

## CONCEPTS OF HUMAN DEVELOPMENT

### Unit Structure:

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##### 1.2.1 Concept of Growth

##### 1.2.2 Concept of Development

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### 1.0 OBJECTIVES

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- To study the concepts growth and development in economics.
- To compare between growth and development.
- To study perspectives on development.

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### 1.1 INTRODUCTION

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Economic Growth is a narrower concept than economic development. It is an increase in a country's real level of national output which can be caused by an increase in the quality of resources (by education etc.), increase in the quantity of resources & improvements in technology or in another way an increase in the value of goods and services produced by every sector of the economy. Economic Growth can be measured by an increase in a country's GDP (gross domestic product).

Economic development is a normative concept i.e. it applies in the context of people's sense of morality (right and wrong, good and bad). The definition of economic development given by Michael Todaro is an increase in living standards, improvement in self-esteem needs and freedom from oppression as well as a greater choice. The most accurate method of measuring development is the Human Development Index which considers the literacy rates & life expectancy which affects productivity and could lead to Economic Growth. It also leads to the creation of more opportunities in the sectors of education, healthcare, employment and the conservation of the environment. It implies an increase in the per capita income of every citizen.

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## 1.2 GROWTH AND DEVELOPMENT

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### 1.2.1 Concept of Growth :

The modern conception of economic growth began with the critique of Mercantilism, especially by the physiocrats and with the Scottish Enlightenment thinkers such as David Hume and Adam Smith, and the foundation of the discipline of modern political economy. It is an increase in the value of goods and services produced by an economy. It is conventionally measured as the percent rate of increase in real gross domestic product, or GDP. Growth is usually calculated in real terms, i.e. inflation-adjusted terms, in order to net out the effect of inflation on the price of the goods and services produced. In economics, "economic growth" or "economic growth theory" typically refers to growth of potential output, i.e. production at "full employment," rather than growth of aggregate demand.

Economic growth is the increase of per capita gross domestic product (GDP) or other measure of aggregate income. It is often measured as the rate of change in real GDP. Economic growth refers only to the quantity of goods and services produced.

Economic growth can be either positive or negative. Negative growth can be referred to by saying that the economy is shrinking. Negative growth is associated with economic recession and economic depression.

In order to compare per capita income across multiple countries, the statistics may be quoted in a single currency, based on either prevailing exchange rates or purchasing power parity. To compensate for changes in the value of money (inflation or deflation) the GDP or GNP is usually given in "real" or inflation adjusted, terms rather than the actual money figure compiled in a given year, which is called the nominal or current figure.

Economists draw a distinction between short-term economic stabilization and long-term economic growth. The topic of economic growth is primarily concerned with the long run. The short-run variation of economic growth is termed the business cycle.

The long-run path of economic growth is one of the central questions of economics; despite some problems of measurement, an increase in GDP of a country is generally taken as an increase in the standard of living of its inhabitants. Over long periods of time, even small rates of annual growth can have large effects through compounding (see exponential growth). A growth rate of 2.5% per annum will lead to a doubling of GDP within 29 years, whilst a growth rate of 8% per annum (experienced by some Four Asian Tigers) will lead to a doubling of GDP within 10 years. This exponential characteristic can exacerbate differences across nations.

### 1.2.2 Concept of Development :

The latter half of the 20th century, with its global economy of a few very wealthy nations and many very poor nations, led to the study of how the transition from subsistence and resource-based economies to production and consumption based-economies occurred. This led to the field of development economics, including the work of Nobel laureates Amartya Sen and Joseph Stiglitz. However this model of economic development does not meet the demands of subaltern populations and has been severely criticized by later theorists.

Economic development is the increase in the standard of living in a nation's population with sustained growth from a simple, low-income economy to a modern, high-income economy. Also, if the local quality of life could be improved, economic development would be enhanced. Its scope includes the process and policies by which a nation improves the economic, political, and social well-being of its people.

Gonçalo L Fonsesca at the New School for Social Research defines economic development as the analysis of the economic development of nations.

Economic development is a term that economists, politicians, and others have used frequently in the 20th century. The concept, however, has been in existence in the West for centuries. Modernization, Westernization, and especially Industrialization are other terms people have used when discussing economic development. Although no one is sure when the concept originated, most people agree that development is closely bound up with the evolution of capitalism and the demise of feudalism."

The study of economic development by social scientists encompasses theories of the causes of industrial-economic modernization, plus organizational and related aspects of enterprise development in modern societies. It embraces sociological research on business organization and enterprise development from a historical and comparative perspective; specific processes of the evolution (growth, modernization) of markets and management-employee relations; and culturally related cross-national similarities and differences in patterns of industrial organization in contemporary Western societies. On the subject of the nature and causes of the considerable variations that exist in levels of industrial-economic growth and performance internationally, it seeks answers to such questions as: "Why are levels of direct foreign investment and labour productivity significantly higher in some countries than in others?" Mansell and Wehn state that development has been understood since the Second World War to involve economic growth, increases in per capita income, and attainment of a standard of living equivalent to that of industrialized countries.

Economy Development can also be considered as a static theory that documents the state of economy at a certain time. According to Schumpeter (2003) the changes in this equilibrium state to document in

economic theory can only be caused by intervening factors coming from the outside.

**1.2.3 Comparison between Growth and Development :**

There are significant differences between economic growth and economic development. The term "economic growth" refers to an increase (or growth) in real national income or product expressed usually as per capital income. National income or product itself is commonly expressed in terms of a measure of the aggregate output of the economy called gross national product (GNP). Per capita income then is simply gross national product divided by the population of the country. When the GNP of a nation rises, whatever the means of achieving the outcome, economists refer to it as economic growth.

The term "economic development," on the other hand, implies much more when used in relation to a country or an entire economy. It typically refers to improvements in a variety of

indicators, such as literacy rates and life expectancy, and it implies a reduction in poverty. Critics point out that GDP is a narrow measure of economic welfare that does not take into account important non-economic aspects such as more leisure time, access to health & education, the environment, freedom, or social justice. Economic growth is a necessary but insufficient condition for economic development.

Economic Growth does not take into account the size of the informal economy. The informal economy is also known as the black economy which is unrecorded economic activity. Development alleviates people from low standards of living into proper employment with suitable shelter. Economic Growth does not take into account the depletion of natural resources which might lead to pollution, congestion & disease. Development however is concerned with sustainability which means meeting the needs of the present without compromising future needs. These environmental effects are becoming more of a problem for Governments now that the pressure has increased on them due to Global warming.

**Different View related Growth and Development:**

For a layman, the terms economic development and economic growth are synonyms. For a long time, the terms, economic development, economic growth, economic progress, economic welfare, secular change and other similar terms are being commonly used in day-to-day life as synonyms. But some leading economists have drawn a line of demarcation between them. Under the above heading we shall discuss the difference between the above two concepts, i.e., economic development and economic growth which is given below:

Mrs. Ursula Hicks, "Development should relate to underdeveloped countries, where there is possibility of developing and using hitherto,

while the term growth is related to economically rich and advanced countries where most of the resources are already known and developed."

This definition draws a vivid distinction between the economic development and economic growth. The first term relates to the problems of underdeveloped countries and their solution, whereas the second term is related to the problems of developed countries of the world.

Prof. A. Maddison, "the rising of income levels is generally called economic growth in rich countries and in poor countries it is called economic development."

This definition also points out the same fact that economic development is concerned with the rising of income level in underdeveloped countries like India, whereas economic growth refers to the rising of income levels in advanced and rich countries like America, U. K., France, Germany etc.

Prof. J. A. Schumpeter, "Development is a discontinuous and spontaneous change in the stationary state, which forever alters and displaces the equilibrium state previously existing; while growth is a gradual and steady change in the long run, which comes about by a general increase in the rate of savings and population□.

This explanation emphasizes that the economy is in the stationary state before the process of development starts and in that stationary state, equilibrium exists among the different development variables such as investment and savings, income and expenditure, demand and supply etc. The view of Schumpeter has been widely accepted and elaborated by the majority of economists.

C. P. Kindleberger, "Economic growth means more output and economic development implies both more output and changes in the technical and institutional arrangements, by which it is produced."

This explanation states that growth is synonymous with higher output. Any increase in the quantity of development variables is termed as growth. It has nothing to do with the means and methods of production. Development, on the other hand, implies not only higher output, but also the changes which help in raising the level of output. Kindleberger has further explained the difference by an analogy with human beings. According to him, "Growth involves focussing on height or weight while development draws attention to the change in functional capacity."

Prof. J. K. Mehta has summed up the above discussion in the words, "The word Growth has quantitative significance while the Development has by comparison qualitative significance."

Byrns and Stones, "Economic growth occurs when more goods can be produced. Economic development entails improvements in the quality of life, in the qualities of goods available or in the ways production is organised."

Dr. Bright Singh, "Economic development is a multi-dimensional phenomenon, it involves not only increase in money incomes, but also improvement in real habits, education, public health, greater leisure and in fact all the social and economic circumstances that make for a fuller and happier life. On the contrary, in case of economic growth, there is increase in national income alone. There is no structural change in the economy."

The distinction between economic development and economic growth may further be explained by means of the table given below:

Table No. 1.1

Difference between Economic Development and Economic Growth

Sr. No.	Basis of Difference	Economic Development	Economic Growth
1.	Utilization	Economic Development relates to the utilization and development of unused resources in the underdeveloped countries.	Economic Growth relates to optimum utilization and development of under utilized resources of developed countries
2.	Implication	progressive changes in socio-economic structure of country (institutional and technological changes)	output of goods and services in the country like increase the income in savings, investment etc.
3.	Concerned with	Development relates to underdeveloped countries.	Growth relates to developed countries.
4.	Effect	Brings both qualitative and quantitative changes in the economy.	Brings quantitative changes in the economy.
5.	Prof. A. Maddison's View	The rising of income levels is generally called economic growth in rich countries.	The rising of income levels is generally called economic development in poor countries.
6.	Nature and Cause of change	According to Schumpeter, "Economic development is discontinuous and spontaneous state in the stationary state.	According to Schumpeter, "Economic Growth is a gradual and steady change in the long run."

7.	More output and changes	According to Kindleberger, economic Development implies more output and changes in the technical and institutional arrangements.	According to Kindleberger, economic growth means more output.
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## 1.3 PERSPECTIVES ON DEVELOPMENT

### 1.3.1 Introduction:

Various academic disciplines have been drawn to the concept of development. The term 'development' is frequently used interchangeably and is closely linked to concepts such as growth, blossoming, progress, extension, expansion, change, transformation, and so on. In the postwar period, development studies emerged as a distinct field of study, and they were linked to a growing concern for the post-colonial world's political and economic development. In this regard, The United Nations Development Programme's Human Development Report stated: "The basic goal of human development is to broaden people's choices in order to make development more democratic and participatory." Access to income and employment opportunities, education and health, and a clean and safe physical environment should all be among these options. Individuals should also be able to fully participate in community decisions and exercise their human, economic, and political rights." Thus, development studies is a broad term that refers to the progression of an individual or a society through various stages of human civilization. The Liberal and Marxist perspectives on development have been highlighted as below-

The concept of development is inextricably linked to the concept of social change. Since the dawn of human civilization, social change has been a constant feature of life in every society. As a result, development is a collection of practises, some of which appear to be at odds with one another, that necessitate the general transformation and destruction of the natural environment and social relations in order for the society to reproduce. Its goal is to increase the production of commodities (goods and services) that are geared to effective demand through exchange. These various implications associated with the concept of development provide us with various dimensions and perspectives from which we can gain a better understanding of the subject. In this unit, The concept of development is inextricably linked to the concept of social change. Since the dawn of human civilization, social change has been a constant feature of life in every society. As a result, development is a collection of practices, some of which appear to be at odds with one another, that necessitate the general transformation and destruction of the natural environment and social relations in order for the society to reproduce. Its



goal is to increase the production of commodities (goods and services) that are geared to effective demand through exchange. These various implications associated with the concept of development provide us with various dimensions and perspectives from which we can gain a better understanding of the subject. Under this point, we'll look at two different approaches to development: the liberal and Marxist perspectives. The liberal perspective takes a liberal approach to the development process. Liberalism advocates for the state and other regulatory bodies to play a smaller role in economic affairs. Liberalism believes in open and free market competition and how it leads to economic development, based on the principle of the "self-regulating market". The Marxist view of development, on the other hand, considers development to be a process in which the superior class exploits the economically inferior class. The Marxian concept of development examines the role of class and production relations in the development process. This unit delves into these development perspectives in depth.

**1.3.2 Liberal perspective of development :**

After the period of enlightenment or renaissance in Europe in the late 18th century, liberalism became an ideology. As a result of the Renaissance providing a strong foundation on which to build new political and economic ideologies, liberalism emerged as a new ideology in the developmental paradigm. The term 'liberal' refers to a rational, free-thinking approach that avoids coercion. Individual rights to life, liberty, and property are central to liberalism. Initially, the liberal perspective on development was completely opposed to government involvement and strongly believed in the laissez-faire or "self-regulated market" principle. The laissez-faire doctrine supports the idea of economic liberalism, which states that if the natural forces of the economy work independently, they will produce an effective result that benefits both society and individuals. One of the most prominent proponents of the laissez-faire doctrine was prominent economist Adam Smith. He made two arguments in support of this economic doctrine:

- (a) Economic liberty allows for the full and free operation of the mechanism in a competitive-market economy, ensuring maximum aggregate wealth.
- (b) As a result of their belief in the laissez-faire principle, some liberals place a higher value on individually self-regulated markets free of government intervention. They argue that the government should not intervene in private individuals' economic activities because it will disrupt the automatic process that maximizes aggregate economic welfare. Some liberals, on the other hand, were opposed to complete individual liberty and advocated for some state intervention. They believed that men should strive for not only individual happiness, but also happiness that reflects society's overall happiness. It means that the ultimate goal is to ensure the happiness of all members of society, not



just a select few. Furthermore, they believe that if the liberty of some people is harmful to others, it should be regulated. A society made up entirely of completely free people will not be perfectly happy. Individuals' completely free actions may be harmful to others, and thus have a higher chance of reducing others' welfare. Internal conflicts and clashes are very common in an unregulated society. That is why some liberals believe laissez-faire is a general rule of practical necessity rather than a natural law with universal application. When discussing the role of the government, J.S Mill, a prominent economist and libertarian, distinguished between authoritative and non-authoritative state interference. The term "authoritative interference" refers to "controlling individuals' free agency." It entails preventing people from doing certain things or doing whatever they want without permission. Non-authoritative intervention, on the other hand, refers to giving advice, disseminating information, or establishing state agencies without interfering with people's freedom of choice. Classical liberalism, based on the laissez-faire principle, reappeared in the 1980s, in the postwar period, in the form of neoliberalism, or the liberalization or globalization of production, distribution, and consumption arrangements. Markets in neo liberal market capitalism are highly competitive, decentralized, and open. The state's involvement and planning should be kept to a minimum, and the owners' returns should be maximized. When Margaret Thatcher became Prime Minister of the United Kingdom in 1979, she began to revolutionize the way the government and the economy should be run, ushering in the concept of neoliberalism into the developmental paradigm.

### **Critical evaluation of Liberal perspective of development :**

Various scholars have criticized the liberal development perspective for a variety of reasons. Too much individuality, critics argue, will promote inequality and call into question the balance of social justice. In a free market environment, it has been argued that an economic order marked by inequality would promote even more inequality and social injustice. Critics argue that there is no such thing as a "free market" as liberals advocate. Liberals have always been opposed to the government intervening heavily in the market. However, critics argue that the government should play a larger role and intervene in the market by regulating international trade, encouraging various migration policies, and passing various factory and workplace legislation. Rich people, in comparison to poor people, benefit more from the liberal approach. The wealthy are becoming wealthier, but the poor have no such assurance. In the market, the poor have no options. Wealth is unequally distributed, and the system encourages the rich to get richer while the poor get poorer. According to various critics, while promoting "possessive individualism," liberalism is promoting and helping only one segment of society.

### 1.3.3 Marxist perspective of development :

The Marxist perspective on development is based on Karl Marx's theoretical understanding of development. He was the most influential socialist thinker on the developmental paradigm in the 19th and 20th centuries, having been born in Germany in 1818. Marx claimed that the 'history of all previously existing societies is the history of class struggle,' and that a continuous flow of conflict between groups was the hallmark of all histories. Because the mode of production is the foundation of human history, it is materialistic. Marx divided human history into the stages below, based on the mode of production that each society employs:

- (a) The communitarian mode of production gives way to primitive communism;
- (b) The slave mode of production gives way to Ancient society's growth.
- (c) Feudalism is a result of the feudal mode of production.
- (d) Capitalism is the result of a capitalist mode of production.
- (e) Socialism is born from the socialist mode of production.

As a result, the transition from primitive communism to socialism is the result of a shift in the mode of production. To put it another way, economic transformation gives way to social transformation, bringing humanity's history from Primitive Communism to Socialism. As a result, Marx had a profound philosophical vision of human society's development that can be understood in terms of material conditions of existence. He talked about how human society evolved through various stages and how class relationships changed as a result. A social class, according to Karl Marx, is any group of people who perform the same function in the production system. It is determined not by an individual's occupation or income, but by the position he or she holds and the function he or she performs in the production process. The powerful class always exploits the inferior class in the production process in order to make a profit. Human history is replete with examples of these processes, in which the powerful class profits from the inferior class through dominance and exploitation.

In the Marxian sense, Bendix and Lip set have identified five variables that determine a class:

- (a) Dissensions between the classes over the distribution of economic rewards.
- (b) Ease of communication between individuals in the same class position, allowing ideas and action plans to spread quickly.
- (c) A rise in class consciousness, defined as a sense of solidarity among members of the class and an understanding of their historical role.
- (d) The lower class's deep dissatisfaction with its inability to exert control over the economic structure in which it perceives itself to be the exploited victim.

- (e) The formation of a political organization as a result of the economic structure, historical circumstances, and the maturation of class consciousness.

There have been specific forms of class struggle at all stages of the society's economic transformation that have been mentioned. According to Karl Marx, the main agents of social change are social classes. According to him, new classes emerge in modern capitalist society, with a new type of struggle between the bourgeoisie (haves) and the proletariat (have-nots). Through the expansion of new markets, the introduction of new technology, the extraction of surplus value, and the exploitation of the proletariat, the Bourgeoisie class constantly maximizes its profit. The commodification of the market gives the production and consumption processes a new shape. The new market motto is to make as much money as possible at any cost. As a result of the emergence of class consciousness, class relations between both classes will be transformed into hostile actions against each other. During the development of subjective class consciousness, the 'class-in-itself' will be transformed into a 'class-for-itself.' As a result, open revolutions between the bourgeoisie and the proletariat will emerge. In the form of Socialism and Communism, the proletariat will triumph over the bourgeoisie and establish an equalitarian and egalitarian society.

### **Critical Evaluation of Marxist perspective of development :**

Various scholars have criticised Marxist development theory. It is argued that Marxist development theory focuses too much on economic aspects of social life. It downplays the importance of culture and ethnicity in explaining social change during development. Many of Marx's predictions about the future development of capitalist society, particularly the relationship and struggle between the bourgeoisie and the proletariat, have not come true. As his concept of communism and the dream of a classless society has been used as a political tool in many cases, Marx's theory of a classless society has become a kind of utopian dream. Marx's unilateral assumption about development, that it can only be achieved through the exploitation of the classes, is not universally true. In today's society, there are a variety of capitalisms that have been overlooked by Marx's concept of development. Apart from these flaws, the Marxian concept of development has failed to account for the advancement of new technological inputs as well as the changing nature of the employer-employee relationship.

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## **1.4 QUESTIONS**

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- Q1. What is the meaning of growth and development? Distinguish between growth and development.
- Q2. Critically analyze the Marxist perspective of development.
- Q2. Critically analyze the Liberal perspective of development.



## **APPROACHES OF HUMAN DEVELOPMENT AND MDGS**

### **Unit Structure:**

- 2.0 Objectives
- 2.1 Definition of Human Development
- 2.2 Basic Needs Approach
- 2.3 Quality of Life Approach
- 2.4 Capability Approach
- 2.5 Human Rights
- 2.6 Millennium Development Goals (MDGs)
- 2.7 Summary
- 2.8 Questions

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### **2.0 OBJECTIVES**

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- To study the various approaches of human development.
- To know about millennium development goals (MDGs).
- To know about human rights.

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### **2.1 DEFINITION OF HUMAN DEVELOPMENT**

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The UNDP Human Development Report 1997 describes human development as “the process of widening people’s choices and the level of well-being they achieve are at the core of the notion of human development. Such theories are neither finite nor static. But regardless of the level of development, the three essential choices for people are to lead a long and healthy life, to acquire knowledge and to have access to the resources needed for a decent standard of living. Human development does not end there, however. Other choices highly valued by many people, range from political, economic and social freedom to opportunities for being creative and productive and enjoying self respect and guaranteed human rights”. The HDR 1997 further stated that, “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 only a means with human development the end”.

What we understand from the description of human development found in HDR 1997 is that human development is a continuous process. The

process becomes developmental only if it increases choices and improves human well-being. Amongst other choices, the three most important choices are that of long and healthy life which is determined by life expectancy at birth, to acquire knowledge which is determined by education and a decent standard of living which is determined by GDP per capita. These three choices are also the components of human development index. While these three choices are basic to human development, the choices go beyond these three to include the ever expanding social, political and economic freedoms that make human life worth living. Thus guaranteed human rights become an important aspect of human development.

According to Paul Streeton, human development is necessary due to the following reasons:

1. Economic growth is only a means to the end of achieving human development.
2. Investments in education, health and training will increase longevity and productivity of the labor force and thereby improve human development.
3. Female education and development widens choices for women's development. Reduced infant mortality rate reduces fertility rate and also reduces the size of the family. It further improves female health and helps to reduce the rate of growth of population.
4. Encroachment upon the natural environment is the result of growing size of impoverished populations. Problems of desertification, deforestation, and soil erosion, erosion of natural beauty, unpleasant habitats and surroundings will reduce with human development.
5. Poverty reduction will encourage people to satisfy higher order needs like esteem needs and the need for self-actualization. Thus human development can contribute to a better civil society, a credible democracy and social stability and political stability.

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## **2.2 BASIC NEEDS APPROACH**

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The basic needs approach is one of the major approaches to the measurement of absolute poverty in developing countries globally. It works to define the absolute minimum resources necessary for long-term physical well-being, usually in terms of consumption goods. The poverty line is then defined as the amount of income required to satisfy the needs of the people. The "basic needs" approach was introduced by the International Labour Organization's World Employment Conference in 1976. "Perhaps the high point of the WEP was the World Employment Conference of 1976, which proposed the satisfaction of basic human needs as the overriding objective of national and international development policy. The basic needs approach to development was endorsed by governments and workers' and employers' organizations from all over the world. It influenced the programmes and policies of major multilateral and

bilateral development agencies, and was the precursor to the human development approach."

A traditional list of immediate "basic needs" is food (including water), shelter and clothing. Many modern lists emphasize the minimum level of consumption of "basic needs" of not just food, water, clothing and shelter, but also transportation (as proposed in the Third talk of Livelihood section of Three Principles of the People) sanitation, education, and healthcare. Different agencies use different lists.

The basic needs approach has been described as consumption-oriented, giving the impression "that poverty elimination is all too easy." Amartya Sen focused on 'capabilities' rather than consumption.

In the development discourse, the basic needs model focuses on the measurement of what is believed to be an eradicable level of poverty. Development programs following the basic needs approach do not invest in economically productive activities that will help a society carry its own weight in the future, rather they focus on ensuring each household meets its basic needs even if economic growth must be sacrificed today. These programs focus more on subsistence than fairness. Nevertheless, in terms of "measurement", the basic needs or absolute approach is important. The 1995 world summit on social development in Copenhagen had, as one of its principal declarations that all nations of the world should develop measures of both absolute and relative poverty and should gear national policies to "eradicate absolute poverty by a target date specified by each country in its national context."

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## 2.3 QUALITY OF LIFE APPROACH

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The term "quality of life" is extremely complex; it is affected by a number of factors, and in the literature is interpreted in different ways. It should be noted that the history of the term itself depends on the work of economists and sociologists including John Kenneth Galbraith, Denisa Riesman and Ronald Freedman, who were associated with the criticism of the consumer lifestyle in the USA. They criticized the orientation of American society on consumption and its emphasis on the quantity of produced and consumed goods negatively affects quality of life. Moreover, in such a lifestyle they saw wasted resources and a danger to humanity.

Quality of life should not be confused with the concept of standard of living, which is based primarily on income. Standard indicators of the quality of life include not only wealth and employment but also the built environment, physical and mental health, education, recreation and leisure time, and social belonging (Gregery, Derek, et al., eds, 2009).

According to ecological economist Robert Costanza, while Quality of Life (QOL) has long been an explicit or implicit policy goal, adequate definition and measurement have been elusive. Diverse "objective" and "subjective" indicators across a range of disciplines and scales, and recent work on subjective well-being (SWB) surveys and the psychology of happiness have spurred renewed interest (Costanza, R. et al., 2008).



### **1. Quantitative Measurement:**

Unlike per capita GDP or standard of living, both of which can be measured in financial terms, it is harder to make objective or long-term measurements of the quality of life experienced by nations or other groups of people. Researchers have begun in recent times to distinguish two aspects of personal well-being: Emotional well-being, in which respondents are asked about the quality of their everyday emotional experiences—the frequency and intensity of their experiences of, for example, joy, stress, sadness, anger, and affection—and life evaluation, in which respondents are asked to think about their life in general and evaluate it against a scale. Such and other systems and scales of measurement have been in use for some time. Research has attempted to examine the relationship between quality of life and productivity.

### **2. Human Development Index :**

Perhaps the most commonly used international measure of development is the Human Development Index (HDI), which combines measures of life expectancy, education, and standard of living, in an attempt to quantify the options available to individuals within a given society. The HDI is used by the United Nations Development Programme in their Human Development Report.

### **3. World Happiness Report :**

Also developed by the United Nations and published recently along with the HDI, this report combines both objective and subjective measures to rank countries by happiness, which is deemed as the ultimate outcome of a high quality of life. It uses surveys from Gallup, real GDP per capita, healthy life expectancy, having someone to count on, and perceived freedom to make life choices, freedom from corruption, and generosity to derive the final score.

### **4. Physical Quality of Life Index (PQLI) :**

The Physical Quality of Life Index (PQLI) is a measure developed by sociologist Morris David Morris in the 1970s, based on basic literacy, infant mortality, and life expectancy. Although not as complex as other measures, and now essentially replaced by the Human Development Index, the PQLI is notable for Morris's attempt to show a "less fatalistic pessimistic picture" by focusing on three areas where global quality of life was generally improving at the time, and ignoring gross national product and other possible indicators that were not improving.

### **5. The Happy Planet Index :**

Happy Planet Index, introduced in 2006, is unique among quality of life measures in that, in addition to standard determinants of well-being, it uses each country's ecological footprint as an indicator. As a result, European and North American nations do not dominate this measure. The 2012 list is instead topped by Costa Rica, Vietnam and Colombia.



A 2010 study by two Princeton University professors looked at 1,000 randomly selected U.S. residents over an extended period. It concludes that their life evaluations - that is, their considered evaluations of their life against a stated scale of one to ten - rise steadily with income. On the other hand, their reported quality of emotional daily experiences (their reported experiences of joy, affection, stress, sadness, or anger) levels after a certain income level (approximately \$75,000 per year); income above \$75,000 does not lead to more experiences of happiness or to further relief of unhappiness or stress. Below this income level, respondents reported decreasing happiness and increasing sadness and stress, implying the pain of life's misfortunes, including disease, divorce and being alone, are exacerbated by poverty. (PhysOrg.com. 7 September 2010)

**6. Gross National Happiness :**

Gross national happiness and other subjective measures of happiness are being used by the governments of Bhutan and the United Kingdom. The World Happiness report, issued by Columbia University is a meta-analysis of happiness globally and provides an overview of countries and grassroots activists using GNH. The OECD issued a guide for the use of subjective well-being metrics in 2013. In the U.S., cities and communities are using a GNH metric at a grassroots level.

**7. The Social Progress Index :**

The Social Progress Index measures the extent to which countries provide for the social and environmental needs of their citizens. Fifty-two indicators in the areas of basic human needs, foundations of wellbeing, and opportunity show the relative performance of nations. The index uses outcome measures when there is sufficient data available or the closest possible proxies.

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**2.4 CAPABILITY APPROACH**

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The capability approach (also referred to as the capabilities approach) is a normative approach to human welfare that concentrates on the actual capability of persons to achieve lives they value rather than solely having a right or freedom to do so. It was conceived in the 1980s as an alternative approach to welfare economics. In this approach, Amartya Sen and Martha Nussbaum combine a range of ideas that were previously excluded from (or inadequately formulated in) traditional approaches to welfare economics. The core focus of the capability approach is improving access to the tools people use to live a fulfilling life.

**Assessing capability**

Sen initially argued for five components to assess capability:

1. The importance of real freedoms in the assessment of a person's advantage

2. Individual differences in the ability to transform resources into valuable activities
3. The multi-variate nature of activities giving rise to wellbeing
4. A balance of materialistic and nonmaterialistic factors in evaluating human welfare
5. Concern for the distribution of opportunities within society

Subsequently, in collaboration with political philosopher Martha Nussbaum, development economist Sudhir Anand and economic theorist James Foster, Sen has helped propel the capabilities approach to appear as a paradigm policy in debates concerning human development; his research inspired the creation of the UN's Human Development Index (a popular measure of human development that captures capabilities in health, education, and income). Additionally, the approach has been operationalized to have a high income country focus by Paul Anand and colleagues. Sen also founded the Human Development and Capability Association in 2004 in order to further promote discussion, education, and research on the human development and capability approach. Since then, the approach has been much discussed by political theorists, philosophers, and a range of social scientists, including those with a particular interest in human health.

The approach emphasizes functional capabilities ("substantive freedoms", such as the ability to live to old age, engage in economic transactions, or participate in political activities); these are construed in terms of the substantive freedoms people have reason to value, instead of utility (happiness, desire-fulfillment or choice) or access to resources (income, commodities, assets). An approach to wellbeing using utility can be found in utilitarianism, while access to resources is advocated by the Rawlsian approach.

Poverty is understood as capability-deprivation. It is noteworthy that proponents emphasize not only how humans function, but their access to capabilities "to achieve outcomes that they value and have reason to value". Everyone could be deprived of capabilities in many ways, e.g. by ignorance, government oppression, lack of financial resources, or false consciousness.

This approach to human well-being emphasizes the importance of freedom of choice, individual heterogeneity and the multi-dimensional nature of welfare. In significant respects, the approach is consistent with the handling of choice within conventional microeconomics consumer theory, although its conceptual foundations enable it to acknowledge the existence of claims, like rights, which normatively dominate utility-based claims (see Sen 1979).

