

ORIGINAL RESEARCH

An analysis of performance of South Asian nations in human development

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As per the Human Development Report 2021–2022, the nature of human development is different across various nations of the world. This study tries to analyze the status across nations of South Asia. To analyze the status, secondary data have been collected from the UNDP website for human development. The analysis is done using simple statistical tools such as percentages and mean, and the results are presented using tables and diagrams. It is observed that among the various nations, Afghanistan and Pakistan are underdeveloped as compared to the others, although the South Asian region is in a moderate state. Some countries such as Maldives and Sri Lanka are highly human-developed. However, the public expenditure on health and education in the South Asian region is less than in the other regions. Hence, the countries of this region are unable to perform well in human development. Therefore, it is recommended that countries of South Asia need to enhance investment in health, education, and food security so that countries can perform well in human development.

Keywords: Human Development Index, UNDP, PCY, South Asia

Introduction

Before per capita income (PCY) was used as the indicator or measure of development in most countries of the world. However, various researchers and economists criticized PCY as a measure of development, as PCY does not indicate the actual development of a country. Also, it does not measure the welfare of the society. Therefore, in 1990, United Nations Development Programme (UNDP) developed a new method to measure human development, which is called as Human Development Index (HDI). HDI was first published by UNDP in the Human Development Report (HDR) in 1990. Since then, HDI is considered an important indicator of development. Initially, HDI was calculated by taking the arithmetic mean of the three indices, such as life expectancy or longevity, education, and standard of living. Later, HDI was calculated by taking the geometric mean of the three indicators.

It is known that, without human development, the path of growth and development cannot move upward. Hence,

HDI can be considered one important indicator of a country's progress (1). "One of the more important determinants of competitiveness of a nation is the quality of human capital," Ivanova et al. (1998). According to their view, HDI carries the required information about current development, not the future. It is because HDI measures human development on the basis of three key indicators, such as longevity, knowledge, and GDP measured in purchasing power parity. Thus, HDI not only measures human development but also indicates human capital development. Therefore, in developed countries, human capital increases the share of the service sector that includes skilled and unskilled labor (2). Similarly, in developing countries, human capital is the main cause of the expansion of the agriculture and manufacturing sector.

Human capital also relates to the development of institutions with the growth of income (Glaeser et al. 2004). Therefore, development in human and economic growth has a strong relationship (3). However, some government policies like investment in poor sectors which are called fixed cost investment that include schools, hospitals, and

the improvements in governance that are necessary to implement investment projects efficiently are needed. This will lead to sustainable human development, which can be enhanced with environmental aspects (4). Drewery (5) argued that institutional development requires human development, including education. Apart from that human capital development and growth, economic dimensions can be studied through the relationship between GDP and the growth rate of capital and labor (6). Thus, the nexus between institutions and current prosperity is stronger than that of human capital and current prosperity (7).

Human development is also related to financial globalization because financial globalization improves growth and development considering poverty an adverse to human development (8). Geroge and Ogunyomi (9) in Nigeria showed that there is a direct relationship between human capital and economic growth. However, according to Chattopadhyay (10), both economic and non-economic factors have importance in the context of human development. India is unable to perform well in HDI due to its overall poverty and absence of sufficient economic growth. Although there is inequality in HDI across nations, the relationship between human development and economic growth is strong (11). Gulcernal (12) and Taqi et al. (13) observed a direct or positive relation between HDI and GDP. But, they have examined the relation in terms of labor and GDP per capita.

Although a positive relation was found by various researchers, some of the studies found an opposite relationship (14). According to Amate-Fortes et al. (14), economic development is not directly related to human development, and hence countries with a higher per capita income do not have a higher level of human development. They also found that the same factors do not affect both human and economic development. They further argued that social conditions and well-being of the population cannot be improved through the merely increase in the GDP per capita and at the same time government policies and instruments need to be improved. Apart from that, the increase in investment on health and education is important. This investment should be such that it can improve the quality of education and health services. Such improvements should also be made generally in all public services and public administration (Fortes, 2015).

