

Foreign Aid Health and Human Capital Development in India

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Foreign Aid and India's Development Needs

With the rapidly developing economy in the global world, people would think that finances help the countries around the globe but some countries need help for their survival as well and even meeting the needs of the people. India has been one of the rapidly developing countries with the estimation that the population of India will be the highest among all the countries by 2024.

Financial Assistance and Public Services

With the rapid increase in the community, the country still needs financial aid to process and provide resources to the people. Financial assistance offered by other superpowers has always solidly backed India's organization and regulatory structure, and India has been taking aid since its independence. However, according to the studies, foreign aid is not able to fully benefit the country (Dietrich & Winters, 2015; Swaroop, Jha, & Rajkumar, 2000). Also, when funds are being transferred to the states, then the amount is reduced. The development secretary of the UK has called India a development paradox because India has the highest economic growth rate in the world and also provides aid to African countries, so according to him, a nation that gives assistance to other countries might not need foreign aid ("World Development book case study: Does India need aid?" 2012). However, according to The Department for International Development (DFID), India might have some of the wealthiest people in the world, but it still has most of its population living below the poverty line, and to cater to that issue, India needs support from foreign Aid and International donors. Also, the money flow in India is not accurate as the poor people in India are becoming poorer and poorer, and rich people are gaining more wealth, so the government is left with no option but to opt for foreign aid to help the people.

Health Investment and Economic Growth

Health and economy are linked together because the healthcare of the population is dependent on the economy of the country. Investment in health and having a health budget is not an option but a necessity, so it is essential to have a healthy population for economic growth. There are different ways when healthy people can increase economic growth:

Productivity and Gross Domestic Product

Better GDP from better productivity: Healthier people are more likely to contribute to the country productively because when people are healthy, there will be less unemployment, reduced absenteeism, and increased efficiency of work. For instance, in India, if more people are healthy, they are more likely to work, lowering the unemployment rate and, indirectly, the poverty rate.

Reduced Healthcare Expenditure

Reduced expenditure on health care: When people are healthy, the budget required for the prevention of diseases will be reduced (Hawgood, Hook-Barnard, O'Brien, & Yamamoto, 2015). The budget allocated for health care and primarily to fight preventable diseases through vaccination and other programs can be reallocated to create resources and other fields such as transportation, sanitation, and education.

Community Participation and Human Capital

Participation in community development: A healthy individual will be able to take the initiative to work for the development of the community. Because a healthy individual can have mental efficiency and increased intellectual quotient as well as the ability to help others.

Poverty Reduction and Educational Development

Country's focus on poverty reduction and education: In a country like India, if people are healthy, then the nation can focus on other issues, such as poverty reduction and increasing the literacy level in the country. The budget allocated for health services can be used for projects on poverty and the development of the state because states with weak education can have difficulty sustaining and developing.

Aid Utilization and Public Health Outcomes

India has received colossal funding, but the main problem is that not all the amount is being utilized to improve the health of the community and community health concerns. India receives significant donations from the Global Fund to fight against HIV/AIDS, malaria, and tuberculosis, whereas the other funding source is the European Union to fight against all the health issues of the country (Sharma, 2017). However, the main problem of the country is that the allocation of these sources does not reach the end users, who are the community people. Therefore strong leadership is required to benefit from the aid entirely. Also, the work is more needed at the grassroots level, and leaders are

focusing on regional issues. Corruption is another cause why India is not able to utilize all the aid properly. Corruption impacts the quality of governance and institutions, which influence the structure and implication of the programs. The quality of management and institutions is quite low because economic and political institutions determine the economic growth of the country (Asher & Novosad, 2017). The aid is attained at all levels but only transferred at the central level and is not distributed at other regional levels to acquire the purpose the cooperation was gained. India has not been able to use the assistance because the administration has failed to render the healthcare facilities in the country. In other words, India requires strong governance and leadership with a reduction in bureaucracy and corruption in the country.

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