Chapter 1: A Normative Framework for Development

Sabina Alkire and Séverine Deneulin

Aims of the chapter
• To show the importance of value judgements in development.
• To illustrate how value judgements -- or normative frameworks -- have a practical impact and shape policy-making.
• To introduce the basic value of the human development and capability approach: that policies should promote human flourishing.

Key points
• Value judgements lie at the heart of development analysis and policy. However these value judgements are often not acknowledged.
• Public policy aims to create and sustain improvements. Different ideas about what should be improved lead to different policies (e.g. poverty reduction policies vary depending on how poverty is defined). In contrast with approaches that seek to improve the national economy, or people’s resources, or their utility, human development argues that people’s well-being should improve. Different policies ensue.
• Development policy involves uncertainty, trade-offs and complexity.
• The output or impact of any policy depends in part on the social, political, institutional, cultural, and economic context.

The word ‘development’ has as many meanings as there are listeners. For some, development means more material prosperity: owning money, land, and a house. For others, development concerns liberation from oppression. Some see development as a new word for neo-colonialism, and despise it. For still others, development is a holistic project of personal social and spiritual progress. In many contexts we speak of the ‘development’ of a child or the ‘development’ of new software as if development completes something as yet unfinished. But this too is simplistic, for in certain ways ‘developing’ countries are more mature than ‘developed’. So the term is ambiguous and value laden. This textbook aims to present a people-centred meaning of development which is relevant to all countries, and to show its implications for development practice in many areas.

Regardless of any particular normative framework, many would view ‘development’ as a multi-dimensional and multi-sectoral process, involving social, economic and political change aimed at improving people’s lives. Development processes use and manage natural resources to satisfy human needs and improve people’s quality of life. Note that those who hold these views may still range from Marxist to neoclassical. A region might be considered more ‘developed’ because its inhabitants command higher incomes per capita and because investment and employment rates are higher than other regions. In this context, economic growth and productive investment are the major concern of many development agencies. Other similar understandings of development add concerns for people’s health and education as key ingredients to producing a more dynamic economy and higher material prosperity. Still others view development as enabling people to live lives they value. From this perspective, investment, employment and prosperity are some means, among others, of giving people such
opportunities, although they are not the final goal. Despite the many differences, all the above have one common characteristic: they are normative. This chapter demonstrates that normative assumptions about what development is have important policy implications and practical consequences for people’s lives. It concludes by introducing the human development approach.

**Normative, positive and predictive**

Development legitimately involves various kinds of analyses. Development policies or public policies are *normative* or ethical - based on value judgements - in that they clarify how groups ought to behave in order to create improvements. Should public policy aim at increasing economic growth only? Or should it give equal consideration to providing people free health care access, promoting gender equity and protecting ecosystems? These are questions that involve value judgements about what should be done. But development also requires learning from past experiences and analysing existing data. This is referred to as a *positive* approach to development, and relates to empirical studies, data analysis, hypothesis testing, and other kinds of description and analysis. In addition, policy makers need to be able to *predict* how a situation could change in certain ways. For example, a development analyst might describe how many poor households exist in a country, and then try to predict or extrapolate how much a 5 per cent annual economic growth over five years will reduce the number of households that exist below a poverty line. Although distinct, *normative*, *positive*, and *predictive* approaches are all interconnected. One needs to have positive and predictive analyses in order to make any normative assessments and vice versa. Yet normative analysis is fundamental and in some ways prior to predictive and positive analysis. Before describing the severity of poverty in a country, one needs a normative framework to define what poverty is – to choose its variables and measures. That is, before analysing poverty positively, one needs to make a value judgement about how poverty should be conceptualised. If poverty is defined as a lack of income this will have different implications for what governments and agencies should do to reduce poverty in comparison with when poverty is defined as a set of unmet basic needs. The point is, normative approaches are central to the shaping of development policy, but are not sufficient to create it.

There are many ways in which normative frameworks affect policy decisions and outcomes. To name a few: they shape the data that we collect; they influence our analysis; they give certain topics greater or less political salience; they feed or stymie social movements; they may motivate professionals for moral or ethical reasons and they can be more or less philosophically credible.

All normative recommendations for development wrestle with common core issues: of uncertainty, of difficulties in prediction, of evaluating trade-offs, and of identifying interconnections among variables and causal links. How can one take action on climate change? Should a country invest in wind turbines, solar panels or nuclear energy? We may not know which energy policy is the best option, given uncertainty about the future. In addition to uncertainty, trade-offs are more the norm than the exception in development policy-making. Should farmers in Kenya be encouraged to produce beans and flowers for European supermarkets? This creates employment for Kenyan farmers but also contributes to carbon emissions. How much should the Education Ministry of Tanzania allocate to achieving universal primary education and how much should they invest in the university sector? Policy-making often involves trade-offs between the pursuit of two valuable objectives.
Another difficulty for policy-making is the deep interconnection between different types of policies. The agricultural policy of encouraging flower cultivation for exports spills into employment policies in terms of job creation, which might then spill into gender policies – women may be empowered by moving from subsistence agriculture into business. Moreover, policies must navigate between different contexts and institutions, whether they are political, social or cultural. All must give some account of individuals’ preferences, incentives and rewards, on the one hand, while guiding policies for firms, consumers, governments and international actors, on the other. Will an export-oriented agricultural policy give incentives for strengthening local farmer cooperatives? Or will it give more power to multi-national agro-business companies? How stable or volatile is the demand for exports? What if the next government reverses the policy? Is encouraging another form of agriculture what local farmers actually value, and what benefits could it offer consumers who are the ultimate users of such products? Will women be empowered or constrained to menial jobs? To complicate matters further, one cannot predict the impact of policies without examining various cultural, political, economic and institutional contexts. The same agricultural policy of flower export will have a different impact in Kenya than in, say, Costa Rica.

John Neville Keynes (1891), who articulated the normative-predictive-positive distinction mentioned above, called policy ‘the art of economics’. Policy-making in development no less than in economics is an art which resists scientific and technical modelling. It is also an art which profoundly depends on our normative assumptions. Whether one believes that the end of development is material prosperity, happiness or human freedom and fulfilment, these beliefs will shape the kinds of policies that are made and the reality in which we live.

To summarize: ideas about what development should be, matter. Different ways of understanding what development should improve lead to different policies and consequences.

The next sections present several examples of policy initiatives. We begin with quite a few concrete examples. Why? Instead of lecturing, we want readers themselves actively to analyse the situations and engage, throughout their study of human development, as agents in thinking practically how to address various problems, and to keep in mind the various kinds of complexity that challenge all policy makers. In the cases below, development policies reflect a dominant normative framework, in which public policy aims to increase economic prosperity, and predicts that improvements in other goals – such as better living conditions – automatically follow. The questions at the end of the chapter enable the reader to identify how normative frameworks actually make a difference in development policy and practice.

Access to water in China

The Prefecture of Wuxi is one of China’s most prosperous industrial towns. It is also home to China’s third largest freshwater lake, Tai Lake. 90 miles west of Shanghai, it has long been a source of life for millions of people. A famous scenic spot, the lake was immortalized in a popular song (‘Beauty of Tai Lake’) in the 1980s, which described its spectacular scenery at the time: ‘Green reeds at the water’s edge, rich in fish and shellfish at low tide, the lake water weaves through irrigation nets, the fragrance of fruit and rice floats around the lake.’

Unfortunately, the lake is nowadays frothing with pollution. In 2007, it was estimated that there were more than 20,000 chemical factories around the Tai Lake river basin. The lake is also located within a region that has experienced the highest urbanization level in China. The population density of the Tai Lake area now exceeds 1,000 inhabitants per square kilometre. Large amounts of industrial waste, urban sewage and chemical fertilizers end up in the lake.
water. The great volume of pollutants discharged into the lake causes water eutrophication. This leads to the formation of blue-green algae and renders the water undrinkable. The pollution reached its highest peak in May 2007, when a large bloom of blue-green algae so severely deteriorated the water quality that more than 2 million people were deprived of drinking water for nearly a week, cutting the town off from its natural water supply. According to senior officials of the Chinese environment regulating body, as temperatures rise, large-scale outbreaks of blue-green algae are very likely to occur in the future.

Since 1998, the Chinese government, from the central to the local level, has pooled many efforts to treat the water pollution in Tai Lake. By 2005, the Chinese government had pumped 10 billion Yuan in the first phase of the plan to tackle pollution in the Tai Lake region. It is reported that the budget of the second phase amounted to 100 billion Yuan. However, despite all these efforts, water quality in Tai Lake has not improved. The annual economic losses caused by pollution were conservatively estimated to reach 5 billion Yuan.

The state of Tai Lake today epitomizes China’s development process in the past three decades. The bloom of blue-green algae only reflects one of the many environmental challenges that China faces today. For a long time, growth in Gross Domestic Product (GDP) has been seen as the only relevant indicator of development achievements. According to a report by the Ministry of Environment Protection published in 2006, the cost of environmental degradation caused by water pollution amounted to 286.28 billion Yuan in 2004, while environmental degradation caused by air pollution to 219.8 billion Yuan. Total pollution-related losses accounted for more than 3 percent of aggregate local GDP. The opportunity cost of inaction remains very high. Not investing in tackling pollution now will result in greater economic losses in the future, a conclusion that the Stern Report on climate change amply demonstrated, while the non-economic costs of pollution, such as loss of biodiversity and natural beauty, remain incalculable.

The Tai Lake ecological disaster triggered a nation-wide reflection on China’s economic policies. After nearly 30 years of rapid economic growth, the Chinese have started to probe more fully into the meaning of economic growth and its relationship to quality of life. How to reassess the achievements of economic growth in the last three decades? Should public policy aim at another ultimate goal than increasing economic prosperity? Is another normative framework for development needed?

While China has achieved extraordinary progresses in recent years – the Chinese are now wealthier, better educated and healthier than they have ever been – the environmental challenges mentioned above, along with other challenges like social and economic inequalities, call for major shifts in China’s development policies and in its normative assumptions about what constitute development. China’s leadership is progressively acknowledging the situation and has formulated a bold new vision of development, described as the ‘Scientific Development Approach’, which roughly translates, in English, to the ‘human development approach’. This approach highlights the fact that people should be the ultimate end of development. It calls for a balance between economic and social development and aims to build a harmonious society between and among human beings and in relation to their natural and social environment.

**Extractive industries in Peru**

As it has been for centuries, the Peruvian economy in the twenty-first century is still based on mining, fishing and agriculture. It is estimated that mining provides more than half of the
Peruvian economy’s annual export income. Peru is the world’s second largest silver producer and Latin America’s leader in gold output. The copper and zinc mine at Antamina in Ancash is the world’s largest single investment project. Several billion dollars are also being invested in natural gas fields and old mines. All of these projects are run by foreign companies.

In the early nineties, Peru began a structural adjustment process aimed at liberalizing its economy, leading to a boom in the mining sector. Rules governing the privatisation of state-owned companies were established and labour laws were weakened significantly. Several provisions of the state environmental laws were also weakened early in Fujimori’s first term. Moreover, the Land Law, which governs land ownership and use and establishes indigenous land rights, was modified in favour of mining investment.

These liberalization reforms greatly strengthened the position of the mining sector in the economy. During the greater part of the nineties, this sector expanded significantly. Between 1991 and 1997, the area of land covered by mining concessions increased by over 700 percent. By the end of 1999, mining rights had been assigned to approximately 12 percent of the nation’s territory. This expansion took place both in traditional mining zones and in areas that had never before experienced mining activity.

Despite these economic gains, mining has been very disruptive for the social and natural environment. Toxic chemicals such as cyanide and sulphuric acid are employed by the mining industry to extract minerals. The extraction process can also produce toxic by-products. These chemicals are not always transported or handled properly and spills are not uncommon. In 1999, residents of a village were exposed to mercury, a potent toxin, when a truck spilled its load. The residents, who present with symptoms that are consistent with long-term mercury poisoning, have never been compensated, nor have they received adequate medical treatment.

Environmental contamination is also frequently caused by inadequate tailings containment. Tailings are the rock wastes left behind following ore extraction. They often contain heavy metals, acid-forming minerals and residue from toxic chemicals used in the extraction process. Widespread water contamination caused by inadequate mine waste management has thus deeply affected Peru.

The arrival of a mining company can also have serious social consequences for local communities, including outright displacement. In some cases, communities are forcibly relocated to make way for mine development. In the case of the controversial Tambogrande gold mine in the department of Piura, such relocation was avoided. Construction of the mine required the relocation of approximately half the town. People refused to abandon their homes and, by uniting in opposition to the mine, successfully stymied the company’s proposal.

Mining activity often involves the arrival of outsiders, which frequently generates tension within communities and threatens traditional practices. It is not uncommon for prostitution, alcoholism, domestic violence, family breakdown and health problems to increase in communities that coexist with mining.

Perhaps most devastating is the impact of mineral activity on the sources of livelihood of affected communities, who are mainly farmers and livestock rearers. The impact of mineral activity, specifically the loss of land and the contamination of water and soil resources, dramatically limit the ability of peasant communities to pursue traditional subsistence activities, thereby restricting their livelihood opportunities.
As with the previous story of Tai Lake in China, the pursuit of development in this context is based on certain normative assumptions about what development is. Mining has been chosen as a development strategy because of its positive effect on Peruvian GDP growth. Mining increases exports and builds on the comparative advantage of Peru in this sector. While economic gains would clearly benefit some, there were obvious tradeoffs. What about the ability of peasant communities to cultivate the land of their ancestors? And what of the local communities’ ability to live healthily? While the Peruvian government bases its development policies on a normative framework – that increasing quality of life comes through economic growth and that encouraging mining investment is one of the best strategies to achieve this aim – local people may have a different normative framework. For them, living healthy lives free of metal pollution, being able to farm the land in a sustainable way and being able to take part in indigenous festivals and religious ceremonies, may also be development outcomes they value but are unable to protect in the face of mining interests. Is there a way to bring these diverse views into a productive dialogue?

Forest protection in Uganda

On 12 April 2007, many Ugandans turned to the streets of Kampala to protest against a government plan to sell 7,000 hectares of forest land to a sugar company called Mehta, which was owned by an Indian family and which hoped to expand its sugarcane plantations considerably. In this plan the government foresaw increased sugar production, increased exports and an engine for economic growth, growth that would eventually benefit all Ugandans. The land that was due to be sold was part of the Mabira Forest, home to several rare flora and fauna species and a nature reserve since 1932. The protest between demonstrators, who wanted to preserve the natural integrity of the forest, and the government, who hoped to encourage productive investment in the country, had turned violent. Three people died, including an Indian national.

The protest was organized by a group of environmentalists that included members of parliament, professional environmentalists, political activists and students. But the general public was quickly drawn into the protest. The mass media had covered the issue widely and the public was convinced that protecting the Mabira Forest was more valuable than sacrificing it for the sake of productive investment. Many demonstrators carried green leaves and placards to express their concerns about the forest and the environment in general. Some of the placards had telling messages. One placard read: ‘Environment is life’. Another read: ‘Government, listen to the voice of the people, Mabira is ours’.

Several arguments were made on the importance of protecting the forest. One of the daily newspapers in Uganda summed up the key argument as follows: ‘Protagonists say (the) Mabira forest acts as environmental filter zone for noxious gases, it buffers against soil erosion, it (hosts) endangered animal and flora species, and holds a variety of trees with high medicinal worth and hardwood timber worth hundreds of millions of dollars besides its aesthetic value…’ (Daily Monitor, 5 May 2008).

Cultural, religious and traditional healers also joined the campaign to stop the destruction of the Mabira Forest for the expansion of the large-scale sugarcane plantation. The cultural leaders of Buganda, a tribe that lives on land where Mabira Forest is situated, petitioned the president in a letter to halt the process to give away the forest. Whereas the religious leaders prayed to God for the protection of the Mabira forest, traditional healers vowed to invoke the spirits of the forest to attack any action that is intended to cut down the trees of the forest. The
leader of the Uganda Traditional Healers and Herbalists Association, Sylvia Namutebi, went to the forest to perform rituals to invoke the spirits.

