

2010 Human Development Report

Joint Seminar with AFD

Paris, 19 October 2009

Overview

1. HDR: origins and evolution
2. 2010 and rethinking human development
3. Preliminary ideas on conceptual restatements
4. Initial findings on HDI trends
5. Addressing measurement issues
6. Process going forward

Goal and scope of the HDRs

- A flagship publication -- advancing the notion that development is about expanding the choices people have to lead lives they value.
- Importance of innovation: every HDR should be evaluated as such :
 - Is it proposing innovations – in concept, measurement or policy – to challenge current policies, conceptual frameworks and/or measurement methods to make an impact on present and future policies and institutions?*
- Editorial independence → possible to challenge mainstream consensus approaches.

HDRs in practice, since 1990



1. Concept and Measurement
2. Financing
3. Global Dimensions
4. People's Participation
5. Human Security
6. Gender
7. Economic Growth
8. Poverty
9. Consumption
10. Globalization
11. Human Rights
12. New technologies
13. Democracy
14. MDGs
15. Cultural Liberty
16. Aid, trade and security
17. Water
18. Climate Change
19. Mobility (2009)

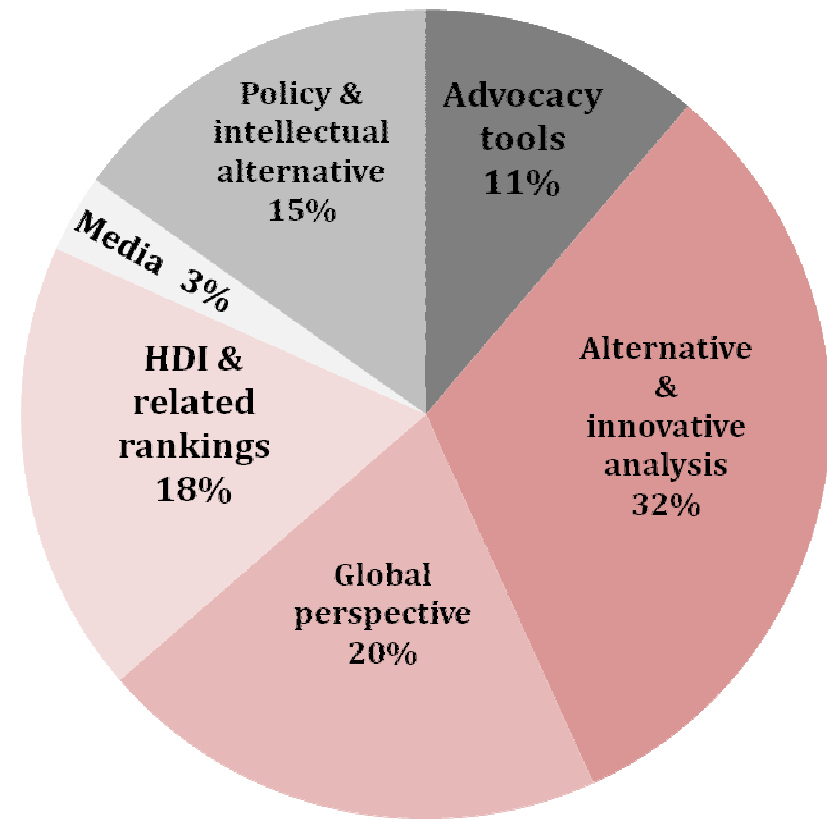
Global HDR – broad reach

→ HDR09 – *Overcoming Barriers: Human Mobility and Development* in 10 languages; 100,000 downloads in first week, 2 million views; 1000+ articles in the press around the world...

HDR Reader survey: 1,720 respondents mainly academia, UN, CSOs

- Main value: alternative policy analysis and global perspectives and comparisons
- Suggested exploring new indicators and innovations in the HDI

Readers Survey March 2009,
Primary contribution



→ 20th anniversary

- Timely opportunity to reflect on achievements of the approach, and its robustness and scope for change...
- How the world has changed, and not changed, since 1990... and what have we learned.

