



# HUMAN DEVELOPMENT IN INDIA



Analysis to Action







# Human Development in India: Analysis to Action

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# Message

The Planning Commission - UNDP Programme “Strengthening State Plans for Human Development” (2004-2009) aimed at developing capacities at sub-national level for making planning and policy human development oriented. The specific objectives of the programme were to mainstream human development in Government policies and planning through sensitisation, advocacy and capacity development for human development analysis and action.

The ethos of planning in India has always been people centric. However, introduction of the human development paradigm ensured the centrality of human development in the growth process. This articulation which was essential in 1990s in India as the country was opening up its economy, is extremely relevant today for policy planners to continue focussing on people who may be excluded from market oriented growth.

Additionally, it is extremely essential to incorporate human development into the planning process so that people can be empowered to hold their Governments to account and Governments can be encouraged to be responsive to the needs of the people.

India has the unique distinction of preparing the largest body of human development reports - both in terms of geographical spread and in terms of deepening the analysis to governance at the grassroots. India has also experimented with operationalising the concept of human development. Since the mandate of delivering on most of the human development related sectors rests with the State Governments, the UNDP-Planning Commission Programme focused on integrating human development in planning and policy documents at the State level. Strengthening of State statistical systems, engendering planning, providing options for financing human development, capacity development and advocacy for human development were also areas of focus and attention. Fifteen State Governments participated in the programme in partnership with the National Resource Institution. They undertook a range of activities that were designed by respective State Governments.

The Document ‘Human Development: Analysis to Action’ provides a snapshot of influence of this programme in various policy domains of State Governments. We hope that this Document will be useful to planners and researchers, not only in India but across the world, on ways of mainstreaming human development.

(Sudha Pillai)



# Preface

Since 1990, UNDP has been supporting the preparation of an annual Global Human Development Report. These Reports are important as they serve to focus on global issues from a human development lens. From the UNDP point of view what is equally, if not more important, are Reports being prepared by national Governments. The importance of these reports lies in the fact that they are closer to where the action lies - with the national Governments.

India has been ahead of other countries in embracing human development analysis at the State and district level as pivotal for people centric planning. We, at UNDP, acknowledge the range and depth of human development initiatives in India. Human development in India is not merely restricted to reporting at the national level but is characterized by State and district level human development analysis driven by State and local governments.

The attempt to “operationalise” human development is another distinctive feature of India’s journey on human development. The emphasis on linking planning to human development reporting is unique and this ensures that the human development reports do not merely remain books on the shelf but are actually integrated into planning processes of the government at a decentralized level.

The Planning Commission-UNDP programme on human development supported 15 State governments in operationalising the concept of human development with support from national resource institutions. This document “Human Development: Analysis to Action” highlights major impact that the programme had on government planning and policies.

We take this opportunity to thank the Planning Commission for leading this innovative programme and providing constant guidance to States - particularly identifying opportunities for integrating human development in planning processes. Thanks are also due to State governments and resource institution for proactively taking the human development agenda forward.

A handwritten signature in blue ink, appearing to read 'Patrice Coeur-Bizot'.

Patrice Coeur-Bizot  
UNDP Resident Representative &  
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## 1. Introduction : Human development and Human Development Approach Reports in India

The human development (HD) story of India is unique in its kind. Through the preparation of not only national, but also sub-national Human Development Reports (HDR), India has decentralised and integrated the human development concept into its development agenda at national, State, as well as district and municipality level. More sub-national HDRs have been produced in India than in any other country. More HDRs have been produced in India than the total number of Global HDRs. A distinctive feature of the HDR preparation process is the firm State ownership, and multi-stakeholder partnerships. This has enabled policy dialogue on crucial HD issues.

This document describes the human development story of India, and aims at illustrating the policy impact of preparing Human Development Reports, and how central HD concepts can go beyond the reports through various HD activities and contribute to sustainable policy impact in a country from a human development perspective.

The document begins with a general introduction to the human development approach and HDRs, followed by a presentation of how the HD concept and HDRs have been translated and evolved in the Indian context. The second section presents the Planning Commission – United Nations Development Programme (UNDP) partnership on promoting human development at the State and district level through the preparation of State Human Development Reports (SHDR) and its follow-up for strengthening State planning processes including preparation of District Human Development Reports (DHDR)<sup>1</sup>. In the third section, the policy impact of HDRs are traced from the activities carried out under the projects, with particular emphasis on the Strengthening State Plans for Human Development (SSPHD) project.<sup>2</sup> The fourth and concluding section summarises the policy impact of HDRs in India, highlighting successful strategies for achieving sustainable HD and policy impact as well as constraints reported by States. The document ends with suggestions for taking the GOI-UNDP cooperation forward to the next level for deepening and further integrating human development and enhancing HD policy impact in India.

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<sup>1</sup>The Government of India (GOI) and UNDP India worked together on HD for ten years (1999-2009) in the form of two projects - Capacity Building for Preparation of State Human Development Reports 1999-2005 and Strengthening State Plans for Human Development 2004-2009. While the former supported State governments in preparation of State level Human Development Reports, the latter went beyond the mere preparation of HDRs to integrating human development in State and district planning processes including preparation of district level HDRs.

<sup>2</sup>The SSPHD End of Project Reports submitted by State governments form the basis of this section.

### 1.1. Human Development Approach

The concept of human development emerged in the late 1980s based on the conceptual foundation provided by Dr. Amartya Sen and Dr. Mahbub ul Haq. The HD approach puts people at the centre of the development agenda, where economic growth and wealth are considered means to development, not an end by itself. Put simply, the starting point for the human development approach is the idea that the purpose of development is to improve human lives by not only enhancing income but also expanding the range of things that a person can be and can do, such as be healthy and well nourished, be knowledgeable, and to participate in community life. Seen from this viewpoint, development is about removing the obstacles to what a person can do in life, obstacles such as lack of income, illiteracy, ill health, lack of access to resources, or lack of civil and political freedoms. As expressed by Sen: "...the twin recognition that human beings can 1) fare far better, and 2) do much more to bring this about may sensibly be seen as the two central thesis of the human development approach."<sup>3</sup> The first Human Development Report defines human development as a process of enlarging people's choices. To lead a long and healthy life, to be educated and to enjoy a decent standard of living are the three most critical choices identified in the first HDR. Additional choices include political freedom, guaranteed human rights and self respect.

The philosophical underpinnings of the HD approach are not new. In ancient Greece, Aristotle said: "Wealth is evidently not the good we are seeking, for it is merely useful

for the sake of something else." However, During the Post Second World War era, the development agenda, however, centered on growth rather than human wellbeing. The focus was on accumulation of physical capital through savings and investments for promoting industrial development and growth in the war torn economies.

By the late 60's and early 70's a general shift in the development debate started to take place, where more emphasis was put on social development rather than capital accumulation and growth. The 'basic needs' approach was introduced, putting the basic needs of people such as access to basic education, basic health care, food, nutrition, water and sanitation on the agenda. Fulfillment of these basic needs was seen as a prerequisite for development.

During the 80's the global development agenda largely focused on expanding growth through various liberalisation measures. The general perception was that liberalisation would generate economic growth through the power of market forces, which in turn would benefit the poorer sections of society through the "trickle-down effect". Structural Adjustment Programmes (SAPs) were carried out in order to streamline and "adjust" developing economies into the liberalisation agenda, but the approach to a large extent failed to tackle the issue of poverty and inequalities. Evidence demonstrated that the assumed "trickle-down effect" did not take place, and the human costs of the SAPs soon became apparent. In addition, social ills such as crime, weakening of social fabric, HIV/AIDS and pollution continued to spread despite high growth rates.

<sup>3</sup>Fukuda-Parr, Sakiko, Shiva Kumar, A.K. (ed.), (2003), *Readings in human development, Foreword.*

Introduced in the 1990s as an alternate development paradigm that treats people as the real wealth of nations, the human development approach has become the prevailing development paradigm for the past 20 years.<sup>4</sup>

## 1.2. Human Development Reports

The first Global Human Development Report was launched in 1990 by the UNDP and has been prepared annually since then. Each year, HDRs address a theme highly relevant to the current development debate. They provide path-breaking analysis and policy recommendations, are translated into more than a dozen languages, and are launched in more than 100 countries.

Spurred by the Global HDRs, Regional, National and sub-National HDRs have been prepared. These reports are regionally and nationally/sub-nationally owned, and take the human development approach to the regional and country level. At the regional level, human development is put into a regional context, and provides policy advice and promotes partnerships for tackling the HD themes of highest relevance and exigency in the region. At the national and sub-national level, the multi-stakeholder approach in preparing the HDRs has contributed to sensitisation of governments at different levels, civil society, academia, and the public on the human development issues and challenges. In many countries HDRs have become an essential tool for national and sub-national policy making. So far, around 700 regional and national/sub-national reports have been prepared in over 140 countries, and all address various regional, national, and sub-national specific approaches to

tackle the current development challenges of poverty reduction, education, health and HIV/AIDS, human rights and gender, environment and effects of climate change, economic reform, and globalisation.<sup>5</sup>

## 1.3. Human Development Measurements<sup>6</sup>

Five indices are used by the Human Development Reports to measure progress on human development. The first Human Development Report in 1990 introduced a new way of measuring development by combining indicators of life expectancy, educational attainment and income into a composite human development index, the HDI. The components are measured by four variables: GDP per capita, (PPP USD), literacy rates (%), combined gross enrollment ratio, (%) and life expectancy at birth (years). The composite index results in a figure between 0 and 1, of which 1 indicates high level of human development and 0 being no level of human development. Countries are consequently given a specific rank dependent on their success in achieving HD, presented yearly in the Global HDRs.