As a result of these protests and outcries, Uganda’s Cabinet suspended the proposal. However, a newspaper (*The New Vision*, 13 April 2007) noted that President Museveni scoffed at critics who opposed the forest give-away saying he would not be deterred by people who do not see where the future lies. Even more recently, a Ugandan news agency quoted the president as saying that he still maintained his stand on the issue of Mabira during his ‘State of the Nation Address’ and that he believed that, with patience, the issue would be solved – i.e., that Ugandans would come to realise where the future of their country lies.9

‘The Save Mabira Forest Crusade’, as this movement came to be called, represents a historical moment in the development of modern Africa. Ugandans used cell phones and internet technologies to mobilize and organize street protests. One SMS message read: ‘Save Mabira Forest, do not buy Lugazi sugar’ and was circulated all over Uganda and beyond to mobilize civil action against the proposed project.

None of these cases are easy – tradeoffs are unavoidable, and there are no simple answers. What is clear about this case is that citizens of a developing country can mobilize and rally together on an issue that they feel has a direct and considerable impact on their quality of life. Here, the environment was inextricably linked to notions of development and wellbeing, which included considerations about health, food, history, religion and their overall relationship with nature. How can this loss be compared to the gain that others in Uganda and India and elsewhere might enjoy from the new sugar plantation?

**The Heathrow expansion in London**10

The variety of normative frameworks for development is not only a reality in so-called developing countries. It is a reality in industrialised countries as well and can have considerable consequences for people outside the national boundaries in which policy decisions are taken.

In London, the government has given its approval for building a third runway at Heathrow airport. Its major argument for the expansion is the impact the expansion would have on the British economy. London is an international financial centre and it is argued that the current airport capacity is unable to meet the air travel demand that such an international financial centre requires. It is believed that, without satisfactory airport facilities, businesses are likely to move out of London and the United Kingdom altogether. Another economic rationale for the expansion is the number of jobs that it would create. The government argues that these benefits more than compensate for the negative effects of building a third runway.

This economic project is however not without consequences. Air and noise pollution will increase. Areas in Southwest London already cope with one plane taking off or landing every minute during the daytime. The government answers these complaints by arguing that technology will solve the pollution problem and that planes are likely to become much less noisy in the future. A village will have to be destroyed to make way for the expansion. Seven hundred residents are likely to be resettled. The increase in air traffic is also contributing to CO2 emissions, thereby accelerating climate change. While Western industrialised countries are mainly responsible for climate change, it is people in developing countries who have not contributed to the problem who suffer from it the most.11
Like in Uganda, civil society organisations have rallied to protest against the government plan. In August 2007, a massive campaign was staged at Heathrow airport with activists camping on the site and creating travel disruption. They also produced detailed information which weakened the government’s argument. The government’s economic rationale was challenged on two fronts: first, the justification that the expansion is essential to London’s economy does not match the empirical evidence of a link between airport capacity and business activities. Other European capitals have expanded their major airports but international businesses did not necessarily relocate as a consequence. In contrast, despite Heathrow’s poor customer performance — the disastrous opening of the new Terminal in April 2008 made international headlines, for example — new international businesses have settled in London. Second, the government overrates the contribution of the aviation sector to the economy. The industry is only the 26th biggest industry in Britain, half the size of the computer industry, and a tenth the size of banking and finance. Moreover, the industry is heavily subsidized: unlike petrol, there is no tax on aviation fuel and the industry is exempt from value-added tax. Instead of creating new employment opportunities, the airport expansion is therefore likely to be a further burden on taxpayers.

In addition, civil society organisations have challenged the government’s policy on environmental grounds. They have estimated that the annual climate change emissions from the third runway alone would be the same as Kenya’s overall emissions. Considering further that 45% of air trips within Europe are less than 500 kilometres in length, improving the high-speed railway network in Britain and within the continent would appear to be more economically and environmentally efficient as a whole.

**Normative frameworks matter**

The stories above lead us to ask basic questions about tradeoffs between economic growth and quality of life, between policies that favour different groups of people, between the short term and the long term. Are poor people better off because of economic growth? On what grounds should their quality of life be assessed? Does economic expansion go hand-in-hand with a more limited access to safe water? Is mining in Peru a desirable way to generate higher income and employment? Is this the only criteria which should guide policy decisions? Is expansion of air travel to be encouraged on the premise that its contribution to the country’s economic output is necessary? How are economic benefits to offset environmental and social costs? Is displacement justified?

The stories highlight that each state of affairs is viewed differently by different groups and individuals. The Chinese government assesses China’s economic development from a certain perspective. However, those who are negatively affected by economic growth assess it on the basis of other normative foundations. In Peru, the government undertakes mining activities on the basis of certain beliefs about economic development and the improvement of people’s lives. In contrast, the people affected by mining activities have a different opinion about the contribution of mining to their lives, particularly when non-economic factors are taken into account. Equally, the Ugandan government assesses the value of forests from the perspective of job creation and certain types of economic incentives. However, other groups valued the forests in a different light. Similar conclusions hold for the example of the Heathrow expansion plan: the government’s prioritization of economic growth and productive investments did not match the general public’s value of environmental protection and equal opportunities for future generations.
Disagreement is likely to be perennial. And it is not embarrassing at all that people do not agree. But there are better and worse ways to navigate between conflicts of interest and value, and there are policies that are better and worse at achieving the improvements they seek.

We can see here two sets of questions being asked by different groups, each relying on certain normative assumptions about what matters and what policies should be pursued. One set relates to how the policy decision will affect economic output. How much are the chemical companies in Tai Lake region to contribute to China’s economic growth? How much is mining going to increase Peruvian exports and the country’s GDP as a whole? How much is the destruction of parts of the Mabira forest going to contribute to the dynamism of the Ugandan economy? How much is the airport expansion going to contribute to job creation and Britain’s economic growth? The other set relates to how the policy will affect people’s quality of life – negatively or positively. Will economic growth enable the Chinese to live a life they value, such as living a healthy life free of contamination concerns? Will mining enable Peruvians to have dignified employment, send their children to school and enjoy better health? Will the giving away of protected areas to productive investment opportunities make most Ugandans better off? Is the airport expansion necessary to sustain the quality of life in Britain?

The stories clearly illustrate that what is considered to be ‘development’, and what is seen as a policy to improve people’s lives, is inextricably linked with values about what matters. Whether development aims to improve economic growth or to advance human rights, human agency or human flourishing, the implications are both practical and far-reaching.

**People first**

To some, the idea that people should come first in social and economic processes appears a redundant truism. But development has long been sought and assessed in economic terms, with a particular focus on the annual growth of income per capita, instead of the consequences of this growth on the quality of people’s lives. The two are distinct, as Box 1.1 illustrates.

### Box 1.1. Development and economic growth in Liberia (by Wilmot A. Reeves)

In 1944 the generous Open Door Policy was introduced by Liberia’s 18th President, Dr. W. V. S. Tubman. The policy was intended to attract foreign capital from many sources for a wide range of projects, including rubber trees plantations, lumbering and mining of iron ore. It was also intended to diversify the economy. As a guarantee to foreign firms, they were allowed to remit their earnings without any restrictions. The policy was very successful as the Liberian economy experienced extensive economic growth. For instance, the important iron ore sector attracted substantial foreign investment in the 1960s in the first half of the 1970s. By 1975, Liberia had become the world’s fifth largest exporter of iron ore. In monetary terms, from 1946 to 1960, the Tubman Administration attracted over $500 million in foreign investment; exports rose from $15.8 million in 1948 to $82.6 million in 1960, an increase of 422.8 percent; and Government revenue rose from $32.4 million in 1960 to $69.9 million in 1971, an increase of 115.7 percent. The substantial economic growth recorded was an economic miracle.

However, Liberia’s tremendous economic growth became characterized as ‘growth without development,’ a phrase borrowed from Clower et al’s *Growth without Development: an Economic Survey of Liberia* published in 1966 by Northwestern University Press. According to Clower and his colleagues, ‘the Liberian economy grew at a rate almost unparalleled anywhere else in the world (outstripped, in fact, only by Japan). Unfortunately, this growth
did not lead to development, that is, to structural economic change absorbing larger numbers of Liberians in new productive activities and with more advanced training and skills. On the contrary, the returns from Liberia’s economic growth, insofar as they accrued to Liberians, went almost exclusively to the small ruling minority of Americo-Liberians, thus reinforcing their political power and the economic and social divisions between the country’s tribal majority’ (p. xv).

With time, Liberia experienced its first ever serious political street protest organised by the opposition on 14 April 1979. The opposition was mainly made up of sons and daughters of the tribal majority with few sympathizers from the elite with reasons of marginalization themselves. This event was followed by the 12 April 1980 military coup and eventually the 24 December 1989 civil war which lasted up to 18 August 2003, when the Accra Comprehensive Peace Agreement (CPA) was signed by all warring parties, including the Government of Charles Taylor and warring factions. Charles Taylor later went into exile due to pressure from warring factions fighting to oust his government and that of the international community (specifically President George Bush of the U.S.A. who made a public pronouncement that Charles Taylor must go), and he was replaced by his Vice President, Moses Z. Blah.

As provided for in the CPA, a National Transitional Government of Liberia was inaugurated in October 2003, and it was charged with responsibility to oversee democratic elections in October 2005. Eventually, a democratically elected government was ushered into office on 16 January 2006 following the presidential and general elections in October 2005 and a subsequent run off in November 2005. Mrs. Ellen Johnson Sirleaf was elected as President, being the first ever democratically elected female president of Africa. (see also chapter 13)

The overwhelming focus on growth persists today. Economic growth is clearly a necessary component of development in most circumstances, although the rate of growth required might still be a source of debate. Furthermore, sustained economic growth is now widely recognised to be deeply interconnected with advances in health and education. Yet economic growth is still put forward regularly as the dominant normative framework for development, and other activities are justified insofar as they foster growth. In the following section, we critically examine several assumptions about economic growth and its contribution to human flourishing. These assumptions are briefly introduced here and will be discussed in further detail in subsequent chapters, particularly chapter 4.

Assumption 1: A high GDP per capita is necessary for human flourishing.
The first assumption is that economic growth is desirable, in part, because it raises people’s income, hence their quality of life. In many circumstances this is true, but not always and not necessarily. Empirical evidence shows no automatic connection between a high GDP per capita and the ability of people to flourish. Table 1.1 illustrates the link between GDP and some dimensions of human flourishing such as health, education and political freedom, in the case of Saudi Arabia and Uruguay, the Russian Federation and Costa Rica, and Vietnam and Morocco. Uruguay has a much lower GDP per capita than Saudi Arabia. Yet people live longer. Women are more literate. Fewer children die prematurely, and basic political rights and civil liberties (such as the right to vote and the freedom of expression and association) are fully respected. The contrast between the Russian Federation and Costa Rica yields similar conclusions: Russia is wealthier, but its inhabitants live much shorter lives in a much more constrained political environment. While Morocco has a higher GDP per capita than Vietnam, its illiteracy and infant mortality rates are much higher. The discrimination against women, as measured by the difference between the adult literacy and adult female literacy rate, is also
much higher. When countries are arranged according to the Human Development Index – a composite index which measures progress in economic conditions, life expectancy and literacy — the wealthier countries in terms of GDP per capita are not necessarily better off when human dimensions such as health and education are taken into account. Saudi Arabia and Russia, the two richest countries of Table 1.1 in terms of economic development, are ultimately poorer than Uruguay and Costa Rica in human development terms.

<table>
<thead>
<tr>
<th>Table 1.1: Some human development indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
</tr>
<tr>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Uruguay</td>
</tr>
<tr>
<td>Russia</td>
</tr>
<tr>
<td>Costa Rica</td>
</tr>
<tr>
<td>Vietnam</td>
</tr>
<tr>
<td>Morocco</td>
</tr>
</tbody>
</table>

Source: Human Development Report 2007-2008 (years vary), see www.undp.org

*Freedom House 2008 (with 1 being most free and 7 less free), see www.freedomhouse.org

Assumption 2: Families with a good income will not be deprived in other dimensions.

Another widespread assumption is that not being poor in terms of income means not suffering from lack in other matters too, such as health and education. However, empirical data often tell another story. In a pioneering study comparing different conceptualisations of poverty in Peru and India, Ruggieri, Stewart et al. (2003) concluded that those who were poor in terms of income were not necessarily the same people who were poor in terms of lack of education or nutrition. They obtained the following results: in India, 65 per cent of children who belonged to households below the monetary poverty line were not educationally poor (that is, were enrolled at primary school). In Peru, 93 per cent of children belonging to monetary poor households were not educationally poor, and 66 per cent were not nutritionally poor. However, 43 per cent of children in India who did not belong to monetary poor households were not enrolled at school. And 53 per cent of children from non-monetary poor families suffered malnutrition. Having an income, or belonging to a ‘non-poor’ household, is thus not a guarantee for avoiding malnutrition or receiving education, particularly where public services are weak or absent (we will come back to this in chapter 6).

<table>
<thead>
<tr>
<th>Table 1.2 Poverty in different spaces: Surprisingly different</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>India</td>
</tr>
<tr>
<td>Peru</td>
</tr>
<tr>
<td>India</td>
</tr>
<tr>
<td>Peru</td>
</tr>
</tbody>
</table>


Assumption 3: Economic growth will automatically reduce other kinds of poverty, such as malnutrition.

In recent years, India and China have been celebrated as economic successes. The Chinese growth rate is nearly solely responsible for the fact that the Millennium Development Goal (MDG) of halving the proportion of people living under $1 a day is likely to be met. It has therefore been assumed that sustained, high economic growth rates have had a tremendous impact on other kinds of poverty.
The rather counter-intuitive and disconcerting truth is that, at present, the expected spill-overs have been fairly scarce with respect to several key variables. Consider child malnutrition, which is one of the most critical indications of how well a country is doing. India has experienced 15 years of boundless economic growth. Yet, in 1998-9, 47 per cent of children under the age of 3 were undernourished (weight for height was used as an indicator of malnutrition). In 2005-6, that number remained resiliently and unacceptably high, at 46 per cent of all children under 3 remaining malnourished. Similarly, in 1998-9, 58 per cent of children under 3 years of age had not received complete vaccinations; by 2005-6, that number had barely decreased at all – 56 per cent of children were still not fully vaccinated. And anaemia had risen from 75 to 79 per cent in those same years. Even in China, steady and impressive economic growth has been accompanied by startling health inequities and deprivations, particularly in rural areas.

Assumption 4: Data for income and expenditure are better than other poverty data. Critics of non-monetary indicators of development argue that income and expenditure data are the most reliable indicators of development. But, in fact, income and consumption or expenditure data are subject to a number of serious and widely-recognised difficulties. Income data in developing countries are often considered less accurate than consumption data, and also more volatile (hence, less reflective) of sustained living standards (Deaton 1997). Also, both consumption and income data have to be gathered item by item with varying recall periods, leading to potential errors. In addition, much consumption may be from non-market sources (public services, NGOs and community based groups, home-grown food, home-made clothes, fire wood or dung collected, etc.) and the imputation of prices to these is not straightforward. Other challenges include the purchasing power parity rates across rural-urban areas or countries, the construction of ‘equivalent’ incomes for households of different sizes, and the determination of poverty lines.

Another assumption is that non-monetary indicators are of weak quality. However, the coverage and quality of non-monetary data has in fact improved tremendously in the last two decades. Regularised household surveys in developing countries have increased steadily since the 1980s, and the international pressure of meeting the MDGs has further accelerated this trend. Furthermore, a number of efforts to strengthen the capacities of national statistical offices have led to an increase in sample and data quality. Granted, the data are far from perfectly accurate, but analyses of poverty and deprivation increasingly draw on non-income variables as well as assets, consumption, or income (see chapter 6).

