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**Does Sen's capabilities approach to
development represent a status quo bias or
genuine driver of progress?**

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**Does Sen's capabilities approach to development
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Abstract

Amartya Sen's Capabilities Approach to development has undoubtedly contributed enormously to development theory as a field. This study looks to answer whether the Capabilities Approach is really the answer to all of society's woes, as many claim it to be. It looks at examples of where the approach has been operationalised, while comparing and contrasting it to alternative development theories. Ultimately, it provides a supported argument as to how the Capabilities Approach contains clear elements of status quo bias, and policy makers must employ Sen's ideas with caution.

Introduction

Amartya Sen is a Nobel Prize winner, a famed welfare economist and honorary Master of Trinity College Cambridge. His articulation and clarification of the Capabilities Approach has “revolutionised the theory and practice of development” (Annan). It has drawn plaudits from both market led Neo-classical economists and their policy driven, Keynesian counterparts. In a Western world where “liberal individualism [has been] the foundation of Western moral thought for at least the last two centuries” (Macintyre, 1988, pg136), it is perhaps unsurprising that academics and political institutions alike have so readily embraced a theory which so well aligns with their own ethical compunctions. It has become the foundation and justification for billions of pounds of governmental spending, yet often eludes the barbarous criticisms pointed at less comforting philosophies. It appears that institutions have been overly eager to embrace a theory as gospel. Rather than a genuine driver of progress, an overly zealous adoption of the capabilities approach to development can be at best a minor hindrance, and at worst, the remnants of an Imperialist West preaching to a world which has only just escaped its far reaching shackles.

The Capability Approach

In order to offer any critical insight into the Capability Approach, it is first worth exploring. The Capability Approach has most famously been associated with the work of Amartya Sen in the 1980's, building on the works of associated economists such as Dobb and Arrow in the field of social choice. Sen, however, has more recently come to acknowledge the influence of other less obvious contributors such as Rawls (1971) and Berlin (1958). The Approach is most notably articulated in Sen's 1999 “Development as Freedom”. Before delving into the more functional detail of the theory, it is worth remarking that at its core, the Capability Approach is a philosophical and moral position as much as economic. It is “defined by its choice of focus upon the moral significance of individual's capability of achieving the kind of lives they have reason to value” (Wells). It rejects traditional focuses on pure economic growth and diverges from more established utilitarian understandings of wellbeing.

First and foremost, the Capability Approach differs to more traditional theories of development in its focus on freedoms and Sen's so called ‘Capabilities’. Capabilities can be defined as the group of functionings available to a person - the collective value of what a person has the ability to carry out. Here, the focus is firmly on potential. In this manner, Sen sees development as the betterment of one's freedom to fulfil one's potential. Anything which works towards building freedom must inherently work towards development. Sen adds further nuance to his understanding of freedom. He sees it as having both a constitutive role in development, as an end in itself, as well as an instrumental role, as a means to an end. Acting as a means, they help stimulate the extensions of other freedoms – thus enriching the life of the individual.

Sen points to five key freedoms: political freedoms, economic facilities, social opportunities, transparency guarantees and protective security. These freedoms are

interrelated – furthering one furthers another. Some links are clear; contractual certainty and full disclosure generates trust, investment and economic facility. Others are more obscure; opportunities for social mobility can help boost workforce productivity, driving tax receipts and ultimately improving protective security. By defining intrinsic connections as such, Sen condemns human development as a static end state. He believes that social and political development should be utilised as a tool for progress, rather than only an objective of progress.

A final defining feature of the Capability Approach is perhaps unsurprising – freedom. Members of society should be active in shaping their own development to fulfil their own goals. This is significant in distinguishing the approach from more paternalistic, Keynesian intervention. This traditional approach is well evidenced in numerous fields, including Bar-Gill’s (2008) legal analysis of the role of regulatory agencies in controlling credit-card “teaser rates” to “protect” the myopic consumer. Instead, the role of the government is intended to put in place infrastructure to support freedom of choice. This freedom includes a voice in public discussion and representation in decision-making institutions.

