 2006 page No's 285 & 286

Table 3: Human development index trends for selected countries

<i>HDI Rank</i>		1990	1995	2000	2004
<i>High Human Development</i>					
1.	Norway	0.912	0.936	0.956	0.965
2.	Iceland	0.916	0.921	0.945	0.960
3.	Australia	0.893	0.933	0.947	0.957
8.	United States	0.917	0.930	0.940	0.948
20.	New Zealand	0.876	0.906	0.925	0.936
<i>Medium Human Development</i>					
65.	Russian Federation	0.818	0.771	0.785	0.797
81.	China	0.628	0.685	0.730	0.768
93.	Sri Lanka	0.706	0.729	0.747	0.755
126.	India	0.515	0.548	0.577	0.611
134.	Pakistan	0.463	0.493	0.511	0.539
137.	Bangladesh	0.422	0.454	0.510	0.530
<i>Low Human Development</i>					
152.	Kenya	0.548	0.525	0.504	0.491
157.	Eritrea	-	0.420	0.441	0.454
159.	Nigeria	0.407	0.419	0.433	0.448
170.	Ethiopia	0.314	0.322	0.349	0.371
177.	Niger	0.246	0.254	0.268	0.311

Source: Human Development Report, 2006.

among low HDI states. It can be concluded that though economic attainment represented by per capita NSDP or monthly per capita expenditure is an important variable, yet states can achieve other attainments in terms of longevity and education by pushing forth effective policies in these areas.

III. PROGRESS OF HUMAN DEVELOPMENT IN INDIA

The liberalization process has reduced the role

of the public sector investment, it has failed to fill the vacuum created by the withdrawal of public sector investment in infrastructure, more especially in the backward states. Former president of America W.J. Clinton (The Hindu 2000) while speaking in Hyderabad on March 24, 2000 on the need to harness new technologies like info-tech for eradicating poverty emphasized “millions of Indians are connected to the internet, but million more are not yet connected to fresh water. India accounts for 30 percent of the world’s software engineers but also 25 percent of the world’s malnourished. So our challenge is to turn the newest discoveries into best weapons humanity has ever had to fight poverty”.

The former president of India Mr. K.R. Narayanan (The Hindu, 2000) on the eve of Republic Day message on January 25, 2000 has drawn attention to the tragic contradictions in our society, particularly the great regional and social inequalities in the following words: “we have one of the world’s largest reservoirs of technical personnel but also the world’s largest number of illiterates, the world’s largest number of people below the poverty line, and the largest number of children suffering from malnutrition”.

“One of every three persons in India is officially poor, and two of the three are undernourished. If you count those who are deprived of safe drinking water, adequate clothing or shelter, the

Table 4: Comparison of human development indices (2004) some selected countries

	<i>Human Development Index (HDI)</i>		<i>Gender related Development Index (GDI)</i>		<i>Human Poverty Index (HPI)</i>	
	<i>Rank</i>	<i>Value</i>	<i>Rank</i>	<i>Value</i>	<i>Rank</i>	<i>Value</i>
<i>High Human Development</i>						
1Norway	1	0.965	1	0.962	-	-
Iceland	2	0.960	2	0.958	-	-
Australia	3	0.957	3	0.956	-	-
United States	8	0.948	8	0.946	-	-
New Zealand	20	0.936	20	0.932	-	-
<i>Medium Human Development</i>						
Russian Federation	65	0.797	50	0.795	-	-
China	81	0.768	64	0.765	26	11.7
Sri Lanka	93	0.755	68	0.749	38	17.7
India	126	0.611	96	0.591	55	31.3
Pakistan	134	0.539	105	0.513	65	36.3
Bangladesh	137	0.530	102	0.524	85	44.2
<i>Low Human Development</i>						
Kenya	152	0.491	111	0.487	60	35.5
Eritrea	157	0.454	-	-	70	38.1
Nigeria	159	0.448	120	0.443	76	40.6
Ethiopia	170	0.371	-	-	98	55.3
Niger	177	0.311	136	0.292	99	56.4

Source: Human Development Report, 2006 Page Numbers 292, 293, 364, 365, 366.

