



# HUMAN DEVELOPMENT INDEX: CONCEPTS AND MEASUREMENTS

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- 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
- 2015: Work for Human Development
- 2016: Human Development for Everyone
- 2018: Human Development Indices and Indicators: Statistical Update



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# 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.

## A person's well-being:

### Traditional Economics

Goods and Services to consume

Utility of such consumption

A person is seen as '**human capital**'

### Capability Approach

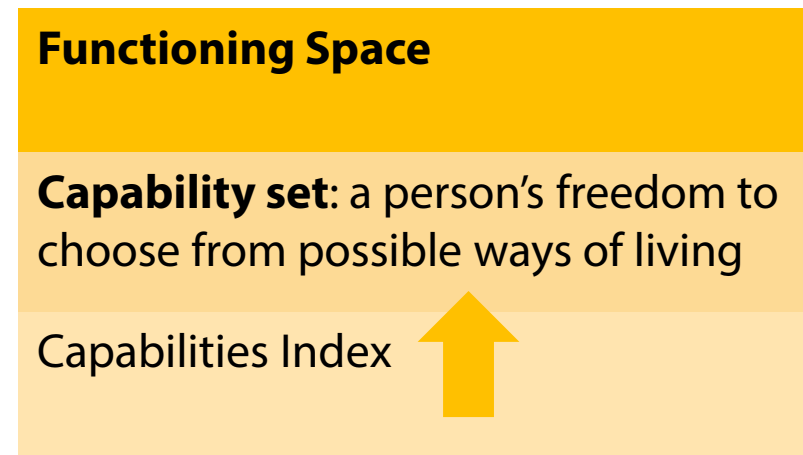
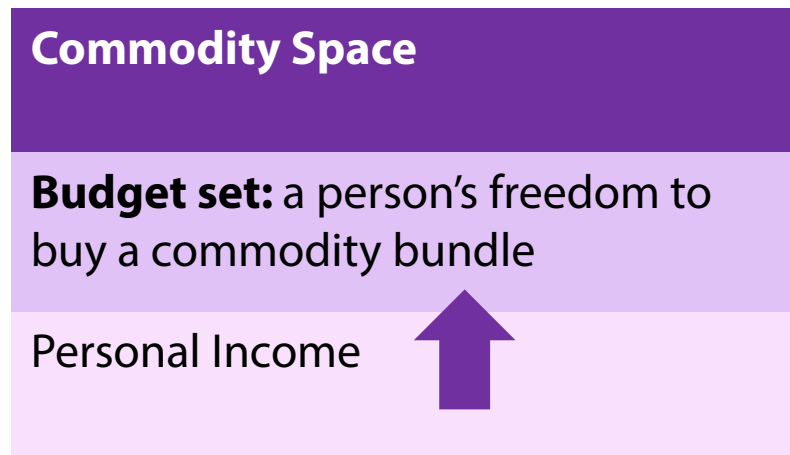
Person's functionings: doings and beings

Capabilities

Multi-dimensional actor bearing **multiple social roles and cultures**, beyond those of consumer, worker or investor.

# MEASUREMENT FRAMEWORK

- A **natural metrics** anchored in the conceptual framework:



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

# WHICH CAPABILITIES SHOULD BE INCLUDED INTO THE 'CAPABILITY SET'?

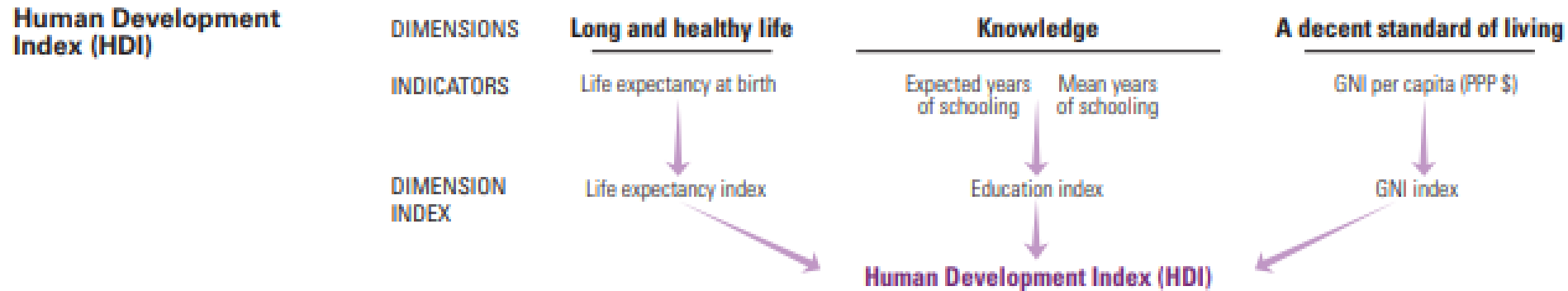
- In principle human choices can be infinite and can change over time
- A concept is always broader than any of its proposed measures
- Any suggested measure for any (complex) concept cannot fully capture the richness, the breadth and the depth of the concept itself
- This is true of the notion of human development

