ANNEX 1:
Human Development Indicators for Bosnia & Herzegovina

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1 Introduction

In the HDR 2013 Bosnia and Herzegovina holds the 81st position, with the achieved HDI of 0.735, and belongs to the group of countries with high human development. But, what does this mean? What position does B&H take in the world? What position does B&H take in relation to the surrounding countries in terms of human development indicators? What kind of human development trends have been present in relation to the Central and East Europe countries?

The context of the CEE countries considered in this annex involves the following countries:

- EU member states: Slovenia, Slovakia, Bulgaria, Romania, Czech Republic, Hungary, Poland

- Candidates for the EU: Croatia, FYR Macedonia, Montenegro and Serbia

- Potential candidates: Albania and Bosnia and Herzegovina.

The position of Bosnia and Herzegovina in the context of human development will be determined by an analysis of B&H's position in terms of human development indicators: Human Development Index, Inequality-adjusted Human Development Index, Gender Inequality Index and Multidimensional Poverty Index for 2012.

The latest HDR 2013 covers 186 countries, classification of which was carried out according to human development index (HDI) achieved, using new methodology and new indices.

2 Improving the measurement of Human Development

The Human Development Report 2010[1] marks 20 years of human development concept and promotes new indicators, which introduce new aspects of inequality adjustments, gender inequality and multidimensional measurement of poverty.

2.1 The Human Development Index: HDI

Human Development Index is a result of the search for a common measure for economic and social development. This is a contribution to quantification of the entire socio-economic aspect of progress, referring to achievements of a country in fundamental human development dimensions.

Human Development Index includes three fundamental human development dimensions, which refer to the capabilities that people expect to achieve. Those are the following:

- Life expectancy is achieved by the capability to live a long and healthy life,
- The achieved education is realized by the capability to acquire knowledge.
- The achieved living standard is realized by the capability to provide decent income for life.

Changes introduced in HDR 2010 refer to the choice of dimension indicators, transformation in the calculation of dimension index, as well as aggregation method; GNI/pc is used instead of GDP/pc.

Table 1. Summary review of human development reforms

Dimension	Until 2010			From 2010		
	Indicator	Maximum	Minimum	Indicator	Observed maximum	Minimum
	Transformation				Transformation	
Long and healthy life	Life expectancy	85	25	Life expectancy	83.4 (Japan, 2011)	20
Knowledge	Adult literacy rate	100	0	Expected years of schooling	18.0 (capped at)	0
	Combined gross enrolment ratio	100	0	Mean years of schooling	13.1 (Czech Republic, 2005)	0
A decent standard of living	GDP/pc (PPP US$)	40.000	100	GNP/pc (PPP US$)	107.721 (Qatar, 2011)	100
Aggregation methods	Arithmetic mean			Geometric mean		

Source: adapted from HDR 2010; observed maximum and minimum from HDR 2011.p. 168.

HDR uses the data of the world's leading institutions and a special study was conducted for evaluation of average years of education.[2] Indicators were calculated using new methodology for

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[1] UNDP (2010): Human Development Report 2010, *The Real Wealth of Nations: Pathways to Human Development,* Palgrive Macmillan, New York

[2] Sources of data: Life expectancy at birth: UNDESA (2009d); Average years of schooling: special study by Barro and Lee (2010) available on: http://www.nber.org/papers/w15902; Expected years of schooling: UNESCO Institute for Statistics (2010a); GNP/pc: World Bank (2010g) and IMF (2010a).

2010, as well as the one from 1980. This ensured the comparison of data between countries, as well as the observation of trends. HDI calculation for B&H was carried out for the period 2005 – 2012.

2.2   The Inequality-adjusted Human Development Index: IHDI

The Inequality-adjusted Human Development Index - IHDI is a new composite index promoted in HDR 2010. IHDI actually takes into account the inequalities in all three HDI dimensions, thus reducing the value of human development index by the "loss", i.e. the value of inequality. It can be concluded that HDI refers to potential level of human development, while IHDI refers to real level of human development. HDI refers to capabilities, choices, whereas IHDI refers to functionalities used in distribution of choices and capabilities within the population. Ideal situation is for these two indices to be equal; however, taking into account the losses in distribution of HDI components (income, education, health), IHDI is lower than HDI. The difference, i.e. the loss in human development due to inequality between HDI and IHDI is expressed in percentage.

2.3   The Gender Inequality Index: GII

Human development has been dealing with inequalities in the capabilities of women and men since the very beginning. Today, there is a need for a broader study of gender inequalities in economic, political and social situation in the contemporary world.

HDR 2010[3] introduces a new index, Gender Inequality Index – GII. It was calculated for 138 countries (not for B&H). It reflects the position of women in terms of reproductive health, empowerment and economic activity and refers to a "loss" in human development, due to gender inequality in all three dimensions. Indicators used for calculation of GII are presented in the Table below.

Table 2: Indicators for calculation of GII

Dimension	Indicators
Health	maternal mortality rate, adolescent fertility rate (age of 15 - 19)
Empowerment	female and male inhabitants with high-school education at least, participation of women and men in allocation of seats at the parliament
Labour market	rate of men and women participating in labour force

Source: adapted, HDR 2010, p. 215.

2.4   The Multidimensional Poverty Index: MPI

In the context of human development, poverty is more than deprivation; poverty implies deprivation from the capabilities and choices of human development, i.e. having a long, healthy, creative life, certain standard of living, freedom, dignity, self-respect and respect towards others, etc. Poverty is much more than what is needed for material well-being.

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[3] HDR 1995 introduced Gender Related Development Index – GDI, as a measure of gender inequality; Gender Empowerment Index was introduced at a later stage for the evaluation of the progress of women in economic and political life.

HDR 2010 promotes a new composite index - the Multidimensional Poverty Index – MPI, which replaces the previous HPI indices. MPI identifies multiple deprivations of households in all three dimensions of human development – in the field of education, health and living standard. All data necessary for calculation of MPI are taken from the same study. Ten indicators are used for the calculation of MPI, and deprivation is calculated for given dimensions. Each dimension is equally weighted; each indicator within a dimension is also equally weighted.[4]

Table 3: Indicators for calculation of MPI

Dimension	Indicators
Education	years of schooling, enrolment of children to school
Health	nutrition, mortality of children
Standard of living	electricity, sanitary conditions, drinking water, residence, cooking means, property

Source: adapted, HDR 2010, p. 215.

