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# THE HUMAN DEVELOPMENT INDEX AS AN EFFORT TO MEASURE WELL-BEING IN HONDURAS

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### **Introduction<sup>1</sup>**

As a society we are always interested in knowing where we are and where we are headed. No one could deny that information and measurement are essential tools to this purpose and without them it becomes difficult to perform an assessment how much progress the society has made. The discussion rather centres on what to measure and how to measure it, also, how much advancement it will be considered a real progress.

Generally we talk about measuring development, so we choose a series of indicators in different social fields, mainly economics, to describe how a particular society has progressed over the time. There are other phrases that have become important in the public debate trying to explain what development really means to a society. Among these we have: “Well-being”, “Societal Progress”, “Quality of Life”, “Human Development”, etc.

Each particular society has its own consideration about the real meaning of development. This is one of the reasons why a need has emerged to develop a more comprehensive view of development and progress, considering social, environmental and economic concerns, rather than just rely on economic indicators<sup>2</sup>.

The Istanbul Declaration<sup>3</sup> represents the existing consensus amid all those who share a common interest in promoting this debate, who participated in the Second World Forum on Statistics, Knowledge and Policy. Among these are presidents, ministers, senior statisticians, civil society leaders and leading

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<sup>1</sup> Acknowledgments to José Vélez, Statistician of the Prospective and Strategic Unit of UNDP, for his valuable contributions.

<sup>2</sup> Economic and Social Commission for Asia and the Pacific, “Measuring the progress of societies: What is the relevance for Asia and the Pacific?”, Note by the Secretariat, E/ESCAP/CST/8\*, 2008, p. 3

<sup>3</sup> OECD. “Istanbul Declaration”, From <http://www.oecd.org/dataoecd/23/54/39558011.pdf>

academics, among other. It was signed in June 2007 by the European Commission, the Organization for Economic Cooperation and Development, the Organization of the Islamic Conference, the United Nations, the United Nations Development Program and the World Bank.

In the Declaration, all its signatories affirm their commitment to measuring and fostering the progress of societies in all their dimensions and to supporting initiatives at the country level. In order to take further actions they call to:

- Encourage communities to consider for themselves what “progress” means in the 21st century;
- Share best practices on the measurement of societal progress and increase the awareness of the need to do so using sound and reliable methodologies;
- Stimulate international debate, based on solid statistical data and indicators, on both global issues of societal progress and comparisons of such progress;
- Produce a broader, shared, public understanding of changing conditions, while highlighting areas of significant change or inadequate knowledge;
- Advocate appropriate investment in building statistical capacity, especially in developing countries, to improve the availability of data and indicators needed to guide development programs and report on progress toward international goals, such as the Millennium Development Goals.

One of the key issues involved within all these stated actions is the need of citizen participation and active involvement in building a renew framework for evaluating the quality of life in the society they live in. As Giovannini pointed out, “people today expect to be in control of their own evaluations and life choices ... Progress must increasingly be measured against criteria more closely aligned with public aspirations and notions of what a better life means”<sup>4</sup>.

The present document briefly discusses how the Human Development Index has been proposed as a better way to measure well-being than traditional GDP per capita and how this Index has played an important role in evaluating development in Honduras. After this, we proceed to describe briefly, the condition of the National Statistics System, highlighting some of the initiatives that have been carried out to bring about participation among stakeholders in Honduran society.

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<sup>4</sup> Giovannini, E, “Why measuring progress matters”, OECD Observer, From [www.oecdobserver.org](http://www.oecdobserver.org)

## **1. Human Development Index: An effort for measuring well-being**

Since the first Human Development Report was published in 1990, human development was defined as a process of enlarging people's choices and enhancing their capabilities. The process concerns the creation of an enabling environment in which people can develop their full potential and live productive and creative lives according with their needs, interests and own values. In this sense, human development paradigm promotes well-being in a society.