# WHICH CAPABILITIES SHOULD BE INCLUDED INTO THE 'CAPABILITY SET'?



- **A simple structure**
  - Nutrition, education and health care shape capabilities.
  - Work, access to productive resources and a conducive environment - enhance opportunities.
  - Social, cultural and political factors such as conflict or physical insecurity, discrimination or lack of participation may all act to frustrate – or enhance - human potential.
- **Three dimensions of the HDI capture a set of essential capabilities:**
  - **Longevity** - to lead long and healthy life.
  - **Educational attainment** – to be knowledgeable, to communicate and participate in the life of community and in processes of the society.
  - The third dimension, **access to resources needed for a decent standard of living**, has a different status in the capability approach – it is means for other ends and as such it is instrumental in acquiring other capabilities.

# COMPUTATION OF THE HDI



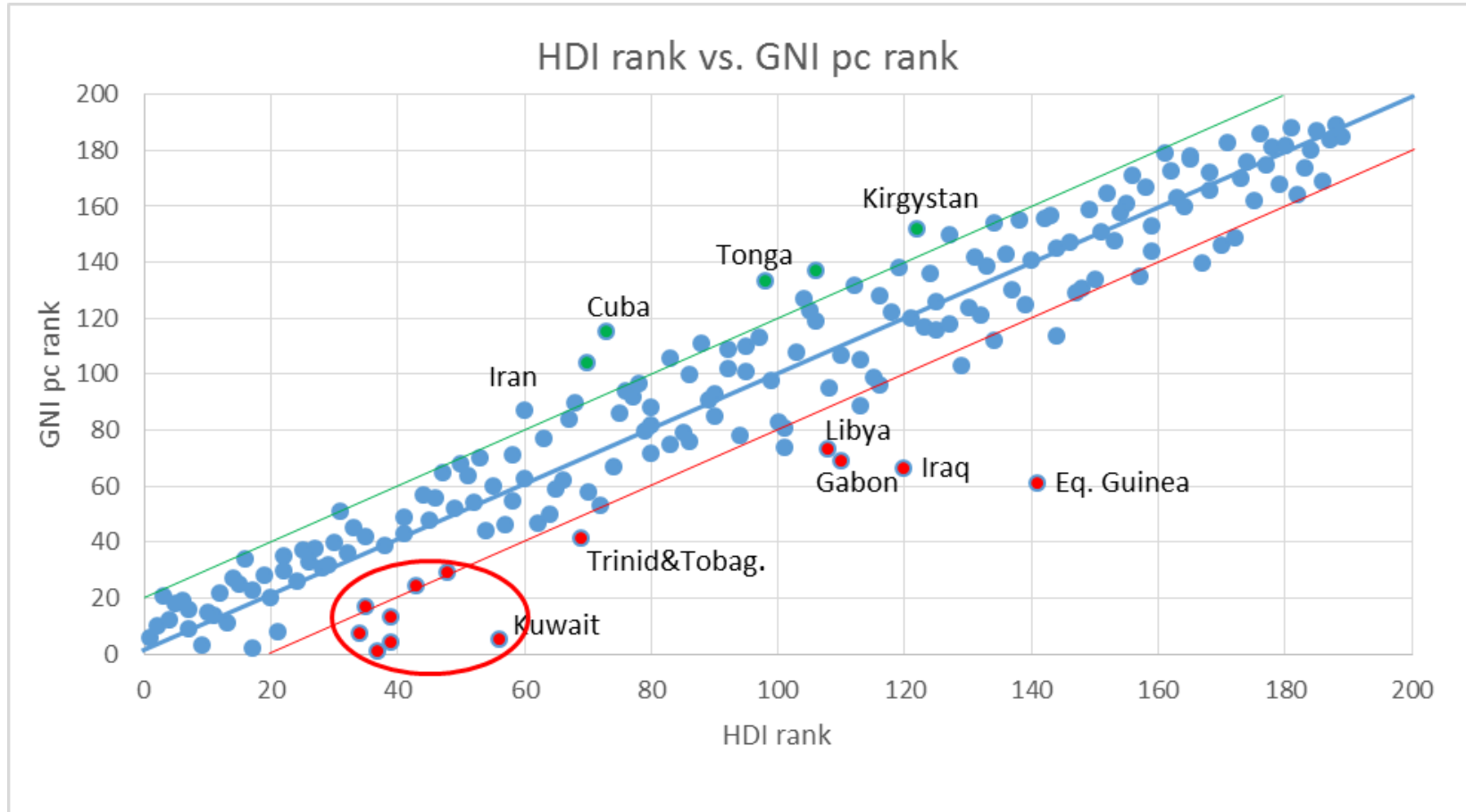
$$LE_x = (LE - 25) / (85 - 25)$$

$$EDU_x$$

$$GNI_x = (\log(GNI_{pc}) - \log(100)) / [\log(75,000) - \log(100)]$$

$$HDI = \text{geomean}(LE_x, EDU_x, GNI_x)$$

# DIFFERENT RANKING BY GNI PC AND HDI





# POSITIVE TRENDS IN THE HUMAN DEVELOPMENT INDEX

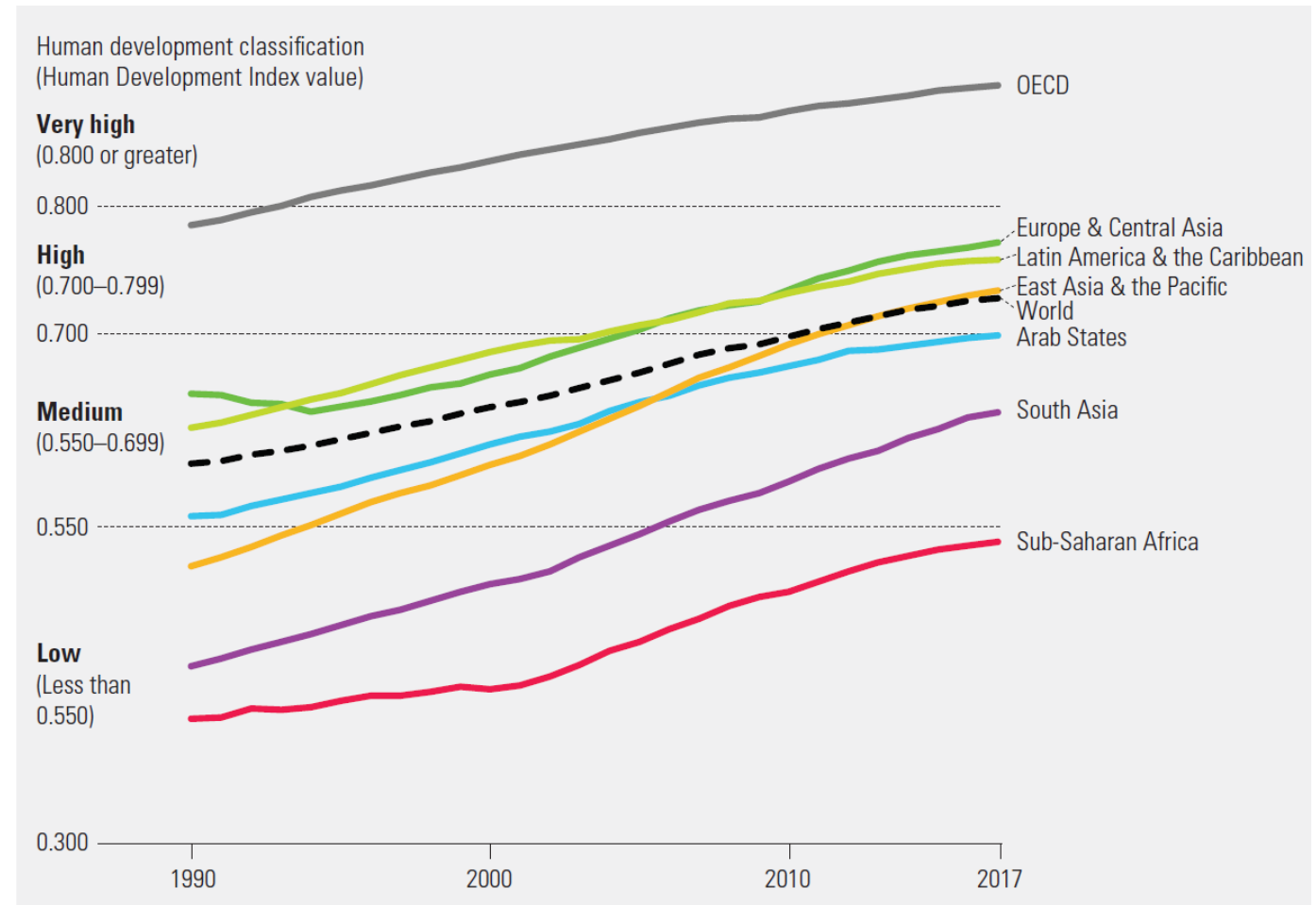


Positive trends over the past 28 years **in all regions.**

Most people today **live longer, are more educated and have more access to goods and services** than ever before.

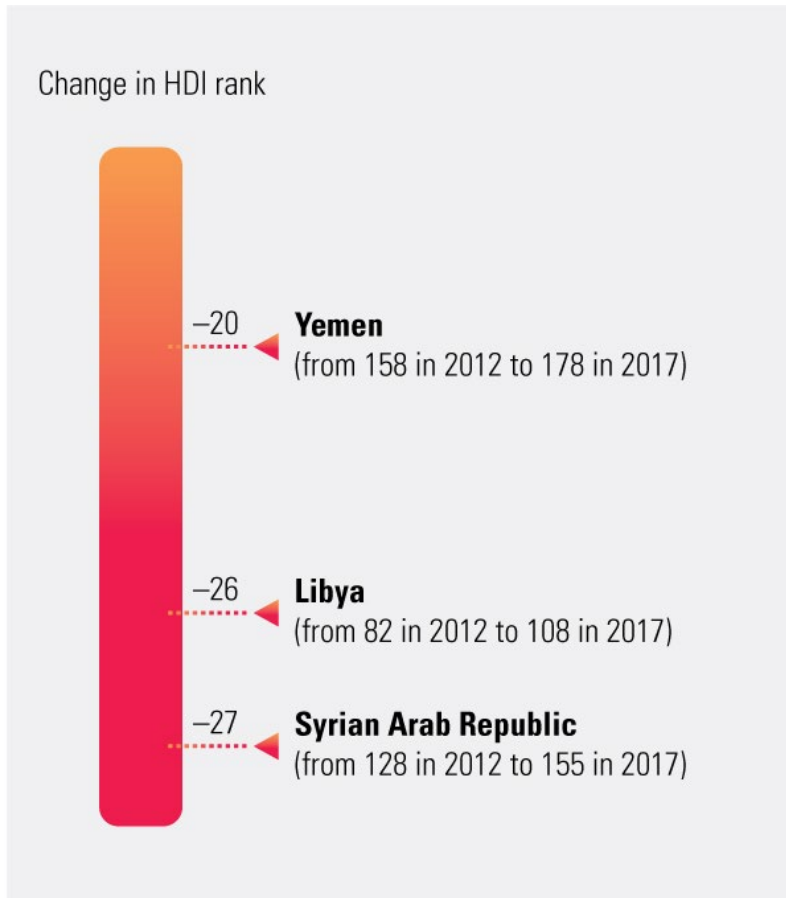
However, we note that as the HDI values have been rising across all regions and human development groups, **the rates vary significantly.** **South Asia** was the fastest growing region over 1990–2017, at **45.3 percent**, followed by **East Asia and the Pacific** at 41.8 percent and **Sub-Saharan Africa** at 34.9 percent.

Human Development Index values, by country grouping, 1990–2017



# PROGRESS IS NOT LINEAR OR GUARANTEED, AND CRISES AND CHALLENGES CAN REVERSE GAINS

Countries experiencing conflict show HDI losses, which can be felt for generations.



In spite of no direct involvement in conflict, Lebanon moved down 4 places since 2012.

# PROGRESS IN HUMAN DEVELOPMENT, BUT ...

Most people today live longer, are more educated and have more access to goods and services than ever before.