Broad parameters for 2010 Report

1. Achievements and challenges in a changing world

Advance of people: trace trends (beyond HDI); typologies and alternative paths; deprivation, traps, inequality – multiple dimensions

Advance of ideas: international acceptance of poverty reduction as priority, & MDGs; local specificity

New opportunities: new actors, channels for participation and democratic activity; information technology

New and old challenges: man made destruction of HD – conflict and environment; role of institutions...

2. Revisiting conceptual and measurement frameworks

Conceptual restatement: agency; participation; and democratic practices; inequality (e.g. socio-economic, gender, and group); environmental sustainability figure...

Review critiques of HDI → propose framework for considering revisions: potential adjustments to HDI, inequality, environment sustainability

3. Towards a renewed agenda for human development

Building on evidence about how and why objectives, policies and strategies and processes matter

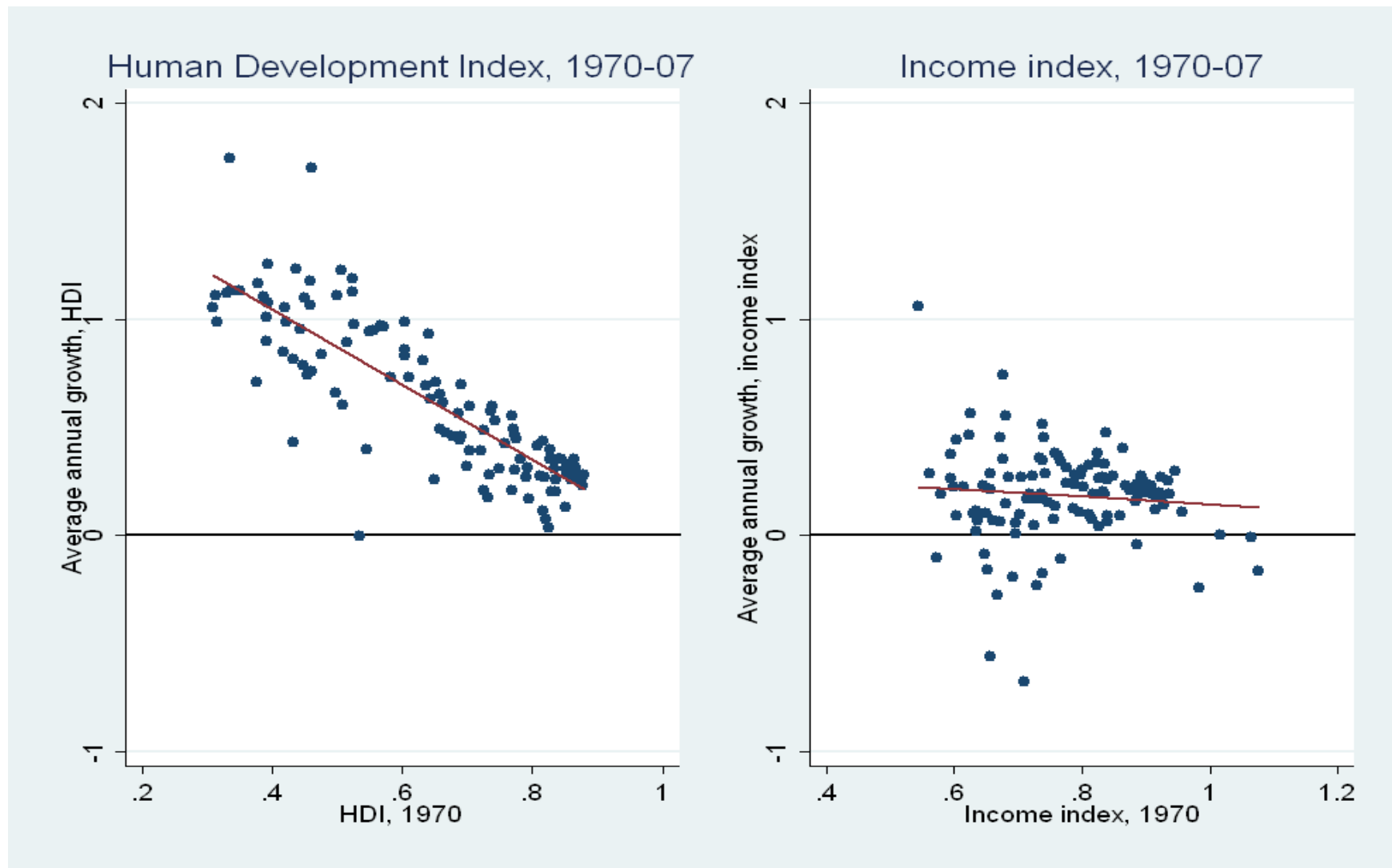
PRELIMINARY THOUGHTS ABOUT A CONCEPTUAL RESTATEMENT

Human Development is a process of **enlarging people's freedoms** to do and be what they value in life, **and empowering people as active agents** in development processes.

People are **both the beneficiaries and the agents** of human development, both **as individuals and as groups in common cause with others**.

