



# Policy Report

## India's Performance on the UN Human Development Index: Walking on the Path of Socio-Economic Progress

LexQuest Foundation

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### **About the Organisation:**

LexQuest Foundation (LQF) is an independent, non-profit, research and action organisation, established in 2014, in New Delhi. We are striving to create, advocate and implement effective solutions for a diverse range of development issues.

To endorse participative governance, we engage with a broad spectrum of stakeholders, from various sections of the society, to ensure that policy-making remains a democratic process. We utilize pragmatic and futuristic research to disseminate actionable knowledge to decision-makers, experts and the general public.

Our key activities include capacity and skill-building workshops, policy advisory programs, public outreach, and stakeholder consultations. We collaborate with the government, other organizations and individuals for impactful policy formulation and execution.

By employing sustainable and equitable solutions through our multidisciplinary, intersectional initiatives and programs, we are constantly working towards creating empowered communities.



## Background

In 1990 Mahbub ul Haq, an economist from Pakistan, **created** the first Human Development Index (HDI). Since then, the United Nations Development Program (UNDP) has published the report annually. The report has been at the forefront of gauging countries' performance in welfare economics – it measures their performance over **three primary indicators: life expectancy, standard of living and education**. These three indicators of the HDI are important as they measure the most fundamental requirements of an individual to live to their fullest potential. They emphasise on the basic principle of the HDI - **the importance of economic development not as an end in itself but as a means to propel social development**. As the Index measures countries' performance on the three social indicators, **it inverts the convention that economic growth will lead to social development and tracks the progress of countries in human development values**. This further highlights the gaps in economic and social development - progress in the former does not necessarily translate into improvement in the latter.

The Index is relevant as it shows the **impact of policies – economic and social – on the lives of citizens, illustrates potential lacunae in policy implementation and formulation by highlighting the real effects of public policies through statistical analysis and emphasises the need for economic growth that leads to social development**. Furthermore, the Index allows for an assessment of India's socio-economic development over time as well as the ability to examine India's development through comparison with countries in similar stages of economic growth. In addition to this, in a situation where timely release of **accurate** statistical data has been ignored, the release of the HDI stokes healthy public debate, information dissemination and allows policymakers to reform current policies and introduce new policies that will address previously ignored issues.

The Human Development Index classifies 189 countries according to their performance on the report, in accordance with their respective scores or 'cut-off points' on development indicators. The score is measured from 0 to 1 – the higher the score, the better the human development of the country. There



are four levels of classification: low human development is indicated by an HDI cut-off point of less than 0.550; medium human development is shown by a score ranging between 0.550-0.699; similarly, high human development is shown by a score numbering from 0.700 to 0.799; and finally very high human development is shown by a score above 0.800.



## **HDI Report 2019: Analysing India's Status**

According to the latest Human Development Index, released on 9<sup>th</sup> December 2019, India's Index score is 0.647 **indicating medium human development**. There has been a marginal improvement in India's ranking amongst other countries measured in the Index – India rose by one place from the previous year to position itself at 129 out of 189 countries. India's performance on the three indicators - life expectancy, education and standard of living - are as follows: life expectancy at birth is 69.4 years, expected years of schooling is 12.3 and standard of living (measured as gross national income per capita) is 6,829.

**The Human Development Index** also examines the factors that influence countries' performances on the three primary indicators. For example, when assessing a country's performance in education, mean years of schooling for girls, mean years of schooling for boys, social barriers to attaining education (such as religion, gender and caste) are analysed. Similarly with the remaining indicators when measuring standard of living, factors like income inequality are elaborated upon; and when measuring life expectancy, dimensions such as gender and violence are explored.

In addition to this, the HDI Report includes countries' performances on HDI allied measurements such as the Inequality Adjusted Human Development Index (IHDI), Gender Development Index (GDI), Gender Inequality Index (GII) and Multidimensional Poverty Index (MPI).



## ***Standard of Living***

Arguably, the most important factor in assessing standard of living is income. The HDI **analyses income not just as an economic yardstick but also as an indicator of the prevalence of social hierarchies and inequalities.**

India has not performed well on the **Great Gatsby Curve** – “the positive correlation **between higher income inequality and lower intergenerational mobility in income**”. The UNDP uses a slightly amended version of the Curve – it makes use of **human development inequality in addition to income inequality to show the relationship between socio-economic inequality and upward economic mobility.** When compared to other South Asian countries like China, Pakistan and Singapore, the intergenerational income elasticity of India, it performs worse than China and Singapore, while remaining marginally similar to Pakistan.

