



PROGRESS IN HUMAN DEVELOPMENT AMONG SAARC NATIONS : AN ECONOMIC ANALYSIS

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ABSTRACT:

This study aims to observe the conditions of Human Development among the SAARC Countries, to examine the trend, pattern and composition of the indicators of human development along with Human Development Index (HDI) among SAARC nations. Secondary data is used to analyse this study from 1990 to 2017. Since 1990, the United Nations Development Programme (UNDP) has been preparing the global Human Development Report (HDR). Every year the HDR emphasizes on a distinct issue that effects on measuring the multidimensional human development. HDI is getting popular to measure the development of a country. It combines three critical indicators namely, Education, Life expectancy, and Standard of living. The highly developed nations are with higher HDI scores. In the year 2018, Niger has scored 0.536 whereas Norway got 0.953 in HDI score. Therefore, Norway will be considered more developed than Niger in Human Development. Obviously, when compared with the previous year's status all South Asian nations registered positive growth. India's HDI value has been increased from 0.427 (1990) to 0.640 (2017), i.e., a sharp increase of HDI value of 0.231. These remarkable achievements achieved by India next to Sri Lanka and the Maldives. India ranks third in SAARC region and 130th rank in the world among 189 Countries and territories. This study has been attempted to throw lights on the progress which is addressed systematically to the promotion and protection of human development.

KEYWORDS: Human Development Index, SAARC, Human Development Report, UNDP.

INTRODUCTION:

Human development concerns are broadening the series of choices for people to pursue economic, social, cultural and political by developing their capabilities to shape their lives as they wish and enabling them to live in dignity. The South Asian Association for Regional Cooperation (SAARC) was established in the year, 8th December 1985. The states which are joined together or associated namely, Government of Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. Afghanistan becomes 8th SAARC member in April 2007. SAARC aims to increase the pace of economic and social development process among member countries through the joint agreement of cooperation. The agreed areas are Agriculture; Rural Development; Meteorology; Transport; Telecommunication; Health and Population Activities; Postal Services; Science and Technology, Sports, Art and Culture. The SAARC countries are of different size both geographically, and population wise and have different resources endowment. The increasing degree of regional cooperation among SAARC countries would prove to be of immense socio-economic and political importance to this region which is the ultimate aim and objective of SAARC Countries. The leaders recognised at the forth summit in 1988 that HDR was one of

the means to achieve the objectives of SAARC. In this context, they announced the offer to host the SAARC Human Resource Development Centre in Islamabad. The centre undertakes research, imparts training and disseminates information on HRD issue and advice member states on HRD related policies and strategies.

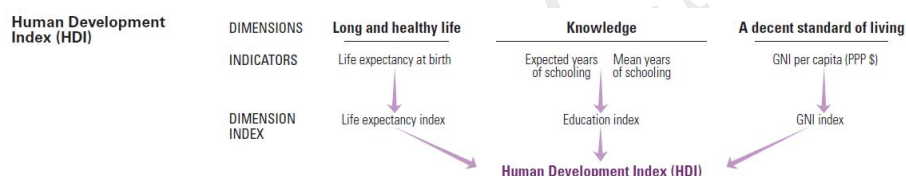
HDI IN SOUTH ASIA

Human Development Centre published Human Development Report in South Asia focusing on gaining from globalisation for the developing countries and on accelerating their human development, improved governance and invested in infrastructure. If the management of globalisation activities are appropriate, then it helps to achieve goals of sustainable development and poverty reduction. Even though the economic growth rate is positive, human welfare in term of education, health and employment may not have improved. Therefore, the report of Human Development provides a better picture of a nation compared with GDP.

METHODOLOGY

(i) The study used secondary data for the analysis. The HDI of SAARC nations for 28 years was collected from UNDP from 1990 to 2017.

(ii) STRUCTURE OF THE HUMAN DEVELOPMENT INDEX



(SOURCE: <http://hdr.undp.org/en/content/human-development-index-hdi>)

The HDI report provides the details of achievement in the vital areas of human development, viz., a lengthy and healthy life, knowledge and a decent standard of living. The HDI report includes the indices for these three dimensions. (UNDP, 2018).