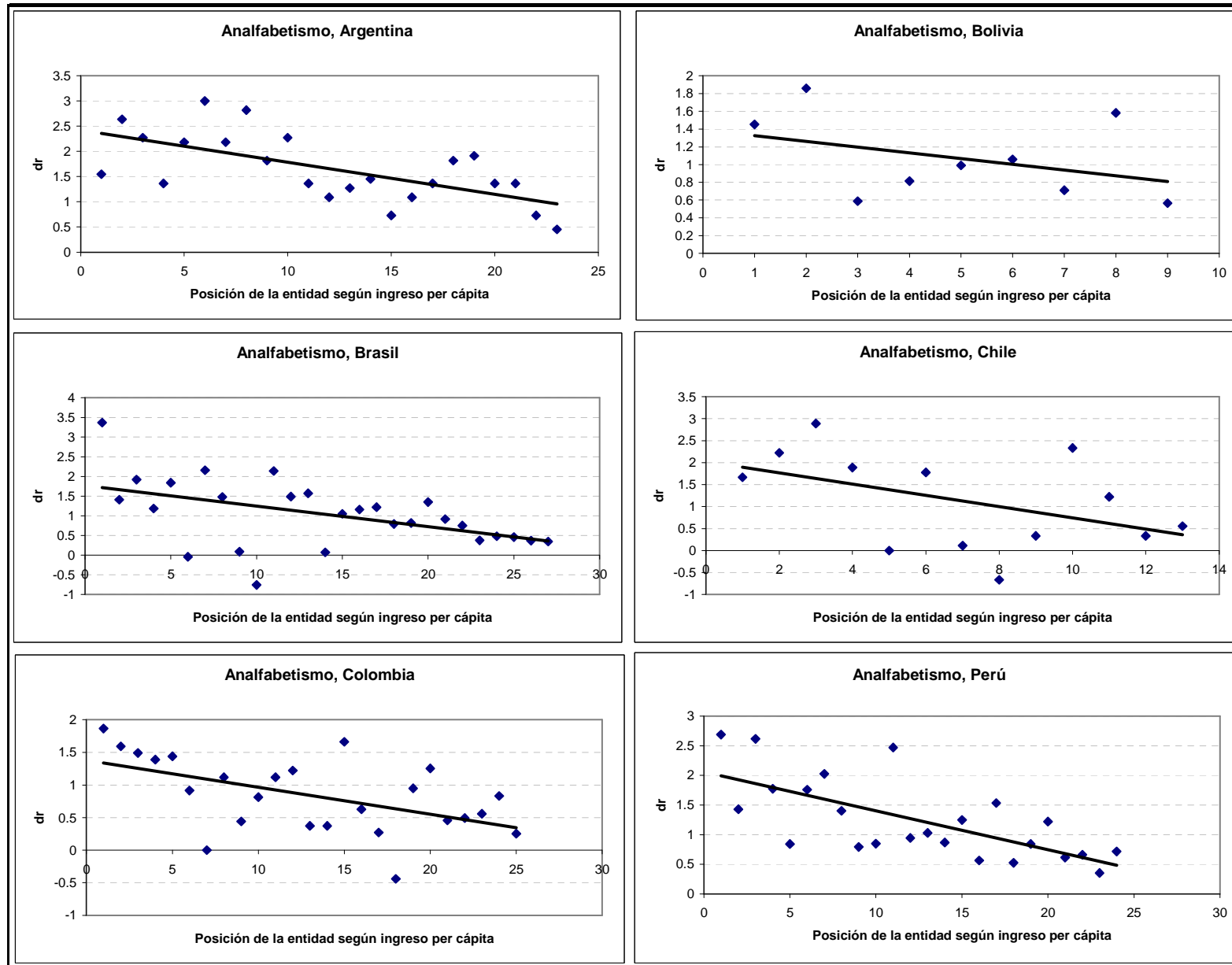
Alkire 2009

Preliminary findings about trends: Since 1970, HDI has converged while GDP has diverged

