

Multidimensional Comparisons of Capability

According to the human development and capability approaches, we ought to compare deprivation with respect to the shortfall in capabilities people value and have reason to value. The move to a multidimensional approach to poverty creates an enormous, but familiar, problem: how can one compare the capability (or functioning) sets? In some ways the revealed preference approach arose because of the difficulty of finding a satisfactory solution to this issue. The problem is compounded if one acknowledges people's views on what they value to be dynamic, and at times misinformed, or influenced by weakness of will, or adapted to their circumstances.

This research theme will identify elements of a well-developed theory for comparing capabilities. In doing so it will be necessary to explore the relationship between capabilities, preferences, and utility. Focal questions include: (I) how do we compare the same person's well-being in capability space at two points in time or in different situations, (II) how do we compare the capability sets (or functioning sets) of two different people, and (III) how do we compare the capabilities of two different groups of people?

The comparison of well-being in the space of functionings and capabilities (it is the same space) introduces complexities in relation to income or utility comparisons:

- we move from unitary space to multidimensional space
- we move from observing 'revealed preferences,' to endeavouring to consider freedoms people value and have reason to value (knowing these value-based preferences to be diverse, dynamic, influenceable, and not fully decisive).

In order to make coherent multidimensional comparisons of capability, therefore, we need to be able to relate preferences to functionings, and to identify sources of information for each. And we need to propose how to compare sets of functionings – whether through dominance and partial ordering or by setting relative weights, then creating and comparing aggregates.

A theory of comparisons would not need to give us a unique solution. But it should be able to sketch various possibly adequate responses, and to signal their strengths and weaknesses. It would also clarify the relationship between the capability approach and standard concepts such as indifference curves, budget sets, and utility functions. The presence of a well-developed theory could also clarify constructively the problem of aggregation in multidimensional poverty measurement and comparisons.

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The purpose of the proposed workshop is to focus the research questions, working in on the three focal questions from two directions: empirical measures of multidimensional poverty, and empirical and theoretical work on preferences. Papers and discussion sessions will address the following questions:

- How do we measure living standards in the capability approach, and how are issues of relativism, dominance, etc linked to welfarism in social choice theory

- What might be a crude but feasible multidimensional measure of deprivation with reasonable properties?
- What can we learn from the existing empirical literature on preferences?
- What can we learn from recent advances in preference theory?
- Should the identification and relative weights of capabilities be set by political or deliberative processes or by empirical information on people's value judgements?