

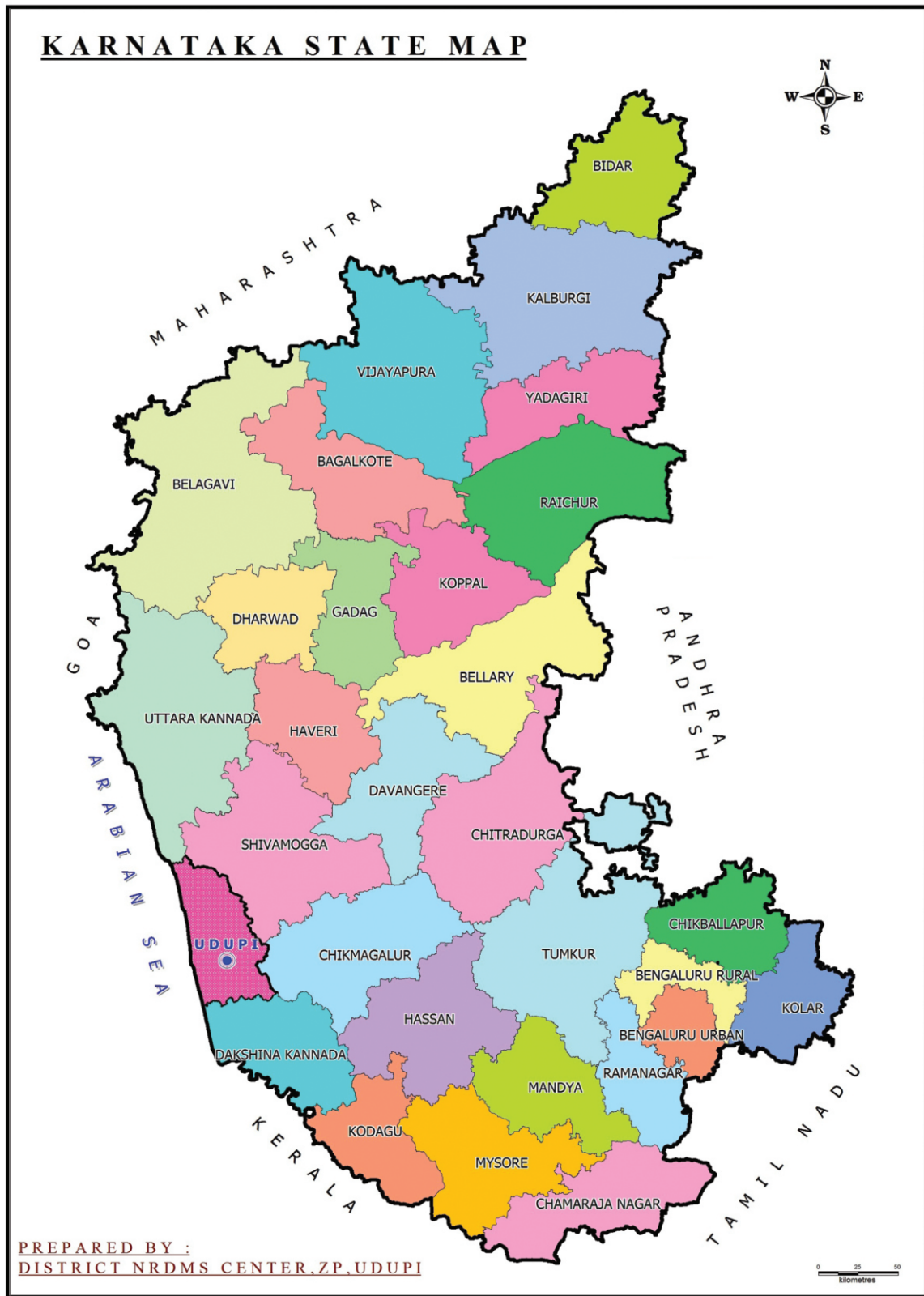
# Part II

# INTRODUCTION



KAUP LIGHT HOUSE

## KARNATAKA STATE MAP



# Introduction

The first Human Development Report (HDR) of United Nations Development Program (UNDP) in 1990 laid out a vision of human development that covered key aspects of well-being of people. It was born out of dissatisfaction with conventional measure of economic development based on Gross Domestic Product (GDP) and percapita income. UNDP, as an international development agency, played a pioneering role in developing human development as an alternative development paradigm and Human Development Index (HDI) as a composite measure of human well-being. It publishes every year HDR, comprising HDIs to measure achievements in human development in every nation since 1990. The HDI is now a well-known yardstick of measuring well-being of people. It succeeded in challenging the hegemony of GDP growth-centric thinking and moving towards people-centric development. Its simplicity and the transparency assured by the availability of published data have been the main drivers behind the success of HDI in the last two decades.

Since UNDP HDRs were global reports, they indicate achievement in human development across countries. Many nations have brought out country-specific HDRs to capture performance in various dimensions of human development in their country. The Government of India, for the first time, prepared the National Human

Development Report in 2001 providing Human Development Indices both state-wise and for the whole nation. Efforts were made since then to bring out such reports at state level. Madhya Pradesh was the first state to prepare a state-level HDR. Karnataka brought out the first HDR in 1999 and its second HDR in 2005. These reports have gone a long way in highlighting regional level imbalances existing in various dimensions of human development within the state.

