

TOPIC:-

"Human Development and Economic Sustainability"

OUTLINE:

A. Introduction

B. Economic sustainability as a pre-requisite for human development:

(i) Sustainable economy ensures better provision of education.

(ii) Economic sustainability provides better employment opportunities.

(iii) Economic sustainability safeguards the health and well-being of citizens.

(iv) Sustainable economy improves access to basic needs of life, eliminating poverty.

(v) Sustainable economic growth improves environmental quality for both present and future generations.

(vi) Economic sustainability leads to political stability.

C. Human Development drives economic sustainability:

(i) A skilled and productive workforce ~~supports~~ contributes to a sustainable economy.

- (ii) Healthier workforce efficiently contributes to smooth working of economy and businesses.
- (iii) Human development reduces socio-economic inequality.
- (iv) Educated citizens promote gender.
- (iv) Human development attracts Foreign Direct Investment (FDI).
- (v) A well-equipped and innovative workforce leads a country onto the path of technological advancements.
- (vi) Human development enhances the prospects of "green economy".

D. Conclusion.

Suggest recommendations to ensure human development and economic sustainability

ESSAY

Human development and economic sustainability are the two fundamental pillars for creating a prosperous, equitable and resilient society. In the context of national, regional and global challenges, an integration of human development and economic sustainability becomes even more critical. The United Nations Development Programme (UNDP) defines human development as: "enhancing people's capabilities, enlarging their range of choices, expanding their freedom and promoting human rights for all citizens." Human development is intrinsically connected with economic sustainability, which encompasses all such practices that support long-term economic growth without negatively impacting the present as well as future generations. It is backed by the United Nations' initiative of Sustainable Development Goals (SDGs). Economic sustainability ensures better provision of education and employment opportunities, which ensure human development. Investments in the healthcare system ensures well-being

of citizens. Moreover, a sustainable economy enhances access to basic needs of life and eliminates poverty. All these conditions upgrade the extent of human development in a country. On the other hand, human development also serves as a foundation for economic sustainability. A skilled and productive workforce supports productivity and innovation in a country. Similarly, when the workforce is healthy, it can efficiently contribute to the smooth working of economy and businesses. Although both human development and economic sustainability are two different paradigms, both are mutually reinforcing and co-evolutionary. There is a two-way relationship between them as economic sustainability is a pre-requisite for human development and the latter also drives economic sustainability.

To begin with, a sustainable economy ensures better provision of education, which is required for human development. One of the parameters to gauge human development in a country is its educational quality and the proportion of its educated population. Economically sustainable countries have stable revenues that allow for

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consistent public investment in education. This leads to improved literacy rates, higher educational attainment, and a more skilled population. The Human Development Report 2020 of United Nations Development Program emphasizes on economic sustainability as an essential condition for achieving human development outcomes like health, education, etc. Thus, better provision of education, in a country with a sustainable economy, ensures human development.

In addition, Economic Sustainability provides employment opportunities, which is necessary for human development. Sustainable economic growth generates long-term, stable, and secure job opportunities for people. It also ensures that these opportunities are equally available for all people without any discrimination. Sustainable economy provides better incentives, welfare, privileges and social safety nets to the people for their jobs. Norway is known for its good working conditions, high-salaries, and work life balance and has been ranked second on the Human Development Index 2022. Therefore, this shows that employment opportunities created as a result of

Economic sustainability ensures human development.

Similarly, economic sustainability safeguards the health and well-being of citizens, which is one of the parameters to measure human development. Sustainable economy allows the government to invest in improving health-care systems and facilities. It leads to improved life expectancy, lower infant mortality, and overall better public health. It ensures better quality of life, prevention of diseases and well-being of people. Singapore has the best healthcare system of the world as stated by the report of Commonwealth Fund 2024. The country has been committed to build a sustainable economy since the beginning of 21st century. Hence, economic sustainability facilitates better healthcare of people leading to their ^{human} development.

Further, sustainable economy improves access to basic needs of life and eliminates poverty, which is instrumental for human development.

Economic sustainability guarantees that wealth is distributed more equitably. Also, sustainable economic systems ensure that essential services and commodities remain accessible and affordable for all, not just for the wealthy. It prioritizes efficient and careful management of resources so that they are

adequately available for all. One of the parameters to measure Human Development Index (HDI) is the level of standard of living. Human Development Reports (UNDP) consistently show that countries with lower poverty levels tend to have higher human development score. Therefore, sustainable economy aids in poverty reduction, which is an important indicator of human development.

Sustainable economy improves environmental quality for both present and future generations, which is a necessary pre-condition for human development. Economic sustainability includes responsible use of natural resources and environmental conservation, which improves environmental conditions. Healthy and pure environment such as clean air, water, and land has a positive impact on public health and well-being. Economic sustainability encourages investments in environment-friendly initiatives like green energy, E-vehicles, and recycling mechanisms. According to Statista, China has made the largest investment in green energy (almost 273 billion USD) in 2023. As stated by UNDP, it is one of only a handful of nations to have moved from low to high human development. Hence, sustainable economy ensures good

quality of Environment for present and future generations, which is an indicator of human development.

