



Human Development : Comparitive Study of BRICS Countries

KEYWORDS

Human development, emerging countries, BRICS nations

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ABSTRACT *With an abundance of empirical data and a new way of thinking about and measuring development, the Human Development Report has had a profound impact on policies around the world.*

In recent decades, low- and middle-income countries such as Chile, Costa Rica, Cuba and China have succeeded in dramatically improving their citizens' health. The number of people living below the poverty line has also fallen significantly in many large countries such as China, India and Brazil. Within Africa, Ghana and Senegal halved their incidence of poverty between the mid-1990s and 2010. Furthermore, the highest rates of GDP growth over the past decade have been in East Asia (8%), South Asia (7%) and Sub-Saharan Africa (5%) — "the three regions which account for the bulk of absolute poverty" globally.

Despite these positive trends, there continue to be massive gaps in the degree of human development among countries. Comparing the lives of people in Norway, Australia and Switzerland (most developed countries) to those in Congo, Niger and the Central African Republic (least developed), astonishing disparities emerge across all measures of health, wealth, security and well-being.

Introduction

"The basic purpose of development is to enlarge people's choices. In principle, these choices can be infinite and can change over time. People often value achievements that do not show up at all, or not immediately, in income or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms and sense of participation in community activities. The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives."

Key trends in global development, poverty, health :UNDP2014

The past decades have seen substantial progress in many aspects of human development. Most people today are healthier, live longer, are more educated and have more access to goods and services. Even in countries facing adverse economic conditions, people's health and education have greatly improved. Some of the key trends in global development, poverty and health (as per UNDP 2014) are as follows:-

- "In developing countries (where 92% of children live) 7 in 100 will not survive beyond age 5, 50 will not have their birth registered, 68 will not receive early childhood education, 17 will never enrol in primary school, 30 will be stunted and 25 will live in poverty. Inadequate food, sanitation facilities and hygiene increase the risk of infections and stunting: Close to 156 million children are stunted, a result of undernutrition and infection."
- For the elderly, there continues to be little safety net, as "roughly 80% of the world's older population does not have a pension and relies on labour and family for income."
- Young people around the world continue to have difficulty finding work, hurting their life chances over the long run. The period during ages 15 to 24 is the

"transition when children learn to engage with society and the world of work" and a time when young persons are especially "vulnerable to marginalization in the labour market." Indeed, "in 2012 the global youth unemployment rate was an estimated 12.7%, almost three times the adult rate."

- Rising levels of violence are significantly impeding development globally: "More than 1.5 billion people live in countries affected by conflict — about a fifth of the world's population. And recent political instability has had an enormous human cost — about 45 million people were forcibly displaced due to conflict or persecution by the end of 2012 — the highest [number] in 18 years — more than 15 million of them refugees."

Major indices as per UNDP

1. Human development index

The HDI was created to emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone. The HDI can also be used to question national policy choices, asking how two countries with the same level of GNI per capita can end up with different human development outcomes. These contrasts can stimulate debate about government policy priorities.

The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living. The HDI is the geometric mean of normalized indices for each of the three dimensions.

The health dimension is assessed by life expectancy at birth component of the HDI is calculated using a minimum value of 20 years and maximum value of 85 years. The education component of the HDI is measured by mean of years of schooling for adults aged 25 years and expected years of schooling for children of school entering age. Mean years of schooling is estimated by UNESCO Institute for Statistics based on educational attainment data from

censuses and surveys available in its database. Expected years of schooling estimates are based on enrolment by age at all levels of education. This indicator is produced by UNESCO Institute for Statistics. Expected years of schooling is capped at 18 years. The indicators are normalized using a minimum value of zero and maximum aspirational values of 15 and 18 years respectively. The two indices are combined into an education index using arithmetic mean.

The standard of living dimension is measured by gross national income per capita. The goalpost for minimum income is \$100 (PPP) and the maximum is \$75,000 (PPP). The minimum value for GNI per capita, set at \$100, is justified by the considerable amount of unmeasured subsistence and nonmarket production in economies close to the minimum that is not captured in the official data. The HDI uses the logarithm of income, to reflect the diminishing importance of income with increasing GNI. The scores for the three HDI dimension indices are then aggregated into a composite index using geometric mean. Refer to Technical notes for more details.

The HDI does not reflect on inequalities, poverty, human security, empowerment, etc. The HDRO offers the other composite indices as broader proxy on some of the key issues of human development, inequality, gender disparity and human poverty.

A fuller picture of a country's level of human development requires analysis of other indicators and information presented in the statistical annex of the report.

2. Inequality adjusted Human Development Index (IHDI)

The IHDI takes into account not only the average achievements of a country on health, education and income, but also how those achievements are distributed among its population by "discounting" each dimension's average value according to its level of inequality. The IHDI is distribution-sensitive average level of HD. Two countries with different distributions of achievements can have the same average HDI value. Under perfect equality the IHDI is equal to the HDI, but falls below the HDI when inequality rises. The difference between the IHDI and HDI is the human development cost of inequality, also termed – the loss to human development due to inequality. The IHDI allows a direct link to inequalities in dimensions, it can inform policies towards inequality reduction, and leads to better understanding of inequalities across population and their contribution to the overall human development cost.