With the view to gain deeper understanding of the human development concerns at the district and taluk levels, the Government of Karnataka initiated four pilot projects in the first phase in Vijayapura, Kalaburagi, Mysuru and Udupi for preparing District Human Development Reports (DHDRs). The pilot DHDRs provided human development indices for districts and taluks and brought out disparities and deprivation in several dimensions of human development within the district. Based on the experience of pilot DHDRs, the Government of Karnataka has decided to develop DHDRs to taluk-level for all 30 districts in the state. The present study is, accordingly, an attempt to prepare DHDR for Udupi district.

## 1.1 Concept and Methodology

Increasing GDP and per capita income were considered in the past as primary goals of economic development. The

## Chapter 1

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development experience of many countries had, however, empirically shown that the GDP growth miserably failed to reduce socio-economic deprivation of substantial section of their population. The conventional measure of economic growth in terms of GDP and per capita income also did not capture the basic aspects of human well-being. In the words of Mahabub-ul-Haq, the architect of the first UNDP HDR "any measure that values a gun several hundred times more than a bottle of milk is bound to raise serious questions about its relevance for human progress" (Mahabub-ul-Haq, 1995). This led to the realization that development process is a far more complex phenomenon than mere growth in domestic product alone and there is a need to reflect on the level of well-being of the people.

As the income centric paradigm did not capture the various dimensions of human well-being, the need was felt to have a broader people-centric approach. It emphasized the need to focus on people-their needs, aspirations, capabilities and choices without discrimination by class, gender, race, nationality, religion, community or generation - as the main focus of the development efforts. As people are the wealth of nations, the development should put people at the centre of its concerns and not the means of production. People are, ultimately, both the beneficiaries and the drivers of human development. The purpose of development should, therefore, aim at expanding their capabilities, choices

and opportunities to enable them to lead lives they value most. By taking into consideration all these aspects, the first HDR of UNDP defined human development in the following terms:

*"Human development is a process of enlarging people's choices. In principle, these choices can be infinite and change over time. But at all levels of development, the three essential ones are for people to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living. If these essential choices are not available, many other opportunities remain inaccessible" (UNDP, 1990).*

Thus the basic objective of human development, by definition, is to enlarge people's choices. Fundamental to enlarging people's choices is the expansion of human capabilities to do what they want and what they value. The term capabilities refer to the opportunities that a person has to exercise his or her 'freedom to attain different kinds of alternative lives between which a person can choose' (Sen, 2008). At all levels of development, three basic capabilities are considered essential for human development. They are to lead long and healthy lives, to be knowledgeable and to have access to the resources needed for a decent standard of living. There are, of course, other choices valued by people. These include political, social, economic and cultural freedom, community participation without discrimination, opportunities for being

creative and productive, self respect and human rights. The objective of development, therefore, should be to create an enabling and conducive environment in which “people can develop their full potential and lead productive, creative lives in accordance with their needs and interests” (UNDP HDR, 2001).<sup>1</sup>

Human development should be, therefore the end, while economic growth in its conventional sense is only a means to an end. Human development when accomplished, can serve as a means to higher productivity. There is a nexus between human development accompanied by poverty reduction and physical environment with effective check on deforestation, desertification and soil erosion. Extensive literature on human development, which is now available, would go a long way in establishing the fact that it can contribute to the emergence of a wealthy civil society and strong democracy. There is enough reliable evidence proving that human development can help in reducing human disturbances in a society. It can pave the way for increasing political stability as well.

The HDR for India for 2011 argues that in any nation, human development outcomes are a function of economic growth, social policy, and poverty

reduction measures at the macro level. Economic growth should lead to human development through investment in health and education. This in turn can enhance human functioning eventually leading to alleviation of income poverty by improving employability of people. In other words resources generated through income poverty reduction and economic growth can be effectively used to enhance human functioning's. This can certainly give a push to economic growth itself. Thus, human development which is initially the outcome of economic growth emerges eventually as a stimulus for furthering the growth process.

Human development being multi-dimensional, the measuring of it involved using multiple human capabilities and capturing them in an aggregate index as a firm basis for evaluating achievements in well-being of people. As the quantification and availability of reliable data of most of the human development capabilities posed problem, UNDP has considered health, knowledge and standard of living as the essential and critical capabilities of human life for developing HDI as a composite measure of human development. The underlying assumption is that without these basic capabilities, people cannot have other choices and opportunities. The HDI was computed originally as a simple arithmetic average of three dimension indices of

<sup>1</sup>According to Dr Haq, the human development is the most holistic development model. It embraces every development issue, including economic growth, social investment, people's empowerment, provision of basic needs and social safety nets, political and cultural freedoms and all other aspects of people's lives. It is neither narrowly technocratic nor overly philosophical. It is a practical reflection of life itself. (Mahbub al Haq, 1995)

health measured by life expectancy at birth (LEB), education computed as a combination of adult literacy (two-third weight) and enrolment ratios at the primary, secondary and tertiary levels (One-third weight) and command over resources for standard of living measured by per capita real GDP adjusted for purchasing power parity in dollars (PPP\$) to ensure international comparison.

