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The Proposition

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

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

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 one of these, they may unintentionally

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

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

Agency is discussed in a separate briefing.

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 focus on 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

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.

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

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

In other words, capability is a kind of opportunity freedom – the freedom to pursue various functionings – that are actually possible for people, and that they have reason to value. Some functionings and freedoms more than others of course (it matters more to me that I am physically safe than that I can choose between rival brands of toothpaste).

The freedom has to be real – not hypothetical. And freedoms are wider than civil or political liberties. 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

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?

The problem with functionings is that they could be expanded by force, by coercion, or domination. Human flourishing involves the ability to shape one’s future. We want to live as more than slaves – however well-fed or nourished.

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.

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*. Sen often gives the example of how

² 1999a:75
³ 1992:40

⁴ 1999:87
⁵ Green 1881:370 – ital Sen’s



the perennially
deprived become
reconciled with
their
circumstances
and appreciative
of small mercies,
thus their desires
are muted and
their psychic

pleasure at small improvements to their
situation is disproportionate to the
benefit judged from another
perspective. If we only measure utility,
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 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:

**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.⁶

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, legs, 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 dinner – 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 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

⁶ *Human Development Report 1990 p 9*

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 we are to promote capabilities, rather than income or utility, we need to know which to 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 from data that was available for most countries. The resulting HDI includes **income**, **literacy** and schooling, and **life expectancy** – not because these are supremely important, but 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.”⁷ Like the Universal Declaration of Human Rights – which is perhaps the most famous of lists – this approach 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. Ingrid Robeyns (2003) has proposed a procedural approach – a five-step process for selecting relevant

capabilities for any given situation (for example, what to include in a survey).

Her steps might be summarized as:

1. First draw up the ideal list – then figure out what is practically possible.
2. Make the list resonate with the context or debate to which it refers, for example in how specific its elements are.
3. Shorten the list to reduce all overlaps but make sure it still includes all capabilities that are important in the exercise.
4. Explicitly explain and defend the selected capabilities.
5. Describe how the list of capabilities was generated – by what methodology?

A number of others have sought to identify the appropriate capability sets through participatory exercises at the local or international level.

⁷ 2000a:5

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 very much like <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.⁸

Development can be seen, it is argued here, as a process of expanding the real freedoms that people enjoy.⁹

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Further Reading:

⁸ “Freedom is valuable for at least two distinct reasons. First, more freedom gives us more *opportunity* to achieve those things that we value, and have reason to value. This aspect of freedom is concerned primarily with our *ability to achieve*, rather than with the process through which that achievement comes about. Second, the *process* through which things happen may also be of fundamental importance in assessing freedom. For example, it may be thought, reasonable enough, that the procedure of free decision by the person himself (no matter how successful the person is in getting what he would like to achieve) is an important requirement of freedom. There is, thus, an important distinction between the ‘opportunity aspect’ and the ‘process aspect’ of freedom. 585
⁹ 1999 opening sentence.

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