

BUILDING HUMAN CAPABILITIES THROUGH SERVICE SECTOR INVESTMENT

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Abstract

Development of a country is most commonly defined in the capitalist conventionality through the GDP figures. It hardly mentions the quality of life or capabilities of the people living the country. People are the real wealth of a country. This article discusses the examples of some countries, which are successful in building capabilities among its people despite of being a small economy. Breaking the conventional narratives of economic development, these countries gave thrust towards the service sector along with the primary and secondary sectors. Expansion and universalization of essential services like health and education; they have enriched the capabilities of the people and controlled the difference between the rich and poor by resisting the capitals intrusion. These countries have partially acquired the ideas of capability theory of Amartya Sen. Development is not just GDP, development should consider the wellbeing of under privileged section too. It should minimize the gap between the rich and the poor. The examples being discussed in this writing has the highest human development indices, which are equal to the developed countries who are several fold bigger economies while comparing. Poverty alleviation and human development in these countries are ahead of the millennium development goals. Debating on these development models will bring new ideas and practices to the rest of the developing countries around the world. **Keywords:** 1. Capability Approach, 2. Human Development, 3. Economic Development.

Resumen

El desarrollo de un país se define más comúnmente en la convencionalidad capitalista a través de las cifras del PIB. Difícilmente se menciona la calidad de vida o las capacidades de las personas que viven en el país. Las personas son la verdadera riqueza de un país. Este artículo analiza los ejemplos de algunos países, que tienen éxito en el desarrollo de capacidades entre su gente a pesar de ser una economía pequeña. Rompiendo las narrativas convencionales del desarrollo económico, estos países impulsaron el sector de servicios junto con los sectores primario y secundario. Expansión y universalización de servicios esenciales como salud y educación; han enriquecido las capacidades de las personas y controlado la diferencia entre ricos y pobres al resistir la intrusión de las capitales. Estos países han adquirido parcialmente las ideas de la teoría de la capacidad de Amartya Sen. El desarrollo no es solo el PIB, el desarrollo también debe considerar el bienestar de los menos privilegiados. Debería minimizar la brecha entre ricos y pobres. Los ejemplos que se discuten en este escrito tienen los índices de desarrollo humano más altos, que son iguales a los países desarrollados que son economías varias veces más grandes en comparación. El alivio de la pobreza y el desarrollo humano en estos países están por delante de los objetivos de desarrollo del milenio. Debatir sobre estos modelos de desarrollo traerá nuevas ideas y prácticas al resto de los países en desarrollo de todo el mundo. **Palabras clave:** 1. Enfoque de capacidad, 2. Desarrollo humano, 3. Desarrollo económico.

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1. INTRODUCTION

In the post-liberalized era, countries around the world are practicing new concepts in development. It is obvious that the concept of development is mostly contextualized according to the interest of the one who defines it. The political position of an individual is the bare foundation of his views on development. This article is about the examples of countries from Latin America, Europe and Asia, which has taken the path of welfare economics towards development instead of the conventional capitalistic economic path. Capitalism is that economic system in which private sector keeps a major share of the capital. They control the production sector and service sector. In such economies, the state will be having fewer responsibilities in the sectors of education and health, which are very vital. When the capitalist countries take this conventional path, there are several other countries, which are following the path of welfare developmental methods. Finland, Cuba, Sri Lanka, Bhutan etc. are the examples of such countries. They have high Human Development Ranking than the countries, which take the capitalist approach. While examining the growth rate we can see that the rate is low in these countries. However, within the limited economic growth these countries are able to produce high rate of human development. Education, life expectancy, social security etc. are outstanding in these countries. The growth rate in these countries in the year 2015 are as follows. Cuba 1.78 percent, Bhutan 4.81 percent, Finland 2.6 percent, Sri Lanka 3.50 percent. The figures are obviously low in the case of per capita income, with Finland as the only exception of \$47,776. However, even with these low economic standings these countries have been able to achieve high life expectancy and literacy standards. Their HDI achievements are equal to the richest economies in the world.

The world is facing a serious problem of poverty. In the global south, it is very much evident, that the economic policy level changes and liberalizing markets for foreign direct investment in order to expand the economy are creating serious problems among the downtrodden, working class as well as the marginalized sectors. Neo Liberalization in the African countries is exhibiting the characteristic of neo colonization of those countries. Capitalist approaches are not creating benefits. There is an extensive need of a new economic reform in the global south. Socialist countries, social democratic countries and communist countries have proved the experiences of welfare governance as a good tool for human capabilities development. The state is the investor in the development process rather than being a partner. It directly invests in the aspects of health and education of the citizens, thereby enhancing their capabilities. Their capabilities are later transformed as economic growth. Apart from economic growth, capabilities approach argues that it can ensure quality of life rather than just standard of living.

The Capability Approach focuses directly on the quality of life that individuals are actually able to achieve. This quality of life shall be analyzed in terms of the core concepts of 'functioning' and 'capability'. Functioning are states of 'being and doing' such as being well nourished, having shelter (Sen, 1985). This notion argues capability as a fundamental component of a society. Capability theoretical approach gives stress on building deliberate capacities like having potential to indulge in social, political and economic activities. It is argued that there can be several constraints which blocks people from attaining this. It could be ignorance, lack of resources, poverty and oppression from the state. Considering this situation in a national scale, every state has to concentrate on policy formulation, which could enable every individual to attain certain capabilities. This can be done by providing better facilities in basic needs, health and education. Growth based development is only about numbers, it makes great success stories of the nation while the majority of the population remains to be poor. Rising inequality in terms of economic capabilities is an essential byproduct of the capitalist approach of economic development. Marginalized sections of the society and women are grossly exposed to this inequality. Literacy and education for women is a crucial condition for lessening many of the problems that women face worldwide, such as abusive marriages, inadequate jobs, and poor health, which restrict women's

capacities to engage in citizenship practices. In serving women needs, both rich and poor countries have regularly failed. If governments cannot improve female education, non-governmental organizations may be able to take on the responsibility (Nussbaum, 2003).