Even though human development is a broad concept with infinite dimensions, it is said that at all levels of development, there are three basic ones: a long and healthy life, access to knowledge, and a decent standard of living. Without these basic dimensions, other dimensions such as political freedom, the ability to participate in one's community, self respect and so on will often remain inaccessible.

Measuring human development is not an easy task, since this concept has many facets. This suggests that any index of human progress should incorporate a range of indicators to capture this complexity. But the problem is that not all countries in the world have relevant and comparable statistical information to do this. In addition, it is thought that too many indicators could produce a confusing picture, perhaps distracting policymakers from the main overall trends.

For the previous reason, a composite measure called Human Development Index (HDI) was introduced to measure human development. This index focuses in the three basic dimensions mentioned above using four basic indicators: (1) life expectancy at birth, as a proxy measure of a population's health and longevity; (2) adult literacy rate and combined gross enrolment ratio, as measure of knowledge and education; Finally, (3) GDP per capita at purchasing power parity (PPP) as measure of a decent standard of living.

Up to the point when HDI was introduced, the dominant view of development presumed that the level and growth of income sufficed as the criterion for human well-being. However, it has been demonstrated with evidence presented in global, regional and local reports on human development, there is no automatic link between economic growth and human progress. Although economic growth is necessary to make progress in well-being, it is far from sufficient as the sole condition.

HDI was then one of the first indicators to challenge the supremacy of GDP and has become widely referenced and used. The basic use of HDI is to rank countries, regions or territories by level of human development: low, medium and high.

Regarding citizen participation in the process of measuring human development progress, it is worthwhile mentioning that in occasion of twentieth anniversary of the Human Development Report in 2010, the Human Development Report Office intends to review the contributions of the Human Development Report globally to conceptualizations of development, as well as its impacts on development in practice.

It will also become a major opportunity for in-depth consideration of some key challenges facing human development measurement, for instance, how to consider other aspects of development, such as freedom of choice or opportunity, or how to consider the disparities that characterize development in a better way, among others.

This topic is discussed in the Statistical Update of Human Development Indices, published in 2008 by the Human Development Report Office (HDRO). The Report also establishes that in the upcoming months, a series of regional and country level consultations will be conducted with leading development thinkers and practitioners, inside and outside of governments. Although it is still in a limited fashion, this represents the promotion of community participation by the HDRO. The objective is to obtain a broad sense of views, contributions and innovations to the human development paradigm to ensure its continuing salience and influence. In the future, further participation of other citizens in the community could be promoted.

