

Zeitschrift: Asiatische Studien : Zeitschrift der Schweizerischen Asiengesellschaft = Études asiatiques : revue de la Société Suisse-Asie

Herausgeber: Schweizerische Asiengesellschaft

Band: 58 (2004)

Heft: 4

Artikel: On the pertinence of a capability-based assessment of well-being : the Indian example

Autor: Cappa, Claudia

DOI: <https://doi.org/10.5169/seals-147659>

Nutzungsbedingungen

Die ETH-Bibliothek ist die Anbieterin der digitalisierten Zeitschriften auf E-Periodica. Sie besitzt keine Urheberrechte an den Zeitschriften und ist nicht verantwortlich für deren Inhalte. Die Rechte liegen in der Regel bei den Herausgebern beziehungsweise den externen Rechteinhabern. Das Veröffentlichen von Bildern in Print- und Online-Publikationen sowie auf Social Media-Kanälen oder Webseiten ist nur mit vorheriger Genehmigung der Rechteinhaber erlaubt. [Mehr erfahren](#)

Conditions d'utilisation

L'ETH Library est le fournisseur des revues numérisées. Elle ne détient aucun droit d'auteur sur les revues et n'est pas responsable de leur contenu. En règle générale, les droits sont détenus par les éditeurs ou les détenteurs de droits externes. La reproduction d'images dans des publications imprimées ou en ligne ainsi que sur des canaux de médias sociaux ou des sites web n'est autorisée qu'avec l'accord préalable des détenteurs des droits. [En savoir plus](#)

Terms of use

The ETH Library is the provider of the digitised journals. It does not own any copyrights to the journals and is not responsible for their content. The rights usually lie with the publishers or the external rights holders. Publishing images in print and online publications, as well as on social media channels or websites, is only permitted with the prior consent of the rights holders. [Find out more](#)

Download PDF: 04.02.2026

ETH-Bibliothek Zürich, E-Periodica, <https://www.e-periodica.ch>

ON THE PERTINENCE OF A CAPABILITY-BASED ASSESSMENT OF WELL-BEING: THE INDIAN EXAMPLE

Claudia Cappa, Graduate Institute of Development Studies, Geneva

The concept and measurement of well-being have been the focus of intense debates during the last years. The general conclusion is the extreme complexity of the subject: on one side, the monetary measures that are currently used are far deficient and incomplete; on the other, the prevailing composite indicators appear to be still inadequate. No single variable can be considered as a satisfactory measure of well-being. The focus then lies on the “sphere of concerns” that a well-being definition should have. Standard approaches use data on income or consumption as the best available proxy for long-term standards of living. Multidimensional frameworks offer a broader way of assessing well-being and its distribution, by choosing certain variables (goods, services, opportunities, etc.) and measuring the distribution of those, separately or together.

Within the cluster of multidimensional analysis of well-being, the capability approach developed by Amartya Sen focuses on the freedom of choice enjoyed by individuals. As A. Sen and M. C. Nussbaum suggest, “the life that a person can lead can be seen as a combination of various doings and beings, which can be generally called functionings” (1993: 3). These functionings range from basic matters like nutrition and health to more complex variables, such as participating in the productive, political and social life of the community. Closely related to the concept of functionings is the notion of capability, i.e. “the various combinations of functionings the person can achieve. Capability is thus a set of vectors of functionings, reflecting the person’s freedom to lead one type of life or other” (Sen A. K., 1992: xi). The concept of capability is thus related to the ideas of freedom and opportunity, albeit in a broader sense: “a functioning is an achievement, whereas a capability is the ability to achieve. Functionings are, in a sense, more directly related to living conditions [...]. Capabilities, in contrast, are notion of freedom, in the positive sense: what real opportunities you have regarding the life you may lead” (Sen A. K., 1987: 36).

According to this conceptual framework, well-being is achieved through a combination of resources, conditional on personal characteristics and social constraints. These personal and social components determine the way in which well-being is distributed across individuals and social groups.¹ A person's well-being depends not only on the combination of achievable functionings, but also on the freedom she/he enjoys in pursuing her/his own well-being. It follows that the amount of material resources that a person owns or can use cannot be considered a potential indicator of the functionings she/he could achieve. Neither is an increased availability of goods and services always consistent with an improved level of well-being. Due to certain circumstances, as, for instance, the lack of information, a person may not have the capacity to use these commodities. Moreover, some public services like education may be available, but they may not be effectively accessible due to social discrimination or to the absence of infrastructures. In this sense, Sen's major contribution to distributional analysis has been two-fold: not only has his approach contributed to enlarge the informational space of well-being by replacing its standard dimensions (such as utility) with a plurality of well-being components, but also it has emphasized the importance of freedom as constitutive of a person's being. This means that what is really valuable in the assessment of a person's status, is not what he/she actually has or achieves. Rather, it is the individual's capability of choosing among possible livings (Comim F., 2001: 4).

