

I The Human Resource Development Challenge

A NEW VISION

10 The vision which informs this report is one which sees people at the heart of development, freed from poverty, in control of their own lives, and contributing to the common good. It sees people once again reconnected with governments, whose policies are directed first and foremost to human well-being and raising the level of skill and knowledge in the population; and whose processes provide for the full participation of all sections of society. The challenge is to open up opportunities for people to develop and apply their talents. Everyone must have access to the services and support that will enable them to make the fullest contribution to society of which they are capable. In support of this it is necessary to build and sustain an infrastructure of institutions which encourage learning and investment in human beings.

11 This agenda calls for a partnership between governments and other holders of power, authority and influence in society: those who control economic assets; the military leadership; community leaders, religious authorities, scholars and creative artists; and those who generate and distribute knowledge and information. By working with and through institutions and individuals, government will empower community organisations, and citizens themselves, to play a larger role in the leadership of society and in their own self-development.

AN INVESTMENT FOR THE FUTURE

12 'In the twenty-first century, the quality of a country's human resources will determine its ability to compete in international markets and assure the well-being of its citizens' (World Bank, Knight and Wasty, 1991 p.1). The experience of countries with limited land and natural resources, like Japan, Hong Kong, the Netherlands or Singapore, bears ample testimony to the fact that the real prerequisite for a country's economic growth and development lies in the skills, enterprise and industriousness of its population. Human resource development does not conflict with the pursuit of economic development: rather it is the key. It provides a sound foundation to face an uncertain future.

13 This is not to argue that, at least in the short term, spending on education, health and nutrition will automatically produce economic growth. If education is to be a productive investment it will pay off best where the population is highly motivated towards self-improvement, and where the link between effort and reward is most apparent to individuals and communities. The national culture and public policy must support what the education system is doing to encourage personal effort, openness to new ideas, respect for evidence and rational argument.

debate on the returns, both private and social, to investment in the health, education and general well-being of people. The UNDP Human Development Reports and the World Development Reports from the World Bank quote much of the evidence (see also World Bank, Behrman, 1990) to the effect that primary schooling does positively affect the productivity of farmers; that better health and nutrition do improve work performance; resort to family planning does significantly enhance women's ability to engage in income-generating work.

15 As well as being a means to socio-economic improvement, human development is an end of such progress. It is a part of an enhanced quality of life and one that is not always fully reflected in statistics of GNP per head. As an alternative way of looking at levels of development UNDP has introduced the Human Development Index; a composite of life expectancy, adult literacy, mean years of schooling and an adjusted real GDP per capita. Countries are ranked according to their Index score. Scores and ranking based on 1990 data are reproduced in Table 3 for Commonwealth countries. Twelve of them are deemed to have a high human development rating, including Barbados which has the highest rank of all developing countries, Commonwealth or non-Commonwealth. A group of about 20 Commonwealth countries falls into the middle rank, while there are 19 Commonwealth countries with low ratings at the other end of the scale.

16 The UNDP Human Development Report 1993 suggests that there is no automatic link between a country's income level and its human development score. Thus countries such as Sri Lanka and Tanzania, whose HDI rank is way ahead of their per capita income rank, 'have done well in translating their income into the lives of their people'. There are other countries, for example, Angola and South Africa, which have yet to apply fully their considerable wealth to improving the lives of their people. According to the Report, income on its own is a poor indicator of human development. Moreover national indicators provide only a description of the 'average' which masks internal disparities – the poor, minorities, the disabled, gender imbalances – which may exist in acute form even in countries with a good average showing on the Index.

17 If human resource development is a foundation stone for sustainable economic growth, so too it may underpin good government. The effective conduct of public affairs requires educated and knowledgeable political leaders and officials at the centre, in the regions and in local communities. A well-functioning democracy also requires an informed electorate, a population which is aware of its civic responsibilities and rights, and arrangements at all levels for participation by individuals in the making of decisions that affect their everyday lives.

ESSENTIAL ELEMENTS

18 The term 'human resource development' is used in a number of different ways (see the study on Co-ordination annexed to this report).

Organisations frequently thus describe the professional development of the staff they employ. Governments often apply the term to their programmes of developing the public service through tertiary education and special training programmes. The term is also often employed more broadly in a national context to equate human resource development with education and training across the economy as a whole so as to prepare and 'slot in' individuals to occupational positions needed to make the economy operate efficiently. Despite the demise of the rigid manpower requirements forecasting approach to educational planning, this last usage remains a familiar one.