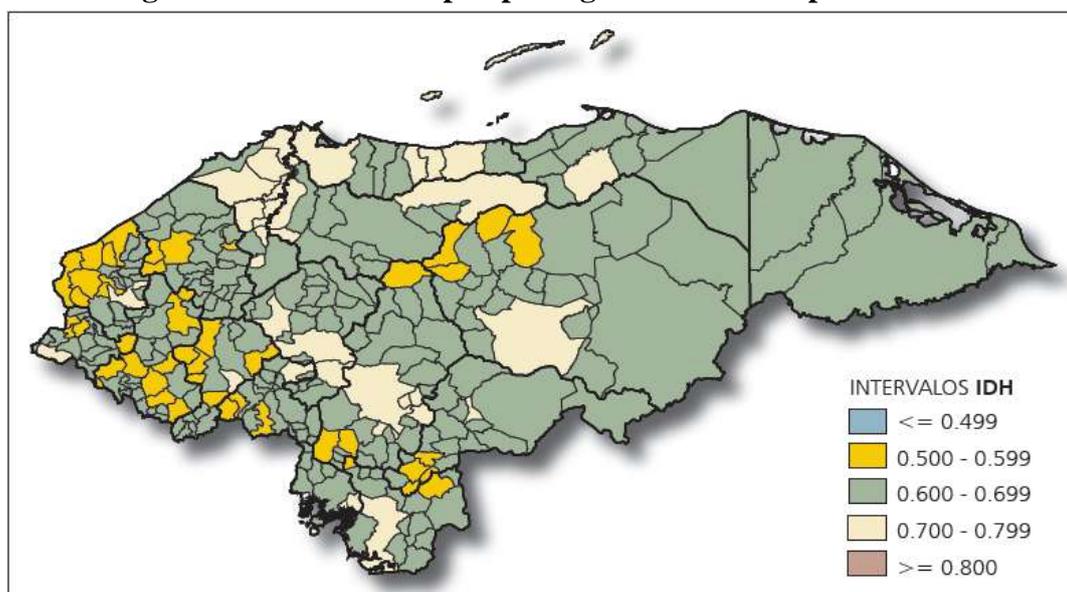
### **1.1. Uses of HDI in Honduras**

In Honduras, National Human Development Reports have been published since 1998. From the first report the HDI has been estimated at national and sub national level. This has come to strengthen national statistics because there is no other such a measurement that could help evaluating the development condition of departments and municipalities within the country, not even GDP, which is estimated only at a national level.

A special methodology has been developed by the technical team in charge of writing the Report in order to estimate all basic indicators used in the calculation of the HDI, due to the lack of statistic data, mainly at sub national level. This methodology involves the estimation of econometric models and it has been improving through the course of publications to match as closely as possible the general method used internationally. In the last Report (2008/2009), a comparable series from 2001 through 2007 has been estimated for the whole set of human development indicators (i.e. Human Development Index, Gender related Development Index, Gender Empowerment Measure, and Human Poverty Index).

Figure 1 shows a map depicting the human development situation in 298 municipalities of Honduras in the year of 2007. It can be seen that just a few reach the category of medium-high human development, most of them are located in the centre, south and north-atlantic region. This region is known as north-centre-south development belt, which includes the two biggest cities in the country: Tegucigalpa and San Pedro Sula. On the other hand, western part of the country gathers most of the municipalities with the lowest level of human development.

**Figure 1. Honduran Map depicting Human Development. 2007**



Source: UNDP. Human Development Report. Honduras 2008/2009

After estimating the values of HDI for each of the department and municipality of the country, results are contrasted with their real social and economic situation in order to corroborate them. Validation of this information is made by: 1) field visits to the communities, or 2) by researching the level of investments these communities are receiving, mainly from the government or international cooperation, regarding health, among others, education and productive infrastructure.

In Honduras, the HDI has become a well-being progress measurement calling the attention of public and private sectors, stimulating national political debate about how well the country is doing each year in comparison with other countries in the region and the world. Disaggregation by departments and municipalities allow a mapping of the disparities within the country. This has also stimulated the debate about which divisions have the best and worst performance in human development.

Many local governments and authorities have used the HDI for advocacy as a tool for calling the attention of central government when allocating public investment funds, aid funds coming from international cooperation or funds destined to alleviate poverty.

We also consider that the HDI has the potential to boost the paradigm of human development as a priority in the public agenda. An analysis of the three components of the HDI can identify areas requiring policy attention and specific human development strategies can be formulated. The need of data for calculating the HDI can also open new avenues of strengthening the National Statistics System.

## 1.2. National Human Development Reports: strengthening national statistics in Honduras

Unfortunately, as it was suggested before, Honduras does not count with a strong statistics culture and structure, subject that we will cover further in next section. Therefore, when research for the local Human Development Report is carried out, the researchers face the problem of not having all necessary information to conduct complete analyses of the subjects being treated in the Report.

If diagnosis of the situation is incomplete, then we cannot expect to have a clear panorama and sufficient elements in order to propose adequate courses of actions for policies and programs that help improving the living conditions and human development of Honduran society.

In the last two Reports (2006 and 2008/2009) it has become necessary to carry out thematic surveys to gather all required information to be able to present the complete panorama we referred to above. Both these surveys were designed to obtain mainly perception data.