Comparison with the Income Approach

As a relatively modern school of thought, it is important to understand why the Capability Approach has gained so much traction in comparison to traditional developmental views. Traditional economic approaches tend to focus on the role of income in improving wellbeing. The concept suggests that if any given individual has a higher level of income, they will experience greater wellbeing and personal satisfaction. Although the exact gradient of the wealth-well-being curve is debated (Stutzer, 2010), traditional income approaches take the relationship as a given. Evidentially, this approach is hotly debated but maintains a bedrock of support. For example, Sacks’ (2010) study of over 140 countries worldwide finds a strong positive relationship between average life satisfaction and a country’s average GDP/capita.

The Income Approach also holds a blinkered view of the role of material wealth in generating satisfaction. Indeed in stark contrast, De Bono’s 1977 “The Happiness Purpose” sees personal development as nothing more than the fulfilment of purpose. Focusing only on possessions is inherently problematic. The ability to convert resources at an individual’s disposal varies from person to person. A clear example is car ownership. Two people both own a car – Person A is able to drive, B is unable to due to his blindness. Whilst A uses it as an enabler to balance a work, social and family life, to B it is as of little value as a whole as it is in its component parts. Analysing development purely based on GDP figures fails to reflect the value of that wealth to society with regard to wellbeing in a way that freedom does.

Similarly, the Capability Approach offers far more contextual flexibility in applying policy. Utilising the income approach, the ultimate end state must always be to drive increases in income/ capita, often from a heavily utilitarian (Shiell, 1996) perspective. This can prove extremely dangerous. Policy in the sole pursuit of growth can oppress key freedoms which Sen’s claims are valuable towards development. For example, from 1980 to 2007, China experienced exponential growth of ~700% yet vast inequality combined with oppressive autocracy ranked it only 76th of 140 countries on BCG’s wellbeing index. The Capabilities Approach,

on the other hand, is far more liberal. It acknowledges that there are many different variables affecting quality of life. In doing so, the state must act as enabler, not a dictator, to allow individuals to define their own wellbeing. By operating as such, it takes a supposedly holistic and locally contextual approach to development.

Comparison with the Wellbeing Approach

The Capability Approach also appears favourable in comparison to the Wellbeing Approach to development. The Wellbeing Approach is far removed from the hard objectivity of income. Instead, it uses subjective surveys of wellbeing and standard of living in order to quantify development to then be used in prospective analysis and policy. This approach has gained attention in recent years, commonly referenced as ‘Happynomics’, building credibility through organisations such as the New Economics Foundation who put forward the ‘Happy Planet Index’ in 2006. The approach claims to put forward a means of assessment, which measures actual reality from the ground upward as opposed to flawed proxies.

Pure wellbeing assessment, however, suffers against the capability approach in two key areas. First and foremost, wellbeing is inherently subjective. People suffer from “hedonistic psychology - the idea that feelings of pleasure and pain, satisfaction and dissatisfaction” (Comim, 2005, pg240) are based on relative experience. In income, this has been called the “Easterlin Paradox” where it is observed that whilst satisfaction increases with wealth, it does more so at low income levels than at higher ones (Diener and Suh, 1995). To carry through this logic, an individual may similarly believe that their circumstance is satisfactory, as they have always suffered their current ailments, but to a neutral observer their circumstances are poor. To evaluate people’s wellbeing in terms of functionings and capabilities, however “guarantees a more objective picture” (Comim, 2005, pg229). It must also be noted that, “suffering” is not always externally inflicted. Some suffer out of choice. Using Wells’ example, a man starving from malnutrition cannot be characterised as similar to the man who is starving from fasting. Their wellbeing might be seen as equally poor, yet one is far better off than the other. A wellbeing survey ignores freedom to choose, whilst the Capability Approach does not.

