Towards more equitable and sustainable development via a capabilities approach?

Diane Perrons
Gender Institute, London School of Economics

London for all: opening up debate on London’s economy July 2014
UK: Orthodox measures of relative regional performances 1989-2009

Figure 1 Regional Performance Relative to the UK 1989-2009

Source: Perrons (2012)
Linking economy and society in measures of performance - Capabilities approach

- GDP measures: overlooks
  - Poverty among prosperity? E.g. child poverty in London
  - Prosperity amongst ‘poverty’? [Eco feminist – Vandana Shiva]

- Failure to recognise that: economic processes are redistributive as well as wealth creating and social policies can be productive as well as a cost

- Alternative Measures – Different Outcomes
- Modified capabilities perspective
London – Richest EU region?

- London - 650,000 children (41% after housing costs) are poor. In Inner London (48 per cent)
- (London Poverty Commission 2010)
Contrasting measures of regional development: GVA and a Regional Development Index (RDI)

\[ \text{RDI} = \frac{\text{HL} + \text{K} + \text{ESL} + \text{E}}{4} \]

- **HL = Healthy Life**: (infant mortality and the standardised mortality ratio)
- **K = Knowledge**: (percentage of the population with no qualifications).
- **ESL = Economic Standard of Living**: (earnings and income, measured by a composite of median earnings, earnings inequality (90-10 ratio) and child poverty).
- **E = Employment**: (full time employment rate).

Source: Perrons (2012)
Contrasting measures of regional development: GVA and a Gender Sensitive RDI

\[
GRDI = \frac{(HL + ESL + E)}{3}
\]

**HL = Healthy Life**: (gender ratio of the standardised mortality ratio).

**ESL = Economic Standard of Living**: (the gender ratio of earnings inter decile range difference)

**E = Employment**: (gender ratio of the full time employment rate).

To provide a consistent measure the index, i.e. such that all variables moved in the same direction the values of components were measured so that a narrowing of the gender gap would be to women’s advantage.

Source: Perrons (2012)
Italy: A Social-Reproduction and Well-Being approach to Gender Budgets (WBGB) (Addabbo et al 2011)

- Aim of public intervention: is the **well-being of the resident population** – i.e. creating the circumstances for a ‘good life’

- Address the ends of public policy directly i.e. they correct the inversion between means and ends and open up the aims of public policy to discussion.

- **Define a Good life on the basis of 9 criteria** - Based on capabilities approach:
  
  Access to Knowledge;
  Living a Healthy Life;
  Working and Carrying Out Business;
  Having Access to Public Resources (Services and Allowances);
  Living and Working in Safe and Suitable Places and in an Eco-Compatible Environment;
  Travel (which relates to ability to move in the province);
  Caring for Others; Caring for Oneself (which includes having free time and the ability to use the time for culture or recreation); and
  Participating in Public Life and in an Equitable Society.
WBG - Feminist F Plan for Recovery/Alternative – Inclusive Development (mainly national level)

Recognises the significance of the reproductive sector

- Invest in social rather than just physical infrastructure –
- (including better pay for skills of care workers)
- Spending on childcare simultaneously generates jobs and facilitates movement into employment, partially paying for itself through increased tax revenues.
- There is now evidence for these claims (Antonopoulos and Kim 2011 and ICF GHK 2013)

Elson (1998)

WBG – UK Women’s Budget Group
http://www.wbg.org.uk/
WBG at the Local Level in UK

- Gendering Local Economic Partnerships - e.g. West of England

The London Enterprise Partnership – Funded by European Structural Funds:

- very business oriented only a short paragraph on people – implicitly assumes that public support for business is good for London – evidence lacking.
- EU wide evidence shows that the current model of economy growth generates inequality (Perrons and Plomien 2010)
- Yet structural funds require that attention be given to social inclusion

The Mayor’s Economic Development Strategy (EDS) sets out five economic objectives:

- promoting London as the world capital of business;
- ensuring that London has the most competitive business environment in the world;
- making London one of the world’s leading low carbon capitals;
- increasing economic opportunity; and
- maximising the return from investment in the 2012 Games
Regional /spatial performance is defined economically by the size and growth rate of the economy. This conceptualisation needs widening in order to:

a) contribute towards understandings of regional /spatial development that would be more inclusive, equitable and sustainable and better reflect a sense of well-being.

b) recognise the connections between economic change and social well-being,
Some References


A meta analysis of DG Research projects on Inequality found that:

- rising inequalities everywhere

- labour’s share of value added fallen – more so for lower paid and women workers

- paid work no longer a route out of poverty

- poverty is transferred from one generation to the next and not offset by education – though education and good care help