In comparison to Finland, a country with a very high human development index (0.925), India’s performance is significantly low. High intergenerational **income elasticity (meaning greater relationship between parents’ income and their children’s income), which is often interpreted as a measure of equality of opportunity, is a problem that is widespread among developing countries.**

The poor performance of India in equality seems to be a recurring theme in the 2019 update of the HDI Report as shown by the fact that since 1980, **income inequality has risen in India in contrast to Europe**, which has earned the title of being the most equal in terms of income with the top 10% holding 34% of pre-tax income. For India, on the other hand, the corresponding number is as high as 55%. When adjusted for inequality (the more the inequality, the greater loss of human development, calculated by the IHDI – Inequality-adjusted Human Development Index), **India’s human development score falls by 26.3% to 0.477.**

Between 1980 and 2016, the Report states that the **absolute poverty rate in India has reduced by over 50%.** This is definitely an improvement – a much needed, hugely impactful one. But it must be remembered in the same context, that **the section of populace that are lifted out of poverty are at high**



**risk of falling back into poverty due to factors such as the onset of diseases and environmental conditions like droughts.** This aspect of poverty must be noted, considering that while there has been a reduction in poverty, **India's share in world poverty is still very high at 28%.**

In fact, the Multidimensional Poverty Index's (MPI – and HDI allied poverty index adjusted for health, education and standard of living) findings confirm this. The Index compared the MPI value of India (0.123 – which means that 27.9% of the population are multidimensionally poor) with income poverty. Findings showed that the “multidimensional poverty headcount is 6.7 percentage points higher than income poverty”, **implying that the population living above the poverty line are still poor on the MPI indicator.**

Existing policy interventions in India are exacerbating the problem of inequality. For example, the Goods and Services Tax (GST) and Demonetisation (whereby 500 and 1000 rupee notes were declared by the Government as non-legal tender overnight) have **contributed** to unemployment and consequently gaps in wealth. Furthermore, Government investment in policies that decrease inequality, such as investment in healthcare and education, is abysmal - according to the National Health profile 2019, **India's investment in health services is 1.28% of its GDP which is less than the average investment of the “poorest” countries** in the same sector (1.57%).

On the subject of minimum wage policies, India fares well on the Human Development Index. The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005 has contributed to a shift towards minimum wages, the Act allows for employment for 100 days for those belonging to economically depressed households. This provides a marked shift from earlier policies governing minimum wage rules that were largely ineffectual owing to the enormous size of India's informal sector, according to the Index. The Index also lauds the effect the Act has had on the socially oppressed – **it has led to employment and better working conditions for Scheduled Castes and Scheduled Tribes.**



Prevailing government policies in the foodgrain sector have resulted in a monopsony in the market. The Food Corporation of India (FCI) procures from 40-50% up to 80-90% of excess foodgrains which decreases private investment in the sector, according to the [Economic Survey 2019-20](#).

### ***Education***

The HDI found that there are significant barriers to attaining education - **predominantly social barriers - there is a caste and gender bias** in receiving schooling. The UN Human Development Index also found that “intergenerational persistence of education” – **the impact of education levels of parents on the educational levels of their children – is relatively high in India, in comparison to China**. This intergenerational persistence is characteristic of societies with high inequalities in the human development context, including unequal social distribution of education. This means that existing social divisions in education (such as the historic difference in educational levels between Scheduled Castes and Scheduled Tribes with traditionally “forward” castes) are still persistent. **Parents with high education levels have children with high educational levels in comparison to children with parents having lower educational levels.**

While India’s development with respect to Scheduled Castes and Scheduled Tribes has been less than acceptable - HDI reports that this section of the populace “underperform(s) the rest of society across human development indicators, including educational attainment and access to digital technologies”; there have been some improvements over time for oppressed minorities in the country. For instance, the education levels of minorities have been increasing since 2005-6. Digitisation (such as access to mobile phones) has also been rising, and **the level of multidimensional poverty in India has reduced by over 271 million from 2005-6 to 2015-16**. While these developments are certainly commendable, inequality is still a major problem – as it has been indicated that **advantaged groups (socially and economically) have developed faster than disadvantaged minority groups**.





