

# International Journal of Financial Management and Economics

P-ISSN: 2617-9210 E-ISSN: 2617-9229 IJFME 2023; 6(1): 273-275 www.theeconomicsjournal.com Received: 03-04-2023

Ritika Sharma

Accepted: 12-05-2023

Student, Maharshi Dayanand University, Rohtak, Haryana,

# HDI as a measure of GDI

## Ritika Sharma

**DOI:** https://doi.org/10.33545/26179210.2023.v6.i1.291

#### **Abstract**

This paper does the study of HDI, GDI and indicators of HDI across all the states and UTs of India. Decomposition of HDI by its indicators shows that Education accounts for the largest contribution in improving HDI ranking along with income and health. The HDI of India has increased from 0.491 to 0.642. Similarly, GDI also faced improvement in these years as it increased from 0.757 to 0.845. We observed a positive relationship between HDI and GDI.

Keywords: HDI, education, health, income, state, GDI

#### Introduction

Since 1990 we are using HDI to measure human development in three basic aspects: health, knowledge and standard of living. It was given by Mahbub ul-Haq (Pakistani economist) but later it was used by UNDP (United Nations Development Programme) to measure a country's development. It is also known as a composite index which includes life expectancy, per capita income as a measure of standard of living and education as a measure of knowledge which includes expected year of schooling and mean year of schooling. Using these indicators HDI ranks countries into four tiers. On the ground the reason of using these three indicators is that if a country will take care of these three indicators first, simultaneously all other needs can also be taken care of. HDI is not only a global measure used by UNDP but it is also used by national and local governments for measuring HDI at a state level also. HDI is based upon Amartya sen's capability approach. According to this approach a country should assess its people and their capabilities for assessing the development of a nation, not only economics growth.

HDI use geometric mean to measure its three indicators. Gender Development Index (GDI) adjusts the average achievements in the same three dimensions that are captured in the HDI to account for the inequalities between men and women. HDI shows the variations within the nations, between provinces, gender, ethnicities and other socioeconomic factors. At a nation level HDI helps in assessing the states performances and helps to determine public policies for the states by analysing its performance among the different indicators of HDI. In this paper we will try to analyse the difference in the ranking of HDI in different states and also evaluate the dimensions they are lacking.

This table represent the HDI values for the year 2000, 2005, 2010, 2015 and 2020 state wise. The HDI data was 0.491 in 2000, 0.534 in 20005, 0.575 in 2010, 0.629 in 2015 and 0.642 in 2020. Over last 20 years it just increased by 0.151. There was huge difference between HDI values state wise in all the years. In the starting years (2000-2015) Puducherry was highest in HDI. Hile Karela got the highest HDI due its increasing human capital and education in 2020. While Bihar was the lowest HDI state in all years. In 2000 the states who were having high HDI decreases while many of the states HDI increases who were facing low HDI in 2000.

One of the main reasons of increasing HDI was education. Education was. 369 in 2000 while. 552 in 2020. Income also played good role in increasing HDI. But along with the increasing HDI value and its indicators GDI was also increasing in states.

Corresponding Author: Ritika Sharma

Student, Maharshi Dayanand University, Rohtak, Haryana, India

**Table 1:** HDI values for the year 2000, 2005, 2010, 2015 and 2020 state wise

Region	2000	2005	2010	2015	2020
Total	0.491	0.534	0.575	0.629	0.642
Andaman and Nicobar Islands	0.686	0.714	0.7	0.726	0.715
Andhra Pradesh	0.473	0.526	0.574	0.631	0.639
Arunachal Pradesh	0.497	0.53	0.635	0.664	0.674
Assam	0.482	0.526	0.56	0.599	0.606
Bihar	0.43	0.465	0.508	0.558	0.578
Chandigarh	0.63	0.658	0.643	0.737	0.755
Chhattisgarh	0.555	0.581	0.566	0.595	0.614
Dadra and Nagar Haveli	0.673	0.702	0.688	0.665	0.628
Daman and Diu	0.655	0.682	0.669	0.693	0.67
Goa	0.609	0.668	0.731	0.758	0.761
Gujarat	0.521	0.569	0.599	0.654	0.646
Haryana	0.543	0.587	0.628	0.689	0.701
Himachal Pradesh	0.584	0.641	0.661	0.707	0.713
Jammu and Kashmir	0.523	0.583	0.636	0.677	0.709
Jharkhand	0.555	0.582	0.567	0.585	0.597
Karnataka	0.512	0.561	0.599	0.662	0.676
Kerala	0.593	0.675	0.709	0.763	0.762
Lakshadweep	0.695	0.724	0.71	0.735	0.725
Madhya Pradesh	0.453	0.495	0.531	0.585	0.604
Maharashtra	0.552	0.598	0.638	0.683	0.698
Manipur	0.553	0.593	0.674	0.698	0.687
Meghalaya	0.471	0.528	0.613	0.651	0.651
Mizoram	0.564	0.626	0.679	0.7	0.697
Nagaland	0.518	0.553	0.654	0.682	0.679
New Delhi	0.657	0.685	0.702	0.734	0.74
Orissa	0.452	0.489	0.529	0.586	0.605
Puducherry	0.72	0.75	0.736	0.734	0.736
Punjab	0.573	0.611	0.651	0.706	0.703
Rajasthan	0.463	0.505	0.542	0.606	0.647
Sikkim	0.543	0.587	0.628	0.695	0.711
Tamil Nadu	0.537	0.596	0.641	0.693	0.695
Telangana	0.618	0.646	0.631	0.654	0.656
Tripura	0.525	0.557	0.602	0.646	0.637
Uttar Pradesh	0.456	0.498	0.528	0.577	0.6
Uttaranchal	0.621	0.65	0.634	0.666	0.681
West Bengal	0.5	0.534	0.567	0.622	0.633