Assumption 5: It is easier to promote economic growth than human flourishing. Economic growth has been the focus of considerable study, policy prescriptions, strategies and political attention. But it has proven to be far more difficult to realize than most anticipated. In 2001, Bill Easterly drew attention to a ‘puzzle’ which he described as follows: ‘In 1980-98, median per capita income growth in developing countries was 0.0 per cent, as compared to 2.5 per cent in 1960-79. Yet ... policies like financial depth and real overvaluation, and initial conditions like health, education, fertility, and infrastructure generally improved from 1960-79 to 1980-98. Developing country growth should have increased instead of decreased, according to the standard growth regression determinants of growth. The stagnation seems to represent a disappointing outcome to the movement towards the “Washington Consensus” by developing countries’ (Easterly, 2001: 135). In other words, although some economic growth policies had been implemented, they did not necessarily result in growth or economic development.
In 2005, the World Bank published a landmark report, *Economic Growth in the 1990s: Learning from a Decade of Reform*. The report observed that growth performance was uneven across developing countries, but lower than anticipated overall. It acknowledged that, ‘Bank growth projections, as well as growth projections by other forecasters, tend to be systematically over-optimistic’. Further, it acknowledged that the unevenness of growth could not be explained entirely by countries’ adherence to advised policy reforms. Indeed, some South and East Asian countries had achieved growth through very different mechanisms. Although many country experiences and insights were involved in the study, several central themes emerged. One was that the 1980s and 1990s had overlooked one determinant of growth of central importance: institutions (see chapter 7). The 2008 Commission on Growth and Development examined the countries that achieved high and sustained growth to establish what had caused it, and found considerable diversity in strategies. The point is that, although policy makers in the 1980s and 1990s had thought that the determinants of growth were clear – macroeconomic stability, trade liberalization, privatization, deregulation, financial liberalization and better public sector governance – growth proved to be, to use Easterly’s phrase, ‘elusive’. Further, given the global ‘credit crunch’ in September 2009, even those gains in growth proved more fragile than was perhaps anticipated. Indeed, one of the advantages of human development achievements is that, as section 1 suggested, they can be sustained even by countries with relatively low incomes, and during economic downturns.

*Assumption 6: Economic growth can be sustained without considerations for human flourishing.*

This assumption has been challenged by a study by Ranis, Stewart and Ramirez (2000), who demonstrated that countries that have experienced economic growth but whose population continue to suffer from low levels of education and health were not able to sustain that growth in the long term. Conversely, some countries with low levels of income per capita have been able to provide an environment in which their inhabitants could attain good educational and health standards. Ultimately, the only countries that were able to sustain growth were those that had previously invested in the health and education of their people. That education and health are instrumental in promoting economic growth is not however the sole reason for investing in these sectors, as chapter 9 will discuss.

Human flourishing and the impact of policies on people’s lives are the fundamental concern of this textbook and the core of what is known as the ‘human development and capability’ approach. The next chapter presents the basic concepts of this people-centred approach to development.

**Questions**

1.1 What do you understand by the word ‘development’? Draw a picture of your own conception of development.

1.2 Identify at least three concrete examples where economic development activities raise ethical questions. What possible positions might people take on each of these issues? How might they defend their respective positions? What information or assumptions do they rely upon? What value judgements would they (implicitly) be making? (This could be done as a role-playing exercise, where different parties defend their position taking into account their own respective value judgements).

1.3 How do normative frameworks affect policy decisions and outcomes? Can you give examples from your experience where a different normative framework would have led to other policy priorities and outcomes?
1.4 Why do you think the basic intuition that human concerns should be the ultimate goal of economic activity continues to be ignored in policy all over the world?

1.5 What are the main ideas and concepts which guide public policies in your country?

Readings


Further Readings


Endnotes

1 For an introduction to theories of development, see, among others, Cowen and Shenton (1996), Preston (1996) and Rist (1997).

2 Story written by Jiantuo Yu, Centre for Human and Economic Development Studies, Beijing University, China

3 At the end of 2005, US $1= 8.07 Yuan.


5 The ‘Stern Review on the Economics of Climate Change’ can be downloaded from www.hm-treasury.gov.uk/independent_reviews_index.htm.


7 This section is taken from www.perusupportgroup.org.uk/key_extractive.html. With kind permission of Gabriela Drinkwater, from the Peru Support Group, for reproduction of the material.

8 Story written by Michael Mawa Mkumba University Uganda, Pamela Mbabazi Mbarara University Uganda, Esuruku Robert Uganda Martyr’s University and Saidah Najjuma, Noejje University, Uganda

9 www.eturbonew.com

10 This section is written on the basis of information contained in studies made by the Heathrow Association for the Control of Aircraft Noise available at www.hacan.org.uk.


13 The ‘Washington Consensus’ refers to the policy package promoted by the Washington-based international institutions of the World Bank and International Monetary Fund. Gore (2000: 789) defines the ‘Washington Consensus’ as an approach which ‘recommends that governments reform their policies and, in particular: (a) pursue macroeconomic stability by controlling inflation and reducing fiscal deficits; (b) open their economies to the rest of the world through trade and capital account liberalization; and (c) liberalize domestic product and factor markets through privatization and deregulation.’

14 Its contents can be accessed at www1.worldbank.org/prem/lessons1990s.

15 See www.growthcommission.org.
Chapter 2: The Human Development and Capability Approach

Sabina Alkire and Séverine Deneulin

Aims of the chapter

• To introduce the key concepts and principles of human development and the capability approach.
• To understand the contribution of the approach to development thinking and policy.
• To identify the implications of the human development and capability approach for development at the micro and macro level.

Key points

• The capability approach contains three central concepts: functioning, capability and agency. A functioning is being or doing people value and have reason to value. A capability is a person’s freedom to enjoy various functionings – to be or do things that contribute to their well-being. Agency is a person’s ability to pursue and realize goals she values and has reason to value.
• The human development and capability approach is multi-dimensional, because several things matter at the same time. Well-being cannot be reduced to income, or happiness, or any single thing.
• The human development and capability approach combines a focus on outcomes with a focus on processes. Four key principles are: equity, efficiency, participation and sustainability.
• Improvements or progress are assessed in terms of capabilities, hence policies should promote capabilities.
• The selection of relevant capabilities depends on the situation. Public debate can be useful. Considering standard ‘lists’ also help groups not to overlook key areas unintentionally.

---------------------

How would you define ‘successful’ development? Let us start with two oversimplifications. Consider first an approach to development in which the objective is to achieve and sustain high rates of economic growth. In this situation, the unit of analysis is evident: the economy. This may be the national economy or the economy of a particular region or sector. The currency of assessment is also clear: income now and in the future. Trade-offs, such as between environment protection and employment creation, or between this generation and the next, are resolved by market prices, exchange rates, and discount rates; in some cases prices may be corrected for social, environmental, and distributional concerns.

Now consider an approach to development in which the objective is to expand what people are able to do and be – what might be called their real freedoms. It puts people first. In this view, a healthy economy is one that enables people to enjoy a long and healthy life, a good education, a meaningful job, physical safety, democratic debate and so on. Notice two shifts from the earlier approach: first, the analysis shifts from the economy to the person. Second, the currency of assessment shifts from money to the things people can do and be in their lives, now and in the future.

In both situations, tradeoffs surface. Policy must consider which groups of the population to focus on (distribution), and which period of time to prioritize (dynamics). In the second
approach, there are also tradeoffs to be considered between which aspect(s) of people’s lives to focus on (*dimension*),

While each perspective takes a fundamentally different objective, they are not totally distinct; they overlap. Those who focus on people’s lives are still vitally concerned with economic growth, macroeconomic stability, income poverty reduction and many other means to improving people’s lives. And those focused on sustained growth still concern themselves with healthy, educated and skilled workers, and some modicum of peace and stability. Yet as has been discussed in the previous chapter, normative frameworks and ideas about what matters have enormous practical implications.

This chapter describes the second perspective, the people-focused one, otherwise known as the human development and capability approach. Human development has been pioneered by different people under different names and at different times. A focus on people’s freedoms can be found in the notion of *ubuntu* in Southern Africa, with liberation theology in Latin America and beyond, with participatory development, community mobilization, rights-based approaches, sustainable livelihoods, and many other ethical approaches to development. It is equally applicable in developed and developing countries. One of its leading voices is the philosopher and Nobel laureate in economics Amartya Sen, whose writings on the ‘capability approach’ provide the philosophical basis of human development hence of this textbook. Later sections will present his foundational work and its basic terms and concepts. But, before moving to these, we begin by offering an overview of the key elements of human development.

**Human development**

[\[a\] A bird’s-eye view]

The idea of human development has been circulated in policy circles and public debate for the past two decades, with various degrees of persuasiveness, incisiveness, and accuracy. One powerful vehicle of communication has been the annual *Human Development Report* produced by the United Nations Development Programme. The first report was published in 1990, and all reports seek to articulate the human development perspective on one set of issues. In addition to the annual global report, roughly one hundred different countries are producing their own *National and Regional Human Development Reports* today, with some of these countries producing state or provincial reports as well. These reports are intended to assess the quality of life of a population and be an advocacy tool for its improvement. The analysis draws upon data regarding health, education, nutrition, work, political freedoms, security, the environment and many other aspects of people’s lives. In assessing the state of a population from a people-centred perspective, these reports have the political purpose of raising awareness and generating debate on public issues and concerns which would otherwise not be on the political agenda.

**Box 2.1 Themes of Global Human Development Reports to date**

- 2009: Migration
- 2007/8: Fighting climate change: Human solidarity in a divided world
- 2006: Beyond scarcity: Power, poverty and the global water crisis
- 2005: International cooperation at a crossroads
- 2004: Cultural liberty in today’s diverse world
- 2003: Millennium Development Goals: A compact among nations to end human poverty
- 2002: Deepening democracy in a fragmented world
- 2001: Making new technologies work for human development
The Human Development Reports were the brainchild of Mahbub ul Haq, a Pakistani economist who wanted to see the world’s economic and social progress assessed in a different way, moving away from the usual income and economic growth considerations that had come to characterize the World Bank’s annual World Development Reports. As ul Haq argued, a country that sells weapons should not be considered more ‘developed’ than a country that has chosen not to make weapons and export them, simply because the production of weapons makes the Gross Domestic Product (GDP) of that particular country significantly higher. The following quote, taken from a speech given by Robert F. Kennedy on 4th January 1968, encapsulates the limitations of GDP as a measure of what makes life valuable:

The Gross National Product of the United States is the largest in the world, but that GNP, if we should judge our nation by that, counts air pollution and cigarette advertising and ambulances to clear the highways of carnage. It counts special locks for our doors and jails that break them. It counts the destruction of our redwoods and the loss of our natural wonder and chaotic sprawl. It counts napalm and the cost of a nuclear warhead and armoured cars that fight riots in our streets. Yet the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country. It measures everything, in short, except that which makes life worthwhile.

Box 2.2: The purpose of development (by Mahbub ul Haq)

The basic purpose of development is to enlarge people’s choices. In principle, these choices can be infinite and can change over time. People often value achievements that do not show up at all, or not immediately, in income or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms and a sense of participation in community activities. The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives.

The human development paradigm covers all aspects of development – whether economic growth or international trade; budget deficits or fiscal policy; savings, investment or technology; basic social services or safety nets for the poor. No aspect of the development model falls outside its scope, but point of reference remains the widening of people’s choices and the enrichment of their lives. All aspects of life -- economic, political or cultural – are viewed from that perspective. Economic growth therefore becomes only one subset of the human development paradigm.

On some aspects of the human development paradigm, there is fairly broad agreement:
- Development must put people at the centre of its concerns.
- The purpose of development is to enlarge all human choices and not just income.
The human development paradigm is concerned both with building human capabilities (through investment in people) and with using those human capabilities more fully (through an enabling framework for growth and employment).

Human development has four essential pillars: equality, sustainability, productivity and empowerment. It regards economic growth as essential, but emphasizes the need to pay attention to its quality and distribution, analyses at length its link with human lives and questions its long-term sustainability.

The human development paradigm defines the ends of development and analyses sensible options for achieving them.


[b] Clarification of means and ends
Human development draws attention to ‘what makes life worthwhile’: people. In so doing, the appraisal of income growth itself is altered altogether. The limited value of income and wealth has been recognized for centuries. Aristotle argued that ‘wealth is evidently not the good we are seeking, for it is merely useful and for the sake of something else’ (Nicomachean Ethics, Book 1, chapter 5, 1096a5-10). Going even further back in time, the first chapter of Amartya Sen’s Development as Freedom relates a discussion described in an 8th century B.C. Sanskrit manuscript. A woman, Maitreyee, asks her husband ‘if “the whole earth, full of wealth” were to belong to her, she (would) achieve immortality through it.’ Hearing that she would not, Maitreyee asks, ‘What should I do with that by which I do not become immortal?’ (cited in Sen, 1999: 13).

That people matter does not mean that income does not. Income is obviously an important instrument in enabling people to realize their full potential. A 12-year old boy who wishes to pursue secondary education and become a doctor might have his dreams blighted by the fact that he has to work instead, in order to help pay health bills incurred by other family members. But income is not everything. The 12-year old would not have to work if there were adequate public health services for low-income families. And, in some cases, income does not help. A girl born in a well-to-do family might have her dreams of becoming a lawyer blighted because her family and community think it improper for her to work outside the home.

[c] Values, priorities, and public debate
The first Human Development Report in 1990 defined human development as ‘both the process of widening people’s choices and the level of their achieved well-being’ (UNDP, 1990: 9). The purpose of development is to enhance people’s capabilities, in the present and in the future, in all areas of their life -- economic, social, political and cultural. It is here that human development rests fully on Amartya Sen’s core idea of capabilities and agency. As these are very rich concepts, we will take time in the next section to introduce these terms with care. For the moment, let us continue with our swift tour through ideas of human development, by noting one feature: choices relate to our values and we have different values and often disagree, so human development also is, fundamentally, engaged in an ongoing conversation about what it would be most valuable for us to do next.

This issue of values is critical in the human development approach. What are valuable choices that public policy should promote? Who defines what is valuable? How are deep disagreements resolved? What about values that seem reprehensible, ill-informed or harmful?
Because of human diversity itself, our respective values tend to be somewhat heterogeneous. Still, development in a given society tends to reflect its most cherished values -- of equity, harmony with nature, peace and order, material wealth or children’s well-being. The UK is the fourth largest global economy but a 2007 UNICEF report on child well-being in rich countries concluded that UK children had the lowest level of well-being among industrialized nations.\(^5\) Not surprisingly, the report created substantial concern. This type of analysis help people clarify what their values are, and what they might wish to change.

In 2007, a British TV channel brought a group from the small Pacific island of Vanuatu to make an anthropological study of British people. The trip was sparked by an alternative index of well-being in which Vanuatu ranked as the most ‘developed’ country on earth, while the UK came in at 108.\(^6\) In one episode, the Vanuatu citizens spent half an hour in Central London during rush hour trying in vain to engage commuters in a conversation. They could not grasp why people would pass each other like objects and rush like bees in a busy beehive. As a newspaper review of the series put it: ‘This they thought was “crazy,” a rejection of the most important things in life, which they believe to be “love, happiness, peace and respect.”’\(^7\) Human development raises issues of values, priorities and trade-offs so that people are better able to reflect profoundly on their circumstances and shape their respective societies.

**[d] Agency, voice and empowerment**

One of the central goals of human development is enabling people to become agents in their own lives and in their communities. As Sen argues, in development activities ‘the people have to be seen… as being actively involved—given the opportunity—in shaping their own destiny, and not just as passive recipients of the fruits of cunning development programs’ (Sen 1999: 53). From this perspective, development relies on people’s freedom to make decisions and advance key objectives. People themselves decide upon what kind of development they would like for themselves. When people and social groups are recognised as agents, they can define their priorities as well as choose the best means to achieve them. Referring to the choice between cultural tradition and poverty, on the one hand, and modernity and material prosperity, on the other hand, Sen (1999: 31) writes: ‘If a traditional way of life has to be sacrificed to escape grinding poverty or minuscule longevity, then it is the people directly involved who must have the opportunity to participate in deciding what should be chosen.’ While the principle of agency is clear, its implementation is more complex. Many decisions are made by groups rather than by individuals, and a person’s ability to affect collective choices varies greatly in different contexts, as we shall discuss later.

Agency and the expansion of valuable freedoms go hand in hand (see box 2.3). In order to be agents of their own lives, people need the freedom to be educated, to speak in public without fear, to have freedom of expression and association, etc. But it also in being agents that people can build the environment in which they can be educated and speak freely, etc.

---

**Box 2.3 Human development: focusing on well-being and agency (by Amartya Sen)**

The perspective of human development incorporates the need to remove the hindrances that people face through the efforts and initiatives of people themselves. The claim is not only that human lives can go very much better and be much richer in terms of well-being and freedom, but also that human agency can deliberately bring about radical change through improving societal organization and commitment. These are indeed the two central ideas that give cogency to the focus on human development. That focus relates, on one side, to a clearer comprehension of how – and in what ways – human lives can go much better and, on the
other, to a fuller understanding of how this betterment can be brought about through a strengthening of human agency. I shall call them, respectively, ‘the evaluative aspect’ and ‘the agency aspect’ of human development.

