

LECTURE

Day 3 Session I

HUMAN DEVELOPMENT FOR PUBLIC POLICY

Time - Two Hours

Discussion – 25 minutes

Exercises- 45 minutes

Lecture –40 minutes

Audio-Video – 10 minutes

Learning Outcomes

Knowledge acquired through this module will allow the participants to:

- Discuss the linkages between economic growth and human development
- Discuss the shift in the public policy from 'growth driven' to 'human development'
- Evaluate public policy from an HD perspective

Public Policy in an Indian Context

The first task of the Indian Government, in the immediate post-independence period, was to improve the material and human conditions of life by motivating rapid growth in a stagnant economy. The initial planning efforts in the country were directed and designed only with a solitary objective of increasing the quantum of growth. The idea behind the fixation with growth was the faith in the 'trickle down' theory.

Doubts were raised in the early 70's about the effectiveness of the "trickle down" approach and its ability to alleviate poverty. Further, the growth itself generated by the planned approach, remained too weak. Public sector did not live up to the expectations of generating surpluses to accelerate the pace of capital accumulation and help reduce inequality. Agricultural growth remained constrained by perverse institutional conditions. Unchecked population explosion made the twin historic tasks of industry more difficult. Though the growth achieved in the three Five Year Plans was not insignificant, yet, it was not sufficient to meet the aims and objectives of development. A diversified industrial structure was established. Professional, managerial and

technical manpower and skills were created. Similarly, in the field of agriculture, land under cultivation and irrigation increased, but their impact on economic growth and human development remained marginal. During the late 70's almost half of the country population (51.3 %) was below the poverty line, literacy rates were only 43 % and life expectancy was as low as 45 years. These brought into view the weakness of economic strategy. A shift of policy was called for. The country had also witnessed calamities of nature, war and oil-shocks.

Continuing the Fourth Plan's targeted programmes, the Fifth Plan (1974-79) corrected its course by initiating a programme emphasising growth and distribution.

The trend continued till the seventh Plan. The Eighth Five Year Plan (1992-97), was launched against the backdrop of a balance of payments crisis, leading to the debt trap experienced in 1991. The crisis led to a *second rethinking* about our economic strategies and far reaching changes were effected. India launched a major programme of economic liberalization (stabilization and structural adjustment) in July 1991. The reforms, as they emerged, gave primacy to employment-related growth as a means of providing credible solutions to the problem of mass poverty, an expanded role to the private sector, both domestic and foreign, import liberalization, disinvestment in public enterprises, increased public investment in agriculture, physical infrastructure and social sector. During the Eighth Plan, efforts were also made towards decentralisation through the 73rd and 74th Amendments of the Constitution. This shift in the thinking from accumulation of physical capital to human development occurred primarily due to two reasons a) During this period, it was increasingly being recognised that that income was not a sufficient indicator for assessing development, with the first HDR in 1990 by UNDP claiming that people are the real wealth of the nation. The basic objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives and b) even after five decades of planning, almost 40 % of the population was below the poverty line, literacy rates were only 52 percent, IMR was 77 per 1000 live births. In absolute terms, the progress on these indicators seemed laudable but in comparative terms, it seemed trivial. For example – India and China gained independence around same time with similar literacy rates (less than 25 percent) but in the late 1980's China's literacy rate was more than 70 per cent and for India it was not even 50 percent.

This shift in the international discourse to HD for assessing and planning for development was embraced by India and was reflected in the Eight Plan onwards. The efforts to further HD

continued during the Ninth Five Year Plan – The Chief Ministers on Basic Minimum Services recommended adoption of seven objectives to be attained by the year 2000. These were 100 per cent coverage of provision of safe drinking water, 100 per cent coverage of primary health centres, universalisation of primary education, public housing to all shelterless and poor families, extension of mid-day meal scheme, road connectivity to all villages and habitations and streamlining the public distribution system targeted to families below the poverty. These objectives were then served by Centrally –sponsored schemes and schemes in State Plans. For the current Tenth Five Year Plan, HD now has become the guiding force. This plan can be considered as a landmark as for the first time, it sets State level monitorable targets relating to human development to be achieved by 2015. These targets relate to poverty, employment, literacy, IMR, MMR, drinking water and environment and have been inspired by the Millennium Development Goals set up by the global community to achieve equitable and sustainable development in a time bound manner.