In 1995, the Gender-related Development Index (GDI) and Gender Empowerment Measure (GEM) were added to the reports, as a response to the criticism that HDI did not capture gender inequalities. The GDI measures the same variables as the HDI, but calculates the components separately for women. The methodology used imposes a penalty for inequality, such that the GDI falls when the achievement levels of both women and men in a country diverge or when the disparity between their achievements increases. The greater the gender disparity, the lower a country's GDI. The GDI is simply

<sup>4</sup>Section largely based on UNDP (2010), *Human Development Reports*, [online]: <http://hdr.undp.org/en/>.

<sup>5</sup>*Ibid.*, B. K. Bhattacharya (2008), *GOI – UNDP Project "Strengthening State Plans for human development", Evaluation Report, July 2008.*

<sup>6</sup>The measurements described in this section pertain to HDRs 1990 - 2009

the HDI discounted, or adjusted downwards, for gender inequality. The GEM measures women's empowerment in public life through assessing the share of seats in parliament held by women, of female legislators, senior officials and managers, of female professional and technical workers, and gender disparities in earned income, reflecting economic independence. While GDI focuses on expansion of capabilities, GEM is concerned with the use of those capabilities to take advantage of the opportunities in life.

While the GDI and GEM added new dimensions to the report, they were criticised for being too narrow and limited in order to grasp the issue of deprivation. To highlight the levels of deprivation, the Human Poverty Index (HPI) was developed in 1997. HPI focuses on the same dimensions as HDI as it concentrates on the deprivation in standard of living, knowledge and longevity. Human poverty goes beyond income poverty. It includes deprivation in education and life span as determinants of poverty. If human development is about enlarging choices, poverty here means that opportunities and choices most basic to HD are denied.

Human development is a constantly evolving concept. The HD measurements also undergo refinements. The Global HDR for 2010, marking the 20th anniversary of the Human Development Report takes stock, reflects and moves forward concepts, measures and key debates around human development.

#### 1.4. Human Development in India

When India became independent in 1947, Jawaharlal Nehru stressed the importance of the task that lay ahead of ending poverty, ignorance, disease and inequality of opportunity. As the 1st Five Year Plan (FYP) was launched, it however did not spell out

any specific planning strategy linking sectoral investment proposals to the objective of the plan. But in the 2nd FYP the principles of 'socialistic pattern of society' underlay the planning strategy and emphasised social gain. It put stress on raising standards of living by raising national income through a rapid industrialisation process with focus on heavy industry. This was expected to generate employment opportunities and reduce inequalities in society through trickling down to the poorer sections in society. The plan also placed emphasis on comprehensive village planning, taking the more vulnerable parts of the population, such as landless farmers and artisans into account. It was, in addition, pointed out that national planning should always be carried out in a manner, which takes the programmes of the national, State and district plans into consideration. During the 60's, 70's and 80's, most of the focus was, however, put on accelerating economic growth, savings and investments. This was nothing unique to India, but was the dominating approach to development in most developing countries, as the belief in the trickle-down effect to solve the issue of poverty was strong.<sup>7</sup> The inadequacy of tackling poverty through this strategy was recognised by the Government of India: "The equity objective was sought to be pursued through redistribution of assets. But, land reforms could not be implemented effectively. The problem of poverty could not be tackled through growth, which itself was slow over a long period of time."<sup>8</sup>

During the 1990s, India introduced economic reforms, aiming at liberalising the economy through various initiatives. As stated in the 8th FYP (1992-1997): "The Eighth Plan is being launched at a time, which marks a turning point in both international and domestic economic environment.

<sup>7</sup>Bhattacharya (2008).

<sup>8</sup>GOI, Planning Commission (1992-1997), 8th Five Year Plan, Vol. I., Section 1.3.2.

Centralised economies are disintegrating all over the world. On the other hand, economies of several regions are integrating under a common philosophy of growth, guided by the market forces and liberal policies. The emphasis is on autonomy and efficiency induced by competition. We cannot remain untouched by these trends. We have to draw lessons from the development experience of other nations during the last four decades.”<sup>9</sup> Inspired by the publication of the first Global HDR, it was at the same time recognised that these liberalisation efforts should be combined with a more direct focus on human development: “Human development will be the ultimate goal of the Eighth Plan. It is towards this that employment generation, population control, literacy, education, health, drinking water and provision of adequate food and basic infrastructure are listed as the priorities.”<sup>10</sup> Beginning with the 8th FYP, the Five Year Plans continue to be firmly set within the human development paradigm.

Addressing human development in India is of vital importance since a large portion of the population is living below the poverty line, and income inequalities are rising by the day. It is estimated that more than 800 million Indians live on less than 20 Rupees per day.<sup>11</sup> Disparities exist across States, along rural/urban lines and across groups. More than 60 percent of women are chronically poor. The percentage of poor among Scheduled Tribes and Scheduled Castes remains high. Many people are excluded from access to basic services. More than 296 million people are illiterate and 233 million are suffering from

malnutrition. Workforce participation for women is half of that for men, and almost 96 percent of women work in the informal sector.<sup>12</sup> The recently released Mid-Term Statistical Appraisal of the MDGs shows that India lags behind MDG achievement in several targets relating to hunger, child and maternal mortality and reversal of malaria and other major diseases.<sup>13</sup> As stated in the current FYP: “The Eleventh Plan began in very favorable circumstances with the economy having grown at the rate of 7.7% per year in the Tenth Plan period. However, far too many of our people still lack the basic requirements for a decent living in terms of nutrition standards, basic health, access to education and, to other public services such as water supply and sewerage. Disadvantaged groups, especially the Scheduled Castes and Scheduled Tribes and the minorities have benefited less than they should have. Regional imbalances have emerged across and even within States.”<sup>14</sup>

### 1.5. Human Development Reports in India

Inspired by the Global HDRs, and the human development paradigm introduced in the 8th FYP, some States in India started preparing sub-national HDRs. Major States in India are comparable in area and population size to important countries of other continents. Under the Indian constitution, States have the responsibility for subjects such as education, health, agriculture etc. and from the 1950s onward, State governments in India have been involved in the process of planning for economic and social development in

<sup>9</sup>*Ibid.*, Section 1.1.6.

<sup>10</sup>*Ibid.*, Section 1.4.4.

<sup>11</sup>Sengupta, A. (2007), *Conditions of Work and Promotion of Livelihood in the Unorganised Sector*, National Commission for Enterprises in the Unorganised Sector, GOI.

<sup>12</sup>UNDP (2007), *UNDP Country Programme for India 2008-2012*; UNDP (2006), *India UNDAF 2008-2012*.

<sup>13</sup>GOI (2010), *Millennium Development Goals – India Country Report 2009, Mid Term Statistical Appraisal*.

<sup>14</sup>GOI, *Planning Commission (2007-2012), 11th Five Year Plan, Vol. I, Preface*.

the respective States. Therefore, it is quite natural that some of the State governments independently started preparing Human Development Reports. These reports largely followed the UNDP methodology, and the world's first State HDR was published in Madhya Pradesh in 1995 and included the computation of the State's HDI as well as HDI for all the districts in the State. Madhya Pradesh followed up its first HDR by releasing three more HDRs in 1998, 2002 and 2007. A similar independent process of preparing a State HDR in Karnataka was initiated in 1997 and the report was released in 1999.

Spurred by the enthusiasm from the States, Planning Commission and UNDP came together to offer technical and financial assistance to States preparing HDRs.

So far, 21 States have prepared HDRs from the total number of 28 States in India.<sup>15</sup> The State HDRs calculate HDI and GDI, using various innovations in measurement partly due to lack of data on specific indicators. The reports, in many cases, also contain specific thematic chapters, for example on institutions and governance (Madhya Pradesh), human security (West Bengal), land tenure (West Bengal), the elderly (Tamil Nadu), Scheduled Castes and Scheduled Tribes (Karnataka and Punjab), and infrastructure (Arunachal Pradesh).

The Planning Commission released the first National Human Development Report 2001.<sup>16</sup> It compares the human development

situation of States of India with the help of about 70 development indicators for each State. Among various other illustrations, measures and indicators, the HDI and Gender Equality Index (GEI),<sup>17</sup> and HPI for the States of India are calculated, although the methodology used for computation of HDI is slightly different from the UNDP methodology.

According to the National HDR 2001,<sup>18</sup> Kerala is ranked number one with an HDI of 0.638 in 2001, and Punjab is ranked number two with an HDI of 0.537. Tamil Nadu is ranked number three with 0.531. The bottom three HDI States are Bihar, measuring 0.367, Assam with 0.386 and Uttar Pradesh measuring an HDI of 0.388.<sup>19</sup> The all India HDI average was 0.472 in 2001, according to the NHDR methodology and computation. According to the Global HDR 2009<sup>20</sup>, between 1980 and 2007 India's HDI rose by 1.33% annually from 0.427 to 0.612 today and is currently ranked 134 among 182 countries.

With respect to GEI, the NHDR reveals that from the 80s to the early 90s, gender equality increased from 0.620 to 0.676, with Himachal Pradesh measuring the highest GEI in the 90s, and Bihar being at the bottom. Overall, women were better off in South India than in North India. In the GHDR for 2009, India is ranked number 139 out of 155 countries in GDI.

The NHDR also shows that the differences between States in HPI were quite striking. In

<sup>15</sup>See: Annex I for map indicating State's preparation of SHDRs.

<sup>16</sup>The second national HDR for India is in final stages of preparation.

<sup>17</sup>The GEI is similar to the GDI, but for economic attainment, the respective worker population ratio has been used to capture the degree of inequality.

<sup>18</sup>GOI, Planning Commission (2002), National Human Development Report 2001.

