
FACT SHEET

Human Development Index: A Turning Point in the Human Development Discourse

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The Human Development Index, known as HDI is a statistical tool which measures the average achievements in a country in terms of the major dimensions; income, health and education. This index has helped in broadening the controversial dialogue of wellbeing and takes it beyond the significant but limiting confines of income.¹

What is HDI?

The introduction of the Human Development Index in 1990 as a part of the human development report, was a turning point in the international human development discourse. The index incorporates Amartya Sen's capability approach, that focuses on “ends” such as being able to have a decent standard of living rather than “means” like income. Setting this vision as the ultimate goal for human development, the distinctive HDI was introduced by the Pakistani economist Dr. Mahbub ul Haq through which he successfully was able to shift the spotlight from the mainstream

understanding of income equated development that focuses on how the economy is doing, to a human centric approach, making the human condition at the heart of human development²

The HDI captures human development but not freedoms, poverty, human security, or excessive repression³ Yet, prior to the creation of the Index, there was a misleading mainstream understating and commonly-believed fact, that there is a strong linkage between income and human development achievements, meaning whenever income is high then the human development is necessarily achieved. It was measured by Gross Domestic Product (GDP) which refers to the total monetary value of all final goods and services produced (and sold on the market) within a country over a given time period (typically 1 year)⁴, but scholars such as Mahbub ul Haq and Amartya Sen saw this as deceptive, arguing that it should never be absolute generalised reality, as leaning on either economic growth or non-economic human development indicators would

1 UNDP. “Human Development Reports.” Human Development Index (HDI) | Human Development Reports. <http://hdr.undp.org/en/content/human-development-index-hdi>.

2 Sen, Amartya (1985). *Commodities and capabilities*. Amsterdam New York New York, N.Y., U.S.A: North-Holland Sole distributors for the U.S.A. and Canada, Elsevier Science

3 UNDP (1990) *Human Development Report 1990: Concept and Measurement of Human Development*. New

York. <http://www.hdr.undp.org/en/reports/global/hdr1990>."

4 Economic, Times. “What Is Gross Domestic Product? Definition of Gross Domestic Product, Gross Domestic Product Meaning.” *The Economic Times*. Accessed August 6, 2021. <https://economictimes.indiatimes.com/definition/gross-domestic-product>.

eventually lead to an imbalanced and lopsided development process⁵.

What are the three key dimensions of human development?

The health dimension of the HDI is measured by **life expectancy**, an indicator for the longevity that one can have, it implies that enjoying a long life is valuable on its own, it shows the indirect benefit such as having enough nutritional values and enjoying the availability of health care facilities.⁶ The life expectancy index is based on how long the infant is expected to live at birth, in fact, it refers to the average number of years a new born is expected to live if mortality patterns remain the same at the time a child is born until later in the future, the ages fall between 20 to 85, so life expectancy indicator is 1 when it's at its maximum at 85 and 0 when it is at 20 it's at its lowest⁷

The second dimension of the HDI is education. The education component measures achievement in **knowledge** by two indicators: mean years of school which is the years a child is expected to be attending school, as well as the mean years of schooling which is the average number of years a person received for people 25 years of age and older, each receiving 50% of weighing.⁸

The third dimension is the **decent standard of living** which is measured by the Gross National Income (GNI) per

capita which is defined as the monetary value of a country's final income divided by its population. The idea is to essentially link income growth to human capabilities, allowing income to play a role in measuring human development. In practice, this means that increases in low-income countries' income have a greater impact on human development if distributed correctly to reflect on other human development outcomes such as education, than the impact of income increase in countries with already high income.⁹

The Human Development Index divides countries into four tiers. The tiers are: very high (0.8-1.0), high (0.7-0.79), medium (0.55-0.7), and low (below 0.55), and are based on the three factors mentioned above: education, health, and per capita income. Thus, highly developed countries, which have a relatively higher income, widespread education, better access to healthcare, longer life expectancies, and a stable economy, would rank 0.8 or higher on the HDI scale, whereas least developed countries or LDCs, which have an unstable economy, poor education, and limited access to healthcare, would rank below 0.5 on the scale.¹⁰ The top nation on this list is Norway, with a score of 0.954. Switzerland came in second place with a score of 0.946. Jordan in comparison, scored 0.723.

⁵ Richard L. Brinkman & June E. Brinkman (2011) "GDP as a Measure of Progress and Human Development": A Process of Conceptual Evolution, *Journal of Economic Issues*, 45:2, 447-456.

⁶ OECD (2019) "Health Status Life Expectancy at Birth-OECD Data. <https://data.oecd.org/healthstat/life-expectancy-at-birth.htm>

⁷ World Bank (2013) "What Does 'Life Expectancy at Birth' Really Mean?". <https://blogs.worldbank.org/opendata/what-does-life-expectancy-birth-really-mean>

⁸ Barro, R. J.; Lee, J.-W. (2010). "A New Data Set of Educational Attainment in the World, 1950–2010". NBER Working Paper No. 15902

⁹UnitedNations."HumanDevelopmentIndex,(HDI).".http://hdr.undp.org/sites/default/files/hdr2018_technical_notes.pdf

¹⁰ UNDP. (1990) Human Development Report 1990: Concept and Measurement of Human Development. New York. <http://www.hdr.undp.org/en/reports/global/hdr1990.">

HDI Figure to show the graphical presentation of HDI indices

