



# Stirring the pot. Influence of changes in methodology of the Human Development Index on reporting by the press



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## ABSTRACT

This paper assesses changes in the Human Development Index (HDI) rank for a sample of 135 countries over 20 years. The countries selected have had a presence in every HDI table published in the Human Development Reports since 1990. A measure of change in rank between subsequent years was developed so as to allow for differences in the number of countries included in the tables. Results suggest that changes in HDI methodology lead to increased turbulence in country ranking. Also, that there are significant differences between countries in their shifts in HDI table ranking, with five countries in particular (Romania, Jamaica, Botswana, Iran and Belize) experiencing substantially greater turbulence in rank than others. Results suggest that periods of enhanced turbulence in HDI ranking may lead to increased reporting in the world's press. The paper makes a case for a new way of thinking of indicators – in terms of a 'natural selection' process that operates over time. In the opinion of the author this approach would help create a greater understanding as to what makes some indicators and indices successful while others are not so and indeed would help with a better understanding of what is meant by the term 'success' with regard to such tools.

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## 1. Introduction

The Human Development Index (HDI) has been reported in the United Nations Development Programme's (UNDP) Human Development Reports (HDRs) since 1990; a period spanning a total of 23 years at the time of writing (Böhringer and Jochem, 2007; Wilson *et al.*, 2007). While there are many indicators that have a much longer history than the HDI, the Gross Domestic Product (GDP) being an example from the field of economics, the HDI has survived as a well-reported index. Its origin in the 1980s was in part driven by a desire on behalf of the UNDP to move the development discourse away from what it saw as an emphasis on economic development and towards a more multi-faceted approach. The suite of economic indicators based on GDP and its relatives was regarded as the crystallisation of this focus on economic development, and UNDP felt it needed an index to stand alongside the GDP family but which captured a richer sense of human development (Kelly, 1991; Anand and Sen, 1994; Moldan, 1997; Ogwang, 2000). This dichotomy between economic and human development was very much a child of the time. Many countries were progressing through a painful process of structural adjustment in the 1980s,

with a strong focus on balancing the books in terms of government expenditures and incomes as well as promotion of free trade and removal of subsidies and tariffs. The assumption was that such a liberalisation would ultimately be beneficial for the countries concerned as trade and the private sector would be boosted, thereby helping employment and indigenous sectors such as agriculture. Structural adjustment programmes were typically linked to financial support packages provided by the International Monetary Fund (IMF). Hence the economic vision of development tended to dominate and economic performance indicators were at the forefront in terms of gauging success. The HDRs were meant to provide a counter-balance to this prevailing economic vision of development, and the HDI was the headline index designed to stand alongside the economic indicators. This is not to say that the economic dimension to development was seen by the creators of the HDRs and HDI as unimportant; only that economic development had to be seen as a means to achieve the ultimate goal of human development (Anand and Ravallion, 1993; Aturupane *et al.*, 1994; Streeten, 1994).

Since its official 'launch' in the HDR of 1990 the HDI has remained true to its initial conceptualisation as a composite index having just three components; simplicity was regarded by the index creators as a vital requirement for transparency (Carlucci and Pisani, 1995; Ranis *et al.*, 2006). It has an education component as this is regarded as an important capability for helping to provide people with more choice in employment and career development.

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The second component of the HDI is the health of the population and this is proxied by average life expectancy. The third component, perhaps ironically at first glance given the drivers behind the creation of the HDI, is GDP/capita as a proxy measure of per capita income. The assumption is that income is needed to help with the purchase of goods and services required in human development.

As well as the creation of the HDI the UNDP also sought to present it in such a way as to allow nation states to compare their performance over time and with other 'peer' countries. The assumption is that it is the relative performance (at least in HDI terms) of a country that is likely to be recognised by intended consumers (users) of the HDI rather than the absolute value of the index itself. Since the very first HDR the HDI has been presented in a so-called 'league table' format with countries having the highest values (best human development) towards the top and poorly performing countries (low values of the HDI) towards the bottom. Indeed the HDI 'league table' is the table that the reader of the HDR first comes across at the end of the report. In a sense the absolute value of the HDI becomes less important and what matters is where a country is ranked within the constellation of its perceived peers (Ogwang, 2000). A change introduced by UNDP to sub-divide the HDI table into high, medium and low human development sub-groups, or 'tables within a table', does not alter this overall sense of comparison. It follows from this that the government of a poor performing country in the league table will feel pressure both from within and outside the country to do better and thus introduce measures to improve its HDI. One mechanism for such pressure is the media (Morse, 2011), and the UNDP have been consistent in their attempts to encourage press reporting of the HDR (and hence the HDI) via the release of 'press packs'. This assumption, whereby the HDI is picked by the press who in turn provide an influence over the public and ultimately policy makers and others, is admittedly simplistic for a variety of reasons and a critical review of the evidence for part of this chain of influence is provided by Barabas and Jerit (2009). But it does seem plausible that press reporting can have some impact (Holt and Barkemeyer, 2012; Schmidt et al., 2013) and this can even occur with press reporting outside a country's borders (Mekelberg, 2012).

