CHAPTER-II
REVIEW OF LITERATURE

INTRODUCTION:-

The term development may mean different things to different people. It is important at the outset that we have some working definition or core perspective on its meaning. Without such a perspective and some agreement on measurement criteria, we would be unable to determine which country was actually developing and which was not. In strictly economic terms, development has traditionally meant the capacity of a national economy, whose initial economic level has been more or less static for long time, to generate and sustain an annual increase in its gross national product (GNP) at reasonably high rates.

A common economic index of development has been the use of rates of growth of income per capita or per capita GNP to take into account the ability of a nation to expand its output at a rate faster than the growth rate of its population levels. Rates of growth of real per capita GNP are normally used to measure the overall economic wellbeing of a population: how much of real goods and services is available to the average citizen for consumption and investment.

But, the experience of the 1950’s and 1960’s when developing nations did realize their economic growth targets but the levels of living of the masses of people remained for the most part unchanged\textsuperscript{14}, (Todaro, Smith) signaled that something was very wrong with this narrow definition of development. So, development came to be redefined in terms

of the reduction or elimination of poverty, inequality, and unemployment within the context of a growing economy.

A number of developing countries experienced relatively high rates of growth of per capita income during the 1960’s and 1970’s but showed little or no improvement or even an actual decline in employment, equality, and the real incomes of the bottom populations. By the earlier growth definition\textsuperscript{15}, these countries were developing, by the newer poverty, equality and employment criteria, they were not.

After 1960’s many countries became independent from colonialism and after that they got improved medical facilities. As a result, death rates declined, but birth rates remained the same. Whose effect was an increase growth rate of population, which had an impact on availability of countries’ physical resources. The Club of Rome (1972)\textsuperscript{16} according to its report “The Limits to Growth”, says “If the present growth trends in world population, industrialization, pollution, food production, and resource depletion continue unchanged, the limits to growth on this planet will be reached some time within the next one hundred years. Secondly, it is possible to alter these growth trends and to establish what is sustainable far into the future. The state of global equilibrium could be designed so that the basic material needs of each person on earth are satisfied and each has an equal opportunity to realize his individual human potential. Third, if the world’s people decide to strive for this second outcome rather than

\textsuperscript{15} Economic growth means “the steady process by which the productive capacity of an economy is increased over time, bringing about rising levels of National income.”

\textsuperscript{16} The club of Rome, an informal organization that has been aptly described as an “invisible college”. Its purposes are to foster understanding of the varied but inter dependent components—economic, political, natural and social, that make up the global system new understanding to the attention of polity makes and the public word wide in this way to promote new policy initiative and action.
the first, the sooner they begin working to attain it, the greater will be their chances of success.\footnote{Meadows Donella H., Dennis Meadows, Jorsen Reders, William W. Behrens (1974) “The limits to growth” Published by pan Books Ltd. Coveys place London.}

After that, the situation in the 1980’s and 1990’s worsened further as GNP growth rates turned negative for many LDC’s and governments, facing large foreign debt problems, were forced to cut back on their already limited social and economic programs. This was called structural adjustment programme, (World Development Report 1989)\footnote{World Bank (1989) “World Development Report” Published by oxford university press for the World Bank pp. – 6-24}. The structural adjustment programme used changes in fiscal, monetary and sectoral policies, in regulations, and in institutions to alter relative prices and the level of spending and thereby redirect economic activity. The real exchange rate and the real interest rate are key relative prices. They affect both economic activity and saving as well as exports and imports and the rate of investment. Changes in taxes, subsidies and quantitative controls move resources between sectors. Ensuring that adjustment achieves a balanced change in spending and an appropriate sectoral reallocation is critical for growth and development.

During the 1960’s decade the problem of increasing the absorptive capacity of developing countries was seen as being central to the enhancement of their growth prospects. Thus, as suggested by the following table\footnote{Colelough Christopher (April 1993) “Human Development: towards the 1990’s”published by Institute of Development Studies, at the University of Sussex (Brighton BNIGRE) England.”}, the enhancement of Human capital became a central concern of economic planners particularly in the ex-colonial countries which were still dependent up on expatriate skilled workers from the
metropolitan countries. But this focus had resulted in a preoccupation with the top end of the education structure.

