

India ranks 60th in World Economic Forum's Inclusive Development Index 2017

India, with a score of only 3.38, ranks 60th among the 79 developing economies on the Inclusive Development Index, despite the fact that its growth in GDP per capita is among the top 10 and labor productivity growth has been strong. Poverty has also been falling, albeit from a high level. On the other hand, its debt-to-GDP ratio is high, raising some questions about the sustainability of government spending. With regard to Framework indicators, educational enrollment rates are relatively low across all levels, and quality varies greatly, leading to notable differences in performance among students from different socioeconomic backgrounds.

While unemployment is not as high as in some other countries, the labor force participation rate is low, the informal economy is large, and many workers are in vulnerable employment situations with little room for social mobility. A more progressive tax system would help raise capital for expenditure on infrastructure, healthcare, basic services, and education. India scores well in terms of access to finance for business development and real economy investment. However, new business creation continues to be held back by corruption, underdeveloped infrastructure, and the large administrative burden involved in starting and running companies.

Table 1: Inclusive Development Index Ranking 2017

2017 Rankings				Trend							
				RECEDING	SLOWLY RECEDING	STABLE	SLOWLY ADVANCING	ADVANCING			
ADVANCED ECONOMIES				DEVELOPING ECONOMIES							
RANK OVERALL	ECONOMY	OVERALL IDI SCORE	5-YEAR TREND (DI OVERALL CN)	RANK OVERALL	ECONOMY	OVERALL IDI SCORE	5-YEAR TREND (DI OVERALL CN)	RANK OVERALL	ECONOMY	OVERALL IDI SCORE	5-YEAR TREND (DI OVERALL CN)
1	Norway	6.02	1.87	40	Philippines	4.00	-0.52				
2	Luxembourg	5.86	-2.49	41	El Salvador	4.00	1.10				
3	Switzerland	5.75	1.85	42	Serbia	4.00	-5.06				
4	Iceland	5.48	4.58	43	Cambodia	3.97	0.27				
5	Denmark	5.31	1.03	44	Tunisia	3.94	-3.52				
6	Sweden	5.30	-0.84	45	Morocco	3.89	0.66				
7	Netherlands	5.28	-1.69	46	Guatemala	3.83	1.55				
8	Australia	5.18	0.29	47	Ukraine	3.67	-3.16				
9	New Zealand	5.09	3.75	48	Honduras	3.67	-1.76				
10	Austria	5.05	0.28	49	Lao PDR	3.66	-2.75				
11	Finland	5.04	-3.10	50	Armenia	3.66	-1.86				
12	Ireland	5.01	2.28	51	Tanzania	3.59	-0.09				
13	Germany	4.99	1.91	52	Pakistan	3.56	-0.03				
14	Korea, Rep.	4.95	1.44	53	Tajikistan	3.52	-3.68				
15	Canada	4.90	0.59	54	Jordan	3.50	n/a				
16	Belgium	4.89	-0.71	55	Ghana	3.50	-4.97				
17	Slovak Republic	4.88	-0.11	56	Cameroon	3.50	-1.46				
18	France	4.83	-1.94	57	Kyrgyz Republic	3.49	-4.48				
19	Czech Republic	4.78	0.89	58	Senegal	3.48	-4.07				
20	Slovenia	4.75	-6.13	59	Mali	3.39	0.83				
21	United Kingdom	4.69	-0.61	60	India	3.38	2.50				
22	Estonia	4.52	-0.36	61	Zimbabwe	3.37	n/a				
23	United States	4.44	0.71	62	Chad	3.31	-2.90				
24	Japan	4.36	-0.61	63	Namibia	3.28	1.07				
25	Israel	4.28	3.38	64	Uganda	3.28	-4.16				
26	Spain	4.24	-6.48	65	Kenya	3.23	-4.33				
27	Italy	4.18	-4.85	66	Burundi	3.22	-3.23				
28	Portugal	3.94	-4.61	67	Sierra Leone	3.21	-4.10				
29	Greece	3.68	-7.87	68	Rwanda	3.20	-8.44				
n/a	Singapore	n/a	n/a	69	Lesotho	3.12	7.80				
				70	South Africa	3.09	5.50				
				71	Nigeria	3.07	-2.99				
				72	Madagascar	3.05	-5.10				
				73	Egypt	2.94	n/a				
				74	Mauritania	2.89	-6.74				
				75	Yemen	2.87	n/a				
				76	Zambia	2.84	-9.69				
				77	Malawi	2.83	-8.49				
				78	Mozambique	2.79	-9.27				
				n/a	Algeria	n/a	n/a				
				1	Lithuania	4.73	2.01				
				2	Azerbaijan	4.73	-0.46				
				3	Hungary	4.57	3.14				
				4	Poland	4.57	1.12				
				5	Romania	4.53	5.17				
				6	Uruguay	4.53	4.23				
				7	Latvia	4.52	3.75				
				8	Panama	4.52	0.99				
				9	Costa Rica	4.47	-0.58				
				10	Chile	4.46	2.07				
				11	Argentina	4.43	-0.11				
				12	Thailand	4.42	1.12				
				13	Russian Federation	4.42	1.24				
				14	Peru	4.41	1.33				
				15	China	4.40	1.65				
				16	Malaysia	4.39	1.94				
				17	Kazakhstan	4.37	4.36				
				18	Bulgaria	4.37	-1.11				
				19	Paraguay	4.31	3.97				
				20	Turkey	4.30	2.62				
				21	Iran, Islamic Rep.	4.29	-1.54				
				22	Indonesia	4.29	0.81				
				23	Croatia	4.28	-5.98				
				24	Macedonia, FYR	4.27	2.72				
				25	Vietnam	4.25	-1.34				
				26	Venezuela	4.25	1.61				
				27	Nepal	4.24	7.10				
				28	Dominican Republic	4.14	-0.85				
				29	Mexico	4.13	-0.72				
				30	Brazil	4.13	-0.35				
				31	Georgia	4.09	6.82				
				32	Nicaragua	4.08	2.85				
				33	Colombia	4.08	0.18				
				34	Moldova	4.08	1.43				
				35	Mongolia	4.04	5.56				
				36	Bangladesh	4.03	0.77				
				37	Bolivia	4.02	1.06				
				38	Rbania	4.02	-5.58				
				39	Sri Lanka	4.01	-2.14				

Source: Compiled from World Economic Forum

The Report presents a new global index, the Inclusive Development Index (IDI), providing a richer and more nuanced assessment of

countries' level (and recent performance) of economic development than the conventional one based on GDP per capita alone. It also provides a policy framework showing the many factors that can drive a more inclusive growth process. The report presents a policy framework encompassing seven principal domains (pillars) and 15 sub-domains (sub-pillars) which describe the spectrum of structural factors that particularly influence the breadth of social participation in the process and benefits of economic growth. The seven pillars include (i) **Education and Skills**, (ii) **Basic services and infrastructure**, (iii) **Corruption and rents**, (iv) **Financial Intermediation of real economy investment**, (v) **Asset building and entrepreneurship**, (vi) **Employment and** (vii) **Labour compensation and Fiscal Transfers**.

Please contact for any query related to this mail to Mr. Rohit Singh, Research Associate at rohit.singh@phdcci.in with a cc to Dr. S P Sharma, Chief Economist, PHD Chamber of Commerce & Industry.

Warm regards,

Dr. S P Sharma
Chief Economist & Director-Research

PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area
August Kranti Marg, New Delhi-110016
Ph.: + 91-11-26863801-04, 49545454 Ext (135)
Fax: +91- 26855450, 49545451
Email: spsharma@phdcci.in
Website: www.phdcci.in

