

Sen's Capability Approach Appraised: Underspecification, Operationalization, and Overemphasized Freedom?

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Abstract

This paper presents Sen's problem situation and his tentative solution within the capability approach, which is also discussed through an assessment of the main critiques that it has received. The second part describes the problem situation within the standard welfare economics, and the third presents the capability approach as a manner of addressing the two main ways – informational and ethical – in which standard economics is impoverished. The fourth part scrutinizes the major critiques of this approach. Some of these critiques relate to, on the one hand, how the 'abstract' capability approach is applied in practice. On the other hand, there are critical arguments about Sen's narrow foundation in ethics, that is, freedom as a "common denominator approach to ethics". It is argued here that some of these critiques are based on mistaken interpretations and readings of Sen's capability approach. The assessment of these critiques leads us to understand Sen's approach as a general perspective (not a theory), which can address different problems and can be applied in theoretical or practical ways. This paper also concludes that some critiques seem to ignore how Sen's capability approach is guided by practical reason and by the need for a wider rationality in economics that emphasizes pluralism and public reasoning.

1. INTRODUCTION

Amartya Sen's concern with how one evaluates a person's well being leads him to discuss utilitarianism and procedural views of justice, especially John Rawls' justice-as-fairness theory. Utilitarianism assesses an individual's advantage in terms of utility, and Rawls assesses it in terms of holding primary goods, that is, both are based on a narrow informational space. The alternative and *pluralist* focus on capabilities offered by Sen, however, is a serious attempt to capture the relationship between people and goods. Sen focuses on the individual, not only in terms of her having resources, but also in terms of

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the way she uses resources. In addition, if we accept that a person's advantage may be assessed in terms of her freedom, we must consider the values of other people, that is, the freedom of others in society. This in turn creates a role for responsibility connected with freedom, since some problems in society cannot be understood without understanding the connection between freedom and responsibility. Important in all of Sen's various writings is thus the view that economics involves a valuational exercise, which in turn involves discussing certain foundational issues concerning rationality, pluralism, objectivity, public discussion, choice, and values. This requires that we rethink the narrow *characterization of human behavior* (the rational decision-maker) in economics.

We argue that Sen's capability approach is founded on an ethical rationality, that is, on how one assesses a person's advantage or well being and how one includes information regarding the promotion of people's rights in moral and value assessments. This is related to his defense of pluralism and public reasoning, and to his emphasis on positional objectivity. In this paper we seek to give a clear description of Sen's problem situation and of his tentative solution, initially in terms of Rawls' conception of opportunities and then in terms of the capability approach. We present the capability approach as way of addressing the main ways in which standard welfare economics is impoverished, and we further assess the critiques that this approach has received.

The paper is structured as follows. Section two discusses Sen's problem situation, pointing at the informational and ethical poverty of welfare economics and suggesting the capability approach as a tentative solution to that impoverishment. Section three describes the conceptual framework of the capability approach, with emphasis on two of its most important features, namely its attention to a pluralist informational space that creates a basis for moral and value judgments and its ethical concern with human lives. Attention is also given to the distinction between the aspects of 'well-being' and 'agency', stressing the importance of considering information regarding the agency aspect of a person when we are interested in promoting people's rights in connection with their actions, conducts and choices. Section four addresses some of the criticisms made to the capability approach. On the one hand, these critiques relate to how the 'abstract' capability approach is applied in practice, and to how Sen needs to specify a particular set of valuable functionings and their respective capabilities. On the other hand, there are some reasons

to suggest that Sen's foundation for ethics is too narrow, that is, that he has a freedom-as-a-'common-denominator' approach to ethics. These criticisms call upon Sen to *include* other moral values. We will thus examine critiques that concern with: (i) *underspecification*, (ii) operational problems, (iii) selection, (iv) public discussion and positional objectivity, and (v) overemphasis on freedom. The fifth and last section considers public discussion of a plural informational space, as well as an adequate conception of rationality for doing so.

2. SEN'S PROBLEM SITUATION: THE POVERTY OF WELFARE ECONOMICS

Standard welfare economics, with its utilitarian foundations, represents a combination of welfarism, sum ranking, consequentialism, distributive indifference, a narrow view of individual behavior, and a lack of concern with the distinction between means and human ends. In what follows, Sen's problem situation is presented as being related to welfare economics' (i) poor ethical informational basis, (ii) mistaken representation of rationality and individual behavior, (iii) lack of interpersonal comparisons and distributive indifference, and (iv) lack of a distinction between means and human ends.

2.1. The Informational Basis of Welfare Economics

Sen emphasizes the importance of broadening the ethical considerations involved in the moral and value judgments we make, and rejects an informational space based exclusively on utilitarianism as a combination of welfarism, sum-ranking and consequentialism (1987a, 1999b, pp. 58-60).³ The utilitarian informational space used to make moral and value judgements in welfare economics not only imposes informational constraints, but also sees persons as the sites at which such activities as desiring and experiencing pleasure and pain take place (Sen, 1984). That is, "persons do not count as

³ "Utilitarianism, in its central forms, recommends a choice of actions on the basis of consequences, and an assessment of consequences in terms of welfare. Utilitarianism is thus a species of *welfarist consequentialism* – that particular form of it which requires simply *adding up* individual welfare or utilities to assess the consequences, a property that is sometimes called sum-ranking" (Sen & Williams, 1983, p.4, italics in original).

individuals in this any more than individual petrol tanks do in the analysis of the national consumption of petroleum” (Sen & Williams, 1983, p.4).

Sen demands a great role for evaluative exercises, so that the evaluative space, which depends on the moral approach chosen, can include or exclude information. By valuing states of affairs without attention to non-utility information, utilitarianism ignores the fact that individuals’ actions have intrinsic importance, and ignores individuals’ agency role seeing them only in terms of their well-being (Sen, 1985, p. 186; 1987a, p. 47). Rather, well-being is only represented in terms of three different interpretations of utility: choice, happiness and desire (Sen, 1985, pp. 188 ff.). These interpretations, however, are problematic, because they share the goal of making evaluations *indirectly* using psychological metrics like happiness or desire. Utility is not a good representation of a person’s well-being, and welfarism in general and utilitarianism in particular are restrictive approaches, since they ignore (i) achievements other than those reflected in one of the mental metrics, and (ii) freedoms to concentrate on achievements (Sen, 1992, p. 6).

