

The dangerous illusion cast by development rankings

California was on fire once again. The recent wildfires were so catastrophic that some estimates placed the total economic damage at around \$250 billion, which is an amount rivalling Greece's GDP in 2023. What the California fires have shown us is the true cost of development models pursued by the world's richest countries.

If every nation consumed resources at the rate of the United States or the European Union, we would need multiple earths to sustain our way of life. Yet, international benchmarks such as the United Nations' Human Development Index (HDI) continue to project these nations as aspirational models of development. This disconnect between celebrated metrics and ecological realities is not just flawed. It is dangerous.

Misguided progress

For decades, the HDI has shaped how countries, including India, perceive progress. The index focuses on three dimensions: life expectancy, education, and income. But it ignores a crucial fourth dimension – the environmental pressures that inevitably accompany high HDI scores. Countries such as Ireland, Norway and Switzerland that top HDI rankings, are among the world's biggest resource consumers and carbon polluters per person. If their development models were adopted globally, the planet would collapse under the weight of material demands and carbon emissions.

High-income countries have already overshoot multiple planetary boundaries, ranging from greenhouse gas emissions and ecological destruction to over-pollution. The HDI's failure to account for these transgressions promotes a misguided and unsustainable model of development, celebrating the gains of affluence to the few without conceding its cost to the



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collective. In response to decades of critique from sustainability experts, the UN introduced a modified index in 2020: the Planetary Pressures-adjusted HDI (PHDI). This measure downgrades HDI scores for countries with high environmental impacts. Yet, even the PHDI falls short as it still ranks countries only in relation to one another rather than against absolute ecological limits. For example, the Nordic countries, consuming over five earths' worth of resources per capita, continue to score highly not because their lifestyles are truly sustainable, but because other nations (such as Qatar) fare even worse.

This relativist approach masks a fundamental reality: the rest of the world cannot scale up to the lifestyle of high-income countries without severely overshooting the planet's finite limits. In effect, the PHDI engineers a dangerous illusion of progress while perpetuating status quo.

Celebrate the middle-income countries

Our own research takes a different approach. We ask which countries have achieved decent living standards that could theoretically be scaled globally without driving the planet towards climate and ecological collapse.

Here, middle-income countries such as Costa Rica and Sri Lanka emerge as instructive examples. Costa Rica has achieved impressive outcomes – high life expectancy, universal health care, and near-universal literacy – while maintaining a resource footprint that is far lower than that of affluent nations. Decades of strategic investments in renewable energy and forest conservation have enabled it to align human development with environmental stewardship.

Sri Lanka, meanwhile, offers a mixed picture. With an HDI of 0.78, which is well above many of its South Asian peers, its early investments in

universal health care and education have delivered life expectancy and literacy rates comparable to those of wealthier countries. Yet, recent events underscore the many challenges it faces. The 2022 economic crisis, marked by severe inflation, mass protests, and political instability, revealed deep vulnerabilities. Moreover, a legacy of majoritarian policies and ethnic tensions has, at times, led to episodes of severe violence against minorities, stalling their progress. Sri Lanka teaches us that achieving sustainability requires more than balancing environmental and social progress. It demands justice within and between nations.

India needs to look for alternatives

The lesson is clear: the glittering promise of the Nordic model is, at best, a local phenomenon and, at worst, an unsustainable mirage when applied globally. India, with its 1.4 billion people, cannot afford to mimic the consumption patterns of affluent nations. Instead, it must look to alternatives. While neither Costa Rica nor Sri Lanka is perfect, they offer valuable starting points for crafting an alternative development pathway that respects our planet's limits and upholds social and ecological justice.

Ultimately, the deeper question we face is to reconceptualise "progress" and "development" in light of the 21st century facts of planetary health. Metrics such as the HDI and PHDI treat growth as an unqualified good, ignoring the limits of a finite planet.

For India, as for the entire developing world, true progress must mean more than GDP growth or higher HDI rankings. It must create a society wherein every citizen lives with dignity and safely within ecological boundaries. This is not just a moral imperative or a utopian dream. It is a necessary strategy for survival in the 21st century.