Extract from Amartya Sen’s foreword to *Readings in Human Development* by Fukuda-Parr and Shiva Kumar, p. vii.

[e] Plural information, multiple dimensions
The human development approach is inherently multi-dimensional and plural (see Box 2.4). While in practice, most policies focus on one or several components of human development, the approach itself is potentially broad. It is about education as much as it is about health. It is about culture as much as it is about political participation. It deals with fiscal policy as much as health policy – higher taxes on alcohol and cigarettes could be as effective in giving people opportunities to live long and healthy lives as spending more on health services. It deals with agricultural policies as much as it deals with exchange rate policies – the devaluation of a currency may do more to promote exports and provide farmers with greater opportunities to earn a decent income than farm subsidies. It deals with educational policy as much as gender, environmental, industrial or technological policy. Human development thus relates to many aspects that concern people’s lives, not only economic ones. It can therefore not be subsumed under one single academic discipline. It encompasses many disciplines, including economics, law, sociology, history, public policy, political science and philosophy.

Box 2.4: Accounting for human development (by Amartya Sen)
What does the human development accounting, in fact, do? What is its special feature, its identifying characteristic? This is, at one level, an easy question to answer. Rather than concentrating only on some solitary and traditional measure of economic progress (such as the gross national product per head), ‘human development’ accounting involves a systematic examination of a wealth of information about how human beings in each society live (including their state of education and health care, among other variables). It brings an inescapably pluralist conception of progress to the exercise of development evaluation. Human lives are battered and diminished in all kinds of different ways, and the first task, seen in this perspective, is to acknowledge that deprivations of very different kinds have to be accommodated within a general overarching framework. The framework must be cogent and coherent, but must not try to overlook the pluralities that are crucially involved (in the diverse nature of deprivations) in a misguided search for some one measure of success and failure, some single clue to all the other disparate concerns.


Thus far we have focused mainly on the ‘objective’ of human development. Now we turn to the process. Mahbub ul Haq identified four procedural concerns or principles which have been used repeatedly in applying human development. They are: equity, efficiency, participation and sustainability. Of course other principles such as responsibility or respect for human rights also matter. But we will start with these four because they are often used:
- **Equity** draws on the concept of justice, impartiality and fairness and incorporates a consideration for distributive justice between groups. In human development, we seek equity in the space of people’s freedom to live valuable lives. It is related to, but different from, the concept of equality, which implies equality of all people in some space. In human development, equity draws attention to those who have unequal opportunities due to various disadvantages and may require preferential treatment or affirmative action. For example, the
poor, differently-abled, women, ethnic minorities and other disadvantaged sections of the population may need special measures to enable them to have the same level of capabilities.

- **Efficiency**: Efficiency refers to the optimal use of existing resources. From a human development perspective, efficiency is defined as the least cost method of reaching goals through optimal use of human, material, environmental and institutional resources to expand capabilities for individuals and communities. It is necessary to demonstrate that the chosen intervention offers the highest impact in terms of people’s opportunities. When applying this principle, one must conceive of efficiency in a dynamic context since what is efficient at one point in time may not necessarily be efficient in the long run.

- **Participation and empowerment** is about processes in which people act as agents – individually and as groups. It is about the freedom to make decisions in matters that affect their lives; the freedom to hold others accountable for their promises, the freedom to influence development in their communities. For example in an education system reform, human development would consider and try to draw upon the agency of children, parents, teachers, the local community, teachers unions, NGOs, the media, the ministry of education, the finance ministry, social movements and advocacy groups for education, and so on. Whether at the level of policy-making or implementation, this principle implies that people need to be involved at every stage, not merely as beneficiaries but as agents who are able to pursue and realize goals that they value and have reason to value.

- **Sustainability** is often used to introduce the durability of development in the face of environmental limitations but is not confined to this dimension alone. It refers to advancing human development such that outcomes progress in all spheres, social, political and financial, endure over time. Environmental sustainability implies achieving developmental results without jeopardizing the natural resource base and biodiversity of the region and without affecting the resource base for future generations. Financial sustainability refers to the way in which development is financed without penalizing future generations or economic stability. For example, development should not lead countries into debt traps. Social sustainability refers to the way in which social groups and other institutions are involved and support development initiatives over time, and avoid disruptive and destructive elements. Cultural liberty and respect for diversity are also important values that can contribute to socially-sustainable development.

These four principles are not exhaustive, and later chapters consider the rights-based approach, and aspects of justice and responsibility, in greater detail. But these complete the swift mapping of human development. The next section focuses in further on key terms.

**Going Deeper: The capability approach**

The human development approach has been profoundly inspired by Amartya Sen’s pioneering works in welfare economics, social choice, poverty and famine, and development economics. While Sen’s works cover an extremely wide range of topics, his ‘capability approach’ has provided the basis of a new paradigm in economics and in the social sciences in general, so it is that approach upon which we concentrate.

In 1979, Sen gave in Stanford University the Tanner lectures on human values called ‘Equality of What?’ He questioned the adequacy of measuring equality in the space of marginal or total utility, or primary goods. And he outlined for the first time his conception of capabilities, which has been developed in greater detail since. This section introduces the
capability approach – its key terms, its contrast to other approaches and how various components interrelate.

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). The key idea of the capability approach is that social arrangements should aim to expand people’s capabilities – their freedom to promote or achieve what they value doing and being. An essential test of development is whether people have greater freedoms today than they did in the past. A test of inequality is whether people’s capability sets are equal or unequal.

Different phrases are used to try to communicate this basic idea in simple ways:
- The *Human Development Reports* describe the objective of ‘expanding people’s choices’
- Amartya Sen’s 1999 book was entitled ‘Development as Freedom’
- Sometimes the words ‘effective freedoms’ or ‘real freedoms’ are used to emphasise that what matters is the actual possibilities not hollow promises or paper freedoms.

### Box 2.5 Key terms of the capability approach

**Functionings** are defined as ‘the various things a person may value doing or being’ (Sen, 1999: 75). In other words, functionings are valuable activities and states that make up people’s well-being – such as being healthy and well-nourished, being safe, being educated, having a good job, being able to visit loved ones. They are also related to goods and income but describe what a person is able to do or be with these. For example, when people’s basic need for food (a commodity) is met, they enjoy the functioning of being well-nourished.

**Capability** refers to the *freedom* to enjoy various functionings. In particular, capability is defined as ‘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’ (Sen, 1992: 40). Put differently, capabilities are, ‘the substantive freedoms [a person] enjoys to lead the kind of life he or she has reason to value’ (Sen, 1999: 87).

**Agency**: the ability to pursue goals that one values and has reason to value. An agent is ‘someone who acts and brings about change.’ (Sen 1999:19)

[a] *Functionings and capabilities*

Formulations of capability have two parts: *functionings*, and opportunity freedom. Sen’s significant contribution has been to unite the two concepts. We start with functionings, which are being and doings people value and have reason to value. For example, being nourished, literate and employed. However functionings are not limited, which is why the human development approach applies to rich and poor countries, and to rich and poor people. Functionings also include playing a virtuoso drum solo, having a good reputation and a warm circle of friends. At one point Sen considered whether one should ‘separate “material” functionings and capabilities (e.g., to be well-nourished) from others (e.g., being wise and contented)’ and evaluate standards of living with reference to material capabilities. In the end he suggested that living standard encompass all valued functionings. ‘It is possible that this way of drawing the line is a little too permissive, but the alternatives that have been proposed
seem clearly too narrow’ (Sen, 1987: 23). So functionings relate to many different dimensions of life – including survival, health, work, education, relationships, empowerment, self-expression and culture.

A vitally important phrase in the definition of functionings is ‘value and have reason to value’. It sounds abstract but is of tremendous practical importance. Why? First, functionings are things people value. In other words, an activity or situation ‘counts’ as a functioning for that person only if that person values it. This encourages the participation and engagement of those people whose lives are at stake, in order to ascertain whether they will value changes that might ensue. Second functionings are things people ‘have reason to value’. The capability approach introduces value judgements explicitly. Why? In fact some people do value activities that are harmful, such as a psychopath who values the triumph of the kill as much as the victim would value not being killed. The phrase ‘reason to value’ just acknowledges that given our disagreements we do need to make some social choices. The issues that will be contentious are many and include female genital mutilation, domestic violence, censorship, discrimination, air travel, and so on. The capability approach raises the issue of what process, group, philosophical structure or institution has the legitimate authority to decide what people have reason to value. But while the capability approach argues that public debate and critical scrutiny are often helpful, it stops well short of proposing one particular process as relevant in all contexts, and rather depends on the agency of people acting in those contexts to address these questions themselves and build up and share their repertoire of good practices.

Capabilities are the freedom to enjoy valuable functionings. So they combine functionings with a kind of opportunity freedom. Just like a person with a pocket full of coins can buy many different combinations of things, a person with many capabilities can elect between many different functionings and pursue a variety of different life paths. For this reason, the capability set has been compared to a budget set. Capabilities are thus described as the real and actual possibilities open to a given person. As T.H. 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’ (cited in Sen, 2002: 586).

Again, as Green’s quote implies, capabilities include only possibilities that people really value. Truly evil or utterly vacuous activities are not capabilities (although they still exist and must be reckoned with, as we shall see). Some of Sen’s descriptions of capability stress this, such as his description of capability as ‘a person’s ability to do valuable acts or reach valuable states of being’ (1993: 30). Box 2.6 illustrates the distinction between functionings and capabilities.

| Box 2.6: Capabilities and functionings in Mexico (by Pedro Flores, Iberoamerican University Mexico) |
| In Mexico, as well as in other parts of the world, there are people who are in the business of dealing with ‘second-hand goods.’ These people go to apartment buildings and neighbourhoods to buy used things that people no longer want. This merchandise can vary from clothing, electronic appliances and tableware to CDs and toys. The profit in this business lies in buying things at a very low price and later going to open-air markets and selling them at a higher price. So the second-hand goods dealer is a collector of useless things that he can occasionally improve, which he then sells in various markets. |
The case discussed here is that of Jorge Solís, who began to work as a second-hand goods dealer when he was 17 years old. This was because he and his mother were left on their own. His brothers and sisters had married and no one was there to help out with the household expenses.

People know that the second-hand goods dealer is in the neighbourhood when they hear him shouting: ‘Old appliances you want to sell?’ Consumers like me hear him and invite him to our homes to see what he is selling. One day, I saw Jorge through the window and I invited him in to see what merchandise he had.

Pedro: Sir, I didn’t hear you shout. I want to sell several things.
Jorge: The thing is that I can’t shout. I have a sore throat.
Pedro: Really? Have you taken some medicine for your sore throat?
Jorge: No, I don’t have enough money to buy medicine.
Pedro: But if you don’t buy any medicine, you won’t get better and you won’t be able to shout. As a consequence, we won’t be able to hear you and we won’t offer you our things.
Jorge: Well, yes, but there is no other way. I just hope that people see me even if they don’t hear me shout, so that I’ll be able to get something today and sell it.

What does this simple story illustrate? Jorge did not have the functionings required to be healthy and this restricted his possibilities of promoting his services and receiving a decent income. If Jorge does not have more money, he won’t be able to buy the medicine he needs for his throat to heal, and the circle of restrictions will not be broken.

The fundamental lesson is that the basic functioning of enjoying good health can affect Jorge’s capability set. Not having good health is also limited by the lack of instrumental freedoms, such as financial means and social security. For instance, Jorge had no access to affordable health services.

Jorge earns around $2,500 Mexican pesos per month (US $250) and he spends this money on food. So how can he buy medicine if he gets sick? The last time I saw Jorge, he told me that his daughter is now working and the she has registered him at the Instituto Mexicano del Seguro Social (IMSS Mexican Institute for Social Security) so he now can get free medical care. Lastly, I asked him if he planned to continue working in second-hand goods; his answer was: ‘I couldn’t work in anything else. What else could I do?’

[b] Common misunderstandings 1: Choice
Through the years, a number of common misunderstandings of the capability approach, and relatedly of human development, have emerged. This section describes misunderstandings regarding the role of choice, and the extent of individualism.

A misunderstanding between ‘capability’ and ‘choice’ often surfaces, especially because the Human Development Reports use the phrase ‘expand people’s choices’ instead of the rather cumbersome term of ‘capabilities’. The phrase has the advantage of being simple English. But the term ‘choices’ is problematic because it does not introduce the issues of ‘value’ and ‘have reason to value’ that are central to capabilities. It is usually more important to be able to choose a career than to be able to choose between an array of rival brands of toothpaste, and human development needs to identify which choices are valuable. Also, the phrase ‘expanding people’s choices’ seems to imply that more choices are always better – but this is not necessarily the case. Often people value having to make only a few good choices, rather than many cumbersome choices. As Sen writes, ‘Indeed sometimes more freedom of choice can bemuse and befuddle, and make one’s life more wretched’ (1992: 59). Actually the
capability approach recognises that the goal is not to expand the number of choices – it is to expand the quality of human life. Also, the term choices itself is problematic because the desirability of individual choices varies by culture, and a high value of ‘choice’ is associated with western liberal individualism. People also sometimes value making some choices together – as a family or a community – and not individually. Also, in fact many capabilities are necessarily the outcome of joint process, not individual decisions. The term ‘choice’ obscures this – the capability approach’s preference for terms like ‘real freedoms’ is an attempt to express the core objective in a culturally adaptable way.

In sum, ‘expanding people’s choices’ does not mean that we focus on expanding all choices – regardless of their value, and as if the more choice the better. Furthermore, most choices affect more than one person and many are often made after discussion and consultation with others. So, in trying to ‘expand people’s choices’ or real freedoms, we are not imagining that individuals are to make choices in isolation. Indeed, many capabilities can only be created and sustained by people acting together.

[c] Common misunderstandings 2: Individualism
This brings up one further misunderstanding of Sen’s capability approach and its relation to individualism. Often people argue that the capability approach is ‘individualistic’ and by this wrongly imply that it is a western liberal approach that presumes persons act alone rather than as members of groups. To clarify in what sense the capability approach focuses only on individuals it is useful to distinguish three kinds of individualism, only the first of which is advanced by the capability approach (Robeyns 2005: 107, 2008: 90 all quotes):

- Ethical individualism postulates that individuals, and only individuals, are the ultimate units of moral concern... This, of course, does not imply that we should not evaluate social structures and societal properties, but ethical individualism implies that these structures and institutions will be evaluated in virtue of the causal importance that they have for individual well-being.

- Ontological individualism holds that ‘society is built up from only individuals and nothing (but) individuals, and hence is nothing more than the sum of individuals and their properties.’

- Explanatory or methodological individualism presumes ‘that all social phenomena can be explained in terms of individuals and their properties.’

Many presume that the capability approach is individualistic because it focuses on what individual people (not groups) can do and be. First, we must point out that much of the work on the capability approach and human development as a whole has engaged groups specifically – women’s groups, social movements, public actions, democratic practices, and so on. Also, many choices are made by groups, not individuals. The capability approach thus does not defend methodological or ontological individualism. But even if we are highly interested in groups, the capability approach, as initially framed by Sen, takes the normative position of ‘ethical individualism’ -- the view that what ultimately matters is what happens to every single individual in a society.

The reason Sen supports ethical individualism is that if the smallest fundamental unit of moral concern is any group, such as the family, the social group or the community, then analyses will systematically overlook any existing or potential inequalities within these units. For example, the deprivations particular to women and children have regularly been overlooked by analyses that focus on the household. Only if we probe into the wellbeing of each person do we have the possibility of discovering the relative under-nutrition, or subordination, of women.
A disagreement remains among authors within the capability approach about the sufficiency of ethical individualism. Critics have questioned whether a rejection of ontological individualism is consistent with a commitment to ethical individualism. When human beings live together, they generate something truly collective, which is more than the sum total of their individual lives and cannot be reduced to individual characteristics. Assessing states of affairs only to the extent that they have a positive or negative effect on the wellbeing of each individual is therefore insufficient. This group recognises that there may be something genuinely positive in the irreducibly social good, even if it has been generated by the oppression of some individuals. According to this argument, an orchestra performance has an intrinsic value even if some members are forced to play. The architectural beauty of pyramids in Egypt and medieval cathedrals in Europe provide other examples of irreducibly social goods which are of positive value to some, even if built by oppression and with terrible human cost. A full assessment of the situation from either view would trade off the contribution to future generations of people’s capabilities to enjoy beauty or other ‘irreducibly social goods’, against the lack of capabilities of some workers. That tradeoff is clearly contested, with those supporting irreducibly social goods implicitly giving a greater weight to the generations that use and enjoy a good, and others arguing for a greater weight – or even for human rights, hence certain absolute protections – to be given to those whose capabilities are curtailed by the activity.

