Multidimensional Measures of Well-being with Dimensional Hierarchy
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Aim of the paper

- Define an axiomatic framework to measure multidimensional well-being and deprivation indices

- Two central issues:

  - *need to determine the relative importance attached to different dimensions*

  - *consistency between well-being and deprivation measures*

- Application to data from the US American Community Survey

⇒ **The paper addresses very important topics, but need to sharpen the focus**

Weighting (1)

- Weights determine contribution of attributes to well-being and their degree of substitution ⇨ Different weighting structures reflect different views: normative exercise

  □ **Equal weighting**: lack of information about "consensus" view, but no discrimination

  □ **Consultations**, with experts or public, or survey responses (direct questions, indirectly from happiness equations)

  □ **Users' own choice** (OECD Better Life Index)

  □ **Market prices**: non-existing/distorted by market imperfections and externalities, inappropriate for well-being comparison

  □ **Data-based weighting**: Frequency-based approaches (weight inversely proportional to share of deprived people) or multivariate statistical techniques

Weighting (2)

- The paper sets weighting normatively, but not equally
- Two different ideas in the paper:
  - **Hierarchical ordering of dimensions**:

  ⇒ **In paper hierarchy leads to different weights, but substitution is allowed**

  - **Stiglitz-Sen-Fitoussi property**: the harm caused by k different dimensional deprivations occurring simultaneously is greater than the sum of the harms caused by the k separate dimensional deprivations occurring one at a time

  ⇒ **Not sure that formalisation is correct**

  ⇒ **In any case, property relates to substitutability and the discussion union vs. intersection**

Well-being vs. deprivation

- The paper develops well-being and deprivation measures in parallel.

  ⇒ **BTW: use different notation, not *g* for both measures**

- There is an underlying question: "will improvements in shortfalls and improvements in achievements mirror each other or not?". See footnote 1.

  ⇒ **This question is interesting but it is in the background, and it calls for an explicit discussion**

  ⇒ **My own reaction: there is of course a link between deprivation and well-being. But we might have that both well-being and deprivation are increasing, depending on measurement hypotheses**

Thank you for your attention!