Operationalising the Capability Approach

From a theoretical standing, it is clear the Capability Approach holds some merit. In development, however, theory should always be trumped by practicality. To analyse the practical value of the Capability Approach, the manner in which it is operationalised must be considered. A well-established example of where theory has been turned into developmental practice is shown in the contrast between the development of economic powerhouses of India and China. In the modern era, both China, in 1979, and India, in 1991, have begun the transition towards a more open, market based economy. Trade liberalisation has offered both countries relative economic success, yet India has yet to experience the same scale of growth as their Chinese counterpart. Although the reasons for this are deep and complex drawing as widely as labour markets, social institutions and cultural heritage (Rodrik, 2003), much lies in the fact that pre-reform China “was not sceptical of basic education

and widely shared health care” (Sen, 1999, pg42). By contrast, India failed to fully appreciate the potential benefit, attempting to drive growth with “a half-illiterate adult population” (Sen, 1999, pg42). Its emphasis on building sound social foundations relative to India’s inattention to education can thus be treated as one of the reasons China was able to drive faster growth. It must be understood, however, that when assessing China’s approach using the capabilities framework, it turns up lacking. Growth was achieved at the expense of political freedom, maintenance of a rigid rural-urban ‘Hukou’ class system (Chan, 1999), and neglect of any semblance of gender equality.

On a microscale, the Capabilities Approach can be argued similarly as effective. Alkire (2008) puts forward the example of the Indian state of Himachal Pradesh. Through political co-operation and debate between the local community and governmental administration in the 1960’s, a renewed focus on female education was agreed despite different cultural norms. This scheme was successful in improving “girls literacy... from 61% to 86%” between 1961 and 1991 (Alkire, 2008, pg17). In the longer run, it was this political participation that generated social opportunity and economic progress. Freedoms here are clearly interrelated, and both instrumental and constitutive.

Criticisms

Whilst the Capability Approach appears to have been operationalised in some policy areas, it can be argued that this is simply an artificial retrofitting of theory to what is sound developmental policy anyway. Indeed, Sen gives little guidance as to how to operationalise the Capability Approach. He attempts to maintain a liberal perspective to remain deliberately neutral. He goes to great length to avoid referencing which freedoms should be promoted over others. This has been widely questioned by academia, and is well summed by Denuelin’s (2002, pg501) question as to “How can we give people conditions for a better human life, without knowing what the better life consists of?” Whilst Sen’s proponents would likely argue that to rank freedoms by value is an arbitrary and futile exercise, which undermines an understanding of the very nature of freedom, developmental policy cannot deal in such elusive terms. It must be grounded in practical guidance in best practice. To attempt to base on such slippery ground must surely be hazardous.

This is well evidenced in Gilbert’s study of Colombia (2002), framed as a rebuttal of De Soto’s (2000) argument for the role in land titling in promoting development. He analyses the role of the Bogotan local government’s ineffectual attempts to formalise slum dwellings by issuing land titles. If understood through Sen’s capabilities lens, this was believed to help generate freedom of choice by giving affected individuals access to the labour market (given their new permanent address) and collateral to access micro credit. Ultimately, however, the results were far from intended. Credit availability failed to improve due to longstanding cultural mistrust of financial institutions. The formalised property system infringed on established local custom generating civil unrest. Finally, it simply cemented inequality, particularly amongst genders, as those without access to land now were even further from affording it due to rising land values. It failed to build freedoms and actually contradicted them.

Tangentially, however, it is worth noting that Nussbaum (2011) has attempted to address such accusations in her extension of the approach in her works “Creating Capabilities: The Human Development Approach”. Here, she specifies ten core capabilities that are required to maintain a satisfactory level of wellbeing. Building towards a more detailed view of capabilities, Nussbaum begins to offer a greater understanding of how they can be promoted, although still remains lacking in detail. She further rules out all contextual tailoring of functionings, agreeing with McCarthy, who asserts that people “can be taught not to value certain functionings as constituents of their good living” (McCarthy, 1992, pg198).

