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Human Development Report 2025 – HDI

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SUBJECTS COVERED

SOCIAL ISSUES

CURATED & WRITTEN BY

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ISSUING BODY	FREQUENCY	INDIA'S RANK	TOP PERFORMER
United Nations Development Programme (UNDP)	Annual	130 / 193 +4 (from 134 in 2022)	Iceland

KEY FINDINGS

- India HDI value: 0.685 (Medium Human Development category)
- Life expectancy at birth: 72 years (highest ever for India)
- Expected years of schooling: 13 years
- Mean years of schooling: 6.2 years
- GNI per capita (2021 PPP): \$9,046
- Gender Development Index (GDI): 0.874 (Group 5 — low gender parity)
- Inequality-adjusted HDI (IHDI): 0.475 (30.7% loss due to inequality)
- Gender Inequality Index (GII): 0.403, rank 102 out of 172 countries
- Report theme: A Matter of Choice — People and Possibilities in the Age of AI

ABOUT THE HUMAN DEVELOPMENT INDEX (HDI)

The **Human Development Index (HDI)** is a composite statistical index created by Pakistani economist **Mahbub ul Haq** and Indian Nobel laureate **Amartya Sen** in 1990. It is published annually by the **United Nations Development Programme (UNDP)** as part of the Human Development Report (HDR).

The HDI measures human development across **three fundamental dimensions**:

DIMENSION	INDICATOR	MIN–MAX RANGE
Long and Healthy Life	Life expectancy at birth	20–85 years
Knowledge	Expected years of schooling (children) + Mean years of schooling (adults 25+)	0–18 years (expected); 0–15 years (mean)
Decent Standard of Living	Gross National Income (GNI) per capita in PPP terms	\$100–\$75,000

How HDI Is Calculated

Each dimension is first normalised into an index between 0 and 1 using the formula:

$$\text{Dimension Index} = (\text{Actual Value} - \text{Minimum Value}) / (\text{Maximum Value} - \text{Minimum Value})$$

The Education Index is the arithmetic mean of the Expected Years of Schooling Index and the Mean Years of Schooling Index. The Income Index uses the natural logarithm of GNI per capita to reflect diminishing returns of income.

The final HDI is the **geometric mean** of the three dimension indices:

$$\text{HDI} = (\text{Health Index} \times \text{Education Index} \times \text{Income Index})^{(1/3)}$$

The geometric mean ensures that a poor performance in any one dimension is not linearly compensated by a high performance in another — promoting balanced development.

HDI Categories

CATEGORY	HDI RANGE	EXAMPLE COUNTRIES
Very High Human Development	0.800 and above	Iceland (0.972), Norway (0.970), Switzerland (0.970)
High Human Development	0.700 – 0.799	Sri Lanka (0.776), China (0.797), Brazil (0.786)
Medium Human Development	0.550 – 0.699	India (0.685), Bangladesh (0.685), Nepal (0.622)
Low Human Development	Below 0.550	Pakistan (0.544), South Sudan (0.388), Somalia (0.404)

HDR 2025 — REPORT OVERVIEW

The **Human Development Report 2025**, titled “**A Matter of Choice: People and Possibilities in the Age of AI**”, was released on **6 May 2025** by UNDP Administrator **Achim Steiner**. It calculates HDI values based on **2023 data** (two-year lag in data collection).

Key Global Findings

- Global human development progress has slowed to a **35-year low**

- **Iceland** topped the HDI for the first time, with an HDI of **0.972**
- **Norway** and **Switzerland** tied at second place with **0.970** each
- **South Sudan** (0.388) remained the lowest-ranked country
- The report highlighted AI as a transformative force for human development, but warned of deepening inequalities if access remains concentrated

INDIA'S PERFORMANCE IN HDR 2025

India's HDI value increased from **0.676 in 2022 to 0.685 in 2023**, moving the country up from rank **134 to 130 out of 193 countries**. India remains in the **Medium Human Development** category (threshold: 0.550-0.699) but is approaching the **High Human Development** threshold of 0.700.

India's HDI Components (2023)

COMPONENT	VALUE	CHANGE FROM 1990
Life expectancy at birth	72 years (highest ever)	Up from 58.6 years in 1990
Expected years of schooling	13 years	Up from 8.2 years in 1990
Mean years of schooling	6.2 years	Up from 3.0 years in 1990
GNI per capita (2021 PPP)	\$9,046	Up from \$2,167 in 1990

INDIA'S HDI TREND (1990-2023)

YEAR	HDI VALUE	CATEGORY	KEY CONTEXT
1990	0.434	Low	Baseline year; post-liberalisation era begins
2000	0.490	Low	Gains from economic reforms, IT boom
2010	0.572	Medium	Crossed into Medium category; NREGA impact
2015	0.624	Medium	Rapid GNI growth; Swachh Bharat, Jan Dhan launched
2017	0.640	Medium	Steady gains in schooling and income
2019	0.645	Medium	Pre-pandemic peak
2021	0.633	Medium	COVID-19 impact – life expectancy fell from 69.7 to 67.2 years
2022	0.676	Medium	Strong post-pandemic recovery across all indicators
2023	0.685	Medium	Highest ever; approaching High HDI threshold (0.700)

Overall growth: India's HDI value increased by **57.8%** from 0.434 (1990) to 0.685 (2023). The average annual HDI growth during 2010-2019 was **1.21%**.