OBJECTIVES OF THE STUDY ARE;

1. To study the conditions of Human Development in the SAARC countries
2. To analyse the trend, pattern and composition of the indicators of Human Development.

REVIEWS OF SELECT STUDIES

Homa Nath Poudel (2014)¹ states that the HDI is the crucial and most used method to measure the overall performance of nations. If human development is not appropriately addressed, the economic progress of nations will be neither equitable nor sustainable. The study concluded that the HDI difference in SAARC countries' is due to the differences in the index on education and the adult literacy rate.

M.R. Narayanan (2006)² analysed the issues in measuring educational achievement, and compiling various educational goals and targets, regarding the human development in India. The results

¹Homa Nath Poudel, " State of Human Development: SAARC and Nepal", *Economic Literature*, Vol. XII, December, PP- 50-55.

²M.R. Narayanan (2006), "Measurement of Education Achievement in Human Development: Evidence from India Institute for Social and Economic Change", *International Education Journal*, , 7(1), 85-97. ISSN 1443-1475 © 2006 Shannon Research Press. (ISEC), Bangalore, India mrn@isec.ac.in

for India can have relevance for other developing countries for the improvement in the education indicators and human development.

Hassan et al., (2012)³ aims to analyse the effects of the HDI and the rule of law on attracting FDI. In order to study the influence of these factors', the authors considered FDI as a function of GDP, exchange rate, inflation, HDI and the rule of law; for 23 developing countries between 2001-2010, by using regression method. The results confirmed a positive and significant impact of HDI and the rule of law on the attraction of FDI.

Surender Reddy P⁴ states that HDI is a procedure to estimate the value of the human resources of a country every year. Increased HDI value indicates the better development of the country. The study compared the ranks of HDI for the BIMSTEC, SAARC nations and the World with India. India is lagging in its HDI rank and its value when compared with some of the BIMSTEC and SAARC countries and lowers than the World's average. The study analysed the challenges of India to improve the HDI value and steps to be taken by the government, NGO's and other stakeholders to increase the rank and value of HDI of India.

Table: 1 HDI RANKS AND VALUES OF SAARC COUNTRIES

S.NO	RANK	COUNTRY	HDI
HIGH HUMAN DEVELOPMENT			
1	76	Sri Lanka	0.770
2	101	Maldives	0.717
MEDIUM HUMAN DEVELOPMENT			
3	130	India	0.640
4	134	Bhutan	0.612
5	136	Bangladesh	0.608
6	149	Nepal	0.574
7	150	Pakistan	0.562
LOW HUMAN DEVELOPMENT			
8	168	Afghanistan	0.498
Source: http://www.hdr.undp.org/			

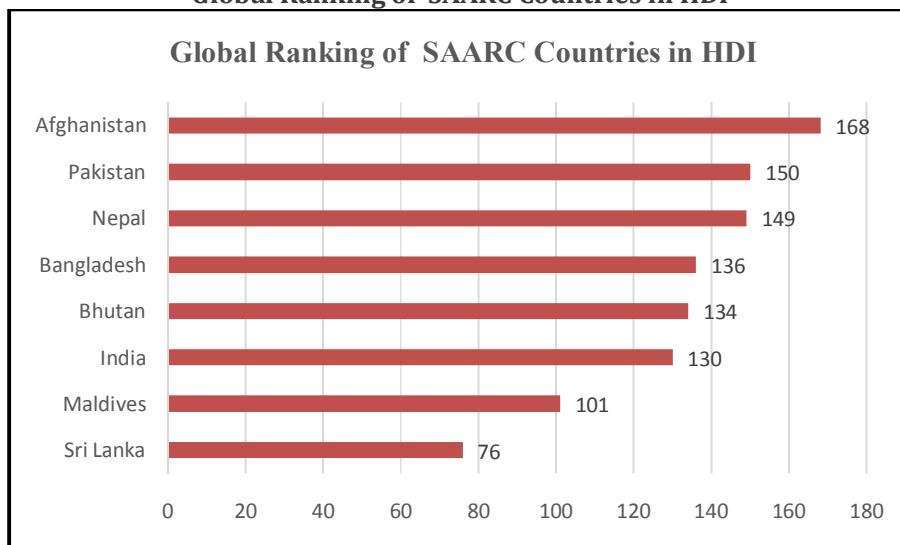
Over 1990–2017 all regions and human development groups have made substantial progress. The world HDI value during 2017 was around 0.728. The value got an increase of around 21.7 per cent from 0.598 in the year 1990. The people are living a long and healthy life with proper education and have more outstanding livelihood prospects. The average lifespan is seven years longer than it was in 1990, and more than 130 countries have universal enrolment in primary education.