This work is discussing on those countries with successful experiences in the aspect of social welfare and development through building capabilities among the people. States policy frameworks that created capabilities among people, which later on, resulted in the development of the whole society. This work also discusses about the social history of those countries and the political scenario that lead towards the formulation of such policies. Such models are relevant for the reason that it is an alternative towards conventional capitalistic development models.

2. DISCOURSES ON DEVELOPMENT AND CAPABILITY FORMATION

Capitalistic economic system is the most popular economic system in the contemporary world. The counter part of this notion is socialism. In the second half of the 20th century, with the fall of Soviet Union this argument has been weakened. Still there are countries, which follow this model, but remain a very insignificant minority. Capitalism has made countries strong economies, but there are some significant sociological observations too about capitalism. They investigate in to the social effects of capitalism, say, how capitalism has paved way for class struggle, social and economic inequalities and several other social problems (Swedberg, 2005). In capitalist approach the states control over the capital will be limited and more privatization of all three sectors will be strong. It is generally argued that the surplus from the primary sector will contribute in to the strengthening of the secondary sector. Moreover, the surplus from both these sectors will be pooled toward the development of the tertiary sector, which is the service sector. So capability building of people will be limited, since the service sector growth rate is slow. In capitalist countries the states, intervening in the market also is limited, it happens in situations of someone making advantages through monopolistic and restrictive trade practices. In such a society or economy, the marginalized sections of the society such as elderly citizens, persons with disabilities, women and children and in general people with no skills will not have any space. The basic nature of capitalism is exploitative and it increases the gap between the haves and the have-nots'.

Welfarism takes the path of social democracy or communism or socialism. It is the opposite notion of capitalism. The argument of Welfarism in capability approach is that it gives prime consideration towards the service sector along with the primary and secondary sectors. It concentrates on the consequences of the policies or actions on the society. The concept of Welfarism not measured with the fulfillment of employment for all, it is best measure in the context of social and economic inequalities. The concept of capability is to enrich the people and enable them to be productive. The real wealth of a nation is its people. The purpose of development is to create an environment for people to enjoy long health and creative life. This is the truth that the pursuit of financial wealth is often forgotten or ignored (Ul-Haq, 1990). However, we can observe that a majority of its citizens does not enjoy the wealth of a country. In the capitalist development approach the GDP and other development indices will make the nation a rich state. However, the benefits of its investment policies do not reach the poor. Especially the rural population and the marginalized sections of the society. When the state declares it as a developed one, it is all about these numbers. The underlying fact of socio economic inequality is not considered. Promoting economic growth does not automatically promote adequate health care and adequate education. Personal liberty, democratization, and politicization of the citizens are yet another important factor in developing human capabilities (Nussbaum, 2004).

The renowned economist Dr. Amartya Sen introduced the capabilities approach and theory, during the period of cold war and the rapid increase in the globalization. During the 1980s, globalization was

implemented in most of the countries. A liberal market system and investment system was introduced. With its emergence world faced, the problem of social inequalities and social justice also was a causality. Liberalization of economic policies around the world created a boom in market expansion. Production sector, especially industrial sector increased and the country's gross domestic product increased. It indicated that the economy is increasing. However, the situation of the poor remains the same. The idea of measuring wellbeing has been deeply rooted to measuring of utility and resources, but this could be largely misleading (Sen, 1985). Capability theory should be deep-rooted not just in the utilitarian concepts of wellbeing but also in the distribution of various resources in the country and to different individuals especially the diverse and marginalized groups. Wellbeing should be understood from the point of view of people's freedom also, Sen's theory underlines that every individual is unique and has different capacities. Certain policy frameworks should be made in order to make capabilities among them. This approach focuses on the quality of life that an individual is able to achieve. This quality of life is defined in terms of capabilities and functioning, which simply mean something that an individual is able to do and transferring the abilities in to proper functioning. Taking the example of a girl from the Indian background, all her life she has been conditioned to be a homemaker. Therefore, that internalization will prevent the inner self, and despite of having education she may not be able to work. If an individual have capabilities, access to resources and convert them in to values, he or she will have the freedom to live a life as they want and as they value. This refers to the freedom that people possess in order to achieve the lifestyle that they have reason to value (Alkire, 2007).

Capabilities approach is partly included in calculating the human development report, as it argues the need for human wellbeing is equally important along with the economic indicators or GDP. Country specific human development report is also published using the same technical framework but they contextualize the tools with local and political factors of the country. In the context of under privileged societies, capabilities are built through the process of empowerment. It can be related with the ideas of exclusion and development. It denotes the process of change from a condition when they lacked power where people cannot make their choice according to their will. This could be due to historical reasons of oppression and exclusion from the mainstream of development (Getz, 2005). Empowerment has been described as a process of change from conditions of disempowerment to a condition in which there is greater control over many dimensions of life, in a context in which this ability was previously denied. Taking in to consideration of the all above, in the capability theory, the state should frame policies to empower and make capabilities among the people. Without considering the weaker sections of the society, the state policies are meaningless. Capability approach is a holistic tool, which infuses a sociological turn in economics. It takes away the mechanistic approach of income and poverty and calculations based on data, but it deepens the possibility to study social issues in an interdisciplinary platform. Another prominent observation about welfare economic development is concerned with income distribution; this is one aspect of his criticism of contemporary welfare economics: the notion of Paretooptimality tries to avoid the issue of inter-personal comparison of welfare, but this means that it is a criterion of very limited applicability. Much of the modern discussion of economic welfare developed out of a debate about economic rationality in a socialist economy (Dobb, 1969).

