

THE PROPOSITION

BRIEFING NOTE

THE TERMS

CAPABILITY AND FUNCTIONINGS:

CONTRAST WITH UTILITY

DEFINITION & JUSTIFICATION

CAPABILITY VS FUNCTIONINGS

THE PROPOSITION

CONTRAST WITH UTILITY

The key idea of the capability approach is that social arrangements should aim to expand people's capabilities – their freedom to promote or achieve valuable beings and doings. An essential test of progress, development, or poverty reduction, is whether people have greater freedoms.¹

CONTRAST WITH RESOURCES

A BICYCLE

Other approaches suggest instead that development or social arrangements should maximize income, commodities or people's happiness ('utility').

WHICH CAPABILITIES?

TERMS: CAPABILITY AND FREEDOM

What do these concepts mean? Aren't income, happiness, commodities, and freedom all important – and if so, why does it matter which we seek to maximise? This briefing tries to answer those questions.

Income, happiness, and commodities are obviously important. The problem is that if policies aim *only* to increase

¹ In *Inequality Re-examined*, Amartya Sen writes: **A person's capability to achieve functionings that he or she has reason to value provides a general approach to the evaluation of social arrangements, and this yields a particular way of viewing the assessment of equality and inequality.**
1992:5

one of these, they may unintentionally create distortions. This is because policies are blind to common sense adjustments. For example, if a program aims to maximize individual income, it may force indigenous people, subsistence farmers, or stay-at-home mothers to take paying jobs because otherwise they appear to have no income. The capability approach argues that focusing on freedom is a more accurate way to build what people really value. Focusing on freedom introduces fewer distortions.

THE TERMS

The central terms in the capability approach are:

- Functionings
- Capabilities
- Agency

Functionings are the valuable activities and states that make up people's well-being – such as a healthy body, being safe, being calm, having a warm friendship, an educated mind, a good job. Functionings are related to goods and income but they describe what a person is able to do or be as a result. When people's basic need for food (a commodity) is met, they enjoy the *functioning* of being well-nourished.

Because functionings are aspects of human fulfillment, some functionings may be very basic (being nourished, literate, clothed) and others might be quite complex (being able to play a virtuoso drum solo). Functionings can relate to

Key Terms:

Functionings: ‘the various things a person may value doing or being’²

Achieved Functionings: the particular beings or doings a person enjoys at a given point in time. Achieved functionings are important because they *can sometimes be measured*.

Capability: the various combinations of functionings (beings and doings) that the person can achieve. Capability 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.”³

Agency: the ability to pursue goals that one values and has reason to value.

different dimensions of well-being, from survival to relationships to self-direction to arts and culture.

Capabilities are “the alternative combinations of functionings that are feasible for [a person] to achieve.” Put differently, they are “the substantive freedoms he or she enjoys to lead the kind of life he or she has reason to value.”⁴

Capabilities are a kind of opportunity freedom. Just like a person with much money in her pocket can buy many different things, a person with many capabilities could enjoy many different activities, pursue different life paths. For this reason the capability set has been compared to a budget set.

So capabilities describe the real actual possibilities open to a person. As TH Green wrote, “We do not mean merely freedom from restraint or compulsion ... when we speak of freedom as something to be so highly prized, we mean a *positive power or capacity* of doing or enjoying something worth doing or enjoying.”⁵

As both the definition of functionings and Green’s quote implies, capabilities include only possibilities that people really value. Having some options matter more than others of course – it is usually more valuable that a young man is physically safe than that he can choose between rival brands of

toothpaste. But activities or states that people do *not* value or have reason to value could not be called capabilities.

CAPABILITIES VS FUNCTIONINGS

Why focus on capabilities rather than functionings? This question is especially acute if we are considering how to reduce absolute poverty that blights so many lives? Do poor people really want to have the *freedom* to avoid extreme discomfort and deprivation? Don’t they simply want to *avoid* extreme discomfort and deprivation?

There are several ways to answer this question. Many of them refer to the ‘distortions’ that could arise if we focus *only* on functionings or needs.

One problem is that if we only tried to *eradicate* deprivation, we could do so by force, by coercion, or domination, or colonialism. People and groups, rich or poor, across time have valued their freedom to shape their future not only politically but also socially and economically.

Also, some deprivation can be chosen in order to enjoy another kind of fulfilment. A person who is fasting is in a state of undernutrition, which may seem very similar to a person who is starving. But in the one case, the fasting person *could* eat and chooses not to; whereas the starving person would eat if she could.

² 1999a:75

³ 1992:40

⁴ 1999:87

⁵Green 1881:370 – ital Sen’s

Agency: Agency refers to a person's ability to pursue and realize goals that he or she values and has reason to value. An agent is "someone who acts and brings about change."⁶ The opposite of a person with agency is someone who is forced, oppressed, or passive.

The agency aspect is important "in assessing what a person can do in line with his or her conception of the good."⁷ Agency expands the horizons of concern beyond a person's own well-being, to include concerns such as saving the spotted owl or helping others. In this perspective, people are viewed to be active, creative, and able to act on behalf of their aspirations.

