



## New CSLS Report Explains Why Canada’s Global Human Development Ranking Has Fallen and What’s Behind the Decline

October 15, 2025

OTTAWA — A new report from the Centre for the Study of Living Standards (CSLS) finds that Canada’s position in the United Nations Human Development Index (HDI) has dropped from 3rd in 1990 to 16th in 2023, even though Canada’s overall HDI score continued to rise over that period. The report investigates a key question: Is Canada’s falling ranking a true decline in performance, or partly a statistical artifact?

The study concludes that both factors matter. Roughly two-fifths of Canada’s apparent decline is linked to measurement problems in international education data, while the remaining three-fifths reflects real underperformance, especially in health outcomes and income growth compared with peer countries.

“Canada’s HDI score has improved in absolute terms, but its international standing has deteriorated because other countries have progressed faster — and because key education data used internationally for Canada appears inconsistent,” said **Alisaleh Shariati**, Economist at CSLS and author of the report. “Correcting the measurement issues helps explain part of the decline, but the broader challenge remains: Canada needs stronger gains in longevity and income growth to regain top tier standing.”

### What the report finds

Using the UNDP’s revised time series, Labour Force Survey (LFS) education estimates, and counterfactual simulations, the report decomposes Canada’s HDI ranking decline and highlights three major drivers:

#### 1. Education data issues explain a large share of the decline

- Canada’s international rank in expected years of schooling fell sharply, from 2nd to 49th between 1990 and 2023.
- The report identifies inconsistencies in UNESCO’s expected schooling series and shows that replacing those values with LFS-based estimates reduces the measured decline substantially.
- Correcting this issue explains about five of the 13 lost ranks, meaning roughly two-fifths of the apparent decline is due to mismeasurement.



## 2. Canada's health performance has slipped relative to peers

- Canada's life expectancy rank declined from 7th to 18th.
- If Canada had matched average OECD life expectancy growth, its HDI rank in 2023 could have improved to 12th instead of 16th.

## 3. Income growth has lagged the OECD average

- Canada's real GNI per capita rank has remained around the mid-20s, and growth has been weaker than the OECD average over the period.
- If Canada had matched average OECD income growth, Canada's HDI rank could have improved to 13th in 2023.

Read the full report here: <https://csls.ca/reports/csls2025-02.pdf>

## Policy Implications

The report highlights three broad implications:

- **Improve international education data quality**, since inconsistencies can distort Canada's global standing and public understanding.
- **Accelerate progress in health and income**, through strategies that strengthen preventive care, address underserved communities, and boost productivity and capital deepening (including intangible assets).
- **Address structural education challenges**, including tertiary completion and school-to-work transitions, to prevent further erosion in expected years of schooling.

## About the CSLS

The **Centre for the Study of Living Standards (CSLS)** is an Ottawa-based research organization focused on productivity, living standards, and economic well-being.

## Media Contact

Alisaleh Shariati, Economist  
Centre for the Study of Living Standards  
Tel: 226-234-6747  
Email: [Ali.Shariati@csls.ca](mailto:Ali.Shariati@csls.ca)