Embodying the concepts of freedom and opportunity has represented an important step in the conceptualisation of well-being. However, several problems, both at the conceptual and at the practical level, arise when we try to develop a methodological framework for analysing and assessing the distribution of well-being in a given context. Indeed, the operationalization "remains the

- 1 In particular, the relationship between goods/services and achievements is influenced by three different categories of factors. These include: personal characteristics (such as sex, job status, etc.); social factors (like values, habits, power relations, prejudices, etc.); and environmental factors (such as infrastructures, public goods and the availability of social services, etc.). All these elements affect a person's ability to translate the access to goods and services into a functioning and may therefore influence the way in which well-being is distributed within a society. Human diversity is therefore a focal point in Sen's approach: "our physical and social characteristics make us immensely diverse creatures. We differ in age, sex, physical and mental health, bodily prowess, intellectual abilities, climatic circumstances, epidemiological vulnerability, social surrounding, and in many other respects. Such diversities, however, can be hard to accommodate adequately in the usual evaluative framework of inequality assessment. As a consequence, this basic issue is often left substantially unaddressed in the evaluative literature" (Sen A.K., 1992: 28).

most important challenge that lies ahead of this framework” (Comim F., 2001: 2). This is mainly due to the extreme richness and complexity of this approach, which engender strong informational and methodological requirements. Indeed, data on material goods and resources have to be systematically combined with information on personal characteristics and social constraints. In this sense, a multidimensional capability-based approach is by far more demanding at the informational level than one-dimensional standard approaches, like income or opulence-centred analysis (Chiappero Martinetti E., 2000). The question that naturally arises is therefore how to justify the necessity of this approach, given the difficulties linked to its operationalization, both in terms of methodology and data requirements.

An example is needed to demonstrate the pertinence and the meaning of a multi-dimensional capability-based framework, as well as its added value with regard to standard income-based approaches. In this regard, India proves to be a case study of great heuristic value, both from an economic and a sociological perspective. Human diversity is one of the most striking characteristics of India: diversity of cultures, religions, castes and ethnic identities. This diversity is however accompanied by different forms of inequalities: inequalities in income and consumption levels, in access to material resources, in social status, in opportunities. Country-specific forms of inequalities, such as those linked to the caste system, coexist with “universal” disparities, like gender inequalities and inequalities across income classes. These social and economic disparities influence the way in which well-being is generated and distributed. In this sense, the complexity of the Indian case seems to be appropriate for a capabilities-based assessment of well-being linking data on commodities and achievements with information on personal and social features. Indeed, as noted earlier, the extreme richness of this approach remains its major contribution to the analysis of well-being. A complex and multifaceted case study is therefore essential in order to show, through a specific example, the strengths and limits of the one-dimensional approach based on income, by illustrating the complexity and heterogeneity of the causal factors, both personal and social, determining the way in which material goods and services are translated into well-being dimensions.

Since Independence, India has made important progress in several areas of economic and social development. After a radical restructuring of the economy (1947–1955), the country entered into a period of moderate but stable growth (3.5% between 1951 and 1981). Owing to the increase in food production (3%

per year on average between 1947 and 1981), India has been able to reach an adequate level of food security. The rapid growth of the industrial sector (more than 6% per year on average between 1951 and 1973) has been stimulated by a process of modernization (in the form of a radical reorganization of production systems) and the introduction of important technological developments. The liberal macro-economic policies launched between the eighties and the nineties have noticeably improved the efficiency of the production system. In particular, agricultural production has grown, on average, by 3.2% per year, while industrial production has increased by 6.5%. The structural changes in the productive framework have contributed to the improvement of India's comparative advantages, resulting in growth rates that are much higher than those from earlier periods. The country has gone from a growth rate of 3.5% between 1950 and 1980, to 5.5% between 1980 and 1990, finally reaching 6% in the last decade (1992–2002) and 8% in 2003 (Government of India, 2003). This exponential increase in the GDP has gone hand in hand with an average fall in inflation rates, a rise in exports, and an improvement in the terms of trade. More importantly, this rapid economic growth has been accompanied by a strong increase in the GDP per capita. The latter grew by 3.6% on average during the 1980's, and by 4.2% after 1991 (UNDP, 2004). As a result of the liberalization process, the quantity of consumer goods and services available in domestic markets is rapidly increasing in line with the evolution in consumption attitudes. These trends are supported by official data (per capita consumption of 'superior' food items, quantity of new consumer goods arriving annually on the markets, number of new educational and sanitary structures, etc.) as well as by independent micro-economic and sociological research.