The COVID-19 pandemic caused a visible dip in 2020-2021, primarily through falling life expectancy. However, India's recovery by 2022-2023 has been robust, with life expectancy reaching a record **72 years** in 2023.

REGIONAL COMPARISON — SOUTH ASIA (HDR 2025)

COUNTRY	HDI RANK	HDI VALUE	CATEGORY
Sri Lanka	89	0.776	High
Maldives	93	0.747	High
Bhutan	125	0.698	Medium
India	130	0.685	Medium
Bangladesh	130	0.685	Medium
Nepal	145	0.622	Medium
Pakistan	168	0.544	Low

Key observations:

- **Sri Lanka** leads South Asia comfortably, benefiting from high literacy and universal healthcare
- **India and Bangladesh are tied at rank 130** — Bangladesh has overtaken India on life expectancy (73.4 years vs 72 years) and gender indicators, while India leads on GNI per capita
- **Pakistan** is the only South Asian country in the Low Human Development category
- **Bhutan** is very close to crossing into the High HDI category (0.698, just 0.002 short of 0.700)

BRICS COMPARISON (HDR 2025)

COUNTRY	HDI RANK	HDI VALUE	CATEGORY
Russia	59	0.832	Very High
China	75	0.797	High
Brazil	84	0.786	High
South Africa	110	0.717	High
India	130	0.685	Medium

Key observations:

- India is the **lowest-ranked BRICS nation** on the HDI
- **Russia** is the only BRICS member in the Very High HDI category
- **China** has rapidly climbed from a Medium HDI country in 2000 to near-Very High status (0.797)
- India trails China by **0.112 points** and South Africa by **0.032 points** — the gap with South Africa is narrowing

STATE-LEVEL HDI VARIATION WITHIN INDIA

India's national HDI of 0.685 masks enormous subnational disparities. According to Global Data Lab's Subnational HDI calculations and government data:

Top-Performing States/UTs

STATE/UT	HDI LEVEL	COMPARABLE TO
Delhi	Very High (0.799+)	Eastern European countries
Goa	Very High (0.799+)	Eastern European countries
Kerala	High (0.775)	Sri Lanka, Latin America
Sikkim	High	Upper-middle income countries
Chandigarh	High	Upper-middle income countries

Bottom-Performing States

STATE	HDI LEVEL	KEY CHALLENGES
Bihar	Low–Medium (lowest among all states)	Low literacy, poor healthcare, high poverty
Uttar Pradesh	Medium (low end)	Population pressure, low female literacy
Madhya Pradesh	Medium (low end)	Tribal areas lag, malnutrition
Jharkhand	Medium (low end)	Mining-dependent, low urbanisation
Assam	Medium (low end)	Flood vulnerability, limited industry

Key insight: Delhi and Goa possess HDI scores comparable to Eastern European countries with Very High human development, while Bihar’s HDI is comparable to sub-Saharan African nations. This gap — within the same country — highlights the challenge of India’s regional inequality.

GENDER DEVELOPMENT INDEX (GDI)

The GDI measures gender gaps in human development by computing separate HDI values for women and men.

India's GDI (2023)

INDICATOR	FEMALE	MALE
HDI Value	0.631	0.722
Life expectancy	Higher than males	Lower than females
Mean years of schooling	Lower	Higher
GNI per capita	Significantly lower	Significantly higher

India's GDI value: 0.874 — placing India in **Group 5** (countries with the lowest levels of gender parity). A GDI of 1.000 would indicate perfect gender equality; India's 0.874 means women's human development is approximately **87.4% of men's**.

Key Gender Gaps

- **Female labour force participation rate:** 41.7% (PLFS 2023-24), well below the global average
- Women's political representation and economic participation continue to lag
- Education gap is narrowing but income gap remains wide — women earn significantly less than men even with similar education levels

INEQUALITY-ADJUSTED HDI (IHDI)

The IHDI adjusts the HDI for inequalities in the distribution of each dimension across the population. If there were no inequality, HDI and IHDI would be equal. The greater the inequality, the larger the gap.

India's IHDI (2023)

METRIC	VALUE
HDI	0.685
IHDI	0.475
Overall loss due to inequality	30.7%

India loses **30.7% of its human development value** when adjusted for inequality — one of the **highest losses in the region**. This means India's effective human development, when accounting for how unevenly health, education and income are distributed, is significantly lower than the headline HDI suggests.

What drives the loss:

- **Income inequality** is the largest contributor — the gap between rich and poor in India is among the widest in the developing world
- **Education inequality** persists between urban-rural, male-female, and upper caste-lower caste populations
- **Health inequality** has improved but still varies drastically by state (Kerala vs Bihar, urban vs rural)

GENDER INEQUALITY INDEX (GII)

The GII reflects gender-based disadvantage across three dimensions: reproductive health, empowerment and the labour market.