19 The Group favours a broader and more integrated view of human resource development. It recognises the importance of people as the key factor in the development process and of investing in human capital; yet it also emphasises the qualitative aspects of life and underlines that economic activity itself involves processes and products that enlarge human potential. There is clearly a significant overlap between the human development ideal promoted in UNDP's recent reports and human resource development as conceived in this report.

20 Translation of this concept of human resource development into policy and practice will have varying implications according to the circumstances of individual states, for example, their size, current levels of economic development, the prevailing political philosophy and the degree of exposure to adjustment programmes.

21 But whatever the precise formulation appropriate to individual countries, there is a set of critical and related elements which the Working Group sees as core constituents in any integrated view of human resource development:

- ※ Education and training
- ※ Primary health care
- ※ Nutrition at adequate levels
- ※ Population policies
- ※ Employment

22 Outlays on **education** and **training** represent the best possible long-term investment for human resource development. People who cannot read, write or deal competently with numbers are severely disadvantaged; an illiterate and innumerate population is cut off from the modern world. Up to 90 million people in the United States are estimated to be below acceptable levels of literacy; unable to contribute fully to, or benefit from, the technological world of the 1990s. Governments in the developing countries in the process of structural adjustment should only limit spending on primary education as a very last resort, a lesson that is especially important in respect of girls.

Educated women have smaller families, fewer of their children die in infancy, and the children who survive are healthier and better educated. Educated women are also better equipped to

enter the paid labour force which is critical to the survival of the many female-headed households in developing countries. It is not surprising then, that nations with higher levels of female school enrolment in the past show higher levels of economic productivity, lower fertility, lower infant and maternal mortality, and longer life expectancy than countries that have not achieved as high enrolment levels for girls. (World Bank, King and Hill, 1991 p.251)

23 While primary schooling provides the foundation for later learning and tends to have the widest reach, other levels of education are needed to build on those foundations. In some countries the crucial bottle-neck may be quality secondary education, especially in mathematics and science-based subjects, whilst in others the priority need is to concentrate on training technical and vocational cadres. In all countries the formal school system requires complementing by appropriate education provision out of school: in the home, the field, the factory; through religious bodies, trade unions, community groups, employers; in academic studies, in craft skills, in leisure pursuits; through part-time attendance and through distance learning. Our societies must become learning societies.

24 Improving the people's **health** by preventing and treating disease, and ensuring the sufficient availability of food to secure adequate levels of **nutrition**, contribute to the productivity and longevity of a population and to its enjoyment of life. There are strong linkages among education, health and diet, improvements in each having beneficial effects on the others.

25 Since the 1950s the world's **population** has doubled. The five billion mark was passed in 1987. Most of this increase has taken place in developing countries which are least able in resource terms to meet the needs of a growing and youthful population. Poverty combined with high fertility rates threatens the well-being and survival of children and their mothers. Sustainable rates of population growth can be attained only by the willing consent and participation of people. Individuals need to be convinced that limiting births is good for themselves, their families and for society at large.

26 Millions of workers in developing countries are unemployed or under-employed:

In Sub-Saharan Africa not a single country had single digit unemployment figures [in the 1980s]. In Latin America, urban unemployment has been above 8 per cent ... India and Pakistan, despite respectable GDP growth rates ... had unemployment rates above 15 per cent. Only the East Asian countries had low unemployment rates – below 3 per cent. (UNDP, Human Development Report 1993 p.35)

Employment is a serious issue in the developed countries, too (see Box 2). UNDP has highlighted the phenomenon of jobless growth.

Box 2 Unemployment in Four Commonwealth Developed Countries

	<i>Total unemployment (1990/92 %)</i>	<i>Long-term unemployment over 12 months (% of total unemployment)</i>
Australia	9.5	6.0
Britain	8.9	36.0
Canada	10.2	18.0
New Zealand	10.3	21.0

Source: UNDP, Human Development Report, 1993 p.210

27 Creating an environment for **productive work**, however defined, is a part of a human resource development strategy. Key components of this include training and re-training, developing entrepreneurial skills, and facilitating access to credit, land, technology and markets. The effective deployment of labour, and measures to assist its redeployment when conditions call for it, forms a key part of the human resource development agenda; in many ways as important as the initial preparation and recruitment of the work force. In a number of countries the economy suffers from obstacles to the mobility of labour between occupations, firms or regions of the country. In nearly every country too there are difficult policy issues to be faced concerning the importation of skills from abroad and whether or not the value of skills and enterprise that migrants bring outweighs the costs of social and cultural change that their acceptance may entail.

