



# NEWSLETTER

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## MALAYSIA'S HUMAN DEVELOPMENT INDEX (HDI)

### What is HDI?

The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: **a long and healthy life, being knowledgeable and have a decent standard of living**. This Human Development Reports was released by United Nations Development Programme (UNDP) and have been published since 1990 until 2020.

The main objective of HDI is to provide a simple measure of human progress – built around people’s freedoms to live the lives they want to - the HDI has gained popularity with its simple yet comprehensive formula that assesses a population’s average longevity, education, and income.

### How to measure HDI?

Instead of using growth in GDP as the sole measure of development, they rank the world’s countries by their human development: by whether in each country have the freedom and opportunity to live the lives they value, in order to be a better nation and better people. HDI can be measured as below:

Step 1: Calculation of Dimension Index

$$\text{Dimension Index} = \frac{\text{Actual value} - \text{minimum value}}{\text{Maximum value} - \text{minimum value}}$$

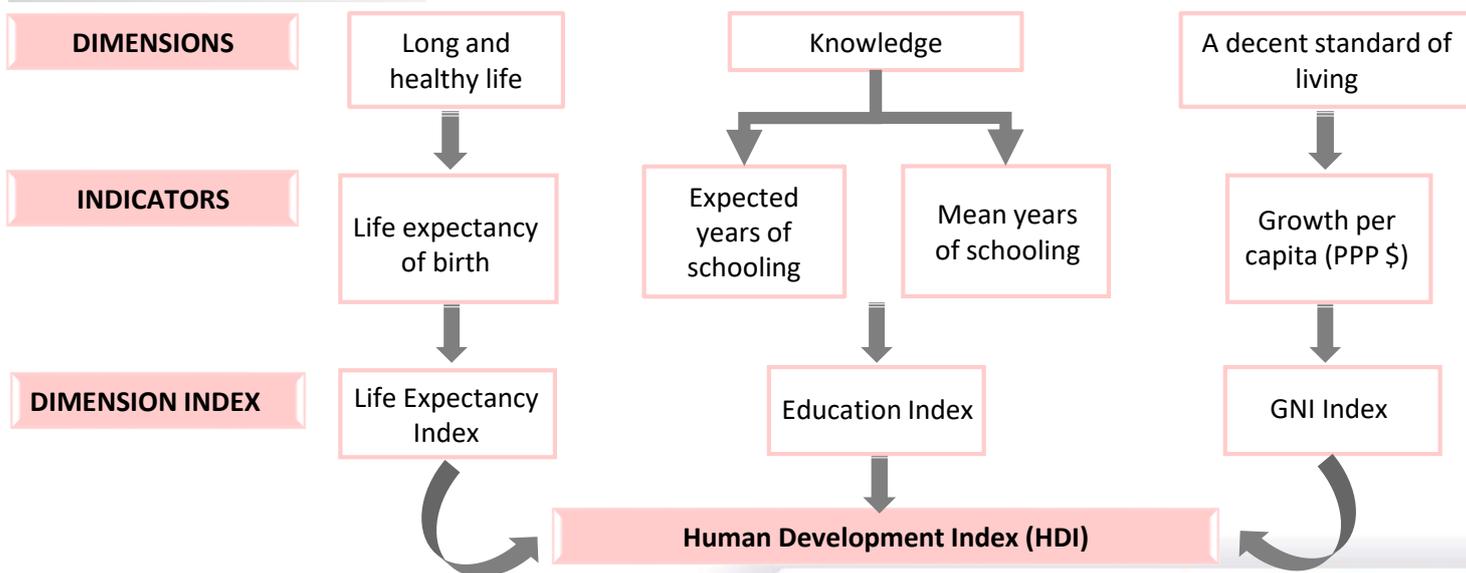
Step 2: Calculation of Human Development Index (HDI)

$$\text{HDI} = (I_{\text{Health}} \cdot I_{\text{Education}} \cdot I_{\text{Income}})^{1/3}$$

Step 3: Calculation cut-off point of Human Development Index

Indicator	Value
Very high human development	0.800 and above
High human development	0.700-0.799
Medium human development	0.550-0.699
Low human development	Below 0.550