NATIONAL DEVELOPMENT GOALS AND MDGs

<i>MILLENNIUM DEVELOPMENT GOALS (MDGs)</i>	<i>TENTH PLAN GOALS</i>	<i>PLAN TARGETS AS COMPARED TO MDGs</i>
A. Eradicate extreme poverty and hunger		
<p>*Reduce by 50% the proportion of people living on less than 1\$/day</p> <p>*Reduce by 50% the proportion of people suffering from hunger</p>	<p>*Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012;</p> <p>*Providing gainful and high-quality employment at least to addition to the labour force over the Tenth Plan period;</p>	<p>*Reduce by a fifth the proportion of people below the national poverty line by 2007 and by three-fifth by 2012</p>
B. Achieve universal primary education		
<p>*By 2015, children everywhere to complete a full course of primary schooling</p>	<p>*Increase in literacy rate to 75 per cent within the Plan period</p> <p>*All children in school by 2003; all children to complete 5 years of schooling by 2007</p>	<p>*Ensure that, by 2007, all children will be able to complete a full course of primary schooling</p>
C. Promote gender equality and empower women		
<p>*Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015</p>	<p>* Reduction in gender gaps in literacy and wage rates by at least 50 per cent by 2007</p>	<p>*Eliminate gender disparity in primary education by 2007</p> <p>*Reduce, by half, gender disparity in literacy rate by 2007</p> <p>*Reduce, by half, gender gap in wage rates by 2007</p>
D. Reduce child mortality		
<p>*Reduce by 2/3 between 1990 and 2015, the under five mortality rate</p>	<p>* Reduction of infant mortality rate (IMR) to 45 per 1000 live births by 2007 and to 28 by 2012</p>	<p>*Reduce the IMR by 1/3 by 2007</p> <p>*Reduce the IMR by 3/5 by 2012</p>
E. Improve maternal health		
<p>*Reduce the maternal mortality ratio (MMR) by three quarters between 1990 and 2015</p>	<p>* Reduction of maternal mortality ratio (MMR) to 2 per 1000 live births by 2007 and to 1 by 2012</p>	<p>*Reduce the MMR by 50% by 2007</p> <p>*Reduce the MMR by 75% by 2012</p>

F. Combat HIV / AIDS, malaria and other diseases		
*Have halted by 2015, and begun to reverse, the spread of HIV/AIDS	*Achieve zero level increase of HIV/AIDS prevalence by 2007 *Halve, by 2010, the morbidity and mortality due to malaria	*Achieve zero level increase of HIV/AIDS prevalence by 2007 *Halve, by 2010, the morbidity and mortality due to malaria
G. Ensure environmental sustainability		
*Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources *Halve, by 2015, the proportion of people without sustainable access to safe drinking water	*Increase in forest and tree cover to 25 per cent by 2007 and 33 per cent by 2012 *Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012 *All villages to have sustained access to potable drinking water within the Plan period	*Increase in forest and tree cover to 25 per cent by 2007 and 33 per cent by 2012 *Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012 *All villages to have sustained access to potable drinking water by 2007
H. Develop a global partnership for development		
*Develop an open trading and financial system that is rule-based, predictable and non-discriminatory *Address the least developed countries' special needs *Address the needs of landlocked and small island States *Deal comprehensively with 'debt problems' *Develop decent and productive work for youth *Provide access to affordable essential drugs in developing countries *Make available the benefits of new technologies	*The 'India Development Initiative', with an allocation of Rs. 200 crore for 2003-04, to be utilised for providing grant or project assistance to developing countries in Africa, South Asia and other parts of the developing world *A debt relief package being considered for the Heavily Indebted Poor Countries (HIPC) owing overdue payments of substantial sums to India *Relief to be provided to certain bilateral partners, with smaller assistance packages, so that their resources can be transferred to specified non-governmental organisations in greater need of official development assistance	

These developments are a strong evidence that trickle down does not work and what is required is a concerted focus and a 'direct strike' and income is not a sufficient indicator for assessing development. For effective and efficient development one has to look beyond income. Thus, development is much more than economic growth, which is only a means for enlarging the range of people choices.

The HD paradigm questions the presumed automatic link between expanding incomes and expanding choices. Such a link depends upon the quality and distribution of economic growth, not only on the quantity of such growth. A link between growth and human lives has to be created consciously through deliberate public policy—such as public spending on social services and fiscal policy to redistribute income and assets. This link may not exist in the automatic workings of the market place, which can further marginalise the poor.

HD provides us with a useful tool to select among existing policies, strategies or programmes to adjust and combine them for an enhanced contribution to development. As a counterpart to the GDP, Human Development Index (HDI) was developed to assess progress of countries on human development indicators. This index combines three indicators (life expectancy at birth, literacy rate and combined enrolment ratio and per capita income measuring three important dimensions (choices) – longevity, knowledge and decent standard of living). This index is calculated by measuring the relative distance of each country from the maximum goalpost for each of the indicator and then combined in a composite indicator with each of the dimension carrying equal weights.