In Bogota, a lack of understanding of what Sen’s approach to development really meant for local policy not only failed to resolve socio-economic issues but actually worsened them. Sen’s (2004) response to this criticism argues that circumstances vary, and it is important to tailor the approach to the specific area by holding public discussion and analysis of the problems in that specific area. He believes that openness to interpretation is one of the strengths of the theory as it provides scope to tailor theory to local needs. This retort, however, simply demonstrates the broader flaw. In presenting so much scope for self-selection, Sen offers little actual advice for policy makers. Development economics must at its core, aim to improve living standards for people. Policy makers are the key to improvement. Development theory must therefore always look to offer aid to individuals with such power. Here, the Capability Approach offers little. It makes distant moral comment about the nature of development, yet translates to little more. From the perspective of Western academics, this is both intriguing and worthy of debate. To the increasingly marginalised, slum-dwelling women of Bogota, its intrigue is most probably lost.

The Capability Approach is also criticised for its method of evaluating wellbeing. A supposed strength of the approach is that it analyses a person’s total opportunity set, rather than just the potential they fulfil. A failing of such abstract concepts of “potential” is that providing real evidence on what such “potential” is for an individual is nigh on impossible. How can one therefore argue that an issue is or isn’t an obstacle to achieving potential, when that potential is never defined? Equally problematic is an issue Sen has admitted himself. Building evidence of what opportunities a person has access to, instead of what freedoms they simply exercise is an impossibility. Exercises of freedom can be recorded in hard statistical metrics. Freedom of choice cannot be measured. To relate back to our starving men, differentiating between the man that is starved by choice and the other that is starved by circumstance is often less easily achieved than imagined.

Another key criticism levelled at the Capability Approach is its failure to comprehend anything further than the individual. It fails to grasp complex social structures and in doing so can be deceptive. Alkire (2008, pg8) argues that any “evaluative framework whose constituent elements are the capabilities of people” must be inherently misleading. The Capability Approach assesses relative outcomes for a single person. Whilst Robeyns (2008, pg90) holds that the Capability Approach does not support the idea that “society is built up from only individuals and nothing than individuals, and hence is nothing more than the sum of individuals and their properties”, this has been passionately opposed by Denuelin (2002). He

argues that whilst not inherently individualist, the Capability Approach fails to analyse collective social structures and therefore can't generate suitable recommendations to promote future capabilities. Alkire (2008, pg114) cites particular examples of Costa Rica to illustrate Denuelin's point. He argues that in "light of the Costa Rican development path, assessing development on the basis of individual capabilities, would miss out ...certain structures of living together that make the whole process of development possible." The Capability Approach looks to draw attention away from these social structures and thus overlooks an important capability enabler. Stewart (2005) further argues that structures of living are important as they can define the freedoms a person has. For example, living in a stable community with low crime rates enables far more personal security. Structures of living similarly impact the political freedoms a person has. When individuals cooperate and interact they can have a greater impact on politics. This is well illustrated by our earlier example of Himachal Pradesh, when a community came together to push for investment in education. By failing to consider more than the individual, the Capability Approach takes a simplistic view of development. In a Western world where individualism supported by capitalist ideals rules as the dominant ideology, it is perhaps unsurprising that this criticism is often overlooked. In developing communities, the community itself and accompanying social structure is far more important than any one individual. Any comprehensive theory of development should explicitly acknowledge this. A failure to understand freedoms in a collective sense poses further problems for Denuelin (2002), yet in a slightly different fashion. Individuals may exploit opportunities in a manner that infringes upon other people's freedoms. Here, Denuelin uses the example of freedom to leisure time. Imagine that a firm is looking to hire a new employee and have narrowed the shortlist to two people - person A and B. Person A has a family and values the free time he has for leisure, and takes all his available holidays. Person B has decided to concentrate on his career and takes few holidays and can be classed a workaholic. In hiring, the firm is likely to choose the workaholic over the non-workaholic. This inhibits the freedom of the non-workaholic, as he "would be forced to choose between one conception of the good (workaholic life) or being unemployed" (Denuelin, 2002, pg8). Whilst 'A' technically has the freedom to a family life, he is limited by his employment opportunities given the choices of 'B'. Understanding how freedoms interact is as important as freedoms in themselves, but immeasurably more complicated. From a Capability Approach, therefore, in the developing world where interrelated factors are often complex and misunderstood by foreign commentators, attempting to discern these relationships is extremely important but may be potentially damaging.

