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Report of the United Nations Development Programme on the statistics of human development

Note by the Secretary-General

In accordance with Economic and Social Council decision 2014/219, the Secretary-General has the honour to transmit the report of the United Nations Development Programme on the statistics of human development. The Commission is invited to take note of the report.

* E/CN.3/2015/1.



Report of the United Nations Development Programme on the statistics of human development

I. Introduction

1. The Human Development Report Office of the United Nations Development Programme (UNDP) has provided updates on the *Human Development Report* and human development indicators at the thirty-first (2000), thirty-second (2001), thirty-third (2002) and thirty-ninth (2008) sessions of the Statistical Commission, and more recently at the forty-first (2010), forty-second (2011) and forty-third (2012) sessions (see [E/CN.3/2011/15](#) and [E/CN.3/2012/17](#)). The present report is a follow-up pursuant to a request of the Commission at its forty-fifth session (see [E/2014/24](#)).

2. The *Human Development Report* is produced by the Human Development Report Office of UNDP drawing on work and consultations with leading scholars, development practitioners and other stakeholders. The report, which is global in nature, has been published annually since 1990. It explores a different topic each year with a theme relevant to the field of human development. The report also contains a statistical annex — a thematic compendium of the latest available statistics, some of which are summarized in five composite indices of which the Human Development Index is the best known and most quoted. The *Human Development Report*, including the extensive database of human development indicators, is also published online on the website of the Human Development Report Office (<http://hdr.undp.org/>).

3. In its resolutions 49/123 and 57/264, the General Assembly has affirmed that “the *Human Development Report* is a separate and distinct exercise which is not an official document of the United Nations”. This is also reiterated in UNDP Executive Board decision 94/15 of 10 June 1994 (see [E/1994/35/Rev.1](#)). The Statistical Commission has also explicitly recognized that UNDP is not a data-collection entity, and that the *Human Development Report* is an editorially independent report commissioned and published by UNDP. In its decision 2011/12 (see [E/2011/35](#)), the UNDP Executive Board recognized that the *Human Development Report* “is an important tool for raising awareness about human development around the world”.

4. For the production of composite indices and statistical annex, the Human Development Report Office is a user of statistics and indicators rather than a data producer. It relies on data from other United Nations entities and international organizations with mandates for data collection, verification, compilation and public dissemination based on international definitions and standards.

5. In addition to the annual *Human Development Report*, more than 700 national or regional human development reports have been produced in over 140 countries since 1992. However, the Human Development Report Office is neither a producer of nor a responsible party in the production of national and regional reports. Those reports are produced by regional and national teams of experts, often with the support of local or regional UNDP country offices.

6. The present report, prepared by the Human Development Report Office, provides the Commission with a summary on the status of the human development indices and related communications and processes. Section II covers

communications and other processes put in place for the regular annual production of human development composite indices, and section III deals with the methodology and data for human development composite indices.

II. Communications and other related processes

A. Direct communication with national statistical offices

7. Since 2011, the Human Development Report Office has emphasized communication with national statistical offices in an effort to work with full transparency. This ongoing communication has also proved to be a key to effectively addressing areas of concern, particularly the discrepancy between national and international data. The Office regularly sends a letter to all heads of national statistical offices, permanent missions to the United Nations and the regional economic commissions and the secretariats of the island States informing them about the key indicators and international data sources that will be used in the forthcoming *Human Development Report* and its statistical annex. The letter, customarily sent in July of each year, also contains important dates and milestones related to the production of the report.

8. A comprehensive list of data sources, attached to this letter, provides the national statistical offices with the opportunity to review the indicators and to bring any existing discrepancy between national and international data to the attention of the relevant international organizations (e.g., Institute for Statistics of the United Nations Educational, Scientific and Cultural Organization (UNESCO), Population Division of the Department of Economic and Social Affairs of the United Nations, etc.)

9. In addition, the Human Development Report Office also sends a specific communication to the national statistical offices of those Member States for which adequate official data on an essential indicator could not be obtained from relevant international data providers. In several instances, the Office has cooperated with national authorities to find and use alternative sources or impute missing values.