The State must play a leading role in guiding the development process -- Important questions to be answered are what kinds of functions the state performs, and how well it performs them. Strong case for decentralisation when a human development strategy is adopted (on account of administrative efficiency and participation plus empowerment logic) plus the arguments that decentralization is unlikely to be effective unless it includes devolution of power.

Human development is not just an academic endeavor but a daring effort to reshape many of the current policies and practices that some deem or claim are best suited to development. This does not however imply that HD is another recipe or some "new school" claiming to be in position of the magic bullet.

Rather than a "how-to" guide on any or all components of development, or than a list of just-discovered strategies and programs, HD provides us with a useful guide to select among existing policies, strategies or programs, to adjust and combine them for an enhanced contribution to development.

Basics of policy-making for human development

There is plenty of literature and experience concerning the design and implementation of policies for economic, social, and political development. The analysis of such policies belongs to a series of specialized disciplines, ranging all the way from, say, macroeconomics to educational planning, or from public sector management to community organization. HD is by no means interested in reinventing the wheel. Rather than in a set of new specific policies, the HD strategy consists of:

- a. Selecting those specific policies or programs that have proven the best to achieve a given dimension or component of HD, and
- b. Adjusting or redesigning such policies or programs, so that their "synergies" or positive impacts on the remaining dimensions of HD are maximized.

Basic Parameters

HD policies and programs must fulfil four considerations:

- a. For the dominant paradigm, the aim of development policies is to maximize per capita income. The goal of HD is not to maximize any given indicator (say, the HDI) but to enlarge people's choices.
- b. HD policies and programs should be designed and carried out with an eye to improve efficiency, equity and freedom, and to do so **simultaneously**.
- c. There are clear guidelines for HD, but there are no standard or universal recipes. Policies and programs should seek to **enlarge** human choices, given the previous achievements, resources and limitations of the respective country or social group.
- d. HD has aptly been defined as "development of the people, by the people, and for the people". Hence, in regards to any specific policy or program, one should consider:
 - who benefits from it
 - who is to carry out the different activities, and
 - how are those activities performed.

The Acid Test

From the three major values in HD - efficiency, equity, and freedom - one may derive a set of operational criteria to assess policies or programs for development. Thus:

- a. The quest for efficiency implies the project to be **productive**,
- b. The quest for equity implies the project to be both **equitable** and **sustainable** (that is, equitable to the alive as well as to the unborn), and
- c. The quest for freedom implies the project to be **participatory** (that is, to rely upon the free agency and creativity of people).

So, whenever you want to evaluate a given strategy, a policy, a program or a project of economic, social or political development from the viewpoint of HD, remember to state and answer the four "acid" questions:

- a. Is the project **productive**? Does it increase the amount of resources and make good use of the different inputs?
- b. Is the project **equitable** in regards to both benefits and costs?
- c. Is the project **sustainable**, not only in ecological but also in economic and social terms?
- d. Is the project **participatory**? Does it take advantage of people's energies and consults their aspirations?

Discussion Prompt – 10 minutes



Ask the participants to think of other parameters that can be included in the above list to evaluate the policy from an HD perspective. Note all the suggestions on a flip chart and discuss.

Dimensions of HD

The bulk of existing policies of economic, social, or political development are designed and justified as a means to achieve **mainly** one of the following goals:

- Economic growth;
- Socio-economic equity;
- Poverty eradication;
- Gender equity;
- Sustainability;
- Political democracy;
- Citizens' participation, or
- Cultural identity.

Because of its pluralism or its holism, HD embraces all of the above goals as follows:

- The value of **efficiency** materializes in economic growth.
- **Equity** translates into the goals of socio-economic equity, eradication of poverty, gender equity, and intergenerational sustainability.
- **Freedom** is manifest in political democracy, citizens' participation, and cultural identity (i.e., the minorities' right to be different).

The above eight dimensions are a useful checklist for identifying synergies and evaluating policies for their HD orientation.



Group Exercise Time – 45 minutes

Provide each group with an appropriate policy document (like the Rashtriya Sam Vikas Yojana, IT policy and National Environment Policy). Ask the participants to analyse each of these documents from an HD perspective, using the ‘acid test’ provided above.

The time to be given for this task is 45 minutes. Each group should be asked to present their analysis in a plenary session. Groups should be asked to use a common matrix to present their findings (see below).

Ask each of the groups to present their matrix and discuss the main findings.

Attributes	Elements in the policy or program with a bearing on the attribute	Valuation mark: 0 (highly negative) to 5 (neutral) and to 10 (highly positive)	Why that mark?
Is it productive?			
Is it equitable?			
Is it sustainable?			
Is it			