

Theoretical establishment and problems of welfare measurement

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Defining prosperity has a long tradition in economics and this problem arises again and again in today's literature also. This paper takes stock of the dominant theories of welfare: preference-utilitarianism, basic goods approach related to John Rawls, and Amartya Sen's capability approach. Along what their method is, the theories are divided into two groups: formal theories and substantive theories. First I classify these theories into one of the two groups then I make a critical comparison between them. On this basis finally I propose a comprehensive typology of welfare, which can be the theoretical foundation of measuring welfare.

Keywords: welfare, informational basis, primary goods, capability approach

New tendencies on the field of sustainability indicators

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In my study I am concerned with sustainability indicators on subnational levels, including certain approaches and introducing of criteria of indicators, because for a useful sustainability indicator set it is necessary to define the criteria which help to create an adequate system.

In the course of the examination of sustainability indicators it is important to examine the top-down and bottom-up approaches, and the advantages and disadvantages of them. The former is rooted in reductionism and uses quantitative indicators. The latter is based on participation philosophy. The top-down indicators are collected accurately, examined by experts and their validity is tested by statistics tools. However, this approach often disregards the connection with local communities. On the other hand, the bottom-up approach is based on understanding the local context and understanding the environmental and community on local level. This approach not only provides a good source of indicators, but attempts to emphasize the communities' capacity. The approach itself holds the danger that the indicators developed through participation techniques may not be able to grasp sustainability with absolute precision and maximum reliability since it is not certain that the problems and ideas raised by certain members of the community completely cover the knowledge which is necessary to measure the region of interest.

Keywords: level of sustainability, sustainability indicators, top-down approach, bottom-up approach, criteria of indicators, ecological footprint