While computing HDI, each of the dimension indices were considered as of equal importance for human development and estimated as normalized indicators of achievements. The indices were normalized using minimum and maximum goalposts. The reason for normalizing each dimension was to transform indicators into indices between 0 and 1, thus to give equal relevance to each dimension and to allow the arithmetic sum of the indices. The lower bound was considered as minimum and the upper bound as a 'satiation' point beyond which additional increments do not contribute to expansion of human capabilities. Thus, the HDI is the arithmetic mean of three dimension indices: living a long and healthy life, having access to knowledge and a decent standard of living. Besides HDI, UNDP also computed the Gender-related Development Index (GDI), Gender Empowerment Measure (GEM) and Human Poverty Index (HPI) to measure the gender empowerment and deprivation.

In spite of its popularity, there were criticisms on choice of dimensions and

indicators of the HDI and its computational methodology. In 2010, for the twentieth anniversary edition, the HDR undertook a comprehensive review of the criticisms and introduced several key changes to the HDI while maintaining the three basic dimensional structures with equal weights. Changes introduced are mainly in following three areas:

1. Measurement indicators: For health dimension, the life expectancy at birth is retained as the indicator, while for knowledge dimension, combination of mean years of schooling for adults aged 25 and older and expected years of schooling for a school-age child instead of adult literacy rate and combined gross enrolment ratio. The per capita Gross National Income (GNI) substituted per capita GDP as the measure for access to resources for decent standard of living. Instead of previously used logarithm with the base of 10, the natural logarithm is adopted for income indicator.
2. Methodology for aggregation: For computation of aggregate dimensional indices, instead of arithmetic mean, geometric mean is taken into account in the functional form in order to reflect intrinsic differences in achievement across dimensions.
3. Goal-posts: The caps in each dimension are set to observed maxima over the period (1980-2011) for which HDI trends are available. Accordingly, the upper values are set to observed maxima

over the time series between 1980 and the most recent year available. The lower bounds are set equal to subsistence minima as was in the past (life expectancy minimum is 20 years, mean years of schooling and expected years of schooling has a

natural minimum as zero and minimum for per capita GNI is \$100).

The new HDI is the geometric mean of normalized indices measuring achievement in each dimension of human development as follows.

| Dimensions                   | Measurement Indicators      | Minimum Goal post | Maximum Goalpost | Dimension Index |
|------------------------------|-----------------------------|-------------------|------------------|-----------------|
| Long and Healthy life        | Life expectancy at birth    | 20 years          | 83.4 years       | Health Index    |
| Knowledge                    | Mean years of schooling     | 0                 | Observed Maxima  | Education Index |
|                              | Expected years of schooling | 0                 | Expected Maxima  |                 |
| Standard of living           | GNI per capita (PPP\$)      | 100               | \$107721         | Income Index    |
| Aggregation (Geometric Mean) | Human Development index     |                   |                  |                 |

The dimension sub-indices are computed on the basis of the following general formula:

$$\text{Component Index} = \frac{\text{Actual Value} - \text{Minimum Value}}{\text{Maximum Value} - \text{Minimum Value}}$$

HDI is the geometric mean of the three dimensions  $(I_{\text{health}} \cdot I_{\text{Education}} \cdot I_{\text{Income}})^{1/3}$ .

The UNDP 2010 HDR has, in fact, made a significant move away from the idea that the ideal measure of human development must cover only three core dimensions. It has allowed the users to develop their own indices by taking into account all key human development concerns. It has introduced three new measures to address the key dimensions of inequality, gender equity and deprivation. Three new measures introduced were: Inequality-adjusted Human Development Index (IHDI), Gender Inequality Index (GII) and Multidimensional Poverty Index (MPI). Since IHDI accounts for inequality in HDI components, it can be compared to

the HDI. Under perfect equality, the HDI and IHDI are equal. There is no inequality in core dimensions across people within the country. If IHDI is less than the HDI, inequality in core dimensions exists. The differences between the HDI and the IHDI reflect the magnitude of inequality and the loss in the potential human development in a particular country.

The GII measures the inequalities faced by women and girls in three basic dimensions - reproductive health, empowerment and the labor market. It reflects the loss in human development due to inequality between female and

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male achievements in three dimensions. It ranges from 0, which indicates that women and men fare equally, to 1, which indicates that women fare as poorly as possible in all the measured dimensions. The MPI, on the other hand, captures the overlapping deprivations that people face in education, health and living standards and thereby provide a comprehensive picture of people living in poverty. The measure requires micro data from household surveys to identify deprivation in various dimensions and number of people and households who are suffering a given number of deprivations. It, thus, reflects both the incidence of non-income multi-dimensional poverty and its intensity.