A deprived person, Sen points out, might not appear to be badly off in terms of the mental metric of desire and its fulfillment (1992, pp. 14, 55).⁴ Also, as “people learn to adjust to the existing horrors by the sheer necessity of uneventful survival, the horrors look less terrible in the metrics of utilities” (Sen, 1998, p. 309). *Perceptions* about one’s own situations are relevant, but sometimes they can distort the actual level of deprivation from which a person suffers. On the scale of utilities, deprivation problems may look less clear than the *conditions* in terms of which people have *real opportunities* for judging the kind of lives they would like to lead. What is at issue here is the importance of taking fully into account, in examining any given state of affairs, what this state contains, that is, how we choose to describe this state.⁵ In order to understand poverty it is important, Sen insists, to look at real deprivation and not merely at mental reactions to that deprivation. “The extent of a person’s deprivation, then, may not at all show up in the metric of desire-fulfillment, even though she may be quite unable to be adequately nourished,

⁴ Sen argues that there exist different ways of understanding deprivation in human life with which public action has to be concerned. We can nonetheless assume that deprivation may be seen in terms of the failure of certain human capabilities that are important to a person’s well-being. “If a person does not have the capability of avoiding preventable mortality, unnecessary morbidity, or escapable undernourishment, then it would almost certainly be agreed that the person is deprived in a significant way” (2002a, pp. 14-5)

⁵ For a discussion of the motivation behind descriptive exercises in economics and the consequent impoverishment of descriptive economics see Sen (1999a, Ch. 20).

decently clothed, minimally educated and properly sheltered” (Sen, 1992, p. 55). More important, thus, is the objective situation in which the person finds herself, and the necessity of using objective methods rather than subjective methods of descriptive analyses. All this implies in turn the need for a broader informational basis for making evaluative judgments than exists in utilitarian values, and considering information regarding promoting people’s rights in their actions.

2.2. Rationality and Behavior in Standard Economics

Sen (1987a, 1991, 1993, 1998, 1999a, 1999b, 2002b) has criticized the different interpretations of rationality in economics on the grounds that they reflect a mistaken representation of human behavior, especially regarding economic decisions. There are, for Sen (1998, p. 28), at least, two different ways in which rationality is explained in economics. One of them is to see rationality as *internal consistency of choice*, and the other is to identify rationality with *maximization of self-interest*. Sen’s “*Rational Fools*” (1977) paper presents a critique of these representations of rationality, since were it accepted that individuals are rational when expressing their self-interest, they would be no more than simple rational fools, lacking freedom of thought. His chief argument, which targets the narrow behavioral foundation of economic theory, is that some kinds of motives, like what he defines as commitment (the concern for other people’s situation even when this would lead to a predictable worst situation for the person so concerned must be a part of economic behavior although they cannot be considered as maximizing behavior.⁶

Rational choice in mainstream economic theory can be identified with (i) internal consistency of choice, (ii) self-interest maximization, and (iii) maximization in general (Sen, 2002b, p. 21). In relation to first, it is not enough to think in terms of a correspondence between the conditions of choice and internal choice, since rationales, when they exist, relate to goals, values, or to what underlies choice. The second vision of rational choice seems to be an inheritance from Adam Smith’s works. However, as Sen (2002b, p.23) notes, Smith did not see self-interest as a complete explanation of individual behavior. Smith discussed not only the nature of mutually advantageous

⁶ See too Sen (1999b, pp. 270-272), where he presents an argument about prudence, sympathy and commitment.

exchanges, but also the need for sympathy and the role of ethical considerations in human behavior, particularly in regard to the use of behavioral norms (Sen, 1987a, p.28). The general maximization approach is, Sen (2002b, p.40) argues, more adequate to the characterization of rationality when compared with the first two formulations. Nevertheless, rationality cannot be entirely captured by the systematic pursuit of given goals, since it involves *self-scrutiny* of those goals themselves.⁷ Consequently, maximization is also an insufficient characterization of rationality, although it may be necessary in part. The individual, for Sen (2002b, p. 36), not only enjoys her own consumption and appreciation of her own welfare, but also examines her own values and chooses in the light of those values.

Sen (2002b, Ch. 2) also emphasizes the relationship between rationality and the diversity of reasons that motivate individual and social choice, that is, he argues that the rationality of individual behavior is an integral component of rational *social* decisions. A person's conception of her own welfare can be influenced by the positions of others in society in ways that may go beyond sympathizing with others, since she can act on commitments formed in social relationships to others.⁸ Sen (2002b, p. 215) also points to the importance of the many identities (such as those provided by community and class) that can be crucial to our view of ourselves and to the way we view our welfare, goals, and behavioral obligations. The pursuit of private goals can be thus compromised by the recognition of the goals of others with whom a person identifies. It is possible, therefore, to disconnect a person's choice of action from the person's pursuit of her own goals, as reflected when following social rules of conduct that may not follow the dictates of goal-maximization (Sen, 2002b, p. 217). Traditional social choice theory, however, ignores social value formation, and is narrow in its insistence on characterizing individuals' behavior as that of *Homo economicus* and in misrepresenting the nature of social value concerns.

⁷The reach of one's self, understood as the capacity to reason and undertake self-scrutiny, is not limited to self-interest maximization. In light of this, Sen (2002b, p. 33ff) presents a fourth sense of the self in terms of self-scrutiny, in addition to other three standard types of privateness: (i) self-centered welfare; (ii) self-welfare goal, and (iii) self-goal choice.

⁸ For a discussion of the linkages between self-scrutiny and commitment using the concept of personal identity, not only social identity, see Davis (2004).

2.3. Interpersonal Comparisons and Distributive Indifference

The main propositions of modern welfare economics, Sen (1987a) argues, combine self-seeking behavior and judging social achievement by some utility-based (or welfare-based) criterion. Sen (2002b) notes that the utilitarian economists who took inspiration from Jeremy Bentham (1789) developed the original utilitarian welfare economics. For them, the most important concern was the total utility of the community. Bentham also pioneered the use of the utilitarian calculus for judgements of social interest by aggregating individual interests in terms of their respective utilities. This analysis, however, ignored distributive problems and used a monist informational basis in terms of utility interpreted as happiness. Nonetheless, “the utilitarian interest in taking comparative note of the gains and losses of different people is not in itself a negligible concern” (Sen, 2002b, p.71). However, Benthamite utilitarian welfare economics later suffered definitive attack from Lionel Robbins (1938).

After Robbins, interpersonal utility comparisons were seen as “normative” or “ethical” and for this reason nonsense. As Sen quotes Robbins, there were “no means whereby such comparisons can be accomplished” (1999b, p. 67). Robbins was concerned with interpersonal comparisons over mental states, but this kind of comparison is very difficult if not impossible, as Sen showed in connection with the problem of deprived people. The difficulty, Sen emphasizes, in basing inequality analysis on interpersonal comparisons is not so much the impossibility of making such comparisons as the possibility of being misled by such comparisons, since people learn to make the most of small opportunities and cut their desires down to size (1997b, p. 391). There exists force to the critique of relying on interpersonal comparisons of pleasure or desire fulfillment for making judgement, but this argument does not touch at all the modern definition of utility as numerical representation of individual choice. Hence, if the perspective of utility as a numerical representation of each person’s choice is accepted, there is no basis for interpersonal comparisons of utility, and each person’s choice is a distinct and separate entity. Hence, to attribute the same utility function to each, and to treat that as the basis of interpersonal comparisons in the analysis of inequality or injustice would be both epistemologically unsound and ethically unfair (Sen, 1997b, p. 392).