Thus, it is observed that there are different arguments regarding human development and economic development. This is because performance in human development as revealed in HDI is different in different nations. The objective considered for this study is to analyze the performance of various nations of South Asia in human development. The study also tries to identify the causes of differences in human development.

This study is mainly structured into four broad sections. The first section presents the introduction with a background of the study. Some literature reviews are also included in the

first section. The second section discusses the methodology followed in this study. The third section presents a detailed discussion of the results and also presents an analysis of the results. The fourth section presents the conclusion and a few recommendations in the context of HDI.

Materials and methods

This study has been prepared on the basis of secondary data collected from the Human Development Report, 2021–2022 of the UNDP, and therefore it covers all the South Asian countries for analysis. The data available on the website of UNDP have been used to see the comparison across regions and nations of South Asia. Although data are available since 1990, we have used the data from 2010 to 2022. The collected data have been calculated and analyzed using SPSS version 16 and MS Excel. However, the basic statistical tools, such as percentages, means, and standard deviations, and also the test statistics *T*-test, wherever necessary, are used for analysis. The results are presented using tables and diagrams (bar and pie). For the countries for which we have not calculated the standard deviation, we have presented the data as obtained from the source (HRD-UNDP).

Analysis and discussions

Across regions

As per the HDR 2021–2022, the regions of the world are categorized as Arab States, East Asia Pacific, Europe and Central Asia, Latin America and Caribbean, South Asia, and sub-Saharan Africa. The average HDI value for each region has been calculated on the basis of the HDI value given in the Human Development Report 2022. It has been observed that the average HDI of the regions for 12 years from 2010 to 2021 is increasing. It is also observed from **Figure 1** that the average HDI value for all the regions was increasing from 2010 onward. The average HDI value of Europe and Central Asian regions is very high as compared to the other regions. The HDI value of the European region indicates that the countries of Europe and the Central Asian region are more human-developed than the other countries. Moreover, the average HDI value of the Latin American countries is also very high, but it is low as compared to Europe and Central Asia. The average HDI value of Arab States is almost the same during the last 12 years. But, the average HDI value of sub-Saharan Africa is lesser than the other regions of the world. This indicates that the countries of the sub-Saharan region are low human-developed. As compared to sub-Saharan Africa and East Asia Pacific, South Asia is slightly high in human development. As per the Human Development report, we also found that most of the countries of South Asia are moderate in human development. These differences in

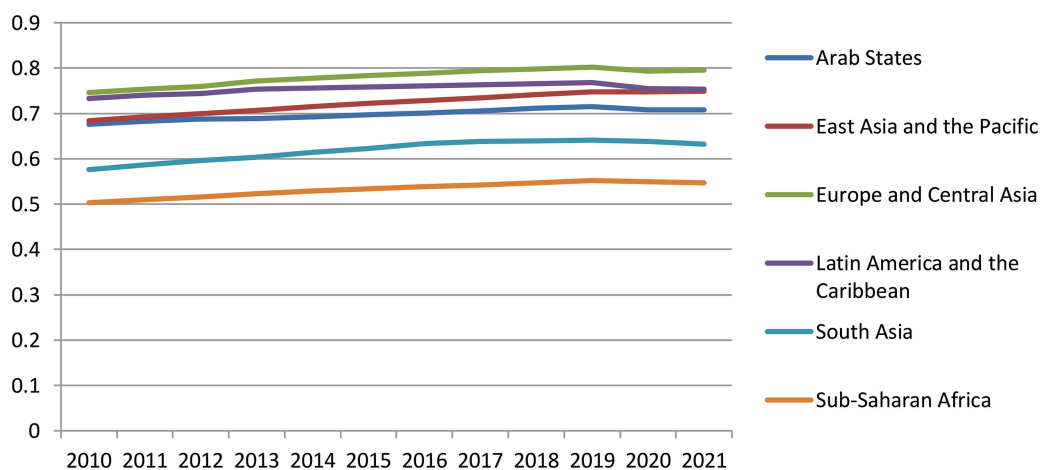


FIGURE 1 | HDI comparison across regions, 2010–2021. Source: UNDP, HDR, 2022.