Regions like Kerala state in India, Srilanka, Bhutan, Cuba and Finland have been the best models so far in creating alternative models in development. these countries have partially taken the concepts of Sen's theory. Despite of being smaller economies with slower growth rate, these countries have made wonders. The case of India can be an interesting model in this. The federal system in India have given powers to its states in making legislature and development policies. Several states in India have taken the capitalist path of development. India in principle is a mixed economy or a social democratic state. There are a few states from the south of India, namely, Kerala, Karnataka and Tamil nadu, who have

achieved rapid growth in terms of human development. Kerala is the leading state in all segments of development among Indian states. Kerala's development model is a proof for the statement that even the poorest societies can attain quality of life as well as better standard of living. Despite of being a small state of India, Kerala state has its human development statistics similar to the developed countries. The state has a population of 34.8 million, which is 2.76 percentage of the country. Even though, Kerala is a bigger population than some of the developing countries like Canada, Australia, Denmark, Finland, and is as big as some of the third world countries like Sri Lanka, Malaysia etc. (Parayil & Sreekumar, 2003)

India possessed 23 percentage of the world economy when Britten came to its shores. By the time, the British left India it was down to 4 percentage. Kerala was formed as a separate state in 1957. Alike other Indian states Kerala was having low human development indexes and the socio economic condition was similar to the other Indian states. The first government of Kerala state put forth revolutionary policies, which made deeper impact to the social fabric of the state. The land reforms act, free public health and free public education where the most revolutionary policies. Social renaissance movements, state policies and the education attainments during the colonial era have enriched the socio political fabric of the state. (Saseendran & Martinez, 2018). Unlike other states in India, which follow a capitalist approach of development, there are better living conditions in Kerala and the problem of homelessness and poverty is very nominal. The conditions of the slums are even better than the urban housing in other Indian states while in Kerala less than one percent lives in slums. Social security and Communal harmony is another significant specialty of the state; it is the only state where Hindus, Muslims and Christians are on more or less equal population strength and is evenly distributed all over the state, and they live without any problem for so far for so long (Saseendran & Martinez, 2018). Other than this the literacy rate of the state is 93percentage and the average life expectancy is 74.6 percentage. These achievements are a reflection of the government policies of 1957, which helped the people to attain certain level of capabilities. The state did not wait for the primary and sector to make capital for the service sector. State decided to be an investor in that sector. Many other states in India, which took the capitalist path failed in making such achievements. The table 1 shows the achievements of Kerala state with that of other leading states in India.

Table 1. HDI ranking of 10 leading Indian states

Rank	State	HDI	Literacy rate	Life expectancy	Open defecation	Poverty rate	Electrified houses	Sex ratio
1	Kerala	0.792	93.91	74.9	2.3	7.05	99.9	1084
2	Delhi	0.750	86.34	73.2	12.1	9.91	99.8	868
3	Himachal Pradesh	0.670	83.78	71.6	8.5	8.06	99.5	972
4	Goa	0.667	87.40	71.6	4.1	8.09	99.8	973
5	Punjab	0.665	76.68	71.6	7.1	8.26	99.6	895
6	Maharashtra	0.664	82.91	71.6	42.8	17.35	92.5	929
7	Tamil nadu	0.660	80.33	70.6	54.1	11.28	98.3	996
8	Haryana	0.663	76.64	68.6	11.4	11.16	91.7	879
9	Jammu and Kashmir	0.649	68.74	72.6	35.4	10.35	97.4	889
10	Gujarat	0.616	79.31	68.7	47.1	16.63	98.9	919

Planning Commission, Government of India (2014)

Kerala state is having the highest HDI in the country. Its literacy rate and life expectancy is highest, however the standard of living in terms of houses with proper sanitation, poverty rate too are remarkable. The most significant thing about the state is the sex ratio of its demography. India is facing the problem of female feticide even in this 21st century. The gender awareness of an average Indian is below standards of expectation. In 1990s, the biggest campaign that the government of India had to raise is to save the girl child. On the contrary, the state of Kerala is having more number of females than males. This is the only state in the country with such a remarkable statistics. We cannot call this a mere coincidence. This is the result of high standard of education and public awareness, which was deep rooted, in the cultural as well as intellectual fabric of Kerala. The infant mortality rate under five years of age stands at 60.9 per 1,000 children in Gujarat, 39.5 in Tamil Nadu and 16.2 in Kerala. Welfaristic approaches by the state with the idea of building capabilities among the people, who are the real wealth, the state has reached to the leaders of human development in the country in a span of 60 years. Similarly, the countries like Srilanka, Bhutan, Cuba and Finland too have significant achievements in the aspect of human capabilities development. These countries fall from three continents and have no similarities in its economic, geographic, or political aspects. Comparing the regions we can avail the similarities and differences, possibilities and constrains which lead them towards these achievements.

3. COMPARATIVE EMPIRICAL ANALYSIS OF DIFFERENT REGIONS

Human development is identified as a process of ensuring the freedom of people and enhancing them to live a quality life with guaranteed human rights. It values the capabilities of human beings related to health, education, and long life expectancy. It views income as a means to achieve these. During the cold war era, the debates on development touched the peak, the arguments that GDP of a country cannot justify towards the real living condition of the people living in the country. Especially in the context of growing economic inequalities. Amartya Sen came up with the argument that while considering the development of the country, other than economic factors too should be counted in. He substantiates this with the theory of capability. In 1990, the United Nations Development Program made a huge transformation in the terrain of development theories by publishing the first human development report and introducing human development index, which focused on human well-being and welfare economics. UNDPs report has its traces in the economic utility theory and Amartya Sen's human capabilities approach. The HDI was developed by Pakistani economist Mahbub ul Haq, which was further, used to measure the country's development by the United Nations Development Program (UNDP). The purpose was to shift the focus of development economics from national income accounting to people-centered policies (Ul Haq, 1995). Haq argued that a simple composite measure of human development was needed to convince the public, academics, and politicians that they can and should evaluate development not only by economic advances but also improvements in human well-being.

