

# **The value added of the Capability approach for social policy analysis: Separating its analytical and normative dimension.**

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## **Abstract**

This paper addresses apparent incoherence among applications of the capability approach, and asks for the core and the potential value added of the capability approach in the field of social and public policy. Unclearly with regards to the actual content of the capability approach (and therefore also to its value added) is due to a lack of distinction between its analytical and normative dimension.

Making a clear distinction between these two dimensions, then, is important to understand what lies at the core of the capability approach, and for what types of analyses it can be usefully applied. The argument goes that a number of studies actually does not use nor require the analytical tools of the capability approach at all. Instead the capability approach is occasionally used as a mere paraphrase of an only implicit normative stance. Such (mis-)use, however, calls into question the utility of the capability approach. This paper argues for stronger emphasizing its analytical dimension, which, as is put forward, should be considered its actual core.

## **Introduction**

A survey of recent applications of the capability approach (CA) most likely leaves the reader slightly puzzled. While they all have in common a somewhat esoteric terminology – commodities, functionings, conversion factors, etc. – it is often difficult to understand what they actually have in common – and what the reference to capabilities, positive freedoms and development actually stands for. The situation has become even more unclear with applications of the CA moving beyond the field of development economics, the context in which the CA was developed originally by Amartya Sen. Recent contributions which make use of the CA come from the research area of social and public policy in the economically more developed countries. However, I will argue in this paper that unclarity with regards to the actual content of the CA (and therefore also to its value added) is not due to this expansion or the greater diversity of the fields and contexts in which it is applied. On the contrary, some confusion is, in my view, due to a lack of distinction between the CA's analytical and normative dimension. This has to do not least with the fact that Sen fails to clearly distinguish

the two dimensions, although they are implicitly present in his work. Most of the fundamental differences between various CA-applications are due to the use of different normative underpinnings. As the normative dimension is not explicitly accounted for, the normative foundations are often presented as directly related to the CA (or to its analytical dimension), which in my view they are in fact not. The normative dimension – and its justification – often remains *implicit*.

Making a clear distinction between normative and analytical dimension, then, is important to understand what lies at the core of the CA, and for what types of analyses it can be usefully applied. The argument goes that a number of studies actually does not use nor require the analytical tools of the CA at all. Instead the CA is occasionally (mis-)used to put forward a normative stance – sometimes without properly justifying the normative anchor. The distinction between normative and analytical dimension which is put forward in this article, however, aims at exploring the CA beyond its normative dimension, and for what kinds of analyses its application may have a value-added.

In the the next section, I will introduce the distinction between analytical and normative dimension of the CA and lay out its essential conceptual tools. In the subsequent paragraph, I elaborate on the decisions which need to be taken if CA-applications enter the normative dimension. I will briefly indicate how different applications have interpreted the normative dimension in substantively different ways. Finally, I indicate how the CA could be used for the analysis of social and public policy beyond its origin in development economics.

## **The analytical and normative dimension of the CA**

### **Distinguishing the analytical and the normative dimension**

In this section, I argue that it is possible – and necessary – to distinguish the CA's analytical from its normative dimension. Whereas many applications of the CA naturally will have to specify and operationalise both dimensions (but not all, as I will show below), vagueness with regards to the normative decisions and issues involved in the CA often leads to vagueness with regards to the definition and application of the conceptual tools of the CA. These conceptual tools are what I call the CA's analytical dimension, and which I consider the distinctive contribution and characteristic of the CA. I will argue below that the normative dimension can be considered somewhat independent form the analytical dimension, and that it requires an explicit and CA-external normative point of reference. As I will show, various external normative reference points can and have been linked up with the CA's conceptual tools.

The difference – and relative *independence* – of the two dimensions is certainly obscured by the fact that Sen himself does not explicitly distinguish them. A certain ambiguity in his writings, however, indicates that his CA actually refers to two different dimensions. This is reflected in the two definitions of capability which can be found in Sen's work. They are presented by Des Gasper as following:

#### ***Definition I***

“A person’s capability is (...): the set of alternative n-tuples of functionings she could attain (‘capability set’), in other words, the alternative lives open to her”(Gasper 2007, p.341)

#### ***Definition II***

A person’s capability is “the valuation of her positive freedom, her access to OWB [objective well-being, *AG*], based on the range and quality of attainable reasonably valued outcomes she has to choose between.” (ibid.)

While definition I is purely descriptive and does not require any (normative) decisions as to which outcomes (functionings) are considered valuable, *definition II* requires a normative foundation. According to the latter definition, not every choice is valuable, and not every potentially achievable outcome can be reasonably valued. *Definition II*, therefore, could be understood as a narrowed down version of *definition I*.