The MPI reflects both the incidence and headcount ratio (H) of poverty – the proportion of the population that is multidimensional poor – and the average intensity (A) of their poverty – the average proportion of indicators in which poor people are deprived. The MPI is calculated by multiplying the incidence of poverty by the average intensity across the poor (H*A). A person is identified as poor if he or she is deprived in at least one third of the weighted indicators.

HDR 2013 calculated MPI for 104 countries in development, with the population of about 5.4 billion people, which is 78% the world's population. More than 30% of the population or 1.6 billion people live in multidimensional poverty, according to MPI. Over a half of the population (51%) lives in South Asia and the highest poverty rates were registered in Sub-Saharan Africa with 29% of the population.[5] At the same time, about 22.5% (1.21 billion) of the combined populations of the 104 countries analysed, lives with less than 1.25 $ a day, while the overall number of inhabitants living with less than 2$ a day is about 2.4 billion or 44%.[6]

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[4] About methodology MPI, see more details in:

Alkire, S. and Santos, M.E. (2010), *Acute Multidimensional Poverty: A New Index for Developing Countries*, UNDP HDR Human Development Research Paper 2010/11 and

Alikire, S., J.M. Roche, M.E. Santos, and S.Seth (2011), *Multidimensional Poverty Index: New Results, Time Comparisons and Group Disparities*, UNDP HDR Human Development Research Paper

[5] Alkire, S., J.M. Roche, M.E. Santos, and S. Seth., March 2013.*"Multidimensional Poverty Index 2013," University of Oxford, Oxford Poverty and Human Development Initiative, Oxford, UK, available at www.ophi.org.uk/multidimensional-poverty-index/mpi-2013/

[6] Estimated by Maida Fetahagić based on the Alkire, S., J.M. Roche, M.E. Santos, and S. Seth., March 2013.*"Multidimensional Poverty Index 2013 - Table 1.4 MPI results and other estimates of inequality, poverty and wellbeing", University of Oxford, Oxford Poverty and Human Development Initiative, Oxford, UK, available at www.ophi.org.uk/multidimensional-poverty-index/mpi-data-bank/mpi-data/

3 Position of B&H in relation to HDI

## 3.1   Position of B&H in relation to HDI at global level

According to the achieved HDI in the value of 0.735, Bosnia and Herzegovina holds the 81st position in the world and belongs to a group of countries with high human development. At the same time, it is above the average HDI in the world by 5, 9%.

Table 4: Position of Bosnia and Herzegovina Globally in terms of Human Development, 2012

Countries grouping, country	HDI value	Life expectancy at birth (years)	Mean years of schooling (years)	Expected years of schooling (years)	GNI/pc (Constant PPP 2005 $)	Nonincome HDI value
Very high human development	0.905	80.1	11.5	16.3	33.391	0.927
High human development	0.758	73.4	8.8	13.9	11.501	0.781
Medium human development	0.640	69.9	6.3	11.4	5.428	0.661
Low human development	0.466	59.1	4.2	8.5	1.633	0.487
Norway	0.955	81.3	12.6	17.5	48.688	0.977
Niger	0.304	55.1	1.4	4.9	701	0.313
World – average	0.694	70.1	7.5	11.6	10.184	0.690
Bosnia and Herzegovina	0.735	75.8	8.3	13.4	7.713	0.787
Relative level of Bosnia and Herzegovina, B&H = 1.00						
Very high human development	1.231	1.057	1.384	1.212	4.329	1.178
High human development	1.031	0.968	1.063	1.034	1.491	0.993
Medium human development	0.870	0.922	0.758	0.850	0.704	0.840
Low human development	0.635	0.779	0.510	0.632	0.212	0.619
Norway	1.299	1.072	1.517	1.300	6.313	1.241
Niger	0.414	0.726	0.173	0.366	0.091	0.398
World – average	0.944	0.924	0.900	0.862	1.320	0.877

Source: HDR 2013, p. 144.

Norway, with the highest achieved HDI, is above B&H by 30%, and the group of countries with very high human development is above B&H by 23%. The average achieved HDI in the world is lower than that of B&H by 6%. The most undeveloped, Niger, is below the development of B&H by 59%.

Figure 1: HDI level of B&H in relation to the world, B&H = 1,00

Source: Table 4.
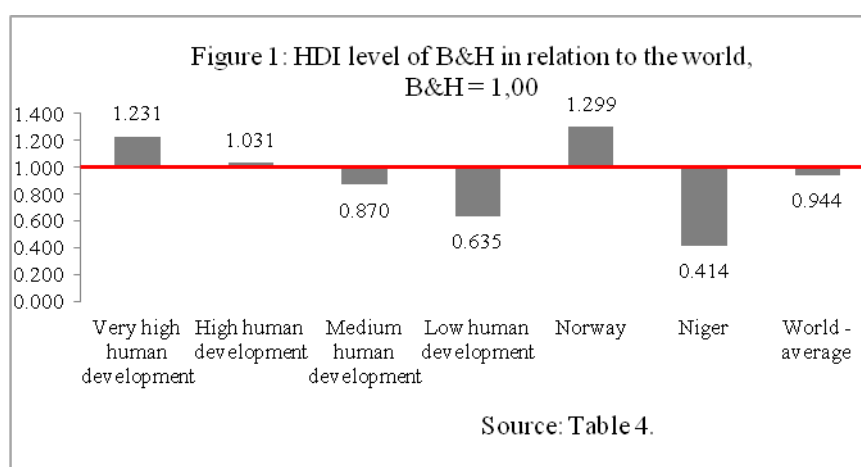
Life expectancy, average years of education and expected of years of education in B&H are expectedly higher than the average achieved in the world.