Finally, and perhaps most obviously toward the status quo debate, is Sen's idea of political freedom. Sen endorses the idea that every person in a society should have the ability to vote upon political matters and make their voice heard in public discussions. His belief in the intrinsic role of democracy as both a means and an end to development is steadfast. This, however, is problematic. First and foremost, it fails to respect the political systems of other cultures both on a micro and macro scale. Lee Kuan Yew of Singapore, for example, has been branded by popular press as the "benevolent dictator", leading the country for 31 years from the shadow of a rural agrarian society to one the world's financial power houses. This was instituted through a series of autocratic and dictatorial measures aimed at dismantling opposition and preserving authoritarian rule. Here, however, Yew succeeded in

dramatically improving quality of life and accompanying social and economic freedoms without offering a semblance of democratic ground. Indeed, a true democracy in itself is likely to only ever give rise to a majoritarian rule. It victimises the quiet minority (Sherwin, 1990). Here, the issue of interconnecting freedoms again rears its head.

There are some who argue the uneducated should not be given the right to vote, with Brennan (2009, pg68) saying that “Irresponsible individual voters ought to abstain rather than vote badly”. Democratic voting has been brought to light in few greater spheres in modern Britain than in the recent EU referendum, eventually announcing the public’s desire to leave the union. There is an overwhelming belief, however, that misinformation on both sides was ran rife, driving an ill-informed vote. The issue is well summarised by Deneulin (2002, pg503), when she questions if “ a decision [is] legitimate because it is the result of democratic processes or is it legitimate because that decision is good and contributes to a better human life for all?” As such, Sen’s assertion that political freedom is a pillar of development appears prejudiced. It is perhaps the strongest evidence pointing towards an argument set in Western philosophy. For a theory that aims to so strongly support local context, it appears arbitrarily selective. It is happy to uphold local values until they contradict those of the West.

Conclusion

Armatya Sen is indeed a Nobel Prize winner, a famed welfare economist and honorary Master of Trinity College Cambridge. Moreover, the Capability Approach to development remains the stalwart of both modern evaluatory frameworks, indexes and policy. It has transformed the way that academics and policy makers alike understand development and places renewed emphasis on factors beyond simple income. It does, however, appear that the theory does not always receive the criticism it deserves. Whilst its value is undeniable, it is both unhelpfully vague yet occasionally overly specific in equal measures. It offers little in the way of practical development guidance, yet places intrinsic value in democracy. It is clear on evaluation from the point of view of the individual, yet it ignores the broader collective.

Most pertinently, this picking and choosing, this vagueness sitting uneasily against specificity, almost lends itself to the imposition of Western ideals on societies and economies, which are often immeasurably different from our own. It finds safe ground in ideals of individualism, social choice, personal sovereignty and equal opportunity, and in doing so, often avoids the hard questions. Whilst the Capability Approach does indeed offer new insight into the nature of development, it also possesses obvious traits of status quo bias. As such, policy makers should regard full acceptance of its nuanced ideals with caution. To do otherwise, is likely to continue the Western imposition of ideology on developing nations under the guise of aid. As the gap between rich and poor grows, developing countries cannot withstand the shackles of a less obvious, but equally present form of New Age Imperialism.

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