While a nuanced consideration of individual capabilities seems sufficient to evaluate a state of affairs, recognizing the vital role of social norms, groups, movements, and social institutions is essential for developing policies to advance capabilities. We shall return to this point shortly when we discuss the prospective or policy role of the human development and capability approach.

Why freedom? Capabilities not just functionings
As highlighted earlier, Sen’s capability approach proposes that we identify functionings – the things (within reason) people value doing and being. The focus of development and policy is then to make people free to do and be some combination of functionings, allowing them to expand their capabilities. But, some people wonder, why should we focus on freedoms so much? Do poor people really want to have the freedom to avoid hunger and discomfort? Do they not simply want to avoid hunger and discomfort? In most cases, yes, but what is distinctive about Sen’s approach is the substantive role that freedom plays. Here are two of many reasons why freedom is important:

First, if we only focus on expanding functionings, we could do so by force, coercion, domination or colonialism. Most basic needs can be met in a prison, for example. Indeed, some countries have used force to advance functionings: for example, forced sterilization or the forced isolation of people who are HIV-positive. Focusing on freedom draws attention to social development and the value of empowerment, responsibility and informed public action.

Also, reasonable people sometimes choose to be deprived in one area of life in order to enjoy another kind of goodness. A person who is fasting is in a state of under-nutrition, which may seem very similar to starvation. But, in the one case, the fasting person could eat, although she chooses not to, whereas the starving person would eat if he could. Similarly, a student who could live well if he worked may instead endure poor and overcrowded housing conditions so that he might obtain a degree. People should be free to refrain from a functioning for good reasons if and when they so choose.
Note that, conceptually, ‘there is no difference as far as the space is concerned between focusing on functionings or on capabilities. A functioning combination is a point in such a space, whereas capability is a set of such points’ (Sen, 1992: 50).

Second, the notion of capability is also closely related to that of freedom. Sen defines freedom as ‘the real opportunity that we have to accomplish what we value’ (1992: 31). Freedom, he argues, has two aspects: opportunity and process. The opportunity aspect pays attention ‘to the ability of a person to achieve those things that she has reason to value’, and the process aspect pays attention to ‘the freedom involved in the process itself’ (2002: 10). The notion of capability refers to the opportunity aspect of freedom, while the notion of agency, which is explained below, refers to the personal process of freedom.

Agency
The third core concept of the capability approach (after functionings and capabilities or opportunity freedom) is agency. Agency refers to a person’s ability to pursue and realize goals that she values and has reason to value. An agent is ‘someone who acts and brings about change’ (Sen, 1999: 19). 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’ (Sen, 1985: 206). Agency expands the horizons of concern beyond a person’s own well-being to include concerns such as solidarity with the extreme poor. From this perspective, people can active and creative, with the ability to act on behalf of their aspirations.

Agency is related to other approaches that stress self-determination, authentic self-direction, autonomy, self-reliance, self-determination, empowerment, voice and so on. The strong collective desire for agency suggests that development processes should foster participation, public debate and democratic practice.

Agency is inescapably plural in both concept and measurement. In Sen’s view:

1. Agency is exercised with respect to goals the person values and has reason to value.
2. Agency includes effective power as well as direct control, that is, it includes not just individual agency, but what one can do as a member of a group, collectivity or political community.
3. Agency may advance well-being or may address other goals – for example, relating to the good of one’s family or community, of other people and of art and the environment.
4. To identify agency entails an assessment of whether the agent’s goals are in some way reasonable – a person who harms or humiliates others would not, in this view, be exerting agency.
5. The agent’s responsibility for creating or sustaining a state of affairs should be incorporated into his or her evaluation of how to act as an agent.

Box 2.7: Agency and wellbeing, freedom and achievement (by Ingrid Robeyns)
Suppose two sisters, Anna and Becca, live in a peaceful village in England and have the same levels of achieved well-being. Both believe that the power of global corporations is undermining democracy, and that governments should give greater emphasis to global justice.
Anna decides to travel to Genoa to demonstrate against the G8 meetings, while Becca stays at home. At that moment, Anna is using her freedom of agency to voice some of her political concerns. However, the Italian police do not like the protesters and violate Anna’s civil and political rights by beating her up in prison. Anna’s achieved well-being has obviously been considerably lowered. Anna is given the option to sign a piece of paper declaring that she committed violence and is a member of an extreme-left organization (which will then give her a criminal record). If she does not sign, she will be kept in prison for an unspecified length of time. Anna therefore has a (highly constrained) option to trade her freedom of agency for a higher achieved well-being. Becca had the same potential agency but chose not to use it. She is concerned about human rights violations and the hollowing of democracy itself, but does not wish to sacrifice her achieved well-being for these goals.

Such an example shows that the distinctions Sen makes are important because, in evaluative exercises, one has to ask whether the relevant dimension of advantage is the standard of living, achieved well-being, agency achievement, well-being freedom or agency freedom. The central claim of the capability approach is that whatever concept of advantage one chooses to consider, the informational base of this judgement must relate to the space of functionings and/or capabilities, depending upon the issue at hand. Sen’s claim is that well-being achievements should be measured in functionings, whereas well-being freedom is reflected by a person’s capability set. A focus on agency will always transcend an analysis in terms of functionings and capabilities, and will take agency goals into account. However, it is typical of Sen’s work that he does not defend this as a closed theory or dogma: there can be good reasons to include other sources of information as well.


**[f] Compare and contrast (Happiness, resources and a bicycle)**

Human development and the capability approach arose in conversation with other approaches to development. At that time – and, indeed, even now – many were suggesting that social arrangements and development itself should focus on maximizing income, assets and other commodities in the interests of achieving happiness. This section compares and contrasts human development with competing approaches.

Income, happiness and commodities are obviously important. The problem is that, if policies aim *only* to increase one of these, they might unintentionally create distortions. This is because policies that focus on only one objective tend to ignore everything else. For example, if a programme aims to maximize individual happiness alone, it may celebrate the achievement of a deeply joyous political prisoner, without feeling any obligation to address the unjust detention in which the prisoner finds himself. A more thorough analysis of the situation might appreciate the prisoner’s tremendous inner strength, on the one hand, *while* working immediately to help free her, on the other.

The capability approach argues that focusing on capabilities is a more direct and accurate way of expanding what people really value. Focusing on capabilities introduces fewer distortions. We therefore compare and contrast the capability approach with other approaches to the evaluation of well-being that inform development policy:

- *with happiness*

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-fulfilment
the most. This view has made a tremendous comeback in recent years, drawing on new data on happiness and life satisfaction. Richard Layard (2005), for example, thoughtfully examines how our entire economic system could evolve if our steady and enduring purpose were to maximize a nation’s happiness, instead of its income.

This approach has tremendous appeal. Happiness seems to invite a deeper reflection upon our material goals and values. It helps people see these goals from a different perspective. Sen and others writing on the capability approach consider happiness to be ‘a momentous achievement’ to be celebrated. But when you look beyond the headlines, some concerns continue to arise.

First and perhaps most importantly, our mental utility may not track in any predictable fashion the things we really value. A poor, devout widow may become serenely reconciled to her circumstances, but this does not mean that she would not value also having warm socks and pain medication for her arthritis. Alternatively, a middle-aged man may become a hospice volunteer following the death of his mother because he wishes to share with others the inner peace he has found as a result of having come to terms with her terminal illness. In doing this, he may share the pain and tragedy of others’ lives, so his ‘happiness’ would be lower than if he did not do hospice work at all. But he would not wish for any other kind of life.

Second, happiness levels may obscure significant deprivations. Sen notes that people whose deprivations deserve systematic attention may often not be utility-deprived:

Consider a cripple…. Suppose that he is no worse off than others in utility terms despite his physical handicap because of certain other utility features. This could be because he has a jolly disposition. Or because he has a low aspiration level and his heart leaps up whenever he sees a rainbow in the sky. Or because he is religious and feels that he will be rewarded in (the) after-life, or cheerfully accepts what he takes to be just penalty for misdeeds in a past incarnation. The important point is that, despite his marginal utility disadvantage, he no longer (has) a total utility deprivation (Sen, 1980: 217).

His happiness rating, being durably independent of his quality of life, would therefore not provide a very good policy indicator of the requirements needed to address his deprivations.

Third, self-reported utility may often be biased by information and social circumstances. As Sen (2002) pointed out in the British Medical Journal, the state of Kerala, which had almost universal education and a life expectancy of 74 at the time, also had the highest self-reported morbidity in India. In contrast, Bihar, one of India’s poorest states, with a life expectancy below 60, had the lowest rate of self-reported morbidity. The objectively healthy state was subjectively health-poor and vice versa. How do we evaluate this? It seems that the low self-reported morbidity in Bihar occurred because people had less ability to assess their own health situation, and had less hope of doing anything to remedy it. Subjective data, whether on happiness or morbidity, is therefore conditioned, to a great degree, for example by our knowledge, aspirations, and peer group.

- with resources
Many other approaches to development focus instead on cultivating different kinds of resources. These may be assets, property rights or basic needs, such as housing, food, clothing, sanitation, and so on. These approaches recognize the fundamental importance of commodities and material good to our well-being in the short- and long-term. They identify valid connections between resources and capabilities, and argue that, in order to expand capabilities and sustain these expansions, certain resources are required. In many cases, these
analyses are utterly apt, and will form, as we shall see, an integral aspect of the human development approach.

But measuring resources is still different from measuring functionings. The capability approach argues that we will inadvertently make mistakes if we try to give everyone the same resources, because people’s ability to convert the same resources into functionings varies a lot. To take a simple example, the same amount of rice (or other good), will be converted into radically different levels of physical vigour by a child, a disabled teenager, an agricultural worker or an elderly person. Similarly, people who are physically impaired require greater resources to achieve mobility. Clearly, people have different abilities to convert resources into capabilities and, if policies equalize resources, they will disadvantage certain groups (in the case of food, laborers, pregnant women, those with allergies or with a high metabolism) in significant ways. For this reason, we should aim for greater equality in the space of functionings and capabilities directly.

Sen identifies five vital factors that are often overlooked when we focus on income and resources instead of capabilities (1999: 70-1):

1. **Personal heterogeneities** (a pregnant woman will have different nutrition requirements from an elderly woman);
2. **Environmental diversities** (pensioners in Scotland will need a different income to keep warm in winter than pensioners in Dar es Salaam);
3. **Institutional Variations** (parents in a country with good free public education will require a different income to educate their children than parents in a country without free public education or with poor quality schools);
4. **Differences in relational perspectives** (the material requirements for appearing in public without shame when having guests depends on local customs); and
5. **Distribution within the family** (the family income might not be spent to feed the children adequately but instead to buy the parents’ drinks).

In order to assess people’s well-being, further information is therefore needed on other aspects of people’s lives – their health, education, nutritional status, dignity, autonomy, and so on.

Another problem is that people value things other than increased resources. The process of maximizing resources may have social and environmental costs (changes in culture and lifestyle) that 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’ (p. 9).

- **Putting it all together**

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, we assume, values this mobility (a functioning). However, if the person is unable to ride the bicycle (because, perhaps, she has no sense of balance or is not permitted to ride), then having a bicycle would not in fact result in this functioning. In this case, the access to the resource coupled with the person’s own characteristics (balance, etc.), creates the capability for the person to move around town when she 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 happiness or utility.

<table>
<thead>
<tr>
<th>Resource</th>
<th>Functioning</th>
<th>Capability</th>
<th>Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>bicycle</td>
<td>mobility</td>
<td>ability to move</td>
<td>pleasure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>around</td>
<td></td>
</tr>
</tbody>
</table>

The bicycle example illustrates how the various concepts are all related to one another when they coincide nicely. The question is: which concept do we focus on? Which will be distorted most (or 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; and a bicycle can be useless if you cannot balance, so capability represents the most accurate space in which to investigate and advance the various forms of human well-being.

g) The capability approach

The capability approach has often been mistaken for a theory of justice, which it is not (see chapter 5). So what is it? Basically, while human development and the capability approach require positive, normative, predictive and policy analyses, two roles have been more visible to date: an evaluative (normative) role, and a prospective (policy) role.¹³

Simply put, the normative or evaluative role examines which capabilities have expanded:

[T]he capability approach is a proposition, and the proposition is this: that social arrangements should be evaluated according to the extent of freedom people have to promote or achieve functionings they value. If equality in social arrangements is to be demanded in any space – and most theories of justice advocate equality in some space – it is to be demanded in the space of capabilities. (Alkire, 2005: 122)

For example, the Human Development Index is used to rank countries according to their achievements in key functionings. Similarly, Robeyns refers to the capability approach as ‘broad normative framework for the evaluation and assessment of individual well-being and social arrangements’ (p. 94):

[T]he capability approach is not a theory that can explain poverty, inequality and wellbeing; instead, it rather provides a tool and a framework within which to conceptualize and evaluate these phenomena. Applying the capability approach to issues of policy and social change will therefore often require the addition of explanation theories.

The Human Development Reports both globally and nationally, represent a good example of the prospective or policy approach. Prospective analyses ask ‘which policy should be implemented’. A prospective application of the capability approach is a working set of the policies, activities, courses of action and recommendations that seem, at any given time, most likely to generate considerable capability expansion and human development. The set of policies should be considered together with the processes by which these policies were generated, and situated in terms of the contexts in which they will be more likely to deliver these benefits.

h) Selecting capabilities or functionings

As we have seen, the capability approach is incomplete. It relies on the agency and involvement of people in different contexts to specify which capabilities to focus on, for example. As noted earlier, the development process should be assessed according to the extent to which it expands the ‘capabilities that people have reason to choose and value’.
Because of its resistance to overt prescription, the capability approach is open to many different forms of specifications regarding what constitute valuable capabilities. Even if it was not necessarily erroneous to look for a complete ordering of what constitutes human wellbeing, it cannot be identified in practice. This is what Sen calls the ‘fundamental and pragmatic reasons’ (Sen, 1992: 49) for incompleteness.

However, the task of specifying capabilities – for example in a participatory Poverty Reduction Strategy, in a national or local plan, for an NGO project, or for inclusion in an international multidimensional health measure – faces two challenges: a challenge of omission, and a challenge of power. In terms of omission, groups may inadvertently overlook a capability that is quite important. Having a list of capabilities others in a similar situation have selected can help people to clarify their own set, and may bring to mind important capabilities they might have overlooked or not dared to hope for. In terms of power, there is always a danger that the powerful – be these economic elite, a particular ethnicity or gender or family or party – will select capabilities that advance their views, perhaps at the expense of minority voices.

Many authors work to address these concerns. The most prominent of these, Martha Nussbaum, has proposed a list of ten central human capabilities that, she argues should be the basis of constitutional guarantees. In her view, having a list of capabilities is vital to avoid the issues of omission and power. She notes that, ‘just as people can be taught not to want or miss the things their culture has taught them they should not or could not have, so too can (they) be taught not to value certain functionings as constituents of their good living’ (Nussbaum, 1988: 175).

Since what people consider to be valuable and relevant can often be the product of structures of inequality and discrimination, and because not all human freedoms are equally valuable, Nussbaum argues that one might need to go beyond the incompleteness of Sen’s capability approach so that equal freedom for all can be respected.

She grounds her version of the capability approach on what she calls an ‘internalist essentialist’ position. Insofar as we recognize human beings as human, there should be an essentialist basis for any view about what constitutes human life and what deprives it of its full human character. Her list of central human capabilities is as follows (Nussbaum, 2000: 78-80):

1. Life: Being able to live to the end of a human life of normal length; not dying prematurely.
2. Bodily health: Being able to have good health, including reproductive health; to be adequately nourished; to have adequate shelter.
3. Bodily integrity: Being able to move freely from place to place; to be secure against violent assault, including sexual assault and domestic violence; having opportunities for sexual satisfaction and for choice in matters of reproduction.
4. Senses, imagination, and thought: Being able to use the senses, to imagine, think and reason; being able to use imagination and thought; being able to use one’s mind in ways protected by guarantees of freedom of expression with respect to both political and artistic speech, and freedom of religious exercise; being able to have pleasurable experiences and to avoid non-beneficial pain.
5. Emotions: Being able to love, to grieve, to experience longing, gratitude and justified anger, not having one’s emotional development blighted by fear and anxiety.
6. Practical reason: Being able to form a conception of the good and to engage in critical reflection about the planning of one’s life (this includes liberty of conscience and of religious observance).
7. Affiliation: A. Being able to live with and toward others, to recognize and show concern for other human beings, to engage in various forms of social interaction; to be able to imagine the situation of another (this includes freedom of assembly and political speech). B. Having the social bases of self-
respect and non-humiliation; being able to be treated as a dignified being whose worth is equal to that of others (this includes non-discrimination).