Figure 2: GNI/pc of B&H in relation to the world,

Source: Table 4.
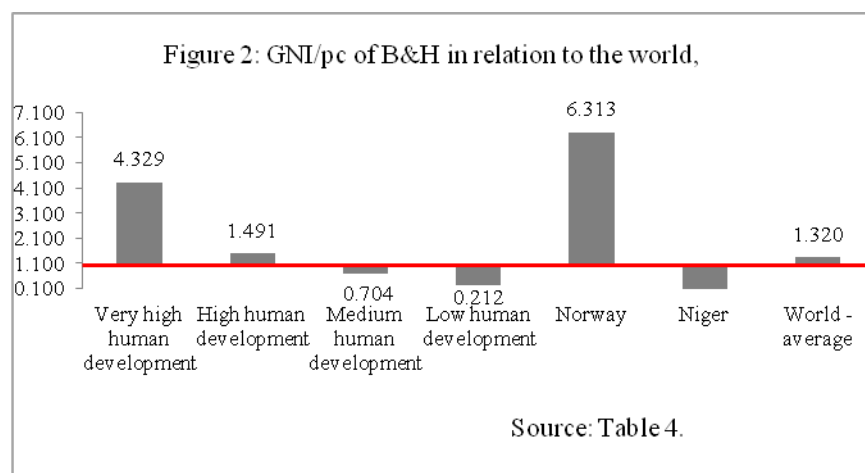
However, the average GNI/pc in the world is higher by 32%, and more than six times higher in Norway than the average GNP/pc in B&H. Countries with high human development, which includes B&H, have achieved GNI/pc higher than the one achieved in B&H by 49%.

3.2 Position of B&H in relation to HDI in Central and Eastern Europe Countries

According to the achieved HDI, six countries (Slovenia, Slovakia, Czech Republic, Hungary, Poland and Croatia) are the countries with very high development; Slovenia holds the 21st position and Croatia the 47th, in relation to HDI rank. Other CEE countries belong to the countries with high development in the context of human development.

Table 5. Position of B&H in Central and East Europe Countries according to HDI, 2012

HDI rank	Country	HDI value	Life expectancy at birth	Mean years of schooling	Expected years of schooling	GNI/pc (PPP 2008 $)	Nonincome HDI value
70	Albania	0.749	77.1	10.4	11.4	7.822	0.807
81	B&H	0.735	75.8	8.3	13.4	7.713	0.787
57	Bulgaria	0.782	73.6	10.6	14.0	11.474	0.826
28	Czech Republic	0.873	77.8	12.3	15.3	22.067	0.913
47	Croatia	0.805	76.8	9.8	14.1	15.419	0.837
77	FYR Macedonia	0.740	75.0	8.2	13.4	9.377	0.777
37	Hungary	0.831	74.6	11.7	15.3	16.088	0.874
52	Montenegro	0.791	74.8	10.5	15.0	10.471	0.850
39	Poland	0.821	76.3	10.0	15.2	17.776	0.851
56	Romania	0.786	74.2	10.4	14.5	11.011	0.836
64	Serbia	0.769	74.7	10.2	13.6	9.533	0.823
35	Slovakia	0.840	75.6	11.6	14.7	19.696	0.872
21	Slovenia	0.892	79.5	11.7	16.9	23.999	0.936
Relative level of Bosnia and Herzegovina. B&H = 1.00							
70	Albania	1.02	1.02	1.25	0.85	1.01	1.03
81	Bulgaria	1.06	0.97	1.27	1.04	1.49	1.05
57	Czech Republic	1.19	1.03	1.48	1.14	2.86	1.16
28	Croatia	1.09	1.01	1.18	1.05	2.00	1.06
47	FYR Macedonia	1.01	0.99	0.98	1.00	1.22	0.99
77	Hungary	1.13	0.98	1.40	1.14	2.09	1.11

37	Montenegro	1.08	0.99	1.27	1.12	1.36	1.08
52	Poland	1.12	1.01	1.20	1.13	2.30	1.08
39	Romania	1.07	0.98	1.25	1.08	1.43	1.06
56	Serbia	1.05	0.98	1.23	1.01	1.24	1.05
64	Slovakia	1.14	1.00	1.39	1.09	2.55	1.11
35	Slovenia	1.21	1.05	1.41	1.25	3.11	1.19

Source: HDR 2013, p.144.

Among the CEE countries, Slovenia is the most developed in the context of human development, while Bosnia and Herzegovina achieved the lowest HDI of 0.735 and it holds the 81st position in the world, in relation to the HDI rank.

Figure 3. HDI level of B&H in relation to CEE, B&H = 1,00

Source: Table 5.
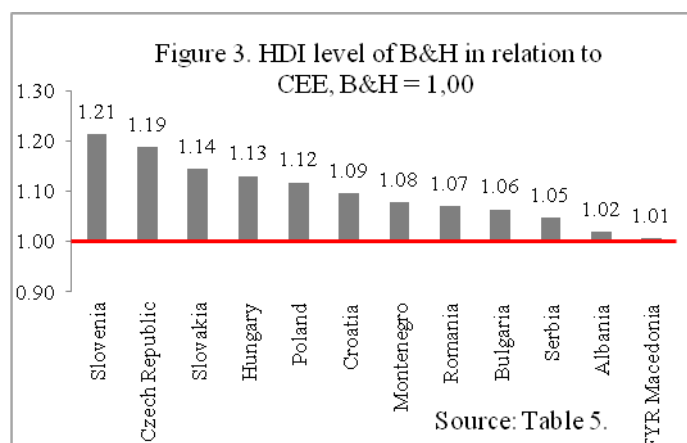
All CEE countries exceed the development of B&H in the context of human development (Slovenia by 21%, Czech Republic by 19%, Slovakia by 14%, Hungary by 13%, Poland by 12%, Croatia by 9%, Montenegro by 8%, Romania by 7%, Bulgaria by 6%, Serbia by 5%, Albania by2% and FYR Macedonia by1%).

Figure 4: GNI/pc level of B&H in relation to CEE; Bi&H = 1.00

Source: Table 5.
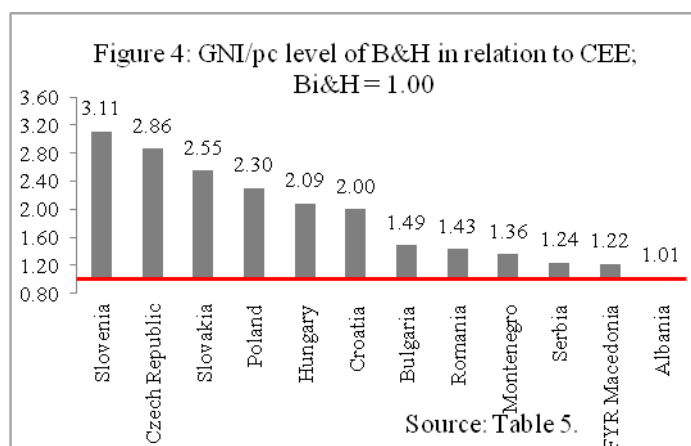
HDI structure indicates a critical point of B&H.

