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Developing a Measure of Living Standards for Older People Using Sen's Capability Framework

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Abstract

Consideration of living standards provides a useful approach to understanding inequalities in economic welfare for older people. This paper reports on the development of a measure of living standards for older people. A set of living standards domains were established from thematic analysis of 143 qualitative interviews with people aged over 65 years, selected to represent a range of socioeconomic status, ethnic groups, and geographic locations across New Zealand. These empirically derived domains were: Basic Needs, Social Integration, Contribution, Enjoyment, Security and Autonomy. This paper demonstrates how insights from the capability approach were combined with the interview analysis to develop items for a measure of living standards. Utilising the participants' own words, questionnaire items to assess the extent to which elders had the freedom to pursue each of these domains were developed. These items were validated in interviews with 20 older people and will be tested in a survey of 500 older people. From this testing, five to ten items will be selected to comprise a measure of living standards for older people. This measure will be used in a national survey of New Zealanders aged 55 to 85 in 2012, to examine relationships between living standards and health outcomes.

Keywords

Economic Living Standards, Capabilities, Autonomy, Measure Development

Background

Economic standards of living will have a profound effect on older people's ability to age positively and to participate in their communities. However, how economic living standards for those living in retirement are understood and assessed is a matter of contention (Berthoud, Blekesaune & Hancock, 2006; Grundy & Holt, 2001) and an important issue for policy makers. Living standards can be understood in many ways; through the goods and services people are able to consume (either publicly funded or privately supplied), participation in customary social activities, the economic resources they have access to, their income expenditure and wealth, as well as through direct measures of economic and material living standards (Bradshaw & Finch, 2003; Saunders et al., 2008; Statistics New Zealand, 2009). Considerable literature has contributed to the definition of living standards (Perry, 2002; Salmond et al., 2006; Sen, 1987). This paper describes the capability approach to living standards, and demonstrates how this, combined with the analysis of interviews with older people, contributed to the development of the items for a measure of living standards.

Measures of consensual deprivation are commonly used to assess living standards. Such measures identify items regarded as essential, identify people who do not have these items, identify those who cannot afford the items and attribute those in the last category as deprived (Saunders et al., 2008). The underlying ideas behind such measures of deprivation have been applied more recently to measures of living standards across the whole spectrum from deprived to very well off (Perry, 2009). However, such measures require widespread consensus regarding the consumer goods, social activities, and luxuries people aspire to (McKay, 2004). Evidence suggests that there is limited consensus in those things that people understand to be necessities and there is variation in preferences. Consensual measures of living standards are useful in discriminating between those in hardship or poverty and others, however, they discriminate poorly those with 'good' living standards from those with 'very good' living standards (Grundy & Holt, 2001; Perry, 2009).

Measures of living standards designed to assess the whole spectrum are often reminiscent of deprivation indices through their reliance on items that relate broadly to public health concerns. For example, such measures often determine access to healthy food and washing machines, ability to fill prescriptions, and the ability to warm the home adequately. These items tap aspects related to absolute deprivation

such as inadequate food, health care, warmth and washing facilities. This contributes to the good face validity of the items as such items appear to be related to living standards. However, this approach is based upon an understanding of low living standards as a lack of things that produce health and the assumption that if we could provide these things (and lift people out of material poverty) then they would escape the effects of low living standards. However, deprivation in developed countries such as New Zealand is not about absolute lack or concerns with public health deficiencies, but about degrees of having and not having, degrees of choice and autonomy (Marmot, 2004). Living standard measures such as these assess the sort of lack that relates to hunger, warmth, and sanitation, not of the sort that relates to envy, inequality, or social status.

Capabilities Approach

Over the last twenty-five years, the capabilities approach has made a major contribution to the field of welfare economics as an alternative way of thinking about how human welfare should be conceptualised or measured (Qizilbash, 2008). Most contemporary nations now regularly produce a Human Development Report and conduct studies of wellbeing that are informed by the concept of capability (Nussbaum, 2011). The language of capability has also found its way into studies of inequality, such as the report commissioned by the Equality and Human Rights Commission (EHRC) in the UK (Burchardt & Vizard, 2007). The capabilities approach to assessing wellbeing draws attention to the variation in the freedoms that people have to lead the kind of life they have reason to value (King & Waldegrave, 2009; Robeyns, 2005; Sen, 2000). The capabilities approach is a particularly valuable way to approach both the understanding and measurement of living standards.

