

On Human Development Indexes of ASEAN Countries and Vietnam

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1. HDI and its components

In a long period before the 1990s, the development of a country has usually been measured by GNP or GDP. The HDI was introduced with a view to finding out a socioeconomic indicator that reflects the progress in connection with the human development in a more exact and overall manner.

This is a new method of estimating the development. The breakthrough it made aims at finding a new unit for measuring socioeconomic targets by combining indicators of longevity, education and living standard. Thus, HDI measures average achievements of a country in three aspects of the human development:

- A long and healthy life reflected in the average longevity.

- Knowledge expressed as the literacy rate of adults and the school admission rate.

- Living standard measured by per capita GDP.

In the UN Human Development Report published by the UNDP for the first time in 1990, this method was applied to some 100 countries and territories. From then on, this report has been published regularly and more and more countries and territories are estimated in terms of HDI. This index is calculated as:

$$HDI = \frac{I_A + I_E + I_W}{3}$$

where I_A , I_E and I_W reflect average age, education and wage in a year.

* I_A is the value that reflects the average longevity of a country in a year:

$$I_A = \frac{A_i - A_{\min}}{A_{\max} - A_{\min}}$$

A_{\max} : the world's highest average longevity.

A_{\min} : the world's lowest average longevity.

A_i : the average longevity of the country surveyed.

* I_E is the numerical value of the average education level of a country that is expressed as:

$$I_E = \frac{2a + b}{3}$$

a: the literacy rate of adults of the country (i) divided by the world's highest literacy rate.

b: the average school time of the country (i) divided by the world's longest school time.

* I_W is the per capita income, or per capita GDP, of the country (i) expressed as:

$$I_W = \frac{W_i - W_{\min}}{W_{\max} - W_{\min}}$$

W_{\max} : the world's highest personal income

W_{\min} : the world's lowest personal income

W_i : the average personal income of the country (i)

Thus, the HDI always varies between 0 and 1. The closer to 1 HDI is, the better. For example, the Vietnamese HDI in 1992 was calculated according to the following numerical values:

- Calculation of the average longevity is as follows:

Indicator	The highest	The lowest	Vietnam
Average longevity (year)	85	25	63.4
Literacy rate of the above-15 (%)	100	0	89
Average school time (year)	15	0	4.9
Real per capita GDP (US\$)	5,385	200	1,242

$$I_A = \frac{A_i - A_{\min}}{A_{\max} - A_{\min}} = \frac{63.4 - 25}{85 - 25}$$

$$I_A = 0.640$$

- The average education indicator is as follows:

With a (literacy rate) = $89/100 = 0.89$; and b (average school time) = $4.9/15 = 0.326$,

$$I_E = \frac{2a + b}{3} = \frac{2 \times 0.89 + 0.326}{3} = 0.702$$

- The average personal income (per capita GDP) is:

$$I_W = \frac{W_i - W_{\min}}{W_{\max} - W_{\min}} = \frac{1,242 - 200}{5,385 - 200} = 0.201$$

From these values we could work out the Vietnamese HDI:

$$HDI = \frac{I_A + I_E + I_W}{3} = \frac{0.702 + 0.640 + 0.201}{3} = 0.514$$

Countries could be divided into three groups: (1) Ones with high HDI higher than 0.8; (2) Medium ones with HDI varying between 0.5 and 0.799; and (3) Low ones with HDI under 0.5.

In 1992, Vietnam ranked 116 among 173 countries surveyed - one of the lowest of the medium group and above Swaziland (0.513) and Honduras (0.512). In 1998, Vietnam ranked 110 among 174 countries.

2. HDI of ASEAN countries and Vietnam

Of 162 countries surveyed, ASEAN countries are ranked between the 26th (Singapore) and 131st (Laos).



Singapore and Brunei are of the high HDI group; Laos of the low group and the rest of the medium one. Vietnam occupied the 6th place among the 10 ASEAN countries.