A totalitarian approach combining economic growth and human growth and well-being along with environmental sustainability as its important objective is essential. The neo liberal economic ideas suggest that countries should encourage national and foreign investment. This idea is more of a capitalist approach. It says that the economic growth of the market through investment will trickle down to the poorer sections of the society. They consider the increasing number of billionaires as an indication of development. It also emphasizes the privatization of the service sector there by minimalizing the role of the state in welfare matters. However, at the beginning of the 21st century a realization happened among the global agencies of development that market expansion cannot handle development and instead it can create inequality in the society. There is a need to decrease social inequalities. The need of a proper distribution system is equally important with the increase in production. Inequality exists in the

rate of Income, assets, and consumption. This has to be narrowed down. The development model based on endless production and consumption will bring about the problems of global warming, climatic change, scarcity of resources etc. Kerala and Cuba are two regions, which have been resisting the capitalist ideologies and have been progressing separately through a different path towards development. These two regions have put forth some strong politics towards it. The priority towards human development and welfare approaches are visible in the policies of these two regions.

Statistics prove that inequality (social and economic) is increasing everywhere in the world. Singapore is the country with the most inequality rate (9.7). In the United States of America, it is (8.5). Paraguay, Australia and United Kingdom fall just behind USA. Japan is the country with the least rate of inequality (3.4). Scandinavian countries like Sweden (4), Finland (3.7) and Norway (3.9) are countries, which have the less difference between the rich and the poor. Therefore, the statistics show that the countries with high economic growth, which had been following the capitalist market growth practices, are having the highest socio economic inequalities. It is underlined that just by attaining economic growth, the poorer sections of the society will not benefit and the inequality rates will not come down. According to the statistics by Fobs magazine in 2014, 1% of the rich in USA is controlling the wealth which 60% of the middleclass and poor deserves. 8.7% of the world's wealth is possessed by just 1645 multi-millionaires. And 492 of them are United States citizens. The agitations in Wall Street are a good evidence for this (Saseendran & Martinez 2018). Human beings are thoroughly diverse. We differ from each other not only in external characteristics (e.g. in inherited fortunes, in the natural and social environment in which we live), but also in our personal characteristics (e.g. age, sex, proneness to illness, physical and mental abilities). The assessment of the claims of equality has to come to terms with the existence of pervasive human diversity. (Sen, 1999).

This writing, aims to discuss the case of four countries from different regions on the context of human capital formation and capabilities formation with the support of proper legislation and policy frameworks. The countries are Bhutan and Srilanka from the Asian side, Cuba from the Latin American and Finland from the European side. These countries have some remarkable development indicators in terms of education, health and social security. How they managed to reach to this standard without having enough wealth and resources like the developed countries, is an interesting experience to be observed. The per capita income of these countries have a large gap when compared with that of developed countries. Taking the example of Finland and Cuba with that of Canada and USA, we can observe that the Finland have \$45730, Canada have a relatively same per-capita income and Cuba have \$6682. USA have \$60200 as their per-capita income (Figure 1). It is true that a growing economy like India, Srilanka or Bhutan can never compete with the giant like USA in terms of percapita or GDP. The standard of living in such an economy is far ahead to these countries. Nevertheless, with ten times lesser percapita income, these countries were able to reach a competing human development index above seven. India have its HDI .64, while several regions in India have reached .90 in this aspect. If the population of the country is high and per capita income is low, problem is multifold. This means that many people are working for either less wages or that many are in search of employment. This is yet another hurdle in the case of India. Despite of having low GDP and low per capita income, these countries have invested heavily in the wellbeing of humans. The human development comprises of health, education and quality of life as its major variables. These variables to be delivered efficiently in a growing or relatively poor economy, is only possible with the states interventions in these areas. The government is an agency to provide the services, but in the capitalistic notion of economics, privatization is increasing and the government sector should minimize its presence in the service sector too. These countries with HDI rating over 0.64 to 0.92 are great achievers in that sense. The case of Srilanka with just 12470 dollars as its percapita is having 0.77 percent of HDI, which is certainly a competent to a

developed country like Canada with 45000 dollar as per capita, and 0.92 percent as HDI (Figure 2 Human development index). Developing human capabilities largely depends on the countries government policies especially in the service sector, it little to do with the economic conditions and total wealth of the country. The global south countries can be better models of human development.

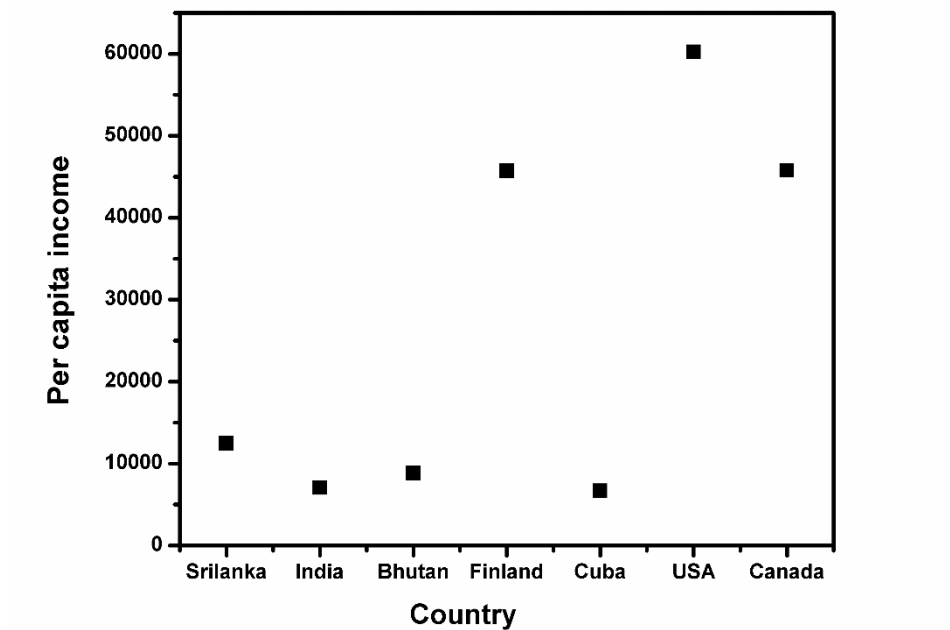


Figure 1 Percapita Income of Countries.

