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## Human Resource Development and the context of India

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### *Abstract*

*Human resource is the most important and vital factor of economic development of a country. Development economics in recent years have become more people centric than before. It has rediscovered that human beings are both the means and the end of economic development process, and without Human Development that process becomes hollow rhetoric. The Human Development Report, 2013 notes that over the last decade, countries world over accelerated their achievements in the education, health and income dimensions as measured in the HDI- to the extent that no country for which data was available had a lower HDI value in 2012 than in 2000. Over the past two decades, India has witnessed huge improvement in its HDI score from 0`410 in 1990 to 0`554 in 2012. But India is still counted among the countries having some of the lowest indicators of human development. This paper tries to analyze the Human Resource Development in India on the basis of some selected economic and social indicators and at the same time strives to find out the causes of poor performance of India in the sphere of HRD. The paper concludes with a handful policy suggestions for improvement of HRD in India.*

**Key Words:** Human Resource Development.

**Introduction:** Human Resource Development is a multidimensional concept. In a broad sense HRD is the process of increasing knowledge, will and capacities of all the people in a given society. In the national context, HRD is a process by which the people in various groups are helped to acquire new competence continuously so as to make them self-reliant and simultaneously develop a sense of pride in their country. McLean and McLean defined Human Development as “ Human Resource Development is any process or activity that, either initially or over the longer-term, has the potential to develop adults” work based knowledge, expertise, productivity, and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation, or, ultimately the whole humanity”.

The history and origin of Human Resource Development is not very old. The term came into use only in the early seventies. According to Prof. Len Nadler, “The term HRD was first applied in 1968 in the George Washington University. In 1969, it was used in Miami at the American Society or Training and Development Conference. But by the middle of 1970s it was gaining more acceptances, but was being used by many as merely as more attractive term than Training and Development.” HRD is concerned with the development of human resource in an organization. Development means improving the existing capabilities to the

human resources in the organization and helping them to acquire new capabilities required for the achievement of the corporate as well as individual goals.

Objectives of the study:

The main objectives of the paper are as follows:

- To analyze the status of Human Resource development in India
- Comparative analysis of Human Resource Development in Developed Countries and India.
- Identify the causes of poor performance of India in the sphere of Human resource development.
- Formulate some policy suggestions to overcome these problems.

The study is based on secondary data collected from various books, journals, research papers, articles, reports of Government organizations. The study found that despite fast economic growth India is still lagging behind in Human Resource Development.

**Status of HRD in India:** HRD lies at the heart of economic, social and environmental development. It is also a vital component for achieving internationally agreed sustainable development goals, including the MDGs and for expanding opportunities to all people particularly the most vulnerable groups and individuals in society. For optimum utilization of existing physical capital, investment in human resources or capital is essential, as because technical, professional and administrative people are required to make effective use of material resources. India has made huge progress in terms of increasing primary education, attendance rate and expanding literacy to approximately two thirds of the population. There are close to 1.3 million schools in India with a total enrollment of over 227 million students right from the Primary School (Standards I to V) to Higher Secondary Schools (Standards XI and XII). Given, that a large proportion of students drop-out at Primary School level (at Standard V) and at Middle School (at Standard VIII), it is evident that a large portion of the capacity and enrolment is up to these two levels of education. The country has witnessed a steady increase in the Gross Enrolment Ratio, a steady decrease in Drop-Out Rates, and a steady increase in the enrolment in Education. The Drop-Out Rates between Standards I to X have fallen from about 67% in 2000 to about 62% in 2006. The total enrolment in different years of study in Higher Education in India is about 14.3 million students. There are a total of 6,906 ITIs and ITCs in India with a total seating capacity of 9.53 lakh. Much of the progress in education has been credited to various private institutions such as Manipal Education, Sikkim Manipal University, Amity, ICFAI have presence across different segments of Higher Education. However India continues to face challenges. The Planning Commission during the Eleventh Plan approved an expenditure of Rs 347338 core for education which was 9`5%.of total plan of public sector outlay. Despite growing investments in education, 30%. of the population is still illiterate.

