



Maitreyee

Newsletter of the Human Development and Capability Association
Number 1, March 2005

Dear Members of the HDCA,

Last October, we announced the launch of *Maitreyee*, the quarterly newsletter of the Human Development and Capability Association. *Maitreyee* is an initiative that helps to inform and facilitate interaction and discussion between all members of the HDCA. It aims to be a place where anyone committed to justice and a better quality of life for all in both the South and the North, and anyone who desires to explore a more equitable economic framework, may find challenging and stimulating discussion partners. It is worth stressing again that agreement with the human development and capability approaches is by no means a requirement of HDCA membership!

As the essence of *Maitreyee* is to be a discussion forum for academics and practitioners alike, each newsletter will be divided into three sections: 1) '**Insights**', which features three invited columns on a particular theme, with a selected bibliography; 2) '**In Practice**', which collates experiences from development workers and activists as well as policy-makers practitioners in the Global South and North; and 3) '**Events**', which lists both academic and non-academic events that are focused on or related to the Capability Approach around the world.

The theme of this first *Maitreyee* is 'The capability approach as an alternative economic framework'. Ingrid Robeyns opens the debate by discussing the extent to which the capability approach is better able to include issues of culture in well-being assessment than mainstream economics. The second contribution emerges from a 'working party' organised by the HDCA last November in Cambridge, UK. During four days, a group of people gathered to discuss ways in which the insights of the capability approach could be communicated on an ongoing basis to the wider public. In 'freedom that enslaves', some participants examine the differences between the freedom of the capability approach and the freedom of neo-liberalism. In 'winning the war of ideas', Angus Ritchie retraces the journey of Hayek's liberalism, examining the reasons for its success in influencing policies and drawing some lessons for the capability approach regarding tactics. 'In the Practice', Manu Mathai discusses the way indigenous communities in the state of Orissa in India are struggling for a better quality of life.

The themes for the following newsletter will be 'Contributions of the capability approach to the achievement of the MDGs'. We invite any contribution you might have on the subject. We would like to begin in the next *Maitreyee* a 'Letters' section, so if you have any reactions to the contributions, do send your reactions to us (newsletter@capabilityapproach.org). We hope you will enjoy reading this first *Maitreyee*, and any suggestion or critique is more than welcome.

Séverine Deneulin and Manu V. Mathai
Editors

Insights

The Capability Approach as Alternative Economic Framework

Culture, Development, Economics and the Capability Approach

Ingrid Robeyns (University of Amsterdam)

Amartya Sen's capability approach has attracted much attention recently, both in development and welfare economics, as well as more broadly in the social sciences and the humanities. Many advocate the capability approach as a 'paradigm' that is superior to standard economics for the study of well-being and development. I want to focus here on three interrelated questions. First, how does the capability approach deal with culture? Second, what are the implications of the capability approach for development policies? Third, how does the capability approach differ from mainstream economic thinking?

The capability approach advocates that a person's well-being and indeed, societies themselves, should be judged based on people's functionings and capabilities. Functionings are a person's activities and her states of being, such as being well-fed, being literate, being active in the community, and so forth. Capabilities are a person's actual opportunities to achieve these functionings. By focusing on the real opportunities that a person has to achieve these valuable states of being and doing, the capability approach shifts the focus of our evaluations away from resources like income or expenditures towards the ends of well-being. This makes the approach much more sensitive to the impact of social factors on well-being (such as social norms, gender norms, habits, traditions etc.), because all these dimensions have an impact on how well a person can convert her resources into functionings.

These social factors are important aspects of a culture. For example, a person may have abundant resources, but in a hyper-individualistic society, he may be without friends and networks of social support. Alternatively, a person may have very few resources, but because she lives in a society with strong norms of sharing, this poor person may escape deprivation. In addition, the capability approach will always focus on inequalities *within* a particular community or society. For example, restrictive gender norms may make it much more difficult for a woman to convert resources into functionings than for a man.