BUT, attention should be also paid to some nuances when assessing the progress based on:

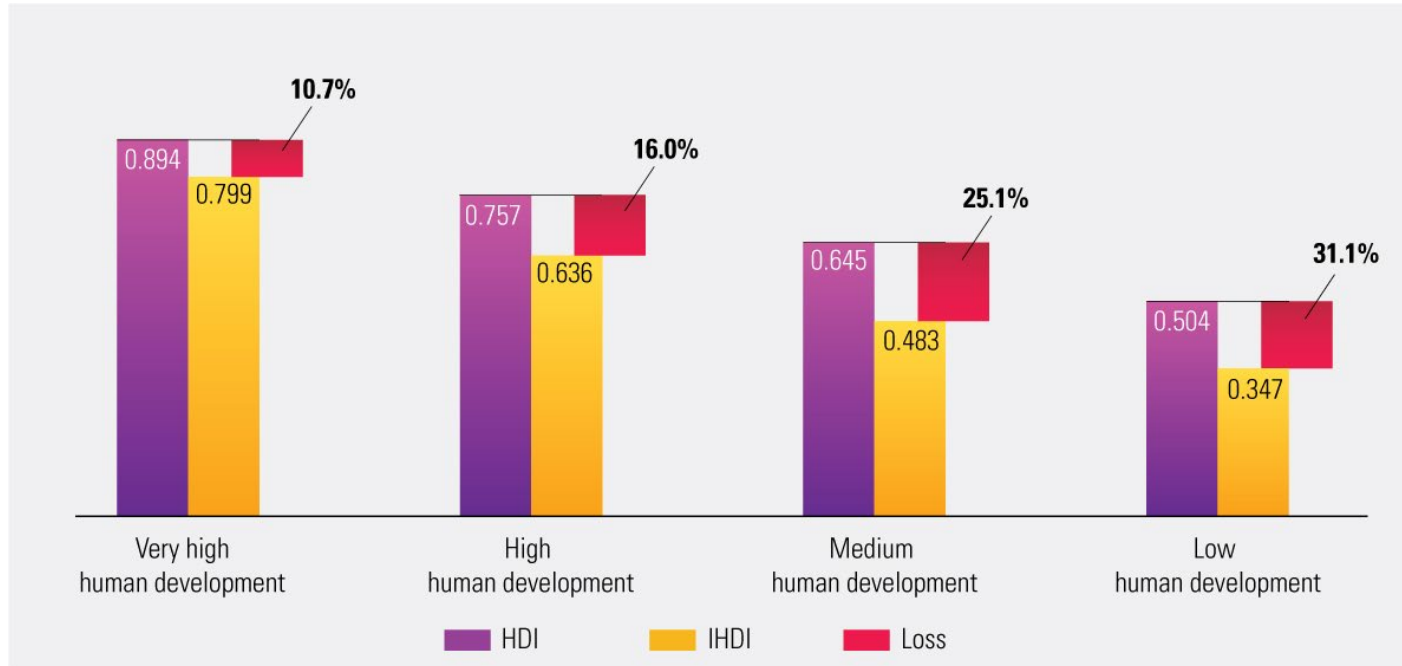
- Inequalities in Human Development (including gender)
- Heterogeneous “Quality” of Human Development
- Sustainability of Human Development

# HUMAN DEVELOPMENT COMPOSITE INDICES, INDICATORS AND DASHBOARDS

- A set of complementary indices and indicators:

		Dimensions and determinants of human development					
		Health	Education	Standard of living	Empowerment	Other socio-economic	Environment
Average level		Human Development Index					
Disaggregated by gender		Gender Development Index					
		Gender Inequality Index					
Micro level, distributions	Deprivation & Vulnerability	Multidimensional Poverty Index					
	Inequality	Inequality-adjusted HDI, Inequality in HDI					
Dashboards: average level, disaggregated		Quality of human development; Life-cycle gender gaps; Women's empowerment; socioeconomic sustainability; Economic enabling, work, empowerment, human security, perceptions on community and well-being					Environmental sustainability, environmental threats

# INEQUALITY HURTS HUMAN DEVELOPMENT



**Going beyond the average achievements**, the IHDI and disaggregated assessments reveal large inequalities across human development dimensions.

**When the HDI is adjusted for inequalities, the global HDI value falls 20 percent—from 0.728 to 0.582.**

# OTHER MEASURES OF WELL-BEING

- **OECD Better life index**

is a set of **11 social indicators**, of “housing, income, jobs, community, education, environment, governance, health, life satisfaction, safety, work-life balance”. These indicators in turn are composed of **20 sub-indicators** through averaging and normalization.

- **Social Progress index**

measures the extent to which countries provide for the social and environmental needs of their citizens. **Fifty-four** indicators in the areas of basic human needs, foundations of well-being, and opportunity to progress show the relative performance of nations.