All CEE countries have achieved GNI/pc higher than the one achieved in B&H (Slovenia more than 3 times).

Expected years of education in B&H is higher than in Albania. Slovenia has the highest values of this indicator.

According to average years of education, B&H is at the bottom of the list, only Macedonia is lower.

According to the foreseen life expectancy at birth, B&H is located somewhere in the middle of the list and it seems that, according to this indicator, the population of the Balkans does not differ much mutually. Slovenia can be selected with the highest life expectancy of their inhabitants.

4 Position of B&H by the Inequality-adjusted Human Development Index (IHDI)

4.1   Position of B&H by IHDI at the global level

B&H loses 11.5% of the development, due to inequalities in distribution of the basic dimensions of human development. That is only 0.7% more than in relation to losses registered in the countries with very high development. Countries with high, medium and low development have higher losses in human development than B&H (those with medium development registered 24.2% and low development 33.5% of losses in the development process).

According to the structure of IHDI, the largest losses are present in the distribution of incomes (19.2%), as indicated by relatively high Gini coefficient (36.2).

Inequality-adjusted life expectancy at birth index shows that B&H has almost twice as higher losses as the countries with very high development.

Losses in education in B&H are lower as the ones registered in the countries with very high development.

Table 6. Position of B&H Globally according to the Inequality-adjusted Human Development Index (IHDI), 2012

Countries grouping, country	HDI	IHDI		Inequality-adjusted life expectancy at birth index		Inequality-adjusted education index		Inequality-adjusted income index		Gini coefficient
	Value	Value	Overall loss (%)	Value	Loss (%)	Value	Loss (%)	Value	Loss (%)	2000-2011
Very high human development	0.905	0.807	10.8	0.897	5.2	0.851	6.8	0.688	19.8	..
High human development	0.758	0.602	20.6	0.736	12.4	0.592	19.9	0.500	28.6	..
Medium human development	0.640	0.485	24.2	0.633	19.3	0.395	30.2	0.456	22.7	..
Low human development	0.466	0.310	33.5	0.395	35.7	0.246	38.7	0.307	25.6	..
Norway	0.955	0.894	6.4	0.928	3.7	0.968	2.2	0.797	12.8	25.8
Niger	0.304	0.200	34.2	0.317	42.6	0.107	39.5	0.236	17.9	34.6
World – average	0.694	0.532	23.3	0.638	19.0	0.453	27.0	0.522	23.5	..
Bosnia and Herzegovina	0.735	0.650	11.5	0.794	9.6	0.668	5.2	0.518	19.2	36.2
Relative level of Bosnia and Herzegovina, B&H = 1.00										
Very high human development	1.23	1.24	0.94	1.13	0.54	1.27	1.30	1.33	1.03	..
High human development	1.03	0.93	1.78	0.93	1.29	0.89	3.80	0.97	1.49	..
Medium human development	0.87	0.75	2.10	0.80	2.01	0.59	5.76	0.88	1.18	..
Low human development	0.63	0.48	2.91	0.50	3.72	0.37	7.38	0.59	1.33	..
Norway	1.30	1.38	0.55	1.17	0.39	1.45	0.43	1.54	0.67	0.71
Niger	0.41	0.31	2.96	0.40	4.44	0.16	7.53	0.46	0.93	0.95
World – average	0.94	0.82	2.01	0.80	1.98	0.66	5.01	1.01	1.22	..

Source: HDR 2013, p.152.

4.2   Position of B&H by IHDI in the Central and Eastern Europe Countries

Among CEE countries, FYR Macedonia, Croatia, Albania, Romania and B&H have the largest losses in development, due to inequality of distribution of the basic dimensions of human development. The other countries have lower losses in development than B&H. The highest IHDI was registered in Slovenia, which also indicates the minimum multidimensional losses (5.8%).

Table 7. Position of B&H in CEE according to the Inequality-adjusted Human Development Index (IHDI), 2012

rank HDI	Country	HDI	IHDI		Inequality-adjusted life expectancy at birth index		Inequality-adjusted education index		Inequality-adjusted income index		Gini coefficient
		Value	Value	Overall loss (%)	Value	Loss (%)	Value	Loss (%)	Value	Loss (%)	2000-2011
70	Albania	0.749	0.645	13.9	0.797	11.2	0.640	11.9	0.526	18.3	34.5
81	B&H	0.735	0.650	11.5	0.794	9.6	0.668	5.2	0.518	19.2	36.2
57	Bulgaria	0.782	0.704	9.9	0.776	7.8	0.760	6.1	0.592	15.4	28.2
28	Czech Republic	0.873	0.826	5.4	0.874	3.9	0.904	1.3	0.712	10.7	..
47	Croatia	0.805	0.683	15.1	0.845	5.5	0.703	10.4	0.537	27.8	33.7
77	FYR Macedonia	0.740	0.631	14.7	0.784	9.4	0.612	12.3	0.524	21.8	43.2
37	Hungary	0.831	0.769	7.4	0.810	5.7	0.854	4.1	0.658	12.2	31.2
52	Montenegro	0.791	0.733	7.4	0.803	6.8	0.817	2.5	0.600	12.6	30.0
39	Poland	0.821	0.740	9.9	0.834	5.8	0.767	6.3	0.634	17.1	34.1
56	Romania	0.786	0.687	12.6	0.770	9.6	0.779	5.0	0.540	22.2	30.0
64	Serbia	0.769	0.696	9.5	0.788	8.3	0.709	9.9	0.603	10.3	27.8
35	Slovakia	0.840	0.788	6.3	0.825	5.7	0.856	1.5	0.692	11.3	26.0
21	Slovenia	0.892	0.840	5.8	0.898	4.1	0.905	3.3	0.729	9.9	31.2
Relative level of Bosnia and Herzegovina, B&H = 1.00											
70	Albania	1.02	0.99	1.20	1.00	1.17	0.96	2.27	1.01	0.95	0.95
81	Bulgaria	1.06	1.08	0.86	0.98	0.82	1.14	1.17	1.14	0.80	0.78
57	Czech Republic	1.19	1.27	0.47	1.10	0.41	1.35	0.25	1.37	0.56	..
28	Croatia	1.09	1.05	1.31	1.06	0.57	1.05	1.98	1.04	1.45	0.93
47	FYR Macedonia	1.01	0.97	1.27	0.99	0.98	0.92	2.35	1.01	1.14	1.19
77	Hungary	1.13	1.18	0.64	1.02	0.60	1.28	0.78	1.27	0.64	0.86
37	Montenegro	1.08	1.13	0.64	1.01	0.71	1.22	0.48	1.16	0.65	0.83
52	Poland	1.12	1.14	0.86	1.05	0.60	1.15	1.21	1.22	0.89	0.94
39	Romania	1.07	1.06	1.09	0.97	1.00	1.17	0.96	1.04	1.16	0.83
56	Serbia	1.05	1.07	0.83	0.99	0.87	1.06	1.89	1.16	0.54	0.77
64	Slovakia	1.14	1.21	0.54	1.04	0.60	1.28	0.29	1.33	0.59	0.72
35	Slovenia	1.21	1.29	0.50	1.13	0.43	1.36	0.63	1.41	0.52	0.86

