

HUMAN DEVELOPMENT INDEX OF SOUTH ASIAN COUNTRIES WITH SPECIAL REFERENCE TO INEQUALITY ADJUSTED HUMAN DEVELOPMENT INDEX

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ABSTRACT:

The 2016 Human Development Report focuses on how human development can be ensured for everyone, now and in the future. It starts with an account of the achievements, challenges and hopes for human progress, envisioning where humanity wants to go. Its vision draws from and builds on the 2030 Agenda for Sustainable Development that the 193 member states of the United Nations endorsed last year and the 17 Sustainable Development Goals that the world has committed to achieve. HDI report explores who has been left out in the progress in human development and why. This paper attempts to make a comparative study of the inequality adjusted human development index with reference to South Asian countries- Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

Keywords: IHDI, Coefficient of Human Inequality, Inequality Adjusted LEB, Inequality Adjusted Education, Inequality Adjusted Income, Atkinson index, Gini coefficient

INTRODUCTION:

Human development involves expanding choices, which determine who we are and what we do. Several factors underlie these choices: the wide range of options that we have to choose from—our capabilities; the social and cognitive constraints and social norms and influences that shape our values and choices; our own empowerment and the agency we exercise individually and as part of groups in shaping our options and opportunities; and the mechanisms that exist to resolve competing claims in ways that are fair and conducive to realizing human potential.

The human development approach provides a systematic way to articulate these ideas. It can be especially powerful in illuminating the interplay among factors that can operate to the disadvantage of individuals and groups in different contexts. Human rights are the bedrock of human development. Human rights offer a useful perspective for analysing human development. Duty holders support and enhance human development and are accountable for a social system's failures to deliver human development. These perspectives not only go beyond the minimal claims of human development, but can also serve as a powerful tool in seeking remedies.

Inequality-adjusted Human Development Index, contains two related measures of inequality—the IHDI and the loss in HDI due to inequality. The IHDI looks beyond the average achievements of a country in longevity, education and income to show how these achievements are distributed among its residents. An IHDI value can be interpreted as the level of human development when inequality is accounted for. The relative difference between IHDI and HDI values is the loss due to inequality in distribution of the HDI within the country. The table also presents the coefficient of human inequality, which is an unweighted average of inequalities in three dimensions.

In addition, the table shows each country's difference in rank on the HDI and the IHDI. A negative value means that taking inequality into account lowers a country's rank on the HDI.

The table also presents three standard measures of income inequality: the ratio of the top and the bottom quintiles; the Palma ratio, which is the ratio of income of the top 10 percent and the bottom 40 percent; and the Gini coefficient.

To measure human development more comprehensively, the Human Development Report also presents four other composite indices. The Inequality-adjusted HDI discounts the HDI according to the extent of inequality. The Gender Development Index compares female and male HDI values. The Gender Inequality Index highlights women's empowerment. And the Multidimensional Poverty Index measures non-income dimensions of poverty.

OBJECTIVE:

The objective of this study attempts to make a comparison of South Asian countries based on the 2016 statistical update of UNDP, with reference to the inequality in LEB, education, income and inequality adjusted LEB, education and income

METHODOLOGY:

The methodology of this present study is a combination of qualitative and quantitative approach. The study makes use of only secondary data. As it was not possible to personally collect the data, the data were collected from the UNDP Human Development Report 2018. The sample consists of South Asian countries. Some statistical tools such as percentage, mean were used in data analysis along with qualitative description. The scope of the study is narrowed down to South Asian countries only. Inequality is measured by Atkinson index and coefficient of income inequality by Gini coefficient.

Atkinson index, developed by British economist Atkinson, is a measure of income inequality to determine the end of distribution contributed most to the observed inequality

Gini coefficient is a statistical measure of distribution developed by the Italian statistician Corrado Gini. Often used as a gauge of economic inequality, measuring income distribution or, less commonly, wealth distribution among a population.

DATA INTERPRETATION:

HDI of South Asian Countries, its IHDI and Coefficient of Human Inequality

Table 1 gives the Inequality-adjusted HDI (IHDI), overall loss, difference from HDI rank and coefficient of Human inequality. IHDI value is the value adjusted for inequalities in the three basic dimensions of human development. The overall loss gives the percentage difference between the IHDI value and the HDI value. The difference from HDI rank shows the difference in ranks on the IHDI and the HDI, calculated only for countries for which an IHDI value is calculated and coefficient of human inequality shows the average inequality in three basic dimensions of human development.