HDI across regions are due to differences in GNP per capita, life expectancy, and education level.

Table 1 reveals that the SD value of HDI in the Arab States was high in both the years 2010 and 2021. But it is very low in Europe and the Central Asian States. This shows that countries of the Arab States are not equally human-developed as like as the countries of Europe and Central Asia. Apart from that, countries of Europe and Central Asia (ECA) are more developed than the countries of Arab States, although few countries of Arab States have very high levels of per capita income as compared to the other countries of the world. If we compare the regions of South Asia and East Asia Pacific countries, it is clear that the countries of these two regions are almost equally human-developed. The SD value of HDI of both regions is almost equal which indicates that differences in human development across countries within those regions are almost the same. But, compared to Europe and Central Asia, these regions have high levels of development inequality in human development. From **Table 1**, we can say that most of the human-developed countries fall in the Arab States region.

As per the information of the Human Development Report, most of the countries of Europe and Central Asia are highly human-developed countries and they are almost

equally developed. Similarly, there are some highly human-developed countries in the Latin American region also. However, the status of human development is low in the sub-Saharan region, while the South Asian region is moderately developed.

Across South Asian nations

The countries of South Asian nations are in the moderate and low human-developed category except three nations. The region is low human-developed because the expenditure on health and education and research in this region is much lower as compared to other regions. This is because the GNP per capita in most of the regions is low as compared to the Central Asia and Europe and Latin American countries. Apart from that, internal migration as well as international migration is also high in this region. Another important reason behind the low GNP per capita is the conflict and war. Due to terrorist activities in some countries, conflict and tensions are created in the nearby countries also. Besides that, border conflict between the countries such as India and Pakistan, and India and China hinders the development process (**Figure 2**). All these political and socioeconomic factors hinder the development process of the South Asian nations.

Table 2 reveals the country-wise variation in various indices of HDI across South Asian nations. It is observed that among eight nations of South Asia, life expectancy is very high in Maldives, and it is almost the same in Sri Lanka and Iran. But, the life expectancy is very low in Afghanistan in both the years 2010 and 2021. The countries such as India, Pakistan, and Nepal are in the same position. In the case of mean years of schooling, it is observed that Sri Lanka is in the top position in 2010, but Iran's position is improved in the year 2021. However, among the eight nations, Pakistan is in the lowest position in mean years of schooling in both the years 2010 and

TABLE 1 | Fluctuation in HDI of the various regions.

Sl. No.	Countries	2010	2021
1	Arab States	0.116799	0.130808
2	East Asia Pacific	0.10313	0.096361
3	Europe and Central Asia	0.044684	0.043918
4	Latin American Countries	0.079237	0.06823
5	South Asia	0.103707	0.10359
6	Sub-Saharan Africa	0.097097	0.09619

Source: Calculated from the data on HDI, HDR 2021–2022.

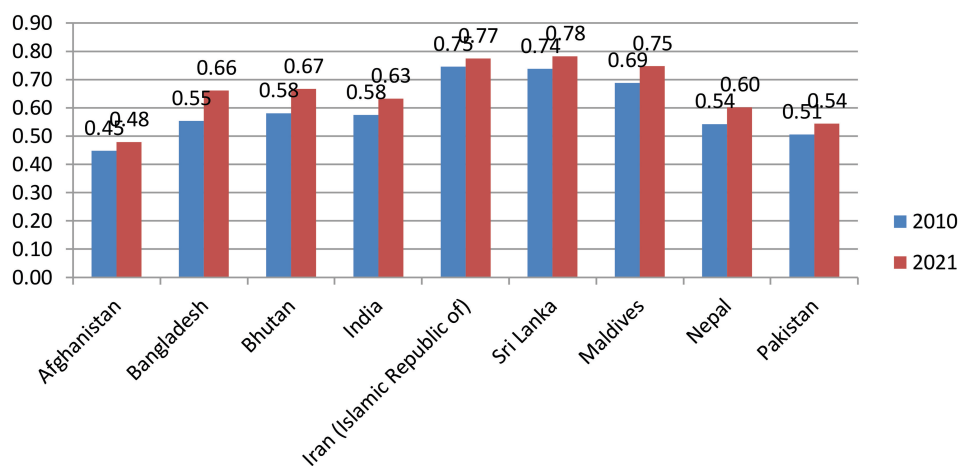


FIGURE 2 | Comparison of countries across South Asian nations between 2010 and 2021. Source: Data on HDI, HDR 2021–2022.