Source: HDR 2013, p.152.

The highest losses in the distribution of income were registered in Croatia, Romania, FYR Macedonia and B&H. All other counties have registered lower losses than B&H due to inequality of distribution of incomes.

FYR Macedonia, as well as Albania, has the highest losses, due to inequalities in education.

According to the inequality-adjusted life expectancy at birth index, losses in the health dimension vary from the lowest 4.1% in Slovenia to 11.2% in Albania. According to this dimension, only Albania has registered higher losses than B&H.
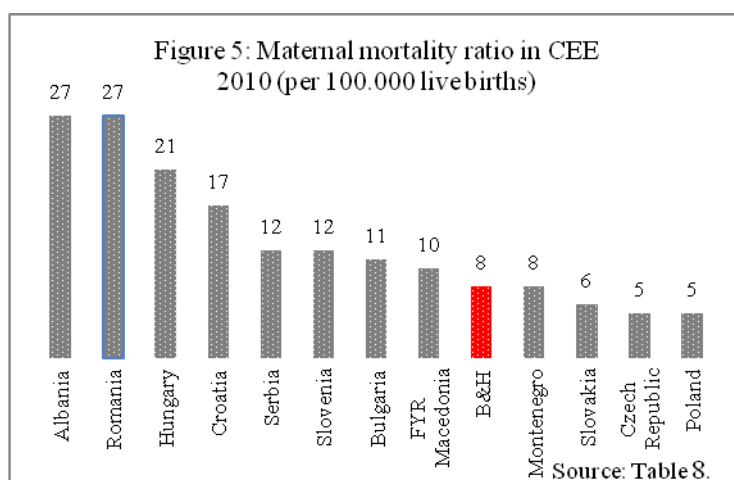
5 Position of B&H by Gender Inequality Index (GII) globally and in the CEE

No calculation of GII in HDR 2013 was made for Bosnia and Herzegovina. This provides illustrative elements of GII, which are given for B&H and, based on them, the position of B&H in the world and vis-à-vis the countries of the region.
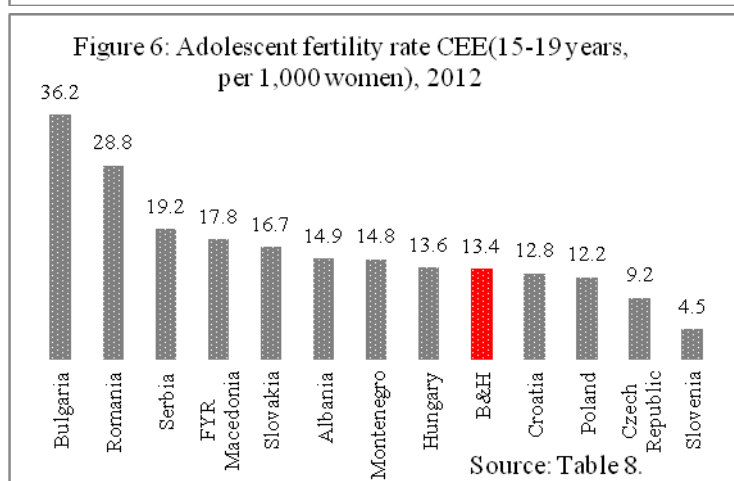
Table 8. Position of Bosnia and Herzegovina Globally and in CEE countries according to GII (some of indicators)

HDI rank	Country grouping, country	Maternal mortality ratio (per 100.000 live births)	Adolescent fertility rate (15-19 years, per 1.000 women)	Seats in parliament - female (%)	Labour force participation rate (%)	
					Female	Male
		2010	2012	2012	2011	2011
	Very high human development	15	18.7	25.0	52.7	68.7
	High human development	47	45.9	18.5	46.8	75.3
	Medium human development	121	44.7	18.2	50.5	79.9
	Low human development	405	86.0	19.2	56.4	79.9
	Norway	7	7.4	39.6	61.7	70.1
	Niger	590	193.6	13.3	39.9	89.9
	World – average	145	51.2	20.3	51.3	77.2
70	Albania	27	14.9	15.7	49.6	71.3
81	B&H	8	13.4	19.3	35.2	58.6
57	Bulgaria	11	36.2	20.8	48.6	60.3
28	Czech Republic	5	9.2	21.0	49.6	68.2
47	Croatia	17	12.8	23.8	46.0	59.7
77	FYR Macedonia	10	17.8	30.9	42.9	68.9
37	Hungary	21	13.6	8.8	43.8	58.4
52	Montenegro	8	14.8	12.3	..	..
39	Poland	5	12.2	21.8	48.2	64.3
56	Romania	27	28.8	9.7	48.6	64.9
64	Serbia	12	19.2	32.4	..	..
35	Slovakia	6	16.7	17.3	51.2	68.1
21	Slovenia	12	4.5	23.1	53.1	65.1

Source: HDR 2013, p. 156.