28 The allocation of resources will naturally differ according to circumstances. One illustrative breakdown was provided by the World Bank in relation to Sub-Saharan Africa in its study, *Sub-Saharan Africa: From Crisis to Sustainable Growth* (1989) in which the Bank argued for an overall increase in investment in people from about 4-5 per cent of GNP to 8-10 per cent by the year 2000 (including funding from donors). Its proposed budget allocations as a percentage of GNP were:

Universal primary education and quality improvement	2.2
Secondary and higher education	2.5
Family planning	0.8
Water and sanitation	0.5
Primary health care	2.5
Food security	0.5
Nutrition	0.2
Science and technology	0.8
TOTAL	10.0

29 We draw attention to the inclusion of **science and technology** in the World Bank's list of human resource development investment. They surely have a rightful place in any listing of a society's human capital. The knowledge and information base of a society in the form of scientific discoveries and research findings, technologies of production and useful artifacts, libraries and electronic databases, books, journals and films, constitute a massive storehouse of information on which to draw for human betterment. A good education will enable learners to have access to that store and to learn how and where to find out what they need to know. An important part of human resource development strategies is therefore to develop the infrastructure of institutions which produce and distribute information useful to producers and consumers: research institutions, statistical and data collection services, information services and libraries, the press and the media, communications networks of all kinds, formal and informal programmes of education and training for youth and adults; and to ensure that science and technology are applied to the manifold problems confronting society.

30 In considering the various strands of human resource development it is important to recognise and exploit the importance of coherence, linkage and co-ordination. These are reflected in the reality of people's own experience in everyday life. Thus the ability of women to use their skills, knowledge and talents in a particular activity may depend on the provision of child care, good nutrition and changes in cultural mores. There is a major challenge here for governments in recognising the inter-relationships and building on possible synergies. Their own structures and organisation are not always conducive to such an integrated approach, an issue we address later.

UNDERLYING PRINCIPLES: SUSTAINABILITY AND EMPOWERMENT

31 In *Our Common Future* (World Commission on Environment and Development, 1987) sustainable development was conceived as development that meets present needs without constraint on satisfying the needs of future generations; as development that is economically, socially and ecologically sustainable.

32 This report, by analogy, uses the concept of **sustainability** in the economic sense. Sustainable development conceived in this way cannot be achieved without putting in place the human resource development agenda of eliminating poverty, improving standards of health and education, reducing population imbalance, and providing opportunities for productive work. This does not challenge the imperative of economic growth, rather it reaffirms that a prerequisite for sustainable economic activity is human resource development.

33 There are a number of strands in the relationship between sustainability and human resource development:

Box 3 Human Resource Development for Economic Development

The critical importance of human capital for economic development is not a new idea, but it has acquired added urgency in recent years. This is related to the growing problem that developing countries have encountered in upgrading their human resources to meet economic development requirements. It is also associated with the fact that changes in the composition of global demand for goods and services have made it imperative for developing countries to reduce their dependence on the production of primary commodities and emphasise modern-sector industries and services if they are to increase their income and their employment opportunities. It arises, furthermore, out of the growing threat of massive labour redundancy owing to the introduction of labour-saving techniques, especially those which save on unskilled labour. Finally, it reflects the fears growing out of the region's continuing increase in population and changing demographic structure, resulting in a growing labour force... The challenge is to raise the productivity of the region's 2.7 billion people in an era of rapid economic and social change. The further development of the region is thus closely dependent upon both the effective use of its human resources and their continued enrichment through education, skills formation, improved health and nutrition and other means.

Source: ESCAP, Jakarta Plan of Action on Human Resources Development in the ESCAP Region, 1988 pp.7-8

- (a) Whilst human resource development is a requirement for sustainable growth (see Box 3) so economic development and the benefits which accrue from it are indispensable for sustaining human resource development.
- (b) Human resource development itself requires sustained long-term investment. Even for a single age-cohort of young people, education or better health cannot be brought about by sudden 'one-off' spurts of activity or investment. A long-term commitment is needed. By the same token it makes no sense to turn off the tap of education spending in an economic crisis, or in countries undertaking structural adjustment. Amongst the poor the growth of family livelihoods depends on access to services for improved nutrition, health and education; access to resources (land, credit, transport, etc) which enable productive activity; pricing policies which offer a genuine return for their labour; and participation in community programmes and projects.
- (c) Choices among strategic interventions in support of human resource development should assess the potential multiplier effects of a

programme. Spending on education, notably primary education, should continue to be an essential investment priority in developing countries. We noted earlier the important spin-off effects of investment in basic education for women and girls.