### TABLE 2.01 - DEVELOPMENT PARADIGMS 1960-1990.

<table>
<thead>
<tr>
<th>Dominant paradigms</th>
<th>Main constraints</th>
<th>Strategy proposed</th>
<th>Alternative paradigms</th>
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<tr>
<td>1960 to 1970</td>
<td>Maximization of growth</td>
<td>- Absorptive capacity</td>
<td>- Aid, foreign investment, Human capital formation</td>
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<td></td>
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<td>- Law savings</td>
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<tr>
<td>1970 to 1980</td>
<td>Structuralism</td>
<td>- Structural rigidities</td>
<td>-Redistribution with growth - Basic needs - Employment generation</td>
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<td></td>
<td></td>
<td>- Market imperfections</td>
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<td>-Patterns of owner ship</td>
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<td></td>
<td></td>
<td>- Domestic politics</td>
<td></td>
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<tr>
<td>1980 to 1990</td>
<td>Neo – Liberalism</td>
<td>- Balance of Payments</td>
<td>- Liberalize market &amp; price - Reduce role of state</td>
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<td></td>
<td></td>
<td>- Disequilibrium constrained markets</td>
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<td></td>
<td>- State as pariah Rent seeking</td>
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<tr>
<td>1990</td>
<td>-Human Development</td>
<td>- Recession Stagnation</td>
<td>- Investment in basic service for H.D.</td>
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<tr>
<td></td>
<td>- Poverty alleviation</td>
<td>- Deepening poverty</td>
<td>-Labour intensity</td>
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<td></td>
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<td></td>
<td>- Safety nets</td>
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</table>

Source: Colclough Christopher (April 1993)
The new focus upon poverty and redistribution that characterized the 1970s was influential at the level of international agencies and aid organizations. But in terms of national development policies, its impact was marginal. The pattern of World Bank lending shifted markedly over the decade towards projects that were expected to have a greater effect upon the poor. Sectors were included which had a direct impact upon their welfare, such as primary health care and primary schooling, which had earlier not been thought proper targets for development loans.

The World Bank which during the 1980’s, championed economic growth as the goal of development joined the chorus of observers taking a broader perspective when, in its 1991 World Development Report it asserted “The challenge of development is to improve the quality of life, especially in the world’s poor countries. A better quality of life generally calls for higher incomes – but it involves much more. It encompasses as ends in themselves better education, higher standards of health and nutrition, less poverty, a clean environment, more equality of opportunity, greater individual freedom, and richer cultural life.”

“But there is stronger evidence that the emphasis placed by orthodox adjustment policies upon demand reduction, the elimination of subsidies – including those for staple foods – contraction of public expenditures (which has reduced both the number of employees in the public sector and the quantity of public services available) and increases in user charges for social services, have each tended to threaten important

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dimensions of human development” (Colclough C. 1993). These criticisms stimulated the World Bank to take more account of the human dimension by introducing programmes on the social dimensions of adjustment, towards the end of the 1980’s and they were reflected in a range of new initiatives by the international community.

Meanwhile, UNDP issued the first annual Human Development Reports, which ably set out the case for the overriding importance of human development in national strategies (UNDP 1990). There is evidence, too that the World Bank is seriously shifting its position. The World Development Report 1990 focused up on poverty reduction as the major aim of development, identifying policies on human resources as a central component of such concerns.

Specially, when it has covered so far only the ‘stabilization phase’ a phase which almost always proves contractionary. But for a country with a high level of poverty and social deprivation and with a comparatively heavy concentration of the poor in the rural sector, any reform policy even at the stabilization phase which is not friendly to the agricultural sector has grave implications. Reform requires reduction of subsidies and appropriate price corrections. But a large past of the vulnerable section of the society in India has been sustained by subsidies of different kinds, explicit and implicit. Here lies the real dilemma (Gupta, 1995).

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Since 1990, with publication of the United Nations Development Programmes, from the first Human Development Report the concept of Human Development has been strongly advocated in the place of economic growth. Its intellectual antecedents may be traced to A.K. Sen’s concept of capabilities and the earlier basic needs approach (Ranis & Stewart 2005)\(^{23}\). However, the basic need approach was rejected by Sen. The Human Development approach does not have anything to say about redistribution of wealth from rich countries to poor, even in the form of aid which is very small in amount compared to their GDP.

In 1979 Morris David Morris came out with a physical quality of life Index (PQLI)\(^{24}\) to measure the status of poverty and well being in developing economics, especially India. Morris argued that the income comparison between nations and between regions in the same nation were flawed, in that these did not indicate the level of satisfaction or quality of life derived from income. His argument was not that income was too wide a concept to specify development. Instead, he argued that it was too narrow to encompass the outcome of choice and constraints for individuals, communities and nations. Morris and other critics argued that the cross national income comparison derived from GDP to population ratio was not relevant for measuring the conditions of world’s poor. It did not reflect the position of the weaker section of the society. Planning strategies, therefore, required new indices to bring better understanding of the impact of development outlay upon society. One such index is Human Development Index (HDI) initially designed in HDR, 1990. Income generation is necessary, but it is not the sum total of human lives.


Development must enlarge the range of choices at the disposal of the people. These choices include not only income and employment but also health, physical environment, human dignity and freedom. A comparison of income and human development levels in various countries is very revealing for it shows the extent to which income and economic growth have been actually translated into human lives, though there is no noted automatic link between growth and human development.

