



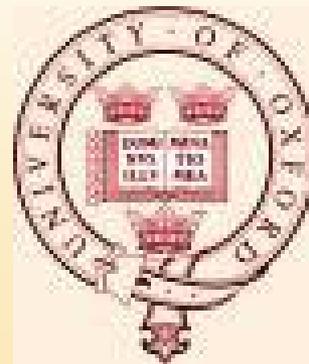
# Summer School on Capability and Multidimensional Poverty

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Lima, Peru

**OPHI**

Oxford Poverty & Human  
Development Initiative  
University of Oxford  
[www.ophi.org.uk](http://www.ophi.org.uk)



# Introduction to Sen's Capability Approach

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# Outline

- Part I: The Capability Approach
  - History and Motivation
  - Capabilities
  - Functionings
  - Agency
  - Collective Action
- Part II: Conceptual Relationships
  - Growth
  - MDGs
  - Human Rights
  - Human Security
  - Happiness

# Why do we examine the capability approach?

- 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)**

# Why do we examine the capability approach?

- Sen's capability approach has been widely cited by economists and social scientists
- “There is widespread agreement that deprivation is multidimensioned. It is not enough to look only at income poverty; we have also to look at other attributes. As Sen has put it, “the role of income and wealth. . . *has to be integrated into a broader and fuller picture of success and deprivation*”

## Why?, cont'd

- Bourguignon and Chakravarty 2003 also draw on the capability approach to justify their multidimensional approach to measurement:
- “Well-being is intrinsically multidimensional from the view point of ‘capabilities’ and ‘functionings.’” (2003 p 26)
- Citations aside, the issues the capability approach raises seem arguably worth considering on their own merit.

# By lunchtime you should:

- Understand key concepts fully & accurately
  - Capability, Functionings, Agency
- Understand why capabilities might be a more desirable ‘space’ for evaluation than resources and utility.
- Be able to write accurately descriptions of the capability approach
- Understand linkages with other prominent concepts (MDGs, Happiness, Growth, etc)

# Capability Approach – history

- 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?*



Jon Chase, Harvard News Office

**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.

# Capability

All formulations of capability have two parts: freedom and valuable beings and doings (functionings). Sen's significant contribution has been to unite the two concepts.

# 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

# 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		

# Note: functionings & indicators

- Which are direct indicators of functionings?
  - A. Asset index
  - B. Subjective Well-being / Happiness
  - C. Body Mass Index
  - D. Literacy
  - E. Years of Schooling
  - F. Self-reported health

# 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: Definitions

“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



## 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**

# Collective Action



*Legal Supports*  
*Robust Research Findings*  
*Media Attention*  
*Public Awareness*  
*Public Monitoring*  
*Social Movements*  
*Champions in Power*



# Relevant for Research?



“After 15 years of research on hunger and famines, one is perhaps entitled to feel like an ‘expert’ of sorts on these matters. Yet I did not always find myself better equipped than others to understand the practical issues...At times, I even felt embarrassingly ignorant compared with local people who had little formal education but a sharp understanding of the real world.”(Jean Drèze ‘02)

# Engaged Research – virtuous circle for research quality



‘the value of scientific research can, in many circumstances, be enhanced *even further* if it is combined with real world involvement and action.’

*Jean Drèze ‘02*

# Objective of Development

“Development can be seen...as a process of expanding the real freedoms that people enjoy.” *Opening Sentence, Development as Freedom*

The goal of development is the “promotion and expansion of valuable capabilities.” *Sen, “Development as Capability Expansion”*

People are the real wealth of nations. Indeed, the basic purpose of development is to enlarge human freedoms. The process of development can expand human capabilities by expanding the choices that people have to live full and creative lives. And people are both the beneficiaries of such development and the agents of the progress and change that bring it about. This process must benefit all individuals equitably and build on the participation of each of them. This approach to development—human development—has been advocated by every *Human Development Report* since the first in 1990.

*HDR 2004 p 127*

# Drèze & Sen 2002:

## 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...” (page 6).

# 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.**

# Evaluation vs Prospective

- Alkire 08 clarifies that in practice the capability approach has two uses:
- **Evaluative:** comparative assessments of states of affairs
- **Prospective:** a working set of the policies to expand capabilities – together with the processes of doing so, and contextual considerations.

