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CAPABILITIES AND LOCAL CONTEXTS

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VIBHA PINGLÉ

Fellow, Institute of Development Studies
University of Sussex
Brighton, BN1 9RE, UK
v.pingle@ids.ac.uk

&

PETER HOUTZAGER

Fellow, Institute of Development Studies,
University of Sussex
Brighton, BN1 9RE
p.houtzager@ids.ac.uk

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CAPABILITIES AND LOCAL CONTEXTS

For development to be meaningful to vulnerable beneficiaries and to be socially sustainable in a multicultural and highly interconnected world, balancing the demand for cultural recognition and respect with that for the enhancement of substantive freedoms appears a must. Our principal concern in this paper is to begin conceptualizing a set of development policy effectiveness indicators that can address/handle multiple, locally negotiated, notions of development. The capability approach offers us a way of thinking about development that makes possible the incorporation of cultural nuance and local peculiarities.¹ Moreover, it potentially offers us a vocabulary for engaging in plural (or multicultural) understandings of development. For that, however, we need to translate the capabilities approach into an empirical vocabulary and specify (empirically and conceptually) how local contexts influence capabilities.²

Our paper thus has the following goals: first, to offer empirical evidence in support of the link between local contexts and capabilities; second, to conceptualize this link between local context and capabilities; and third, to propose guidelines to help us begin formulating development effectiveness indicators.

Once we move beyond some of the elemental capabilities, such as longevity and literacy, there is considerable ambiguity regarding how one should set about identifying the substantive content of capabilities. One of the main sources of such ambiguity is the difficulty in reconciling the universal ambitions of capabilities approaches with the influence of local contexts and especially cultural meanings constructed therein.

In this paper we suggest a conceptual link between capabilities and local context by first disaggregating the latter into two components: (a) cultural landscapes and identities, (b) the structure of local communities and an individual's position within it. Cultural landscapes and identities may be understood in terms of her answer to three critical questions – what constitutes a 'full life', a personal sense of dignity, and a person's obligations to others in their community?³ Community structure, for our purposes, consists of the different systems of social stratification (such as gender, income, ethnic or language groups etc.) that define an individual's position within that community. The interactions between these two components of local context influence an individual's specific identity and consequently her functionings, her perceived capabilities and desired capabilities. Such an approach allows us to specify in conceptual terms the link between local contexts and capabilities, to identify locally valued capabilities or the boundaries of locally constructed evaluative spaces.

It is important to clarify that while income/poverty indicators (however they are constructed) are essential for understanding the presence and the provision of some elemental

1. Amartya Sen, *Inequality Reexamined*, Oxford: Clarendon Press, 1995 & *Development as Freedom*, New York: Anchor Books, 2000; Martha Nussbaum, *Women and Human Development: the capabilities approach*, New York: Cambridge University Press, 2000; Martha Nussbaum and Jonathan Glover (edited) *Women, Culture and Development: a study of human capabilities*, New Delhi: Oxford University Press, 1995.

2. Specifying the link between local context and capabilities is likely to be essential for identifying policies that would promote development that is meaningful to people. Policies that seek to work with, rather than against, prevalent cultural ideas and values about a good life are likely to be more effective and socially sustainable. In other words, culturally nuanced development policies are more likely to facilitate sustainable development.

3. Our discussion of the dimensions of identity draws on Charles Taylor's arguments presented in his book, *Sources of the Self: the making of the modern identity*. (Cambridge: Harvard University Press, 1989.)

capabilities (such as the longevity, literacy, and income), such indicators tell us little about the desired capabilities of people who *have* these elemental capabilities. Furthermore, development policies cover a much broader range of human activity than those that can be measured using existing indicators. For this reason, income or poverty indicators are less than adequate measurements of development effectiveness and offer us few clues beyond the most elemental about how public policy might be fine-tuned to enhance our freedoms, our ways of being and doings (or our functionings), or increase/deepen our capability sets.

The paper examines these issues in the context of business strategies and growth patterns of Black micro-businesswomen in South Africa. Using qualitative and quantitative data drawn from seven of South Africa's nine provinces we find evidence to indicate that: while urban micro-businesswomen have access to greater resources and more opportunities to develop their business, it is the rural women whose businesses are in fact more successful. The urban women in response to the demands placed on them by the structure of their community tend not to define themselves as businesswomen. This has the consequence of discouraging them from pursuing opportunities that might enhance their business and increase their economic empowerment. By comparison, rural communities enable rural micro-businesswomen to define themselves as businesswomen to a considerably greater extent, and this encourages them to nurture their businesses and develop it better.

Based on an analysis of micro-businesswomen in South Africa and Egypt we discuss the relationship between local contexts and capabilities. We then draw upon this discussion to identify the various steps that may be required in order to formulate a process that the development community can use to construct context specific indicators of capabilities.

DEVELOPMENT EFFECTIVENESS AND CAPABILITIES

The debate regarding how we might develop efficient measurements of the enhancement of more complex capabilities has proceeded in two ways: on the one hand, scholars have developed or sought to develop indicators that measure the policy and institutional environment⁴ and on the other hand, scholars have constructed 'lists' of the dimensions of human development that focus more on specifying normative and social factors likely to influence interpretations of well-being and capabilities.⁵