<sup>19</sup>Please note that HDI was only measured for selected States (15) where some data, including the 2001 Census, was available.

<sup>20</sup>UNDP (2009), *Overcoming Barriers: Human Mobility and Development*, Global human development Report 2009.



the early 80s the poverty levels in States like Orissa, Bihar, Arunachal Pradesh, Assam and Uttar Pradesh touched 55-60 percent, while it was around 35 percent in States such as Kerala, Punjab and Himachal Pradesh. These figures have declined significantly during the 90s, but in cases of Bihar, Uttar Pradesh and Rajasthan the decline has been marginal. According to the Global HDR, India's HPI measured 28 percent in 2009 and ranks number 88 among 135 countries.

The latest computation of HDI for Indian States was done by UNDP in 2004-2005 for the XII Finance Commission and arrived at the following conclusion for the HDI measure in descending order: Kerala, Maharashtra, Tamil Nadu, Punjab, Gujarat, Himachal Pradesh, Karnataka and West Bengal. The bottom five were the following in descending order: Rajasthan, Bihar, Uttar Pradesh, Madhya Pradesh and Orissa.

In order to integrate human development into district planning in India, the preparation of reports on district level has been started as well. 15 State governments have initiated the work on District HDRs for 80 districts, of which 23 HDRs have been released till date, and in 2009 the first City HDR (Mumbai) was launched.

The government ownership of State and district HDR preparation process in India is unique. A distinctive feature of the HDR preparation process is the firm State ownership together with multi-stakeholder partnerships. Individual States own, guide and control the preparation and production process. Strong and important partnerships have been forged with the participating State governments, Ministry of Statistics and Programme Implementation, the Reserve Bank of India and national institutions, Collaborations with University Grants

Commission and Department of Personnel and Training have been established, as well as with numerous other independent research institutions, academics and civil society organisations.

The Planning Commission – UNDP partnerships has established globally unparalleled benchmarks of scale, government ownership and performance and is cited as a Global and Regional 'Best Practice'. Two State HDRs have won global human development award - the Chhattisgarh HDR 2005 for "Excellence in Participatory Processes" in 2007 and the West Bengal HDR 2004 won a Global award for "Excellence in Quality of Analysis" in 2004.

The broad principles governing the Planning Commission - UNDP partnership for preparation of HDRs are the following:

- Government ownership;
- Editorial autonomy;
- Analysis and contents of the HDR should be undertaken by an independent team of experts at the behest of the State government;
- Integrity and coherence in the contents of the HDRs and addition of value to users of the HDR;
- Commitment to widespread dissemination and discussion of the State HDRs making use of a variety of methods; and
- Cost-effectiveness in the preparation of HDRs.



## 2. Working together for Human Development: A collaboration between the Planning Commission and UNDP

The first State HDRs prepared by Madhya Pradesh and Karnataka were prepared and funded by their respective State governments. This is also true for the three following SHDRs prepared by the Madhya Pradesh government. Inspired by these independently prepared State Human Development Reports in Madhya Pradesh and Karnataka; the Planning Commission and UNDP agreed to collaborate on developing capacity and creating awareness of HD in the Indian States, so that more States engage in the preparation of SHDRs.

The Planning Commission – UNDP collaboration on human development consequently resulted in two projects, the first one aiming at developing capacity for preparing SHDRs, and the second aiming at integrating HD into State and district plans.

The overall focus of both the projects was on creating an enabling environment for realising human development through capacity development by conducting various kinds of training activities, and by creating awareness of HD among stakeholders through advocacy and outreach.

At the UNDP India Country Office, a dedicated unit<sup>21</sup> was established, consisting of a dedicated team who was responsible for guiding the overall work on human development in India. This included developing partnerships with

State governments, advocacy for human development at various government and non-government fora, steering the process of preparation of State HDRs to make it more participatory exercise, developing and fostering a network of institutions and experts that could engage in HD analysis. During the second phase, human development Research and Coordination Units (HDCU) were also set up in each partner State Planning Department/Board/Commission to assist in the implementation of the project.

### 2.1. Capacity building for preparation of State Human Development Reports (1999-2005)

This project aimed to support States in preparing State level Human Development Reports. The project supported and developed capacity in the States to prepare SHDRs. Improvement in district and sub-district level data systems and databases, especially with regard to gender and disaggregated indicators was also addressed.<sup>22</sup>

21 States have prepared State HDRs, which have provided State governments with data highlighting interstate and intrastate disparities. In particular the disaggregation of data at district level has brought into sharp focus the districts requiring immediate attention on the HD outcomes. The reports

<sup>21</sup>Human development Resource Centre

<sup>22</sup>UNDP (1999), *Capacity building for preparation of state human development Reports, Project document.*

have also to some extent highlighted disparities among social groups, e.g. gender. The SHDRs have served to draw attention of policy makers in the areas of education, health attainments and other aspects that have a bearing on the well-being of the people.

Through sensitisation programmes and training at an Administrative Training Institutes (ATI) on HD concept and measurement, civil servants, parliamentarians, NGOs and media were sensitised on human development. In addition, an outline of a human development curriculum was developed for universities to integrate human development in their curricula. A series of discussion papers on contemporary development challenges were written by experts. Additionally a compilation of “Successful Governance Initiatives and Best Practices: Experiences from Indian States” was prepared and disseminated, and films on these best practices are used in training programmes.

The SHDRs have contributed to a better understanding of the human development concept among decision makers as well as the public, though the influence varies among States. In order to reach out to people and to ensure wider dissemination of messages, several SHDRs have been translated into local languages, greatly increasing their circulation and accessibility. The influence of the SHDRs has also spread to the private sector. The TATA group has prepared the TATA HD Index, intended to integrate sustainable HD into TATA’s management and monitoring system. The SHDRs have also helped sensitising civil society with respect to the needs of various disadvantaged groups.<sup>23</sup>

The Shaharbanou<sup>24</sup> and Riskin<sup>25</sup> evaluations of the State HDR project broadly came to the conclusion that the project was successful in developing capacities for preparation of State HDRs. It advised that improvements for the next phase could be made with respect to deepening the analysis of second generation SHDRs by focusing on a thematic area of relevance to the State. District level data systems need to be further improved through disaggregating statistical data not only geographically at the district level, but also for gender and other social groups such as Scheduled Castes (SC), Scheduled Tribes (ST), slum dwellers and minorities. It was also highlighted that capacity development on human development for various stakeholders needed to continue and become institutionalised through training of trainers, institutionalisation of HD Units in State Planning Commissions and civil society/universities. The evaluations also suggested that advocacy and dissemination should be strengthened, in particular targeting public/local people for building awareness and enhancing outreach.

## **2.2. Strengthening State Plans for Human Development (2004-2009)**

This second Planning Commission – UNDP project aimed at going beyond the mere preparation of HDRs in order to practically operationalise HD and make it an integral tool in the State and district planning processes. Under this project, State plan processes and dialogue were intended to be strengthened to focus more on human development concerns. The project follows-up on the previous State HDR project by “addressing

<sup>23</sup>UNDP (2010), *MTR Format 1 State HDRs, Mid Term Review 2010*; Shaharbanou Tadjbakhsh (2005), *State HDRs in India: Documentation/Assessment/Evaluation and Recommendations, August 2005, New Delhi: UNDP*; Carl Riskin (2005), *India: Findings and Recommendations, Global NHDR Evaluation*.

<sup>24</sup>Shaharbanou (2005).

<sup>25</sup>Riskin (2005).

some of the key concerns raised in the State HDRs".<sup>26</sup>

The project started with eight partner States, which had already prepared State HDRs (Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Sikkim, Tamil Nadu and West Bengal), and consisted of three main components: i) Deepening of human development analysis through strengthening statistical systems and capacity building of State planners for human development, including building capacities in disaggregated District level data collection and analysis. ii) Strengthening advocacy through dissemination and outreach of SHDRs to ensure that their messages are internalised by planners and implementers of development programmes, and iii) Effective human development action by contributing to informed decision and selection of high impact human development strategy, by identification of issues and options for financing HD in States.

The project was later expanded into incorporating 7 more States (Assam, Chhattisgarh, Gujarat, Kerala, Nagaland, Orissa and Punjab). The project scope was expanded to provide greater emphasis on strengthening statistical systems, gender components of human development and advocacy. Support from reputed National Resource Institutions<sup>27</sup> was received under the project to facilitate effective realisation of SSPHD project objectives and activities, in particular on training and advocacy. The project collaborated with the Ministry of Statistics and Programme Implementation on estimating state and district income.

The progress has been uneven among States, but all States designed activities as per context and implemented them. The most important outcome of the SSPHD project is that it has contributed to institutionalising of human development oriented planning and analysis at the State and district level. All the 15 project States have included a chapter on human development in their annual plans and policy documents such as the Annual Economic Surveys. District level HDRs as a tool for district planning are being prepared in 80 Districts, of which 23 have been released and the rest are in various stages of finalisation. Gender budgeting has been introduced in specific departments in many of the partner State governments, and human development indicators are being used to decide social sector allocation.

Mainstreaming of human development in plans and policies has been made possible through the core strategy of developing capacities of State and district planners as well as other officials from the State government at the individual, institutional and enabling environment level.<sup>28</sup> A number of sensitisation workshops and training programmes were conducted on human development, statistics, gender and financing for HD for various levels of officials and elected representatives. This was done through reputed National Resource Institutions (such as the Reserve Bank of India-College of Agriculture Banking) as well as through State level training institutions (ATIs and SIRDs). Highlights of SHDRs were shared in sensitisation workshops and training programmes. Training of trainers has been conducted on HD, district planning

<sup>26</sup>UNDP in Bhattacharya (2008), p. 21.