On the other side the provision of health care services in India features an unequal health care system run by the states and territories. Governmental hospitals, some of which are among the best hospitals in India, provide treatment either free of cost or at minimized charges. Primary Health Care(PHCs) provided by city, district hospitals and rural PHCs is focused on immunization, prevention of malnutrition, child birth, post natal care and treatment of common illness. In recent times India has eradicated many famines; however the country still suffers from high level of malnutrition and diseases especially in rural areas. Eleven plan approved an expenditure of Rs 175000 cores (5%.of total) and Rs 128272 cores for water supply and sanitation which was 3`5%. of total plan outlay. But still water supply and sanitation in India is also a major concern. The Indian health care industry is run to be growing at a rapid pace and is expected to become a US \$ 200 billion industry by 2020. According to the Investment Commission in India, the Health care sector has experienced

phenomenal growth of 12% per annum in the last four years. Despite having centers of excellence in health care delivery these facilities are limited and are inadequate in meeting the current healthcare demands. As per the Human Development Report 2013, the Human Development Index for India in 2012 is 0.554, placing it at 136<sup>th</sup> position in a list of 186 countries. The movement of HDI over the years from 2000 to 2007 in India and other selected countries show that improvement in HDI in India in recent years has been better than in several countries such as Brazil, Sri Lanka and Indonesia. Moreover, India's HDI rank is lower than its per capita Gross National Income (\$PPP, 2005) by six places (shown in table-1), indicating that India's human development effort still needs to catch up with the progress made in GNI per capita.

**Table-1**

Country	HDI Value	HDI Rank	GNI per capita (\$PPP,2005)
Kiribati	0`629	121	3079
Kyrgyzstan	0`622	125	2009
Tajikistan	0`622	125	2119
Vietnam	0`617	127	2970
Nicaragua	0`599	129	2551
Ghana	0`558	135	1684
India	0`554	136	3285

Source: - UNDP Human Development Report, 2013.

It is clear from the table that economic growth is not sufficient for achieving sustained social development. Countries with lower GNI have higher HDI value as compared to higher GNI countries. The liberalization and globalization policy of India has been biased towards economic growth rather than social development. The public revenue generated by rapid economic growth has not been used to expand the social and physical infrastructure in a determined and well planned way.

**Human Resource Development- India and the World:** Over the past two decades, India has been a big improvement in its HDI score from 0`410 in 1990 to 0`554 in 2012. Despite this improvement India overtook only four of the countries positioned above it in 1990; Swaziland, Kenya, Cameroon and Congo. On the basis of some social and economic indicators of some selected countries here we are analyzing the performance of India in the spheres of HDI which is shown in the following Table-2

Country	HDI Value	HDI Rank	Infant Mortality rate(per '000 live births ,2010)	Underweight Children (% Of children under age 5,2006-10)	Mortality due to malaria(per 100000 people per yr,2008)	Adult literacy rate(% ages 15&older,2005-10)	Population with at least secondary education (% Ages 25 & older,2010)	% Of GDP spend on health(2010)	% GDP spend on education (2010)
Norway	0`955	1	3	-	-	-	95`2	8`0	7`3
Australia	0`938	2	5	-	-	-	92`2	5`9	5`1
US	0`937	3	7	-	-	-	94`5	9`5	5`4
Japan	0`912	10	2	-	-	-	81`1	7`8	3`8
UK	0`875	26	5	-	-	-	99`7	8`1	5`6
Belarus	0`793	50	4	1`3	-	99`6	-	6`2	1`3
Romania	0`786	56	11	3`5	-	97`7	86`8	4`4	4`3
Mexico	0`775	61	14	3`4	-	93`1	53`9	3`1	5`3
Brazil	0`730	85	17	1`7	0`1	90`3	49`5	4`2	5`7
Sri Lanka	0`715	92	14	21`1	-	91`2	73`9	1`3	2`1
China	0`699	101	16	3`8	0`0	94`3	62`7	2`7	-
Thailand	0`690	103	11	7`0	0`4	93`5	32`2	2`9	3`8
Philippines	0`654	114	23	21`6	0`2	95`4	64`8	1`3	2`7
S. Africa	0`629	121	41	8`7	0`2	88`7	70`4	3`9	6`0
India	0`554	136	48	42`5	1`9	62`8	38`7	1`2	3`1
Bangladesh	0`515	146	38	41`0	1`8	56`8	35`1	1`2	2`2
Myanmar	0`498	149	50	22`6	34`0	92`3	17`8	0`2	-
Nigeria	0`471	153	88	23`1	146`0	61`3	-	1`9	-
Afghanistan	0`374	175	103	32`9	0`3	-	20`3	0`9	-
Niger	0`304	186	73	40`2	184`0	28`7	05`1	2`6	3`8