# Key issues to emphasise (*Idea of Justice*)

1. Capability Approach = *informational focus*.  
Does not propose how to use that info.
2. “the capability approach is concerned with a plurality of different features of our lives and concerns” (IJ 233) – *multidimensionality*
3. “it proposes a serious departure from concentrating on the *means* of living to the *actual opportunities* of living.” – *focus on ends*

# Further features of CA (*Idea of Justice*)

## **Opportunity not just Achievement**

1. Why go beyond achievements to opportunities (beyond functionings)
  - CA includes information on achieved functionings
  - Same achieved functionings go with different freedoms (fasting)
  - Capability to choose can be important (immigrants)
  - Personal responsibility

**(Issue: how to measure freedom)**

# Further features of CA (*Idea of Justice*)

## **Incommensurability**

- Utilitarian tradition required ‘beating every valuable thing down to some kind of an allegedly homogeneous magnitude of ‘utility’.
- Massive use of GNP to indicate well-being
- “Non-commensurability is present when several dimensions of value are irreducible to one another”  
IJ 240
- “serious exercises of social valuation cannot avoid dealing, in one way or another, with the valuation of diverse objects”  
**(This affects ‘weights’)**

# Further features of CA (*Idea of Justice*)

## Public Reasoning & Value Judgements

- With total commensurability, economics is purely mathematical. Incommensurability is solved by value judgements. A key mechanism for making these judgements is public reasoning.
- “The connection between public reasoning and the choice and weighting of capabilities in social assessment is important to emphasise.” p 242
- Partial rankings (incomplete agreement) likely.
- **(choice of dim/wts invoke public reason?)**

# Questions:

- How does the Capability Approach view Inequality?
- What capabilities are most important?
- Which capabilities should have the greatest weight?
- How do we weight the capabilities of different generations?
- How should indigenous groups' capabilities appear in national plans?

# Questions:

- How does the Capability Approach view Inequality? **Raises the issue; Value judgement for public reasoning (VJ4PR)**
- What capabilities are most important? **VJ4PR**
- Which capabilities should have the greatest weight? **(VJ4PR)**
- How do we weight the capabilities of different generations? **(VJ4PR)**
- How should indigenous groups' capabilities appear in national plans? **(VJ4PR)**

# Further features of CA (*Idea of Justice*)

## Individuals and Communities

- Capabilities are seen primarily as attributes of people. Should 'group capabilities' matter?
  - Capabilities 'bring in social influences' – people are not totally independent of course!
  - Groups could coerce persons (intrahh dist)
  - People belong to several groups
  - And people disagree with their groups

**(Evaluation vs policy)**

# Other Common Misunderstandings

- **Evaluative vs Prospective** analysis. It can evaluate activities, or guide policy ex ante (‘capability production functions’).
- It is *deliberately* **incomplete** – it has to be operationalized differently in different contexts.
- Not all **multidimensional** poverty analyses are capability analyses – consider freedom/agency, intrinsic value of capabilities, space of capabilities not resources, etc.

## Part II

What does this mean in terms of some other objectives that guide development?

- **Growth**
- **MDGs**
- **Human Rts**
- **Human Security**
- **Happiness**

# Why Growth?

## Is a high GDP/ capita needed for HD?

	Saudi Arabia	Uruguay	Russia	Costa Rica	Vietnam	Morocco
GDP per capita (PPPUS\$)	15,711	9,962	10,845	9,481	3,071	4,555
Adult literacy rate (%)	82.9	96.8	99.4	94.9	90.3	52.3
Female literacy rate (%)	76.3	97.3	99.2	95.1	86.9	39.6
Life expectancy (years)	72.2	75.9	65	78.5	73.7	70.4
Under 5 mortality (0/00)	26	15	18	12	19	40
Political Rights/Civil Liberties <sup>a</sup>	7/6	1/1	6/5	1/1	7/5	5/4
Human Development Index	0.812	0.852	0.802	0.846	0.733	0.646

Source: Human Development Report 2007/2008, see [www.undp.org](http://www.undp.org)

<sup>a</sup> Freedom House 2008 (with 1 being most free and 7 less free), see [www.freedomhouse.org](http://www.freedomhouse.org)

**Not necessarily. HDI does not always match income per capita.**

# Haq 1995

- “It is the lack of political courage to make tough decisions, rather than the paucity of financial resources, that is responsible for the current state of human neglect.”