8. Other species: Being able to live with concern for and in relation to animals, plants, and the world of nature.

9. Play: Being able to laugh, to play, and to enjoy recreational activities.

10. Control over one’s environment: A. Political: Being able to participate effectively in political choices that govern one’s life; having the right of political participation, protections of free speech and association. B. Material: Being able to hold property (both land and movable goods), and having property rights on an equal basis with others; having the right to seek employment on an equal basis with others; having the freedom from unwarranted search and seizure. In work, being able to work as a human being, exercising practical reason and entering into meaningful relationships of mutual recognition with other workers.

Sen has no objection to Nussbaum’s project of eliminating the incompleteness of his approach, so long as no one list is seen as ‘the only route’. (1993: 47). He also supports sharing best practices in identifying important capabilities. Fixing one pre-determined authoritative list, however, undermines people’s agency. Setting a fixed and forever list of capabilities, he argues, would be ‘to deny the possibility of fruitful participation on what should be included and why’ (Sen, 2004: 77). Robeyns and Alkire have thus focused on different aspects of the process of selecting capabilities, to which we return in Chapter 6.

The key questions to keep in mind when selecting capabilities are: 1) which capabilities do the people who will enjoy them value (and attach a high priority to); and 2) which capabilities are relevant to a given policy, project or institution?

Questions
2.1 How does income help you to achieve things you value and have reason to value? What functionings do you value that income does not influence?

2.2 If you were to assess the well-being of people in your country, what information would you include? Why?

2.3 How do you go about selecting which capabilities a national poverty measure in Nepal should focus on?

2.4 Tartal is a high-income country. Its per capita GDP is 19,000 (PPP US$), which places it below the IMF’s classification of an ‘advanced economy’, but its growth rate is 2 per cent per annum, suggesting a promising future in terms of development. Nevertheless, despite these statistics, there are a vast number of cultural and ethnic groups that have not equally shared in Tartal’s growth performance.

The country gained its independence in 1887 and adopted a new constitution in 1901. After a tumultuous political history during most of the twentieth century, it deposed a 20-year dictatorship in 1982 and established democracy in 1985. Since then, the country has attempted to use its abundance of resource-rich land to modernize, globalise and achieve greater economic development.

Tartal’s current population is 150 million, with about 60 million under the age of 25 and a population growth rate of 1 per cent. Almost 70 per cent of its residents reside in rural areas, although there has been recent migration to large cities that has increased the urban population dramatically. The largest metropolitan city is the capital of Mani, with a population of 10 million; the second largest city is Safa, with a population of 7 million. Both cities are on the Pacific coastline, emphasizing the divide between an urban, prosperous coast and a rural, impoverished interior.
About 50 per cent of the population is considered ‘white’ or of ‘mixed’ European ancestry, while another 50 per cent of the population is considered indigenous. Although Tartal is one of the world’s largest economies, it has high levels of poverty, illiteracy and persistent malnutrition. While the average income is very high, the way in which this income is distributed within the country remains highly unequal, with the top 10 per cent of the population accounting for 30 per cent of the country’s income, and with a mere 1 percent of the country’s income going to the poorest 10 per cent. Also, the women in Tartal are severely restricted in terms of their ‘freedoms’ to choose in economic, social and cultural realms. Only 8 per cent of parliamentary seats are held by women.

The fast pace of economic growth has also been at the cost of environmental considerations. The environment is polluted with industrial effluents; agriculture is affected by the overuse of chemicals; and forests are depleted. The biodiversity of the country is threatened by ignorance and a neglect to preserve the country’s rich natural resources.

The country’s democratic system of governance is not fully participatory, with the media being stifled and people not having a say in the major decisions that affect their lives. The adult literacy rate is estimated at 65 per cent but it remains at only 30 per cent among indigenous people. This illiteracy further heightens the critical lack of indigenous participation in government.

Questions for discussion:
- In what ways areas of human development has Tartal excelled, and where does it continue to fall short?
- What data would you use to assess the success of Tartal’s development?

Readings

Further Readings


**Endnotes**

1 The term *ubuntu* originates in the Bantu language and conveys the meaning that one is only a human being through one’s relationship with others. It has often been used for reconciliation in post-apartheid South Africa, and stresses the importance of caring for others and harmony between people.

2 Liberation theology has its roots in Latin American Christianity in the 1960s, and is centred upon the question: how do we make sense of a compassionate and loving God in a world marked by poverty, oppression, injustice, inequality and environmental destruction? Islam also has its own form of liberation theology.

3 For an intellectual biography of Mahbub ul Haq, see Ul Haq and Ponzio (2008).

4 Available at www.commonwealthclub.org/archive/20thcentury/68-01kennedy-speech.html


7 The Independent, 8 September 2007.

8 The description of the four principles has been written by Seeta Prahbu.

9 This principle could be ranged under the ‘equity principle’ as it deals with intergenerational equity.


11 See Deneulin (2006) and Gore (1997) for a discussion on irreducibly social goods in the context of the capability approach.

12 These are drawn from Sen (1985); see also Alkire (2008b).

13 Alkire (2008a)

14 Question 2.3 has been written by Lila Shahani, and 2.4 by Seeta Prahbu.
Chapter 3: Ideas Related to Human Development

Séverine Deneulin

Aims of the chapter

• To comprehend how the notion of freedom is understood in the human development and capability approach, on the one hand, and in market liberalism, on the other.
• To situate the human development and capability approach in the context of related people-centred development ideas, such as basic needs, human security and human rights.
• To highlight the distinctions and complementarities between the human development and capability approach and these related development ideas.

Key Points

• Both human development and neo-liberalism endorse the idea of freedom, but the former sees freedom as positive freedom, while the latter only sees it in negative terms.
• There are key ingredients for spreading ideas: using moral narratives, conveying the narrative to a wide audience, achieving academic excellence, building an intellectual community and wider networks to support the idea, and engaging in politics.
• The human development approach adds a greater emphasis on freedom and participation, as well as more robust intellectual foundations, to the basic needs approach.
• The human rights approach shares a common vision with human development, but the latter places greater emphasis on the institutional requirements for promoting human rights.
• Human security expands on the idea of human development to include the notion of risk.

‘Ideas change history.’ This was the theme of the 2007 conference organized by the Human Development and Capability Association at the New School in New York. The conference blurb read as follows:

The special theme of the conference will be on the spread of ideas and their social impact. ‘The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else’ (Keynes). As the famous quote by Keynes reflects, breakthrough ideas in economics and political philosophy can change history, but what are the processes that shape their spread? Ideas spread and have impact through three channels: academia, government policy and social movements. What has been the experience of progressive ideas in the past and what are the prospects for (the) human development and capability approach in shaping development policy? What is the likely intellectual trajectory of capability and human development?

Indeed, ideas do have the power to change history. Without the idea of equality between men and women, or the equality between races, the world today would look very different. It is the idea of equality between genders that granted women the right to vote and be educated. It is the idea of equality between races that put an end to the institution of slavery.

The idea of capability, as opposed to utility, forces us to assess policy from a different perspective. As we have already discussed in the first chapter, ideas about what matters profoundly influence human actions. Ideas underpin normative frameworks, which in turn underpin public policy. This chapter explores the relationship between the ideas contained in the human development and capability approach and other related ideas in development thinking.
The human development and capability approach does not have a monopoly on ‘people-centred’ development theories emphasizing that the ultimate goal of policy and development is human flourishing. The basic needs approach held this idea as early as the 1970s. Equally, the human rights approach holds core human development ideas as being sacred, such as the right to non-discrimination, to be free from hunger, to be educated, etc. More recently, the idea of human security, with its emphasis on freedom from violence, fear and insecurity -- all critical to the human development approach – has also received much attention. How do these ideas compare with one another? And how do such ideas influence policy? These are the types of questions this chapter attempts to address. But, before doing so, we begin by examining how the notion of freedom differs in the human development and capability approach, on the one hand, from that espoused in market liberalism, on the other. It is critical that these distinctions be clarified at the outset, given the centrality of freedom to both approaches and to prevent any unnecessary confusion.

**Human development and market liberalism: Freedom compared**

In chapter 2, we saw that the idea of freedom – as expressed in the concepts of capability and agency -- is the core idea of the human development and capability approach. But advocates of unbridled market liberalism are also heralds of the idea of freedom. For them, increasing people’s choices and freedoms in life also constitutes their main policy objective. That both human development and market liberalism -- understood here as the economic ideology that markets should be restricted as little as possible – endorse freedom and human choices as central values, has led to some confusion about the distinctions between them. There are, however, fundamental differences between the two. For market liberalism, freedom means first and foremost being free from interference. For example, one is less free if the money one earns is taken off in high taxation, even though that money is used for providing public goods, such as a national security system. Similarly, one is less free when regulations restrict the trading of goods across borders, even though the restrictions might improve the quality of life of poor farmers in developing countries.

From this perspective, it is possible to be free while starving to death at the same time. In 1943, a famine struck Bengal, a region in the North-eastern part of India, which is now in part the country of Bangladesh. More than three million people died. As Sen has observed in his writing on famine, this did not happen because people were prevented from trading, were systematically abused by the military, or because of food shortages (the amount of available food in fact rose) -- but because an economic shock cut the earnings of people in a wide range of jobs (for example, those in the fishing industry) and left them unable to buy the food they needed. Sen (1981) has been able to demonstrate a strong link between democracy and the reduction of famine. In countries with a free press, and with political oppositions able to unseat unpopular regimes, government takes the action necessary to make sure everyone is fed. Given the opportunity, people use their political freedom to counteract the inequalities generated by uncontrolled ‘economic freedom’ (see chapter 8 for more on this).

For the human development and capability approach, freedom is not only negative freedom, such as freedom from interference, but also positive freedom: the freedom to do or be what one values. In order to enjoy the freedom of being fed, some freedoms sometimes have to be restricted. In the example above, the freedom to buy and sell can be limited to allow others to have what they need to live and flourish. Or the freedom of some to speculate on the housing market can be limited so that others can buy affordable housing. In other words, the freedom that matters is not the freedom from interference from others, but the freedom that one has to live a good and worthwhile life. According to the human development and capability
approach, expanding this freedom should be the primary goal of public policy. A consequence of this is that economic and social policies become deeply intertwined. The economic policy of increasing interest rates, for example, has consequences for the freedom of those who go into debt simply to meet the basic costs of living. When human freedom is used to assess economic policy, the policy itself cannot be analysed without overlooking its social effects.

That human freedom is the ultimate objective of public policy does not suggest that one could, or should, get rid of the market economy. The freedom to buy and sell, the capability to participate in markets, remains an important freedom (Sen, 1999: 112). But other freedoms are important as well. Market freedom is only one kind of human freedom. It is not an absolute that necessarily justifies inaction in the face of human needs or non-market aspirations. If the free exchange of goods is only one freedom among many which we have reason to value, then the marketplace should not dictate society’s shape but should instead be seen as a tool to help realize the kind of society human beings have reason to value. For example, extensive freedom in market transactions may result in environmental loss (if an increase in the volume of goods bought and discarded is not accompanied by a recycling policy) or in reduced access to health-care facilities by lower income groups (if the privatization of health services is accompanied by lower public investment in the public health system).

Unlike market liberalism, which prescribes the openness of economies and other ready-made policies irrespective of context, the human development and capability approach is not prescriptive about public policy. It never prescribes a policy as being ‘good’ for any country. Its richness lies in providing an analytical framework to make appropriate policies in given contexts, within the overall objective of promoting human freedoms. For example, if a country subsidizes the provision of gas, this may appear to be a desirable social policy, since it lowers family expenditure, reduces wood and carbon consumption, and thereby promotes environmental sustainability. But, on the other hand, industries that use gas would be advantaged over other industries, creating a distortion in the market. And what was initially a subsidy to help poor families may turn out to be a government transfer to a group of industries. Thus, what is at first sight a good policy to help fight poverty and protect the environment might in the end be an inefficient and inequitable measure. Although the human development and capability approach is not policy prescriptive, its policies are guided by the questions: is this policy efficient? Is it equitable? Is it sustainable? Does it promote empowerment?

Human development and market liberalism may have the same concerns for ‘choice’ and ‘freedom’, but their underlying philosophies and ensuing policies are quite different. Table 3.1 summarizes the major differences. For human development, choice is understood in terms of the valuable things that people are able to be or do. For market liberalism, in comparison, valuable choices are those that satisfy people’s preferences. Consider the example of importing cheap goods from China. For market liberalism, this increases people’s choices in the sense that consumers in importing countries have a wider variety of goods to buy from, and they have a choice to buy the commodities at a cheaper price. But the human development and capability approach asks additional questions. Is it a valuable choice to be able to buy, say, toys made in China for a third of the price of toys made in Europe (because of low wages) and to be able to choose from a selection of 100 instead of 50 toys? In contrast to market liberalism, human development asks us to also examine the valuable choices available to the Chinese workers who have produced these goods. The cheap price paid may be a reflection of exploitative labour conditions.
Table 3.1: Human development and neo-liberalism compared

<table>
<thead>
<tr>
<th>Human development</th>
<th>Neo-liberalism</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Expansion of human freedoms as objective</td>
<td>- Maximisation of economic welfare as objective</td>
</tr>
<tr>
<td>- Freedom of choice – understood as human capabilities and functionings</td>
<td>- Freedom of choice – understood as utility and satisfaction of preferences</td>
</tr>
<tr>
<td>- Emphasizes all human rights</td>
<td>- Emphasizes political and civil rights</td>
</tr>
<tr>
<td>- Is guided by concern of equity and justice</td>
<td>- Is guided by a concern for economic efficiency</td>
</tr>
<tr>
<td>- Health and education are intrinsically valuable</td>
<td>- Health and education are seen as investment</td>
</tr>
<tr>
<td>- Important state functions</td>
<td>- Minimal state</td>
</tr>
<tr>
<td>- People as ends and as focus of concern, economic growth is only a means to an end</td>
<td>- People as means and markets/economic growth as focus of concern</td>
</tr>
<tr>
<td>- Poverty as multidimensional deprivation</td>
<td>- Poverty defined as below income line</td>
</tr>
<tr>
<td>- Multi-disciplinary and pragmatic</td>
<td>- Economic and dogmatic</td>
</tr>
<tr>
<td>- The non-monetary and economic focus leads to weak data</td>
<td>- Good quality data but neglect of non-economic issues</td>
</tr>
</tbody>
</table>

Source: adapted from Jolly (2003)

Both human development and market liberalism oppose discrimination but one does it for reasons of efficiency, while the other on the basis of human rights. For example, the exclusion of women from labour markets is seen by human development as a denial of women’s right to employment. For market liberalism, in contrast, the exclusion of women from labour markets is a denial of greater economic opportunities, such as a more creative and dynamic workforce that could lead to higher economic performance.

While both agree on the importance of the state, human development advocates a much larger role for states. For market liberalism, it is not the role of the state to ensure a minimum level of well-being for its population. However, as we have highlighted above, the principle of non-intervention often requires greater scrutiny given the lack of equity and justice it often engenders. Within the human development and capability approach, market freedoms go hand in hand with freedoms in other spheres, such as freedom in the political sphere. This is why political and civil rights, on the one hand, and economic and social rights, on the other, are inextricably linked. That some groups enjoy the right to non-discrimination more than others is often the consequence of political action to overcome discrimination.

Another distinction is that market liberalism believes that everything can be measured in terms of utility, income and opportunity cost. In contrast, human development recognizes that well-being is multidimensional. There are some dimensions that cannot be compared monetarily: for example, if one chooses to work hard during weekends, at the expense of time spent with one’s family, market liberalism assumes that the two activities can be compared on a single scale, namely, the amount of extra money one can earn by doing so. Human development recognizes that the fulfilment one derives from work, and the fulfilment one derives from family relationships, remain incommensurable. An additional income can therefore not ‘compensate’ for the loss of quality in one’s family life. This is not merely a matter of ‘opportunity cost’: the benefit of extra work and the loss of family life cannot be reduced to a single monetary measure.

