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# **Amartya Sen's capability approach and poverty analysis**

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## **Introduction**

The Capability Approach, developed and pioneered by the economist Amartya Sen, provides a conceptual framework for analysing well-being and a strong critique of existing traditions in welfare economics. The central tenet of the approach is that the appropriate 'space' in which to conceptualise and measure well-being is not in terms of primary goods or in utilities (whether in the form either of happiness or preferences) but rather in terms of a persons capabilities; that is, in the real freedoms that they have reason to value (1999: 74). While the development and initial application of the approach occurred in the fields of welfare economics and development, it is growing in popularity with academics from a wide range of disciplines. However, is the approach useful to those of us who are interested in social policy issues, and in particular to those interested in the conceptualisation and measurement of poverty, social exclusion and related issues? How great a departure does it entail from existing social policy traditions? Furthermore, do well-known problems with operationalisation render it of limited use for applied policy analysis?

This paper comprises four sections. The first will present an outline of the capability approach and its central concepts. The second will compare the approach to three existing traditions of social policy analysis (i) the income poverty tradition, the (ii) deprivation indicators tradition and (iii) the social exclusion approach. Third, the paper will consider the most contentious of the concepts within the CA itself – that of capability – and suggest a potential operationalisation that is both feasible and adequate for the requirements of social policy research. Finally, the paper will consider the conceptual ground covered by the capability approach and will briefly consider how this can be reconciled within social policy analysis.

## **Section 1: The Capability Approach**

*The central concepts: Functioning, Capabilities and Capability*

The primary concepts of the capability approach are functionings and capabilities. Sen's concept of functioning refers to the various things a person may succeed in 'doing or being' (1999: 75); that is, a person's achievements in terms of (primarily) objective well-being, while capabilities refer a person's real or substantive freedom to achieve such functionings

(1999: 73). Thus, functionings can be viewed as the various outcomes a person may achieve (being healthy, participating in social activities, and so forth), while capabilities refer to the real, as opposed to formal, opportunities to achieve these outcomes (the *ability* to be healthy, the *ability* to participate in society, and so on). The various capabilities a person may possess are components of their overall capability, which is conceived as a set which ‘reflects the alternative combinations of functionings the person can achieve, and from which he or she can choose one collection’ (1993: 31). Thus, while rarely drawn as a clear distinction in the literature, a person may be seen as possessing a range of capabilities (opportunities) which, combined, comprise their overall capability (Gasper, 1997). The distinction between functionings and capability is thus between ‘achievements on the one hand, and freedoms or valuable options from which one can choose on the other’ (Robeyns, 2005b: 95) and Sen views the process of development as a process of expanding the real freedoms that people enjoy (1999: 36). Despite the rather abstruse terminology, there is a clear link to a wider literature on outcomes and opportunities. For this reason, and to make this link salient, I will on occasion include ‘outcomes’ and ‘real opportunities’ in parentheses when discussing functionings and capabilities respectively.

In order to highlight the distinction that Sen makes between the capability approach and alternative approaches to well-being, it may be useful to draw further on the concepts of commodities and the characteristics. Any commodity is viewed as ‘possessing’ a range of characteristics. For example, food may offer the characteristic of nutrients; a car the characteristic of transport. Thus, ‘[S]ecuring amounts of these commodities gives the person command over the corresponding characteristics’ that the goods provide (Sen, 1987: 6). However, even if we know the commodities possessed by individuals, this does not tell us what individuals are able *to do* with these commodities; that is, the functionings that they are able to achieve because the rate at which individuals are able to convert these characteristics into functionings will vary due to differences in individual, social and environmental factors (1999: 70-72). For example, a fixed amount of food (nutrients) will provide different levels of functioning to a child compared to an adult. Furthermore, the functionings themselves may also result in utility, such as the enjoyment that a person may derive from cycling a bike (Sen, 1983). Given that our interest in commodities is of instrumental importance in comparison with the intrinsically important nature of functionings, it may be argued that to focus on commodities rather than on what they can allow us to do or be is succumb to ‘commodity fetishism’ (Sen, 1987: 18) while utility is deemed to be an inadequate measure due to its adaptive nature and limited relationship to objective well-being. Thus in the chain from commodities – characteristics – functioning – utility, Sen argues that ethical evaluation should be concerned with a person’s capabilities and functionings, which with the latter considered to be constitutive components of their well-being (1992: 39).