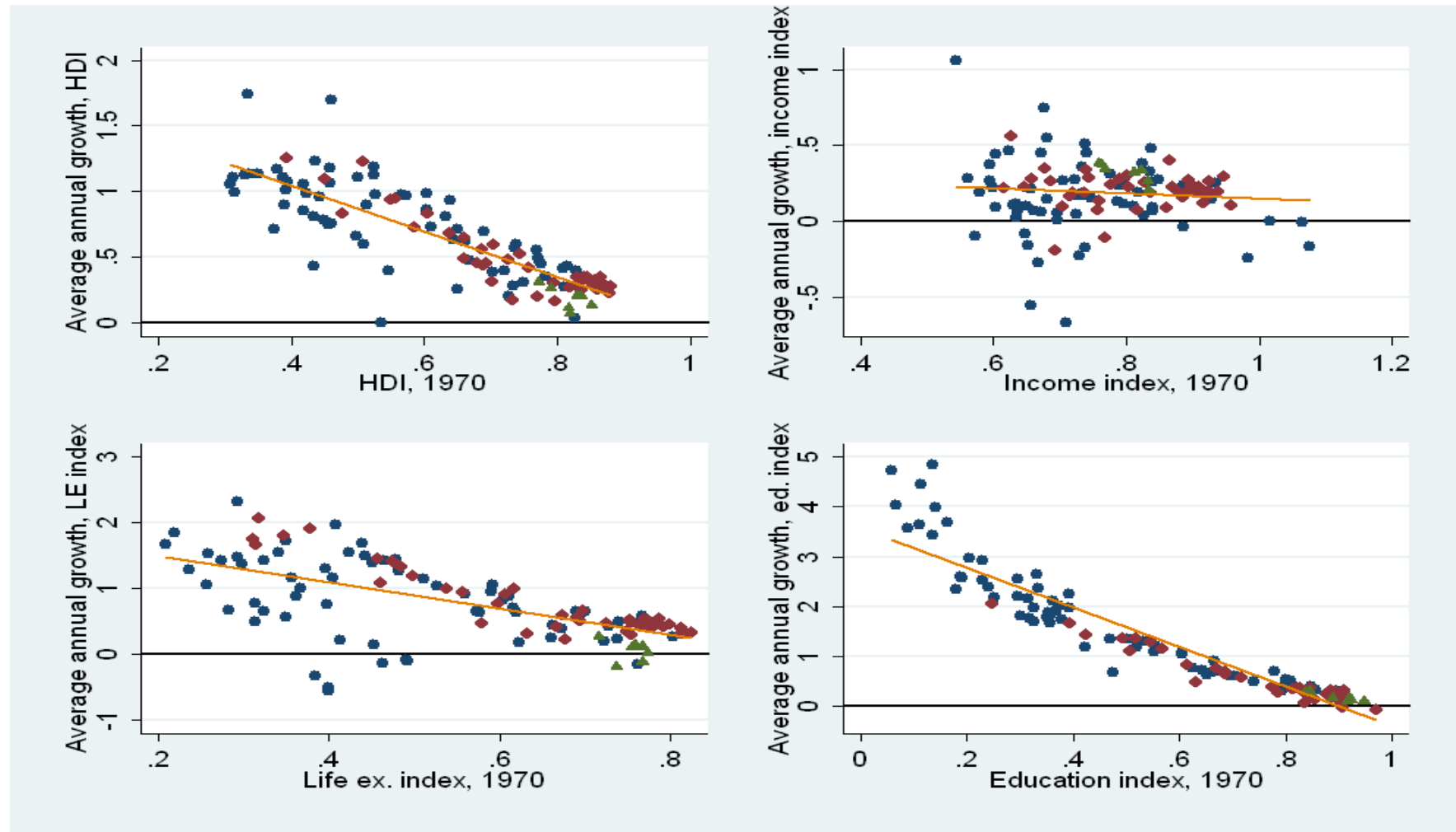


Note: [N]= 120 countries

Similar income patterns at sub-national level, at least in LAC

