

Abstract for “Measuring Inter-personal Variations of Well-being in India: A Household-level Study on Sen’s Capability Approach”

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Income and material wealth, although necessary, are not sufficient for overall wellbeing of people particularly in the less developed world. Differences in personal characteristics and external circumstances often lead to interpersonal variations in ability of utilising the available resources. Thus social justice along with economic justice is essential for well-being (Sen, 1980; 1984; 1985; 1987; 1992; 1999). Sen’s Capability Approach puts human beings at the centre of development. In this approach, under-development is not a deprivation of basic needs, but is a deprivation of basic capabilities or freedoms that would allow an individual to have the kind of life he or she wants. The prime factors of this approach in looking at personal wellbeing are functionings, i.e. the actual achievements of a person in terms of health, nutrition, education, empowerment etc.

Sen’s approach has been a remarkable development over the conventional use of GDP per capita as a measure of well-being. Thereafter, attempts were made to construct socio-economic indicators as an alternative to GDP per capita. The Human Development Index (UNDP, 1990) was constructed using Sen’s approach to make international comparisons of achievements and deprivations of well-being. Ironically, as an alternative measure of well-being, HDI has been criticized for incorporating GDP per capita itself as a component and also for non-inclusion of the dimensions of life other than health and education (Dasgupta, 1990, 1992; Anand & Ravallion, 1993; Anand and Sen, 2000; Sen, 1981, 1999). Following these criticisms, UNDP corrected its measurements in 1997 and replaced HDI by Human Poverty Index (HPI) with a variant for developing and industrialized countries. HPI has once again been replaced by Multidimensional Poverty Index (MPI) by UNDP in 2010. Standard of Living (SL) and Quality of Life (QL) are other two much-used indices for international comparisons of deprivation, which use different methods of aggregating and have different theoretical foundations.

Rankings using HDI-based well-being indices, although diverge significantly from GNP-based rankings, are aggregative measures for international as well as intra-national comparison of development. All the functioning indicators used to construct these indices are merely aggregative concepts, e.g. public expenditure as a percentage of GDP in education and health, number of doctors/physicians in an area, age dependency ratio, net primary school enrolment, teacher-student ratio, percentage of adult literates, percentage of child labour etc. Aggregative measures are undoubtedly necessary for macro-level policy formulations, but they can provide little insight on the well-being of the individuals. Capability Approach emphasises on the inter-personal variation in conversion ability, which results in the inequality of individual-level well-being. Therefore, ideal study of well-being should be based on individual-level data.

Using micro-level data, Balestrino (1996) observed that a considerable proportion of functioning-poor are not income-poor within a group of individuals in an affluent Italian town. Ruggeri Laderchi (1997) evaluated non-income dimensions of well-being and compared them with income dimension in looking at wellbeing. Chiappero Martinetti (2000) used fuzzy set theory to investigate wellbeing in a multidimensional frame of Sen’s concept of well-being in Italy. Balestrino and Sciclone (2001) claimed a substantial difference between income-based and functioning-based measure of well-being using data of

Italy. Majumder (2006, 2009) carried out a multidimensional assessment of wellbeing of Indian women using the fuzzy sets theory following Martinetti. However, very few works have been done on well-being using Capability Approach in Indian context which has gone to the extent of empirical investigation.

Under this backdrop, our paper is an attempt to measure the inter-personal variations in the achievement of well-being of men and women in India and to find out the major explanatory factors behind such variations. Our study utilises unit-level data from the Indian National Family Health Survey (NFHS-3). To represent a basic-level of human rights endowment that should be guaranteed to all people, we incorporate several functionings to construct our well-being index. We include six functionings for women: being healthy, being educated, being employed, being safe against domestic violence, being autonomous and being socially aware and five functionings for men: being healthy, being educated, being employed, being autonomous and being socially aware. In order to build the index of well-being, we use the factor analysis method. Taking the extracted factors together, we construct the well-being indices for men and women. To find out the significant explanatory factors behind variations in well-being indices, we use the OLS regression method, taking the well-being index of an individual as the dependent variable and wealth-index of the individual as well as several conversion factors as the independent variables. As conversion factors, we include age, relationship with the head of the household, family-size, religion, caste, employment status, rural/urban area and agro-climatic area.

Our study shows that women are far behind men in India in terms of well-being. Although well-being of individuals is significantly related to wealth they possess, but it is also highly influenced by several conversion factors. We also observe huge difference in the rankings of the states according to well-being indices and wealth-indices. From the regression analyses we find that level of well-being of men and women in India varies sharply according to different conversion factors. Well-being declines with increase in age for both men and women. In the male-headed households, wives are more deprived than other female members. Large family size reduces the well-being of both men and women significantly. Men and women belonging to scheduled caste and scheduled tribe families and Muslim households are more deprived than their respective counterparts. Our study also shows that in while men in hill areas are more deprived than those living in plains, opposite is the case for women. Finally, status of both men and women living in urban areas are found to be better than those living in rural areas.