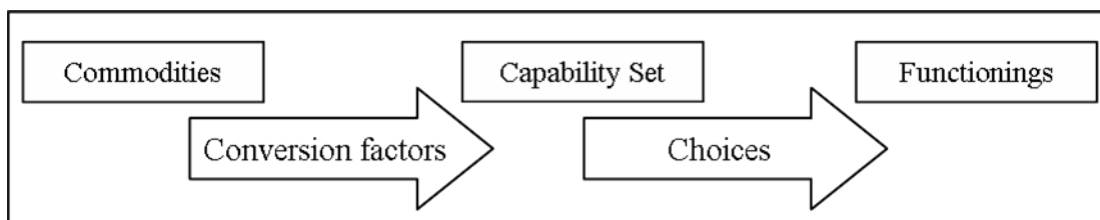
Whereas applications of the first definition of capabilities do not, in my view, require more than the conscious application of the analytical dimension of the CA, the second definition requires addressing a number of normative questions to which I will refer in the subsequent section. In the remainder of this section, I will present what I agree to be the essential core of the CA, i.e. its representation of social processes and related outcomes by means of five conceptual tools: Commodities, Conversion Factors, Capabilities, Choice, and Functionings.<sup>1</sup>

### The basic elements of the analytical CA

The CA is made up of five conceptual building blocks: Commodities, Conversion Factors, Capabilities, Choices, and Functionings (see Illustration 1).

*Commodities* are the resources the individuals can dispose of. Examples are money, or other material goods – a bicycle, a television, etc. Less material goods such as skills or habitual behaviour could also be conceived of as commodities. Measuring possession and non-possession of commodities is the standard procedure of measurements of monetary poverty or of multiple deprivation (see for example Pantazis et al. 2006; Townsend 1993). The CA criticises the assessment of individual level outcomes based on *commodities* as “resourcist” and argues for measuring functionings instead of commodities.

*Illustration 1: The five building blocks of the Capability Approach*



*Functionings* are what people really “do and are” and are considered a concept superior to commodities. This insight is based on the view that individuals are fundamentally diverse, and that there are personal, environmental and social conditions which are the reason for the individuals' fundamental diversity. In other words: Because humans are not all the same, they require different (in terms of quantity as well as quality) commodities for achieving the same functionings. Measuring whether an individual is below 60% of median income, or whether an individual possesses a specific number of material items, does not necessarily allow to reach conclusions about the individual well-being state.

A *capability set* contains an individual's capabilities. Above, I already gave two alternative definitions of capabilities. The following description could be understood as primarily based on the first, wider

<sup>1</sup> Of the six major features of the CA which are highlighted by Gasper (2007, p.340 ff.), the first three are covered by the following description of what I call the analytical dimension of the CA: *orientation to a broad variety of sources of information, a special set of categories, and a stance concerning which levels have ethical priority*. The normative dimension, which will be addressed in the subsequent paragraph, covers the ground of the other three features: *the prioritization of capabilities for individuals, the prioritization of capabilities for groups by democratic decision, and the categories of basic capabilities and threshold levels*.

definition, which may always be narrowed down by introducing normative criteria (as will be discussed in the next section).

Sen (1999) distinguishes two types of capabilities (or positive freedoms, as Sen terms it since his book "Development as Freedom", Sen 1999): Capabilities relating to processes, and capabilities relating to opportunities. The latter – “opportunity-freedoms” refer to the chances to attain a certain functioning, be it material wealth, happiness, etc. This relates primarily to states of individual well-being. The former – “process-freedoms” – refer to processes which in itself can be considered valuable, such as the ability to participate in democratic processes (without the guarantee that the outcome of this process will also lead to other desired well-being functionings). However, both types of capabilities are not mutually exclusive (cf. Sen 2002, p.585 f.), and I would even argue that, strictly speaking, process freedoms could be regarded a subtype of opportunity freedoms: the process of democracy, for example, could be easily interpreted as the opportunity to participate in democratic processes, which could be conceived of as a functioning itself. Despite the close proximity of the two capability-subtypes, Sen and others put considerable emphasis on this distinction. Gasper (2002, p.440) illustrates the distinction in the following figure (see Illustration 2), which distinguishes the two capability types, both for the category of functionings (“actual achievement”) and for the category of capabilities (“potential for attainment”).

Whereas functionings, as has been noted, refer to what people really “do and are”, capabilities refer to what people really “can do and can be”. Functionings, then are a subset of the capability set. They are the materialised options or life chances of an individual. This conceptual distinction is based on the assumption that certain functionings are mutually exclusive.