Figure 5: Maternal mortality ratio in CEE 2010 (per 100.000 live births)

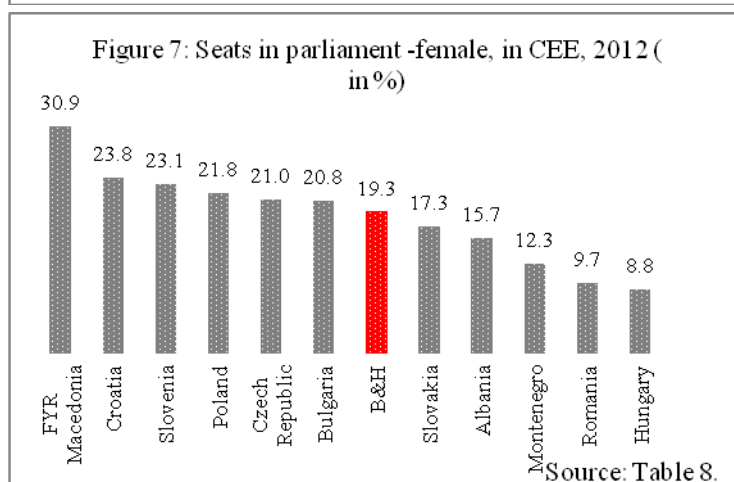| Country	Value
Albania	27
Romania	27
Hungary	21
Croatia	17
Serbia	12
Slovenia	12
Bulgaria	11
FYR Macedonia	10
B&H	8
Montenegro	8
Slovakia	6
Czech Republic	5
Poland	5

Source: Table 8.

Bosnia and Herzegovina has the low maternal mortality rate in the CEE (including Montenegro, Slovakia, Czech Republic and Poland), even lower than the rates registered in countries with very high development.

Figure 6: Adolescent fertility rate CEE(15-19 years, per 1,000 women), 2012

Country	Value
Bulgaria	36.2
Romania	28.8
Serbia	19.2
FYR Macedonia	17.8
Slovakia	16.7
Albania	14.9
Montenegro	14.8
Hungary	13.6
B&H	13.4
Croatia	12.8
Poland	12.2
Czech Republic	9.2
Slovenia	4.5

Source: Table 8.

According to the adolescent fertility rate B&H has lower rate than registered in very high and high human development. Among CEE countries, Slovenia, Czech Republic, Poland and Croatia have lower adolescent fertility rate than B&H.

Figure 7: Seats in parliament -female, in CEE, 2012 (in %)

Country	Value
FYR Macedonia	30.9
Croatia	23.8
Slovenia	23.1
Poland	21.8
Czech Republic	21.0
Bulgaria	20.8
B&H	19.3
Slovakia	17.3
Albania	15.7
Montenegro	12.3
Romania	9.7
Hungary	8.8

Source: Table 8.

Women in B&H are more active than women in Hungary, Romania, Montenegro, Albania and Slovakia according to the position of women in the parliament.

6 Human Development trends globally and in CEE countries

Between 2005 and 2012, the HDI value in B&H increased from 0.724 to 0.735, which is an increase of 2%, just like it was the case of the HDI value in Croatia, Serbia and Slovenia. But, it is still less than increasing HDI in the world (4%), in low human development countries (10%), medium human development (9%) and in the high human development countries (5%).

Table 9. HDI trends

HDI rank	Countries grouping, country	2005	2007	20010	2011	2012	2012/2005
	Very high human HD	0.889	0.896	0.902	0.904	0.905	1.02
	High human development	0.725	0.738	0.753	0.755	0.758	1.05
	Medium HD	0.589	0.609	0.631	0.636	0.640	1.09
	Low human development	0.424	0.442	0.461	0.464	0.466	1.10
	World – average	0.666	0.678	0.690	0.692	0.694	1.04
70	Albania	0.729	0.737	0.746	0.748	0.749	1.03
81	B&H	0.724	0.729	0.733	0.734	0.735	1.02
57	Bulgaria	0.756	0.766	0.778	0.780	0.782	1.03
28	Czech Republic	0.862	0.869	0.871	0.872	0.873	1.01
47	Croatia	0.787	0.798	0.804	0.804	0.805	1.02
77	FYR Macedonia	0.711	0.719	0.736	0.738	0.740	1.04
37	Hungary	0.820	0.826	0.829	0.830	0.831	1.01
52	Montenegro	0.756	0.775	0.787	0.791	0.791	1.05
39	Poland	0.798	0.806	0.817	0.819	0.821	1.03
56	Romania	0.756	0.772	0.783	0.784	0.786	1.04
64	Serbia	0.751	0.760	0.767	0.769	0.769	1.02
35	Slovakia	0.814	0.830	0.836	0.838	0.840	1.03
21	Slovenia	0.876	0.888	0.892	0.892	0.892	1.02

Source: HDR 2013, p. 148.

7 Position of B&H by Multidimensional Poverty Index (MPI) in the CEE

According to multidimensional poverty index, amounting to 0.003, B&H belongs to the group of countries with low MPI (Figure 8.), along with Croatia, Hungary, Czech Republic, Macedonia, Montenegro and Albania have higher indices of MPI.
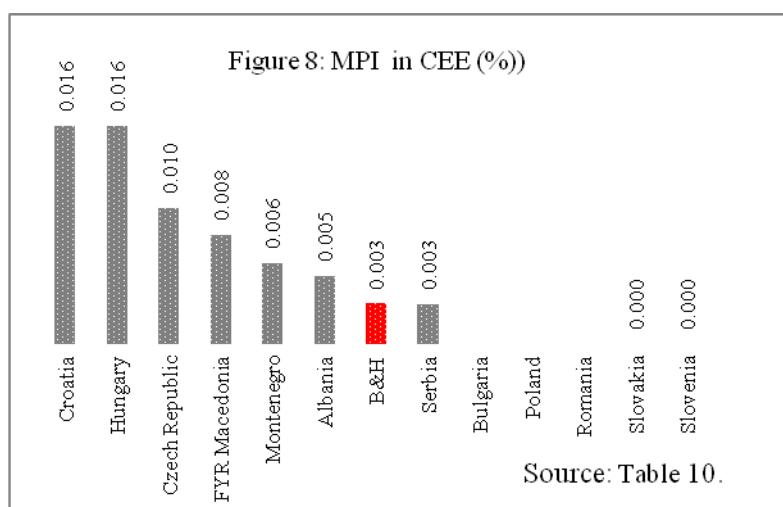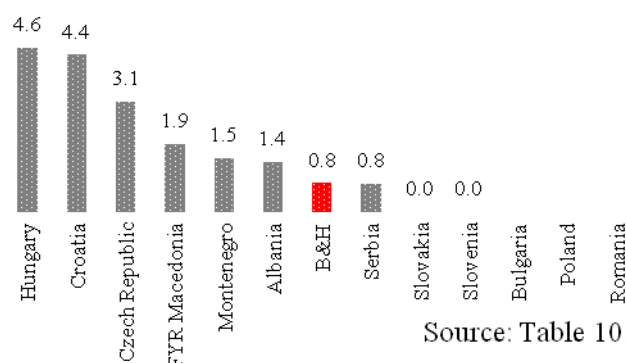

Figure 8: MPI in CEE (%))

Source: Table 10.