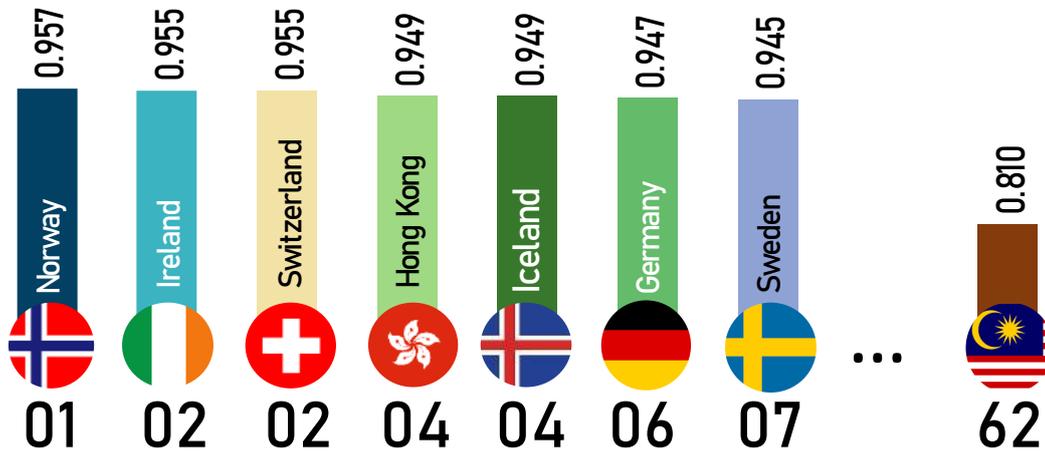
### Indicators of HDI



# TOP 5 COUNTRIES

Malaysia's HDI score for 2019 is 0.810 which put the country in the very high human development category positioning it at 62 out of 189 countries and territories.

## HUMAN DEVELOPMENT INDEX 2019

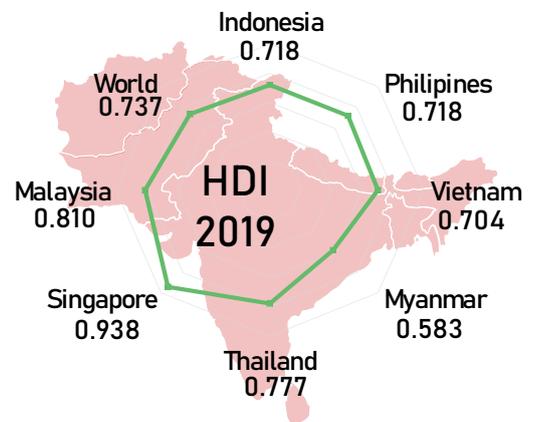
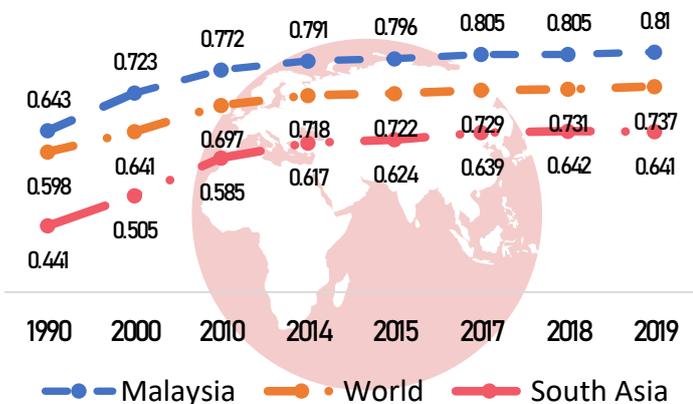


Source: Human Development Reports 2020

# POSITION OF HDI MALAYSIA COMPARED TO OTHER COUNTRIES

Between 1990 and 2019 Malaysia's HDI Index score increased from 0.643 to 0.810, an increase of 26.0 percent, whereas the index score increased 0.62 percent from 0.805 to 0.810 in 2019 as compared to 2018.

Comparing the HDI among the ASEAN region, Singapore has the highest value of HDI followed by Malaysia and Thailand with 0.938, 0.810 and 0.777 respectively.



Source: Human Development Reports 2020

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