The United Nations is an international organization founded in 1945 after the Second World War by 51 countries committed to maintaining international peace and security, developing friendly relations, progress, better living standards and human rights. Due to its unique international character, and the powers vested in its founding charter, the organization can take action on a wide range of issues, and provide a forum for its 192 member states to express their views, through the General Assembly, the Security Council, the Economic and Social Council and other bodies and committees.

The organization works on a broad range of fundamental issues, from sustainable development, environment and refugees protection, disaster relief, counter terrorism, disarmament and non-proliferation, to promoting, democracy, human rights, governance economic and social development and international health, clearing landmines, expanding food production, and more, in order to achieve its goals and coordinate efforts for a safer world for this and future generations.

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26 http://www.undp.org/
The six principal organs of the United Nations: The General Assembly, the Security Council, the Economic and Social Council, the Trusteeship Council, the International Court of Justice, and the Secretariat, the United Nations Family, however, is much larger, encompassing 15 agencies and several programmes and bodies.

United Nations Development Programme is the UN’s global development network, an organization advocating for change and connecting countries to knowledge, experience and resources to help people build better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. UNDP’s network links and coordinates global and national efforts to reach these Goals. Its focus is helping countries build and share solutions to the challenges of democratic governance, poverty, reduction, crisis prevention and recovery, Environment and Energy HIV/AIDS.

UNDP helps developing countries attract and use aid effectively. In all UNDP’s activities, the protection of human rights and the empowerment of women are encouraged.

The annual Human Development Report, commissioned by UNDP, focuses the global debate on key development issues, providing new measurement tools, innovative analysis and often controversial policy proposals. The global Reports analytical framework and inclusive approach carry over into regional, national and local Human development Reports also supported by UNDP.

\(^{27}\) http://www.undp.org
In the next section we take a brief overview of the contents of some selected HDR’s from 1990 to the present.

**Human Development Report (1990)**\(^{28}\). This report introduced the concept of Human Development for the first time. Human Development Reports are published annually by UNDP since 1990. The first Human Development Report (Published under the inspiration and leadership of its architect Mehbub–U1-Haq) analyzed the rural of human development for the last three decades, and experiences of 14 countries in managing economic growth and human development. In one of his basic works he had analyzed the development thinking in recent decades and pointed out the wide acceptance of the real purpose of development today as enlargement of people’s choice in all fields – economic, political and cultural. The study analyzed not only the human development paradigm but also the advent of Human Development Report and the birth of Human Development Index.

“The real wealth of a nation is its people and the purpose of development is to create an enabling environment for people to enjoy long, healthy and creative life. This simple but powerful truth was emphasized as an opening, comment in the first human development report.”\(^{29}\)

The Human Development Report 1990 discussed the meaning and measure of human development, proposal for a composite index with longevity, knowledge and income as its principal component. Termed as a landmark study in the area of development, the report’s contribution was

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\(^{29}\) Ibid, HDR 1990.
noted to be in providing a definition and measurement of human development which would be useful policy analysis and lead to certain specific recommendations.

The combined effect of various components of human development is noted to be reflected through Human Development Index (HDI). It is an attempt to measure a country’s achievement in the enhancement of human development. The measure has been appreciated as well as criticized. As a result, the measure has been subject to changes and improvement in subsequent reports of UNDP and studies by individual researchers.

The Human Development Report of 1991\(^{30}\) is accordingly, about relationship of economic growth and human development. Economic growth is essential for human development but to exploit fully the opportunities for improved well being that growth offers it needs to be properly managed. It means there is no automatic link between economic growth and human progress. One of the most pertinent policy issues concerns the exact process through which growth translates, or fails to translate, into human development under different development conditions of various countries.

The report gives to human development experience in various countries during the last three decades. First are countries that sustained their success in human development. Second are countries that had their initial success slow down significantly or sometimes even reverse. Third

as countries that had good economic growth but did not translate it into human development\textsuperscript{31}.

In India, as shown in the human development reports, growth rate of economy is higher than before since the last decade but this growth rate does not translate into increasing human development level, Good economic growth means not only achieving growth but also well structured welfare programmes for the weaker sections of society on the social & Economic front.

Indian planners/planning have designed parallel policies for growth and welfare means efficiency and equity. Where both these objectives meet that objectives point there was good planning. But in our planning we have achieved neither efficiency nor equity, as shown by the statistics\textsuperscript{32}.

The next Human Development Report (1991) describes possible policy for raising the level of human development. Many factors influence the levels and changes in human development; they include the level and structure of government expenditures and government programmes for the social sectors.

