

A COMPARATIVE HUMAN DEVELOPMENT INDEX (HDI) AMONG ASEAN COUNTRIES: THE ECONOMIC DEVELOPMENT REPERCUSSIONS OF THE 2009 REPORT TO ASEAN COUNTRIES

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Introduction

Economic development is the development of economic wealth of countries or regions for the well-being of their inhabitants. Comprehensively, it implies progressive changes in the socio-economic structure of a country. Viewed in the context of well-being of inhabitants or people, economic development involves a steady decline in agricultural shares in GNP and continuous increase in shares of industries, trade banking construction and services. It goes without saying that economic development goes beyond the income of a country.

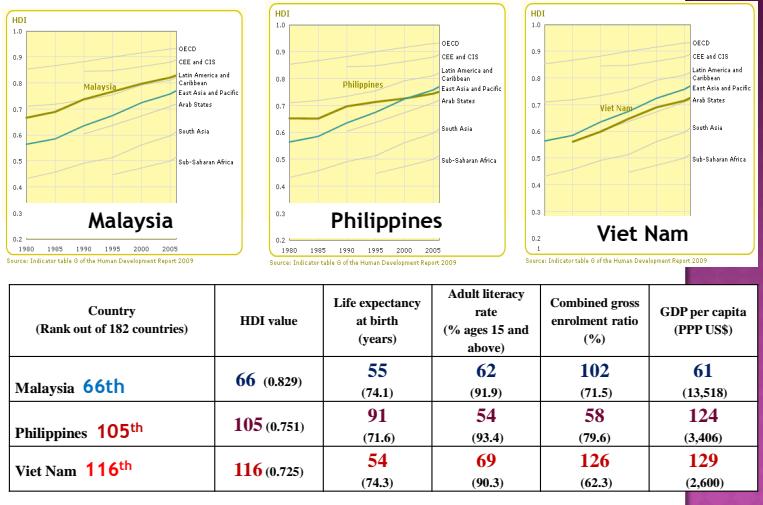
This paper intends to focus on the real essence of economic development which is the Human Capital. The Human Development Index (HDI) provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life expectancy), being educated (measured by adult literacy and gross enrolment in education) and having a decent standard of living (measured by purchasing power parity, PPP, income). To make it more relevant to the ASEAN constituents and to increase awareness among ASEAN people on the importance of developing the human capital of each country found in the ASEAN block, a comparative study using the 2009 HDI Report of the United Nations was adopted to feature key human development in Malaysia, the Philippines and Viet Nam and eventually present the economic repercussions of the indexes to economic development among ASEAN countries.

The 2009 Comparative Human Development Index Across Three ASEAN Countries

I. The Human Development Index Trends (HDI Trends)

The human development index trends tell an important story in a country's complex relationship between income and well-being over the years. Figure 1 below presents the comparative HDI Trends of Malaysia, the Philippines and Viet Nam. Notice how through the years, the HDI trends of the said countries generally improved.

FIGURE 1: HDI TRENDS

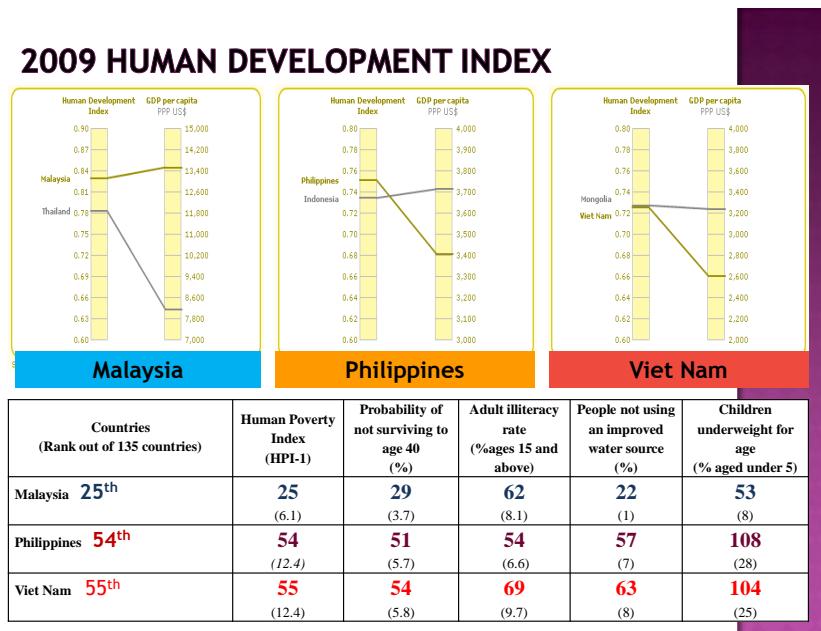


The HDI Trends Figure clearly presents that between 1980 and 2007 Malaysia's HDI on the one hand, greatly rose by 0.81% annually from 0.666 to 0.829. The Philippines's HDI on the other hand, rose by 0.53% annually from 0.652 to 0.751 while Viet Nam's HDI rose by 1.16% annually from 0.561 to 0.725 to date. Apparently, after embarking on major economic reforms in Malaysia, the country has since then opened more opportunities for its people to receive free education, medical services and work.

2. The 2009 Human Development Index (Poverty Level Index)

By looking at some of the most fundamental aspects of people's lives and opportunities, the HDI provides a much more complete picture of a country's development than other indicators, such as GDP per capita. Figure 2 illustrates that countries on the same level of HDI can have very different levels of income or that countries with similar levels of income can have very different HDIs.