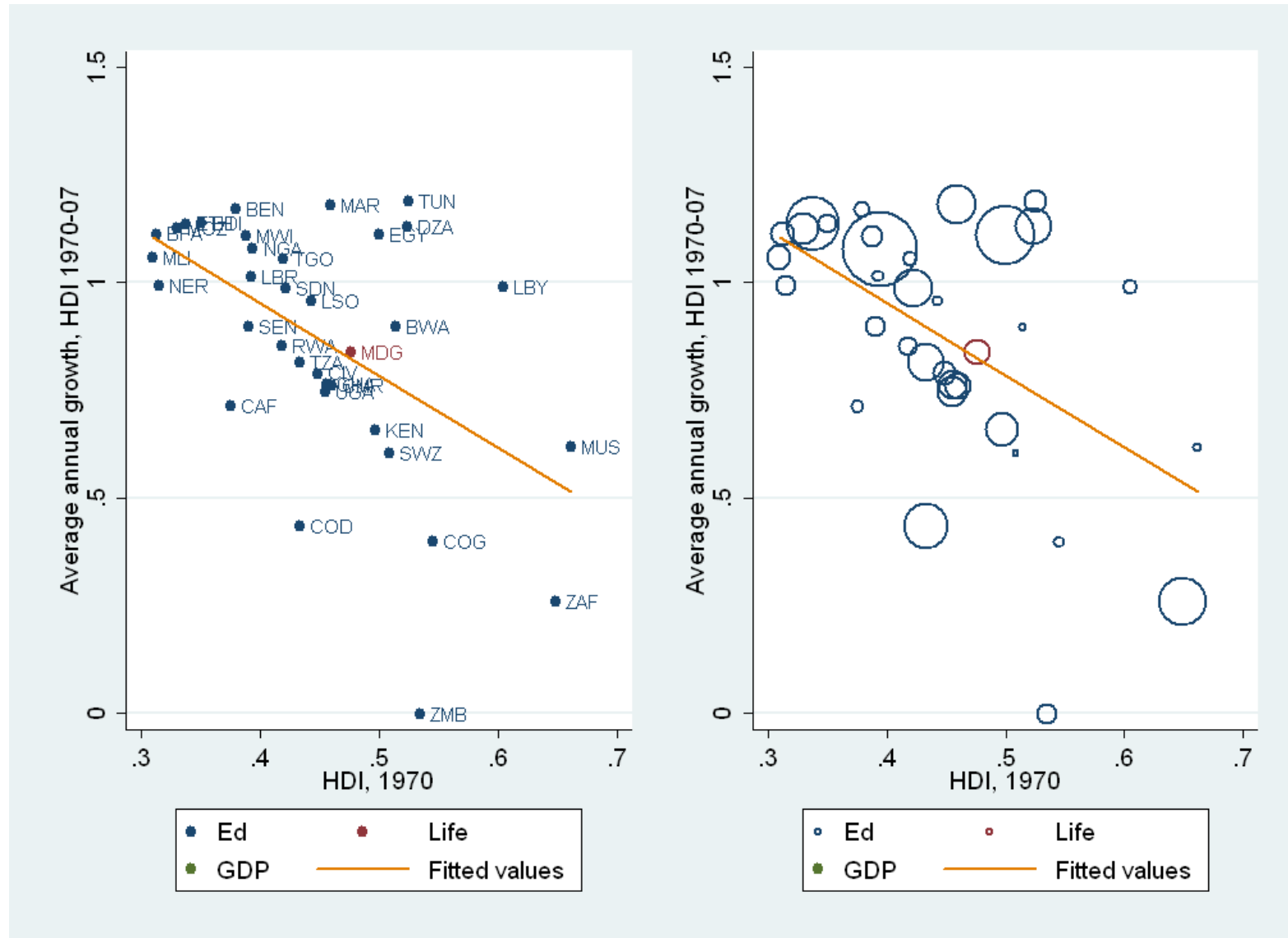


HDI convergence is led by education (60+ cases) and child mortality (50+ cases)

