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CONCLUSIONS AND SUGGESTIONS
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6.1 CONCLUSIONS

The concept of human resource development has been treated differently at different times. The earlier economists considered HRD as agent of production and the investment in human capital was thought to increase the productivity of the workers. The cost and benefits were calculated in terms of economic rate of returns. They advocated the idea that higher economic growth means higher welfare of the people which was later on measured in terms of per capita income. The missing link in their approach was the non-realisation of the fact that economic growth does not benefit the people automatically. It needs appropriate actions on the part of the people at the helm of affairs for transferring the fruits of development to those target groups who need the growth most.

According to the new paradigm, HRD deals with the improvement in the capabilities of the people and enlarges the range of human choices. It also enables them to search better opportunities in life. The human choices are infinite. The most important of them are to lead a long and healthy life, acquiring knowledge and skills and to have access to the resources required for decent standard of living. These three are the basic choices inevitable
for the comprehensive development of human lives and enable the people to fulfil other choices also like political freedom, guaranteed human rights and self respect.

The access to resources always accorded much significance is merely a means which should be used appropriately to improve the well-being of the people - end objective of all the developmental programmes. It must be understood that there is no mechanical link between the economic growth and the welfare of the people. There are examples that countries with higher per capita GNP such as Brazil, Oman and Saudi Arabia could achieve only modest human development while the countries like Sri Lanka, Jamaica and Costa Rica with modest per capita GNP could be able to achieve high human development. The life expectancy and adult literacy rates in these countries are much closer to the industrially advanced countries. It could become possible in these countries because of the increasing attention paid by the governments to the provision of social services in order to improve the capabilities of their people.

The economic growth of a country is more attributable to human and social capital rather than physical (machinery, building and physical infrastructure) and natural capital. It has been supported by a World Bank study of 192 countries in 1995 highlighting the significance of human resource development in the national wealth of world economies. The World Bank study concludes that only 16 per cent of the growth takes place due to
the physical capital while 20 per cent arises from the natural capital. The most important contribution is of the human and social capital which is 64 per cent. In Japan, the role played by the human and social capital is even much larger. Japan is the country which is without good natural resource base. It spent substantial amount on education and improved the capabilities of its people. Human capital in Japan contributes 85 per cent, physical capital 14 per cent and the natural capital only 1 per cent. A country like Japan lacking natural resources may compensate them through the development of its human resources. No country in the world could become industrially advanced without the proper development of knowledge and skills of the people.

Distinction has been made between human resource development and human development in terms of (a) means and ends; (b) narrow and broader concepts; (c) confinement only to the training of younger people for productive employment and the benefits of all the people irrespective of the age groups. The distinction between the HRD and HD disappears if they serve the same purpose that is better health and education. The international organization such as UNESCAP, ILO and commonwealth secretariat have preferred to use the term HRD in the same context as HD used by the UNDP in its human development reports. In this study, both the HRD and HD have been used synonymously implying the same meaning and purpose that is overall welfare of the people.
The quality of economic growth in a country may be evaluated with the help of HRD in its all dimensions such as empowerment, cooperation, equity, sustainability and security. The economic growth should promote empowerment which takes place due to the expansion of human capabilities enabling the people to have enlarged choices and freedom from hunger, want and deprivations. People are social human beings. They need cooperation and peaceful environment for discharging their duties. The role of HRD is also to inculcate the ethical and moral values among the people so that their cultural environment is conducive to their cohesive life. Equity in HRD sense refers to the equity in capabilities and opportunities rather than the normal consideration of equity in terms of income and wealth distribution. Sustainability of economic development is concerned with the intergenerational equity. The present generation should not enjoy the resources at the cost of future generation. Security dimensions of HRD deals with the security of livelihood as well as the security from unhealthy environment full of evils and various types of illness.

The Human Development Reports since 1990 are publishing Human Development Index (HDI) which measures the progress of the country in three basic components such as longevity knowledge and income. Longevity is measured by life expectancy at birth and educational attainments by a combination of adult literacy (two-third weight) and combined enrolment for all levels (one-third weight). Standard of living is measured by the real GDP per capita (PPP$). Countries have been classified according to the
HDI values. High human development countries are with HDI values 0.800 and above, medium human development countries with HDI value from 0.500 and upto 0.799 and low human development countries with HDI value below 0.500.

The HDI has been considered superior to GNP measure because it includes the additional components like health and education. The national HDI gives misleading picture of life because human development levels differ in a country greatly for different groups distinguished by gender, ethnic groups and regions. Such drawback associated with national HDI may be overcome by calculating the disaggregated HDI for such target groups.