Human development is thus fundamentally distinct from market liberalism even if both share, on the surface, the same concern for human freedom. This has led to a confusion between the human development approach and human resources, a core concept in market liberalism. Both approaches perceive health and education as being the central focus of public policy, but there remain fundamental differences between them. Paul Streeten (1994) highlights the following: first, he writes, human development is concerned ‘with the unproductive, the lame ducks, and
the unemployables: the old, infirm, disabled, and chronically sick’, while human resources are not. Second, the human resources approach tends to treat people as passive ‘targets’ and not as ‘active, participating agents.’ Third, seeing education and health as ends (instead of means to other ends) entails different educational curricula and health programmes. The human resources approach focuses on vocational training aimed at the labour market, while human development aims at education for its own sake and for understanding and transforming the world. Fourth, both have a gender focus, but for very different reasons. The human resources approach argues that it is important for a well-functioning economy for women to participate in labour markets. Human development advocates women’s rights in general, whether it leads to economic returns or not. In sum, for human development, promoting education and health does not have to be justified on the grounds of productivity or efficiency. Even if a certain educational programme does not yield high economic returns – funding a school for disabled people vs. funding a vocational secondary school – it may be worthwhile.

How the idea of freedom spread
The idea of freedom as conceived by market liberalism -- freedom as non-interference from government -- had a tremendous influence on the world in the post-World War II period, particularly from the 1980s onwards, with Ronald Reagan and Margaret Thatcher as its major protagonists in politics, and the Bretton Woods institutions – the International Monetary Fund and the World Bank -- as its major advocates in the arena of international development. This conception of freedom did not however spread in a ‘natural’ way. It was a conscious strategy orchestrated by a set of individuals. In a paper examining how the idea of freedom in the context of market liberalism spread, Alkire and Ritchie (2007) highlight the following ingredients necessary for the spread of ideas, all of which market liberals deployed in order to spread their idea of freedom all over the world. Exploring how this idea was disseminated may offer some insights about how other ideas, such as those in the human development and capability approach, might equally be spread.

The first element necessary in spreading an idea is the use of moral narratives. In 1945, Friedrich von Hayek published the Road to Serfdom. This was a clearly- and accessibly-written book – it was published by the Reader’s Digest — that outlined a moral case for laissez-faire market economics. The post-war context was one that saw the rising influence of Communism in Europe and elsewhere in the world. Within that political context, the Road to Serfdom tried to defend the moral case for upholding the values of human dignity and freedom against its alternative: the model of a state-controlled economy. The book narrates the kind of society that could emerge if different economic and social policies were at play. It specifically depicted scenarios about what might happen if collectivist policies were to be implemented.

The second ingredient is that of targeting ‘second-hand traders’; that is, once the narrative has been written, it has to be disseminated to an audience. Hayek makes the distinction between the producers of ideas and the second-hand traders. These are the people who communicate ideas to a mass audience (journalists, novelists, entrepreneurs and film-makers). The narrative is thus not restricted to an academic community but is shared with people who are able to bridge the academic world and that of mass media.

Third, ideas need to be sustained by an intellectual community. At first, the advocates of free market liberalism had a difficult time finding employment in universities, and their ideas were not well-received in a world where many young people were actively flirting with communism. So they set out to develop an international community of scholars who shared
similar principles. They met once a year in Switzerland and became known as the Mont Pélerin Society. Its mission statement is as follows:

The Mont Pélerin Society is composed of persons who continue to see the dangers to civilized society outlined in the statement of aims. They have seen economic and political liberalism in the ascendant for a time since World War II in some countries but also its apparent decline in more recent times. Though not necessarily sharing a common interpretation, either of causes or consequences, they see danger in the expansion of government, not least in state welfare, in the power of trade unions and business monopoly, and in the continuing threat and reality of inflation.

In addition, intellectual communities need to be given academic credence. This has been the role of the University of Chicago, where the first chairs in free market economics were endowed. The academic community was able to permeate the policy world with its ideas through a policy think-tank, namely the Institute of Economic Affairs, which was founded by the donation of a businessman (a chicken farmer) who had been inspired by the ideas in The Road to Serfdom.

A fourth ingredient is that of fostering talent and investing in senior and junior members to disseminate ideas further. This was done through additional donations to universities from the business world to create lectureships and research positions for people who endorsed the idea of freedom as non-interference. Another way in which students at universities were exposed to such ideas was through the publication of accessible policy papers by the Institute of Economic Affairs, such as the Hobart papers, which summarized in simple terms how various issues could be tackled by market liberalism, such as the role of the state, taxation, housing and the provision of public goods, etc.

A final, crucial ingredient is political engagement with political parties and interest groups willing to take these ideas on board. For example, the spread of neo-liberalism in Chile in the 1970s had a lot to do with: 1) a group of Chicago-educated Chilean economists who worked closely with General Pinochet to manage the Chilean economy; and with 2) powerful interest groups, such as landowners, who had a stake in the idea of freedom as non-interference. In the United Kingdom, there was also a very close collaboration between the Institute of Economic Affairs and the government of Margaret Thatcher during the 1980s.

But freedom as non-interference was not the only prevalent development idea during this period. Other ideas more related to the human development and capability approach were also present, namely the idea of basic needs, but the idea did not achieve the kind of momentum that freedom in market liberalism did because all the necessary preconditions for its successful spread were not gathered.

The basic needs approach
The idea of freedom as non-interference did not capture the imagination of development economics overnight. An early influence in development thinking was that of economic growth as the key mechanism for eliminating poverty and securing better living conditions for people, thereby increasing human choices (Streeten, 2003; Srinivisan, 1994). It was believed that an increase in wealth would endow people with greater opportunities to live the kind of lives they chose to live. Streeten (2003, p. 68) gave three justifications for this belief: 1) that ‘through market forces – such as the rising demand for labour, rising productivity, rising wages, (and) lower prices of the goods bought by the people – economic growth would spread its benefits widely and speedily’; 2) ‘progressive taxation, social services and other government interventions would spread the benefits downwards’; and 3) poverty should not
be a concern in the early stages of development, since what mattered was to build the productive capacity of the economy first.

This concern for economic growth should not be confused with market liberalism. When, in 1961, the United Nations General Assembly adopted its first ‘Development Decade’, its first objective was to intensify its efforts to support both developed and developing countries in their efforts to achieve ‘self-sustaining growth…and social advancement’ in their respective countries and ‘to create conditions in which the national incomes of… developing countries would (increase) by five per cent yearly by 1970 and would continue to expand at this annual rate thereafter’ (Emmerij et al., 2001, p. 44). These aims were of course compatible with those of socialist economies. The state was thereby granted a strong interventionist role in the economy in order to set up the conditions for high economic growth and to achieve the necessary savings rate for investment.

The idea of economic growth as the major objective of development was increasingly questioned by the narrative that began to unfold in the 1970s. The narrative was as follows: economic growth tended to concentrate income and wealth in the hands of the few, increasing human choices of a few and leaving many in destitution. The academic community first reacted by trying to find alternative ways of linking economic growth with redistribution policies by publishing studies such as the 1974 ‘Redistribution with Growth’ by the Institute of Development Studies at Sussex University. But the academic community remained unable to find a sufficient number of allies in the political world. Because governments were themselves part of the elite and reluctant to redistribute the benefits of growth towards the poor, it was difficult to put this alternative approach into practice. Further and more successful attempts at finding an alternative to economic growth were made at the end of the 1970s, with the establishment of the ‘basic needs’ approach.

The idea of the satisfaction of basic needs as the primary objective of development emerged from work on employment at the International Labour Organisation (ILO) in the early 1970s. An analysis of data on employment conditions in developing countries demonstrated that economic growth and employment were not necessarily a guarantee of freedom from poverty. Indeed, many hard-working people remained unable to have their basic human needs – health, food, education and others – met. In 1977, the ILO published a report on Employment, Growth and Basic Needs which formally introduced the idea of basic needs as the objective of development policy for the first time. The idea acquired further policy influence when taken up by then World Bank President Robert McNamara, who set up a special commission to work specifically on basic needs. The work of that commission, led by Paul Streeten, was published in 1981, and became known as the basic needs approach, which was defined as ‘an approach that attempts to provide the opportunities for the full physical, mental and social development of human personality and then derives the ways of achieving this objective’ (Streeten et al., 1981, p. 33).

Although the basic needs approach initially emphasised that the objective of development was to provide the conditions for a full human life (material, social, cultural and political), it primarily focused, in operational terms, on the minimum requirements for a decent life -- health, nutrition and literacy -- and the goods and services needed to realise it, such as shelter, sanitation, food, health services, sanitation, safe water, primary education, housing and related infrastructures.
Although the idea of basic needs emerged as a practical response to poverty in developing countries, it lacked sound formal and theoretical foundations. It therefore also lacked the backing of a wider intellectual community, which would have been instrumental in disseminating its ideas. Economic and social narratives had also shifted in the 1980s, which did little to buttress the idea of basic needs in the policy arena. The turmoil of the debt crisis in the 1980s, and the imposition of macro-economic stabilisation and adjustment policies that drastically restricted states in their ability to provide basic social services for their people, essentially brought the basic needs approach to a standstill. Box 3.1, written by one of its main proponents, further explains the rise and eventual demise of the approach.

**Box 3.1: The Basic Needs Approach** (by Paul Streeten)

The best shorthand way of describing basic needs is: incomes + public services + participation.

The basic needs approach is a reminder that the objective of development is to provide all human beings with the opportunity for a full life. It goes behind abstractions such as money, income or employment. These aggregates have their place and function but... are useless if they conceal the specific, concrete objectives that people themselves seek. It appeals to members of national and international aid-giving institutions and is therefore capable of mobilizing resources, unlike vaguer (although important) objectives, such as raising growth rates to 6 per cent, contributing 0.7 per cent of GNP to development assistance, redistributing for greater equality or narrowing income gaps.

As the basic needs concept entered the North-South dialogue, all sorts of misconceptions and misinterpretations grew around it. First, it was said that basic needs are confined to basic commodity bundles. Second, it was the thought that the role allotted to the state was too powerful, both in determining what basic needs are and in providing for them being met, and that this type of paternalism (was) both inefficient and unworthy. Third, it was held that there was a neglect of opening up opportunities to people: access to jobs, income, assets, credit (and) power (was) neglected in favour of so many calories, so many yards of cloth.

During the 1980s, and while stabilization and adjustment policies were pursued, new concerns were incorporated (into) the development dialogue: the role of women (and children), the physical environment, population, habitation, human rights, political freedom and governance, empowerment (and) corruption. The basic needs approach was regarded as too narrowly focused on commodity bundles delivered to people by the government, and it had to carry the ballast of past misinterpretations.


It was only in the early 1990s that the essential ideas behind the basic needs approach – that providing the ideal conditions for a full human life require a multidimensional and non-monetary conception of well-being, which should be the ultimate goal of development -- was reintroduced to the public policy arena. Amartya Sen’s groundbreaking theoretical work on equality and poverty measurement, welfare economics and social choice theory\(^5\) -- with Mahbub ul Haq playing the critical role of translating these ideas into practicable policy through the creation of the *Human Development Report* and the Human Development Index in 1990 (Fukuda-Parr and Kumar, 2003) – firmly established the importance of the human development and capability approach in policy and development circles.

The human development approach offers three additional dimensions to basic needs: first, it is based on a much stronger philosophical foundation, thanks to Sen’s pioneering work in
welfare economics and social choice, which questioned utility as the primary marker for judging states of affairs. Second, it blurs the distinction between developed and developing countries. It is a framework as relevant for assessing the quality of life of people in the United States as it is for, say, Sierra Leone, while basic needs had little application in industrialised countries. Finally, human development places greater emphasis on human freedom and participation (although the latter was initially a feature of the ILO’s basic needs approach, it eventually became less of a priority).

**Human rights**

In addition to the idea of basic needs, another influential idea in policy circles in tune with the core principles of the human development and capability approach was human rights. Indeed, one could argue that seeing humans as ends of the development process was not the sole purview of the human development paradigm alone. It was, in fact, the central concern of the Universal Declaration on Human Rights as early as 1948: all humans should be free and equal in dignity and rights (Article 1), such as the right to work, the right to education, the right to health, the right to vote, the right to non-discrimination, the right to a decent standard of living, etc. Like many ideas in international policy, human rights evolved as a response to post-war narratives. The Declaration was written in the hopes that the atrocities committed during wartime would never be repeated again. While political philosophers had long espoused the centrality of human rights, ‘second-hand traders’ like journalists, and the political engagement of individuals like Eleanor Roosevelt and public entities like the United Nations, gave it enormous momentum after the Second World War.

There are significant connections between the human rights approach and that of human development and capability. As the opening sentence of the 2000 *Human Development Report* on human rights puts it: ‘Human rights and human development share a common vision and a common purpose — to secure the freedom, well-being and dignity of all people everywhere’ (UNDP, 2000: 1).

In a briefing on the capability approach and human rights, Polly Vizard defines a human right as ‘a claim to a fundamental benefit that should be enjoyed universally by all people everywhere on the basis of equality and non-discrimination.’ She highlights five underlying human rights principles:

1) Universality: they apply to all people everywhere by virtue of their humanity;
2) Equality: the benefits of human rights should be enjoyed on the basis of equality and non-discrimination;
3) Inalienability: human rights cannot be transferred or taken away;
4) Indivisibility: civil, political, economic and social rights are indivisible – one cannot give priority to one over the other; and
5) Interdependence: economic, social, civil and political rights are deeply interdependent.

She notes that a characteristic aspect of the idea of human rights is that of ‘assignment of responsibility.’ Human rights are usually conceived in terms of corresponding notions of obligation and duties. If there is a human right to, say, freedom of conscience, then there are obligations on behalf of states and other institutions to ensure that people are free to hold opinions they believe to be true. The idea of human rights thus focuses on the question: who should be doing what for whom? Given that human rights are inscribed in international law, nation states are therefore the primary duty holders for enforcing human rights. States have the main responsibility for providing an adequate legal framework and institutions that guarantee a respect for human rights.
The major similarity between the two approaches is that both are based on the maxim that individuals should not be treated as a means but as an end. Human life, and its quality and dignity, should be the criteria according to which states of affairs, as well as economic, political and social arrangements, should be assessed. The human rights approach enhances human development with its stronger focus on obligations and duties, while the latter remains an evaluative framework for assessing states of affairs. In contrast, human development does not focus on the state and legal institutions alone. Ensuring that people live flourishing human lives -- through the protection of, say, their freedom of conscience, movement or association - - is after all not only the role and responsibility of the state: it is also the role of multiple entities, such as civil society organisations businesses, and individuals. If a country passes a law that ensures the right of every child to education, the human development approach will go beyond that right and look at the institutional framework that allows that right to be fulfilled. It will look at the economic, social, political and cultural institutions that constrain or enhance the fulfilment of that right.

According to Sen (2005), the idea of capabilities is distinct from the idea of rights in the sense that the former refers to the opportunity aspect of freedom alone, while the latter also refers to its process aspect. Let us consider two people who do not enjoy going out in evenings: one of them, a political dissident, has been put by the government under house arrest after 5pm every day and must be accompanied by government agents to all her meetings and walks. The concept of capability tells us that both could go out if they chose to. However, the concept of human rights includes in addition the process aspect in the freedom these two have: the political dissident does not enjoy the right of free movement. A focus on capabilities only can sometimes violate basic principles of equity. Sen offers the example of women living longer than men: if, in order to promote equality of capability to be healthy between men and women, women were denied health care, this would actively constitute gender discrimination, which is a violation of human rights.

Another aspect that the concepts of capability and human rights do not share is that of sensitivity to means. Two people might enjoy the same right of freedom of movement, but if one were disabled, she would require different means in order to be able to enjoy that right. The idea of capability includes differences in means requirement: the capability to move freely would require different resources for a blind person (such as special signs at train stations). The human rights approach does not necessarily take such differences into account.

Another difference between the idea of human rights and human development is that the latter emphasizes both the intrinsic and instrumental character of civil and political rights. They are not only good for their own sake, but they are also instrumental in promoting human flourishing, as will be discussed in the chapter on democracy.