<sup>27</sup>College of Agriculture Banking, Reserve Bank of India; National Institute for Public Finance and Policy; Film and Television Institute of India; Indira Gandhi Institute for Development Research; International Institute for Population Sciences; Indian Statistical Institute; Prayas

<sup>28</sup>Compare three circles for capacity development. Capacity development can take place on an individual level, at an institutional level, and in the form of creating an enabling environment (UNDP).

and Financing for HD. Training of Trainers Manuals have been developed for this purpose.<sup>29</sup> Officials also benefited from international training programmes on human development.

A “Good Practices Resource Book on Social Sector Service Delivery” was prepared and widely disseminated to the planning departments and training institutions of all States.<sup>30</sup> These practices can easily be replicated in other States. Four universities have been offering HD courses.

State specific studies on options for financing human development has been prepared in select States.<sup>31</sup> These studies have been practically helpful to States and some of these have been presented to the XIII Finance Commission.

Large scale sensitisation on human development and gender was conducted by all 15 States, and Gender Resources Centres were established in two States. Some States have prepared compendium of all “Acts, Rules and Developmental Schemes for Women”.

State specific activities on strengthening statistical systems have also been undertaken by various States resulting in better collection and analysis of data at the district level. A manual on estimating district income/DDP estimates from States has been launched.<sup>32</sup> People’s Audit of Health, Education and Livelihoods (PAHELI) Report Cards was used by one State for data collection at the District level,<sup>33</sup> while another State prepared village and urban ward index cards.

State governments undertook advocacy campaigns to raise awareness on key HD challenges in the States. This was done by means of dissemination of posters, brochures and conducting competitions across colleges. 30 films on State specific HD issues were prepared and disseminated creating awareness on key development challenges. State HDRs were translated in local languages, which have increased dissemination and outreach of information. There were frequent references to workshops and DHDRs in the media. Experiences from India on preparation of sub-National HDRs have been shared with Indonesia at a workshop held in Jakarta and Aceh. Afghanistan, Cambodia, Mongolia and Sudan have also expressed interest in learning from the Indian sub-National HDR experience.

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<sup>29</sup>ATI, Government of West Bengal, *Manual for Training of Trainers on human development; CAB-RBI (2008), Trainer’s Manual: Training Programme on District Planning and human development* [online]: <http://planningcommission.nic.in/plans/ssphd.html>.

<sup>30</sup>GOI, Planning Commission (2009), *Social Sector Service Delivery: Good Practices Resource Book* [online]: <http://planningcommission.nic.in/plans/stateplan/ssphd/gprb.pdf>.

<sup>31</sup>NIPFP (2010), [online]: <http://www.nipfp.org.in/displaymore.php?idd=219&cid=156>.

<sup>32</sup>See: [online]: <http://planningcommission.nic.in/plans/ssphd.html> for *Statewise District Domestic Product (DDP) data*.

<sup>33</sup>ASER Centre (2010), *People’s Audit of Health, Education and Livelihoods – PAHELI* [online]: <http://asercentre.org/activities/paheli.php>.

### 3. Tracing the integration of human development in State planning and policy processes<sup>34</sup>

This document presents the most relevant examples from States, which can be linked to planning, budget allocation and institutionalisation. These have been categorised as follows -

- Institutionalisation of HD chapter in National, State and District Government documents such as Five Year Plans, Annual Plans, Economic Survey etc.
- SHDRs as a tool for State planning
- DHDRs as a tool for district planning
- Statistics as a tool for better informed planning
- Gender budgeting
- Financing for HD
- Sustainability of HD Unit

These are described one by one with regards to their respective impact on policy on national, State and district level where applicable.

#### 3.1. HD chapter inclusion in Government policy and plan documents

The importance of SHDRs is being acknowledged at the highest level of policy making in India. In the 1999 annual meeting of the National Development Council, the joint forum for State Chief Ministries at the Union Cabinet and the Deputy Chairman of the Planning Commission emphasised the role and relevance of SHDRs in the rationalisation of plan outlays and monitoring. The SHDRs were also credited with ensuring that HD indicators integral for planning purposes were readily available for policy analysis and action on the ground.

As earlier mentioned, since the 8th FYP the National Five Year Plans are firmly set within the human development paradigm. The 8th Plan states that “The objectives of fulfilling the social and human aspirations of the people, meeting the essential requirements of living, raising income levels and improving their quality of life are at the centre of our developmental efforts.”<sup>35</sup>

The focus in the 9th Five Year Plan (1997-2002) was on growth with social justice and equity, and the human development concern is continuously prevalent. In the introduction of the FYP document the following is stated:

<sup>34</sup>This section is based on information provided by State governments. As a complement to this information, statements in Five Year Plans, Annual Plan documents, newspapers and announcements from governments, as well as project evaluations and UNDPs ongoing Mid Term Review are also used as reference materials for highlighting the policy impact of HDRs in India.

<sup>35</sup>GOI, Planning Commission, 8th Five Year Plan, Section 2.1.1.

“As the millennium draws to a close, the time has come to redouble our efforts at development, especially in the social and economic spheres, so that the country will realise its full economic potential and the poorest and the weakest will be able to shape their destiny in an unfettered manner. This will require not only higher rates of growth of output and employment, but also a special emphasis on all-round human development, with stress on social sectors and a thrust on eradication of poverty.”<sup>36</sup>

The 10th Plan document (2002-2007), given its orientation towards a “reform plan” has a strong focus on HD and the social net, and recognises the importance of defining development objectives not only in terms of increases in GDP or per capita income but also more broadly in terms of enhancement of human well-being. This is the first plan which, apart from broadly following an HD approach to development, has also introduced specific monitorable targets for a few key indicators of human development:<sup>37</sup>

#### Monitorable targets for the 10th Plan and beyond

- Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012;
- Providing gainful and high-quality employment at least in addition to the labour force over the Tenth Plan period;
- All children in school by 2003; all children to complete 5 years of schooling by 2007;
- Reduction in gender gaps in literacy and wage rates by at least 50 per cent by 2007;

- Reduction in the decadal rate of population growth between 2001 and 2011 to 16.2 per cent;
- Increase in Literacy rates to 75 per cent within the Plan period;
- Reduction of Infant mortality rate (IMR) to 45 per 1000 live births by 2007 and to 28 by 2012;
- Reduction of Maternal mortality ratio (MMR) to 2 per 1000 live births by 2007 and to 1 by 2012;
- Increase in forest and tree cover to 25 per cent by 2007 and 33 per cent by 2012;
- All villages to have sustained access to potable drinking water within the Plan period;
- Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012.

The theme of the current 11th Five Year Plan (2007-2012) is “inclusive growth”. While continuing to accelerate economic growth, it is considered of vital importance to include the ones who have benefitted the least from India’s economic development. Focus is on including disadvantaged groups, in particular Scheduled Tribes and Scheduled Casts, minorities and disabled. The FYP specifically highlights the HDI disparities among STs and SCs: “According to the UNDP India Report (2007) on Human Poverty and Socially Disadvantaged Groups in India, the HDI at all India level for SCs is estimated to be 0.303, which is lower than the HDI for non-SC/ST at 0.393 for the period 1980–2000. The variation across States is very large, ranging from 0.661 for Kerala to 0.195 for Bihar. There are ten States with HDI value higher than the all-India average for SCs and six States with HDI value lower than this average.”<sup>38</sup>

<sup>36</sup>GOI, Planning Commission, 9th Five Year Plan, Section 1.1.

<sup>37</sup>GOI, Planning Commission, 10th Five Year Plan, p. 6.

<sup>38</sup>GOI, Planning Commission, 11th Five Year Plan, p. 107.



Key HD indicators have also been refined and updated in the 11th FYP. It states : “The objective of inclusiveness is reflected in the adoption of 26 other monitorable targets at the national level relating to (i) income and poverty, (ii) education, (iii) health, (iv) women and children, (v) infrastructure, and (vi) environment. Some of these national targets have also been disaggregated into 13 State level targets and it is expected that the State governments design policies and programmes to achieve them.”<sup>39</sup> A large part of the strategy for achieving inclusive growth is to accelerate investments and growth in agriculture, and to increase investments in education, health, infrastructure and other social sectors.

In addition, a separate section on State HDRs and District HDRs has been included in the 11th FYP.<sup>40</sup> This section describes the usefulness of SHDRs and DHDRs in highlighting intra- and interstate disparities. It also emphasises the important linkage between the reports and improvement of planning: “The process of preparation of DHDR is to be closely linked to the District planning process... One of the advantages of DHDRs has been stated to be the increased use of hard data in planning at the local level, and therefore of more rational decision making.”<sup>41</sup>

Apart from the human development approach and the preparation of sub-National HDRs being thoroughly integrated into the National Five Year Plans, the SHDRs also determine strategies for formulation of development agendas in the plan documents of the respective State governments. The project States have now included a chapter on human development in their Annual Plans and policy documents such as the Economic

Survey. This is an important development since the Economic Survey of the State governments is a key policy document prepared by State governments.

- In Karnataka, a chapter on HD is being prepared as part of the Economic Survey, both in English and Kannada. A chapter on HD is also being prepared as part of the State’s Annual Plan.
- In Punjab State, a chapter on HD has been included in the Economic Survey since 2006-2007. Data pertaining to HDI has also been included in the Annual Plan document.
- In Assam, efforts have been made to institutionalise HD concerns while preparing schemes under Annual Plans 2010-2011. A chapter on HD is included in the Annual Plan 2010-2011.
- Maharashtra State has incorporated human development and gender concerns in the State Annual Plan 2009-2010. A chapter has been included in the Economic Survey from 2009-2010.
- A chapter on HD has been included in the Gujarat Tenth Five Year Plan, Annual Development Plan of the State Budget Publication 2009-2010, and in the Budget publication of the Directorate of Economics and Statistics (DES)- Socio-Economic Preview of Gujarat State 2008-2009.

