Human Development Report 2013

The Rise of the South:
Human Progress in a Diverse World

Explanatory note on 2013 HDR composite indices

Israel

HDI values and rank changes in the *2013 Human Development Report*

Introduction

The *2013 Human Development Report* presents Human Development Index (HDI) values and ranks for 187 countries and UN-recognized territories, along with the Inequality-adjusted HDI for 132 countries, the Gender Inequality Index for 148 countries, and the Multidimensional Poverty Index for 104 countries.
Country rankings and values in the annual Human Development Index (HDI) are kept under strict embargo until the global launch and worldwide electronic release of the Human Development Report.

It is misleading to compare values and rankings with those of previously published reports, because the underlying data and methods have changed. Readers are advised in the Report to assess progress in HDI values by referring to table 2 ('Human Development Index Trends') in the Statistical Annex of the report. Table 2 is based on consistent indicators, methodology and time-series data and thus shows real changes in values and ranks over time reflecting the actual progress countries have made. Caution is requested when interpreting small changes in values because they may not be statistically significant due to the sampling variation. Generally speaking, changes in third decimal of all composite indices are considered insignificant.

For further details on how each index is calculated please refer to Technical Notes 1-4 and the associated background papers available on the Human Development Report website.

Human Development Index (HDI)

The HDI is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. As in the 2011 HDR a long and healthy life is measured by life expectancy. Access to knowledge is measured by: i) mean years of schooling for the adult population, which is the average number of years of education received in a life-time by people aged 25 years and older; and ii) expected years of schooling for children of school-entrance age, which is the total number of years of schooling a child of school-entrance age can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child's life. Standard of living is measured by Gross National Income (GNI) per capita expressed in constant 2005 international dollars converted using purchasing power parity (PPP) rates.

To ensure as much cross-country comparability as possible, the HDI is based primarily on international data from the United Nations Population Division, the United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics (UIS) and the World Bank. As stated in the introduction, the HDI values and ranks in this year's report are not comparable to those in past reports (including the 2011 HDR) because of a number of revisions done to the component indicators by the mandated

agencies. To allow for assessment of progress in HDIs, the 2013 report includes recalculated HDIs from 1980 to 2012.

Israel's HDI value and rank

Israel's HDI value for 2012 is 0.900—in the very high human development category—positioning the country at 16 out of 187 countries and territories. Between 1980 and 2012, Israel's HDI value increased from 0.773 to 0.900, an increase of 16 percent or average annual increase of about 0.5 percent.

The rank of Israel's HDI for 2011 based on data available in 2012 and methods used in 2012 was– 16 out of 187 countries. In the 2011 HDR, Israel was ranked 17 out of 187 countries. However, it is misleading to compare values and rankings with those of previously published reports, because the underlying data and methods have changed.

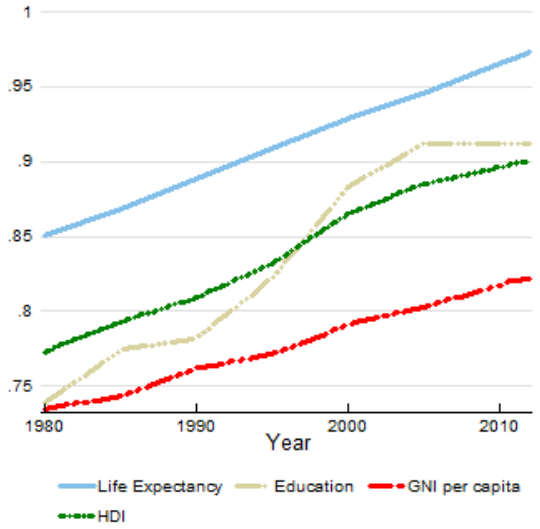
Table A reviews Israel's progress in each of the HDI indicators. Between 1980 and 2012, Israel's life expectancy at birth increased by 7.8 years, mean years of schooling increased by 2.1 years and expected years of schooling increased by 3.1 years. Israel's GNI per capita increased by about 81 percent between 1980 and 2012.

Table A: Israel's HDI trends based on consistent time series data, new component indicators and new methodology

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP$)	HDI value
1980	74.1	12.6	9.8	14,520	0.773
1985	75.2	13.1	10.3	15,292	0.793
1990	76.5	12.7	10.8	17,448	0.809
1995	77.8	13.6	11.2	18,549	0.832
2000	79	15.1	11.6	21,189	0.865
2005	80.1	15.8	11.9	23,100	0.885
2010	81.4	15.7	11.9	25,245	0.896
2011	81.6	15.7	11.9	26,034	0.899
2012	81.9	15.7	11.9	26,224	0.900

Figure 1 below shows the contribution of each component index to Israel's HDI since 1980.

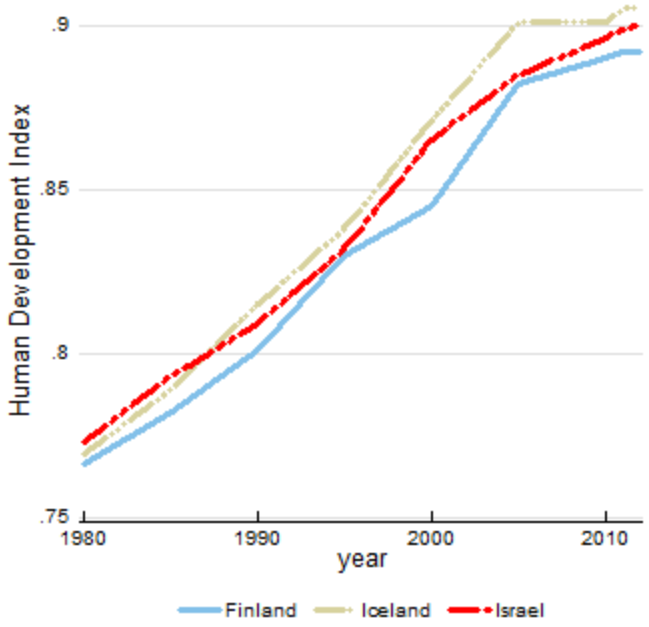
Figure 1: Trends in Israel's HDI component indices 1980-2012



Assessing progress relative to other countries

Long-term progress can be usefully assessed relative to other countries–both in terms of geographical location and HDI value. For instance, during the period between 1980 and 2012 Israel, Iceland and Finland experienced different degrees of progress toward increasing their HDIs (see figure 2).

