Inclusive Development Index

Why in news?

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Inclusive Development Index was released recently by the World Economic Forum.

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What is the Inclusive Development Index?

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- The IDI has been developed by the WEF as a new metric of national economic performance.
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- It is seen as an alternative to GDP.
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- The Index on inclusiveness reflects more closely the criteria by which the people evaluate their countries' economic progress.
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- The index has three pillars of growth for global economies namely:
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1. growth and development
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2. inclusion
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3. intergenerational equity and sustainability
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- Accordingly, the parameters focus on the living standards of people and future-proofing of economies by the WEF.
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- In the recent index, Norway tops the chart followed by Iceland and Luxemburg in advanced economies.

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- Lithuania, Hungary, and Azerbaijan are the toppers among the emerging economies.
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How is India's inclusivity?

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- **India** has been ranked **62 out of 74** emerging economies.
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- There has roughly been 2.3% improvement in the overall five-year trend of the IDI for India.
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- However, despite this, India is **ranked below** the **neighbouring countries** of Pakistan, Sri Lanka and Nepal.
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- Evidently, Pakistan has been ranked 47, Sri Lanka 40, and Nepal 22.
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- **Among G20** economies, India ranks second last.
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- This is ahead of only South Africa and trails behind Russia (19), China (26) and Brazil (37).
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- Other **South Asian economies** such as Malaysia, Thailand, Indonesia and Philippines also ranked far better than India.
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What are the other key findings?

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- India performs best (44th) in terms of **Intergenerational Equity and Sustainability.**
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- This is primarily a result of low dependency ratio, with higher young population.
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- Both **labour productivity and GDP per capita** posted strong growth rates over the past five years.
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- However, **employment** growth has slowed.

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- It is highlighted that the incidence of **poverty** had declined in India over the past five years.
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- However, six out of 10 Indians still live on less than $3.20 per day.
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- Healthy **life expectancy** also increased by approximately three years to 59.6.
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Source: BusinessLine

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