The focus of both surveys was citizenship, social inclusion and human development. In 2006 the target population was all people over 18 years old, age at which a person gets her right to vote in general elections. In 2008, the target population was the young, between 12 and 30 years old, according to Honduran law. Some of the main topics covered in the questionnaire were: Socio-Economical condition, Education, Employment, Participation within the community, Migration and Political Culture, among others.

While the design of questionnaires was coordinated by the human development research team, the field work was commissioned through an agreement to the Honduras National Statistics Institute, due to their experience in this regard. In the particular case of 2008, the agreement states that after the Report is published, the survey's database will be donated to any public or private entity interested in getting the information with research purposes.

Samples in both surveys were quite large: in 2006, more than 3,500 people; and in 2008, more than 4,000 among the young. Results could be obtained for several levels of disaggregation relative to the territory (rural, urban, main cities). In 2008, a special effort was made to visit known territories where Honduran indigenous or afro-descendant peoples live in

*In the Honduras NHDR, the results obtain in by calculating the municipal human development indexes are also compared with results of perception surveys, thematic focal groups, in depth interviews, case studies and life stories. Having as a result, not just a numerical indicator; but also, a significant and solid qualitative back up information, that comes directly from the Honduran citizens.*

order to have a significant sample of native young people. Thus, significant results could also be estimated for this particular group of Honduran society. This initiative has been welcomed by many sectors in our country, since the latest data for native people comes from the census of 2001.

Besides answering the survey, community participation is also important when in the stage of designing the questionnaire. For instance, in 2008, a draft of the questionnaire was prepared by the human development research team, and then it was discussed with other important institutional stakeholders related to youth. After this, young people from all over Honduras territory, from each department, from different economic status, from different races and representatives of different juvenile organizations, were gathered in a meeting to receive their feedback to the questionnaire.

All these discussions were a key to validate the topics put forward for analysis and to find out people's expectations and preferences regarding what to pay attention at when evaluating progress in well-being, social inclusion and human development. When community is consulted about the best ways to undertake evaluation of progress, it is more likely to raise their attention and the authorities' toward the subject we want to put for discussion on the table. As the literature says: "Lack of citizen involvement can undermine the value of performance measurement by minimizing its importance in the eyes of elected officials"<sup>5</sup>

## **2. Honduras National Statistics System**

The National Statistics System (SEN, acronym in Spanish) is the institutional structure at national level, comprised of all state entities (centralized, decentralized, autonomous, semi autonomous, local governments, etc.) having among their main functions, any activity regarding collaboration, recollection, analysis and publication of statistical data.

The National Statistics Institute (INE, acronym in Spanish) in Honduras was created in 2000. Its main purpose is to coordinate the SEN, ensuring that all official activities related to statistical data production are undertaken in a rational, efficient and technical sound manner. INE is also in charge of establishing a common normative among all state institutions decision making.

During past decades, national production of reliable and continuous statistics was very scarce and mainly focused on economic data (GDP, inflation, exports, imports, taxes, etc.). Even censuses were not carried out in fixed intervals (1950, 1961, 1974, 1988, and last one in 2001). Producers of official statistics did not always supply all the necessary statistical data and information demand was not

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<sup>5</sup> Tai-Kei, A., Coates, P, "Citizen Participation: legitimizing performance measurement as a decision tool", Government Finance Review (8-10), April 2002, p.8.

requested in a well organized and articulated way either. Therefore, for a long time policy makers have rarely and badly used the statistical information available to make decisions.

With the creation of INE, the Government showed a relevant sign of recognition about the importance of producing reliable statistical data to measure other aspects of development and well-being besides GDP and income. This interest has also grown from the fact that the international cooperation community is urging developing countries to formalize decision making processes and in evaluating the effectiveness of programs and intervention policies in economic and social areas.