This is despite existing affirmative action policies in India. For example the reservation for Scheduled Castes, Scheduled Tribes, Other Backward Castes and women (Articles 15 [3], [4], and [5] of the Indian Constitution) exist to reduce the intergenerational persistence of education as well as Constitutional Acts such as the Protection of Civil Rights Act, 1955; Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act 1989; Panchayats Extension to the Scheduled Areas (PESA) Act, 1996 that promote the development of this section of society.

### ***Life Expectancy***

The two indicators already elaborated upon (education and standard of living) positively affect countries' performance on the life expectancy indicator - India currently ranks at 129 out of 189 countries on life expectancy, according to the HDI. India's performance on the indicator has also been affected by social and gender norms - **traditional social conventions that focus on resources like food and healthcare in the favour of males in families adversely affect the life expectancy of women**, and conventions that emphasise **traditional "masculinity" that entails violent and risk-taking behaviour adversely affects the life expectancy of men**. This is why **India's performance in the parameter of gender social norms is worrying**, as per the latest HDI report.

Traditionally, in India, gender social norms have been preventing women from attaining education, accessing equal pay for equal work and **propelling society to discriminate against female children through performing sex-selective abortions - factors that directly affect life expectancy** - even though there are policies in place (Right of Children to Free and Compulsory Education Act, 2009; Code on Wages, 2019; Pre-Conception and Pre-Natal Diagnostic Techniques [Prohibition Of Sex Selection] Act, 1994) to address norms that adversely affect female empowerment. In addition to this, transpersons' life expectancy is adversely affected due to violence and lack of affordable healthcare services.

The Human Development Index shows that there has been **"an increase or backlash" both in India and worldwide concerning gender social norms bias**



**(i.e. those favouring traditional gender social norms).** India has been listed in the Index among the leading countries **wherein this bias has received backlash over the period 2005-09 and 2010-14**, featuring among Sweden, Germany, Mexico, South Africa and Romania. The Index also reports that **higher levels of gender bias are accompanied with higher gender inequality.**

Malaria incidence (per thousand people at risk) and tuberculosis incidence (per hundred thousand people) are also affecting India's life expectancy, ranking the country at 129 out of 189 in both. Currently, India is following the National Framework for Malaria Elimination (NFME) 2016-2030. The policy aims to completely eradicate malaria by 2030. So far, results of the Framework have shown some positive outcomes - there has been a reduction of **28%** of malaria cases between 2017 and 2018. The results are tempered by the difficulty in building confidence regarding malaria treatment as well as ensuring that cases are reported and treated. In order to tackle the problem of tuberculosis, a policy called the National Tuberculosis Elimination Program has been enacted. It seeks to control the spread of the disease as part of an initiative to end tuberculosis in India by 2025. The policy, coupled with an increase (of **300%** from 2016-17) in funds to address tuberculosis in 2018-19 has resulted in a higher number of reported cases - 23,50,000 cases were reported in 2019, the highest number so far.



### ***HDI and Allied Measurement of Gender Development: An Overview***

Overall, the **following** development can be witnessed in India in the Human Development Index over time from 1990-2018:

- Average life expectancy (at birth) has increased from 57.9 to 69.4 years.
- Expected years of schooling have increased from 7.6 to 12.3 years.
- Mean years of schooling has increased from 3 to 6.5 years.
- Gross National Income (GNI) per capita has increased from 1,882 to 6,829.
- On the whole, India's HDI score increased by 50%, from 0.431 to 0.647.

In addition to these positive developments, India is faring better than other South Asian countries in the Index – its value of 0.647 is **higher than the average value in South Asia at 0.642**.

The Gender Development Index (GDI), that **measures gender inequality by taking into account health, education and economic independence, shows that the GDI score for India is 0.829, ranking below Bangladesh (0.895) and only marginally better than the South Asian average (0.828)**. The Gender Inequality Index (GII) adjusts for **loss of human development due to gender inequality in reproductive health, empowerment and economic activity**. India's lowly rank on the GII – 122 out of 162 countries – shows that **gender inequality is still an enormous problem for the country**. There still remains a huge gap between the percentage of secondary level school education, political engagement and labour participation of females in the country as opposed to their male counterparts.