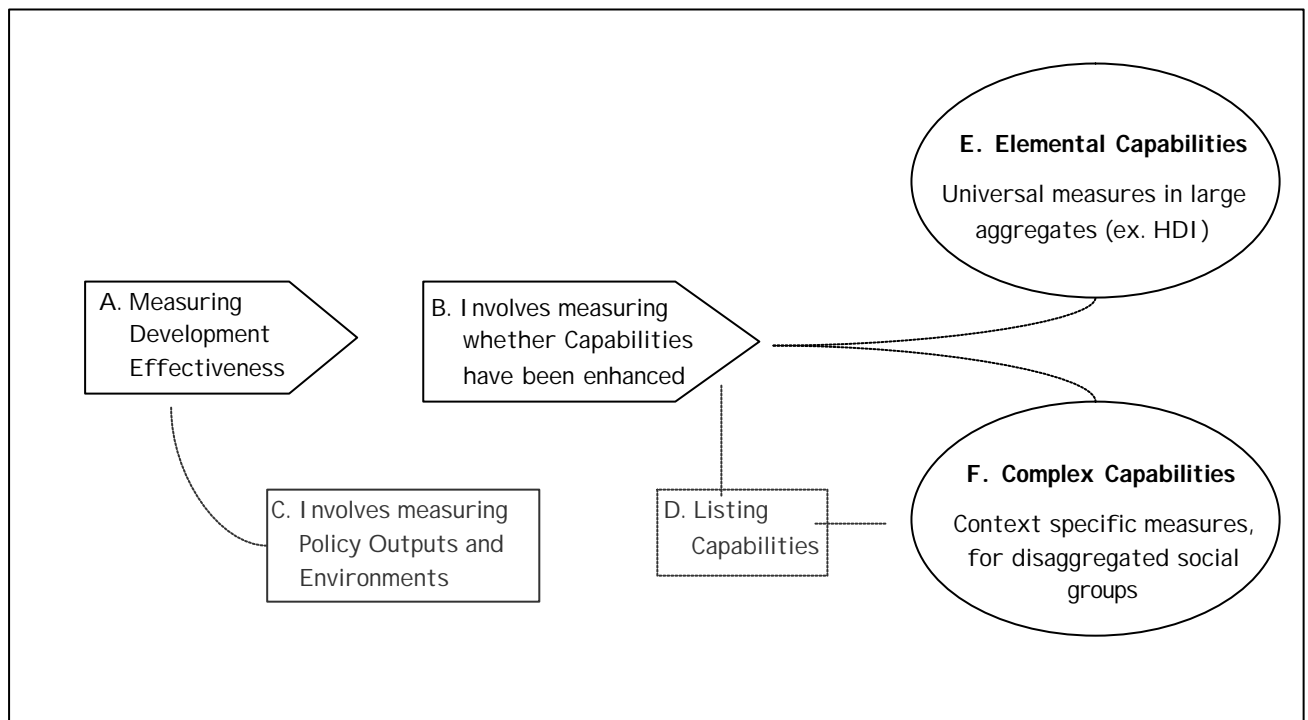
Diagram 1 below illustrates how we might conceptualize the relationship between development effectiveness and capabilities. The measurement of development effectiveness (box A) involves the measurement of whether the capabilities (box B) in the country (or region, etc) under focus have been enhanced. In other words, the question we are concerned with is: do people in the society have greater capability sets, and more possible ways of being and doing accessible to them? Whether their capability sets have been enhanced is likely to be in part a function of the restrictions and opportunities afforded by their policy and

4. We are referring here to attempts at generating indicators for measuring governance, and security. See for example: Stephen Knack and Gary Anderson, 'Is "Good Governance" Progressive? Institutions, Inequality and Poverty Reduction', paper presented at the 1999 Annual Meeting of the American Political Science Association, Atlanta; Stephen Knack et al., 'Second Generation Indicators', report prepared for UK DFID, January 15, 2002; Daniel Kaufman et al., 'Aggregating Governance Indicators' The World Bank, August 1999.

5. For a review of attempts to compile lists of the dimensions of human development see: Sabina Alkire, 'Dimensions of Human Development' in *World Development*, Vol. 30, No. 2, pp. 181-205, 2002.

institutional environment. Thus, people in a country in which the state lacks minimal capacity, or in which other political institutions lack capacity, or which is in the midst of a civil war, are likely to lack the capabilities that people in a socio-economically similar country without these negative characteristics. This involves the evaluation of policy outputs and policy environments (box C). Most evaluations of development effectiveness fit into this box.

Diagram 1 Measuring Development Outcomes



Our concern in this paper, however, is with the content of box F. The policy outputs and environments do not tell us about the capabilities valued by the beneficiaries nor whether they have achieved these capabilities. How people interpret and utilize the opportunities offered to them by their policy and institutional environment is likely to be related to how the local context influences and defines their interpretation of what they regard as valuable and appropriate capabilities.

In an attempt to specify the contents of Box F, a number of economists and philosophers have sought to generate lists that capture dimensions of human development or capabilities (box D). Their primary concern has been to operationalize capabilities by identifying its dimensions, some more narrowly specified than others. The more prominent of these lists are those constructed by Martha Nussbaum, Max-Neef, Deepa Narayan, Robert Chambers, *et al.*, S. Schwartz, Robert Cummins, M. Qizilbash, and Sabina Alkire. The human development dimensions identified by these lists, as Alkire notes in her review of them, are more or less ‘valuable’, ontologically flexible, and comprehensive.⁶

6. Sabina Alkire, ‘Dimensions of Human Development’; Grisez et al., ‘Practical principles, moral truth and ultimate ends’ *American Journal of Jurisprudence*, 32, 99-151, 1987; Martha Nussbaum, *Women and Human Development: the capabilities approach*; Max-Neef et al., *Human Scale Development: Conception, application, and further reflections*, London: Apex Press, 1993; Deepa Narayan et al., *Voices of the poor: can anyone hear us?* New York: Oxford University Press for the World Bank, 2000; R. A. Cummins, ‘Domains of Life

While the lists identify critical dimensions of human development and of universally chosen capability sets, they do not offer guidance on how to conceptualize the link between these abstract dimensions and their concrete expression in specific social contexts. Establishing this link is a necessary first step toward producing operational capability and subsequently development indicators.