South Asia is the fastest growing region, followed by East Asia and the Pacific at 41.8 per cent and Sub Saharan Africa. However, they are comparatively deficient in world HDI ranking. Sri Lanka leads the SAARC nations and secure 76th rank in the globe, which is followed by the Maldives. India secure 130th rank. Afghanistan is the lowest rank holder in the SAARC region with 168th global rank.

³Hassan Mollaesmaeili-Dehshiri et.al., (2012), "Impact of human development index and rule of law to attract foreign direct investment in selected developing countries", Online at <https://mpr.ub.uni-muenchen.de/81479/MPra> Paper No. 81479, posted 20 September 2017.

⁴Surender Reddy P, (2016), "Comparative Study on Human Development Among the BIMSTEC Countries, SAARC Countries and the World With India", *International Education and Research Journal*, Vol2, No. 6, pp 36-37.

Figure- 1
Global Ranking of SAARC Countries in HDI



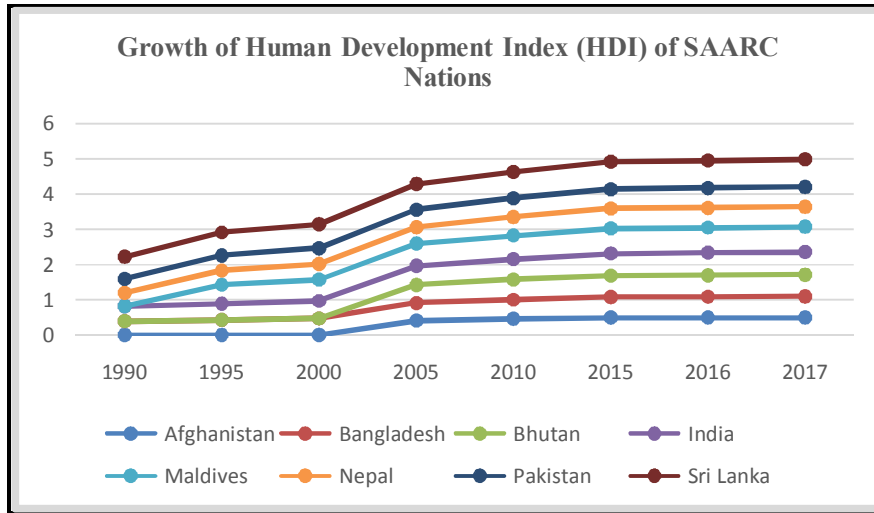
Source:<http://www.hdr.undp.org/>

It is surprising to note that Sri Lanka secured the first rank among the SAARC member countries and 76th rank in global, which is followed by the Maldives with 101 ranks. India ranked third in this region and 130 in the world. Bhutan and Bangladesh secured 134 and 136th rank respectively. Nepal has placed 149 which is followed by Pakistan with 150. Afghanistan secured 168th rank among 189 countries. Every south Asian country has improved compared to last year. India’s HDI value increased from 0.427 to 0.640 an increase of nearly 50 per cent and an indicator of the country’s remarkable achievement in lifting millions of people out of poverty.

Table - 2
A Comparative Statement on Growth of Human Development Index (HDI) of SAARC Nations

Country	1990	1995	2000	2005	2010	2015	2016	2017
Afghanistan	-	-	-	0.408	0.463	0.493	0.494	0.498
Bangladesh	0.387	0.425	0.468	0.505	0.545	0.592	0.597	0.608
Bhutan	-	-	-	0.51	0.566	0.603	0.609	0.612
India	0.427	0.46	0.493	0.535	0.581	0.627	0.636	0.64
Maldives	-	0.539	0.606	0.631	0.671	0.71	0.712	0.717
Nepal	0.378	0.41	0.446	0.475	0.529	0.566	0.569	0.574
Pakistan	0.404	0.428	0.45	0.5	0.526	0.551	0.56	0.562
Sri Lanka	0.625	0.65	0.685	0.718	0.745	0.766	0.768	0.77

