Amartya Sen’s contribution to development thinking

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*Development as Freedom* (DAF) presents an overview of Sen’s thinking about development, pulling together ingredients familiar from his previous work. Assessing this book then comes close to evaluating Sen’s contribution to development thinking. Undoubtedly, the contribution is of major importance, and we shall spend the first part of this paper explaining why we believe this to be the case. Yet there remain problems, both at a theoretical and political/policy level, which mean, in our view, that for some important issues in contemporary development, one has to go beyond Sen. Why we believe this will form the second part of the paper.

Sen’s major achievement lies in his capabilities (variously termed ‘freedoms’) approach. In this he not only presents a philosophical alternative to the utilitarianism which underpins so much of economics, but in so doing also offers an alternative development objective which can be used to inform a wide range of issues, from markets to gender, democracy to poverty. In brief he argues that ‘for many evaluative purposes, the appropriate “space” is neither that of utilities (as claimed by welfarists), nor that of primary goods (as demanded by Rawls), but that of substantive freedoms - the capabilities - to choose a life one has reason to value’ (DAF, 74).

For many years, almost since ‘development economics’ as a subject started, critics have struggled against the domination of income-maximisation as the single objective of economic development. Growth of Gross National Product (GNP) might occur along with growing unemployment, worsening income distribution, even (though this is rare) rising incidence of monetary poverty, poor provision of social services, deteriorating indicators of health and nutrition, and so on. One of the earliest to point to the defects of GNP was Dudley Seers, who argued for the ‘dethronement of GNP’. Seers himself suggested replacing the income-maximisation objective with employment growth, but that is clearly a very narrow and unsatisfactory measure of success. There followed a succession of suggestions for alternatives: for example, weighting income to give higher weights to the poor (Chenery et al. 1979), devising a measure of the Physical Quality of Life (PQLI), which included infant mortality, life expectancy and adult literacy (Morris 1979); assessing Basic Needs (BN) provision, alternately by looking at the actual bundle of BN goods and services provided (BN I - (ILO 1976)), or by measuring the ‘full life’, indicated for example by life expectancy and a measure of educational achievement (BN II - (Streeten et al. 1981); (Stewart 1985)). These (and others not listed here) pointed towards the need to improve on GNP in two ways: one was to give priority to the poorer sections of society above the richer; the other to look beyond income to the quality of life.

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1 We would like to thank Caterina Ruggeri Laderchi for helpful comments on a previous draft.

2 He used the term in an oral contribution to a 1970 conference: in the written record of this meeting, it was the Director General of the ILO, not Seers, who spoke of dethroning GNP. (Robinson and Johnston 1971)
(QOL), because income is just a means (albeit often an effective one) for improving life conditions, and the translation from income to quality of life is by no means an automatic one.

While these alternatives all gave greater weight to resources going to the poor than with GNP maximisation, only the PQLI and BN mark II approach moved away from the use of inputs rather than outcomes, i.e. indicators of quality of life itself, as a way of assessing well-being. But while moral outrage justifiably inspired the BN and PQLI approaches, they did not offer any substantive philosophical justification for the objectives they put forward. Not only did this weaken their appeal as an alternative to the complex (if flawed) utilitarian edifice, but it also meant that their message was necessarily confined to poor people in poor societies.

In contrast, Sen’s capability approach has much stronger philosophical foundations: his approach builds on that of Aristotle in arguing that development is about providing conditions which facilitate people’s ability to lead flourishing lives, while he has been a most effective critic of the purely consequentialist views of the utilitarians, their failure to recognise agency, or that individual needs, capacities and context must enter into an assessment of wellbeing, not just utility or happiness. Sen agrees with Rawls on the priority to be given to free choice (hence the emphasis on capabilities as an objective - what people may choose to be or do, rather than on functionings - what people actually are or do), but rejects Rawls’ focus on primary goods, which are the same for everyone and thus do not allow for varying rates of conversion from goods to individual QOL depending on the circumstances of the individual. Moreover, unlike the BN approach, the enlargement of capabilities is an objective which extends well beyond poor people and poor societies with implications for people and societies at all levels of income. Thus in contrast to the other approaches which move away from the income maximisation objective, Sen’s capability approach meets most of the requirements needed for a satisfactory alternative measure of wellbeing: in particular he provides a philosophical justification of the chosen objective as well as a powerful critique of maximisation of income as an objective, and he assesses individual wellbeing directly and not via inputs.