## 2. Evolving the HDI

Given that the HDI has been published each year since 1990 (Table 1) it would be surprising if it had not undergone some evolution. The world has obviously changed a great deal since 1990 and many countries have changed in terms of their composition (e.g. Czechoslovakia became the Czech Republic and Slovakia and the USSR dissolved into a number of new states) as well as their ability to provide data to international agencies because of war and civil strife (e.g. Iraq). Thus the number of countries included in the HDI league table has varied since 1990 and Table 1 summarises this change. In effect a country could find itself going up or down the table as other countries were brought in or left out. The UNDP have to their credit constantly sought to improve the HDI in terms of the quality of the data upon which it is based as well as the means of calculating the index (Cherchye et al., 2008). Indeed the HDI has undergone less change than perhaps one may expect given the complexity of what it is trying to capture, and indeed in fairness it has to be noted that the creators of the index may not initially have given much thought to comparisons over time. The bedrock of the index has remained the three components of education, life expectancy and income, all weighted equally, and no other components have been added. An environmental dimension to the HDI has been discussed at various times and experiments have been undertaken (Neumayer, 2001, 2012), but the UNDP have stuck to their principle of keeping the HDI as simple as possible (Booyesen, 2002;

**Table 1**  
Number of countries included in the HDI league table published since 1991.

Year of HDR publication	Number countries	Change in number of countries in HDI table relative to previous year
1991	160	Not applicable
1992	160	0
1993	173	13
1994	173	0
1995	174	1
1996	174	0
1997	175	1
1998	174	-1
1999	174	0
2000	174	0
2001	162	-12
2002	173	11
2003	175	2
2004	177	2
2005	177	0
2006	177	0
2007/2008	179	2
2009	182	3
2010	169	-13
2011	187	18
2012	186	-1

Note: the HDI table of 1990 has not been included.

Stapleton and Garrod, 2007; Nguefack-Tsague et al., 2011). The situation is, admittedly, slightly more complex than this as some of the components are themselves created by aggregating data, and there are also adjustments made to the data based upon assumptions of minimum and maximum values for standardisation as well as the nature of any transformation. Indeed one of the significant changes introduced by the UNDP in its calculation of the HDI is with the income component. This has always been based on GDP/capita, adjusted for inflation (real GDP chained to a chosen year) and purchasing power, but the UNDP have alternated between the use of logarithmic and Atkinson transformations. The rationale for this was to limit the effect of the extremely wide range in its value across countries. Both methods of transformation limit that range and the debate has centred on the degree to which this should happen. The first HDI in 1990 used the logarithmic transformation but this was replaced by the Atkinson approach between 1991 and 1998 before reverting to the logarithm in 1999. The Atkinson approach had the effect of levelling GDP/capita at a certain point and was thought to be too harsh on middle income countries.

Even so there is a contradiction in the sense that while a degree of flexibility over the construction of the HDI is desirable this does have an impact on comparison over time (Morse, 2013). If one of the main consumers of the HDI is thought to be non-indicator specialists in the media and policy domains, let alone the public, then it seems reasonable to suppose that they will not necessarily have the in-depth and technical knowledge to appreciate the impacts on ranking that a change in methodology can bring about. In fairness it should be said that UNDP is not unaware of this issue of comparability and for a number of HDRs they introduced 'alternative' tables of the HDI based upon a constant methodology; thereby allowing for some degree of comparability over time. However, while this attempt at transparency is acknowledged it should be noted that the headline HDI table is always presented at the beginning of the tabular listings in the HDRs and effectively is the 'highlight'.

It follows from the above rationale that enhanced reporting of the HDI tables by at least one group of consumers that the UNDP has in mind – newspaper reporters and their editors – may be related to periods of notable change in country ranking. If the rankings are relatively stable from year to year, with each country maintaining its position in the table, then there is arguably little to report and it is possible that newspaper editors may give this a relatively low

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