Summer School on Multidimensional Poverty Analysis

11–23 August 2014

Oxford Department of International Development
Queen Elizabeth House, University of Oxford
Most people are other people. Their thoughts are someone else's opinions, their lives a mimicry, their passions a quotation.

~Oscar Wilde, *De Profundis*, 1905
Outline

• Capabilities in policy documents

• Definitions
  – Capability Approach
  – Functionings
  – Freedom – opportunity (capability) & process
  – Agency

• Some Implications for Measurement
  – Indicator selection
  – Attention to diversity
  – Attention to agency
The Capability Approach: Visible

Following Amartya Sen, we see development as a process of expanding freedoms equally for all people. In this view of development, gender equality is a core objective in itself. **World Devt Report Gender 2012**

Sen’s explanations of human-centred development are founded on understanding *what* deprived communities value and aspire to as individuals, families and collective entities, and *why*...

**OECD DCR 2013 Ending Poverty**
In adoption of an understanding of wellbeing that derives from Sen’s ideas, we define wellbeing as the freedoms and capability to make choices and act effectively with respect to, for example, health, education, nutrition, employment, security, participation, voice, consumption, and the claiming of rights. p 20 Lancet Commission on post-2015 MDGs, 2010

The inability to understand how people of different ages, capabilities or income levels have been faring under the MDGs has hampered the design and implementation of strategies to tackle discrimination and ensure achievement of the goals. SDSN Report on SDGs, July 2014
“Poverty, gender, ethnicity and other characteristics interact to create overlapping and self-reinforcing layers of disadvantage that limit opportunity and hamper social mobility... Being educated is a vital human capability that enables people to make choices in areas that matter. The lack of an education restricts choices. It limits the scope people have for influencing decisions that affect their lives.

Education for All *Global Monitoring Report 2010*
In effect, what really matters are the capabilities of people, that is, the extent of their opportunity set and of their freedom to choose among this set, the life they value. The choice of relevant functionings and capabilities for any quality of life measure is a value judgment, rather than a technical exercise.

Stiglitz Sen Fitoussi Commission 2009 (p15, pt 29)
Human Development Report 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

Shared planet

Opportunity freedoms

Justice

Process freedoms

Source: HDRO based on Alkire 2010.
Uncertain Glory 2013 (Dreze & Sen):

[W]e have argued that development is best seen in terms of an expansion of people’s basic freedoms, or human capabilities. In this perspective, we have to recognise the importance of the two-way relationship between economic growth and the expansion of human capability, while also keeping in mind the basic understanding that the expansion of human freedom and capabilities is the goal for which growth of GDP, among other factors, serves as important means.  

(p ix-x)
Intellectual History of CA

• 1979 – Sen ‘Equality of What’?
• Basic Needs – same motivation but in some versions people are passive. CA stresses 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*
  – 1993: *Quality of Life* (edited with Martha Nussbaum)
  – 1999: *Development as Freedom*
  – 2009: *The Idea of Justice*
  – 2013: *An Uncertain Glory* (with Jean Dreze)
• Now a large group of other authors
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.
Why the Capability Approach?

- **Content**: The capability approach sees human progress, ultimately, as ‘the progress of human freedom and capability to lead the kind of lives that people have reason to value’
  
  Drèze and Sen, 2013:43

- **Visibility**: The capability approach has been key in prompting a “fundamental reconsideration of the concepts of poverty”
  
  Jenkins and Micklewright, 2007:9
What is the Capability Approach?
Stiglitz Sen Fitoussi Report’s definition, 2009

1. Is a focus on human ends

2. and on the importance of respecting people’s ability to pursue and realise the goals that he or she values [agency].

3. Is the rejection of the economic model of individuals acting to maximize their self-interest heedless of relationships and emotions,

4. and a recognition of the diversity of human needs and priorities. p 151
What is the Capability Approach?
*Stiglitz Sen Fitoussi Report’s definition, 2009*

5. Is an emphasis on the **complementarities** between the various capabilities for the same person…

6. A last feature of the capability approach is the role of **moral considerations and ethical principles**, and its central concern with **justice**, in the form of either bringing each person above a given threshold for each capability, or assuring equal opportunities to all in the “capability space” (Alkire 2003). p 152
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 is a broad term used to refer to the activities and situations that people spontaneously recognize to be important. These can also be conceived as a collection of the observable achievements of each person (e.g. their health, knowledge or having a meaningful job). Some of these achievements can be quite elementary, such as being safe and well-nourished, and others quite complex, such as being able to express oneself in public without shame. As people in different places and times have different values and experiences, the list of the most relevant functionings depends on circumstances and on the purpose of the exercise. In this perspective, the well-being of a person is a summary index of the person’s functionings.
Functionings allow for different interpersonal conversion factors