Figure- 2
Growth of Human Development Index (HDI) of SAARC Nations



Source: <http://www.hdr.undp.org>

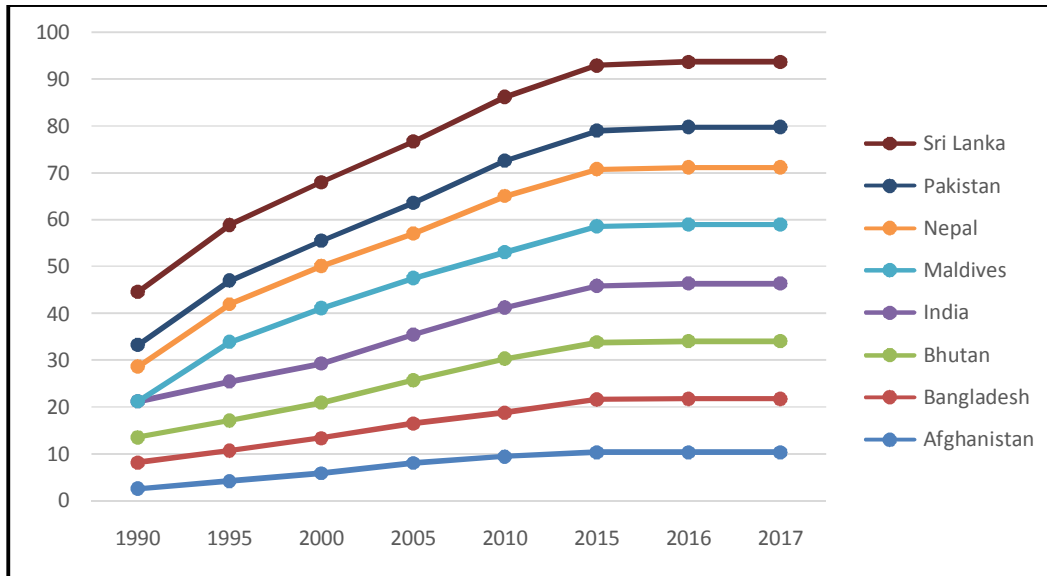
It is evident from the table and illustration, the countries in the SAARC region recorded slow growth in its Human development. The slow growth rate in human development is due to the instability in macro variables. The fiscal deficits in these countries are comparatively high as a proportion of GDP. The expenditure control mechanism and inadequate revenue generation are the significant reasons for prolonging a massive fiscal shortage.

Status of India's human development has been relatively more comfortable with Nepal and Afghanistan. However, less than Sri Lanka, Maldives and even Bhutan. Irrespective of various reform measures the rates of unemployment or underemployment remains high. On an average Bangladesh experienced (in HDI) 1.57 times of growth, followed by Nepal (1.52 times) and India experienced 1.5 times of growth within the 26 years. Whereas, Pakistan experienced only 1.39 times of growth followed by Sri Lanka the 1.23 times of growth.

Table - 3
A Comparative Statement of Expected Years of Schooling in SAARC Nations

Country	1990	1995	2000	2005	2010	2015	2016	2017
Afghanistan	2.6	4.2	5.9	8.1	9.5	10.4	10.4	10.4
Bangladesh	5.6	6.6	7.5	8.4	9.4	11.3	11.4	11.4
Bhutan	5.4	6.4	7.6	9.3	11.5	12.2	12.3	12.3
India	7.6	8.2	8.3	9.7	10.8	12	12.3	12.3
Maldives	-	8.5	11.8	12	11.9	12.7	12.6	12.6
Nepal	7.5	8.1	9	9.6	12	12.2	12.2	12.2
Pakistan	4.6	5	5.4	6.5	7.5	8.2	8.6	8.6
Sri Lanka	11.3	11.9	12.5	13.1	13.6	13.9	13.9	13.9