The capability approach does not only account for culture as having an impact on the conversion of resources into functionings; it also sees cultural functionings as important functionings in their own right. Examples of such cultural functionings are engaging in cultural activities (e.g. arts, music, dance etc.), taking part in worship, festivities or other traditions. In contrast to much applied work in welfare economics, the non-material dimensions of well-being are given as much attention as the material dimensions. This can have important implications. For example, in her comparison of a standard social cost-benefit analysis with a capability social cost-benefit evaluation of NGO projects in Pakistan, Sabina Alkire (2002) found that a project may be not very efficient in creating income, but it can be efficient in creating functionings such as being respected by and taking part in the community, having increased self-worth, being able to fulfil religious duties, and so forth. One major consequence is that for every policy decision-making, one has to ask how this is going to affect the people, *in*

all the dimensions of their well-being, not just with respect to income creation or consumption

The consequence for researchers is that one should try to include in the well-being evaluation everything that matters, and not only those things for which quantitative data exist or can be collected. Traditional welfare economics can already cover quite some distance by applying its mathematical framework and its quantitative measurement tools to the capabilities directly, instead of trying to estimate people's functionings and capabilities based on their income corrected for some conversion factors (Kuklys and Robeyns, 2004). But ultimately the comprehensiveness of the capability approach urges us to take qualitative methods seriously – which might be quite a challenge for many economists, as they are generally not trained in qualitative methods.

Selected bibliography

Sabina, Alkire, *Valuing Freedoms*. (Oxford, 2002).

Wiebke Kuklys and Ingrid Robeyns, Sen's capability approach to welfare economics, *Cambridge Working Paper in Economics* 04.15

The Freedom that Enslaves

HDCA working group on popularising the capability approach

Like motherhood and apple pie, everyone is in favour of 'freedom'. Right-wing Americans eat 'freedom fries'. Left-wing Roman Catholics read 'liberation' theology. Advocates of abortion on demand are 'pro-choice'. Clearly these groups have wildly different views of what 'freedom' means. For some, freedom means being free of 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. Or one is less free when regulations restrict the trading of goods, even though the restrictions might improve the quality of life of the poor farmers in developing countries (confusingly, these are called *neo-liberals* in the UK, and *neo-conservatives* in the US, to avoid confusion, we will call them 'neos').

On this picture, it is possible to be free and be starving to death. The Bengal famine in 1943 killed three million people. As Amartya Sen in his works on famines highlighted, this happened neither because people were prevented from trading - or were systematically abused by the military, nor because of a food shortage - in fact, the amount of food *available* 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 has particularly shown a link between democracies and the reduction of famines. In countries with a free press, and with a political opposition to remove unpopular regimes, government takes the action necessary to make sure everyone is fed. When they are given the opportunity, people use their *political* freedom to counteract the inequalities generated by uncontrolled 'economic freedom'.

Of course, even the 'neos' would accept that governments should not stand by and do nothing in the face of famine. But if we accept intervention in these extreme cases, then we have accepted the principle that one human being's freedom (for example the freedom to buy and sell) can be limited to allow others to have what they need to live and flourish. 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. Expanding such freedom is the primary end of any social or economic policy.

This understanding of freedom is at the heart of Amartya Sen's 'capability approach'. It advocates a policy focus on expanding the freedoms that people have *reason to* choose and value. The capability approach does not suggest that one could, or should, get rid of the market economy (the freedom to buy and sell is important). But multiple freedoms are important, and market freedoms are only one kind of genuine human freedoms. They are not an absolute that can necessarily justify 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* the shape society takes but seen as a *tool* to help realise the kind of society human beings have reason to value.

Studies on happiness have shown that human beings eventually find their happiness in what they are and not in what they have (beyond a certain basic level, income levels are not determinative of people's levels of happiness – other factors such as the *distribution* of income and opportunity matter more than its absolute level).

Freedom matters. But we should not make an idol of one *kind* of freedom. Freedom matters because people matter: the beauty of freedom ultimately lies in the beauty of humanity, and the lives we are capable of leading.

