

**Sustainability and Equity:
A Better Future for All**



Explanatory note on 2011 HDR composite indices

Sri Lanka

HDI values and rank changes in the 2011 Human Development Report

Introduction

The 2011 Human Development Report presents 2011 Human Development Index (HDI) values and ranks for 187 countries and UN-recognized territories, along with the Inequality-adjusted HDI for 134 countries, the Gender Inequality Index for 146 countries, and the Multidimensional Poverty Index for 109 countries. Country rankings and values in the annual Human Development Index (HDI) are kept under strict embargo until the global launch and worldwide electronic release of the Human Development Report. The 2011 Report will be launched globally in November 2011.

It is misleading to compare values and rankings with those of previously published reports, because the underlying data and methods have changed, as well as the number of countries included in the HDI. The 187 countries ranked in the 2011 HDI represents a significant increase from the 169 countries included in the 2010 Index, when key indicators for many countries were unavailable.

Readers are advised in the Report to assess progress in HDI values by referring to Table 2 ('Human Development Index Trends') in the Statistical Annex of the report. Table 2 is based on consistent indicators, methodology and time-series data and thus shows real changes in values and ranks over time reflecting the actual progress countries have made.

For further details on how each index is calculated please refer to Technical Notes 1-4 in the 2011 Report and the associated background papers available on the Human Development Report website.

Human Development Index (HDI)

The HDI is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. As in the 2010 HDR a long and healthy life is measured by life expectancy, access to knowledge is measured by: i) mean years of adult education, which is the average number of years of education received in a life-time by people aged 25 years and older; and ii) expected years of schooling for children of school-entrance age, which is the total number of years of schooling a child of school-entrance age can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child's life. Standard of living is measured by Gross National Income (GNI) per capita expressed in constant 2005 PPP\$.

To ensure as much cross-country comparability as possible, the HDI is based primarily on international data from the UN Population Division, the UNESCO Institute for Statistics (UIS) and the World Bank. As stated in the introduction, the HDI values and ranks in this year's report are not comparable to those in past reports (including the 2010 HDR) because of a number of revisions done to the component indicators by the mandated agencies. To allow for assessment of progress in HDIs, the 2011 report includes recalculated HDIs from 1980 to 2011.

Sri Lanka's HDI value and rank

Sri Lanka's HDI value for 2011 is 0.691—in the medium human development category—positioning the country at 97 out of 187 countries and territories. Between 1980 and 2011, Sri Lanka's HDI value increased from 0.539 to 0.691, an increase of 28.0 per cent or average annual increase of about 0.8 per cent.

The rank of Sri Lanka's HDI for 2010 based on data available in 2011 and methods used in 2011 is 98 out of 187 countries. In the 2010 HDR, Sri Lanka was ranked 91 out of 169 countries. However, it is misleading to compare values and rankings with those of previously published reports, because the underlying data and methods have changed, as well as the number of countries included in the HDI.

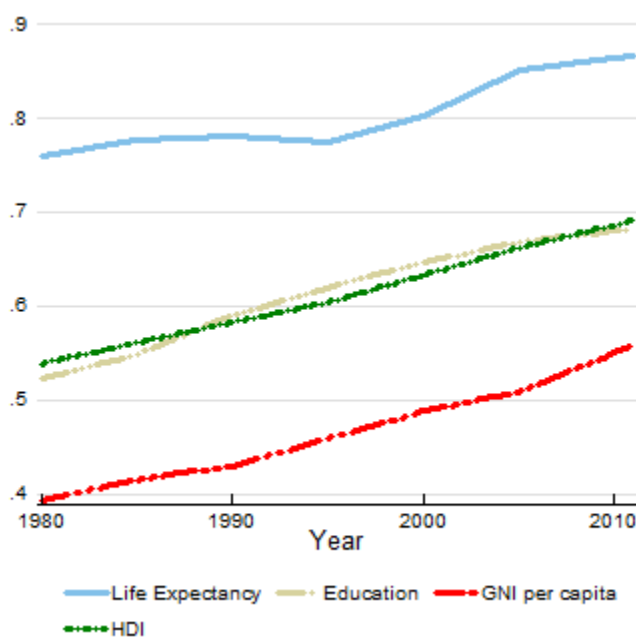
Table A reviews Sri Lanka's progress in each of the HDI indicators. Between 1980 and 2011, Sri Lanka's life expectancy at birth increased by 6.8 years, mean years of schooling increased by 2.1 years and expected years of schooling increased by 2.7 years. Sri Lanka's GNI per capita increased by about 216.0 per cent between 1980 and 2011.

