

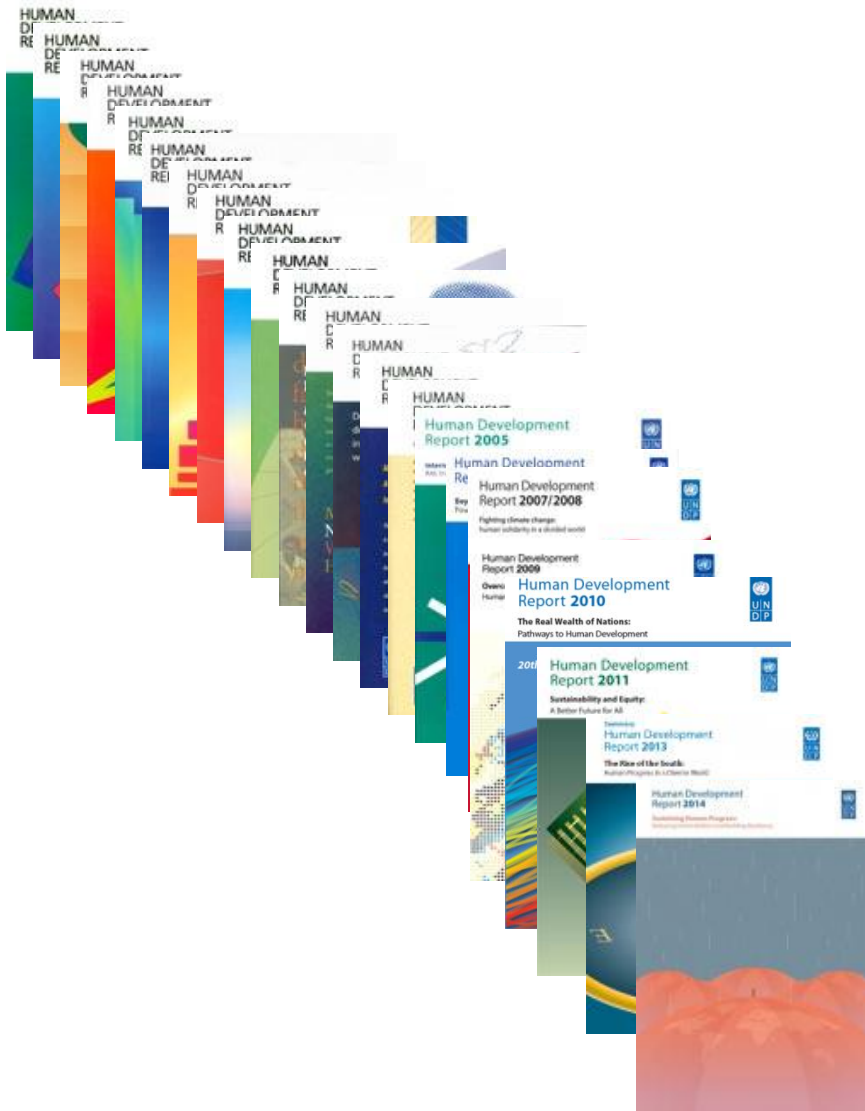




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# HDRs: Ahead of the curve



- 1990: Concept and Measurement
- 1991: Financing
- 1992: Global Dimensions
- 1993: People's Participation
- 1994: Human Security
- 1995: Gender
- 1996: Economic Growth
- 1997: Poverty
- 1998: Consumption
- 1999: Globalization
- 2000: Human Rights
- 2001: New technologies
- 2002: Democracy
- 2003: MDGs
- 2004: Cultural Liberty
- 2005: Aid, trade and security
- 2006: Water
- 2007-8: Climate Change
- 2009: Human Mobility
- 2010: Pathways to Human Development
- 2011: Sustainability and Equity: A Better Future for all
- 2013: The Rise of the South: Human Progress in a Diverse World
- 2014: Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience



## Conceptual framework

**Human development** is broadly defined as a process of enlarging people's choices and freedoms to live long, healthy and creative lives; to advance other goals they have reason to value; and to engage actively in shaping development **equitably and sustainably on a shared planet.**



# Conceptual framework

Traditional Economics	Capabilities Approach
Person's well-being:	
Goods and Services to consume	Person's functionings: doings and beings
Utility of such consumption	Capabilities



## Measurement aspect

Commodity Space	Functioning Space
<b>Budget set:</b> a person's freedom to buy a commodity bundle	<b>Capability set:</b> a person's freedom to choose from possible ways of living.
Personal Income	Capabilities Index

Which capabilities should be included into the 'capabilities set'?