Selected bibliography

Barry Knight, Hope Chigudu & Rajesh Tandon, *Reviving Democracy* (London, 2002)

Amartya Sen, *Development as Freedom* (Oxford, 2001)

Jeremy Waldron, *The Right to Private Property* (Oxford, 1990)

'Winning the War of Ideas' : Lessons from the Neo-Liberals

Angus Ritchie (Contextual Theology Centre, East London)

This article will scrutinise the process by which neo-liberal economists promoted their beliefs in academia, society, and eventually in government. In particular, it will look at the impact of F.A. Hayek, and of the Institute for Economic Affairs (IEA). It will ask what lessons could be learnt by advocates of the capability approach as we seek to develop an alternative social and political vision.

I begin with one small piece of writing which had a huge impact on the moral debate about the shape of society: Hayek's *The Road to Serfdom*. Among those inspired by it were Margaret Thatcher, and businessman Antony Fisher (who was moved to become a founder of the IEA). What are the features of this work that might explain its impact?

- It is written clearly and accessibly (even more so in the condensed version, which millions read in the *Readers' Digest* for an intelligent, but non-expert audience.
- Its arguments for the free market are not largely about economic efficiency. They are about the *kinds* of society that will emerge if different economic and social policies are followed. It presents a deeply *moral* case for capitalism.
- Central to the work is the *history* it offers – an account of the way collectivist policies are alleged to have led on to Nazism. Hayek writes elsewhere that 'There is scarcely a political ideal or concept which does not involve opinions

about a whole series of past events.' The account we give of the *past* shapes what seems plausible and wise for current policy-making.

In *The Intellectuals and Socialism*, Hayek outlines his strategy for the wider dissemination of this moral and political vision. Hayek made a distinction between *scholars* in academia, and *intellectuals* - journalists, novelists, filmmakers and clergy. This latter group, he said, were vital to the promotion of any political and moral vision: they filter the conclusions of academia to the wider public.

To influence both scholars and academics required institutions that could respond to the demands and opportunities of each decade. In the early post-war years, when these ideas remained unfashionable, a network of institutions in the US supported neo-liberal thinkers who could not get tenure, and printed and distribute books that could not find mainstream publishers. As these ideas began to take deeper root, and tenure and publication were easier to come by, there could be more of a focus on identifying new talent, and persuading it to take advantage of these opportunities.

Ironically, Hayek urged a certain distance from the business of politics. Whilst there was a need for serious empirical work to demonstrate the applicability of neo-liberalism, Hayek saw politicians as constrained by circumstance and expediency. There was a need for institutes for thought and discussion kept distinct from this grubby, horse-trading process: the biggest impact on the flow of debate was to be had upstream.

If a military coup gave the neo-liberals their opportunity in Chile, it was a political and economic upheaval that presented the opportunities in the UK. In neither case was it within the neo-liberals' power to make the economic weather - what they neo-liberals *had* done was placed themselves in a position to act effectively when a storm broke; offering a compelling account of the crisis, and of the reforms they claimed would be necessary to restore national prosperity and confidence. Their message was concise, clear and compelling: a key part of their preparation was identifying a small number of key issues (unions, inflation, privatisation) for the focus of all available thinking and political capital.

Thus far, I have focused on the power of *argument* in this account of the neo-liberal ascendancy. What is lacking is an analysis of *group interest*. It is not surprising that it is amongst entrepreneurs that *The Road to Serfdom* has the greatest impact, and inspires factory-farmer Anthony Fisher to found, and fund, the IEA. The narrative Hayek is offering him is one that chimes with his economic interests: lower regulation and lower taxes are a message about which an entrepreneur would *want* to read a compelling defence. Likewise in the 1970s and 1980s, the moral rhetoric of Thatcher and Reagan is found persuasive by precisely those social groups who see in it a possibility of greater net income, and either vastly increased personal capital - or the first opportunity to own any significant property at all. Moral narratives have a crucial place in public debate, and yet it is rare to see a group convinced by a narrative that involves a redistribution of wealth and power away from them and towards someone else. As we move to consider the lessons for advocates of the capability approach we will have to bear this in mind.

I will conclude with six features of the success of the neo-liberals from which the capability approach could learn in order to provide an alternative economic framework:

(i) Philosophical foundations: The neo-liberals began with solid philosophical foundations. Straightforward theses were outlined clearly and forcefully. Hayek, for

example, makes a clear commitment to individualism.. The capability approach implies a different stance on each these moral issues. Short, powerful, clearly expressed and accessible statements on these issues from the perspective of the capability approach are needed.