These are the main meso-economic determinant of human development, together determining the levels and changes in household

\textsuperscript{31} From these country experience emerges the following typology.

1) Sustained human development, as Botswana, Costa Rica, the Republic Korea, Malaysia, and Shri Lanka

2) Disrupted Human development as in Chile, China, Colombia, Jamaica Kerya And Zimbabwe.

3) Missed opportunities for human development as in Brazil, Nigeria, and Pakistan & India.

\textsuperscript{32} Statistic of Indian Planning Period on targeted growth rates, (GDP) and reducing poverty, Unemployment rates, not achieved in time.
income per capita and initial level and trends in the distribution of income. The main instruments of govt. for directly affecting human development levels are first governing in a way that does not discriminate among different social groups or regions.

According to the Report meso policies centre on health, education, potable water and other social services, usually provided by the government. The level of meso policies can be described as low if government expenditures on the social sectors are less than 6% of GDP, moderate if they are between 6% and 10% and high if they are greater than 10% per capita. Public spending in the social sectors would be expected to rise with average per capita GDP.

Higher income can, therefore, have a positive impact on human development not only through ensuring high primary incomes but also by providing larger absolute resources to the government.

The literature provides fairly conclusive evidence of the association between different rates of success in human development and to the relative importance give to different types of spending on social sectors. For example, spending on primary education and preventive health care, (vaccination for eradication of diseases like small pox, malaria TB and AIDS) is likely to lead to substantially larger improvements in human development than spending on higher levels of education and curative health care at least at low initial levels of human development.

Meso policies can be well designed or less well designed, and their impact depends on their context. Government policies for universal primary education are across – the – board meso policies.
Meso economic policies are always located within a specific context of macroeconomic policy framework. The human development approach assumes a neoliberal strategy of increasing reliance on market, reduction of govt. expenditure and deflationary policies aimed at controlling inflation.

Meso policies become important when people’s primary incomes, especially those of the poorest, are insufficient for them to obtain the goods & services needed to ensure a decent level of human development. Primary incomes are the disposable incomes of households from the normal workings of the economy. They often are insufficient in countries where incomes are generally low: even if the distribution of income is good few people have primary incomes sufficient to ensure adequate human development. Primary incomes can also be insufficient where higher incomes are badly distributed: The incomes of some people may allow even developed country living standards, but far many other the primary incomes may be insufficient to meet their basic needs.

Well structured meso policies are needed to compensate for the low primary incomes of important segments of the population.

Where incomes are generally low but the distribution is good, well structured across the board meso policies are likely to be appropriate. In countries with higher average income and good growth but skewed income distribution, some targeted interventions that favors the poorer segments of society may be needed to supplement the across the board policy interventions.
Targeting of PDS has not been very satisfactory from viewpoint of poor. Because the target group of PDS is in fact the weaker section of society this does not include above poverty line families. As a result PDS’s distributors do not provide goods to the targeted persons as per government rules and prices. This is because weaker section group are not in a position to put pressure on the distributors and they do not show will power due to lack of communication and association. So, in viewpoint of targeting of PDS it’s not benefited to poor people. If families ’above poverty line’ are included in the PDS system they are able to bring pressure on distributors to follow the Government rules and prices.

**The Human Development Report (1995)** 33 focused on gender development. This report for the first time brings out Gender Development Index (GDI) for different countries. The report has consistently defined the basic objectives of development as enlarging peoples’ choices. “Human development, if not engendered, is endangered.” That is the simple but far-reaching message of this report.

The report has consistently defined the basic objective of development as enlarging peoples’ choices. At the heart of this concept are three essential components.

- Equality of opportunity for all people in society
- Sustainability of such opportunities from one generation to the next.
- Empowerment of people so that they participate in and benefit from development processes.

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Equal enjoyment of human rights by women and men is a universally accepted principle, reaffirmed by the Vienna declaration, adopted by 171 states at the world conference on Human Rights in June 1993.

- Equal access to basic social services, including education & health
- Equal opportunities for participation in political and economic decision-making.
- Equal reward for equal work.
- Equal protection under the law
- Elimination of discrimination by gender and violence against women
- Equal rights of citizens in all areas of life, both public such as the workplace and private such as the home.

Report describes human development as a process of enlarging the choices for all people, not just for one part of society. Such a process becomes unjust and discriminatory if most women are excluded from its benefits, and the continuing exclusion of women from many economic & political opportunities is a continuing indictment of modern progress. Moving towards gender equality is not a technocrat goal, it is a political process. It requires a new way thinking in which the stereotyping of women and men gives way to a new philosophy that regards all people, irrespective of gender, as essential agents of change.

