ABSTRACT

The historical traces reveal facts about India's wealth and its vibrant foreign trade relations. India the golden bird professed the world about Vasudev Kutamkam (The World is our home -Globalization) since time immemorial. Sir Adam Smith has also contributed on the issue by advocating and highlighting the strength and role of invisible hands of market forces namely demand and supply. A consequent logical derivation was to opt for globalization where all the factors of production contribute towards the maximization of social welfare. The national boundaries paved way for freer flow of factors of production and facilitated faster growth and development. Negotiations replaced restricted barriers. Every efforts of the world community aimed maximization of growth and development.

Various countries with increasing growth and development faced different problems consequent to the growth. Increased awareness, increased standard of living and rapid environmental decay creating health concerns, build-up a sound argument that economic growth and development is an important but not the sufficient condition for welfare. This necessitated a need for macro policy interventions to address the issue of human resource development.
Led by the great economist Prof. Mahbu-ul-Haque the concept of human resource development and its index gained popularity. The issue was pressed further by the United Nations. The great depression of 1930s and the two world wars amply established the need for a more synthesized and balanced growth of all the countries of the world to avert the eventuality of third world war. Sir Dexter White and Sir Keynes proposal of restructuring the world economy was translated into Bretton Wood Agreement that paved way for creation of the institutions to cater the varied economic and developmental needs of each of the country more specially the weaker ones. The agreement created International Monetary Fund (IMF) to meet the contingent and short term needs of the countries mainly due to balance of payment problems. On the other hands International Bank for Reconstruction and Development (IBRD) and its affiliates were created to meet the long term developmental requirement of a country, so as to ensure capacity building of a nation for growth and development.

Since then, many international agencies are working in this direction. They are advocating and advising the national governments for increased investment leverage in social sector in their respective macro policies. In the initial stages, World Bank’s
contribution to many nations was largely in the field of economic growth and development. However with the shift of emphasis from economic growth and development to the Human Resource Development, the perception and the role of the World Bank in India has also shifted. The third world countries in general and India in particular has successfully hosted a number of programmes assisted by the World Bank so as to develop the human resource - Health, Physical environment, education and literacy. The World Bank has provided not only financial assistance but has also extended its technical and managerial assistance.

The World Bank (IBRD) is an inter governmental institution. Corporate in form, the capital stock is owned by its member governments. Initially only nations that were member of the IMF could be members of the World Bank. This restriction on membership was subsequently relaxed.

The twin of the Bank Strategic framework are critical to success in achieving sustainable poverty reduction and helping countries meet the goals. Different groups of client countries have different needs. Working with the Bank on the MDGs is the priority in most low-income countries. The middle income clients more often seek to work with the Banks potential commitments and it own client driven from work program. The discussion intensified among networks, country directors and
clients to enhanced this alignment of country goals and MDGs agenda. It is clear that some of the goals are unlikely to be achieved in certain countries without a major effort by developing countries, developed countries, and the entire development community.

THE MILLENIUM DEVELOPMENT GOALS (MDGs)

The MDGs are the frame of reference for the Bank’s work in partnership with other international institutions. The MDGs are a set of goals with specific targets for poverty reduction to be achieved between 1990 & 2015, and they represent an unprecedented level of world consensus on what is needed for sustainable poverty reduction. The goals are listed as below.

1. Eradicate Extreme Poverty And Hunger

Halve the number of people in extreme poverty, and the number of people who suffer from hunger by 2015.

2. Achieve Universal Primary Education

Ensure by 2015 that all children will be able to complete a full course of primary schooling.

3. Promote Gender Equality And Empower Women
Eliminate gender disparity in primary and secondary education by 2015 and in all levels of education by 2015.

4. Reduce Child Mortality
Reduce by two thirds the under five mortality rate by 2015.

5. Improve Material Health
Reduce by three quarters the maternal mortality rate by 2015.

6. Combat HIV/AIDS, Malaria And Other Diseases
Halt the spread of HIV/AIDS, malaria, and other major diseases, and begin to reverse the spread, by 2015.

7. Ensure Environmental Sustainability
Halve the preparation of people without sustainable access to drinking water by 2015.

8. Develop A Global Partnership For Development
Further develop an open, rule-based, predictable non-discriminatory trading and financial system.

Partnership has become a core element of the Bank’s business approach. By working with partners in the international community to identify the area, each has a comparative advantage; the effect of each development dollar can be magnified. With careful attention to what works in a particular situation, proven approaches can be brought together and appropriate projects carried out to produce better results. At
the same time, the growing importance of partnerships in the Bank’s work makes it important to ensure strong alignment of new partnerships with The Bank’s strategies/priorities and with country driven development strategies.

The Bank partners with other international institutions such as the International Monetary Fund (IMF), the U.N., other Multinational Development Bank, OECD, the European Union (EU) and the WTO.

