

Abstract for “Beyond Income and Wealth”

Marc Fleurbaey (Princeton University, USA)

Individual well-being depends not only on income but also on other dimensions of life, such as health, the quality of social relations and of the environment, employment, and job satisfaction. It is instructive to compare three approaches: the capability (and functionings) approach, the use of subjective life satisfaction measures, and the calculation of equivalent incomes. Their normative assumptions involve two issues in particular: the degree to which individual preferences are respected in their diversity, and where the boundaries of individual responsibility are drawn. For the measurement of inequality, it is also important to distinguish and compare approaches that first aggregate over dimensions at the individual level and approaches that separately measure inequality by domain (multidimensional inequality measures). These general theoretical issues will be illustrated in three domains of application: measuring the effects of household size and composition in the literature on equivalence scales, valuing publicly provided goods and services, and making international comparisons of well-being involving international PPP comparisons.