The human development paradigm, which puts people at the centre of its concerts, must thus be fully engendered. Any such attempt would embrace at least the following three principles. First, equality of rights between women and men must be enshrined / enclose in as a fundamental
principle. Secondly, women must be regarded as agents and beneficiaries of change. Third, the engendered development model though aiming to widen choices for both women and men, should not predetermine how different cultures and different societies exercise these choices.

In chapter IIIrd, the title is “Measuring gender inequality.” For this purpose, two composite measures are suggested to capture gender disparities and their adverse effects on social progress, capturing such a complex reality in a single, simple index. The basic indicator of human development, the Human development index (HDI) is supplemented in this report by the Gender Related Development Index (GDI). The GDI concentrates on the same variables as the HDI but focuses on the inequality between women and men as well as on the average achievement of all people taken together.

The report also introduces the Gender Empowerment Measure (GEM) an index that focuses on three variables that reflect women’s participation in political decision making, their access to professional opportunities and their earning power. Women often are excluded from such participation and are as such effectively disenfranchised. The GEM give some indication of how much women are empowered in these spheres in different countries.

**Human Development Report (1997)** focuses on poverty hence this report first time introduces Human Poverty Index (HPI). It reviews the

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34 Shows in Appendix-II-A  
35 Shows in Appendix-II-B  
37 Properties of the Human Poverty Index is form the back ground paper by Sudhir Aanand and Amertya K. Sen, “Concept of Human development and Poverty: A Multidimensional Perspective.”
challenge to eradicate poverty from a human development perspective. It focuses not just on poverty of income but on poverty from a human development perspective. It focuses not just on poverty of income but on poverty from a human development perspective, on poverty as a denial of choices and opportunities for living a tolerable life.\(^\text{38}\)

This report criticizes the use of income based consumption based poverty line. It discusses three perspectives on poverty, this are income perspective, Basic needs perspective, capability perspective. This Report introduces a human poverty index (HPI) in an attempt to bring to gathers in a composite index the different life to arrive at an aggregate judgment on the extent of poverty in a community.

The HPI presented in this report concentrates on the deprivation in three essential elements of human life already reflected in the HDI longevity, knowledge and decent a living standard.

The first deprivation relates to survival the vulnerability to death at a relatively early age and is represented in the HPI by the percentage of people expected to die before age 40.

The second dimension relates to knowledge – being excluded from the world of reading and communication and is measured by the percentage of adults who are illiterate.

The third aspect relates to a decent standard of living, in particular, overall, economic provisioning. This is represented by a composite of

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\(^{38}\) ibid HDR (1997) P-2
three variables, the percentage of people with access to health services and to safe water, and the percentage of malnourished children under five.

In constructing the HPI, the deprivation in longevity is represented by the percentage of people to survive to age 40 \( (P_1) \), and the deprivation in knowledge by the percentage of adults who are illiterate \( (P_2) \). The deprivation in a decent living standard in terms of overall economic provisioning is represented by a composite \( (P_3) \), of three variables- the percentage of people without access to safe water \( (P_{31}) \), the percentage of people without access to health services \( (P_{32}) \) and the percentage of moderately and severely underweight children under five \( (P_{33}) \).

The composite variable \( P_3 \) is constructed by taking a simple average of the three variables \( P_{31}, P_{32}, P \) and \( P_{33} \), Thus,

\[
P_3 = \frac{P_{31} + P_{32} + P_{33}}{3}
\]

The formula of HPI is given by –

\[
HPI^{39} = [(P_1^3 + P_2^3 + P_3^3) - 3]^{1/3}
\]

Like many other concepts, human poverty is larger than any particular measure, including the HPI. As a concept, human poverty includes many aspects that cannot be measured or are not being measured or are not being measured. It is difficult to reflect them in a composite measure of human poverty. Critical dimensions of human poverty excluded from the HPI for these reasons are lack of political freedom, inability to participate in decision – making, lack of personal security,

inability to participate in the life of community and threats to sustainability and intergenerational equity.

This report focuses on six priorities for action to eradicate poverty. Report suggests firstly empower women and men through their participation in decisions. The report suggest the following ways to do this: political commitments to securing and protecting the political, economic, social and civil rights of poor people, policy reforms and actions to enable poor people, security of tenure for housing and land, education and health care for all and social safety nets.

Second, gender equality is essential for eradicating poverty. This means, focusing clearly on ending discrimination against girls in all aspects of health, education and upbringing, empowering women by ensuring equal rights and access to land, credit and job opportunities, taking more action to end violence against women.

Third, sustained poverty reduction requires pro-poor growth in all countries. There raises the question: what makes growth pro-poor? Report suggests several key elements. Economic growth can be a powerful means of reducing poverty, but its benefits are not automatic. It depends on the economic policy of the government it expands the employment, productivity and wages of poor people. Lessening inequality and moderating its extremes, accelerating growth in poor countries, actions for the rural poor by raising agricultural productivity and incomes. Education and health for all, poverty reduction in industrial countries of absolute and relative poverty, since relative deprivation in income and commodities can lead to an absolute deprivation in minimum capabilities.
Fourth, Globalization offers great opportunities but only if it is managed more carefully and with more concern for global equity.