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## 2.5 HUMAN RIGHTS

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Development is a human right that belongs to everyone, individually and collectively. Everyone is "entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all

human rights and fundamental freedoms can be fully realized,” states the groundbreaking **UN Declaration on the Right to Development**, proclaimed in 1986.

The key elements of the right to development are as follows:

- **People-centered development.** The Declaration identifies “the human person” as the central subject, participant and beneficiary of development (art. 2).
- **A human rights-based approach.** The Declaration requires that development be carried out in a manner “in which all human rights and fundamental freedoms can be fully realised” (art. 1).
- **Participation.** The Declaration insists on the “active, free and meaningful participation” of individuals and populations in development (art. 2).
- **Equity.** The Declaration highlights the importance of the “fair distribution of the benefits” of development (art. 2).
- **Non-discrimination.** The Declaration allows no “distinction as to race, sex, language or religion” (art. 6).
- **Self-determination.** The Declaration requires the full realisation of the right of peoples to self-determination, including full sovereignty over their natural wealth and resources (art. 1).

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## 2.6 MILLENNIUM DEVELOPMENT GOALS (MDGS)

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The Millennium Development Goals (MDGs) which include eight goals were framed to address the world's major development challenges with health and its related areas as the prime focus. In India, considerable progress has been made in the field of basic universal education, gender equality in education, and global economic growth. However there is slow progress in the improvement of health indicators related to mortality, morbidity, and various environmental factors contributing to poor health conditions. Even though the government has implemented a wide array of programs, policies, and various schemes to combat these health challenges, further intensification of efforts and redesigning of outreach strategies is needed to give momentum to the progress toward achievement of the MDGs.

The MDGs adopted by the United Nations in the year 2000 project the efforts of the international community to “spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty.” The MDGs are eight goals to be achieved by 2015 that respond to the world's main development challenges. These goals are further subdivided into 18 numerical targets which are further measured by means of 40 quantifiable indicators. Health constitutes the prime focus of the MDGs. While three out of eight goals are directly related to health, the other goals are related to factors which have a

significant influence on health. Hence the goals and targets are inter-related in many ways. The eight MDG goals are to –

- (1) eradicate extreme poverty and hunger;
- (2) achieve universal basic education;
- (3) promote gender equality and empower women;
- (4) reduce child mortality;
- (5) improve maternal health;
- (6) combat HIV/AIDS, malaria, and other diseases;
- (7) ensure environmental sustainability;
- (8) develop a global partnership for development

#### **INITIATIVE BY INDIAN GOVERNMENT TOWARDS MDGS :**

“Acute poverty prevails in eight Indian states, including Bihar, Uttar Pradesh and West Bengal, together accounting for more poor people than in the 26 poorest African nations combined, a new ‘multidimensional’ measure of global poverty has said. As per the new measure Multidimensional Poverty Index (MPI – was developed and applied by the Oxford Poverty and Human Development Initiative with UNDP support), there are more ‘MPI poor’ people in eight Indian states (421 million in Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh, and West Bengal) than in the 26 poorest African countries combined (410 million)”.

The states like Bihar, Chhattisgarh, Uttar Pradesh, Rajasthan, Orissa, and Madhya Pradesh are among the most populous in the country, and have very low GDP. Growing rate of population within these states will account for an even larger share of India’s population in 2015. Therefore, India’s attainment of MDGs will also largely depend on the performance of these states.

The Millennium Development Goals under the Millennium Declaration are not like other documents or plans which remain on paper only. These set out measurable targets instead of the usual hazy statements or agreements.

**Goal 1:** To achieve the goal of eradicating extreme poverty and hunger, India must reduce the proportion of people below poverty line from nearly 37.5% (in 1990) to about 18.75% by 2015.

**Goal 2:** To achieve universal primary education, India should increase the primary school enrolment rate to 100 % with decreasing number of students and completely wipe out the drop-outs by 2015 against 41.96% in 1991-92.

**Goal 3:** To ensure gender parity in education, India will have to promote female participation at all levels to reach a female male proportion of equal level by 2015.

**Goal 4:** It aims at reducing ‘under five mortality rate (U5MR)’ from 125 deaths per thousand live births in 1988-92 to 42 in 2015.

**Goal-5:** India should reduce maternal mortality (MMR) from 437 deaths per 100,000 live births in 1991 to 109 by 2015.

**Goal-6:** Under this goal, though India has a low prevalence of HIV among pregnant women as compared to other developing countries, yet the prevalence rate has increased from 0.74 per thousand pregnant women in 2002 to 0.86 in 2003. This increasing trend needs to be reversed to achieve MDG 6.

**Goal-7:** The proportion of population without sustainable access to safe drinking water and sanitation is to be halved by 2015 and India is on track to achieve this target.

**Goal-8:** Develop global partnership for development. (It includes financial support from developed countries. For example Official Development Assistance – ODA, etc.)

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## 2.7 SUMMARY

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The Government of India has adopted ambitious targets related to Millennium Development Goals such as education – ‘Sarva Shiksha Abhiyan’ (the national policy to universalize primary education and making free and compulsory Education to the Children of 6-14 years age group), Health – the National Rural Health Mission along with Integrated Child Development Services. To achieve the MDGs, India needs to convert these commitments and resources into measurable results.

The Government of India claims that the country is on track to meet the MDG targets by 2015. These claims include; number of people living below the poverty line has reduced, child and maternal mortality rates are reducing, increased public resources in several key sectors, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has increased rural employment, National Rural Health Mission have resulted in massive inputs in the health sector, HIV rates are low and that deaths due to tuberculosis and malaria show downward trends.

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## 2.8 QUESTIONS

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- Q1. Explain the Basic Needs Approach.
- Q2. Discuss the Quality of Life Approach.
- Q3. Explain the Capability Approach.
- Q4. Write a note on Millennium Development Goals (MDGs).



## HUMAN DEVELOPMENT – I

### Unit Structure :

- 3.0 Objectives
- 3.1 Introduction
- 3.2 Empowerment and Equity
  - 3.2.1 Empowerment
  - 3.2.2 Equity
- 3.3 Sustainability and Security
  - 3.3.1 Sustainability
  - 3.3.2 Security
- 3.4 Productivity and Participation
  - 3.4.1 Productivity
  - 3.4.2 Participation
- 3.5 Role of freedoms in Promoting Human Development
- 3.6 Multi-dimensionality of Poverty
- 3.7 Summary
- 3.8 Questions

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### 3.0 OBJECTIVES

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- To study the various aspects related to human development such as Empowerment, Equity, Sustainability, Security, Productivity and Participation.
- To study the role of freedoms in human development and Multi-dimensionality of Poverty

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### 3.1 INTRODUCTION

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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-eco-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 that the absence of these essential choices debar 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.”**

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## 3.2 EMPOWERMENT AND EQUITY

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### 3.2.1 Empowerment :

Empowerment means to have the power to make choices. Such power comes from increasing freedom and capability. Good governance and people-oriented policies are required to empower people. The empowerment of socially and economically disadvantaged groups is of special importance.



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, especially 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."**

Women's economic empowerment includes women's ability to participate equally in existing markets; their access to and control over productive resources, access to decent work, control over their own time, lives and bodies; and increased voice, agency and meaningful participation in economic decision-making at all levels from the household to international institutions. Women's economic empowerment boosts productivity, increases economic diversification and income equality in addition to other positive development outcomes. For example, increasing the female employment rates in OECD countries to match that of Sweden, could boost GDP by over USD 6 trillion.

### 3.2.2 Equity :

Equity refers to making equal access to opportunities available to everybody. The opportunities available to people must be equal irrespective of their gender, race, income and in the Indian case, caste. Yet this is very often not the case and happens in almost every society. For example, in any country, it is interesting to see which group the most of the school dropouts belong to. This should then lead to an understanding of the reasons for such behaviour. In India, a large number of women and persons belonging to socially and economically backward groups drop out

of school. This shows how the choices of these groups get limited by not having access to knowledge.

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.

Equality of capabilities would be equitable. But the distribution of capabilities typically cannot be observed, because it is concerned with substantive freedoms rather than outcomes. Rather, the extent to which societies are inequitable must be inferred on the basis of inequalities in outcomes, and consideration of the process by which they come about. As argued in the HDR 2011, "Inequalities in outcomes are largely the product of unequal access to capabilities". If people within a society had equal capabilities, we would not necessarily expect equal outcomes because people have different preferences and values. But we could be confident that those outcomes arose because of differences in people's choices rather than constraints on their abilities to exercise their choice.

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### 3.3 SUSTAINABILITY AND SECURITY

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#### 3.3.1 Sustainability :

Sustainability means continuity in the availability of opportunities. To have sustainable human development, each generation must have the same opportunities. All environmental, financial and human resources must be used keeping in mind the future. Misuse of any of these resources will lead to fewer opportunities for future generations.

A good example is about the importance of sending girls to school. If a community does not stress the importance of sending its girl children to

school, many opportunities will be lost to these young women when they grow up. Their career choices will be severely curtailed and this would affect other aspects of their lives. So, each generation must ensure the availability of choices and opportunities to its future generations.

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.

### **3.3.2 Security :**

Security is originated from the word secure and opposite of fear, it means being or feeling secure and free from fear, anxiety, danger, doubt, etc. Something that gives or assures safety, tranquility, certainty, etc. Also, the meaning of security is a kind of being safe against forced aggression, regarding the persons; it means that people don't have any fear about their legitimate rights and having freedom. No force can threaten him when his rights to be endangered. In fact, traditional meaning of security, is stated a general interpretation, being free from any threat, or danger, on the other hand, others believe that security has a fluid meaning and different meanings in time and place.

Security prepares conditions for protecting vital values and obtaining the feeling of freedom from vulnerability and dangers. Therefore, it is the most serious issues and brings some concerns to human minds. Because security has a complicated nature and feature and the governments are custodians of security and on a collective consensus. Security is considered as the most long-lasting desires of mankind. Apart from different definitions that mentioned about security there are several kinds of security as follow: physical, spiritual, internal, external, individual, social, national, humanistic, disciplinary, moral and defensive security. Now, we discuss about defensive security and sustainable development in south east of Iran which are more important. Security is a social action that occurs on the political, social and economic issues.

Human security is removal of poverty and deprivation, having a suitable level of life and to guarantee the basic rights of humans. Human security is the ability to protect humans, governments, both of them. So, it consists of providing main and basic needs of humans as well as non-physical aspects that shapes qualitative aspect of the issue that human security has two qualitative and quantitative aspects. Quantitative aspect consists of satisfying physical needs, i.e., supplying the least human security involves satisfying basic physical needs, the most important of which are food, home, education, and public health that are necessary for maintaining human generation. Qualitative aspect of human security relates to his human personality that entails individual independency, the right to determine the destiny and free participation in social life. In fact, human security directs humans to democracy and the opportunity of participation in social decision making in a dynamic and fundamental manner. Therefore, human security has a relationship with democracy. Geographer states that thinking about human security should be beyond geographical boundaries and military matters, thinking about human security is an imperative issue, we must think about winning of a different war, and fighting against on poverty.

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### **3.4 PRODUCTIVITY AND PARTICIPATION**

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#### **3.4.1 Productivity :**

Productivity is another component of human development 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.

Productivity here means human labour productivity or productivity in terms of human work. Such productivity must be constantly enriched by building capabilities in people. Ultimately, it is people who are the real wealth of nations. Therefore, efforts to increase their knowledge, or provide better health facilities ultimately leads to better work efficiency.

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 corroborates this view.

#### **3.4.2 Participation :**

Participation is vital in societal development. It gives people a sense of ownership in their lives. It also renders development projects and practices both effective and accountable. To the extent that it has such significance, it is subject not only to being used loosely but also to being misused by accident, or deliberately, or in both ways.

Participation does not automatically deliver positive effects. Within an existing societal power structure, it might maintain an unwarrantable status quo or even possibly reinforce it. While the most powerful people enhance their power by making the best of their current status, the vulnerable maintain their status at best by observing social customs for good or ill. Tax avoidance is, for example, instanced as a sign of adaptive preference in the societies where it prevails. People might understand the reasons for paying taxes but will nevertheless avoid paying them, in order to survive in a corrupt society.

A naive application of participation would thus not only be ineffective, it would also be harmful. Empowerment would certainly help the vulnerable to improve their living conditions, but often only as a temporary measure. Unless the existing power structure is overturned, the vulnerable will continue to exist even if group membership changes over time. Yet, it would be unrealistic to expect that all inequalities in the power structure can be eliminated.

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### 3.5 ROLE OF FREEDOMS IN PROMOTING HUMAN DEVELOPMENT

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Development can be seen, it is argued here, as a process of expanding the real freedoms that people enjoy. Focusing on human freedoms contrasts with narrower views of development, such as identifying development with the growth of gross national product, or with the rise in personal incomes, or with industrialization, or with technological advance, or with social modernization. Growth of GNP or of individual incomes can, of course, be very important as means to expanding the freedoms enjoyed by the members of the society. But freedoms depend also on other determinants, such as social and economic arrangements (for example, facilities for education and healthcare) as well as political and civil rights (for example, the liberty to participate in public discussion and scrutiny). Similarly, industrialization or technological progress or social modernization can substantially contribute to expanding human freedom, but freedom depends on other influences as well. If freedom is what development advances, then there is a major argument for concentrating on that overarching objective, rather than on some particular means, or some specially chosen list of instruments. Viewing development in terms of expanding substantive freedoms directs attention to the ends that make development important, rather than merely to some of the means that, *inter alia*, play a prominent part in the process.

Development requires the removal of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or overactivity of repressive states. Despite unprecedented increases in overall opulence, the contemporary world denies elementary freedoms to vast numbers—perhaps even the majority of people. Sometimes the lack of substantive freedoms relates directly to economic poverty, which robs people of the freedom to satisfy hunger, or to achieve sufficient nutrition, or to obtain remedies for treatable illnesses, or the opportunity to be

adequately clothed or sheltered, or to enjoy clean water or sanitary facilities. In other cases, the unfreedom links closely to the lack of public facilities and social care, such as the absence of epidemiological programs, or of organized arrangements for health care or educational facilities, or of effective institutions for the maintenance of local peace and order. In still other cases, the violation of freedom results directly from a denial of political and civil liberties by authoritarian regimes and from imposed restrictions on the freedom to participate in the social, political and economic life of the community.

• **EFFECTIVENESS AND INTERCONNECTIONS**

Freedom is central to the process of development for two distinct reasons.

- 1) The evaluative reason: assessment of progress has to be done primarily in terms of whether the freedoms that people have are enhanced;
- 2) The effectiveness reason: achievement of development is thoroughly dependent on the free agency of people.

We have already signalled the first motivation: the evaluative reason for concentrating on freedom. In pursuing the second, that of effectiveness, we have to look at the relevant empirical connections, in particular at the mutually reinforcing connections between freedoms of different kinds. It is because of these interconnections, which are explored in some detail in this book, that free and sustainable agency emerges as a major engine of development. Not only is free agency itself a "constitutive" part of development, it also contributes to the strengthening of free agencies of other kinds. The empirical connections that are extensively explored in this study link the two aspects of the idea of "development as freedom."

The relation between individual freedom and the achievement of social development goes well beyond the constitutive connection important as it is. What people can positively achieve is influenced by economic opportunities, political liberties, social powers, and the enabling conditions of good health, basic education, and the encouragement and cultivation of initiatives. The institutional arrangements for these opportunities are also influenced by the exercise of people's freedoms, through the liberty to participate in social choice and in the making of public decisions that impel the progress of these opportunities. These interconnections are also investigated here.

**1. Transactions, Markets and Economic Unfreedom :**

The ability of the market mechanism to contribute to high economic growth and to overall economic progress has been widely-and rightly-acknowledged in the contemporary development literature. But it would be a mistake to understand the place of the market mechanism only in derivative terms. As Adam Smith noted, freedom of exchange and transaction is itself part and parcel of the basic liberties that people have reason to value. To be generically against markets would be almost as odd as being generically against conversations between people (even though some conversations are clearly foul and cause problems for others-or even for the conversationalists themselves). The freedom to exchange words, or



goods, or gifts does not need defensive justification in terms of their favourable but distant effects; they are part of the way human beings in society live and interact with each other (unless stopped by regulation or fiat). The contribution of the market mechanism to economic growth is, of course, important, but this comes only after the direct significance of the freedom to interchange words, goods, gifts has been acknowledged.

As it happens, the rejection of the freedom to participate in the labour market is one of the ways of keeping people in bondage and captivity, and the battle against the unfreedom of bound labour is important in many third world countries today for some of the same reasons the American Civil War was momentous. The freedom to enter markets can itself be a significant contribution to development, quite aside from whatever the market mechanism may or may not do to promote economic growth or industrialization. In fact, the praise of capitalism by Karl Marx (not a great admirer of capitalism in general) and his characterization (in *Das Kapital*) of the American Civil War as "the one great event of contemporary history" related directly to the importance of the freedom of labour contract as opposed to slavery and the enforced exclusion from the labour market. As will be discussed, the crucial challenges of development in many developing countries today include the need for the freeing of labour from explicit or implicit bondage that denies access to the open labour market. Similarly, the denial of access to product markets is often among the deprivations from which many small cultivators and struggling producers suffer under traditional arrangements and restrictions. The freedom to participate in economic interchange has a basic role in social living.

To point to this often-neglected consideration is not to deny the importance of judging the market mechanism comprehensively in terms of all its roles and effects, including those in generating economic growth and, under many circumstances, even economic equity. We must also examine, on the other side, the persistence of deprivations among segments of the community that happen to remain excluded from the benefits of the market-oriented society, and the general judgments, including criticisms, that people may have of lifestyles and values associated with the culture of markets. In seeing development as freedom, the arguments on different sides have to be appropriately considered and assessed. It is hard to think that any process of substantial development can do without very extensive use of markets, but that does not preclude the role of social support, public regulation, or statecraft when they can enrich rather than impoverish human lives. The approach used here provides a broader and more inclusive perspective on markets than is frequently invoked in either defending or chastising the market mechanism. Economic unfreedom can breed social unfreedom, just as social or political unfreedom can also foster economic unfreedom.

## **2. Institutions And Instrumental Freedoms:**

Five distinct types of freedom, seen in an "instrumental" perspective, are particularly investigated in the empirical studies that follow. These include (1) political freedoms, (2) economic facilities, (3) social opportunities, (4)



transparency guarantees and (5) protective security. Each of these distinct types of rights and opportunities helps to advance the general capability of a person. They may also serve to complement each other. Public policy to foster human capabilities and substantive freedoms in general can work through the promotion of these distinct but interrelated instrumental freedoms. Each of these different types of freedom and the institutions involved will be explored, and their interconnections discussed.

There will be an opportunity also to investigate their respective roles in the promotion of overall freedoms of people to lead the kind of lives they have reason to value. In the view of "development as freedom," the instrumental freedoms link with each other and with the ends of enhancement of human freedom in general. While development analysis must, on the one hand, be concerned with objectives and aims that make these instrumental freedoms consequentially important, it must also take note of the empirical linkages that tie the distinct types of freedom together, strengthening their joint importance. Indeed, these connections are central to a fuller understanding of the instrumental role of freedom.

Freedoms are not only the primary ends of development; they are also among its principal means. In addition to acknowledging, foundationally, the evaluative importance of freedom, we also have to understand the remarkable empirical connection that links freedoms of different kinds with one another. Political freedoms (in the form of free speech and elections) help to promote economic security. Social opportunities (in the form of education and health facilities) economic participation is welcomed. Economic facilities (in the form of opportunities for participation in trade and production) can help to generate personal abundance as well as public resources for social facilities. Freedoms of different kinds can with another one another. These empirical connections reinforce the valuational priorities. In terms of the medieval distinction between "the patient" and "the agent," this freedom-centered understanding of economics and of the process of development is very much an agent-oriented view. With adequate social opportunities, individuals can effectively shape their own destiny and help each other. They need not be seen primarily as free and sustainable agency and even of constructive impatience.

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### 3.6 MULTI-DIMENSIONALITY OF POVERTY

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The measurement of poverty is composed of two fundamental steps, according to Amartya Sen (1976): determining who is poor (identification) and building an index to reflect the extent of poverty (aggregation). Both steps have been sources of debate over time among academics and practitioners. For a long time, unidimensional measures were used to distinguish poor from non-poor. More recently, new measures have been proposed to enrich the understanding of socio-economic conditions and to better reflect the evolving concept of poverty.

- **Poverty- unidimensional to multi-dimensional**

Poverty measurement has primarily used income for the identification of the poor since the early twentieth century. In the 1950s, economic growth

and macroeconomic policies dominated the development discourse, which meant little attention was paid to the difficulties faced by poor people (ODI, 1978). Until the 1970s, the poor were statistically identified solely on the basis of household income, adjusted to family size, relative to a specified income poverty line. This threshold meant to give a monetary value to the “minimum necessities for the maintenance of merely physical efficiency” (i.e., food, rent, clothing, fuel, light, etc.) (Rowntree (1901), cited by Alkire et al. (2015)).

In the mid-1970s the ‘basic needs’ approach posited that development concerns should be focused on providing people their basic needs, as opposed to merely increasing their income. This approach, together with others such as social exclusion and Sen’s capability approach, called for looking at the actual satisfaction of basic needs (Alkire et al. 2015). As such, a list of basic needs should be determined, along with minimum levels of satisfaction, what Sen (1981) called the ‘direct method’ of poverty identification. Contrasting with the income method, the direct method assesses human deprivation in terms of shortfalls from minimum levels of basic needs per se, instead of using income as an intermediary of basic needs satisfaction. The reasoning for this relies on the argument that, while an increase in purchasing power allows the poor to better achieve their basic needs, markets for all basic needs may not always exist. Indeed, several basic needs are public goods (malaria prevention for example; Tsui, 2002). And, in fact, since the 1980s, studies have shown that income does not correctly proxy non-monetary deprivations for identifying the poor.

Accordingly, empirical analysts have come to introduce various nonmonetary measures of deprivations, supplementing these multidimensional analyses with monetary measures to create a better overall picture of poverty.

#### • **Multidimensional Poverty Measurement :**

Several techniques to measure poverty from a multidimensional perspective have been developed over the years. A few of the main prevailing approaches, among many others include (Alkire et al. 2015):

- i) The dashboard approach: an analysis of different indicators of poverty. A prominent example of which is the Millennium Development Goals;
- ii) The composite indices approach: whereby deprivation indices, possibly considered in a dashboard approach, are converted into one single number. Well-known composite indices include the Human Development Index, the Gender Empowerment Index and the Human Poverty Index, all of which have been published by the United Nations Development Programme (UNDP) Human Development Report;
- iii) Multivariate statistical methods: techniques to identify the poor, set indicator weights, build individual deprivation scores, and aggregate the information into societal poverty indices;

iv) Fuzzy sets: mathematical technique employed to identify mathematically the poor (using fewer normative judgements);

Many criteria can be used to decide on a particular methodology. Empirical researchers might prefer measures that can accommodate data from different sources. Policymakers might be inclined to choose a measure that produces one single easily comparable figure. They might also prefer measures that can reveal which people are suffering which deprivations simultaneously (a joint distribution of disadvantages) and thus effectively identify the poor.

In the context of the direct method of poverty measurement, counting the number of deprivations a poor individual suffers appeared intuitively as a way to identify the poor and observe progress. This ‘counting approach’ is currently witnessing fast-emerging research. While in the unidimensional framework the task of identifying the poor is usually performed by means of poverty lines, in a multidimensional counting framework “deprivation cutoffs” pinpoint who is deprived in what dimensions, and an overall “poverty cutoff” across dimensions identifies who is poor.

• **Global Multidimensional Poverty Index :**

One recently developed counting method, the Alkire-Foster counting approach, was adopted by the UNDP in 2010. Assisted by the Oxford Poverty and Human Development Initiative, UNDP used the approach to develop the global Multidimensional Poverty Index (MPI), which substituted its Human Poverty Index (in use since 1997). The index complements monetary measures of poverty with information on overlapping deprivations experienced simultaneously by individuals. It identifies deprivations in the same three dimensions as the Human Development Index (health, education and standard of living), and presents the number of people who are multi-dimensionally poor (i.e., deprived in at least one third of the dimensions) as well as the number of deprivations faced by the poor thus revealing the incidence and intensity of poverty in a given region in a given time. It can be decomposed by dimension or by groupings (such as region, ethnicity and other), with useful implications for policy.

According to 2021 Global Multidimensional Poverty Index Report, 1.3 billion people across 109 countries live in acute multidimensional poverty. Out of 1.3 billion people, 644 million are children (below the age of 18); whereas 105 million people are old (above the age of 60). Nearly, 85 percent of multidimensionally poor people live in Saharan Africa or South Asia. 84 percent of these poor people live in rural areas. 67 percent and more of the total multidimensionally poor population, live in middle-income countries. India’s rank is 66 out of 109 countries.

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### 3.7 SUMMARY

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- 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.
- Empowerment means to have the power to make choices. Such power comes from increasing freedom and capability.
- Sustainability means continuity in the availability of opportunities. To have sustainable human development, each generation must have the same opportunities.
- Productivity is component of human development which requires investment in people.
- Development can be seen, as a process of expanding the real freedoms that people enjoy.
- One recently developed counting method, the Alkire-Foster counting approach, was adopted by the UNDP in 2010.

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### 3.8 QUESTIONS

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- 1) What is Human Development?
- 2) Write a short note.
  - a. Empowerment
  - b. Equity
  - c. Sustainability
  - d. Security
  - e. Productivity
  - f. Participation
- 3) Discuss the role of Freedoms in Promoting Human Development.
- 4) Explain the concept of Multi-dimensionality of Poverty in detail.



## HUMAN DEVELOPMENT – II

### Unit Structure :

- 4.0 Objectives
- 4.1 Introduction
- 4.2 Concept of Inclusive Growth
- 4.3 Role of Civil Society
- 4.4 NGO's and People's Organizations
- 4.5 Obstacles to Inclusive Growth
- 4.6 Impact of Globalization
- 4.7 Summary
- 4.8 Questions

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### 4.0 OBJECTIVES

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- To understand the Concept of and Obstacles to Inclusive Growth
- To study the Role of Civil Society, NGO's and People's Organizations
- To study the Impact of Globalization on Human Development

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### 4.1 INTRODUCTION

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The last two or three centuries have been characterized by a vigorous economic growth in several countries, favoured by technological progress and the accumulation of (physical and human) capital. At the same time, some other countries have developed less and others are trapped in situations of extreme poverty. The history of economic development displays varied paths and non-linear phenomena with more or less rapid growth associated with different degrees of inequality in the distribution of wealth. However, despite the specificity of the different development pathways, since the Industrial Revolution it has been possible to witness a trend of economic growth mainly due to the diffusion of a capitalist-type development.

Economic growth was earlier seen as an inclusive concept, automatically supposed to be for all. But growth experience the world over has shown otherwise. The poor, history has revealed, need to have a special mention lest the rest of the country forgets them as it forges ahead on the growth path.

In the words of P Chidambaram, “Growth, though fundamental for reducing the level of poverty and improving living standards of our people, is not enough by itself. It needs to be more inclusive, more pervasive and accompanied by moderate inflation.” He quotes Dipak Dasgupta, lead economist with the World Bank, as saying that there are two India’s. “While India's top students at the best educational institutions are setting global standards, many, if not most of the country's children, leave government primary schools with few basic skills. While we have “Medical tourism” from abroad, most primary health centres do not function well. While the Tata’s and Mittal’s are acquiring global companies, our villages lack most of the basic amenities. While the price of urban property is escalating, the level of stunting and under-nutrition amongst the poor is alarming”.

The IDP Review 2006 titled “Inclusive Growth and Service Delivery: Building on India's Success” brought the term Inclusive growth into prominence.

‘Inclusive Growth’ has thus emerged as a concept in Economics. This is reflected in India’s Eleventh Five-Year Plan (2007 – 2012) had the theme ‘towards faster and more inclusive growth’.

The Approach to the 12th Five Year Plan (GOI, Planning Commission, Oct 2011) was titled: “Faster, Sustainable and More Inclusive Growth”.

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## 4.2 CONCEPT OF INCLUSIVE GROWTH

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The term “inclusive growth” has been coined by Montek Singh Ahluwalia, Chairman of the Planning Commission of India.

The concept of Inclusive growth emphasizes that equitable opportunities for economic participants should be provided during the very process of economic growth with benefits being incurred by every section of society. It is distinct from the concept of Equity, Social Justice or Redistribution taking place in terms of policy measures taken after the Growth process.

In this sense it is a radical concept. In Economics, the three activities of Production, Consumption and Distribution have traditionally been treated as distinct activities or processes. Growth and Development are related with Production whereas Equity and Social Justice are associated with Distribution. But the Inclusive Growth concept puts these two together. It refers to productive activity bound up with distributive activity.

The IDP Review 2006 described Inclusive growth in terms of facing India today:

improving the delivery of core public services, & maintaining rapid growth while spreading the benefits of this growth more widely. According to it, encouraging inclusive growth includes revamping labor regulations, improving agricultural technology & infrastructure, helping lagging sections & regions catch up, & empowering the poor through

proactive policies that help them to take part in the market on fair and equitable terms.

Thus, inclusive growth implies the links between the macroeconomic & microeconomic determinants of the economy to have changes in economic aggregates as well as structural transformation.

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### 4.3ROLE OF CIVIL SOCIETY

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#### 4.3.1 Concept and Definition:

Development is one of the most important pillars of country's development. So, it is important that development is examining. Economic, political, cultural and comprehensive development needs comprehensive planning. In comprehensive development, based on observed experience countries with the largest coordination to the community bodies, civil society have been successful. Because civil society is direct supervisory power of the people on the rulers and authority's performance and gain their power by people's integration and movement. That is why the civil society moved toward organizing and distribution. Guilds, parties, media, trade unions and any group of people who are engaged in giving service, turned in to intervening group in government's performance and decisions. So that if decision is harmful, they do something like: demonstration, strike and which are civil activities and express their demands avoid conflict and remain on their positions as far as being convinced. This process is more powerful than controlling the different sings such as: parliamentary oversight, inspection organizations and involve society to the participation in political and social affairs.

In countries were the position of people and civil society have been respected in the constitution in the framework of maintaining the legal freedoms and people's fundamental rights, the rate of development and reducing corruption is more obvious than the countries where constitution hasn't been respected. This guarantees one of the most basic foundations of development.

Some people consider the civil society as a presence of people out of private sphere means their home and entering to the community and its functions. Some people believes that, a set of civil society is included active presence of people in different communities in society which impact the society any way. Some people consider civil society as public institutions and organizations trade union etc., that each of human includes a number of individuals in the general population and have a corporate, political, social and cultural aspects of the society.

Another definition of civil society, consists of people who makes groups and associations based on their will and chose and independent of the government and purpose of establishment of such groups is improving the favorites and interests of the members (civil society, GhasemKarbasian). Eighteen century can be considered as an important period in the event of democratic governments and civil society. In this period universality of



human rights was presented which moved into the realm of civility at the same time with French revolution and concept of citizenship (rights and responsibilities associated with it) was particularly important.

