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# The Capability Approach and Human Development

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# Outline

- Part I: The Capability Approach/HD
  - Capabilities
  - Functionings
  - Agency
- Part II: Complementary Initiatives
  - Growth
  - MDGs
  - Human Rights, and
  - Human security

# Welfare Motivation

- Atkinson notes that ‘despite the prevalence of welfare statements in economics, we are no longer subjecting them to critical analysis
- **‘The welfare basis of policy evaluation is a topic which should receive greater priority in economics.’** ‘The Strange Disappearance of Welfare Economics’ 2001.

**(CA provides a partial basis for econ policy)**

# Intellectual History of CA

- 1979 – Sen ‘Equality of What’?
- Basic Needs – same motivation but in some versions people are passive. CA adds freedom
- 1980s – focused on growth as end; CA growth as means; needs to be complemented by HD / CA
- 1990s to present: Annual *Human Devt Reports*
- Key texts by Sen:
  - 1984: *Commodities and Capabilities*
  - 1992: *Inequality Re-Examined*.
  - 1993: *Quality of Life* (edited with Martha Nussbaum)
  - 1999: *Development as Freedom*
  - 2009: *The Idea of Justice*
- Now a large group of other authors (Nussbaum et al)
- *Is this approach still relevant, or has it been superseded?*





## **Amartya Sen, *key author***

Born 1933 in Dhaka, Bangladesh.

Primary education in Tagore's school in Santiniketan, India.

Witnessed Bengal famine in which 2-3 million people died.

Witnessed murder of a muslim day laborer in the times of partition

Studied in Kolkata and Cambridge UK; taught in Delhi School of Economics, London School of Economics, Oxford, Cambridge and Harvard.

Received Nobel prize 1998

Currently teaching at Harvard.

# What is the Capability Approach?

- Sen's capability approach is a moral framework. It proposes that **social arrangements should be primarily evaluated according to the extent of freedom people have to promote or achieve functionings they value.**
- This is an *Evaluative Approach*.

# Capability

- the various combinations of functionings (beings and doings) that the person can achieve. [It] is, thus, a set of vectors of functionings, reflecting the person's freedom to lead one type of life or another...to choose from possible livings. (*Inequality Re-examined*)
- *think of it as a budget set*
- “The focus here is on the freedom that a person actually has to do this or be that – things that he or she may value doing or being.” *Idea of Justice* 232
- All formulations of capability have two parts: freedom and valuable beings and doings (functionings). Sen's key contribution has been to unite the two concepts.

# Functionings

**The various things a person may value and have reason to value doing or being**

- intuitive
- intrinsically valuable to the person
- intrinsic value (have reason to value)
- so avoids adaptive preferences
- ‘doings and beings’ is our focal *space*



# Functionings allow for different interpersonal conversion factors

Resources → Capability → Functionings → Utility

Bike                      Able to                      Ride around    ☺

ride around

Food                      Able to be                      Nourished    ☺

nourished

# Indicators of Functionings

Which are direct indicators of functionings?

- A. Asset index
- B. Access to schooling
- C. Body Mass Index
- D. Income
- E. Self-reported health
- F. Times per week consume egg

# Freedom

- “the *real opportunity* that we have to accomplish what we value”
- “The ‘good life’ is partly a life of genuine choice, and not one in which the person is forced into a particular life – however rich it might be in other respects.”

It is *authentic self-direction* – the ability to shape one’s own destiny as a person and a part of various communities.

# Freedom is regularly misunderstood

- Freedom is Not a ‘paper’ freedom: it has to be *effective* freedom, a *real* possibility.
- Freedom is Not maximization of choices without regard to their quality and people’s values  
*‘Indeed sometimes more freedom of choice can bemuse and befuddle, and make one’s life more wretched.’*
- Freedom is Not necessarily direct control by an individual , groups, states, etc can increase freedoms by public action and investment.

# Freedom

*for Sen, Freedom has two aspects*

## Process Aspect:

*Ability to act on behalf of what matters (agency)*

Institutions, movements,  
democratic practice

## Opportunity Aspect:

*Real opportunity to achieve valued functionings, selected from among various good possibilities. (capability)*



# Agency: Definition

“what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important.”