During this decade, the structural reforms plus the international aid directed specifically to the National Statistics System has paid off. Production of social indicators has improved and increased through implementation of national surveys of great size. Among them we list:

- Permanent Household Survey of Multiple Purposes. Undertaken twice a year from 2001. They allow the calculation of indicators about demography, housing characteristics, education, employment, income and poverty, basic needs. In every survey a special module is included in order to be able to estimate indicators about topics of interest, for instance, Information and Communication Technologies, Migration, quality of life, citizen security and others.
- National Survey of Conditions of Life. Carried out in 2004. This survey includes all information gathered through household survey plus the topics of health, migration and consumption.
- National Demography and Health Survey. Carried out in 2006. Provides abundant indicators related to health, for both man and women. Among topics covered we have: fertility, use of contraceptives, infant and children mortality, nutrition, AIDS, violence against women, morbidity, etc.
- Preparations for undertaking the Census in 2010 are being made.

Although the improvement in quantity and quality of national statistics cannot be denied, this represents only the beginning and much work is pending. There are still several weaknesses to be overcome. The most notorious one is the lack of standardization in administrative records. Few institutions belonging to the SEN have been capable to build a formal structure within their organizations, capable of providing reliable and timely statistics for decision making. Sometimes it seems like authorities of most of the State institutions lack the political willingness to foster a statistical culture within these institutions.

Another potential drawback that the SEN could face is the loss of funding, which is necessary to invest in training, equipment and resources useful to collect, process, standardize and debug statistical data. This year, the official budget assigned to INE was considerably cut and now has to depend even

more on international cooperation. However, after the political crisis detonated, a new risk of losing international funding arose, threatening as well, the good performance of INE in the future.

Consciousness about the importance of having a strong statistical system has to be promoted among State institutions and the community as well, so that they get involved both, in the process of producing relevant information, and evaluating the societal progress Honduran society is making in well-being or human development.

## **2.1. Towards promotion of community involvement to strengthen the National Statistics System: Some initiatives**

### **2.1.1. System of Observatories for monitoring the Millennium Development Goals and Human Development**

As it has been discussed, at present, Honduras lacks a strong statistical system. Therefore it also lacks sufficient and disaggregated statistical information to enable:

- Continuing monitoring of the Millennium Development Goals (MDG), human development and well-being.
- Citizens to get familiar with relevant and timely information to monitor public policies and investments at local and national level.
- Knowledge about specific territories or regions that in turn allows coordination of public investment and international aid, so that there is effective impact on communities and efficiency in spending.

UNDP in Honduras is undertaking a project consisting in a System of Observatories for monitoring the MDG. Pilot projects have been carried out in 3 regions of Honduras with low HDI (to the north: Atlántida and Mosquitia, to the West: Copán, Lempira and Intibucá, and to the south: Valle). These local systems provide the country (government and its citizenry as well) with tools to evaluate the impact of policies, as well as local and external investments related to the MDG at the regional level. The information produced by the systems eases decision making process and taking of corrective actions when necessary. It will also be a very useful tool for identifying the best niches for investment.

The main objectives of the project under Governmental coordination are:

- Strengthening local communities' skill on research, analysis and dissemination of statistical and qualitative information on MDG at national and municipal level with the participation of the citizenry.
- Strengthening technical and organizational skills for public incidence in regional areas. This will contribute to optimization of local planning; and finally,
- Generation of regional spaces for managing and harmonizing knowledge, public investment and international cooperation related to the MDG.

UNDP's role during the development of the project is highly technical in terms of:

- Providing information and knowledge.
- Supporting local production of information and knowledge.
- Facilitating local management in developing and adjusting regional plans, in investment agreements with the central government, and in allocation of international cooperation resources.
- Promoting advocacy and social control in planning and allocation of local resources.

The Observatories of Human Development and the MDG are considered places where planning and management relating to human development in a particular region will be proposed and evaluated. Quantitative and qualitative information produced by the Observatories will be used to serve this purpose.