<sup>39</sup>GOI, *Planning Commission, 11th Five Year Plan, Preface.*

<sup>40</sup>See: *Annex III for an excerpt from the 11th Five Year Plan on SHDRs.*

<sup>41</sup>GOI, *Planning Commission, 11th Five Year Plan, p. 150.*

- In Orissa HD concerns have been institutionalised in the State planning process through introduction of a “Poverty and human development” chapter in the State Annual Plan and Economic Survey document since 2007-2008.
- In Rajasthan a separate chapter on HD has been included in the State Annual Plan document since 2007/2008 and in the Economic Review from 2006/2007. A chapter has also been included in the 11th Five Year State Plan 2007/2008-2011/2012.
- A section on human development and a note on DHDRs and the key findings have been included in the 11th Five Year Plan of Tamil Nadu. The Annual Plans prepared so far in Tamil Nadu, have imbibed and internalised the HD concerns in the planning process. A HD chapter has also been included in the Economic Appraisal. The Government adopted certain policy measures to improve the HD status.
- In Himachal Pradesh, a chapter on human development is part of the Annual Plan document since 2006/2007. A chapter on Poverty Reduction Strategy has also been included in the draft of 11th Five Year Plan.

### 3.2. SHDRs as a tool for State planning

#### State Human Development Reports

Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Delhi, Gujarat, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Nagaland, Punjab, Orissa, Rajasthan, Sikkim, Tamil Nadu, West Bengal, Tripura and Uttar Pradesh.

So far, SHDRs have been prepared by 21 states. The process of HDR preparation has sensitised government officials, academicians, civil society organisations and donor agencies to the status of human development indicators in a given State, within the comparative framework of interstate and intrastate disparities. Since the report relies on district level analysis, it has brought into sharp focus districts requiring immediate attention on the HD front. By presenting empirical findings the SHDRs serve to provide the government with a menu of policy options that can be used as a foundation for re-orienting public expenditure towards the provision of social sector services. The SHDRs have served to draw attention to development indicators in the areas of education and health attainments that are critical for capacity development of the community. Consequently, there is a more focused attention on HD in State plans. Some States have reported budget allocation being based on HD indicators. UNDP has recommended that at least 40 percent of resources should be allocated to social sectors.<sup>42</sup> The XII Finance commission has used HDI as one of the parameters for deciding inter-State resource allocation.<sup>43</sup>

<sup>42</sup>UNDP (1991), *Financing for human development, Global human development Report 1991*.

<sup>43</sup>UNDP (2010), *MTR Format 1 SSPHD, Mid Term Review 2010*.

The below examples from serve to highlight this development:

- As has been stated earlier, in Assam, efforts have also been made to institutionalise HD concerns while preparing schemes under Annual Plans 2010-2011.
- In Tamil Nadu, monitoring of the progress of HD indicators for e.g. on educational attainments, nutritional attainments and IMR/MMR, has been integrated into the planning process. However, it is mentioned that one dedicated division would be necessary to monitor development targets and feed the analysis into planning processes.
- Planning process in Himachal Pradesh has started giving a special emphasis on the HD Indicators in the State, and HD indicators have been one of the important determinants in making sectoral allocation in the State's Annual Plans. In the Annual Plan for 2010-2011 the social sector, according to the Chief Minister "has been given top priority" with Rs. 1010.79 crores out of 3.000 crore being allocated for social purposes. This equals approximately 34 percent of total plan allocations.<sup>44</sup>
- In Maharashtra the first budget of the State government after the release of the HDR 2002 was called "budget for human development" and was based on the findings of the report. The Maharashtra Chief Minister, in his speech at the National Development Council in June 2005 mentioned that the road map for the future was based on the HDR. Maharashtra has launched a scheme titled 'Scheme for Annual Assessment of human development Index' (HDI) to assess HD status of the districts. The introduction of the Maharashtra Plan Scheme Information Management System (MPSIMS) will facilitate planning, fund approval and monitoring of scheme. All schemes, both State and district, are being assessed from a human development and women and child perspective. The assessment is based on the allocation and its significant impact on socio-economic development. A sum of 235 crore has been released by the State to Maharashtra human development Mission (MHDM) to carry out activities within education and health for improvement of HDI of 11 selected Districts. Maharashtra State has also decided to increase 10% outlay of class-1 schemes while preparing the plan for 2010-2011.
- Since the initiation of HD planning in Maharashtra, significant results on some of the human development related indicators viz. substantial increase in institutional deliveries from 32% to 73% can be shown. The infant mortality rate has been reduced from 43.11 to 23.11, still birth rate has been reduced from 16.47 to 11.29, the percentage of malnourished children has been drastically reduced from 1573 to 452, and literacy rates have improved from 69% to 80%.
- In Gujarat, allocation to social sectors under the Annual Development Programme was raised to 43.61%.

<sup>44</sup>The Hindu Business Line (2010), Himachal Pradesh Annual Plan Outlay hiked Rs. 300 Crore, [online]: <http://www.thehindubusinessline.com/2010/03/09/stories/2010030951141900.htm>, 8 March 2010.

### 3.3. DHDRs as a tool for District planning

The 73rd and 74th Constitutional Amendment Acts in 1992-1993 have ushered in the present phase of decentralised planning in India. In the light of this decentralisation, district planning has assumed a great deal of importance. The process of preparation of District HDRs has in many States been linked to district planning. The Planning Commission has recommended preparation of DHDRs for all districts. The Ministry of Home Affairs has recommended DHDR template for preparation of District Gazetteers. The DHDRs are recognised as the ultimate source of district data and analysis, and could even replace the District Gazetteers, according to a recent MHA announcement. The process of preparation of SHDRs has brought to light gaps in district level data systems. District HDRs present disaggregated data at the sub-district level. The interface with officials involved in data collection at the grass-roots has led to increased awareness on their part regarding the use of this data with respect to HD planning.

- In West Bengal an “Explore and Disseminate” strategy has been followed in preparing the DHDRs. It has encouraged academia and development institutions to explore the conditions of development with a focus on exploring the hindrances to development, suggest remedial measures and to disseminate those findings to practitioners. The Bankura DHDR qualified for the final list of award given by UNDP in 2009 in the category of “Excellence in Innovation and Measurement”. The District administration are using the DHDRs for identifying causes of backwardness of any region and finding ways to remove backwardness. DHDRs are being used by District Planning Committees for preparing District Plans.

For sustainability, West Bengal proposes to prepare DHDRs after gaps of 4-5 years. In the majority of districts, Natural Resources Data Management Systems (NRDMS) cells have been set up, and are being used by the District Planning Committees for preparing District Plans. The NRDMS cells and DHDR preparation initiated under the SSPHD project will now be funded by the State government.

- The exercise of preparing the 7 thematic reports and 3 DHDRs in Nagaland has provided insight into the benefits of traditional practices, which advocated co-existence between man and nature. The reports led to the realisation of the importance of documentation of practices. It also strengthened availability of District level data. Preparation of a District profile is in progress and the DHDRs will be the vision documents for District planning.
- In Rajasthan, HDI indicators analysis was covered in the district Plan process for 2007-2012.
- In Karnataka, DHDR reports have been prepared in five backward districts. The remaining uncovered districts will be covered in phases. An impact study of various government programmes on the status of SCs and STs was taken up in DHDR Districts. The findings of the report were used in the DHDRs. Karnataka has instituted replication of the DHDR exercise through the States’ own resources. It has also established a mechanism for tracking HD indicators at the Gram Panchayat level.
- Maharashtra has put efforts into strengthening the district plan process to prepare district plan ensuring key attainments of human development and

gender components at the district level. DHDR process will be replicated into Districts not covered under the project for Rs. 5 crores have been allocated for this exercise in the State Annual Plan 2009-2010.

- In Assam, DHDRs are being prepared in 4 Districts, with involvement of PRIs to ensure linkages between DHDRs and district planning.
- In Orissa, the DHDR process has led to mainstreaming of HD through the preparation of District Plans based on HD parameters and creation of high level of awareness among district and block level officials on HD dimensions. The DHDR and district planning are linked as the District Plan preparation was assigned to the same TSI who prepares the DHDR. Findings of the primary survey and secondary survey undertaken for the preparation of DHDR provided valuable inputs in preparation of the District Plans. A District Report Card for all the Districts is being prepared under the PAHELI survey.
- In Tamil Nadu, the preparation of DHDRs has created awareness among the district officials on the significance of various delivery institutions of the Government and the convergence of such systems.
- In Chhattisgarh, the preparation of DHDRs has given the opportunity to prepare District Plans from a HD perspective. DHDRs are being prepared for 8 BRGF Districts, which would provide baseline for preparation of District Plans based on the human development approach.

### 3.4. Statistics as tool for better informed planning

In order to improve and make planning at State, district and sub-district level more relevant, statistical systems at all levels need to be strengthened, in particular at the district and sub-district levels. Tracking of performance with regard to development goals through appropriate database development, and the availability of relevant data at appropriate level of disaggregation are crucial elements in any analysis of human development parameters. The project has been addressing this issue through training of statistical officers on HD statistics, and through training on estimating State and district income. States have also conducted various trainings on strengthening of statistical systems.