Table 2: Shows the health, education and income

	Health	Education	Income
2000	0.656	0.369	0.489
2005	0.692	0.419	0.525
2010	0.722	0.467	0.564
2015	0.764	0.54	0.603
2020	0.772	0.552	0.621

Table 3: HDI values for the year 2000, 2005, 2010, 2015 and 2020 state wise

Region	2000	2005	2010	2015	2020
Total	0.757	0.787	0.81	0.838	0.845
Andaman and Nicobar Islands	0.87	0.874	0.88	0.896	0.899
Andhra Pradesh	0.749	0.789	0.807	0.836	0.848
Arunachal Pradesh	0.773	0.796	0.838	0.857	0.864
Assam	0.786	0.814	0.835	0.859	0.862
Bihar	0.681	0.722	0.768	0.797	0.798
Chandigarh	0.829	0.844	0.844	0.881	0.898
Chhattisgarh	0.777	0.798	0.799	0.826	0.84
Dadra and Nagar Haveli	0.824	0.826	0.834	0.845	0.847
Daman and Diu	0.848	0.854	0.857	0.873	0.872
Goa	0.841	0.856	0.872	0.892	0.899
Gujarat	0.779	0.799	0.807	0.837	0.84
Haryana	0.774	0.798	0.813	0.842	0.86
Himachal Pradesh	0.809	0.831	0.844	0.866	0.881
Jammu and Kashmir	0.755	0.802	0.827	0.845	0.859
Jharkhand	0.772	0.795	0.795	0.811	0.817

Karnataka	0.784	0.812	0.828	0.856	0.864
Kerala	0.858	0.879	0.886	0.91	0.921
Lakshadweep	0.864	0.867	0.873	0.889	0.897
Madhya Pradesh	0.723	0.768	0.789	0.814	0.822
Maharashtra	0.792	0.814	0.83	0.855	0.861
Manipur	0.793	0.812	0.819	0.852	0.863
Meghalaya	0.816	0.856	0.876	0.895	0.902
Mizoram	0.837	0.853	0.888	0.896	0.887
Nagaland	0.803	0.838	0.875	0.886	0.887
New Delhi	0.846	0.856	0.852	0.879	0.891
Orissa	0.741	0.776	0.802	0.83	0.837
Puducherry	0.865	0.87	0.875	0.883	0.894
Punjab	0.829	0.846	0.866	0.886	0.9
Rajasthan	0.68	0.72	0.753	0.793	0.815
Sikkim	0.814	0.842	0.864	0.888	0.897
Tamil Nadu	0.798	0.827	0.847	0.874	0.884
Telangana	0.813	0.829	0.83	0.842	0.845
Tripura	0.805	0.832	0.843	0.861	0.853
Uttar Pradesh	0.711	0.753	0.778	0.805	0.813
Uttaranchal	0.804	0.823	0.824	0.842	0.859
West Bengal	0.78	0.811	0.836	0.864	0.869

While the HDI measures the average progress, the GDI reflects the inequalities in human development by sex. For India, the estimated value of GDI was 0.757 in 2000, 0.787 in 2005, 0.81 in 2011 and 0.838 in 2016 and 0. 0.845 in 2020. In 2000, GDI was highest in Andaman and Nicobar Islands followed by Lakshadweep and was lowest in Rajasthan (0.68). In 2020, Kerala experienced the highest GDI. While Bihar experienced the lowest GDI.

### Conclusion

We faced a positive relationship between HDI and GDI. Where Kerala is the highest HDI and GDI score which shows that as HDI increase, gender development also increases but the difference is not same in all the states. Bihar and Rajasthan faced low HDI in all the years along with the least GDI in corresponding years. So, through the study we can say that GDI is not the indicator of HDI but it affects the HDI score directly. So, for coming on a good rank India not only need to focus on the its 3 measures but it should also aim the gender equality, which will not only increase the HDI rank of the country but it also distributes its effect equally in both the genders.

## References

- Chatterjee S, Panda BK, Mohanty SK. Estimation, decomposition and convergence of human development index and gender development index in the states of India. Demography India. 2019;48(1):19-35.
- 2. Malik R. HDI and gender development index: Current status of women development in India. PRAGATI: Journal of Indian Economy. 2018;5(2):30-43.
- 3. Dijkstra G, Hanmer L. Measuring socio-economic gender inequality: towards an alternative to the UNDP gender-related development index. ISS Working Paper Series/General Series. 1997;(251):1-30.
- 4. Gelard P, Abdi A. Evaluating the effect of gender inequality on economic growth in countries with high human development index. European Online Journal of Natural and Social Sciences: Proceedings. 2016;4(1(s)):1714.
- 5. Al-Hilani H. HDI as a measure of human development: A better index than the income approach. IOSR Journal of Business and Management. 2012;2(5):24-28.