## Composite measure

- A concept is always broader than any of its proposed measures.
- *Composite indices* aggregate social, economic and/or environmental indicators into a single index.
- None of the aggregate measures is perfect.
- A great deal of innovative work is usually integrated in this approach.
- The main composite measures are usually given alongside a dashboard that presents specific indicators to capture different aspects of the measured concept.
- Each single indicator underlines the importance of related concept by exposing poor/good performance and deterioration/improvement at any front.



# Composite measure

## Very general criteria

- Corresponds to strong **policy** utility
  - It must be **understandable** and easy to describe
  - It must conform to a common sense **notion** of what is being measured
- It must fit the **purpose** for which they are being developed
- It must be **technically** solid
- It must be **operationally** viable
- It must be easily **replicable**





# Human Development Index

- Developed by Mahbub ul Haq (1990)
- Capability index
- Accounts for average achievements in
  - health (proxy for leading a long and healthy life),
  - education (proxy for being knowledgeable) and
  - income per capita (proxy for command over resources to have a decent standard of living).

# Human development measures

		Components and determinants of human development					
		Material	Education	Health	Social	Political	Environment
Average level		Human Development Index					
Micro level, distributions	Deprivation & Vulnerability	Multidimensional Poverty Index					
	Inequality	Inequality-adjusted HDI					
		Gender Inequality Index					
Average level: Dashboard					Social integration, empowerment: human security, jobs, perceptions on community and well-being, trust in government, political participation		Environmental indicators



## Advantage of a composite index

- A composite index has to be a non-comprehensive, non-rigorous with the purpose of
  - initiating relevant discussion,
  - attracting attention to the issues that prevent countries to perform at a higher level;
  - allow international comparison and benchmarking
- Composite indices benefit from delivering simple and meaningful messages.
- What HDI measures is complex, but it manages to illustrate a complex reality using **a single figure** that allows straightforward trend monitoring and comparisons between countries.

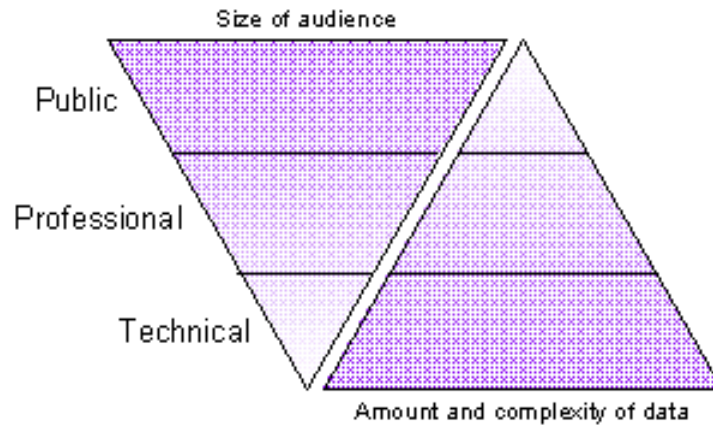


## Advantage of a composite index

- One focused measure synthesizes information, attracts attention, detects the overall change, and trigger a discussion
- Allows a combination of relevant indicators within a well-defined conceptual framework
- Sensitive to a change in any component
- Allows an easy unpacking to components for a deeper analysis
- Generally easy to communicate, good for advocacy and raising awareness