Table A: Sri Lanka's HDI trends based on consistent time series data, new component indicators and new methodology

	Life expectancy at birth	Expected years of schooling	Means years of schooling	GNI per capita (2005 PPP\$)	HDI value
1980	68.1	10.0	6.1	1,564	0.539
1985	69.2	10.5	6.5	1,811	0.561
1990	69.5	11.4	6.9	2,006	0.583
1995	69.1	12.0	7.2	2,461	0.604
2000	70.9	12.4	7.6	3,028	0.633
2005	74.0	12.7	7.9	3,500	0.662
2010	74.8	12.7	8.2	4,653	0.686
2011	74.9	12.7	8.2	4,943	0.691

Figure 1 below shows the contribution of each component index to Sri Lanka's HDI since 1980.

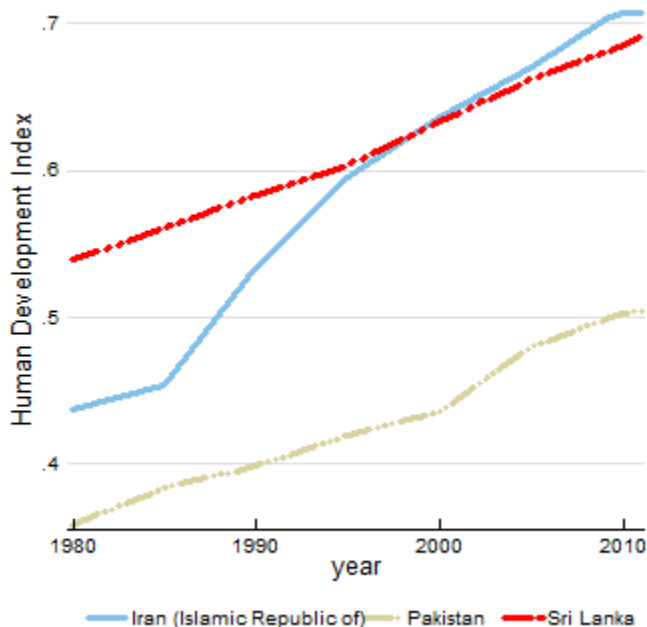
Figure 1: Trends in Sri Lanka's HDI component indices 1980-2011



Assessing progress relative to other countries

Long-term progress can be usefully assessed relative to other countries—both in terms of geographical location and HDI value. For instance, during the period between 1980 and 2011 Sri Lanka, Islamic Republic of Iran and Pakistan experienced different degrees of progress toward increasing their HDIs (See Figure 2).

Figure 2: Trends in Sri Lanka's HDI 1980-2011



Sri Lanka's 2011 HDI of 0.691 is above the average of 0.630 for countries in the medium human development group and above the average of 0.548 for countries in South Asia. From South Asia, countries which are close to Sri Lanka in 2011 HDI rank and population size are Pakistan and India which have HDIs ranked 145 and 134 respectively (see Table B).

Table B: Sri Lanka's HDI indicators for 2011 relative to selected countries and groups

	HDI value	HDI rank	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (PPP US\$)
Sri Lanka	0.691	97	74.9	12.7	8.2	4,943
Pakistan	0.504	145	65.4	6.9	4.9	2,550
India	0.547	134	65.4	10.3	4.4	3,468
South Asia	0.548	—	65.9	9.8	4.6	3,435
Medium HDI	0.630	—	69.7	11.2	6.3	5,276

Inequality-adjusted HDI (IHDI)

The HDI is an average measure of basic human development achievements in a country. Like all averages, the HDI masks inequality in the distribution of human development across the population at the country level. The 2010 HDR introduced the 'inequality adjusted HDI (IHDI)', which takes into account inequality in all three dimensions of the HDI by 'discounting' each dimension's average value according to its level of inequality. The HDI can be viewed as an index of 'potential' human development and IHDI as an index of actual human development. The 'loss' in potential human development due to inequality is

given by the difference between the HDI and the IHDI, and can be expressed as a percentage. (For more details see the technical note 2).

Sri Lanka's HDI for 2011 is 0.691. However, when the value is discounted for inequality, the HDI falls to 0.579, a loss of 16.2 per cent due to inequality in the distribution of the dimension indices. Pakistan and India show losses due to inequality of 31.4 per cent and 28.3 per cent respectively. The average loss due to inequality for medium HDI countries is 23.7 per cent and for South Asia it is 28.4 per cent.