## **1.2 Factors Contributing to Human Development**

The human development being multidimensional, the factors contributing to human development are numerous. One of the major criticisms of the HDI was that it is too narrow and includes only three capabilities. It excludes other important capability dimensions such as equity, freedoms, social security, political voice, sustainability and happiness-just to name a few. Even in the case of three capabilities, the choice of indicators is restricted to one or two indicators to measure these dimensions. For example, life expectancy as a measure of longevity does not tell us anything

about the health profile of people during the time that they are alive. The health indicators such as mal-nutrition, infant mortality rate (IMR), child mortality rate (CDI) and maternal mortality rate (MMR) are equally important indicators of health dimension. Similarly, literacy and enrolment ratios do not reflect quality, knowledge, skill development and competence. In the case of standard of living, the per capita income does not capture non-market basic requisites of livelihood such as housing, safe drinking water and sanitation. The drawbacks of per capita GDP as a measure of wellbeing and its failure to capture inequality, poverty and deprivation are well known and aptly summarized by the Report of the Commission on Measurement of Economic and Social Progress (Stiglitz et al, 2009).

The composite measure of human development should, therefore, go beyond restricted subset of indicators of three core dimensions. It should include all key factors - economic, social and political - affecting the wellbeing of the people. It should focus on inclusiveness and factors causing capability deprivation through social exclusion and discrimination as a large section of the community are excluded from the development process. It is also important to emphasize that the actual performance variations, disparities and deprivations in most of the dimensions

affecting human development are better reflected at micro and household level rather than at global, national or state level. While the macro level perspective enables to rank countries, regions and states based on status of specific dimension indices as well as on composite index of HDI, the ground reality of a range of human capabilities and deprivations across regions and communities can be captured only from micro level perspective where people actually live. The micro level perspective, besides ranking bottom level regions, facilitates ranking of communities, evaluation of prevailing policies and programs and their impact from human development lens.

With a broader approach and disaggregated analysis, the HDR at the micro level can become the main instrument to infuse human development concerns in policies and programs and thereby, bring the human development agenda closer to the people and reality. It is also possible to broaden the HDI by capturing as many potential dimensions as possible at micro level as the compilation of meaningful and reliable data would be easier at household level. Thus, the approach to human development requires both a bird's eye view and worm's eye view to make it more meaningful and more policy and planning relevant. The 2010 HDR, in fact, advocated broader approach and allowed the users to build their own

human development index by taking into account all relevant factors contributing to well-being of people.

Recognizing the critical importance of micro level human development perspective, the Government of Karnataka has initiated with the assistance of UNDP a program for preparing DHDRs in all its 30 districts. In the first phase, four pilot projects in Vijayapura, Kalaburagi, Mysuru and Udupi were initiated and reports were published in 2010. Encouraged by the experience gained, the Government has decided that instead of focusing on only three-dimensional HDI and preparing status reports like pilot DHDRs, the emphasis in the DHDRs should be laid on all key human developmental factors that enhance the well-being of life at taluk and district level. Accordingly, a broader approach and modified methodology was considered for DHDR exercise, of course keeping in mind the basic framework of UNDP's three dimensional HDI. With a view to take into account all key factors contributing to human development at taluk and district levels, the following seven indices on various human development issues are considered for preparing the DHDRs:

- a. Human Development Index (HDI),
- b. Gender Inequality Index (GII),
- c. Child Development Index (CDI),
- d. Food Security Index (FSI),
- e. Urban Development Index (UDI),

**The emphasis in the DHDRs should be laid on all key human developmental factors that enhance the well-being of life at taluk and district level. Accordingly, a broader approach and modified methodology was considered for DHDR exercise**

- f. Composite Dalit Development Index (CDDI),
- g. Composite Taluk Development Index (CTDI).