The Human Development Reports introduced other measures also like Human Poverty Index (HPI), Gender-related Development Index (GDI) and Gender Empowerment Measure (GEM) for analysing the human resource development. The HPI considers the deprivations in the same basic components of human life as the progress measured by HDI. The GDI concentrates on the inequalities in the achievements between women and men in the same variables as covered by the HDI. The GEM takes into account the gender inequality in the decision making process that is the participation of women in the active political and economic life and control over the resources.

An attempt has been made to analyse empirically the progress and failures regarding HRD in the countries belonging to the South Asia
Association for regional cooperation (SAARC) which has emerged as the most deprived region of the world. Despite the efforts made in the SAARC region and the success achieved in the various indicators of human development, it still remains much behind the developing countries and other regions of the world. For instance, the SAARC population stood only 27 per cent of the developing countries in 1995 but the number of people below poverty line were 40 per cent and adult illiterates 46 per cent in the same year. During 1990-96, the number of malnourished children in the SAARC bloc as percentage of developing countries were 49 per cent, out of school children 43 per cent, adult female illiterates 45 per cent and out of school girls 47 per cent.

The individual SAARC countries presents contrast performance with regard to the development of their human resources. The Human Development Index (HDI) of Sri Lanka in the year 1995 is the highest (0.716) followed by Maldives (0.683) included among the medium development countries. The rest India, Pakistan, Bangladesh, Nepal and Bhutan are among the low human development countries of the world with HDI values below 0.500. Bhutan has the lowest HDI value (0.347) among the SAARC countries. The HDI values of other members of SAARC in the same year are 0.451 in India, 0.453 in Pakistan, 0.371 in Bangladesh and 0.351 in Nepal. Among these four countries, Pakistan has the highest national HDI value but its performance with regard to several human development indicators such as fertility rate, crude birth rate, contraceptive prevalence rate, under five
mortality rate and female education is not better than India and Bangladesh. The life expectancy in Pakistan is higher than these countries and the maternal mortality rate declined in Pakistan while it increased in all the other SAARC countries except Sri Lanka.

The SAARC countries have made remarkable achievements in some areas of HRD but the backlog of human deprivations is still colossal. The real GDP per capita (PPP$) of the SAARC countries increased over two times between 1960-1995 and the GNP growth rate remained around 5 per cent during 1980-95 higher than 4.1 per cent in the developing countries. Pakistan, Sri Lanka and Maldives achieved life expectancy more than the developing countries (62 years) in 1995. India's life expectancy equalled to the developing countries. Sri Lanka with 73 years life expectancy even shows outstanding performance comparable to the industrial countries with 74 years life expectancy despite vast difference between their per capita GNP.

Fertility rate also declined in the SAARC countries between 1960-1995 but it is still much higher with 5.3 in Pakistan, 5.2 in Nepal, 5.9 in Bhutan and 6.8 in Maldives as compared to 3.2 only in the developing countries and 1.7 in the industrial countries. India and Bangladesh with 3.2 and 3.3 fertility rates respectively have succeeded reducing the same equal to the developing countries. Sri Lanka has performed better in this respect also because its fertility rate is only 2.2.
The SAARC countries achieved success in the reduction of death rate also which stood only 9 per 1,000 people but the rate of decline in the corresponding birth rate is relatively much slow reflecting the high rate of growth of population in these countries. Crude birth rate even in Bhutan decreased only from 42 in 1960 to 41 in 1995 and it rather increased in Maldives from 41 to 42 over the same period. Infant mortality rate also declined in all the SAARC countries. There is progress in the reduction of under five mortality rate also except Maldives where it shows the increasing trend.

The importance of family planning programmes are receiving an increasing attention and 41 per cent married couples are using contraception in India, 49 per cent in Bangladesh and 66 per cent in Sri Lanka. In Pakistan and Nepal, the percentage of the married couples using contraception are only 18 per cent and 29 per cent respectively. With regard to the underweight children under age five, there are still 53 per cent in India, 38 per cent in Pakistan, 56 per cent in Bangladesh, 47 per cent in Nepal, 38 per cent in Sri Lanka, 38 per cent in Bhutan and 39 per cent in Maldives during 1990-97.

The maternal mortality rate per 100,000 live births shows the increasing trend in all the SAARC countries except Pakistan which explains the lack of prenatal care in these countries. Many of the new born babies do not see their beloved mothers after births. The performance of these countries is also poor with regard to low birth weight babies and the births
attended by the trained health personnel. The public expenditure as percentage of GNP is low in the SAARC countries as compared to the developing countries as well as other regions of the world.