Thus, while the lists are accommodating of a variety of cultural and subjective interpretations, they tell us little about how (let alone why) the content of selected capability sets are linked to certain evaluations regarding dimensions of human development rather than others. This makes them inadequate guides for identifying cross-national indicators that are culturally nuanced while evaluating the level of development achieved, or identifying appropriate best-practice development strategies, or formulating anti-poverty and pro-development policies. The lists that do offer us more specific guidelines for identifying cross-national indicators, such as the one constructed by Nussbaum, are not accommodating of cultural differences, varied normative and evaluative positions.⁷

The challenge then is to identify ‘guides’ that do not invoke such metaphysical assumptions and also offer clues regarding the possible ontology of valuable capability sets. The debate regarding how we can achieve a balance, or at least approach balancing the demand for cultural recognition and respect with that for the enhancement of substantive freedoms has been dominated by economists and philosophers. Few approaches have sought to draw in a significant way on anthropological or ethnographic material and have developed conceptual arguments that might act as suitable ‘guides’ and help identify appropriate indicators for development effectiveness.⁸

We need to approach the issue of the influence of local contexts on capabilities with some caution, however. As Amartya Sen observes in a chapter in a forthcoming book on culture and development to be published by the World Bank, culture interacts with development in a variety of ways and that “there are complex epistemic, ethical and political issues involved in identifying the ways in which culture may or may not influence development.”⁹ Given this, he argues that while it would be dangerous to adopt a deterministic view of culture’s influence on development, it would be unfortunate to deny that culture plays a complicated role in influencing the course of development. He concludes that what is needed is “not the privileging of culture as something that works on its own, but the integration of culture in a wider picture.”¹⁰

Satisfaction: an attempt to order chaos’ *Social Indicators Research*, 38 (3), 303-328, 1996; M. Qizilbash, ‘Capabilities, well-being and human development theory: a survey’ *Journal of Development Studies*, 33(2), 143-162, 1996; and S. H. Schwartz, ‘Are there universal aspects in the structure and contents of human values?’ *Journal of Social Issues*, 50 (4), 19-45, 1994.

7. As David Miller and Cecil Fabre note that while “Nussbaum’s description of human capabilities is explicitly supposed not to rely on fundamental metaphysical assumptions about human being, precisely so as to have universal appeal.... it is unclear that it can avoid relying on such assumptions, any more than Rawl’s political liberalism (which Nussbaum invokes in support of her approach) can.” Cecile Fabre and David Miller, “Justice and Culture: Rawls, Sen, Nussbaum and O’Neill,” in *Political Studies Review*: 2003 Vol. 1, p. 8.

8. In a forthcoming chapter on culture and development Arjun Appadurai does indeed explore how identities might influence development patterns, though he does not offer guidelines for identifying appropriate capability indicators. *Culture and Public Action*, Stanford University Press, (forthcoming, Spring 2004).

9. Amartya Sen, “How Does Culture Matter?” in *Culture and Public Action*, Stanford University Press, forthcoming, (draft chapter) p.19.

10. Ibid, p.20.

With this warning in mind, our next conceptual step is to identify how one can capture as much as possible of the link between local contexts and interpretations of perceived and desired capabilities. Combining the indicators that emerge out of this process with those for the policy and institutional environment would likely inform us about whether the capabilities enabled by these environments are interpreted as valuable or not by the people in the society/country. Were they to be regarded as being valuable and seen as being enhanced, we might then argue that certain policy interventions or institutional arrangements have been effective.

But before we explore these issues, we would need to specify empirically some of the ways in which local contexts influence perceptions of achieved and desired capabilities, and next to offer a conceptual argument drawing on such empirical evidence.

SOME EVIDENCE

In this section we offer evidence of how local contexts (culture and community organization) influence the definitions and evaluation of capabilities. The discussion that follows on black businesswomen in South Africa offers empirical evidence in support of the ideas developed thus far in this paper. Our evidence suggests that rural micro-businesswomen tend to be more successful than urban micro-businesswomen. More importantly, the former are able to use their success to achieve greater well-being, more choices, freedom, and dare we say, autonomy.

This we argue may be explained by the manner in which individual identities are dialogically constructed within rural and urban communities and consequently shape individual functionings and valuations of capabilities. While rural/urban characteristics appear to significantly shape the functionings of micro-businesswomen in South Africa, marital status appears to be a significant factor in the functionings of both rural and urban Egyptian micro-businesswomen.

SOUTH AFRICAN DATA

The data we use for our analyses were gathered between the years 1997-2000. Over 200 micro-entrepreneurs, of whom 129 were women, from seven of South Africa's nine provinces were interviewed. These were: Gauteng, Mpumalanga, Northern Province, North-West, Eastern Cape, Western Cape, and KwaZulu Natal. Interviews were conducted with micro-entrepreneurs located in rural areas (in these provinces), urban areas and former townships (in Johannesburg, Capetown, Empangini, Thohoyando, Mbatho, Pietersburg), and mining 'hostels' in the Johannesburg metropolitan area. In most cases the interviews were conducted in the homes or the workplace of the micro-entrepreneurs.

The micro-entrepreneurs who were interviewed were identified and selected for the project in two ways: First, we compiled a database of all the entrepreneurs who had been awarded the entrepreneur of the month prize by the *Sowetan* newspaper from 1989-1999. We were successful in tracking down and contacting more than 50% of these entrepreneurs and interviewed them.

Second, we identified various kinds of civil society associations – social clubs, religious societies, trade associations, cooperatives, burial societies, rotating credit societies (or *stokvels* as they are known in South Africa), political associations, and ethnic-based associations in the seven provinces selected for the study, and in rural and urban areas. Our aim was to include in the list of associations, as broad a range of organizations as possible. We then interviewed the staff and/or heads of these associations. We asked them to describe the association, its history and its membership. We then compiled a list of members in each association who are micro-entrepreneurs and interviewed them.

The interviews lasted over an hour on average. We did follow-up interviews for about a third. The interviews were open-ended, unstructured and conversational. We asked the entrepreneurs how they started their business, what dilemmas and problems they encountered along the way. We asked them whom they turned to for help, advice, and financial assistance. We inquired about their community and their family. We asked them whether they were members of civil society associations and asked them about their experiences in each of the associations they mentioned. We asked them whether they engaged in economic transactions with other members of these associations; whether they found being a member of these associations ‘helpful’ for their micro-business; we asked them to elaborate on how it was helpful. We also asked the micro-entrepreneurs who they trusted in their community; and why/why not.