The involvement of Ministry (Central Statistical Organisation) has been important in arriving at national consensus on an acceptable methodology for hitherto unresolved issues such as District income calculation and collection of data on gender disaggregated indicators suitable for the Indian context. District income data is now available for all Indian States. HD data has so far mostly been disaggregated geographically, and to a lesser extent by social category. (e.g. women, Scheduled Casts, Scheduled Tribes, slum dwellers, minorities and disabled) Improved data should permit more such disaggregation in the future. Some States have, however, given considerable attention to women's issues and gender disaggregated data. (See following section on Gender budgeting) To foster analysis on social inclusion, the HDI has been computed for the SC and ST. Furthermore, a working group has been constituted by the Planning Commission to examine the methodology for estimating district level poverty. The GOI is also suggesting building a common database for SC, ST, minorities and disabled in order to

be able to appropriately address and include these groups in planning.<sup>45</sup>

- A study in Nagaland, a State that has extremely weak data systems, has highlighted the lacunae in data collection/management system (disaggregated data) and the required remedial measures on all the sectors, in particular, in HD sectors. Necessary follow up action has been initiated for scientific data collection and authentication. The use of ICT (on-line registration) for co-ordination and updating of statistical data, registration of births and deaths, data records has been institutionalised by the DES.
- In Orissa, a purposive stratified random sampling method has been adopted for collection of primary information. The sampling frame covers all the blocks of the District and 10 percent GPs in each block, which is selected on random basis and around two GPs from each block.
- Gujarat has undertaken baseline surveys regarding availability of social infrastructure in selected four districts.
- A field study has been conducted in the two districts of West Bengal viz. Bankura and Uttar Dinajpur. The aim of the pilot study was to collect HD related data at the Gram Panchayat level and thereafter to locate discrepancies, if any, between such information and the same maintained by various line departments at the sub-District level. The results from the study have been used for improving data reliability.
- In Assam, the Directorate of Economics and Statistics has collected data on IMR, MMR, birth rate, death rate etc. These data had not previously been collected and compiled by the government, and will facilitate preparations of plans in a more meaningful way.
- In Rajasthan, training of officers of line departments was carried out on basic and advanced courses of computer application. During the project period 12 training programmes were conducted and in total 351 officers were trained on basic and advanced computer courses.
- Tamil Nadu carried out trainings in statistical analysis, and trainings on planning, economic development and monitoring programmes. The State also trained district level officials of the Department of Economics and Statistics in office automation and database management.
- In Chhattisgarh, DES has updated the Village Index Cards, and has introduced the Urban Ward Index Cards. Software supporting decentralised planning processes has been developed in Rajnandgaon district using newly developed statistical systems. The resurrection of Village Index Card and development of Urban Ward Index Card has given data for better analysis for preparation of District planning through filling the gaps of unavailability of disaggregated data in the planning process.
- In order to ensure sustainability of human development, preparation of an Integrated Statistical Plan of the State in consultation with the Ministry of Statistics and Programme Implementation Government of India (MOSPI) has been institutionalised in Gujarat.

<sup>45</sup>GOI, *Planning Commission, 11th Five Year Plan*, pp. 149, 136.

- As part of strengthening statistical system activity, Karnataka State has prepared a statistical module, which will be used as reference material in the future departmental trainings.
- In Punjab, computerised software (MIS) for Economic and Statistical Organisation (ESO) will improve the data collection pace and will further streamline the analysis and dissemination of data.
- In Himachal Pradesh, periodic update of HD Indicators has been entrusted to the DES. Regional imbalances in the State are being addressed through data on various indicators being collected Panchayat wise.

### 3.5. Gender budgeting

In the GOI 11th FYP, it is recognised that “Gender inequality...remains a pervasive problem.”<sup>46</sup> For the first time gender has been mainstreamed throughout the FYP: “The Eleventh Five Year Plan acknowledges women’s agencies and tries to ensure that their needs, rights and contribution are reflected in every section of the Plan document. Gender is, therefore, a cross cutting theme; it is not confined to a single chapter on Women and Children.”<sup>47</sup> The plan focuses on increasing women’s participation in the labor force through skills development, and to improve women’s and children’s health. It is also acknowledged that gender-budgeting has not, so far, received enough attention, and that “significant outcomes can be expected only if the gender issue is addressed through the planning initiatives across all the ‘heads of development’ in the Plan, with requisite lead from the ‘Women and Child Development’ Head.”<sup>48</sup> Gender budgeting has been part of the GOIs agenda

since the inception of the 8th FYP, but has not yet been able to ensure adequate flow of funds and benefits to women.

Large scale gender sensitisations were conducted by all States under the project. Several workshops, trainings, and trainings of trainers on gender and gender budgeting have contributed to an enhanced understanding of gender issues and the importance of gender disaggregated data and gender budgeting among PRIs at various levels of decision making, government and DES officials, auditors and NGOs. As also addressed in the 11th FYP, it is hard to expect large scale improvements in gender equality unless gender is made an integral part of the planning and budget process. Much emphasis in the training initiatives has correspondingly been put on addressing gender inequalities through gender budgeting and analysis. Some States have also tried to establish specific Gender Resource Centres in order to monitor and ensure mainstreaming of gender issues into planning.

- In Chhattisgarh gender budgeting was introduced in 2007-2008. District planning has been engendered through a gender sensitisation attended by 233 PRI members and government officials, and through capacity development programmes for State officials in gender budgeting and audit. This training was attended by 450 government officials. A “Manual and Handbook on Gender Budgeting and Audit” has been prepared for this exercise. Sensitisation of State planners on gender was undertaken, which was attended by 1029 government officials. Functionaries of PRIs at the District, block and Gram Panchayat level have also been gender sensitised through training of trainers’ programmes,

<sup>46</sup>GOI, *Planning Commission, 11th Five Year Plan*, p. 1.

<sup>47</sup>*Ibid.*, p. 4.

<sup>48</sup>*Ibid.*, p. 74.

sensitising approximately 16000 PRI members. Training of DES officials on gender issues and sex disaggregated data was attended by 68 DES staff. 200 auditors from local fund audit participated in a gender audit training. A study report was also prepared of problems of urban poor women in Chhattisgarh.

- In Nagaland, a task force for “Engendering the State and District Plans” was constituted, where all departments were instructed to ensure gender equity in the Annual Plans and budgets. To facilitate this, sensitisations of State planners and MLAs on gender and HD issues have been carried out. A workshop on gender budgeting and strengthening of State plans for human development was conducted for administrative heads of departments and heads of departments. Sensitisation and capacity development of legislators, policy makers, departmental/District officials, Village Development Board members at the grass root level and NGOs were also carried out. A gender budgeting manual tailored to local conditions has been prepared. Gender budgeting cells have been established in the Planning and Co-ordination Department to audit the budget of departments. This will facilitate examination and study of the budgets of the various departments to assess whether the budgets are gender neutral, gender friendly or gender sensitive.
- Gender budgeting has been initiated for four government departments of Punjab.
- In Maharashtra, classification of schemes on State and district level from women and child perspective has been introduced. As a result, this activity enables to generate a distinguished report listing of department wise schemes and budget allocation to women and children.
- West Bengal undertook gender budget analysis, and as a result most departments created gender specific budgets and budget heads for schemes related to women and children. A book has been prepared containing relevant Acts and Rules (in simple Bengali) for legal empowerment of rural women. Panchayat and Rural Development Department have been requested to include the book in their regular training modules for women members of PRIs, SHGs etc. Also a Gender Resource Centre (GRC) was set up, however, after working with this for eight months, GRC was merged with HDRCC for uniformity in the decision making process.
- In Assam, a gender budget analysis report has been launched, and a compendium of all rules and available schemes under State and national government for women has been published.
- Orissa established a gender cell under Women and Child Development Departments, and nodal officers have been appointed to initiate gender budgeting in 15 departments of the government.
- A training of District Planning Committees and PRIs for engendering District Plans has been conducted in Rajasthan. The activity was undertaken with the aim of training the members to gender sensitise and enable them to prepare gender sensitive micro-plans at the Gram Panchayat, Panchayat Samiti, Zila Parishad and DPC level. The key issues discussed in the training



were micro-planning, gender issues in development, HD and preparation of gender sensitive micro-plans from Ward/Gram Sabha to District level.

- In Tamil Nadu, gender impact assessment studies have been carried out.
- In Himachal Pradesh training courses on gender issues at State ATI with participation from PRIs and health workers took place, and two training of trainers and four courses on gender issues have been conducted. In addition, three awareness camps exclusively for women in six districts of Himachal Pradesh have been held.

### 3.6. Financing for Human Development

Economic reforms towards liberalisation during the 1990s have changed the Indian economy substantially. In particular the tax rates in which the State governments had a substantial share, the cutting down of the grant component in central assistance to States, the rise in the rate of interest at which State governments borrow funds, the greater reliance on markets for finances, and such other developments have meant that the States had to face new resource challenges and resource constraints. This has necessitated the State governments to initiate reforms so that they can find the means to finance their development agenda. Various options such as fiscal reforms, Centre-State transfers, user charges, public-private partnerships and private investment have been explored in trainings on Financing for HD conducted by NIPFP and RBI-CAB, and studies on fiscal space for human development have been carried out in 9 States, devising for State governments policy options for enhancing and appropriately

aligning social sector allocations to achieve the desired HD goals (Chhattisgarh, Himachal Pradesh, Kerala, Maharashtra, Orissa, Tamil Nadu, Rajasthan, West Bengal, Madhya Pradesh).

### 3.7. Sustainability of HD Unit in States

In order to facilitate implementation of the project, and institutionalise focus on human development in States, human development Research and Coordination Units have been established in most State Planning Departments/Boards/Commissions. These cells or units have been the principal anchors for the various activities undertaken under the project, such as research, training and formulation of action plans and programmes for improving human development attainments, particularly in the low HDI Districts. Institutionalisation of HDRC Units in States has also facilitated continuous preparation of SHDRs and DHDRs. The degree of institutionalisation of HD Units or similar cells, however, varies among States. Some interesting cases of HD institutionalisation are presented below:

- Karnataka had set up a human development Division in the Planning Department with its own resources. The human development Division will continue to coordinate the preparation of SHDRs and DHDRs in uncovered districts, monitor HD indicators periodically emerging from national/State level official sources, prepare chapters on HD in the State's Economic Survey and State Annual Plan documents, liaise with statistical cells in other HD departments such as education, health, rural development and panchayati raj, women and child development, social welfare, housing etc. on HD issues.