<table>
<thead>
<tr>
<th>Resources</th>
<th>Capability</th>
<th>Functionings</th>
<th>Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bike</td>
<td>Able to</td>
<td>Ride around</td>
<td>😊</td>
</tr>
<tr>
<td></td>
<td>ride around</td>
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<tr>
<td>Food</td>
<td>Able to be</td>
<td>Nourished</td>
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<td></td>
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Ingrid Robeyns 2005: Social Influences matter!

Social context:
Social institutions
Social and legal norms
Other people’s behaviour and characteristics
Environmental factors
(and many, many more…)

Non-market production
Market production
Net income
Transfers-in-kind

Means to achieve (capability inputs)

Goods and services
Individual conversion factors

Capability set
Capabilities (i.e. opportunity set of achievable functionings)

Freedom to achieve

Choice

Personal history and psychology

Preference formation mechanisms
Social influences on decision making

Achieved functionings

Achievement

OPHI Oxford Poverty & Human Development Initiative
Indicators of Functionings

Which are direct indicators of functionings?

A. Income
B. Times per week consume green leafy veg
C. Years of Schooling completed
D. The presence of a local health clinic
E. Anthropometric measure of weight-for-height
F. Satisfaction with health
Indicators of Functionings

Which are direct indicators of functionings?

A. Income  **No – is a resource.**
B. Times/week eat green leafy veg **No – resource**
C. Years of Schooling completed **Yes? (though does not show quality/other education)**
D. The presence of a local health clinic **Not usually – (Open? Discriminate? Quality?).**
E. Anthropometric measure of weight-for-height **Yes? (though some low BMI are nourished)**
F. Satisfaction with health **No – unless proxies objective health functionings**
Freedom
for Sen, Freedom has two aspects

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

Institutions, movements, democratic practice as well as each person’s agency

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

for Sen, Freedom has two aspects

**Agency:**

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

**Capability:**

- “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.”
Freedom (Stiglitz Sen Fitoussi p 151)

Freedom requires expanding the range of information relevant for assessing people’s lives beyond their observed achievements, to the full range of opportunities open to them. The limits of focusing on achievements for assessing QoL become obvious when considering cases where a low observed functioning (e.g. low calorie intake) reflects a choice (as in the case of fasting) or where a high level of functioning reflects the choices of a benevolent dictator. The concept of freedom emphasises the importance of empowering people to help themselves, and of focusing on individuals as the actors of their own development.
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.
Agency: Definition

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

“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.
Sen’s agency is wider than most definitions of empowerment

i) agency is exercised with respect to **multiple goals**;

ii) agency includes **effective power** as well as direct control;

iii) agency may advance wellbeing or may address **other-regarding goals**;

iv) recognizing agency entails an assessment of the **value** of the agency objectives;

v) agency introduces the need to incorporate the agents’ own **responsibility** for a state of affairs into their evaluation of it.

Alkire 2008 in *Arguments for a better world*, Basu & Kanbur
Values enter in distinct ways

Agency is people’s ability to act on what they value and have reason to value.

Capability: people’s freedom to enjoy beings and doings that they value and have reason to value.

Value: People’s own evaluation

Have Reason to Value: Objective value judgements
Things X values
Things X values

Things X has reason to value
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
“What tends to inflame the minds of suffering humanity cannot but be of immediate interest both to policy-making and to the diagnosis of injustice.”

Sen *The Idea of Justice* 2009 p 388
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?
Implications for Measurement

Indicator Selection:

Resource – Functioning or Capability – Utility?

Input – Output – Outcome?

Things people Value and have Reason to value?
Implications for Measurement

Attention to Diversity:

In conversion from Resources into Functionings
  Disability, Metabolism, Pregnancy

In people’s behaviours and preferences
  Fasting, Blood transfusion, few choices
Implications for Measurement

Attention to Agency:

In articulating what people value
   Participatory, Deliberative

In analysing poverty
   Share with local actors as well as national/expert
   Make value judgements transparent & explicit

In taking action
   Subsidiarity, voice, solidarity
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