India's GII (2023)

INDICATOR	VALUE
GII Value	0.403
GII Rank	102 out of 172 countries
Maternal mortality ratio	Declining but still significant
Female labour force participation	41.7%
Women in Parliament	Low representation

India improved by **14 ranks** from 2021 to 2023 on the GII, indicating progress in gender equality, but substantial gaps remain — particularly in economic participation and political representation.

UPSC RELEVANCE

HDI components (3 dimensions, 4 indicators), India's rank (130/193) and value (0.685), top performer (Iceland, 0.972), HDI categories and thresholds, IHDI, GDI, GII, formula (geometric mean), creator (Mahbub ul Haq), issuing body (UNDP)

Regional disparities in human development (Kerala vs Bihar); gender gaps reflected in GDI (0.874); female labour force participation (41.7%); interstate migration driven by HDI gaps

Government welfare policies and their impact on HDI components — Ayushman Bharat (health), NEP 2020 (education), Jan Dhan-Aadhaar-Mobile (financial inclusion); comparison with South Asian neighbours; why India trails Bangladesh on life expectancy despite higher GNI

Income inequality as the largest driver of IHDI loss (30.7%); GNI per capita growth (\$2,167 to \$9,046 in PPP terms, 1990-2023); skilling and employment challenges

“Development is about expanding choices” (Mahbub ul Haq); India's paradox of high GDP growth but medium human development; can India cross the 0.700 threshold by 2030?

“India and Bangladesh have the same HDI rank (130) but very different economic profiles — what does this tell us about the HDI as a measure?” / “Should India target HDI improvement at the state level rather than national level?” / “What policy interventions would most effectively raise India's IHDI?”

★ FACTS CORNER — KNOWLEDGEPEDIA

HDR 2025 — CORE DATA:

Report title: “A Matter of Choice: People and Possibilities in the Age of AI”

Released: 6 May 2025 by UNDP

Data year: 2023 (two-year lag)

Total countries covered: 193

UNDP Administrator: Achim Steiner

HDI creator: Mahbub ul Haq (Pakistani economist); conceptual framework by Amartya Sen

First HDR published: 1990

INDIA’S HDI PERFORMANCE:

India HDI 2023: 0.685 (rank 130/193) — Medium Human Development

India HDI 2022: 0.676 (rank 134/193)

Improvement: +4 ranks, +0.009 HDI points in one year

India HDI 1990: 0.434 — overall growth of 57.8% over 33 years

Life expectancy: 72 years (highest ever; up from 58.6 in 1990)

Expected years of schooling: 13 years (up from 8.2 in 1990)

Mean years of schooling: 6.2 years (up from 3.0 in 1990)

GNI per capita (2021 PPP): \$9,046 (up from \$2,167 in 1990)

COVID-19 dip: HDI fell from 0.645 (2019) to 0.633 (2021)

HDI CATEGORIES AND THRESHOLDS:

Very High: 0.800 and above

High: 0.700 – 0.799

Medium: 0.550 – 0.699

Low: Below 0.550

GLOBAL RANKINGS (HDR 2025):

Rank 1: Iceland (0.972)

Rank 2: Norway (0.970)

Rank 2: Switzerland (0.970)

Lowest: South Sudan (0.388)

INDIA'S GENDER AND INEQUALITY INDICES:

GDI: 0.874 (Female HDI 0.631 / Male HDI 0.722) — Group 5 (low parity)

IHDI: 0.475 (30.7% loss from inequality)

GII: 0.403, rank 102/172

Female labour force participation: 41.7% (PLFS 2023-24)

SOUTH ASIA (HDR 2025):

Sri Lanka: Rank 89, HDI 0.776

Maldives: Rank 93, HDI 0.747

Bhutan: Rank 125, HDI 0.698

India: Rank 130, HDI 0.685

Bangladesh: Rank 130, HDI 0.685

Nepal: Rank 145, HDI 0.622

Pakistan: Rank 168, HDI 0.544

BRICS (HDR 2025):

Russia: Rank 59, HDI 0.832 (Very High)

China: Rank 75, HDI 0.797 (High)

Brazil: Rank 84, HDI 0.786 (High)

South Africa: Rank 110, HDI 0.717 (High)

India: Rank 130, HDI 0.685 (Medium)

OTHER RELEVANT FACTS:

HDI formula: Geometric mean of Health, Education and Income indices

HDI does NOT measure: happiness, political freedom, environmental sustainability, inequality (separate IHDI for that)

Planetary Pressures-adjusted HDI (PHDI) is a newer variant that adjusts for CO₂ emissions and material footprint

India's top HDI states: Delhi, Goa (Very High, comparable to Eastern Europe)

India's lowest HDI state: Bihar (comparable to sub-Saharan Africa)

Bangladesh overtakes India on life expectancy (73.4 vs 72 years) despite lower GNI

India needs just 0.015 more to cross the High HDI threshold (0.700)

Sources: [UNDP India](#), [HDR 2025](#), [UNDP Press Release](#), [Global Data Lab](#)

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[Human Development Index](#)



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