## ***Need for Policy Overhaul***

### **❑ *Improving Access to Education for Women***

India's poor performance in gender inequality stresses the need for a sustained thrust in the sphere. In addition to the HDI's findings regarding the appalling state of education of girls, in comparison to boys, U-DISE (Unified District Information System for Education) findings for 2015-16 and 2016-17 echoes the HDI's findings on poor performance of female education in India. It shows that the Gross Enrolment Ratio (GER) increased by 0.1% at the secondary level and fell at elementary and higher secondary levels. In order to address these problems, **there needs to be additional and sustained social awareness drives** regarding the importance as well as barriers faced in receiving education by girls. Furthermore, in order to **increase accessibility, school infrastructure needs to be improved** – according to [this](#) publication by LexQuest Foundation, “lack of toilets, drinking water, and other basic amenities in schools have largely been responsible for high dropout rates”. In order to decrease drop-out rates of females in educational institutions, there needs to be policy interventions that deal with the social **issue** of harassment of women. In the [Draft National Education Policy 2019](#), in a section dedicated to increasing the safety of girls attending school, the policy recommends, **“To avoid instances of girls and other children dropping out due to facing harassment on the way to, or within the school, school principals, social workers and local law enforcement will work together to identify the miscreants and discipline them, and take legal action if needed”**. The policy should emphasise on the role of social conditions that lead to harassment and must address this via social interventions, such as educating boys on the importance of consent and repercussions of unwanted sexual attention, rather than emphasising on purely punitive measures. If girls are enabled to get access to education their income opportunities and potential for improved standards of living can substantially improve.



### ***❑ Addressing Gender Based Violence***

Measures to decrease violence against women affects the life expectancy indicator of the HDI. The Index draws a **relationship between “women’s unequal access to physical security—and thus to social and political empowerment”**. In order to reform this, prevailing Marital Rape laws need to be reformed. Currently, non-consensual sexual intercourse between a man and his wife (provided she is over fifteen years of age) is legal. The act of marital rape needs to be deemed illegal by the Constitution. The effects of marital rape are nothing short of dreadful – apart from being both mentally and physically traumatised, women have no recourse to attain justice since such rape is not recognised by our existing laws. Changing the status quo in this regard will also **contribute to drawing a more accurate picture of the state of gender based violence in India**. Since police are reluctant to register cases (as it is not illegal), there is also an enormous difficulty in collecting data related to this type of abuse, which reduces women’s participation in the workforce, stops them from improving their standard of living, all of which means poor quality of life and health standards.

### ***❑ Recognising Social Justice For all Genders***

In order to promote the right to life with human dignity, LGBTQIA+ laws need to recognise diversity and needs of the Queer community in India in order to **promote social development and combat gender based social bias**. Social awareness drives that educate about sexuality and gender will help destigmatise homosexuality to achieve better living standards.

The current Sexual Education policy includes the participation of only teachers. It must be amended to involve both parents/guardians and teachers. In addition to this, the current curriculum should be changed to **include various types of sexuality, distinctions between gender and sex**, as well as the rights and legal recourse available for women and the non normative gender identities in case of sexual assault need to be emphasised upon.



Furthermore, the Transgender Persons (Protection of Rights) Act, passed in 2019, needs to be reformed to reflect the concerns of the community. The Bill currently prescribes a sentence of imprisonment of as little as six months to two years for “endangering the life of a transperson” which includes rape. For women, on the other hand, the sentence for rape is 10 years of imprisonment which can extend up to a life sentence. This is clearly discriminatory - the Act must be amended to **ensure better penal provisions that deter crimes against transgenders.**

#### **❑ *Improving Learning Outcomes***

An increase in teacher quality and standards will contribute to better performance on tests, better employment opportunities and allied improvements in standards of living while **also reducing the gaps in learning ability between children from lower and higher socio-economic groups.** This can be achieved through improving school and teachers’ accountability by keeping track of their attendance and **resorting to anonymous feedback systems for students to address their grievances without fear of reprisal.**

#### **❑ *Formulating Socially and Politically Equitable Laws and Policies***

Prevailing policies that are discriminatory in nature need to be abolished in order to **dismantle established social hierarchies that impede human development.** Policies and laws that are discriminatory to the economically oppressed section of the population should be reassessed and done away with. Similarly policies that promote tokenism in the name of endorsing equality and equity need to be revisited to attain sustainable and effective goals of human development. **Redistribution of existing tax structures, expansion of social security policies, revision of reservation policy are some of the major areas India needs to work on.** Moreover, laws that penalise discrimination on the basis of caste, class, religion, sex or gender should be the focal point of all our policies and such principles as envisaged in the Consitution of India should form the basis of the country’s policy formulation and analysis agenda.



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