Fifth the state must provide an enabling environment for broad based political support and alliances for pro-poor policies and markets. Sixth, special international supports are needed for special situations to reduce the poorest countries debt faster to increase their share of aid and to open agricultural markets for their exports.

**Human Development Report (1998)**

“Human life is ultimately nourished and sustained by consumption. Abundance of consumption is no crime. It has in fact, been the life blood of much human advance. The real issue is not consumption itself but its patterns and effects. Consumption patterns today must be changed to advance human development tomorrow. Consumer choices must be turned into a reality for all. Human Development paradigms, which aim at extending and improving consumer choices too, but in ways that promote human life, this is the theme of this report.”

Chapter 1st provides a general overview of advances and setbacks in human development with the theme of consumption patterns addressed in subsequent chapter.

Chapter second of this report is consumption from a human development perspective focus on concept of consumption. The human development perspective focuses on the mange different ways in which consumption of goods and services affects peoples’ lives. From such a

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41 Ibid, p-1
peoples perspective consumption is a means to human development. Its significance lies in enlarging peoples, capabilities to live long and to live well. Consumption opens opportunities without which a person would be left in human poverty.

Food, shelter, water, sanitation, medical care and clothing are necessary for leading a long and healthy life.

Schooling and access to information through books, radio, newspapers, and increasingly, electronic networks are necessary to acquire language, literacy, numeracy and up to date information.

Transport and energy are critical inputs to all these things and virtually all other human activity. There is growing evidence that lack of mobility and access lie at the heart of economic and social disempowerment of women.

The human development approach goes further still, embracing consumption that lies outside the monetized economy: goods and services supplied through unpaid work especially by women and those supplied from the natural resources of the environmental commons, when all these are taken into account, a broader perspective is gained of a community’s consumption levels and patterns.

Consumption inputs for human development:

Goods & Services from:

\[ = \text{Personal income} + \text{Public Provisioning} + \text{Unpaid work} + \text{Natural Resources} \]
At the foundation of human development is the principle of the universalism of life claims, acknowledging the life claims of everyone women, men and children without discrimination. It demands a world where consumption is such that all have enough to eat, no child goes without education, no human being is derived health care and all people can develop their potential capabilities to the full extent.

The principle of universalism demands both intra-generational and intergenerational equity. Sustainable development may sometimes be interpreted carelessly to mean that the present level and pattern of development and consumption should be sustained for future generations as well. This is clearly wrong. The inequities of today are so great that sustaining the present patterns of development and consumption would mean perpetuating similar inequities for future generations. Development and consumption patterns that perpetuate today’s inequities are neither sustainable nor worth sustaining.

Individual consumers are assumed to be in the best position to judge their own needs and preferences and to make their own choices. It is fair to presume that people know what they are seeking and have reasons for their preferences when they option for one consumption pattern over another. Some factors affecting consumption options described in report, they are income, is an important means of widening the range of consumption options, especially as economics around the world become increasingly monetized. Income gives people the ability to buy diverse, nutritious foods instead of eating only their own crops, to pay for motorized transport instead of walking, to pay for healthcare and education for their families to pay for water from a tap instead of walking for many hours to collect it from a well.
But when incomes decline, consumption also falls sharply with devastating consequences for human well being.

Consumption options depend on the range of goods and services available from the market and state provisioning, from home production and common resources many of the most basic essential goods and services. Waters, sanitation, education, health care, transport and electricity cannot be provided without an infrastructure, without laying down water pipes, drains and electricity. Cables, without establishing a school or health centre, without building roads for vehicles. Money is of little use if there is no health dispensary within miles for buying medicine, no school that children can reach, no way to get electricity in the home.

The balance must be maintained between public and private goods. Yet in many countries and regions there is now a large and unhealthy imbalance, leading to great social inequity. Opportunities to consume can be severely limited by lack of time. Women in Africa and Asia spend many hours a day meeting the household’s needs for energy and water and have no time left for education, better, health care or community activities. Similarly, overworked labourers may receive an adequate wage, but they often work long hours and are denied the opportunity of regular leave. Women frequently face a triple constraint that severely affects their consumption choices. Not only is much of their work unpaid, but their domestic obligations on top of their responsibilities for bearing and raising children leave them with little time to do much else.

42 This was the forceful thesis presented by John Kenneth Galbraith in his seminal work the Affluent Society about 50 years ago.
Information is the key to raising awareness of the range of consumption option available and enabling the consumer to decide which choices are best. Without information, there is no way of knowing what goods and services are being provided by the state and are, by right, available to all.