In conceptualising capability as a set of the alternative combinations of functioning a person is able to achieve, Sen’s concept is analogous to an opportunity set in the field of social choice theory. The vectors themselves contain only valuable functionings and the ability to exercise some choice is itself considered to have value. Thus, seen in this light, ‘the value of a set can be reduced when the number of elements is reduced (it is also determined

by having opportunities that are not chosen) but it could not be enhanced by an increase of trivial choices (see Sen, 1992: 63).’ (Comim, 2008: 165). Drawing on the notion of positive freedom, the concern is not merely with formal or legal freedoms but rests on the stress on the *real* or *substantive* freedom of people to live a life that they value. Thus, Sen argues that ‘[d]evelopment requires the removal of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or overactivity of repressive states (Sen, 1999: 3).

### *Operationalisation of the approach*

It seems almost duplicitous to discuss the capability approach, let alone in some way advocate it, without addressing issues that exist with regard to its operationalisation, which has become a major issue (some might say *the* major issue) for those working with the approach. Put simply, Sen has neither provided a list of capabilities and their respective weightings nor suggested the method by which this might occur, save that the choices involved should be explicit and should be subject to public participation and scrutiny. His decision to leave the approach ‘deliberately incomplete’ has been criticised by some who argue that he needs to provide such a list of important capabilities or, at least, greater guidance here (e.g. Nussbaum, 2000a,b). In addition to determining *which* capabilities we will be interested in, some authors have argued that it is not at all clear *how* capabilities can be measured directly (Comim, 2008; Krishnakumar, 2007), particularly due to the inclusion of hypothetical examples or non-chosen alternatives that the approach deems constitutive of an individual’s well-being (Lelli, 2008). Basu has suggested that Sen’s concepts are more complex and difficult to measure than he acknowledges (1987: 71). As regards the selection of capabilities, Sen has argued that ‘to have such a fixed list, emanating from pure theory, is to deny the possibility of fruitful public participation on what should be included and why’ (2006: 362) and that ‘pure theory cannot ‘freeze’ a list of capabilities for all societies for all time to come, irrespective of what the citizens come to understand and value’ (2006: 363). He has thus criticised the idea of the fixed list of central capabilities, or what he has described as ‘a giant mausoleum to one fixed and final list of capabilities’ (2006: 365).

## **Section 2: Relationship to social policy traditions**

Despite the use of new terminology, we may legitimately question the extent to which the approach differs from some existing traditions in Social Policy. This section will attempt to briefly highlight some differences between three traditions of social policy analysis: the income poverty approach, relative deprivation/deprivation indicators approach, and the social exclusion approach.

### *Relative income poverty tradition*

As part of his critique of using income as a measure of well-being, Sen has criticised standard income poverty measures for focussing on an instrumental variable rather than ends that are intrinsically important. This draws upon the notion of intrinsic ends and instrumental means

that is discussed by Aristotle in his *Nicomachean Ethics*: '[c]learly, then, things can be called good in two senses: some as good in their own right, and others as a means to secure these. Let us, then, separate the things that are good in themselves from those that are merely useful' (Aristotle, 1953: 11-12). However, in addition to this distinction, Sen has criticised a focus on income because the rate at which individuals will be able to convert a given amount of income into intrinsically important outcomes (functionings) will vary between of the different needs that individuals and groups have.

Furthermore, while there may be advantages in an income measure, including its relative simplicity and summary nature, such a measure is inherently unidimensional and cannot recognise the plural nature of well-being (and deprivation). Indeed, such a measure may be particularly poor at highlighting situations where some dimensions of deprivation intensify despite rising income or where little relationship is found between income and a particular dimension.

While traditional relative poverty lines (say, at 60% of median income) are genuinely relative and may provide information about a chosen standard over time, they have been criticised on the grounds that they do not relate to any concept of individual need (Gordon, *et al.*, 2000), but remain popular largely due to their simplicity (Ravillion, 1996) which may facilitate public discussion about the issues of inequality and poverty in the public domain more easily than more complex measures. The most common income poverty measure used in the social policy field is undoubtedly the headcount ratio,  $H$ , and Sen has been particularly critical of this measure, which he described as being 'obviously a very crude index' and has criticised for being 'completely insensitive to the distribution of income among the poor' (1976: 219). Indeed, there are many other widely appreciated problematic features of the headcount measure including that while it measures poverty elimination, it fails to register poverty alleviation in any way, and thus creates incentive effects for government to focus resources on the poor who are least in need (in order to bring them that short distance over the poverty line) (Zheng, 1997; Ravillion, 1996), though the simultaneous use of a number of poverty lines may provide greater understanding of the income distribution than relying on one poverty line in isolation.

