

Towards more equitable and sustainable development via a capabilities approach?

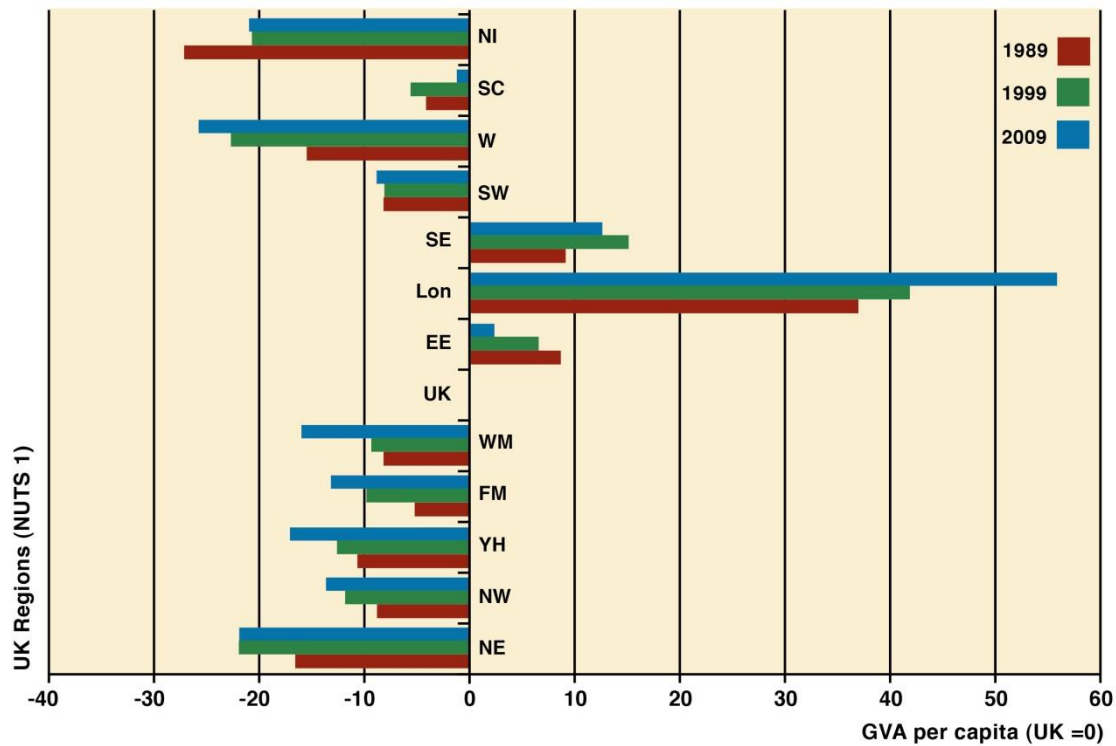
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London for all: opening up debate on London's economy July 2014

UK: Orthodox measures of relative regional performances 1989-2009

Figure 1 Regional Performance Relative to the UK 1989-2009



Source:
Perrons (2012)

Source: ONS (2009a and 2010b)

Note: The data is the residence based measure of GVA so the income of commuters is allocated to where they live rather than their place of work. For most regions the residence measure is the same as the workplace measure but for the South East and, especially London, commuting leads the workplace based measure to be even higher (71.2 rather than 58 per cent above the UK average). The ranking of regions remains the same on both measures for 2009. The East of England falls below the UK average on the latter measure.

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)

Regional Income (GVA per capita) Rank		Regional Development Index (RDI) Rank	
London	1	South West	1
South East	2	South East	2
East	3	East	3
Scotland	4	East Midlands	4
South West	5	Scotland	5
East Midlands	6	Yorkshire and Humberside	6
North West	7	London	7
West Midlands	8	Wales	8
Yorkshire and Humberside	9	North East	9
Northern Ireland	10	North West	10
North East	11	West Midlands	11
Wales	12	Northern Ireland	12

$$RDI = (HL + K + ESL + E)/4$$

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

Regional Income (GVA per capita)		Gender Sensitive Regional Development Index Ranking	
London	1	South West	1
South East	2	East	2
East	3	East Midlands	3
Scotland	4	North West	4
South West	5	South West	5
East Midlands	6	North East	6
North West	7	West Midlands	7
West Midlands	8	Yorkshire and Humberside	8
Yorkshire and Humberside	9	Wales	9
Northern Ireland	10	Scotland	10
North East	11	London	11
Wales	12	Northern Ireland	12

$$GRDI = (HL + ESL + E)/3$$

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);

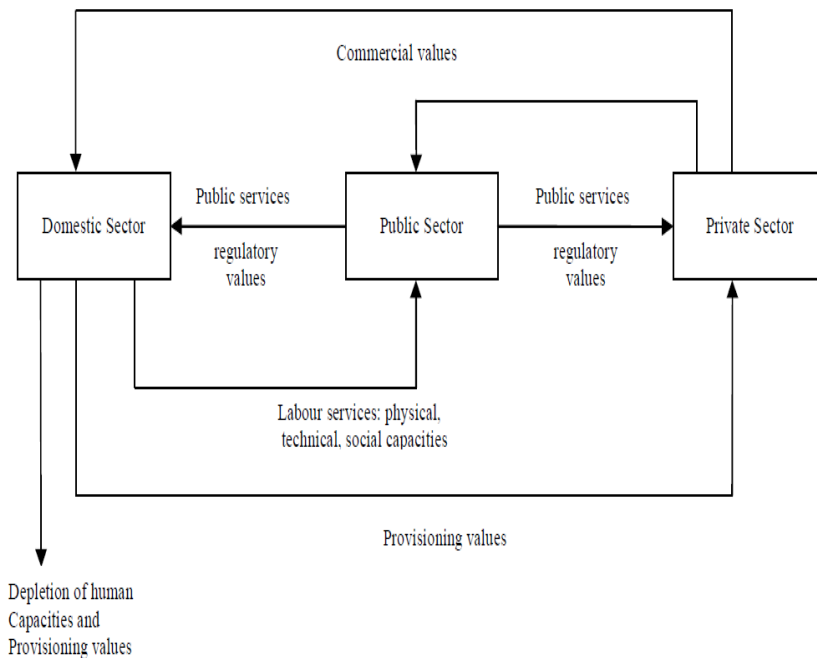
Caring for Others; Caring for Oneself (which includes having free time and the ability to use the time for culture or recreation); and

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



Elson (1998)

- ▶ 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)

WBG at the Local Level in UK

- ▶ Gendering Local Economic Partnerships - e.g. West of England
- ▶ Gender Tool Kit – to assist in identifying the gender impact of local government activity - http://www.wbg.org.uk/wp-content/uploads/2013/10/WBG_Women_vs_cuts_webcol.pdf

Women vs Local Cuts

Challenging Gender Equality Impact Assessments & Local Government Budgets



rosa
the uk fund for
women and girls

wbg
Women's Budget Group www.wbg.org.uk



London LEP

- ▶ 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



Conclusion

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

- ▶ Addabbo, T et al (2011) A Social-Reproduction and Well-Being approach to Gender Budgets, in Elisabetta Addis et al *Gender and Well-Being. The Role of Institutions*, Aldershot: Ashgate.
- ▶ Perrons, D. (2012) Regional performance and inequality: linking economic and social development through a capabilities approach, *Cambridge Journal of Regions Economy and Society*, 5, 15-20



economic model and policies are redistributive and social policies can be productive

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



Why socio-economic
inequalities increase?
Facts and policy responses in Europe

