

# Why the big fall in HDI ranking?

2-9-63 By Dr Akhtar Hassan Khan *Part. Eco.*

EVERY year the UNDP publishes the Human Development Report (HDR) measuring the performance of nations. The HDR 2003 based on the data of 2001 has been released a few days ago. The relative performance of nations is judged in terms of Human Development Index (HDI).

This Index is a composite measure of three indicators. The first is per capita income reflecting economic growth. The second is literacy indicating educational attainment. The third is life expectancy at birth showing achievement in the field of health. The nations are subsequently ranked according to their HDI. The HDI varies from 0.944 for Norway which is ranked as number one to 0.275 for Sierra Leone which is ranked at number 175.

The HDI is a summary measure of three dimensions of human development — living a long and healthy life, being educated and having a decent standard of living. The countries are divided into three groups — high development with the HDI above 800, middle development with HDI above 500 and low development with HDI below 500.

In the HDR 1991 Pakistan was ranked at 120, India at 123 and Bangladesh at 136. In the HDR 2003 Pakistan is ranked at 144, India at 127 and Bangladesh at 139. During the last year our ranking has fallen from 138 to 144. Pakistan and Nepal are the only two non-African countries in the low human development group. In fact Pakistan is the only one which is not least developed according to UN classification but bracketed with all least developed countries in this group as Nepal is also least developed.

The HDR 2003 shows that Pakistan's life expectancy at birth is 60.4 years, Bangladesh's

expenditure on education, he should have set up a separate Iqra Fund whose proceeds could be used exclusively for education and the expenditure on education could have increased by 60 per cent.

However, Iqra surcharge was deposited into Federal Consolidated Fund into which all tax receipts are pooled. Thus Iqra surcharge was used for building more cantonments and police stations. Why did a brilliant son of Pakistan, like Dr Haq, hailing from the middle class, use a Quranic injunction to confuse the nation. There were many others who neglected education but he was the only one to conceive Iqra surcharge.

A multi-sectoral (education, health, family planning and rural water supply and sanitation) Social Action Programme was launched in 1993-94 for synergizing progress in social sectors. SAP-I was a three-year programme with an outlay of Rs 127 billion of which 83 per cent was utilized. SAP-II was launched from January 1997 to June 2002 with a planned outlay of about Rs 500 billion. More physical infrastructure was built under the SAP programmes but allocating more money is not a sufficient condition for improving the quality of implementation.

The problem of teacher absenteeism, high dropout rates in schools, inadequate availability of female teachers, poor supervision, lack of accountability, delays in procurement and pilferage of funds prevented the SAP from achieving its goals and Pakistan from making rapid progress in human development. During the implementation of the SAP, it was found that out of 166,000 teachers drawing salary in Punjab 50,000 were fake. About 10 per cent were ghost schools and 13 per cent of the amount allocated to education was embezzled.

The decade of 1990s was very bad for Pakistan. Politically and economically there was a more rapid deterioration in governance and institutions. In 1980s

60.5 years and India's 63.3 years. The World Development Report 2003 of World Bank shows Pakistan's life expectancy at birth 63 years, India has also 63 years and Bangladesh 61 years. In all UN publications life expectancy at birth of India and Pakistan is estimated at the same level and Bangladesh about 2 to 3 years less.

The World Development Report 2003 correctly reflects the situation. It is surprising that the World Bank and the UNDP give different figures for vital national statistics. If Pakistan's life expectancy is shown three years higher at the same level as India then our ranking will be higher than Bangladesh and Sudan, which are at 139 and 138 and we will move into middle human development group with an HDI of more than 0.500.

It seems that the UNDP statistical office does not like to see Pakistan in the middle human development group. Another interesting aspect of the HDI calculation by the UNDP is that our HDI in 1995 was 0.472 and in 2003 it is 0.499. It means that during these six years there was insignificant improvement in per capita income, literacy and life expectancy at birth in Pakistan. Our relative progress may be less than that of other nations but there has been some progress in all these fields during the last six years. The Bangladesh HDI during the six years has gone up by .059 whereas we have moved up by .027 only. Our improvement was definitely higher than half of Bangladesh.

Human development, primarily education and health, have never been the priority of our planners and policy-makers. Pakistan's failure to realize the importance of human capital formed through education is reflected in low allocations for education in the Five-Year Plans. Up to the Sixth Plan it was less than two per cent, 3 per cent in the Seventh Plan and jumped to eight per cent in the Eighth Plan a result of incorporation of Social Action Programme which tripled the allocation for social sectors. The neglect of human development did not stem from feudal conspiracy.

Dr Mehboobul Haq had, when he was finance minister in the 1980s, introduced Iqra surcharge at the rate of five per cent on the value of all imported goods. The annual collection of Iqra surcharge was Rs 8 billion, more than one per cent of The GDP. If Iqra surcharge was genuinely meant for increasing public

our GDP growth rate was more than 6 per cent and India's was less than 4 per cent. In 1990s Pakistan's GDP growth was 4.6 whereas India grew by more than 6 per cent.

Pakistan's population growth is more than two per cent whereas population growth during 2002-15 is shown in HDR 2003 at 1.3. India's literacy rate has always been better than Pakistan even in 1980s when their per capita income was lower than Pakistan. Hence India has overtaken Pakistan in HDI ranking because their per capita income is higher stemming from higher rate of GDP growth and lower rate of population growth. Moreover India's literacy rate is 58 per cent and Pakistan's 44 per cent. Our life expectancy at birth is at the same level.

Nineteen-nineties was also the decade when Pakistan was under the tutelage of the IMF. Six arrangements were signed with the IMF but the irony is that none of them was completed. We were able to draw only \$818 million against the agreed amount of \$2,366 million. But as a result of dictation from the IMF, Public Sector Development Programme was reduced from 7 to 3 per cent of the GDP. It is further distressing to note that Pakistan's public expenditure on education fell from 2.6 per cent of the GDP in 1990 to 1.8 per cent in 2000.

The allocations may not be all important but one-third decrease in public sector allocation for education in an environment when per capita income is growing by less than 2 per cent is bound to lead to a slide in HDI ranking. IMF's advice not only led to falling growth rates and soaring poverty and unemployment, but also in sliding the HDI.

The HDR 2003 indicated that Pakistan's HDI ranking has slipped from 138 in 2002 to 144 in 2003 and Nepal, Sudan and Bangladesh which were below Pakistan in 2002 are now all above. This sharp fall seems to be due to some statistical error. However to be a notch above or below Bangladesh, Nepal and Sudan hardly matters. What we need to realize is that human development has been and continues to be neglected in Pakistan. Being in league with Sudan and Nepal should arouse our national spirit to perform better as human development is both the means and the end of economic growth.

*The writer is a former secretary, planning department.*