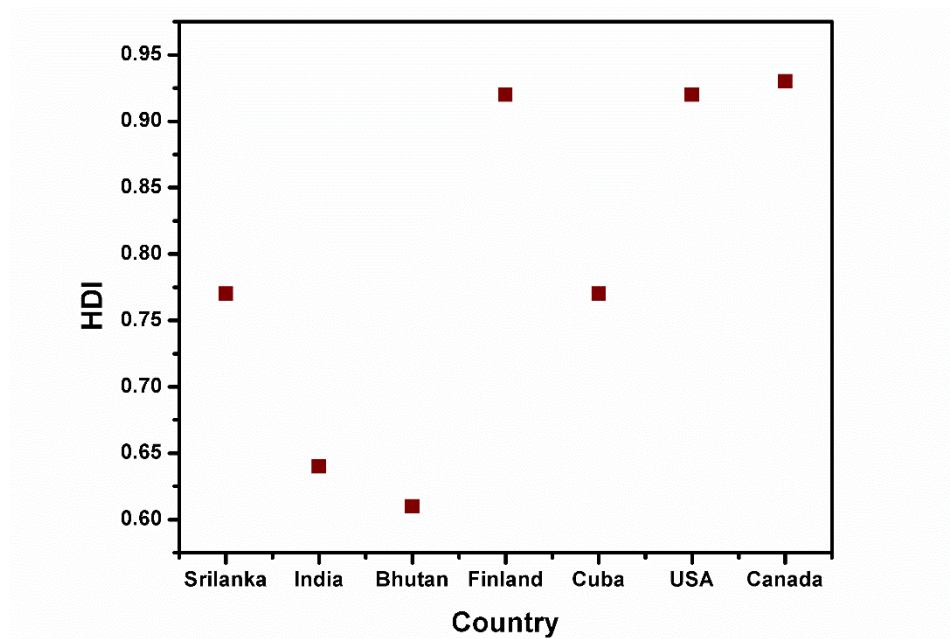


Figure 2 Human Development Indices of Countries.

Further bifurcating the human development indices, the most important components are health and education. The figure 3 explains the rate of life expectancy and literacy rate in these countries. The educational growth of a country can be analysed by analysing the enrolment, dropout, passrate and literacy. Since United Nations have strongly argued for universal education as a major goal for the millennium, it is essential to ensure that every single human being is empowered to read and write. No exploitation should happen due to the ignorance towards reading and writing. There has been tremendous improvement in this aspect from almost all the countries being discussed here. Bhutan is the only country lagging behind in this list with a mere 60 percent of literacy. Legislation has not been made in terms of making education compulsory in the country. Most people they do not attend school because they think it is useless and even they finished their school they will not get job. The parents have to pay for fee, books Dress etc. it is not easy for the parents also. Some parents are not educated and they think it is not important. The modern education system was introduced in Bhutan in 1960s. However, the rate of enrolment was low and the first generation learners are yet to be formed.

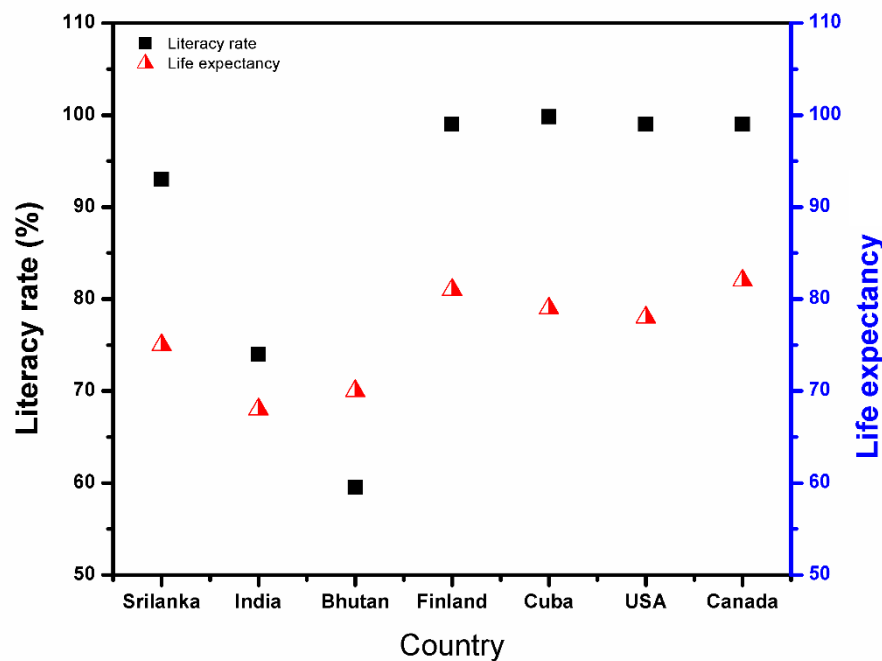


Figure 3 life expectancy and literacy rate of countries

It is important to have the variables health and education performing well in an economy. The capabilities approach defines them as the most vital among all variables of human development. The separate roles of education and health in promoting human development have been extensively studied and discussed. The MDGs five out of eight are related to health and education. There are geographic, climatic, political, cultural and historical factors underlying while discussing these aspects, which lead towards development. Access to education and health is not simply enough, even though they are points of greater importance. The above-mentioned underlying factors too will have certain significance in attaining high education and high literacy. Healthy but poor Cuba and the state of Kerala in India show the impacts of good health on development (Bloom, 2008). The development models of these countries are narrated through the graphs and the social history and political scenario of these countries too need to be analyzed. Analyzing the socio political context of these countries will through light on the evolution of the policies made with lead to this capability formation.