#### **4.3.2 Formation of Civil Society**

In the second half of eighteenth century was made in civil society and government which was customary at that time and civil society was introduced as an independent sphere from government and was erupted in “Tom Paine” – “Adam Smith” (1723 -1790) and “Adam Ferguson” – “John Lock” (1635-1704) and a new concept in detail of civil society was described by: Hegel (1770 -1831). The concept of civil society was revived by: “Antonio Gramsci” in the early twentieth century while it was superseded in the second half of nineteenth century and in 70s and 80s as well as developments of Central and Eastern Europe, a new life was breathed into the concept of civil society and it was emerged as a reaction against “totalitarianism” especially socialist totalitarian regimes. “Thomas Hobbes” (1588-1679) and “Karl Marks (1818-1883) can be noted as the other experts who have commented about social society.

#### **4.3.3 Civil Society- Development and Influence**

As it is proposed in development, in the past development was considered unidimensional with a look on economy, politics and culture but today it is considered as an all-round thing. Close relationship and proximity among countries and cultures and moving toward globalization, the impact of a country’s lack of development becomes more obvious and more visible on the other countries. If development consider with assumption of growth in economy, which is included increased per-capita income and GDP and make policies such as: pluralism, tolerance of, freedom of expression, culture of development and consolidation of cultural principles and opening the cultural atmosphere in cinema, music, writing by posing this question that: if the practical ways of the countries which have been achieved to these assumptions can be repeated? The answer is no but most of these ways are applicable in any country provided that some changes are made in accordance with cultural, social, economic and political conditions of those countries. When the development of civil society in any country is depended on that country’s law and constitution, allowance of civil society’s entrance (involvement) and applying for optimizing the executive procedures and planning by that needs stabilize and development of civil society. Out of these preconditions, supposing that the conditions are prepare for civil society activities. What is the impact of this supposing in development as a result of relying on public opinion and abdication of power to those who are state’s symbols judiciary power- on behalf of society, a two pronged approach is acceptable that means on one hand society gives enough authority to the executive forces in order to enforce the laws which are legislated in accordance to public demands, advance the country and all-round development and on the other hand, executive power relying on civil society, evaluate its deviance and its performance which are conflict with public demand and reform it in favor of public demand.

In this stage, civil society plays its very important role and prevent from deviating and challenging the interests of the society and puts it on the truck. Civil society is receptive the representative of its nation public and correct by lateral and multilateral talks and settle the problems through rational way and aside obstacles the developments in every field.

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## 4.4 NGO’S AND PEOPLE’S ORGANIZATIONS

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### 4.4.1 Introduction:

NGO is an organization of a group of individuals who volunteer their services for achievement of the society’s larger goal, in the interest of the general public. It is not under control of any governmental body and is a non-profit venture for improving the welfare of citizens. NGOs act as a middleman between the society and the government, assessing the needs of individuals. They do command respect at the global level as it seeks assistance in not only the financial sector, but also in the vast field of economic, social and the political structure.

### 4.4.2 Brief History of NGOs Around the Globe:

At the end of World War II, the term “non-governmental organization” was coined by the United Nation and henceforth its concept was popularised. But the roots are far deeper as even before the onset of WW II, there were voluntary groups working at a global level for the betterment of citizens like the Sufi Tariqahs, Catholic Orders, and other such religious and scientific societies. Even as late as the 13th century, Chinese affiliates worked for humanitarian purposes along the river.

During the 18th century, Friends of Truth was established to work towards more ‘universal goals’ in France that had affiliates all around Europe. To fight small pox and eradicate it, Royal Jennerian Society was created that discovered new ways of vaccination. Glancing at the developments that occurred during the 19th century, there were umpteen number of anti-slavery groups working towards relief measures.

### 4.4.3 An Origin of NGOs in India:

The term NGO gained currency much later in the country but the idea around which its concept revolves has been followed and is in practise past many centuries. India is a land of religion wherein people deeply believe in their karma and ethical notions. Good deeds follow noble results and helps building a supportive community.

Dating back to the 18th and 19th century when people become more organised, wanted to work in a systematized manner and hence got into groups which offered voluntary help to the sufferers. As it is rightly said by Mother Teresa “Charity isn’t about pity, it is about love.” NGOs came together to abolish the deeply rooted system of Sati that was rampant at those times and worked towards abolishing untouchability, casteism and other social evils like child marriage etc.

By the 20th century, many people started associating themselves with NGOs like 'Servant of India' which worked on Gandhian principles. Later, NGOs found place in India's five-year plans, working for the rural sector, the down trodden, towards eradicating illiteracy and fighting deadly diseases. In a developing country like India, international regulatory bodies like WHO, UNICEF, UNO etc also come up and work vociferously by spreading awareness.

#### 4.4.4 Role of NGOs in Development :

1. **Social development:** NGOs have played an immense role in bringing social change and development. NGOs ensure development which essentially involves the equal participation of the people. They play an important role in educating and motivating people to fight for their rights.
2. **Education:** The NGOs actively work for promoting education, particularly among weaker sections of the population. The education of girls, and other deprived people, particularly the SCs and STs, has been their target objective.
3. **Women empowerment:** Women are the other vulnerable section of society. More and more women are working for their rights and involving themselves actively in the social sphere. Important in this process has been the role of NGOs. Sewa, Sathin, Eklavya, Disha etc. are some of the thousands of NGOs known for their role in development by creating awareness among people and interventions regarding women.
4. **Environmental awareness:** Human life is facing a threat due to environmental pollution and the depletion of natural resources. Here, the role of NGOs work is noticeable and praiseworthy. Thousands of voluntary organisations work to awaken people and governments against environmental degradation and depletion of resources e.g., Vanashakti NGO.
5. **Rehabilitation:** The projects like the construction of dams, road highways and railways have often led to displacement of some sections of people, particularly in rural areas without being properly compensated. The NGOs have a major role to play towards the cause of people's resettlement and are also performing commendable jobs in this direction.
6. **Protecting dignity:** NGOs are also rendering great service in restoring dignity of the deprived and discriminated sections. For example, protecting dignity of women by protecting women suffering from gender discrimination, racial and religious discriminations.
7. **Human rights protection:** The contribution of NGOs to human rights and public awareness is significant in India. The recognition of the rights of homosexuals and transgender people, for instance, would

have been unimaginable without the sustained effort of civil society organisations.

**4.4.5 Issue and challenges of NGOs :**

- 1. Difficulties to get funds :** The majority of NGOs have experienced difficulties in getting enough, and continuous funding in order to do their work. Getting donors is a hard task, and sometimes dealing with some specific donor's funding conditions can be an enormous challenge for NGOs.
- 2. Over-regulations :** Government regulations are misused to curb voice and work of NGOs that impact vote bank of politicians. Politicians threaten NGOs of removing funds or removing their certification. Over-regulation of NGOs hinder their work and efficiency.
- 3. Cultural hurdles :** NGOs are often seen as encroaching on centuries-old tradition and culture of the people, and lead to mass protest at times. Ban of Jallikattu after a Public interest litigation filed by PETA is one such example.
- 4. Lack of proper networking :** For some NGOs, it is difficult to develop networks. Having a poor network lead to lack of communication. Poor networks lead to loss of opportunity to work with community and their participation and impact NGOs effectiveness.
- 5. Lack of governance :** Many NGOs do not have a Board for governance. One of the main reasons for that is the difficulty to attract board members without paying them or providing them some benefits. Often lack of board leads to poor direction and inefficiencies in NGO working.

**4.4.6 Way forward:**

- 1. Monitoring :** There should be better coordination between Ministries of Home Affairs and Finance in terms of monitoring and regulating illicit and unaccounted funds. NGOs are vehicles of development especially in rural areas.
- 2. Participation :** Citizen's today is keen to play an active role in processes that shape their lives. It is important that their participation in democracy go beyond the voting and should include promotion of social justice, gender equity, inclusion etc. while working with NGOs.
- 3. Improving governance :** Having a Board for governing NGO is one of the best ways to achieve good levels of governance. Capacity building and training can help to provide crucial new skills. NGOs can more readily train staff and cultivate the necessary skills within the organisation to address challenges going forward.

4. **Funding** : Maintaining a good relationship with partners will be helpful in growing as an organisation. NGOs with assets can use any surplus to help generate income. Renting out buildings, offering training, providing consultancy, creating and selling products and trading on their name.
5. **Cultural awareness** : NGO should try to know local cultures and should work in harmony with the communities. They must make people aware of any discriminatory community practices and work with them, rather than going against the people.

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## 4.5 OBSTACLES TO INCLUSIVE GROWTH

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India has become the fastest growing among the big economies. However, this high growth continues to bypass a large section of people. A large majority of Indians living in the villages; women, children, backward castes and classes and other minorities have been excluded from India's growth story. Exclusion continued in terms of low agriculture growth, low quality employment growth, low human development, rural-urban divides, gender and social inequalities, and regional disparities etc. The sectoral, social and spatial inequalities have raised questions about welfare approaches of government planning, and emphasized the role of the private sector in addressing development issues in the country. Employment generation, social and developmental infrastructure, health-care and rural diversification are some of the major concerns. Due to faulty approaches and often politically motivated policies, growth has generated inequalities. It is imperative for the planners and policy-makers to make growth inclusive through adoption of pragmatic policies. The journey towards balancing the outcome of economic growth involves many challenges. The dominant challenges include the imperative of maintaining the acceleration of economic growth without compromising on human development and sustainability.

Inclusive growth has become the buzzword in policy-spheres with recent phenomenon of rapid growth with characteristic patterns of exclusion. The Government aimed at promoting 'inclusive growth' as it recognized that high national income growth alone did not address the challenge of employment promotion, poverty reduction and balanced regional development or improving human development. Inclusive growth is necessary for sustainable development and equitable distribution of wealth and prosperity.

Achieving inclusive growth is the biggest challenge in a country like India. In a democratic country like India, bringing the 70% people living in rural India into the mainstream is the biggest concern. The challenge is to take the levels of growth to all section of the society and to all parts of the country. The best way to achieve inclusive growth is through developing people's skills. According to former Prime Minister Manmohan Singh, the key components of inclusive growth strategy include a sharp increase in investment in rural areas, rural infrastructure and agriculture, increase in credit for farmers, increase in rural

employment through a unique social safety net and a sharp increase in public spending on education and health care.

For a developing country like India, the need for inclusive growth is vital to achieve the overall progress of the country. Following are the major concerns for developing countries like India to achieve the inclusive growth:

1. **Poverty:** India is still having 30% of the population below the poverty line (as per Rangrajan committee report). The poor people lack the education and skills required to be employed in a formal job reducing their productivity and wages.
2. **Employment:** The quality and quantity of employment in India is very low due to illiteracy and due to over dependency on agricultural employment. More than 90% of the labour is in the unorganized sector where wages and productivity are very low with no social security benefits. The generation of productive and formal employment for our labour force, as employment is key to inclusive growth, is the toughest task for the country.
3. **Agriculture:** 42% of the population is still dependent on agriculture contributing just 15% of the GDP. Productivity and wages are very low in agriculture sector as there is disguised unemployment. The agriculture sector suffers with fragmented land holdings, declining yield with more than 50% of the agricultural land dependent on monsoon. Agriculture sector has remained excluded from the high growth which the economy achieved after the reforms of 1991.
4. **Social Development:** Social development is one of the key concerns in inclusive growth. Various problems in the social sector like low level of public expenditure on health, poor quality of primary educational institutions, significant gender disparities, malnutrition among children etc. is making the path critical to inclusive growth in the country.
5. **Regional Disparities:** Due to different levels of development in agriculture and industrial sector across regions, some regions in India developed fast and some areas are still facing scarcity for example per capita income of Punjab is four times than of Bihar.

The increase in number of incidents such as theft, murder, naxalism is a direct result of the economic exclusion and the unfulfilled aspirations of the bottom billion. These aspirations of the bottom billion cannot be wished away. If India is unable to address these aspirations, the "demographic dividend" will become a demographic nightmare. This mammoth task cannot be done by government alone. Industry and civil society must partner with government to drive inclusive growth. Cognizant of income disparities and growing aspirations of the people, the government has been working to address these through programmes like



MGNREGA and Aadhar. Civil society has contributed with design and governance oversight. But the greatest lever for driving inclusion is jobs.

While it is quite evident that inclusive growth is imperative for achieving the equity objective, what is, perhaps, not so obvious is, why inclusive growth is now considered essential even to sustain the growth momentum. Majority of the population living in rural areas is often identified with the agriculture sector. However, it is the unorganized non-farm sector that is increasingly absorbing most of the labour force. This sector has huge potential for growth once there is sufficient investment in infrastructure ensuring linkage to markets and easier access to assets and skills. Infusion of appropriate technology, skills, and easier access to credit, especially start-up capital, apart from facilitating market development, can make this segment an expanding base for self-sustaining employment and wealth generation and also foster a culture of creative and competitive industry. Entrepreneurial development has to be encouraged by having an enabling competitive environment and easy availability of finance for newer projects and enterprises. In Prof. C. K. Prahalad's words, "If we stop thinking of the poor as victims or as a burden, and start recognizing them as resilient and creative entrepreneurs and value conscious consumers, a whole world of opportunity will open up."

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## **4.6 IMPACT OF GLOBALIZATION**

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### **1. Sharing of Multiple Resources :**

The most important contribution of globalization has been the sharing of the multiple resources among various communities belonging to different culture. Rapid technological growth has ensured more secure and convenient life. The worldwide transmission of economic, social, political, religious and cultural resources, mores and customs and knowledge has been conducive to the globalized condition of contemporary existence.

### **2. Deterritorialization :**

The deepening of the interconnectivity between the local and the global has rendered the condition of the global society which implies the dissolution of territorial boundaries, producing cultural diffusion.

### **3. Globalization and Media :**

Media as a super-power emerges in the contemporary globalized world. In the realm of high-speed information transmission, multiple media houses arise to control the political and economic power centers. Thus, it becomes a major mover of world economy, politics and culture.

### **4. Globalization and Popular Culture :**

Globalization has erased the gap between 'high' and 'low' cultures as both Rushdie and Coetzee are popular among the critics, intellectuals and also the common mass. The books are now marketed and promoted worldwide and thus they become bestsellers. The global market propagates the book as a successful product of public consumption, thus redefining the notion of popular culture. Globalization contributes in the proliferation of books-



both canonical and local. Local language books are getting translated in various languages to cater to the multicultural reading public. Thus, globalization works as a catalyst in the translation 10 studies. The canonical works are also globalized in different cultural spaces. They are reinterpreted and re-presented in the globalized world, thus gaining new meanings, new readers and new life.

**5. Disadvantages of Globalization :**

Though a very fashionable phenomenon, globalization and its consequent economic aspirations have created the space of hegemonic universalism and ‘politics of polarization’. Commenting on the disadvantage of globalization, Johnston, Taylor and Watts write, however unevenly, our world is interconnected through a vortex of globalization. Polarization could work as a sustainable system if the world were populated by rather dim economic men and women. But it is not; it is full of human beings with hopes and dreams and expectations. These will have to be accommodated across the world to prevent a politics of polarization destroying all. An interconnected world is an easily sabotaged world. Terrorism, the politics of the weak, has followed an upward trend.

**6. The Unemployment Factor :**

Globalization, in its journey towards rapid economic expansion, has fueled high competition and ruthless focus on efficiency and low-cost set-up which propelled the unemployment factor among the relatively less efficient workers, bringing in the politics of polarization.

**7. Impact on Weaker Economies :**

Capitalism, being the biggest ally of globalization, wreaks havoc on the small-industries, institutions and rural economies which failed to compete with the prowess of the multinational companies. Globalization is an essentially urban and industrialized set-up which sidelined the traditional economic institutions to form a globalized market system.

**8. Impact on Family Life :**

Behind the concept of the ‘Global Family’ of the ‘Global Village’ lies the dark reality of the disintegrated family life. Speed is the keyword of contemporary globalized life-style where each individual is engrossed in the mad run of becoming the successful global citizen. The 11 family-bonds are loosening as the Gen-Y family members are immigrating to the foreign lands in search of work and affluence, subsequently creating a multicultural existence. The enhanced communication due to technological revolution has indeed succeeded to create a ‘hyperspace’ where the virtual bonds are maintained; but the physical attachment is neglected in this globalized virtual world.

**9. Lack of Individual Privacy :**

The negation of distance is one of the dominant conditions of globalization which has its dual impact on the individual lifestyle. The idea of the ‘personal’ and the notion of the privacy are highly influenced by the networked existence where the rapid social and cultural change and

the availability of the global products demand the internalization of hyperspace reality beyond the world of physical attachments. The enhanced communication on the other hand curtails the individual space where the individual choice is constantly determined by the global forces. This networked existence not only propels social mobilization but it also has led to human trafficking, illicit business of drugs, fast transmission of diseases, forceful immigration, terrorism and cultural uprooting.

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#### 4.7 SUMMARY

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- The term “inclusive growth” has been coined by Montek Singh Ahluwalia, Chairman of the Planning Commission of India.
- In comprehensive development, based on observed experience countries with the largest coordination to the community bodies, civil society have been successful.
- NGO is an organization of a group of individuals who volunteer their services for achievement of the society’s larger goal, in the interest of the general public.
- Achieving inclusive growth is the biggest challenge in a country like India. In a democratic country like India, bringing the 70% people living in rural India into the mainstream is the biggest concern.
- The worldwide transmission of economic, social, political, religious and cultural resources, mores and customs and knowledge has been conducive to the globalized condition of contemporary existence.

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#### 4.8 QUESTIONS

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1. Define the concept of Inclusive Growth in detail.
2. What is the role of Civil Society in human development?
3. Make a brief note on NGO’s and People’s organization.
4. Discuss the obstacles to Inclusive Growth in detail.
5. Explain the impact of Globalization.



## MEASUREMENT OF HUMAN DEVELOPMENT – I

### Unit Structure:

- 5.0 Objectives
- 5.1 Need for Indices to measurement of human development.
- 5.2 Gross Domestic Product
- 5.3 Physical Quality of Life Index (PQLI)
- 5.4 Disability Adjusted Life Years (DALY)
- 5.5 Social Capability Index
- 5.6 Questions

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### 5.0 OBJECTIVES

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- To know the need for indices.
- To know about the various indices of measurement of human development.

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### 5.1 NEED FOR INDICES TO MEASUREMENT OF HUMAN DEVELOPMENT

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- An index number is a device for measuring changes in a variable or a group of related variables.
- The index number of industrial activity enables us to study the progress of industrialization in the country.
- These cost of living index numbers show changes in the prices of goods generally consumed by people.
- Index number helps the Government to formulate its price policies.
- They are also used to evaluate the purchasing power of money.
- Index numbers are also being used for forecasting business and economic activities, business cycles etc.

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## 5.2 GROSS DOMESTIC PRODUCT

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The Gross Domestic Product (GDP) is the total output of goods and services for final use produced by an economy by both residents and non-residents. It is equal to consumption plus gross capital formation plus exports, fewer imports, and includes subsistence products produced by households for their own use, valued at current local prices for comparable commodities. The GDP is often divided by the population to express the standard of living since it is a rough approximation of the amount of wealth per person (there are issues of wealth distribution that are not well reflected in GDP per capita figures).

The World Bank often uses GDP per capita to classify the level of economic development of nations. The wealthiest nations account for the largest markets in the world. The GDP is thus a reasonable approximation of the size of a market, but not necessarily of the standards of living (or quality of life). For instance, China has a much higher GDP than Korea, implying that China is a bigger market, but Korea is a more sophisticated economy with higher standards of living.

The Human Development Index (HDI) is a composite measure ranging from 0 to 1 that includes life expectancy, education (literacy rate), and standards of living (GDP per capita). It is more representative of the commercial potential of countries with an HDI above 0.8, accounting for the world's leading markets. This commercial potential and dynamism shape global transactions and flows.

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## 5.3 PHYSICAL QUALITY OF LIFE INDEX (PQLI)

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The Physical Quality of Life Index was the most serious challenge to GNP per capita as the index of development. It was invented by M.D. Morris in 1979. He constructed a composite Physical Quality of Life Index (PQLI) relating to 23 developing countries for a comparative study. He combined three component indicators to measure performance in meeting the most basic needs of the people.

These are:

1. Infant Mortality Rate
2. Life Expectancy at Age One
3. Basic Literacy Rate

This index represents a wide range of indicators such as health, education, drinking water, nutrition and sanitation. The PQLI shows improvement in the quality of life when people enjoy the fruits of economic progress with increase in life expectancy (LE), fall in infant mortality rate (IMR) and rise in basic literacy rate (BLR).

Each indicator of the three components is placed on a scale of zero to 100 where zero represents an absolutely defined worst performance and 100 represents an absolutely defined best performance. The PQLI index is

calculated by averaging the three indicators giving equal weight to each and the index is also scaled from 0 to 100.

If the indicators of life expectancy and basic literacy rate are positive, the best performance is shown as the maximum and the worst as the minimum. Infant mortality rate being a negative indicator, for this the best indicator is shown as the minimum and the worst as the maximum. To find out the achievement level of the positive variable, its minimum value is deducted from its actual value and the balance is divided by the difference (range) between maximum value and minimum value i.e.

$$\text{Achievement Level} = \frac{\text{Actual Value} - \text{Minimum Value}}{\text{Maximum Value} - \text{Minimum Value}}$$

To find out the achievement level for a negative indicator, its actual value is deducted from its maximum value and the balance is divided by the difference (range) between maximum value and minimum value i.e.

$$\text{Achievement Level} = \frac{\text{Maximum Value} - \text{Actual Value}}{\text{Maximum Value} - \text{Minimum Value}}$$

For life expectancy and infant mortality rate, there is no natural maximum and minimum value. But there is need to select the right values.

According to Morris, each of the three indicators measures results and not inputs such as income. Each is sensitive to distribution effects. It means that an improvement in these indicators signifies an increase in the proportion of people benefiting from them. But none of the indicators depends on any particular level of development. Each indicator lends itself to international comparison.

**Limitations :**

The PQLI tries to measure “quality of life” directly rather than indirectly. But it has its limitations.

1. Morris admits that PQLI is a limited measure of basic needs.
2. It supplements but does not supplant the GNP. It fails to dislodge GNP from its lofty perch.
3. It does not explain the changing structure of economic and social organization. It, therefore, does not measure economic development.
4. Similarly, it does not measure total welfare.
5. Morris has been criticized for using equal weights for the three variables of his PQLI which undermine the value of the index in a comparative analysis of different countries.

According to Meier, “Non-income factors captured by the PQLI are important, but so are income and consumption statistics and distribution sensitive methods of aggregation that are ignored by it.”

## Conclusion :

Despite these limitations, the PQLI can be used to identify particular regions of underdevelopment and groups of society suffering from the neglect or failure of social policy. It points towards that indicator where immediate action is required. The state can take up such policies which increase the PQLI rapidly along with economic growth.

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## 5.4 DISABILITY ADJUSTED LIFE YEARS (DALY)

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### 5.4.1 Introduction:

A **Disability Adjusted Life Year (DALY)** is the sum of years of potential life lost due to premature death and the years of productive life lost due to disability compared to a standardised life expectancy.



- DALYs are used to measure the combined quantity and quality of life of a population.
- The WHO website summarises the DALY thus: "One DALY can be thought of as one lost year of 'healthy' life. The sum of these DALYs across the population, or the burden of disease, can be thought of as a measurement of the gap between the current health status and an ideal health situation where the entire population lives to an advanced age, free of disease and disability."
- i.e. one DALY is equivalent to the loss of a healthy life year.

### 5.4.2 Rationale:

Mortality does not give a complete picture of the burden of disease borne by individuals in different populations. The overall burden of disease is assessed using the disability-adjusted life year (DALY), a time-based measure that combines years of life lost due to premature mortality (YLLs) and years of life lost due to time lived in states of less than full health, or years of healthy life lost due to disability (YLDs). Using DALYs, the burden of diseases that cause premature death but little disability (eg drowning or measles) can be compared to that of diseases that do not cause death but do cause disability eg stroke, eating disorders.

**5.4.3 Calculation of DALY :**

This measurement is a combination of two measurements (shown below):

$$DALY = YLL + YLD$$

i.e. Disability Adjusted Life Year [DALY] is equal to the sum of the Years of Life Lost [YLL] due to premature mortality in the population and the Years Lost due to Disability [YLD} for people living with the health condition.

**Years of Life Lost (YLL) :**

This consists of the number of deaths multiplied by the standard life expectancy at the age at which death occurs.

- The formula for this is:  $YLL = N \times L$
- $N$  = number of deaths and  $L$  = standard life expectancy at age of death (in years)

**Years Living with a Disability (YLD) :**

There are two methods of calculating the YLD.

1. The number of cases, in a particular time period, multiplied by the average duration of the disease combined with a weight factor which represents the severity of the disease on a scale from 0 (perfect health) to 1 (dead).

The formula is:  $YLD = I \times DW \times L$

- $I$  = number of incident cases
- $DW$  = disability weight
- $L$  - average duration of he case until remission or death (in years)

**2. Known as the Prevalence YLD :**

The formula is:  $YLD = P \times DW$

- $P$  = number of prevalent cases
- $DW$  = disability weight

**5.4.4 Function and Uses of DALYs :**

DALYs are used to indicate the impact of disease on a population.

They measure the difference between the current situation and an ideal situation where everyone lives to the standard life expectancy and is in perfect health. For this calculation, the standard life expectancy is set at 80 years for men and 82.5 years for women.



- DALYs for a number of diseases can be added together to indicate the total burden of disease in a country.
- DALYs are a summary metric of population health. DALYs represent a health gap; they measure the state of a population's health compared to a normative goal. The goal is for individuals to live the standard life expectancy in full health.

#### **5.4.5 Advantages of DALYs :**

1. The biggest advantage is that morbidity (YLD) and mortality (YLL) effects are combined in one measure.
2. DALY allow the comparison between different health hazards.
3. The DALY measure offers the ability to assess the impact of prevention strategies

#### **5.4.6 Limitations of DALYs:**

DALYs are based on baseline measurements from the wealthy countries so it is likely that the differential found between developing and developed population means that DALYs may not reflect the differences in resources.

The disability weights used for YLD are based on subjective measures, whereby the applied technique and the used panel (e.g. experts, patients or lay-people) have a strong influence on the obtained disability weights. There is an on-going debate over their validity. The DALY measure is not widely recognized outside the health sector.

#### **5.4.7 The biggest challenges of the DALY measure consist in:**

1. Getting estimates of the total number of infections in the population due to a particular pathogen.
2. When using the incidence and pathogen-based approach, defining the outcome tree with all relevant health outcomes for a particular pathogen.
3. Getting appropriated transmission probabilities for the different health outcomes represented in the outcome tree.

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### **5.5 SOCIAL CAPABILITY INDEX**

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The social capabilities of nations formed slowly in response to their forms of economic and social organization. Social capabilities have been persistent over long periods. Social capabilities in 1500 C.E. are good predictors of income differences today, once colonial and postcolonial migrations are accounted for. Social capabilities in 1500 C.E. are largely explicable by differences in history of agrarian civilization. Since 1960, less developed countries populated by descendants of earlier developed societies have seen more rapid growth than others.

Some argue that capabilities are attributes of the individuals, not collectives (firms, organizations or countries). Thus, individual capabilities have been associated with the opportunities, or substantive freedom, people have access to, which may be limited by the lack of personal resources or the context in which people operate (Sen, 1993). Thus, the individual inequalities in outcomes that we see every day are associated with differences in substantive freedom, or the ability to do or be in their lives, and therefore the presence or lack of these capabilities may explain why inequalities arise. A similar logic may apply to collectives, in particular countries. Countries aggregate individual capabilities and resources, and therefore the social good, or positive externalities arising from their interaction, are more than the sum of individual units for our understanding of why modern growth happens and persists. Here we seek to document a set of national characteristics in developing countries that we can label as “social capabilities” and attempt to relate them to actual economic outcomes. Adelman and Morrison (1967) pioneered the effort of defining social capabilities as “the processes of changes in attitudes and institutions associated with the breakdown of traditional social organization” and quantifying them through factor analysis. They summarized the many relationships among 41 social, economic and political variables, such as urbanization, educational attainment, mass communications, fertility rate, competitiveness of political parties, rate of growth, technological adoption and social mobility, among others. The main critique to the Adelman and Morrison Index is that, although well-grounded in theory and multidimensional, it was not easy to trace changes over time given the number of variables involved.

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### 5.8 QUESTIONS

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- Q1. Explain the Physical Quality of Life Index (PQLI).
- Q2. Discuss the Disability Adjusted Life Years (DALY).
- Q3. Write a note social capability.



## **MEASUREMENT OF HUMAN DEVELOPMENT – II**

### **Unit Structure :**

- 6.0 Objectives
- 6.1 Introduction
- 6.2 Human Development Index (HDI)
- 6.3 Human Poverty Index (HPI)
- 6.4 Gender Related Development Index (GDI)
- 6.5 Gender Empowerment Measure (GEM)
- 6.6 Summary
- 6.7 Questions

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### **6.0 OBJECTIVES**

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- To study about the human development index.
- To study the human poverty index.
- To study the gender related development index.
- To study the gender empowerment measure.

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### **6.1 INTRODUCTION**

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The UNDP Human Development Report 1997 describes human development as “the process of widening people’s choices and the level of well-being they achieve are at the core of the notion of human development. Such theories are neither finite nor static. But regardless of the level of development, the three essential choices for people are to lead a long and healthy life, to acquire knowledge and to have access to the resources needed for a decent standard of living. Human development does not end there, however. Other choices highly valued by many people, range from political, economic and social freedom to opportunities for being creative and productive and enjoying self respect and guaranteed human rights”. The HDR 1997 further stated that, “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 only a means with human development the end”.

What we understand from the description of human development found in HDR 1997 is that human development is a continuous process. The

process becomes developmental only if it increases choices and improves human well-being. Amongst other choices, the three most important choices are that of long and healthy life which is determined by life expectancy at birth, to acquire knowledge which is determined by education and a decent standard of living which is determined by GDP per capita. These three choices are also the components of human development index. While these three choices are basic to human development, the choices go beyond these three to include the ever expanding social, political and economic freedoms that make human life worth living. Thus guaranteed human rights become an important aspect of human development. According to Paul Streeton, human development is necessary due to the following reasons:

1. Economic growth is only a means to the end of achieving human development.
2. Investments in education, health and training will increase longevity and productivity of the labor force and thereby improve human development.
3. Female education and development widens choices for women's development. Reduced infant mortality rate reduces fertility rate and also reduces the size of the family. It further improves female health and helps to reduce the rate of growth of population.
4. Encroachment upon the natural environment is the result of growing size of impoverished populations. Problems of desertification, deforestation, and soil erosion, erosion of natural beauty, unpleasant habitats and surroundings will reduce with human development.
5. Poverty reduction will encourage people to satisfy higher order needs like esteem needs and the need for self- actualization. Thus human development can contribute to a better civil society, a credible democracy and social stability and political stability.