## Communicating the indices

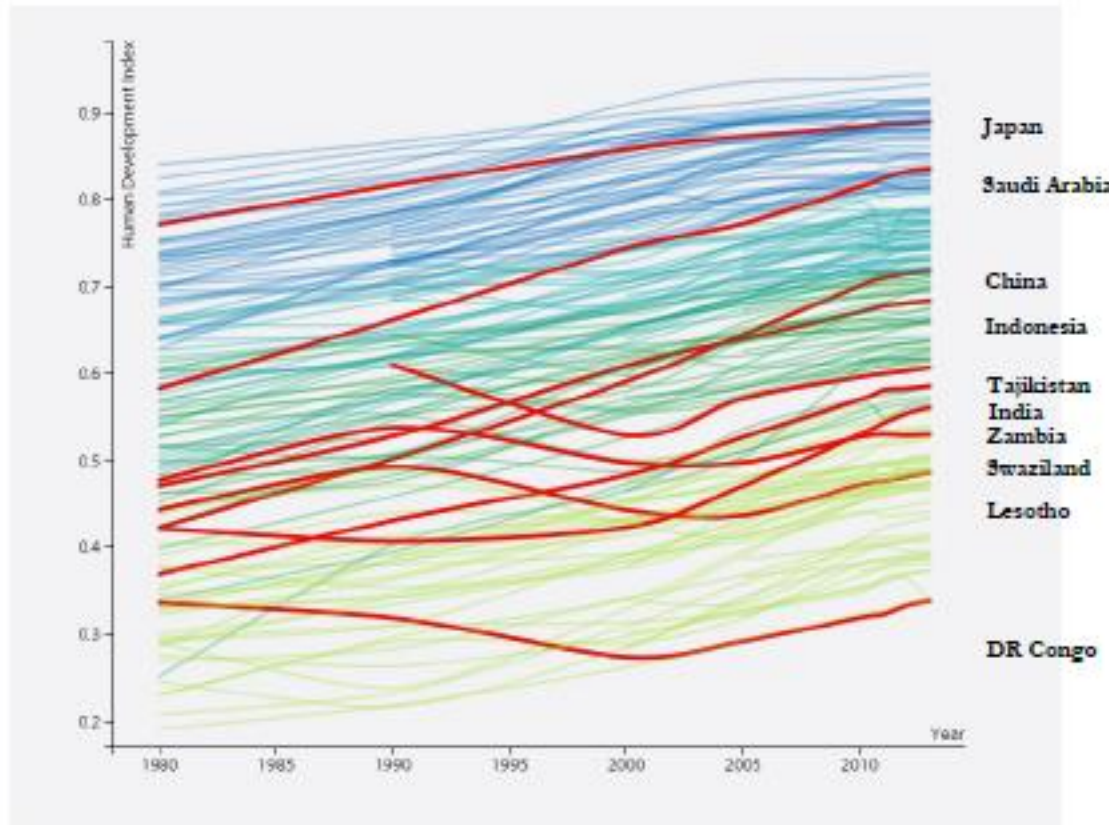
- Composite indices are the communication tools fit to communicate information to governments, social advocates and activists, and wide public.



From Scrivens and Iasiello (2010)