4. SOCIAL HISTORY OF THE COUNTRIES

Cuba is an island country in the Caribbean region, which is close to Mexico and United States. After Long oppression under the Spanish colonial rule, Cuba became independent country in 1902. Even after independence, the autocratic rule by Fulgencio Batista and highly corrupted civil service system dragged the country towards trouble. In 1959, Castro rule with a socialist fist emerged in Cuba. The socialist approach dragged Cuba towards the Soviet Union which intern destroyed the bilateral relations with the United States who was the biggest market for Cuban goods. The financial embargo by US at that time made the situation tougher. The human development achievements of Cuba are remarkable than any other countries in Latin America. Cuba stands 68th in the HDR ranking while the richest of the Latin American countries like Brazil (79) and México (77) are ranking way behind. Argentina is the only Latin-American country with a ranking of 45 above Cuba. Universal literacy and high life expectancy is high in Cuba. Cuba is also among the top in the world in some unusual measures of achievements in education and health. (Tharamangalam, 2010). Cuba has the teacher student ratio of 1:12 equaling to that of Sweden. 99.7 percent of school enrolment is the best figures in the world. The expansion of education institutions is one among the many important policy of the state. Massification helped the students in reaching the schools even the most rural areas of the country. The weaker sections of the society especially women were significantly benefited from the Cuban revolution. They were educated by the state, entered the labor force of the country, and became productive work force. The difference between rich and poor was also reduced (Uriarte, 2002)

During the Spanish rule and Batista era, education remained a luxury of the ruling class and property owners. They owned the schools and educational institutions. The church too had significant influence on the government and its institutions. The voice of the church was even controlling the civil service. In 1950, the enrollment of students to school was 34percent in rural areas and 65percent in urban areas. 70 years later, the country have a hundred percent enrolment and literacy rate. Expansion of schools, unifying curriculum, opening adult literacy centers etc. were the mass campaigns of the government to fight illiteracy. In 1962, a mass convocation was held the nation wise to announce the success of the literacy campaign. Many education reforms were made since that time. School cities with residential facilities were implemented for rural students to attain higher education and professional education. They were given technology education as well as agricultural skills (Youngs, 2005). The governmental policies with clear intention to promote education along with a strong governance mechanism have enabled Cuba to attain high educational achievements in a very short span of time. Cuba invests about 10 percent to 11 percent of its GDP to education; a very high percentage (table 2) compared with the major countries form the Caribbean and Latin-American region.

Table 2. Human development indices of Cuba, Argentina, US, Brazil and México

	Life expectancy	Infant mortality rate	Literacy rate	Public health expenditure (% of GDP)
Cuba	79.6	4	99.7	10.6
Argentina	76.5	11.1	98.1	2.7
México	77	11.3	94.4	3.3
Brazil	74.2	14.6	92.2	3.8

Source UNESCO 2015

Cuba's success in overcoming a catastrophic economic and humanitarian crisis and sustaining its human development achievements is regarded as one of the most remarkable achievement for a state and society in recent times (Tharamangalam, 2010).

The basic principle of the Cuban constitution ensures health care as a human right. Thus, every Cuban has equal access to quality health service, which is free. Health care as per the constitution is the responsibility of the state. There are no private sector intrusion in the Cuban health sector. The state guarantees this right by providing free medical and hospital care by means of the installations of the rural medical service network, polyclinics, hospitals, preventative and specialized treatment centers; by providing free dental care; by promoting the health publicity campaigns, health education, regular medical examinations, general vaccinations and other measures to prevent the outbreak of disease. All the population cooperates in these activities and plans through the social and mass organizations. Doctor to patient ratio is again one of the highest in the world. In 1950, it was 9.2 doctors for 1000 people and in 2000, the figure raised to 58.2 for every 1000. Timely vaccination program is also strengthening the health system. Cuba has produced more number of doctors and are performing wonders. Within the limits of the poor economy, the state ensures every citizen to reach a doctor in 30 minutes. Invention of vaccine for lung cancer is a landmark achievement of the Cuban system. It can be used as a curative medicine and a preventive vaccine. The small island nation became the first to have 98% full immunization for children under the age of two. Infant mortality is five per 1000 births. The most striking achievement in the health sector is that the Cuban medical system invented medical solution to prevent HIV transmission from mother to child. The next progressive step will be to eliminate AIDS (Saseendran & Martinez, 2018).

Finland is located in northern Europe. It is the eighth largest country in European Union with total population of 5.52 million. Finland remained as an agrarian economy until 1950's. The country was forced to industrialize upon the demand for war reparation in the form of money and material from Soviet Union after World War II. Its economy developed rapidly based on economic and social policies and cultural practices of Nordic countries. It developed into a welfare state and became one among the countries with maximum per capita income. However, it remained as a traditional economy driven by industry, machinery and forestry- based products until 1980's. The Finnish economy went through a transformation into modern knowledge economy in late 1980's by initiating participation of specialization in trade, production and research and development. (Sahlberg, 2019).

Finnish government focused on education policies to make sure equal opportunity to attain high quality education within all levels of educations for the Finnish society. The education expenditures are met by public funding. According to OECD report published in 2014, Finland spent 5.7 % of its GDP into education which is higher than 5.1, the average of other OECD countries [OECD 2014]. Along with this, education policies based on long-term vision and basic values accepted by Finnish society, improvisation of these policies in timely manner helped the Finish to grow as an "education model" for the rest of the world.

The key factor that helped Finland to be the top in education is its Alternative Reform movement which is based on the following loose standards, focus on broad and deep learning, encouraging risk-taking and creativity, learning from the past and respecting pedagogical conservation, and responsibility and trust. Another interesting thing to notice about Finnish students are, they are less-stress full and anxious than their international peer groups [OECD 2004]. Finnish education approach does not follow high-stake testing policies. The teachers and education officials in Finland are not well convinced with the output of frequent high-stake testing in improving student's knowledge. As there exist an argument among education research community that the ultimate aim of frequent test is to help students learning and not to increase students test score (Amrein and Berliner, 2002). Educational policies have empowered the students to achieve good learning experience and construct the finest academic environment, which will take the goals of schooling in its perfection. The banking system of education is altered in the country and the system of instruction, which will make the difference, was introduced. Teacher professionalism

increased in 1990s, along with pedagogical classrooms and school designs. Schools helped to maintain and build strong support systems for teaching and learning – healthful nutrition; health services, psychological counselling and student guidance became regular elements of every school. Building the networking of schools and spread innovative ideas in schooling is the major input towards Finnish success in education (Schleicher, 2006).

