Human Development Report 2011

Sustainability and Equity:
A Better Future for All

Explanatory note on 2011 HDR composite indices

India

HDI values and rank changes in the *2011 Human Development Report*

Introduction

The *2011 Human Development Report* presents 2011 Human Development Index (HDI) values and ranks for 187 countries and UN-recognized territories, along with the Inequality-adjusted HDI for 134 countries, the Gender Inequality Index for 146 countries, and the Multidimensional Poverty Index for 109 countries. Country rankings and values in the annual Human Development Index (HDI) are kept under strict embargo until the global launch and worldwide electronic release of the Human Development Report. The 2011 Report will be launched globally in November 2011.

It is misleading to compare values and rankings with those of previously published reports, because the underlying data and methods have changed, as well as the number of countries included in the HDI. The 187 countries ranked in the 2011 HDI represents a significant increase from the 169 countries included in the 2010 Index, when key indicators for many countries were unavailable.

Readers are advised in the Report to assess progress in HDI values by referring to Table 2 ('Human Development Index Trends') in the Statistical Annex of the report. Table 2 is based on consistent indicators, methodology and time-series data and thus shows real changes in values and ranks over time reflecting the actual progress countries have made.

For further details on how each index is calculated please refer to Technical Notes 1-4 in the 2011 Report and the associated background papers available on the Human Development Report website.

Human Development Index (HDI)

The HDI is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. As in the 2010 HDR a long and healthy life is measured by life expectancy, access to knowledge is measured by: i) mean years of adult education, which is the average number of years of education received in a life-time by people aged 25 years and older; and ii) expected years of schooling for children of school-entrance age, which is the total number of years of schooling a child of school-entrance age can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child's life. Standard of living is measured by Gross National Income (GNI) per capita expressed in constant 2005 PPP$.

To ensure as much cross-country comparability as possible, the HDI is based primarily on international data from the UN Population Division, the UNESCO Institute for Statistics (UIS) and the World Bank. As stated in the introduction, the HDI values and ranks in this year's report are not comparable to those in past reports (including the 2010 HDR) because of a number of revisions done to the component indicators by the mandated agencies. To allow for assessment of progress in HDIs, the 2011 report includes recalculated HDIs from 1980 to 2011.

India's HDI value and rank

India's HDI value for 2011 is 0.547—in the medium human development category—positioning the country at 134 out of 187 countries and territories. Between 1980 and 2011, India's HDI value increased from 0.344 to 0.547, an increase of 59.0 per cent or average annual increase of about 1.5 per cent.

The rank of India's HDI for 2010 based on data available in 2011 and methods used in 2011 is 134 out of 187 countries. In the 2010 HDR, India was ranked 119 out of 169 countries. However, it is misleading to compare values and rankings with those of previously published reports, because the underlying data and methods have changed, as well as the number of countries included in the HDI.

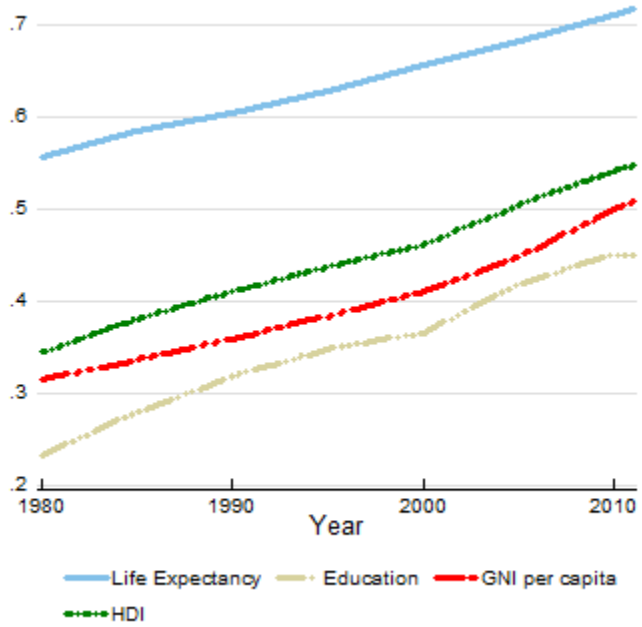
Table A reviews India's progress in each of the HDI indicators. Between 1980 and 2011, India's life expectancy at birth increased by 10.1 years, mean years of schooling increased by 2.5 years and expected years of schooling increased by 3.9 years. India's GNI per capita increased by about 287.0 per cent between 1980 and 2011.