These differences suggest that both approaches are complementary and can in fact reinforce one another. In the words of the 2000 Human Development Report, ‘Human rights express the bold idea that all people have claims to social arrangements that protect them from the worst abuses and deprivations — and that secure the freedom for a life of dignity. Human development, in turn, is a process of enhancing human capabilities — to expand choices and opportunities so that each person can lead a life of respect and value. When human development and human rights advance together, they reinforce one another — expanding people’s capabilities and protecting their rights and fundamental freedoms’ (p. 2).
The report highlights the mutual enrichment of ideas of human rights and human development (UNDP, 2000: 1-2): first, human rights draw attention to the accountability of governments and other institutions, to respect, protect and fulfil the human rights of all people. Second, the idea of human rights requires a large set of legal instruments in order to enforce these rights and secure people’s freedoms. Third, human rights add moral legitimacy to the objectives of human development. Given that the rights to education, health, non-discrimination, and so forth are inscribed in international legislation, this gives moral legitimacy to the objective of development, which is about promoting people’s health, education and so forth. Fourth, the idea of human rights draws attention to the people who lack these rights. It gives to human development a sense of prioritization. Social and economic policies should be oriented towards those who are deprived of basic human rights. As for the contribution of human development to human rights, the report argues that human development brings a ‘dynamic long-term perspective to the fulfilment of rights’, and ‘directs attention to the socio-economic context in which rights can be realized — or threatened.’ Human development focuses on the institutional factors that violate human rights and tries to find ways of changing these constraints, and of mobilizing resources, so that human rights can be guaranteed, because legislation alone is not sufficient to ensure the protection and provision of these rights.

**Human security**

Along with human rights, another idea that was increasingly prominent during the 1990s was human security. The idea of security has long been central to the military world. Again, narratives that unfolded in the 1990s played a role in emphasizing the importance of security considerations beyond the military arena. Indeed, the rise of internal conflicts in many developing countries led to an increasing consolidation of security and development goals. Under-development, poverty and injustice have also been considered as breeding grounds for civil conflicts. Development, along with the reduction of poverty and inequality, was therefore seen as a way of achieving security and peace.

Emerging from this changing context, human security attempted to overcome the limitations of conventional interpretations of security to generate responses that were sufficiently adequate for dealing with the new sources of insecurity in the post-Cold War period. Human security essentially highlights the fact that a military solution is not necessarily the answer to insecurity. The 1994 *Human Development Report* shifted the focus of security from the protection of the state and its borders by military means to the protection of individuals from a wider range of threats to their well-being. It defined human security as including ‘safety from such chronic threats as hunger, disease and repression, and protection from sudden and hurtful disruptions in the patterns of daily lives, whether in homes, jobs or communities’ (UNDP, 1994: 1). The report divided human security into seven main categories: economic security (such as job security), food security, health security, environmental security, personal security, community security and political security.

Human security is thus much more than the absence of violent conflict:

> Human security in its broadest sense embraces far more than the absence of violent conflict. It encompasses human rights, good governance, access to education and health care, and ensuring that each individual has opportunities and choices to fulfil his or her own potential… Freedom from want, freedom from fear and the freedom of future generations to inherit a healthy natural environment — these are the interrelated building blocks of human, and therefore national, security’ (Commission on Human Security, 2003, p. 4).

Box 3.2 Development, rights and human security (by Amartya Sen)

Human security is concerned with reducing and – when possible – removing the insecurities that plague human lives. It contrasts with the notion of state security, which concentrates primarily on safeguarding the integrity and robustness of the state and thus has only an indirect connection with the security of the human beings who live in these states. That contrast may be clear enough, but in delineating human security adequately, it is also important to understand how the idea of human security relates to – and differs from – other human-centred concepts, such as human development and human rights. These concepts are fairly widely known and have been championed, with very good reason, for a long time, and they too are directly concerned with the nature of human lives. It is thus fair to ask what the idea of human security can add to these well-established ideas.

Human development and human security

The human development approach, pioneered by the visionary economist Mahbub ul Haq (under the broad umbrella of the United Nations Development Programme), has done much to enrich and broaden the literature on development. In particular, it has helped to shift the focus of development attention away from an overarching concentration on the growth of inanimate objects of convenience, such as commodities produced (reflected in the Gross Domestic Product or the Gross National Product), to the quality and richness of human lives, which depend on a number of influences, of which commodity production is only one. Human development is concerned with removing the various hindrances that restrain and restrict human (life) and prevent its blossoming. A few of these concerns are captured in the much-used ‘human development index’ (HDI), which has served as something of a flagship for the human development approach. But the range and reach of that perspective have motivated a vast informational coverage presented in the UNDP’s annual Human Development Report and other related publications that go far beyond the HDI.

The idea of human development, broad as it is, does, however, have a powerfully buoyant quality, since it is concerned with progress and augmentation. It is out to conquer fresh territory on behalf of enhancing human lives and is far too upbeat to focus on rearguard actions needed to secure what has to be safeguarded. This is where the notion of human security becomes particularly relevant. Human security as an idea fruitfully supplements the expansionist perspective of human development by directly paying attention to what are sometimes called ‘downside risks’. The insecurities that threaten human survival or the safety of daily life, or imperil the natural dignity of men and women, or expose human beings to the uncertainty of disease and pestilence, or subject vulnerable people to abrupt penury related to economic downturns, demand that special attention be paid to the dangers of sudden deprivation. Human security demands protection from these dangers and the empowerment of people so that they can cope with – and, when possible, overcome – these hazards.

There is, of course, no basic contradiction between the focus of human security and the subject matter of the human development approach. Indeed, formally speaking, protection and safeguarding can also be seen as augmentations of a sort, to wit, that of safety and security. But the emphasis and priorities are quite different in the cautious perspective of human security from those typically found in the relatively sanguine and upward-oriented literature of the human focus of development approaches (and this applies to human development as well), which tend to concentrate on ‘growth with equity’, a subject that has generated a vast literature and inspired many policy initiatives. In contrast, focusing on human security requires that serious attention be paid to ‘downturns with security’, since downturns may inescapably occur from time to time, fed by global or local afflictions. This is in addition to
the adversity of persistent insecurity of those whom the growth process leaves behind, such as the displaced worker or the perennially unemployed.

Even when the much-discussed problems of uneven and unequally-shared benefits of growth and expansion have been successfully addressed, a sudden downturn can make the lives of the vulnerable thoroughly and uncommonly deprived. There is much economic evidence that, even if people rise together as the process of economic expansion proceeds, when they fall, they tend to fall very divided. The Asian economic crisis of 1997–99 made it painfully clear that even a very successful history of ‘growth with equity’ (as the Republic of Korea, Thailand, and many other countries in East and Southeast Asia had) can provide very little protection to those who are thrown to the wall when a sharp economic downturn suddenly occurs. The economic case merely illustrates a general contrast between the two perspectives of *expansion with equity* and *downturn with security*. For example, while the foundational demand for expanding regular health coverage for all human beings in the world is tremendously important to advocate and advance, that battle has to be distinguished from the immediate need to encounter a suddenly growing pandemic, related to HIV/AIDS or malaria or drug-resistant tuberculosis. Insecurity is a different – and in some ways much starker – problem than unequal expansion. Without losing any of the commitment that makes human development important, we also have to rise to the challenges of human security that the world currently faces and will long continue to face.

**Human rights and human security**

There is a similar complementarity between the concepts of human rights and human security. Few concepts are as frequently invoked in contemporary political debates as human rights. There is something deeply attractive in the idea that every person anywhere in the world, irrespective of citizenship or location, has some basic rights that others should respect. The moral appeal of human rights has been used for varying purposes, from resisting torture and arbitrary incarceration to demanding the end of hunger and unequal treatment of women. Human rights may or may not be legalized, but they take the form of strong claims in social ethics. The idea of pre-legal ‘natural’ or ‘human’ rights has often motivated legislative initiatives, as it did in the US Declaration of Independence or in the French Declaration of the Rights of Man in the eighteenth century, or in the European Convention for the Protection of Human Rights and Fundamental Freedoms in the twentieth century. But even when they are not legalized, affirmation of human rights and related activities of advocacy and monitoring of abuse can sometimes be very effective, through the politicization of ethical commitments. Commitments underlying human rights take the form of demanding that certain basic freedoms of human beings be respected, aided and enhanced. The basically normative nature of the concept of human rights leaves open the question of which particular freedoms are crucial enough to count as human rights that society should acknowledge, safeguard and promote.

This is where human security can make a significant contribution: by identifying the importance of freedom from basic insecurities – new and old. The descriptive richness of the considerations that make security so important in human lives can, thus, join hands with the force of ethical claims that the recognition of certain freedoms as human rights provides. Human rights and human security can, therefore, fruitfully supplement each other. On the one hand, since human rights can be seen as a general box that has to be filled with specific demands with appropriate motivational substantiation, it is significant that human security helps to fill one particular part of this momentous box through reasoned substantiation (by showing the importance of conquering human insecurity). On the other, since human security as an important descriptive concept demands ethical force and political recognition, it is
useful that this be appropriately obtained through seeing freedoms related to human security as an important class of human rights. Far from being in any kind of competition with each other, human security and human rights can be seen as complementary ideas.

One of the advantages of seeing human security as a class of human rights is the associative connection that rights have with the corresponding duties of other people and institutions. Duties can take the form of ‘perfect obligations’, which constitute specific demands on particular persons or agents, or of ‘imperfect obligations’, which are general demands on anyone in a position to help. To give effectiveness to the perspective of human security, it is important to consider who in particular has what obligations (such as the duties of the state to provide certain basic support) and also why people in general, who are in a position to help reduce insecurities in human lives, have a common — though incompletely specified — duty to think about what they can do. Seeing human security within a general framework of human rights can, thus, bring many rewards to the perspective of human security.

To conclude, it is important, on one side, to see how the distinct ideas of human security, human development and human rights differ, but also to understand why they can be seen as complementary concepts. Mutual enrichment can go hand in hand with distinction and clarity.


Other related ideas

[a] The Millennium Development Goals

Another development idea that has been at the forefront of policy agendas for the past decade has been the Millennium Development Goals (MDGs). At the Millennium Summit held in New York in September 2000, 189 UN member states adopted the Millennium Declaration, which consisted of 8 goals that have to be achieved by the year 2015. These goals are divided into 21 targets with 60 indicators against which progress is tracked. When possible, indicators are disaggregated according to male/female, urban/rural and other variables, such as ethnicity or language. The MDG targets and indicators can thus be seen as a partial roadmap for human development. They are human development goals, although they do not reflect all of the dimensions of human development (see Table 3.2).

Unlike policy ideas that are first introduced to the wider public by a community of like-minded academics, the MDGs were designed by an international political community as a tool to monitor development progress. The campaign received a lot of media attention, especially with the ‘Global Call to Action’ in 2005, which was better known in Europe as the ‘Make Poverty History’ campaign. Unlike human development, the MDGs do not include concerns for empowerment and participation (except in relation to gender empowerment), equity and distributional issues, and the sustainability of development advances across time. The MDGs also lack explanatory value and analytical power.

<table>
<thead>
<tr>
<th>Key Capabilities for Human Development</th>
<th>Corresponding MDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living a long and healthy life</td>
<td>Goals 4, 5, 6: reducing child mortality, improving maternal health and combating major diseases</td>
</tr>
<tr>
<td>Being knowledgeable</td>
<td>Goals 2, 3: achieving universal primary education and promoting gender equality in education</td>
</tr>
<tr>
<td>Having a decent standard of living</td>
<td>Goals 1, 7: reducing poverty and hunger and ensuring environmental sustainability</td>
</tr>
<tr>
<td>Enjoying political and civil freedoms to participate in the life of one’s community</td>
<td>Not a goal, but an important global objective included in the Millennium Declaration</td>
</tr>
</tbody>
</table>
Despite these weaknesses, the MDGs remain useful for the human development approach. First, MDG indicators enable us to analyze the reality and evolution of a country’s development within a broader frame than the one offered by income or GDP per capita. MDGs are related to the human development approach but are limited to the most basic aspects of human well-being. Second, MDGs offer a frame of high-priority and limited interventions. This aspect is essential for public policies in developing countries, which must face numerous problems simultaneously, but have limited resources and capabilities. Third, they establish relatively realistic objectives and a time-line in which to achieve them. In addition, they are accompanied by a set of homogenous monitoring indicators, which facilitate the analysis and comparison of country and regional performances. Fourth, MDGs reaffirm the commitment of developed countries to support the developing world. The flow of international aid is necessary if these countries are to overcome poverty and increase the well-being of their respective populations. The MDG framework encourages worldwide cooperation and solidarity. It highlights that governments are accountable not only for reducing poverty or promoting basic health and education, but also for promoting gender equality and empowering women, ensuring environmental sustainability, providing access to affordable and essential drugs, making available the benefits of new technologies, and providing universal access to reproductive health. Another positive aspect of this is that civil society has stepped into this public discourse to demand the achievement of these goals, giving them greater agency and contributing to the overall empowerment of society as a whole.

[b] Sustainable development

Another idea that has been prominent in the past two decades has been sustainable development, that is, an economic development that is compatible with the capacity of natural resources to sustain such development in the long run – Ghandi famously said that the world would need six planets if it were to sustain consumption levels similar to those of the United States. The 1987 Brundtland Commission Report, *Our Common Future*, coined sustainable development as ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs.’ The two key concepts (p. 43) are: 1) needs (the essential needs of the world’s poor should be given overriding priority); and 2) limitations (the ability of the environment to meet present and future needs is however limited).

In a paper that compares the idea of human development with that of sustainability, Anand and Sen (2000) argue that human development brings to sustainable development, in addition to its concern for equity between generations, an equal concern for equity within generations. The demand for sustainability is part of the universal character of human development. Human development is about promoting the freedoms that people have reason to choose and value in both future and present generations. This universalism entails that deprivations and sufferings of both current and future generations be given equal attention. As Anand and Sen (2000) write, ‘that universalism also requires that in our anxiety to protect... future generations, we must not overlook the pressing claims of the less privileged today. A universalist approach cannot ignore the deprived people today in trying to prevent deprivation in the future.’ They continue, ‘there would be something distinctly odd if we were deeply concerned for the well-being of the future — and as yet unborn — generations while ignoring the plight of the poor today.’ Putting the concern for inter-generational equity above the
principle of intra-generational equity would amount to ‘a gross violation of the universalist principle.’ Human development ‘certainly demands such impartiality’.

Another point that Anand and Sen insist on is that the market cannot be the only solution for ensuring sustainable development. The concern for universalism ‘demands that the state… serve as a trustee for the interests of future generations.’ There is a wide role for the state, through taxes, subsidies and regulation to ‘adapt the incentive structure in ways that protect the global environment and resource base for people yet to be born’.

As with human rights and human security, sustainable development therefore shares many similarities with the human development and capability approach. Indeed, the principle of sustainability is a core human development principle. But the human development and capability approach offers a much broader framework for analysis and action, such as evaluative and institutional tools to address the challenges of development and sustainability.

**Questions**

3.1 Draw the similarities and differences between the ideas of human development, market liberalism, basic needs, human rights, human security, Millennium Development Goals and sustainable development.

3.2 How does concern for inter-generational and intra-generational equity relate? Discuss the possible trade-offs.

3.3 What is the most influential idea in public policy in your country? Why and how has this idea acquired so much policy influence?

3.4 In your opinion, what would be required to make the human development and capability approach influential in the policy decisions of government, multinational companies and business organisations in your country?

3.5 Can you think of organisations that already implement human development principles in their activities and practices?

**Readings**


______ (2005) ‘Human rights and capabilities’, *Journal of Human Development*, vol 6, no 2, pp151-166


**Further Readings**


**ENDNOTES**

1 This section draws from an article written by Angus Ritchie in the first issue of *Maitreyee*, the e-bulletin of the Human Development and Capability Association, March 2005, available at www.hd-ca.org (section ‘e-bulletin’).

2 This paragraph has been written by Adriana Velasco.


4 See www.iea.org.uk.

5 Desai (1991) attributes two parallel sources to human development: 1) the pioneering works made in equality and poverty measurement by Anthony Atkinson and Amartya Sen; and 2) the search for a non-economic measure of development pioneered in the 1960s with the social indicators school in Scandinavian countries

6 The briefing is available at www.hd-ca.org (section ‘educational resources’, category ‘educational material’).

7 See http://mdgs.un.org/unsd/mdg/

8 This paragraph has been written by Adriana Velasco.