The new welfare economics besides does not consider distributive issues, having reduced the informational basis to different people's preference rankings, and using only one criterion for social improvement, the Pareto comparison (Sen, 2002b, p.72).⁹ Economics has been thus dominated by technical rationality concerned with means, and separated from ethics and the importance of human ends. This is one of the reasons for developing another informational basis that is not restricted to utility or its interpretation either as happiness or desire fulfillment or some numerical representation of preferences.

2.4. The *means* and *ends* of Welfare Economics

The utilitarian moral basis of welfare economics combines a poor ethical informational basis and a narrow view of human behavior with no distinction between *means* and human *ends*. Analyses of economic development on this basis accordingly do not distinguish the means (understood only as *instruments* for well-being) and different human ends (as *constitutive* elements of well-being), reflecting a technical economic rationality. It is a serious mistake, Sen (1997a, p.6) argues, to see development of education or health care, for example, as only an expansion of human resources (as in human capital theory) as if people were the *means* of production, not its ultimate *ends*. Education and health care are not only constitutive of people's capabilities (of intrinsic importance), but also help in generating economic success (of instrumental importance). There exists, Sen emphasizes (1999b, p. 292 ff.), a crucial valuational difference between human capital and human capability, that is, a distinction that relates to the difference between *means* and human *ends*. The use of the concept of "human capital", which concentrates only on one part of the picture (an important part, related to broadening the account of productive resources), is certainly one enriching move. However, it needs complementation, since human beings are not merely means of production, but the end of the exercise (Sen, 1999b, pp. 295-6).

The absence of interest in human ends in welfare economics leads Sen to argue in favor of an ethical rationality in economics, on the grounds that the unfreedom problems of society can be better understood using a combination of both ethical and technical rationality. Sen (1999b, p. 280-1) assumes, for example, that in analyzing issues like the removal of poverty, a role for values is crucial. Thus, public policy has a role not only in

⁹ For a discussion of the limitations of Paretianism see Sen (1979, p. 549 ff).

identifying the priorities that emerge from social values, but also in facilitating public reasoning. Hence, it is important to understand that social policy cannot be indifferent to individual freedom that, as he reminds us, is a social commitment (Sen, 1999b, Ch. 12). The choice of social values, he insists, cannot be settled merely by the pronouncements of those in authority who control the levers of government (p. 287). Indeed, the freedom to participate in critical evaluation and the process of value formation is among the most crucial freedoms. Information regarding individuals' freedom cannot be excluded in our concern with technical rationality, since freedom is not only a means having instrumental value but also a human end having intrinsic value.

3. THE CAPABILITY APPROACH

As Sen (1985, p. 196) argues, in rejecting utility assessments of individual well-being, it is necessary to develop an alternative approach based on an objective criterion for well-being, a broader informational focus, and ethical rationality. The capability approach, understood as an extension of Rawls' view of a person's well-being, is a way of addressing the dimensions in which standard economics is impoverished. In what follows we discuss the capability approach and its proposals for (i) an objective criterion for well-being, (ii) a broader informational space for value and moral judgements, (iii) an ethical concern with human life and its ends, and (iv) a distinction between the well-being and agency aspects and counterfactual metric.

3.1- An Objective Criterion for Assessing a Person's Well-being

Rawls' theory allows us to rethink economics' rejection of interpersonal comparisons of well-being, since we can make such comparisons using Rawlsian primary goods that include commodities and other goods such rights, liberties and opportunities, income and wealth, and the social bases of self respect. The chief merit of Rawls' theory, Sen (1999b, p. 86) states, is its focus on individual liberty and on the resources needed for substantive freedom. The Rawlsian approach transforms the way we think about individual differences in converting goods into ends, and shifts our concerns from inequalities in incomes and achievements to those in opportunities and freedoms – an expansion in information toward individual freedom (Sen, 1992, p. 86). The main

difficulties with welfarism and its mental metric based on different interpretations of utility, Sen (1999b, p. 365) argues, do not apply to Rawls' theory, since his theory represents a move toward an objective criterion of well-being. This criterion pulls us in the objectivist (interpersonal) direction by avoiding circumstantial contingencies of desire and a subjectivist view of the mental state metric of utility (1985, p. 196).

Rawlsian justice-as-fairness thus represents the beginning of the solution to Sen's initial problem situation in welfare economics. Rawls' approach provides a broader space for value and moral judgements, and also shows that there exists a problem with *inter-ends* variations in the relationship between means and ends. It fails, however, to recognize that these variations occur also between individuals, or as *inter-individual* variations, and lacks an adequate treatment of human diversity. It is essential to consider not only *what* the person's opportunities are, but also *how* these opportunities will be used by people for achieving their ends. In light of this, Sen emphasizes that freedom is different as a *means* from the *ends* that it supports, which in turn implies that the appropriate informational 'space' is neither that of utilities, nor that of primary goods, but of substantive freedoms – capabilities – to choose a life one has reason to value (1999b, p. 74).

An informational space for value and moral judgements needs to employ a "magnitude" different from utility and the primary goods index. The capability approach employs a pluralist informational basis in which *acts* themselves have value or disvalue, independently of the states of affairs resulting from them (Sen 1982, 1985, p. 181, and 1999b, pp. 76-8). Therefore, the examination of states of affairs requires that we describe what these states contain. This description can be linked to the moral approach adopted, which is in turn the basis of the informational focus. Sen (1985, pp. 183-4) consequently emphasizes that the relation of the evaluator and his or her agency role in a given state of affairs has to be considered in the moral assessment of states of affairs. That is, a consistent moral approach requires the moral evaluation function be position-relative. This approach is not subject-relative, but is a matter of insisting on an invariance requirement regarding authorship. Authorship invariance requires that the moral evaluation of a state of affairs in a given moral system does not vary with the person making the judgement, though it can vary with the position from which the valuation is

made (Sen, 1990, 1999a, Ch. , 2002b, Ch. 15). Sen then suggests that moral evaluation be based on an invariance in the evaluator's position without questioning the objectivity of assumed ethical position (1985, sect. vii, 2002b, p. 481).

3.2. A Broader Informational Space

The capability approach evaluates a person's advantage in terms of her actual ability to achieve various functionings as part of living (Sen, 1993, p. 30). This differs from utilitarian evaluation in making room for a variety of doings and beings (functionings) as important in themselves and not because they may yield utility (Sen, 1992, p. 43- 4, 1993, p. 33). It also differs from approaches that base evaluation on objects other than personal functionings, judging well-being by real income, opulence, or primary goods. A person's capability refers to the alternative combinations of functionings that are feasible for her to achieve, that is, a substantive freedom to achieve different combinations of functionings.

