

## LECTURE

### Day 1 Session 1

#### INTRODUCTION TO HUMAN DEVELOPMENT

##### **Time – Two Hours**

Lecture – 1 hour

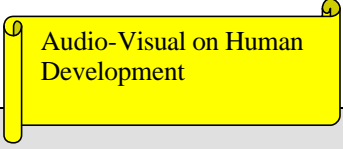
Exercise – 30 Minutes

Discussion – 30 minutes

##### **Learning Outcomes**

Knowledge acquired through this module will allow the participants to:

- Define Human Development
- Explain the reasons for the emergence and widespread acceptance of the HD perspective, and be able to decide whether HD is a paradigm or not
- Discuss the difference between HD and current views, especially development as economic growth
- Explain precisely what human development is not



Audio-Visual on Human Development

##### **Audio-Visual Presentation – Time: 15 minutes**

Start the session with an audio-visual clip on ‘The Journey of Human Development’. Divide the participants in groups of three/four and ask them to explain the term ‘development’. Ask them to at least point three yardsticks to classify a country as developed one. Note all the points on to a flip chart and refer it to often while explaining the concept of human development. It is quite possible that participants would consider a rich country or an industrialised country as a developed country. Ensure that income as a yardstick for assessing development is discussed.

The Human Development (HD) approach was developed by a group of economists and thinkers led by Mahbub ul Haq and Amartya Sen as reflected in UNDP’s Human Development Reports. Put simply, the starting point for the human development approach was the idea that the purpose of development is to improve human lives by not only enhancing income but also expanding the range of things that a person can be and do, such as to be healthy and well nourished, to be

knowledgeable, and to participate in community life. Seen from this viewpoint, development is about removing the obstacles to what a person can do in life, obstacles such as lack of income, illiteracy, ill health, lack of access to resources, or lack of civil and political freedoms.

As stated in the Human Development Report, 1990, human development 'is about more than GNP growth, more than producing commodities, and accumulating capital' which is only a means of enlarging people's choices. It is about creating an environment in which people can develop their full potential and lead productive, creative lives in accordance with their needs and interests. People are the real wealth of nations. Development is thus about expanding the choices people have to lead lives that they value.

To grasp the key idea behind HD, let us consider Kalpistan, an imaginary country with per capita income close to US \$6,000. According to most economists, Kalpistan is a "developed" country. And yet, it is also known that in Kalpistan:

- a. The wealthy families are few in number and are extremely rich, while the majority of people live in poverty.
- b. Women are severely disadvantaged and discriminated against.
- c. Environmental degradation is severe, and the government does little to prevent it.
- d. An authoritarian regime is cracking down on political opponents.

Should Kalpistan really be considered a "developed" country? Is the average per capita income adequate to assess the true level of "development"? Could it be that the standard definition of "development" is potentially misleading? And if so, do we not need to reconsider the conventional policies and programs to accelerate "development"? Are not such policies and programs, perhaps too narrow, one sided, and even harmful in terms of issues such as preservation of the environment, gender equity, or social integration?

Human Development (HD) is about addressing and solving such questions, and is the most systematic and influential attempt to widen our understanding and our search for local, national, and international development in the 21st century. Its aim is to reconceptualize "development", measure it properly, and redesign policies to achieve it in a way that does not compromise but furthers all basic human values.

Most often, this basic fact of development gets obscured because of two reasons – a) national income figures, useful though they are many purposes, do not reveal the composition of income or the real beneficiaries and b) people often value achievements that do not show up at all, or not immediately, in higher measured income or growth figures: better nutrition and health services, greater access to knowledge, more secure livelihoods, better working conditions, security against crime and physical violence; satisfying leisure hours, and a sense of participating in the

economics, cultural and political activities of their communities. Of course, people also want higher incomes as one of their options. But income is not the sum total of human life.

An important feature of the human development approach is that it has an explicit basis in philosophical reasoning and the longstanding intellectual traditions of philosophy, political economy, and economics, dating back to Aristotle and including the works of Adam Smith and Immanuel Kant, among others. Aristotle argued that “wealth is not the good we are seeking – it is merely useful for the sake of something else.” He distinguished a good political arrangement from a bad one in terms of its success in enabling people to lead “flourishing lives”.

Immanuel Kant continued the tradition of treating human beings as the ends of all activities. He observed, ‘So act as to treat humanity, whether in their own person or in that of any other, in every case as an end withal, never as means only’. Adam Smith advocated a model of economic development that would allow a person to mix freely with others “without being ashamed to appear in public” - a concept of poverty that gave weight to human dignity above and beyond income. Similar concerns are reflected in the works of thinkers and economists such as Karl Marx and John Stuart Mill.

The human development approach contains two central theses about people and development – that improvements in human lives should be an explicit development objective, and that human achievements can be used as key indicators of progress.