In the field of education also, their performance is divergent. Sri Lanka and Maldives have achieved remarkable progress while other SAARC countries remaining behind in educational attainments. Maldives has the highest adult literacy rate in the SAARC bloc which is 93 per cent followed by Sri Lanka with 90 per cent adult literacy rate in the year 1995. In both these countries, adult literacy rate are higher than the developing countries where it is 72 per cent. In other countries of the SAARC region, the adult literacy rates are 52 per cent in India, 38 per cent both in Pakistan and Bangladesh, 28 per cent in Nepal and 42 per cent in Bhutan. Female adult literacy is also higher in Maldives and Sri Lanka where it is 93 per cent and 87 per cent respectively. In other SAARC countries, it is much lower which stood 38 per cent in India, 24 per cent in Pakistan, 26 per cent in Bangladesh, 14 per cent in Nepal and 28 per cent in Bhutan in 1995. Female adult literacy rate in the developing countries is 63 per cent.

Gross primary enrolment ratio reached over 100 per cent in all the SAARC counties except Pakistan and Bhutan where it was 74 per cent and 73 per cent respectively in 1995. The gender disparity is almost negligible in Sri Lanka and Maldives and even the female percentage exceeds the male enrolment. In other SAARC countries, females enrolment at primary level
as per cent of males stood 82 per cent in India, 45 per cent in Pakistan, 69 per cent in Nepal and 63 per cent in Bhutan. It is 87 per cent in the developing countries.

While the gross primary enrolment is so satisfactory, there is large drop-outs rate also at the same level. In the year 1995, the drop-outs rate was 38 per cent in India, 55 per cent in Bangladesh and 48 per cent in Nepal while it is only 22 per cent in the developing countries. Combined enrolment for all levels in Sri Lanka and Maldives is higher than the developing countries and in India and Nepal it is almost the same as in the developing countries (57 per cent). But, it is much lower in Pakistan, Bangladesh and Bhutan. The pupil-teacher ratio which reflects the quality of teaching is 33 in the developing countries in 1995 while it is 60 in the SAARC region. The pupil-teacher ratio is 64 in India and 71 in Bangladesh. In Sri Lanka, Bhutan and maldives, it is less than the average of the developing countries.

Despite the achievements in the various dimensions of HRD in the SAARC counties, the human deprivations are still widespread. For instance, there were 74 million children out of school in these countries during 1995-97 and 97 per cent of them were in India, Pakistan and Bangladesh. The number of malnourished children is 87 million and 63 million of them are in India. In the SAARC countries, 271 million are lacking access to basic health care, 442 million people to safe drinking water and 826 million people to basic sanitation facilities. The number of the married couples not
practicing contraception in these countries is 105 million. Apart from the major deprivations, there are other human distresses also prevailing in the SAARC countries such as gender and regional disparities, ethnic conflicts, jobless growth, widespread corruption and the problem of sustainable economic development which largely affect the human resource development.

6.2 SUGGESTIONS

The general argument given for the slow progress of HRD in the SAARC countries is the scarcity of resources while the main reasons are the scanty attention paid towards the provision of basic social services and the lack of dedication and the commitment on the part of SAARC leaders. Many countries in the world with lower real GDP per capita (PPP$) than most of the SAARC countries could achieve human resources development much higher than these countries. Backlog of human deprivations is still quite large which is expected to multiply if the SAARC countries continue to neglect the development of their human resources.

Following suggestions appear to be highly conducive for the SAARC countries to mobilise additional resources and spend them on the provision of the basic social services. They would be able to ameliorate the human deprivations provided the governments in the SAARC countries adopt appropriate strategies and take suitable actions in order to transfer the gains of economic development to the vulnerable sections in these countries.
1. It must be understood that there is no automatic link between economic growth and human resource development. Countries like Saudi Arabia and Oman with as high per capita income as the industrially advanced countries could not achieve sufficient human resource development. On the other hand, countries like Sri Lanka, Jamaica, Costa Rica and even at the regional level Kerala state in India with lower per capita income could be able to achieve life expectancy and adult literacy close to the developed countries. It has occurred due to the realisation by the governments in these countries both at the national and the regional levels that the paucity of resources does not prevent the socio-economic development of a country if the efforts are made to improve the capabilities of the people which compensate the inadequacy of physical and natural resources.

2. There are several avenues available to meet the additional cost expected to be incurred on the eradication of human distresses in the SAARC countries. The Human Development Centre in Islamabad estimated the cost of basic social services to be provided in these countries during 1995-2010 for the total abolition of major human deprivations is about 129 billion dollars which is nearly 1.6 per cent of their cumulative GDP. This is meagre cost and may easily be met by these countries provided they have the political will for the development of their human resources.
3. The SAARC countries particularly India and Pakistan are spending large amount on their defence preparations. The total defence expenditure in these two countries amounted to dollars 13.8 billions in 1996. Out of this, dollars 10.2 billions were incurred by India and dollars 3.6 billions by Pakistan. Sri Lanka is also spending large amount on its defence due to ethnic conflicts in the country. It spent about dollars 876 millions on defence in the same year. These counties may reduce the expenditures on their defence programmes upto much greater extent by adopting the positive attitudes and solving the disputes among them through cooperation and diplomatic channels.

