UN reports slowing human development and growing inequality, promoting AI as a solution

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30 May 2025

The 2025 United Nations (UN) Human Development Report published earlier this month reveals an unprecedented slowdown on the Human Development Indices (HDI) in all regions of the world, along with growing inequality between the imperialist and former colonial countries. It claims that Artificial Intelligence (AI) could reignite development.

Instead of a sustained recovery following the world's greatest recession induced by the COVID-19 pandemic, still ongoing if barely reported, there has been exceptionally little improvement in human development. While global HDI is set to reach a record high in 2024, the rise is minimal and the smallest—apart from the crisis years of 2020 and 2021—since 1990.

The UN's HDI is a crude yardstick for measuring a country's human development in three key dimensions: health, knowledge, and standard of living.

Health is measured by life expectancy at birth. Knowledge is measured by the average (mean) years of schooling and expected years of schooling. Standard of living is measured by Gross National Income (GNI) per capita expressed in international dollars using purchasing power parity (PPP) terms—which aims to provide a more accurate comparison of income levels between countries by considering the real cost of goods and services rather than simply using exchange rates. Countries are then classified according to their HDI value as being of low, medium, high, and very high human development.

As well as the alarming rate of slowdown in global development, the report found that inequality between Low HDI and Very High HDI countries grew for the fourth successive year, reversing a long-term trend that had seen inequalities between rich and poor countries decline.

Introducing the report, Achim Steiner, United Nations Development Programme Administrator, said, "For decades, we have been on track to reach a very high human development world by 2030, but this deceleration signals a very real threat to global progress." He added, "If 2024's sluggish progress becomes the 'new normal', that 2030 milestone could slip by decades—making our world less secure, more divided, and more vulnerable to economic and ecological shocks".

The report notes—without further explanation or data—that the countries with the lowest HDI scores are caught by the debt crisis, "increasing trade tensions that limit exports" and the rise of "jobless industrialisation" due to automation.

Even this is a very muted presentation.

The debt crisis is acute, as data from the UN Conference on Trade and Development (UNCTAD) shows. The external debt of the "developing countries" has quadrupled in two decades to reach a record $11.4 trillion in 2023, equal to 99 percent of their export earnings. This has been fuelled by the COVID-19 pandemic and volatile commodity prices as countries borrowed heavily to offset the economic fallout and fund public health measures. Their debt levels have grown twice as fast as in the more advanced capitalist countries.

Debt distress looms over more than half of the 68 low-income countries eligible for the International Monetary Fund's Poverty Reduction and Growth Trust—more than double the number in 2015. Soaring interest rates—two to four times that of the US and six to 12 times higher than Germany—have worsened the burden. In 2023, the poorer countries paid $847 billion in net interest, a 26 percent increase on 2021. These blood sucking payments come at the expense of essential public services, so schools are underfunded, hospitals lack supplies and infrastructure falls apart.

In 2023, a staggering 54 countries, nearly half in Africa, spent at least 10 percent of government revenue on debt servicing. Today, 3.3 billion people—41 percent of the world's 8 billion population—live in countries that spend more on debt payments than on health or education.

Despite acknowledging that industrialisation has often

failed to bring greater human development for the mass of the population in the former colonial countries, the 2025 Human Development Report claims that their surveys show that people are hopeful that AI—the focus of its report—will create new opportunities, although it provides no evidence to support such wishful thinking. This is despite the fact that half of respondents think their jobs could be automated.

In the customary bland and under-stated language of such official publications, the report acknowledges that "the real divide will hinge on how effectively AI complements and augments what people do".

Pedro Conceição, Director of UNDP's Human Development Report Office, said, "The choices we make in the coming years will define the legacy of this technological transition for human development… With the right policies and focus on people, AI can be a crucial bridge to new knowledge, skills, and ideas that can empower everyone from farmers to small business owners".

AI is indeed a major advance in technology, with the potential to enormously develop the productivity of labour and promote the social advancement of humanity. But the report blissfully ignores the vast evidence about who benefits from technological advances, including AI, under capitalism.

The development of AI under social relations based on the private ownership of the means of production, including intellectual property, and the extraction of profit by maximising the exploitation of the working class, will exacerbate already widespread poverty, particularly in the poorer less educated countries, and global social inequality.

In a back-handed way, the report acknowledges this, saying it is necessary to ensure that "no one is excluded from emerging possibilities" because of a lack of access to electricity and the Internet. But it fails to mention that 600 million people in sub-Saharan Africa alone lack access to electricity and obviously does not explain how this is to be changed.

As the Center for Global Development explains, AI may not only fuel within-country inequality. It could also slow or reverse the gains previously made in reducing between-country inequality, because countries will vary in their ability to harness the benefits and mitigate the disruption. AI is automating low and mid-skill jobs, particularly in the manufacturing, services and administrative sectors that form the backbone of many developing economies, while creating new jobs in digital, data, and AI-related sectors. Urban, educated populations will be in a better position to adapt than rural or informal workers.

As in previous technological waves, the more economically advanced countries will be more able to harness the benefits than countries with a less developed digital infrastructure and limited access to the Internet.

In the garment industry, AI and robotics are already being integrated the manufacturing process, from automated sewing to fabric inspection and cutting. These technologies boost efficiency, reduce costs and potentially improve quality and the corporations' profits, but they also threaten to throw thousands of workers onto the scrapheap. In the case of Bangladesh, up to 60 percent of jobs in the garment sector could go due to automation by 2030.

While the rise of AI-driven mobile applications has led to new jobs such as app development, digital marketing, and cybersecurity, routine, low-skilled tasks are increasingly being automated. In Kenya, the automation of customer service operations in the telecommunications industry led to a 13 percent reduction in call centre jobs over a two-year period.

In agriculture, the adoption of AI-driven techniques such as automated irrigation systems and robotic harvesting favours large, well-capitalized farms. The smallholder and subsistence-based farms and pastoralists that characterize agriculture in many parts of the world and even specific regions within developed nations, frequently lack the capital, technical expertise, and reliable connectivity to implement and benefit from AI systems. This will accelerate the buildup of vast estates run by agribusiness, as already evidenced in countries such as Sudan, Ethiopia and Somalia, driving the rural poor off the land and exacerbating social tensions and the geopolitical conflicts and tensions already provoking numerous wars.

The only way that the progressive potential of AI technology can be harnessed for the benefit of humanity is through the internationally unified struggle by the working class seize power, expropriate the wealth of the giant corporations and financial institutions and reorganise economic life based on globally planned production to meet human need, not private profit.

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