

Under embargo until 0:00 EDT, May 6, 2025

KEY MESSAGES - The 2025 Human Development Report

1. Human Development progress is decelerating at an alarming rate.

Just a few years ago, we were on track to live in a world with a very high Human Development Index (HDI) by 2030. Last year¹, we were concerned that the 2020-2021 disruptions – which included the COVID pandemic - had set us back by years. This year, our data shows we may be off track by decades.

The 2025 Human Development Report (HDR), titled "*A Matter of Choice: people and possibilities in the age of AI*", reveals a troubling new reality: human development is losing momentum and is precariously fragile. Without action, the world could find itself on the brink of a development crisis.

- For 30 years, the HDI showed a consistent increase in development progress and a decrease in inequality. Although the crises of 2020-2021 disrupted this trend, last year's report saw tentative signs of recovery. The 2025 HDR has quashed this optimism.
- Excluding the crises in 2020-2021, the meagre increase in global HDI projected for 2024 in this year's report marks the smallest increase since the index was first introduced.
- Had pre-2020 trends continued, we would now be on track to live in a very high HDI world by 2030, coinciding with the deadline for the Sustainable Development Goals. If the recent sluggish progress becomes the "new normal" that milestone will slip by three decades.

2. Amid ongoing global turmoil, inequality has increased for the fourth consecutive year.

The situation is especially severe for countries with the lowest Human Development Index (HDI) scores, as the most vulnerable continue to fall further behind. This decline is driven by the narrowing of traditional paths to development, which previously created jobs on a large scale and reduced poverty through expanded manufacturing and exports to international markets.

- The least developed regions have been the hardest hit by the decline in HDI progress, as they struggle to get back on track following the setbacks of the 2020-2021 disruption.
- For a fourth consecutive year, gaps between Low HDI and Very High HDI countries continue to widen, reversing an over two-decade-long trend of steadily reducing inequalities between wealthy and poor nations.
- Many of the poorest countries in the world are currently facing a triple squeeze of the increasing rise of jobless industrialization, a worsening debt crisis and trade tensions.

¹ In the HDR 2023/2024

3. Despite the slowing progress in human development people remain hopeful that artificial intelligence (AI) can improve their lives.

AI is advancing rapidly, with new capabilities emerging daily. While news headlines often focus on AI's potential risks, a new UNDP survey reveals that survey respondents are already embracing the AI transition and see its potential for benefiting humanity.

- Most survey respondents in the world are familiar with AI. Only 18 percent know nothing about it, and only 36 percent have never used an AI tool.
- Five out of 10 survey respondents expect their current job will be significantly changed or replaced by AI.
- But a larger number, six out of 10 survey respondents expect that AI will positively impact their employment, by creating new job opportunities.

Concerns about job security persist - with one in eight people expecting that AI could lead to job loss. However, the findings from UNDP's survey suggest people have high expectations about the role that AI will play in their lives.

- About one in five people are already using AI in education, health, or work around the world, but they expect AI to become much more a part of their lives.
- Two in three people expect to use AI in education, health, or work in the next year - in low, medium, and high HDI countries.
- Most survey respondents (64 percent) are confident that AI will make them more productive at work, and this confidence increases as AI use rises.

The promise of AI is also strongly felt in developing countries.

- In low and medium HDI countries:
 - 70 percent expect that AI will help them increase their productivity at work.
 - 64 percent believe AI will create new job opportunities.

4. Leveraging AI to meet people's expectations for a better life is a choice the world can make.

AI alone cannot solve the world's problems, but it holds the potential to reignite human development, generate new opportunities, and help us make up for lost time. Unlike past technologies, AI only requires electricity and internet access, making its widespread adoption easier.

- Work use of generative AI is spreading far faster than the use of computers or the internet.

Given AI's accelerating integration into society, it is vital that we seize the moment and harness its potential to advance human development. This depends on more than algorithms; it hinges on the choices we make. Without action, we risk AI exacerbating inequalities, and exploitative

growth that have characterized past technological transitions. The 2025 HDR shows that we are already seeing these issues arise:

- Most assistive technologies used by people with disabilities are produced in a handful of high and very high HDI countries.
- Gender inequalities are deeply embedded in the AI landscape. While women make up about one third of researchers in science globally, they account for only 12 percent of AI researchers and only 30 percent of the global AI workforce.
- Men report using AI more than women: 37 percent of women are AI frequent users, compared with 41 percent of men. Men also report greater use of AI for work across education levels.
- Education and age are factors in how AI is used and perceived. People with higher levels of education report using it more, and the expectation that AI will be empowering declines with age.