Source:- UNDP Report, 2013

Although India has witnessed remarkable improvement in the adult literacy rate during the last two decades, it still accounts for around 30 per cent of the world's illiterate population, and 70 per cent of these people are women. The Gross Enrolment Ratio (GER) has increased consistently since 2005, the data from the NSSO 61st Round pointed to a persisting social gap in school participation along with the gender gap. This implies that a large number of children still do not have the privilege of benefiting from school education. Although India's policy efforts on increasing enrolment rates have been successful to an extent, a number of related concerns still exist, such as high dropout rates, the gap in the enrolment ratio of girls and boys, and the overall quality of education. India has been experiencing a consistently high growth rate during the post-liberalization period following the implementation of economic reforms in the early 1990s. It has achieved excellence in several key areas ranging from information technology and pharmaceuticals to automotive parts, and is now considered as one of the fastest growing economies of the world. Despite these positive developments, India is still among the countries with some of the lowest indicators of human development. Its levels of malnutrition, illiteracy and poverty are unacceptably high. The rise in income inequalities and regional disparities is also a matter of concern. Employment has grown, but the jobs created are not of high quality. Although there has been an expansion in several social services like health, nutrition and education, the quality of most of these services remains poor in most of the rural areas. And above all, an overwhelming majority of the

population is deprived of basic social protection. Policy-makers are thus faced with a paradox—the persistence of deprivations and increasing insecurities among a large section of the population amidst growing affluence and prosperity for some. While India has been overtaking other countries in the progress of its real income, it has been overtaken in terms of social indicators by many of these countries, even within the region of South Asia itself. Even though India has significantly caught up with China in terms of GDP growth, its progress has been very much slower than China's in indicators such as longevity, literacy, child undernourishment and maternal mortality. In South Asia itself, the much poorer economy of Bangladesh has caught up with and overtaken India in terms of many social indicators (including life expectancy, immunization of children, infant mortality, child undernourishment and girls' schooling). Even Nepal has been catching up, to the extent that it now has many social indicators similar to India's, in spite of its per capita GDP being just about one third. Whereas twenty years ago India generally had the second-best social indicators among the six South Asian countries (India, Pakistan, Bangladesh, Sri Lanka, Nepal and Bhutan), it now looks second worst (ahead only of problem-ridden Pakistan). Human resource is the real asset of a country. Hence there is a urgent need to find out the causes of poor performance and take adequate steps towards improvement of this resources. Crucial attention should be paid to the financing of healthcare. Public expenditure on health in the country constitutes only around 1 per cent of the GDP. It should be raised to about 2 per cent during the next five years. There is also a dire shortage of healthcare staff. In order to meet these challenges, the government could forge partnerships with various stakeholders.

**Causes of poor performance of India in the sphere of HDI:** India has been climbing up the ladder of per capita income while slipping down the slope of social indicators. This time India's HDI ranking shows that it has slipped in comparative terms in ensuring a better quality of life for its people, as in the previous index published for 2007-2008 together it ranked 128, while the position in 2006 was 126. Some of our neighboring countries have done well. Among the neighboring countries, China, Sri Lanka and Bhutan ranked higher than India i.e. Some of the major causes of India's poor performance in HDI are discussed as under-

- I. **Unequal distribution income:** India's record of rapid economic growth in recent decades, particularly in the last ten years or so, has tended to cause some understandable excitement. The living standards of the 'middle classes' (which tends to mean the top 20 per cent or so of the population by income) have improved well beyond what was expected in the previous decades. But the story is more complex for many others such as the rickshaw puller, domestic worker or brick-kiln labourers. For them, and other underprivileged groups, the reform period has not been so exciting. It is not that their lives have not improved at all, but the pace of change has been excruciatingly slow and has barely altered their abysmal living conditions. According to National Sample Survey data average per capita expenditure in rural areas rose at the exceedingly low rate of about 1 per cent per year between 1993-94 and 2009-10, and even in urban areas, average per capita expenditure grew at only 2 per cent per year in this period. The corresponding growth rates of per capita expenditure for poor households in both areas would have been even lower, since there was growing inequality of per capita expenditures in that period. Similarly, there has been a major slowdown in the growth of real agricultural wages in the post-reform period: from about 5 per cent per year in the 1980s to 2 per cent or so in the 1990s and virtually zero in the early 2000s. It is only after 2006, when the National Rural Employment Guarantee Act (NREGA) came into force that the growth of real agricultural wages picked up again, especially for women. The growth of real wages in other parts of the economy has also

been relatively slow, especially for casual or (so-called) 'unskilled' workers. The contrast with China in this respect is really striking. According to comparable international data from the International Labour Organization, real wages in manufacturing in China grew at an astonishing 12 per cent per year or so in the first decade of this century, compared with about 2.5 per cent per year in India.