Table C: Sri Lanka's IHDI for 2011 relative to selected countries and groups

	IHDI value	Overall Loss (%)	Loss due to inequality in life expectancy at birth (%)	Loss due to inequality in education (%)	Loss due to inequality in income (%)
Sri Lanka	0.579	16.2	9.4	17.9	20.8
Pakistan	0.346	31.4	32.3	46.4	11.0
India	0.392	28.3	27.1	40.6	14.7
South Asia	0.393	28.4	26.9	40.9	15.1
Medium HDI	0.480	23.7	19.2	29.4	22.3

Gender Inequality Index (GII)

The Gender Inequality Index (GII) reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity. Reproductive health is measured by maternal mortality and adolescent fertility rates; empowerment is measured by the share of parliamentary seats held by each gender and attainment at secondary and higher education by each gender; and economic activity is measured by the labour market participation rate for each gender. The GII replaced the previous Gender-related Development Index and Gender Empowerment Index. The GII shows the loss in human development due to inequality between female and male achievements in the three GII dimensions. (For more details on GII please see Technical note 3 in the Statistics Annex.)

Sri Lanka has a GII value of 0.419, ranking it 74 out of 146 countries in the 2011 index. In Sri Lanka, 5.3 per cent of parliamentary seats are held by women, and 56.0 per cent of adult women have reached a secondary or higher level of education compared to 57.6 per cent of their male counterparts. For every 100,000 live births, 39 women die from pregnancy related causes; and the adolescent fertility rate is 23.6 births per 1000 live births. Female participation in the labour market is 34.2 per cent compared to 75.1 for men.

In comparison Pakistan and India are ranked at 115 and 129 respectively on this index.

Table D: Sri Lanka's GII for 2011 relative to selected countries and groups

	GII value	GII Rank	Maternal mortality ratio	Adolescent fertility rate	Female seats in parliament (%)	Population with at least secondary education (%)		Labour force participation rate (%)	
						Female	Male	Female	Male
Sri Lanka	0.419	74	39	23.6	5.3	56.0	57.6	34.2	75.1
Pakistan	0.573	115	260	31.6	21.0	23.5	46.8	21.7	84.9
India	0.617	129	230	86.3	10.7	26.6	50.4	32.8	81.1
South Asia	0.601	—	252	77.4	12.5	27.3	49.2	34.6	81.2
Medium HDI	0.475	—	135	50.1	17.3	41.2	57.7	51.1	80.0

Multidimensional Poverty Index (MPI)

The 2010 HDR introduced the Multidimensional Poverty Index (MPI), which identifies multiple deprivations in the same households in education, health and standard of living. The education and

health dimensions are based on two indicators each while the standard of living dimension is based on six indicators. All of the indicators needed to construct the MPI for a household are taken from the same household survey. The indicators are weighted, and the deprivation scores are computed for each household in the survey. A cut-off of 33.3 percent, which is the equivalent of one-third of the weighted indicators, is used to distinguish between the poor and nonpoor. If the household deprivation score is 33.3 percent or greater, that household (and everyone in it) is multidimensionally poor. Households with a deprivation score greater than or equal to 20 percent but less than 33.3 percent are *vulnerable* to or at risk of becoming multidimensionally poor.

The most recent survey data that were publically available for Sri Lanka's MPI estimation refer to 2003. In Sri Lanka 5.3 per cent of the population suffer multiple deprivations while an additional 14.4 per cent are vulnerable to multiple deprivations. The breadth of deprivation (intensity) in Sri Lanka, which is the average percentage of deprivation experienced by people in multidimensional poverty, is 38.7 per cent. The MPI, which is the share of the population that is multi-dimensionally poor, adjusted by the intensity of the deprivations, is 0.021. Pakistan and India have MPIs of 0.264 and 0.283 respectively.

Table E compares income poverty, measured by the percentage of the population living below PPP US\$1.25 per day, and multidimensional deprivations in Sri Lanka. It shows that income poverty only tells part of the story. The multidimensional poverty headcount is 1.7 percentage points lower than income poverty. This implies that individuals living below the income poverty line may have access to non-income resources. Table E also shows the percentage of Sri Lanka's population that live in severe poverty (deprivation score is 50 per cent or more) and that are vulnerable to poverty (deprivation score between 20 and 30 per cent). Figures for Pakistan and India are also shown in the table for comparison.

Table E: Sri Lanka's MPI for 2011 relative to selected countries

	MPI value	Head count (%)	Intensity of deprivation (%)	Population vulnerable to poverty (%)	Population in severe poverty (%)	Population below income poverty line (%)
Sri Lanka	0.021	5.3	38.7	14.4	0.6	7.0
Pakistan	0.264	49.4	53.4	11.0	27.4	22.6
India	0.283	53.7	52.7	16.4	28.6	41.6