Sen's (1987) capability framework shifts attention away from the specific material conditions of life and focuses on opportunities for choice and autonomy enabled by commodities and resources. Using this framework, living standards are understood to vary from constraint to freedom (rather than assessing hardship to comfort). People with many choices can be understood as having a high standard of living. Differences in the availability of choices reflect disparities in the distribution of life chances. Accordingly, measures to improve living standards would focus on expanding the freedom people have to make choices that matter to them, rather than improving the physical conditions of people's lives (Alkire, 2005).

Living Standards are Relative

Theorists, such as Marmot (2003, 2004) and Wilkinson (2005; Wilkinson & Pickett, 2010) who are concerned with inequalities have noted that in developed societies, inequalities cannot be understood in absolute terms, but are dependent upon opportunities for participation and conceptions of what is required of a participating citizen in that society. Living standards are not about absolute poverty, but are about people's relative position in an unequal society (Dolan, 2007). As living standards are relative to the society in which they occur, we need to be concerned with differing access to a decent life, rather than concern with the possession of particular resources. Similarly, Sen (2000) describes social exclusion in terms of the variation in what people are able to achieve, rather than in terms of the possession of particular material resources. The material resources required to live a decent life will be dependent upon the requirements of the community, and on the ability of the individual to utilize these resources and transform them into opportunities for participation. Rather than creating a list of central capabilities as the basis for fundamental political entitlements, using the capabilities approach to inform the development of living standards measurement in developed countries is about being about to make comparative, interpersonal evaluations of welfare (Nussbaum, 2011). Living standards need to be assessed in terms of variations in access to a socially established 'good life', rather than in describing what is required to meet a minimum standard.

The Gradient of Living Standards

Living standards influence health and wellbeing even amongst those who are not deprived. Although those with the least means in society have the poorest outcomes, people with relatively comfortable means still have poorer health and higher mortality than those with higher socioeconomic position (Marmot, 2004; Marmot Review, 2010). Consequently, rather than seeing a small layer of people as socially excluded, it is possible to identify a small layer of people as fully included. These are people who have the highest standard of living. They are able to live as they choose, with no compromises of consequence in aspects of material wellbeing. They have access to all the material resources society has to offer available to them. Those below this group must make some trade-offs. The extent of these trade-offs is one way of conceptualising living standards between constraint and freedom. This also makes sense in terms of capabilities. From the capabilities approach, deprivation can be seen in terms of the challenges in participating in the life of a community (Sen, 1987). Managing these trade-offs can be understood as part of the challenge of

participating in the life of the community. “People with higher socioeconomic position in society have a greater array of life chances and more opportunities to lead a flourishing life.” (Marmot Review, 2010, p.3). Using this approach, we can think about living standards as an opportunity to assess the extent to which people are able to choose the life they have reason to value. The gradient in living standards is not only about the ability to purchase better material goods, but also the social implications of increased command over resources. Living standards are socially situated and intertwined with other social processes (Dolan, 2009). The standard of living is about the life that it is possible to lead with the resources available, rather than the possession of these resources themselves; what people can do or be (Sen, 1985). What people can and cannot do or be in society is socially as well as materially influenced. Material living standards provide the foundation on which social status is built, so that low standards of living both lead to and reflect low social status and may produce social denigration (Wilkinson, 2005).

Autonomy and control

Material conditions enable a certain basic standard of living, but in addition to this, living standards are also about freedom, options, and choices. Inequality in living standards is understood in terms of varying degrees of control and participation (Wilkinson, 2005; Marmot, 2004). Thus, Marmot suggests that there is a gradient in control over one’s living standards. Alkire (2005) similarly describes the objective of poverty reduction as not being primarily about the provision of particular material resources, but to expand the freedom that people have to make choices that matter to them. Sen’s capability framework focuses on the importance of choice and opportunity for understanding differences in living standards. Sen (2000) describes an impoverished life as “one without the freedom to undertake important activities that a person has reason to choose” (p. 4). Although drawing attention to disparities and inequality, Sen’s approach to standard of living shifts attention away from specific material conditions of life and instead focuses on how social conditions enable variations in access to valued opportunities. People who live lives of freedom are able to both shape the events to which they are exposed, and once exposed to these events, are better able to dictate the outcomes of these exposures (Courtwright, 2008). Crucially, differences in capabilities reflect disparities in the distribution of life chances.