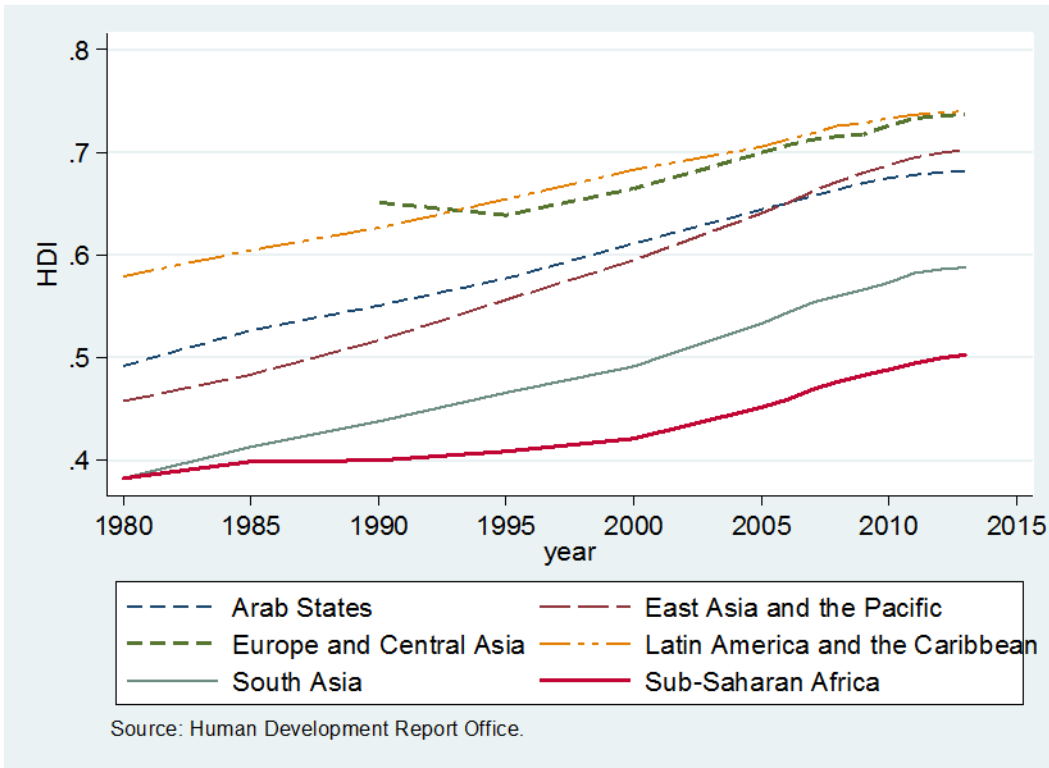
## Worldwide trends in the Human Development Index, 1980-2013



Source: Human Development Report Office calculations.