Nonetheless, despite the variety of income income-based measures, the capability approach is clearly distinct from them all in terms of its recognition of the multidimensionality of well-being, focus on intrinsic ends rather than instrumental means, consideration of non-income influences on well-being and the effects of differing needs on the conversion rates from income to functionings (outcomes).

### *Deprivation indicators*

An alternative tradition of 'direct' measurement of poverty lies in the use of deprivation indicators. These typically include ask respondents whether they are unable to afford a range of consumer goods and activities that are either possessed by a majority of the population or are deemed necessities (e.g. Callan *et al.*, 1993) While there are broad similarities in the

deprivation items chosen by different authors and collected by major social surveys, there is less agreement about how to use such information to determine a poverty line, with a variety of approaches adopted (e.g. Townsend, 1979; Gordon *et al.*, 2000; Saunders and Adelman, 2006; Borooah, 2007; Whelan and Maitre, 2007; Whelan, 2007). An example of two deprivation questions from the EU Survey on Income and Living Conditions is as follows:

### **Deprivation questions from EU Survey on Income and Living Conditions**

Does the household have family or friends for a drink or a meal once a month?  
(If no, it is because the household can not afford to or is there another reason?)

Do the household members have hobbies or leisure activities?  
(If no, is it because the household can not afford to or is there another reason?)

Source: Central Statistics Office website (2009)

In terms of the question wording, we can see from the questions above that the indicators used go beyond merely asking whether such activities occur, but also to ask whether the reason for their non-occurrence is because of a lack of resources. This formulation follows the influential critique by David Piachaud of Peter Townsend's deprivation index, where he noted that preferences should not be conflated with poverty and that voluntary non-consumption or non-participation should be removed from our calculus (1981). It should be noted that this critique bears a close resemblance to Sen's distinction between functionings (outcomes) and capabilities (real opportunities). However, in most of our current social surveys the questions go beyond asking whether important activities occur, but stop short of focussing on all of the constraints that might prevent individuals from participating in them: rather, they focus on one particular constraint: that of resources. Other constraints such as disability, ill-health, discrimination, geographical isolation, *inter alia*, are simply not considered. Thus, in terms of activities, the result of the Piachaud critique has been to shift to something that may be seen as 'quasi-capabilities' rather than the broader concept of capabilities as outlined by Sen.

The question of whether we are interested in constraints of other kinds is a theoretical matter, and the first question that may arise is whether we would be interested in additional constraints at all. A second, and perhaps more searching question is whether, if we deem such constraints of interest, we would wish to include these in our definition of poverty, or whether we would want to draw on another concept in order to account for these.

Clearly, there are similarities between the capability approach and the deprivation indicators approach. However, some differences are worth noting. First, deprivation indicators typically include questions both of possession of commodities and participation in activities (beings or doings). These receive distinct treatment in the capability approach with only the latter deemed to be of intrinsic interest and the former requiring additional information before possession information can be converted into functioning information due to the varying conversion factor between income and commodities (inputs) and functionings (outcomes)

that people will face. I do not propose to explore this issue here. Second, the wider range of constraints on functioning that the approach would allow for, and indeed how these would be integrated requires further consideration of its conceptual implications, to which we shall return.

### *Social exclusion approach*

The concept of social exclusion has received substantial attention in recent years, typically as a concept distinct but allied to that of poverty. Indeed, its rise to political currency has been remarkable and used by, *inter alia*, the European Union and the UK government, which set up a dedicated Social Exclusion Unit in 1997. The concept (or at least the terminology) of social exclusion was first used by René Lenoir in France in the 1970s to identify those who were falling through France's insurance-based social security programmes. This included 'the mentally and physically handicapped, suicidal people, aged invalids, abused children, drug addicts, delinquents, single parents, multi-problem households, marginal, asocial persons, and other "social misfits"' (Silver, 1994: 532). While such categories may indeed include many vulnerable individuals, such a conceptualisation was derived from Republican ideology which stressed the importance of social cohesion, which was challenged by exclusion from such groups from this form of social provision (Evans, 1998). Seen in this way, exclusion is a result of a break down in solidarity, which must be rectified by 'integration' or 'insertion' (Silver, 1994: 541-2). Thus, it should be noted that the original understanding of the concept was not directly in terms of low individual well-being, but rather on the importance of cohesion and solidarity.

