



HUMAN QUALITY INDEX MEASUREMENT; A LITTERATEUR REVIEW

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ABSTRACT

The measurement of human well-being and progress has long been a subject of interest across various disciplines. In the realm of economics, the Human Quality Index (HQI) emerges as a crucial metric for assessing the overall welfare and development of societies. This literature review delves into the conceptualization, methodologies, and applications of HQI, primarily from the perspective of economics theories. The HQI encompasses a multidimensional approach, capturing various aspects of human life beyond economic indicators. Drawing from the capabilities approach pioneered by Amartya Sen, HQI considers not only income but also factors such as health, education, environmental quality, and social inclusion. By acknowledging the intrinsic value of human capabilities, HQI offers a more comprehensive understanding of societal progress, aligning with the broader goals of sustainable development. Methodologically, HQI measurement involves the aggregation of diverse indicators into a single index, often through weighted averages or composite scoring systems. While this approach enables a holistic assessment, it also poses challenges regarding data availability, comparability, and subjective weighting. Furthermore, the choice of indicators and their respective weights can significantly influence the final HQI scores, highlighting the importance of transparency and stakeholder engagement in the measurement process. The literature reveals a plethora of applications for HQI, ranging from policy evaluation to international comparisons and advocacy efforts. At the national level, HQI serves as a tool for policymakers to monitor progress, identify areas for intervention, and prioritize resource allocation. Internationally, HQI facilitates cross-country comparisons, fostering peer learning and collaboration towards common development goals. Moreover, HQI advocacy efforts aim to raise awareness about human well-being beyond economic growth, advocating for policies that enhance quality of life and social justice. Despite its utility, HQI faces several critiques and methodological debates. Critics argue that HQI oversimplifies complex realities, neglects cultural differences, and imposes Western-centric notions of development. Methodologically, concerns arise regarding data reliability, indicator selection bias, and the treatment of interdependencies among dimensions. Addressing these challenges requires ongoing research, innovation, and collaboration across disciplines to refine HQI methodologies and ensure their relevance and robustness in diverse contexts. In conclusion, the Human Quality Index represents a significant advancement in measuring human well-being and progress from an economics perspective. By integrating multiple dimensions of human life and

capabilities, HQI offers a more nuanced and holistic understanding of societal development. However, ongoing efforts are needed to address methodological challenges, enhance data quality, and promote inclusivity in HQI frameworks to ensure their effectiveness and relevance in guiding policy and fostering sustainable human development

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1. INTRODUCTION

In the realm of economics, the measurement of human well-being has evolved beyond traditional indicators such as income and GDP. The quest to capture the multifaceted nature of human flourishing has led to the development of indices that transcend mere material wealth and delve into the broader dimensions of quality of life. One such construct that has garnered significant attention is the Human Life Quality Index (HLQI), which seeks to encapsulate the diverse facets of human well-being within a single metric. This literature review embarks on an exploration of HLQI measurement from an economics perspective, delving into the theoretical underpinnings, methodological approaches, and interdisciplinary insights that shape this endeavor.

At the heart of HLQI measurement lies the capability approach, pioneered by Amartya Sen and Martha Nussbaum, which posits that human well-being should be assessed based on individuals' capabilities to lead valuable lives rather than solely on their material resources. This approach emphasizes the importance of freedoms and opportunities that enable individuals to achieve their aspirations and fulfill their potential. Through an examination of the capability approach, this review elucidates the conceptual foundations that underpin HLQI measurement, highlighting the significance of multidimensional indicators that go beyond economic wealth.

Furthermore, the intersection of the capability approach with utility theory, particularly the concept of subjective well-being (SWB), enriches the discourse surrounding HLQI measurement. SWB accentuates individuals' subjective experiences of happiness, life satisfaction, and overall well-being, offering insights into the psychological dimensions of human life quality. By integrating SWB into HLQI frameworks, researchers aim to capture the subjective aspects of well-being that may not be captured by objective indicators alone, thereby providing a more holistic understanding of human flourishing.

Moreover, the incorporation of insights from behavioral economics augments the sophistication of HLQI measurement by acknowledging human cognitive biases and deviations from rational decision-making. Behavioral economics elucidates how individuals' perceptions of their own well-being are influenced by factors such as reference points, social comparisons, and framing effects. By accounting for these behavioral nuances, HLQI indices can yield more nuanced and accurate assessments of human life quality, guiding policymakers in crafting interventions that effectively enhance well-being.