	<i>In terms of an agent's personal well-being</i>	<i>In terms of the agent's objectives</i>
<i>Actual achievement</i>	(Own) Well-Being Achievement (WBA)	Agency Achievement (AA)
<i>Potential for attainment</i>	(Own) Well-Being Freedom (WBF)	Agency Freedom (AF)

*Illustration 2: Sen's categories for ranking a person's situation*

*Source: Gasper (2002)*

The potential transformation of commodities into functionings is mediated by two factors. First, the influence of conversion factors, and second, the exertion of choice / agency. Whereas conversion factors are usually thought of as something as the social structures or policies that shape the conditions under which individuals can (not) capitalise on their commodities, the question of choice refers more to internal limitations and the question of agency. Whereas the main stress of most CA-applications is certainly on the former, the necessity to relate the CA to a theory of choice and agency has been remarked on (cf. Zimmermann 2006). Sen himself notes that capabilities are both “the person's ability to do the things in question taking everything into account (including external restraints as well as internal limitations)”. (Sen 2002, p.586).

*Conversion factors* form the personal, environmental and social conditions of each individual existence. In the original approach as developed by Sen (see Sen 1993; Robeyns 2005b), conversion factors are basically social structures in the widest possible sense. Sen's standard example is the bicycle (commodity) which is useful only if accompanied by the respective infrastructure, e.g. a bikeway (conversion factor). Closer to the field of social policy, one could interpret certain acquired

skills as a commodity, which are useful only if accompanied by respective labour market structures which help turn these skills into outcomes. Being qualified as typesetter was useful in 1960, but not any more in 2000 when computers have replaced the traditional way of typesetting. A nursing degree acquired in India may have been recognised by British authorities between 2001 and 2003, but not in 2009. How other personal characteristics such as intelligence or disability can be converted into functionings is also dependent on a set of institutional arrangements. Conversion factors are the place within the capability-approach to take into account all these structural effects which determine what commodities can be turned into functionings<sup>2</sup>.

Whereas the conversion factors arguably addresses external restraints, internal restraints such as the lack of desire to attain certain functionings also needs to be conceptualised. Within the CA, the place is the category *choice* or *agency*. The importance of considering choice between mutually exclusive functionings can again be illustrated by referring to the area of work-family-balance (cf. Lewis 2004; Hobson & Fahlén 2009). Both wage-labour and care work may, as was noted above, give access to a number of functionings, but it is not possible to have them all. Individuals who, in this situation, have a real choice which functionings they prefer, have both functionings in their capability set, although they cannot realise them at the same time. The capability set contains, in other words, the “substantive freedoms” or the potential functionings an individual has, and which cannot be enjoyed at the same time. Investigating how much real choices (substantive freedoms) individuals have, requires an analysis of the conditions under which decisions have been made: It could be expected, for example, that often choices are taken in situations where the two or more options are not equally viable. In the work-family-balance example, choosing caring is found to go with a number of disadvantages such as restrictions of incomes, or difficulties for labour-market re-entry. Investigating choices, just as investigating conversion factors, addresses the conditions of access or non-access to functionings.

### **The original rationale behind the development of the five conceptual tools**

The representation of social processes and their respective outcomes by distinguishing five conceptual tools in the CA is mainly due to two underlying rationales: the rejection of the “utility”-concept and the critique of “resourcist” concepts of inequality and justice (cf. Robeyns 2005b, p.96 ff.).

First, Sen argues against the “utility”-concept prevalent in economic theory, and aims at developing an alternative, more objective concept for measuring outcomes at the individual level. The rejection of subjective evaluations of “utilities” or “well-being” is criticised for mainly two reasons: On the one hand, measures of subjective well-being do not take into account the problem of “adaptive preference formation” (cf. Nussbaum 2001; Teschl & Comim 2005) This refers to the problem that individuals living in situations of deprivation or oppression often adjust their expectations and aspirations downwards.<sup>3</sup>

On the other hand, subjective well-being measures rarely take into account non-self-interest considerations or agency freedom, in other words: the achievement or potential attainment of the agent's objectives which are not necessarily directed at increasing individual happiness.

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2 I argue that the conversion factors are the place in the CA to take into account all kinds of structural factors which lead to the development or the deprivation of capabilities (or functionings). Theoretically this is the place to locate the mechanisms which either alleviate or produce inequalities. I don't agree therefore with Hartley Dean's interpretation of the CA, who argues that the CA is structurally *not* able to conceptualise the production of inequalities (Dean 2009).

3 The discussion of adaptive preference formation in the context of the CA remains often very abstract. With reference to the *habitus*-concept as developed by Bourdieu, one could argue that *all* preferences are adjusted to the respective social context. This, however, would require a more elaborate theory of agency as the CA itself provides. See also the critique of Zimmermann (2006), who points out the underdeveloped conception of agency in Sen's work.