- (d) In some countries existing rates of population growth are unsustainable. A population growth rate of 3 per cent per annum results in the doubling of population in 23 years: five Commonwealth countries have projected population growth rates above this (Table 1). The point at issue is not so much the absolute level of population that a country might theoretically sustain as one of growth rates and the dual challenge which high growth rates pose. Firstly, there is the difficulty of increasing output fast enough to sustain and gainfully employ a rapidly expanding population. Secondly, there is a demographic structural problem resulting from unfavourable 'dependency ratios', representing the number of dependants that each adult of working age must support.
- (e) As noted by the World Bank (World Bank, World Development Report, 1992 pp. 2-3), sustainable development in the environment is also crucial to human resource development:

Inadequate attention has been given to the environmental problems that damage the health and productivity of the largest number of people, especially the poor...

The costs of protecting and improving the environment are high in absolute terms, but they are modest in comparison with their benefits and with the potential gains for economic growth. Improving the environment for development may make it necessary to raise investment in developing countries by 2-3 per cent of GDP by the end of the decade. This would enable stabilisation of soil conditions, increased protection of forests and natural habitats, improved air and water quality, a doubling of family planning expenditures, sharply improved school enrolment rates for girls, and universal access to sanitation and clean water by 2000.

- (f) Sustainable human development requires the development of a national institutional capacity to promote and implement policies and programmes in areas which are central to human resource development.

34 **Empowerment** of people is at the heart of human resource development. This involves:

- * fostering the enlargement of human capacities: helping human beings to achieve their full potential through good health and education
- * ensuring that people are able to develop and apply their knowledge and skills, and enhance their capabilities, through active exercise of these attributes in work, leisure and civic settings
- * creating institutional mechanisms which encourage active citizenship.

35 The need for greater investment in health, education and training is addressed at several points in this paper, and need not be further elaborated at this juncture. Suffice it to say that in an increasingly complex and knowledge-based world it is those who can analyse and articulate information and arguments that share most fully in influencing the course of events in their society. To an ever-increasing extent recruitment to positions of influence and power throughout society is on the basis of formal education, training and professional qualifications.

36 Capabilities need to be not only developed, but also applied. Many countries fail to mobilise and use their best talents. There may be a failure to resort to open recruitment for positions of authority and leadership; an excessively hierarchical structure within organisations which stifles initiative; an absence of an environment which makes training a function of every activity and which encourages delegation of authority; a lack of career development provision within organisations.

37 If economic and social activity is itself to be an engine for human resource development then steps must be taken to create the institutional mechanisms which will empower people through active citizenship. Appropriate measures to ensure that power is shared more widely may include:

- * delegating responsibility to local government, community organs and non-government organisations
- * stimulating the growth and health of these partner institutions through appropriate fiscal incentives
- * supporting institutions which protect and promote individual rights vis a vis government, land owners, employers or religious authorities
- * setting up programmes of public information and adult education to make people aware of their rights and responsibilities as citizens, and of the services available to them
- * enabling individuals and groups to have readier access to the media so that they can communicate with and influence others.

38 Empowerment is about access, about rights and about participation:

Access to good health, to learning opportunities, to resources which enable people to earn a living, and to the processes of government and the law: Such access requires the provision of the requisite services, such as health, education, employment, justice, on an adequate scale and in appropriate form; information and advice on how to tap the provision; and a set of financial and other arrangements to ensure that nobody is deprived of services by lack of means. Affirmative action may be needed to ensure such access for groups in society which have hitherto been marginalised or whose potential has not been fully realised. Greater access for women to basic education is a particular priority in many countries.

arrest; freedom of belief, of association and expression; rights as an employee and as a consumer; participation in the shaping of society including the opportunity to choose its leaders: Only half the world's countries have elected forms of government. Governments should be competent, accountable and ensure respect for the individual and his or her human rights.

Participation and consultation, among and between government, community organisations, the private sector, and individuals: These can help reconcile divergent interests and can lend legitimacy to decisions reached. There is a particular onus on government to develop mechanisms for consultation with the public at large on matters of public policy, so that they are informed on important issues and are consulted before key decisions are made. It is particularly important that women be drawn more fully into the conduct of public affairs: presently they make up only about ten per cent of the representatives of all democratically elected governments.

39 The Commonwealth Working Group was concerned more with 'how to do' rather than 'what to do'. It became apparent in discussion with governments and agencies that real and practical difficulties are encountered in moving from a definition of objectives, needs, targets and policies to the creation of institutional frameworks able to give long-lasting effect to the practice of human resource development. The creation of partnerships outside of government; the recognition of linkage and reinforcement across sectors; the need for policy frameworks to which all parts of government subscribe; the requirement of working together across sectoral boundaries; the involvement of people in decisions which affect their lives: these and other inherent characteristics of a coherent national human resource development policy give rise to formidable political, managerial and technical problems. It is these issues which form the core of the discussion in the following sections of the report, Key Strategies and The Mission Approach.