Sen “Well-being Agency and Freedom” *J of Philosophy* 1985: 203

“**someone who acts and brings about change**, and whose achievements can be judged **in terms of her own values** and objectives, whether or not we assess them in terms of some **external criteria** as well”

Sen *Development as Freedom*. 1999: 19

agency is **the person's ability to act on what they value and have reason to value.**

# Capabilities *and* Agency

“The approach ... is essentially a ‘people-centered’ approach, which **puts human agency** (rather than organizations such as markets or governments) **at the centre** of the stage. The crucial role of social opportunities is to expand the realm of human agency and freedom, both as an end in itself and as a means of further expansion of freedom. The word ‘social’ in the expression ‘social opportunity’ (...) is a useful reminder not to view individuals and their opportunities in isolated terms. The options that a person has depend greatly on relations with others and on what the state and other institutions do. We shall be particularly concerned with those opportunities that are strongly influenced by social circumstances and public policy...” (Drèze & Sen 2002 page 6).



# Other Process freedoms:

## Social Movements, Advocacy, Democratic Practice, Responsibility

“The fact that so many people ... go on perishing from persistent deprivation on a regular basis, is a calamity to which the world has, somewhat incredibly, got coolly accustomed. It does not seem to engender the kind of shock and disquiet that might be reasonable to expect given the enormity of the tragedy. Indeed, the subject often generates either cynicism (‘not a lot can be done about it’) or complacent irresponsibility (‘don’t blame me – it is not a problem for which I am answerable’).



## What is lacking is constructive impatience and public outcry

# Common Misunderstandings

- **Breadth** – well beyond health & education
- **Individualism** (is ethical not methodological)
- **Evaluative vs Prospective** analysis. It can evaluate activities, or guide policy to create choices.
- It is *deliberately* **incomplete** – it has to be operationalized differently in different contexts.
- Not all **multidimensional** analyses are capability analyses – many don't consider freedom/agency, intrinsic values, capabilities not resources, and the process of public debate etc.

# Others' Conceptualizations

- Nussbaum *Creating Capabilities* (2011):
  1. Theory of social justice
  2. Measurement and social welfare
- Robeyns\*: CA makes two claims:
  1. The freedom to achieve well-being is of primary importance
  2. That freedom to achieve well-being is to be understood in terms of people's capabilities.

*\*Stanford Encyclopedia of Philosophy*



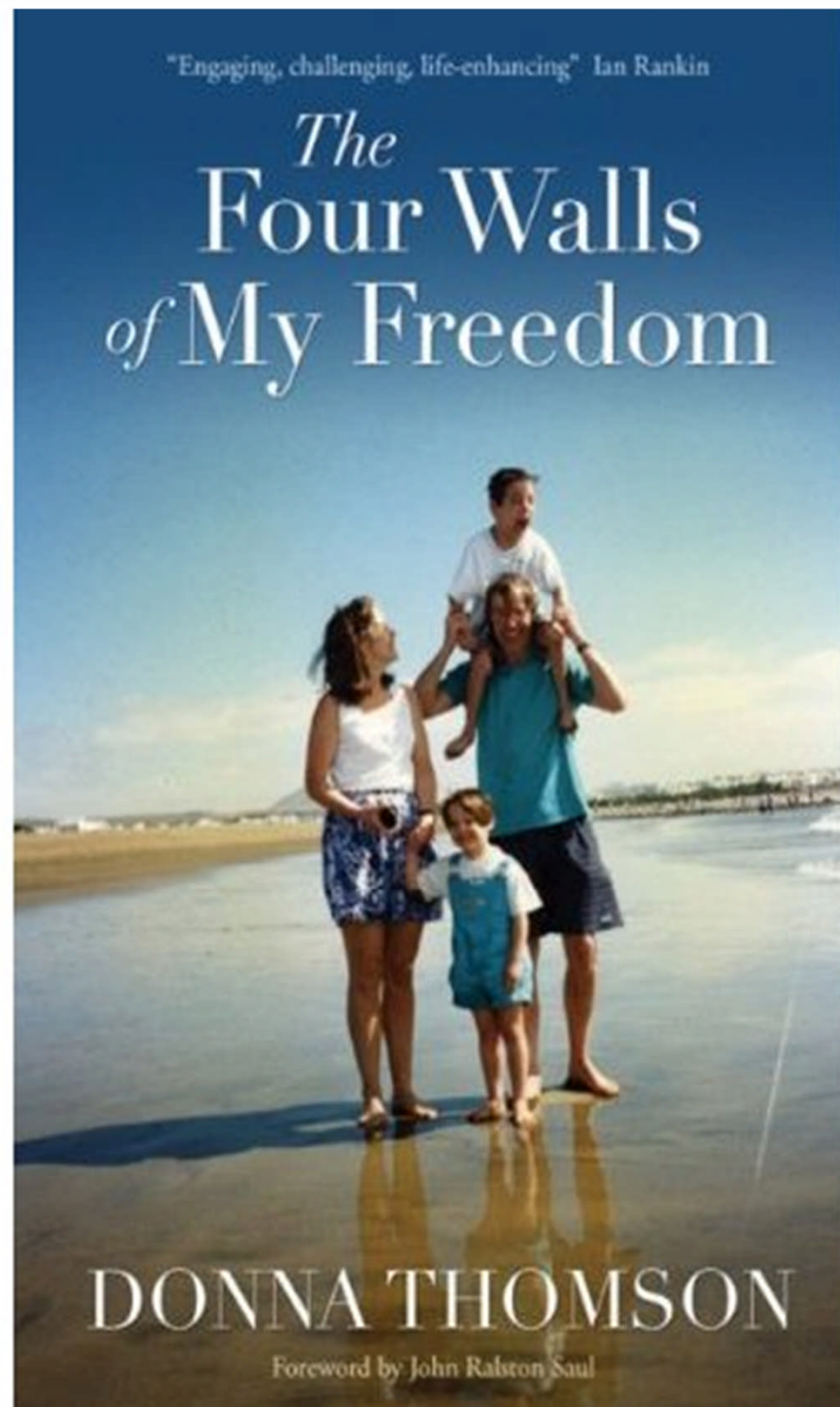
## Donna's Family exercise:

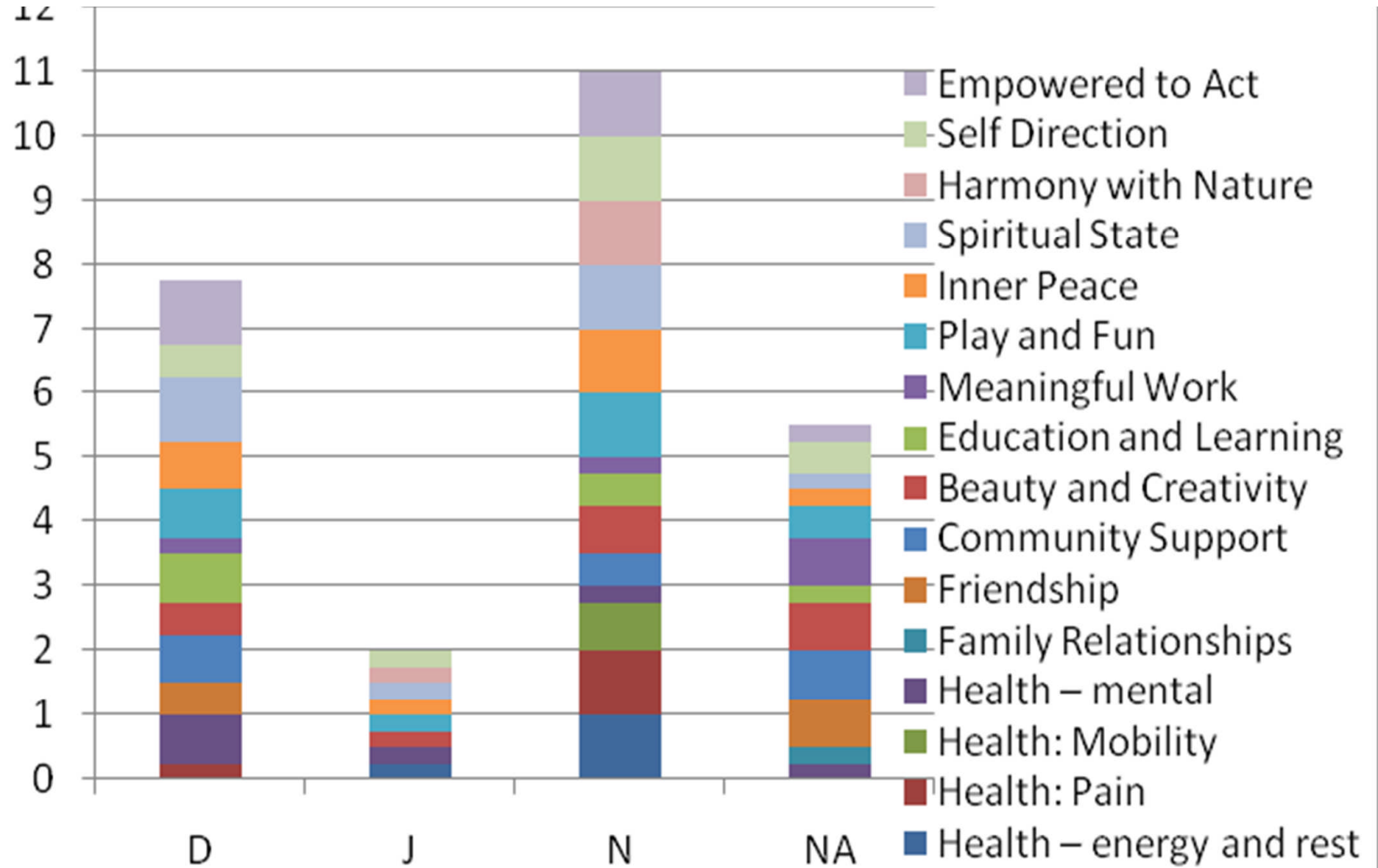
1) what are the key capabilities/functionings that you value and [judge that you] have reason to value?