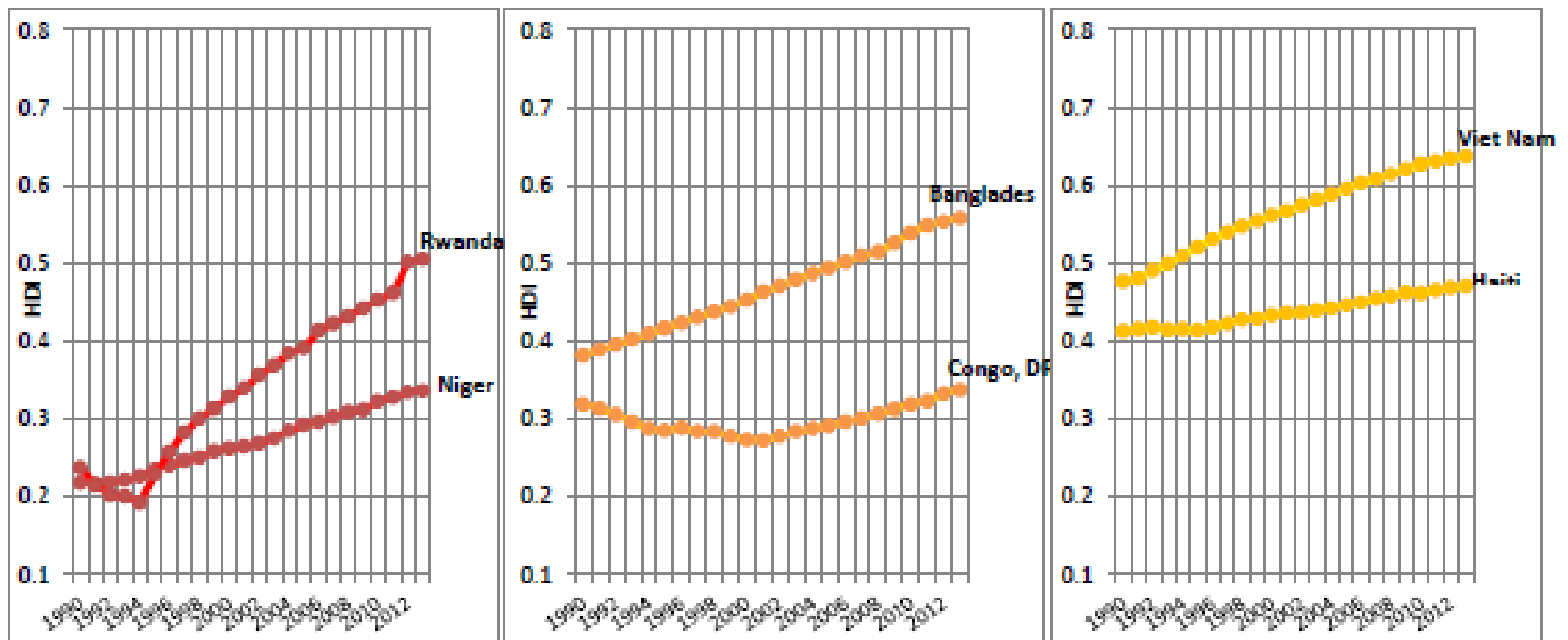


## Regional variations in the HDI, 2000-2013





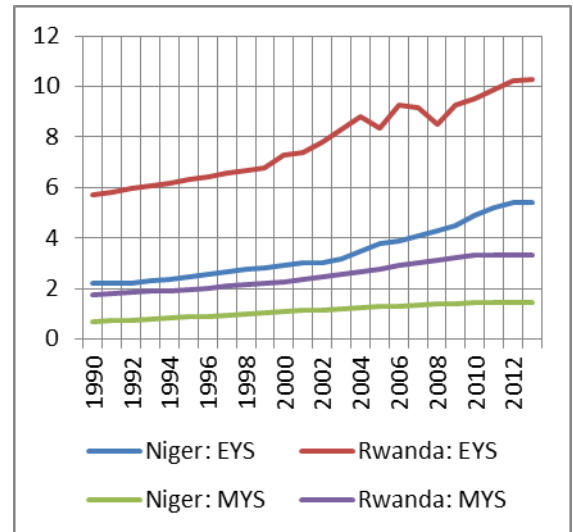
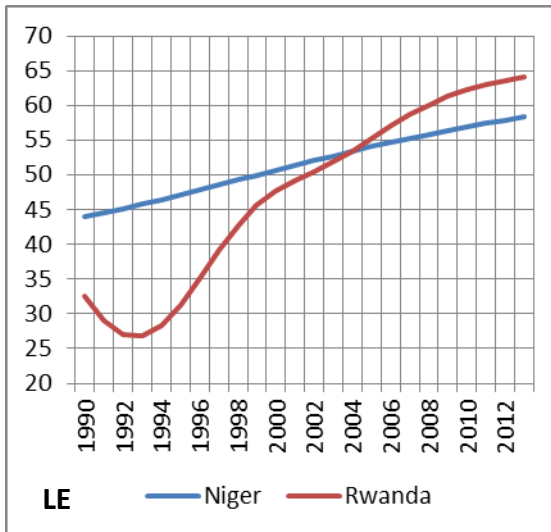
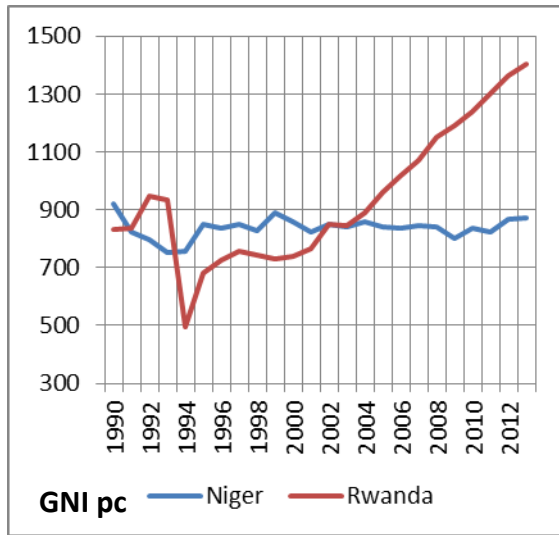
## Diversity of paths: Evolution from similar starting points in 1990