The capability approach sees a person's advantage, her individual freedom, in terms of both well-being and agency aspects (Sen, 1985, p. 203, 1992, Ch. 4). This is because the capability approach takes into account the individual's functionings vectors, which can be understood by consideration of the capability to function. The various functionings thus constitute the person's well-being, whereas the person's capabilities reflect the freedom to pursue them. This informational space treats the enhancement of human freedom as the ultimate means and also end of the development process (Sen, 1999b, Ch. 2). It also deals with human diversity through an emphasis on people's functionings that "are constitutive of a person's being, and an evaluation of well-being has to take the form of an assessment of these constituent elements"(Sen, 1992, p. 39).

3.3- Valuing Freedom and Human Ends

Deprivation, Sen (2002a, p. 42) argues, is best understood in terms of the failure of certain basic functionings (such as being physically fit), rather than in terms of variables such as income or calorie intake which should be seen as *means* and not as *ends* in themselves. In regard to the important distinction between means and human ends, Sen (*Ibid.*, pp. 12-4) quotes Aristotle, who noted that wealth is not the good we seek; it is

useful and something we seek for the sake of something else. “Aristotle saw ‘the good of human being’ in terms of the richness of ‘life in the sense of activity’, and thus argued for taking human functionings as objects of value” (*Ibid.*, p. 12). The concept of a functioning has Aristotelian roots in that it reflects things a person may value doing and being (Sen, 1999b, pp. 74-6). Functionings are personal features, telling us what a person *is doing* while the capability to function reflects what a person *can do or achieve*.

Of course, characteristics of goods owned by a person do *relate* to the capabilities of persons, because a person achieves these capabilities through the use of those goods, among other things, but still capabilities of persons are quite different from the characteristics of goods possessed. Valuing one has *implications* on favoring the other, but valuing one is *not the same thing* as valuing the other (Sen, 1998, p. 317, italics in original).

Capability is defined in terms of the same focal variables as functionings in that a combination of a person’s functionings reflects her actual achievements, whereas the capability set represents the freedom to achieve the alternative functionings combinations from which this person can choose (Sen, 1999b, p 75, 1992, pp. 49 ff.). We need to be interested not merely in well-being achievement but also in well-being freedom, as freedom may have intrinsic importance for the person’s well-being achievement (Sen 1985 p. 201; 1992 pp. 49-53; 1993, pp. 39-40; 2002b, pp. 14-19). A person’s well-being aspect is better seen in terms of her capability set and not only in terms of the chosen functioning vectors, thus emphasizing the person’s positive freedom, that is, what the person is able to do or to be (Sen, 1985, p. 201, 1987b, p. 3). What is at issue is the possibility of valuing freedom, something that is not achieved by looking at something else (Sen, 1992, p. 38). Freedom is different from resources, and allows us to value the act of choice or exercised choice.

3.4. Well-Being vis-à-vis Agency and the Counterfactual Metric

Sen (1992, pp. 69-72, 1999b, Ch. 5, 1998, Ch. 14, 2002a, p.42-5) emphasizes the importance of a person’s well-being aspect for dealing with cases of poverty, understood as capability deprivation. It is especially important in such matters as social security, poverty alleviation, removal of gross economic inequality, and in general to the pursuit of social justice (Sen, 1992, p. 71). Also, it has particular importance for the analysis of

social inequality and the assessment of public policy. The importance of a person's well-being in both the achievement and freedom aspects is evaluated in terms of the same capability set. However, the relationship between freedom and achievement is apprehended in such a way as to take note of *counterfactual* opportunities, which relates to the role of choice in our lives. It is important to consider a person's positive freedom, that is, her real opportunities (well-being freedom) and not only her actual opportunities (well-being achievement). Sen (1992, pp. 66 ff.) thus notes the importance of *counterfactual* choice – what one *would* have chosen if one had the choice – to an individual's freedom, which relates to the ability to choose to live as one desires, not to the mechanism of control in itself. "If people do desire to live a life without hunger or malaria, the elimination of these maladies through public policy does enhance their liberty to choose to live as they desire" (*Ibid.*, p. 67).

However, well-being freedom, Sen (1985, p. 204) argues, is the capability to achieve functionings in particular, while agency freedom is the capability to achieve whatever the person decides to achieve. Freedom is relevant to achieving functionings important to one's own well-being, but a person can have goals and values other than the pursuit of one's own well-being (Sen, 1985, 1992, pp. 56 ff.). The agency aspect of a person refers to the realization of goals and values that she has reason to pursue, whether or not they are connected with her own well-being. The agency achievement relates to the person's success in the pursuit her goals and objectives, whereas agency freedom is one's freedom to pursue the achievements one values and which one attempts to produce. Whereas both well-being achievement and well-being freedoms are reflected in a person's capability set, agency freedom is seen in broader terms, which include aspects of states of affairs that need not contribute to one's own well-being, but to one's agency objectives (Sen, 1992, p. 57). The *agency* aspect is thus important for evaluating what a person can do in line with her conception of the good and her responsibility as an agent, while the *well-being* aspect is necessary to assess a person's advantage (Sen, 1985, p. 205). In light of this, well-being and agency aspects have dissimilar roles in moral accountings. These different roles need to be kept in mind whether we are interested in considering the informational space regarding the promotion of people's rights in their actions, conduct, and choices to make value and moral judgements in economics.

4. ASSESSMENTS OF SEN'S CAPABILITY APPROACH

Sen begins with the problem situation of traditional welfare economics, and then he proposes the capability approach as a way of expanding on the narrow foundations of standard analysis, especially concerning ethical matters related to human diversity. However, his proposed solution presents a number of problems that need to be discussed and solved, and this in turn leads us to other problem and their tentative solutions. In what follows, we discuss some critiques that Sen's proposal has received, which relate to the underspecification, to the difficulty in operationalization, to the suggestion of public discussion and the concept of positional objectivity, and to an overemphasis on freedom.

4.1. Nussbaum: *Underspecification as a Problem in Assessing a Person's Well-being*

Martha Nussbaum (1988, 1992, 2003) provides a list of essential human capabilities that represents a basis for a comparative quality-of-life measurement and for the formulation of a set of basic principles that might play a role in fundamental constitutional guarantees. "Once we identify a group of important functionings in human life, we are then in position to ask what social and political institutions are doing about them" (Nussbaum, 1992, p. 214). She emphasizes that this list is central to a life with dignity, since capabilities are general goals that can be further specified in any given society as it works on identifying the fundamental entitlements it wishes to endorse. Moreover, in some form all are part of a minimum account of social justice. Any society, Nussbaum (2003, p. 40) insists, that does not guarantee these to all its citizens at some appropriate threshold level falls short of being a fully just society.