Table 5: Human Development Index for India (combined)–selected states

<i>States</i>	<i>1981 Value</i>	<i>1981 Rank</i>	<i>1991 Value</i>	<i>1991 Rank</i>	<i>2001 Value</i>	<i>2001 Rank</i>	<i>Percapita NSDP (2004-05) In Rs/- at constant price</i>
Kerala	0.500	1	0.591	1	0.638	1	13321
Punjab	0.411	2	0.475	2	0.537	2	16756
Tamil Nadu	0.343	7	0.466	3	0.531	3	13999
Maharashtra	0.363	3	0.452	4	0.523	4	17864
Haryana	0.360	5	0.443	5	0.509	5	16872
Gujarat	0.360	4	0.431	6	0.479	6	16878
Karnataka	0.346	6	0.412	7	0.478	7	13820
West Bengal	0.305	8	0.404	8	0.472	8	12271
Rajasthan	0.256	12	0.347	11	0.424	9	9853
Andhra Pradesh	0.298	9	0.377	9	0.416	10	12352
Orissa	0.267	11	0.345	12	0.404	11	7176
Madhya Pradesh	0.245	14	0.328	13	0.394	12	8238
Uttar Pradesh	0.255	13	0.314	14	0.388	13	6138
Assam	0.272	10	0.348	10	0.386	14	6721
Bihar	0.237	15	0.308	15	0.367	15	3773
All India	0.302		0.381		0.472		19297

Source: (1) National Human Development Report (2001). (2) Central Statistical Organisation (C.S.O)

Note: Data related to NSDP is taken on 1999-2000 base

number is considerably higher. Finally, it you also include people who are 'above' the officially defined poverty line, but are vulnerable, in the sense of not being insured against rising prices, unemployment, illiteracy, declining incomes, old age and disease, you get a huge majority" (India Development Report 1999–2000).

India has been categorized by the Human Development Report 2006 as a medium human development country. The human development index has risen gradually from 0.406 in 1975 to 0.510 in 1990 and stands at 0.611 in 2004.

It is observed from the table 6 that the growth rate of population during 2004-2015 will come down to 1.3 percent. This would provide a welcome relief to push forward the process of human development. Increase in urban population would certainly help to enlarge human development because it has been observed that urban areas are better looked after in terms of education and health facilities. Proportion of children under age 15 is likely to decline to 28 percent by 2005 helps to realize resources to improve human development in future. Combined Gross Enrolment Ratio in India was 62 percent. China had a gross enrolment ratio of 70 percent in 2004. The youth literacy rate in India has improved from 64.3 percent in 1990 to 76.4 percent in 2004. The proportion of Tertiary students was 22 percent during 1994-2004.

Public expenditure on education in India

during 2003-04 was 3.3 percent of GDP. According to the report of the education commission (1964-65) this expenditure should have been raised to 6% of GDP.

Population not using improved water sources was 14 percent in 2004. This is a healthy development. The proportion of under-nourished people in India during 2001-03 was 20 percent. The survival rate has considerably improved. Control of diseases and improvement in hospital facilities has contributed to improvement in survival rate. Life expectancy at birth also improved from 50.3 years in 1970-75 to 63.1 years during 2000-05. It may be noted that per capita electricity consumption sharply improved from 173 KWH in 1980 to 594 KWH in 2003. GDP per capita of India was \$ 2840 in 2001, but it raised to \$ 3139 in 2004 (PPP US \$).

It is evident from the table 7 that the public expenditure as a percentage of GDP allocated to health and education is very low in India when compared with majority of high, medium and low human development countries.