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## 6.2 HUMAN DEVELOPMENT INDEX (HDI)

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The HDI – human development index – is a summary composite index that measures a country's average achievements in three basic aspects of human development: health, knowledge, and a decent standard of living. Health 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 ratio; and standard of living by GDP per capita (PPP US\$).

The Human Development Index (HDI) is a composite statistic used to rank countries by level of "human development" and separate developed (high development), developing (middle development), and under developed (low development) countries. The statistic is composed from data on life expectancy, education and per-capita GDP (as an indicator of standard of living) collected at the national level using the formula given in the Methodology section below.

The origins of the HDI are to be found in the United Nations Development Programme's (UNDP) Human Development Reports (HDRs). These were devised and launched by Pakistani Economist Mahbub ulHaq in 1990 and had the explicit purpose: “to shift the focus of development economics from national income accounting to people centered policies”. To produce the HDRs, Mahbub ulHaq brought together a group of well known development economists including: Paul Streeten, Frances Stewart, Gustav Ranis, Keith Griffin, Sudhir Anand and Meghnad Desai. But it was Amartya Sen’s work on capabilities and functionings that provided the underlying conceptual framework. Haq was sure that a simple composite measure of human development was needed in order to convince the public, academics, and policy-makers that they can and should evaluate development not only by economic advances but also improvements in human well-being. Sen initially opposed this idea, but he went on to help Haq develop the Human Development Index (HDI). Sen was worried that it was difficult to capture the full complexity of human capabilities in a single index but Haq persuaded him that only a single number would shift the attention of policy-makers from concentration on economic to human well-being.

The HDI has been used since 1990 by the United Nations Development Programme for its annual Human Development Reports.

Human Development Index measures achievements on average on the basis of three following criteria. Areas which are of significance to human development:

- Life expectancy at birth which measures the longevity of life.
- Knowledge which is based on the following two factors.
- Adult literacy rate
- Gross enrolment ratio at primary, secondary and tertiary level.
- Per capitaGDP measures the standard of living of the people.

On the basis of above criteria an index is created for each of the above dimensions. This is done on the basis of maximum and minimum values for each of the above three indicators.

**Table 6.1: Maximum and Minimum Values for Calculating HDI**

Indicator	Maximum Value	Minimum Value
Life expectancy at birth	85	25
Adult literacy rate	100	0
Gross enrolment ratio	100	0
GDP per capita (PPP US\$)	40,000	100

The actual values for each country are compared with the maximum and minimum value and for each country the values of all the indicators would range between 0 and 1. The following formula is used:

$$\text{Index for each indicator} = \frac{\text{Actual value} - \text{Minimum value}}{\text{Maximum value} - \text{Minimum value}}$$

Table 6.2: Human Development Indicators, 2003

Human Development Index	Norway HDI 1	India HDI 127	Burundi HDI 171
Life expectancy at birth (years), 2001	78.7	63.3	40.4
Adult literacy rate (% age - 15 and above), 2001	-	58.0	49.2
Combined primary, secondary and tertiary gross enrolment ratio (%), 2000-01	98	56	31
GDP per capita (PPP US\$), 2001	29,620	2,840	690
Life expectancy index, 2001	0.90	0.64	0.26
Education index, 2001	0.99	0.57	0.43
GDP index, 2001	0.95	0.56	0.32
Human Development Index (HDI) value, 2001	0.944	0.590	0.337
GDP per capita (PPP US\$) rank minus HDI rank	4	-12	0

Table 6.2 gives the Human Development index of selected countries as given by the UN Human Development Report, 2003. According to this report, India is ranked 127 among a total of 175 countries. India is classified on the basis of HDI as a country of medium human development.

**Three dimensions in the HDI: The HDI combines three dimensions:**

- Life expectancy at birth, as an index of population health and longevity
- Knowledge and education, as measured by the adult literacy rate (with two-thirds weighting) and the combined primary, secondary, and tertiary gross enrolment ratio (with one-third weighting).
- Standard of living, as indicated by the natural logarithm of gross domestic product per capita at purchasing power parity.

The formula defining the HDI is promulgated by the United Nations Development Programme (UNDP) In general, to transform a raw variable,

say  $x$ , into a unit-free index between 0 and 1 (which allows different indices to be added together).

$$x - index = \frac{x - \min x}{\max x - \min x}$$

where  $\min x$  and  $\max x$  are the lowest and highest values the variable  $x$  can attain, respectively.

The Human Development Index (HDI) then represents the uniformly weighted sum with 1/3 contributed by each of the following factor indices:

### Methods of HDI measures:

#### A) Life Expectancy Index:

Life expectancy is the expected (in the statistical sense) number of years of life remaining at a given age. It is denoted by  $e_x$ , which means the average number of subsequent years of life for someone now aged  $x$ , according to a particular mortality experience. (In technical literature, this symbol means the average number of complete years of life remaining, excluding fractions of a year. The corresponding statistic including fractions of a year, the normal meaning of life expectancy, has a symbol with a small circle over the  $e$ .) The life expectancy of a group of individuals is heavily dependent on the criteria used to select the group. Life expectancy is usually calculated separately for males and females. Females live longer than males in countries with modern obstetric care.

In countries with high infant mortality rates, the life expectancy at birth is highly sensitive to the rate of death in the first few years of life. Because of this sensitivity to infant mortality, simple life expectancy at age zero can be subject to gross misinterpretation, leading one to believe that a population with a low overall life expectancy will necessarily have a small proportion of older people. For example, in a hypothetical stationary population in which half the population dies before the age of five, but everybody else dies exactly at 70 years old, the life expectancy at age zero will be about 35 years, while about 25% of the population will be between the ages of 50 and 70. Another measure such as life expectancy at age 5 ( $e_5$ ) can be used to exclude the effect of infant mortality to provide a simple measure of overall mortality rates other than in early childhood—in the hypothetical population above, life expectancy at age 5 would be 70 years. Aggregate population measures such as the proportion of the population in various age classes should also be used alongside individual-based measures like formal life expectancy when analyzing population structure and dynamics.

$$Life\ Expectancy\ Index = \frac{LE - 25}{2a}$$

#### B) Education Index:

The Education Index is measured by the adult literacy rate (with two-thirds weighting) and the combined primary, secondary, and tertiary



gross enrolment ratio (with one-third weighting). The adult literacy rate gives an indication of the ability to read and write, while the GER gives an indication of the level of education from kindergarten to postgraduate education.

Education is a major component of well-being and is used in the measure of economic development and quality of life, which is a key factor determining whether a country is a developed, developing, or underdeveloped country.

**c) Adult literacy index:**

The Adult literacy index (ALI) is a statistical measure used to determine how many adults can read and write in a certain area or nation. Adult literacy is one of the factors in measuring the Human Development Index (HDI) of each nation, along with life expectancy, education, and standard of living.

The equation for calculating the Adult Literacy Index is:

$$\text{Adult Literacy Index (ALI)} = \frac{\text{ALR} - 0}{100 - 0}$$

The gross enrolment ratio (GER) or gross enrolment index (GEI) is a statistical measure used in the education sector and by the UN in its Education Index. The GER gives a rough indication of the level of education from kindergarten to postgraduate education – known in the UK and some other countries (mostly in the Commonwealth of Nations) as primary, secondary, and/or tertiary—among students in a given jurisdiction.

In the UN, the GER is calculated by expressing the number of students enrolled in primary, secondary and tertiary levels of education, regardless of age, as a percentage of the population of official school age for the three levels.

$$\text{Gross Enrolment Index (GEI)} = \frac{\text{CGER} - 0}{100 - 0}$$

**D) Gross domestic product:**

The gross domestic product (GDP) or gross domestic income (GDI) is a measure of a country's overall economic output. It is the market value of all final goods and services made within the borders of a country in a year. It is often positively correlated with the standard of living, alternative measures to GDP for that purpose.

Gross domestic product comes under the heading of national accounts, which is a subject in macroeconomics.

GDP can be determined in three ways, all of which should in principle give the same result. They are the product (or output) approach, the income approach, and the expenditure approach.

$$GDP = \frac{\log GDP_{pc} - \log 100}{\log 40000 - \log 100}$$

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## 6.3 HUMAN POVERTY INDEX (HPI)

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### 6.3.1 Introduction:

The Human Poverty Index (HPI) was introduced in 1997, and is a composite index which assesses three elements of deprivation in a country – longevity, knowledge and a decent standard of living.

There are two indices; the HPI – 1, which measures poverty in developing countries, and the HPI-2, which measures poverty in OCED developed economies.

### 6.3.2 HPI-1 (for developing countries):

The HPI for developing countries has three components:

1. The first element is longevity, which is defined as the probability of not surviving to the age of 40.
2. The second element is knowledge, which is assessed by looking at the adult literacy rate.
3. The third element is to have a ‘decent’ standard of living. Failure to achieve this is identified by the percentage of the population not using an improved water source and the percentage of children under-weight for their age.

As a region of the world, Sub-Saharan Africa has the highest level of poverty as a proportion of total population, at over 60%. The second poorest region is Latin America, with 35% of its population living in poverty.

### 6.3.3 HPI-2 (for developed – OECD countries):

The indicators of deprivation are adjusted for advanced economies in the following ways:

1. Longevity, which for developed countries is considered as the probability at birth of not surviving to the age of 60.
2. Knowledge is assessed in terms of the percentage of adults lacking functional literacy skills, and;
3. A decent standard of living is measured by the percentage of the population living below the poverty line, which is defined as those

below 50% of median household disposable income, and social exclusion, which is indicated by the long-term unemployment rate.

**6.3.4 Disadvantage of HPI:**

Limited utility, because it combined average deprivation levels for each dimension and thus could not be linked to any specific group of people.

**6.3.5 Current Status:**

The HPI was replaced in 2010 by the Multidimensional Poverty Index or MPI – which directly measures the combination of deprivations that each household experiences. It complements traditional monetary-based poverty measures by capturing the acute deprivations that each person faces at the same time with respect to education, health and living standards.

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**6.4 GENDER RELATED DEVELOPMENT INDEX (GDI)**

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**6.4.1 Introduction:**

The Human Development Index is a three-indicator index that assesses progress in human development but ignores gender inequalities. Therefore, the GDI index is used to investigate gender differences in achievement. The GDI, like the HDI, assesses men and women's achievements in the same three dimensions and variables. In this article we will discuss the Gender Development Index, its definition and its major objectives.

**6.4.2 Gender Development Index (GDI):**

The Gender Development Index (GDI) is a method for examining gender equality. The Gender Development Index (GDI) and the Gender Empowerment Measure (GEM) were first introduced in the United Nations Development Program's Human Development Report in 1995. The goal of these assessments was to give the Human Development Index a gender-sensitive dimension (HDI). The GDI was the first measurement they devised as a result.

**6.4.3 Gender Development Index: Definition :**

The GDI is a “distribution-sensitive metric that takes into account the impact of existing gender gaps on human development in the three components of the HDI.” The GDI is distribution sensitive, which means it considers not just the averaged or overall level of well-being and prosperity in a given country, but also how this wealth and well-being is distributed among different social groups. The HDI and GDI (together with the GEM) were established to compete with the more traditional general income-based metrics of development, such as GDP and GDP per capita (GNP).

#### 6.4.4 The Gender-Related Development Index :

The Gender-Related Development Index is commonly referred to as a “gender-sensitive HDI extension.” It addresses disparities in life expectancy, education, and wealth between men and women. It employs an “inequality aversion” penalty, which penalises gender inequalities in any of the Human Development Index (HDI) categories, such as life expectancy, adult literacy, school enrollment, and logarithmic transformations of per-capita GDP.

The GDI predicts that women will live five years longer than males in terms of life expectancy. In addition, the GDI takes into account income inequalities in terms of actual earned income. The GDI can’t be utilised without the HDI score, hence it can’t be used as a standalone indication of gender disparities. Only the difference between the HDI and the GDI can be examined appropriately; the GDI is not an independent measure of gender gaps on its own.

The GDI accounts for differences between men and women in three basic dimensions of human development—health, knowledge, and living standards—using the same component indicators as the HDI to quantify gender gaps in human development achievements. The GDI is the ratio of female and male HDIs calculated independently using the same methods as the HDI.

It’s a direct measure of the gender divide, with the female HDI expressed as a percentage of the male HDI. Women Development Index is also the inaugural measure of women’s development and empowerment in terms of education, health and living standards. Major concerns have arisen which give rise to the introduction of the Women Development Index.

For 167 nations, the GDI is calculated. Based on the absolute divergence from gender parity in HDI values, countries are divided into five groups. This means that both gender disparities favouring males and those favouring females are taken into account when categorising.

The GDI indicates how much women lag behind their male counterparts in each dimension of human development and how far they need to catch up. It is helpful in determining the true gender gap in human development accomplishments and in developing policy measures to close the gap.

#### 6.4.5 Conclusion :

The **Gender Development Index (GDI)** is a tool that measures the level of gender development in a country. It looks at factors such as health, education, and economic status to determine how well women are doing compared to men. This index is important because it can help policymakers identify areas where more work needs to be done in order to improve the lives of women and girls. Countries that rank high on the GDI tend to have less gender inequality, while countries that rank low often have high levels of gender inequality. The United States ranks 24th out of 189 countries on the 2017 GDI. While this ranking is not perfect, it shows that there is still room for improvement when it comes to gender equality in our country.

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## 6.5 GENDER EMPOWERMENT MEASURE (GEM)

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Measurement of GEM was introduced by UNDP in 1995 . The GEM was designed to measure “whether women and men are able to actively participate in economic and political activities and take part in the decision-making process.” It tells about opportunities available to women in the society is expressed in terms of the indicators given below:-

**1.Political Participation & Decision-Making Power :**

Measured by the number of seats in Parliament

**2.Economic Participation &Decision making power :**

Measured by the number of women occupying high posts of administrators, managers, technical and professional positions, etc

**3.Command Over Resources :**

Expressed by share of earned income of women in relation to that of men  
Gender equality is a distant dream in India . About 50 % total of the population as women are not enjoying equality with men in any of these fields. Indian women mostly remain as housewives. Even an educationally forward state Kerala,so far there is no woman Chief Minister or even 30 % strength in the legislative assembly

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## 6.6 SUMMARY

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The HDI is used to capture the attention of policy-makers, the media and nongovernmental organizations, and to change the focus from the usual economic statistics to human outcomes. It was created to re-emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth.

The HDI is also used to question national policy choices and to determine how two countries with the same level of income per person can have widely different human development outcomes. For example, two countries may have similar incomes per person, but have drastically differing life expectancy and literacy levels, such that one of the countries has a much higher HDI than the other. These contrasts stimulate debate on government policies concerning health and education to determine why what can be achieved in one country is beyond the reach of the other.

The HDI is also used to highlight differences within countries, between provinces or states, and across genders, ethnicities and other socioeconomic groupings. Highlighting internal disparities along these lines has raised the national debate in many countries.

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## 6.7 QUESTIONS

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- Q1.Explain the Human Development Index(HDI).
- Q2. Discuss the Human Poverty Index (HPI)
- Q3. Write a note Gender Empowerment Index(GEI).



## ASPECTS OF HUMAN DEVELOPMENT – I

### Unit Structure :

- 7.0 Objectives
- 7.1 Introduction
- 7.2 Livelihood
- 7.3 Inequalities
- 7.4 Gender
- 7.5 Child Labour
- 7.6 Aging Population
- 7.7 Poverty Alleviation
- 7.8 Food Security
- 7.9 Questions

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### 7.0 OBJECTIVES

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The main objective of this module is to study and analyse the various aspects of human development. Human development plays a very important role in the overall economic development of the country. This module aims at highlighting various aspects of human development like livelihood, inequality, child labour and even the problems related to ageing population. It highlights on issues of security also.

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### 7.1 INTRODUCTION

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Human development plays an important role in overall economic development. Human development is a multidimensional concept as it takes note of economic, social, political, cultural aspects. Human development has several aspects as it deals with the concepts and issues which affect human efficiency.

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### 7.2 LIVELIHOOD

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A person's livelihood (derived from *life-lode*, "way of life") refers to their "means of securing the basic necessities (food, water, shelter and clothing) of life". Livelihood is defined as a set of activities essential to everyday

life that are conducted over one's life span. Such activities could include securing water, food, fodder, medicine, shelter, clothing.

An individual's livelihood involves the capacity to acquire aforementioned necessities in order to satisfy the basic needs of themselves and their household. The activities are usually carried out repeatedly and in a manner that is sustainable and providing of dignity. For instance, a fisherman's livelihood depends on the availability and accessibility of fish.

Livelihood is also understood as “Making a living”, “supporting a family”, or “my job”. The term is well recognized as humans inherently develop and implement strategies to ensure their survival. The hidden complexity behind the term comes to light when governments, civil society, and external organizations attempt to assist people whose means of making a living is threatened, damaged, or destroyed.

According to Chambers and Conroy, A livelihood is a means of making a living. A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living or to secure the necessities of life. A livelihood is sustainable when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.

In social sciences, the concept of livelihood extends to include social and cultural means, i.e. "the command an individual, family, or other social group has over an income and/or bundles of resources that can be used or exchanged to satisfy its needs. This may involve information, cultural knowledge, social networks and legal rights as well as tools, land and other physical resources."

The concept of livelihood is used in the fields such as political ecology in research that focuses on sustainability and human rights.

In order to better understand how people develop and maintain livelihoods, we can give the following framework. It provides us the way to understand

1. the assets people draw upon
2. the strategies they develop to make a living
3. the context within which a livelihood is developed and
4. those factors that make a livelihood more or less vulnerable to shocks and stresses.

**Livelihood Assets :**

Assets may be tangible, such as food stores and cash savings, as well as trees, land, livestock, tools, and other resources. Assets may also be intangible such as claims one can make for food, work, and assistance as



well as access to materials, information, education, health services and employment opportunities.

Another way of understanding the assets, or capitals, that people draw upon to make a living is to categorize them into the following five groups:

- a. Human capital: Skills, knowledge, health and ability to work
- b. Social capital: Social resources, including informal networks, membership of formalized groups and relationships of trust that facilitate cooperation and economic opportunities.
- c. Natural capital: Natural resources such as land, soil, water, forests and fisheries.
- d. Physical capital: Basic infrastructure, such as roads, water & sanitation, schools, ICT; and producer goods, including tools, livestock and equipment
- e. Financial capital: Financial resources including savings, credit, and income from employment, trade and remittances

### **Livelihood Context :**

Livelihoods are formed within social, economic and political contexts. Institutions, processes and policies, such as markets, social norms, and land ownership policies affect our ability to access and use assets for a favorable outcome. As these contexts change they create new livelihood obstacles or opportunities. They are

- a. Livelihood Contexts Social relations: The way in which gender, ethnicity, culture, history, religion and kinship affect the livelihoods of different groups within a community.
- b. Social and political organization: Decision-making processes, civic bodies, social rules and norms, democracy, leadership, power and authority, rent-seeking behavior.
- c. Governance: The form and quality of government systems including structure, power, efficiency and effectiveness, rights and representation.
- d. Service delivery: The effectiveness and responsiveness of state and private sector agencies engaged in delivery of services such as education, health, water and sanitation.
- e. Resource access institutions: The social norms, customs and behaviors (or 'rules of the game') that define people's access to resources
- f. Policy and policy processes: The processes by which policy and legislation is determined and implemented and their effects on people's livelihoods

Livelihoods are also shaped by the changing natural environment. The quality of soil, air and water; the climatic and geographic conditions; the

availability of fauna and flora; and the frequency and intensity of natural hazards all influence livelihood decisions.

**Livelihood Strategies :**

How people access and use these assets, within the aforementioned social, economic, political and environmental contexts, form a livelihood strategy. The range and diversity of livelihood strategies are enormous. An individual may take on several activities to meet his/her needs. One or many individuals may engage in activities that contribute to a collective livelihood strategy. Within households, individuals often take on different responsibilities to enable the sustenance and growth of the family. In some cultures, this grouping may expand to a small community, in which individuals work together to meet the needs of the entire group.

**Livelihood Vulnerability :**

The strength of a given livelihood is not only measured by its productive outcomes, but equally by its resilience to shocks, seasonal changes and trends. Shocks might include natural disasters, wars, and economic downturns. Availability of resources, income-generating opportunities, and demand for certain products and services may fluctuate seasonally. More gradual and often predictable, trends in politics and governance, technology use, economics, and availability of natural resources, can pose serious obstacles to the future of many livelihoods. These changes impact the availability of assets and the opportunities to transform those assets into a “living”. Under such conditions, people must adapt existing strategies or develop new strategies in order to survive.

**Livelihood Interdependence :**

One final important characteristic of livelihoods is their interdependence. Very few livelihoods exist in isolation. A given livelihood may rely on other livelihoods to access and exchange assets. Traders rely on farmers to produce goods, processors to prepare them, and consumers to buy them. Livelihoods also compete with each other for access to assets and markets. Thus, positive and negative impacts on any given livelihood will, in turn, impact others. This is a particularly important consideration when planning livelihood assistance.

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**7.3 INEQUALITIES**

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Inequality is a fundamental issue for human development. Extreme inequalities in opportunity and life chance have a direct bearing on human capabilities. Deep human development disparities persist between rich people and poor people, men and women, rural and urban areas and different regions and groups. These inequalities create mutually reinforcing structures of disadvantage that follow people through life cycles and are transmitted across generations. This is wrong for both intrinsic and instrumental reasons. Inequality violates basic precepts of social justice, but it is also bad for growth, bad for democracy and bad for social cohesion.

Inequalities, the evidence is everywhere. And although they may be hard to measure and summarize, there is a sense in many countries that many are approaching a precipice beyond which it will be difficult to recover. Not all inequalities are harmful, but those that are perceived as being unfair tend to be. Under the shadow of sweeping technological change and the climate crisis, these inequalities hurt almost everyone. They weaken social cohesion and people's trust in government, institutions, and each other. They are wasteful, preventing people from reaching their full potential at work and in civic life, hurting economies and societies. And when taken to the extreme, people can take to the streets.

The United Nations Development Programme's (UNDP) 2019 Human Development Report, opens a new window to understand and address inequalities in human development.

"Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st Century" asks what forms of inequality matter and what causes them. It recognizes that pernicious (Wicked, malicious, Evil) inequalities are generally better thought of as a symptom of broader problems in a society and economy. It also asks what policies can tackle the underlying drivers—policies that can simultaneously help nations to grow their economies sustainably and equitably expand human development.

2019 Human Development Report says business as usual will not solve new generation of inequalities. The incidences sweeping across the world today signal that, despite unprecedented progress against poverty, hunger and disease, many societies are not working as they should. The connecting thread, argues a new report from the United Nations Development Programme (UNDP), is inequality.

"Different triggers are bringing people onto the streets -- the cost of a train ticket, the price of petrol, demands for political freedoms, the pursuit of fairness and justice. This is the new face of inequality, and as this Human Development Report sets out, **inequality is not beyond solutions**," says UNDP Administrator, Achim Steiner.

### **A NEW GENERATION OF INEQUALITIES IS EMERGING, EVEN IF MANY 20TH CENTURY INEQUALITIES ARE DECLINING**

It is common knowledge that some basic inequalities are slowly narrowing in many countries, even if much remains to be done. Though the inequalities narrowing between countries in different human development groups are narrowing down, yet the gaps are still wide. In life expectancy at birth, in access to primary education, and in access to mobile phones, countries with lower human development are catching up with more developed countries.

In contrast, and much less well known, inequalities in more advanced areas are widening. Countries with higher human development have

longer life expectancy at older ages, higher tertiary education enrollment and more access to broadband—and they are increasing their lead.

**Slow convergence in basic, rapid divergence in enhanced capabilities**

These new inequalities may be one reason behind an apparent increase in concern about inequality: These are the inequalities that will shape people’s ability to seize the opportunities of the 21st century and function in a knowledge economy, and to meet challenges, including the ability to cope with climate change.

**INEQUALITIES IN HUMAN DEVELOPMENT CAN ACCUMULATE THROUGH LIFE, FREQUENTLY HEIGHTENED BY POWER IMBALANCES**

Understanding inequality—even income inequality—means looking well beyond income. Different inequalities interact, while their size and impact shifts over a person’s lifetime. Inequalities start before birth, and the gaps can increase over a person’s life if they are not counteracted, creating self-perpetuating engines of privilege and disadvantage. This can happen in many ways, one set of linkages: the nexus between health, education, and parental income.

Parental incomes and circumstances affect the health, education, and incomes of children. Health gradients—disparities in health across socioeconomic groups—can start before birth and may accumulate. When that happens, inequalities compound and spiral: Children born to low-income families are more prone to poor health and lower education. Those with lower education are less likely to earn as much as others, while children in poorer health are more likely to miss school. And when children grow up, they typically partner with someone having similar socioeconomic status, reinforcing the inequalities across generations. It is a cycle that is often difficult to break, not least because of the way inequalities in income and political power co-evolve. When the wealthy shape policies that favor themselves and their children—as they often do—that drives further accumulation of income and opportunity at the top. Unsurprising, then, that mobility tends to be lower in more unequal societies.

A **new generation of inequalities** is opening up, around **education**, and around **technology** and **climate change** -- two seismic shifts that, unchecked, could trigger a ‘**new great divergence**’ in society of the kind not seen since the Industrial Revolution, according to the report.

In countries with very high human development, for example, subscriptions to fixed broadband are growing 15 times faster and the proportion of adults with tertiary education is growing more than six times faster than in countries with lo The report analyzes inequality in three steps: **beyond income, beyond averages, and beyond today**. But the problem of inequality is **not beyond solutions**, it says, proposing a battery of policy options to tackle it.

## Thinking beyond income

The 2019 Human Development Index (HDI) and its sister index, the 2019 Inequality-Adjusted Human Development Index, set out that the unequal distribution of education, health and living standards stymied countries' progress. By these measures, 20 per cent of human development progress was lost through inequalities in 2018. The report, therefore, recommends policies that look at but also go beyond income, including:

- **Early childhood and lifelong investment** : Inequality begins even before birth and can accumulate, amplified by differences in health and education, into adulthood. For example, children in professional families in the United States are exposed to three times as many words as children in families receiving welfare benefits, with a knock-on effect on test scores later in life. **Policies to address it, therefore, must also start at or before birth**, including investing in young children's learning, health and nutrition.

- **Productivity** : Such investments must continue through a person's life, when they are earning in the labour market and after. Countries with a more productive workforce tend to have a lower concentration of wealth at the top, for example, enabled by policies that support stronger unions, set the right minimum wage, create a path from the informal to the formal economy, invest in social protection, and attract women to the workplace. Policies to enhance productivity alone are not enough, however. The growing market **power of employers** is linked to a declining income share for workers. **Antitrust** and other policies are key to address the imbalances of market power.

- **Public spending and fair taxation** : the report argues that taxation cannot be looked at on its own, but it should be part of a system of policies, including public spending on health, education, and alternatives to a carbon-intensive lifestyle. More and more, domestic policies are framed by global corporate tax discussions, highlighting the importance of **new principles for international taxation**, to help ensure fair play, avoid a race to the bottom in corporate tax rates, especially as digitalization brings new forms of value to the economy, and to detect and deter tax evasion.

## Looking beyond averages :

Averages often hide what is really going on in society, says the HDR, and while they can be helpful in telling a larger story, much more detailed information is needed to create policies to tackle inequality effectively. This is true in tackling the **multiple dimensions of poverty**, in meeting the needs of those being left furthest behind such as people with disabilities, and in promoting **gender equality** and empowerment. For example:

- **Gender equality** : Based on current trends, it will take 202 years to close the gender gap in economic opportunity alone, cites the report. While the silence on abuse is breaking, the glass ceiling for women to

progress is not. Instead, it is a story of bias and backlash. For example, at the very time when progress is meant to be accelerating to reach the Sustainable Development Goals (SDGs) by 2030, the report's 2019 Gender Inequality Index says progress actually is slowing.

A new “social norms index” in the Report says that in half of the countries assessed, gender bias has grown in recent years. About fifty per cent of people across 77 countries, said they thought men make better political leaders than women, while more than 40 per cent felt that men made better business executives. Therefore, policies that address underlying biases, social norms and power structures are key.

**Planning beyond today :**

Looking beyond today, the report asks how inequality may change in future, looking particularly at two seismic shifts that will shape life up to the 22nd century:

- **The climate crisis :** As a range of global protests demonstrate, policies crucial to tackling the climate crisis like putting a price on carbon can be mis-managed, increasing perceived and actual inequalities for the less well-off, who spend more of their income on energy-intensive goods and services than their richer neighbours. **If revenues from carbon pricing are ‘recycled’** to benefit taxpayers as part of a broader social policy package, the authors argue, then such policies could reduce rather than increase inequality.
- **Technological transformation :** Technology, including in the form of renewables and energy efficiency, digital finance and digital health solutions, offers a glimpse of **how the future of inequality may break from the past**, if opportunities can be seized quickly and shared broadly. There is historical precedent for technological revolutions to carve deep, persistent inequalities – the Industrial Revolution not only opened up the great divergence between industrialized countries and those who depended on primary commodities; it also launched production pathways that culminated in the climate crisis.

“This Human Development Report sets out how systemic inequalities are deeply damaging our society and why,” said Steiner. “Inequality is not just about how much someone earns compared to their neighbour. It is about the unequal distribution of wealth and power: the entrenched social and political norms that are bringing people onto the streets today, and the triggers that will do so in the future unless something changes. Recognizing the real face of inequality is a first step; what happens next is a choice that each leader must make.”

**Measurement :**

Economic inequality is the fundamental disparity that permits certain material choices to one individual, while denying those choices to another individual. Following measures are used to get an estimation of the extent of inequality in an economy:



- I. The Personal or Size Distribution of Income
- II. The Functional or Factor Share of Distribution of Income

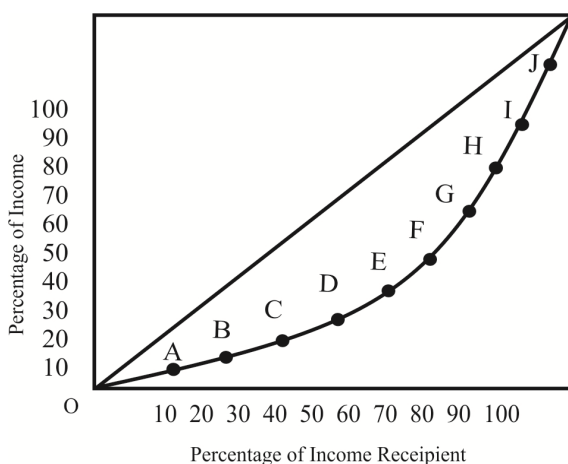
**I. The Personal or Size Distribution of Income :** Most commonly used measure of inequality. It is also called as Size **Distribution** and deals with individual person and the total income they receive. It does not consider the way in which income is received. The methods are,

**a. Kuznet's Ratio :**

- Used by noble laureate Simon Kuznet.
- Used as a measure of the degree of inequality between the two extremes of very poor and very rich in a country.
- All individuals are arranged by ascending personal incomes and then divide the total population into different groups or sizes.
- A common method is to divide the population into successive quintiles (fifths) or deciles (tenths) according to ascending income levels and then determine what proportion of the total NI is received by each income group
- A common measure of income inequality is the ratio of income received by the top 20% and bottom 40% of the population (Kuznet Ratio).

