Equality of Opportunities

Human Opportunity Index
The Human Opportunities Index (HOI) is an economic indicator that combines coverage rates and equality in a single measure. It aims to capture the degree of inequality in which access to an essential service is distributed across individuals in a particular society. The HOI measures how individual circumstances (i.e. place of residence, gender and education of household head) can affect a child’s access to basic goods and services such as water, education, electricity and sanitation. Even though there are many opportunities that affect a child’s life, data isn’t available for all countries. Thus the HOI focuses on eight opportunities grouped into three dimensions: (1) education, (2) housing (3) information and communication technologies.

It was proposed by Paes de Barros et al (2008), and is an adaptation of the welfare function suggested by Amartya Sen (1976). In particular, this index takes into account the average coverage of a certain service and the inequality of its distribution. It follows the same logic as GDP per capita and inequality indicators in Sen's welfare function. An increase in the index can be associated to either an increase in coverage or to a more equitable distribution of that service.

Decomposition of the changes in the HOI
The change in the HOI between two selected years can be decomposable into the composition effect (due to changes in the distribution of circumstances), and the coverage effect (the contribution of changes in the coverage rates of different circumstance groups). The latter may also be decomposable into the scale effect (capturing the impact of proportional change in the coverage rates for all circumstance groups) and the equalization effect (capturing improvements in the coverage rates specifically for groups with below-average coverage rates relative to groups with above-average coverage rates).

D-index
The D-index measures whether existing opportunities are allocated equitably, comparing different circumstance groups’ probabilities for accessing a given opportunity. It is interpreted as the share of opportunities that would have to be "reallocated" across children from different circumstance groups to establish equal opportunities for all children. Note that the D-index is not calculated for aggregate numbers such as overall HOI, education and housing.

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PISA
Launched in 1997 by the OECD, the Programme for International Student Assessment (PISA) is an international study which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students. To date, students representing more than 70 countries and economies have participated in the assessment.

Source: Organization for Economic Co-operation and Development
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