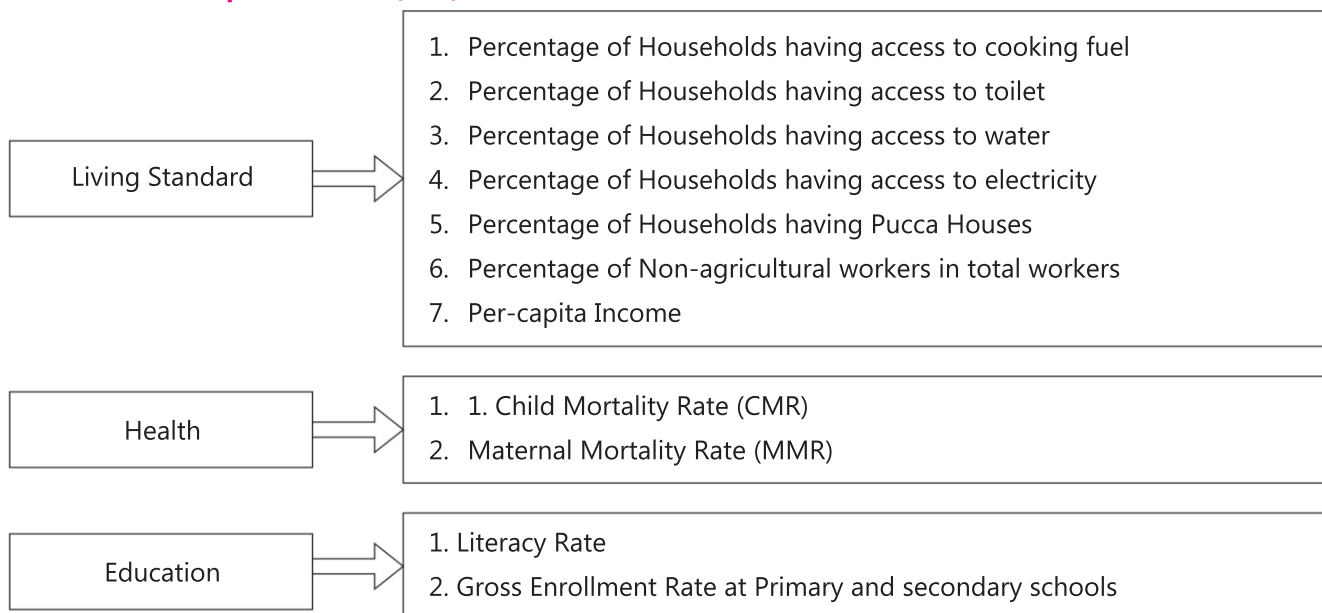
The assessment of human development in these indices would be accomplished through a set of key taluk level indicators which are quantifiable and measureable. Wherever, the direct measureable indicators were not available at the taluk level, proxy indicators reflecting human development were adopted. A set of indicators affecting the three basic dimensions of human development- health, education and standard of living - have been identified and selected for construction of these indices (excluding CDDI) after detailed deliberation at the high level workshop represented by government officials of Human Division, Planning Department, Directorate of Economics and Statistics (DES), State Level Coordinator of the project, Consultants and professionals from Universities, Institute of Social and Economic Research and Non-Government Organizations (NGOs) in the state. The set of indicators selected for each index is shown in the Flow Chart 1.1. These indicators were chosen taking into account their contribution to the human development. They are mainly centered on demographic factors, livelihood and employment related factors, household assets, community participation, health factors, including safe drinking water supply and sanitation and education factors. It is

also important to note that the indicators selected were identified with the intention of standardizing information gathering, analysis and presentation, and providing a comprehensive picture of human development at taluk and district levels.

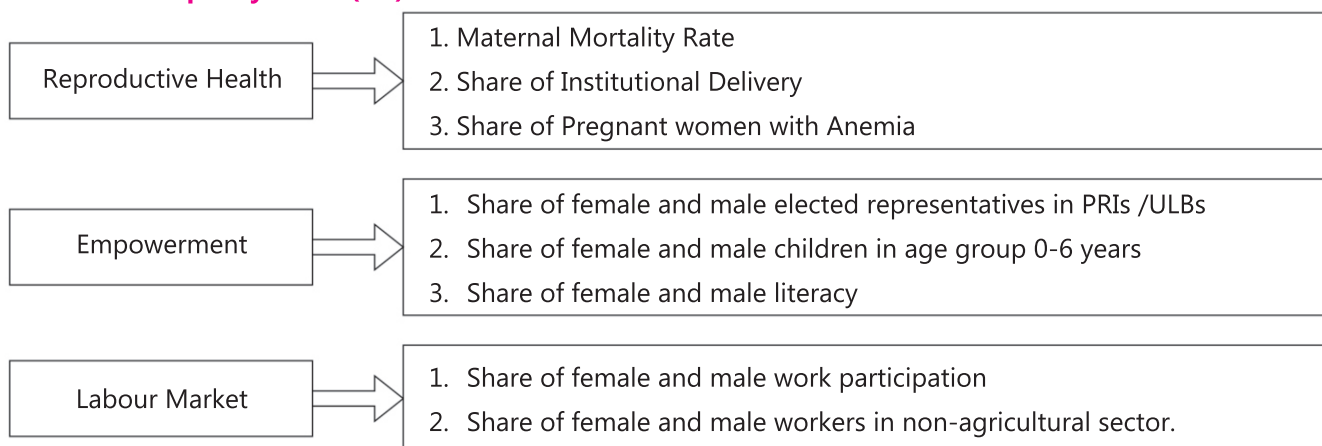
The dalits are marginalized community and continue to remain at the lowest rung of the socio-economic ladder. They constitute a sizeable portion of the total population in the state. Their development problems such as untouchability, social exclusion, social discrimination etc., are different from mainstream human development issues and not reflected in the development indicators. These problems produce disabilities among the Dalits, which hinder their capabilities to absorb development opportunities and affect their institutional and social inclusion, freedom, mobility, access to basic amenities, community participation and integration to mainstream economic development. Because of these reasons, it is felt that there is a need to construct a separate CDDI to capture all Dalit specific factors affecting human development. Ten key factors considered for construction of CDDI are: institutional inclusion, social inclusion, perception of discrimination, protest against discrimination, conflict of resolution, standard of living, perception of freedom, gender dimension of Dalit development, access to basic facilities and access to education.