Although the economic achievements of the last fifty years have been encouraging, social objectives have been only partially satisfied. With an average per capita income of \$487 per year (2002), India remains one of the poorest countries in the world (UNDP, 2004). Poverty estimates, based on the last official inquiry (1999–2000) of the National Sample Survey Organisation (NSSO), indicate that the proportion of the population living below the poverty line stands at 26.1% (Government of India, 2003).² In rural areas, the percentage of people in poverty is nowadays estimated at 27.1% (37.3 in 1993–

2 Currently, the official poverty line used in national statistics is based on a minimal level of consumer spending of 49.09 rupees per month in rural areas and 56.04 in urban zones, at 1973–1974 prices.

1994), while in urban areas the ratio is 23.6% (32.4% in 1993–1994). When we move from aggregate trends at the national level to data on population groups, the picture on monetary poverty that emerges from Indian data is far more intricate. National estimates show that the levels of income (as measured by consumption expenditures) differ according to religious and ethnic affiliation, professional occupation and personal characteristics, such as gender.³ In particular, it is lower among Scheduled Classes (SCs) followed by Scheduled Tribes (STs).⁴ Among the religious categories, Christian and other minorities record the highest level of income and, consequently, the lowest percentage of people living below the poverty line, followed by the Hindus. Muslims account for the religious community with the highest percentage of poor, especially when measured in per capita terms. Income differentials between castes are also significant. Microeconomic studies show that both the incidence and intensity of poverty are higher among the lowest castes in comparison with the national average (Mendelsohn O. and M. Vicziany, 2000). Data on income by occupational categories attest that poverty is widespread among landless wage earners and marginal farmers in rural areas, and among self-employed in urban settings. The level of village development as measured by the availability of electricity, water and infrastructures, appears to be directly linked to monetary poverty levels. Less-developed villages have a higher HCR, as well as a higher Sen Index.⁵ Poverty levels also seem to be correlated with adult literacy: the level of income is higher in households where the educational level of adult members is higher. A direct but negative correlation also exists between income levels and some personal characteristics such as sex or the presence of certain disabilities. In particular, there is a substantial variation in income/consumption levels between males and females. If we complete these data on monetary poverty with other indicators of material well-being, we observe that, while the levels of food consumption and under-nourishment appear to be insensitive to economic status and social differences, total consumption (including food and non-food items) differs according to purchasing capacity and occupational

3 Data mentioned in this paragraph are all from the NCAER India Human Development Report (1999).

4 The Scheduled Classes include individuals belonging to the lowest castes among the Hindus, while the Scheduled Tribes refer to ethnic minorities.

5 The Head Count Ratio (HCR) measures the percentage of population living below the poverty line. The Sen Index combines information on the incidence of poverty (as expressed by the HCR) with data on the intensity of poverty (as measured by the Poverty Gap Index).

status, as well as to religion and ethnic identity. Some of these disparities can be explained by cultural differences.

The analysis of data on relative income and consumption by population groups suggests the existence of strong inequalities in material well-being. These disparities seem to be related to personal characteristics (sex, caste, ethnic identity) as well as to social constraints (i.e. discrimination) and values (i.e. religious norms). The influence of these factors is, however, beyond the scope of standard indicators and it is therefore difficult to ascertain.

As suggested by V. Kozel et al., measurement issues – what to measure and how to measure – are central to the effort of building a broad consensus on statistics and trends (2003: 3730). An overview of how figures and indicators are constructed is therefore useful in order to evaluate the nature and the significance of the information provided.

Official estimates of poverty and inequality in India are based on the distribution of consumption expenditures across households. According to the NSSO's definition, consumption expenditures include spending on goods and services by household for domestic consumption, thus excluding homeless people and spending for production purposes. Data comprise consumption of goods and services, receipts in exchange for goods and services, home-grown stocks and free receipts. The enquiries are conducted on a statistical sample of approximately 121.000/158.000 households that are selected in accordance with the population structure. This method of quantifying consumption expenditures is based on foodstuffs and non-foodstuffs, which are regrouped into 2 main temporal categories according to the frequency of their consumption. Every household is requested to report, for each item listed in a preset questionnaire, the quantity consumed and the expenditures made for obtaining it during the recall(s) period preceding the date of the interview. The picture of poverty and inequality that emerges from these statistics is therefore one of consumption disparities over an average standard basket. Conventional distributional indicators are essentially monetary in nature and only register trends in terms of consumption expenditures.