2) What level of achievement would be sufficient?

3) Where are you now? [make up your own scale – e.g. 1-5]

4) How did these expand / contract since starting the Summerschool? ☺





# Capability Space and measurement

- “The Capability approach is concerned primarily with identification of value-objects, and sees the evaluative space in terms of functionings and capabilities to function.” 1992:43

# Capability Space and measurement

- “The primary claim is that in evaluating well-being, the value-objects are the functionings and capabilities. That claim neither entails that all types of capabilities are equally valuable, nor indicates that any capability whatsoever--even if totally remote from the person’s life--must have some value in assessing that person’s well-being. ... The relative valuation of different functionings and capabilities has to be an integral part of the exercise.” 1992:46

# Capability Space and measurement

- There is no difference *as far as the space is concerned* between focusing on functionings *or* on capabilities. A functioning combination is a *point* in such a space, whereas capability is a *set* of such points.
- “Ideally, the capability approach should take note of the full extent of freedom to choose between different functioning bundles, but limits of practicality may often force the analysis to be confined to examining the *achieved* functioning bundle only.” 1992:53



# Beyond both CA and measurement:

Sen's *Idea of Justice* (2009) moves beyond Capability Approach (which articulated the *space* in which to evaluate well-being), and towards a *welfare economics*, with multiple dimensions [in capability space], as well as principles, and processes.

# *Questions for Reflection*

1) Look at the indicators you used in your exercise on Saturday. Which were:

Functionings

Resources

Utility

2) What is the value of measures of functionings vs resources?

3) How does the AF dual cut-off methodology allow for diversity, even a crude kind of freedom?

# How does the Capability Approach Relate to Human Development

- Human Development is conceptually founded on the capability approach, and looks to application.
- HD used Sen's phrase – that the objective of development is to expand capabilities – and simplified it to “expand people's choices.”
- The language has changed; the objective has not.
- Whereas there *are* significant conceptual differences between HD and HR, HS, MDGs, there are *not* such differences with the CA.

# Academic Literature & Advances:

- Since 1990, little philosophical discussion of HD concept
- Academic discussions have engaged the capability approach
- Some advances
  - clarify the incompleteness of the approach and how to fill in
  - clarify its ‘individual’ focus ~ ethical, not methodological
  - clarify distinct uses in policy and in evaluation
  - relationship between capability, agency, and democratic practices
  - clarify how to choose capabilities
  - needs principles – equity, sustainability, responsibility, efficiency
  - roles for participatory work, measurement, laws, etc
  - relationship with HR in particular; also HS and happiness

## DEFINITIONS:

### HDR 1990:

#### Defining human development

Human development is a process of enlarging people's choices. The most critical ones are to lead a long and healthy life, to be educated and to enjoy a decent standard of living. Additional choices include political freedom, guaranteed human rights and self-respect — what Adam Smith called the ability to mix with others without being “ashamed to appear in public” (box 1.1).

The term *human development* here denotes both the *process* of widening people's choices and the *level* of their achieved well-being. It also helps to distinguish clearly between two sides of human development. One is the formation of human capabilities, such as improved health or knowledge. The other is the use that people make of their acquired capabilities, for work or leisure.

Human development, by contrast, brings together the production and distribution of commodities and the expansion and use of human capabilities. It also focusses on choices — on what people should have, be and do to be able to ensure their own livelihood. Human development is, moreover, concerned not only with basic needs satisfaction but also with human development as a participatory and dynamic process. It applies equally to less developed and highly developed countries.



## DEFINITIONS:

### HDR 1990:

Defining human development

#### DEFINITION:

#### Enlarging Choices

#### DIMENSIONS:

Life & Health, Ed,  
Living Std, Pol Freedom,  
Human Rts, Self-Respect

#### Processes & Outcomes

#### Creation & Use

#### BN + Participation

#### LDC & OECD

The term *human development* here denotes both the *process* of widening people's choices and the *level* of their achieved well-being. It is useful to distinguish clearly between two sides of human development. One is the formation of human capabilities, such as improved health or knowledge. The other is the use that people make of their acquired capabilities, for work or leisure.

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## DEFINITIONS:

### HDR 2010:

Human development is the expansion of people's freedoms to live long, healthy and creative lives; to advance other goals they have reason to value; and to engage actively in shaping development equitably and sustainably on a shared planet.