A rather crude summary of the contrast between approaches is provided in the Table. One feature that emerges from this is that some approaches are much more clear-cut about the indicators that should be used, and the weight to be given to specific indicators and to specific groups of people (notably the poor), than others. Hence they provide a more immediate guide to policy. Three views of how to tackle the issue of choice of components and weights can be distinguished in the Table. First, the pragmatists/moralists represented by the BN and PQLI approaches simply assert the overriding priority to be given to those whose BN fall below some minimum, and the kinds of goods (in BN mark I), or life characteristics (BN mark II) that should be given priority, thereby implicitly giving first priority to the unmet needs of the poor. Secondly, Rawls and Nussbaum provide quite complex philosophical justification for the choice of
particular components – Rawls justifying a set of primary goods which are needed by every person as a prerequisite for any type of satisfactory life, while Nussbaum similarly identifies a list of central capabilities that anyone must have if they are to lead a good human life. Neither provides an indicator of how the components are to be weighted – indeed it is suggested that they are incommensurate. Rawls, of course, provides strong philosophical justification for adopting a distribution which is most favourable to the worst off. They too thus provide a clear roadmap for policy makers.

On these issues, Sen is unique, in looking to an ‘evaluative exercise’ to be performed by individuals and by society to form judgements which embody a system of weighting. In Sen’s view, “For a particular person, who is making his or her own judgements, the selection of weights will require reflection, rather than any interpersonal agreement…. in arriving at an ‘agreed’ range for social evaluation…. There has to be some kind of reasoned ‘consensus’ . . . This is a “social choice” exercise, and it requires public discussion and a democratic understanding and acceptance.” (DAF, 78).

It is easy to attack the BN school for paternalism - who are they as outsiders to lay the law down about objectives? And, in a more sophisticated way, Rawls and Nussbaum are open to the same criticism as far as primary goods/central capabilities are concerned– since these primary goods/central capabilities are components that each human being must have if she wishes to live a good life, whatever her conception of the good life is (Rawls 1971, 1993; Nussbaum 2000). By not making a judgement himself on these issues, Sen avoids this type of criticism - and indeed points the way to what seem to be admirably democratic and self-determined decisions. Yet there is a cost: without a democratic understanding about priorities there is very little content to Sen’s approach. Planners who are told that their job is to enhance people’s capabilities to do or be valuable things may well be at a loss. They might well ask: Whose capabilities should be given priority? Which priorities are valuable? Are there priorities within the category of valuable capabilities? They are told to come to a democratic understanding. Yet democratic discussions are not so easy to have and democratic understandings even more problematic. Many societies lack even the trappings of democracy. Where there is democracy, opinions tend to be filtered through and influenced by political parties, by social norms, by power relations within society across classes, genders and ethnicities. There may be no consensus. There may be democratic decisions that lead to a worsening in the position of the poor, harm to the environment, an increase in defence expenditure at the cost of social expenditure etc. Actual existing democracy does not present a neat solution to the difficult problem of defining priorities. Indeed many of the countries that are pursuing growth objectives at the cost of others we may consider are more valuable are themselves democracies, at least in name.

There is a dilemma here. It is easy to agree that the GNP approach, which involves market-determined priorities, is unsatisfactory from many points of view, including a distributional perspective, the neglect of externalities and that of differences in
conversion rates from income to individuals’ quality of life. The more paternalistic approaches avoid these problems by giving clear priority to enhancing the position of the poor, and especially certain basic needs or capabilities. Sen, while clearly sympathetic to these priorities, seems to be right in arguing that these are issues that need to be solved within the society affected and not by outsiders. Yet domestic solutions - even democratic ones - often move away from the pursuit of the basic needs or capabilities of the poor. The problem is that Sen’s concept of democracy seems an idealistic one, where political power, political economy and struggle are absent. We will return to this below.
A solution to the issue of components and weighting of valuable capabilities is essential to make the approach useful in development policy. In practical work, Sen solves this by accepting that to be healthy, well-nourished and educated are basic capabilities, which, presumably he would argue, would always get democratic support. In effect, this shifts the approach to one that is almost identical with the BN (at least its second version). Sen’s approach, however, retains two major advantages compared with the BN one. First, it can potentially be widened to a much richer menu, where such capabilities as being able to play a musical instrument, to fly a plane, to act in a play, or to skateboard, may also be included, although how to evaluate and compare these non-basic capabilities, particularly at a societal level, remains subject to the problems of evaluation discussed above. Secondly, it has the advantage of the elegant philosophical base which Sen provides in beautifully clear and masterful prose.