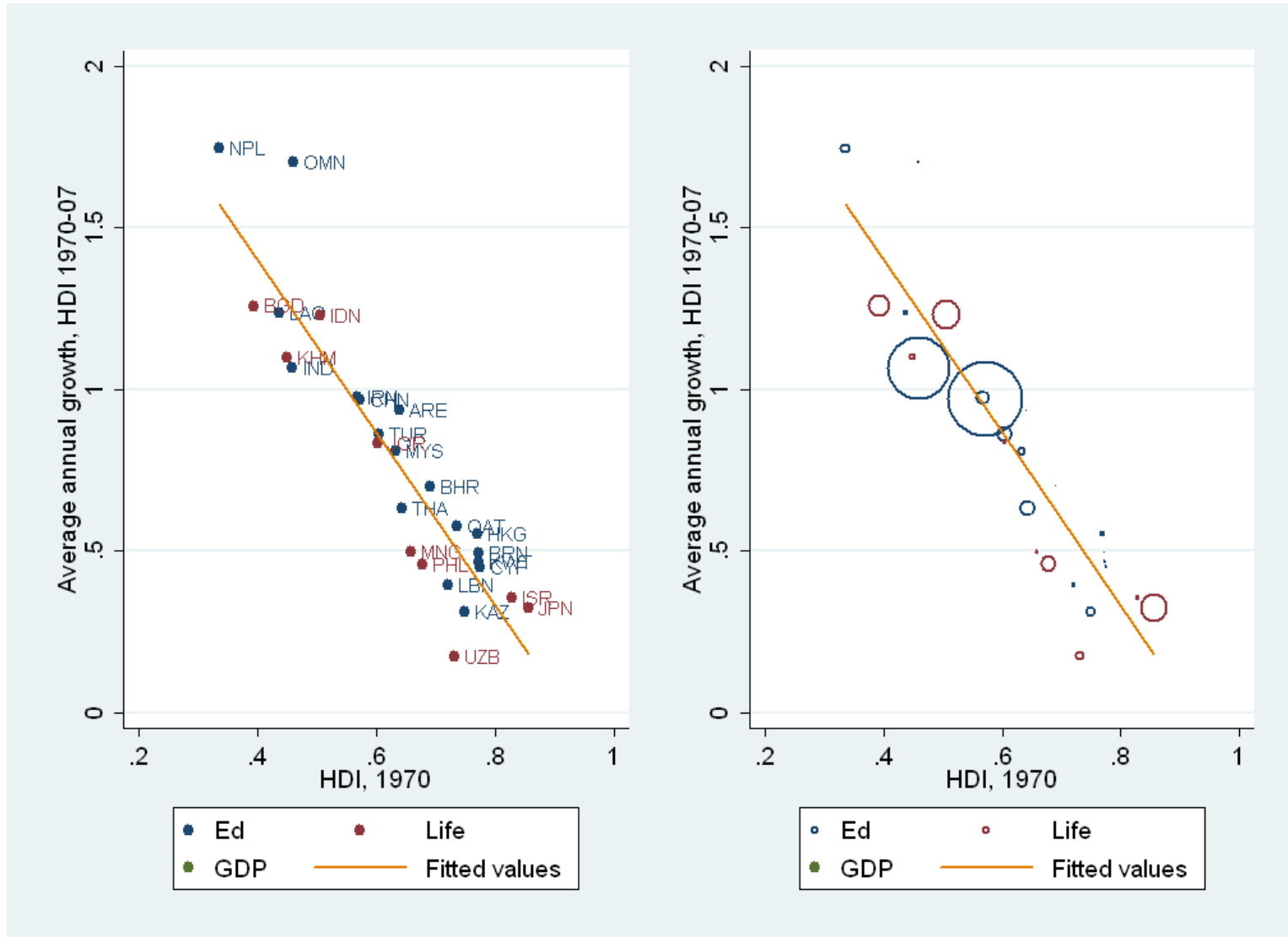


Note: Displaying change by HDI dimension with highest growth
[N]= 120 countries

Regional differences: Africa; improvements led by education



Asia -- improvements tend to be led by child mortality



Initial econometric investigations

1. “**technologies** matter” (clean water, sanitation, immunizations, access to low-cost treatments)
2. “social **norms** matter” (female literacy, female labour participation, fertility)
3. “**institutions** matter”:
tax/GDP, institutional proxy, weak states, enduring political regimes.
4. “**shocks** matter”: AIDS, failed states, civil and ethnic wars.

Preliminary Findings:
Child mortality and literacy regressions tell a story of changes in gender relations over time (female literacy, fertility and labour force participation).

Omissions ? institutional/policy determinants not clear.

Source: Gray Molina and Purser, forthcoming

Key issues: Measurement

- HDI -- Summary and crude, but allows for...
 - country & regional comparisons– levels and trends;
 - Some greater awareness of weaknesses and relative performance -- at times, controversial.
- Methodological issues:
 - Is it robust?
 - Are the weights correct?
 - Does it mix non-comparable concepts (stocks and flows)?
- Issues of scope: additional dimensions?

Links with Sen-Stiglitz-Fitoussi Commission

- Complementary rather than competitive.
 - Recommendation 9 : “statistical offices should provide the information needed to aggregate across quality of life dimensions, allowing the construction of different indices...such as the HDI”.
- The HDI is an index based on information provided by national statistical agencies.
 - > SSF recommendations are focused on improving the data that is produced by these agencies .