*It is difficult to apportion the success or failure its policies between the Bank and country as it has to walk through the country governments and its institutions.* Here good policies may become victims of poor implementation. Earlier studies came with a revelation that wherever there was good governance backed by strong institutional infrastructure the result have been good and ‘India’ was counted as one of those countries where the result were good. However, India has not benefited much from its approach in terms of higher inflow of funds between 1993 and 1999. India received a modest 4% of the resources of the Bank, compared to 12% for china 10% for Argentina, 9% for Russia, 7% for Mexico, 6% for Korea. Not withstanding the fact that World Bank
considers India as good borrower, yet not given its due in terms of quantum of lending.

In its 50-year of partnership with India, the Bank concentrated on the growth objective in the first phase, subscribing to the theory that developments would automatically twilled down out of growth. It has started initiatives on the main plank of poverty alleviation only recently. However, the World Bank formulated a near 20-20 vision for the year 2010 and has drawn up the following targets for India.

1. Reducing poverty to 15 percent
2. Halving the proportion of malnourished children
3. Putting in place a reliable disease surveillance system.
4. Increasing contraceptive prevalence to more than 60% of eligible couples; and reducing the population growth the rate to 1.2% (from 1.9%).

Even on the objective of growth, where the Bank concentrated its lending in the first phase, the investment resulted in less growth than in other countries, notably China, because about 40% of capital stock was
under government ownership with poor productivity. The Bank lent and still goes exclusively to the government appears to be a critical constraint particularly in India where government’s capital productivity is lower than in other LDC’s.

In India the Bank has primarily invested in infrastructural activities. Its involvement in the area of human resource development is of much recent origin. The World Bank had been instrumental in advocating and providing technical assistance in building the reform agenda of India.

The World Bank had also been cheaper source of financing for India. The Bank has not only addressed the economic issues and fund raising for India but has also joined hands in combating more pertinent issues like corruption, environmental issues, social issues and HIV/AIDS control. For the last five years the bank has started taking interest in HRD related issues namely health and education.

The Bank largely participated in India through Government, be it the national government or the state government. The bank has also promoted the innovative Public Private Partnership (PPP) for infrastructural development.
In the social sector, mainly to address the HRD issues, the World Bank largely implemented its project through respective governments, invited and used the local community as a resource base and took help of powerful monitoring agencies.

The analysts suggest that health and education are the most powerful tools in contributing towards HDI. The health aspects influences longevity of life, infant mortality, maternal death at the time of birth, spread of diseases and prevention from under nutrition/malnutrition so as to ensure healthier life. Simultaneously, various researches have also established direct impact of education on the increasing level of income at the micro and macro levels. Education also contributes modernization of attitudes and the ability to adopt changes. These assertions have forced the bank to invest pro-actively in the area of health and education recently. In India health and education both are state subjects the states are responsible for health and education related facilities to its inhabitants. Simultaneously the central government may decide and help in developing coordination, national policy and at times may also provide financial aid and support. Thus the World Bank funded and coordinated various health and education related projects with the central government as well as various states government.
Attempt has made to assess the growth pattern in the area of health and education. Trend Analysis have been made to gauge, the width and depth of country investment in these sectors. Investment trend of the World Bank into these areas have also been identify. The aid analysis clearly established that India has been consistently investing into these two areas. However, the investment was never commensurate and sufficient to meet the growing requirement and demand in both the sectors.

For over the last one-decade the World Bank have also started investing into these two areas. It is pointed out that the bank’s contribution into these areas have been very limited. However, there advocacy efforts seem to have transformed the government opinion during the period. Though the World Bank have increased its investment only marginally but it has been able to convenience the government of India to setup its investment. This led to quantum jump in both health and education sector investment.

Support to a broad range of program aimed at reducing poverty and improving living standard in the developing world without threatening the environment. In the process the bank collaborates with a number of national and international agencies to garner more resources and ensure
effective implementation. Other agencies like IFC, MIGA largely concentrate on promoting the private sector of an economy. Sharing its experience the world bank also help the national government of a country to develop an effectively implement the economic reforms. The World Bank group also assist to the poorest countries along with countries in conflict.

It is important to highlight that the World Bank group largely works in close co-ordination with the government of India and state governments and thus Bank’s policies are largely facilitative in nature rather than conflicting. In its approach the World Bank has most strategically weaved in a number of international agencies thus multiplied its limited resource many fold. Further to address special needs of each of the members, the Bank has very rightly evolved the large number of disbursement instruments. These instrument normally of vary in terms of interest rates, terms and condition and period of repayment. To address the very need of the each of the member nation, the Bank provide them funds and help in a package form through these instruments.

In terms of outcomes, it is also shown that given various efforts of states and central government of India and with the help of the world bank and international agencies, India had been able to beat the
Millennium Development Goals (MDGs) on economic front as the reported fall in the percent population of poor people has actually reduced faster than given targets. However, on rest of the seven Millennium Development Goals, account the progress is not commensurate to the desired targets. Thus the World Bank as to step up its efforts if the Millennium Development Goals (MDGs) are to be achieved.