

**Code: ECON-408**

**Title: Welfare and Happiness Economics**

**Credit Hours: 03**

**Objectives:**

This module is designed to provide a basic understanding of human development and capability approach to the postgraduate and undergraduate students of various disciplines of

social sciences. The module emphasizes the centrality of human being in development discourse, practice, policy and research. It is argued throughout the module that development is about enhancing human freedoms and flourishing human capabilities. The process of development should enable individuals to act as the agents of change to live the kind of life they have reason to value. It is also argued that the public policy needs to respect the fundamental principles of human development; equity, empowerment, sustainability, and efficiency. The outline given below is very extensive, and teachers may select their own areas of interest to specialize and develop further, according to capabilities and requirements of their students.

## **Course Contents**

### **Ethics and Development: Normative Framework for Development**

Normative concerns lie at the heart of development analysis and policy. Development policy and uncertainty, trade-off, and complexity. Any public policy is based on ideas about what matters. Different kinds of ideas lead to different kinds of actions (e.g. poverty reduction policies depend on how poverty is conceptualised). The output or impact on wellbeing of any given policy varies depending on the context of countries or societies. Concerns for people should come first in social and economic progress

### **Introduction to the Human Development and Capability Approach**

Objectives of development, Advent and influence of UNDP's Human Development Reports on development discourse and policy Values, priorities and public debate Agency, voice and empowerment Plural information and many dimensions, Core principles for development; Equity, Efficiency, Participation, and Sustainability, Amertiya Sen's Capability Approach Functioning and Capabilities Compare and contrast of Capabilities Approach with other approaches, Selecting valuable capabilities Individual and collective capabilities

### **Contemporary Development Ideas**

Human development and market liberalism: Freedom compared, How the idea of freedom spread? The Basic Needs Approach, Human Rights, Human Security Other related human development ideas, The Millennium Development Goals (MDGs) Sustainable Development

### **Economic Growth and Human Flourishing**

Growth and flourishing in the history of economic thought Contribution of economic growth to human flourishing Economic growth is one of the several necessary ingredients for promoting human flourishing GDP fails to promote human flourishing for two main reasons; 1) income is a poor measure of wellbeing and 2) it masks inequity in the distribution of income and material consumption Economic policies over last three decades have tended to focus more narrowly on efficiency and growth alone, ignoring equity and public engagement thus sidelining concerns for human flourishing. This has resulted in inequities, insecurity and environmental damage Finding 'best' growth and development path.

### **Human Development, Equality and Justice**

Link of the capability approach with theories of equality and social justice. How capability approach differs from John Rawls's theory of justice. Introduction to the underlying purpose and main ideas of theories of justice. Implications of a capability based approach to justice for policy design and other intervention strategies.

## **Poverty and Inequality Measurement**

Importance of measurement in policy, Income poverty and inequality, Standard Human Development Indices, measuring multi-dimensional poverty, why concepts matter in measurement, Measuring freedom Qualitative poverty assessments.

## **Education**

Conventional approaches to education Human Capital (instrumental role of education)

Capability approach to education (both instrumental as well as intrinsic roles of education)

Capability and functioning in education, Case Study: *Two descriptions of education in Bihar, India*

## **Health and Nutrition**

What is health? Conventional approaches to health. Human capital or health as input. Health as output. Health within the human development and capability approach. Resource inputs and conversion factors. Capabilities and functioning. Health at the heart of inter-locking deprivations. Case study from Pakistan

## **Human Development Policy Analysis**

Main areas of public policy. Areas of economic and social policy. Framework and macro policies. Resource, manufacturing and services sector policy. Economic and social services. Policy in the private, non-profit and international donors sector, Policy, politics and power, Tools for policy analysis. A human development approach to policy analysis

## **Policy Case Studies**

Key questions to bear in mind while analyzing policy from human development perspective. What is the problem to be addressed? What is the data needed to highlight the problem? What is being done to address the problem? Does the existing policy respect the four principles of human development; equity, empowerment, sustainability, and efficiency? In what ways the current policy can be reformed to effectively promote valuable human freedoms?

## **Recommended Books:**

- Alkire, S. and Deneulin, S. (2009). The Human Development and Capability Approach, in: Deneulin, S. and Shahani, L. (Eds.). An Introduction to the Human Development and Capability Approach: Freedom and Agency. London: Earthscan.
- Alkire, Sabina (2002). Dimensions of Human Development. World Development, 30(2), 181-205.
- Layard, Richard (2005). Happiness: Lessons from a New Science, London.
- Nussbaum, Martha (2000). Women and Human Development, Cambridge University Press
- 6. Robeyns, Ingrid (2005). The Capability Approach – A Theoretical Survey. Journal of Human Development, 6(1), 93-114.