TABLE 2 | Comparison indices of HDI of South Asian nations.

Country	Life expectancy (LE)		Mean years of schooling (MYS)		Expected years of schooling (EYS)		GNP per capita (PCY)	
	2010	2021	2010	2021	2010	2021	2010	2021
Afghanistan	60.85	61.98	9.00	10.26	2.11	2.99	1938.32	1824.19
Bangladesh	68.64	72.38	9.52	12.44	5.12	7.38	3116.66	5472.10
Bhutan	68.43	71.82	11.68	13.23	2.31	5.17	7718.04	9437.54
India	66.91	67.24	10.74	11.87	5.07	6.66	4189.43	6589.98
Iran (Islamic republic of)	73.07	73.87	12.85	14.62	9.71	10.64	13812.72	13000.71
Sri Lanka	73.22	76.40	13.61	14.14	10.24	10.83	9041.18	12578.22
Maldives	77.66	79.92	12.37	12.64	4.38	7.32	14199.80	15448.13
Nepal	66.81	68.45	11.92	12.89	3.45	5.12	2722.90	3877.32
Pakistan	64.44	66.10	6.81	8.66	4.59	4.54	3835.51	4623.71

Source: HDR (UNDP), 2021–2022.

2021. In the case of expected years of schooling (EYS), Afghanistan is in the lowest position and Sri Lanka has the highest EYS. Another important index of HDI is GNP per capita in PPP. GNP per capita also varies across nations of South Asia. The GNP per capita is high in Maldives compared to the other nations, and Iran and Sri Lanka are almost the same. GNP per capita is less in Afghanistan, while Nepal is slightly high. Among these nations, the GNP per capita of India is also low compared to Maldives and Iran. Hence, it can be found that countries with low GNP per capita have less expenditure on health and education. Therefore, Afghanistan, Pakistan, and Nepal have a low life expectancy.

Table 3 reveals the percentage of GDP invested in education and health by the South Asian Countries. On average, South Asian countries spent only 2.86% of their GDP on education and 3.0% on health in the year 2020. However, the OECD countries spent 10–20% on health and education. Hence, the life expectancy of those countries is very high, i.e., about 81 years in OECD countries.

TABLE 3 | Percentage of GDP invested in education and health by the South Asian countries.

S. No.	Country	% of GDP spent on education	% of GDP spent on health
1	Afghanistan	2.9	3.24
2	Bangladesh	2.0	2.48
3	Bhutan	5.9	3.61
4	India	4.5	3.01
5	Maldives	5.8	8.04
6	Nepal	4.2	4.45
7	Pakistan	2.4	3.38
8	Sri Lanka	1.9	4.08

Source: World Bank, 2019 and 2020.

Conclusion and recommendations

The above section reveals that all the countries are unable to perform equally in human development. Few countries such as Maldives, Bhutan, and Sri Lanka perform

very well in human development. However, among these countries, Maldives and Sri Lanka are highly developed in human development. These countries are performing well because they have invested more in health and education as they have high levels of GNP per capita. But the other countries are unable to perform well because of low public expenditure on health and education. However, the South Asian region is slightly developed in comparison to the sub-Saharan region. The region falls in the moderate category of human development. Hence, we want to suggest that more investment requires in health, education, and research and development. Besides, this gender discrimination should also be removed in these regions and employment opportunities should be increased so that per capita income can increase and people can take care of themselves. An important recommendation is that the developed countries should provide financial assistance and make investments on various development projects in this region so that the countries of South Asia can grow faster.

Conflict of interest

The author declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Author contributions

All the works related to the preparation of this study such as collecting data, analysis, formatting, and compiling information are done by the author himself.

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