Figure- 3
Expected Years of Schooling in SAARC Nations



Source: <http://www.hdr.undp.org>

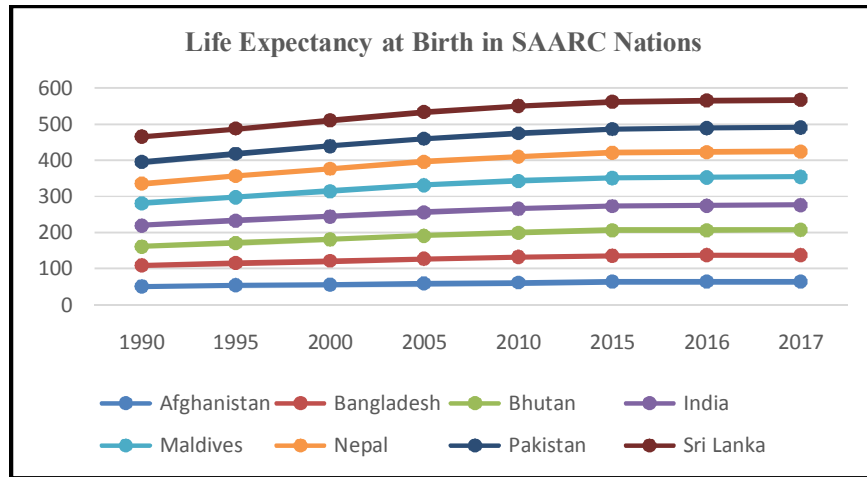
EINDEX is one of the critical indexes used for calculating HDI. The combination of adult literacy rate and mean years of schooling or gross primary, secondary and tertiary enrolment ratio calculates EINDEX. The combined primary, secondary and tertiary enrolment ratio was introduced in the 1994 HDR replacing the variable of mean years of schooling, mainly because the formula for calculating mean years of schooling is complex and has enormous data requirements (UNDP, 1994). India secured a drastic improvement in the educational sector from 7.6 to 12.3 Expected Years of Schooling. Whereas, in the case of Sri Lanka it is started with the high score that is 11.3 to 13.9 Expected Years of Schooling. It, in turn, leads Sri Lanka to get a high score among the SAARC nations.

Nevertheless, Afghanistan scored less in 2017; it was started with the low-level Expected Years of Schooling of only 2.6 years and reached 10.4 in the year 2017. It is a drastic change in the education sector of Afghanistan. It is a positive sign of attaining high Human Development shortly.

Table - 4
A Comparative Statement of Life Expectancy at Birth in SAARC Nations

Country	1990	1995	2000	2005	2010	2015	2016	2017
Afghanistan	49.9	53.1	55.5	58.5	61.2	63.3	63.7	64
Bangladesh	58.4	61.9	65.3	67.9	70.2	72.2	72.5	72.8
Bhutan	52.9	56.7	60.8	64.9	67.8	69.8	70.2	70.6
India	57.9	60.4	62.6	64.6	66.6	68.3	68.6	68.8
Maldives	61.4	65.6	69.9	74.2	76.1	77	77.3	77.6
Nepal	54.3	58.5	62.4	65.5	67.9	69.9	70.3	70.6
Pakistan	60	61.4	62.7	63.8	65.1	66.3	66.5	66.6
Sri Lanka	69.5	69.3	71	73.9	74.4	75.1	75.3	75.5

Figure- 4
Life Expectancy at Birth in SAARC Nations



Source: <http://www.hdr.undp.org>

Life expectancy at birth or longevity has treated as a sensitive index of the differences in the levels of socio-economic well-being among various population groups. Longevity is also one of the three components comprising “Human Development Index”. Life expectancy at birth is a summary index of mortality at different ages. This term explains the expected survival period of the new born baby on an average. The computation is accomplished through the construction of a life table, using the age-specific death rates. Since male and female mortality rates are usually different in different groups and age pattern, a separate life table is constructed, and life expectancy at birth for the different groups, different ages and aggregate life expectancy at birth can be calculated. When age-specific death rates are not available, which is often the case in developing countries, it should identify a life table which best describes the country’s situation. Such identification is to be done by using the age distribution of the population at one or two points of time.