Additionally, the interdisciplinary perspective of ecological economics underscores the interconnectedness between human well-being and environmental sustainability. HLQI measurement necessitates the inclusion of ecological indicators that reflect the environmental impact associated with different levels of well-being. This holistic perspective emphasizes the importance of balancing human development with environmental conservation to ensure sustainable progress.

In sum, the measurement of HLQI represents a convergence of various economic theories and interdisciplinary insights aimed at capturing the multidimensional nature of human well-being. By synthesizing these perspectives, researchers endeavor to develop comprehensive indices that not only reflect material wealth but also encompass social, environmental, and psychological dimensions, thereby providing policymakers with invaluable tools for promoting human flourishing and sustainable development.

2. LITERATURE REVIEW

The quest to measure human well-being within the realm of economics has witnessed a paradigm shift from conventional metrics like GDP towards more comprehensive indices such as the Human Life Quality Index (HLQI). This literature review aims to explore the landscape of HLQI measurement through the lens of economic theories, shedding light on the theoretical frameworks, methodological approaches, and interdisciplinary perspectives that shape this endeavor.

At the core of HLQI measurement lies the capability approach, a seminal theory championed by Amartya Sen and Martha Nussbaum. This approach asserts that human well-being should not be reduced to mere material wealth but should encompass individuals' capabilities to live flourishing lives. By emphasizing freedoms and opportunities, the capability approach underscores the multidimensional nature of human well-being, prompting researchers to identify and quantify essential capabilities that contribute to a high quality of life (Sen, 1993; Nussbaum, 2000).

Moreover, the integration of utility theory, particularly subjective well-being (SWB), enriches the discourse surrounding HLQI measurement. SWB, rooted in individuals' subjective experiences of happiness and life satisfaction, offers insights into the psychological dimensions of well-being. Researchers have developed methodologies to measure SWB, including surveys and self-reported assessments, enabling the incorporation of subjective aspects into broader HLQI frameworks (Diener et al., 1999; Kahneman et al., 1999).

Furthermore, behavioral economics provides valuable insights into the cognitive biases and deviations from rational decision-making that influence individuals' perceptions of well-being. Factors such as reference points, social comparisons, and framing effects shape how individuals evaluate their own quality of life, highlighting the importance of accounting for behavioral nuances in HLQI measurement (Thaler & Sunstein, 2008).

Additionally, the interdisciplinary perspective of ecological economics underscores the interconnectedness between human well-being and environmental sustainability. HLQI measurement necessitates the inclusion of ecological indicators that reflect the environmental impact associated with different levels of well-being. By integrating ecological dimensions into HLQI frameworks, researchers aim to promote sustainable development that balances human prosperity with environmental conservation (Costanza et al., 2009).

In summary, the measurement of HLQI represents a convergence of various economic theories and interdisciplinary insights aimed at capturing the multifaceted nature of human well-being. By synthesizing these perspectives, researchers strive to develop comprehensive indices that provide policymakers with invaluable tools for promoting human flourishing and sustainable development.

3. METHODOLOGY

This section outlines the methodology employed in conducting the literature review on Human Life Quality Index (HLQI) measurement from an economics perspective. The approach integrates theoretical frameworks, methodological approaches, and interdisciplinary insights to provide a comprehensive understanding of HLQI measurement.

The literature search was conducted using academic databases such as PubMed, Google Scholar, JSTOR, and EconLit, focusing on peer-reviewed articles, books, and reports published within the last decade. Keywords including "Human Life Quality Index," "HLQI measurement," "economics of well-being," and "capability approach" were used to identify relevant literature.

The inclusion criteria encompassed studies that addressed HLQI measurement from an economics perspective, including theoretical discussions, empirical studies, and interdisciplinary perspectives. Articles that explored the intersection of economic theories such as the capability approach, utility theory, behavioral economics, and ecological economics were prioritized.

Data extraction involved synthesizing key findings, theoretical insights, and methodological approaches from the selected literature. The extracted data were categorized based on thematic areas, including theoretical frameworks, methodological approaches, interdisciplinary perspectives, and policy implications.

The analysis focused on identifying common themes, theoretical tensions, methodological challenges, and emerging trends in HLQI measurement. Special attention was paid to the integration of economic theories, interdisciplinary insights, and policy implications for enhancing human well-being and sustainable development.

The synthesis of findings was guided by the overarching objective of providing a comprehensive understanding of HLQI measurement from an economics perspective. The analysis aimed to elucidate the strengths and limitations of existing approaches, identify gaps in the literature, and propose avenues for future research.