We did not, however, ask them direct questions about their earnings and profits from their micro-enterprise. We estimated their performance from the history of the micro-enterprise. A micro-enterprise that performed ‘very well’ was one that had grown considerably since its establishment. Such a micro-entrepreneur clearly demonstrated remarkable entrepreneurialism and creativity. A micro-enterprise that was categorized as performing ‘well’ was one that had demonstrated some growth, but was not remarkably creative or entrepreneurial. Micro-entrepreneurs who had not grown in any demonstrable way and had remained a ‘survivalist’ enterprise – barely providing a basic income for the entrepreneur – were categorized as poor performers.

We did not ask micro-entrepreneurs questions about their education as our preliminary fieldwork indicated that such an inquiry would have been perceived as intrusive and rude. We did inquire about the educational opportunities available in the area, and the general educational background of the members of their community. The responses suggested that while most micro-entrepreneurs interviewed had had some education, no woman micro-entrepreneur had attended college.

Finally, we did not ask the micro-entrepreneurs about their marital status. Apartheid had seriously damaged Black families and compelled South African Blacks to redefine their families. It had forced Black men to leave their families in rural areas for extended periods and live in mining hostels and to redefine their role as husbands. It had also led women living alone in rural areas to redefine their roles as wives and partners. This, in addition to traditional norms regarding polygamy and co-habitation, despite the efforts of Western missionaries to introduce their ideas about the value of the nuclear family, had weakened spousal relations. Consequently, women regarded themselves as breadwinners and had few expectations that their husbands/partners would provide for them financially.

SOUTH AFRICAN CULTURAL AND COMMUNITY SETTING

Rural Black settlements under Apartheid existed in 'Native Homelands'. Brutal settlement policies under Apartheid meant that most of these 'homelands' were arid, infertile, and desolate landscapes which were barely able to sustain their population. Ruled by traditional 'Kings' and 'Chiefs', the rural economy was primarily agrarian, with most of the peasants engaging in subsistence farming.

Land was owned communally or held by the village Chief or Headman in trust and he had the right to issue 'permission to occupy' certificates to male residents. Uncultivated land reverted back to the Chief/Headman. Female residents have been receiving 'permission to occupy' certificates only since the end of Apartheid. The women were, however, allowed to cultivate the land occupied by their male family members.

The village chiefs or headmen were charged with the responsibility of arbitrating in local disputes and viewed as the custodians of customary law with the village. But it would be incorrect to view the village chiefs or headmen as 'ruling over' the village residents. The headmen or chiefs were regarded as representatives of the village community, leading them because the residents had trust and faith in them. The leaders derived legitimacy from their ability to treat members of their community fairly and with dignity. The well-known southern African proverb – '*kgosi ke kgosi ka setshaba*' (a king is a king through the nation) – captures these sentiments very well. The chief (or king), it was held, was a chief (or king) through his nation. It is by carrying the members of one's nation that one is a leader.

The general form of this proverb – '*Motho ke motho ka motho yo mongwe*' (a person is a person because of another person) – captures how these sentiments are interpreted within the broader community. Common to all ethnic groups in South Africa, these Nguni proverbs reflects the notion of *ubuntu* (in the Nguni languages—isiZulu, isiXhosa; and known as *botho* in the Sotho languages—Setswana, Sesotho, and Sepedi). *Ubuntu* refers to the essence of social relations and it underpins the process of identity construction among Blacks in South Africa.

According to *Ubuntu*, one's place in the world, position in society, is built of two interrelated components – one's labor/work and one's social relations. A person was defined by his/her work, but this work consists not only of what one produces for/by oneself, but of the social relations one reproduces and strengthens in the process. The converse also held: it is one's social relations that permit one to be successful at work and at defining one's place in the world.

Ubuntu has another dimension as well. At its core is a belief that all in society are worthy equals.¹¹ To treat some as not one's equal would lead one to believe that only certain members of society help you construct your life – that others do not. But to not carry one's entire community is to not reach a respectable place.

In other words, one's obligations and respect for others defines one's place in the world. Independent activities were regarded as worthy only insofar as they allowed the

11. This is not to suggest that southern African societies have historically not been patriarchal – they have been. Rather, we suggest that there appears to be a belief among men and women, despite the socially sanctioned differences between them, that it is one's obligation to regard others of one's gender as worthy equals.

individual to maintain her obligation toward others. In fact so tightly were the two interwoven, that the boundaries of work and obligation to others are not quite recognized. To not satisfy one's obligation is to not respect one's fellow men. To carry one's community was one's obligation to society.

To act in accordance with *ubuntu* sensibilities makes for a full life. Without work life is meaningless; without a social network, work is valueless. And it is mastering the paradoxical relationship—between egalitarian relationship with others in the community and the dominance of the community over the individual—that grants an individual dignity. To live a full life is to dignify oneself. In other words, activities vis-à-vis one's community define a person. What is noteworthy about *ubuntu* sensibilities is that it is her obligation to herself that requires a person to respond to her obligation to others in the community.

THE DATA ANALYSES¹²

We ran three logistic regressions to test which characteristics are associated with micro-business success. Micro-businesses that had grown very well over the years and might be considered entrepreneurial and dynamic were defined as excellent micro-businesses performers in our dataset and got a score of 2. Micro-businesses that demonstrated some growth were defined as good and got a score of 1. Micro-businesses that had not demonstrated any growth since their establishment were regarded as stagnant and given a score of 0.

The variables we tested included: gender, location (urban or rural), and membership in associations. We included membership in associations (religious, social, political, economic, and ethic) because the social capital literature suggests that membership in civil society associations is likely to be critical for micro-business success. In other words, a micro-businesswoman who is a member of a greater number of such associations would likely be more successful than one who was a member of fewer associations. It has been argued that membership in civil society associations generates relations of trust and these relations are critical for lubricating economic interactions.

The results follow below: table 1 indicates that the excellent performers *are most likely to be in rural areas and to be owned by women*; table 2 and table 3 indicate that memberships in civil society associations *do not* positively influence micro-business performance. The primary influences on performance were location and gender, and social capital was not significant.