Second, the CA aims at criticising “resourcist” models which measure development in terms of monetary measures, and, in the context of development economics, measure development of whole nations through the proxy GDP. Looking at *states'* performances in this way misses if peoples' capabilities or functionings are really improved if economic output raises, unless accompanying conversion factors (such as institutional settings leading to a certain income distribution and stratification) are taken into account. Looking at *individuals'* situations, measuring possession of resources (be they monetary or not) misses the point that needs of individuals are diverse, and that measuring the possession of commodities is misleading if not accompanied by investigating the context, i.e. whether adequate conversion factors (social structures, policies, etc.) exist to turn commodities into outcomes (functionings or capabilities).

## Examining the normative dimension

As I have indicated above, the normative dimension could be thought of as an additional layer on top of the CA's basic analytical tools. Its application leads to a somewhat narrower version of the CA: Not just any choices, life styles or functionings are considered relevant for describing individuals' well-being state, but certain *valuable* functionings only. Certainly one could argue that every descriptive analysis of individuals' well-being state requires a selection of dimensions or indicators which is inevitably – at least implicitly – normative; therefore that the distinction between an analytical (descriptive) and a normative dimension is fuzzy at best. However, I propose that the distinction is indeed relevant and necessary for two reasons. First of all, an *explicit* normative basis is required when it comes to policy evaluation based on interpersonal comparisons of individual well-being states. Many applications of the CA deal with the effects of policies on individuals functionings (or capability sets), and often come up with a distinctive normative reference point which they link to the CA. Second, the distinction also bears a theoretical meaning which was already addressed above: If we engage in a purely descriptive analysis of capability sets, they could comprise just any kind choices and any ends an individual is capable of attaining. There is no automatic assumption that these ends will either do her good – e.g. think of the addict who desires the attainment of ends which may destroy him in the long run. Nor does it automatically imply that these ends are good for society as a whole – e.g. think of freedom of an employer to discriminate on grounds of race or sex or religion (cf. Nussbaum 2003, p.46). Such problematic “freedoms” or ends can be excluded if an explicitly normative list of *valuable* functionings is being defined.

While some authors have attempted at drawing up an authoritative functionings list (cf. Nussbaum 2003; Robeyns 2005a; Vizard & Burchardt 2007), a short survey of current CA-applications reveals pluralism rather than convergence to a single accepted normative basis. Sen himself has proposed various solutions in his own work, without claiming universal relevance for it.

On a formal level, (Qizilbash 2008, p.62 f.) formulates three different aspects of incompleteness of Sen's version of the CA (or, as I would paraphrase, of the analytical dimension of the CA).

Reasoning about the content of a normative list will have to address these three gaps

“First, there is the issue of functionings or capabilities which are valuable. Second, there is the issue of what sort of weight or priority to give to *different functionings or capabilities*, in some particular context, involving interpersonal or international comparisons of the quality of live. Third, there is the issue of what weight or priority to give to *different people* n arriving at moral judgements.” (Qizilbash 2008, p.62, emphasis in original)

In the following I will give some examples of how various authors have proposed different solutions to filling the gaps as analysed by Qizilbash. As the first and the second aspect address very closely related issues, I will discuss them jointly under the heading *valuable functionings*, and then turn to the third aspect of incompleteness under the heading *the process of reaching the*

*decision which functionings to value.*

### **Valuable functionings**

As already mentioned above, Sen distinguishes two types of freedoms / capabilities: Those related to processes and other related to opportunities (e.g. Sen 1999; Sen 2002). The main stress of Sen's book "Development as Freedom" is on the proposition of five key instrumental (process) freedoms (or capabilities): political freedoms, economic facilities, social opportunities, transparency guarantees, and protective security are instrumental for individual human development (Sen 1999, p.10)<sup>4</sup>. The justification for these five instrumental freedoms lies in his theory of development: He states that "achievement of development is thoroughly dependent on the free agency of people." (Sen 1999, p.4). Free agency, in turn, is dependent on democratic institutions, etc. Sen hardly goes beyond such general statements and highly abstract theories of development. While he is a critic of the "utility"-concept in economics, against which he puts his capability-concept with a focus on (objective) well-being and agency, he does not elaborate on the normative *content* of these two concepts other than in highly abstract terms.<sup>5</sup>

Other authors have been more specific, without, however, grounding their decisions what to consider as valuable functionings in theoretical reasoning as far reaching and abstract as Sen. The following examples are a selection of analyses more relevant to the area of social policy.

De Munck & Ferreras, for example, look at collective bargaining processes and introduce workers' *learning capabilities* and *control capabilities* (de Munck & Ferreras 2004). They argue that these two capabilities (or, in other words, process freedoms) are crucial in the collective bargaining process and should therefore be promoted.

Salais (2003, p.327 ff.) in his account of the CA looks at the role of the state in labour market processes, and especially at the role of social assistance and unemployment benefits. He emphasises the *capability for work* and the development of a respective ideal-typical "capability world". In this hypothetical ideal-type, *work* would be considered a collective agency (not an individual disutility), and the rationale for assistance would be to equip people with adequate means to achieve "freedoms" (not only to compensate for a loss).

