Equal opportunities: some comments

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Outline

1. Motivation and merits

2. Comparison of key results

3. Policy insights?

Approach welcomed

- Motivation grounded in capabilities approach: seeking to expand people's real freedoms -
- Presented as a way to monitor the equity of access to key services important for a child to succeed in life -> new human opportunity agenda
- Multidimensional
- Systematic use of micro-data
- Responsive to public interest and policy demand
- Stimulate discussion and debate

Questions about the approach

- Very unequal outcomes are potentially compatible with an EoO principle
- Methodological issues:
  - Is it valid to separate effort from circumstances if they are statistically correlated? (endogeneity)
  - How to define circumstances/types? (correlation with poor outcomes? Overall consensus? Stereotypes?): empirical question or normative decision?
  - Where should the "starting gate" be placed ?
  - Not sub-group consistent (Foster and Lopez) – cf Inequality adjusted HDI

- Need to recall what is missing:
  - Due to method
- Concurrent/ overlapping *circumstances – eg girl in poor family*
- Overlapping deprivations – *eg no school and no electricity*
- *Process freedoms – eg Costa Rica vs Cuba*

  - Data/ indicators constraints:
- Key circumstances – *eg migrant status*
- Other key inequities – *eg health, nutrition …*
- Measurement of education limited to basic levels

Comparison of key results

- Innovations in the HDR family of indicators, complementary to the HDI:
  - Inequality-adjusted HDI – discounts the average level of human development due to inequality in health, education and income.
  - Gender Inequality Index (GII) – captures losses national achievement due to gender disparities in economic participation, health and education (association sensitive).
  - Multidimensional Poverty Index (MPI) – identifies serious *overlapping* deprivations in health, education and living standards

- Applied to between 104 (MPI) to 138 (IHDI and GII) countries
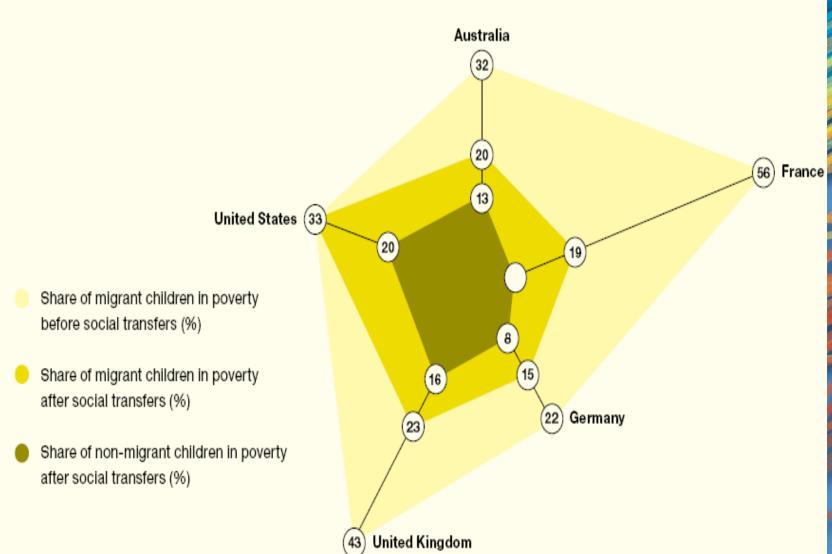
Comparison of key results: LAC

	LAC overall	Developed	East Asia	Best/ worst in LAC (N)
HOI	77			Chile/ Honduras (18)
IHDI (loss)	26%	10%	22%	Bahamas/ Haiti (25)
GII	61	32	46	Cuba/ Haiti (25)
MPI headcount	10.4%	0.6%	13.7%	Uruguay/ Haiti (18)
$ 1.25 a day poor	6.9%		17.6%	Chile/ Haiti (20)

Note differences in country sample

Comparison of rankings: LAC

HOI	IHDI (loss)	GII	MPI headcount	$ 1.25 poor
1 Chile	Bahamas	Barbados	Uruguay	Chile
2 Uruguay	Trinidad and Tob.	Trinidad and Tob.	Ecuador	Costa Rica
3 Mexico	Uruguay	Cuba	Argentina	Jamaica
4 Costa Rica	Jamaica	Costa Rica	Mexico	Uruguay
5 Venezuela	Guyana	Chile	Belize	Argentina
6 Argentina	Chile	Uruguay	Trinidad and Tob.	Venezuela
7 Jamaica	Ecuador	Argentina	Suriname	Mexico
8 Ecuador	Costa Rica	Venezuela	Brazil	Dominican Rep.
9 Colombia	Mexico	Mexico	Colombia	Ecuador
10 Brazil	Venezuela	Belize	Dominican Rep.	Brazil
11 Dominican Rep.	Suriname	Peru	Paraguay	El Salvador
12 Paraguay	Nicaragua	Brazil	Guyana	Paraguay
13 Panama	Paraguay	Panama	Peru	Peru
14 Peru	Dominican Rep.	Jamaica	Guatemala	Panama
15 Guatemala	Brazil	Paraguay	Honduras	Guatemala
16 Nicaragua	Argentina	Ecuador	Bolivia	Bolivia
17 Honduras	El Salvador	Dominican Rep.	Nicaragua	Nicaragua
18	Panama	El Salvador	Haiti	Colombia
19	Colombia	Colombia		Honduras
20	Belize	Guyana		Haiti
21	Honduras	Bolivia		
22	Peru	Nicaragua		
23	Guatemala	Honduras		
24	Bolivia	Guatemala		
25	Haiti	Haiti		

Policy insights?

Effects of transfers on child poverty in selected countries, 1999–2001

Share of migrant children in poverty before social transfers (%)

Share of migrant children in poverty after social transfers (%)

Share of non-migrant children in poverty after social transfers (%)

Australia 32, 20, 13

France 56, 19

United States 33, 20

Germany 22, 15, 8

United Kingdom 43, 23, 16