Trends of Life Expectancy at Birth in SAARC

Several reports have shown that life expectancy at birth for SAARC has increased steadily over the years, from 1990-2017. The Life expectancy of both males and females in 1990 was 58, and it increased to 69.5 years in 2013. Thus, there has been an increase in life expectancy of approximately 1.16 years every five years. Before 1985’s the life expectancy at birth was negligible, and during the 1990’s it was slightly more than 58 years. According to the mentioned data expectation of life at birth for Bhutan has reached 64.7 years from the lowest among the SAARC countries. Such a significant change in life expectancy is due to the improvement of health facilities & education that has reduced death rates, especially infant and child death rate during the recent decade.

The trend of Life Expectancy

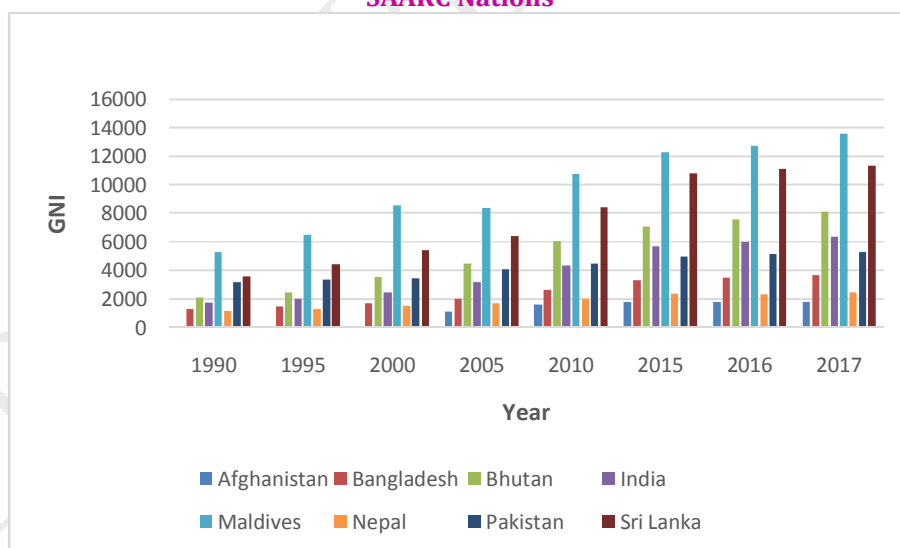
The figure revealed a trend line of Life Expectancy of SAARC countries. It is very significant to note that life expectancy at birth of male is higher than female. However, from 1954 to 1971, female life expectancy is little higher than male, but from 1990 to 2013, data continuously shows that male’s life expectancy is more than the female which is the characteristic feature of all south and sub-Saharan African countries. However, due to various socio-economic causes life expectancy at birth has been increasing in the countries of SAARC. This table has revealed that the average life expectancy of people has increased by 5.8 years from 1990 to 2013. However, the data varies with different reports published by a different organisation. There is wide variation in life expectancy among Countries of

SAARC. Countries wise has revealed that longevity ranges from a high of 70.9 years in Sri Lanka to a low of 48.9 years in Bhutan in 1990 changes over fifteen years as Sri Lanka to 71.6 and Nepal to 62.6. Thus, there is a whopping difference with the SAARC average of 63.8 years. The table also suggested that several socio-economic development factors are positively associated with longevity. These factors are literacy, urbanisation and utilisation of public health services. People of Bhutan are less literate and having less public health facilities as compared to the people of Sri Lanka in 1990s. That is why Bhutan has less longevity than that of Sri Lanka. After 15 years Bhutan found above to India, Pakistan and Nepal in 2013. It may be due to that a country with a higher percent of the utilisation of various public health services have significantly higher longevity and vice-versa.

Table - 5
A Comparative Statement of Gross National Income (GNI) Per Capita (2011 PPP\$) in SAARC Nations

Country	1990	1995	2000	2005	2010	2015	2016	2017
Afghanistan	-	-	-	1138	1620	1825	1822	1824
Bangladesh	1320	1485	1698	2018	2641	3334	3509	3677
Bhutan	2099	2453	3535	4457	6062	7066	7574	8065
India	1733	2015	2470	3157	4357	5691	6026	6353
Maldives	5326	6489	8561	8388	10753	12251	12717	13567
Nepal	1168	1322	1526	1689	2001	2353	2334	2471
Pakistan	3195	3387	3451	4101	4447	4978	5155	5311
Sri Lanka	3587	4407	5439	6398	8435	10791	11118	11326