Current approaches to living standards conceptualise circumstances as varying from hardship to comfort. However living standards could also be conceptualised as ranging from constraint to freedom. A change to focus on the substantive freedoms that people enjoy would respect the variation in different ideas of a good life (Robeyns, 2005), in terms of ownership of consumer goods and preferences for certain types of social participation. As these items vary most at the higher end of the living standards spectrum, changing the focus of living standards measurement from the achievement of basic outcomes to freedom is likely to improve the ability of the living standards measurement to discriminate effectively at the higher end of the living standards spectrum. People obtain value from both the range of choices they have available to them, and the ability to choose (Sen, 1992). In this way, the living standards approach could assess the freedoms that people enjoy and examine the inequalities in these freedoms. The extent of choice and freedom available reflect one's relative position in an unequal society.

Summary

Sen's capability approach directs us to investigate the kind of life that people are able to lead and the choices and opportunities that are available to them rather than assessing income or the material conditions of people's lives (Lister, 2004). This approach to living standards recognises the importance of individual freedom to make choices about what to be and do, but sees these individual freedoms as determined by access to material resources that depend upon social structural possibilities. Although measures of living standards have tended to assess the possession of material goods, use of services, and levels of social participation, evidence suggests that the standard of living in developed societies is tied less to these aspects, and more to the opportunities for control and autonomy that economic resources make possible. The development of the conceptual and methodological basis for assessing standards of living should be based on exploring the ways that economic resources contribute to freedom rather than consumption of specific goods and services, and participation in certain types of social activities. To enable the development of research into the implications of this approach for understanding living standards, new measures to assess capabilities are required. This paper will report on the development of a measure of economic living standards for older people based on Sen's capability framework.

Method

The development of the measure includes three main stages: qualitative interviews to ensure that older people's voices and concerns were reflected in the items; an item development survey; and a validation survey. This paper focuses on the qualitative interviews and the process of translating this analysis into items for a measure of living standards.

1. Qualitative Enquiry. In depth qualitative interviews were conducted with 143 men and women aged 63-93 years in New Zealand. Participants were selected to represent the range of relative deprivation, major ethnic groups (New Zealand European, Maori, Pacific Islanders, Asians and other immigrants), and geographic locations (both urban and rural) across New Zealand. All participants had lived in New Zealand at least five years. The interviews were conducted between March 2010 and May 2011. The semi-structured interviews enquired into various aspects of economic living standards including purchasing, access to transport, quality of housing, characteristics of the wider community, influences on social participation, and the ability to manage financially. Questions were developed based on a review of the theoretical and methodological literature as well as through consultation with representatives from minority ethnic groups. Participants were encouraged to provide examples of the things they needed to have and do, the things they would like to have and do, and to consider what they would change if they had greater or fewer economic resources. The interviews were audio recorded, transcribed, and coded using Atlas.ti qualitative data analysis software. This coding was used as the basis for a thematic analysis to establish a set of living standard domains which reflected the specific aspects of economic living standards that were most important across the respondents.

Thematic Analysis

The research question addressed here is how do older people talk about their economic living standards? The themes identified in the large data set are located at the intersection of our reading of the literature on living standards, our application of the capabilities approach to living standards, and our understandings of the answers provided by interview participants. Some themes reflect the nature of the interview questions around living standards, and some themes were not anticipated. In particular, notions of ontological security and autonomy were not part of the interview schedule, but featured strongly throughout the interviews. Aspects of enjoyment,

pleasure, and the anticipation of future enjoyment were also not part of the initial interview schedule, but arose out of the analysis.