The life expectancy of a Finnish citizen is 81.6, which is higher than average life expectancy in the countries in European Union. Finnish achieved this through well-planned health policies. As mentioned earlier, Finnish economy started to flourish after the Second World War. Even though the high mortality rate and low life expectancy among men in the 1960's was identified as the main social problem then. The Finnish government gave most priority for health sector in 1970's and it formed new health policies (McKeown T 1976). Health is a public sector in Finland.

One of the major diseases was coronary heart disease. In 1972, a five -year project was initiated to deal with Coronary heart disease. Primary Health Care Act was put into force in 1972. Under this act, maintaining and running health care system became the responsibilities of municipalities. Thus, it gives a strategy of “inter-sectoral cooperation” for the health sector. Later, in 1976, a Health Education agency was established to educate people mainly about nutrition, sexual health as well as smoking. In 1990's, this agency was shut down and its responsibilities were taken up by National Institute of Health and welfare.

The WHO has a tremendous role in improving Finland's health sector. Being a pioneer in health sector, Finland initiated to develop policies in association with the WHO. In 1985, the government in the Finnish parliament presented a health policy report, consisted of 24 objects and policies to attain them. Based on this report, a program was executed in Finland whose implementation progress was evaluated by experts from WHO in five years. The program was further expanded out into the common man by following a participatory approach. As a continuation, the advisory board for public health drafted 'Health 2015' program. This program gave emphasis on decreasing health inequalities among different population groups. WHO experts examined the implementation of this program as well as studied the Health policies of Finland. Finnish health policies were appreciated widely, their health sector programs and policies in all major areas covering all citizens is a remarkable achievement. National health institutions acted as centers of excellence in the country.

Sri Lanka, formally called as the democratic socialist republic of Sri Lanka, located between the Indian Ocean, Bay of Bengal and Arabian Sea, is an island nation, which attracted the world attention for the brutal genocides and civil war between the Sinhala and Tamil races. The Gulf of Mannar is separating it from the Indian mainland. Known to the world as Ceylon during the colonial period under the British as well as Portuguese for a long time, was granted political independence in 1948. It became a republic in 1972. Lanka was predominantly a plantation economy; it was one of the largest exports of tea. The laborers in the plantations are one of the most marginalized sections in the country. The civil war, which last for 26 years, marked the country as a violent and politically instable place. While on the other side the governments from time to time, has been helping the country in creating a strong local administration and empowerment. It is one of the two south Asian countries with relatively high human development index. Sri Lanka's per capita income of \$12470 is the highest in the south Asian zone. From 1948 to 1977, the political decisions and policy formulation had a strong socialist influence. The welfare state economic policies were formulated. After 1978, the free market economy came into existence. Even though privatization evolved the states, negotiating power was utilized in defending national interests. Literacy rate in the country was quite good right from the beginning of 1950s. The missionary activities and Catholic Church has been spreading education among the rural masses. After

independence, there has been an incremental growth in the literacy rate of the country. In 1970, the literacy rate of the country was 77.6 percentage, and in 2018, the figures are 92.5 percentage. The youth literacy rate is 98 percent in Lanka. Primary education up to the age of 14 is free and compulsory. Universal free education is the most significant policy of Srilankan government. Before independence, a special education commission had proposed education reforms quoting the above listed programs. After the 1980s revision of education policies there was a rapid growth in the rate of enrolment as well as literacy in the country. Until then, the central government governed the schools. However, after the administrative reform movements, there were many changes in this system. The regional governments had powers on the education system. National schools were under the ministry of education as well as the provisional schools were under the provisional governments. This lead towards the massification of institutions in the country (Wijetunge, 2005).

Participation in schools rapidly increased after free education policy of the state in. children from rural areas had better accessibility to schools and the gender disparities started declining. The language of instruction was later liberalized. The common speaking languages with Sinhala and Tamil were yet another important reform in the education system of the county. During the 1960s, this created a massive change in the education at all levels. This lead to the destruction of the elite class dominancy in education. The economic liberalization that took place after 1977 in Sri Lanka led to the establishment of fee-levying international schools where the medium of instruction is English. Introducing mother tongue in education system helped the Srilankan people to regain their lost identities under the colonial rule. However, re introducing English would help in bring up a better harmony between the two groups in the country (Punchi, 2001). The forthcoming education policy of the country have a more tolerant notion, of teaching both languages in both type of schools and taking English education as a second language. This will be a very crucial move, which will add values towards the cultural fabric of the county.

Srilankan health sector is a potentially strong one, with several social welfare policies providing coverage. It provides universal free health facilities, strong gender equality. The governments produced policies, which is helping them to achieve high standards of health development comparing with the other south Asian countries (Samarage, 2006). Life expectancy at birth is 77.9 years, which is higher than the global average. Infant mortality rate is 0.2 out of 1000 births (table 3). In addition, the maternal mortality rate came down from 48.0 in 1970 to 16.0 in 2000.

Table 3 maternal and infant mortality rate per 1000 births from 1970 to 2000 in Srilanka

	1970	1980	1990	2000
Maternal mortality rate	48.0	34.0	19.0	16.0
Infant mortality rate	1.2	0.6	0.3	0.2

Source – department of census and statistics, Government of Sri Lanka 2005

The community health workers voluntary service has been very fruitful for the well-being of the country. The national health policy of 1996 and the strategic framework for health development in Sri Lanka during 2004 are the fundamental Sri Lankan health policies (jayasekara, 2007). During the first 50 years after independence, the share of public expenditure of health sector is less than two percentage in Srilanka. This is very low in the international standards. Recently the total expenditure has been 12 percent of the GDP. This has made some significant changes in the capability building of Srilankan people. A country with low rate of economic growth and lot of internal conflicts and civil war, with very less input in the past towards the service sector, could achieve human development growth equaling to the world standards is the most satisfying experience.