12. We would like to express our gratitude to two of our colleagues, Rachel Sabates-Wheeler and Aaron Schneider, for helping us with the quantitative analysis used in this paper.

Table 1: Impact of Location and Gender on Performance

	Performance	Coefficient	Standard Error
1	Location	.1493464	.4349949
	Gender	.0410026	.4104988
	Constant	-.1745575	.3220405
2	Location	2.50887	.4218929***
	Gender	.8349952	.4156827**
	Constant	-1.412636	.4123382***

Outcome perform=0 is the comparison group; Pseudo R2= 0.1632; Number of obs=197
 *=Significant at .90 level, **=Significant at .95 level, ***= Significant at .99 level

Performance ranged from 0-2, with 2 being the highest.
 Location was scored 1 if rural, and 0 if urban.
 Gender was scored 1 if female and 0 if male.

Table 2: Location and Social Capital among Women --I

	Performance	Coefficient	Standard Error
1	Location	3.099347	1.431504**
	Social Capital 1	-2.140446	1.407877
	Constant	-.3622052	.3486753
2	Location	3.799007	1.252614***
	Social Capital 1	.1767288	1.238656
	Constant	-1.317919	.4801901***

Outcome perform==0 is the comparison group; Pseudo R2= 0.2692; Number of obs =129
 *=Significant at .90 level, **=Significant at .95 level, ***= Significant at .99 level

Performance ranged from 0-2, with 2 being the highest.
 Location was scored 1 if rural, and 0 if urban.
 Social Capital was scored 1 if person was a member of 4 or 5 associations, and 0 if she was a member of less than 4 associations.

Table 3: Location and Social Capital among Women -- II

	Performance	Coefficient	Standard Error
1	Location	1.340185	.7181705*
	Social Capital 2	-.2043236	.6651167
	Constant	-.3537354	.4661147
2	Location	3.82284	.7392297***
	Social Capital 2	.3001902	.8425161
	Constant	-1.462496	.6618035**

Outcome perform=0 is the comparison group; Pseudo R2=0.2473; Number of obs=129
 *=Significant at .90 level, **=Significant at .95 level, ***= Significant at .99 level

Performance ranged from 0-2, with 2 being the highest.
 Location was scored 1 if rural, and 0 if urban.
 Social Capital was scored 1 if person was a member of 3 associations, and 0 if she was a member of less than 3 associations.

The Explanation

As the above data and their analysis suggests rural micro-businesswomen are significantly more successful than urban micro-businesswomen at growing their business and at being entrepreneurs. This is puzzling as it is the urban micro-businesswomen who have easier access to market opportunities and facilities. Unlike micro-businesswomen in rural areas, urban micro-businesswomen do not have to travel long distances, usually on foot, to reach their customers to their stock suppliers. Banks, which after 1994 offer small loans to micro-businesswomen, are easier to access in urban areas rather than in rural areas. Moreover, local government centers offering infrastructural support and information are present and more visible in urban areas rather than in rural areas. Finally, it is in urban areas that development agencies and NGOs engaged in micro-credit lending are in greater numbers. Being an entrepreneur, and growing one's micro-business, rather than merely running a 'survivalist' business ought to be easier for urban women than for rural women. Yet, the opposite seems to be the case in South Africa. What explains this puzzle?

The majority of the successful rural micro-businesswomen are engaged in cooperative or collaborative projects. And their business ventures tend to include not just a few other women but almost all of the women in the village. More importantly, the women have the support of the entire community. And this support the women regarded as critical for their success. In conversations the rural micro-businesswomen remarked that the support of their 'community' was critical for giving them the confidence to grow their businesses, to aspire to running more than a survivalist business.

To the rural micro-businesswomen a full life is not only one in which they are economically successful but one in which they are able to 'carry' their community along with them. This, they insisted, is what gives them dignity. Finally, the rural micro-businesswomen are eager to 'carry' their communities along with them because they consider this to be an integral component of their obligation to others in their community.

In other words, for rural micro-businesswomen, their community occupies a central role in their aspiration, their identity, and it defines for them the contours of their economic strategy. The contours being: carrying their community with them, defining success in a communal manner. Such a strategy encourages them to think of themselves as businesswomen and pursue an aggressive business strategy. A business venture that allows them to combine their hopes of economic success and their desire to demonstrate the value they place on their community is more likely to be successful than one that does not allow them to combine this. And the data gathered supports this.

Urban micro-businesswomen interpret their goals, their aspirations, and their identity in ways that are similar to those of rural micro-businesswomen. They too regard carrying their community along with them as critical. They too consider their dignity as being defined by their ability to meet their obligations to their community.

Unfortunately, their community is less stable in significant measure because the exit option (i.e. moving from one neighborhood to another within the same urban area or a different one) is more easily available to all members of the community. The exit option makes their community less cohesive and gives them fuzzy and frayed boundaries. It makes it harder for the women to identify who is within the community and also who is likely to remain within the community. More importantly, it makes it difficult for the women to

'carry' their communities along with them. Micro-businesswomen in response shy away from engaging in functionings that would set them apart by virtue of their success and further weaken their community ties. By not differentiating themselves from their neighbors and friends, they are more likely to ensure that they will be able to draw on whatever little social support that their tattered urban community offers them even though the cost of maintaining such support is lack of micro-business success.

As a result of this community structure, urban women shy away from pursuing aggressive business strategies (strategies that rural micro-businesswomen seem to easily embrace) and from defining themselves as 'businesswomen'. As they see it: since they cannot pursue aggressive business strategies, they cannot possibly call themselves businesswomen. They see themselves as 'homemakers' who run micro-enterprises to make enough money to put food on their tables, clothe their children and run their households. Finally, because they are not businesswomen in their own eyes, they are less interested in making the most of opportunities available to them.

Thus though both urban and rural micro-businesswomen define important parts of their identity in a similar way and therefore have a similar capability set, their identity is molded by their community's structure and this influences their functionings. Moreover, it also influences their economic aspirations, their strategy for survival and growth or their desired capabilities. In other words, for both urban and rural micro-businesswomen, the idea of a full life, dignity, and obligations to others in their community is refracted by the structure of their community and consequently urban and rural micro-businesswomen have different aspirations.

