

THE CONCEPT, MEASURES AND GLOBAL OVERVIEW OF HUMAN DEVELOPMENT INDEX

Professor Kailas K. Patil
Head, Department of Economics,
Late Sow Kamaltai Jamkar Mahila
Mahavidyalaya, Parbhani.

Elucidating the concept of human development, UNDP Human Development Report (1997) describes it as the process of widening people's choices and the level of well-being they achieve are at the core of the notion of human development such theories are neither finite nor static. But regardless of the level of development, the three essential choices for people are to lead a long and healthy life, to acquire knowledge and to have access to the resources needed for a decent standard of living. Human development does not end there, however, other choices highly-valued by many people range from political economic and social freedom to opportunities for being creative and productive and enjoying self-respect and guaranteed human rights. The Human Development Index is a statistical tool used to measure a country's overall achievement in its social and economical dimensions. The social and economic dimensions of a country are based on the health of people, their level of education attainment and their standard of living.

Mahbul-ul-Haq, well-known economist from Pakistan, created HDI in 1990 which was further used to measure the country's development by the United Nations Development programmed that combines four Major indicators: Life expectancy for health, expected years of schooling, mean years of schooling for education and gross National income per capita for standard of living. Every year UNDP ranks countries based on the HDI reports released in their annual report. HDI is one of the best tools to keep track of level of development of a country, as it combines all major social and economic indicators that are responsible for economic development.



Human Development Index

The Human Development Index (HDI) is a tool used to measure the non-income dimensions of the quality of life. It is composite HDI in targets based on three basic dimension of Human Development:

1. Life expectancy of Birth reflects the ability to lead long and healthy life.

2. Mean years of schooling and expected years of schooling those reflect the ability to acquire knowledge.
3. Gross National Income per capita reflects the ability to achieve a decent standard of living.

HDI Report also presented and formulated by four other composite indices:

- 1) The inequality- adjusted HDI discounts the HDI according to the extent of inequality.
- 2) The Gender Development Index compares female and male HDI values.
- 3) The Gender Inequality Index highlights women's empowerment.
- 4) The multidimensional poverty Index measures non-income dimensions of poverty.



Maximum and minimum values for calculating HDI

Indicator	Maximum Value	Minimum Value
Life Expectancy at Birth (Years)	85	20
Expected Years of Schooling (Years)	18	0
Mean Years of Schooling (Years)	15	0
GNI Per Capita (PPP\$)	75,000	100

Performance in each dimension is expressed as a value between 0 and 1 by applying the following formula.

$$\text{Dimension Index} = \frac{\text{Actual Value} - \text{minimum value}}{\text{Maximum Value} - \text{minimum value}}$$

The HDI is calculated as a simple average of the dimension indices of Human Development Index (2017) for selected countries.



Human Development Classification

The UNDP, in its 2010 report, classified it into four groups: very high, high, medium and low. In this report as many as - 187 countries have been considered the very high, 47 countries have high and medium HDI and 46 countries have the low HDI. HDI classifications are based on HDI fixed cutoff point which is derived from the quartile of distributions of the component indicators. The cutoff points are HDI of less than 0.550 for low human development, 0.55-0.699 for medium human development, 0.700-0.799 for high human development and 0.800 or greater for very high human development.

➤ **Human Development Index Definition**

Amarth Sen - “The fight for education, health and employment and their fulfillment is human development.”

Samuelson - “Human Development is the achievement of one’s physical and intellectual performance.”

Marshall - “Human Development is an investment in education.”

➤ **Method of Study**

The present study was based on the secondary data. The study was related to some selected countries including India, the study was related to the period of 2018 Human Development Report and required information was compiled from various issues of Human Development report published by UNDP.

➤ **Importance of the Present Study**

The HDI gives an overall index of economic development. It gives a rough ability to make comparisons on issue of economic welfare much more than just using GPP statistics. Human Development Index is important because it helps us to know how a country is performing. It is a measure of countries progress.

➤ **Rank of HDI and Category**

Rank of HDI and category is shown below.

Rank of HDI and Category

Countries	Rank of HDI		Category
	2016	2017	
Norway	1	1	HHD
Switzerland	2	2	HHD
Iceland	6	6	HHD
United States	12	13	HHD
New Zealand	16	16	HHD
Japan	19	19	HHD
France	23	24	HHD
Poland	34	33	HHD
Turkey	65	64	HHD
Mexico	74	74	HHD
Srilanka	76	76	HHD
Brazil	79	79	HHD
China	86	86	HHD
Philippines	111	113	MHD
Egypt	113	115	MHD

Indonesia	115	116	MHD
Iraq	120	120	MHD
India	129	130	MHD
Bhutan	135	134	MHD
Nepal	148	149	MHD
Pakistan	149	150	MHD
Nigeria	155	157	LHD
Congo	176	176	LHD
South Sudan	186	187	LHD
Niger	188	189	LHD

(Source: Human Development Report 2018)

HHD - High Human Development
MHD- Medium Human Development
LHD- Lower Human Development

HDI values focus on longevity, education and income. The above table includes the change in HDI rank over the last two HDI reports looking at 2018 results. India climbed one spot to 130 out 189 countries released in 2018 Human Development Report. India's HDI valued of 2017 is 0.640, which put the country in the medium human development category. Norway, Switzerland, Australia and Ireland lead the HDI ranking of 189 countries and territories, while Niger the Central African Republic and South Sudan have the lowest scores in the HDI's measurement of national achievement in health, education and income.