Table 10. Position of B&H in CEE countries according to the Multidimensional Poverty Index (MPI)

Rank HDI	Rank MPI	Country	MPI			Population in multidimensional poverty			Population vulnerable to poverty (%)	Population in severe poverty (%)	Contribution of Deprivations to overall poverty in			Population below income poverty line (2000-2009)	
			Year	Value MPI=H *A	Headcount			Intensity of deprivation (%) (A)			Education (%)	Health (%)	Living standard (%)	PPP $ 1,25 a day (%)	National poverty line (%)
					(%) (H)	(000)									
70	11	Albania	2008/2009 (D)	0.005	1.4	45	37.7	7.4	0.1	32.0	44.9	23.0	0.6	12.4
81	8	B&H	2006 (M)	0.003	0.8	30	37.2	7.0	0.1	29.2	51.8	19.0	0.0	14.0
57		Bulgaria	..	..	..	..	..	..	..	..	..	..	1.0	12.8
28	23	Czech Republic	2002/2003 (W)	0.010	3.1	316	33.4	0.0	0.0	0.0	99.9	0.1	..	..
47	29	Croatia	2003 (W)	0.016	4.4	196	36.3	0.1	0.3	45.0	46.7	8.3	0.1	11.1
77	19	FYR Macedonia	2005 (M)	0.008	1.9	39	40.9	6.7	0.3	59.9	12.8	27.3	0.0	19.0
37	29	Hungary	2003 (W)	0.016	4.6	466	34.3	0.0	0.0	1.8	95.6	2.7	0.2	..
52	16	Montenegr	2005/2006 (M)	0.006	1.5	9	41.6	1.9	0.3	37.5	47.6	14.9	0.1	6.6
39		Poland	..		..	..	..	..	..	..	..	..	0.0	16.6
56		Romania	..		..	..	..	..	..	..	..	..	0.5	13.8
64	9	Serbia	2005/2006 (M)	0.003	0.8	79	40.0	3.6	0.1	30.5	40.1	29.4	0.3	9.2
35	1	Slovakia	2003 (W)	0.000	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	..
21	2	Slovenia	2003 (W)	0.000	0.0	0	0.0	0.4	0.0	0.0	0.0	0.0	0.1	..

Source: HDR 2013, p. 160.;Column: Rank MPI – estimated according to the: Alkire, S., J.M. Roche, M.E. Santos, and S. Seth., March 2013."Multidimensional Poverty Index 2013 - Table 1.4 MPI results and other estimates of inequality, poverty and wellbeing", University of Oxford, Oxford Poverty and Human Development Initiative, Oxford, UK, available at www.ophi.org.uk/multidimensional-poverty-index/mpi-data-bank/mpi-data/
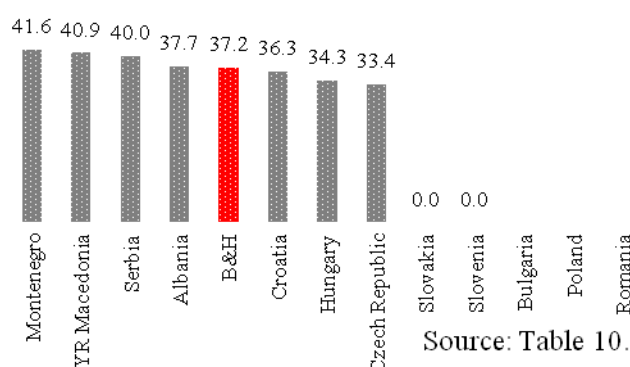
In Column MPI Year: D indicates data from Demographic and Health Surveys; M indicates data from Multiple Indicator Cluster Surveys and W indicates data from World Health Surveys

Figure 9: Population in multidimensional poverty -Hedcount in CEE(%))

Hungary 4.6, Croatia 4.4, Czech Republic 3.1, FYR Macedonia 1.9, Montenegro 1.5, Albania 1.4, B&H 0.8, Serbia 0.8, Slovakia 0.0, Slovenia, Bulgaria, Poland, Romania 0.0
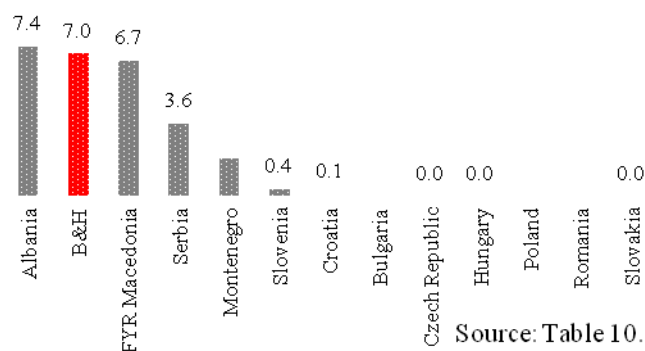
Source: Table 10.

In Bosnia and Herzegovina, 0.8% of population (30.000 inhabitants) is affected by multiple deprivations, just like it is the case in Serbia (79.000 inhabitants). Among others countries, Hungary has more than 4.6% of the population in multidimensional poverty. In Croatia, there is more than 4.4% of the population living in multidimensional poverty.

Figure 10: Intensity of deprivation, in CEE(%)

Montenegro 41.6, FYR Macedonia 40.9, Serbia 40.0, Albania 37.7, B&H 37.2, Croatia 36.3, Hungary 34.3, Czech Republic 33.4, Slovakia 0.0, Slovenia 0.0, Bulgaria, Poland, Romania

Source: Table 10.

The average intensity of deprivation in B&H amounts to 37.2% (average share of poverty indicators that deprives the population) and it is lower in relation to Serbia, FYR Macedonia, Montenegro and Albania.

Figure 11: Population vulnerable to poverty in CEE (%)

Albania 7.4, B&H 7.0, FYR Macedonia 6.7, Serbia 3.6, Montenegro, Slovenia 0.4, Croatia 0.1, Bulgaria 0.0, Czech Republic 0.0, Hungary, Poland, Romania, Slovakia 0.0

Source: Table 10.