Nussbaum (1988) criticizes Sen because he does not specify an objective way of evaluating a person's well-being.¹⁰ Sen, she argues, assumes many things, such as health, education, political and civil liberties, to be important. However, it is not clear to what extent he is prepared to recommend them as important goals for all the people of the world, as goals connected with the idea of social justice itself (2003, p. 44).

Nussbaum is interested in an objective framework that lies in a particular reading of human nature.

¹⁰ Sen's underspecified approach, Gasper and van Staveren (2003, p. 46) argue, can be appropriate for purposes of evaluation, but cannot be used in explanation or prescription.

It seems to me, then, that Sen needs to be more radical than he has been so far in his criticism of the utilitarian accounts of well-being, by introducing an objective normative account of human functioning and by describing a procedure of objective evaluation by which functionings can be assessed for their contribution to the good human life (Nussbaum, 1988, p. 176 in Sen, 1993, p. 47).

From her perspective, the differences between Sen's capability approach and her own, therefore, are that he (i) does not endorse a list of central human capabilities, (ii) has a practical reason view, (iii) is concerned with features (not potentials) of human beings, (iv) has a need-oriented perspective that deals with unmatched needs, and (v) has a freedom-oriented approach.¹¹ Sen sees capabilities as real opportunities, possibly valuable functionings or as an actual freedom to achieve, whereas Nussbaum conceives them as a person's valuable powers or faculties that can and should be realized in valuable functionings (Crocker, 1992, p. 599). Sen's intention (1985), however, is rather to propose a pluralist, multi-goal-based and objective way of assessing a person's well-being. He emphasizes that despite the incompleteness of his approach, its crucial merits lie in what it denies (1993, p. 48). It differs from the standard utility based approach since it does not insist on valuing only happiness or desire fulfillment (subjectivism), and it differs from other procedural theories in not placing goods among the primary value-objects (resourcism). Against the charge that his multi-goal framework is insufficiently determinate for social policy analysis, he emphasizes the flexibility it provides in being able to address the great variety of types of valuation problem that social policy confronts (Davis, 2003, p. 153).

That Sen indeed has an objective criterion for evaluating individual well-being can be seen in his (1981, 2002a) analyses of famines and endemic deprivation, where he (1985, Ch. 7, 1990, 1993) insists that we should address a small number of functionings and their respective basic capabilities, such as the ability to be well-nourished, well-sheltered, and free of avoidable morbidity and premature mortality.

More specifically, one can be seen as being particularly "non-objective" in a moral judgment if, say, one censures someone else – in a morally righteous way – for a conduct for which one would not censure oneself. These and other cases of "nonobjective" involve the violation of some *invariance restrictions*, which are seen to be necessary for being "objective" in moral outlook rather than being patently "subjective". If (1) moral objectivity is seen as primarily a matter of the nature of moral beliefs and (2) the possibility of greater or less objectivity is accepted (rather than treating it as a yes-or-no question), then the old issue of objectivity of morals can be seen in a different light altogether – involving different issues from those involved in the traditional

¹¹ See Crocker (1992), Gasper (1997).

rejection of *naturalism* and the old assertion of Hume's law. The central question, in this way of seeing the problem of moral objectivity, is the special status of some invariance restrictions in *moral beliefs*, related to empirical features reflected by specifications of certain classes of isoinformation sets (Sen, 2002b, p. 317 italic in original).

Sen (1993, p. 47) is thus rather guided by ethical rationality and pluralism, and is not interested in producing a list of *universal* basic human functional capabilities (see Nussbaum, 1992, p. 222) that would eliminate the open-endedness of his capability approach. His reluctance to accept such a list arises both from his concern that one view of human nature may be overemphasized, and from his intention of arguing for a different view of objectivity. The main point, Sen insists, is that his capability approach is a general approach, whereas Nussbaum proposes there be one particular evaluative blueprint. For Sen, the general argument that Aristotle uses to motivate his approach has a greater importance than the defense of the particular form he gives to the nature of human good. Sen accepts Aristotle's argument against opulence as a criterion of achievement, his analysis of *eudaimonia* in terms of valued activities rather than mental states, and his emphasis on the processes through which human activities are chosen, all of which lead us to freedom as a central to living.

It is necessary; Sen (1993) emphasizes, to understand different ethical theories at different levels, from the meta-ethical to the motivational. Difficult questions are not resolved by agreement on the choice of a universal evaluative space. Objectivity should rather be understood as invariance in the *position* from which different evaluations are realized. Objectivity for Sen does not rely on a specification of basic human capabilities applied to all societies independently of context and of the participation of those concerned.

Nussbaum (2003, p.40) defends having a specific list of capabilities with the need for their political elaboration, and interprets capabilities as fundamental entitlements. Sen, however, is concerned with another kind of objectivity that does not relate to Nussbaum's particular Aristotelian definition of human nature. He is interested in an objective way of assessing a person's well being, which relates to his pluralism and ethical rationality. This concept of the positional objectivity of the evaluator differs from Nussbaum's understanding of objectivity in terms of an essentialist evaluation approach.

There also exist *foundational* differences between Sen's and Nussbaum's perspectives that relate to Sen's understanding of practical reason and Nussbaum's Aristotelian conception of the human nature. Sen is not interested in establishing one unique definition of the good life that could be used with political purposes in all social contexts. On the contrary, he is interested in an objective way of evaluating well-being, and thus emphasizes the positional objectivity of the evaluator. He is concerned with practical social problems, and consequently tries to use his framework of thought for dealing, broadly, with these social problems in society. He does not provide a theory that needs to be verified, but only a conceptual framework for discussing social problems such as poverty, inequality, and hunger. He does not deny the Aristotelian character of his perspective, but in his view it lies in Aristotle's concern with seeing wealth not as something valuable in itself but as something valuable for the sake of something else.