Bonvin and Farvaque (2006) also analyse the role of employment services for the unemployed. They turn even more specific and put forward that for benefit claimants, *voice* is a crucial part of their capability set, i.e. the ability to co-determine what services and benefits they can access.

The analysis of activation policies by Bonvin (2008) has the same object of analysis. He states that, first, a high amount of *capabilities* at hand for the employment service providers is crucial to enhance the claimants' well-being states. Second, *choice* is a crucial functioning for unemployed benefit claimants, i.e. it is important that claimants have as much choice as possible with regards to the

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4 I argue that by emphasising the value of specific social arrangements, Sen takes some wind out of the sails of his critics who consider the CA too individualistic (too focusses on individual well-being).

5 Gasper (2002, p.449 ff.) therefore criticises Sen for having a rather underdeveloped notion of both well-being and personhood. What adds to well-being? Is it more than consumerism? What is important for people to live a fulfilling life / to have a high quality of life? Sen doesn't refer to these points and therefore lacks a good ground for suggesting the important domains necessary for a normative dimension of the CA. His notion of agency is equally thin and does not go much beyond stating that people want things other than personal comfort. "Yet a way of life is more than a set of private choices; and personality and identity have a psychic and social grounding." (ibid.). Hence, a positive theory of agency and choice is lacking. A similar point is made by Severine Deneulin (2008, p.120 ff.): She argues that Sen – or generally applications of the CA – need to recognise that choices are always formed within a specific context. "If the aim of the CA is to address deprivations, it will have to place not individual agency as central to addressing deprivations but rather socio-historical agency as central." (Deneulin, 2008, p.121) While Sen acknowledges that social structures can be a value in itself, he doesn't explicitly make the connection between agency (choice) and social structure.

various options they are offered by the employment service providers. Bonvin's normative starting point is an idealistic liberal notion of “responsibility”. Only if claimants are equipped with sufficient resources (if employment service providers have sufficient capacities) and if they have real choices between various options, they can reach “responsible” decisions.

Lewis (2004) analyses well-being in relation to the field of work-family-balance. She proposes that *caring* is an equally valuable functioning as *labour-market participation*. She proposes to include care and the opportunity to freely choose between care and labour market participation as normative reference point.

The list of examples could easily be extended, but it is already evident that the diversity of normative reference points and definitions of what to consider relevant and valuable functionings is immense.

I would like to draw attention to another and more general question, which implicitly concerns most CA-applications: Once the valuable functionings are identified by whatever external normative point of reference – is the goal then *equality of capabilities*? Or, should the normative goal be rather to make sure that everybody is equipped with a number of *basic capabilities*? Many authors (including Sen) are unclear whether they are in favour of equal capabilities (which would require comprehensive regulation and redistribution) or in favour of basic capabilities (more in the vein of anti-poverty measures). Without going into further detail at this point, it should be noted that the question of equality vs. basic capabilities is another crucial normative decision, which, however, is rarely exposed in writings on the CA.

### **The process of reaching the decision which functionings to value**

I turn now to the question *how* to decide which functionings are considered valuable.

Most of the above mentioned social policy related examples proceeded relatively straightforward, as the researcher simply names those functionings which they deemed relevant and important in their respective research areas. Whereas some of these choices are justified with a more complex external reference point (e.g. the notion of responsibility in the works of Bonvin and Farvaque), others look more ad-hoc (as in the chapter by De Munck & Ferreras). However, in CA-applications with a wider scope, as they concern the well-being of all members of a society, authors like Sen, Nussbaum and others question the scientists' competence to select the relevant and valuable functionings. Sen, for example, ambiguously points to two alternative deciders: To the public on the one hand, and to the individual on the other. Although he places considerable emphasis on both points, they are not unproblematic for two reasons. First, it is not clear at all in which cases who of the two deciders would be responsible. Second, and more importantly, the enthronement of both deciders potentially runs counter the very logic of the (analytical) CA. I will briefly expand on the latter point.

Sen writes that for evaluating individual well-being states, the appropriate space is “that of the substantive freedoms – the capabilities – to choose a life *one has reason to value*.” (Sen 1999, p.74), emphasis added). However, promoting whatever the individual values runs counter his arguments for an objective measurement of well-being states. The analytical tools of the CA clearly are about objective measures (capabilities and functionings) in order to avoid the problem of adaptive preference formation (see above), and discard measures of subjective “utility” or subjective well-being (cf. Gasper 2007, p.343 f.). As Sen reintroduces the individuals' subjectivity as decider on what functionings are to be considered valuable, he runs into the danger of revising one of the main underlying points of his conceptual tools<sup>6</sup>.

