

MARKETS IN MOTION

developments that matter in financial markets

Human Development Index

"Human development needs its own specific goals like literacy or basic education for all. And it needs to be an overall goal—the main focus of development. People are the greatest wealth of a nation."
UNDP Report, 2010

FTKMC
 FT KNOWLEDGE MANAGEMENT COMPANY LIMITED

- **MARKETS**
- Equities
- Commodities
- Currencies
- Debt
- Banking
- Insurance
- Financial Services

- **PRACTICE**
- Executive Education
- Certification
- Consultancy
- Research
- Advisory Services

- **FORUMS**
- The Strategy Dialogue
- Financial Markets Forum
- FINET
- Commodities Camp

- **REPORTS**
- Financial Markets Review
- Market Briefings

- **SPL PROGRAMMES**
- Markets in Motion
- Global Financial Markets Practice
- Winter School

**NATIONAL
SIMULATION LAB**
www.catchthefuture.in
www.ftkmc.com

Forthcoming Programme

OPTION GREEKS FOR ADVANCED TRADING STRATEGIES

 February 14 - March 4, 2011
 Mumbai

 For details, contact:
 Ms Bhairavee Redkar
 Phone: +91 99302 67955
 Email: bhairavee.redkar@ftkmc.com

 Ms Meena Kulkarni
 Tel: +91 22 6731 8842
 Email: meena.kulkarni@ftkmc.com

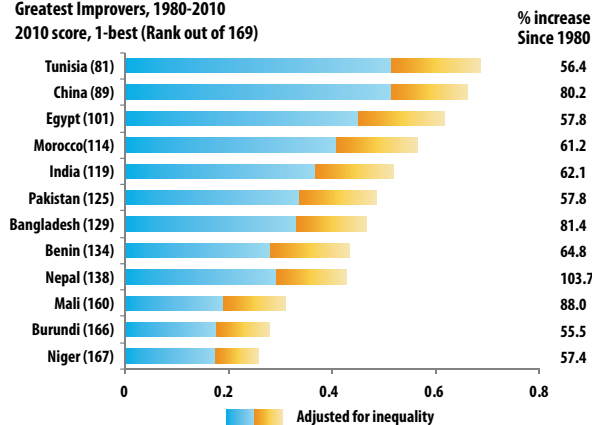
Published by

 FT Knowledge Management Company Limited
 Exchange Square, 1st Floor, Suren Road,
 Chakala, Andheri (East), Mumbai - 400093, India.
 Tel: +91 22 6731 8888 • Fax: +91 22 6726 9541
 Email: marketsinmotion@ftkmc.com • Website: www.ftkmc.com

Introduction

The world has made significant progress in income, education, and health over the past 40 years, but the gains have been uneven, according to the 20th anniversary edition of the Human Development Report of the United Nations Development Programme (UNDP) released in November 2010. The report spotlights countries that made great progress in recent decades as measured by the Human Development Index (HDI), with China, Nepal, Indonesia, and India all making the Report's 'Top 10 Movers' list from the Asian region. The following countries made remarkable progress in HDI during 1980-2010.

Human Development Index

Greatest Improvers, 1980-2010
2010 score, 1-best (Rank out of 169)


Source: UN Human Development Report

HDI is extensively used to measure the standard of living of a country. HDI measures human development by averaging a small set of simple indicators of health, education, and living standards. HDI was devised by the late economist Mahbub ul Haq of Pakistan with the assistance of Nobel Laureate Amartya Sen.

40-Year Trends in Asia

The 40-year analysis included most countries in Asia and more than 90 percent of the world's population. China, the second highest achiever in the world in HDI improvement since 1970, was the only country on the 'Top 10 Movers' list due to income rather than health or education achievement. China's per capita income increased a stunning 21-fold over the last four decades, lifting hundreds of millions out of income below poverty line. Yet China was not among the region's top performer in improving school enrolment and life expectancy.

Progress in South Asia

Significant progress on human development was reported in six of the nine South Asian countries in the trends analysis: Afghanistan, Bangladesh,

India, Iran, Nepal, and Pakistan. Nepal emerges as one of the world's fastest movers since 1970, coming in third out of the 135 countries studied. A child born today in Nepal can expect to live 25 years longer than a child born in 1970; more than four of every five children of school-age in Nepal now attend primary school, compared to just one in five 40 years ago. Nepal's impressive progress in health and education can be traced to both public policy efforts and substantial remittance inflows from emigrant workers over many years.

Similarly, when comparing HDI trends over the past two decades, Bangladesh and Cambodia have been the best performers in the region. In South Asia, life expectancy is now estimated at 65 years, compared to 49 in 1970, though with wide national variations. Over the past 40 years, life expectancy increased by 23 years in Bangladesh, 18 years in Iran, 16 years in India, and 10 years in Afghanistan. One big factor in this change is the gradual improvement in South Asia's infant and child mortality rates, which now stand at 56 and 73 per 1,000 live births, respectively. This is still much higher than the global averages of 44 and 63 per 1,000 live births. Afghanistan has the region's highest infant and under-five mortality rates, at 165 and 257 per 1,000 live births. In education, literacy in South Asia increased to 66 percent in 2010 from 31 percent in 1970, however, the global average for the 135 countries assessed in the HDI trends analysis for 2010 was 83 percent.

India and HDI

India ranks 119 on HDI and there has been a steady progress over the past 20 years. India's HDI is above the average for countries in South Asia.

Source: UNDP Report

Year	Human Development Index	Human Poverty Index	HDI World Rank
1990	0.301	NA	134
2000	0.577	33.1	124
2010	0.519	29.6	119

Impact of Inequality

The 2010 Human Development Report also introduces three new indices that measure the impact of inequality, gender disparities, and multidimensional poverty. According to the Multidimensional Poverty Index, which identifies serious simultaneous deprivations in health, education, and income on the household level in 104 countries, South Asia is home to half of the world's multidimensionally poor population, or 844 million people. HDI, measuring the effect of inequality in 135 countries, shows South Asia with an average 33 percent loss due to inequality in health, education, and income—the second largest for a developing region after sub-Saharan Africa.

Contributed by M Ravindran

Upcoming Programme:

 For details, contact:
 Ms Bhairavee Redkar
 Mobile: +91 99302 67955
bhairavee.redkar@ftkmc.com

Environmental Finance

February 17 - 19, 2011

India Habitat Centre, Lodhi Road, New Delhi - 110011.