Bhutan is officially known as Kingdom of Bhutan. It is a south Asian country located in Eastern Himalaya in total area of 38,394 km². According to the census report of 2017, its total population is 727,145. It is a country with marvelous biodiversity and ecosystems. Bhutan had absolute monarchy until 2008, which was then transferred into constitutional monarchy (Barun, 2009). Bhutan ranks first among south Asian countries in the surveys of economic freedom index, ease of doing business index as well as in peace. Also, it is known to be the minimum corrupt country in South Asia. But, considering development aspects, it is a minimum developing country.

Bhutan is a Buddhist country and had monastic education system until 1961. Modern education system was established in the country after the initiation of developmental planning (NEP, 2018). The fourth king of Bhutan put forward a unique developmental philosophy known as Gross National Happiness (GNH) in 1970 which focus on a holistic approach for development. GNH gives importance to the well-being and happiness of citizen than the economic features. Thus, it aims for a sustainable development (Brooks, 2013). The GNH was primarily rest on the concepts of (i) Equitable Economic Development, (ii) Environmental Preservation, (iii) Cultural promotion and, (iv) Good governance which was further expanded into nine areas: psychological well- being, standard of living, good governance, education, health, resilience, community vitality and cultural diversity (Drakpa and Singh, 2018).

Bhutanese regards education as a key for attaining GNH. Bhutan spent 7.5 % of its GDP for education sector (2015 Budget). The royal government of Bhutan provides free education to all the citizen until high school. After that, scholarship will be provided in merit base to continue the education at the university level (Drakpa and Singh, 2018). An educational reform initiative known as “Education for GNH” was taken by the Bhutan government in 2009. As per this program, the school curriculum must be revised in such a way that it ensures improvement in learning process of the child (Sherab, 2013). “Green Education for Green Bhutan” was another motto associated with the Education for GNH programme which aims for developing interest and responsibility in children to conserve the environment and natural resources (Drakpa and Singh, 2018). For further progress in education of the Bhutanese society, in 2018, the government had announced a “National Education Policy” with a vision ““An educated and enlightened society of Gross National Happiness, built and sustained on the unique Bhutanese values of Tha-Dam-Tshig Ley Gyu-Drey”(NEP, 2018).

Like education, Health is another essential factor that can be led the society to GNH. According to GNH, health refers to a state of complete mental and physical well- being, not simply a state of lack of illness. Bhutanese government provides free basic public health services to all its citizen. According to the National health Accounts published in 2011, Bhutan spent 6.27 % of total annual budget in public health sector (WHO, 2015). 3-4 % of annual GDP is spent for Ministry of Health which handles the health care system in Bhutan (Gross National happiness Report, 2015). Bhutanese practise both allopathic and traditional medicines.

However, Bhutan has to go long way ahead to facilitate its health sector with advanced health technologies and enhance its medical personals capacity in order to provide good medical care for its citizens in the country itself. Likewise, a Lions share of MoH expenditure on patients referring to outside of Bhutan can be reduced. Bhutan has introduced Health Assessment Technology (HTA) to make a report on required medicines and technology for the kingdom of Bhutan (Adhikari, 2016). Bhutan has started steps to establish a university for medical sciences (Khesar Gyalpo University of Medical Sciences in Bhutan) to develop quality human resources for health sector.

5. CONCLUSION

The review had shown the experiences from Finland, Bhutan, Srilanka and Cuba, which are from different regions of the world. The story of development of the most important sectors, that is, education and health, is listed in detail here. The most common similarity of these countries is the political scenario, which lead to the formation of state policies, later resulted in development of human capabilities. A social democratic platform is the first similarity, while all the countries has a welfaristic approach in governance. In the case of education, Finland is the leading country with outstanding figures and qualitative practices. The Finnish students according to the ORCID data, is less stressful and anxious than the rest of the world. The evaluation system is comprehensive and continuous and they redesigned the system of instruction. While the Cuban system of education is completely owned by the state and has a universal free education compulsory up to the age of 14. Vocational training schools, school cities etc. are the landmark achievements of the Cuban education policies. In the case of Sri Lanka, the education system after the 1980s had a rapid growth. This was due to the policy level change in the medium of instruction. Introducing mother tongue as a medium of instruction accelerated the number of enrolment. This changed the disparity between rich and poor. Bhutan, yet to come out of the traditional education system, is the lowest in this comparative analysis. In 2018, the government had announced a National Education Policy with a vision of an educated and enlightened society of Gross National Happiness. This is the uniqueness of the country. In all these cases, the states control over the education system is very visible and clear. The state policies are regulating the structure in a better way. Even with a slight intrusion of private sector participation in education sector, the state is able to bring good outputs from the education sector which is the most important capability which Sen's argument is placing.

While the health sector advances are also quite impressive in these countries. Cuba is the forerunner in the case of public health, there is no private sector involvement in the Cuban health system. Community health centers and medical facilities at the door step, with a promise of universal and free health care system. The most striking factor is the constitution of Cuba values health as a right of an individual, and the state is responsible in delivering it to the citizens. In the Finnish case we can see, that health is in the public sector. The states involvement and policies has made the life expectancy in Finland the highest in European Union with 81.6 years. The local government – municipal- participation in the health systems administration, monitoring and evaluation is the key factor in maintain the quality of the sector. It strengthens the local governments and peoples participation in grass roots democracy in Finland. In Srilanka the community health workers voluntary service empowers the rural population. The national health policy of 1996 and the strategic framework for health development in Sri Lanka during 2004 has transformed the national health indexes. It has the lowest infant mortality rate as well as maternal mortality rate in the whole of south East Asia. These experiences are pointing out towards the benefits of capability enhancement of its people through developing human development indices. Small nations and small economies without following the capitalist economic policies, can achieve development through developing human capabilities. It is possible by investing in the service sector. The social democratic approaches with the involvement of state, directly in to the service sector is an excellent model for the other developing countries or smaller economies to follow.

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