Figure- 5
A Comparative Statement of Gross National Income (GNI) Per Capita (2011 PPP\$) in SAARC Nations



Source: <http://www.hdr.undp.org>

Among the SAARC nations during 1990 – 2017 Bhutan (3.842) Ranks first in GNI Per capita (PPP\$), followed by India (3.665) and Sri Lanka (3.157). In absolute terms, Sri Lanka scores number one followed by Bhutan and India. On an average Bangladesh and Maldives experienced 2.5 times growth whereas, Nepal has a double fold increase of growth while Pakistan is pegging around 1.5 times of growth. In the year 2017 in absolute terms, Sri Lanka GNI Per capita (PPP\$) is an impressive figure of

more than 11000 (PPP\$). Whereas, Bhutan follows Sri Lanka with a magnitude of 3,000 (PPP\$) less than Sri Lanka, followed by India with a magnitude of 5000 (PPP\$) than Sri Lanka again.

CONCLUSION

Afghanistan, Bhutan and Maldives have not registered the record of 1990's Human Development Index. Therefore, it is very tedious to calculate the average growth of these countries for 26 years. Subsequently, there is only the possibility to compare in the absolute terms. However, the other five nations have records to compare average growth. Almost all SAARC nations have developed progressively.

On an average Bangladesh experienced (in HDI) 1.57 times of growth, followed by Nepal (1.52 times) and **India** experienced 1.5 times of growth within the 28 years. Whereas, Pakistan experienced only 1.39 times of growth followed by Sri Lanka the 1.23 times of growth.

However, in the case of indicators like, Expected Years of Schooling Bangladesh scored the highest Expected Years of Schooling that is 2.04 times higher in the year 2017 when compared to 1990. Next comes to Pakistan (1.87 times), followed by Nepal (1.63 times).

Despite the fact, in the case of an indicator like Life Expectancy, Nepal documented the highest as 1.30 times their life expectancy have increased followed by Bangladesh (1.25 times), India (1.19 times), Pakistan (1.11 times), and the least one is Sri Lanka (1.09 times).

Noticeably, in the case GNI Per capita (PPP\$) India's score is higher, and it has increased 3.67 times, followed by Sri Lanka 3.157 times, and Bangladesh recorded 2.79 times, Nepal also increased 2.12 times but Pakistan has increased only 1.66 times and registered the least developed in the GNI per capita (PPP\$).

It indicates very clearly that, any country's HDI depends on all the above three crucial indicators namely, Years of Schooling, Life Expectancy and Per-capita Income. From the above discussion, we cannot predict very clearly that the particular indicator is essential to achieve the excellent score in HDI, but all the three indicators are essential to achieve the HDI because it multidimensionally depends on one another.

RECOMMENDATIONS

1. It is necessary to eliminate inefficiencies of the economy and also necessary to curtail unnecessary public expenditure on defence, security and prestigious projects and loss bearing public enterprises.
2. In order to improve the condition of health, it is necessary to give top most priority in primary and preventive health care, environmental health education, access to pure drinking water and sanitation, epidemic control and nutrition.
3. In order to increase educational status, it is necessary to give high priority in basic and primary education, adult education, female education, technical and vocational education and special education.
4. The government should spend at least five per cent of national income on social priority areas such as basic and primary education, literacy, primary and preventive health care, family planning, safe drinking water, women skill development and job-oriented vocational training.
5. We know that real GDP plays a vital role to improve HDI. To attain, the high level of economic growth rate, the government should create a pleasant environment for foreign investors and inspire them to invest in social priorities areas and also formulate appropriate policy to encourage domestic investors.

By now, it is clear that only policies on paper can do nothing. If the policy is not converted into an appropriate program for action, it will not achieve the desired result. If the policy makers and implementation body do not give the highest priority for human development, then we are bound to be trapped in a slow growth rate. Therefore, apart from the formulation of pro-poor, pro-human development policies, there is also a need for strictly implementing them. SAARC needs steady and

stable economic growth which is yet to improve the high level of HDI. The value of economic growth lies in using the resources resulting from the expansion of Human Development.

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