The peace dividends arising out of the maintenance of good neighbourly relations and settlements of conflicts through peaceful methods is as high as $ 80 billions during 1995-2010 assuming the defence expenditure in India and Pakistan remains at the level of 1996. The peace dividends is estimated to be of the order of $ 100 billions provided the defence expenditure is reduced to 2 per cent and $ 125 billions if the defence expenditure is cut upto 5 per cent. The understanding among the SAARC leaders would be able to save such a large amount which may be used for the HRD and improve the capabilities of their people.

4. The debt service charges on the domestic debts in the SAARC countries is relatively much larger compared to the debt service payments on
their foreign debts due to interest rate differential in the domestic and international financial markets. The domestic debts in India amounted to Rs. 4,845 billions in 1994-95 which was 53 per cent of its GDP. The annual debt service charges cost India about Rs. 474 billions that is 5.2 of the GDP. As against this, the annual interest payments on India's external debts amounting to $ 100 billions was only 1.6 per cent of its GDP. The similar situation prevails in Pakistan where the debt service charges on the domestic debt amounting to Rs. 860 billions in 1995-96 cost Rs. 96 billions that is 42 per cent of the GDP. The annual interest payments on the external debts of Pakistan amounting to $ 30 billions stood only 2.3 per cent of its GDP.

It shows the large difference of the annual interest payments on domestic and foreign debts of these countries. This may largely be reduced through the debt-equity swaps by selling the equities of the inefficient public sector undertakings in these countries at the global level. It has become the norm that most of the public sector undertakings in these countries operate inefficiently and add to their budgetary deficits. The proceeds from the unloading of the equities of these undertakings in the international markets may be utilised for financing larger social action programmes for the development of their human resources. Many countries in the world like Latin American countries have adopted this bold approach and finance the provision of social services to their people.
5. The SAARC countries may be able to spare large amount of resources for the elimination of human deprivations by adopting better management and cost effective techniques in order to avoid the wasteful expenditures. The restructuring of developmental priorities, introduction of suitable planning strategies and removal of widespread corruption in the government departments would also enable the SAARC countries to save the sufficient amount which can be used for financing the social services in the country.

6. The 20:20 proposal approved by the world summit for social development seems to be very useful both to the human resource development and the eradication of poverty in the SAARC countries. According to this proposal, international organisations such as UNDP, UNESCO, UNICEF and WHO agreed to contribute 20 per cent of their aid flows for HRD provided the developing countries earmark 20 per cent of their budgets for basic social services. Presently, the international organisations are allocating 9 to 10 per cent of their aid budgets for financing the human development programmes in the developing countries. The SAARC countries should take advantage of such offer and also adopt methods for monitoring the progress achieved under this initiative. The international organisations may even enhance their share provided the SAARC countries demonstrate effective governance and productive utilization of funds received under this programme.
7. The SAARC countries may achieve reduction in the cost of the social services by encouraging the activities of NGOS and the involvement of local communities. In these countries, the NGOS have succeeded to provide the social services at the grass root level at almost half of the cost. They have created awareness and enthusiasm among the local people who are now organising themselves for their betterment. Certain NGOS like Grameen Bank and Bangladesh Rural Advancement Committee (BRAC) have become internationally known because of their outstanding performance. The Grameen Bank in Bangladesh has proved that poor women are credit worthy. In India, Self-Employed Women Association-SEWA which is known as service in Hindi and Lok Jumbish-a people's movement in Rajasthan are well known NGOS. In Pakistan, Aga Khan Rural Support Project (AKRSP) is a successful NGO in the community development. Other NGOS such as Orangi Pilot Project providing cost effective social services and Bunyad spreading female literacy are providing useful services to the people. The NGOS are also operating in the other SAARC countries.

8. The saving rates in the SAARC countries are relatively lower. They may mobilise additional funds by raising their saving rates through restructuring their tax system particularly extending it to the wide coverage of direct taxes. It would also help these countries to sustain the economic development for their future generations.
9. Certain favourable trends are emerging in the SAARC countries with regard to the growth of working age population which is expected to increase from 58 per cent in 1990 to 70 per cent by 2025. The Asian Development Bank in its recent survey has rightly termed this benefit as "demographic gift". The SAARC countries should adopt measures in order to improve the capabilities of this growing labour force so that the liability may be converted into productive asset.

10. Lastly, the SAARC countries are required to monitor effectively the progress achieved in the various dimensions of HRD. The Human Rights Commission in these countries may be very useful for this purpose by conducting surveys and keeping a close surveillance on the performance of the respective governments. The SAARC leaders must realise that no illiterate nation in the world could become industrially advanced. The future of over one billion people is at stake in the SAARC countries and sooner the suitable steps are taken better it would be for the people of these countries.