

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 essay 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 essay.

Amartya 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" (74).¹

For many years, almost since "development economics" as a subject began to be discussed, critics have struggled against the domination of income maximization as the single objective of economic development. Growth of Gross

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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.”² Seers himself suggested replacing the income-maximization 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 more significance to the incomes of 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 the provision of Basic Needs (BN), either 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 over the richer; the other to look beyond income to the quality of life (QOL), because income is just a means (albeit often an effective one) for improving life conditions, and the translation of 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 did GNP maximization, only the PQLI and BN II approach moved away from the use of *inputs* to that of *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 capabilities approach has a much stronger philosophical foundation: his approach builds on that of Aristotle in arguing that development is about providing conditions which facilitate people’s ability to lead flourishing lives. Moreover, he has been a most effective critic of the purely consequentialist views of the utilitarians, and their failure to recognize agency, or acknowledge that individual needs, capacities, and context must enter into an assessment of well-being, 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’s 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-maximization objective, Sen’s capabilities approach meets most of the

requirements needed for a satisfactory alternative measure of well-being: in particular he provides a philosophical justification of the chosen objective as well as a powerful critique of income maximization as an objective, and he assesses individual well-being directly and not via inputs.

A rather crude summary of the contrast between approaches is provided in Table 1. One feature that emerges 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 Table 1. First, the pragmaticists/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 I), or life characteristics (BN II), that should be given priority, thereby implicitly giving first priority to the unmet needs of the poor. Secondly, Rawls and Nussbaum provide a complex philosophical justification for the choice of particular components—Rawls justifies 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 to lead a satisfying human life. Neither provides a guide to 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 most favorable to the worst off. Thus, Rawls and Nussbaum they, too, provide a clear road map for policy makers.

On these issues Sen is unique, proposing an “evaluative exercise” to be performed by individuals and society in order to form judgments 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” (78).

It is easy to attack the BN school for paternalism—who are they as outsiders to lay down the law 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 s(he) wishes to live a good life, whatever his/her conception of the good life is (Rawls 1971, 1993; Nussbaum 2000). By refraining from judgment 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 asked to arrive at 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, social norms, and power relations within society across classes, genders, and ethnicities. There may be no consensus. There may be democratic decisions that worsen the position of the poor, harm the environment, increase defense spending at the cost of social spending, 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 other objectives that we may consider 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 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 later.

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 approach. First, it can potentially be widened to a much richer menu, where capabilities such as being able to play a musical instrument, fly a plane, act in a play, or 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 earlier. Second, Sen's approach has the advantage of an elegant philosophical basis written in clear and masterful prose.

With these foundations, capabilities (or freedoms) then provide a way of exploring many other issues: poverty, for example, is defined as 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 capability 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—areas where the GNP approach also falls short, so this is not an

Table 1
Alternative Approaches to Assessing Well-Being

Approach to development objective	Greater weighting income of the poor	Use of outcome indicator of QOL	Priority given to liberty	Philosophical justification of approach	Justification for choice of indicators	Justification of weighting of indicators
GNP	No	No	Not explicit; but consumer choice is needed to justify indicator	Yes-Utilitarianism	Yes, but not satisfactory	Yes, but not adequate
Employment	Indirectly	No	No	Weak	No	Only one indicator
Redistribution with growth	Yes	No	Not explicit; but consumer choice is needed to justify indicator	Yes-Utilitarianism, plus giving greater weight to poorest	Yes, but not satisfactory	Attempted but not solved
PQLI	Indirectly	Yes	No	Pragmatic/Moralistic	Some	No
Basic Needs I (ILO)	Indirectly	No	No	Pragmatic/Moralistic	No	No
Basic Needs II (Streeten etc.)	Indirectly	Yes	No	Pragmatic/Moralistic	Some	Rough
Rawlsian	Yes	No	Yes	Yes	Overlapping consensus	Overlapping consensus
Capabilities (Sen)	Implicit	Yes	Yes	Yes	Indirectly-evaluation exercise	Indirectly-evaluation exercise
Capabilities (Nussbaum)	Implicit	Yes	Yes	Yes-Aristotelian	Overlapping consensus	Overlapping consensus

argument for returning to that approach, but for going beyond Sen's current thinking. Both problems stem from the individualistic orientation of the approach. Our first problem with this emphasis on individualism is that it tends to neglect critical aspects of human well-being and activity as important areas 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) naiveté in his treatment of both democracy—as already noted earlier—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 human lives, where it belongs, his capabilities 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: "...societal arrangements are investigated in terms of their contribution to enhancing and guaranteeing the substantive freedoms of individuals" (xii). 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" (Bhargava 1992: 1). It implies that irreducible social goods do not exist, i.e., objects of value 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 one's 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, a nodding individual would be incomprehensible. Among irreducible social goods are language and behavior codes, including systems of moral norms.³

A common feature of all individualistic literature, including both utilitarianism and Sen's capabilities, is that those "structures of living together,"⁴ 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.