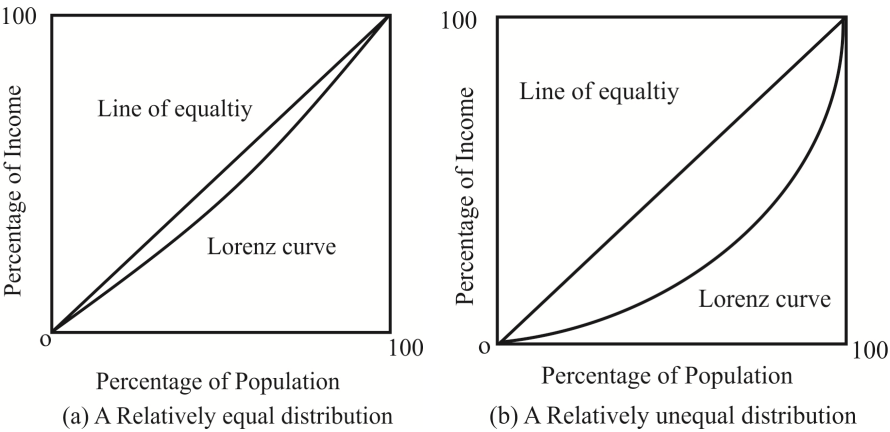
**b. Lorenz Curve :** Lorenz curve is a graphical representation of the distribution of income or of wealth. It was developed by Max O. Lorenz in 1905 for representing inequality of the wealth distribution.

Let us assume that we have a group of 100 income earning households are plotted on the x axis in cumulative percentage. The cumulative percentage of income is plotted on the y axis. At point 20 we have the lowest (poorest) 20% of the population, at point 60 we have bottom 60% and at the end of the axis all 100% of population is accounted for. The total income received by each percentage of population (Y-axis) is also cumulative up to 100%. Thus both axis are equally long.



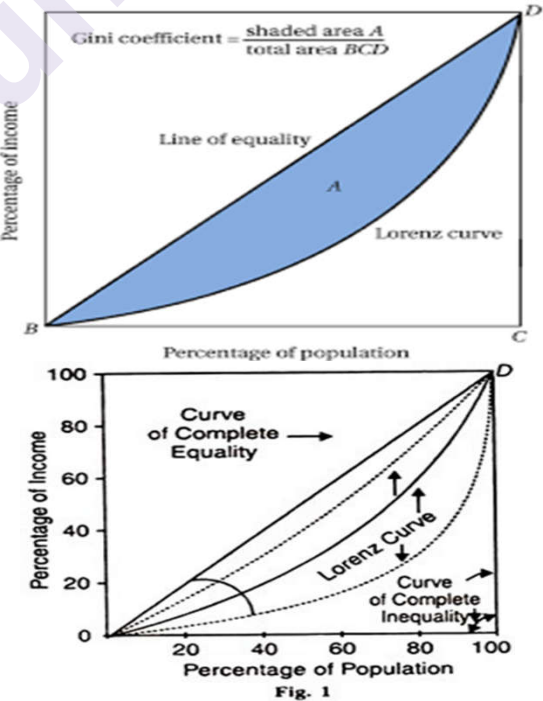


The following two diagrams explain the relative degree of inequality



In diagram ‘a’ we get relatively equal distribution of income and in diagram ‘b’ we get relatively unequal distribution. In diagram “a” the Lorenz curve is near the equity line and in diagram “b” the Lorenz curve is away from equity line.

**C. Gini Coefficient :** Another convenient method-formulated after the Italian statistician who formulated it in 1912. The relative degree of income inequality in a country can be obtained by calculating **the ratio of area between the diagonal and Lorenz curve divided by the total area of the half square in which the curve lies**. It is called as ‘**Gini Concentration Ratio**’ or as ‘**Gini Coefficient**’. It can vary between zero (case of perfect equity) to one (case of perfect inequality). Larger the Gini Coefficient greater would the extent of economic inequality and vice versa.



III. **Functional Distribution:** Also called as factor share distribution of income – explains the share of total national income that each of

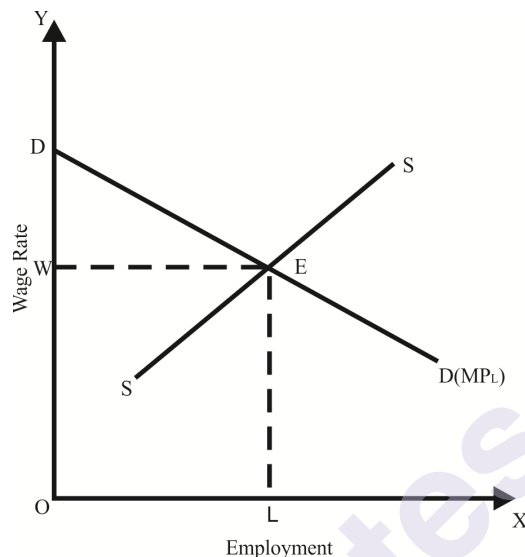
the factors of production (land, labour, capital etc.). SS is the supply curve of labour and DD is the demand curve for labour.

S of  $L_a = f(W)$  -----direct relation.

D for  $L_a = f(W)$ -----inverse relation

**Wage Bill = Wage rate x Level of employment.**

Wage Bill= Area OWEL. Profit = DWE



## 7.4 GENDER

Concept of Human Development indicates that the real aim of development is to improve the quality of human life. It is a process that enables human beings to realize their potential, build self-confidence and lead lives of dignity and fulfilment. Economic growth is an important component of development, but it cannot be a goal in itself, nor can it go on indefinitely. Although people differ in the goals that they would set for development, some are virtually universal. These include a long and healthy life, education access to the resources needed for a decent standard of living, political freedom, guaranteed human rights, and freedom from violence. Development is real only if it makes our lives better in all these respects.

Like race and ethnicity, gender is a social construct. It defines and differentiates the roles, rights, responsibilities and obligations of women and men. The innate biological differences between females and males are interpreted by society to create a set of social expectations that define the behavior that are appropriate for women and men and that determine women's and men's differential access to rights, resources, and power in society. Although the specific nature and degree of these differences vary from one society to the next, they typically favour men, creating a imbalance in power and a gender inequality that exists in most societies worldwide.

**Gender** is defined by FAO as ‘the relations between men and women, both perceptual and material. Gender is not determined biologically, as a result of sexual characteristics of either women or men but is constructed socially. It is a central organizing principle of societies, and often governs the processes of production and reproduction, consumption and distribution’ (FAO, 1997). Despite this definition, gender is often misunderstood as being the promotion of women only. However, as we see from the FAO definition, gender issues focus on women and on the relationship between men and women, their roles, access to and control over resources, division of labor, interests and needs. Gender relations affect household security, family well-being, planning, production and many other aspects of life (Bravo-Baumann, 2000).

Gender is an integral component of every aspect of the economic, social, daily and private lives of individuals and societies, and of the different roles ascribed by society to men and women.

Gender is a socially constructed set of roles and responsibilities associated with being girl and boy or women and men, and in some cultures a third or other gender. Gender issues include all aspects and concerns related to women’s and men’s lives and situation in society, to the way they interrelate, their differences in access to and use of resources, their activities, and how they react to changes, interventions and policies.

In general, gender refers to the roles, behaviors, activities, attributes and opportunities that any society considers appropriate for girls and boys, and women and men. Gender interacts with, but is different from, the binary categories of biological sex.

**Gender equality** means that the different behaviors, aspirations and needs of women and men are considered, valued and favored equally. It does not mean that women and men have to become the same, but that their rights, responsibilities and opportunities must not depend on whether they are born male or female.

Gender equality leads to better human development outcomes. This key finding of the World Development Report 2012: Gender Equality and Development (WDR 2012) underscores the World Bank Group’s commitment to support gender equality in health, education, and social protection and labor. The Bank’s global strategies and country programs in these sectors aim to reduce disparities between men and women and across population groups. To achieve this, the Bank’s assistance in these sectors includes expanding access to family planning and reproductive health services, promoting gender parity in education, providing social safety nets and insurance, and helping people acquire needed resources and skills.

The WDR 2012 demonstrates that gender equality shapes investments and outcomes in health, education, social protection, and labor. Prevailing gender roles, social norms, and social networks influence control over resources and access to services, and rules and norms imposed by a range of institutions shape the status of women and men. However, too often

these services may not be equally accessible or affordable to men and woman, with impacts muted by gender norms, discrimination, and market failures.

In education, the persistence of gender gaps among girls or boys depends increasingly on whether schooling actually produces knowledge and skills, and the failure is most severe for those facing multiple sources of disadvantage often based on gender, location, disability, and income. In poorer households, for instance, lower quantity and quality of education are often greater obstacles for girls than boys.

Women face a number of disadvantages in the labour market. As well as coping with sexist prejudices, they must reconcile the twin roles of homemaker and money-maker. This often affects their work status, the length and structure of their workday and their salary level. In addition, the employment sector offers less scope and potential for women than for men, as well as lower pay for the same work.

### **Poverty**

Poverty can be defined as the combination of uncertain or non-existent income and a lack of access to the resources needed to ensure sustainable living conditions. It often goes hand-in-hand with hunger, malnourishment, poor health, high mortality and morbidity rates, insufficient education and precarious and unhealthy housing. Studies have revealed an increasing feminization of poverty. In rural areas, where services and job opportunities are even fewer than in urban areas, poverty is also more acute. The situation is worse for women, who are less likely to have access to production factors, services and resources such as credit, land, inheritance, education, information, extension services, technology and farm inputs, as well as a say in decision-making. Another reason for the persistence of female poverty is gender vulnerability within the home. When poor families cannot afford to send all of their children to school, parents favour investing in the boy-children, keeping the girls at home to help with domestic work or some income-generating activity.

### **Family life**

In all societies women are the prime carers of children, the elderly and the ill, and do most of the domestic tasks. Women's lives are greatly affected by reproduction, which has an incisive and direct impact on their health and on their educational, employment and earning opportunities. Women in developing countries are estimated to do between two-thirds and three-quarters of the domestic work. The differences between female- and male-headed households usually have a bearing on all aspects of family life: the size and composition of the family and how it is run; nutrition; raising children; and available income.

Biologically, men and women have different health needs, but lifestyles and socially ascribed roles arising from prevailing social and cultural patterns also play a part in the health picture. Men are more likely to be the victims of occupational diseases, accidents at work, smoking, alcohol

and other forms of substance abuse. Men have a higher incidence of cancer and of cardiovascular lesions and diseases (the principal cause of male mortality). Women's health risks, which are mainly linked to reproduction, make them more vulnerable during pregnancy to anemia, malnutrition, hepatitis, malaria, diabetes and other illnesses.

### **Education**

"Education" here is taken to mean "schooling", as the word has connotations far beyond mere formal instruction.

The increasingly competitive labour market demands ever-higher levels of education. People without it are at a growing disadvantage. More women than men are illiterate; and the lower a country's literacy rate, the wider the gap between the two sexes.

### **The environment**

The impact of environmental degradation is gender-differentiated in terms of workloads and the quality of life; women are the first to be affected by the depletion of natural resources. In rural areas in most developing countries, women are responsible for the daily management and use of natural resources, as well as providing for the family by raising food crops, gathering forest products and fetching wood and water. Widespread and growing deforestation and the drying-up of water sources force women to range ever further afield, spending more time and energy in producing and finding essential commodities and making it even harder for them to engage in more productive, more lucrative activities.

### **The public and policy-making spheres**

Gender inequality is a persistent feature of the public and policy-making spheres. Women continue to be under-represented in governments, legislative bodies and many other crucial sectors affecting public opinion, such as the mass media, the arts, religion and culture.

### **Promoting Gender Equality :**

- i. **Creation of competitive markets :** These would improve gender equality, that is, through access to services, employment & skills, and finance. This can make labor markets more competitive, often inequality in employment has a larger effect on growth than it does inequality in education. Increasing entrepreneurial opportunities for women, this increases the competitiveness of product markets.
- ii. **Promotion of Physical capital/financial development :** By increasing women's employment and entrepreneurship, higher household savings rates can be made possible, and through more equal distribution of income greater investment will be achieved.
- iii. **Strengthening the Rule of Law :** Strengthened rule of law correlates with greater security for women; when women participate more fully in society, countries are safer and more prosperous for all citizens.

There is a small but statistically significant relationship between rising female political and workforce participation and lower levels of corruption.

- iv. **Facilitating Openness to Trade** : Discrimination Prevents Women from Engaging in Trade and Entrepreneurship. Therefore, it is essential to facilitate openness to trade by developing various policies that aid gender equality in trade.
- v. **Promoting the increase in Human Capital** : Greater control for women in the domestic sphere (household resources and family size) is the human capital of the next generation. Women are more likely to spend income on children. Because of discrimination in the household, women suffering violence are less able to participate in the labor force. Therefore, it is essential to give emphasis on promoting the increase of human capital a family base.
- vi. **Equal access to Employment & Skills** : It would emphasize Women's access to employment, including ability to enter and remain in the paid workforce. Creation of policies to allow women's the flexibility to participate in the labor force is essential.
- vii. **General Access to and usage of infrastructure and utilities** : Access to infrastructure and utilities is an important determinant of productive economic opportunities, both by directly facilitating access to income-earning activities (e.g., through transportation and ICT) and by reducing the burden of unpaid work.
- viii. **Decision-making & access to information** : Women's perspectives are not always adequately represented in decision-making processes at the household, local or national level, resulting in decisions which do not equally benefit men and women. Women face difficulties in accessing information important to economic opportunity, such as on legal rights (employment, inheritance, etc.), value chain opportunities, and local infrastructure planning & delivery because their behavior patterns/ information preferences are not taken into account. Therefore, it is essential to create an atmosphere that creates equal gender participation and consideration in decision making.

**Learning for All**, the education strategy, articulates how the Bank supports countries to address gender equality and advance gender parity in education through a combination of effective policies and sustained national investments in education; improving countries' education system capacity to raise not only school attendance but also learning outcomes. In order to improve learning outcomes for all, the education sector recognizes the importance of addressing multiple or overlapping sources of disadvantage. Being born a poor girl in a rural community or to an ethno-linguistic minority group compounds education and life disadvantages and increases vulnerability. At the same time the Bank stresses how and why educating girls and women is smart economics. Evidence shows that one additional year of schooling for girls and women increases their wages by at least 10 percent; reduces infant mortality rates



by at least 5 percent; and enables per capita income growth of at least 0.3 percent on average. The Bank plays a key role in advancing girls' education through its research, funding, policy advocacy, and strategic partnerships including the United Nations Girls' Education Initiative.

**Healthy Development :** The World Bank Strategy for Health, Nutrition, and Population Results and Reproductive Health Action Plan focus on reducing high fertility, improving pregnancy outcomes, and reducing sexually-transmitted infections, including HIV. Specific interventions include strengthening health systems to achieve better reproductive health outcomes by improving access to and knowledge of family planning among households, increasing antenatal visits and skilled birth attendance, training health workers, and promoting youth-friendly services and young women's life skills, and promoting multi-sector investments to improve reproductive health outcomes.

Human development is defined as the process of enlarging the choices for all people, not just one part of the society. Such a process becomes unjust and discriminatory if most women are excluded from its benefits. Gender equality is therefore a core principle of human development. To quote the eloquent words of Mahbub ul Haq, "Development, if not engendered, is endangered."

**CONSTITUTIONAL GUARANTEES**

- Equality before the law. Article 14
- No discrimination by the State on the grounds only of religion, race, caste, sex, place of birth or any of these. Article 15(1)
- Special provisions to be made by the State in favour of women and children. Article 15(3)
- Equality of opportunity for all citizens in matters relating to employment or appointment to any office under the State. Article 16, 15
- State policy to be directed to securing for men and women equally, the right to an adequate means of livelihood. Article 39(a)
- Equal pay for equal work for both men and women. Article 39(d)
- Provisions to be made by the State for securing just and humane conditions of work and for maternity relief. Article 42
- To promote harmony and to renounce practices derogatory to the dignity of women. Article 51(A)(e)

Planners and policy-makers must be mindful of the major aspects of socially ascribed gender functions and the specific needs of men and women. If development policies are to be sustainable, they must consider existing gender disparities in employment, poverty, family life, health, education, the environment, public life and decision-making bodies.



### 7.5.1 Introduction :

A child should not be subjected to work at the expense of his or her education and dreams. Child labour reduces the opportunity in minors to enjoy their childhood, go to school and have a decent attempt to success. It condemns them to a life of limited opportunities. It is, therefore, necessary to ensure that every child is protected and not exploited for cheap labour. It is not just the responsibility of the parents to eliminate child labour but also that of the government and the society.

### 7.4.2 Meaning :

Child labour refers to the use of children as a source of labour while depriving them of their fundamental rights in the process of growth and development. Such rights include the opportunity to enjoy their childhood, attend school regularly, have peace of mind, and live a dignified life. Childlabour can also refer to the practice of exploiting children for financial gain. Some industries employ children in order to cut down on labour costs since their wage demand is low.

Work that places child in a situation that is socially, mentally, physically, or morally harmful and dangerous is also defined as child labour because it ignores the well-being of such children. When children are made to perform work that is legally prohibited to be performed by children of a certain age group, such type of work is also referred to as child labour.

Child labour refers to the employment of children in any work that deprives children of their childhood, interferes with their ability to attend regular school, and that is mentally, physically, socially or morally dangerous and harmful. This practice is considered exploitative by many international organisations. Legislations across the world prohibit child labour. These laws do not consider all work by children as child labour; exceptions include work by child artist, supervised training, certain categories of work such as those by Amishchildren, and others.

### 7.4.3 Definition :

The term child labour has many definitions by different scholars.

According to Suda(2011) the term child labour refers to when children is working in any type of work that is dangerous and harmful to children's health or the work hinders their education. For Moyi (2011) child labour refers to low wages, long hours, physical and sexual abuse. According to Edmonds and Pavcnik (2005) child labour is viewed as a form of child labour abuse, when children work in bad conditions and hazardous occupations.

According to International Labour Organization (ILO), the term "child labour" is often defined as work that deprives children of their childhood,

their potential and their dignity, and that is harmful to physical and mental development.

According to wikipedia, Child Labour is the practice of having children engage in economic activity, on a part- or full-time basis. The practice deprives children of their childhood, and is harmful to their physical and mental development.

**7.4.4 Causes :**

Child labour is caused by several factors. Following are some factors which are responsible the problem of child labour:

**1. Poverty :** This is the single biggest factor contributing to the children working hard in factories or shops or construction sites rather than playing and getting an education. Families do not have enough resources and children often become the means for more income, even if it means having to forego the privileges of childhood. Children who come from poor families may be forced to work to support their siblings and parents or supplement the household income when expenses are more than the parents' earnings. It is a huge problem especially in developing countries where parents are unable to generate income due to the lack of employment opportunities or education. Children can be found employed in mines or hawking in the streets to earn money that is used to provide basic necessities such as food and clothing for the family. Children may also be employed in factories to generate income for the family instead of attending school. Some children have left orphans or abandoned due to poverty. Such children do not have anyone to take care of them and end up working to feed themselves unless taken up by orphanages. Such a practice is a common phenomenon in poverty-stricken regions with large factories set up by international companies.

**2. Low Aspiration :** It is important for parents and children to understand that they can work hard and make something great of themselves. Low aspirations by parents and children is a major cause of child labour because in such a situation, being employed in a local factory, or selling grocery in the streets is the normal way of life. To these types of children and parents, success only belongs to a certain region or group of people. They do not aspire to become professionals in the society or great entrepreneurs. It is a mindset that forms the very foundation of child labour.

**3. Huge demand for unskilled labourers :** The demand for unskilled labourers is another cause of child labour. Children are mostly unskilled and provide a cheap source of labour, making them an attractive option for many greedy employers. Child labour, by virtue of being cheap, increases the margin of profits for such entrepreneurs whose only objective is profit maximization even if it comes at the expense of ethics and good business practices. These types of employers can also force children to work under unfavorable conditions through manipulation or blatant threats.

**4. Illiteracy :** A society with many educated people understands the importance of going to school and pursuing dreams. Children have the ability and time to become whatever they aspire to be. Illiteracy, on the other hand, makes it difficult for many people to understand the importance of education. Illiterate people view education as a preserve of the privileged in the society. They will therefore not provide support to children so that they can go to school and build solid foundations for future success. The same view of life is seen among illiterate parents who prioritize children contributing to the upkeep of the family over going to school.

**5. Early Marriages :** Marrying at an early age is a major contributing factor to overpopulation. Having many children with little or no resources to support them leads to child labour. Older children are forced to work in order to help their parents support the family.

**6. High cost of education :** Quality education is expensive. To many parents who live in abject poverty, priority is given to providing food for the family because education is too expensive to afford especially when there are many children to pay school fees for. Instead of letting children stay at home because there is lack of money to send them to school, parents opt to have them working as unskilled labourers to help support the family. Some parents can also only afford basic education which means that children will be forced to look for work since they cannot pursue their education further.

**7. Gender discrimination :** Often girls are required to quit school and take up work to supplement family income until they are suitably married off. This too is an observation in typically vulnerable classes.

**8. Family tradition :** Many families with businesses or traditional occupations like arts, etc. expect the children to work to be able to pass on the traditional arts or business only by experience.

#### **7.4.5 Consequences / Effects:**

Child labour has several negative impacts. Some of them include:

**1. Loss of Quality childhood :** It is important for human beings to enjoy every stage of their development. A child should play with friends and make memories for a lifetime. Youths should explore life and form strong foundations that would define their adult lives. Child labour, therefore, leads to loss of quality childhood as children will be deprived of the opportunity to enjoy the amazing experiences that come with being young. Children are often encouraged to play because it helps in their growth and development. A child forced to work will miss many of the good things associated with childhood.

**2. Health issues :** Child labour can also lead to health complications due to undernourishment and poor working conditions. It is highly unlikely that people who employ children also have the moral capacity to ensure that they have good working conditions. Working in places such as mines

and badly conditioned factories may result in lifetime health issues for children employed to work in these places. A child assigned physically demanding duties may suffer physical trauma that may scar him or her for life.

**3. Mental trauma :** It is not a pleasant experience to be kept working as a child while your age-mates are out playing and going to school. Children also lack the ability to shield themselves from most of the challenges that occur in the workplace. Issues such as bullying, sexual exploitation, and unfavorable working hours may result in mental trauma in these children. They will find it hard to forget the past and may become societal misfits because of bad childhood experiences. Child labour may also result in the lack of emotional growth and thus insensitivity.

**4. Illiteracy :** Children that are employed do not have the time to go to school. They spend a lot of time in their workstations as the days and years go by. The lack of education and illiteracy makes them individuals with limited opportunities as far as employment is concerned. Education also prepares a person for several challenges in the society and without it, one may turn out to lack the basic skills required to overcome many of life's problems. An individual who has gone to school may be aware of how to approach certain situations in life without resorting to brute force. An illiterate person, on the other hand, considers force to be the only answer to nearly all of the challenges experienced.

**7.4.6 Solutions:**

**How can child labour be reduced or completely eradicated?** Every child born has the right to have dreams and pursue those dreams. Even though the realization of some of these aspirations may be limited by several challenges, it is still possible to overcome them and achieve the highest levels of success.

There is need to involve various stakeholders to realize this objective. These are some of the ways in which the problem of child labour can be addressed:

**1. Free education :** Free education holds the key to eliminating child labour. Parents that do not have money for school fees can use this as an opportunity to provide their children with education. It has already proved to be a success in many places around the globe and with more effort, the cases of child labour will greatly reduce. Mid-day meals schemes can also be used as a motivating factor for children whose parents can barely afford a meal to learn. Even if they will be attending school because of the free meals, they will still be able to learn and create a good education foundation for themselves.

**2. Moral Polishing :** Child labour should not be entertained at all. It is legally and morally wrong. Children should not be allowed to provide labour at the expense of getting an education and enjoying their childhood. Factory owners, shopkeepers, and industries among others should not employ children. The society should be educated on the negative impacts

of child labour so that it becomes an issue that is frowned upon whenever it occurs. This type of moral polishing would act as a deterrent to people who intend to employ children and use them as a source of cheap labour. Many of the ills that go on in the society do so because people turn a blind eye or fail to consider their moral impacts. With this kind of approach, cases of child labour will greatly fall among our communities.

**3. Create demand for skilled and trained workers :** By creating the demand for skilled and trained workers, child labour cases will reduce since almost all child labourers fall under the unskilled worker category. It will lead to adult employment as the demand for skilled labour rises. Establishing skill-based learning centers, vocational training centers, and technical training institutions improves literacy and contributes to the availability of skilled and trained workers in the job market. Creation of job opportunities by the government is also another way that cases of unemployment can be reduced and household income for the population increased. Such government policies improve living standards and eliminate the need for children to seek work in order to support their families.

**4. Awareness :** Creating awareness about the illegality of child labour can also help in stemming the practice. Parents should be made aware that sending their children to work has legal ramifications and the law would take its course if they are found to be aiding and abetting this vice. It is the ignorance among many parents and members of the society that makes them participate in child labour practices. Conducting a campaign to create awareness about its harmful effects would eliminate the practice. The government, together with non-governmental organizations and the civil society, can create a strategy to make such an initiative a success.

**5. Empowerment of poor people:** Poor people are the most affected by child labour. The poor living standards and financial constraints sometimes make them unwilling participants in this vice. Empowering poor people through knowledge and income generating projects would go a long way in reducing cases of child labour. Parental literacy also plays an important role in ensuring that the rights of children are upheld, and minors are not used as a source of labour. Empowering parents with this kind of knowledge can create a positive change in the society and encourage the shunning of child labour practices in communities.

#### **7.4.7 Indian Laws relating to Child Labour :**

1. As per the **Child Labour (Prohibition and Regulation) Act, 1986**, amended in 2016 ("CLPR Act"), a "Child" is defined as any person below the age of 14, and the CLPR Act prohibits employment of a Child in any employment including as a domestic help. It is a cognizable criminal offence to employ a Child for any work.
2. In addition, various laws in India, such as the Juvenile Justice (care and protection) of Children Act-2000, and the Child Labour (Prohibition and Abolition) Act-1986 provide a basis in law to identify, prosecute and stop child labour in India.

- 3. **The Factories Act of 1948** prohibits the employment of children below the age of 14 years in any factory. The law also placed rules on who, when and how long can pre-adults aged 15–18 years be employed in any factory.
- 4. The **Mines Act of 1952** prohibits the employment of children below 18 years of age in a mine.

**7.4.8 Conclusion:**

Child labour should never exist. However, it is still noticeable that people around the country hire children so that they will have the benefit of paying low wages to them. One should do not encourage child labour, and neither one should let any other to hire a child to any job.

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**7.6 AGING POPULATION**

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**7.6.1 Introduction:**

Population aging is the 21st century's dominant demographic phenomenon. Declining fertility, increasing longevity, and the progression of large-sized cohorts to the older ages are causing elder shares to rise throughout the world. The phenomenon of population aging, which is unprecedented in human history, brings with it sweeping changes in population needs and capacities, with potentially significant implications for employment, savings, consumption, economic growth, asset values, and fiscal balance.

Our world is faced today with a major dilemma. On one hand life expectancy has improved globally but on the other hand fertility rates are declining in every country. At a first glance living longer and having fewer children seems to be overall beneficial as you can experience more in your lifetime and avoid additional household budget pressure through more children care as well. Unfortunately, the stark reality is that when combining both trends our population is aging. By population aging it meant that the median age of the population is rising. In short, the age demographic is shifting worldwide since there are fewer children born and adults are expected to live longer.

The aged population is currently at its highest level in human history. The UN predicts the rate of population ageing in the twenty-first century will exceed that of the previous century. The number of people aged 60 years and over has tripled since 1950, reaching 600 million in 2000 and surpassing 700 million in 2006. It is projected that the combined senior and geriatric population will reach 2.1 billion by 2050.

**7.6.2 Definition :**

Population aging refers to changes in the age composition of a population such that there is an increase in the proportion of older persons. Demographers use age/sex pyramids to illustrate the distribution of populations across all age groups.



An ageing population is one where the proportion of older people is increasing. This is also known as ‘demographic ageing’ and ‘population ageing’.

Population ageing is an increasing median age in a population due to declining fertility rates and rising life expectancy. Most countries have rising life expectancy and an ageing population (trends that emerged first in developed countries, but which are now seen in virtually all developing countries).

Population ageing is a shift in the distribution of a country's population towards older ages. This is usually reflected in an increase in the population's mean and median ages, a decline in the proportion of the population composed of children, and a rise in the proportion of the population composed of elderly. Population ageing is widespread across the world. It is most advanced in the most highly developed countries, but it is growing faster in less developed regions, which means that older persons will be increasingly concentrated in the less developed regions of the world.

### 7.6.3 Why do populations age?

Population ageing arises from two (possibly related) demographic effects which are increasing longevity and declining fertility. An increase in longevity raises the average age of the population by increasing the numbers of surviving older people. A decline in fertility reduces the number of babies, and as the effect continues, the numbers of younger people in general also reduce. Of these two forces, it is declining fertility that is the largest contributor to population ageing in the world today. More specifically, it is the large decline in the overall fertility rate over the last half century that is primarily responsible for the population ageing in the world's most developed countries. Because many developing countries are going through faster fertility transitions, they will experience even faster population ageing than the currently developed countries in the future.

Factors that can impact population age distribution include :

- Life expectancy increases due to improved lifestyle (diet, exercise, not-smoking) and importantly, access to quality health care — drugs, treatments, expertise, surgical procedures, technology.
- Birth rate decline itself is driven by a number of factors:
- Improved availability, education and effectiveness of contraceptive measures
- The rising costs of living influencing people's decisions whether to have children and how many
- Increasing number of women working



- Changing social attitudes (for example acceptance of alternative lifestyles, including choosing not to have children)
- The rise of individualism
- Lack of inward migration (fewer younger people and families moving to a given country, thereby reducing the average age)
- Most of the developed countries now have sub-replacement fertility levels, and population growth now depends largely on immigration together with population momentum, which also arises from previous large generations now enjoying longer life expectancy.

