

WRAP Exams · wrapexams.com

Prelims PYQ, Mains model answers, and copy evaluation. Write to the desk for this paper, a doubt, or the AI waitlist.

ask@wrapexams.com · +91 85951 84903 · wrapexams.com

Q1

Distinguish between the Human Development Index (HDI) and the Inequality-adjusted Human Development Index (IHDI) with special reference to India. Why is the IHDI considered a better indicator of inclusive growth?

UPSC Civil Services Mains 2025 · GS III · 10 marks · Inclusive Growth

Inclusive growth and issues arising from it.

Core demand of the question

- Define HDI and its three legs
- Define IHDI as HDI penalised for inequality
- Use India numbers and say why IHDI is the better inclusive-growth test

Revision summary

HDI combines life expectancy, education and GNI per capita into one average.

India's recent HDI is in the medium band, around 0.64, with a rank still in the 130s.

IHDI reduces that score for inequality; India has often lost about thirty per cent of HDI to uneven shares.

Inclusive growth needs the extra income and services to reach the bottom, which HDI alone can hide.

IHDI is therefore the better national test, alongside the multidimensional poverty index.

Introduction

Average glory can hide a cruel inside. The **Human Development Index** is an average of health, schooling and income. The **Inequality-adjusted Human Development Index** asks how much of that average is lost because people do not share those goods evenly. For India, that second number is the more honest face of **inclusive growth**.

Body

HDI

UNDP's HDI combines **life expectancy**, **education** (mean and expected years of schooling) and **GNI per capita**. India's HDI has climbed over three decades with longer lives, more children in school, and higher average income. In recent Human Development Reports India sits in the **medium human development** band, with an HDI a little above **0.64** and a rank still in the **130s** among 190-odd countries. That is progress from the 1990s. It is not a rich-country score. It is also an **average**. A software-export city and a hungry block can share one national HDI.

IHDI

The IHDI **discounts** each dimension for inequality. If two countries have the same HDI, the one with a more equal spread of years of life, years of school and income will have a **higher IHDI**. The gap between HDI and IHDI is the **loss due to inequality**. For India that loss has often been around **thirty per cent** - among the larger losses in the medium-HDI group. Women, Adivasi districts, and the poorest wealth quintile pull the IHDI down while the national average still rises.

Why IHDI is better for inclusive growth

Inclusive growth means the extra GDP is **felt in more lives**, not only in a per-capita mean. HDI already beats raw GDP because it counts health and school. IHDI beats HDI because it **punishes concentration**. India's **Multidimensional Poverty Index** (NITI Aayog / UNDP method) has fallen, which is good news. The Gini of consumption is moderate by world standards, but **wealth and learning outcomes** remain skewed. If HDI rises while IHDI stalls, growth is **not inclusive**. Policy then has to aim at **public health in poor districts, school quality, and income at the bottom**, not only at a headline GDP rate of six to seven per cent.

The better indicator is the one that cannot be flattered by a rich tail.

Flow diagram

HDI average -> Life school income
IHDI -> HDI average
IHDI -> Penalty for inequality
Penalty for inequality -> Inclusive growth test

Conclusion

HDI averages health, school and income. IHDI lowers that average when those goods are unequal. India's **inequality loss** is large, so IHDI is the stricter, and better, test of inclusive growth.

Facts & figures

HDI rank

Recent UNDP reports place India in the medium human-development group with a rank in the 130s.

Inequality loss

The gap from HDI to IHDI for India has often been near thirty per cent, a large penalty.

MPI

NITI Aayog's national multidimensional poverty index has shown a decline in the share of people who are poor on several deprivations at once.