Table 1

S.No	Countries	HDI value	Inequality adjusted HDI			Coefficient of human inequality
			IHDI value	Overall loss (%)	Difference from HDI rank	
1	AFGHANISTAN	0.479	0.327	31.8	3	30.4
2	BANGALADESH	0.579	0.412	28.9	-2	28.6
3	BHUTAN	0.607	0.428	29.4	-3	28.4
4	INDIA	0.624	0.454	27.2	4	26.5
5	MALDIVES	0.701	0.529	24.6	-9	23.4
6	NEPAL	0.558	0.407	27.0	2	25.8
7	PAKISTAN	0.550	0.380	30.9	-2	29.6
8	SRI LANKA	0.766	0.678	11.6	8	11.5
SOUTH ASIA		0.621	0.449	27.7	-	27.1
WORLD		0.717	0.557	22.3	-	22.3

From the above table, it is inferred that Bangladesh, Bhutan, Maldives, Pakistan shows negative value in the difference from HDI rank which means country's rank is lower than the HDI rank. The coefficient of human inequality is highest in Afghanistan and lowest in Sri Lanka.

Inequality in LEB and Inequality Adjusted LEB of countries of South Asia-2015:

Table 2 gives the Inequality in life expectancy which is inequality in distribution of expected length of life based on data from life tables estimated using the Atkinson inequality index and Inequality-adjusted life expectancy index, HDI life expectancy index value adjusted for inequality in distribution of expected length of life based on data

Table 2

S.NO	COUNTRIES	INEQUALITY IN LEB (%) 2010-2015	INEUALITY ADJUSTED LEB INDEX (VALUE) 2015
1	Afghanistan	35.7	0.403
2	Bangladesh	20.1	0.639
3	Bhutan	20.7	0.608
4	India	24.0	0.565
5	Maldives	7.1	0.814
6	Nepal	19.6	0.618
7	Pakistan	32.8	0.479
8	Sri Lanka	8.1	0.778
South Asia		23.9	0.570
World		17.1	0.658

From the table, it is seen that Sri Lanka's LEB is 8.1% which shows the improvement in the LEB, followed by Maldives of 7.1%, Afghanistan shows the highest inequality in LEB among the South Asian countries of 35.7%

Inequality in Education and Inequality Adjusted Education Index (2015):

Table 3 depicts the Inequality in education which is inequality in distribution of years of schooling based on data from household surveys estimated using the Atkinson inequality index and Inequality-adjusted education index which is HDI education index value adjusted for inequality in distribution of years of schooling based on data

Table: 3

S.NO	COUNTRIES	INEQUALITY IN EDUCATION (%)	INEQUALITY ADJUSTED INDEX (VALUE)
1	AFGHANISTAN	44.8	0.219
2	BANGALADESH	37.3	0.287
3	BHUTAN	44.8	0.250
4	INDIA	39.4	0.324
5	MALDIVES	40.0	0.337
6	NEPAL	43.9	0.267
7	PAKISTAN	44.4	0.220
8	SRI LANKA	12.8	0.656
SOUTH ASIA		39.5	0.314
WORLD		25.9	0.458

From the table, it is inferred that inequality in education is lowest in Sri Lanka and high in Afghanistan, Bhutan, Maldives, Nepal and Pakistan. India and Bangladesh is more or less related to the average inequality of South Asia. It shows that much importance should be given to the policies to improve the education of South Asian countries excluding Sri Lanka.

Inequality in income and inequality adjusted income index value of South Asian countries along with Gini coefficient of income inequality:

Table 4 shows the Inequality in income based on data from household surveys estimated using the Atkinson inequality index and inequality-adjusted income index which is HDI income index value adjusted for inequality in income distribution based on data from household surveys. Measure of the deviation of the distribution of income among individuals or households within a country from a perfectly equal distribution by Gini coefficient (value of 0 represents absolute equality, a value of 100 absolute inequality)

Table 4

S.NO	COUNTRIES	INEQUALITY IN INCOME (%)	INCOME ADJUSTED INCOME INDEX (VALUE)	INCOME INEQUALITY (GINI COEFFICIENT 2010-2015)
1	AFGHANISTAN	10.8	0.395	-
2	BANGLADESH	28.3	0.380	32.1
3	BHUTAN	19.6	0.517	38.8
4	INDIA	16.1	0.512	35.2
5	MALDIVES	23.2	0.539	38.4
6	NEPAL	13.9	0.410	32.8
7	PAKISTAN	11.6	0.523	30.7
8	SRI LANKA	13.7	0.610	39.2
SOUTH ASIA		17.8	0.504	-
WORLD		23.8	0.573	-

From the above table, it is inferred that inequality in income is high in Bangladesh, followed by Maldives, Bhutan, India, Nepal and Pakistan. Low level of inequality in income is seen in Sri Lanka.

CONCLUSION:

Lack of education, livelihood and access to basic services are lagging in Afghanistan and it contributes to unemployment. Although, it is maintaining a double digit economic growth it failed to reduce its poverty and hunger which is seen in the inequality adjusted human index value, education, income and LEB. Sri Lanka stands first in all aspects among the South Asian countries. So, it is very much essential to plan policies of South Asian countries to improve their human development index.

REFERENCE:

UNDP (2010). *Human Development Report 2016*, New York: United Nations Development Program (UNDP) <http://hdr.undp.org/en/2016-update>