WHO is working on three areas with a direct impact on ageing:

- prevention of chronic disease;
- access to age-friendly primary health care;
- creation of age-friendly environments

**7.6.4 What roles do older people take on in society?**

**Advantages of an Older Population :**

1. There are some economic advantages to having an older population. For example, since older people have higher accumulated savings per head than younger individuals do, a large aged population can result in lower interest rates as well as a lower rate of inflation. Older people spend less on consumer goods. An ageing population may thus result in lower interest rates and the economic benefits of lower inflation. Elderly people are more inflation averse, countries with more elderly tend to exhibit lower inflation rates.
2. More precise analysis and research show that having an ageing population is often advantageous in terms of lower health care costs in later years of life and other beneficial contributions to the community.
3. Some studies show that it is more likely that health care expenditure on the last year of life decreases with age, as the elderly cannot physically endure extensive medical procedures. Nevertheless, the shift of dependent elderly people from hospitals to residential and nursing homes will minimize health care costs as it transfers the expenditure from health care to social care funds.
4. An ageing population may provide incentive for technological progress, as some hypothesise the effect of a shrinking workforce may be offset by technological unemployment or productivity gains. Some economists (Japan) see advantages in such changes, notably the opportunity to progress automation and technological development without causing unemployment. They emphasise a shift from GDP to personal well-being.

5. The ageing population also makes positive contributions to the community through their services. Some studies have shown that ,as the life expectancy has drastically increased, most of the baby boomers will retire while they are still physically and mentally healthier than preceding generations, and given appropriate incentives will be willing to work and contribute to tax revenue . In the past women provided much of the volunteer work in the community, compared to today where woman are in the work force in increasing numbers. At this time when the contribution of volunteer workers is becoming increasingly applicable to our community, many health and welfare agencies are seeking to hire from the growing number of retirees.
6. Voluntary services are a measure of social capital and an indication of a healthy civil society. It has been commonly observed that majority of volunteers tend to be elderly. Therefore, through volunteer services, the elderly substantially minimizes government expenditure on welfare, aid their families with childcare and find satisfaction in providing various other charitable services. Volunteering is regarded as one measure of social capital and thus an indicator to a healthy civil society.
7. The older generation are actively involved in the community as being members of clubs, recreation centres etc. They also attend musical concerts, theatres and art galleries more frequently than younger people, read more and visit libraries more often. Thus, it is probable that the arts and culture will benefit from an older people.
8. As a general rule, it is likely that older communities will become more law abiding, since older people are less inclined to commit crimes.This indicates that there will be less likely to be crime altogether, resulting in money being saved in prisons and policing costs in the future. This is because most of the baby bombers will be well over 65 and an older community is less likely to commits crimes against property and people.
9. Older people tend to play a role in supporting and maintaining informal social networks, which in turn bind communities and families together. Older people are said to be net providers (up to the age of 75 years old). This is due to the fact that they provide childcare, financial, practical and emotional assistance to family members including helping people outside the household with the tasks of daily living.
10. Grandparents now play an important social role in a time where people tend to have more living parents than children. This benefits grandparents directly whom find that this is an important aspect of their lives and makes them feel fulfilled. Not only does it benefit the grandparents, but also their grandchildren considerably.
11. In addition, the ageing population gives opportunities for the economy to respond to the needs of the older generation, by creating more jobs. A study on consumerism indicates that the consumer will spend

considerably less on non-essential items and substitute to more essential items like spending money on grandchildren, leisure and recreation

**7.6.5 Disadvantages of an Older Population :**

The ageing population will have various impacts and in particular the effect it has on economics is something that is being considered very closely by the government, so that they can develop schemes and policies in order to solve imbalances in the economy. The elderly proportion of the population is growing around the world, but it is greater in developed countries.

**7.6.6 Main impact of an ageing population :**

1. Increase in the dependency ratio. If the retirement age remains fixed, and the life expectancy increases, there will be relatively more people claiming pension benefits and fewer people working and paying income taxes. The fear is that it will require high tax rates on the current, shrinking workforce.
2. Increased government spending on health care and pensions. Also, those in retirement tend to pay lower income taxes because they are not working. This combination of higher spending commitments and lower tax revenue is a source of concern for many governments – especially those with existing debt issues and unfunded pension schemes. The fiscal gap represents an imbalance in revenue and expenditure of the government. It would require the government to increase spending on health care and pensions, whilst older people pay lower income taxes as they are not working. A combination of these factors will have a negative impact on the economy, as it will find itself further in debt.
3. Those in work may have to pay higher taxes. This could create disincentives to work and disincentives for firms to invest. Therefore, there could be a fall in productivity and growth.
4. Shortage of workers. An ageing population could lead to a shortage of workers and hence push up wages causing wage inflation. Alternatively, firms may have to respond by encouraging more people to enter the workforce, through offering flexible working practices.
5. Changing sectors within the economy. An increase in the numbers of retired people will create a bigger market for goods and services linked to older people (e.g. retirement homes)
6. Higher savings for pensions may reduce capital investment. If society is putting a higher % of income into pension funds, it could reduce the amount of savings available for more productive investment, leading to lower rates of economic growth.
7. There are many social issues associated with the ageing population, including the decline in workforce participation and the increasing burden of disability and ill health in the elderly. These issues need to

be addressed immediately by the government as they are going to placing a greater burden on the future economic and health systems of a country.

8. A substantial aged population leads to a lot of financial pressure on both the public and private sectors.
9. Social security systems have also begun to experience problems. Earlier defined benefit pension systems are experiencing sustainability problems due to the increased longevity. The extension of the pension period was not paired with an extension of the active labour period or a rise in pension contributions, resulting in a decline of replacement ratios.

#### **7.6.7 Evaluation of an ageing population :**

- A declining birth rate also means a smaller number of young people. This will save the government money because young people require education and pay little, if any, taxes. Though the net cost of retired people is greater than the net cost of young people under 18.
- It depends on the health and mobility of an ageing population. If medical science helps people live longer, but with poor mobility, there will be less chance to work. If people live longer and can remain physically active for longer, the adverse impact will be less.
- Immigration could be a potential way to defuse the impact of an ageing population because immigration is primarily from people of working age. However, immigration brings its own political challenges and has become increasingly unpopular, despite net migration creating a positive net fiscal effect.
- Increasing the retirement age is one solution to an ageing population. But, the effect of a higher retirement age will not be felt equally. Those with private savings may be able to still retire early, those with low income paid jobs are more likely to have to keep working. Also, the impact of longer working life will be felt more by manual workers who will find it harder to keep working.
- Population demographics have been shifting for the past few centuries. This is not the first time we have had shifts in the age profile of the population.
- Incentives to keep working? Part of the problem is that there is currently a strong incentive for people to retire early. The effective marginal tax rate imposed on earnings resulting from delayed retirement has in many systems been in excess of 60 percent (link) These incentives have encouraged many to take early retirement. Also, there is often a rule prohibiting people working longer – even if they wanted to. If these incentives can be changed, we could increase the number of people working for longer and reduce the dependency burden.

- **Economic growth.** A big factor in determining the impact of an ageing population is future rates of economic growth. There is a concern, as some economies have entered a period of secular stagnation – falling growth rates. This decline in economic growth will increase the pressure on public finances from an ageing population. Strong economic growth, increases tax revenues and makes it easier to fund pension commitments.
- **Inequality.** Another problem with an ageing population is that it could exacerbate inequality. With increased reliance on private sector savings, there could be a division between those with a good private sector pension, and those who rely on a diminishing state pension. Also, inequality could be exacerbated by the state of the housing market, with homeowners in a much better position than those who have to continue to rent into their retirement.

#### **7.6.8 Government responses to an ageing population:**

1. Increase the labour market participation rate. Make it easier for people past 65 to keep working.
2. Raise the retirement age. The government have already proposed an increase to 67. The retirement age could automatically be linked to life expectancy.
3. Increase the importance of the private sector in providing pensions and health care. However, this may cause increased inequality if people can't afford private pensions.
4. Increase tax to pay for pension costs. But, many governments already have limited budgets.
5. Immigration. The easiest solution to an ageing population is to encourage young migrants of working age. For example, the UK has attracted many young workers from Eastern Europe. But, net migration and free movement of labour is unpopular for fears it drives down wages and places stress on infrastructure and housing demand.

#### **7.6.9 Conclusion:**

The elderly are a crucial part of the community and they contribute both knowledge and experience beyond their years. An aged population puts endless economic stress on the nation, as health care funding and superannuation requires exponential funding, as general living cost continue to rise. With such a large proportion of the population as classified as elderly, it is hard to overlook the long list of disadvantages.

The expectation of continuing population ageing prompts questions about welfare states' capacity to meet the needs of their population. In the early 2000s, the World Health Organization set up guidelines to encourage "active ageing" and to help local governments address the challenges of an ageing population with regard to urbanization, housing, transportation, social participation, health services, etc. Local governments are well

positioned to meet the needs of local, smaller populations, but as their resources vary from one to another (e.g. property taxes, the existence of community organizations), the greater responsibility on local governments is likely to increase inequalities. Also, the environmental gerontology indicates the importance of the environment in active ageing. In fact, promoting good environments (natural, built, social) in ageing can improve health and quality of life, as well as reduce the problems of disability and dependence, and, in general, social spending and health spending.

## 7.7 POVERTY ALLEVIATION

Poverty Alleviation is the set of steps taken in an economic and humanitarian way for eradicating poverty from a country. According to the World Bank, if a person is living on \$1.90 a day or less, then he/she is living in extreme poverty, and currently, 767 million people of the world fall under that category. According to the last released official data, in 2011, 268 million people in India were surviving on less than \$1.90 a day. Various Programmes and Schemes under the Government of India were launched to eradicate poverty and for providing basic amenities to the poor households.

Schemes like Pradhan Mantri Awas Yojana and Housing for All by 2022 were developed to provide housing to the rural and urban poor. The latest government schemes like Start-Up India and Stand Up India focuses on empowering people to earn their livelihood.

The major Poverty Alleviation Programmes that were developed with an initiative to eradicate poverty are mentioned in the table below:

Name of the Scheme/ Programme	Year of Formation	Government Ministry	Objectives
Integrated Rural Development Programme (IRDP)	1978	Ministry of Rural Development	<ul style="list-style-type: none"> <li>To raise the families of identified target groups living below the poverty line through the development of sustainable opportunities for self-employment in the rural sector.</li> </ul>
Pradhan Mantri GraminAwaa	1985	Ministry of Rural	<ul style="list-style-type: none"> <li>To create housing units for everyone along with providing</li> </ul>

s Yojana		Development	<p>13 lakhs housing units to the rural areas.</p> <ul style="list-style-type: none"><li>• To provide loans at subsidized rates to the people.</li><li>• To augment wage employment opportunities to the households by providing employment on-demand and through specific guaranteed wage employment every year.</li></ul>
Indira Gandhi National Old Age Pension Scheme (NOAPS)	15th August 1995	Ministry of Rural Development	<ul style="list-style-type: none"><li>• To provide pension to the senior citizens of India of 65 years or higher and living below the poverty line.</li><li>• It provides a monthly pension of Rs.200 for those aged between 60-79 years and Rs.500 for the people aged above 80 years.</li></ul>
National Family Benefit Scheme (NFBS)	August 1995	Ministry of Rural Development	<ul style="list-style-type: none"><li>• To provide a sum of Rs.20,000 to the beneficiary who will be the next head of the family after the death of its primary breadwinner.</li></ul>
Jawahar Gram Samridhi Yojana (JGSY)	1st April 1999	Implemented by the Village Panchayats.	<ul style="list-style-type: none"><li>• Developing the infrastructure of the rural areas which included connecting roads, schools, and hospitals.</li></ul>



			<ul style="list-style-type: none"> <li>To provide sustained wage employment to the families belonging to the below poverty line.</li> </ul>
Annapurna	1999-2000	Ministry of Rural Development	<ul style="list-style-type: none"> <li>To provide 10 kg of free food grains to the eligible senior citizens who are not registered under the National Old Age Pension Scheme.</li> </ul>
Food for Work Programme	2000s	Ministry of Rural Development	<ul style="list-style-type: none"> <li>It aims at enhancing food security through wage employment. Food grains are supplied to states free of cost, however, the supply of food grains from the Food Corporation of India (FCI) godowns has been slow</li> </ul>
Sampoorna Gramin Rozgar Yojana (SGRY)	–	–	<ul style="list-style-type: none"> <li>The main objective of the scheme continues to be the generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security for the poor.</li> </ul>
Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	2005	Ministry of Rural Development	<ul style="list-style-type: none"> <li>The Act provides 100 days assured employment every year to every rural household. One-third of the proposed jobs would be reserved for women. The central government will also</li> </ul>

			<p>establish National Employment Guarantee Funds.</p> <ul style="list-style-type: none"><li>• Similarly, state governments will establish State Employment Guarantee Funds for implementation of the scheme. Under the programme, if an applicant is not provided employment within 15 days s/he will be entitled to a daily unemployment allowance.</li></ul>
National Food Security Mission	2007	Ministry of Agriculture	<ul style="list-style-type: none"><li>• To increase production of rice, wheat, pulses and coarse cereals through area expansion and productivity enhancement in a sustainable manner in the identified districts of the country</li></ul>
National Rural Livelihood Mission	2011	Ministry of Rural Development	<ul style="list-style-type: none"><li>• It evolves out the need to diversify the needs of the rural poor and provide them jobs with regular income on a monthly basis. Self Help groups are formed at the village level to help the needy</li></ul>
National Urban Livelihood Mission	2013	Ministry of Housing and Urban Affairs	<ul style="list-style-type: none"><li>• It focuses on organizing urban poor in Self Help Groups, creating opportunities for skill development leading to market-based employment</li></ul>

			and helping them to set up self-employment ventures by ensuring easy access to credit
Pradhan Mantri Jan Dhan Yojana	2014	Ministry of Finance	<ul style="list-style-type: none"> <li>It aimed at direct benefit transfer of subsidy, pension, insurance etc. and attained the target of opening 1.5 crore bank accounts. The scheme particularly targets the unbanked poor</li> </ul>
Pradhan Mantri Kaushal Vikas Yojana	2015	Ministry of Skill Development and Entrepreneurship	<ul style="list-style-type: none"> <li>It will focus on fresh entrant to the labour market, especially labour market and class X and XII dropouts</li> </ul>
SaansadAadarsh Gram Yojana (SAGY)	2014	Ministry of Rural development	<ul style="list-style-type: none"> <li>To develop the institutional and physical infrastructure in three villages by 2019. The scheme aims to develop five 'Adarsh Villages' or 'Model Villages' by 2024.</li> </ul>
Pradhan Mantri Jeevan Jyoti Bima Yojana	2015	Ministry of Finance	<ul style="list-style-type: none"> <li>The scheme provides life coverage to the poor and low-income section of the society. The scheme offers a maximum assured amount of Rs.2 lakhs</li> </ul>

Pradhan Mantri Suraksha Bima Yojana	2015	Ministry of Finance	<ul style="list-style-type: none"><li>• The scheme is an insurance policy to the people belonging to the underprivileged sections of the society</li></ul>
National Maternity Benefit Scheme	2016	Ministry of Health & Family Welfare (MoHFW)	<ul style="list-style-type: none"><li>• To provide a sum of Rs.6000 to a pregnant mother who is aged above 19 years.</li><li>• The sum is provided normally 12–8 weeks before the birth in three instalments and can also be availed even after the death of the child.</li></ul>
Pradhan Mantri Ujjwala Yojana (PMUY)	2016	Ministry of Petroleum and Natural Gas	<ul style="list-style-type: none"><li>• It envisages the distribution of 50 million LPG connections to women below the poverty line</li></ul>
Pradhan Mantri Garib Kalyan Yojana (PMGKY)	2016	Ministry of Finance	<ul style="list-style-type: none"><li>• the scheme provides an opportunity to declare unaccounted wealth and black money in a confidential manner and avoid prosecution after paying a fine of 50% on the undisclosed income. An additional 25% of the undisclosed income is invested in the scheme which can be refunded after four years, without any interest.</li></ul>

Solar Charkha Mission	2018	Ministry of Micro, Small and Medium Enterprises (MSME)	<ul style="list-style-type: none"> <li>It aims at Employment generation for nearly one lakh people through solar charkha clusters in rural areas</li> </ul>
National Nutrition Mission (NNM), Poshan Abhiyan	2018	Ministry of Women and Child Development	<ul style="list-style-type: none"> <li>to reduce the level of under-nutrition and also enhance the nutritional status of children in the country. Also, to improve the nutritional outcomes of adolescents, children, pregnant women and lactating mothers</li> </ul>
Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM)	2019	Ministry of Labour and Employment	<ul style="list-style-type: none"> <li>It is a central government scheme that is introduced for old age protection and social security of Unorganised Workers (UW)</li> </ul>
Prime Minister Street Vendor's AtmaNirbhar Nidhi – PM SVanidhi	2020	Ministry of Housing and Urban Affairs (MoHUA)	<ul style="list-style-type: none"> <li>It aims to provide micro-credit facilities to street vendors affected due to COVID-19 pandemic</li> </ul>

## 7.8 FOOD SECURITY

### 7.8.1 Introduction:

There is evidence of food security being a concern many thousands of years ago, with central authorities in ancient China and ancient Egypt being known to release food from storage in times of famine. At the 1974 World Food Conference the term "food security" was defined with

an emphasis on supply; food security is defined as the "availability at all times of adequate, nourishing, diverse, balanced and moderate world food supplies of basic foodstuffs to sustain a steady expansion of food consumption and to offset fluctuations in production and prices".

**7.8.2 Definition :**

Food security is a measure of the availability of food and individuals' ability to access it. According the United Nations' Committee on World Food Security, food security is defined as the means that all people, at all times, have physical, social, and economic access to sufficient, safe, and nutritious food that meets their food preferences and dietary needs for an active and healthy life. The availability of food irrespective of class, gender or region is another one.

Later definitions added demand and access issues to the definition. The final report of the 1996 World Food Summit states that food security "exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. It declared that "food should not be used as an instrument for political and economic pressure". Different international agreements and mechanisms have been developed to address food security. The main global policy to reduce hunger and poverty is in the **Sustainable Development Goals**. In particular **Goal 2: Zero Hunger** sets globally agreed on targets to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture by 2030.

Commonly, the concept of food security is defined as including both physical and economic access to food that meets people's dietary needs as well as their food preferences. Household food security exists when all members, at all times, have access to enough food for an active, healthy life.

Food security incorporates a measure of resilience to future disruption or unavailability of critical food supply due to various risk factors including droughts, shipping disruptions, fuel shortages, economic instability, and wars.

- Food stability: Refers to the ability to obtain food over time.
- Food access: Refers to the affordability and allocation of food, as well as the preferences of individuals and households.
- Food availability: Relates to the supply of food through production, distribution, and exchange.

Household food security exists when all members, at all times, have access to enough food for an active, healthy life. Individuals who are food secure do not live in hunger or fear of starvation. Food insecurity, on the other hand, is defined by the United States Department of Agriculture (USDA) as a situation of "limited or uncertain availability of

nutritionally adequate and safe foods or limited or uncertain ability to acquire acceptable foods in socially acceptable ways". The Food and Agriculture Organization of the United Nations, or FAO, identified the four pillars of food security as **availability, access, utilization, and stability**.

Dr. M.S. Swaminathan defined food security as, "Livelihood Security for the households and all members within, which ensures both physical and economic access to balanced diet, safe drinking water, environmental sanitation, primary education and basic health care." Dr. Swaminathan gives broader definition of food security which goes beyond the physical availability and economic areas of food.

From the above definitions we can analyze important aspects involved in food security as

- I. **Physical availability** of food to all the people
- II. **Economic access** to basic food, that is people must have the purchasing power to obtain required quantity of food
- III. **Basic food** involves those food items providing nutritional food requirements.
- IV. **All time availability** implies physical and economics availability not at one particular period but both in short and long run. Non-availability must be an exception due to uncertainty beyond human management. For this it is necessary that supply of food must be enough to take care of growth in population.
- V. **Enough food** for an active healthy life involves a qualitative change over a period of time. As income rises, the purchasing power in the hands of the people also rises. Thus, the basket of food they would like to purchase also undergoes a change in its composition.

### 7.8.3 Measurement :

Food security can be measured by calories to digest out to intake per person per day, available on a household budget. In general, the objective of food security indicators and measurements is to capture some or all of the main components of food security in terms of food availability, accessibility, and utilization/adequacy. While availability (production and supply) and utilization/adequacy (nutritional status/anthropometric measurement) are easier to estimate and, therefore, more popular, accessibility (the ability to acquire the sufficient quantity and quality of food) remains largely elusive. The factors influencing household food accessibility are often context-specific.

Several measurements have been developed to capture the access component of food security, with some notable examples developed by the USAID-funded Food and Nutrition Technical Assistance (FANTA) project, collaborating with Cornell and Tufts University and Africare and World Vision. These include:



- Household Food Insecurity Access Scale (HFIAS) – continuously measures the degree of food insecurity (inaccessibility) in the household in the previous month
- Household Dietary Diversity Scale (HDDS) – measures the number of different food groups consumed over a specific reference period (24hrs/48hrs/7days).
- Household Hunger Scale (HHS)- measures the experience of household food deprivation based on a set of predictable reactions, captured through a survey and summarized in a scale.
- Coping Strategies Index (CSI) – assesses household behaviors and rates them based on a set of varied established behaviors on how households cope with food shortages. The methodology for this research is based on collecting data on a single question: "What do you do when you do not have enough food, and do not have enough money to buy food?"

#### **7.8.4 Things affecting food security today include :**

- Global Water Crisis - Water table reserves are falling in many countries (including Northern China, the US, and India) due to widespread over-pumping and irrigation.
- Climate Change - Rising global temperatures are beginning to have a ripple effect on crop yields, forest resources, water supplies and altering the balance of nature.
- Land Degradation - Intensive farming leads to a vicious cycle of exhaustion of soil fertility and decline of agricultural yields.
- Greedy Land Deals - Corporations and Governments buying rights to millions of acres of agricultural land in developing countries to secure their own long-term food supplies.
- New shocks related to climate change, conflict, pests (such as locusts and Fall Army Worm) and infectious diseases (such as COVID-19 and African Swine Fever) are hurting food production, disrupting supply chains and stressing people's ability to access nutritious and affordable food, raising fresh concerns for food security in 2020
- Food insecurity can worsen diet quality and increase the risk of various forms of malnutrition, potentially leading to undernutrition as well as overweight and obesity. The cost of healthy diets is unaffordable for more than 3 billion people in the world.
- One third of food produced globally is either lost or wasted. Addressing food loss and waste is critical to improving food and nutrition security, as well as helping to meet climate goals and reduce stress on the environment.
- The widespread incidence of microbiological, chemical or other hazards in food also continues to be a serious issue for the food system. Unsafe food not only represents a serious public health concern, but also negatively impacts the incomes of farmers, the livelihoods of food vendors, and the continuity of business and trade.

- Poor nutrition, food loss and waste, and food-borne illness all impose large current and future human, economic, social, and fiscal costs on countries. Reducing these costs requires multi-pronged approaches: There is great potential for effective interventions throughout the food system.
- With the right investments and resources, agriculture and food systems can provide adequate, affordable, safe and nutritious food to everyone, everywhere, every day – even in times of crisis.

#### **7.8.5 Strategy :**

The World Bank Group works with partners to build food systems that can feed everyone, everywhere, every day by improving food security, promoting ‘nutrition-sensitive agriculture’ and improving food safety. The Bank is a leading financier of food systems. In 2020, there was US\$5.8 billion in new IBRD/IDA commitments to agriculture and related sectors.

#### **Activities include :**

- Strengthening safety nets to ensure that vulnerable families have access to food and water—and money in their pockets to make vital purchases
- Delivering expedited emergency support by fast-tracking financing through existing projects to respond to crisis situations
- Engaging with countries and development partners to address food security challenges. Instruments include rapid country diagnostics and data-based monitoring instruments and partnerships such as the Famine Action Mechanism and the Agriculture Observatory
- Promoting farming systems that use climate-smart techniques, and produce a more diverse mix of foods, to improve food systems’ resilience, increase farm incomes and enable greater availability and affordability of nutrient-dense foods
- Improving supply chains to reduce post-harvest food losses, improve hygiene in food distribution channels, and better link production and consumption centers
- Applying an integrated “One Health” approach to managing risks associated with animal, human and environmental health
- Supporting investments in research and development that enable increasing the micronutrient content of foods and raw materials
- Advocating for policy and regulatory reforms to improve the efficiency and integration of domestic food markets and reduce barriers to food trade
- Working with the private sector, government, scientists, and others to strengthen capacities to assess and manage food safety risks in low and middle-income countries

- Supporting long-term global food security programs: The Bank houses the Global Agriculture and Food Security Program (GAFSP), a global financing instrument that pools donor funds and targets additional, complementary financing to agricultural development across the entire value chain. Most recently, in response to the ongoing COVID-19 pandemic, GAFSP allocated over \$55 million of additional grant funding to on-going public sector and producer organization-led projects to support COVID-19 response and recovery.
- The Bank also supports the CGIAR which advances agriculture science and innovation to boost food and nutrition security globally.

#### 7.8.6 Results :

In **Bangladesh**, a World Bank project increased the agricultural productivity of selected crops (rice, wheat, lentil, mung, and mustard), livestock (dairy cows, chicken, and ducks), and fisheries (tilapia, koi, and pangus) in economically depressed areas that are vulnerable to impacts of climate change.

In **India**, women's self-help groups, supported under the National Rural Livelihood Mission co-financed by the World Bank, have mobilized to meet shortages in masks and sanitizers, run community kitchens and restore fresh food supplies, provide food and support to vulnerable and high-risk families, provide financial services in rural areas, and disseminate COVID-19 advisories among rural communities. These self-help groups, built over a period of 15 years, tap the skills of about 62 million women across India and have proven the worth of a community-based institutions in a time of need.

In **Rwanda**, a program on land husbandry, water harvesting, and hillside irrigation aimed to better manage rainfall to prevent hillside erosion.

In **Samoa**, which has some of the world's highest rates of diabetes and heart disease, a Bank-supported project is working to improve agriculture and health outcomes. The program has increased fruit and vegetable yields and strengthened the connections between local farmers to markets.

In **Uganda**, GAFSP funding is increasing the production and consumption of micronutrient-rich foods, including African indigenous vegetables, high-iron beans, and orange-flesh sweet potatoes.

Indian Scenario: In India, the Central government and the State governments have introduced several programmes to supply food to poor people. The programmes are,

- Public Distribution System as an important constituent of food management. It seeks to improve food security specially for economically weaker sections of the society.
- Targeted Public Distribution System was introduced

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## 7.9 QUESTIONS

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Aspects of Human  
Development - I

1. Write an explanatory note on livelihood.
2. Define term inequalities. Explain different types of inequalities.
3. State different methods of measuring inequalities.
4. Define child labour. What are the causes of emerging problem of child labour? State the measures to overcome the problem of child labour.
5. What are the problems faced by ageing population? Suggest the measures to overcome the problems of ageing of population.
6. Write an explanatory note on Poverty Alleviation Programme.
7. What is food security? Explain various aspects related to food security.



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## ASPECTS OF HUMAN DEVELOPMENT– II

### Unit Structure :

- 8.0 Objectives
- 8.1 Displacement
- 8.2 Indigenous Group
- 8.3 Migration
- 8.4 Education And Health
- 8.5 Workers And Informal Sector
- 8.6 Social Security
- 8.7 Human Security
- 8.8 Questions

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### 8.0 OBJECTIVES

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The main objective of this module is to study and analyse the various aspects of human development. Human development plays a very important role in the overall economic development of the country. This module aims at highlighting various aspects of human development like Displacement, Indigenous Group, Migration Education And Health, Workers And Informal Sector, Social Security and Human Security etc.

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### 8.1 DISPLACEMENT

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Development refers to the social, economic, political, and cultural changes in the human societies. The governments of the nation accelerate the process of development by undertaking development projects to improve the quality of life of its people. Development has become the founding belief of the modern world. Development has become the life line of every economy. Development in actual sense should mean, using the productive resources of the society to improve the living conditions of the poor. On other hand it means economic growth, through the establishment of industries, dams, irrigation projects, highways, hospitals, educational institutions, etc. But the development never goes single handed. For undertaking development projects, it is necessary to acquire land from the individuals in the locality where the project is being established. In the process of land acquisition, a sizeable number of affected people lose their

homes and hearts and get physically displaced. Thus, development is always accompanied by forced displacement.

Displacement is caused as a result of the development paradigm, causing cultural, identarian crisis for a large number of social categories, in which tribal, backward castes etc. have become the major victims. It is often argued that the establishment of such projects is necessary for the development of our nation. This is true. But the social cost due to displacement needs serious attention.

Every **human development** dimension can be affected by internal **displacement**. **Displacement** can reduce access to employment, healthcare and education, with long-term consequences on the well-being and economic potential of all affected.

Development-induced displacement occurs when populations are evicted from their homes either to enable the construction of large-scale development projects such as dams, roads, power plants, mines, or irrigation schemes; or as part of government policies related to urban development and population redistribution (Robinson, 2003).

Development- induced displacement has come to stay with the LPG model (Liberalization, Privatization and Globalization). Development in actual sense should mean, using the productive resources of the society to improve the living conditions of the poor.

Human development requires expanding people's capabilities for living decent lives and enhancing their opportunities for economic, social and political empowerment. Human Development is about people, about expanding their choices to live full, creative lives with freedom and dignity. Economic growth, increased trade and investment and technological advance are all very important. The most basic capabilities for human development are living along and healthy life, being educated, having a decent standard of living and enjoying political and civil freedoms to participate in the life of one's community.

So now the question arises can the development projects and human development go hand in hand? In many cases it is seen a region with higher development projects is facing a retarded human development.

Dislocation breaks up living patterns and social continuity. It dismantles existing modes of production, disrupts social networks, causes deprivation along with impoverishment of many of those uprooted, threatens their cultural identity, and increases the risks of epidemics and health problems.

Forced displacement includes the dismantling of traditional production systems, desecration of ancestral sacred zones, graves and places of worship, scattering of kinship groups, disruption of family systems and informal social network (Kothari, 1995). The development projects give priority to economic efficiency rather than to the wellbeing of the people affected or displaced by them. Forced resettlement carries

severe risks of impoverishing the uprooted people, many of whom are very poor even before displacement.

In the name of development, basically the poor and the tribes are displaced from their traditional habitats and livelihoods with little or no rehabilitation, and are rendered destitute, bewildered and pauperized by the development process. They are pushed into vortex of increasing asset lessness, unemployment debt bondage and hungry due to loss of access to traditional sources of livelihood viz., land, forest, rivers, pastures, cattle etc.

Apart from the loss of land, living and lifestyle, displacement causes other traumatic, psychological and socio-cultural consequences, making their life more miserable and impoverished, surrounded by all round deprivation.