The thematic analysis identified six broad domains of living standards: Basic Needs, Social Integration, Contribution, Enjoyment, Security, and Autonomy. From a capabilities perspective these were interpreted as: the capability to live in physical comfort, the capability to be connected to others, the capability to contribute to the lives of others, the capability to experience enjoyment, the capability to experience security, and the capability to make economic choices. It should be noted that the separation of talk into separate domains is analytically useful in this context but also artificial. Clothes, for example may be an item of physical comfort, but they were often discussed in terms of having suitable attire for social purposes, and also clothing purchase as a pleasure that elders could enjoy. In addition, autonomy was valued across all domains. To illustrate how the intersection between the capability approach and the interview data contributed to the development of these items, this paper will focus on three examples. These examples are the way that food was talked about within the domain of basic needs, the way that gifting was discussed as part of the domain of contribution, and the discussion of treats with the domain of enjoyment.

Basic Needs

Unsurprisingly participants discussed important aspects of daily life and their ability to access goods such as desired foods, housing, heating, and medical care. Living standards were understood at a basic level as the capacity to secure things that provide physical comfort in later life. To illustrate the ways that basic items varied across those interviewed we will discuss how food was talked about by those with varying economic resources. Food was mentioned as important across all levels of economic resources. Participants in this study discussed the importance of being able to eat the food they preferred and being able to manage their food budgeting without recourse to denying themselves reasonable choices in food. These were discussed around maintaining variety of food and maintaining choice so as not to feel restricted. Some older people had already cut down their spending on food and although no one mentioned going hungry as a result of this, some did mention the monotonous nature of their food choices. When asked what changes she would make if she had more to spend, this elder stated:

“First eating. Because you know, I eat sandwiches every day. I get fed up.”
(10)

Those who were less restricted still described thinking carefully about how they spent on food and limiting excesses or wastefulness. The following participants pointed to the way these practices of being careful were part of changes needed to adapt to restricted resources in later life:

“living on the pension you have to be very careful what you spend, therefore when you go do the shopping you’ve got to write down exactly what you need so you don’t over, you just buy what you need, once upon a time you used to fill up your cupboards but now you don’t do that because that’s money just sitting in the cupboard.” (138)

Those with greater economic resources described buying whatever they wanted in regards to food. Although many described gourmet outlets as overpriced and a waste of money, they still considered it healthy to buy whatever foods they fancied:

“I wouldn’t cut down on food. I don’t care – I said to my husband “I won’t cut down on food. No matter what you want, as long as you like it I’ll buy it for you” because I think if you’re happy what you are eating then you’re healthy. Never skimp on food.” (98)

Those with more economic means were also able to make decision about food with regard to environmental or social conscience aspects.

“And I don’t buy any farmed meat at all, chicken, unless it’s free range and I know it’s free range. And I’ve met it personally as you were, and same with fish I’m, I don’t like these farm fish. I mean if you knew what they’re fed on, you wouldn’t buy them. They’re not wholesome. If you knew how they were kept and they’re in cages which, in dirty water, it’s oh no way, so chicken and fish, salmon, well salmon are out. Pork’s out unless it’s guaranteed free range. It’s all expensive. Very expensive, so I just buy a little.” (109)

Food choices for these participants were not fundamentally an economic decision. For those with considerable economic resources, food decisions are made for health reasons, or to satisfy personal preferences for foods such as crayfish that are acknowledged to be expensive. For those with the highest levels of resources, foods are about wholesomeness, about cooking and eating as pleasure, as socially important both through entertainment and through food choices as part of a social conscience.

For such people, restrictions in food are explained due to health concerns, due to weight management, and the requirements of care for the body. For those with fewer economic resources, food represents one aspect of a budget that can easily be adjusted to reduce costs. Although such elders also have needs for certain diets to maintain health and the desire to make food choices based on preferences, they report limitations on these preferences.

