

Human and Gender Development: Global comparison

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Abstract

Globalization is playing an important role in the development of human resource, equally in developing and developed countries. It is important to know the impact of globalization on the human resource of India in comparison to other countries of the world. This paper tries to compare the impact of globalization on HR development in India.

1. Introduction

Globalization refers to the growing interdependence of countries resulting from the increasing integration of trade, finance, people, and ideas in one global marketplace. International trade and cross-border investment flows are the main elements of this integration. Globalization started after World War II but has accelerated considerably since the mid-1980s, driven by two main factors. One involves technological advances that have lowered the costs of transportation, communication, and computation to the extent that it is often economically feasible for a firm to locate different phases of production in different countries. The other factor has to do with the increasing liberalization of trade and capital markets.

1.1 Globalization Encompasses the Following Features

1. Operating and planning to expand business throughout the world.
2. Erasing the difference between domestic market and foreign market.
3. Buying and selling goods and services from/ to any country in the world.
4. Establishing manufacturing and distribution facilities in any part of the world based on the feasibility and viability rather than national consideration.
5. Product planning and development are based on market consideration of the entire world.
6. Sourcing of factors of production and inputs like raw materials, machinery, finance, technology human resources, managerial skills from the entire globe.

7. Global orientation in strategies, organisational structure, organizational culture and managerial expertise.
8. Setting the mind and attitude to view the entire globe as a single market.

2. Globalisation Process

Globalisation does not take place in a single instance. It takes place gradually through an evolutionary approach. According to Ohamae, globalisation has five stages, they are-

1. Domestic company exports to foreign countries through the dealers or distributors of the home country.
2. In the second stage, the domestic company exports to foreign countries directly on its own.
3. In the third stage, the domestic company becomes an international company by establishing production and marketing operations in various key foreign countries.
4. In the fourth stage, the company replicates a foreign company in the foreign country by having all the facilities including R&D, full- fledged human resources etc.
5. In the fifth stage, the company becomes a true foreign company by serving the needs of foreign customers just like the host country's company serves.

3. Impacts of Globalization on National Economies

Globalization has had significant impacts on all economies of the world, with manifold effects. It affects their production of goods and services. It also affects the employment of labour and

other inputs into the production process. In addition, it affects investment, both in physical capital and in human capital. It affects technology and results in the diffusion of technology from initiating nations to other nations. It also has major effects on efficiency, productivity and competitiveness. Several impacts of globalization on national economies deserve particular mention. One is the growth of foreign direct investment (FDI) at a prodigious rate, one that is much greater than the growth in world trade. Such investment plays a key role in technology transfer, in industrial restructuring and in the formation of global enterprises, all of which have major impacts at the national level. A second is the impact of globalization on technological innovation. New technologies, as already noted, have been a factor in globalization, but globalization and the spur of competition have also stimulated further advances in technology and speeded up its diffusion within nations through foreign direct investment. A third is the growth of trade in services, including financial, legal, managerial, and information services and intangibles of all types that have become mainstays of international commerce. In 1970, less than a third of foreign direct investment related to the export of services, but today that has risen to half and it is expected to rise even further, making intellectual capital the most important commodity on world markets. As a result of the growth of services both nationally and internationally, some have called this “the age of competence,” underscoring the importance of lifelong

education and training and the investment in human capital in every national economy.

4. India’s Global Position

As per the latest available Human Development Report (HDR) 2011 (Table 1) published by the United Nations Development Programme (UNDP) which estimates the human development index (HDI) in terms of three basic capabilities: to live a long and healthy life, to be educated and knowledgeable and to enjoy a decent economic standard of living, the HDI for India was 0.547 in 2011 with an overall global ranking of 134. The growth rate in average annual HDI of India between 2000- 2011 is amongst the highest, a finding also corroborated by the India Human Development Report (IHDR) 2011 brought out by the Institute of Applied Manpower Research and the Planning Commission. According to the IHRD, HDI between 1999- 2000 and 2007-8 has increased by 21 percent, with an improvement of over 28 percent in education being the main driver. India is ranked 129 in terms of the gender inequality index (GII) which captures the loss in achievement due to gender disparities in the areas of reproductive health, empowerment, and labour force participation. The gross national income (GNI) per capita ranking minus HDI ranking for India is -10 indicating that India is better ranked by GNI than by non-income HDI value computed from life expectancy and education .

Table 1. India’s Global Position in Human Development 2011

Country	HDI		Average Annual HDI Growth Rate (per cent)		GNI per capita (constant 2005 PPP \$)	GNI per Capita Rank minus HDI rank	Non-Income HDI Value	GII	
	Value	Rank	1990-2011	2000-2011				Value	Rank
Norway	0.943	1	0.53	0.29	47,557	6	0.975	0.075	6
Australia	0.929	2	0.30	0.23	34,431	16	0.979	0.136	18
Brazil	0.718	84	0.86	0.69	10,162	-7	0.748	0.449	80
China	0.687	101	1.62	1.43	7,476	-7	0.725	0.209	35
Shri Lanka	0.691	97	0.81	0.80	4,943	12	0.768	0.419	74
Thailand	0.682	103	0.89	0.78	7,694	-14	0.714	0.382	69
Philippines	0.644	112	0.58	0.62	3,478	11	0.725	0.427	75
Egypt	0.644	113	1.24	0.88	5,269	-6	0.686	NA	NA
Indonesia	0.617	124	1.19	1.17	3,716	-2	0.674	0.505	100
South Africa	0.619	123	0.03	0.05	9,469	-44	0.604	0.490	94
Vietnam	0.593	128	1.50	1.06	2,805	8	0.662	0.305	48
India	0.547	134	1.38	1.56	3,468	-10	0.568	0.617	129
Pakistan	0.504	145	1.12	1.33	2,550	-7	0.526	0.573	115
Bangladesh	0.500	146	1.69	1.55	1,529	11	0.566	0.550	112
World	0.682		0.66	0.66	10,082		0.683	0.492	

Source: World HDR 2011

Note: NA: Not Available, Data refer to 2011 or the most recent year available; PPP is purchasing power parity

Table 2. Expenditure on Health in Developed and Emerging Economies (as percentage of GDP)

Country	Expenditure on health (2010 or latest available year)		
	Public	Private	Total
Australia	6.2	2.9	9.1
Norway	8.1	1.4	9.4
United Kingdom	8.0	1.6	9.6
United States	8.5	9.1	17.6
Mexico	2.9	3.3	6.2
Indonesia	1.3	1.3	2.6
Brazil	4.2	4.8	9.0
Russian Federation	3.2	1.9	5.1
India	1.2	2.9	4.1
China	2.7	2.4	5.1
South Africa	3.9	5.0	8.9

Source: OECD Fact book 2013: Economic, Environmental and Social Statistics.

However, India's expenditure on health as a percent of GDP is very low compared to many other and developed countries. Unlike most countries, in India private- sector expenditure on health as a percentage of GDP is higher than public expenditure and was more than double in 2010. Despite this the total expenditure on health as a percentage of GDP is much lower than in many other developed and emerging countries and the lowest among BRICS (Brazil, Russia, India, China, South Africa) (Table 2).

Globalisation must include major dimensions of inclusive development like poverty alleviation, employment generation, health, education, women's employment, and social welfare besides reviewing the progress of important government programmes.