With the foundations accepted, capabilities (or freedoms) then provide a way of exploring many other issues: poverty, for example, is then defined as being deprivation in the space of capabilities rather than income or commodities, although it has implications for both. Similarly, for inequality, whether within the household or society. DAF uses the
framework to enhance analysis of many other issues, including demography, culture and the environment.

In sum, the capabilities approach provides an alternative framework to the income metric for the analysis of a wide range of issues. As noted earlier, it could potentially have much to offer in the analysis of richer societies, even though to our knowledge Sen has not done much in this direction yet.

In our view, however, there are two important areas where the approach is deficient - both areas where the GNP approach also falls down, so this is not an argument for a return to that approach, but for going beyond Sen’s current thinking. Both problems stem from the individualism of the approach. Our first problem with this individualism is that it leads to neglect of critical aspects of human wellbeing and activity as an important area for evaluation and policy. The second problem is that Sen tends to avoid issues of political economy, which results in an apparent (and knowing Sen it can only be apparent) naivety in his treatment of both democracy - as already noted above - and modern capitalism.

Despite the leap forward Sen has accomplished by providing the conceptual framework necessary to move human well-being from the domain of utility to the domain of the lives of human beings, where it belongs, his capability approach shares the individualism of the utilitarian approach, where individuals are assumed to be atoms who come together for instrumental reasons only, and not as an intrinsic aspect of their way of life. Though they both recognise the importance of the social embeddedness of individual actions – the utilitarian approach through the endogeneity of preference, the capability approach through the social influences on what individuals come to value, they both place the evaluation of state of affairs in the space of individual preference for the former and individual freedoms for the latter: “[...] societal arrangements are investigated in terms of their contribution to enhancing and guaranteeing the substantive freedoms of individuals.” The approach is an example of methodological individualism, “according to which all social phenomena must be accounted for in terms of what individuals think, choose and do.”

The capability approach does indeed recognise the existence of irreducible social goods, i.e. objects of values which cannot be decomposed into individual occurrences, or expressed in terms of individual characteristics because they are only comprehensible against a background of common practices and understanding. For example, nodding ones head can only be understood, and only has a meaning, in a particular social context. In some societies, nodding implies assent, in others dissent, and in yet others it has no implications at all. Without the irreducible social good of a communication code, an

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3 See for example Becker 1996.
4 For example Sen often mentions the case of the influence of social norms upon women’s (lack of) valuation of the capability to read and write.
5 DAF, xiii.
individual nodding would be incomprehensible. Among irreducible social goods are language and behaviour codes, including systems of moral norms. YET, A common feature of all individualistic literature, including both utilitarianism and Sen’s capabilities, is that those IRREDUCIBLE SOCIAL GOODS, THOSE ‘structures of living together’, whether social norms, cultural practices, trust, or whatever, are seen as purely instrumental to individual well-being and only to be valued in these terms. They are considered as ‘capital’, something that is to be used in the production of something else rather than something that is valued per se: “INDIVIDUALS LIVE AND OPERATE IN A WORLD OF INSTITUTIONS. OUR OPPORTUNITIES AND PROSPECTS DEPEND CRUCIALLY ON WHAT INSTITUTIONS EXIST AND HOW THEY FUNCTION. NOT ONLY DO INSTITUTIONS CONTRIBUTE TO OUR FREEDOMS, THEIR ROLES CAN BE SENSIBLY EVALUATED IN THE LIGHT OF THEIR CONTRIBUTIONS TO OUR FREEDOM.”

Three reasons will be advanced here for making structures of living together an additional space of evaluation for evaluating the quality of life, and also one which may be influenced by development policies. The first can easily be, and arguably is, incorporated in Sen’s approach; the others fit in less easily.

First, in so far as some structures are instrumental to individual capabilities, some are enabling and other constraining, and one needs an evaluation space that would distinguish valuable from non-valuable structures of living together from this perspective, i.e. that would distinguish the instrumental structures that lead to an expansion or a reduction in individual capabilities. For example, some societies - notably those with high inequality and low levels of social interaction - generate high levels of criminality which make it difficult for individuals to achieve the capability of personal security - while in other more stable and egalitarian societies personal security may be much more easily achieved.

