



GLOBALIZATION AND HUMAN DEVELOPMENT: A QUALITATIVE ANALYSIS OF PAKISTAN

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ABSTRACT:

Globalization is a multifaceted phenomenon that encompasses economic, social, and political dimensions. This research study seeks to investigate the relationship between globalization and human development in Pakistan, supported by a comprehensive literature review and up-to-date statistics. Human development is assessed through the Human Development Index (HDI), which comprises three key indicators: per capita income, life expectancy, and education. While various studies have explored the impact of globalization on human development have reported positive effects of globalization on human development in Pakistan, particularly in terms of per capita income, education, and life expectancy. Despite Pakistan's relatively low ranking in overall globalization (122 out of 188 countries), adopting policies that promote globalization could potentially improve the country's human development rankings (currently 164 out of 193 countries) and enhance the quality of life for disadvantaged citizens by reducing gender, social class, and geographic disparities.

KEYWORDS: Globalization, human development (HD), Human development index (HDI).

INTRODUCTION:

Globalization is defined as a growing interconnectedness between individuals, the merging of markets, and the establishment of shared norms and beliefs (Zehra F & Kabasakal Arat, 2005). It commenced with the dismantling of political and economic barriers and the deepening of economic interdependence, characterized by significant growth in international trade and investment (Tanahashi, 2006). In a literal sense, it is the process of making things worldwide, in theory or practice (Ahmad & Ghani, 2005). Globalization is usually expressed in terms of three main aspects; economics, culture, and politics (Michaels, 2013).

Economic globalization has undoubtedly brought forth new opportunities for developing countries attracting foreign capital and expanding their markets for exports. Foreign investment also paves the way for the transfer of technological advancement and skills necessary for development (Shah, 2019).

Social globalization refers to a wide range of ideas from gender equality to the number of McDonald's restaurants in a country. However, other important indicators include access to education and the Internet, civil rights, freedom of the press, and migration (KOF Globalization Index Ranking, 2023).

Political globalization is judged based on how many international organizations a country is a member of, adopting and ratifying international agreements, and the number of INGOs and embassies (KOF Globalization Index Ranking, 2023).

The recent era of globalization has led to uneven and inconsistent development. While there have been some advancements in human rights, these improvements have been largely symbolic, and potentially unsustainable (Zehra F & Kabasakal Arat, 2005). There is a large disparity that exists between the Global North and the Global South in terms of reaping the fruits of globalization. Pakistan, a state in the global south, faces economic and political hurdles and a persisting lack of basic necessities such as food, healthcare, education and employment (Rashid & Watoo, 2015).

Like many other least developed countries (LDCs), Pakistan's economy was heavily regulated and protected until the 1970s. But towards late 1980s, due to domestic economic pressures and global economic conditions, Pakistan began to liberalize its economy, launching an extensive program of economic reforms aimed at integrating with the global market to better address international challenges. As a result, Pakistan's economy can now be labeled as "much more open and liberal" than it was perhaps 20 years ago (Afzal, 2007). However, many argue that this process of globalization has led to more negative than positive impacts on Pakistan (Rashid & Watoo, 2015).

In recent years there has been a growing emphasis on measuring progress and development through a more holistic lens instead of simply relying on economic indicators. For this reason, the term "human development" emerged and a subsequent tool measuring it. The Human Development Index or HDI is defined as "a composite index measuring average achievement in three basic dimensions of human development - a long and healthy life, knowledge and a decent standard of living" (UN HR Report 23-24). The Human Development Index (HDI) offers a

multidimensional framework for measuring development, as opposed to the traditional one-dimensional income approach (Al-Hilani, 2012).

Human Development and SDGs:

The 2030 Agenda put forth by the United Nations places a strong emphasis on human development in the modern world. Although they are quite intertwined, they remain deeply separate. The Sustainable Development Goals (SDGs) serve as a globally accepted framework for measuring development progress, while human development offers a perspective for addressing various development issues (United Nations, 2019). Essentially, the SDGs outline the development goals to be achieved, and human development provides the methodology to reach those goals.