4.2. How is the Capability Approach to be Operationalized? Functionings, Capabilities, and the Counterfactual Metric

According to Robert Sugden (1993, p. 1953), given the rich array of functionings that Sen takes to be relevant, given the extent of disagreement among reasonable people about the nature of the good life, and given the unresolved problem of how to value different sets of functionings, it is natural to ask about the extent to which Sen's framework can be made operational. One may begin, then, by noting that Sen (1981, 2002) and a number of other researchers and scholars have applied the capability approach in a variety of philosophical, theoretical, and empirical ways. John Davis (2002) applies Sen's capability framework to explaining women's personal identity in a 'structures of constraint' analysis in a way that provides a theoretical and policy-specific way of linking up women's multiple affiliations and responsibilities and the idea of human development. Sabina Alkire (2002) uses the capability approach to assess quality of life in small-projects, and emphasizes its advantages over traditional cost-benefit analysis. Ingrid Robeyns (2002) employs the capability perspective to understand gender inequality. These are only a few examples chosen among many that have applied Sen's pluralist approach.¹²

¹² Robeyns (2000, p. 21ff) cites many other researches using the capability approach, and the list of empirical applications includes very diverse ones. These applications, she insists, are not only interesting for the specific research questions which they have addressed, but as a whole they also give us a good idea

From a somewhat different perspective, Gerald Cohen (1993) disputes Sen's exclusive focus on the capability concept. Many people, he argues, for example infants, enjoy certain functionings without exercising capabilities because of the activities of their parents. Sen (1993) replies, however, that Cohen misunderstands his use of the concepts of capability and achievement. He is concerned with capabilities interpreted as freedoms and not only with capabilities interpreted as achieved functionings (what Cohen terms 'midfares'). Thus

...for many problems of individual behavior and social policy, well-being freedom *is* a concept of relevance and importance. If achieved functionings (or midfare), defined in the 'unrefined' way, were all that mattered, we might be as worried about the rich person fasting as about the starving poor. If we are concerned to eliminate the 'hunger' of the latter, it is primarily because the former has the 'capability' to be nourished but chooses not to, whereas the latter lacks that capability and is forced into the state of starvation. Both may have the midfare [unrefined functionings], but they differ in their capabilities. Capability does have importance in political and social analysis (Sen, 1993, p. 45).

If achieved functionings, which put aside *counterfactual* choice, were all that mattered, Sen emphasizes, we ought to be as worried about the rich person fasting as about the poor person starving. But our goal is to eliminate the hunger of the poor, because the rich person has the capability to be well nourished while choosing not to be, whereas the poor person does not have this capability, being forced into state of starvation.

Davis (2003) emphasizes that we cannot decide how to address these situations (the starving poor and fasting rich) if we operate with a more restricted interpretation of the concept of capability as realized functioning. This sense of capability, he argues, has value in some contexts, such as poverty understood as unmet needs but not in others.

However, in more complex, open-ended contexts, in which even evaluation issues are often not sharply defined, it seems a mistake to eliminate at the outset important information about individuals regarding their real options. Indeed, in the human world, it seems that *counterfactual* possibilities are a fundamental dimension of life (Davis, 2003, p. 155 italics added)

Functionings identify our human factors; they are nor resources nor utilities, and they relate goods to people. The person is the center of concern and functionings are her features, that is, they are things that people are doing or being (as parts of the state of the person). Capabilities, however, as a set of functionings are more complex, and involve

of the possibilities and limitations of the capability approach. See also Comim (2001, p. 13) who argues that the Capability Approach has been used in a variety of ways.

choice, and assume implicitly: (i) agency, (ii) autonomy, (iii) a capacity for deliberation, and (iv) identity. This metric is *counterfactual*, that is, it requires that we think of ways of observing that which is not observable. Functionings are more easily measured, because they refer to those things which people effectively do and can be. Capabilities, as counterfactual, are clearly difficult to measure.¹³ For example, there exists a gap between the observed actions such as *being* well nourished and the capability *to be* well nourished. Cohen has indeed recognized important dimensions of Sen's thinking, since the concepts of functionings and capabilities are interrelated, but represent different spheres of human life. Functionings refer to the beings and doings of people, that is, the observed features of people's lives, whereas capabilities are not observed and must be achieved.

The connection between functionings and capabilities, then, demands not only observation but also discussion about how to go from functionings to capabilities. This involves other foundational issues such as pluralism, social choice, the counterfactual metric, and positional objectivity. This is especially important in political matters, because policymakers generally make decisions based on people's functionings. However, for Sen (1993) the constitutive elements (functionings) of people's well-being need to be complemented with capabilities to achieve their valuable doings and beings.

4.3. How are “Valuable” Functionings selected? Pluralism, Public Discussion, and Positional Objectivity

There are a number of alternative approaches for evaluating a person's well-being, such as Nussbaum's capability ethics, Sen's capability perspective, Rawls' justice as fairness, and economic growth (GNP per head). Each of them has its own philosophical justification and view of the choice of and weights of indicators of functionings and capabilities. According to Severine Deneulin and Frances Stewart (2002), Nussbaum and Rawls justify the choice and weight of indicators by overlapping consensus, while Sen justifies them by an evaluative exercise.

By overlapping consensus, Nussbaum intends the same definition as Rawls: “that people may sign on to this conception as the free-standing moral core of a political conception, without accepting any particular metaphysical view of the world, any

¹³ There are a number of reasons why it is much more difficult to measure the capability of a person than her actual functionings (Robeyns, 2000, p.11).

particular comprehensive ethical or religious view, or even any particular view of the person or of human nature” (Nussbaum, 2000, p. 76 in Alkire, 2002, p. 34). Alkire argues in the course of developing her account of capabilities that Nussbaum came to endorse a Rawlsian political liberalism rather than social democracy. For Nussbaum, then, the outcome of her inquiry is a set of central human capabilities which can be contested and re-made, but which, like Rawls’ primary goods, ”can be endorsed for political purpose, as the moral basis of the central constitutional guarantees, by people who otherwise have a very different views of what a complete good life for a human being would be” (Nussbaum, 2000, p.5 in Alkire, 2002, p. 34).

However, for Sen, the plurality of functionings involved in the evaluation of a person’s well-being implies that we must indeed select those that are valuable or make a ‘relevant’ difference, but this is not solved merely by specification of a particular list of basic human capabilities. Here lies the main difference between Nussbaum’s and Sen’s capability approaches. She believes in a universal theory of human nature, whereas Sen proposes a pluralist account for assessing people’s well-being, allowing for democratic processes in the selection of functionings. In addition, Sen (1982, 1983a, 1985, 1990, 2002b) emphasizes the importance of the evaluator’s position in evaluating a person’s well-being, which makes positional objectivity central rather than making objectivity a matter of a particular set of capabilities.¹⁴ Sen’s capability approach, then, does not prescribe a list; every evaluative exercise requires some selection or an ‘*act of reasoning*’ (Robeyns, 2000, p. 14).

One of the strongest arguments for Sen in favor of political freedom (1999b, p. 30ff) is the opportunity it gives citizens to discuss, debate, and to participate in the selection of values in the choice of priorities.

An attempt to choke off participatory freedom on grounds of traditional values (such as religious fundamentalism, or political custom, or the so-called Asian values) simply misses the issue of legitimacy and the need for the people affected to participate in deciding what they have reason to accept (Sen, 1999b, p. 32).