There are 7.0% populatin vulnerable to poverty in B&H (who experience 20-32,9% intesity in deprivations) and 0,1% population in severy poverty (with intensity more than 50%).

The MPI can be broken down to see directly how much each indicator contributes to multidimensional poverty. Besides that, MPI can be decomposed by different regions or groups.

Figure 12: Contribution of Indicators to the MPI at National
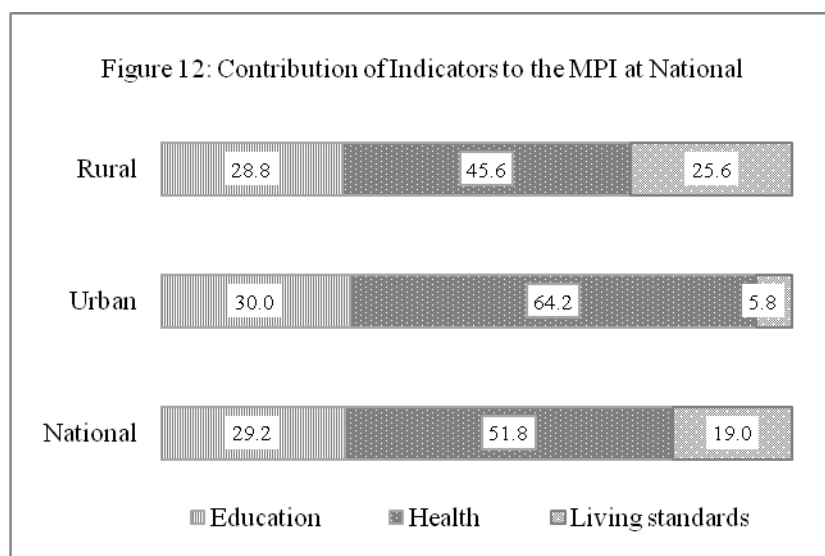
Source: Country Briefing: Bosnia and Herzegovina, Multidimensional Poverty Index At a Glance, WWW.ophi.org.uk

In MPI of B&H the weighted contribution of the health indicators are 51.8% to overall poverty, but in the rural areas 45.6%.

Indicators of living standards are more significant in the rural areas, they contribute by 25.6% to overall poverty.

8 Conclusions

The context of human development is becoming a developing paradigm that characterizes the 21st century. According to HDR 2013, among 186 countries, B&H is ranked at the 81st place and belongs to the countries with high human development. However, can B&H be satisfied with this position? Analysis of human development indicators of B&H in relation to the CEE countries suggests the following:

• In relation to the EU member states (Slovenia, Slovakia, Bulgaria, Romania, Czech Republic, Hungary, Poland), B&H is below the development in these countries, by all indicators. According to economic indicators and indicators of education, these countries are significantly above the development of B&H. (especially Slovenia). Bulgaria, Hungary and Romania differ in the health dimension; with life expectancy shorter than in B&H. Losses in the development due to unequal distribution in these countries are significantly lower than those registered in B&H, except Romania.

• All EU candidate countries (FYR Macedonia, Montenegro and Serbia) and Croatia, as a new EU member country, are above the average development of B&H (by 1% and 9%). All

candidate countries, according to the achieved GNI/pc, are above the average achieved GNI/pc in B&H; Croatia by 100%, Montenegro by 36%, Serbia by 24% and FYR Macedonia by 22%). According to indicators of education and health, Croatia is above B&H by all elements, but B&H is above the development of FYR Macedonia, according to these elements of human development. Croatia and FYR Macedonia have registered higher losses in development than B&H, due to distribution inequality.

- Albania, as a potential candidate country for accession to the EU, is above the development of B&H; by 0.1% according to the GNI/pc, as well as according to the mean years of schooling and to health indicators. Due to inequalities in distribution of basic human development dimensions, Albania registered more losses than B&H by more than 20%.

- Indicators of multidimensional poverty classify B&H among the countries with lower coverage of population affected by multidimensional deprivation. However, one should take into account that these data refer to 2006 and that many changes have occurred in the world and B&H.

Therefore, human development indicators are used to shed light on the position of B&H in relation to the CEE countries. In the EU accession process, the analysis of human development indicators can be used in analysis of socio-economic situation, creators of policy and development strategy focusing on development priorities. Our general conclusion is that Bosnia and Herzegovina needs a rapid economic growth aimed at strong support of education.

The complexity of economic, social and the overall situation in BiH requires the application of concept of human development in a much stronger and more consistent way than it was done so far, as well as the application of human development indicators in analyses of the socio-economic situation.

Taking into account the concept of human development, as approach to development that has marked the 21st century and extraordinary possibilities of human development indicators, the following recommendations can be applied to B&H circumstances:

- B&H needs to have the necessary statistical basis and monitoring of all human development indicators, which can be achieve through introduction of special studies, taking into account the special experiences in organization and results of statistic surveys in B&H. It is especially important to monitor indicators in accordance with the HDI, IHDI, GII and MPI structure, as well as to continuously follow new findings in contemporary methodology and human development indicators. In B&H conditions, this once again refers to the need for census of population, significant expansion of monitoring of the indicators that are specific for human development, as well as unified expression of all indicators at the level of municipalities, cantons, entities, Brčko District and the state. Such a database serves as the basis for monitoring the MDGs, which is of crucial importance for global consideration of realization of MDGs.

- Governmental institutions should establish a department for human development, which would represent the institutional link between the national and regional human development bureaus in the South East Europe; it would also analyse and monitor human development and human development indicators at the state level

and give an input into the existing and long-term developmental policies. The department would analyse the causal relations between the policies, programs and their influences on the level of human wellbeing and would thus provide assistance in terms of informing, setting objectives and priorities and the optimum allocation of funds. Given the wide possibilities of use and disaggregation of human development indicators, this department would also monitor relations between entities, cantons, as well as development gaps, gender aspects, national aspects, specific issues related to rural development, etc.

- In order to promote, inform and educate people on the notion and concept of human development and human development indicators, university curricula should include human development as a special curricular subject.

- The process of European integration also imposes a need to suggest to the UNDP office in B&H to create a human development report in B&H focused to spatial planning and development, wherein the space of B&H is observed as one single territory. This would initiate practical, public, political and expert debates relating the function of spatial planning at the national level, which is one of the objectives of national human development reports.

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