We noted earlier that income/consumption levels in India are highly correlated with social features and personal characteristics. While these variables are not included in the assessment of monetary poverty and inequality, they have a direct impact on the formation and distribution of income across individuals and social groups. Not only do these non-economic variables affect income levels, but they also influence the way in which income can be converted into non-economic dimensions. Indeed, if we supplement evidence on monetary

inequality reviewed so far with other development indicators, we observe that, for instance, data on education and on health may differ according to religion and ethnicity, even if the level of income remains equal (NCAER, 1999). Furthermore, there is evidence of substantial disparities among various population groups in access to potable water, electricity, proper sanitary equipment, as well as in mortality rates. Data on rural households show that, while the prevalence rates of diseases are not systematically correlated with poverty levels, they differ among religious groups. The availability of hospital care and diagnostic services seems also to play a crucial role.

After this brief appraisal of the information provided through standard indicators, it is worth asking what would be, with regard to contemporary India, the added value of a multidimensional assessment of inequality based on capability. In our opinion, there are at least two major (interrelated) reasons why a broader perspective would be worthwhile. First, a multidimensional assessment of inequality would give a more comprehensive picture of the way in which well-being is distributed. As confirmed by the empirical evidence, in social settings characterized by different *clivages* like India, the role of context-specific non-economic variables is extremely important in order to explain the level and extent of inequality. Thus, for instance, caste affiliation still affects different aspects (social, economic, professional) of an individual's life and has a direct impact on the distribution of assets, resources and privileges. This is especially true in rural areas where the level of discrimination linked to the caste system is stronger. These non-economic aspects have an influence on the way in which monetary and non-monetary well-being components are distributed, and determine their intergenerational transmission.

Secondly, a multidimensional assessment is likely to improve the reliability of existing data. The issue of poverty and inequality in contemporary India is controversial. Official estimates appear questionable and deficient. Moreover, these estimates conflict heavily with evidence coming from independent research. Attempts to corroborate these contradictory tendencies by using additional economic indicators have proved on the whole ineffective. Alternative methods are therefore required to supplement the information available and draw a more accurate picture of well-being. In this regard, the shift towards a multidimensional assessment is justified on an empirical basis by the necessity to overcome the limits of income-based indicators.

In conclusion, we can argue that the picture of poverty and inequality in India that could emerge from a multidimensional assessment of well-being is

certainly more comprehensive than the one we can draw on the basis of purchasing power indicators alone. Indeed, a capability-based analysis can provide a better understanding of the nature of well-being by means of detecting the causal factors that can affect its distribution. Not only does a multidimensional assessment provide a more accurate picture of well-being, but it also proves meaningful, in that it can serve as a functional instrument in the process of policy making. Indeed, for the purposes of evaluation and policy formulation, a capability-based approach can result in an important shift in the focus of development efforts, leading to a more effective way of improving the level of human well-being. In this sense, it will facilitate a better understanding of the distributional impacts of public policies. If the multidimensional nature of well-being is finally recognised and measured, public authorities may, for instance, start focusing their attention on the access to specific services like health or education or on anti-discrimination policies, rather than on the distribution of income or commodities. A multidimensional framework is therefore needed for providing an accurate picture and measure of individual and social well-being, as well as for evaluating in a more adequate manner the impacts of economic and social policies.

References

CHIAPPERO MARTINETTI E.

2000 "A Multidimensional Assessment of Well-being Based on Sen's Functioning Approach," *Rivista Internazionale di Scienze Sociali*, Anno CVIII, N. 2: 207–231.

COMIM F.

2001 *Operationalizing Sen's Capability Approach*, Paper presented at the International Conference "Justice and Poverty: Examining Sen's Capabilities Approach," Von Hugel Institute, University of Cambridge, 5–7 June 2001.

GOVERNMENT OF INDIA

2003 *Economic Survey: 2002–2003*, Economic Division, New Delhi: Ministry of Finance.

KOZEL V. et al.

2003 "Poverty Measurement, Monitoring and Evaluation in India. An Overview," *Economic and Political Weekly*, 25 December: 3729–3753.

MENDELSON O., VICZIANY M.

2000 *The Untouchable: Subordination, Poverty and State in Modern India*, New Delhi: Foundation Book.

NCAER

1999 *India Human Development Report*, New Delhi: Oxford University Press.

NUSSBAUM M. C., SEN A.

1993 *The Quality of Life*, Oxford: Clarendon Press.

SEN A. K. (ed.)

1987 *The Standard of Living*, Cambridge: Cambridge University Press.

1992 *Inequality Re-Examined*, Cambridge: Harvard University Press.

SRINIVASAN T. N.

1994 "Human Development: a New Paradigm or Reinvention of the Wheel?," *American Economic Review*, 84: 238–243.

UNDP

2004 *World Development Report 2004*, New York: Palgrave.