Food is one aspect of the material conditions of people's lives that is generally considered in living standards assessments to vary little in preference and across the range of living standards. Such assessments assume that all people aspire to eat a diet based upon public health recommendations, in spite of recognition of the impact of social status in the production of taste (Bourdieu, 1984). Measures of deprivation often assess the extent to which people can afford certain foods such as meat meals and fresh foods. This analysis demonstrates that food is talked about differently by participants who have different levels of economic resources, from part of the budget that can easily be adapted when economic resources are limited, to a choice that reflects expectations for being able to eat 'whatever I want'. Recognising these aspects of food in varying across the levels of living standards meant that items needed to assess whether elders could buy the food they preferred rather than buying a items from a predetermined healthy food set such as being able to afford meat meals or fruit and vegetables. To acknowledge this, items asked whether the respondents could afford their favourite foods, and whether they would prefer to be able to spend more on groceries. These items recognise that the capability to live in physical comfort includes the ability to afford food that meets both health needs and satisfies needs for pleasure, autonomy, and social integration through food.

Contribution

Elders were concerned about making a contribution to others. Such contributions were not just about donation of money to others or buying gifts, but also included being able to afford the costs of volunteer work such as the petrol to volunteer at community organisations, as well as global notions of leaving the world in a better state than you entered it. Contributions to family to make their lives better or easier were often mentioned. Those with the least economic resources reported going without things they needed in order to provide for others.

Gift-giving to others was an aspect of contribution which varied across the whole range of economic resources; giving nothing was not perceived as an option for these participants. Gift-giving was a concern for those with very limited means as well as those who had less to spend than they had been accustomed to prior to retirement. Those interviewed all described being able to give to others to some degree, but the extent of this gift-giving varied considerably. Those with limited means gave very little, and felt the littleness of the gift keenly.

“Int: So what about gift giving, how do you cope there?”

Occasionally I get a card, I give a card. If it's, if I can I'll stick a Lotto ticket or something in it. As I say I live close to the mark. There isn't much” (111)

Those with intermediate levels of economic resources struggled with the difference between either the extent of gift-giving prior to retirement, or in comparison to what they received from others. This was expressed in terms of the need for the gifts to be nice, and for the gift to be similar in value to those received to ensure reciprocity.

“Coming up to Christmas it becomes a headache for me because the family send up fabulous Christmas presents and we try to be reciprocal and in the past it's been easy, but the postage [overseas] alone it is tremendous and so Christmas is always a headache for me as far as getting presents go, because I like to, I don't like sending cheap nasties so it has to be nice” (42)

For those at the greater economic resources, giving to others was an opportunity to splash out and be generous. Such times were particularly important as it was an opportunity to describe times of spending that were acts of generosity rather than extravagance of spending on oneself. Even those who did not wish to be extravagant in their gift-giving were in the position to give to the limit of their preference, rather than to the limit of their economic resources.

“I think I'm over generous in giving to my grandchildren (...) my twin grandchildren, they graduate tomorrow from university and they got 1st Class Honours and so, yes, I went out and splashed a bit and bought nice cufflinks”. (94)

Participants all reported being able to give to others to some extent. Because of this, items to assess the capability to contribute to the lives of others need to be more sensitive than merely asking whether people can afford gifts. Based on this

analysis, the item was worded 'I can afford to give suitable gifts' as the suitability of the gift to achieve social requirements of sufficiency and reciprocity is more important than the presence or absence of the gift. As such, this item should be able to discriminate more effectively across the living standards spectrum as it acknowledges the insufficiency of gift giving that fails to measure up to expectations of contribution to others.

Enjoyment

The importance of joy, pleasure and having something to look forward to was evident from the interviews. This involved both taking pleasure in the activities of daily life and having special treats to plan for and look forward to. These enjoyments included travelling and other types of leisure activities, but also were often special treat food and drink, pay television, computers, lottery tickets, and movies and other entertainments. Luxuries mentioned vary from the purchase of chocolates to the desire to have a \$30,000 car. In this way, the importance of enjoyment can be seen broadly in three types of categories. There are the small regular pleasures and treats which included special food and drink, purchasing lottery tickets or raffle tickets, maintaining pay television. The second category was irregular treats such as going to the movies or a concert, buying special clothing, restaurant meals, buying books or spending on hobbies. The third category was the large items such as holidays and travel to visit family, purchasing paintings, or buying a new car. People at all levels of economic resources described items at all levels, but those living in constrained circumstances described luxury items as things such as beer, lottery tickets, or treat foods. These treats provided small luxuries that gave people something to look forward to that was achievable within restricted economic resources. As such they were viewed as luxuries that could be anticipated within the material conditions they experienced.