Many of the SDGs relate directly to the HDI: “Good Health and Wellbeing” (SDG 3), “Quality Education” (SDG 4), and “Decent Work and Economic Growth” (SDG 8). Others such as “No Poverty” (SDG 1), “Zero Hunger” (SDG 2), “Gender Equality” (SDG 5), and “Climate Action” (SDG 13) also play a part indirectly. The 2030 Agenda and the SDGs envision a better future that the human development approach strives to create.

LITERATURE REVIEW:

The reviewed literature reveals differing views on the impact of globalization on human development. Although most studies tend to favor globalization (Sapkota, 2011), some researchers argue that globalization and quality of life have no noteworthy correlation (Hirt, 2017). Hirt (2017) claims there is little reason to worry that the quality of life of those affected by globalization would gradually decrease over time. Research conducted by Naz and Nasir (2021) indicates that economic and social globalization both significantly affect HDI, with social globalization being particularly dominant. Both forms of globalization positively impact per capita income and education, while life expectancy is significantly affected by economic globalization. The study provides evidence supporting globalization, indicating that promoting policies fostering global integration can have beneficial effects on human development (Naz & Nasir, 2021). All aspects of globalization are economic, social, and political, enhance human and gender-related development as well as significantly reduce poverty in developing countries (Sapkota, 2011).

A research study found that foreign direct investment (FDI) is positively correlated with the maximum MDG percentage but not with the quality of life indicator. This suggests that FDI might be more beneficial for achieving certain development goals, such as infrastructure development or economic growth, rather than directly improving the quality of life of the most impoverished citizens (Hirt, 2017). Case studies in Pakistan on HDI and globalization will also support same kind of findings that, economic prosperity demand compatible and conducive environment for competitive trade that attract FDIs but all these factors are not the core determinants of human development but these factors have strong interconnectedness as income inequality in any country is the real hurdle in generating GDP growth (like Pakistan) that has a significant impact on HDI which require equality and equity in distribution of economic outcomes (Mohammad et al., 2010).

An observational research based on experimental investigation on HDI and globalization on some specific Asian developing nations during the time period of 1990-2016 based on key

variables of FDI, trade openness, ICT, and workers remittances reveal the key findings that, FDI and workers remittances have a significant negative impact on HD in Asian while trade openness is identified as a main tool to impact human development (Ullah & Azim, 2015). A same kind of study conducted on the data derived from six different SAARC countries including Pakistan, India, Sri Lanka, Bangladesh, Bhutan and Nepal during the time of 2000-2019. The analysis based on constant effect modeling indicated the fact that, trade openness also impact negatively to HD in these SAARC nations so, making trade policies in these nations is a very sensitive domain (Hasan & Abdul Waheed, 2020).

However, a more recent study exploring the impact of globalization on HDI in Pakistan concluded that there is no reason for Pakistan to fear globalization as research findings revealed that all types of globalization positively affect human development in the country (Kiani et al., 2021).

Globalization and Per Capita Income:

Trade liberalization, a key indicator of globalization, has a massive impact on human well-being and greatly influences human development. Openness to trade benefits people by improving their quality of life through lower import prices and boosts the per capita income in some developing countries (Ullah & Azim, 2015).

A paper examining the impact of globalization on income growth in Sub-Saharan Africa from 1982 to 2020 found that globalization has a significant negative effect on income growth in the short run, but this effect becomes positive and insignificant in the long run. However, the long-term benefits of economic globalization are likely to outweigh the short-term negative impacts, which can be periodically corrected as the economy advances along the globalization learning curve (Ubong Edem Effiong, 2023).

Globalization and Life Expectancy:

Several studies have empirically measured the impact of globalization on health by examining the degree of economic openness. One research study found that economic freedom significantly increases life expectancy based on their analysis of 68 countries in the 1990s (Ovaska & Takashima, 2006). Stroup (2007) corroborated these findings, showing a positive association between the economic freedom index and life expectancy using robust panel data techniques.