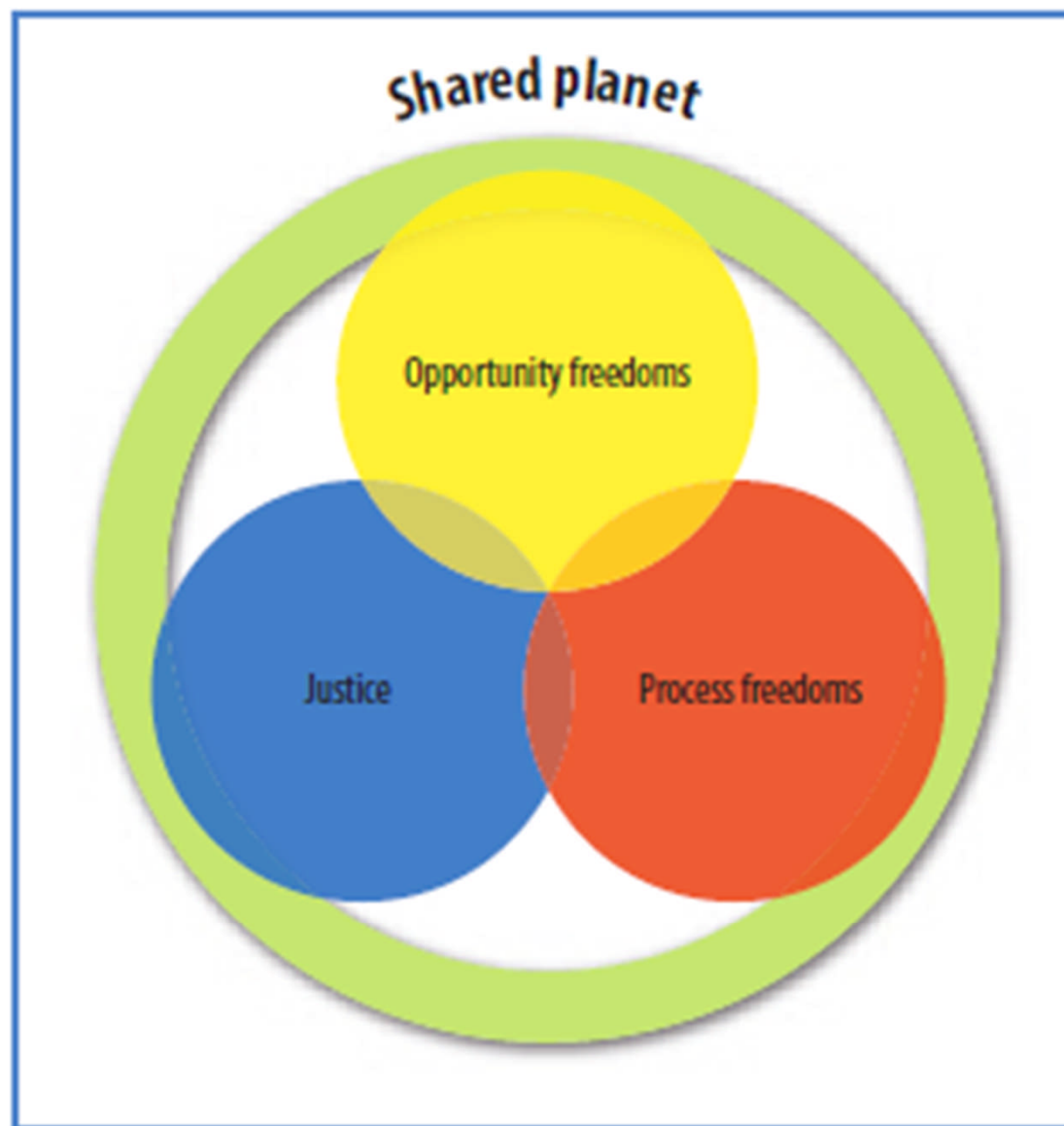
People are both the beneficiaries and the drivers of human development, as individuals and in groups.

FIGURE

1.3

## The human development concept—on a shared planet

Conceptual framework for human development



Source: HDRO based on Alkire 2010.

# Do we need a definition at all?

The concept of Human Development has been **living, not calcified**.  
It could and indeed did change.

In no way is it suggested that that living engaged approach to human development be replaced by a static form of words.

What *is* proposed is that the core components of human development 2010 include **process freedoms** in addition to capability expansion, and that concerns of **duration**, environmental **sustainability**, and **equity** be portrayed as integral to human development

# Part II

What does Human Development mean in terms of other objectives that guide development?

