Funding the Future

Tax and human development: the evidence

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Following discussion on tax and GDP over the last day or so (see here and here) Prof Charles Adams of Durham University has done some more research, linked aggregate tax rates and the UN inequality adjusted human development index. As he has noted:

Using the inequality adjusted human development index (IHDI) as opposed to the HDI does not make much difference.

The same Heritage Foundation (2015) data has been used for the tax base.

The UN IHDI data for 2012 has been used as I wanted to include China and India.

In both cases there is a very strong correlation (only exception is Singapore and as we know that in fact Singapore's exceptionalism is built on state funded housing and transport, and geographical factors).

This is the chart of the findings:
GDP may be important. Human development is even more important. The association is apparent. I am grateful to Charles for making the link.