¹⁴ The positional view of objectivity takes note of the parametric dependence of observations, beliefs, and decisions on positional features of the person in question. It leads to a view of objectivity that contrasts with the more traditional formulation of the invariance needed for objectivity. The proposed positional objectivity involves personal invariance without making a blanket demand for positional invariance at the same time (Sen, 2002b, p. 483)

In arguing that culture matters to development, Sen has recently argued that there is no particular reason to preserve departing life styles or to adopt the newest fashion from abroad, though there is a need for people to be able to take part in these social decisions. This in turn gives further reason for attaching importance to such elementary capabilities as reading and writing, being well-informed, and having realistic chances of participating freely in social decision-making. The ultimate test, he (2004) insists, is the freedom citizens have to exercise their free agency and choose in an informed and participatory way. Sen's capability approach is thus concerned with pluralism, valuational judgements, and public reasoning in a way that raises questions about contextual and positional evaluative exercise. He (1993, 1992) thus argues that choices must be faced in selecting relevant functionings (for whom? who chooses?). There is no escape from the problem of evaluation in selecting a class of functionings in the description and appraisal of capabilities. "The need for selection and discrimination is neither an embarrassment, nor a difficult, for the conceptualization of functioning and capability"(1993, p. 32). He does not, however, explain how we are to carry out this process of selection through public discussion, that is, how to actually conduct a *democratic process of reasoning* in each evaluative exercise. Thus, how the evaluation concerned with people's well-being and agency is to proceed is a question for further discussion within the capability perspective.

Alkire (2002, p. 44) accordingly argues that Nussbaum normative model of the human person, which specifies a unique conception of the good life, does not explain its procedural use at the local level. In contrast, Sen's open-ended identification of dimensions of functionings combined with procedures (such as participation, Alkire emphasizes) for their specification, provides an appropriate structure for combining 'thickness' with vagueness in small participatory activities. Ingrid Robeyns (2003, p. 41; 2002) also proposes procedures as tools for supplementing Sen's public discussion. The "*act of reasoning*", she believes, can be biased because of researcher or evaluator point of view or background. The difficulty, Robeyns insists, lies in the fact that the capability approach as such contains no normative theory of choice. Depending on the choice theory one adopts the capability approach will be applied appropriately or not, or will lead to 'good' or 'bad' research. Thus its application demands more than just a measuring or theorizing about functionings (2000, p. 19). In addition, one must also be concerned with

different levels of public discussion (Robeyns, 2003). At the micro level, it is possible to adopt a more participatory strategy (Alkire, 2002), whereas on a larger scale it is not possible to ask all affected people which capabilities they might find important (Robeyns, 2003, pp. 42-3). Nonetheless, the selection can still be done carefully and explicitly so as to avoid potential bias. This should be done, Robeyns (2002, pp. 72-74) suggests, by means of a method that (i) starts with brainstorming, (ii) engages *all* relevant literatures, (iii) engages other relevant lists, and (iv) opens up a draft list for discussion.

Sen (1990) suggests that the problem of the evaluator's background can be solved in a convenient way of activating an objectivity that emphasizes the *parametric* dependence of observation, beliefs, and decision on positional features of the individual (Sen, 2002, p. 368). The nature of objectivity in epistemology, decision theory, and ethics, he insists, takes note of the parametric dependence of observation and inference on the position of the observer. This is related to Sen's interest in using an informational approach to moral analysis that focuses on the admissibility and use of different types of information, and which depends on imposing a set of invariance restrictions on moral judgments. This invariance requirement, although, differs from those typical requirements of universalizability of moral judgements that are informational constraint.¹⁵ The functioning approach is informationally pluralist, and one source of this plurality, Sen argues, is the possibility that *acts* themselves may have value or disvalue apart from the valuation of states resulting from such acts. Thus, the relation of the evaluator and his agency in any given state of affairs has to be considered in the moral assessment of that state (Sen, 1985, p. 182). A consistent moral approach, he suggests, is position-relative, since a position-relative valuation is functionally built into the parameters of the assessor's position within the valuation function itself (p. 184). This requires an invariance requirement regarding *authorship*, that is, that moral valuations of a state in a given moral system *must* not vary with the person making the judgement, but *can* vary with the position from which the valuation is to be made.

Positional objectivity, Sen (1982) argues, attempts to promote people's rights in their actions without the informational constraint of utilitarian and deontological moral

¹⁵ As some examples of informational constraint, Sen (2002, p. 368) cites Henry Sidgwick's analysis and John Rawls' veil of ignorance, which exclude information regarding personal identity; and Pareto Principle (indifference rule), which excludes the use of non-preference information in judging the social goodness of states of affairs (1985, p. 172).

frameworks.¹⁶ There is no reason, he argues, why a morality that is sensitive to the *differences* in the position of people vis-à-vis states of affairs should not allow different people to evaluate the same state differently (p. 29-30). For Sen, moral evaluations of a state by different persons are coherently interpreted as ‘positional’ statements, which reflect the view of that state from the position of the evaluator (p.35). This shows the importance of positional observations and their parameterization, since anyone’s actual observation of any object, Sen (1990) argues, can be accounted for by an adequate specification of her positional parameters vis-à-vis the object. If those parameters were all to be specified as part of the positional identification the observation based upon them would be explainable to others. Thus, any actual observation can be seen as positionally objective for some appropriately thorough specification of positional parameters.

Sen is concerned with having a pluralist way of assessing well-being. He thus proposes an objective criterion that takes note of the objective basis of differences between different people. This can be done because the personal features (functionings), which make a relevant difference (and which others can see), can be built parametrically into an evaluation function without losing objectivity (Sen, 1985, p. 196). The evaluator tries to build up a person’s set of functionings. If this person is achieving her own well-being through observable functionings (a chosen functioning vector), Sen suggests that the evaluator delimit in which specified circumstances she could *act* through her capability to function (pp. 200-1). It is important, he emphasizes, to check whether a person did indeed have the opportunity of achieving the functioning vector that another actually achieved. That is, if one person can act to achieve not only her own well-being (set of chosen functionings) but also all the relevant functionings that another person could achieve, the first person would have at least as much freedom to live well. This in turn reflects the freedom to act (*freedom – capability to do or to be*). In addition, we need to consider the agency aspect of a person, but this does not affect the case for authorship invariance that is required by positional objectivity, since “the agent’s position has to be parameterized in the evaluation of states in a way that authorship need not be” (1985, p. 214).

¹⁶ According to Sen (1985, p.217), minimal demands of well-being (in the form of basic functionings, e.g., not to be hungry), and well-being freedom (in the form of basic capabilities, e.g., having the means of avoiding hunger), can well be seen as rights that command attention and call for support.

However, it can be argued that a positional evaluation can be criticized from a new position (an evaluation) that differs from those already established. In addition, Sen's positional objectivity neither establishes which *rights* will be achievable, nor which *parameters* are to be chosen, nor what elements of an objective meta-ethics are involved. This openness reflects his concern with the importance of a pluralism and democratic public discussion that is always context-dependent. Nevertheless, this leaves us with the question, how are different, *critical* and *self-scrutinized* positions incorporated in an evaluation with character of public discussion, and how does public reason follow the methodological approach of positional objectivity?