This emphasis on people is essential as economic growth does not seem to guarantee an automatic improvement in the lives of all people in an economy<sup>1</sup>.

Thus, we find that

High economic growth has not solved the problem of inequalities and deprivation among substantial sections of the population

High incomes are no protection against socio-economic phenomenon such as drugs, alcoholism, violence and breakdown of family relations.

At the same time, some low-income countries have demonstrated that it is possible to have a high level of human development even at relatively low levels of income if the resources are directed towards enhancing human capabilities.

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<sup>1</sup>This section is based on the Human Development Report, 1990



### **Discussion Prompt- 15 minutes**

Ask the participants to provide some examples on the limitations of income as the measure of development. Note all the examples on the Flip Chart and categorize examples according to the bullets given below:

- There are choices that do not depend on income ( playing with your children)
- Income alone does not predict every choice ( wealthy Shyam suffers a serious illness)
- National income includes not only the goods but the 'bads' as well (the value of guns and heroin produced in the country)
- Per capita income does not take into account how income is distributed (Shyam and Rakhi's per capita income is the same whether Rakhi gets Rs. 5 and Shyam gets Rs. 25 or both get Rs.15)

### **Human Development -An Initial Definition**

Let us go back to Kalpistan, the imaginary country with a high per capita income but serious flaws in terms of "true" development. How can that "true" standing be ascertained?

One possibility is to correct or "adjust" the per capita income figure, so that it gets penalized for the extension of poverty, for gender discrimination, for damage to the environment, and so on. But this approach, though intuitively appealing, has three serious drawbacks:

- a. It becomes increasingly difficult to compute and to interpret as new variables, or "true" development dimensions, are brought into the picture.
- b. It does not tell why a given variable is to be added, nor why should it be given a certain weight (for instance: is political democracy a dimension of "true" development? Also, how many dollars should be discounted from per capita income if the country discriminates against women?).
- c. Thus, it actually begs the question of what "true development" is.

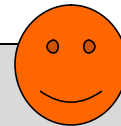
Another possibility is to face up to the fact that there is not one but several economic, social, political, and cultural goals that a country should strive for. These goals cannot be reduced to a single variable or merely to a number. And, more importantly, that any and all such national goals (a higher per capita income, political democracy, gender equity...) are but means towards its population living a better, "more human" life.

Once you think of development as a matter of ends rather than means, it seems but natural to assert that it "truly" consists in more people having better chances to lead a better life. This simple but powerful idea inspires the common definition of human development as "the process of enlarging people's choices".

"Choices" are the many things human beings have a good reason to value and to desire. The choices we refer to are not whimsical or relativistic (say, a criminal's choice to murder or a drug dealer's choice to sell heroin). Choices need to be grounded in a reasonable and reasoned moral argument.

But even valid "choices" do vary from one society, one period, or one person to the next. HD is then an open, continuous, and theoretically endless process. For different purposes, however, one may need to be more or less specific in describing the "choices" in HD.

#### **INDIVIDUAL EXERCISE No. 1 - Time: 30 minutes**



Ask each participant to prepare a list of ten essential choices, which they feel are necessary for well-being. Allow 10 minutes for this task. Form buzz-groups in clusters of five and ask each group to consolidate their lists into a single list of 10 points. Allow 20 minutes for this task. Share the lists in the plenary and discuss points of commonality and difference.

At a very basic level, a concrete yet conceptually sound simplification would boil HD down to four key "choices".

- A healthy and long lasting existence
- Access to knowledge in its different expressions
- Material resources for a decent standard of living, and
- Free participation in community life and collective affairs

For analytical purposes, Amartya Sen has elaborated the idea of "choices" in terms of "functionings" and "capabilities". A human life may be seen as a set of interrelated "functionings", a set of beings and doings contributing to her or his personal welfare: being well nourished, being respected, avoiding escapable disease, and participating in political decisions are among some such "beings" or doings". Capabilities are the various combinations of functionings a person can achieve, in exercising his or her freedom to select a life style. According to this concept of development must, therefore, be more than just the expansion of income and wealth. Its focus must be people.

Human development has therefore been defined as a process of enlarging people's choices.

### **The Specificity of Human Development**

HD is often confused with, or reduced to, some more specific notions in the field of development. It should therefore be noted that HD is conceptually related but clearly different from notions such as:

- Human capital
- Human resources
- Social development
- Satisfaction of "basic human needs"
- Poverty eradication programs
- Adjustment with human face
- Human rights

One of the most common misconceptions is to treat human development as being synonymous with human capital and human resource development. Human capital is a term coined by Schultz in 1960s to refer to the stock of skills and productive knowledge embodied in people. Just as physical capital (machines, equipment, assets and so on) make a contribution to the national income, Schultz argued that individuals, through the human capital embodied in them, also make a contribution to national income. Thus, human capital and the human resource development framework that is based on the concept of human capital, consider human beings mainly as a means to the end which is higher national income. The investment made in people in terms of education, health, nutrition is justified in terms of the 'rate of return' it yields to the individual as well as to the family and society.