Another function of the Observatories, within the framework of effectiveness and efficiency of investment, will be to provide regular and continuing monitoring to the impact of policies on social indicators. The chief objective is to improve the delivery of programs according to priority needs in the area.

It is expected that information reported by the Observatories relating to promotion of MDG in local regions, will motivate citizen participation and control in those areas. Impacts reports generated by the Observatories are providing citizens a useful tool in order to participate actively in the allocation of resources aimed at improving quality of life or societal progress. Managers, representatives and local authorities will also have the opportunity to make a transparent and timely accountability.

*Up to date, The Observatories of Human Development and the MDG has become a tool for communities to have dialogues with high level government officials regarding their real needs in their territories. Having at hand data, has given to the citizen of this areas of the country, the means to a more productive dialogue with national and local authorities.*

### **2.1.2. System of Indicators relating to children, adolescents and women (SISNAM)**

To monitor international commitments undertaken by the Honduran Government, INE, with the special support from UNICEF, formed an Inter-institutional Technical Committee on Children, Adolescents and Women, to prop up an information system with indicators to monitor the implementation of the Millennium Development Goals (MDG), known as ChildInfo-Honduras.

The referred international commitments subscribed by the Honduran Government are:

- Fourth World Conference on Women in Beijing (1995)
- Millennium Summit and the MDG (2000)
- Special Session for Children (2002)

Although in a limited manner, this committee represents community participation when designing a framework to measure societal progress, at least within the subjects mentioned above. The members of the committee are representatives from several public institutions and international organizations with thorough knowledge about the subjects in question, the relevant legislation and policy making process. Among these institutions, we have: Ministry of Education, Ministry of Labour and Social Security, Ministry of Security, National Commissioner for Human Rights, Honduras Central Bank, Honduran Institute for Children and Families, Ministry of Health, Supreme Court, Public Prosecution Office, Honduran Association of Municipalities, National Women's Institute, United Nations Population Fund, United Nations Fund for Children, Pan American Health Organization, United Nations Development Program, German Cooperation, International Labour Organization, National Youth Institute, National Statistics Institute (Coordinates the Committee).

The main objectives of SISNAM are to:

- Create an instance and establish mechanisms to improve, regulate and standardize production and quality of data on children, adolescents and women. As well as ensuring and appropriate use of this information in planning at the national level.
- Engage both, producers and users of statistics relating to children, adolescents and women, to utilize this information in processes of designing and implementation of policies and during national and local planning.
- Promote and facilitate the adoption by those in charge, of management processes and local information as basic and necessary tools in the context of decentralization. All this in benefit of Honduran children, adolescents and women.

So far, there are 128 indicators in the ChildInfo-Honduras Database. All these have been generated following international specifications, when related to international commitments or on the

other hand, following the consensus reached among stakeholders when related to context indicators (See Table 1).

Table 1. Indicators included in ChildInfo-Honduras Database.

Category	Total number of indicators in the category
Millennium Development Goals	31
Context Indicators	78
Beijing Platform	10
Special Session for Children	9
<b>Total number of indicators in the database</b>	<b>128</b>

Source: INE, “Sistema de Indicadores de Niñez, Adolescencia y Mujer”, from <http://www.ine-hn.org/sociales/sisnam/indexsisnam.html>

### 3. Concluding Remarks: measuring well being, a permanent challenge

As societies change across time, the development of indicators to measure the well being becomes a permanent and changing task. Also, having the diversity of cultural richness around the world, it is even more complex to find an indicator or set of indicators that can suit all and allow comparisons among countries and over time. This situation, only emphasis the fact that technicians have to be constantly aware of what is really happening in their societies. Therefore the indicators have to be reliable not only by passing the statistical and mathematical tests, but also have to be embrace by the individuals, as a legitimate instrument that reflects, the best as possible, what enrich and affect their lives.

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