Summer School on Multidimensional Poverty Analysis

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The Capability Approach

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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
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)
Delivering our agenda: a shared responsibility

“Development requires the removal of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance and overactivity of repressive states.” Amartya Sen

cited in The road to dignity by 2030: ending poverty, transforming all lives and protecting the planet. Synthesis report of the Secretary General on the post-2015 sustainable development agenda, December 2014
The Capability Approach: Visible

• 50. Today we are also taking a decision of great historic significance. We resolve to build a better future for all people, including the millions who have been denied the chance to lead decent, dignified and rewarding lives and to achieve their full human potential. We can be the first generation to succeed in ending poverty; just as we may be the last to have a chance of saving the planet. The world will be a better place in 2030 if we succeed in our objectives.  

Transforming Our World
The Capability Approach: Visible

- We will strive to provide children and youth with a nurturing environment for the full realization of their rights and capabilities.

*Transforming Our World* Agenda 2030. 2015.
The Capability Approach: Visible

• “The UN Millennium Declaration and the Millennium Development Goals already mirrored the basic principles of human development – expanding human capabilities by addressing basic human deprivations …

• The SDGs are “…a new global agenda that is even more fully reflective of human development principles….The new agenda is committed to strengthening human capabilities, as well as voice, participation, gender equity, social justice and sustainability for all.

The Capability Approach: Visible

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- The SDGs are "…a new global agenda that is even more fully reflective of human development principles….The new agenda is committed to strengthening human capabilities, as well as voice, participation, gender equity, social justice and sustainability for all.

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)
Why use Capability Approach for Poverty measurement?

1. “Capabilities are essentially multidimensional, and the construction of multidimensional indicators, discussed below in “Nonmonetary Poverty,” may be viewed as an operalization of the capability approach, where the theoretical foundation provides guidance as to the dimensions to be included.”
Why use Capability Approach for Poverty measurement?

2. “Capabilities are individual based, whereas the International Poverty Line and the needs-based indicator are centered on the household.”
Why use Capability Approach for Poverty measurement?

3. “The capability approach… is concerned with the diversified characteristics of individuals. But it goes further, as is demonstrated by Sen’s lead example of disability: “the relevance of disability in the understanding of deprivation in the world is often underestimated, and this can be one of the most important arguments for paying attention to the capability perspective. People with physical or mental disability are not only among the most deprived human beings in the world, they are also, frequently enough, the most neglected” (Sen 2009, 258).”
Why use Capability Approach for Poverty measurement?

• 4. “Assessment of global poverty according to the International Poverty measure ... treats each household on its own. The poverty status of each household is evaluated as though it were in isolation, with no neighbors or fellow citizens. With the capability approach, however, there enters an essential interdependence. The capability to function depends on the society in which the person lives: “in a country that is generally rich, more income may be needed to buy enough commodities to achieve the same social functioning, such as ‘appearing in public without shame.’ The same applies to the capability of ‘taking part in the life of the community’” (Sen 1992, 115). The last sentence brings out the relation with the concept of social exclusion...
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
What is the Capability Approach?

COLLECTIVE CHOICE AND SOCIAL WELFARE (2017)

FUNCTIONINGS AND CAPABILITIES

In recent years there has been considerable discussion on an approach to justice that concentrates on people’s capability to lead the kind of life they have reason to value – the things that they can do, or be. The roots of the approach can be traced to the ideas of Aristotle, and, to some extent, Adam Smith; it concentrates on the opportunities that people have to lead valuable and valued lives (see Sen 1980, 1985a, 1985b and Nussbaum 1988, 2006, 2011). Aristotle saw this achievement in terms of ‘human flourishing’. Among other things, he pointed out, in *Nicomachean Ethics*, that wealth ‘is evidently not the good we are seeking’ – ‘for it is merely useful and for something else’.10
A person’s achieved life can be seen as a combination of ‘functionings’ (i.e. doings and beings), and, taken together, can be the basis for assessing that person’s quality of life. The functionings on which human flourishing depends include such elementary things as being alive, being well-nourished and in good health, moving about freely,
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.
Capabilities
CCSW 2017

The combination of different types of functionings presents the focal features of a person’s life, with each of its components reflecting the extent of the achievement of a particular functioning. A person’s ‘capability’ is represented by the set of combinations of functionings from which the person can choose any one combination. Thus, the ‘capability set’ stands for the actual freedom of choice a person has over the alternative lives that he or she can lead. There are many technical issues in the specification and analysis of functionings and capabilities, but the central idea is to see the basal space in terms of what people are able to be or able to do, rather than in terms of the means or resources they possess. In this view, individual claims are to be assessed not just by the incomes, resources or primary goods people respectively have, nor only with reference to the pleasures or utilities they enjoy, but in terms of the freedom they have to choose between different ways of living they can have reason to value.
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/Cap. 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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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...)

**Capability set**
- Capabilities (i.e. opportunity set of achievable functionings)
- Freedom to achieve

**Choice**
- Achieved functionings

**Means to achieve** (capability inputs)
- Non-market production
- Market production
- Net income
- Transfers-in-kind

**Individual conversion factors**
- Preference formation mechanisms
- Social influences on decision making

**Personal history and psychology**
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
‘Research for action is still research – it need not involve compromises with scientific methods or objective enquiry. However, it differs in some important ways from the conventional approach to research in academic circles.’

Jean Drèze ’17

Sense and Solidarity: Jholawala Economics for Everyone
‘1. action-oriented research is not a stand-alone activity. Rather, it is part of a larger effort to achieve practical change through democratic action.

Jean Drèze ’17
Sense and Solidarity: Jholawala Economics for Everyone
‘2. if research is to contribute to action, it must be presented in a clear and reader-friendly manner…’

Jean Drèze ’17

Sense and Solidarity: Jholawala Economics for Everyone
‘3. action-oriented research resists the common tendency to think of the government as the main agent of change...’

Jean Drèze ’17

Sense and Solidarity: Jholawala Economics for Everyone
‘4. action-oriented research disputes the conventional view of action and research as antagonistic activities, and even sees complementarities across the two

Jean Drèze ’17

Sense and Solidarity: Jholawala Economics for Everyone
'5. makes special demands on ethical standards
6. avoids obligations to funding agencies ..that may stifle our freedom
7. regards the pursuit of knowledge as a collective endeavour.'

Jean Drèze ’17

Sense and Solidarity: Jholawala Economics for Everyone
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 Summer School? 😊
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 undertaking research for action
  Solidarity, Clarity, Independence, Struggle
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