Those with the least resources described the small pleasures that gave them something to look forward to and described these as an important part of their lives and their identity.

"Yes, but there is still the impulse buying you know, I like a bit of chocolate"
(89)

"That's sheer luxury having Sky [pay television]. I don't have any other luxuries in my life I don't think that's an extravagance." (48)

Such small regular pleasures are a way to have special things to anticipate. These were mentioned particularly by those for whom such pleasures were the only luxuries they could afford. Those with very constrained situations also described the second category of pleasures as things that would be wonderful to have, though beyond the reach of their current resources.

“Wouldn’t it be wonderful, being able to go to a ballet or concert, wouldn’t it be wonderful.” (1)

Those with more economic resources described irregular treats such as eating out as things that were part of their lives as money allowed. Those with the greatest economic resources described such treats as part of their usual activities, describing the concerts they attended, the movies they had seen, and the trips they had taken.

“I love all that, and concerts but I’m hoping to go to three of these concerts that are coming out” (23)

Luxury items were mentioned by older people across the range of economic resources. Those with considerable resources described expensive holidays and overseas trips, the updating of furniture and household decorations, or explaining the purchase of new cars as a taken-for-granted part of their lives. As such, ‘luxury’ is part of the everyday practices of life for those with substantial economic resources:

“In the old days of course, you started off with a 24 inch TV. Then you go up to a 29 inch and now, because our lounge is quite big, we have actually got a 50 inch TV. And especially for our old eyes, we need it because with a 29 inch TV I was squinting because our lounge is quite big.” (98)

Similarly, visiting family overseas and travel for pleasure was described as a routine practice for those with the greatest economic resources:

“Yes we used to, just about like first of May, well not really the first but early May, first cold night, that was it, we’d be gone for three, two, three, four months. [*Right, and ...*] To Europe. [*To Europe, okay.*] Where it was warm. [*Right, right.*] And on the way we would go to either Bali, Singapore, Indonesia, Kuala Lumpur, or wherever and we’d make our journey more, and coming back we’d always, my husband always liked to break the journey for like 10 days going and 10 days coming back and Bangkok, or Thailand, I don’t say Bangkok, but Thailand is exactly half way between here and England.” (23)

The extract above demonstrates how even extensive and regular travel were at times described in everyday terms as part of the change of the seasons.

In contrast to this, those with fewer material resources described large luxury items as things that could be wanted, but were not, because of the reality of their situation. In particular people described the possibility of luxury but claimed that such items were not important to them:

“It would be nice to have a beautiful car that cost about \$30,000 but that is not important to me. I am alright with a bicycle.’ (99)

This analysis demonstrates the importance as aspects of pleasure and enjoyment in the lives of these older people. There are similarities and differences in the ways that people with different access to economic resources can talk about treats and luxuries. Although a general item ‘I can afford luxuries’ was included in the face to face piloting, this analysis demonstrates the complexity of such items when conceptions of access to luxuries vary to such an extent. To address this, other items assessed variations in the capability to experience enjoyment and pleasure by asking whether people could ‘afford to do all the things I love’ and whether they could afford all they need to be happy.

The analysis of these interviews contributed to the wording of the items by demonstrating the tensions between the universality of aspects such as comfort, contribution, and enjoyment, as capabilities that older people could strive for. Within this universality, there were differences in the extent to which such capabilities could be met. For example, the capability to contribute to the lives of others was constrained by economic resources such that the contributions were seen as insufficient for those with limited economic resources. For those with considerable resources, aspects other than affordability were used to determine the extent of contribution to others.

2. Item Development

Utilising the participants’ own words, questionnaire items were developed under each of the six domains. These items were designed to assess the extent to which respondents had the freedom to pursue each domain. Items in each domain tapped the following areas:

- Physical comfort: food, domestic help, housing, and goods and services to maintain health.