In summary, the methodology employed in this literature review involved a systematic search and synthesis of relevant literature, focusing on theoretical frameworks, methodological approaches, interdisciplinary perspectives, and policy implications of HLQI measurement from an economics standpoint.

4. FINDINGS AND DISCUSSION

The literature review on Human Life Quality Index (HLQI) measurement from an economics perspective reveals several key findings that shed light on the complexities and nuances inherent in assessing human well-being.

1. **Multidimensional Nature of Human Well-being:** The literature underscores the multifaceted nature of human well-being, emphasizing that it extends beyond material wealth to encompass social, environmental, and psychological dimensions (Sen, 1993). Economic theories such as the capability approach highlight the importance of identifying and quantifying essential capabilities that contribute to human flourishing (Nussbaum, 2000).
2. **Integration of Subjective Well-being (SWB):** Studies have highlighted the significance of integrating subjective well-being (SWB) into HLQI measurement, as it provides insights into individuals' subjective experiences of happiness and life satisfaction (Diener et al., 1999). SWB complements objective indicators by capturing the psychological dimensions of well-being, thereby offering a more holistic assessment of human life quality.
3. **Behavioral Biases and Perceptions of Well-being:** Behavioral economics insights reveal that individuals' perceptions of their own well-being are influenced by cognitive biases such as reference points, social comparisons, and framing effects (Thaler & Sunstein, 2008). Understanding these biases is crucial for developing accurate HLQI metrics that reflect individuals' true welfare.
4. **Environmental Sustainability and Human Well-being:** The literature emphasizes the interconnectedness between human well-being and environmental sustainability, advocating for the inclusion of ecological indicators in HLQI measurement (Costanza et al., 2009). Ecological economics frameworks highlight the need to balance human development with environmental conservation to ensure sustainable progress.
5. **Methodological Challenges and Interdisciplinary Perspectives:** The review identifies methodological challenges in HLQI measurement, including the selection of appropriate indicators, data availability, and the aggregation of multidimensional data (Stiglitz et al., 2009). Interdisciplinary perspectives from economics, psychology, and environmental science offer valuable insights for addressing these challenges and developing robust HLQI metrics.

In conclusion, the findings from the literature review underscore the importance of adopting a multidimensional approach to HLQI measurement, integrating economic theories, subjective well-being assessments, insights from behavioral economics, and considerations of environmental sustainability. By synthesizing these perspectives, researchers can develop comprehensive HLQI metrics that provide policymakers with invaluable tools for promoting human flourishing and sustainable development.

Themes	Key Findings
Multidimensional Nature of Well-being	- Human well-being encompasses social, environmental, and psychological dimensions, in addition to material wealth (Sen, 1993).
	- The capability approach emphasizes the importance of identifying essential capabilities that contribute to human flourishing (Nussbaum, 2000).
	- Integrating subjective well-being (SWB) into HLQI measurement provides insights into individuals' happiness and life satisfaction (Diener et al., 1999).
Methodological Challenges	- Methodological challenges include selecting appropriate indicators, data availability, and aggregating multidimensional data (Stiglitz et al., 2009).
	- Robust methodologies are needed to capture the complexity of human well-being and address methodological challenges effectively.
Policy Implications	- HLQI metrics inform policy formulation and evaluation, guiding efforts to promote human flourishing and sustainable development (Costanza et al., 2009).

	- Stakeholder engagement enhances the relevance and uptake of HLQI metrics in policymaking processes.
Interdisciplinary Perspectives	- Interdisciplinary collaboration enriches HLQI metrics, enhancing their validity, reliability, and relevance across diverse contexts (Diener et al., 1999).
	- Insights from economics, psychology, and environmental science contribute to the development of nuanced approaches to HLQI measurement.

This matrix summarizes the key findings from the literature review on Human Life Quality Index (HLQI) measurement. It highlights the multidimensional nature of human well-being, methodological challenges, policy implications, and the importance of interdisciplinary perspectives in advancing HLQI measurement.

Discussion

The literature review on Human Life Quality Index (HLQI) measurement offers valuable insights into the complexities and challenges inherent in assessing human well-being from an economics perspective. This discussion synthesizes the key findings and explores the implications for research, policy, and practice.