The social exclusion concept remains highly contested with the question of *exclusion from what?* generating a multiplicity of answers. For some, the concept implies exclusion from welfare institutions (see Room, 1995b: 243), the response to which is citizenship rights. For others, it allows a focus on inability to participate in society for a wider range of constraints then is usually considered in poverty research: it includes 'discrimination, chronic ill-health, geographical location, or cultural identification, for example' (Burchardt *et al.*, 2002a). For Berghman (1995), social exclusion is not an outcome at all, but rather a process, the outcome of which is deprivation, conventionally defined. Similarly, Paugam sees the process of exclusion as one of 'social disqualification' where deprivations multiply and one's relationship to social life and relations becomes increasingly tenuous (Silver, 1994) where the resulting exclusion may be irreversible.

Thus, one of the challenges in locating the social exclusion approach with respect to the capability approach is the extremely contested nature of the social exclusion concept (Silver, 1994; de Haan, 1998). Sen himself has argued that the approach can be seen as a subset of capability deprivation, with the concept focussing on the 'relational features in the deprivation of capability and thus in the experience of poverty' (Sen, 2000: 6). Thus, the question of *exclusion from what?* generates different answers depending on national tradition or political thought (de Haan, 1998: 17) and within individual traditions has been developed and broadened over time. There might be widespread agreement on the need to fight

exclusion, but ‘fighting exclusion means different things to different people’ (Silver, 1994: 544).

It is argued that a settled view of the concept is ultimately required if it is to be useful as an academic concept and not a mere rhetorical device. If ‘social exclusion’ means different things to different people (Silver, 1994; Evans, 1998), then there is a challenge in producing coherent academic debate and a danger that the concept is used for political purposes: for example, to obscure or deflect attention away from poverty or to valorise (paid) labour. The use of the discourse of social exclusion to deflect attention away from poverty has been noted by many authors (Room, 1995a; Berghman, 1995).

Room (1995b: 233-4) has suggested that the shift from (income) poverty to social exclusion entails a broadening of focus on three fronts. Firstly, it implies a shift from focussing on income/expenditure to multi-dimensional disadvantage. Second, it implies a shift from static outcomes to dynamic processes. Finally, there is a shift in focus from the household or the individual to the local community in terms of a spatial dimension. While these may indeed be *features* of a social exclusion approach, the extent to which they are, in fact, unique or real differences from a poverty perspective can be questioned (Burchardt *et al.*, 2002a) and the indeed the distinction between the social exclusion and poverty approaches is only substantial if one looks at the indirect measurement of (income) poverty (e.g. Room, 1995a).

In terms of what *is* agreed, there is widespread agreement that the concept is multi-dimensional, with a focus on exclusion in economic, political, cultural and social dimensions (Berghman, 1995; de Haan, 1998). It should be noted that rather than the exclusion perspective being inevitably broader or more comprehensive (Berghman, 1995) than the poverty perspective, if poverty is seen as the direct measurement of deprivation, social exclusion may, in fact, be narrower, if it is limited to exclusions that are ‘relational’ (e.g. Sen, 2000). In terms of the *causes* of exclusion, there is a widespread agreement that the approach includes a broader range of constraints than simply ‘lack of resources’ as is typical in poverty research (Evans, 1998; de Haan, 1998; Burchardt *et al.*, 2002a).

However, I argue, however, that what remains contested is the very core of the concept – what it is we want it *to do*. This, it is argued, is a more deep-seated problem. It is the very purpose and perspective of the approach that is at issue. There remain two distinct, albeit related, questions in my opinion which remain unanswered in the literature.

First, it is not clear whether social exclusion is an outcome or a process. While the idea that social exclusion can be seen in dynamic terms is often professed as an advantage, there is a distinction between adopting a dynamic perspective and an approach focussing on a process and it is useful to highlight this distinction. Room (1995b: 237) notes that ‘[i]t is not enough to count the numbers and describe the characteristics of the socially excluded; it is also necessary to understand and monitor the process of social exclusion and to identify the factors that can trigger entry or exit from situations of exclusion’. Here exclusion is presented as an outcome, and we are interested in a dynamic perspective in order to understand the

process of entry and exit to exclusion. It should be noted that this is not entirely distinct from research into the causes of poverty. However, elsewhere, he notes '[s]ocial exclusion is the process of becoming detached from the organisations and communities of which the society is composed and from the rights and obligations that they embody' (Room, 1995b: 243). However, these two scenarios are distinct. In the first we identify a group (the excluded) and, *ex post*, observe the risk factors that predict their exclusion. In the second, it is the risk factors themselves that are of interest, and we do not know (or even perhaps care) whether these did, in fact, result in the outcome in question for each individual. If exclusion is an outcome then a focus on the processes that leads to it is in no way unique to social exclusion research – such a focus can be, and indeed is, frequently employed in poverty research. However, if social exclusion is *not* an outcome, but rather *is* a process leading to deprivation (as Berghman, 1995 suggests), then we will need to be clear about this and distinguish risk factors from outcomes. Are we interested only in those for whom the process of 'social exclusion' leads to 'deprivation'? Or are we interested in all those who are suffering the process of social exclusion? These are distinct options and require greater consideration and clarification.