## Flow Chart 1.1: Key Indicators selected for Human Development Indices

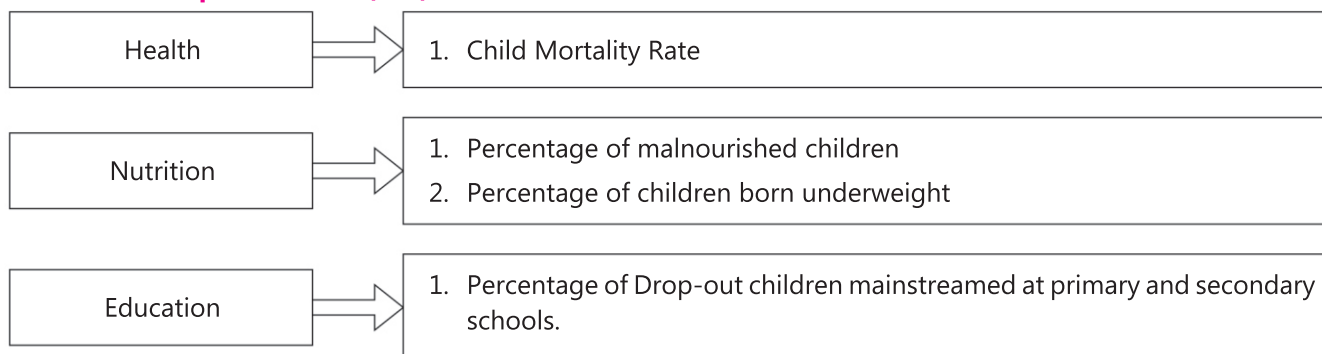
### 1. Human Development Index (HDI)



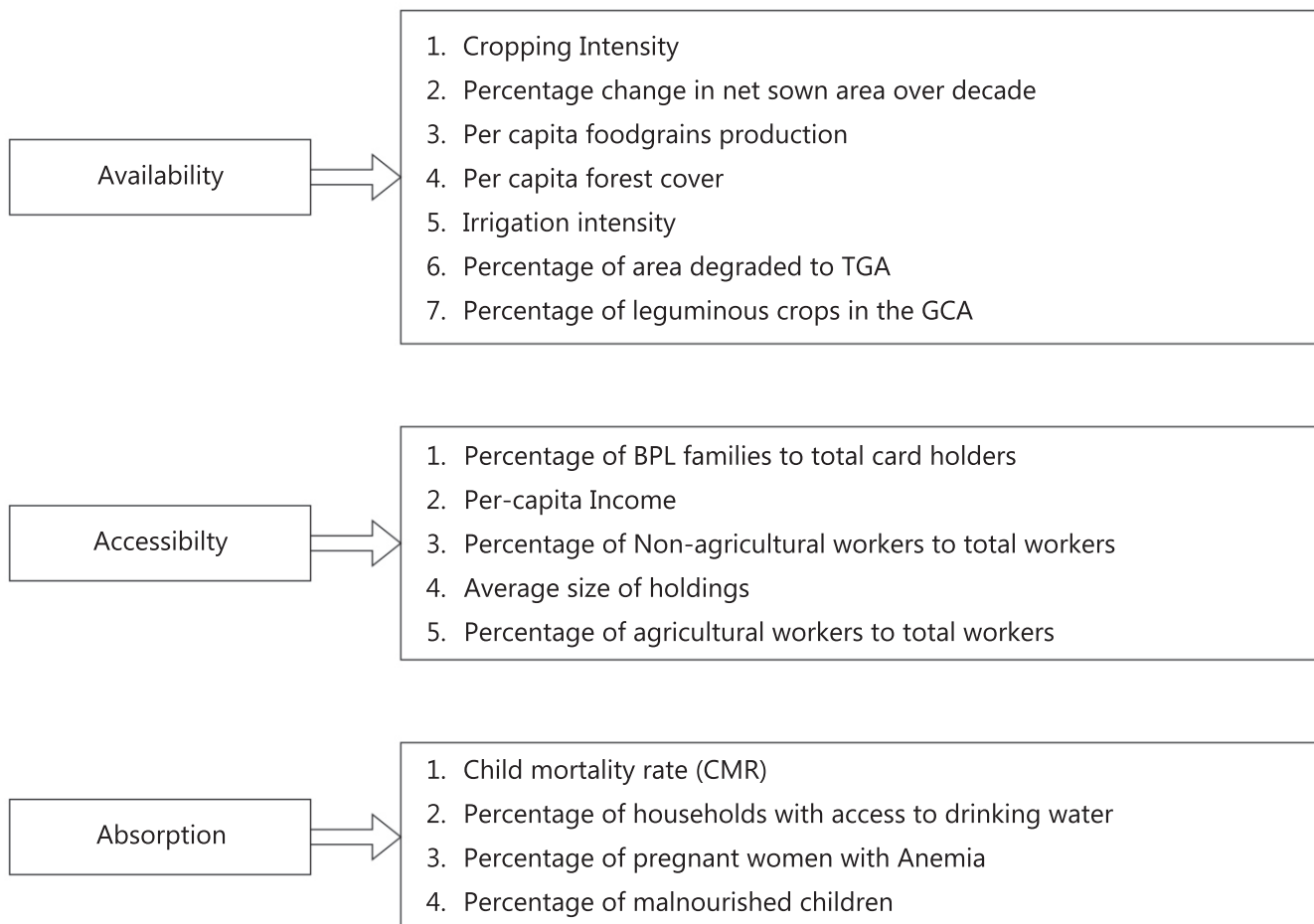
### 2. Gender Inequality Index (GII)