Rural micro-businesswomen are comfortable seeing themselves as businesswomen. As a result they regard acquiring business and entrepreneurial skills as valuable. The community support that rural micro-businesswomen have access to enables them to take greater risks and to demonstrate entrepreneurship. In contrast, urban women define themselves as mothers and wives, much more than as businesswomen. In the absence of community support, urban micro-businesswomen are unable to engage in similar entrepreneurial behavior and consequently tend to regard capability set that would enhance their functioning as wives and mothers as much more valuable than their skills as businesswomen. Being a good homemaker, a well-dressed wife, and a good mother, is seen as more essential and valuable than being a good entrepreneur. The latter, they believe, would not grant them as much dignity and respect within their community. Rural and urban micro-businesswomen thus appear to value different capability sets.

While this suggests that rural and urban women value different capabilities or have different evaluative spaces, it also indicates that if development programs helped create stable and cohesive communities in urban areas, then the capability sets identified as valuable by rural and urban women, or their evaluative spaces might converge.

Finally, in both urban and rural communities, micro-business success means achieving greater well-being. Not only are the successful micro-businesswomen better able to provide for themselves and their children as they see fit, but more importantly, they are 'empowered' in ways that may or may not correspond to academic ideas of empowerment, but in ways that are meaningful to them. In contrast, urban micro-businesswomen, though they don't have traditional chiefs or village authorities in their life, prefer to define themselves as wives and mothers primarily and tend not to seek economic autonomy and

empowerment. Successful micro-businesswomen, present to a disproportionate extent in rural areas, not only earn more, but also are able to achieve greater well being in ways that are significant to them.

VARIATION ON A THEME: THE EGYPTIAN EXAMPLE

If data from South Africa show the importance of community organization and cultural ideas for the evaluation of perceived and desired capabilities, preliminary data gathered in Egypt show the importance of cultural/religious ideas and marital status. Unlike in the case of communities in South Africa, both urban and rural Egyptian communities are relatively stable and cohesive. However, the preliminary data from Egypt suggest that while both urban and rural micro-businesswomen share similar cultural/religious ideas; women who are married tend to be less successful than widowed, divorced, or abandoned women.

The data were gathered via interviews with rural and urban micro-businesswomen in Cairo, Minya, and rural areas in Upper Egypt. In all 50 interviews were conducted. The preliminary data suggest that single women are more likely to be successful micro-businesswomen. The data also suggest that the rural/urban cleavage does not significantly influence micro-businesswomen success.

Egyptian micro-businesswomen operate in a very different cultural setting than those in South Africa. Islam dominates their cultural landscape. Egyptian micro-businesswomen define their full life as one which enables them to follow the principles of Islam in their daily life – pray at the specified times, visit Mecca at least once in their life, and engage in the activities of their local mosque. They understand their obligations to others in their community and in their family in accordance with the tenets of Islam, and what dignifies them is their ability to live their life as good Muslim women.

In interviews, married women suggested that they regarded their role as wives and mothers as more important than their role as micro-businesswomen. Consequently, acquiring the skills to be a successful micro-businesswoman was valued less than skills that would help in being a better Muslim wife.

Single women (whether widowed, divorced, or abandoned) have more room to focus on their micro-business while remaining strongly integrated into their communities, and their ability to succeed appeared to be limited only by the economic opportunities available to them. Moreover, growing their business allows them to fulfill more easily obligations required of them as Muslims – to visit Mecca at least once in the lives and to contribute to charity. Consequently, these women have the incentive to define an evaluative space that is different from that defined by married micro-businesswomen, and also have few constraints.

CULTURE, COMMUNITIES, AND CAPABILITIES

The basic conclusion that emerges from the discussion above is that in South Africa and Egypt: (a) stable, cohesive communities are more likely to offer micro-businesswomen greater opportunities for well-being, and the freedom to desire enhanced capability sets; (b)

however, stable, cohesive communities are not as effective when household or marital factors preoccupy the women and make it difficult for them to engage as much with the community as single women can and do.

The literature on social capital has explored the latter issue from a somewhat different perspective. The social capital arguments have interpreted this engagement in communities in terms of membership in civil society associations. However, the data from South Africa suggests that membership in civil society associations, or involvement in tight social networks alone, do not indicate engagement. Engagement appears to occur when individuals share a common cultural sensibility with others in their community (understood in terms of the contours of their identity) and when boundaries are relatively certain.

Such engagement allows individuals, and with regard to our focus – micro-businesswomen, greater freedom with which to define their evaluative spaces. Thus, rural South African micro-businesswomen, given their greater engagement in their community have greater room or more freedom to define their role as businesswomen and to define their evaluative spaces. Urban micro-businesswomen on the other hand, because they lack such engagement (because the boundaries of urban communities are uncertain) perceive less flexibility in defining their evaluative spaces.