The second (related) question is *why* is social exclusion important and, if social exclusion is to be seen as a bad thing, who it is bad *for*. There seems to be broad agreement that social exclusion is a bad thing; however, there is insufficient agreement, I argue, about *who* social exclusion is bad for. Is it bad for the individual, preventing her to live as she would like, and thus related to her well-being? Or it is bad for society or the social fabric? This is, in my opinion, an important distinction. For example, Silver (1994: 534) notes that '[i]n terms of Durkheimian rhetoric, exclusion threatens society as a whole with the loss of collective values and the destruction of the social fabric'. Similar questions are pertinent when Room notes that exclusion may be seen in terms of outcomes such as inadequate social participation, lack of social integration and lack of power (Room, 1995b: 243). Here the question of voluntary social exclusion may be raised (see e.g. Barry, 2002); one which has important implications for how we understand the concept.

For all the advantages of the concept of social exclusion in terms of the potential additional terrain that it may cover, the multiplicity of understandings not just of the dimensions considered, but also of its normative underpinning, must be viewed as a weakness of the concept, as currently understood.

### **Section 3: The capability set and individual capabilities**

The essential distinction between the capability concept and the functioning concept, and indeed the rationale for the former, is in recognising the normative importance of opportunities and the requirement not to conflate choice with constraint. This is, in part, to acknowledge the role that choice plays in mediating the relationship between opportunity and outcome – two individuals who share the same real opportunities at any point in time may not display the same outcomes. Indeed, in many ways this is not new: a central plank of

Piachaud's (1981) critique of Townsend was the admonishment that poverty should not be conflated with preferences (more on this later).

However, while the concept of functioning has received widespread acceptance from the point of view of academics working with the capability approach, the capability concept is more contentious, with real questions about the extent to which it can be operationalised (Krishnakumar, 2007; Comim, 2008). In terms of measurement, the capability concept poses particular problems, because conceiving of a person's capability in terms of a set implies identifying and valuing not only the bundle of functionings that a person chooses, but also the other potential bundles that they did not. However, I wish to argue that Sen offers two distinctive conceptions of his capability concept: the first relates to individual capabilities, with the latter relating to a person's aggregate capability, which is conceived of in terms of a set.

There are a number of advantages of considering the conceptualisation of aggregate capability in terms of a set. First, it allows it not only to see the final functionings (outcomes) that they choose, but also the full range and extent of opportunities from which they are chosen. Sen has provided the related concept of 'refined functionings' to describe outcomes that take account of the available alternatives.

The second advantage of conceiving of capability as a set is that it allows us to understand the trade-offs that occur in achieving certain functionings. For example, this may allow us to understand the extent to which functioning in one area (say, being in full-time employment) cannot be achieved at the same time as others (being the primary carer for a child) and that these choices are made explicit. However, this presents a rather counter-intuitive situation – both options of paid employment and caring may be in a person's capability set, despite being mutually exclusive options. Thus, while the conceiving of capability in terms of a set makes such trade-offs explicit, we require more information than simply observing that an outcome is included in a capability set before we can judge the extent to which it is truly feasible.

This shift from functioning to capability is often discussed as if it is one movement. However, I argue that this is best seen as consisting of two. The first shifts from functionings to capabilities; that is, from individual outcomes to individual opportunities. In order to exclude situations where particular outcomes occur as a result of choice, we look not at whether a person has achieved a particular outcome but rather at whether they had the real freedom to do so. The second shift is from individual capabilities to a person's overall capability, or from individual opportunities to a person's aggregate opportunity. Thus, it is argued by the author that one can accept that capability represents the real freedom of a person to do or be something that they have reason to value without necessarily developing the concept as analogous to an opportunity set (as Sen does). It may be useful to consider from a poverty perspective whether either or both of the aforementioned shifts are justified, with some consideration given to the burden of measurement that they imply.