Hence, income cannot always remove barriers to access to opportunities. This is particularly so when considerations of gender, class, caste or ethnicity limit peoples’ freedom to consume the goods and services they want.

Much analysis of consumer decision making assumes that the person making the decision is the one who will directly benefit from the consumption. This is far from the truth in many cases. A great deal of household consumption decision making is in the hands of one person often the mother or the father of the family. Although this may lead to good outcomes, it can also be a source of inequity within the family with girls being given less chance to get an education than boys and women being overworked. Sometimes the father controls the money for his own use, not for the family’s benefit.

There is a complex chain of links between consumption and human development. Those links can be strong, creating positive impacts for many people. But the links can also break down, producing some negative impacts on the consumer and on other, near and far.

The links between consumption and human development are clearly neither automatic nor always positive. This Report focuses on the question of how and why those links break down. How can they be
restored and maintained? What policy actions should be taken? and by whom? This report has outlined a conceptual framework within which the links between consumption and human development can be explored. Chapter IIIrd looks at global trends and illustrates both positive and negative links. Chapter IVth focuses on the impact of consumption patterns on natural resources, examining the links between consumption, environmental impacts and inequality. Finally, chapter V discusses the policy options that societies face in restoring and nurturing positive links between consumption and human development.


“The human rights have become a regular subject in international relations and that western, particularly American; diplomacy often behaves in the most self-righteous way. While the idea of human development has been thoroughly discussed mainly by academics and development practitioners, discussions on human rights are hopelessly diffuse. It’s not easy to make one’s way through the thick web of arguments and counter-arguments span by a wide range of sources from classics in philology to pamphlets produced by rights activists, there are too many easy way of complicating the rights discourse”. 44

Human development report 2000 has tried hard to avoid them. The report is firmly anchored to the Universal Declaration of Human Rights.  45

45 Universal Declaration of Human Rights Shows in Appendix
The key chapter of HDR 2000 is chapter one in which Amartya Sen in his characteristic style has presented the conceptual framework delineating the relationship between human rights and human development. Even through the nature of compatibility and complementarily between the two seems obvious enough; it is sometimes presumed that they are not compatible because they are concerned with different kinds of freedom. While the human rights literature has to a large extent, focused exclusively on political and civil liberties, human development approach so far has not gone beyond socio-economic concerns.

HDR 2000, however, asserts that “an adequate conception of human development cannot ignore the importance of political liberties and democratic freedoms (p20). This, coupled with the other assertion that human rights do include economic, social, and cultural rights, forms the core idea of the report.

The Report shows a kind of reluctance to draw on the existing cross-country empirical studies that include indicators of civil and political freedom to complement information on social and economic freedom.

Chapter five discusses various aspects of human rights indicators only in the abstract which nobody will disagree with. As we go through the long cautionary tale and indicators in this chapter we eventually reach the end of the tunnel but the light there is no bright than at the beginning. It may be recalled that HDR 1991 and 1992, HDR 1992 did some experiment with what they called the political freedom idea borrowing data from Humana’s World Human Rights Guide. Severe criticisms from various quarters forced than to drop the index from the subsequent reports. It requires sustained effort to develop a set of reasonable
indicators. A long process of continuous reflection and refinement is what makes them appealing. No indication of any such effort is visible in HDR 2000.

The section titled ‘what do the human development indices reveal?’ as usual is full of misleading commentaries. The Human Development Reports routinely provide misleading or simply wrong, interpretations of numbers. The subsection titled what does the 2000. HDI Reveal has five bullet points and none of them makes logical sense. The first says, “of the 174 countries for which is constructed this year, 46 are in the high human development category (with an HDI value equal to or more than 0.8) 93 in the medium human development category (0.500-0.790) and 35 in the low human development category less than 0.500).” Counting the numbers of countries falling in each category without providing any due as to how the classification has been arrived at is not very illuminating. Moreover, a slight change in the arbitrarily chosen minimum and maximum values for each component of the index would change the number of countries in each category remain unchanged. If, for ex. 90 years were chosen. As the maximum value for life expectancy instead of 85; Kenya, which is in the middle HDI category, would have slid down to low human development.


According the report climate change affects all people in all countries. However, the world’s poorest people are on the front line. They stand most directly in harm’s way and they have the least resources to cope. Today, slowing progress towards the millennium Development Goals (MDGs) and deepening inequalities within and across countries.

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Climate change demands urgent action now to address a threat to two constituencies with a little or no political voice: the world’s poor and future generations. It raises profoundly important questions about social justice, equity and human rights across counties and generations. The Human Development Report 2007-2008 address these questions. Our starting point is that the battle against climate change can and must be won. The world locks neither the financial resources nor the technological capabilities to act. If we fail to prevent climate change it will be because we were unable to foster the political will to cooperate.

