



सत्यमेव जयते

Human Development: Towards Bridging Inequalities
Note on the Training Workshop on HD Indices
New Delhi, April 11-12, 2013



*Empowered lives.
Resilient nations.*

This workshop was organised to facilitate a direct interaction between the project partners of the Planning Commission – UNDP project ‘Human Development: Towards Bridging Inequalities’ and the Chief Statistician at the UNDP HDRO, Dr. Milorad Kovacevic. Conceived as a training programme, the workshop was to cover the construction and estimation of four human development indices, namely the Human Development Index (HDI), Inequality-adjusted Human Development Index (IHDI), Gender Inequality Index (GII) and the Multidimensional Poverty Index (MPI). The training group comprised state level government officials as well as representatives of training and research institutions from across the country who are associated with the HDBI project.

- The workshop opened with a welcome address by Ms. Alexandra Solovieva, the Deputy Country Director, UNDP. She introduced Milorad Kovacevic to the participants, shared her observations upon the increasing use of the human development indices as a means of identifying backward areas and development needs and mentioned that this was a useful opportunity for participants to clarify their understanding of the measurement of the HD indices from an expert. She also expressed her gratitude to the attending representatives of the states and institutions for their interest in participating in the workshop and commended them on the work being done by their respective institutions.
- Milorad Kovacevic’s presentation on the HDI focussed on the concept, measurement and interpretation of the index. He delved into aspects such as determining factors of human development, the criteria for indicator selection, data sources, construction of the index, and the interpretation of results. In addition, responding to the particular interests of the training group, he discussed the use of purchasing power parity (PPP) for money variables, estimation of Expected Years of Schooling (EYS) and estimation of Mean Years of Schooling (MYS).

This was followed by an open discussion where participants shared their experiences and requested clarifications on certain points, after which the first day’s programme was concluded. The Joint Secretary (State Plans), Planning Commission, Government of India and National Project Director, HDBI Project, Mr. Tuhin Pandey steered this discussion. He contributed in depth to the discussions surrounding key concerns regarding the HD indices in the Indian context, such as selection of key indicators/criteria, estimating indicator values for more disaggregated geographical units such as districts and blocks, the availability of reliable data and data comparability across blocks, districts and states. He stressed the need for more frequent and regular data update in order to provide a moving picture of the situation in a particular area/region year by year for the purpose of policy formulation. He mentioned that the HDBI project aims at bringing together data on HD indicators and enabling planners to assess the resources available and decide how to utilise these resources.

- The second day of the workshop began with a presentation by Milorad on the IHDI, covering topics such as the need for adjusting the HDI for inequality, indicators and data sources, construction and estimation. Special focus was placed on the policy relevance of the IHDI while also mentioning the limitations of the IHDI and other types of inequalities that are not measured by it. In the discussions that followed this presentation, the participants expressed an interest in having an exercise to construct the HDI. The session plan was thus altered a little to accommodate such an exercise. Most participants were found to have been able to

compute the HDI with the given data, and doubts that persisted were clarified through the ensuing discussion.

- The third segment of Milorad's presentation was on the GII. This presentation touched upon the various issues covered by the HDRs since 1990 that bear specific relevance to the inequalities suffered by women, gender indices that have been constructed as part of the 1995 HDR- such as the Gender-related Development Index (GDI), the Gender Empowerment Measure (GEM), and various gender-related indices constructed by other bodies. After a brief discussion of the indicators, strengths and weaknesses of the GDI and GEM, the presentation moved on to explain the GII in detail, including an overview of the indicators, methodology and computation, strengths and limitations, policy relevance and adaptability of the index to different country contexts. This session was followed by a brief discussion.
- The final segment of the presentation focused on the MPI, covering its definition, dimensions and indicators, data sources and methodology. Some illustrations were also given to the training group as a way to estimate whether a household is multidimensionally poor or not. Also, there was a discussion on dimensions that were missing from the estimation of the MPI, followed by patterns of multidimensional poverty observed around the world, key contributing factors, relationship between vulnerability and severity of multidimensional poverty, relevance of the MPI to development planning and programming at national levels, policy applications and limitations. This session was followed by a discussion pertaining to all the indices covered in the course of the training programme.
- The workshop concluded with a vote of thanks by Ms. Ritu Mathur (Programme Analyst, UNDP).
- Key highlights:
 - Milorad discussed the importance of contextualising the methodology for all indices. He emphasized that the global HDR was based on methodology that would be best applicable to all countries together, and urged the states to adapt the methodology to their local contexts.
 - Milorad indicated the future changes that could be expected in the methodology of estimating the indices.
 - There were discussions on indicators that would be suitable in the Indian context, their validity and implications they would have for comparisons with other countries or regions or the global HDR.
 - There was a discussion on the adaptation of the maximum and minimum goalposts according to country contexts.

Overall, the presentations by Milorad Kovacevic and the discussions at the end of each session helped the training participants understand the conceptual framework, operational methodologies and calculation, along with a balanced critique of each of the four indices. The training was very well received by participants, as noted from their positive responses and observations. It is hoped that the training succeeded in creating a sound conceptual foundation to enable the participants to better contextualise these indices at the national and state level, so that they are better capacitated to undertake a critical review of the need for and validity of innovations.