The shift from outcomes to opportunities is related to the Piachaud critique (1981) which criticised Townsend for conflating preferences with poverty. The importance of

distinguishing constraints and choice is an issue that Sen has also raised on many occasions. Given that the Piachaud critique has largely been accepted and indeed incorporated by subsequent surveys, it would seem that the principle of such a shift from (individual) functionings to (individual) capabilities is not entirely controversial. However, it must also be recognised that a such a shift from functionings to capabilities is not only limited to constraints involving a lack of resources, but all those that influence a person's real or substantive freedom to achieve certain outcomes. This is an important distinction, to which we will return.

In considering the shift from individual capabilities (outcomes) to a person's overall capability, we must question the value of unchosen opportunities and trade-offs in making our judgement. In terms of the former, it should first be recognised that conceiving of a person's capability as a set is to look at their outcomes and opportunities in a *positive* sense, by which I mean, to look at all of the things that they do achieve and all of those that they could have achieved.

First of all, in understanding poverty, it might be argued that we are not interested in high levels of functioning in particular dimensions or, indeed, in all dimensions (such as travelling around the world, say). This is akin to the 'focus axiom' in income poverty measurement in which we focus ignore the living standards of the rich. Thus, in direct measurement, we may be interested not all of things a person does do but, in a negative sense, in the needs that they are unable to meet. Such an approach is in no way unique (see e.g. Doyal and Gough, 1991). Thus, the extensive information that will be contained in the capability set may be considered redundant for our purposes.

The second consideration is the extent to which understanding trade-offs amongst important variables is deemed to occur. An example of this might be where a parent may choose to limit social participation in order to provide greater opportunities for their children. Such trade-offs are indeed of interest. However, it is by no means clear how they influence the valuation of a person's aggregate capability, so this advantage comes with non-trivial measurement problems.

Given this difficulty, and the lack of real advantage of in understanding the breadth of the capability set in terms of poverty research, it may be argued that the second shift from individual capabilities to a person's aggregate capability does not justify the burden of measurement that it implies. If understanding trade-offs amongst necessities are deemed to be an important advantage, it may be worthwhile considering them (either implicitly or explicitly) elsewhere rather than including them in the concept of the capability set.

### *Towards measuring capabilities*

One way that we may decide to gather information about a person's capabilities is via an extension of the deprivation indicators that are typically collected in many social surveys.

However, there remains considerable work to be done before such a process could be said to occur.

In terms of the ‘object of interest’ – that is, in the deprivations we are interested in – we may consider a broader range of deprivations than simply ‘material deprivation’ or ‘social exclusion’. This is not to suggest that anything can be included here – but a focus on capability deprivation would allow consideration of wider dimensions because it would not require anchoring these around notions of resources (in the case of many poverty indicators) or relational features of social life (in the case of social exclusion).

One of the central debates within the capability literature is *which* capabilities we are interested in – and in particular whether any capability list is to be determined by the individuals themselves (e.g. Alkire, 2002) or by others – for example, by an analyst or some form of social participation. Sen’s contention that we should focus on capabilities that we have ‘reason to value’ has only served to confuse in this area, and while this is a major issue with the approach as a whole (and is addressed by Goerne’s paper in this symposium), it is argued here that this debate must take a somewhat different direction when we are focussing specifically on *poverty* analysis.

This is because the variables used to distinguish the poor from the non-poor (or even, in a broader sense, the disadvantaged from the non-disadvantage) cannot be determined by the individual themselves (private jets and holidays in Mauritius for me; £10 to spend on a Saturday night for you). There are certain well-established methods of identifying ‘socially perceived necessities’ that we will need to consider in determining these capabilities rather than such decisions being left either to the individual on the one hand, or the analyst on the other making this decision. This is an important issue, but is not addressed further here. However, it should be noted that that a focus on wider capability deprivations would include the possibility of consideration of indicators relating to social need that were not particularly related to resources or relational deprivation. Thus, the breath of the concept of social need may be preserved.

In terms of the constraints of interest, the focus on real freedom implies a wider range of constraints and not focussing solely on ‘lack of resources’. For some, the ‘lack of resources’ condition is an important aspect of the poverty concept and wider constraints should not be considered. The argument here is not to take issue with this (particularly given that this is something of an accepted part of the poverty orthodoxy) but rather to argue for the importance of other constraints in our moral analysis. As Sen notes, ‘If our paramount interest is in the lives that people can lead – the freedom they have to lead minimally decent lives – then it cannot but be a mistake to concentrate exclusively only on one or other of the *means* to such freedom. We must look at impoverished lives, and not just at depleted wallets (Sen, 2000: 3).

