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On well-being and freedom: A response to Branko Milanovic

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On well-being and freedom: A response to Branko Milanovic

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Human Development aims at enlarging people's choice and this implies not only achievements in terms of a healthy life, access to knowledge (actually, this is what education is an input for), and a decent material living standard, but the possibility of choosing between alternative bundles of achievements. In other words, while on the exclusive basis of achievements, one could reach a high HDI while being an inmate in a high security prison of an advanced western country, this would contradict the spirit of human development as nobody would choose this option having other alternatives. That is why, in the «Augmented Human Development Index» (AHDI) I am proposing to add a freedom dimension to the three conventional ones. Naturally, moving from abstract concepts to measures represents a challenge.

In his very nice comments, Branko Milanovic expresses his concern about the inclusion of liberal democracy in the AHDI. While accepting the inclusion of agency, he makes the point that democracy is just one possible way of aggregating preferences and that its inclusion in the index implies to choose a particular political system that is «geographically and historically limited». Furthermore, he claims that, unlike agency, democracy cannot be properly measured. Therefore, he recommends leaving democracy out of the AHDI as it represents an unnecessary risk of politicization.

Perhaps Milanovic's objections should be placed in the context of the old tension between liberty, which sets the limits of power, and democracy, focused on who exercises the power. From the point of view of human development, liberty as absence of coercion and interference in individual decisions seems to me more relevant than how the power is assigned. Thus, I would agree with Branko Milanovic that agency is a crucial element of human development and not so much democracy. However, adding the «Elec-

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toral Democracy» subindex also makes sense as political participation is part of development itself and helps to promote security (Sen 1999, pp. 11, 36)

In addition, Milanovic considers democracy to be impossible to measure. I would note that the «Liberal Democracy Index» (LDI) I have used comes from *Varieties of Democracy* [V-Dem], <https://www.v-dem.net/>, a most complete database covering over 200 countries for the last two centuries. The LDI combines an Index of Electoral Democracy, a collective and positive freedom, which encompasses free competition, extensive participation, freedom of expression, and rulers' responsiveness to citizens, with a «Liberal» index, a measure of negative freedom, concerning the protection of individual and minority rights. I am aware that serious measurement objections can be raised to both subindices. Surely, «experts opinions» are an input of V-Dem indices and this, no doubt, represents a shortcoming; but the resulting index, although provides a very imperfect measure of freedom, adds a crucial dimension that gives the AHDI its real meaning. Without the freedom dimension, the index would be simply another measure of basic needs (Ivanov and Peleah 2010).

In addition, Milanovic discusses what should be considered primary goods, that is, goods that are desirable in themselves, and suggests that life may be the only primary good. However, I concur with Sen (1999, p. 16) that as political and civil liberties are important on their own, they represent primary goods. Still today, the challenge individuals face is, as Marx put it, «replacing the domination of circumstances and of chance over individuals by the domination of individuals over chance and circumstances» (Marx and Engels 1846/2000).

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