- The State government of Nagaland intends to take up preparation of the next SHDR in 2010/2011. The HDR & C Unit will continue to act as a resource center for preparation of this SHDR.
- In Gujarat a Directorate of human development, with a total sanctioned posts of 22 officials, and the Gujarat State Infrastructure Development Board Society (GSIDBS) has been established. In addition, a panel of subject specialists has been finalised to undertake third party evaluation of various Government Programmes. 11 studies have been undertaken so far.
- In the State of Maharashtra, the Maharashtra human development Mission (MHDM) has been institutionalised.
- In Himachal Pradesh the HDRC Unit has been established by internalising available resources from the Planning Department.

## 4. Sustainable HDR Policy Impact in India

HDRs have impacted Indian policy since the beginning of the 1990s. Around that time, the Global human development Reports, and the introduction of the human development paradigm in the GOI's 8th Five Year Plan inspired some States in India to independently take up preparation of state human development Reports. The human development paradigm since then has been institutionalised in the development agenda in India, strongly impacting policy and planning decisions both at national, State and district level.

The HDR policy impact is most evidently shown in the inclusion of the human development approach in the National Five Year Plans, State's Annual Plans, Economic Survey and other central policy documents. These are the documents guiding the practical planning and budget allocation work, and is therefore helping in directing the focus and priorities towards more HD oriented goals, such as prioritisation of social sectors, disadvantaged regions and disadvantaged social groups. The preparation of State HDRs and District HDRs have been directly responsible for bringing forward HD issues of relevance to the respective States and districts. The GOI's acknowledgement of the usefulness of SHDRs and DHDRs in highlighting intra- and interstate disparities, and the above mentioned important linkage between reports and improved planning in the 11th FYP is a clear example of how SHDRs and DHDRs have impacted the GOI's current policy agenda for development.

Measurement of HD indicators and subsequent findings of the SHDRs and DHDRs have highlighted disparities among States, within States, and among social groups,

which serve as a foundation for re-orienting public expenditure to social sectors and to disadvantaged areas and groups. Policy has been directly impacted as the findings of the reports have been taken into account during the preparation of State and District plans. In many States budget allocations to social sectors have been raised, in some cases to over 40 percent of total outlays. The preparation of DHDRs has also contributed to improvement of data at the district and sub-district level, which will make district planning more relevant and HD oriented.

Strengthening of statistical systems is of vital importance since it contributes to better informed HD decision making in the planning process and therefore impacts policy, at State as well as at district level. Although capacity still needs to be further strengthened, support on strengthening statistical systems have contributed to improved data disaggregation for social groups. The focus of the 11th Five Year Plan on inclusion of disadvantaged groups, is putting the excluded in society such as Scheduled Castes, Scheduled Tribes, minorities and disabled on top of the agenda of national development policy.

Improved gender disaggregated data and development of gender related HD indicators, have highlighted the disparities among women and men, and has made gender budgeting feasible at the sub-national level. The importance of gender mainstreaming and gender budgeting for achieving gender equality is emphasised in the GOI's central policy document, and is in the 11th FYP considered a necessity for bringing about significant change in improving women's and children's lives. Emphasis on gender budgeting has assisted in strengthening

capacities to achieve significant policy impact through State's institutionalisation of gender budgeting and analysis on gender. The establishment of Gender Resource Centres in States will also help in mainstreaming gender into policy documents, planning and budget allocation. HD planning and budget allocation is also influenced by the studies carried out by States on financing for human development for aligning social sector allocations in order to meet human development goals. These studies have a direct bearing on State's planning and budget decisions and are in this way contributing to policy impact.

An expression of policy impact can also be seen in the institutionalisation of the HD Units or the like in States. The institutionalisation will facilitate continuous preparation of SHDRs and DHDRs and implementation of HD related activities. It will ensure sustainability of the HD approach and analysis in the planning process.

In order to improve and deepen HD policy impact and outcomes in India, the following section presents the reasons for successful human development outcomes in States, and the perceived challenges/constraints as experienced by States.

#### **4.1. Successful strategies to Human Development according to States**

The States claim that the preparation of DHDRs, capacity development activities on HD and the improvement of data have been the most useful strategies for promoting human development in the respective States.

West Bengal mentions that the preparation of the DHDR has been the most useful and

relevant activity, which will have a "lasting imprint on paradigm shift in the planning process". Rajasthan states that the findings/analysis in SHDRs and DHDRs will improve formulating the planning process as well as preparation of HD sensitive budgets, which will improve financing on HD. In Chhattisgarh, the DHDRs have been useful as they are now providing a baseline for preparation of District plans from a HD perspective.

With respect to capacity development, Assam mentions that workshops/trainings were the most successful activities as they gave rise to creation of a "big pool of human resources to act as Key Resource Persons to facilitate deeper understanding of HD concerns..." Also, Gujarat highlights training and workshops on human development being the most relevant activity. In Punjab trainings and workshops were important to build capacity on HD, as the "HD concept and approach is still not that widely known in the State of Punjab".

Data collection and improvement of data has contributed to enhanced knowledge about the HD situation in States. Assam mentions that collection of IMR, MMR, Birth Rate, Death Rate etc. has been very relevant, since these are "usually not collected and compiled under any scheme of the government". In Tamil Nadu the introduction of a database on poverty and HD indicators has been very useful, and Orissa brings up strengthening of DES as being one of the most relevant activities. Chhattisgarh mentions how VIC and UWIC have filled the gaps of unavailability of disaggregated data in the planning process.

Some States also highlight gender and advocacy activities carried out during the project cycle as having had great impact for sensitisation and internalisation of the human development message.

## 4.2. Challenges/constraints to Human Development experienced by States

Lack of disaggregated data, particularly at the sub-district level is one of the most daunting challenges for HD analysis at the district level. The new State Chhattisgarh highlights that it faces a severe shortage of resources at sub-district level and HD disaggregated data, and that the statistical capacity at district level is very weak. The State of Tamil Nadu mentions that data on HD indicators are only available at the district/sub-district level, and that there is a need to build a database at the basic unit level. It also mentions that district income is only available at district level, and “At the sub-district level, there is no clue on the contribution of blocks/villages to district income”. Further, poverty estimates on sub-district level, and sex disaggregated data on child mortality indicators and nutritional indicators are not available. Maharashtra pinpoints the lack of data at taluka level, and Orissa highlights the lack of a disaggregated data base system at the district level. Similarly, Nagaland experiences problems with overcoming absence of district disaggregated data for computing district income.

Another challenge is in re-orienting people and processes to human development. For example, West Bengal states that the “Main challenge is to change the attitude of planners from stereotype planning processes to reorient their focus on ‘Homocentric’ planning.” Orissa brings up the challenge to mobilise and sensitise District officials, stakeholders, PRIs on various issues of HD and to link it to the decentralised planning process. Maharashtra addresses that a key challenge has been to tackle parallel action taken up for HD policy shift with respect to fine tuning of schemes, rethinking of ongoing

schemes from point of view of HD utility, and to develop systems for monitoring and evaluation to achieve desired HD goals.

Another challenge for States is the apparent capacity constraint particularly, with respect to collection and management of statistics. For example, Chhattisgarh mentions that it not only faces problems with access to disaggregated HD related data, “but the State also does not have adequate human resources to collect them to the various capacity issues”. Rajasthan brings up that it faces a lack of resource persons and technical institutions on HD both at State and District level, and Orissa experiences time and resource constraints to build enough capacity on HD.

## 4.3. Suggested way forward for deepened HD Policy Impact

It is recognised that progress towards meeting National Development Goals and Millennium Development Goals has been too slow in India, and that a large portion of the population has not yet been able to reap the fruits from the country’s economic growth. There is consequently a need to continuously integrate and deepen the human development paradigm in India’s development activities in order to efficiently and effectively target the poor and excluded social groups. Building on the achievements under the GOI-UNDP State HDR and SSPHD projects, which have helped GOI to better measure, analyse and document changes in the lives of people, there is an opportunity for the GOI-UNDP partnership on HD to move to the next level, enabling the established partnerships, tools and capacities needed for achieving the MDGs and fulfilling the GOI’s vision of inclusive growth articulated in the 11th Plan document. The Bhattacharya SSPHD evaluation report states: “...we have

no hesitation in asserting that the SSPHD project with its emphasis on deepening HD analysis through publication of SHDRs, DHDRs and the dissemination of the findings of such reports, preparation of thematic reports on different aspects of human development, mainstreaming of human development in planning and policy intervention etc., was extremely relevant when the project was started in 2005, it is relevant today and it will remain relevant at least until India secures its position as a high human development country (may be another 25/30 years)."<sup>49</sup>

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<sup>49</sup>Bhattacharya (2008), p. 181.