The human development paradigm, on the other hand, regards people as ends in themselves, and not as means to an end. Thus, the education, health, nutrition that are embodied in people are valuable in themselves not because they enable people to contribute to the national income. Investment in individuals is not justified in terms of rates of return logic but because it enhances their capabilities.

The eminent economist Paul Streeten in fact termed those emphasizing the concepts of human development as the humanitarians and those using the human resource paradigm as the human resource developers. According to him, there are several points of difference between the human resource developers and the humanitarians. These are as follows:

- Unlike the human resource developers, the humanitarians are not concerned merely with those in the productive age group who contribute to the national income but also include within their ambit the issues of the old, infirm, sick and disabled.
- The human resource developers often treat individuals as 'targets' and assume them to be passive beneficiaries of development programmes. The humanitarians, on the other hand, focus more on involving the people in the process of development through various participatory mechanisms.
- The views of the two paradigms on women will differ substantially. The human resource developers would view women's role from their participation and contribution in the labour market whereas the humanitarians would stress in addition the non-market and non-monetary services rendered by women including their nurturing role.

Having distinguished between the two concepts, it is necessary to recognize they are linked. Human development provides the foundations for human resources to contribute better to national income. For example, the returns to education are higher when the bulk of the population has a minimum level of learning rather than a few individuals acquiring higher levels of learning while the majority is illiterate.

HD also differs from other major contemporary theories of economic, political and social development:

- a. First and foremost, HD differs from the prevailing economic theory: development is not the same as economic growth ("the sustained increase in a country's per capita income"). Economic growth is a necessary but not a sufficient condition for HD. It is one of the most important means to enlarge human choices, yet it is not the only means, nor should it be regarded as a goal in itself.
- b. HD also differs from the most influential theory among sociologists, who refer to "modernization" and not to development. Modernization unfreezes people's minds and opens new opportunities, thereby contributing to HD. But it is a means and, some believe, not always leading towards valuable choices.
- c. HD differs from the Marxist paradigm, where history is seen as the dialectical interplay between social forces and social relationships of production, which dictate the passage of humankind through different "modes of production"; in recent times, from feudalism to capitalism to socialism and, eventually, to communism. HD shares in values such as the quest for justice or the creativity of human labor, yet it stands for pluralism and political democracy.

HD can be said to be a new "paradigm<sup>2</sup>" in the field of development, in as much as it takes a different look at old issues, and as much as it raises new issues.

To understand these key elements of the human development approach and their relevance for development policy and strategy, it helps to compare it with other approaches that have influenced public policy debates, such as the dominant neoliberal paradigm and a predecessor to the human development approach, the basic needs approach (see Table I).

The HD paradigm features four formal characteristics worth mentioning:

- a. It is a paradigm **under construction**, not a finished theory or a closed system. Given both the newness of HD and the complexity of its subject matter, there are still many specific issues to be tackled, many doubts and blank spaces, much pending work for "normal science"-that is, for filling-in the details of our "map".
- b. It is a **multidimensional paradigm**, pluralist and holistic, simultaneously aiming at several values. This feature enriches the paradigm but also renders it more complex.
- c. It is an **interdisciplinary** paradigm that picks up the best of moral and political philosophy, of neoclassical economy--particularly the theories of welfare and social choice-of statistics and its mathematical foundations. Moreover, a paradigm that faces the challenge of integrating political theory, sociology, and the theory of social policy. It is then a paradigm demanding a genuine understanding and simultaneous mastery of several disciplines, which is a difficulty as well as an advantage.

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<sup>2</sup> The word "paradigm"-meaning "model" or "example" in Greek-was popularized by Thomas S. Kuhn in his controversial book "The Structure of Scientific Revolutions" (1962, Chicago, The University of Chicago Press). Although Kuhn does not formally define "paradigm", the concept refers to the set of assumptions shared by a given academic community about what a scientific problem is, what constitutes a valid solution to the problem, and what are the acceptable methods of the science in question.

Relativity, the string theory of fundamental particles, chaos theory, Darwinism, Freudism, Marxism, neoliberalism, are some examples of more or less elaborated and rigorous "scientific paradigms".

In order to appreciate the workings of a paradigm, we may borrow an analogy from geography. Remember those maps of America, Asia or Africa drawn by the early European explorers, which began as a rough sketch and were gradually sharpened as new reports came in? But then a major discovery - say the Pacific Ocean or the Niger river- forced cartographers to draw a very different map. The process of gradual sharpening is what Kuhn calls "normal science", and "scientific revolutions" amount to redrawings of the map.

