

Human development as a Panacea for economic development

1 Introduction

Thesis Statement

The human development is a best panacea for economic development. There are several different ways to ensure human development through which economic development can be achieved. However, there are some challenges which hinders the human development that further contributes to economic underdevelopment. Nonetheless, by taking some measures, human development can be achieved to improve economic development.

2. Correlation between human development and economic development

3. How human development is panacea for economic development

(a) Investment in educational sector flourishes the innovative minds that later contributes to economic prosperity.

(b) By investing in healthcare services, a

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country has more productive workforce

- (c) By enhancing infrastructure, trade increases that ~~boosts~~ economic growth
- (d) Improving the information technology sector results in foreign income which enables economic development
- (e) By empowering women, workforce increases and contributes to economic well-being
- (f) Investment in latest agricultural technology boosts the harvest that increases exports
- (g) Skilled workers uplift the industries by ensuring productivity that enhances economic development

4. Challenges to human development that hinders economic development

- (a) Political instability results in inconsistent policies, which hinders human development
- (b) Corruption leads to mismanagement of funds, which ~~peases~~ hampers human development

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(C) Security issues discourages foreign investment in human capital

5 Ways to mitigate these issues

(a) By ensuring political stability, long-term policies can promote sustained human development

(b) By controlling corruption, public funds can be utilised efficiently for education,

6 Conclusion

There is a land where, not long ago, people herded camel under the burning sun, their feet pressing into the boiling sands. As far as the eye could see, there was nothing but endless desert. Then a visionary man who asked, why not invest in human development? The rulers of UAE United Arab Emirates (UAE) began to invest in their people. In the blink of an eye, that barren desert transformed into the economic heart of the Middle East. With human capital nurtured, economic growth surged. The story of the UAE stands as a powerful testament: human development paves the way for economic prosperity. Moreover, the remarkable success of the UAE clearly demonstrates that human development is not just strategy but a powerful panacea for achieving sustainable economic growth. When a nation invest in educational sector it flourish

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the innovative minds that helps in contributing economic prosperity and improving healthcare sector results in productive workforce. Further, investing in betterment of infrastructure boosts the trade and that grows economy and by empowering women of the country helps in increasing workforce which further contributes economic prosperity.

Furthermore, Skilled workforce uplifts the industrial sector by ensuring productivity which later contributes to economic development. However, human development holds great promise for driving economic growth, countries face significant challenges in achieving it. Issues such as, political instability results in inconsistent policies, which hinders human development and corruption leads to mismanagement of funds, which hampers human development. Despite these challenges, there are clear and practical steps that can help nations strengthen human development

and, in turn, boosting economic growth.

By founing and ensuring political stability, long term policies can promote sustained human development and by controlling corruption, public funds can be utilised efficiently.

To fully understand the role of human development in shaping a nation's prosperity, it is important to explore the strong dynamics relationship between human development and economic prosperity. Investing in human developments such as, education, health, infrastructure, skilled workforces and other developments. Provides individual every kind of opportunity to work for his/her country. These things developments helps them in increasing productivity, attracts investments, which helps in accelerating economic growth. Moreover, economic development further generates financial resources which that again contributes in human development. This cycle keep going and acts as

driving force for both economic growth and human development.

According to United Nations Development Programme (UNDP), human development defined as people's freedom and opportunities to live long, healthy and productive lives - directly contributes to sustainable economic growth. (UNDP, report 2020). Thus, the relationship between human development and economic development is direct that leads to economic prosperity.

The first key factor to consider in human development is educational sector, investment in educational sector brings the innovative minds on front which later helps in contributing economic growth. It is because when youth get proper education in correct manner, that education helps them in reshaping and refining their ideas. Moreover, education is the key factor which boost the intellect of students that later helps

them in broader level. Therefore, they shape their creative ideas into reality and use them into economic development of the country. According to United Nations Development Programme education not only enhances individual capabilities but also improves labor productivity, innovation, and economic generation, all of which contribute directly to economic performance. (UNDP, Report 2020)

Thus, it shows that investment in educational sector flourish the innovative minds that later contributes in economic growth.

Another critical component ^{of human development} that significantly contributes to economic growth is healthcare. Therefore investing in healthcare ~~sector~~ services a country has more productive workforce.

The reason is that when a country invest in its healthcare services, the people of the country remains healthy. Which contributes in workplaces more efficiently and productively, that results

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in economic growth. Moreover, healthy workforce do not take leave and work properly without facing any health issues which boost productivity, contributing to economic growth. Similarly, the International Monetary Fund states that investment in healthcare not only improves individual well-being but also strengthens economic resilience by lowering healthcare related financial risks and increasing labor force participation (IMF, 2020). Hence, it reveals that by investing in healthcare services a country has more productive workforce.

Another vital dimension of human development that contributes to economic growth is that enhancing infrastructure increase the trade that boosts economic growth. When the roads, ports, bridges and highways are in proper conditions then these helps in strengthening the ways for trade. It is because

when the trade is done on a time due to greater road conditions and ports it enhances the trust of buyers. ~~that~~ Moreover, when buyers trust the seller they further increase the trade related activities. Therefore, this contributes to economic prosperity. According to International Monetary Fund, infrastructure investment raise GDP by up to 2 per cent in the long term, especially when projects are efficiently planned and executed. (IMF, 2020). Ergo, it illustrates that by enhancing infrastructure, trade increases that boost economic growth.