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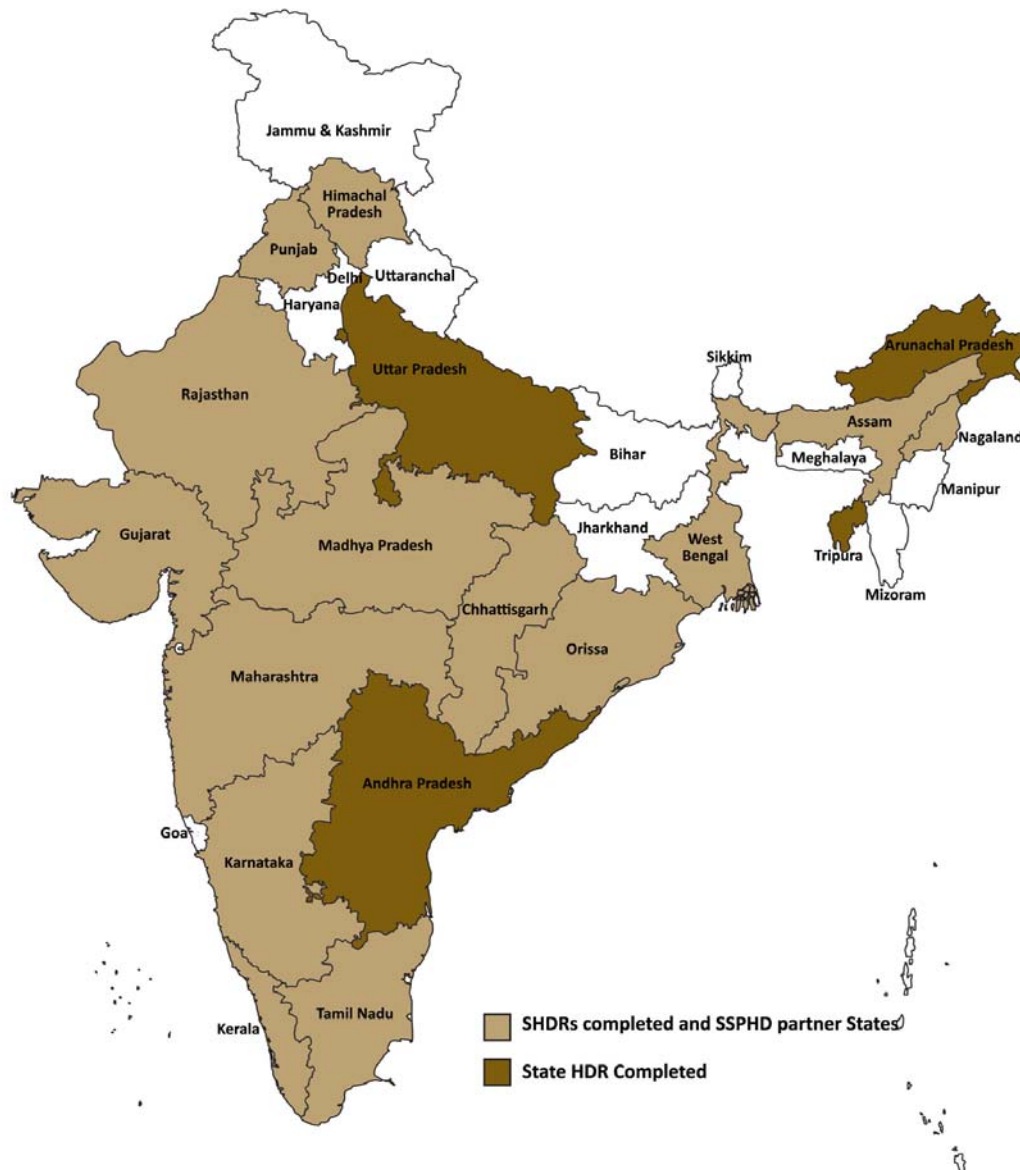
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## Acronyms

<b>ATI</b>	<b>:</b>	<b>Administrative Training Institute</b>
<b>BRGF</b>	<b>:</b>	<b>Backward Region Grant Fund</b>
<b>CSO</b>	<b>:</b>	<b>Central Statistical Organisation</b>
<b>DES</b>	<b>:</b>	<b>Directorate of Economic and Statistics</b>
<b>DHDR</b>	<b>:</b>	<b>District Human Development Reports</b>
<b>FYP</b>	<b>:</b>	<b>Five Year Plan</b>
<b>GDI</b>	<b>:</b>	<b>Gender related Development Index</b>
<b>GEI</b>	<b>:</b>	<b>Gender Equality Index</b>
<b>GHDR</b>	<b>:</b>	<b>Global Human Development Report</b>
<b>GOI</b>	<b>:</b>	<b>Government of India</b>
<b>HD</b>	<b>:</b>	<b>Human Development</b>
<b>HDI</b>	<b>:</b>	<b>Human Development Index</b>
<b>HDRCC</b>	<b>:</b>	<b>Human Development Research and Coordination Cell</b>
<b>HDR</b>	<b>:</b>	<b>Human Development Reports</b>
<b>HPI</b>	<b>:</b>	<b>Human Poverty Index</b>
<b>IMR</b>	<b>:</b>	<b>Infant Mortality Rate</b>
<b>MDG</b>	<b>:</b>	<b>Millennium Development Goal</b>
<b>MHA</b>	<b>:</b>	<b>Ministry of Home Affairs</b>
<b>MMR</b>	<b>:</b>	<b>Maternal Mortality Ratio</b>
<b>NIPFP</b>	<b>:</b>	<b>National Institute for Public Finance and Policy</b>
<b>PRI</b>	<b>:</b>	<b>Panchayati Raj Institutions</b>
<b>RBI-CAB</b>	<b>:</b>	<b>Reserve Bank of India, College of Agriculture Banking</b>
<b>SAPs</b>	<b>:</b>	<b>Structural Adjustment Programmes</b>
<b>SC</b>	<b>:</b>	<b>Schedule Caste</b>
<b>SHDR</b>	<b>:</b>	<b>State Human Development Reports</b>
<b>SHG</b>	<b>:</b>	<b>Self Help Group</b>
<b>SIRD</b>	<b>:</b>	<b>State Institute for Rural Development</b>
<b>SSPHD</b>	<b>:</b>	<b>Strengthening State Plans for Human Development</b>
<b>ST</b>	<b>:</b>	<b>Schedule Tribe</b>
<b>TSI</b>	<b>:</b>	<b>Technical Support Institution</b>
<b>UNDP</b>	<b>:</b>	<b>United Nations Development Programme</b>
<b>VIC</b>	<b>:</b>	<b>Village Index Card</b>
<b>UWIC</b>	<b>:</b>	<b>Urban Ward Index Card</b>

## Annex I: Map indicating States' preparation of SHDRs



## Annex II: 11th Five Year Plan: State Human Development Reports (SHDR)

7.1.56. India today has the largest programme of any country in the world for the preparation of human development Reports (HDRs) at the sub-National (State and lower) level. As on date, 18 States have published State HDRs (SHDRs). Madhya Pradesh has already brought out three SHDRs, while Karnataka has published two. Several other States are also in the process of preparation of their second SHDR. Even with the problems at present regarding data, one of the major contributions of SHDR preparation has been the documenting and highlighting of inter se disparities among Districts. The State HDRs have computed HDIs for each of the Districts in the States. These reports are based on available summary indicators at the present time of the relative standing of Districts on a development scale. The actual values of District HDIs are not comparable across the States because of differences in methodology, different data sources, the method of construction of indices, and so on. However, HDIs computed for Districts within a State are comparable. The following table summarises the range in HDIs among the Districts within each State in comparison with the average for that State.

7.1.57. It is clear from Table 7.1.8 that in some States with high average level of development, there is a wide variation in the HDI of individual Districts. For example, Maharashtra has calculated HDI of 1.00 for Mumbai city. However, considering this as an outlier, the next highest HDI in Maharashtra is 0.82 for Thane District. The lowest HDI for any District is only 0.210 (Gadchiroli). Even after removing the effect of the District with HDI of 1.0, the coefficient of variation for Maharashtra is 30.50%, which remains the highest in the country. This shows the extent of intra-State disparity. On the contrary, all Districts in Kerala lie between a range of 0.749 and 0.801, and with a coefficient of variation of only 2.37%, thereby denoting very limited intra-District disparity.

7.1.58. In States that have already published SHDRs, the emphasis now is on the preparation of district human development Reports (DHDRs), at least in a few selected Districts to start with. As of date, DHDR preparation is under way in over 45 Districts all over the country. The process of preparation of DHDR is in itself as important as the final product. This is because the process is one of capacity building. Widespread participation among all the government departments dealing with human development, academic institutions, Civil Society organisations, NGOs, and so on, is the route adopted for preparation of DHDRs. This enables active dissemination of the findings and recommendations of SHDR on the one hand, and awareness building and sensitisation among all key stake holders at the District and lower levels on the other. The process of preparation of DHDR is to be closely linked to the District planning process. During the Eleventh Plan period, all the Districts in the country would need to be progressively covered. The DHDRs attempt to identify and quantify the status of human development in the administrative sub-divisions of the District. This process helps in assessing the development imbalance within the District and throws up possible solutions to these problems. Various Districts have used innovative tools for this purpose, including extensive use of computerised

(IT) NRDBMS. An advantage of the process of drilling down is that often, at the grass roots level, data problems are not as severe as at an intermediate aggregate level. In some States, a set of indicators that can be monitored at the Gram Panchayat level have been identified and efforts are on to vest the Gram Panchayats themselves with the responsibility of generating this information for their own use. One of the advantages of DHDRs has been stated to be the increased use of hard data in planning at the local level, and therefore of more rational decision making.

7.1.59. In the Eleventh Plan, the Planning Commission has issued detailed guidelines to the States reiterating the necessity of preparation of District plans through the DPC that are Constitutional bodies created for this purpose. In fact, in some of the new CSS and ACA Schemes, the preparation of the District plan has been insisted upon as a pre-requisite for accessing funds. Elsewhere in the Plan document, the details of these guidelines have been spelt out. This emphasis in the Planning process, it is hoped, will provide an institutional basis for the regular and systematic study of intra-State disparities as part of the Annual Plan and Five Year Plan processes.



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