Figure 2: Trends in Israel's HDI 1980-2012



Israel's 2012 HDI of 0.900 is below the average of 0.905 for countries in the very high human development group and above the average of 0.888 for countries in OECD. From OECD, countries which are close to Israel in 2012 HDI rank and population size are Denmark and Switzerland, which have HDIs ranked 15 and 9 respectively (see table B).

Table B: Israel's HDI indicators for 2012 relative to selected countries and groups

	HDI value	HDI rank	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (PPP US$)
Israel	0.900	16	81.9	15.7	11.9	26,224
Denmark	0.901	15	79	16.8	11.4	33,518
Switzerland	0.913	9	82.5	15.7	11	40,527
OECD	0.888	—	79.7	15.7	11.2	30,765
Very high HDI	0.905	—	80.1	16.3	11.5	33,391

Inequality-adjusted HDI (IHDI)

The HDI is an average measure of basic human development achievements in a country. Like all averages, the HDI masks inequality in the distribution of human development across the population at the country level. The 2010 HDR introduced the Inequality Adjusted HDI (IHDI), which takes into account inequality in all three dimensions of the HDI by 'discounting' each dimension's average value according to its level of inequality. The HDI can be viewed as an index of 'potential' human development and the IHDI as an index of actual human development. The 'loss' in potential human development due to inequality is given by the difference between the HDI and the IHDI, and can be expressed as a percentage. (For more details see technical note 2).

Israel's HDI for 2012 is 0.900. However, when the value is discounted for inequality, the HDI falls to 0.79, a loss of 12.3 percent due to inequality in the distribution of the dimension indices. Denmark and Switzerland, show losses due to inequality of 6.2 percent and 7 percent respectively. The average loss due to inequality for very high HDI countries is 10.8 percent and for OECD it is 12.5 percent.

Table C: Israel's IHDI for 2012 relative to selected countries and groups

	IHDI value	Overall Loss (%)	Loss due to inequality in life expectancy at birth (%)	Loss due to inequality in education (%)	Loss due to inequality in income (%)
Israel	0.79	12.3	3.9	7.9	23.7
Denmark	0.845	6.2	4.4	3.1	11
Switzerland	0.849	7	4.1	2	14.3
OECD	0.777	12.5	6	9.6	21.3
Very high HDI	0.807	10.8	5.2	6.8	19.8

Gender Inequality Index (GII)

The Gender Inequality Index (GII) reflects gender-based inequalities in three dimensions – reproductive health, empowerment, and economic activity. Reproductive health is measured by maternal mortality and adolescent fertility rates; empowerment is measured by the share of parliamentary seats held by each gender and attainment at secondary and higher education by each gender; and economic activity is measured by the labour market participation rate for each gender. The GII replaced the previous Gender-related Development Index and Gender Empowerment Index. The GII shows the loss in human development due to inequality between female and male achievements in the three GII dimensions. (For more details on GII please see Technical note 3 in the Statistics Annex).

Israel has a GII value of 0.144, ranking it 25 out of 148 countries in the 2012 index. In Israel, 20 percent of parliamentary seats are held by women, and 82.7 percent of adult women have reached a secondary or higher level of education compared to 85.5 percent of their male counterparts. For every 100,000 live births, 7 women die from pregnancy related causes; and the adolescent fertility rate is 14 births per 1000 live births. Female participation in the labour market is 52.5 percent compared to 62.4 for men.

In comparison Denmark and Switzerland share the third position on this index.

Table D: Israel's GII for 2012 relative to selected countries and groups

	GII value	GII Rank	Maternal mortality ratio	Adolescent fertility rate	Female seats in parliament (%)	Population with at least secondary education (%)		Labour force participation rate (%)	
						Female	Male	Female	Male
Israel	0.144	25	7	14	20	82.7	85.5	52.5	62.4
Denmark	0.057	3	12	5.1	39.1	99.3	99.4	59.8	69.1
Switzerland	0.057	3	8	3.9	26.8	95.1	96.6	60.6	75
OECD	0.225	—	17	24.7	25	80.6	84.1	50.9	69.5
Very high HDI	0.193	—	15	18.7	25	84.7	87.1	52.7	68.7

Multidimensional Poverty Index (MPI)

The 2010 HDR introduced the Multidimensional Poverty Index (MPI), which identifies multiple deprivations in the same households in education, health and standard of living. The education and health dimensions are based on two indicators each while the standard of living dimension is based on six indicators. All of the indicators needed to construct the MPI for a household are taken from the same household survey. The indicators are weighted, and the deprivation scores are computed for each household in the survey. A cut-off of 33.3 percent, which is the equivalent of one-third of the weighted indicators, is used to distinguish between the poor and nonpoor. If the household deprivation score is

33.3 percent or greater, that household (and everyone in it) is multidimensionally poor. Households with a deprivation score greater than or equal to 20 percent but less than 33.3 percent are *vulnerable* to or at risk of becoming multidimensionally poor. Due to a lack of relevant data, the MPI has not been calculated for this country.