# Why Growth?

## Do incomes mean better HD individually?

	Non-deprived in non-monetary dimension	Deprived in non-monetary dimension
Not income poor	Group A	Group B (I)
Income Poor	Group C (II)	Group D

Ruggieri-Laderchi 2007

If monetary poverty is used for policy & targeting:

**Group B** represents a targeting error I (omission of some poor)

**Group C** represents a targeting error II (inclusion of non-poor)

# No. High percentages of people are in B&C

**Table 5. Lack of overlaps between monetary and CA poverty**

Capability poverty measured as	B (omission)	Education		Nutrition/health	
		Children	Adults	Children	Adults
% of CA poor not in monetary poverty:	India	43	60	53	63
	Peru	32	37	21	55
% of monetary poor not CA poor:	India	65	38	53	91
	Peru	93	73	66	94

Source: Franco *et al.* (2002).

C (overcount)

Big Numbers!

**Conclusion: Income significantly mis-identifies people's deprivations at individual level. Supplemental Direct Measures are necessary for policy & targetting.**

**But even if income is an inadequate *measure*,  
perhaps growth is an adequate *objective*?  
*This is a lively topic in 2008 – DFID etc.***

**India:** 15 years of strong economic growth.

**1998-9 NHFS-2:** 47% children < 3 are undernourished

**2005-6 NHFS-3:** 46% (FOCUS 06) (wt-age)

In 1998/9, 58% of children < 3 yrs had not completed vaccinations; by 2005/6 still 56% of children were not fully vaccinated. And anaemia rose 75%-79% in those years.

# Growth Commission Report 2008

Cases: 7+<sup>0</sup>% growth, over 25+ years

‘Successes’ include some strong HD performers. But

- In Indonesia 28% of children <5 are underweight and 42% are stunted
- In Botswana, 30% of the population are malnourished, LE has fallen 20 years to 44 years, HDI rank is 70 places below the GDP rank.
- In Oman, women earn significantly less than 20% of male earnings

**Bourguignon et al 08 found “little or no correlation” between economic growth and improvements in the non-income MDGs.**

# HD and the MDGs

*A conceptual exploration.*

# How do Human Development and the Capability Approach relate?

- 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* significant differences with the CA.

## *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?

- (1) Eradicate extreme hunger and poverty.**
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# 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, in part.**
- (4) Reduce child mortality by two-thirds. **Yes.**
- (5) Reduce maternal mortality by three-quarters. **Yes.**
- (6) Combat HIV/AIDS, malaria, and other diseases. **In part.**
- (7) Ensure environmental sustainability. **These are resources – tho vital ones.**
- (8) Develop a global partnership for development. **Indirectly.**

**Most MDGs are 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 these 3 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.**

# MDGs and HD:

## MDGs

Fixed in number

Fixed in time

Fixed internationally

Developing cttries

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*

Haq 1995: HD needed something *like*  
national MDGs to catalyze public action  
The human dimension in development planning:

1. Plans would begin with a human balance sheet - human resources, skills, income dist, unemployment, urban/rural, “What are the cultural and social attitudes and aspirations of the people?... how does the society live and breathe?” 5
2. “all plans will not look the same. They will carry the flesh and colour of their people and their societies.” 6
3. Plans integrate production and distribution objectives
4. Decentralized strategy, with participation & self-reliance.
5. Performance analysed against social & human indicators.

# 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

Resp, Culp, Account

Legal Institutions, norms

## **HD**

Moral/Normative

MD - Open-ended

Flexible, contextual

Needs periodic debate

Seeks expansions

Studies interactions

Can sequence, prior.

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.