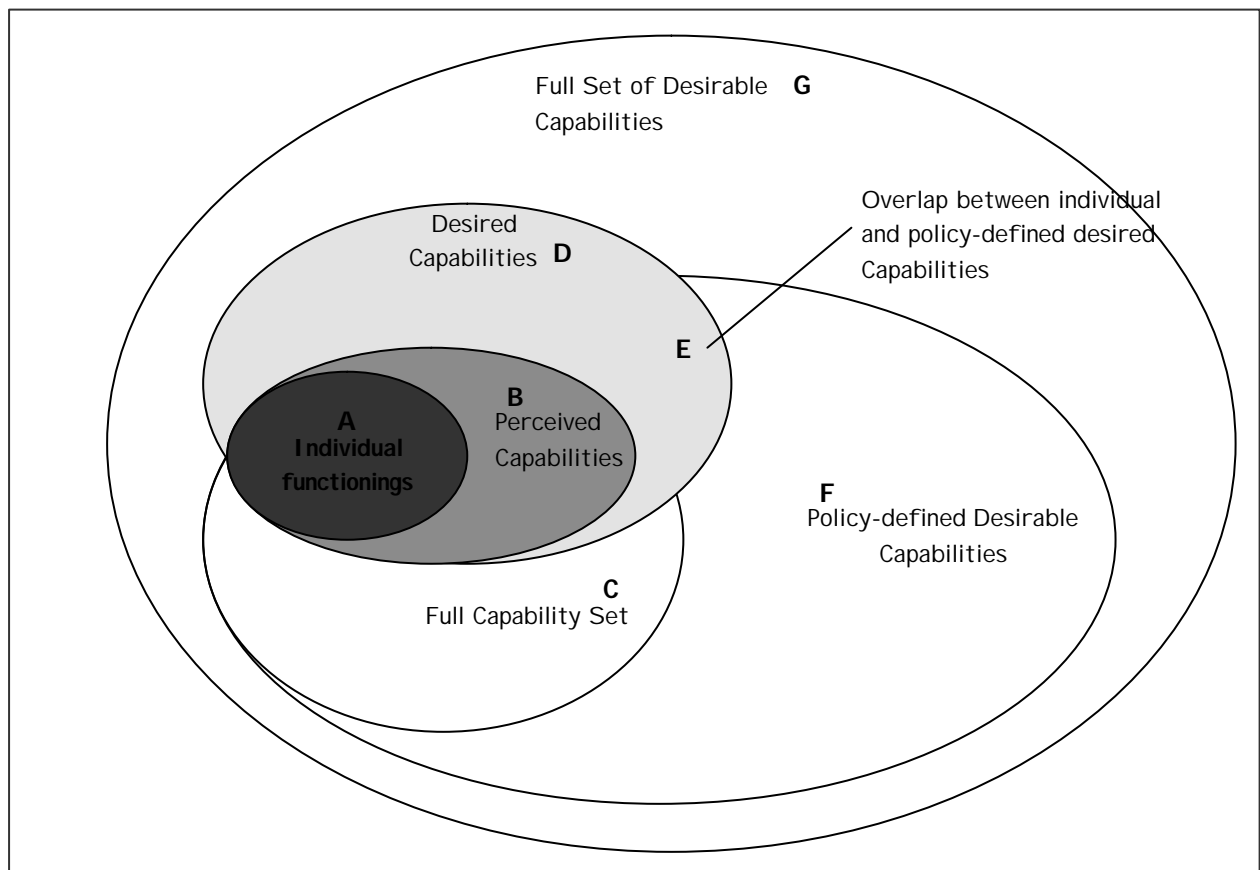
Married women in Egypt appear to be less engaged in their community at large than single micro-businesswomen. The greater preoccupation and involvement of the former in their marital life affords them fewer opportunities to engage with the wider community, and consequently, less freedom to specify their evaluative spaces. Single micro-businesswomen have significantly greater freedom for specifying their evaluative spaces.

The discussion about women micro entrepreneurs in South Africa and in Egypt therefore suggests that identifying the boundaries of capabilities sets valued by groups of people involves understanding not only their cultural ideas and identities, but also understanding the structure of their communities, and their extent of their engagement with the wider community.

LOCAL CONTEXT AND CAPABILITIES

Drawing on the empirical evidence presented in the previous section, we now explore how we should conceptualize the multi-faceted influence local context can have on capabilities. This influence has an important subjective element that is often hidden in (economic or philosophically driven) discussions of capabilities and needs to be brought into the light. Diagram 2 uses partially overlapping sets to show the role this subjective element, which we call a person's identity, can play defining an individual's (partial) knowledge and perception of what capabilities they enjoy, and which capabilities they value and want to obtain in a future.¹³ First, the diagram shows that people's knowledge of what capabilities they enjoy, **set B**, is always subset of their full capability set (**C**). Second, it shows that the capabilities that people value and want to obtain in the future (**D**) are a small sub-set of all the possible capabilities a person could obtain (**G**), and may diverge significantly from the sub-set that public policy agents, such as government agents or international actors, wish them to obtain (**F**).

Diagram 2 Sets of Functionings and Capabilities



13. We are not suggesting that people's identities and desired capabilities are static. Identity and desired capabilities can change over time in response to new opportunities and constraints that emerge at different stages in the life cycle and household cycle, appear with the attainment of new functions or capabilities, or are produced by external triggers. We are not ready, however, to begin to theorize the dynamic elements of capabilities and therefore will leave this dynamic component aside for now.

Despite the complexity the subjective element in the definition of capabilities appears to introduce, our proposition in this section is simple – the nature of one’s principal community and position therein shapes in substantial ways the functioning a person enjoys, the capabilities a person perceives herself as having, and what a person holds as desirable and important to obtain in her lifetime. By structure of the community we mean its principle systems of stratification (i.e. based on gender, religious or ethnic group, income etc.) and organization. The other component is a person or group’s position within the community.

Our fieldwork suggests that the difference in how people define themselves maybe traced to three dimensions of their identity: one’s idea of a ‘full’ life, sense of personal dignity, and obligations to others in the community. These three dimensions specify the boundaries of her capability set. In addition, the data suggest that the substantive content of these dimensions are strongly shaped by the structure of her community and her position in it, and specify her functionings. In other words, the local context (the structure of the local community and the location of the woman in it) shapes a woman’s functionings within a capability set specified by her identity. Further, her identity in conjunction with the structure of her community, defines the contours of her desired capabilities.

An individual’s identity, which is influenced by the cultural landscape and structure of their community and their positionality within that community, influences what they regard highly in life, aspire to, and regard as valuable capabilities. As already discussed, these components of identity are their answers to three questions: what is a full life, what dignifies them, and what are their obligations to and rights vis-à-vis others in their community. The first component or dimension indicates what aspirations and dreams for their future they regard as valuable. These aspirations are influenced by what they believe gives them dignity. Leading a dignified life requires them to engage with social norms and values. In many contexts, for example, religious beliefs and cultural traditions are critical in specifying what dignifies an individual and consequently in identifying the sub-set of aspirations that make possible the living of a dignified life.