Possible proposal for measurement

- Maintain 3-dimensional HDI, with improvements.
- Review additional indicators, to measure:
 - Inequality in human development
 - Sustainability of human development
 - Vulnerability of human development
- What to do with political rights? Clearly another dimension, but...
 - Subject to contentious issues of definition and measurement.
 - Fundamentally a different type of capability?

Proposal to construct an inequality-adjusted HDI

- Two approaches being investigated:
 - Foster, Lopez-Calva and Szekely method to compute a path-independent HDI that adjusts for inequalities in each dimension.
 - Income and expenditure micro data from WB.
 - DHS data on assets, child mortality, education.
- Alternative approach: Household level HDIs estimated using DHS with income imputed.

Ideas on measuring sustainability

- Adjusted Net Savings is a measure of the total capital stock of a society, understood as the assets necessary to produce consumption goods – estimated by WB
- But there are other components of ‘a good life’ beyond consumption of goods, these too should be sustainable.
- Thus the sustainability of HD could be given by

$$S=f(s_{\text{consumption}},s_{\text{health}},s_{\text{education}})$$

- s_{health} $s_{\text{education}}$ proxied by estimates of the net investment in health and education capital.

Process underpinning 2010

- Continue with innovation begun for 2009 report: regional consultations, Delhi, Rio, Johannesburg, Oxford... ongoing
 - Establish Academic Advisory Panel, establish links to key researchers
 - Finalise May 2010
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- Our objectives for today – listen, brainstorm, learn about existing and planned research.....