- II. **High gender discrimination:** India's gender balance is one of the human development indicator that raises concern. Robust economic growth in recent decades has been associated with a significant deterioration in the populations gender balance. The child sex ratio has declined from 964 in 1971 to 927 in 2001. While for biological reasons many countries around the world have a small imbalance in their juvenile sex ratios. But India's imbalance is acute and this definitely lowers the HDI value.
- III. **Child malnutrition:** Child malnutrition in India is extraordinarily high among the highest in the world with nearly one half of children under age of three being underweight or stunted. Further the incidence of child malnutrition has remained stubbornly high even after nearly two decades of post reform growth and prosperity. Child malnutrition is much higher in South Asia than in Sub Saharan Africa, even though infant mortality and child mortality is lower in South Asia. The high rates of child malnutrition does not done well for India's future. There is compelling evidence from around the globe that early- life malnutrition has significant adverse impacts on cognitive development, human capital formation and labour market productivity in adulthood.
- IV. **Inadequate implementation of government policies:** Allegation of corruption and misuse of funds are raised against different states regarding implementation of different central schemes. States are nearly to do everything for the sake of their party, not for in poor and downtrodden. If one takes the case of Sarba Siksha Abhiyan, several allegations made against the Mid-Day meal scheme. In our country in education and healthcare department corruption is deeply rooted.

Apart from these there are other reasons such as regional disparity, low government investment in education and health sector, improper health and nutritional facilities, population explosion, wide spread poverty, corruption, unawareness of the people, lake of safety nets to urban people etc. for which India still remains low in HDI ranking.

### **Suggestions for development of human resources in developing countries:**

- The education policy should shift its focus from enrolment to improvement in the functioning of schools as well as towards raising the quality of education outcomes.
- Special strategies are needed to improve the outreach of the school system to the disadvantaged and marginalized groups in the country. A more systematic school mapping exercise should be undertaken to provide these groups access to both lower and upper primary classes, for removing social barriers to education.
- The issue of child labour, which is estimated at a whopping figure of 12 million children, should be tackled at the earliest, as without it, there can be no improvement in child participation in schools. The implementation and monitoring of this strategy should be done at the state level, for which respective governments should create additional supervisory structures and mobilize financial and human resources.
- Effective policies in the public health sector call for a convergence of initiatives in different sectors. The focus should be on certain wider determinants of healthcare like food and livelihood security, drinking water, women's literacy, better nutrition and sanitation, and above all, confidence in convergent community action.
- The public health policy should focus on the prevention of diseases by providing clean water and sanitation rather than fighting diseases by administering antibiotics. This

necessitates training of public health specialists and development of health facilities at all levels.

- In the nutritional sector, in order to reduce malnutrition, it is imperative to promote policies for increasing food productivity as well as for enhancing land use and desirable cropping patterns. With malnutrition being a multi-dimensional issue, national level programmes like the Integrated Child Development Scheme (ICDS) need to be revamped and restructured, and efforts made to facilitate their convergence with schemes pertaining to health, education, water, sanitation and food security at all levels.
- Food supplementation programmes are essential for tackling hunger and food security issues, and for ensuring social equity. Food supplements act as a transfer of resources to poor families and are specially needed to reach some of the population groups like pregnant women and nursing mothers, children below the age of 5 years, school children, and adolescent girls.
- The government policy of divorcing employment creation from the growth process must be reversed in order to address the issue of jobless growth of the organized sector. The unorganized sector should be strengthened and sustained with investment to ensure its growth. Due to inter-dependence between the organized and unorganized sectors, labour productivity in the unorganized sector is crucial for improving employment conditions in the organized sector. This is also important from the perspective of human development as an estimated 90 per cent of the nation's workforce is currently engaged in the unorganized sector or the informal economy and it is incumbent upon the Government to address the livelihood and employment needs of this vast populace.
- The effective participation of the people should be ensured for facilitating accountability in social transfers. There is a need to tackle issues of economic and social equity, gender bias, and illiteracy at the grassroots level for this purpose. There is a need to recognize the crucial role of women as agents of sustained socio-economic growth and change. This necessitates focusing on removing gender gaps as well as on women's empowerment, which would have a significant impact on reducing poverty and inequality.

**Conclusion:** The advanced countries of the world are able to sustain their powerful position in the world economy due to their strong human resource base. The developing countries should try to strengthen their human resources. India specially being a labour abundant country will be able to develop such a strong base without much difficulty. The developed countries are already having highly skilled and educated human resources. But the people of developing countries are not developed and are trying very hard to improve their knowledge and working skills. The Government of developed countries is not so much burdened with the task of providing good quality education and health care to people. The HDI Report, 2013 identifies four specific areas of focus for sustaining development momentum: enhancing equity, including on the gender dimension; enabling greater voice and participation of citizens, including youth; confronting environmental pressures; and managing demographic change. Economic growth alone does not automatically translate into human development progress. Pro-poor policies and significant investments in people's capabilities—through a focus on education, nutrition and health, and employment skills—can expand access to decent work and provide for sustained progress is must for improving HDI. In strong competitive environment in international trade prevailing today, that country will be a sure winner which has an efficient human resource cultivating new innovative ideas.

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