

B.A PART1

INDIAN ECONOMICS

TOPIC :- HUMAN DEVELOPMENT

Meaning of Human Development:

The term 'human development' may be defined as an expansion of human capabilities, a widening of choices, 'an enhancement of freedom, and a fulfilment of human rights.

At the beginning, the notion of human development incorporates the need for income expansion. However, income growth should consider expansion of human capabilities. Hence development cannot be equated solely to income expansion.

Income is not the sum-total of human life. As income growth is essential, so are health, education, physical environment, and freedom. Human development should embrace human rights, socio-eco-politico freedoms. Based on the notion of human development. Human Development Index (HDI) is constructed. It serves as a more humane measure of development than a strictly .income-based benchmark of per capita GNP.

The first UNDP Human Development Report published in 1990 stated that: "The basic objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives." It also defined human development as "a process of enlarging people's choices", "and strengthen human capabilities" in a way which enables them to lead longer, healthier and fuller lives.

From this broad definition of human development, one gets an idea of three critical issues involved in human development interpretation. These are: to lead a long and healthy life, to be educated, and to enjoy a decent standard of living. Barring these three crucial parameters of human development as a process enlarging people's choices, there are additional choices that include political freedoms, other guaranteed human rights, and various ingredients of self-respect.

One may conclude unhesitatingly that the absence of these essential choices debar or blocks many other opportunities that people should have in widening their choices. Human development is thus a process of widening people's choices as well as raising the level of well-being achieved.

What emerges from- the above discussion is that economic growth measured in terms of per capita GNP focuses only on one choice that is income. On the other hand, the notion of human development embraces the widening of all human choices—whether economic, social, cultural or political. One may, however, contest GDP/GNP as a useful measure of development since income growth enables persons in expanding their range of choices.

This argument is, however, faulty. Most importantly, human choices go far beyond income expansion. There are so many choices that are not dependent on income. Thus, human development covers all aspects of development. Hence it is a holistic concept. “Economic growth, as such becomes only a subset of human development paradigm.”

Objectives of Human Development:

In the traditional development economics, development meant growth of per capita real income. Later on, a wider definition of development came to be assigned that focused on distributional objectives. Economic development, in other words, came to be redefined in terms of reduction or elimination of poverty and inequality.

These are, after all, ‘a goods-oriented’ view of development. True development has to be ‘people- centred’. When development is defined in terms of human welfare it means that people are put first. This ‘people-oriented’ view of development is to be called human development.

It is thus clear that per capita income does not stand as a true index of development of any country. To overcome this problem and to understand the dynamics of development, the United Nations Development Programme (UNDP) developed the concept of Human Development Index (HDI) in the 1990s. This index brought in revolutionary changes not only in development, but also in the policy environment in which the government was assigned a major role instead of market forces.

Economic development now refers to expanding capabilities. According to Amartya Sen, the basic objective of development is ‘the expansion of human capabilities’. The capability of a person reflects the various combinations of

‘doings and beings’ that one can achieve. It then reflects that the people are capable of doing or being. Capability thus describes a person’s freedom to choose between different ways of living.