- **WB Human Capital Index**

measures expected productivity of a future worker at age of 18, relative to the benchmark of complete education and full health. It is based on 6 indicators.

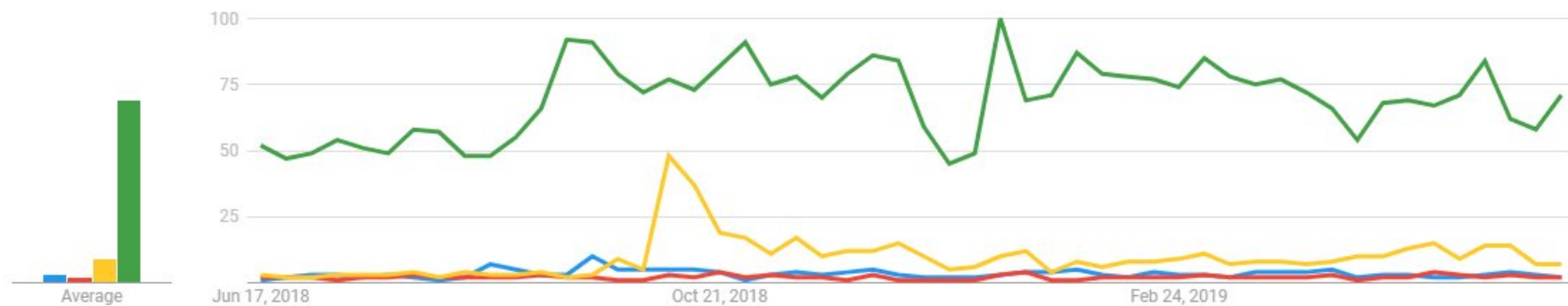


Google Trends Compare

- Social Progress In...  
Search term
- OECD Better Life In...  
Search term
- Human capital index  
Search term
- human developme...  
Search term

Worldwide Past 12 months All categories Web Search

Interest over time



# COMMUNICATION ASPECT

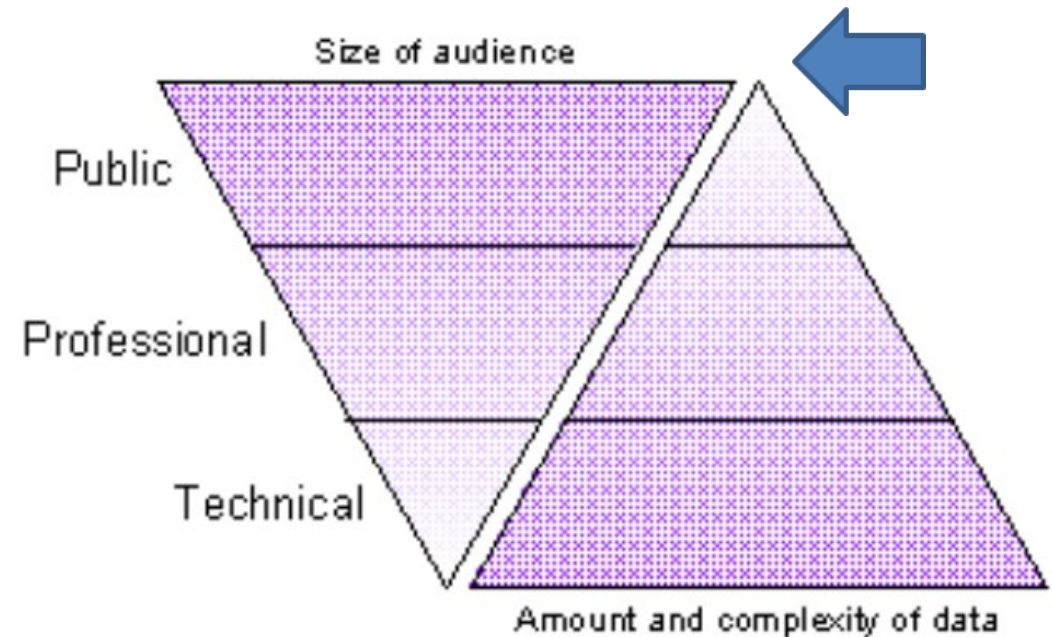


Composite indices are the communication tools fit to communicate information to governments, social advocates and activists, and wide public.

HDI is a noncomprehensive and non-rigorous with the purpose of

- initiating relevant discussions,
- attracting attention to the issues,
- allowing temporal and spatial comparison and benchmarking

HDI benefits from delivering simple and meaningful messages.









# THANK YOU

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