6 Gasper asks “how can we specify equality not in terms of ability to achieve own well-being but in terms of ability to achieve one's goals? Quality in fulfilling one's ambitions? What of the person who has none, versus the person whose ambitions are immense? The approach has insisted that it is not restricted to basic capabilities alone, but

Sen's call for public deliberation is equally problematic, as it comes with a certain idealistic and idealising view of democracy, which does not take into account that democracies do not automatically counteract durable inequalities, or promote capabilities for all its members (cf. Dean 2009, p.270). In *Development as Freedom*, Sen consciously presents the following circular argument (Sen 1999, p.30 f.): On the one hand, the existence of democracy is considered important for achieving effective public deliberation about what shall be considered a valuable functioning. And on the other hand, Sen argues for considering democracy itself a valuable (instrumental) functioning. One could present the same issue in a slightly more critical light and ask: *if democracy is a functioning in itself (which is sought after and should be attained, but does not necessarily exist) – how can Sen presume democracy for finding out what valuable functionings are?* If the CA should potentially be of use to expose the lack of democratic participation, is it wise to take (imperfect!) democratic deliberation as the decider on what needs to be changed? Gasper correctly notes that “one of the approach’s relatively empty boxes is called democracy” (Gasper 2007, p.344).

## The CA in social policy analyses

The sheer diversity of normative reference points and definitions of valuable capabilities constitutes a problem for the theoretical unity of the approach. Certainly each of the CA-applications can claim a number of good reasons and supporting background theories (e.g. Responsibility, Development, Work-family-balance, etc.) why *their respective functioning(s)* should be considered valuable (e.g. choices for the unemployed, the existence of democratic institutions, options for caring instead of labour-market participation, etc.). But given the wide ranging diversity of definitions of valuable functionings, the question emerges: What holds all these different approaches together? What is their common denominator? I argue that the answer to this question crucially matters, as only if such a common denominator exists, the very use of the CA-terminology can be justified. Without, the whole CA would become a somewhat arbitrarily applied, complicated terminology used to paraphrase a diverse range of normative positions.

The common denominator, I argue, is to be found in the common analytical framework as outlined above. In turn, if it is the conscious deployment of the analytical dimension and the taking into account of its implications for the research questions and operationalisation which makes up the core of the CA, then applications of the CA need to make (more) *explicit* use of the analytical dimension. They need to clearly separate normative and analytical dimension, make explicit the *external* normative background justification for their choice of valuable functionings, and relate research question and operationalisation explicitly to the distinction of the five conceptual tools which is at the heart of the (analytical) CA. Otherwise they run into the danger of using the CA-terminology merely as an (unnecessarily) complicated paraphrase for their respective normative reference points.

Although the above made comment may sound obvious to some, my observation is, however, that a number of studies make only very scarcely reference to the analytical dimension of the CA and indeed use the CA-terminology merely to put forward a particular normative stance. My impression is that the crucial importance of the selection of valuable *functionings* in the first place is often somewhat downplayed. A common rhetoric is to present results or recommendations “from a capability perspective”, suggesting that the use of the CA itself would make certain conclusions necessary (although the findings depend as much on the chosen normative reference point). My contention about this rhetoric is that a necessarily normative selection process of relevant functionings is presented as a merely neutral process of scientific reasoning. To consider fulfilment through work, for example, as a valuable functioning may make perfectly sense. It is the author's

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concludes Pogge, in both principle and in practice 'What matters for capability theorists is each person's ability to promote typical or standard human ends – and not: each person's ability to promote his or her own particular ends'" (Gasper 2007, p.352) .

choice, however, to do so – and not an obvious choice from the perspective of the CA. On the contrary, I suggest that e.g. the contribution by Salais (2003) draws relatively little on the five conceptual tools of the CA and rather uses some of its terminology to put forward his own persuasion that work should be considered a utility, and that a specific type of work – fulfilling, qualified work – should be promoted. The CA terminology adds little value to the presentation of this persuasion. Similar remarks could be made about the contributions from de Munck & Ferreras (2004) (“learning capabilities” and “control capabilities”) or Bonvin and Farvaque (2006) (“voice”).

I agree with Zimmermann, who points to the relevance of the question “Under what conditions can the capability approach be more than a normative horizon for the sociologist?” (Zimmermann 2006, p.469). Drawing on the elaboration of the five conceptual tools above, I will recapitulate what the potential merits of an explicit use of the analytical dimension (and therefore of the CA at all) could be. Three points are especially noteworthy: First, the explicit mentioning of diversity of needs. Second, the perspective of alternative functionings and the question of choice. Third, a certain objectivist leaning.