Second, ‘structures of living together’ are not only instrumental to individual capabilities, but are also an intrinsic part of individual lives, so that one needs to be able to distinguish the structures that are an intrinsically valuable component of an individual human life. An essential component of human life is that they live together. Individuals are not social atoms who co-exist with one another as isolated islands and join together solely for advancing their own positions, AS OFTEN ASSUMED IN THE LIBERAL CONTRACTUALIST TRADITION. A new-born child does not come into existence as a unit whose existence and life is independent of family members, of their norms, culture, etc. Nor does an adult enter the community of human beings because he/she has a personal interest in so doing; (s)he is in a community of other humans, and does not adhere to such a community. No human being could live without those structures of living together, since they constitute the very conditions for individual human existence.

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7 See (Taylor 1995) for the notion of irreducible social goods.
8 The expression is taken from the French Aristotelian philosopher Paul Ricoeur, see Ricoeur (1992, p.194). One should note that structures of living together are not always positive, for example, there can be structures of oppression.
The nature of society in which a person lives is therefore an essential component of her QOL.

Third, individual agency - which forms a core element of Sen’s capabilities approach - is not a tabula rasa, it is influenced by and develops according to particular structures of living together, so we need an evaluation space through which to distinguish the type of structures that help promote individual agency and determine which objectives people value. Throughout his works, Sen emphasises that people should not be seen as passive patients of social patterning but active agents of their own well-being: “The person is not regarded as a spoon-fed patient, in that the capability approach introduces freedom of choice amongst a menu of options (attainable functionings) into well-being assessment.” Yet people are conditioned socially, influenced by their background, by social norms, so no-one is truly autonomous, independent of the influences of the society in which they live. Some societies provide conditions more favourable to the development of individual agency than others, and also more favourable to making what would generally be agreed to be ‘good’ choices than others.

Sen asserts that development is a matter of expanding the capabilities that people have reason to choose and value. These capabilities do not encompass the capability to do or be anything a human can do or be since some capabilities have negative values (e.g. murdering), while others may be trivial (riding a one-wheeled bicycle). Hence there is a need to differentiate between ‘valuable’ and non-valuable capabilities, and indeed, within the latter, between those which are positive but of lesser importance and those which actually have negative value. Both the extent of agency and the objectives that people value depends in part on their environment. Hence one needs to assess the structures which influence agency and the formation of objectives. For example, we need to be able to differentiate the social structures that lead to the values prevalent in Idi Amin’s Uganda, or genocidal Rwanda, from those in more peaceful contexts, such as in Mali or Costa Rica.

Sen, of course, recognises extensively that social forces influence individual capabilities, AS WE EMPHASISED EARLIER: “Individuals live and operate in a world of institutions. Our opportunities and prospects depend crucially on what institutions exist and how they function. Not only do institutions contribute to our freedoms, their roles can be sensibly evaluated in the light of their contributions to our freedom.” Yet though he recognises that individual freedoms (or capabilities) are “quintessentially a social product”, because “there is a two-way relation between (1) social arrangements (such as economic, social and political opportunities) to expand individual freedoms and (2) the use of individual freedoms not only to improve the respective lives but also to make the social arrangements more appropriate and effective”, he makes individual freedoms and capabilities the one relevant space for evaluation of quality of life, with structures of living together assessed only instrumentally.

11 DAF, 142.
Given the reasons outlined above, the task of development policies should not only be to enhance ‘valuable’ individual capabilities, but also to enhance ‘valuable’ structures of living together. The latter can be defined as the structures of living together which will have a positive impact on people’s well-being (both instrumentally and intrinsically), which will enable individuals to be freer agents and which will encourage them to form valuable objectives. In other words, flourishing individuals generally need and depend on functional families, co-operative and high-trust societies, and ones which contribute to the development of individuals who choose ‘valuable’ capabilities. We don’t believe Sen would deny any of this, but the individualism of the approach lends itself to a diversion from these issues, and to a belief that there are autonomous independent individuals whose choices are somehow independent of the society in which they live. ONLY INDIVIDUAL FREEDOMS OR CAPABILITIES MATTER FOR ASSESSING DEVELOPMENT.