# Human Development & other concepts:

## Human Rights, Human Security, Happiness, MDGs

- At one level, all of these are related to the overall project of human development (HR, happiness pre-dates it).
- **HS, HR => Different Audience** (Military, Legal), similar Agenda
  - **Unit of Analysis** = person, not economy/territory/legal precedent
  - **Focal Space** = capabilities and functionings - people's lives
  - **Dimensions** = multidimensional
- **MDGs:** a particular quantitative articulation of some core HD goals.
- **Happiness:** Develops an under-emphasised aspect of Human Development and shares the motivation to reorient economic and social policy towards people's well-being.



# Human Development & other concepts:

## Human Rights, Human Security, MDGs (happiness)

- At another level, all of these are advanced by different parts of the UN System, hence to some extent institutions ‘choose’ one and see other concepts as competitors. This creates territorial tensions, power dynamics, and the need to see own concept as superior in order to motivate staff.
  - Also, activities associated with one or another of these terms have been successfully or poorly implemented to various degrees in different contexts. So in some contexts, one *concept* will have a positive (negative) reception because of their experience with an agency, project or person.
- These tensions are real. However this conceptual discussion will leave them to one side.

# Human Development and the Millennium Development Goals

*A conceptual exploration*

# The MDGs and Human Dev:

## *An untold story?*

- The 1990, 1991 and 1994 HDRs advocated *National Action plans* that would specify HD priorities and policies for each context.
- The 1990 HDR also suggested setting realistic **‘global targets for human development’**.
- Targets would create a ‘conducive environment and **political pressure for their serious pursuit** nationally and internationally’.
- Sample targets were named in 1991 & 1994

# Haq 1995: Consensus is key

- Mahbub ul Haq's 1995 book reiterated the vital need for a Global compact.
- He recognised that such a compact would limit some of the more visionary aspects of human development, but argued this was necessary:
- *The task of overcoming the worst aspects of human deprivation in the next decade is far too important to be sacrificed on the altar of unnecessary controversy* (p 185).

# MDGs and HD:

## MDGs

Fixed in number

Fixed in time

Fixed internationally

Developing ctries

Focused on poor

Needs political will

Omits participation

Omits Human Rts

Concrete LT Political focus

## HD

Open-ended

Enduring

Needs periodic debate

All countries

Includes all people\*

Needs political will

Requires participation

Complements HR

req LT concrete goals

*\* With priority for poor*

## *If we met the MDGs would we have HD?*

- (1) Eradicate extreme hunger and poverty.
- (2) Achieve universal primary education.
- (3) Promote gender equality and empower women.
- (4) Reduce child mortality by two-thirds.
- (5) Reduce maternal mortality by three-quarters.
- (6) Combat HIV/AIDS, malaria, and other diseases.
- (7) Ensure environmental sustainability.
- (8) Develop a global partnership for development.



# 1. Are the MDGs focused on functionings / capabilities?

**Eradicate extreme hunger and poverty.**

- (1) Achieve universal primary education.**
- (2) Promote gender equality and empower women.**
- (3) Reduce child mortality by two-thirds.**
- (4) Reduce maternal mortality by three-quarters.**
- (5) Combat HIV/AIDS, malaria, and other diseases.**
- (6) Ensure environmental sustainability.**
- (7) Develop a global partnership for development.**

# 1. Are the MDGs focused on functionings / capabilities?

- (1) Eradicate extreme hunger and poverty. **Hunger – yes; \$1/day - indirectly**
- (2) Achieve universal primary education. **Indirectly – if schooling creates knowl.**
- (3) Promote gender equality and empower women. **Yes.**
- (4) Reduce child mortality by two-thirds. **Yes.**
- (5) Reduce maternal mortality by three-quarters. **Yes.**
- (6) Combat HIV/AIDS, malaria, and other diseases. **Yes.**
- (7) Ensure environmental sustainability. **These are resources – tho vital ones.**
- (8) Develop a global partnership for development. **Indirectly.**

# 1. Are the MDGs focused on functionings / capabilities? Do their indicators adequately represent their focus?

- (1) Eradicate extreme hunger and poverty. **Hunger –U5m, calories; \$1/day,**
- (2) Achieve universal primary education. **Indirectly – if schooling creates knowl.**
- (3) Promote gender equality and empower women. **Yes +.**
- (4) Reduce child mortality by two-thirds. **Yes.**
- (5) Reduce maternal mortality by three-quarters. **Yes.**
- (6) Combat HIV/AIDS, malaria, and other diseases. **Yes.**
- (7) Ensure environmental sustainability. **These are resources – tho vital ones.**
- (8) Develop a global partnership for development. **Indirectly.**