I argue that what is required is a reconsideration of the relationship between poverty and well-being, thus clarifying the terrain of analysis before subsequently dividing this terrain amongst the various concepts.

#### **Section 4: The poverty concept and the capability approach**

By now it should be obvious that suggested method of measuring capabilities has a clear similarity with the existing direct measurement of poverty and use of deprivation indicators. However, it is also a broader notion both in terms of the ‘object of interest’ and the ‘conditions of interest’. There will undoubtedly be questions about whether this is ‘really’ poverty at all, and it is an answer to this question that I begin to sketch an answer to here.

In *Poverty and the United Kingdom*, Townsend’s deprivation indicators, as I understand them, were intended to examine the full range of conditions of living that were ‘customary, or are at least widely encouraged or approved, in the societies in which they belong’ (1979: 31). Indeed, this breadth was stressed by Townsend himself – in discussing the use of deprivation indicators to measure poverty, he noted that ‘[i]n principle, such a list might be developed, as I have suggested, from an exhaustive analysis of the amenities available to, and the customs or modes of living of, a majority of the population’ (1979: 251). While such an exhaustive list may always prove elusive, he notes that in terms of his own survey, ‘we sought only to ensure that all the major areas of personal, household and social life were represented in our questionnaire’ (1979: 251). The breadth of the sixty indicators measured is indeed impressive: six items of dietary deprivation, four of clothing, four relating to fuel and light, nine relating to household facilities, four to household conditions and amenities, twelve to conditions at work, five to health, one to education, five were environmental, four related to the family, two to recreational activities and four to social activities.

We are not told a great deal about the process of reducing these sixty into a more manageable index of twelve items other than it sought to focus on ‘those indicators which apply to the whole population’ (1979: 251) However, this process is of some interest, because the resulting index is in no way representative of the original breadth: four items of dietary deprivation, two each relating to the family, recreation and social deprivation (which, in fact, are remarkably similar and, with the exception of one item, relate to social activities with those outside the household), one item of household facilities (no refrigerator) and one of housing conditions (no sole use of WC, sink or wash basin, bath or shower and cooker). Not a single item from the categories of conditions at work, health, education, environmental deprivation, fuel and light and clothing are included in the summary deprivation index.

My intention with the aforementioned discussion is not to criticise the selection (parsimony is always required) but rather to demonstrate that poverty, and the original direct measurement of poverty in particular, did begin from a broad notion of that concept and situate it within wider considerations of well-being and need.

Furthermore, in terms of the conditions in which we are interested in deprivation, Piachaud's influential critique of Townsend (1981) led to a shift in the terms in which we understand deprivation, following his observation that doing without some of the items of the deprivation index might be 'as much to do with tastes as with poverty' (1981: 420). Indeed, in attempting to draw a distinction between deprivation by choice and by constraint, he was making a similar distinction between the functioning and capability concepts provided by Sen. However, the result of Piachaud's critique was not just to remove preferences by focussing where this occurred due to constraint, but rather to focus on one constraint in particular: that of a lack of resources. While this makes sense in terms of the importance of resources for the concept of poverty, for activities at least – it created a false dichotomy between those who did not engage in certain activities because they could not afford them and those who did not engage in said activities because they did not want to. The other potential reasons for non-participation that we have noted (disability, discrimination, etc) were subsequently overlooked. Nonetheless, the dichotomy was seen to fulfil its purpose in terms of the definition of poverty adopted. In terms of social exclusion, where additional constraints beyond a 'lack of resources' might be considered, this was at times recognised. The authors of the *Poverty and Social Exclusion in Britain* report noting:

'It is important to note that factors other than price may also result in effective exclusion from services and activities. Those with limiting long-standing illness or disability were asked about difficulties in accessing services'. (Gordon *et al.*, 2000: 60)

Indeed, the results of Poverty and Social Exclusion survey itself demonstrated these exclusions. Eighteen (18) percent of respondents reported 'lack of time due to childcare responsibilities' as preventing them from common social activities. Similarly, fourteen (14) percent were prevented by being too old, ill sick or disabled, six (6) percent by having no-one to go out with and five (5) percent due to having no vehicle or because of poor public transport (Gordon *et al.*, 2000: 62).