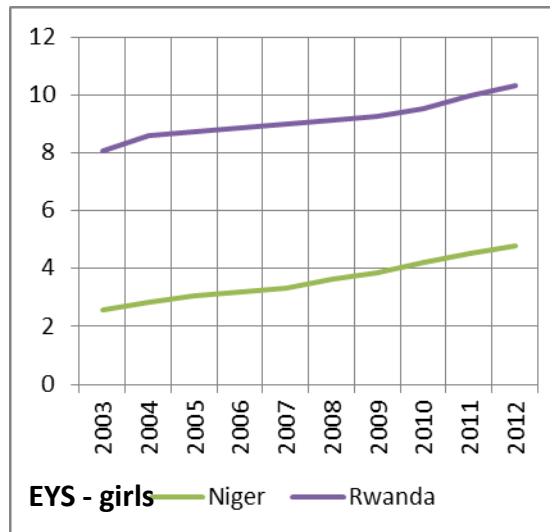
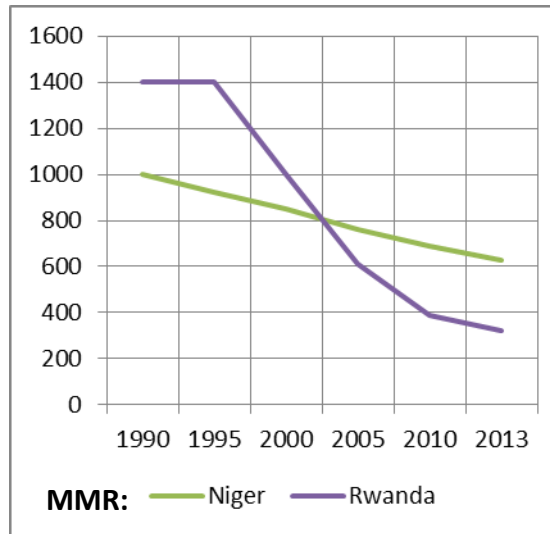
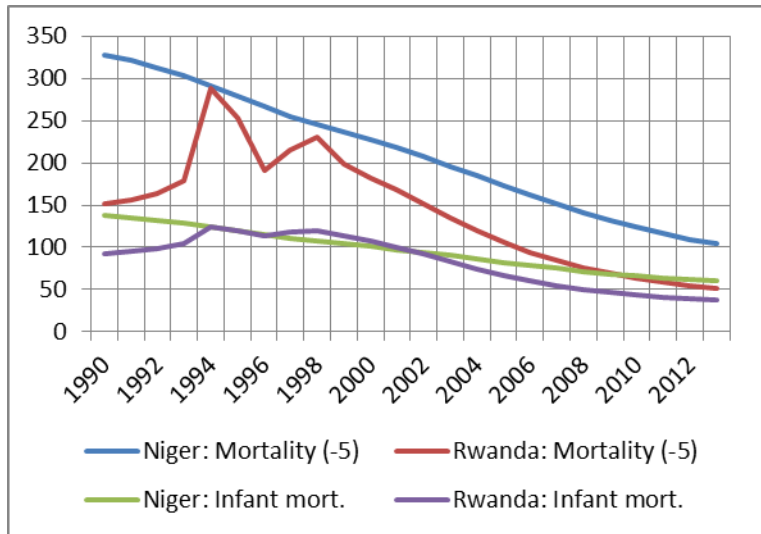
Source: Human Development Report Office calculations.



