



Some Perspectives from the Official Statistical Community on the Refinement of the Global HDI Methodology

Presented by

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I. Introduction



(Global) Human Development Report (HDR)

- **First launched in 1990 with the single goal of putting people back at the center of the development process.**
- **Has been produced annually by the HDR Office (HDRO) of the United Nations Development Programme (UNDP).**



II. Refinement of the Global HDI Methodology: Some Views of the Global Statistical Community on the Processes Undertaken



- The HDRO of the UNDP introduced revisions in the 2010 Global HDR.

1. Changes on the HDI

- Indicators
- Construction of the Composite Index

2. New Inequality adjusted indices introduced by HDRO

- Inequality-adjusted HDI
- Gender Inequality Index
- Multidimensional Poverty Index



II. Refinement of the Global HDI Methodology: Some Views of the Global Statistical Community on the Processes Undertaken



A. 41st Session of the UN Statistical Commission (UNSC) held in February 2010

- While the Commission recognizes the importance of the HDI...
- The Commission communicated its concerns about the HDI/HDR process to the HDRO/UNDP:
 - There is lack of consultation with the Statistical Commission on the revision of the HDI; and
 - There is a need to note transparent procedures in developing new statistical methodology on indices that have an impact on countries.





B. Expert Group Meeting held in March 2010

Recommendations included the following:

- “ to use official statistical series...., Non-official sources may occasionally be used ..in cases where official data are not available; however, ...official statisticians should be engaged with the aim of developing appropriate official sources;”
- “ to provide full transparency and proper presentation of all data sources and methodologies.... ” and
- “ to reactivate the Human Development Report Statistical Advisory Panel with appropriate representation from the official statistical community during the preparation of future issues of the Human Development Report”.





B. Expert Group Meeting held in March 2010

Other concerns of the Expert Group:

- **Dialogue between HDRO and the official statistical community**, even based on preliminary information, had not taken place earlier in the process;
- **The use of unofficial statistical series especially for the construction of headline HDI**. To the extent possible, the index calculations should be based on actual data rather than on estimations and/or model calculations, to minimize ambiguity;
- **Data support to the proposed refinements may only be available for a limited number of countries;**





B. Expert Group Meeting held in March 2010

Other concerns of the Expert Group:

- **Incorporation of certain additional supplementary series** when those measures have not reached a stage of methodological development where there is consensus on how underlying concepts should be measured.
- **Supports the removal of the “hard caps” and their replacement with variable upper and lower caps** as this could balance out the influence of the dimension indexes and help in “un-bunching” values near the upper and lower limits. However, this means that the index will be “rebased each time when the prevailing cap is exceeded, causing more frequent revisions, which will have to be explained carefully to users.”



II. Refinement of the Global HDI Methodology: Some Views of the Global Statistical Community on the Processes Undertaken



C. 42nd Session of the UN Statistical Commission in February 2011

- While the Commission recognizes that the HDR is an important document which informs discussions on national and international development...
- The Commission expressed concerns on the following:
 - statistical sources and methods used;
 - the quality and availability of data for the chosen indicators;
 - the use of non-official source data; and
 - the need to hold extensive consultation with the global statistical community prior to the release of the 2010 Report....”





C. 42nd Session of the UN Statistical Commission

- “stressed the relevance of the Fundamental Principles of Official Statistics and of the Principles Governing International Statistical Activities to the issue at hand and urged the UNDP to review these Principles and subscribe to them;...”
- “recognized that while the choice of the theme and of the indicators for the Human Development Report is the prerogative of the UNDP, the issue of data quality and adequacy falls within the purview of the UNSC on behalf of the global statistical system and prior consultation is necessary;”
- “re-iterated the need for UNDP to be fully transparent in its methods of statistical work in preparing the HDR and called for consultation with all parties concerned.”





D. Activities undertaken by the HDRO to address recommendations

- HDRO established a calendar for various preparatory phases for the Human Development Report and provided this information to NSOs;
- A Communication Plan was established;
- Undertook additional activities to enhance quality of the data and transparency of the preparation process, such as **conduct of consultations with NSOs of various countries**;
- Sought advice and feedback from key review mechanisms, such as the Expert Group on the Human Development Index and the Statistical Advisory Panel.



III. The Philippine Experience in the Localization of the Global HDI Methodology



Considering the concerns raised by the UNSC, Expert Group on HDI, activities of the HDRO, etc....

The Human Development Network (HDN) and the National Statistical Coordination Board Technical Staff (NSCB TS) ensured that the concerns raised by the global statistical community have been addressed in the localization of the global HDI methodology.



III. The Philippine Experience in the Localization of the Global HDI Methodology



UNSC Concerns	Action Taken by the HDN and the NSCB TS
1. Statistical sources and methods used	<ul style="list-style-type: none">• NSCB and HDN• Task Force on HDI Estimates consisting of:<ul style="list-style-type: none">• Data source agencies• Selected members of the Technical Committee on Poverty Statistics <p>Addressed these concerns in the review of the methodology, by considering the following:</p> <ul style="list-style-type: none">- System of Designated Statistics- Official statistics produced by the Philippine Statistical System
2. Quality and availability of data for the chosen indicators	
3. Use of non-official source data	

III. The Philippine Experience in the Localization of the Global HDI Methodology



UNSC Concerns	Action Taken by the HDN and the NSCB TS
<p>4. Need to hold extensive consultation with the [global] statistical community prior to the release of the [2010] Report</p>	<p>The group, which reviewed the methodology,</p> <ul style="list-style-type: none">- NSCB and HDN- Task Force on HDI Estimates consisting of:<ul style="list-style-type: none">- Data source agencies- Selected members of the Technical Committee on Poverty Statistics <p>Conducted the following:</p> <p>Meetings</p> <ul style="list-style-type: none">○ May 10, 2011○ Sept. 15, 2011○ Dec. 5, 2011○ October 19, 2012○ December 3, 2012 <p>Technical workshop</p> <ul style="list-style-type: none">○ October 10, 2011 <p>Written comments, as well as referendum</p> <ul style="list-style-type: none">○ From October 13, 2011 to November 4, 2011



III. The Philippine Experience in the Localization of the Global HDI Methodology



UNSC Concerns	Action Taken by the HDN and the NSCB TS
<p>4. Need to hold extensive consultation with the [global] statistical community prior to the release of the [2010] Report</p>	<p>Presentation by the HDN, through Dr. Toby Monsod, to the NSCB Executive Board on 9 February 2012.</p> <p>Conduct of a dissemination forum today, 10 December 2012, to present the refined methodology and resulting 2006 and 2009 estimates, prior to the launching of the 2012/2013 Philippine Human Development Report in the 1st quarter of 2013.</p>





Plans on the institutionalization of the HDI estimates

1. **Memorandum of Agreement between the HDN and NSCB:**
 - Institutionalization of the HDI estimates at the NSCB
 - Continuous close coordination and collaboration of the HDN and NSCB, (e.g., harmonized calendar of the HDN's Philippine HDR and the NSCB's generation of the HDI)
2. **Inclusion of the HDI in the System of Designated Statistics (SDS)**





Maraming Salamat po!

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