Abstract

Sen’s capability approach considers that the main goal of the development process is the expansion of individual and social achievements in a wide set of dimensions (Alkire, 2002). Based in this perspective, in the early years of the 1990 decade, undp launched the Human Development Index (hdi) to reflect, monitor and rank countries. This index goes far beyond traditional cross-country rankings based exclusively on gdp, as it considers three key dimensions: health, education and economic resources. Nevertheless, hdi is the result from an aggregation of synthetic indexes that reflect the average achievements and it is not sensitive to their distribution among the population. To overcome this limitation, different authors have recently proposed corrections to the traditional indicator. In this article we present the evolution of human development in Uruguay between 1991 and 2002, measured by the traditional hdi and by three formulations that are sensitive to inequality. We use the methodological approaches proposed by Hicks (1997); Foster, Lopez-Calva y Szekely (2005); and Chatterjee (2005). We find that the incorporation of inequality significantly modifies the evolution of human development in Uruguay. We also present a comparison of the ranking of Latin American countries in the dimension of access to economic resources. Important changes in their ranking are observed when the correction for inequality is considered. Our results indicate that inequality should be incorporated in order to improve human development assessments.

Keywords

Wellbeing, human development, inequality, Uruguay.