Trade openness positively affects population health in developing countries characterized by low income, but this effect diminishes as income rises, becoming negative in high-income countries due to associated lifestyle factors like stress, lack of sleep, and unhealthy consumption patterns (Stevens et al., 2013). Two important indicators of globalization, trade openness and FDI, were found to have a positive impact on population health and increased life expectancy in Pakistan (Alam et al., 2015).

Globalization and Education:

Generally, globalization has improved education worldwide. A research study extends support to this which used a panel of 63 countries over 47 years (from 1970 to 2016) and an OLS model, to

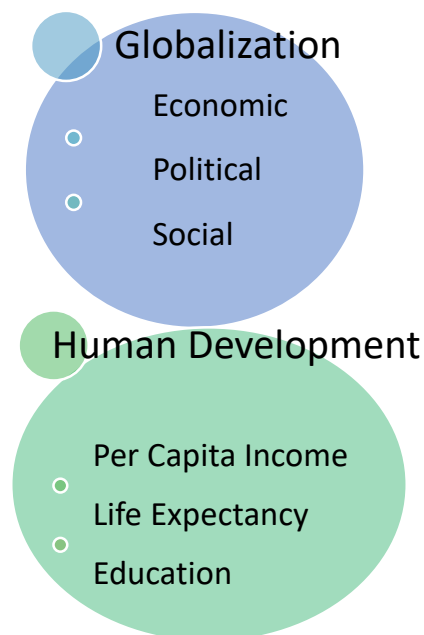
conclude that trade openness, through the reduction of tariffs or increase in exports, was found to have a positive effect in years of schooling (Li, 2018).

Exploring the relationship between globalization and primary school enrolment, a study concluded that economic globalization does not significantly affect primary school enrollment across all countries in the sample. However, social globalization has a significant positive impact on enrollment rates (Congdon Fors, 2016). Although countries with fewer trade restrictions tend to have higher primary school enrollment rates. The implication is that reducing trade barriers and opening markets may create economic conditions that support better educational outcomes.

METHODOLOGY:

This research paper has adopted a qualitative methodology to conduct secondary research on the role of globalization on human development in Pakistan. The study uses a literature review approach for identifying, analyzing and linking prior research and data in a systematic way (Yudi & Berlian, 2023). UN, World Bank, Government of Pakistan, prior research articles, and other reliable sources were used to gather data. Both descriptive and analytical approaches have been utilized to illustrate the relationships between the different types of globalization and their subsequent impact on the indicators of human development.

For the purpose of this research study, three major types of globalization have been identified: economic, political and social globalization. While, the human development has been operationalized in terms of the three indicators of the Human Development Index - Life expectancy, education and per capita income. These are illustrated in the form of a diagram below:



CURRENT STATISTICS:

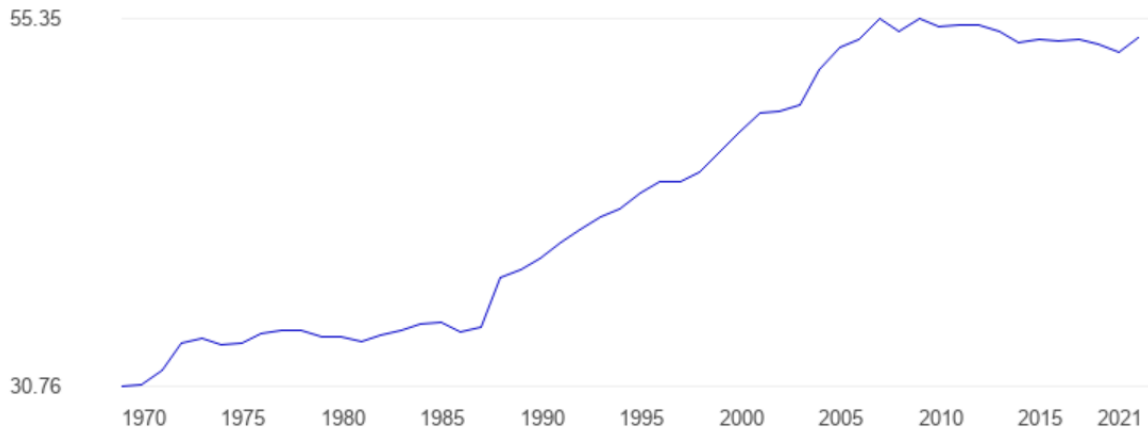
Globalization levels in Pakistan:

Pakistan's global rank for overall globalization stands at 122 of 188 countries. Drawing a comparison from 1970 to 2021, Pakistan stood at its minimum value of 30.76 points in 1970 and a maximum of 55.35 points in 2008 (Globalization Index, 2021). The most recent data from 2021 reflects Pakistan's globalization level at 54 points.

The following graph illustrates Pakistan's globalization levels over the years. There is a sharp increase post 1990 although it has become more constant in the past two decades.

Figure 1

Historical chart



Reference: The Swiss Institute of Technology in Zurich, 2021

Figure 2

Related indicators	Latest value	Reference	Measure
Overall globalization	54.00	2021	points
Economic globalization	34.00	2021	points
Political globalization	85.00	2021	points
Social globalization	41.00	2021	points

Reference: The Swiss Institute of Technology in Zurich, 2021

If we compare Pakistan's standing on different types of globalization, as seen in Figure 2, the highest value emerges from political globalization at 85 points, compared to 41 points for social globalization and the lowest value of 34 points for economic globalization.

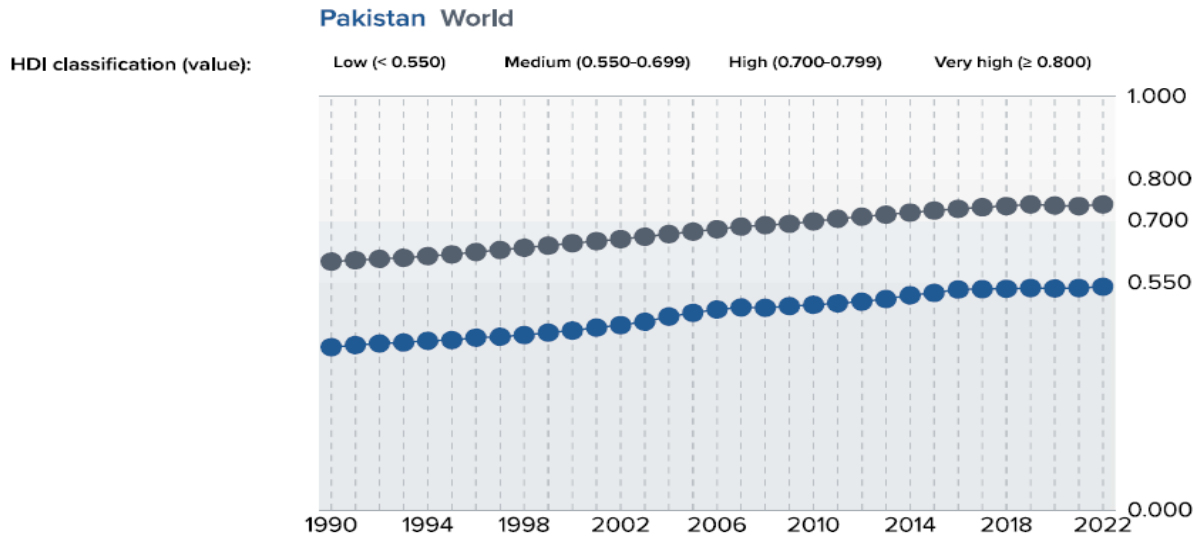
GLOBALIZATION AND HUMAN DEVELOPMENT :

Pakistan has a low human development classification on the Human Development Index with a ranking of 164 out of 193 countries although its HDI value has seen a 37.1% change since 1990, increasing from 0.394 to 0.540 in 2022. The Inequality-adjusted HDI takes into account the "loss" in HDI due to inequalities prevalent in a society. As inequality increases, naturally the human development loss also increases. For Pakistan, this loss due to inequality accounts for 33.3%, decreasing the HDI value to 0.360 in 2022 (UN HR Report 23-24).