Figure 2: Poverty Level Index



In Figure 2, the Human Poverty Index (HPI-1), focuses on the proportion of people below certain threshold levels in each of the dimensions of the human development index - living a long and healthy life, having access to education, and a decent standard of living. By looking beyond income deprivation, the HPI-1 represents a multi-dimensional alternative to the \$1.25 a day (PPP US\$) poverty measure.

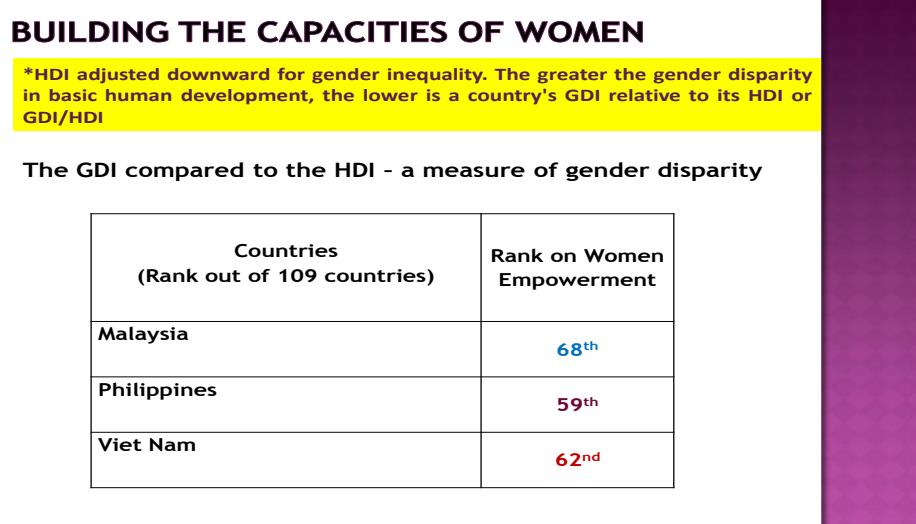
The HPI-1 value of 6.1% for Malaysia, ranks 25th among 135 countries, the 12.6% for Philippines, ranks 54th among 135 countries while the 12.4% for Viet Nam, ranks 55th among 135 countries for which the index has been calculated.

Generally, Malaysia is the top 25th country now out of 135 countries measured with better human development index in terms of alleviating poverty among its people.

3. Building the Capacities of Women Index (Gender Empowerment Measure-GEM)

The HDI measures average achievements in a country, but it does not incorporate the degree of gender imbalance in these achievements. The gender-related development index (GDI), introduced in Human Development Report 1995, measures achievements in the same dimensions using the same indicators as the HDI but captures inequalities in achievement between women and men. It is simply the HDI adjusted downward for gender inequality. The greater the gender disparity in basic human development, the lower is a country's GDI relative to its HDI.

Figure 3: The Women Empowerment Measure Index



The gender empowerment measure (GEM) reveals whether women take an active part in economic and political life within the country. It tracks the share of seats in parliament held by women; of female legislators, senior officials and managers; and of female professional and technical workers- and the gender disparity in earned income, reflecting economic independence. Differing from the GDI, the GEM exposes inequality in opportunities in selected areas.

In Figure 3, Malaysia ranks 68th out of 109 countries in the GEM, with a value of 0.542, the Philippines ranks 59th out of 109 countries in the GEM, with a value of 0.560. while Viet Nam ranks 62nd out of 109 countries in the GEM, with a value of 0.554.

In terms of women exposure and participation in economic and political development of the nation, the Philippines outranks by a slight margin the countries of Malaysia and Viet Nam.

Conclusion

Encompassing, of all the three countries compared with in terms of Human Development Index as a measure of economic development among ASEAN nations namely: Malaysia, Philippines and Viet Nam, it is Malaysia so far which is the strongest in terms of its capacity to alleviate its people from poverty through the provision of basic economic services to its people such as education, work and medical attention. In terms of women empowerment, the Philippines had championed so far the sustainability of promoting women's rights and capacity enhancement while Vietnam is fast approaching as one of the emerging developing countries in the ASEAN region.

On the economic development perspective, the 2009 HDI Report clearly documented the quality of economic lives that prevail in Malaysia, the Philippines and Viet Nam. The data

indicated that Malaysia is aggressively moving towards greater heights in human development more specifically on educating the Malaysian youth, enhancing the skills of the young adults and designing an overall labor landscape for the current government's prominent goal - ONE Malaysia (Satu Malaysia/1 Malaysia). The emanating economic development program of Malaysia has succeeded in opening more employment opportunities for the citizens of the country. As more Malaysians get the most relevant and ideal employment for themselves, the greater would be their income, hence, their quality of life would greatly improve to enable them in providing education, medical attention and better quality of life to their family members. As the cycle keeps on improving, the nation as a whole benefits the most from it in terms of higher government revenues for the provision of better social services to the people. When the economic development objective of the country reaches optimum realization, "Satu Malaysia" has all the total development potentials to emerge as "Number One" as well in the aspect of economic development in the ASEAN Block. The Philippines as a champion of women empowerment is a good indicator of human and economic development, as well. It is a prime move to accelerate women's participation in the nation's economic development. An intensive program focused on increasing women empowerment for development is highly required among ASEAN nations if they were to achieve economic development on a higher level each year.

This paper presented in overview, the economic development status of the countries concerned. A call for more attention to the economic ministers and officers of the countries concerned to focus on the effects of the 2009 HDI Report in their respective countries as contained in this paper could greatly contribute to the improvement of their economic and social development plans and plans of reforms or actions in making their countries perform better in the years to come.

References:

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