Annexe Two: The capabilities approach

(reproduced from Sen and Alkire in the Stiglitz Report, p. 151)

1) **The notion of capabilities and its implications**

While psychological studies of Quality of life(QoL) focus on people's own feelings, other approaches broaden the information set relevant for valuing people's lives, beyond their self-reports and perceptions.

The most prominent of these approaches is rooted in the notion of "capabilities" (Sen, 1987, 1993). This approach conceives a person's life as a combination of various "doings and beings" (functionings), and assesses QoL in terms of a person's freedom to choose among the various combinations of these functionings (capabilities).

- **Functionings** is a broad term used to refer to the activities and situations that people spontaneously recognise 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.

- **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.

The intellectual foundations of the capability approach include a number of notions.

- First is a **focus on human ends**, and on the importance of respecting people's ability to pursue and realise the goals that he or she values.
- Second is the **rejection of the economic model** of individuals acting to maximise their self-interest heedless of relationships and emotions, and the recognition of the diversity of human needs and priorities.
- Third is an emphasis on the **complementarities between the various capabilities** for the same person (while valuable in themselves, many of these capabilities are also means of expanding others, and leveraging these interconnections increases quality of life) and their dependence on the characteristics of others and on the environment where people live (e.g. illness may spread from one person to another and be influenced by public health and medical programmes).
- A last feature of the capability approach is the role played by **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).

The implications of the capability approach are not limited to **the measurement of QoL** but extend to the **evaluation of policies**. Policies supportive of human development should expand the opportunities available to people, which would be valuable irrespectively of the effect on people's subjective states[1]. While subjective states may be considered as being part of the set of capabilities considered, the

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[1]   This will apply even when measures of subjective states do reflect changes in objective features of QoL.

capability approach emphasises that people may adapt to their life-circumstances, and that this adaptation makes subjective feelings inadequate as the sole metric for assessing QoL.

2) The different steps of the capabilities approach

The practical implementation of the capability approach requires taking a number of steps.

A **first one** is **choosing among dimensions**. While some authors have strongly argued in favour of specifying a single list of "central" capabilities as a necessary step to make the capability approach operational[2], others have argued against "freezing" a list of capabilities based on expert views. In practice, most of the methods used in empirical applications of this approach select dimensions (or capabilities) based on the following: what type of data are actually available; a priori assumptions about what people do or should value; existing lists that have achieved some degree of political legitimacy (e.g. universal human rights, the Millennium Development Goals); surveys on what people value as important; and participatory processes that periodically elicit people's values and perspectives (Alkire, 2008).

A **second practical step** in the implementation of this approach is **getting data and information on these various dimensions**. Here a practical difficulty is that most data generally refer to functionings (*i.e.* description of individuals' states) rather than to capabilities (*i.e.* the set of opportunities that are available to each person). However, many functionings, such as health and education, also determine capabilities (to consume, to move, to participate), while some data may directly refer to people's sights and freedoms (e.g. to participate in political decision-making, to join organizations at work and in society). In addition, information on capabilities is sometimes available from surveys that probe respondents for their reason for not doing something (*i.e.* whether people did not consume more of a good because of preferences or constraints) or through additional information on the extent of choice that people have. More generally, one can imagine a broader framework in which both capabilities and achieved functionings serve to describe individual situations (Sen, 1985 and 1992).

A **third step** in the implementation of this approach involves **valuing the different capabilities**. This valuation allows converting the vector of functionings and capabilities into a scalar measure of well-being or advantage. While this step raises a number of difficult issues (which are further discussed in the last section of the QoL chapter in S/S), the capability approach emphasises that several sources of information can be used, separately or jointly, for that valuation (e.g. survey-data on Subjective Well-being provide evidence on valuation), that people may differ in their valuation of a given vector of functionings and capabilities, and that such differences may imply recognizing the "partial" nature of these rankings (i.e. two persons may agree that both states A and B are superior to C, while disagreeing on the ranking of A and B); in these conditions, the intersection of these partial orderings may reflect the minimum that could safely be said while respecting both the incompleteness and conflicts of people's valuations (Sen, 1987).

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[2]   Nussbaum (2000) lists the following ten "central human functional capabilities": i) *life*, i.e. being able to live to the end of a human life of normal length; ii*) body health*, i.e. having good health and shelter, and being adequately nourished; iii) *bodily integrity*, i.e. being able to move freely, being secure against assault and violence, having opportunities for sexual satisfaction and choice in matters of reproduction; iv) *senses*, imagination and thought, which include the ability to do things in an informed and cultivated way, to use one's mind in ways protected by guarantees of freedom, to have pleasurable experiences and avoid unnecessary pain; v) *emotions*, such as to love, grieve, experience longing, gratitude and anger; vi) *practical reason*, i.e. being able to form a conception of the good and to engage in critical reflection about the planning of one's life; vii) *affiliation*, in terms of being able to live for and towards others and having the social basis of self-respect and non-humiliation; viii) *other species*, in the sense of being able to live with concern for and in relation to the world of nature; xi) *play*, i.e. being able to laugh, play and enjoy recreational activities; and x) *control over one's environment*, in terms of being able both to participate in political choices that govern one's life and to hold property, both formally and in terms of real opportunities.

3) The capabilities approach in practice

In practice, a large body of empirical research has drawn inspiration from the capability approach.

- o The "human development index" (HDI)

Launched by the UNDP in 1990, the HDI is rooted in a notion of development conceived as a process of enlarging people's choices and opportunities. More recently, the Oxford Poverty and Human Development Initiative has aimed to develop specific survey questions (on employment, empowerment, safety and security, meaning and value, and ability to go without shame) to give operational content to a measure of poverty in a space of capabilities[3].

- o The "Equality Measurement Framework" (EMF) (see the Cabinet Office, Equality Review (ER), February 2007)

The ER accepted the recommendation of a Measurement Steering Group that a definition of equality should be based on the 'capabilities approach' developed by Professor Amartya Sen and others, because '*it focuses on what matters to people and recognises that people have diverse goals in life*' (ER p 126).

The capabilities approach defines equality as equality of 'substantive freedoms'. Substantive freedoms are described as what individuals are able to do or be in their lives. Equality of substantive freedoms incorporates aspects of equality of process, outcome or opportunity.

In line with the capabilities approach, the ER defines an equal society in the following way:

'*An equal society protects and promotes equal, real freedom and substantive opportunity to live in the ways people value and would choose, so that everyone can flourish. An equal society recognises people's different needs, situations and goals and removes the barriers that limit what people can do and be*' (ER p 126).

References

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Sen, A. (1987), *Commodities and Capabilities,* Oxford University Press, Oxford.

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[3]   See http://www.ophi.org.uk/