## Unpacking the HDI: Evaluation of the pathways



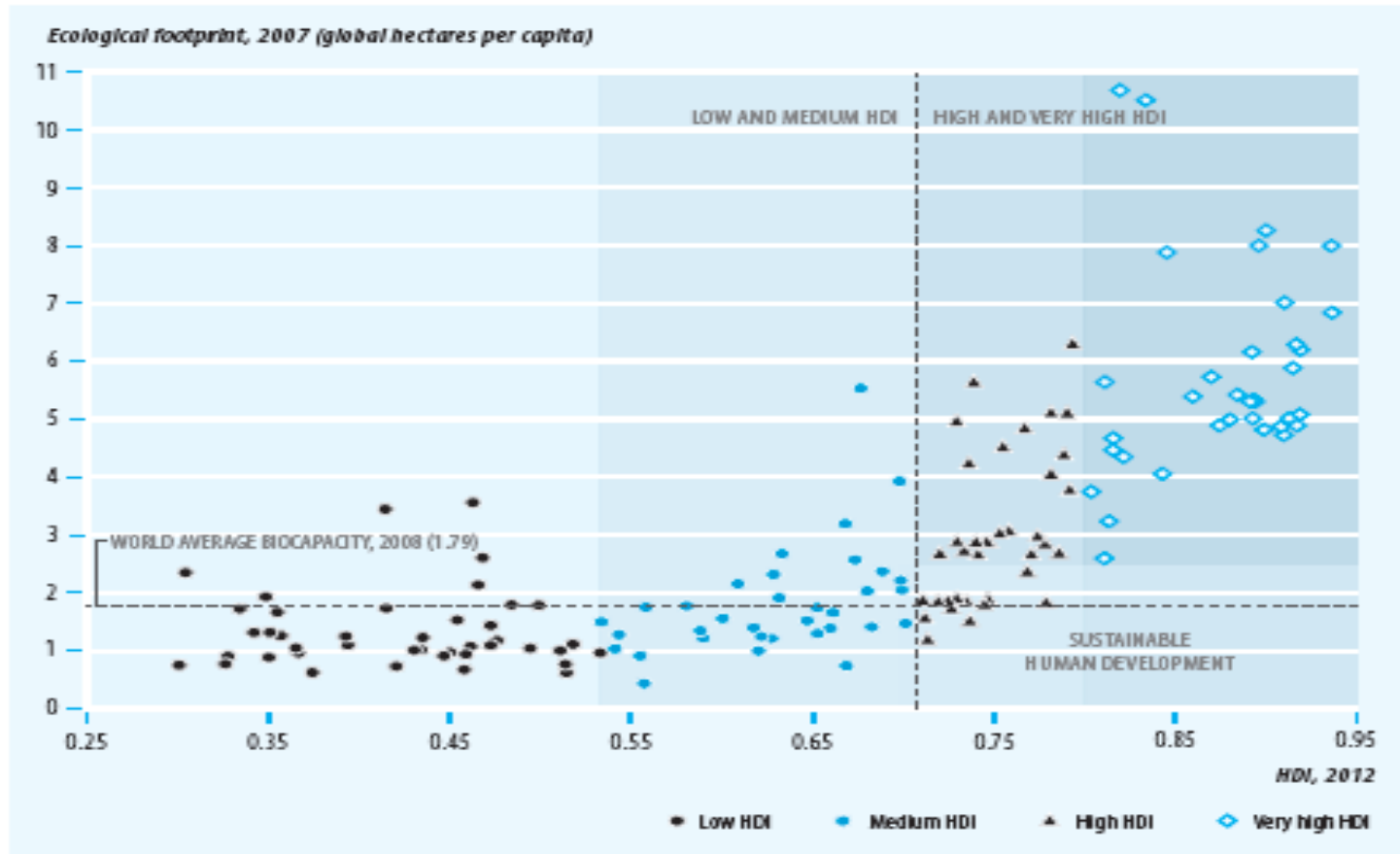
## Unpacking the HDI: Evaluation of the pathways



# Innovative use of composite indices

FIGURE 1.7

Few countries show both the high HDI and low ecological footprint required for sustainable human development



Note: Ecological footprint is a measure of the biocapacity of the earth and the demand on biocapacity. It depends on the average productivity of biologically productive land and water in a given year.  
Source: HDRO calculations and Global Footprint Network (2011).



## Data issues persist

- Data availability and quality remain issues for many areas of interest of human development including active ageing
- Gaps in data across countries and across time
- New SDG indicator and data revolution may bring better use of existing data including admin data, probably enhanced use of “big data”



## Policy implications

- Composite indices can be used creatively to inform policy debates beyond country ranking
- Disaggregation of data (by gender, urban/rural, administrative entities) adds value to the policy debate
- Innovative use of quantitative and qualitative data (descriptions, testimonials) broadens debate
- Countries will boost their development by addressing hot issues using the evidence based tools such as composite indices