- Social Integration: engagement with friends and family, access to regular social activities, social engagements, and special occasions.
- Contribution: financial contributions to family, church, or charity, providing assistance to voluntary organisations, and gifting.
- Enjoyment: pleasure in daily life, special treats, and future pleasure.
- Security: anticipating a secure financial future, reducing unpredictability, and sufficient resources for remainder of life.
- Autonomy: Capacity to make decisions about purchasing, economic restrictions on choices

Between eight and eighteen items were generated for each domain. A total of 73 items were included in the face to face pilot of the measure. Each item focussed on aspects that are enabled or constrained by material resources. In this way the measure assesses the extent of freedom to determine the conditions of their lives. Rather than assessing whether the respondents do heat their homes, do attend social events, do buy certain consumer goods, this measure assesses the possibilities that they have to achieve valued aspects of living standards.

Example items

Basic Needs:

I can afford my favourite foods
 I would like to be able to spend more on groceries
 I can afford the home help I need
 I have to do without many things

Social Integration:

I can afford special outings
 I stay home to save money
 I have more than most people
 I can afford to visit people

Contribution:

I can afford to give suitable gifts
 I can afford to help people
 I can provide meals for others
 I can support organisations that are important to me

Enjoyment:

I can afford all I need to be happy
 I can afford to do all the things I love
 I can afford luxuries
 I can afford to do the things I enjoy

Security:

I have no money worries
I can pay my bills as soon as they are due
I have enough money to last my lifetime
I can save for the future

Autonomy:

I can afford to buy what I like
My choices are not limited by money
I can afford the sort of retirement I want
More money would not make life any easier

The response format of each item was the extent to which the statement was true of the respondent with five possible responses anchored with ‘Not true for me at all’ and ‘Definitely true for me’ at either end. This response scale was chosen as it provided the most flexibility for items that assessed the range of basic needs, possibilities for social interaction, and assessments of security and autonomy for individuals. The 73 items were tested for face validity with 20 respondents in a face to face interview. The ‘talk aloud’ process was employed during the face to face piloting stage (Presser et al., 2004; Schaeffer & Presser, 2003). Participants who completed interviews in the initial interviews were invited to complete the pilot questionnaire and to describe their experience of completing the questionnaire. Additional prompts such as ‘What sorts of thoughts went through your mind while you were answering that question?’, and ‘You said you had difficulty choosing between these two responses. How did you make your decision?’ were used to assess whether the items were measuring the domains and whether responding was consistent across participants. In addition to this face to face pilot, 30 additional questionnaires were completed to assess items prior to postal piloting.

Following wording change, and replacement of problem items, the revised version will be administered in a postal survey to 500 people over 65 years, randomly selected from the New Zealand electoral roll. Confirmatory factor analysis (CFA) will be used to reduce the items to a final set of between six and ten items. Because there is considerable conceptual overlap between the domains (for example, aspects of physical comfort contribute to the experience of enjoyment) the factors will be allowed to correlate.

3. Validation survey

The final six to ten item instrument will be tested and validated in 2012. It will be included in a nationally representative survey of 3,500 New Zealanders aged 55 to 85. The factor structure of the measure will be retested, and the levels of freedom and constraint that elders experience will be described. The measure will be validated (convergent and divergent validity) using correlations with measures of living standards (income, assets, and a conventional measure of hardship to ease), physical and mental health (SF36), quality of life (WHOQoL), and other psychosocial constructs.

Conclusion

Capabilities are the available life conditions from which a person may choose, as well as the freedom to choose some of them. The capability approach assesses limitations in the freedoms that people enjoy and provides a starting point for examining the inequalities in these freedoms. By developing items to tap the extent to which people have the freedom to achieve the capabilities across these six domains, this approach has the potential to differentiate across the range of living standards, rather than identifying those who are most deprived. By unpacking the different ways that people with different access to material and economic resources talked about their living standards, we were able to develop items that have the potential to distinguish living standards across the whole spectrum.