### **The value added of the (analytical version of the) CA**

*Diversity of Needs and Individualisation.* The CA's stress on the distinction between commodities on the one hand and capabilities and functionings on the other is an explicit reminder that distribution of resources is not a good indicator for assessing individual well-being states (or policies directed at taking influence on them). People who are different will require different amount of resources in order to reach the same goal (regardless of how this goal is normatively derived). Policies directed at changing conversion factors equally should not be expected to be effective if they are designed in one-size-fits-all fashion. One could therefore argue that the CA, by upholding the stress on human diversity, provides the tools for investigating policies *in terms of individualisation*. The CA is not primarily interested in investigating the question of how much resources are directed at a particular individual, but rather whether the resources are directed appropriately, taking the needs of the individual adequately into account.<sup>7</sup>

*Alternative functionings and the question of choice.* The question of individualisation and diversity of needs is closely linked to the question for alternative functionings and respective choices between functionings. Not only may individuals require different amounts of resources and individually shaped conversion factors if they want to reach a predefined functioning. The distinction between functionings and capabilities leads us to ask whether there may be mutually exclusive functionings (which cannot, although potentially all part of a capability set, be realised at the same time). An example which is raised in the literature on work-life-balance are the (at least partly) mutually exclusive functionings labour-market participation and caring activities (cf. Lewis 2004; Hobson & Fahlén 2009). This then also raises the question of choice: Do individuals have *real* choices with regards to alternative functionings? The question of choice is not necessarily a normatively laden one: More choice is not necessarily better, and, for evaluatory CA-applications, an additional normative theory is needed to specify and justify which choices are desirable, and which choices are not.

*Objectivism.* Third, as already identified above, the CA is critical of measures of subjective well-being and suggests the measurement of capabilities and functionings instead. Capabilities and functionings need to be – at least for evaluative exercises – be identified with the help of an explicit normative theory. Although variously advanced by proponents of the CA, just relating the question of capabilities to what the respective individuals themselves value is problematic (as it

<sup>7</sup> In this sense, one could possible argue that the analytical dimension of the CA has an *implicit normative stance*: More individualisation is always better. However, this relates to the working of policies, and it doesn't substitute for an explicit definition of the functionings which policies should help access. The latter need an external normative reference point.

does not take into account adaptive preference formation, or, more general, the social constitution of agency) and violates the foundations of the CA.

In the remainder of this paragraph I lay out some ideas how a CA-application which takes the conceptual tools of the CA serious could look like. I relate especially to the two points *Diversity of Needs and Individualisation* and *Alternative functionings and the question of choice*.

### Generic formula for CA-analyses

Generally spoken, the CA can be applied for two different kinds of analyses: Investigating processes on the one hand, and investigating outcomes on the other hand. Both questions can be addressed either in a purely descriptive manner (without making reference to external normative theories), or in a more evaluative manner (which requires the definition of valuable functionings beforehand)<sup>8</sup>. Illustration 3 gives a schematic representation of the different options.

	<b>Descriptive Purpose (requires analytical dimension)</b>	<b>Evaluational Purpose (requires analytical and normative dimension)</b>
<b>Analysis of processes</b>	Output questions	Do the outputs translate into outcomes?
	<p>✗ Do policies take diversity of needs into consideration? Access to what kinds of (alternative) functionings do policies promote? How much choices do individuals have between alternative functionings? Are commodity-upgrades in tune with the conversion factors in place? Are policies individualised?</p>	<p>✗ Have policies promoted access to specific functionings?</p>
<b>Analysis of outcomes</b>	What are the capabilities or functionings of individuals – <i>capability definition I</i>	What are the capabilities or functionings of individuals – <i>capability definition II</i>
	<p>✗ What is the set of alternative n-tuples of functionings an individual does (or potentially can) attain?</p>	<p>✗ What is the range and quality of attained (or potentially attainable) <i>valued</i> functionings?</p>

*Illustration 3: Schematic representation of different possible CA-applications*

*Process questions.* Process questions trace the causes for outcomes such as functionings or capabilities. If the objective of the investigation is the evaluation of policies, process questions ask why a policy intervention has (not) been successful in terms of raising the functionings or the capability set of individuals. Within the framework presented above, there are two ways how to conceptualise policy intervention and its success or failure.

First, policy can be thought of as *raising the amount of commodities* an individual can dispose of. For example, making counselling or training available for the unemployed raises their commodity

<sup>8</sup> Note that the distinction between outcome- and process questions mirrors Alkire's distinction of *evaluative* (outcomes) and *prospective* analyses (processes) with the CA. (Alkire 2008). Evaluative analysis in Alkire's sense relates to what I call analysis of outcomes. According to the terminology used in this paper, both outcome and process-analyses can be either evaluative or or descriptive.

level. Whether this intervention is successful will depend primarily on two conditions: On the one hand, it depends on whether the additional commodities match the conversion factors in place, for example the structures of the labour market field. If the new skills are not sought after at the labour market, or if the labour market is generally contracted and not able to absorb new (and now: better qualified) labour, then such supply side policy may be doomed to fail despite good intentions. On the other hand, success or failure depend on how well the individual is assessed in terms of the needs and potentials for achieving certain functionings (or capabilities). If the assessment is bad, the commodity-upgrade is likely to be doomed as well.