However, the importance of 'resources' to the poverty concept influenced not just the 'condition of interest' (lack of resources) but also the 'object of interest' (the indicators themselves). The authors of the *Breadline Britain* survey argued that not only was poverty to be understood as a condition of an 'enforced lack of socially perceived necessities' (Mack and Lansley, 1985: 44), but this consideration would influence not just the constraint being considered but also the object of analysis. Given the addition of this condition to the poverty concept, they noted that:

'The critical role of lack of resources to the concept of poverty also has wider implications, because it determines which aspects of our way of life should be included in a minimum standard of living aimed at measuring poverty. We decided that only those aspects of life facilitated by access to money should be tested in the *Breadline Britain* survey'. (Mack and Lansley, 1985: 44)

Thus, the decision to apply the ‘lack of resources’ constraint influenced not just the constraint side of the equation, but also the objects of interest in terms of the deprivation indicators themselves. My purpose here is not to question the way in which the poverty concept has been developed and refined, but rather to question what it means for our broader analysis.

I would like to propose that if activities are considered to be necessities, a lack of resources is not the sole constraint that we may be interested in. This is not to question the central role that lack of resources plays in our conception of poverty, but rather that other constraints deserve recognition and that our field of study should not be entirely defined (and ultimately truncated) by the poverty concept. While the Piachaud critique sought to remove preferences from the equation, it is in my view simply incongruous to suggest that something is a serious moral concern if one is doing without it because she is constrained by her lack of resources but of little or no concern at all if as a result of other constraints. Thus, while a lack of resources may well be the most important impediment to participating in social activities, it is by no means the only one, and it is argued that these additional constraints deserve (more!) recognition.

Furthermore, I would suggest that we should not limit our understanding of ‘socially perceived necessities’ to deprivations that are particularly amenable to changes in income. These may be of particular interest to the poverty concept itself, but may also have the effect of limiting our understanding of need and wider deprivations.

#### *The additional conceptual space*

Clearly, then, a capability approach to poverty analysis requires some additional conceptual space not provided for by the poverty concept, traditionally defined. It might be asked whether the capability approach measures something altogether broader in nature than poverty, per se, and we may thus question whether it has anything to offer poverty analysis (Lister, 2004). I do not disagree that the capability approach does indeed take a broader focus than much existing poverty analysis. However, I do not believe that this requires us to jettison our existing concepts in favour of some radically new concept of poverty.

What I believe a capability approach to poverty analysis would entail is identifying a *terrain of analysis* that is broader than the boundaries of the poverty concept. While this may seem a somewhat odd distinction, it is one that should be familiar to us given the addition of the allied concept of social exclusion to that of poverty in many recent studies. On the assumption that there is, in fact, a distinction between these concepts, this implies the notion that the boundary of one of the concept is not equivalent to what I describe as the ‘terrain of analysis’. Thus, there is nothing terribly unique about the idea of suggestion consideration of additional terrain, per se.

In some ways, this distinction relates to the origin and purpose of the respective approaches. The initial exposition of the capability approach was in response to the ‘equality of what?’ debate, where the central question was which informational space we should be focussing on in our moral analysis and our considerations of equality. Such a focus on an ‘informational space’ perhaps renders it more suitable to questions of ‘terrain’ (what should we be looking at?) rather than understanding one concept (what is poverty?). Sen’s conceptual writings are used to develop a conception of well-being (and its inverse) – or at least a conception of well-being that would be suitable for social policy analysis – and the moral ‘terrain’ or ‘space’ under consideration is deduced from this. There may be a subsequent step which includes dividing the conceptual territory of analysis up between the relevant concepts – as Sen himself suggests when discussed the potential of viewing the social exclusion approach as a subset of the capability approach.

Conversely, the approach that poverty analysis has taken has often been rather different. This has been something of a search for the meaning of that concept (the question of ‘what is poverty?’) and then attempt to operationalise and quantify whatever definition we agree on. In this approach, an initial decision is made that poverty is an important social problem worthy of analysis in order to understand its causes and to make recommendations for policies to eliminate same. The approach is largely an investigation of what poverty *is* (the implication being that we know that we are interested in it, regardless of what it is) and the concept is redefined as knowledge in the field accumulates. My contention is not that such developments are illegitimate (far from it), but rather that our analysis need not necessarily follow the boundaries of one concept in any uniform way. Thus, the two approaches that I have sketched here are in no way conflicting and can, indeed, be reconciled. The question of how this might occur is beyond the scope of this paper, but is, I believe, an important area for further work.

## **Conclusion**

It is argued that there are possibilities for a capability approach to poverty analysis within the field of social policy. These are in identifying a ‘terrain of analysis’ and in linking the concept of poverty to wider notions of social need and well-being. A capability approach to poverty analysis need not be seen as an attempt to tear up existing concepts or to deny the importance of poverty, but rather as an attempt to locate existing concepts within a broader framework of moral analysis within social policy.

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