Agency is related to other approaches that stress *self-determination*, *authentic self-direction*, *autonomy* and so on. The concern for agency means that participation, public debate, democratic practice, and empowerment are to be fostered alongside well-being.

CONTRAST WITH UTILITY

Much conventional economics is based on a utilitarian approach. It assumes that the most desirable action is the one that increases people's psychological happiness or desire-fulfillment the most.

That sounds good as everyone wants to be happy. Yet our mental utility states

(for example) may not track in any predictable fashion the things we really *value*. A poor devout widow may become serenely reconciled with her circumstances. Her desires are modest, and small (\$100) improvements to her situation bring tremendous joy. Indeed her happiness is far greater than a rich person is likely experience by an income rise of \$1000. If we only measure utility or happiness, there are important questions and distinctions which we will miss.

CONTRAST WITH RESOURCES

Another approach to economic policy is to try focus on income or resources.

A problem with this is that measuring resources is different from measuring functionings. The same *amount* of rice (or other goods), will be converted into radically different levels of physical vigor for a child, in the case of a disabled teenager, as against an agricultural worker, or an elderly person.

We are really interested in what persons are actually able to do or be – that is, in their functionings – not in how many pounds of rice they consume.

Another problem, outlined earlier, is that there are things people value other than increased resources. The process of maximizing resources may have social costs (changes in culture and lifestyle) which people have good reason to reject. In the words of the 1990 Human Development Report:

⁶ Sen 1999b: 19

⁷ 1985: 206

The basic objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives. This may appear to be a simple truth. But it is often forgotten in the immediate concern with the accumulation of commodities and financial wealth.⁸

A BICYCLE

A bicycle provides a good example of how these different concepts relate. A person may own or be able to use a bicycle (a resource). By riding the bicycle, the person moves around town and, let us presume, values this mobility (a functioning). If the person is unable to ride the bicycle (because, perhaps, she has no sense of balance), then having a bicycle would not create this functioning of mobility. But in our case, the access to the bicycle (resource) coupled with the person's own characteristics (balance etc), creates the capability for the person to move around town when she or he wishes. Furthermore, let us suppose that the person enjoys having this capability to leap upon a bicycle and pedal over to a friend's house for lunch – thus having this capability contributes to their happiness or utility.

Resource → Functioning → Capability → Utility
 Bicycle mobility to cycle pleasure

The bicycle example illustrates how the various concepts are all related to one

another when they coincide nicely. The question is which concept we focus on. Which, if we look in on it again and again, will be distorted least often? The capability approach argues that utility can be distorted by personality or adaptive preferences; functionings can be enjoyed in a prison or stifled environment, a bicycle can be useless if you cannot balance, so capability represents the most accurate space in which to investigate and advance diverse kinds of human well-being.

WHICH CAPABILITIES?

If social or economic arrangements aim to promote capabilities, rather than income or utility, which capabilities should they promote? Authors applying the capabilities approach have offered a range of ways to select relevant and important capabilities.

Sen argues that there cannot be a 'canonical' list; the set of focal functionings or capabilities that people value will have to be set and re-set again and again, depending on the purpose of the exercise.

An example of this would be the Human Development Index (HDI). Its authors wanted a very crude index, but one that was a better indicator of well-being and capability than GNP per capita, and could be built using data that were available for most countries in the world. The resulting HDI includes **income**, **literacy** and **schooling**, and **life expectancy** – not because these alone are important, but

⁸ *Human Development Report 1990* p 9

because they give a better indication of well-being than income alone.

Martha Nussbaum has proposed ten central human capabilities that should provide the basis for “constitutional principles that should be respected and implemented by the governments of all nations.”⁹ Like the Universal Declaration of Human Rights – which is perhaps the most famous of lists – these ten capabilities could draw attention within the legal framework to things people value.

But more often than not, capabilities will have to be selected by a community, by a team, or by a researcher. The key questions to keep in mind when selecting capabilities are:

- which capabilities do the people who will enjoy them *value* (and attach a high priority to). Often this must be explored directly.
- which capabilities are relevant to the policy, project, or institution; which may be affected directly or indirectly.

TERMS: CAPABILITY AND FREEDOM

As many know, the capability approach along with other approaches in social and political thought use the word freedom. For example, Amartya Sen uses the term ‘**opportunity freedom**’ to refer to a concept very similar to a capability set. Similarly, he uses the term

‘**process freedom**’ to refer to something that includes agency, understood at the individual and collective level.

Taken together, process and opportunity freedom (or capability and agency) are the ‘real freedoms’ that development and other social processes should aim to expand.

Development can be seen, it is argued here, as a process of expanding the real freedoms that people enjoy.¹⁰

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Further Reading:

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- Sen, Amartya K. 1999. *Development As Freedom*. New York: Knopf Press

⁹ 2000a:5

¹⁰ 1999 opening sentence.