Comparing Pakistan's HDI classification with the rest of the world reveals a considerable and consistent lack (see Figure 3), with the rest of the world lying between high to very high classifications while Pakistan lags at a low value.

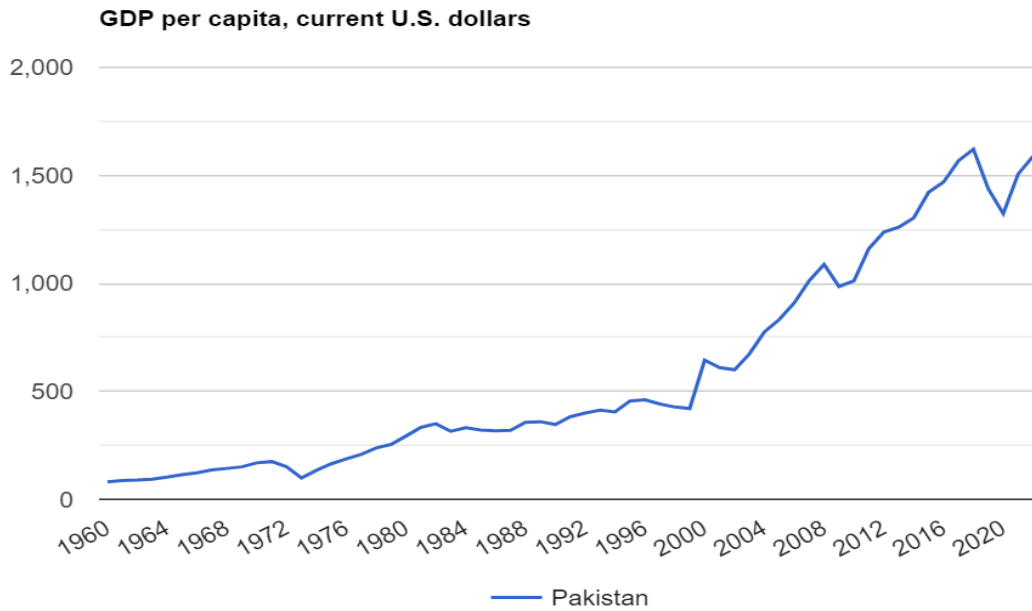
Figure 3

HDI in comparison 1990 – 2022



Reference: UNDP, 2024

1. Per Capita Income: Figure 4



Reference: The World Bank, 2022

Since the 1960s, the GDP per capita has shown a significant increase in Pakistan in recent years as shown in Figure 4 above. However, there was a sharp decline in 2020, which can be attributed to the negative effects of the COVID-19 global pandemic. However, this setback was covered in 2021 with a significant increase of around \$200.