1. Integrating Multidimensional Perspectives: One of the central themes that emerge from the literature is the importance of adopting a multidimensional approach to HLQI measurement. Economic theories such as the capability approach emphasize the need to consider not only material wealth but also social, environmental, and psychological dimensions of well-being (Sen, 1993). Integrating these dimensions into HLQI metrics enables a more comprehensive understanding of human life quality and facilitates informed policymaking.
2. Addressing Methodological Challenges: The literature highlights several methodological challenges in HLQI measurement, including the selection of appropriate indicators, data availability, and the aggregation of multidimensional data (Stiglitz et al., 2009). Addressing these challenges requires interdisciplinary collaboration and the development of robust methodologies that capture the diverse facets of human well-being. Researchers must also consider cultural differences and context-specific factors that may influence individuals' perceptions of well-being.
3. Enhancing Policy Relevance: HLQI metrics have significant implications for policy formulation and evaluation. By providing policymakers with comprehensive indicators of human well-being, HLQI measurement can inform the design and implementation of policies aimed at promoting human flourishing and sustainable development. Additionally, HLQI metrics can serve as accountability tools, enabling policymakers to track progress towards societal goals and identify areas requiring intervention (Costanza et al., 2009).
4. Advancing Interdisciplinary Research: The literature underscores the importance of interdisciplinary research in advancing HLQI measurement. Collaboration between economists, psychologists, environmental scientists, and other disciplines is essential for developing holistic approaches to assessing human well-being. Interdisciplinary insights can enrich HLQI metrics, enhance their validity and reliability, and ensure their relevance across diverse contexts (Diener et al., 1999).
5. Promoting Stakeholder Engagement: Finally, the discussion highlights the importance of stakeholder engagement in HLQI measurement. Engaging diverse stakeholders, including policymakers, practitioners, and communities, fosters participatory approaches to well-being assessment and ensures that HLQI metrics reflect the priorities and values of those they aim to serve. By involving stakeholders throughout the research process, researchers can enhance the relevance, credibility, and uptake of HLQI metrics in decision-making processes.

In conclusion, the discussion emphasizes the importance of adopting a multidimensional approach, addressing methodological challenges, enhancing policy relevance, advancing interdisciplinary research, and promoting stakeholder engagement in HLQI measurement. By embracing these principles, researchers can contribute to the development of robust and meaningful metrics that facilitate informed decision-making and promote human flourishing and sustainable development.

5. CONCLUSION

In conclusion, the literature review on Human Life Quality Index (HLQI) measurement elucidates the intricate landscape of assessing human well-being from an economics perspective. Through the synthesis of theoretical frameworks, methodological approaches, and interdisciplinary insights, several key conclusions emerge that have profound implications for research, policy, and practice.

Firstly, the multidimensional nature of human well-being necessitates a comprehensive approach to HLQI measurement. Economic theories such as the capability approach underscore the importance of considering not only material wealth but also social, environmental, and psychological dimensions of well-being (Sen, 1993). By integrating these dimensions into HLQI metrics, researchers can provide policymakers with holistic indicators that reflect the diverse facets of human life quality.

Secondly, addressing methodological challenges is paramount to advancing HLQI measurement. The literature highlights the need for robust methodologies that capture the complexity of human well-being, including the selection of appropriate indicators, data collection techniques, and aggregation methods (Stiglitz et al., 2009). Interdisciplinary collaboration and methodological innovation are essential for developing reliable and valid HLQI metrics that guide informed decision-making.

Thirdly, HLQI metrics have significant implications for policy formulation and evaluation. By providing policymakers with comprehensive indicators of human well-being, HLQI measurement can inform the design and implementation of policies aimed at promoting human flourishing and sustainable development (Costanza et al., 2009). Additionally, HLQI metrics can serve as accountability tools, enabling policymakers to track progress towards societal goals and identify areas requiring intervention.

Moreover, interdisciplinary research plays a crucial role in advancing HLQI measurement. Collaboration between economists, psychologists, environmental scientists, and other disciplines enriches HLQI metrics, enhances their validity and reliability, and ensures their relevance across diverse contexts (Diener et al., 1999). By integrating insights from multiple disciplines, researchers can develop nuanced and contextually relevant approaches to assessing human well-being.

Lastly, stakeholder engagement is essential for enhancing the relevance and uptake of HLQI metrics. Engaging diverse stakeholders, including policymakers, practitioners, and communities, fosters participatory approaches to well-being assessment and ensures that HLQI metrics reflect the priorities and values of those they aim to serve. By involving stakeholders throughout the research process, researchers can enhance the credibility and utility of HLQI metrics in decision-making processes.

In conclusion, the literature review underscores the importance of adopting a multidimensional approach, addressing methodological challenges, enhancing policy relevance, advancing interdisciplinary research, and promoting stakeholder engagement in HLQI measurement. By embracing these principles, researchers can contribute to the development of robust and meaningful metrics that facilitate informed decision-making and promote human flourishing and sustainable development.

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