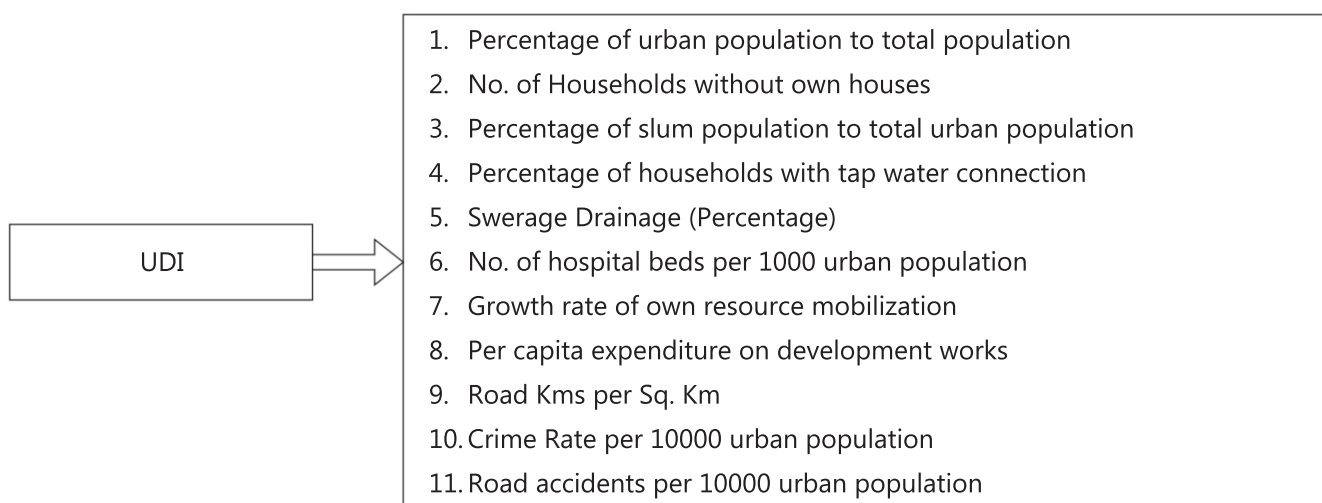
### 3. Child Development Index (CDI)



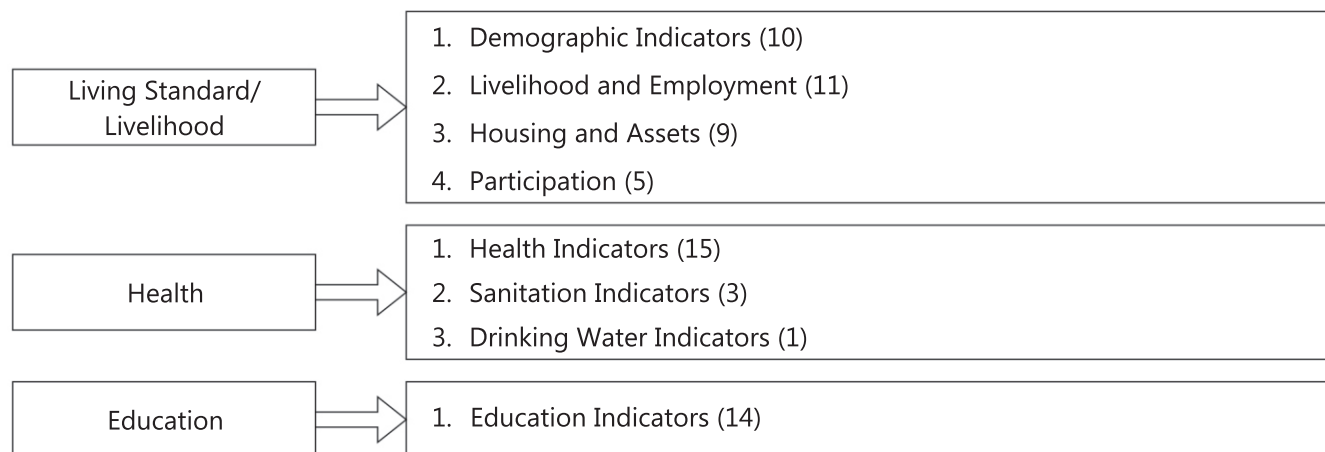
#### 4. Food Security Index (FSI)



#### 5. Urban Development Index (UDI)



## 6. Composite Taluk Development Index (CTDI)



Note: For details of Indicators see Annexure Table.

### 1.3 Data Collection, Compilation and Validation

It is imperative to collect the relevant and reliable data on the indicators selected for construction of various indices at taluk and district level. With a view to facilitate comparative analysis across districts and taluks in the state, it was decided that all DHDRs should adopt the common conceptual and methodological framework. As per the Guidelines issued by the Government in this regard, following are the main common features proposed for preparation of DHDRs:

- ❖ The conceptual and methodological framework as suggested in the 2010 UNDP-HDR should be adopted for estimating district and Taluk-wise HDIs and GIIs, using proxy indicators.
- ❖ Uniform set of indicators with standardized definitions and data sources should be adopted for various indices on human development

issues to ensure district-wise commonality and comparability.