These additions to the capabilities approach are not just theoretical addenda. They are likely to have important policy and research implications. On the policy side they lead to a focus on policies which bring about valuable change in these structures of living together and on policies to prevent dysfunctional structures from emerging, a focus which has generally been largely neglected in the current heavily individualistic approach to economics. This has, of course, been corrected to some extent, by the attention given to ‘social capital’, but as its name proclaims, social capital is essentially instrumental, valued for the additional output it generates, and not because being part of a flourishing society is an essential aspect of a good life. On the research side, this perspective focuses attention on identifying structures of living together which are likely to be conducive to flourishing individuals – the investigation of empirical evidence concerning the conditions leading to healthy societies, communities and families.

The second lacuna in the capability approach lies in the way it deals with (or rather fails to deal with) political economy - again this comes down to viewing people as autonomous and essentially separated from each other INSTITUTIONS AS INSTRUMENTAL TO HUMAN FREEDOMS. Some of the most important issues today concern the way ‘market forces’, often at a global level, are influencing decision-making, both within national democracies (and also non-democracies) and in the determination of the global rule-making of international agencies. But market forces here do not refer to the supply and demand for goods and services depicted in textbooks, but the influence of large corporations on political decision-making, through the financing of political parties, direct representation in powerful political parties, ownership and use of the media, and (probably of least importance) direct corrupt practices. The current outcome is a political system that increasingly favours global capitalism. These forces can and are being challenged - by NGOs, Trade Unions, communities, appeals to legal rights, and, occasionally, political parties. As these examples indicate, effectively countering such ‘market forces’ can only occur via collective action of one sort or another.

Where does the capability approach stand in all this? On the one hand, it gives us a framework to evaluate the consequences of various decisions - including the advance of
global capitalism. We can assess how far valuable capabilities are promoted by the system, albeit in a rather deficient way as far as the nature of community/family/societal aspects of life are concerned, as just argued. We can consider the sustainability of any such progress. If we conclude that the system is advancing capabilities as well as any other system, then we need do no more. But suppose we conclude that there are important defects in the system, which, in some respects is failing to promote valuable capabilities - for example, as a result of widening inequalities within and between countries; rising crime rates; worsening environmental problems; mediocre economic growth rates in most countries; increasing economic fluctuations at country and individual levels with inadequate or even diminishing social protection - all views that have good support. Then promotion of valuable capabilities will need a change in policy at national and global levels, possibly a major change.

In principle, the capability approach would look to a democratic consensus to bring about the change needed. But a democratic consensus may not be able to achieve this. Some of the reasons for this were mentioned in the first part of this paper. Here we would especially draw attention to the difficulties posed by the overwhelming power of large corporations so that in many contexts the democratic consensus is shaped by them, while the locus of decision-making (often a small individual nation) lacks the autonomy to take such decisions on its own. Decisions which challenge the capitalist system in a substantive way can only be affected by groups which wield power comparable to that of the interest groups that are being challenged. As noted, this almost invariably requires collective action of one kind or another. Though, of course, the first requirement for change is to have reasons for wishing to change things, the individual who is aiming to make valuable choices about capabilities, or the state which is trying to enhance the conditions which promote valuable capabilities, will be ineffective unless they are underpinned and supported by such collective action. Even then, of course, success is not assured.

The capabilities approach is not entirely silent on these issues. DAF notes “the advantage of group activities in bringing about substantial social change” (DAF, 116). Yet the individualism of the approach tends to divert attention from collective political action, giving it a minor role. “While emphasising the significance of transaction and the right of economic participation… and the direct importance of market-related liberties, we must not lose sight of the complementarity of these liberties with the freedoms that come from the operation of other (non-market) institutions”. (DAF, 116). This statement well summarises both how groups are regarded as purely instrumental, and how far Sen is from seeing them as challenging, rather than complementing, what he describes as market freedoms.

What this comes down to is that Sen has pointed economics and policy in a good direction - a huge improvement on utilitarianism and income maximisation - but he is handicapped by his individualistic perspective both from fully identifying the good life, and from analysing political mechanisms on how to get there. As presently advanced, his

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13 See e.g.; Berry and Stewart 1997; Panayotou 1999; Cornia 2001; Goldsmith 2001.
discussions of choice, democracy and politics are at an abstract idealistic (and typically unrealistic) level, well removed from making substantial changes in the real world.