Elders are profoundly living with the immediacy of now and with concerns for the future, for how long that future might be, what kind of a future it might be, and how to balance planning and comfort, luxury and necessity in the social context of later life. Those with extensive economic resources manage all these decisions of later life through a set of personally and socially established values. All options are available and decisions are made in line with values. Those with intermediate economic resources make choices that reflect preferences within a set of limited options. Those with very constrained material resources make very limited tradeoffs such as those between items of physical comfort and small luxuries, and giving and gifting. Although all people have the possibility of making choices, the extent of these choices is greater for those with more economic resources. Such people do not need to trade off economic choices against other social values. Those with greater

economic resources are more able to express their social values through economic decision making. They can make choices about environmental concerns in food purchasing, or sustainability in transport, or time usage in experiencing enjoyment. This analysis supports assertions that deprivation in developed countries is not about absolute lack or concerns with public health deficiencies, but about degrees of having and not having, degrees of choice and autonomy (Marmot, 2004). Even in the examination of very basic needs such as food, desires and preferences for choice is not about hunger or the ability to meet established guidelines for healthy food. Food is demonstrated to be about preference, variety, and the ability to purchase food that meets wider values such as sustainability or animal welfare, and the freedom to be able to eat 'whatever I want'.

Examining these extracts demonstrates that concessions occur across the spectrum of economic resources. Deprivation literature generally points to a small group of people as socially excluded. However, it is possible to look at material resources and the capabilities they enable from another perspective and identify a small group of people as fully included. Such people have all the material resources society has to offer. When they are ill, they can purchase the best medical care available. When they are tired, ill or infirm they can afford domestic help. Everyone below this group must make some concessions. The extent of the concessions is one way of conceptualising living standards. Consequently, living standards is about assessing the extent to which people are able to choose the life they have reason to value.

At the outset we suggested conceptualising living standards as ranging from constraint to freedom rather than as varying from hardship to comfort. Through the domains that we have analysed here, it is apparent that the extent of freedom provides a more nuanced assessment of living standards. Some older people respond to increases in material resources by purchasing various forms of comforts or luxuries such as better food, domestic help, and pay television. Others use increases (real or imagined) to contribute to charity or gifts. Conceptualising living standards as freedom to make valued choices encompasses all these possibilities. Expanding freedom respects the variation in different ideas of a good life (Robeyns, 2005) and shifts attention away from the specific material conditions of life. Focusing on opportunities for choice and autonomy enabled by commodities and resources has additional benefits in advanced welfare economies. Attempts to address inequalities

and disadvantage through direct provision of resources, services, and accommodation has the potential to improve the material conditions of people's lives. However, such approaches do so by reducing the freedom that people have to make choices they have reason to value. Alkire (2005) describes the objective of poverty reduction as not being primarily about the provision of particular material resources, but to expand the freedom that people have to make choices that matter to them. In addition, differences in the availability of choices reflect disparities in the distribution of life chances. Addressing these disparities is ultimately not about the provision of specific resources to improve the physical conditions of the lives of the disadvantaged, but to expand the freedom of all people to make choices that matter to them (Alkire, 2005).

Highlighting choice and freedom as the crucial aspects of a high standard of living has also drawn criticism. Dean (2009) argues that such approaches privilege a certain sort of neoliberal autonomous agent that ignores the fundamentally interdependent nature of human experience and the powerful impact of socially structured arrangements on the possibilities for freedom. However, as Marmot, Allen and Goldblatt, (2010) suggest, capability may be assessed individually, but differences in the capacity to choose a life that one has reason to value reflects not individual difference, but structurally produced access to lifelong advantage or disadvantage. The capability approach evaluates the impact of social arrangements on the freedom people have to live a life they have reason to value (Alkire, 2005). As such, the extent of choice and freedom available reflect one's relative position in an unequal society.

The standard of living is about the life that it is possible to lead with the resources available, rather than the possession of these resources themselves; what people can do or be (Sen, 1985). Sen's capability framework focuses on the importance of choice and opportunity for conceptualising differences in living standards. Sen (2000) describes an impoverished life as "one without the freedom to undertake important activities that a person has reason to choose" (p. 4). Although drawing attention to disparities and inequality, Sen's approach to standard of living shifts attention away from specific material conditions of life and instead focuses on how social conditions enable variations in access to valued opportunities.

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