A further ~~are~~ crucial element that reinforces the connection between human development and economic growth is improving information technology sector which results in foreign investment. It is because when a country invest on its digital infrastructure attracts more

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multinational companies and foreign investments. Due to the reason that people of that country are seen as more skilled in emerging modern world. Therefore, IT sector attracts the foreign investments resultantly foreign income enables economic development. According to World Bank, IT enabled services have expanded Foreign Direct Investment (FDI) flow into African nations, enhancing entrepreneurship, job creation, and skill development. (World Bank, Digital Economy for Africa, 2022).

Thus, it proves that improving information technology sector results in foreign investment which enables economic growth.

An equally important factor that strengthens the link between human development and economic development is empowering women, workforce increases and it contributes to economic well-being.

Due to the reason that women are half of the population, when a country ensure empowerment of women this will increase its workforce. Similarly, when workforce increases then productivity and efficiency also increases. Therefore, this results in economic growth. As per World Bank report, closing gender gaps in labor force participation could increase GDP by up to \$28 trillion by 2025. (World Bank, 2022). Thus, it signifies that by empowering women, workforces increases and contributes to economic well-being.

Again a key factor driving both human development and economic development, is investment in latest agricultural technology which boosts the harvest that increases exports. With the help of latest technologies and modern methods of farming, the crop yield can be increased.

Therefore, it will further improve the ratio of harvest which can be exported. Further, increase in exports will lead to economic growth in the country. According to the International Agricultural Development reports that improving agricultural technology leads to better rural development outcomes, as it increases the capacity of smallholder farmers to produce surplus for both domestic markets and exports. (International Agricultural Development, 2019). As a result, it indicates that investment in latest agricultural technology boosts the harvest that increases exports.

Nevertheless, there exist certain obstacles that undermine efforts towards human development, consequently affecting the country's economic advancements. Foremost among them is political instability, that results in inconsistent policies, which hinders

human development. The biggest ~~obstacle~~ ^{obstacle} in the path of human development is political instability. It is because conflict between political parties ignites the prejudices. Therefore, oppositions discontinue the policies of ~~former~~ ^{previous} government. In result, it hinders the human development. As per International Crisis Group, Pakistan's Instability and its Economic Impact report, frequent changes in government and political turmoil and lead to abrupt policy reversals and lack of continuity, stalling long-term human development plans. (ICG, Pakistan's political Instability and its Economic Impact, 2022)

Thus, it shows that political instability results in ~~incomp~~ inconsistent policies, which hinders human development.

Another major barrier that undermines human development is corruption, which leads to mismanagement of funds

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~~which~~ ^{that} hampers human development.

It is because when the funds are allocated for human development, those funds are ~~always~~ ^{often} misused by corrupt government officials. Therefore, it results in underdevelopment. As per Transparency International, report, corruption diverts public resources from critical sectors like education and healthcare, weakening human development. (Transparency International, Corruption Perceptions Index, 2023). Ergo, it shows that corruption leads to ~~mismang~~ mismanagement of funds, which hampers human development.

Alongside corruption, security issues discourage foreign investments in human capital. The reason is that when a country cannot tackle its security related challenges, more investors likely to avoid investment in that country. ~~I~~ It is because they

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believe, ~~that~~ ^{the} situation of that country can be worsen any time, and this investment will be wasted.

As per the report of Global peace Index, countries with poor security conditions suffer reduced foreign direct investment, lower economic productivity and weak human development indicators. (CPI, Institute for Economics and Peace, 2023.) Hence, it reveals that security issues discourages foreign investment in human capital.

Although these challenges hinder human development, they are not insurmountable. With well-directed reforms and strategic measures countries can overcome these obstacles and unlock the full potential of its human capital to drive sustainable economic development. By ensuring stability long-term policies can promote human development. It is because a stable government allow

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every policy to continue itself and invests in long-term sustainable human development policies. Therefore, they not only contribute in human development but also in economic growth through it. As per World Bank report, Stable Governance guarantees policy continuity and foster an environment where long-term human development goals can be achieved. (World Bank, International Crisis Group, 2019). Thus, it demonstrates that by ensuring stability political stability, long-term policies can promote sustained human development.

Moreover last but not least, by ~~improving~~ controlling corruption, public funds can be utilised efficiently. When the accountability and punishment will be given, then corruption will be reduced. As a result government officials will use funds on ~~its~~ the human development that will further enhance

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economic growth. As per World Bank report, curbing corruption improves public sector performances and strengthens human capital investments. (World Bank, Helping countries combat corruption: The Role of the World Bank). Hence, it reveals that by controlling corruption, public funds can be utilised efficiently.

To encapsulate the whole discussion, the human development is a best ~~to~~ panacea for economic development. Such as investment in educational sector ~~best~~ enhances innovative minds and healthcare investment ~~can~~ productivity can be achieved. Moreover, by enhancing infrastructure, trade increases that boosts economic growth through and investing in latest agricultural tools increases harvest and grow the ~~import~~ export sector. However, there are few challenges in the path of human development investment which one ~~no one~~ is political instability

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that results in inconsistent policies, which hinders human development and corruption leads to mismanagement of funds, which hampers human development. Nonetheless, by taking some instant measures these challenges can be solved such as by enhancing political stability, long-term policies can promote sustainable sustained human development and by controlling corruption, public funds can be utilised effectively. Indeed, the path to sustainable economic development lies in empowering people through human capital. As the Quran remind us, "Verily, Allah does not change the condition of a people until they change what is in themselves" Al-Quran. Thus, by committing human development countries can pave the way for prosperity.

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