- ❖ DHDR should analyze all the indicators and indices at taluk level in comparison to the district and state average.
- ❖ DHDRs should undertake a case study on the position of marginalized Dalits (Schedule Castes) in one Panchayat in each district based on secondary and primary data. The primary data should be compiled from not less than fifty Schedule Caste (SC) households in the selected Panchayat.
- ❖ Radar Scale should be computed sector-wise to reflect sectoral achievements and taluk-wise to show taluk position using 19 proxy indicators of education, health and living standard reflecting the status of human development and in both cases, the physical distance from the accepted norm should be measured.

- ❖ DHDR should undertake four or five small area/micro studies on district's special focus issues particularly in areas such as education, health, living standards, gender empowerment, status of SCs and STs, minorities, water supply and sanitation and housing.
- ❖ DHDR should maintain uniformity in respect of presentation of tables and chapter contents.

Thus, a wide range of data is required from different sources on different indicators and human development issues both at taluk and district level. The data required for various indicators are collected from both secondary and primary sources. The secondary sources of data are used for the computation of HDI, GII, CDI, FSI, UDI and CTDI. They are mainly from 2011 Census, documented data from the line departments of Zilla Panchayat (ZP) and Urban Local Bodies (ULBs). The primary sample data is compiled mainly for construction of CDDI and for special area studies. The interview and participant observation methods are used for collection of primary data. The structured questionnaires are used for collection of data through personal interview.

Since data collection from several agencies is involved, it is necessary to have accuracy, consistency and reliability of data. The process of data collection, compilation and validation is therefore done in a participatory

manner involving district administration, urban authorities, concerned line departments, NGOs, academia, women's groups, and people's representatives. The validation of the data collected from the line departments and urban authorities as well as primary sources for index calculation is considered necessary for ensuring validity of the DHDRs. The lead agency in consultation with the concerned agency and the Core Committee has carried out a thorough checking of data to ensure that the data gathered from different sources are authentic, clean, consistent, accurate and realistic. Wherever required, the data are revised or updated.

## 1.4 Measurement of Indices

Broadly, the conceptual framework of three core dimensions namely health, education and standard of living and the modified computation methodology of 2010 HDR is adopted for construction of human development indices. Since the DHDR adopted broad based approach for HDI, the measurement of core dimensions is done by set of indicators selected. Similarly, three core dimensional frameworks are adopted for GII, CDI, FSI and CTDI. The computation of indices is done to understand the position of the taluks within the district for which the observed minimum and maximum values among the taluks in the district are taken into account. The indicators selected to measure each core dimension in HDI,

GII, CDI, FSI and UDI and CTDI are shown in the Flow chart 1.1 in the earlier section.

The CDDI is constructed based on a case study of one Gram Panchayat (GP) in the district where the dalit population is concentrated. Both secondary and primary data are used. The primary data are collected from a sample of 50 dalit households. The CDDI has taken into account the following dimensions:

- a. Inclusion - Institutional and Social inclusions,
- b. Discrimination - Perception, protest and Resolution,
- c. Freedom - Social, Political, Economic and Cultural,
- d. Standard of Living - Land, non-agricultural source of income, T.V., Fridge, Two-Wheelers
- e. Gender Dimension- Pre and Post delivery rest, Reproductive health support
- f. Access to basic facilities - Education, Drinking water, Housing, Toilets and Sanitation.

The scoring for each dimension was done based on the positive or negative responses and the CDDI is computed by dividing the aggregated actual values of all dimensions by aggregated expected maximum values of all dimensions.

A Technical Note in the Annexure adumbrates the conceptual and

computation methodology adopted for computation of various indices.

## 1.5 Design of the Report

It should be noted that the attempt to compile data on 70 key human development indicators and construct seven human development Indices at taluk and district levels and compare taluks within district and the district among 30 districts in the state, and also to carry out a disaggregated analysis of human development problems for each dimensions at the grass roots level is itself a pioneering one and is of great importance. For the first time, it would provide grass root level baseline data on various human development issues for policy formulation and planning.

The report contains twelve chapters. While chapter one, by way of introductory note, provides a broad conceptual and methodological framework, chapter two presents the socio-economic profile of the district together with the development challenges confronting the district as a backdrop. In chapter three, an attempt was made to construct and assess various human development indices and their implications at the taluk and district levels. An in-depth disaggregated analysis of present status and spatial and social group inequalities in three basic dimensions of human development viz. literacy and education, health and

nutrition and income, employment and poverty is made in next three chapters. The chapter seven focuses on standard of living in terms of access to basic amenities by social groups. In chapter eight and nine the present status, emerging issues and areas of concerns with regard to women empowerment, child development and the marginalized Schedule Castes (SCs) and Schedule Tribes (STs) are looked into. In chapter ten, an attempt is made to evaluate the governance issues of Panchayat Raj Institutions and the role of NGOs and

voluntary groups from the human development perspective. The discussion on urban issues in human development is included in the chapter eleven. The concluding chapter twelve recapitulates the major areas of concern and their implications and to suggest strategic interventions and programmes required to address the existing spatial and social disparities and for further enhancement of human development in the district. Annexure contains a technical note, supporting statistical tables and a bibliography.



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