HD can be said to be a new "paradigm" in the field of development, in as much as it takes a different look at old issues, and as much as it raises new issues.

Source: VDA, UNDP

- d. It is an **action-oriented** paradigm, as it was coined from the United Nations in interaction with governments, development agencies, and people all over the world. It is practical in seeking to change the conditions of life, to multiply options so that concrete human beings may face better choices.

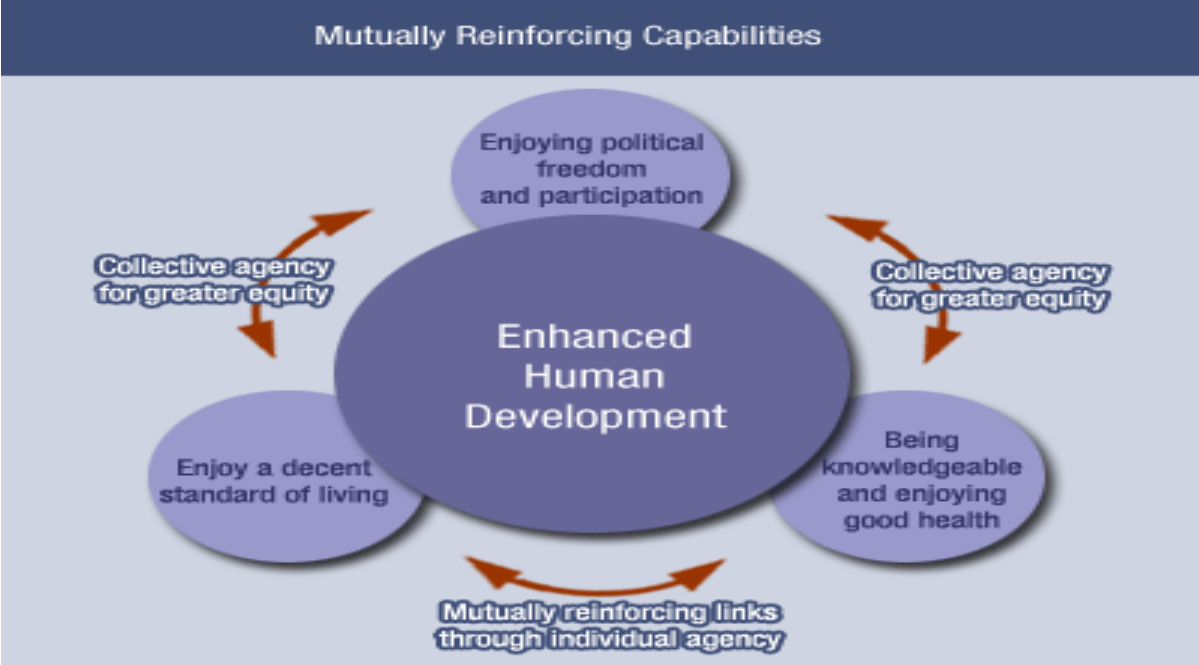
What differentiates HD from other theories and methodologies of development is the "holistic" or integrative character of HD. The HD approach strives to simultaneously achieve the three basic developmental values of efficiency, equity, and freedom.

- a. **Efficiency** is defined as the optimal use of existing resources. From an HD perspective, it is the maximum enlargement of the material base for the satisfaction of human choices. The value of efficiency is crucial to the HD paradigm because, as any other theory of development, it must deal with how to increase the availability of goods and services to satisfy human needs.
- b. **Equity** corresponds to commutative and distributive justice, particularly to the apportionment of opportunities among different human beings. Equity is the main value underlined by critics of the prevailing or "neoliberal" model, and enters the HD paradigm from these socially based criticisms.
- c. **Freedom**, that is, the possibility of choosing, comes to be the bridge laid by the HD approach between efficiency and equity. As Sen puts it, freedom has a "constitutive" and an "instrumental" value; freedom is valuable in itself and valuable as a means both to potentiate human energies (efficiency) and for everybody's needs and preferences to impinge upon the apportionment of opportunities (equity).

HD thus advocates for a new synthesis among the three cardinal developmental values of our time. It is "pluralist" and "holistic" in that it pursues efficiency, equity and freedom simultaneously, and in that it strives to find out the "synergies" or virtuous circles leading from each of these values to the others.

Let us look at some synergies. The redistribution of social opportunities widens the market and increases the productivity of workers: equity bringing about efficiency. The existence of liberties allows for creativity to flourish and thus enhances efficiency. Or, a prosperous economy provides more opportunities for personal fulfillment, whereby efficiency contributes to the stability of democratic freedoms.

Equity makes public deliberations among equals possible for human beings; hence freedom grows along with equality.



Source: Human Development Report, 2002