Currently, AI is highly adaptable. What it becomes, how it will be utilized, who controls it, and who profits from it is not predetermined. Our decisions in the coming years will shape the legacy of this transition, determining whether it benefits the many or the few.

5. The real danger of AI is that, without action, we risk keeping it out of the hands of those who would benefit the most.

AI has the potential to revolutionize access to healthcare, education, and work for people around the world—but that is a matter of choice. If we do not invest in improving people's skills and abilities to engage with AI, we risk failing to realize its extraordinary promise while exacerbating existing inequalities.

- Today's AI benchmarks often prioritize technical performance and (to a lesser extent) safety issues over broader societal and human development concerns. Unless we realign incentives in AI development, we risk squandering the potential of both AI and people.
- In Latin America and the Caribbean, approximately 17 million jobs could see productivity gains from generative AI, but these workers either lack computer access or are not utilizing computers in their work.
- Globally, only about 40 percent of children acquire basic skills in math and science. This rate varies significantly, with approximately 67 percent achievement in very high Human Development Index (HDI) countries, compared to merely 4 percent in low HDI countries.

6. Focusing on people and possibilities – embracing opportunities, empowering communities, investing in a shared future.

AI has the potential to act as a crucial bridge to other advanced technologies and to new knowledge, skills, and ideas that can help everyone, from farmers to small business owners. It also offers a powerful opportunity to reshape economies, especially in lower and medium-HDI

countries, by harnessing it for the transition to a low-carbon future and enabling more inclusive growth. Realizing this potential depends not just on access to AI but on how societies deploy it. The report suggests three areas:

- **Building an economy where people collaborate with AI rather than compete against it.** Rather than try to predict the future, policymakers should shape it, breaking away from trying to guess how humans will be replaced by AI, to see the potential of what humans can do with AI. That includes driving productivity gains through intelligence augmentation, leveraging the complementarities between AI and people. Ensuring that AI is pro-worker, limiting curbs on agency, and empowering workers to use AI to augment what they can do. Deploying AI in sectors where positive spillovers to other sectors and across the economy can be leveraged, helping with economic diversification and job-creating structural transformation. Implementing fiscal measures that incentivize AI to safeguard decent work. Supporting incumbent workers displaced by AI.
- **Moving from technology-driven to people-centred approaches for AI development.** Instead of accepting a supply-side approach where AI replaces human capabilities, we should prioritize a demand-side perspective that shapes AI to meet real human needs and development goals. This means rejecting the false choice between human and machines, and intentionally building systems where people and technology work together effectively. By emphasizing the demand side—who benefits from AI and what challenges it addresses—we can align AI development with diverse community needs. This approach requires including affected communities in decision-making and creating AI solutions that target specific human challenges in varied contexts, from agriculture to service delivery.
- **AI should be harnessed to accelerate science and innovation**—not by automating creative processes but by augmenting them. AI has the potential to empower people in new ways to fulfil their aspirations to understand, create and drive progress. AI innovation can be steered through incentives that embed human agency in AI from design to deployment—by aligning socially desirable and privately profitable innovation and supplementing existing AI benchmarks with new ones that capture AI’s potential to advance human development.
- **Modernizing education and health systems to meet 21st-century demands** so people have the capabilities to make the most of AI in their lives and to thrive in a world with AI. AI’s flexibility and adaptability should be leveraged to personalize education and healthcare in different contexts, while attending to risks and concerns related to bias, privacy, affordability, and equity. By tailoring learning or expanding health care, AI can also generate demand for complementary human labour.

It’s a matter of choice. We must go beyond observing what technology can do and instead ask what it can do *for people*. Real progress requires human leadership: bold innovation, smart investment, inclusive institutions, and a commitment to listening to the communities AI is meant

to serve. By building a complementary economy, driving innovation with intent, and investing in capabilities that count, societies can use AI to expand people's choices and possibilities.