2. Education:

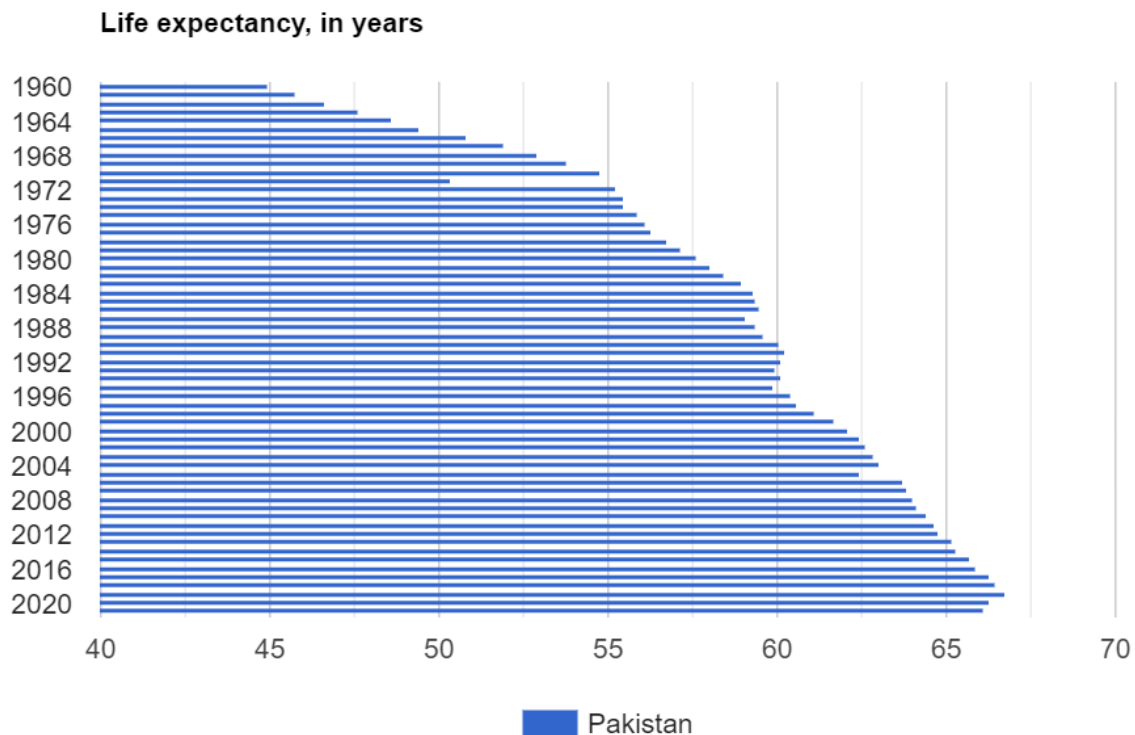
According to UNESCO's definition, the adult literacy rate is "the percentage of individuals over the age of 15 who are capable of reading and writing a short, simple statement about their daily life with understanding". Pakistan's literacy rate based on the most recent data reported by UNESCO in 2019 is overall 58%, with 46% for females and 69% for males (UNESCO Institute for Statistics, 2019). For comparison, the global average for 2019, based on data from 27 countries, is 90%. According to UNICEF, Pakistan currently has the second most out-of-school children in the world. 5 million children, aged 5-9 years are not enrolled in primary schools, which is a whopping 44% of this age group. The number of out-of-school children in the secondary school age group (11-14 years) is almost double the amount at 11.4 million children. This suggests a huge gap in arguably the most important indicator of human development.

3. Life Expectancy:

The life expectancy indicator reflects the number of years a newborn is expected to live, assuming the mortality rates at the time of birth would prevail throughout the individual's life. For the period 1960 - 2021, Pakistan's average life expectancy was 59 years, with a minimum of 44 years in 1960 and a maximum of 66 years according to the most recent figure from 2021 (See Figure 5). Although

Pakistan has seen a good increase of almost 22 years in the average life expectancy over the years, it remains quite behind the rest of the world. The global average life expectancy in 2021, based on data from 192 countries, is 71 years (The United Nations Population Division, 2021).

Figure 5



Reference: The United Nations Population Division, 2021

DISCUSSION:

Based on the reviewed literature and the quoted statistics, there has been an increase in the quality of life over time in Pakistan indicated by the three major indicators of the HDI i.e. per capita income, life expectancy, and education. Although the overall levels of human development remain low, if the current situation is compared to the period before Pakistan was integrated into the global economy and the process of globalization formally began in the country i.e. the 1970s, it can be inferred that globalization has allowed Pakistan to move up rankings across all indicators of the HDI.

Many factors contribute to globalization improving human development in a country. For instance, the increase in per capita income can be attributed to better access to markets and new economic opportunities, consistent with the findings of Ullah and Azam (2015). While the reverse was seen during COVID-19 when the global economy suffered due to the lockdown and international trade was disrupted, it had negative effects on the GDP per capita in Pakistan (see figure 4).