(ii) A 'broad-brush' vision: *The Road to Serfdom* is not simply a well-expressed philosophical argument; it offers a *vision*. This strikes me as one of the most promising avenues for the capability approach - it too is based on a strong moral vision. And it is timely: just as Hayek's work struck a chord in a world haunted by fascism and communism, today's world may be ready to question the maximising national income as our primary policy goal. Western culture is aware that material saturation does not necessarily bring contentment or safety - and issues of international security, and of population migration mean questions of the well-being of the "two-thirds world" cannot be ignored.

(iii) Nurturing people: Like the neo-liberals, the capability approach needs to develop a clear strategy to support scholars in need of tenure and publication - and to make this an attractive career choice for those in each new generation with the relevant gifts. The media, writers and the leaders of community need to be enlisted to promote this vision in the wider world.

(iv) Narrating events: The neo-liberals had great success in fashioning a narrative (such as Hayek's account of how centralised planning led to tyranny, or the story of the "Asian tigers", as contrasted with the failure of the planned economies in post-colonial Africa). Crucial to the success of an alternative vision is the provision of an alternative narrative.

(v) Practical application: Advocates of the capability approach need to map out the key areas of economic and political reform their position requires - and have distinctive and practical policy recommendations for governments.

(vi) Group interests: The moral and practical case for laissez-faire capitalism found a willing ear in those who would benefit from it financially. Advocates of the capability approach would need to seek to address the different groups that would benefit from the kinds of policies they would seek to promote. For some the benefits would be in improved public services and in the redistribution of wealth in their direction through progressive taxation or reforms in labour laws. Another constituency that the capability approach may attract are these people dissatisfied despite material affluence - and threatened by some of the implications for the security of western peoples of a 'global village'.

Questions about how our ideas are framed and disseminated will be closely related to these questions of our potential audiences. How, if at all, are they organised? What means of communication will reach and engage them? Or is the task of organising of citizens itself one of the challenges we face?

Selected bibliography

- Blundell J. *Waging the War of Ideas*. (London, 2003)
 Sen, A., *Development as Freedom* (Oxford, 2001)
 Hayek F.A. *The Road to Serfdom*, (London, 1996)
 Hayek, F.A. *Capitalism and the Historians* (London, 1954)
 Valdes, J.G. *Pinochet's Economists*. (Cambridge, 1995)

In the practice

Voices of Power and Whimpers of Values: A Challenge to animating the Capability Approach

Manu V. Mathai (Center for Energy and Environmental Policy, University of Delaware)

A distinctive and attractive feature of the Capability Approach (CA) is the informational base proffered by the CA as being important for effecting and evaluating development. This informational base is often referred to as the ‘space of valuable capabilities and functionings’. In doing so, the CA brings to centre-stage the notion of values and its definitional relationship with the ‘functionings’ and ‘capabilities’ cherished by individuals. Such an association of values with development thinking, as enabled by the CA, helps embrace the diversity of valued ‘beings and doings’ that exist in society. Gleaning such information is an involved exercise in communication that critically hinges on the freedom to communicate. It is here that the voices of power can (and often do) suppress the whimpers of values or more accurately, empowered values subdue less empowered values, very often, violently.

The immediate motivation for writing this piece was to bring to light the plight of citizens in the Kashipur region of the state of Orissa, India, an area where nearly seventy percent of the country’s bauxite deposits are found. The people who live on this land are comprised largely of indigenous tribal communities. Mining bauxite is an expansive activity. It starts off by removing the topsoil to reach the bauxite vein that is then mined in open pits. The removal of bauxite is associated with diminished water holding capacity of the land—a grave concern given that the brief seasonal rainfall during the North-East monsoons over India needs to be soaked up by the land to feed the perennial streams that are critical to life and well-being in the region. Other critical concerns include pollution during mining operations and its impacts and the storage and disposal (if possible) of the abundant caustic mining waste that will be produced.