We next turn to the criticisms of the human development approach made by some economists.

**Srinivasan T. N. (1994)** in his article (Human Development: A new paradigm or Reinvention of the wheel?) focuses first on (in the section Development: objectives and performance Indicators) what are the objectives of development, and its indicators. The precipitate growth rates of GDP and GNP after the Second World War as GNP became the goal of development in 1950’s and 1960’s. The question of promoting individual well–being receded. In time, distribution was altogether forgotten and the argument of “trickle down” was made to defend such neglect (UNDP 1990 p. 104).

Secondly, in the section Human Development index and its data base Srinivasan focuses on conceptual foundations of the HDI and lack of data on the three variables in different countries. (Developed & developing). GNP data of many developing countries suffer from problems of incomplete coverage measurement errors, and biases, an

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47 Srinivasan T.N. (1994) “Human Development”: A new paradigm or Reinvention of the wheel?
relatively reliable and recent data for estimating life expectancy at birth are not available. Also, school enrolment data are not internationally comparable, since quality of schools, dropout rates, length of school year, and so forth vary substantially between and within countries. He concludes therefore, that the HDI is conceptually weak and empirically unsound, involving serious problems of non comparability over time and space, measurement errors, and biases. Meaningful inferences about the process of development and performance as well as policy implications could hardly be drawn from variation in HDI.

Third, he describes HDR’s and development policy about that, arise two questions: one, surely such differences reflect differences in individual choices and the socio economic political processes that result in some individuals or groups in a society being poor or suffering from ill health while others are rich and healthy. Have the HDR’s shed any variable light on these? Also, have countries with low HDI values instituted policy changes with respect to nutrition, health, and education sectors?

There is no evidence that HDR’s have led countries to rethink their policies nor is there any convincing reason to expect it to happen yet such disparities in performance within the same country have not led to significant policy changes in economic political processes, rather than low levels of income and lack of knowledge about the feasibility of achieving substantial improvement, precluded the policy changes needed to bring about improvements.
Kate Raworth and David Stewart (2003) write article on critiques of the Human Development Index: A Review. This article provides a summary of the academic critiques of the human development index.

In this article, the first, section sets a context for critiques of the HDI. This section considers the critiques of for whom and what the HDI is intended, and the data requirements for indicators that constitute the HDI, and thus provides a context for many of the critiques of the HDI subsequently considered. How can any single index be expected to perform so many functions to be both prescriptive and descriptive, a final output and input, tool and a target?

The data requirements for an indicator to be feasible for the HDI are, however, very difficult to meet, data, rather than conceptual issues, are the chief constraint on the HDI better meeting its aims outlined above. For an indicator to be feasible for inclusion in the HDI the data need to be internationally comparable, available for a large proportion of the word’s countries, of reasonable quality, valid- based on identifiable criteria that measure what they are intended to measure and policy relevant- based on criteria that can be influenced, directly or indirectly by policy action.

Data in the HDI come from international statistical agencies which, in general, assures they are globally comparable and of a reasonable quality. Many international series, however, are not available for all the countries for which the HDI is currently calculated. Where an indicator is valid or not is less easily determined: there is assessment is required.

In 1990 the three dimensions of the HDI were measured respectively, by the indicators of life expectancy of birth, literacy of adults over 25 years, and the log of gross domestic product per capita (GDPpc) in purchasing power parity dollars (PPP$). A simple intermediate index was created on a scale of 0-1 using maximum and minimum scaling values. For three intermediate indices was calculated giving its HDI value for the year.

The rationale for using the concept of relative deprivation and hence the use of levels of extreme countries each years as maximum and minimum values was criticized for sacrificing the more important benefits to be had from creating a comparable time series which, by definition, cannot have shifting goalposts.” The relativity, it was pointed out, caused undesirable externalities where by the indices of all countries can change simply due to changes in the extreme countries.

Many countries at the top end of the HDI spectrum do not produce literacy data, and so are assumed to have the same rate. Critics pointed out that this caused bunching at the top, so in order to discriminate further between them, a second education indicator was suggested for all countries (Desai 1990, 1991, Murray 1991; Kelley 1991).

Although the concept of diminishing returns to income is accepted for measuring the utility of resources, there have been many critiques of the method used. The initial formulation was to take the logarithm of GDPpc, with a cut-of point of income at the average poverty level of nine industrial countries. However, critics felt that the use of the logarithm had not been justified (Rao 1991).
The current critiques of the HDI which have not been incorporated can be divided into the following main categories: conceptual issues, choice of dimensions, choice of indicators, data measurement and error, aggregation issues, redundancy and use of the HDI in analysis.
REFERENCES:


7) Colclough Christopher (Ibid).