- As for the longevity, Singapore has the highest life expectancy (77.4) and the age index (0.87) and Laos has the lowest (53.1 and 0.47 respectively). Vietnam is ranked the sixth (67.8 and 0.71 respectively).

- Regarding the education index, the highest one is found in the Philippines with the index of 0.91. Vietnam ranks the fourth (0.84) and Laos is in the lowest position (0.51).

- The first five positions in terms of the real per capita GDP (PPP in the dollar) see no

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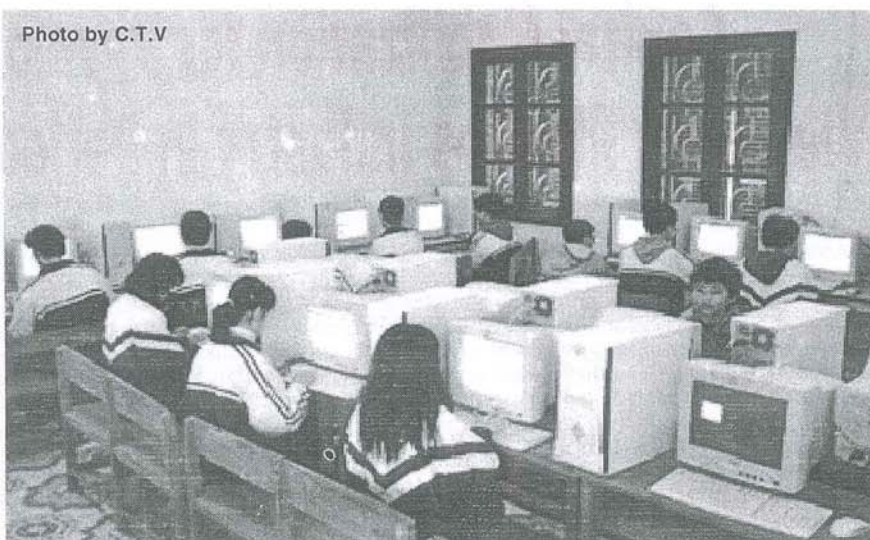


Table 1: HDI of ASEAN countries in 2001

Country	Rank	Longevity (in 1999)	Adult literacy (% in 1999)	School admission (% in 1999)	Real per capita GDP (1999)	Age index (1999)	Education index (1999)	GDP index (1999)	HDI (1999)
Singapore	26	77.4	92.1	75	20,767	0.87	0.87	0.89	0.876
Brunei	32	75.7	91.0	76	17,868	0.85	0.86	0.87	0.857
Malaysia	56	72.2	87.0	66	8,209	0.79	0.80	0.74	0.774
Thailand	66	66.9	95.3	60	6,132	0.75	0.84	0.69	0.757
Philippines	70	69.0	95.1	82	3,805	0.73	0.91	0.61	0.749
Vietnam	101	67.8	93.1	67	1,860	0.71	0.84	0.49	0.682
Indonesia	102	65.8	86.3	65	2,857	0.68	0.79	0.56	0.677
Myanmar	118	56.0	84.4	55	1,027	0.52	0.75	0.39	0.551
Cambodia	121	56.4	68.2	62	1,361	0.52	0.66	0.44	0.541
Laos	131	53.1	47.3	58	1,471	0.47	0.51	0.45	0.476



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change in comparison with ones regarding the HDI. They belong to Singapore, Brunei, Malaysia, Thailand and the Philippines. The gap between ASEAN countries in terms of per capita GDP is wide; Singaporean personal income reaches US\$20,767, some 20 times higher than the lowest one - Myanmar with US\$1,027.

Although the HDI hasn't reflected all aspects of the socioeconomic development of each country, these data could give us interesting comparisons between regional countries and the position of ASEAN among other groupings in the world. As for Vietnam, it shows us where our achievements and weaknesses are, thereby helping us realize what should be done in the coming years. ■