**Most MDGs are directly focused on functionings;  
although the indicators for some are resources.**

## 2. If we meet the MDGs will capabilities have expanded?

- (1) Eradicate extreme hunger and poverty.**
- (2) Achieve universal primary education.**
- (3) Promote gender equality and empower women.**
- (4) Reduce child mortality by two-thirds.**
- (5) Reduce maternal mortality by three-quarters.**
- (6) Combat HIV/AIDS, malaria, and other diseases.**
- (7) Ensure environmental sustainability.**
- (8) Develop a global partnership for development.**

- 1. Do people *value* the functionings the MDGs deliver?
- 2. Are they *coerced* into enjoying them or do they act as agents?
- 3. Do other valuable options shrink? If so does this outweigh MDG progress?

## 2. Does progress towards MDGs expand capabilities?

(in other words, in what cases can we say that an expansion of basic functionings IS an expansion of capabilities?)

If the following conditions are met, MDGs expand capabilities:

- People *value* the functionings the MDGs deliver.
- People are not *coerced*; they participate as agents.
- Other valuable options do not shrink so much as to outweigh MDG progress.

Alas technically the MDGs could also be met in prison.

# Human Development & other concepts:

## Human Rights, Human Security, MDGs, Happiness

- **Human Rights:** Adds responsibility; Lists rights; Legal tools;  
Lacks agency; less empirical scrutiny; flexibility; imperfect
- **Human Security:** Narrowed focus on 'vital core'; Military-Security;  
Explicitly addresses violence; shocks; vulnerabilities.
- **Happiness:** Emphasises subjective states; data;  
Lacks agency, multidimensionality, objective states.
- **MDGs:** Specifies goals, targets, and time line. Seeks public action;  
Lacks 'missing goals', participation, national targets  
Clear enough to fail; bureaucratic? Weak analysis.



# Human Development and Human Rights

*A conceptual exploration*

*This insistence on a claim on others takes us beyond the  
idea of human development.*

*HDR 2000*

# HR and HD:

## HR

Moral/Normative

MD - Universal Decl

Fixed in time

Fixed internationally

Specifies obligations

Independent

All top priority

Responsibility explicit

Legal Institutions, norms

## HD

Moral/Normative

MD - Open-ended

Flexible, contextual

Needs periodic debate

Seeks expansions

Studies interconnexns

Can sequence, prior.

Space but not specified.

Other institutions.

# Human Development and Human Security

*A conceptual exploration*

**The Concept of Human Security: to protect the vital core of all human lives in ways that enhance human freedoms and human fulfilment. *HS Now 03***

Human security means protecting fundamental freedoms—freedoms that are the essence of life.

It means protecting people from critical (severe) and pervasive (widespread) threats and situations.

It means using processes that build on people's strengths and aspirations.

It means creating political, social, environmental, economic, military and cultural systems that together give people the building blocks of survival, livelihood and dignity.