Over and above these changes to the local ecology which, in theory, are amenable to some semblance of remediation through technical ‘fixes’, lurks the plight of the people and communities who belong to that land, their culture, their notions of change and the freedom they enjoy to change and to evolve on their terms. What really happens to them when they are forcefully relocated away from their land to make way for mining operations? In the context of tribal cultures, their intricate connection with their land is widely recognized, making the process of social and cultural devastation that often ensues from forced relocation even more pronounced. Analyzing the cause of decay in tribal cultures, the renowned anthropologist Verrier Elwin remarked,

“...The first cause of their (tribals’) depression was the loss of their land and forests. This had the effect of so enervating the tribal organism that it had no interior resistance against infections by a score of other serious evils.” (quoted in Sharma, 2001)

Yet, it is precisely this that the state seeks to do. The Indian state (and it is not alone) conceives of development in conventional terms of economic growth through deeper industrialization and the further integration of a wide variety of socio-economic contexts into a dominant globalized market paradigm. However, many people in Kashipur (based on my interpretation of experiences and interactions from

visiting Kashipur) seem to think otherwise, indeed they value a development that is distinctly different. As Bhagaban Mahji, a Kashipur inhabitant notes,

“Our opposition to big industrial projects is being dubbed as ‘anti-development’. But we want our own development, in our own way not the way leaders, bureaucrats, contractors, traders see it. They find our development in big projects like Damanjodi, Indravati, Kolab etc. For us those are (sic) graveyards. We have been made the sacrificial goats for this sort of development. Others have reaped benefits. Our area is known outside for its backwardness and starvation death.” (quoted in the Kashipur struggle website)

Since 1992, when the first mines were planned in this region, the people of Kashipur have resisted with all they have, even their lives. In December 2000 the state police killed three men when it fired into a crowd of unarmed protesters who had gathered in protest of proposed mining operations. Most recently, in December 2004, protests erupted again to block the construction infrastructure needed to support mining activities. Sixteen people, including women, were violently beaten and critically injured by the police this time. The administration reportedly even banned the entry of the press into the region and swarmed the area with police personnel. There was scarcely a mention of these events in Kashipur in India’s mainstream media—the free press—of a free country.

Anisur Rahman, while discussing what development might mean to people who have not lost their sense of identity and continue to express themselves through authentic collective endeavours noted that the challenge to social scientists (and development agents) is to...

“... [A]rticulate an alternative development paradigm in which the evolution of popular life is not to be distorted and abused by paternalistic “development” endeavours with alien conceptions but may be stimulated and assisted to find its highest self-expression, which only can make a society proud of itself.” (Rahman, 1995)

In the space of ‘valuable functionings and capabilities’ we find the ingredients to meet Rahman’s challenge. But now, a task at hand is to find creative responses to the often violent ways of development work that stifle the expression of diverse values and the ‘evolution of popular life’. Recent events in Kashipur continue to challenge us to find ways to give voice to values that still remain whimpers.

Literature Cited

Rahman, M. A. “Toward an Alternative Development Paradigm.” In *Grassroots Horizons: Connecting Participatory Development Initiatives East and West*, K.L. Johnson (ed), New Delhi: Intermediate Technology Publications, 1995, 151 - 82.

Sharma, Chandan Kumar. "Tribal Land Alienation: Government's Role." *Economic and Political Weekly* (2001): 4791 - 4801.

For more information on the Kashipur struggle please visit www.saanet.org/kashipur

Events:

You are invited to participate in the

***5th International Conference on the Capability
Approach***

+

1st International Conference of the HDCA

*Knowledge and Public Action:
Education, Responsibility, Collective Agency, Equity*

11-14 September 2005,
Paris, France

Deadline for submitting papers: 1st April 2005

*If you wish to attend the conference but do not wish to submit a paper,
you are most welcome! Registration information is available now on the
website; registration will begin in the spring.*

More info on <http://www.hd-ca.org/conference>
Email: hdcaparis@aol.com

*At present, HDCA has over 300 members from exactly 50
countries! We warmly welcome new members.*

*To join HD-CA please go to www.hd-ca.org and click on join HDCA. If possible please have
a form of payment (e.g. credit card) ready, because if you take a break in the middle we have
to reset your form manually. If this occurs, just email us! Members receive this newsletter,
the Journal of Human Development, and, in the near future, regular updates.*