3. Gender Inequality Index (GII)

Gender inequality remains a major barrier to human development. Girls and women have made major strides since 1990, but they have not yet gained gender equity. The disadvantages facing women and girls are a major source of inequality. All too often, women and girls are discriminated against in health, education, political representation, labour market, etc — with negative repercussions for development of their capabilities and their freedom of choice. The GII measures gender inequalities in three important aspects of human development—reproductive health measured by maternal mortality ratio and adolescent birth rates; empowerment, measured by proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older with at least some secondary education; and economic status expressed as labour market participation and measured by labour force participation rate of female and male populations aged 15 years and older. The GII sheds new light

on the position of women in over 150 countries; it yields insights in gender gaps in major areas of human development. The component indicators highlight areas in need of critical policy intervention and it stimulates proactive thinking and public policy to overcome systematic disadvantages of women.

4. Multidimensional Poverty Index (MPI)

Like development, poverty is multidimensional — but this is traditionally ignored by headline money metric measures of poverty. The Multidimensional Poverty Index (MPI), published for the first time in the 2010 Report, complements monetary measures of poverty by considering overlapping deprivations suffered by people at the same time. The index identifies deprivations across the same three dimensions as the HDI and shows the number of people who are multi-dimensionally poor (suffering deprivations in 33% of weighted indicators) and the number of deprivations with which poor households typically contend with. It can be deconstructed by region, ethnicity and other groupings as well as by dimension, making it an apt tool for policymakers.

The MPI can help the effective allocation of resources by making possible the targeting of those with the greatest intensity of poverty; it can help addressing MDGs strategically and monitoring of impacts of policy intervention.

India's position vis-a-vis other emerging countries

India's human development index in 2013 improved slightly from the previous year, while it ranked 135 out of 187 countries, according to the 2014 UNDP Human Development Report.

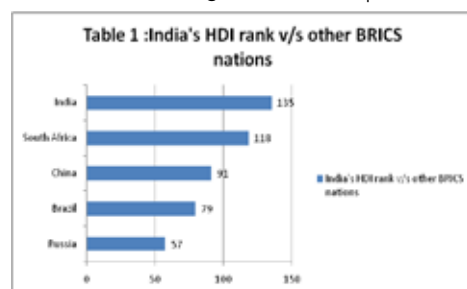
This is only seven positions ahead of Bangladesh, but well behind Sri Lanka, which is at 73. Nepal and Pakistan fall in the low development category, at 145 and 146 respectively.

The human development index is derived from a measurement of life expectancy, education, and income indices.

India's index is 0.586 out of a maximum of 1. India's index was below the average of 0.614 for countries in the medium human development group.

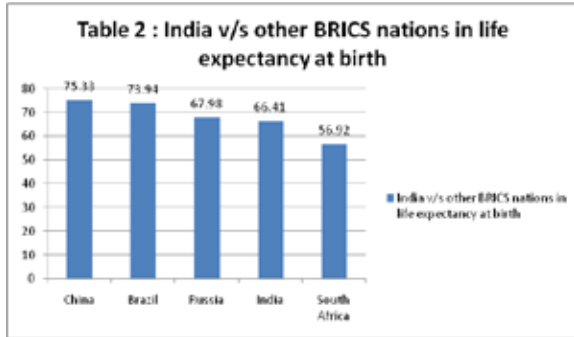
Even though India demonstrated faster levels of economic growth in the 2000s, the country's index grew slower than in the 1980s. But the index's growth in the 2000s was greater than in the 1990s. Between 1980 and 2013, India's index increased from 0.369 to 0.586 which represents a 58.8% increase.

India lags behind BRICS nations in all categories except South Africa, which ranks lower in life expectancy. None of the BRICS nations were in the high human development category.



Life expectancy

India has made significant progress between 1980 and 2013 with life expectancy at birth increasing by 11 years while the mean years and expected years of schooling increased by 2.5 years and 5.3 years respectively.



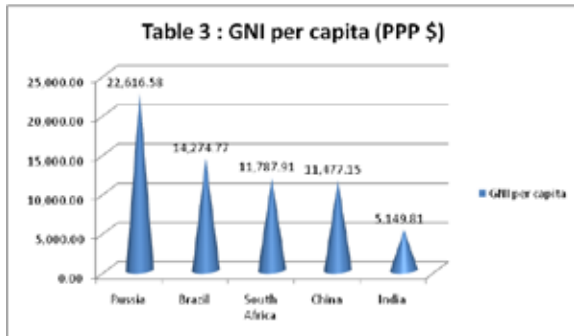
Gender

The report introduces the gender development index, which measures gender development gaps among 148 countries where data was available. Overall there is an 8% deficit for women, while the per capita income of men is more than double that of women. Among the BRICS nations, India's performance is the worst.

With respect to the gender inequality index, which tells us about inequalities in reproductive health, empowerment and economic activity, India ranks a lowly 127 out of 152 countries, the same as Pakistan but lower than Bangladesh at 115. Amongst the BRICS nations, India is again the lowest, with China at 37 and Russia at 52.

Standard of living

Standard of living indicator of HDI is measured by Gross National Income (GNI) per capita. The data for this component is calculated in PPP \$ for 2011. India stands lowest amongst all BRICS nations in this indicator.



Conclusion

With an HDI value of 0.586 out of a maximum possible 1, India is 135 India's human development index improved slower in the 2000s than it did in the 1980s despite much faster economic growth, the report shows. However the improvement in the 2000s was better than in the 1990s.

When inequality is factored in, India loses nearly 30% of its HDI value. India's human development indicators are also substantially different for men and women; the HDI for men alone is much higher at 0.627, while the HDI for Indian women alone is just 0.519. The report also includes estimates for a newer Multi-dimensional Poverty Index, but since India has not collected new health statistics since 2005, the Index too could not be updated.

Though India has improved a lot since last decade, however it still lags behind other emerging countries in terms of inequality, poverty, health, education etc. India needs to take serious steps so that it can perform at par with other BRICS nations.

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