B. Consultations, workshops and meetings

10. The Human Development Report Office seeks to attend regional and global gatherings of statisticians on a regular basis. Each of these occasions has provided valuable opportunities to meet with official statisticians and solicit feedback:

(a) **Regional statistical commissions:** The Human Development Report Office is committed to attending one meeting of the regional statistical commissions per year;

(b) **Workshops:** The Office has organized each year a short workshop on statistics of human development as a side event during the meetings of the Statistical Commission. Although each workshop focuses on a specific region (small island developing States in 2011, Latin America and the Caribbean in 2012, the Arab States in 2013 and sub-Saharan Africa in 2014), all delegates are always invited to this event;

(c) **Thematic regional consultations:** Engagement with national statistical offices has expanded, including through bilateral meetings and thematic regional consultations. A number of regional level workshops and conferences on human development concepts and measurements have taken place. The most recent one was a high-level symposium on the concept of human development in the context of the post-2015 development agenda, in in Algiers from 9 to 11 June 2014 and co-organized with the National Economic and Social Council of Algeria with the participation of many delegations from the West African countries.

11. The Human Development Report Office has been representing UNDP in the Committee for the Coordination of Statistical Activities, as well as in the recently formed body of chief statisticians of the United Nations system. The Office has also represented UNDP at meetings of the Independent Expert Advisory Group on the Data Revolution for Sustainable Development.¹

C. Human Development Report Office conferences on measuring human progress, 2012-2014

12. Since 2012, the Human Development Report Office has organized annual conferences on measuring human development with leading measurement experts to discuss existing measures of human development and possibilities for their improvement. These conferences provide a forum for exchange of knowledge and best practices in promoting the use and development of high-quality measures of human progress relevant to socioeconomic policies. They also provide a forum to address issues in a coherent way, such as changes to the methodology introduced in 2010.

13. At the first Conference on Measuring Human Progress, held in New York on 26 January 2012, the participants agreed that the power of the Human Development Index is in its simplicity. Concerns with the current version of the index led to a rich discussion (but without a clear consensus) on whether the increased complexity of the current index makes the use and interpretation of the index more difficult. Other composite indices were also discussed.

14. The second conference, held in New York on 4 and 5 March 2013,² was organized with the main objective of reviewing the current set of human development composite indices and exploring new ideas or modifications that could improve their methodology and enhance their use for policymaking. In preparation for this event, the Human Development Report Office commissioned four occasional papers from experts in the field. Each paper analysed one of the four main composite indices. The findings and proposals were followed by discussions from invited experts, some coming from national and international statistical offices, others from academia and international organizations. The second day featured a panel discussion of the proposals by Amartya Sen, Joseph Stiglitz, Jean-Paul Fitoussi and José Antonio Ocampo. Discussions focused on the effectiveness of the current and proposed measures, on their value added and whether the measures are consistent with the human development and capabilities framework. The main conclusion coming out of this conference was that composite indices have to be

¹ See www.undatarevolution.org/about-ieag/datarev-group-members/.

² See more at <http://hdr.undp.org/en/second-conference-measuring-human-progress>.

simple and intelligible and should be kept unchanged for a longer period, 5 to 10 years, so that progress can be easily tracked. Some of the proposals discussed in this panel were implemented in the computation of the 2014 human development indices and are described in section III of the present report.

15. The third Conference on Measuring Human Progress, held in New York on 10 and 11 March 2014,³ brought together some 50 participants from a range of sectors, including both the users and producers of statistical indicators, to discuss questions related to measuring human development and the post-2015 development framework. This meeting considered how new and emerging data sources might help to strengthen the way in which the family of human development indices assesses key capabilities, and whether measures of subjective well-being could inform future human development reports and measures.

D. Statistical advisory panel

16. The statistical advisory panel was reactivated in 2011 with a membership consisting of leading experts, statisticians and analysts from international organizations, national statistical offices and academia. The objective of the panel is to provide advice, guidance and feedback to the *Human Development Report* team with respect to: (a) the overall methodology of the composite indices, including imputation models for missing indicators; (b) the conceptual validity, appropriateness and statistical quality of indicators presented in the report's statistical annex; (c) issues related to the statistical content of the report, as well as to the online content (data presentation and visualization); (d) issues related to consultations and effective interaction with the statistical community, i.e., national statistical offices, United Nations and other international statistical entities and other statistical stakeholders and potential data providers; and (e) any other specific questions related to the statistical content of the report.