➤ **Basic Dimensions of Human Development Index (2017) for selected countries:**

Basic Dimensions of Human Development Index (2017) for selected countries

Country	HDI	Life expectancy	Expected years of schooling	Mean years of schooling (Years)	GNI for capita (PPP\$)
		at Birth (years)	schooling	(Years)	(2011 PPP\$)
Very High Human Development					
Norway	0.953	82.33	17.93	12.6	68,012
Switzerland	0.944	83.51	16.26	13.4	57,625
Iceland	0.935	82.94	19.31	12.4	45,810
United states	0.924	79.57	16.57	13.4	54,941
New Zealand	0.917	82.05	18.92	12.5	33,970
Japan	0.909	83.92	15.28	12.8	38,986
France	0.901	82.76	16.44	11.5	39,254
Poland	0.865	77.88	16.45	12.3	26,150
High Human Development					
Turkey	0.791	76.010	15.29	8.0	24,804
Mexico	0.774	77.313	14.111	8.6	16,944
Srilanka	0.770	75.512	13.912	10.9	11,326
Brazil	0.759	75.711	15.410	7.8	13,755
China	0.752	76.49	13.814		15,270

Medium Human Development					
Philippines	0.699	69.219	12.616	9.3	9,154
Egypt	0.696	71.714	13.113	7.2	10,355
Indonesia	0.694	69.418	12.815	8.0	10,846
Iraq	0.685	70.017	11.0	6.8	17,789
India	0.640	68.820	12.317	6.4	6,353
Bhutan	0.612	70.616	12.318	3.1	8,065
Nepal	0.574	70.615	12.2	4.9	2,471
Pakistan	0.562	66.6	8.6	5.2	5,311
Low Human Development					
Nigeria	0.535	61.7	10.3	8.1	1,683
Congo	0.457	60.0	9.8	6.8	7,96
South Sudan	0.388	57.3	4.9	4.8	9,63
Niger	0.354	60.4	5.4	2.0	9,06

The above table presents Human Development Index for 2017 for selected countries as reported in HDR 2018. Countries have been grouped under four categories: (i) Countries in the HDI range 0.8 and above are in the very High Human Development group; (ii) Countries in HDI range 0.7 to 0.8 are in the High Human Development group; (iii) Countries in the HDI range 0.5 to 0.7 are in the range of Medium Human Development group and (iv) Countries in the HDI range less than 0.5 are in the low Human Development group. The data has been collected from 189 Countries - among them 58 Countries are in the very High Human Development range, 54 Counties are in High Human Development range, 39 Counties are in Medium Human Development range and 38 countries are in Low Human Development range. India's HDI Value incased from 0.427 to 0.640, an increase of nearly 50 percent and an indicator of Country's remarkable achievement in lifting millions of people out of poverty.

Norway, Switzerland, Australia, Ireland and Germany lead the ranking while Niger, the Central African Republic and South Sudan have the lowest scores in the HDI'S measurement of National achievements in health, education and income within South Asia. Life expectancy of birth, mean years of schooling, expected years of schooling and gross national income per capita in 2011 PPP\$ of the counties as per the selected countries is concern of life expectancy at birth where the highest in Japan (83.9 years) and lowest in South Sudan (57.3 years). India ranks 20th position in life expectancy of birth. Mean years schooling was the highest in United stated and Norway (13.4 Years) and lowest in Niger (20 years). Expected years of schooling was highest in Iceland (19.3 years) and lowest in south Sudan (4.9 years) and gross National Income per capita was the highest in Norway (68,012\$) and lower in Niger (906\$). During 1990 and 2017, India's HDI Value increased from 0.427 to 0.640, an increase of nearly 50

percent and an indicator of the country's remarkable achievement in lifting millions of people out of poverty according to the said report.

Conclusions

In present study discusses the HDI value and it's parameters as well as different types of dimensions to measure HDI of some selected countries. Norway was the highest in almost as parameters and dimensions related to the HDI and Niger was the lowest in HDI and its parameters. India's HDI value for 2017 is 0.640 which put the country in the medium human development category. Between 1990 and 2017 India's HDI value incased from 0.427 to 0.640. Movements in the HDI are driven by changes in health, education and income. Health has improved considerably as shown by life expectancy at birth, which has increased by almost seven years globally. Between 1990 and 2017, India's life expectancy at birth too increased by nearly 11 years, with even more significant gains in expected years of schooling. Today's Indian school-age children can expect to stay in school for 4.7 years longer than in 1990, whereas, India's GNI per capita increased by a staggering 266.06 percent between 1990 and 2017.

References

- Indian Economy*, Gaurav Datt, Ashwani Mahajan, S Chand and Company Pvt. Ltd., Nagpur.
- Mahbul-ul-Haq. (1971), *Employment and Income Distribution in the 1970's: A New Perspective*. Pakistan Economic and Social Reviews, Jan. – Dec. 1971.
- Pant, K. C. *India's Development Scenario: Next Decade and Beyond*. Academic Foundation, New Delhi.
- UNDP Human Development Report*, 2018.