The context of one’s dignified aspirations is further conditioned by social norms and values regarding an individual’s obligations to others and her rights in the community. If the content of identity is dialogically constructed, it is also refracted by the structure of the community, which the individual regards as ‘hers’.

Note that Diagram 2 suggests that development as freedom could entail expanding **set B** into several quite distinct spaces. Expanding a person’s perceived capabilities from **set B** to **set C** would constitute a ‘broadening of horizons’ of capabilities that the person in fact already has but of which they are not aware. Expanding **set B** to the boundaries of **set D** would constitute an entirely locally defined development trajectory. We would also consider it to be an enhancement of capabilities if a person moved from **B** to **F**, but in this case to a universal (externally) defined set of desirable capabilities. Development could also be expanding a capability set from **B** to **E**, the area where locally defined desirable capabilities overlap with those defined by public policy. It is this last shift that appears to us to be socially sustainable at the local level, as well as politically and administratively realistic for policy actors.

DEVELOPMENT EFFECTIVENESS AND CAPABILITIES : THE PATH AHEAD

Based on the conceptual work above and research in South Africa and Egypt we propose the following preliminary strategy for creating a process through which contextualized capability indicators to measure the performance of development programs and policies can be constructed. As we stated in the introduction, our hope is to identify a series of conceptual and empirical steps that would allow us to construct development effectiveness measures from within the capabilities approach. Our ideas here are offered by way of provoking a debate on these issues within both the academic community and the wider development community.

The form of development we are interested in constructing indicators for is one where locally defined desirable capabilities overlap with those specified by public policy. That is, moving the boundaries of **set B** to those of **set E** in Diagram 2. In a medium to distant future it might be possible to construct a series of indices such as the HDI, which measure proxies of some elemental functionings, to capture this shift in more complex functions. These would have to operate at a fairly high level of abstraction, however, to make possible the aggregation of context specific indicators. But such an approach would leave the all important perception of capabilities and desired capabilities out of the picture. It is difficult to imagine that existing data in most middle or low-income countries would allow for the constructing of contextualized capability indicators. Context-sensitivity therefore entails a substantial undertaking in data creation.

How would such a process look? The first step would be to identify the community(s), and the sectors there in, which are the desired beneficiaries of public policy and, as our discussion of South Africa and Egypt suggests, the broad cultural landscape of the region/country. The community is defined in part by the level of aggregation at which development policy is being considered (that is, region, city, neighborhoods, or family, individual etc.). To obtain the particular sectors of a community for which a policy or program is intended, the principal cleavages of that community have to be identified. The goal would be to create a “stratified sample” of the community by cleavages such as gender, income, ethnicity or race etc.

In the second step, taken once the target sectors of the relevant community have been identified, we would use a combination of interviews and participatory methods with members of the target sectors to obtain responses to the three identity questions. That is: what do they regard as a full life? What are their obligations to others in their community and what are their rights? And what dignifies them? In addition, we would need to inquire about what they regarded ‘their’ community to be? The answers make possible identification of which (abstract) capabilities are a priority, how these are expressed concretely, and what measures of changes in these concrete capabilities can be established. As in the case of South Africa and in Egypt, one of the objectives would be to identify the groups positionality within the community, which would have to be factored into the broad landscape established in the prior step. It would also be important to investigate how deeply engaged particular groups are in their ‘selected’ or ‘valued’ community. A lack of engagement will likely reduce a group’s room to maneuver, or their freedom to broaden or enhance their capability set, or their desire to re-specify their evaluative space, even within the boundaries earmarked by their identities. It would be important to undertake such data-construction in a manner

that allows for systematic cross-comparative analyses (across groups, communities, regions etc.).¹⁴

The third step would be to identify development programs and policies that would work with the cultural landscapes of the selected communities and take into consideration the extent to which groups are immersed within these communities. Such policies, we propose, not only give people more of what they define as development, but they are more likely to be sustainable because they work in conjunction with the contours of the communities.

CONCLUSION

When we move beyond the most basic capabilities required for biological functioning local cultural understandings and community structures have an important influence over both the perception of capabilities and definition of desirable capabilities – that is, of what is thought of as development. For actors engaged in public policy and international development policy this poses formidable challenges: how can we measure policy effectiveness in terms of enhanced capabilities, and in the context of plural understandings of development?

This paper has sought to contribute to working through some of these challenges by first showing empirically the link between local context and capabilities using material primarily from South Africa, then to conceptualize this link (summarized in diagram 2), and finally to identify a number of steps that may be required in order to formulate a process which policy actors (state and other) can use to construct context-specific indicators of capabilities.

Development agencies have addressed the problems of integrating local context into development strategy by promoting an array of participatory methods. Allowing more space for voice, the argument goes, will likely lead to the identification of sustainable development programs and policies. However, the challenge we need to focus on is not so much being able to aggregate the various ‘voices’ in the field and to identify a strategy that is in sync with them. The challenge is broader, and greater – that is, to understand the broader cultural impulses, to identify the structures communities and the position of vulnerable groups within it, and to then develop policies and programs that are in sync with these.

Our principal concern in this paper has been to conceive local context in terms of two dimensions. One dimension is the cultural landscape that influences answers to three broad identity questions: what constitutes a full life, a personal sense of dignity, and a person’s

14. The problem of aggregation requires further discussion. Assuming we get answers to the questions noted above through in-depth fieldwork in various communities, would the aggregate responses be meaningful and useful? The answer is a qualified yes. Aggregation will not be a problem so long as it is based on solid empirically relevant reasons.

But would such an approach lead to data or indicators that would be valid cross-nationally? The answer again is a qualified yes. If we successfully identify the critical aspects of local contexts in conceptual terms and link them to the boundaries of capability sets, then we can begin the process of identifying indicators for them that would be appropriate for cross-national analyses.

obligations to others in their community. The other dimension is the structure of an individual's community and her within it. This dimension further alters a person's answer to the three identity questions. These two dimensions together make it possible to identify the sets of perceived and desired capabilities, and identify where these overlap with capabilities that policy actors believe are desirable and are interested in enhancing.