4.4. Freedom Overemphasized? Pluralism in Economics and in Ethics

Irene van Staveren's (2001) ethical pluralism, which is based on Aristotle's virtue ethics, aims at developing a meaningful rationality for economics, and sees the capability approach as a good way for doing this. Her argument is that being rational in economics involves balancing three values domains – freedom, justice, and care – together with their respective virtues, and that this produces a new conception of efficiency. She believes, however, that Sen's capability approach is not appropriate to this task, because it is based on what might be called a 'common denominator approach to ethics', that is, a monism in ethics. Only the value of freedom operates in Sen's definition of capabilities, which are defined in terms of actors' free choices to live the life they wish.

It is about their individuality, their autonomy, their choices and their interdependence: these are all capabilities belonging to the value domain of freedom. In Sen's notion there is no room for the other Smithian virtues: justice and benevolence. Justice is important in Sen's theory, but only as an instrument – as entitlements – to further individual freedom, not as a part of the ends themselves. Whereas justice values appear only as instrument in Sen's theory, the values of care do not appear at all (van Staveren, 2001, p. 151).

In addition, van Staveren argues that when one value domain is overemphasized, this generates deficiencies in other value domains. Freedom, in this instance, becomes the dominant space for evaluating human well-being, a space nonetheless spanning many qualitatively different ends (Gasper and van Staveren, 2003, p. 143). This overemphasis on freedom as the unique moral value then leads one to neglect more fine-grained evaluations of well-being in terms of social relations and personal relationships. Van Staveren thus suggests to expand Sen's notion of capabilities from an exclusive reliance

on freedom values to include the value domains of justice and care (2001, p. 152). She also emphasizes that care is a responsibility towards others, which is an interpersonal value in its own right and an intrinsic value no less important than freedom and justice (p. 42).

Sen prefers a more general framework of thought that relates to pluralism, public discussion, and the concept of positional objectivity. In addition, Sen's practical reason and ethical rationality do not raise ontological questions related to the nature of the human good. He does not defend reductionist individualism, but does adopt the individual as the center of his analysis. Moreover, he also discusses social choice, justice, public action, agency, identity, economic methodology, objectivity, rationality, human rights, consequentialism, public debate, commitments, and interpersonal comparisons. That is, he offers us not only the capability approach, but also addresses other issues related indirectly or directly to institutions and the traditions by which different individuals engage and realize their capabilities. As Flavio Comin (2001, p. 04) emphasizes, a broader informational space is not the only important element in Sen's normative approach.

This discussion reveals the *general* nature of Sen's capability and development-as-freedom approaches for economics. It is a perspective, however, that has been interpreted as only operating in an *evaluative space*, (Gasper, Van Staveren and Nussbaum argue), and which does not provide an adequate guide for political purposes. Sen has argued, however, that because value selection and discrimination are intrinsic to the capability approach, an *a priori* specification of capabilities should be avoided (Comin, 2001, p. 05). At the same time, Sen (1981, 2002) has still proposed political strategies for dealing with poverty, famines, and endemic deprivation. This shows that his general perspective, which does not rely on an essentialist definition of the human nature, may be specific and politically-guided. It is also ethics-laden because of its concern with a wider rationality in economics that can be understood as balancing ethical and technical rationality. At the same time, accepting Sen's approach as a *space* in which equality is demanded or changes in equality are tracked does not entail the acceptance of his account of ethical rationality (Alkire, 2002, p. 88). Sen is concerned with *how* we can remedy the most terrible problems of different people, and argues the need to broaden narrow

technical rationality in economics. This implies that rationality in economics, as we believe Alkire (p. 92) emphasizes, must address issues such as ends, reflection, and democratic discussion, which is something independent of whether or not social welfare is assessed in the *space* of capabilities.

Sen's evolution from a pluralist capability approach to assess a person's well-being to his development-as-freedom perspective, which appears to identify capability and freedom, *may* present a paradox. However, Sen's move from an *evaluative* space to the development-as-freedom approach should be understood in terms of his concern with developing a broader rationality for economics that addresses the real ends of any development process, that is, valuable human ends. This move also reflects his emphasis on pluralism (either in information or in principles), public discussion, and positional objectivity. Sen has advocated, as Alkire (p. 93) emphasizes rightly in our view, that economic development strategies address valuable human ends, which are legitimately plural and diverse, that there must be periodic explicit scrutiny of the value of the objectives, norms, and institutions that are in place, and that there is something intrinsically worthwhile in public participation in this process of debate and decision making.

Indeed, Sen defends a pluralist informational approach for moral and economic evaluations, which contradicts the claim that he relies on a monist space of freedom as the unique moral value and information to be considered in assessing a person's well-being or social arrangements. This also indicates that his perspective, though emphasizing individual freedoms, cannot be considered ethically monist in the same way of many traditional evaluative frameworks in economics. Sen privileges freedom because of his concern with a wider rationality in economics. That is, his emphasis on freedom allows us to deal with important foundational issues such as human ends, pluralism, public reasoning, democracy, reflection, individual autonomy, and responsibility. In light of this, Sen can be said to value freedom as a general good, although it cannot be interpreted as his main contribution to the valuational sphere. Its central role, rather, is to provide an approach that is guided, either economically or ethically, by pluralism, which can be used for assessing people's well-being without neglecting their social relations. There is no paradox in this; Sen is only concerned with evaluative issues in economics, which cannot

be neglected when we are interested in bringing freedom, justice, care, or all three into the valuational domain.

5. CONCLUSION

This paper interprets the capability approach as an alternative to narrow informational and ethical foundations of standard welfare economics. It has also argued that the capability approach is guided by an ethical rationalism that can be understood in terms of Sen's defense of pluralism, public reasoning and his emphasis on the concept of positional objectivity to appraise a person's well-being. This approach, however, still lacks: (i) procedures by which public reasoning is to be conducted, and (ii) a description of the traditions and institutions in which people are embedded. In connection with people's traditions and institutions, Sen has recently argued that culture does matter to development because it is about the way in which people live, and how the quality of their lives can be improved. He also has emphasized the role of free and informed choice, aided by public discussion, critical scrutiny, and a participatory political environment, which in turn requires institutional demands for cultural democracy. However, he insists on the need for people to be able to take part in these social decisions. This confirms our argument that participatory methods of social choice need not only procedures, but also individuals capable of taking part in these exercises of public reasoning. As Davis (2004) argues, this means it is important to develop Sen's commitment sense of the self, which relates to concept of personal identity, rather than relying only on the standard economics' characterizations of the self-interest aspects of the self. Hence, we suggest that Sen's concept of self-scrutiny be broadened with the individual's capability to be critical of her own values and of the values of the others. That is, the requirements of procedures to conduct public reasoning need to be complemented with *critical*, and not only *self-scrutinized*, individuals.

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