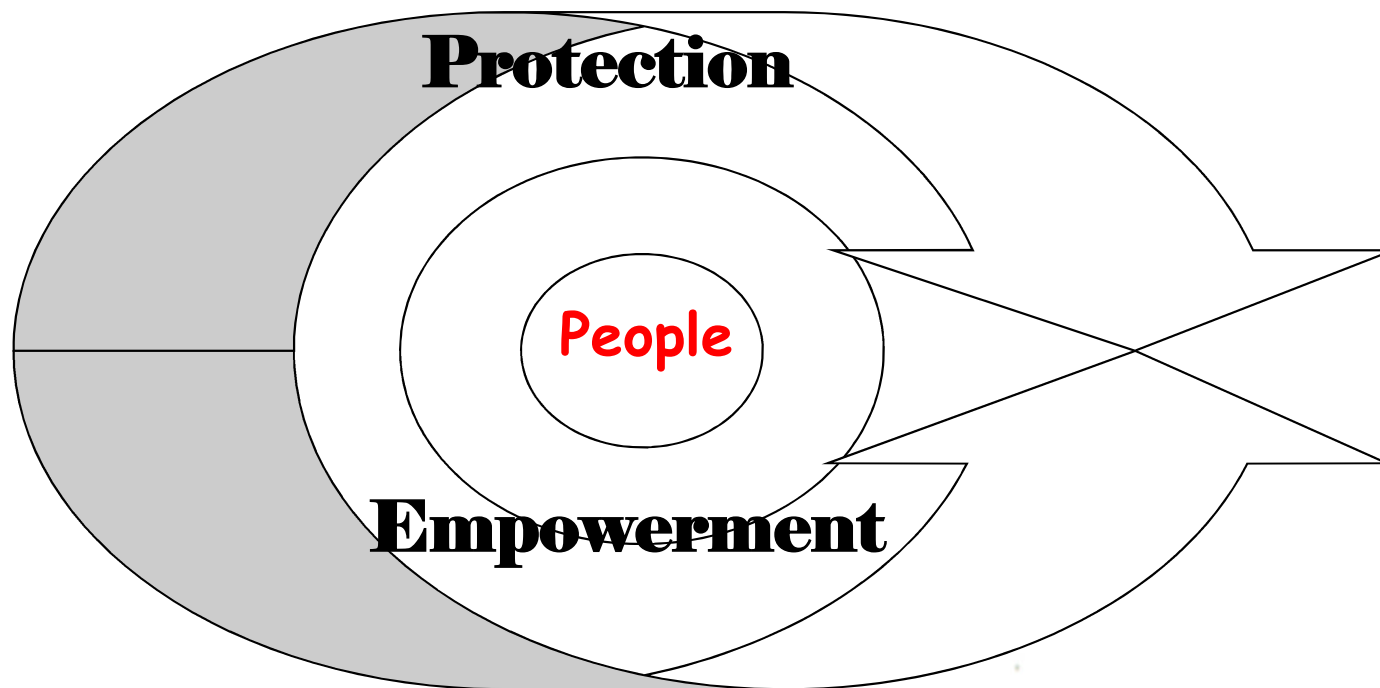
# The Concept of Human Security

- *people-centred*
- *freedom from fear and freedom from want.*
- *focused in scope to critical pervasive threats*
- *attends to downside risks to human lives*

But many alternatives, 40+ definitions... eg

Human security report = Violence only; HDR 94,  
quite wide-ranging

# The Process of Human Security





# Human Security and State Security

*(Like Human Development and Economic Development)*

## Similarities:

Both are focused in scope

Both prepare for worst case scenarios

Both are multidisciplinary and multidimensional

## Differences:

The **Unit of Analysis** shifts to the human being not the nation.

The **focal dimensions** widen beyond territorial aggression, to include economic, social, political, and military security.

Clear emphasis on **empowerment** as well as on protection.

# HS and HD:

## HS

Vital core of freedoms

Protect from threat/risk

Participation

Protection

Multidimensional

All countries

Includes all people\*

Needs political will

People not territory

## HD

All freedoms

Expand

Agency & Participation

Many roles/institutns.

Multidimensional

All countries

Includes all people\*

Needs political will

People not economy

\* *With priority for poor*

# Human Development and Happiness:

*A conceptual exploration*

# What is 'Happiness'?

Two of the most widely used indicators are:

- *Happiness* “Taking all things together, would you say you are: 1 Very happy; 2 Rather happy; 3 Not very happy; 4 Not at all happy
- *Satisfaction* “Overall, how satisfied are you with your life? Are you...5 Very satisfied; 4 Satisfied; 3 Neither unsatisfied or satisfied; 2 Unsatisfied; or 1 Very unsatisfied.

# UK – ONS four questions 2011

Respondents were asked to give answers on a scale of 0 to 10 to the following questions:

- Overall, how satisfied are you with your life nowadays?
- Overall, how happy did you feel yesterday?
- Overall, how anxious did you feel yesterday?
- Overall, to what extent do you feel the things you do in your life are worthwhile?

# Happiness and HD:

## Happiness

Psychological state

Subjective

Unidimensional

Expert Knowledge

Questions material

All countries

Might favor discontented

Policies as yet unclear

## HD

All freedoms

Objective & Subjective

Multi-dimensional

Agency & Participation

Less on meaning

All countries

Priority for poor

Policies clearer



# In sum: ideas matter

Sen: ‘a misconceived theory can kill’

- **Growth** – focus on efficiency, general purpose means [omit direct interventions, public action, ends]
  - **MDGs** – integrated, multiple, measurable, engage LT collective action [but limited, omit freedom to choose dimension, omit agency and empowerment]
  - **Human Rts** – multiple, normative [trade-offs? empirical work? Guide economic policy? Processes?]
  - **Happiness** – unidimensional, perceptual [reflection of objective reality? Adaptive preferences? Agency?]
- **HD** may seem obvious. But macro-economics does not reflect it, and projects do not necessarily advance it. It is practically helpful to understand how partial frameworks (growth, happiness, MDGs) fit into human development + human rights.

# Haq 1995

“It is fair to say that the human development paradigm is the most holistic development model that exists today. It embraces every development issue, including economic growth, social investment, people’s empowerment, provision of basic needs and social safety nets, political and cultural freedoms and all other aspects of people’s lives. It is neither narrowly technocratic nor overly philosophical. It is a practical reflection of life itself.” p 23