Table A: India's HDI trends based on consistent time series data, new component indicators and new methodology

	Life expectancy at birth	Expected years of schooling	Means years of schooling	GNI per capita (2005 PPP$)	HDI value
1980	55.3	6.5	1.9	896	0.344
1985	57.0	7.3	2.4	1,043	0.380
1990	58.3	7.7	3.0	1,229	0.410
1995	59.8	8.3	3.3	1,453	0.437
2000	61.6	8.4	3.6	1,747	0.461
2005	63.3	9.9	4.0	2,280	0.504
2010	65.1	10.3	4.4	3,248	0.542
2011	65.4	10.3	4.4	3,468	0.547

Figure 1 below shows the contribution of each component index to India's HDI since 1980.

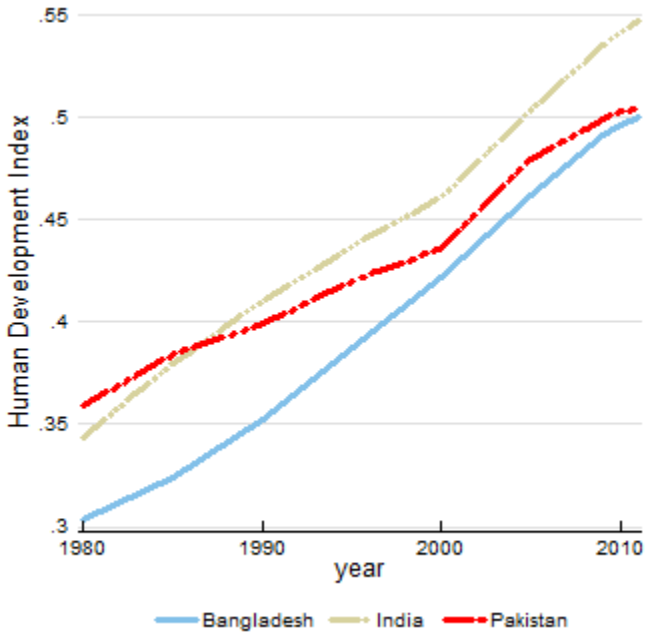
Figure 1: Trends in India's HDI component indices 1980-2011



Assessing progress relative to other countries

Long-term progress can be usefully assessed relative to other countries—both in terms of geographical location and HDI value. For instance, during the period between 1980 and 2011 India, Pakistan and Bangladesh experienced different degrees of progress toward increasing their HDIs (See Figure 2).

Figure 2: Trends in India's HDI 1980-2011



India's 2011 HDI of 0.547 is below the average of 0.630 for countries in the medium human development group and below the average of 0.548 for countries in South Asia. From South Asia, countries which are close to India in 2011 HDI rank and population size are Bangladesh and Pakistan which have HDIs ranked 146 and 145 respectively (see Table B).

Table B: India's HDI indicators for 2011 relative to selected countries and groups

	HDI value	HDI rank	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (PPP US$)
India	0.547	134	65.4	10.3	4.4	3,468
Bangladesh	0.500	146	68.9	8.1	4.8	1,529
Pakistan	0.504	145	65.4	6.9	4.9	2,550
South Asia	0.548	—	65.9	9.8	4.6	3,435
Medium HDI	0.630	—	69.7	11.2	6.3	5,276

Inequality-adjusted HDI (IHDI)

The HDI is an average measure of basic human development achievements in a country. Like all averages, the HDI masks inequality in the distribution of human development across the population at the country level. The 2010 HDR introduced the 'inequality adjusted HDI (IHDI)', which takes into account inequality in all three dimensions of the HDI by 'discounting' each dimension's average value according to its level of inequality. The HDI can be viewed as an index of 'potential' human development and IHDI as an index of actual human development. The 'loss' in potential human development due to inequality is given by the difference between the HDI and the IHDI, and can be expressed as a percentage. (For more details see the technical note 2).

India's HDI for 2011 is 0.547. However, when the value is discounted for inequality, the HDI falls to 0.392, a loss of 28.3 per cent due to inequality in the distribution of the dimension indices. Bangladesh and Pakistan show losses due to inequality of 27.4 per cent and 31.4 per cent respectively. The average loss due to inequality for medium HDI countries is 23.7 per cent and for South Asia it is 28.4 per cent.