17. The statistical advisory panel was convened in 2011, 2012 and in 2013. The 2013 meeting was done by means of teleconferencing. The next meeting of the panel, with a new set of members, is planned for March 2015. The agenda and the summary from the next meeting will be posted online.

III. Global human development composite indices, methodology and data

A. Updates of methodology

18. One of the principles that has guided the development and evolution of the human development composite indices is to update them when better data become available for a critical number of countries, as well as when the understanding and knowledge about the concepts and measurements improve. On the basis of the critical reviews and discussions and recommendations of the measurement conferences (see sect. II.C above) and the statistical advisory panel (see sect. II.D above), some changes in the calculation of human development composite indices

³ For more details, see <http://hdr.undp.org/en/content/third-conference-measuring-human-progress>.

were introduced in the 2014 *Human Development Report*. Details are given in the technical notes of the report.⁴

19. Calculation of the Human Development Index requires transformations of indicators into indices with a non-unit scale between zero and one. The transformation of component indicators is now done using fixed maximum and minimum goalposts. Previously, the maximum values were set to the actual observed maxima across countries and as such had limited the comparability of the Human Development Index across time.

20. Since 2010, countries have been grouped in four equal-size quartile groups of the Human Development Index, namely, the low-index, medium-index, high-index and very-high-index groups. In the 2014 *Human Development Report*, countries were grouped in four categories according to a set of the fixed cut-off values of the Human Development Index. The values of the fixed cut-off points are determined from the distributional quartiles of the component indicator distributions. The classification according to the level of the achieved Human Development Index allows countries to easier track their progress across time and in comparison to others.

21. A new measure related to inequality — the coefficient of human inequality — was introduced as an experimental index in 2014. It is the average of inequalities in three Human Development Index dimensions: health, education and standard of living. Inequality in each dimension is estimated by the Atkinson index from underlying distributions: the distribution of expected length of lives (from life tables), distribution of years of schooling for adult population and income distribution. This measure is a stand-alone measure and will not be used for ranking of countries or for adjusting the Human Development Index values.

22. A new measure of gender gaps in human development achievements — the gender development index — was introduced as an experimental index. It is a ratio comparing the female to the male Human Development Index. The countries closest to gender parity achieve the highest gender development index ranking.

23. The multidimensional approach to measuring poverty gained wide acceptance, with several Governments adapting the multidimensional poverty index to reflect their own national socioeconomic and cultural realities. The multidimensional poverty index in the 2014 *Human Development Report* includes minor modifications for more accurate accounting for (a) deprivations of elderly and childless households, (b) recent child mortality, (c) child malnutrition with lasting consequences (stunting), (d) gains in primary school attainment and (e) the poverty of rural households. Programmes used for estimation of the multidimensional poverty index and its components are available for downloading from the website of the Human Development Report Office.⁵

B. Use of official statistics

24. The Human Development Report Office has initiated collaboration with the UNESCO Institute for Statistics for the computation of mean years of schooling in

⁴ Available from <http://hdr.undp.org/en/2014-report/download>.

⁵ <http://hdr.undp.org/en/content/mpi-statistical-programmes>.

recognition of the concerns expressed about the use of non-official estimates in the Human Development Index. The Institute is continuously updating its database on educational attainment of the adult population with new data from countries that reported new census data.⁶ In 2013 the Institute started extending its database with a new series of mean years of schooling for the adult population (ages 25 and above). By early 2015 the database will contain over 500 mean years of schooling estimates. For countries for which the Institute hasn't computed mean years of schooling, the Human Development Report Office uses estimates derived from either the updated Barro and Lee database⁷ on school attainment, the recent demographic and health surveys or the multiple indicator cluster surveys. In a few instances the Human Development Report Office has updated the Barro and Lee estimates using data on education attainment from the database of the UNESCO Institute for Statistics.

IV. Concluding remarks

25. The theme of the 2015 *Human Development Report* will be “Rethinking work for human development”. The report will revisit the issue of work in its various dimensions and dynamics through a human development lens.

26. The Human Development Report Office conducts two to three annual briefings of the Executive Board on the development of each report.

⁶ The database can be accessed at: <http://data.uis.unesco.org>.

⁷ www.barrolee.com.