Moreover, Economic Sustainability guarantees Political Stability, which is a pre-requisite for human development. Politics and Economy are intertwined and cannot exist independent of each other. Since economic sustainability focuses on long-term and equitable growth, public remains satisfied with the politicians and ^{their} performance. They do not have any grievances with the government and its policies. It reduces the likelihood of civil unrest and political movements against the government. Esping - Anderson (1990), in his analysis of welfare state regimes, shows that the political stability of Scandinavian countries has contributed to the high levels of human development there. Thus, political stability created due to economic sustainability guarantees human development.

Economic sustainability and human development are closely related with each other. They have a reciprocal relationship. On one hand, economic sustainability serves as an essential pre-requisite for human development. At the same time, human development is

instrumental to drive economic sustainability of a country. It is the population of a country that decides its fortune. If the population is educated, has good standards of living, and enjoys good health, it can lead a country on the path of economic sustainability.

Firstly, a skilled, ^{educated} and productive workforce works for the long-term growth of economy, resulting in economic sustainability. Educated individuals are more capable of contributing to better economy through their new ideas and skills. They promote high-valued industries, modern agricultural practices, and introduce cost-saving measures. The ^{latest} inventions and scientific discoveries are also a product of creativity, critical thinking and modern outlook of educated individuals. According to a World Bank study, each additional year of schooling raises an individual's income by an average of 10% ^{per-cent}. Therefore, a well-educated population is capable to drive economic sustainability.

Secondly, human development can be reflected in the form of healthier workforce, which is crucial to ^{achieve} economic sustainability. Good health is required to function

properly in all the spheres of life. Improved healthcare, which is ensured by human development, results in lower absenteeism, higher life expectancy and efficient working of the people. Also, if the people are well-nourished and healthy, they ^{are able to} invest their time and energy in productive jobs and innovations. A study published by World Bank, named "Population Health and Economic Growth", states that health is a direct source of human welfare and also an instrument of raising income levels. Thus, a healthier workforce steers economic sustainability.

Thirdly, human development reduces socio-economic inequality, which guarantees economic sustainability. By definition, human development aims at enlarging and enhancing range of choices for people. Human development ensures equal access to basic needs of life, employment and other facilities. The gap between the upper and lower classes of society is bridged, eradicating income inequality. According to the World Bank Report (2017): "Governance and the Law", ~~Income~~ inequality in access to resources, services, and opportunities obstructs the ability of individuals

to improve their well being and constrains economic growth. Hence, human development closes the socio-economic gaps in the society, resulting in economic sustainability.

Fourth, human development attracts Foreign Direct Investment (FDI), which is pivotal to drive economic sustainability in a country. Human development in a country is an indicator of its well-educated workforce, effective governance system, and low criminal activity. Foreign investors, companies and businesses decide to invest in a country only if it has a safe environment and competent workforce. They prefer to invest in a country where there is low risk factor, expected return on their investment, and safeguard of their assets.

Singapore is the third largest recipient of Foreign Direct Investment according to Lloyds Bank International Trade Portal. It has taken a variety of measures for its human development like skilled personnel, innovation opportunities and better standards of living. This proves that foreign investors are more interested to invest in countries with good human development.

Fifth, A well-equipped and innovative

workforce leads a country on the path of technological advancements, which is essential for economic sustainability. When a country prioritizes education and skill development of its people, they easily adapt and work for advancements in technology. They have unique and innovative ideas to excel in the field of technology and work ^{on} its advancement in different dimensions. Resultantly, their technological creations and ventures gain access to global markets, if competent. China has emerged as the largest exporter of technology, electrical appliances, and electronic gadgets. Due to this, it is rapidly moving towards economic sustainability. Thus, an innovative workforce makes significant contributions towards technological advancements in a country, leading to economic sustainability.

Lastly, human development enhances the prospects of "green economy", which is required to guarantee a sustainable economy.

Green economy is centered on efficient use of resources, reducing environmental impact, and sustainable economic growth. When a population is well-equipped and healthy, it can effectively

work to promote sustainable practices like renewable energy use, energy-efficient technologies and waste reduction. Also, human development emphasizes social equity and inclusivity, which promotes economic sustainability. For instance, Norway, which is ranked 2nd on Human Development Index (HDI) 2022, has emerged as a world leader in Electric Vehicles (E.V.) adoption. Hence, countries with better human development invest in measures to promote green economy, which is the need of the hour.

In conclusion, both human development and economic sustainability are independent concepts, which have a close relationship with each other. Economic sustainability is a necessary pre-condition for human development and the latter drives economic sustainability. A sustainable economy guarantees improved environmental quality for both present and future generations. Next, economic sustainability leads to political stability, which is vital for human development in a country. At the same time, human development can drive economic sustainability. A well-equipped and innovative workforce leads a country onto the path of technological

advancements. Importantly, it also enhances the prospects of green economy by efficient resource management and reduced environmental impact. Therefore, both human development and economic sustainability serve as important pillars for a well-developed state. Progress in one pillar creates grounds for the development of the other pillar. A combination of both ensures long-term prosperity of the country while improving the quality of life for its citizens. Also, together they can upgrade a country's international image and competitiveness of a country.

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