The major among the negative outcomes is the industry- induced displacement. If we consider displacement as the factor responsible for causing impoverishment and deprivation, then the maximum of the impoverishment is caused due to industrialization-induced displacement. Since it create a vicious circle of displacement, beginning with acquisition of land for the establishment of industry and culminating in mass slums, the existence of slum in every industrial city is a sufficient testimony to this fact. Unplanned resettlement programmes lead to the creation of slum with insufficient water, electricity and sanitation systems. Due to packed living and congestion in slums the diseases are easily transmitted. Along with this, poor sanitation and lack of availability of drinking water causes various vector borne diseases like dengue, malaria, chikungunia and wate borne diseases like dysentery, cholera, jaundice, typhoid, etc. These diseases affect the industrial cities with increasing ferocity, largely because of the water storage methods that create an environment for the dengue mosquito to proliferate. Large ash ponds of various power plants and their peripheral wetlands also provide a heaven like place for this dreaded mosquito. Solid waste, which is frequently, dumped in urban and industrial areas, present an ideal mosquito breeding sources after accumulation of rain water in these containers. The industrialization-induced displacement has caused exploitation of mineral resources and industrial activities have resulted in high level of air pollution, soil pollution, and surface water contamination, and accumulation of industrial wastes. Highest air and soil pollution correspond with the highest infant mortality rates and incidence of respiratory system diseases. Acute respiratory infection is one of the three major causes of infant mortality (the other two being diarrhoea and malnutrition).

There is occurrence of elevated blood lead levels, with the place of industrial residence and the intensity of vehicular traffic, caused due to non-stop transportation.



**i) Deprivation of land :**

Land is the main foundation on which many people build productive systems, commercial activities, and livelihoods. Expropriation of land causes loss of both the natural and man-made capital. The Land Acquisition Act of 1894, allows displacement for undefined public purposes without the consent of the people affected. However, in reality, people are cultivating most of the government land for generations, for which they have no written evidences (patta) for that, which makes an accelerated displacement work without any thorns leading to deprivation of land. In other words the displacees experience a downward mobility in their cultivator status. Most big farmers become medium, the medium farmers become small and small and marginal farmers become landlessness, thereby affecting the human development.

**ii) Deprivation of home :**

Many of the displaced persons or the project affected people, own only homestead land. Thus, displacement leads to deprivation of home. Often, the incidence of the deprivation increases if the compensation for demolished dwellings is paid at assessed market value than replacement value.

**iii) Deprivation of job :**

Work is an important feature of human existence; it is the means of sustaining life and of providing means for the attainment of human capabilities. Work is regarded as the productive toil in which rights are respected, security and protection are provided. But, displacement causes deprivation of job through lack of access to work and the downward occupational mobility. People deprived of jobs may be landless agricultural labourers, service workers, or artisans.

**iv) Deprivation of food :**

Displacement diminishes self-sufficiency, dismantles local arrangements for food, and thus deprives people of food. After rehabilitation and resettlement also, the quality of land given is so poor that the displacees could not grow enough food.

**v) Social deprivation :**

Displacement leads to social deprivation by uprooting their communities, social organization, local associations and entire villages and thereby destroying long established social networks. The displaced persons who lived in an Informal society are forced to interact with another culture and society to which they cannot always adapt themselves. The deprivation is multiplied when, in the newly located area they are regarded as strangers and are denied of opportunities and entitlement. They are forced to maintain a materialistic life, and lose their social contact, traditional life style and try to imitate the urban ways of living. Such insecurity results in marginalization or what Cernea calls social disarticulation which acts as thorn in the path of human development, through disempowerment.

**vi) Economic deprivation :**

A major component of human development is economic security and development-induced displacement denies it to the displaced persons by curtailing their access to natural resources on which their communities depend. The displaced persons due to lack of land, job, food, home are marginalised and fall below poverty thresholds.

**vii) Deprivation of common property :**

The displaced persons are basically dependent on the common property resources for their livelihoods. Through displacement they are deprived of forest land, grazing land, burial ground, waste land, socio-cultural places, common public services, approach roads, drinking water sources, and village deity/religious places. Forests, acts as a natural insurance which protects basically the tribal against crop failure due to natural hazards (Mahapatra 1999). This deprivation represents a form of income loss and livelihood deterioration that is typically overlooked by planners and therefore uncompensated.

**viii) Destruction in self-dependence :**

Deprivation of land causes destruction in self dependence as Land is the main foundation on which many people build productive systems, commercial activities, and livelihoods.

**ix) Low access to education :**

Education is the base to every development; be it human development or social or economic development. But, landlessness, joblessness, homelessness, marginalization and social disarticulation cause a low access to education among the displaced persons. Besides this, before displacement the schools were close to the village, so most children were at school. Under rehabilitation programme, land and houses were given but no schools. By the time schools were built, the children had lost the habit of going to school and were engaged in household activities.

**x) Creation of urban poverty :**

Basically, the urban poverty is created by the rural poors or the displaced persons who are forced to migrate to urban areas without any livelihood at their own land to access. And adding to the woes, the urban areas don't have the accommodating designs for these displaced persons. Once upon a time those who were land owners are now landless poors of cities due to their deprivation of land and job.

**xi) Impoverishment of the existing poverty :**

By impoverishment we mean not the relative economic deprivation or poverty in which many of them lived prior to their displacement, but "new poverty" caused by the alienation of their sustenance. As stated above, it begins with landlessness and slowly turns into joblessness, loss of income, lack of access to health care and to education and into other forms of deprivation.

**xii) Negative impact on health :**

Health security is another area of concern for human development. Health depends to a great extent on nutrition, clean water and air. Deprivation by development projects causes food insecurity and health insecurity. Displacement threatens to cause serious decline in health levels. Displacement-induced social and economic stress and psychological trauma are sometimes accompanied by the outbreak of relocation related illness.

**xiii) Generation of child labour :**

Deprivation of land and job causes economic deprivation. The displaced persons lose access to their income. In the absence of other sources they had to turn their children into child labourers in order to earn an income. More than that children lose access to schools and to supplement the household income go for doing odd jobs, either the household jobs or the industrial labourers.

**xiv) Downward economic and social mobility of women :**

Many times it is seen that women work in their land. When women are deprived of this land, their status declines. After displacement joblessness is higher among women than among men. Forced displacement is a traumatic experience. It reduces women to being housewives alone depending on the man's single salary, the part of which is spent on alcohol. Men increase drinking as a coping mechanism, which is the reason for domestic violence and women fall prey to it. And, basically the women are attached with the family and community bonds. But, due to displacement, the well knit social fabric completely shatters. There occurs serious disruption of family bonds. This emotionally marginalizes the women. Other than that women face serious crime against them like rape, polygamy, destitution by husbands, increased dowry system etc.

**xv) Insecurity of the future generation :**

A minimal compensation and a job is assured to the present generation, but what will happen to the future generation? They would be left with no job and land as an asset. Their struggle to live will start with finding a job. If a job not found, then they cannot go for farming also due to landlessness as such they will be forced to go into the poverty cycle, by getting themselves engaged as a daily labourer or a cultivator on others land. The reason is that the development projects are not sustainable in nature.

**Remedies to Reduce the Forced Displacement:****i) Comprehensive Compensation Package :**

The compensation paid to the displaced persons is very minimal. It is a mode of exploiting the poor by the elites. Thus, a comprehensive compensation package must be followed. This implies that in case of urban areas, the award amount would be not less than twice that of the market value determined, whereas in rural areas it would be not less than six times the original market value

**ii) A Genuine Land for Land Scheme :**

In many compensation schemes, land is given for land. But this process is also not fair. Rich cultivable land is taken and instead poor, non-irrigational, infertile land is given. Basically, land is used by the poor for the agricultural purposes only. Land has always been a source of security on which the poor subsist and meet their food deficits. If they are compensated with such quality of land, then human degradation is unavoidable. Instead of taking the land from the individual for the project work and compensated once for all, the land should be taken on lease and payment is made either on monthly basis or yearly or quarterly basis.

**iii) A Major Role to be Undertaken by the Financial Institutions :**

The compensated money should not be given all at a time. Because the poor, illiterate, displaced population would misutilise the compensated money. In general, the displaced population lacks the knowledge of savings. They believe in today and don't think of tomorrow. So, the money is spent on alcoholism or any other unnecessary things. Otherwise, the agricultural labourers are debt burden. In such cases, the financial institution is to play a major role in motivating the compensated population to go for saving and profit oriented investment, so that industry-induced displacement would not generate a new poverty scenario, but become the cause for human development.

**iv) Education and Human Development :**

Education is an essential requirement for a better and a brighter future and also a key ingredient for human development. Education also acts as a Human development index. In the rehabilitation and resettlement policy, education should be emphasized. Schools should be built not so far from the rehabilitation colony, so that it can be accessed by all. Building of schools in the rehabilitation camp should not take so much time so that children lose the habit of going school.

**v) Health and Human Development :**

Health is an important pillar of human development. Due to their deprivations and helplessness, they are forbidden from taking either any preventive measures or any curative measures due to lack of access. As the displaced are forced to resettle at the unhealthy rehabilitation camp, which affects their health with a greater incidence, they are left with no option either to move to other place as they are deprived of their homes and land or to access medical facilities due to economic deprivation. Basically, the resettlement plans are done in and around the industrial estates which in the long run also affects the health of the displaced population. So, whether it may be in the initial stage or in the long run the displaced population sacrifices their health either due to social environment or due to polluted natural environment. Ultimately all these will combine to cause poor health, disease and lastly death. So care should be taken that proper health care facilities are provided at the rehabilitation centre. The primary health centre should be at a reachable distance and the displaced population should be provided with free initial treatment.

Poverty and unemployment is a twin problem. If there is unemployment then the existence of poverty is unavoidable. Land is the main foundation on which many people build productive systems, commercial activities, and livelihoods. Expropriation of land causes loss of both the natural and man-made capital. Forced displacement causes unemployment and generation of new poverty (women poverty, child poverty, downward mobility). So care should be taken by the project developers to reduce the gender disparities, i.e., in the process of forced displacement the women are affected the most and care should be taken to avoid child poverty. Because due to landlessness, joblessness, the children are forced to do work to make an additional income to the family.

**CONCLUSION :**

Economic development without human development is meaningless. Development cannot be real till such failures are remedied and its benefits reach those who pay its price. A true human development cannot be achieved in an economy where despite the growth in the economy, opportunities don't expand, where the benefits belong to the rich and burden and cost falls on those at the periphery, where loss of cultural identity as collateral damage is an issue. Development should be a holistic concept that encompasses the progressive improvement in the quality of human life in terms of food, clothing and shelter and conditions for healthy living with increasing longevity of life and happiness (Rajkishor Meher, (2009)). Basically, the development projects are focused on higher productivity and profits and don't provide adequate employment for the poor and marginalized displaced people. Our country is such that where the people are poor half-starved, mal-nourished, lack skill based education and adequate health care facilities. So, if the major challenges of such development projects are not known, then the remedial actions cannot be taken.

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**8.2 INDIGENOUS GROUP**

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“Indigenous and tribal peoples” is a common denominator for more than 370 million people, found in more than 70 countries worldwide. Practicing unique traditions, they retain social, cultural, economic and political characteristics that are distinct from those of the dominant societies in which they live. Spread across the world from the Arctic to the South Pacific, they are the descendants - according to a common definition - of those who inhabited a country or a geographical region at the time when people of different cultures or ethnic origins arrived. The new arrivals later became dominant through conquest, occupation, settlement or other means.

Among the indigenous peoples are those of the Americas (for example, the Lakota in the USA, the Mayas in Guatemala or the Aymaras in Bolivia), the Inuit and Aleutians of the circumpolar region, the Saami of northern Europe, the Aborigines and Torres Strait Islanders of Australia and the

Maori of New Zealand. These and most other indigenous peoples have retained distinct characteristics which are clearly different from those of other segments of the national populations.

Indigenous and tribal peoples have their own cultures, languages, customs and institutions, which distinguish them from other parts of the societies in which they find themselves.

Indigenous and tribal peoples are often known by national terms such as native peoples, aboriginal peoples, first nations, adivasi, janajati, hunter-gatherers, or hill tribes.

“Indigenous” describes any group of people native to a specific region. In other words, it refers to people who lived there before colonists or settlers arrived, defined new borders, and began to occupy the land.

Considering the diversity of indigenous peoples, an official definition of “indigenous” has not been adopted by any UN-system body. Instead the system has developed a modern understanding of this term based on the following:

- Self- identification as indigenous peoples at the individual level and accepted by the community as their member.
- Historical continuity with pre-colonial and/or pre-settler societies
- Strong link to territories and surrounding natural resources
- Distinct social, economic or political systems
- Distinct language, culture and beliefs
- Form non-dominant groups of society
- Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.

Indigenous peoples are the holders of unique languages, knowledge systems and beliefs and possess invaluable knowledge of practices for the sustainable management of natural resources. They have a special relation to and use of their traditional land. Their ancestral land has a fundamental importance for their collective physical and cultural survival as peoples. Indigenous peoples hold their own diverse concepts of development, based on their traditional values, visions, needs and priorities.

Indigenous peoples often have much in common with other neglected segments of societies, i.e. lack of political representation and participation, economic marginalization and poverty, lack of access to social services and discrimination. Despite their cultural differences, the diverse indigenous peoples share common problems also related to the protection of their rights. They strive for recognition of their identities, their ways of life and their right to traditional lands, territories and natural resources.



India is home to about 700 tribal groups with a population of 104 million, as per 2011 census. These indigenous people constitute the second largest tribal population in the world after Africa. As industries encroached upon their lands, many communities were displaced and some continued to wage a struggle to either protect their homes or demand a fair compensation.

By taking away forest lands for industries and plantation forestry instead of preserving natural species that provide livelihood to these people, the government was depriving them of the basic means of livelihood.

### **Main Problems Faced by the Indian Tribes**

- Loss of Control over Natural Resources: ...
- Lack of Education and problem of illiteracy: ...
- Displacement and Rehabilitation: ...
- Problems of Health and Nutrition: due to the lack of proper medical and sanitary facilities and poverty.
- Gender Issues: ...
- Erosion of Identity:
- Poverty and exploitation.
- Economic and technological backwardness.
- Socio-cultural handicaps.
- Problems of assimilation with the non-tribal population.
- Indebtedness due to lack of adequate sources of income.
- Tribals who have been degraded to the status of untouchables.

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## **8.3 MIGRATION**

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### **8.3.1 Introduction:**

Migration is a long-term relocation of an individual, household or group to a new location outside the community of origin. Migration is the movement of people from one place to another. Migration can be within a country or between countries, permanent, temporary or seasonal. Today the movement of people from rural to urban areas is most significant.

Migration happens for a range of reasons. These can be economic, social, political or environmental. Sometimes the push and pull factors drive migration. Migration impacts both the place left behind and, on the place, where migrants settle. These impacts can be both positive and negative. Some people decide to migrate, e.g., someone who moves to another country to improve their career opportunities. Some people are **forced** to migrate, e.g., someone who moves due to famine or war.



### 8.3.2 Causes of Migration :

#### 1. Push and Pull Factors: Migration is explained in terms of

- a. Push Factors-conditions in the of origin which are perceived by migrants as detrimental to their well-being or economic security- for e.g., high unemployment, greater willingness or desire to move etc.
- b. Pull Factors: It includes the circumstances in new places that attract individuals to move there- for e.g., better education, better life style, job opportunities, higher wages/salaries, moving to a better climate etc.

#### 2. Economic Factors :

- Economic migration-due to permanent or seasonal factors
- people move from poorer developing areas into richer areas where wages are higher and more jobs are available
- people from rural areas move to more competitive urban areas in order to find more opportunities.

#### 3. Environmental Factors :

Environmental factors cause *displacement*, or the forced movement of people by social or environmental factors.

- Migration caused by environmental factors is increasingly involuntary.
- Crop failure often results in both food scarcity and a drop in agricultural jobs, prompting people to move to a place with better job opportunities and climate.
- Pollution of water, air and soil in both urban and rural settings can also create a serious health risk to locals, forcing them to look for a better life for themselves and their children.
- Devastating natural disasters such as tsunamis, hurricanes and earthquakes
- Example-Syrian drought was catastrophic, causing many families to lose their farms and move into big cities.

#### 4. Social Factors:

Social factors motivating migration grow from the human needs and desires to achieve a better quality of life.

- Migrants often move to ensure better opportunities for themselves or their family, like sending their child to a better, safer school or finding a job that would have not only a sufficient salary, but also important benefits and career growth prospects.

- In terms of education, the United States graduate programs have been a particularly strong attraction for young, talented individuals around the world.
- Individuals can also migrate in search of services, such as life-saving surgery and medical treatment that are inaccessible in their home area.

### **5. Safety Factors :**

- Safety factors can cause danger to individuals, prompting them to migrate.
- Persecution and discrimination based on nationality, race, religion, political beliefs, or membership status in a particular social group will prompt people to move large distances in search of a safer living location where they can have freedom over their lives.
- Danger can be imposed upon individuals by something formal, like war, or informal, such as widespread gang activity. In 2016, the Northern Triangle, composed of Guatemala, Honduras and El Salvador, was named one of the most violent regions in the world. All three Northern Triangle countries record thousands of crimes by local and international gangs and armed criminal groups, and most crimes are met with impunity. It is estimated that 10% of the Northern Triangle's population has already left, and it is likely that many more will flee in part due to extreme violence.

### **6. Industrialization :**

- New job opportunities- motivated surplus labour to move to cities
- Migrants provided cheap, plentiful labour to emerging industries
- Concentration of investment in urban areas was an attraction

### **8.3.3 Harris-Todaro Model of Migration :**

Economic development of Western Europe and US is associated with movement of labour from rural to urban areas. Rural areas dominated by agriculture and Urban areas dominated by industrial activities. Economic Development of these nations was characterized by gradual relocation of labour out of agriculture (Rural Area) and into industry (urban areas)—Lewis Model . But this migration was not validated by the experiences of developing countries – these countries witnessed massive migration of people from rural to urban areas despite rising levels of unemployment and underemployment

Todaro Migration Model and Harris –Todaro Model tries to explain the paradoxical relationship of accelerated rural-urban migration in the context of urban employment.



- But if urban wages are institutionally determined (downward) as assumed by Todaro at a level  $\bar{W}_M$  which is higher than  $W^*_M$
- If we assume that there is no unemployment  $O_M L_M$  workers would get urban jobs and the rest,  $O_A L_A$  would have to settle for rural unemployment at  $O_A W^*_A$  wages (below free market level  $(O_A W^*_A)$ )
- Now we have urban-rural wage gap of  $\bar{W}_M - W^*_A$  with  $\bar{W}_M$  institutionally fixed. If rural workers are free to migrate then despite the availability of only  $O_M L_M$  jobs, they are willing to take their chance in the urban job lottery. If their chance of securing one of these favoured jobs is expressed by the ratio of employment in manufacturing,  $L_M$ , to the total urban labour pool,  $L_{US}$ , then the expression,  $W_A = \frac{L_M}{L_{US}} (\bar{W}_M)$ , shows the probability of urban job success necessary to equate agricultural income  $W_A$  with urban expected income  $\frac{L_M}{L_{US}} (\bar{W}_M)$  thus causing a potential migrant to be indifferent between job locations.
- The locus of such points of indifference is given by the qq' curve in the diagram. The new unemployment equilibrium now occurs at point Z, where urban-rural actual wage gap is  $\bar{W}_M - W_A$ .  $O_A L_A$  workers are still in the agricultural sector, and  $O_M L_M$  of these workers have modern (formal) -sector jobs paying  $\bar{W}_M$  wages. The rest  $O_M L_A - O_M L_M$  (i.e.  $L_A L_M$ ) are either unemployed or engaged in low income informal sector activities.

### 8.3.4 Effects of Migration :

1. The internal migration process in which surplus labour gradually withdrawn from the rural sector to provide needed manpower for urban industrial growth has led to a situation where rural-urban migration exceeds rates of urban job creation and to surpass greatly the absorption capacity of both industry and urban social services.
2. Migration is no longer viewed as a beneficial and useful to solve problems of growing urban labour demand. On the contrary migration particularly to the largest LDC cities is seen as a major factor contributing to the ubiquitous phenomenon of urban surplus labour that intensifies an already serious urban unemployment problem.
3. Migration worsens the rural-urban economic and structural imbalances in different ways. On the **supply side**, the internal migration disproportionately increases the growth rate of urban job seekers relative to urban population growth, which itself is at historically unprecedented levels because of the high proportion of well-educated young people in the migrant system. Their presence tends to swell the urban labour supply while depleting the rural country side of valuable human capital. On the **demand side**, urban job creation is generally more difficult and costly to accomplish than rural job creation because

of the need for substantial complementary resource inputs for most jobs in the industrial sector. (LDCs are capital scarce)

- 4. The pressure of rising urban wages and compulsory employee fringe benefits together with the unavailability of appropriate, more labour-intensive production technologies implies the use of capital intensive techniques in the modern sector which worsen the problem of urban unemployment.
- 5. The rapid supply increase and lagging demand growth tend to convert a short-run problem of resource imbalances into a long-run situation of chronic and rising urban surplus labour.
- 6. The impact of migration on development process is much more pervasive than its obvious aggravation of urban unemployment and underemployment. Its significance lies in its implications for economic growth in general and for the character of that growth, particularly its distributional manifestation.

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## 8.4 EDUCATION AND HEALTH

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### 8.4.1 Education :

Development requires natural resources and physical capital which are both gainfully used by labour. How and to what extent it could be used and the level of economic development that can be achieved depends on the quality of labour force (Human Capital). Economic growth does not depend merely on the number of labourers employed but more on their quality. Improvement in the quality of labour is a necessary instrument of development. It is the cause as well as consequence of economic development. To build up qualitative human capital, investment in expanding education both horizontally as well as vertically, is very essential. Thus, following stages of education require to be promoted

- Formally organised education at the elementary/primary, secondary and tertiary levels.
- On the job training.
- Study Programmes for adults.
- Extension programmes particularly in agriculture.
- Research and development.

Education is essential for the overall development of human mind and brain. Educating can truly make or break an individual because it builds and develops a person's belief, ideologies and values.

Education in general sense refers to literacy, that is, school education and higher education leading to acquiring qualification, training and skill development.

In a broad sense, education includes personality traits, creativity, intelligence, judgement and ability to innovate. Formal education – primary, secondary and tertiary- helps to improve personal as well as national economic progress.

### Contribution of Education:

Education improves efficiency of labour and in turn brings positive changes in economic development. Education is not a constant factor. Depending on changes in science, technology, social and economic development, the quality of education also changes. Education is a cause as well as an effect of all the changes. It is so because labour is capable of thinking. Effective use of physical capital depends on human capital. Large scale investment in human capital is essential. Investment in education is essential. Education contributes to the economic development in several ways such as,

- Investment in education promotes economic growth. To Todaro education helps in economic development in several ways
  - Helps in creating more productive labour force and improving the labour force with increased knowledge and skill
  - Helps in providing wide spread employment and income earning opportunities for teachers, construction workers, text-book and paper printers, school uniform manufacturers
  - Helps in increasing a class of educated leaders
  - Helps in providing basic skills and encourages modern attitude among different people.
- Rural Development--It widens the horizons of the knowledge of the people. It helps to **overcome ignorance of superstitions-** helps in them to adopt the new methods of production, improve the quality of life, setting up of new cottage industries, helps to overcome problem of disguised unemployment, brings qualitative improvements, reduces income inequalities, improves capabilities and standard of living.
- Reduction in Inequalities as education improves the capabilities and efficiencies of people. Improvement in knowledge and skill efficiency- so better opportunities, higher social status.
- Helps in Family Planning especially in LDC's. Education brings modernization and revolutionary ways of thinking of people and improvement in their thought process. It explains the importance of small families which brings higher standard of living, women education, use of family planning methods etc.
- According to WHO, health means a state of physical, mental and social well-being of people and absence of disease. Improved Fertility, Improved Learning, Efficient Labour Force, Longer Life Expectancy, Easy to Provide Training, Minimise the Loss of Working Hours, Less

Expenditure on Illness, Reduction in Family Size, Health & Investment.

- It improves efficiency. Educated labour is more efficient than an uneducated labour. The extent and degree of efficiency increases along with the level of education.
- Economic development is the function of innovation (Schumpeter). They are introduced by innovative entrepreneurs who are the educated ones perhaps with few exceptions. An educated labour force is better in creating, implementing and adopting new technologies which leads to further growth.
- Economies with sufficient number of appropriately educated labour force find it easy to adopt technology from advanced countries and try to close or bridge the technological gap faster.
- Educated labour force, particularly with higher education gives rise to research and development. It also helps to attract FDI.
- Education increases an individual's scope and ability to earn more.
- Education improves the quality of labour and also the quality of physical capital through the application of knowledge.
- Education has spillover effects(externalities) on the other sections of the society which offsets diminishing returns to capital.
- Education contributes to the development of human capital, physical capital and in turn agriculture, industry and service sector of the economy.
- Education through knowledge and skill brings down the poverty.
- Education enables the nations to bring in qualitative changes and transform the society.

Education has **cost and benefit** for both individuals (private) and the society as a whole. Private cost refers to the expenses incurred by the students and also the opportunity cost. Their benefits include monetary and social.

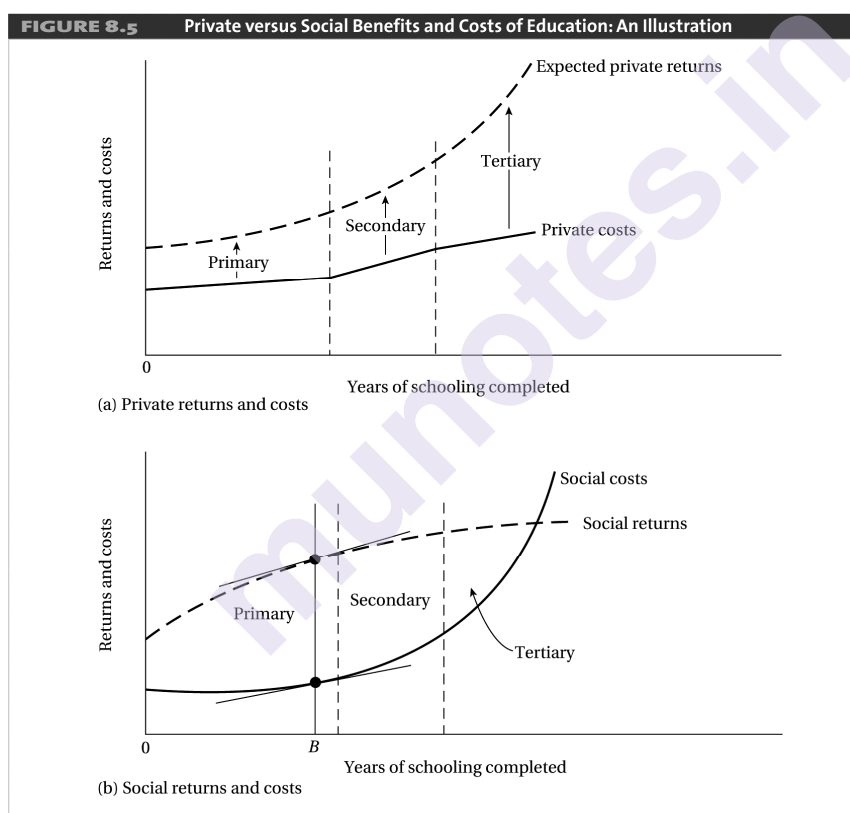
Public cost involves money spent by the public authorities in providing education and also opportunity cost involved in its expenditure.

In the following diagram the part 'a' the dotted line shows that the expected private returns on different levels of education. It grows at a faster rate than private cost. For a student, his returns increase as the level of education goes up. The cost benefit difference is the highest at the tertiary level of education. As the level of education increases the cost too increases but the increase in benefits or returns is much more than the increase in cost.



Part 'b' of the diagram brings out social returns and social cost of education. The social returns which the entire society or economy benefits from education increases but it almost stops in the tertiary level of education. The social cost which is in the form of opportunity cost to society as a whole, that is, the funds spent specially for higher education could be spent more productively in other sectors of the economy. In this diagram, at point B the net social return of education is maximised for the corresponding social cost. Thereafter the cost increases more than benefits. Brining out clearly the increasing social cost for the higher education as against its social benefits.

Social expenditure in tertiary education is at a higher level and increases at a faster pace, yet it is inevitable since tertiary level education includes money spent on research and development and it results in benefits in the form of inventions and innovations. They in turn lead to a qualitative change in economic and social life.



It is also essential to give stress on women education to bring faster economic development. Women education needs proper attention especially in the Less Developed Countries in the world. It is essential to promote women's education because

- The rate of return on women's education is higher than on men's in most developing countries.
- Increase in productivity as a labourer.

- Lead to late marriage, lower fertility and greatly improved child health and nutrition.
- Educated mothers improve the quality of a nation's human resources for many generations to come.
- Education empowers women who in turn enhance their social and economic standing, which can have an important impact on breaking the vicious circle of poverty.

**8.4.2 Health :**

According to World Health Organisation (WHO), health is “a state of complete physical, mental, and social well-being and not merely the absence of disease and infirmity.” Another method of the WHO is called as DALY, which stands for ‘Disability Adjusted Life Year’.

Good health is an important development outcome in its own right. Illness brings sufferings where as healthier lives are likely to be longer and more fulfilling.

It is often said that economic development can contribute to better health. Wealth brings better nutrition, more investment in medical care and public health care. At the same time, health improvements can also contribute to economic development. A good nutrition leads to good health, a healthy mind and spirit which makes a person economically more productive. Its contributions are,

1. Improved Productivity: Better health improves the productivity of a person. Better health can make workers more productive, either through fewer days off or through increased output while working. Improved health of family members will have a similar impact through reducing time lost to caring for dependants.
2. Improved Learning: Improved nutrition and reduced disease, particularly in early childhood, leads to improved cognitive development, enhancing the ability to learn. Healthy children can gain more from school, having fewer days absentee due to ill health.
3. Efficient Labour Force: Good health makes people more efficient in terms of work that they put in. Even in case of manual labour, a healthier labour force can put in more work and produce more as against the work force with poor health. Health increases physical efficiency. Better health and nutrition and health enables people to improve their physical health. They get better opportunities to work and earn more.
4. Qualitative Labour Force: Health enables children to be more regular at school and college. It helps them to concentrate and understand better. They find it easier to pursue higher education and acquire higher qualifications. An educated population is a social and economic asset.

5. **Longer Life Expectancy:** There is an increase in the life expectancy of the people, especially in the Less Developed Countries of the world. It provides higher working hours and thus more productive years. It helps to increase production and income.
6. **Easy to provide training:** Healthy people are more open to and can easily be trained in their work. Good health enables workers to be absorbed effectively in service training. By and large they have a positive attitude toward work as well as the problems they face. Workers with positive attitude are a great asset for a production unit. Such workers also provide a better work environment.
7. **Minimises the Loss of Working Hours:** Good health helps the workers to be regular, punctual and more attentive to their work. This affects the income level of the workers.
8. **Reduces expenditure on treatment of illness:** People who enjoy good health spend less on medical treatment. This gives them more disposable income which they can spend on improving quality of their life.
9. **Reduced family Size:** Investments in sexual and reproductive health can lead to reduced poverty by reducing the size of families. At a societal level, similar investments may lead to demographic changes conducive to economic development. There will be substantial increase in savings. These savings will provide funds for investment essential for development.
10. **Health and Investment:** Healthier individuals will often have the ability and incentive to save more. This accumulation of capital may help to enhance growth through investment. Companies are likely to invest more when workforces are healthier and better educated. Healthy and disease-free environment will support development of several sectors including tourism.

