Human Development Report 2019

Beyond income, beyond averages, beyond today:
Inequalities in human development in the 21st century

OFFICIAL LAUNCH
4 February 2020, Dili, Timor-Leste
A comprehensive assessment of inequality must consider income and wealth. But it must also understand differences in other aspects of human development and the processes that lead to them.

Inequalities in human development will shape the prospects of people that may live to see the 22nd century.

Exploring inequalities in human development - a new framework

Beyond income

Beyond averages

Beyond today

The analysis of inequalities in human development must go beyond summary measures of inequality that focus only on a single dimension.
MANY ARE STEPPING ABOVE MINIMUM FLOORS, BUT WIDESPREAD DISPARITIES REMAIN

Population with a primary education, 2017 (percent)

Low | Medium | High | Very high

51.2 percentage points

Human development group
A NEW GENERATION OF INEQUALITIES IN HUMAN DEVELOPMENT IS EMERGING

Examples of achievements:
- Early childhood survival
- Primary education
- Entry level technology
- Resilience to recurrent shocks

Basic capabilities

Examples of achievements
- Access to quality health at all levels
- High-quality education at all levels
- Effective access to present-day technologies
- Resilience to unknown new shocks

Enhanced capabilities
**A NEW GENERATION OF INEQUALITIES IN HUMAN DEVELOPMENT IS EMERGING**

### Mobile-cellular subscriptions
Change between 2007-2017 (per 100 inhabitants)

<table>
<thead>
<tr>
<th>Level</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
<th>Very High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>49.3</td>
<td>59.5</td>
<td>49.3</td>
<td>26.1</td>
</tr>
</tbody>
</table>

### Fixed broadband
Change between 2007-2017 (per 100 inhabitants)

<table>
<thead>
<tr>
<th>Level</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
<th>Very High</th>
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<tbody>
<tr>
<td>Value</td>
<td>0.8</td>
<td>2.0</td>
<td>8.9</td>
<td>12.3</td>
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</tbody>
</table>
INEQUALITIES IN HUMAN DEVELOPMENT CAN ACCUMULATE THROUGH LIFE

Graph showing the cycle of how inequities can accumulate through life stages:
- Parents' socioeconomic status
- Child's health
- Early childhood development
- Education
- Adult's health
- Adult's socioeconomic status

Processes indicated by arrows and dotted lines: Assortative mating.
**ASSESSING INEQUALITIES DEMANDS A REVOLUTION IN METRICS**

<table>
<thead>
<tr>
<th>Year</th>
<th>Indicated bias in one or less questions</th>
<th>Indicated bias in two or more questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-2009</td>
<td>Male: 29</td>
<td>Female: 40</td>
</tr>
<tr>
<td>2010-2014</td>
<td>Male: 57</td>
<td>Female: 60</td>
</tr>
</tbody>
</table>
THE CLIMATE CRISIS

Ecological footprint, 2016
(global hectare per person)

Human development index, 2018 (value)

Biocapacity per person, world average (1.7 gha)
TECHNOLOGY: GOOD SERVANT, BAD MASTER

- Technological change
  (automation, machine learning and robotics, new platform economy, global and local outsourcing)

- Displacement effect
  (tasks related to accounting and bookkeeping, travel agents)

- Productivity effect

- Net change in demand for labour

- Reinstatement effect
  (cyber security experts, digital transformation specialists, data scientists)
TIMOR-LESTE COUNTRY BRIEF: WHERE ARE WE?
TRENDS ALONG THREE KEY DIMENSIONS: HEALTH, EDUCATION & WELLBEING

Life expectancy at birth

Expected years of schooling

Mean years of schooling

GNI per capita (2011 PPP$)
CONTINUED PROGRESS, ALBEIT PRESENT CHALLENGES

- HDI value of 0.626, a slight increase from 0.605 in 2016.
- Ranks at 131st out of 189 countries and territories, an increase from 133rd place in 2016.
- This places the country among the medium human development category (Solomon Islands, Myanmar, Cambodia, Laos, Nepal)
- Between 2000-2018, TL HDI value increased about 23.8% (from 0.505 to 0.626)
TIMOR-LESTE IN COMPARISON...

**TL HDI relative to selected countries and groups**

- **Timor-Leste**: 0.626
- **Solomon Islands**: 0.557
- **Fiji**: 0.724
- **East Asia and the Pacific**: 0.741
- **Medium HDI**: 0.634
Inequality-adjusted Human Development Index (IHDI) was introduced in 2010 by HDRO.

IHDI considers inequality in all three dimensions of the HDI by discounting average value of each dimension according to the level of inequality.

As the inequality in a country increases, the loss in HDI also increases.

Timor-Leste’s HDI value falls to 0.450 when discounted for inequality—a loss of 28%. This is higher than the average loss due to inequality in medium HDI countries which is 25.9%.
In 2014, HDRO introduced a new measure—the GDI based on sex disaggregated human development index.

GDI measures gender inequalities in achievement in three basic dimensions of human development:

- Health (female and male life expectancy at birth),
- Education (female and male expected years of schooling for children and mean years for adults aged 25 years and older),
- Standard of living (female and male estimated GNI per capita).

Timor-Leste female HDI value was lower (0.589) than male HDI value (0.655) resulting in GDI value of 0.899.
Multidimensional poverty identifies multiple overlapping deprivations suffered by individuals in three dimensions - health, education, and living standards.

10 Indicators are weighted to construct a deprivation score. A deprivation of 33.3 percent or greater, the household and everyone in it are classified as MPI poor.

2018 data shows that about 1.3 billion people around the globe is MPI poor.

Timor-Leste, based on the latest data (2016), about 45.8% of population are MPI poor - 15.1% higher than monetary based poverty level (30.3% at IPL of $1.90/day).

Individuals with deprivation score greater than or equal to 20% but less than 33.3% are classified as vulnerable to MPI poor (Additional 21.6% are classified as vulnerable to MPI poor.)
5: TACKLING INEQUALITIES IS IN OUR HANDS, BUT WE MUST ACT NOW

Redressing inequalities in basic and enhanced capabilities

Policies to:
•Accelerate convergence in basic capabilities
•Reverse divergence in enhanced capabilities
•Eliminate gender and horizontal inequalities

Policies for inclusive expansion in incomes (productivity and equity)