Second, policy can also be thought of as *changing the conversion factors* in place. The stimulation of demand side factors in the labour market or the introduction of a National Minimum Wage are two examples where policy addresses directly the mechanisms which determine how individuals can transform their commodities into functionings or capabilities. Success or failure of this kind of policies, again, depends on whether the needs and potentials of the potential beneficiaries of the policy intervention are correctly assessed. Increasing demand for low skilled work may not serve the capabilities and functionings of the concerned individuals – given that one applies a more ambitious set of functionings which include not only “having a job”, but also “job quality”, etc. Whereas conversion factors often refer only to external constraints, one should also take into account how social structures are linked to internal limitations and how they form individual agency (cf. Zimmermann 2006, p.473 f.).

All these questions can, first, be addressed in a purely descriptive manner. The value added of the CA, then, is to ask whether the provision of state services is *individualised*, how much scope exists to take *diversity of needs* into consideration, to what kinds of (*alternative*) *functionings* access is being promoted, how much *choice* individuals have between those alternative functionings, and whether commodity-upgrades in tune with the conversion factors in place. All these questions relate, strictly speaking, to social and public policy *outputs*.

Second, by specifying a desirable *outcome* (in terms of functionings attained by individuals), processes can also be subjected to an evaluative analysis: Have certain measures actually promoted access to specific functionings?

The latter question requires the analysis of outcomes (which has been a goal of CA-applications in itself). The way how individual level outcomes are being addressed by the CA has already been touched upon. Basically two types of outcomes could be addressed: Actual outcomes (functionings) and choices for potential and alternative / mutually exclusive functionings (capability sets).

*Analysing functionings.* The emphasis on human diversity is at the root of the concept of functionings. If everybody would have the same opportunities to capitalise on the possession of a certain number of material items, one could instead stick with the concept of commodities. In practice, the measurement of functionings will distinguish itself from the measurement of commodities by using more refined or complex indicators: For example, investigating job satisfaction is likely to be more important in this context than investigating employment status only.

*Analysing capability sets.* The second type of individual level outcome assessment which can be accommodated by the conceptual tools of the CA is the evaluation of available choices, given a number of alternative functionings. This entails, strictly speaking, two questions: First of all, what kinds of alternative functionings are potentially attainable? (This question is at the level of a descriptive process analysis – outputs – but is a precondition for the following:.) Second: how much (real) choices do individuals have? Such analysis of capability sets allows investigating situations where the assessment in terms of functionings does not tell the whole story. To return to the work family balance example quoted above (see Lewis 2004): the investigation of capabilities rather than functionings would ask whether an individual who apparently achieves a high level of functionings – e.g. high job satisfaction through a good job – actually didn't have the capability to choose

temporarily retreat from the labour market in order to do care work (which could lead to an alternative vector of functionings). A number of obstacles can be thought of: the difficulty to re-enter the labour market after a period of absence, the financial constraints during the absence from the labour market, and so on. The investigation of individual human capabilities, therefore, adds another layer of questions to the evaluation of individual level outcomes.

## Conclusion

Quite fitting to the topic of this paper, Sen writes in “Development as Freedom”:

“There can be substantial debates on the particular functionings that should be included in the list of important achievements and the corresponding capabilities. This valuational issue is inescapable in an evaluative exercise of this kind, and one of the main merits of the capability approach is the need to address these judgemental questions in an explicit way, rather than hiding them in some implicit framework.” (Sen 1999, p.75)

However, as I tried to show, one may be doubtful whether the need to address these “judgemental questions” has indeed always been met. Although certainly most applications of the CA rely on an external normative reference point, often is it not clear what the normative theory behind it actually is. Disentangling analytical and normative dimension can help clarify this. Also, if the research question is phrased in relation to the five conceptual tools – the CA's analytical dimension – it can help show what the value added – and the very need for framing the analysis in the terminology of the CA.

As I have suggested in this paper, even a purely descriptive – non-evaluative – approach, which draws only on the analytical dimension of the CA, may create useful research questions. Such an approach would not require the specification of valuable functionings and therefore doesn't rely on the normative dimension at all (although the attention which it directs to the question of individualisation, e.g. in the analysis of employment services, could be called implicitly normative as well).

If the analytical dimension, however, is not spelled out properly and accompanied by a vaguely specified normative dimension, the CA will run into the danger of becoming a mere paraphrase for other (and, in the worst case, hidden) normative positions.

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