### **Conclusion :**

Thus, good health enables an economy to have active and efficient workforce. The popular saying always says that 'Health is Wealth'. In reality, capital and natural resources are passive factors of production and human beings are active agents who accumulate capital, exploit natural resources, build social, economic and political institutions and accelerate the pace of economic development.

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## **8.5 WORKERS AND INFORMAL SECTOR**

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### **8.5.1 Introduction:**

In the overall development process, the informal sector plays a very important role due to its high labour absorbing potential, low wage cost, and forward and backward linkages. The contribution of the informal sector to the economy particularly in terms of employment generation is very large. Due to lack of employment opportunities in the public sector

and in the private formal sector, many people are forced to join the informal sector to earn a living.

The informal sector can be seen on streets, sidewalks and back alleys of cities and include petty traders, street vendors, coolies and porters, small-scale artisans, barbers and shoeshine boys.

The term informal sector was first used in the 1970s by Keith Hart and the International Labour Organisation (ILO). Different authors and scholars have interpreted informal sector in different ways. The International Conference of Labour Statisticians (ICLS) defined the informal sector as all unregistered (or unincorporated) enterprises below a certain size, including micro enterprises owned by informal employers, who hire one or more employees on a continuing basis and Own-account operations owned by individuals, who may employ contributing family workers and employees on an occasional basis.

In non-statistical terms, informal sector includes employers in informal enterprise, Own-account workers in informal enterprises, Unpaid family workers and Members of informal producers' cooperatives.

**8.5.2 Characteristics :**

1. Nature of Employment: For people engaged in informal sector there is an absence of protection and recognition, non-coverage of minimum wage legislation, absence of trade union organisation, low income and wages, little job security, no fringe benefits,
2. Nature of Job: Informal sector jobs are characterised by low level of technology and skill, unskilled workers etc.
3. Type of enterprise: Activities in informal sector are small scale in nature, unregulated, easy entry, rely on locally available resources, use of family labour, high level of working capital than fixed capital, low productivity, labour intensive, activities are geared towards the needs of the modern sector such as, vehicle repair, radio/TV/refrigerator/watch repair, manufacture of bricks etc
4. Problem of Habitat: Land and Housing settlement-unauthorised use of vacant public and private land, unauthorised construction of structures, reliance on low cost and locally available waste material, low-cost family labour, absence of restrictive standards, non-availability of mortgage.
5. Market of Credit: Informal credit market is unregulated, easy accessibility, small size and short duration/time, low administration and information cost, little or no collateral, flexible interest rates, highly flexible transactions and repayment tailored to individual needs

### 8.5.3 Advantages :

- High Productivity and surpluses: Informal sector has higher productivity than even the rural sector. It generates more surpluses. This surplus can be utilised to promote formal sector.
- Low capital Intensity: This sector is more suitable to the factor endowment of the developing countries. Informal sector makes use of labour-intensive techniques than the capital intensive. Thus, they are more suitable to the developing countries which are relatively capital scarce and labour surplus. It can create employment opportunities much faster.
- Learning Experience: Informal sector provides learning experience for both wage workers and self employed people. Thus it enhances human capital.

### 8.5.4 Problems of informal sector :

**1. Labor Related Challenges :** On dividing the large number of workforce between the rural and the urban segment, although the large number is employed in the rural sector, the bigger challenge is in the urban workforce in the informal sector.

- Long working hours, low pay & difficult working conditions.
- Low job security, high turnover and low job satisfaction.
- Inadequate social security regulation.
- Difficulty in exercising rights.
- Child and forced labour and discrimination on basis of various factors.
- Vulnerable, low-paid and undervalued jobs.

**2. Productivity :** The informal sector basically comprises MSMEs and household businesses which are not as big as firms like Reliance. They are unable to take advantage of economies of scale.

**3. Inability to Raise Tax Revenue :** As the businesses of the informal economy are not directly regulated, they usually avoid one or more taxes by hiding incomes and expenses from the regulatory framework. This poses a challenge for the government as a major chunk of the economy remains out of the tax net.

**4. Lack of Control and Surveillance :** The informal sector remains unmonitored by the government.

- Further, no official statistics are available representing the true state of the economy, which makes it difficult for the government to make policies regarding the informal sector in particular and the whole economy in general.

**5. Low-quality Products :** Although the informal sector employs more than 75% of the Indian population, the value-addition per employee is very low. This means that a major portion of our human resource is under-utilized.

**6. Credit Crunch :** Due to tiny structure and its single man operation, the informal sector entrepreneurs are not capable enough to acquire adequate credit facility from the financial institutions for the expansion of their business. In the search for bank guarantee many of the entrepreneurs in the informal sector resort to informal credit with high rate of interest. During the situation of acute financial crisis, a few of them even close the business. Therefore access to institutional credit is a perennial problem for informal sector

**7. Lack of education and skill training :** One of the vital lacunae with the informal sector is the absence of technical education and skill. As most of the informal sector has very few employee so to say in single man entrepreneurship there is no division of labour. Due to low skill, the wages of workers working in the informal sector is abysmally low compared to their counterpart in the formal sector. The lack of skill also affect the quantity as well as quality of productivity of informal economy.

**8. Woefully poor physical infrastructure :** The informal sector lack physical infrastructure because of low capital formation. The low capital formation give rise to low investment in physical infrastructure. Modern infrasture facilities are key to raise industrial productivity in this technological advanced era. In the era of globalisation, where the industries are becoming capital intensive so the predominantly labour driven enterprises in the informal sector is obsolete

**9. Lacking in Social protection :** There are absolutely no social security measures for informal workers. The paltry old age pension scheme which government has introduced for the BPL families is too insufficient to provide a sustainable livelihood to the informal workers during the twilight days of their life. There are hardly any life insurance or health insurance scheme for workers working in the informal sector. Although a few states in India have passed social security measures for the informal workers, yet they have not been honestly implemented.

**10. Ineffectual linkages with the formal sector :** There are fragile interface between the formal and informal sector. The big-brotherly attitude of the formal sector towards informal sector activities and employees has created a chasm in performance between the informal and formal sector. The formal sector is organised and structured, while informal sector is mostly unorganised and unstructured. The workers working in the formal sector are largely protected, while those working in the informal sectors are unprotected. All the government policies and programmes are directed towards the increasing efficiency of formal sector, whereas, there are no policies and programmes for strengthening informal sector. Even if it exists, they are in paper but usually not in practice.

### 8.5.5 Periodic Labour Force Survey:

According to the Periodic Labour Force Survey, over 90 per cent of workers in India are informal workers. Out of these, those engaged in rural areas workers are significantly more than urban areas workers.

- This is primarily because a large number of informal workers are engaged in farm or agricultural activities.
- Those in urban areas are involved primarily in manufacturing, trade, hotel and restaurant, construction; transport; storage and communications; and finance, business and real estate.

### 8.5.6 Need to Protect Informal Workforce :

- **Majority of WorkForce** : India's estimated 450 million informal workers comprise 90% of its total workforce, with 5-10 million workers added annually.
- **Job Loss due to Pandemic** : According to Oxfam's latest global report, out of the total 122 million who lost their jobs in 2020, 75% were lost in the informal sector.
- The Covid-19 pandemic experience tells us that there is also a need to provide social protection, as the vulnerabilities of the informal sector became even more prominent as the entire country went into a state of suspension due to the lockdown.
- Moreover, in the current financial year 2020-21, the economy is expected to contract by 7.7%. So, there is an urgent need to revive the economy by generating employment.

### 8.5.7 Security for Workers :

Every worker there should be three types of security:

- **Wage Security** : According to the new payment of **the wages (Amendment) act, 2017**, every worker in India is to be paid certain minimum wages.
- **Job Security** : in the **globalized economy**, the workers should be provided with job security i.e. it should be easy for the employee to hire and dehire.
- **Social Security** : In case of **medical emergency**, in case of death or in the case of old age, people should be able to take care of themselves.

### 8.5.8 Challenges:

- **Labour Related Challenges** : On dividing the large number of workforce between the rural and the urban segment, although the large number is employed in the rural sector, the bigger challenge is in the urban workforce in the informal sector.



- Long working hours, low pay & difficult working conditions.
- Low job security, high turnover and low job satisfaction.
- Inadequate social security regulation.
- Difficulty in exercising rights.
- Child and forced labour and discrimination on basis of various factors.
- Vulnerable, low-paid and undervalued jobs.
- **Productivity** : The informal sector basically comprises MSMEs and household businesses which are not as big as firms like Reliance. They are unable to take advantage of economies of scale.
- **Inability to Raise Tax Revenue** : As the businesses of the informal economy are not directly regulated, they usually avoid one or more taxes by hiding incomes and expenses from the regulatory framework. This poses a challenge for the government as a major chunk of the economy remains out of the tax net.
- **Lack of Control and Surveillance** : The informal sector remains unmonitored by the government.
- Further, no official statistics are available representing the true state of the economy, which makes it difficult for the government to make policies regarding the informal sector in particular and the whole economy in general.
- **Low-quality Products** : Although the informal sector employs more than 75% of the Indian population, the value-addition per employee is very low. This means that a major portion of our human resource is under-utilized.

**8.5.9 Recent Initiatives Taken by Government**

1) **Atmanirbhar Bharat Abhiyan :**

‘**Atmanirbhar Bharat Abhiyan (or Self-reliant India Mission)**’ with an economic stimulus package — worth Rs 20 lakh crores aimed towards cutting down import dependence by focussing on substitution while improving safety compliance and quality goods to gain global market share.

2) **Labour Codes :**

The new **labor codes** that have been passed by parliament to take care of the informal urban segment of the informal economy i.e. **the gig economy**, workers now are the worst affected in a pandemic like situation.

3) **E-Shram Portal :**

The Ministry of Labour & Employment has developed **eSHRAM portal** for creating a National Database of Unorganized Workers (NDUW) for optimum realization of their employability and extend the benefits of the social security schemes to them.

It is the first-ever national database of unorganised workers including migrant workers, construction workers, gig and platform workers, etc.

4) **Udyam Portal :**

It is the only Government Portal for registration of **MSME (Udyam)**.

The Ministry of Micro, Small Medium Enterprises maintains this portal.

It gives the details and steps relating to registration and makes the registration process easy for any person.

It provides **free of cost and paperless registration**.

5) **Pradhan Mantri Shram Yogi Maan-dhan :**

**PM-SYM** is a **Central Sector Scheme** administered by the **Ministry of Labour and Employment** and implemented through **Life Insurance Corporation of India** and **Community Service Centers (CSCs)**.

This scheme seeks to benefit around 42 crore workers from the **unorganized sector** of the country.

6) **Labour Reform :**

The Parliament passed **three labour codes** — on **industrial relations; occupational safety, health and working conditions; and social security** — proposing to simplify the country's archaic labour laws and give impetus to economic activity without compromising with the workers' benefits.

7) **PM SVANidhi :**

The **Ministry of Housing and Urban Affairs (MoHUA)** has launched **Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)**, for providing **affordable loans to street vendors**.

The scheme would benefit **vendors, hawkers, thelewale and people involved in goods and services related to textiles, apparel, artisan products, barbers shops, laundry services** etc. in different areas.

8) **DeendayalAntyodaya Yojana National Urban Livelihoods Mission :**

The **mission** was **launched in 2014** and is being implemented by the **Urban Ministry of Housing & Poverty Alleviation**.

It aims to uplift urban poor by enhancing sustainable livelihood opportunities through skill development.

9) **One Nation One Ration Card :**

The government of India introduced the **One Nation One Ration Card scheme (ONORC)**. ONORC allows a beneficiary to access his food entitlements from anywhere in India irrespective of the place where the ration card is registered.

10) **MGNREGA :**

**MGNREGA** is one of the **largest work guarantee programmes in the world**.

The primary objective of the scheme is to guarantee 100 days of employment in every financial year to adult members of any rural household willing to do public work-related unskilled manual work.

Unlike earlier employment guarantee schemes, the act aims at addressing the causes of chronic poverty through a rights-based framework.

**8.5.10 Way Forward**

- **Looking After Migrant Workforce :** According to the **Institute of Human Development Report**, the total number of vulnerable migrant workers ranged from 115 million to 140 million. It is, therefore, important for the draft rules to clearly state how their applicability will unfold with respect to the migrant informal workforce.
- **Strengthening MSME :** Nearly 40% of the informal workforce is employed with MSMEs. Therefore, it is natural that the strengthening of **MSME** will lead to economic recovery, employment generation, and formalization of the economy.
- **Skilling Under CSR Expenditure :** The large corporate houses should also take the responsibility of skilling people in the unorganized sectors under **CSR (Corporate Social Responsibility) expenditure**.
- Unless the labour force is not skilled and educated, they will not be accommodated in the formal sector and the efforts to formalization will result in unemployment.
- **Simpler regulatory framework :** The transition of the informal sector to the formal sector can only occur when the informal sector is given relief from the burden of regulatory compliance and is given enough time to adjust with the modern, digitized formal system.
- **Recognizing Invisible Labour :** A national policy for domestic workers needs to be brought in at the earliest to recognize their rights and promote better working conditions.

- **Social Security** : Investing in social security schemes like **Atal Pension Yojna, PM Jeevan Jyoti Yojana, Rashtriya Swasthya Bima Yojana, Aam Aadmi Bima Yojana** can help improve the condition of workers.
- The mention of **Universal Basic Income** in Economic Survey 2016-17 is a positive step in this direction.
- **Financial Support** : Giving financial support to help small-scale industries stand on their own is a crucial step in bringing them to the organized sector.
- Schemes like **MUDRA loans** and **Start-up India** are helping the youth carve a niche in the organized sector.

### 8.5.11 Conclusion

- The informal economy is a very pervasive phenomenon and a complex concept. As many individuals of both the formal and informal sector are dependent on it.
- In an informal economy the social security of the workers in an economy should be the top-most priority of the government for creating a social security network.
- The basic necessities of living a standardised life i.e. food, clothing, shelter, hygiene & education is the criteria to arrive at the minimum wage requirement.
- The focus has to be on three aspects of security i.e, job security, wage security & social security.

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## 8.6 SOCIAL SECURITY

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### 8.6.1 Introduction:

The term social security has been defined differently by authorities and, thus, there is no commonly accepted definition of the term. There are mainly two streams of thought on this issue, one represented by the ILO that limits the scope of social security to maintenance of one's income against loss or diminution. Another view perceives social security in a broader sense; in this sense, it is a set of policies and institutions designed to enable a person to attain and maintain a decent standard of life. This is described as a preventive or promotional form of social security. The term social security was coined for the first time when the United States Social Security Act, 1935, came into existence.

Social security is defined as the security that the society furnishes through appropriate organizations against certain risks to which its members are exposed.

The ILO has defined social security as 'the surety that society furnishes, through appropriate organization, against certain risks to which the

members are exposed. These risks are essentially contingencies against which the individuals of small means and meagre resources cannot effectively provide by their own ability or presight or even in private combination with their fellow workers—these risks being sickness, maternity, invalidity, old age, and death. It is the characteristics of these contingencies that they imperil the ability of the working class to support itself and its dependent in health and decency’.

According to Lexicon Universal Encyclopaedia, the term social security has been defined as ‘consisting of public programmes intended to protect workers and their families from income losses associated with the old age, illness, unemployment, or death. The term sometimes is also used to include a broad system of support for all those who, for whatever reasons, are unable to maintain themselves’. The concept of social security is based on ideas of human dignity and social justice

According to Lord Beveridge, social security, “is an attack on five giants viz., want, disease, ignorance, squalor and idleness.” This concept is related to social justice and equality. ILO defines social security as, “the security that society furnishes, through appropriate organisation against certain risks to which its members are exposed.... Social security is designed to prevent and cure disease, to support when people are unable to earn and restore to gainful employment.”

The National Commission on Labour (NCL) (1969) has defined the Concept of Social Security as, Social Security envisages that the members of a community shall be protected by collective action against social risk causing undue hardship and deprivation to individuals whose private resources can seldom be adequate to meet them.

The concept of Social Security is based on ideas of human dignity and social justice. It further tries to protect the citizens to contribute towards the countries total welfare.

### 8.6.2 Characteristics Of The Social Security

**The main characteristics of the social security program are as follows:**

- (1) Social Security Schemes are providing social assistance and social insurance to employees who have to face challenges of life without regular earning due to some contingencies in their life.
- (2) These Schemes are implemented by enactments of law of the country.
- (3) They generally are relief providers to employees who are exposed to the risks of economic and social security. This protection is provided to them by members of the society of which he is a part.
- (4) These Schemes have a broad perspective. They not only provide immediate relief to the employees who have suffered on account of contingencies, but also provide psychological security to others who may face the same problems in times to come.

Social security is basically related to the high ideals of human dignity and social justice.

The importance of social security for the employee as well as the society is incredibly high:

- (a) Social Security is the main instrument of bringing about social and economic justice and equality in the society.
- (b) Social Security is aimed at protecting employees in the event of contingencies. This support makes the employees feel psychologically secured. This enhances their ability to work.
- (c) Money spent on social security is the best investment which yields good harvest. The workforce maintenance is very essential not only for the organization but also for the country at large.
- (d) In a welfare state, social security is an important part of public policy. In countries where social security is not given adequate consideration in public policy, the government remains unsuccessful in maintaining equality and justice.

### **8.6.3 Objectives of Social Security :**

**The objectives of social security can be sub-summed under three, categories :**

**1. Compensation :** Compensation ensures security of income. It is based on this consideration that during the period of contingency of risks, the individual and his/her family should not be subjected to a double calamity, i.e., destitution and loss of health, limb, life or work.

**2. Restoration :** It connotes cure of one's sickness, reemployment so as to restore him/her to earlier condition. In a sense, it is an extension of compensation.

**3. Prevention :** These measures imply to avoid the loss of productive capacity due to sickness, unemployment or invalidity to earn income. In other words, these measures are designed with an objective to increase the material, intellectual and moral well-being of the community by rendering available resources which are used up by avoidable disease and idleness.

### **8.6.4 Social Security – Benefits in India: Social Insurance and Social Assistance**

India is a Welfare State as envisaged in her constitution. Article 41 of the Indian Constitution lays down, "The State shall within the limits of its economic capacity and development make effective provision securing the right to work, to education and to public assistance in case of unemployment, old age, sickness, and disablement and other cases of unserved wants."

Thus, social security constitutes an important step towards the goal of Welfare State, by improving living and working conditions and affording people protection against the various kinds of hazards.

Social security benefits are provided in India through legislations. Workmen's Compensation Act, 1923 enforces the employer to provide compensation to a workman for any personal injury caused by an accident, for loss of earnings etc. The Employees' State Insurance Act, 1948 enforces the employers to provide sickness benefits, maternity benefit to women employees, disablement benefit, dependent's benefit, funeral benefit and medical benefits.

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 enforces the employer to provide provident fund, deposit-linked insurance etc. The Maternity Benefit Act, 1961 provides for medical benefits, maternity leave etc. The Payment of Gratuity Act, 1952 provides for the payment of gratuity at the time of retirement.

Social security legislations in India suffer from the defects like duplication. For example. Employees' State Insurance Act and Maternity Benefit Act provide for maternity benefits. In addition, different administrative authorities implement the law, resulting from overlapping. Hence, the Study Group (1957-58) appointed by the Government of India suggested an integrated social security scheme in India. This integrated social security scheme should provide for medical care, insurance against sickness, maternity benefits unemployment insurance, employment injury, and old age pension. This scheme should be enforced by a single agency in order to avoid overlapping and duplication.

India is a welfare state and social security is an essential component of government policy.

**Social security benefits in India are provided in two major way :**

1. Social Insurance.
2. Social Assistance.

**1. Social Insurance :**

In this scheme, a common fund is established with periodical contributions from workers, according to their nominal paying capacity. The employers and state provide the portion of the finance. Provident fund and group insurance are example of this type.

**2. Social Assistance :**

Under this, the cost of benefits provided is financed fully by the government without any contributions from workers and employers. However, benefits are paid after judging the financial position of the beneficiary. Old age pension is an example.



According to the Social Security (Minimum Standards) Convention (No. 102) adopted by the ILO in 1952, the following are the nine components of social security that configure its scope:

- (i) Medical care,
- (ii) Sickness benefit,
- (iii) Unemployment benefit.
- (iv) Old age benefit,
- (v) Employment injury benefit,
- (vi) Family benefit,
- (vii) Maternity benefit,
- (viii) Invalidity benefit, and
- (ix) Survivor's benefit

Generally, India's social security schemes cover the following types of social insurances:

- Pension;
- Health Insurance and Medical Benefit;
- Disability Benefit;
- Maternity Benefit; and
- Gratuity.

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## 8.7 HUMAN SECURITY

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Human security represents an effort to re-conceptualize security in a fundamental manner. It is primarily an analytical tool that focuses on ensuring security for the individual, not the state. Exploring options aimed at mitigating threats to the insecurity of individuals thus becomes a central goal of policy recommendations and actions. In line with the expanded definition of human security, the causes of insecurity are subsequently broadened to include threats to socio-economic and political conditions, food, health, and environmental, community and personal safety. Policy initiatives generated through the application of the human security framework have incorporated considerations far beyond the traditional focus on military force, greatly reducing the emphasis on armies, if not replacing them altogether. Human security is therefore: **people-centred multidimensional interconnected universal**.

Human security is an emerging paradigm for understanding global vulnerabilities whose proponents challenge the traditional notion of national security through military security by arguing that the proper referent for security should be at the human rather than national level.

Human security reveals a people-centred and multi-disciplinary understanding of security which involves a number of research fields, including development studies, international relations, strategic studies, and human rights. The United Nations Development Programme's 1994 Human Development Report is considered a milestone publication in the field of human security, with its argument that ensuring "freedom from want" and "freedom from fear" for all persons is the best path to tackle the problem of global insecurity.

The 1994 Report introduces a new concept of human security, which equates security with people rather than territories, with development rather than arms. It examines both the national and the global concerns of human security. The Report seeks to deal with these concerns through a new paradigm of sustainable human development, capturing the potential peace dividend, a new form of development co-operation and a restructured system of global institutions.

It proposes that the World Summit for Social Development approve a world social charter, endorse a sustainable human development paradigm, create a global human security fund by capturing the future peace dividend, approve a 20:20 compact for human priority concerns, recommend global taxes for resource mobilization and establish an Economic Security Council.

Increasing human security entails :

- Investing in human development, not in arms;
- Engaging policy makers to address the emerging peace dividend;
- Giving the United Nations a clear mandate to promote and sustain development;
- Enlarging the concept of development cooperation so that it includes all flows, not just aid;
- Agreeing that 20 percent of national budgets and 20 percent of foreign aid be used for human development; and
- Establishing an Economic Security Council.

Mahbub ul Haq first drew global attention to the concept of human security in the United Nations Development Programme's 1994 Human Development Report and sought to influence the UN's 1995 World Summit on Social Development in Copenhagen. The UNDP's 1994 Human Development Report's definition of human security argues that the scope of global security should be expanded to include threats in seven areas:

1. **Economic security** – Some of the criteria associated with economic security include insured basic income and employment, and access to such social safety net. Economic security requires an assured basic income for individuals, usually from productive and remunerative work or, as a last resort, from a publicly financed safety net. In this sense, only about a quarter of the world's people are presently economically secure. While the economic security problem may be

more serious in developing countries, concern also arises in developed countries as well. Unemployment problems constitute an important factor underlying political tensions and ethnic violence.

2. **Food security** – Food security requires that all people at all times have both physical and economic access to basic food. Food security is simply access to basic nutrition and food supply. According to the United Nations, the overall availability of food is not a problem, rather the problem often is the poor distribution of food and a lack of purchasing power. In the past, food security problems have been dealt with at both national and global levels. However, their impacts are limited. According to UN, the key is to tackle the problems relating to access to assets, work and assured income (related to economic security).
3. **Health security** – Health security aims to guarantee a minimum protection from diseases and unhealthy lifestyles.. Health security is more complex, and covers many different issues such as access to safe water, living in a safe environment, access to health services, access to safe and affordable family planning and basic support during pregnancy and delivery, prevention of HIV/AIDS and other diseases, and to have basic knowledge to live a healthy life. In developing countries, the major causes of death traditionally were infectious and parasitic diseases, whereas in industrialized countries, the major killers were diseases of the circulatory system. Today, lifestyle-related chronic diseases are leading killers worldwide, with 80 percent of deaths from chronic diseases occurring in low- and middle-income countries. According to the United Nations, in both developing and industrial countries, threats to health security are usually greater for poor people in rural areas, particularly children. This is due to malnutrition and insufficient access to health services, clean water and other basic necessities.
4. **Environmental security** – Environmental security aims to protect people from the short- and long-term ravages of nature, man-made threats in nature, and deterioration of the natural environment. Environmental security is straightforward and cover such issues as prevention of water pollution, prevention of air pollution, prevention from deforestation, irrigated land conservation, prevention of natural hazards such as droughts, floods, cyclones, earthquakes etc. In developing countries, lack of access to clean water resources is one of the greatest environmental threats. In industrial countries, one of the major threats is air pollution. Global warming, caused by the emission of greenhouse gases, is another environmental security issue.
5. **Personal security** – Personal security aims to protect people from physical violence, whether from the state or external states, from violent individuals and sub-state actors, from domestic abuse, or from predatory adults. For many people, the greatest source of anxiety is crime, particularly violent crime.

6. **Community security** – Community security aims to protect people from the loss of traditional relationships and values and from sectarian and ethnic violence. Traditional communities, particularly minority ethnic groups are often threatened. About half of the world's states have experienced some inter-ethnic strife. It also covers conservation of traditional and cultures, languages and commonly held values. It also includes abolishment of ethnic discrimination, prevention of ethnic conflicts, and protection of indigenous people. The United Nations declared 1993 the Year of Indigenous People to highlight the continuing vulnerability of the 300 million aboriginal people in 70 countries as they face a widening spiral of violence.??
7. **Political security** – Finally political security is concerned with protection of human rights and well-being of all people. It also includes protection against people from state repression such as freedom of press, freedom of speech, and freedom of voting. Abolishment of political detention, imprisonment, systematic ill treatment, and disappearance are also covered under political security. Political security is concerned with whether people live in a society that honors their basic human rights. According to a survey conducted by Amnesty International, political repression, systematic torture, ill treatment or disappearance was still practised in 110 countries. Human rights violations are most frequent during periods of political unrest. Along with repressing individuals and groups, governments may try to exercise control over ideas and information.

**“Freedom from Fear” and “Freedom from Want”** : While the UNDP 1994 report originally argued that human security requires attention to both freedom from fear and freedom from want, divisions have gradually emerged over the proper scope of that protection (e.g. over what threats individuals should be protected from) and over the appropriate mechanisms for responding to these threats.

- **Freedom from Fear** – This school seeks to limit the practice of Human Security to protecting individuals from violent conflicts while recognizing that these violent threats are strongly associated with poverty, lack of state capacity and other forms of inequities. This approach argues that limiting the focus to violence is a realistic and manageable approach towards Human Security. Emergency assistance, conflict prevention and resolution, peace-building are the main concerns of this approach. Canada, for example, was a critical player in the efforts to ban landmines and has incorporated the "Freedom from Fear" agenda as a primary component in its own foreign policy. However, whether such “narrow” approach can truly serve its purpose in guaranteeing more fruitful results remains to be an issue. For instance, the conflicts in Darfur are often used in questioning the effectiveness of the "Responsibility to Protect”, a key component of the Freedom from Fear agenda.
- **Freedom from Want** – The school advocates a holistic approach in achieving human security and argues that the threat agenda should be

broadened to include hunger, disease and natural disasters because they are inseparable concepts in addressing the root of human insecurity and they kill far more people than war, genocide and terrorism combined. Different from "Freedom from Fear", it expands the focus beyond violence with emphasis on development and security goals.

Despite their differences, these two approaches to human security can be considered complementary rather than contradictory

The human security approach, however, is more than an exercise in joint programming. It has five fundamental principles that differentiate it from simply working together. These are:

1. **People-centred:** First and foremost, the human security approach is people-centred. It considers the broad range of conditions that threaten the survival, livelihood and dignity of people and their communities, particularly those who are most vulnerable.
2. **Comprehensive:** Second, the human security approach recognizes the complexity and interconnected nature of the First Based on the 1994 UNDP Human Development Report, New Dimensions of Human Security. Types of human insecurities and possible root causes first type of insecurity root causes Economic insecurity Persistent poverty, unemployment, lack of access to credit and other economic opportunities Food insecurity Hunger, famine, sudden rise in food prices Health insecurity Epidemics, malnutrition, poor sanitation, lack of access to basic health care Environmental insecurity Environmental degradation, resource depletion, natural disasters Personal insecurity Physical violence in all its forms, human trafficking, child labour Community insecurity Inter-ethnic, religious and other identity-based tensions, crime, terrorism Political insecurity Political repression, human rights violations, lack of rule of law and justice 8 challenges that confront people and their aspirations to be free from want, fear and indignity. By being comprehensive and by drawing together all the actors necessary to respond to a challenge, the application of human security ensures coherence, eliminates duplication and advances integrated solutions that result in more effective and tangible improvements in the day-to-day life of people and their communities.
3. **Context-specific:** There is no "one size fits all" in addressing today's challenges. Recognizing that risks to the human condition vary considerably within and across countries, and at different points in time, the human security approach recognizes context-specific variances, including the differing capacities of people, civil society and Governments, as well as the root causes behind ongoing and future challenges.
4. **Prevention-oriented:** The human security approach goes beyond quick responses and is prevention-oriented. By drilling down to ascertain the real causes of challenges and by building solutions that are in themselves sustainable and resilient, human security promotes the development of early warning mechanisms that help to mitigate the

impact of current threats and, where possible, prevent the occurrence of future challenges.

- 5. Protection and Empowerment: Moreover, the human security approach recognizes that there are inherent responsibilities within each and every society. Empowering people and their communities to articulate and respond to their needs and those of others is crucial. Likewise, top-down norms, processes and institutions, including the establishment of early warning mechanisms, good governance, rule of law and social protection instruments are fundamental characteristics of the human security approach. It brings measures into a framework that can better address complex challenges to the human condition.

The five principles making up the human security approach are mutually reinforcing and cannot be implemented as separate objectives. Human security involves recognizing the strengths that accrue from true partnerships where different entities combine their strengths to create synergies that can achieve far greater impact in addressing today's complex and multidimensional challenges.

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### 8.8 QUESTIONS

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- 1. Write an explanatory note on displacement.
- 2. Explain in details the concept of indigenous group. What are the problems faced by them.
- 3. Define term Migration. Explain Harris-Todaro model of migration.
- 4. Write an explanatory note on the role of education and health in economic development.
- 5. What is informal sector? Write a note on workers and informal sector.
- 6. Write an explanatory note on social security.
- 7. Write an explanatory note on human security.