IV. CONCLUSION

The decline in annual population growth rate will release quite a good proportion of resources being currently used for supporting a higher growth rate of population. Youth literacy rate at about 76.4 percent is much lower than the

Table 6: Some selected indicators for India

S. No.	Indicators	Reference period	Percentage/Number
1	Annual Population growth rate	1975-2004 2004-2015	1.90% 1.30%
2	Urban Population	1975 2004	21.30% 28.50%
3	Population under age 15 (% of total)	2015 2004	32.00% 32.50%
4	Adult literacy rate (% ages 15 and over)	2015 1990	28.00% 49.30%
5	Youth literacy rate (% ages 15-24)	2004 1990	61.00% 64.30%
6	Life expectancy at birth (in years)	2004 1970-75 2000-05	76.40% 50.30% 63.10%
7	Infant mortality rate (per 1000 live births)	1970 2004	127 (Number) 62 (Number)
8	Under 5 mortality rate (per 1000 live births)	1970 2004	202 (Number) 85 (Number)
9	Maternal mortality ratio 1990-2004 (per 1,00,000 live births)	540	(Number Reported)
10	Population under nourished (% of total)	1990-92 2001-03	25% 20%
11	Children under weight for age (% under age 5)	1996-2004	49%
12	Population with sustainable access to improved sanitation (%)	1990 2004	14% 33%
13	Population with sustainable access to an improved water source (%)	1990 2004	70% 86%
14	Tertiary students in science, engineering, manufacturing and construction	1994-2004	22%
15	Patents granted to residents (Per million people)	2004	1
16	Researchers in R & D (Per million people)	1990-2003	119
17	R & D Expenditure (% of GDP)	2002-03	0.80%
18	Electricity consumption per capita (In KWH)	1980 2003	173 KWH 594 KWH
19	Probability at birth of not surviving to age 40	2000-2005	16.60%
20	Percentage of persons below poverty line	1993-94 1999-2000 2004-2005	36% 26.10% 22%

Source: (1 to 19): Human Development Report, 2006.
(20): National Accounts Statistics, C.S.O.

achievement of a majority of human development countries around 90 percent and above. Even now public expenditure on education in India is most inadequate. As against the goal of 6 percent of GDP, the total expenditure was 3.3 percent of

Table 7: Public expenditure as a percentage of GDP on education and health for selected countries

HDI Rank	Country	Public expenditure on health as % of GDP (2003-04)	Public expenditure on education as % of GDP 2002-04
<i>High Human Development</i>			
1	Norway	8.6	7.7
2	Iceland	8.8	8.0
3	Australia	6.4	4.8
8	United States	6.8	5.9
20	New Zealand	6.3	6.9
<i>Medium Human Development</i>			
65	Russian Federation	3.3	3.7
81	China	2.0	-
93	Sri Lanka	1.6	-
126	India	1.2	3.3
134	Pakistan	0.7	2.0
137	Bangladesh	1.1	2.2
<i>Low Human Development</i>			
152	Kenya	1.7	7.0
157	Eritrea	2.0	3.8
159	Nigeria	1.3	-
170	Ethiopia	3.4	4.6
177	Niger	2.5	2.3

Source: Human Development Report 2006, Page no 350.

GDP during 2002-04. Most of the research work done in Indian universities is unproductive and the expenditure involved is a colossal waste. For making research both meaningful and productive, emphasis should be on quality and not on quantity. Education should be made Job – oriented and technical education should be properly planned. The Government must investigate the reasons for the large number of drop-outs and should make attempts to solve the problem.

Reforms in health sector in India, initiated in early 1990s, included levying of user charges for services in public health facilities as one of the initiatives. User charges came to be levied from patients belonging to families above poverty line for diagnostic and curative services, while free or highly subsidized services continued to be provided to the poor and needy patients. The funds collected by way of user charges are meant to be utilized for improving the quality of services in health facilities. Effective public health measures also need to address issues of food hygiene, availability of clean air, water and proper sanitation. A substantial increase in health budgets at the center and in states is required. At present public health spending in India is at the level of 1.2 per cent of GDP. It has to be raised to at least 2 percent of GDP with the bulk of the increment being allocated for primary health care.

Certain factors need to be followed to achieve more effective utilization of resources such as decentralization of public services to local government's, provision of appropriate complementary inputs and efficient allocation of available resources.

Government has to undertake programmes of accelerating economic growth to match with human development growth so that it can reap the benefits of better human development in terms of higher productivity. As suggested by the Human Development Report (1996) India should follow a pattern of development which should promote (i) Employment generating growth (ii) equitable growth (iii) participatory growth, (iv) grass root growth and (v) sustainable growth. If such a pattern of development is fostered, then it would be possible to avoid lopsided development.

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