

Welfare effectiveness - identification of the determinants and the measurement

A brief

In pluralistic society with different definitions of 'what constitutes a good life', public policy in general becomes effective only when differences in aspirations are accounted for. The capacity to benefit from services could be ascribed to the valuation space defined by the citizen. The multidimensionality of welfare attitudes requires an index of 'welfare effectiveness' with empirical tenability. Economic indicators remain blind to the distribution of wellbeing. Policy indicators do no focus on life dimensions that constitute wellbeing. Difficulties with 'equivalent income' is the justification of reference value. 'Social welfare function' does not capture a large amount of unmeasured heterogeneity. The assessment of experienced utility leaves the problem with judgements about utility. Thus, the measure of 'welfare effectiveness' requires solution on a normative perspective.

The proposed approach is aimed to establish a meaningful relationship between valuation space defined by the citizen and multidimensionality of wellbeing. We shall be using data from European Social Survey to understand the determinants of welfare that are country specific and thereby introduce an 'index of welfare effectiveness'. This study is a contribution to maintain a long-term orientation in making informed policy conclusions that encompass distinct tasks such as (a) evaluating the effectiveness of an existing policy, (b) projecting the likely effectiveness of a policy in environments different from the one in which it was experienced earlier, or (c) forecasting the effects of a new policy, never previously experienced.

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