Three reasons will be advanced here for making structures of living together an additional space of evaluation for assessing 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, insofar as some structures are instrumental to individual capabilities, some are enabling and others constraining, one needs an evaluation space that would distinguish valuable from non-valuable structures of living together, 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 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 *living together*. Individuals are not social atoms who co-exist with one another as isolated islands and join together solely for advancing their own positions. A newborn child does not come into existence independent of family members and their norms, culture, etc. Nor does an adult enter the community of human beings because (s)he has a personal interest in so doing; (s)he is in a community of other humans, and does not choose whether to belong to such a community. No human being could live without such collective living structures, since they constitute the very conditions for individual human existence. The nature of society in which a person lives is therefore an essential component of his or 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 a way to distinguish the type of structures that help promote individual agency and determine which objectives people value. Throughout his works, Sen emphasizes that people should not be seen as passive recipients of social patterning but active agents of their own well-being: “The person is not regarded as a spoon-fed patient, in that the capabilities approach introduces freedom of choice amongst a menu of options (attainable functionings) into well-being assessment” (241). Yet people are conditioned socially, influenced by their background and social norms, so no one is truly independent of the influences of the society in which he or she lives. Some societies provide conditions more favorable to the development of individual agency than others, and also more favorable to making what would generally be agreed to be “good” choices—for example, choices more oriented towards poverty reduction, or environmental sustainability—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 ability to do or be anything a human can do or be since some capabilities have negative values (e.g., committing murder), 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 that are positive but of lesser importance and those that actually have negative value. Both the extent of agency and the objectives that people value depend in part on the environment in which the individual lives. 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, is well aware that social forces influence individual capabilities: “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” (142).

Yet, although he recognizes 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” (31), he makes individual freedoms and capabilities the one relevant space for evaluation of quality of life, with structures of living together assessed only instrumentally.

Given the reasons outlined earlier, the task of development policies should be not only 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), enabling individuals to be freer agents, and encouraging them to form valuable objectives. In other words, flourishing individuals generally need and depend on functional families, cooperative and high-trust societies, and social contexts 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 leads us away from these issues, and to a belief that there are autonomous individuals whose choices are somehow independent of the society in which they live.

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 those that prevent dysfunctional structures from emerging, a focus which has 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 fundamentally 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—including the empirical investigation of conditions leading to healthy societies, communities, and families.

The second lacuna in the capabilities 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 separate from each other. 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) explicitly corrupt practices. The current outcome is a political system that increasingly favors global capitalism. These forces can and are being challenged—by NGOs, trade unions, communities, appeals to legal rights, and, occasionally, political par-

ties. As these examples indicate, effectively countering such “market forces” can only occur via collective action of one sort or another.

Where does the capabilities 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 are 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.⁵ If this is the case, promotion of valuable capabilities will require a change in policy at national and global levels, possibly a major change.

In principle, the capabilities approach looks to democratic consensus to bring about the change needed. But a democratic consensus may not be able to achieve this (for some reasons mentioned in the first part of this essay). Here we would especially draw attention to the difficulties posed by the overwhelming power of large corporations which in many contexts shape the democratic consensus, while the locus of decision making (often a small individual nation) lacks the autonomy to make such decisions on its own. Decisions that challenge the capitalist system in a substantive way can only be effected by groups that wield power comparable to that of the interest groups 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 that promote valuable capabilities, will be ineffective unless each is underpinned and supported by 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” (116). Yet the individualism of the approach tends to divert attention from collective political action, giving it only 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. (116)

This statement summarizes well Sen’s view of groups as purely instrumental, complementing rather than challenging what Sen describes as market freedoms.

In summary, Sen has pointed economics and policy in a good direction - a huge improvement on utilitarianism and income maximization - but he is handi-

capped by his individualistic perspective from both fully identifying the good life, and analyzing political mechanisms for achieving it. As presently advanced, his discussions of choice, democracy, and politics are at an abstract idealistic (and sometimes unrealistic) level, well removed from making substantial changes in the real world.

Notes

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1. All citations quoted from *Development as Freedom* appear with page numbers only.
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).
3. See Taylor 1995, pp. 127-145, for the notion of irreducible social goods.
4. The expression is taken from the French Aristotelian philosopher Paul Ricoeur (Ricoeur 1992: 194). One should note that structures of living together are not always positive; for example, there can be structures of oppression.
5. See, for example, Berry and Stewart 1997; Panayotou 2000; Cornia 2001; Goldsmith 2001.

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