In Pakistan, other variables such as political instability, religious extremism, and sectarian violence can be partially attributed to low levels of human development compared to the rest of the world (Husain, 2001). Significant gender disparities have also contributed to the country's underdevelopment and the underutilization of its human resources. The education indicator measured by literacy rates and primary school enrolments reveals a substantial gap between males and females, with a greater number of boys compared to girls at every level of education.

Another major factor that negatively affects HDI is the dependent population ratio (Hasan & Abdul Waheed, 2020). The low labor force participation rate combined with high population rates lead to a high dependency ratio in Pakistan, with the most recent value from 2022 being 69.03% (The World Bank, 2022). This underutilized human capital could be transformed into a productive asset with the implementation of appropriate policies and incentives.

CONCLUSION:

It is concluded that Globalization has undoubtedly left its footprints on the living standards of people all across the globe, particularly in developed nations. Although, Pakistan has lagged in this race and is unable to grasp the benefits of globalization in terms of human development. To achieve its long-term objectives, including the Sustainable Development Goals (SDGs), Pakistan must prioritize enhancing human development and converting its large dependent population into productive human capital. By harnessing the benefits of globalization, such as Foreign Direct Investment (FDI) and technology transfer, the country can make strategic investments in healthcare, education, and social safety nets, thereby improving human development outcomes. Effective utilization of these opportunities is crucial for Pakistan's sustainable growth and development.

POLICY RECOMMENDATIONS:

To leverage the perks of globalization necessary for human development, Pakistan must develop its policy priorities focus on education and literacy, health sector deliveries and social security nets as these factors directly impact human development but this is obviously not possible without generating sustainable financial resources which demand special focus on generating finances through attracting local as well as Foreign Direct Investment (FDI) in these particular sectors that facilitates technology transfer to improve the quality of delivering the services that promote human development. In addition, the policies formulated must focus on development of humans through transformation of human resource into human capital specifically in the domains of technology and innovations that not only enhance the outcome of individual but improve the chances of employability. As the developing countries are always struggling for finances so, special efforts must be taken to support public-private partnerships accompanied by international collaborations. These kind of collaborations will support the developing nation (including Pakistan) to leverage global sustainable practices through spurring the utilization of existing resources and generating the new avenues that support human development directly or indirectly through adopting the human centered approach to globalization. It is recommended that, Pakistan must focus human

centered approach through the path of better income distribution, improved living standards and SDGs which require efficient and pro-active governance system which is not possible without accountability as resources must distributed equitably. For achieving the fair distribution of economic resources necessary for human development in Pakistan government should:

- Establish a council for human development at the national level to manage the coordination in the process of globalization which must be harmonious and congruent with the SDGs.
- Government must formulate a multifaceted educational policy based on learning and development targeting capacity building, career and professional trainings.
- Human development is not possible without better health so, state must extend its special focus on healthcare through promoting healthcare technology transfers and innovations that improve not only the access to healthcare but improve the quality of healthcare to individuals.
- Government must allocate special fund in budget for social security programs that aims to reduce poverty to protect vulnerable and deserving population.
- State must attract FDIs in human development sectors through the provision of subsidies, incentives supported by tax reforms.
- Promotion of technology, innovation and capacity building require finances so, to manage the finances government must promote public-private partnerships.
- Human development is only achieved through the creation of employment opportunities so, state should promote entrepreneurship, SME development, and job creation.
- Policy without proper implementation is use less so, government must develop a framework for strengthening institutions through the tools of governance and effective implementation to manage the effective allocation of resources.
- International collaborations must be promoted to access the knowledge available across the world to achieve the best global practices.
- Government must monitor and assess its policies and its progress time to time to manage policy shifts required as per need to ensure effective, inclusive and sustainable human development in Pakistan.

In addition, sectorial roadmaps must be developed at federal and provincial levels by the government to wield globalization through development of capacity building, social protection, investment and innovation through the tool of governance.

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