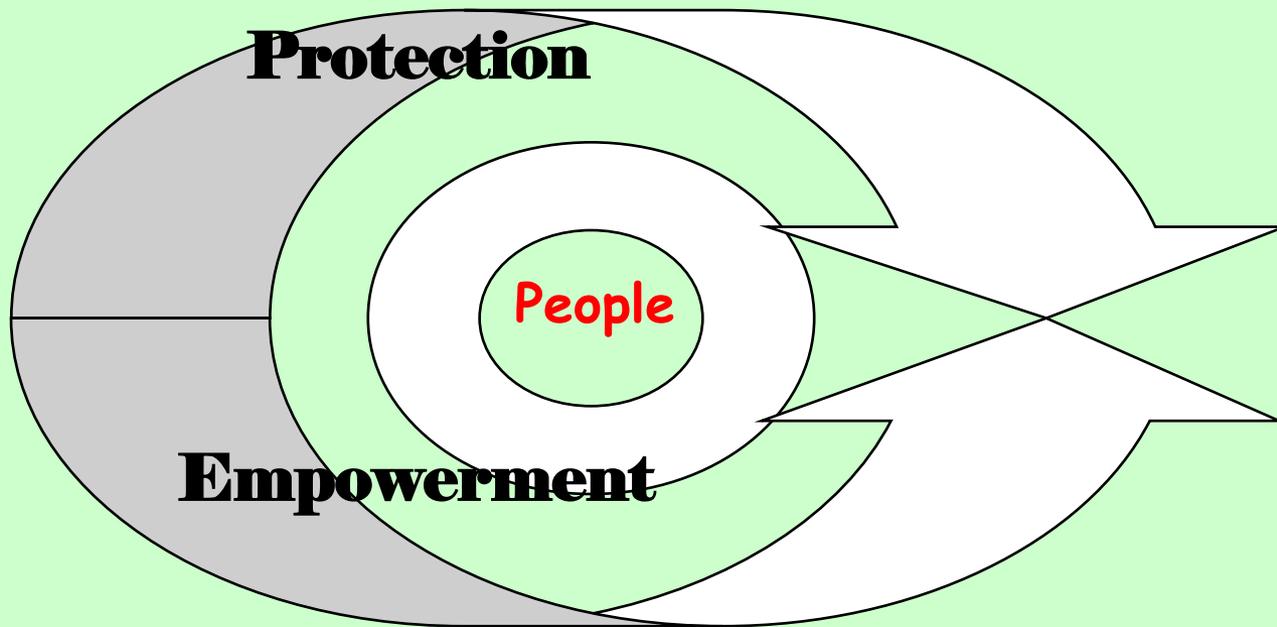
# The Concept of Human Security

- *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*

# Capabilities and Happiness

*A conceptual exploration.*

# Economics: the dismal science?

John Stuart Mill

By a mighty effort of will

Overcame his natural bonhomie

And wrote the 'Principles of Political Economy'

– Bentley, cited in *Idea of Justice* 269

# Questions

- How does the CA acknowledge happiness
- How adequate is happiness as a measure of well-being or poverty?  
How complete is happiness as an objective?

# How does the CA acknowledge happiness

- Happiness a momentous achievement.
- It is a functioning
- It also reflects other functionings somewhat
- However, Sen disagrees with Layard, who writes, ‘unlike all other goals, [happiness] is self-evidently good’.
- Sen argues other capabilities are self-evidently good (as do others – e.g. Finnis, Aristotle)

# How adequate is happiness as a measure of well-being or poverty?

- Sen argues Happiness is not a good measure because people's preferences adapt.
- “It is by coming to terms with one's hopeless predicament that life is made somewhat bearable by the traditional underdogs, such as oppressed minorities... sweated workers... precarious sharecroppers...subdued housewives... **They train themselves to take pleasure in small mercies.**”

# How complete is happiness as an objective?

- **Two significant omissions:**
- Happiness views place no explicit or distinctive value on **agency**. Creating happiness becomes a psychological project for the experts.
- Happiness has no concept of **obligation**. Inherent in the CA is the notion of responsibility towards others; not in happiness.

# 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?]
- **As an enduring ethical framework, the Capability Approach can critically assess, strengthen and complete existing frameworks, thus influence the frontiers & the *direction of change*.**

# By lunchtime you should:

- Understand key concepts fully & accurately
  - Capability, Functionings, Agency
- Understand why capabilities might be a more desirable ‘space’ for evaluation than resources and utility.
- Be able to write accurate descriptions of the capability approach
- Understand linkages with other prominent concepts (MDGs, Happiness, Growth, etc)

**Do you???**