Table C: India's IHDI for 2011 relative to selected countries and groups

	IHDI value	Overall Loss (%)	Loss due to inequality in life expectancy at birth (%)	Loss due to inequality in education (%)	Loss due to inequality in income (%)
India	0.392	28.3	27.1	40.6	14.7
Bangladesh	0.363	27.4	23.2	39.4	17.7
Pakistan	0.346	31.4	32.3	46.4	11.0
South Asia	0.393	28.4	26.9	40.9	15.1
Medium HDI	0.480	23.7	19.2	29.4	22.3

Gender Inequality Index (GII)

The Gender Inequality Index (GII) reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity. Reproductive health is measured by maternal mortality and adolescent fertility rates; empowerment is measured by the share of parliamentary seats held by each gender and attainment at secondary and higher education by each gender; and economic activity is measured by the labour market participation rate for each gender. The GII replaced the previous Gender-related Development Index and Gender Empowerment Index. The GII shows the loss in human development due to inequality between female and male achievements in the three GII dimensions. (For more details on GII please see Technical note 3 in the Statistics Annex.)

India has a GII value of 0.617, ranking it 129 out of 146 countries in the 2011 index. In India, 10.7 per cent of parliamentary seats are held by women, and 26.6 per cent of adult women have reached a secondary or higher level of education compared to 50.4 per cent of their male counterparts. For every 100,000 live births, 230 women die from pregnancy related causes; and the adolescent fertility rate is 86.3 births per 1000 live births. Female participation in the labour market is 32.8 per cent compared to 81.1 for men.

In comparison Bangladesh and Pakistan are ranked at 112 and 115 respectively on this index.

Table D: India's GII for 2011 relative to selected countries and groups

	GII value	GII Rank	Maternal mortality ratio	Adolescent fertility rate	Female seats in parliament (%)	Population with at least secondary education (%)		Labour force participation rate (%)	
						Female	Male	Female	Male
India	0.617	129	230	86.3	10.7	26.6	50.4	32.8	81.1
Bangladesh	0.550	112	340	78.9	18.6	30.8	39.3	58.7	82.5
Pakistan	0.573	115	260	31.6	21.0	23.5	46.8	21.7	84.9
South Asia	0.601	—	252	77.4	12.5	27.3	49.2	34.6	81.2
Medium HDI	0.475	—	135	50.1	17.3	41.2	57.7	51.1	80.0

Multidimensional Poverty Index (MPI)

The 2010 HDR introduced the Multidimensional Poverty Index (MPI), which identifies multiple deprivations in the same households in education, health and standard of living. The education and health dimensions are based on two indicators each while the standard of living dimension is based on six indicators. All of the indicators needed to construct the MPI for a household are taken from the same

household survey. The indicators are weighted, and the deprivation scores are computed for each household in the survey. A cut-off of 33.3 percent, which is the equivalent of one-third of the weighted indicators, is used to distinguish between the poor and nonpoor. If the household deprivation score is 33.3 percent or greater, that household (and everyone in it) is multidimensionally poor. Households with a deprivation score greater than or equal to 20 percent but less than 33.3 percent are *vulnerable* to or at risk of becoming multidimensionally poor.

The most recent survey data that were publically available for India's MPI estimation refer to 2005. In India 53.7 per cent of the population suffer multiple deprivations while an additional 16.4 per cent are vulnerable to multiple deprivations. The breadth of deprivation (intensity) in India, which is the average percentage of deprivation experienced by people in multidimensional poverty, is 52.7 per cent. The MPI, which is the share of the population that is multi-dimensionally poor, adjusted by the intensity of the deprivations, is 0.283. Bangladesh and Pakistan have MPIs of 0.292 and 0.264 respectively.

Table E compares income poverty, measured by the percentage of the population living below PPP US$1.25 per day, and multidimensional deprivations in India. It shows that income poverty only tells part of the story. The multidimensional poverty headcount is 12.1 percentage points higher than income poverty. This implies that individuals living above the income poverty line may still suffer deprivations in education, health and other living conditions. Table E also shows the percentage of India's population that live in severe poverty (deprivation score is 50 per cent or more) and that are vulnerable to poverty (deprivation score between 20 and 30 per cent). Figures for Bangladesh and Pakistan are also shown in the table for comparison.

Table E: India's MPI for 2011 relative to selected countries

	MPI value	Head count (%)	Intensity of deprivation (%)	Population vulnerable to poverty (%)	Population in severe poverty (%)	Population below income poverty line (%)
India	0.283	53.7	52.7	16.4	28.6	41.6
Bangladesh	0.292	57.8	50.4	21.2	26.2	49.6
Pakistan	0.264	49.4	53.4	11.0	27.4	22.6