



Sen's "Capabilities" Approach

Amartya Sen:

1998 Noble Laureate in
Economics

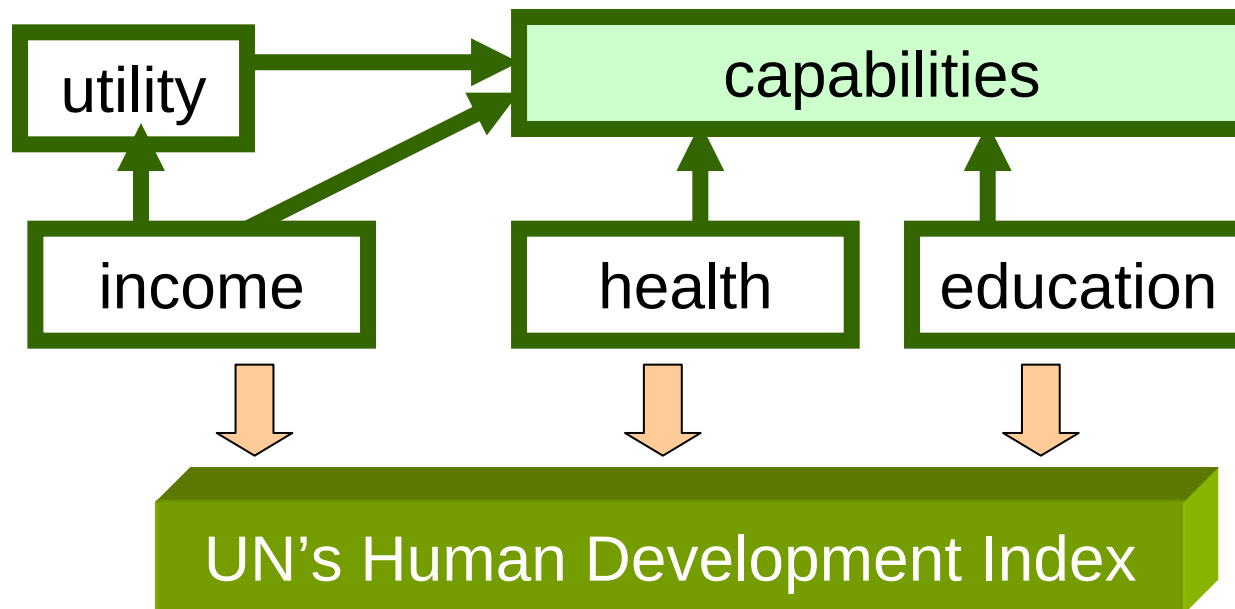
"Development has to be more concerned with enhancing the lives we lead and the freedoms we enjoy"

Capability to function

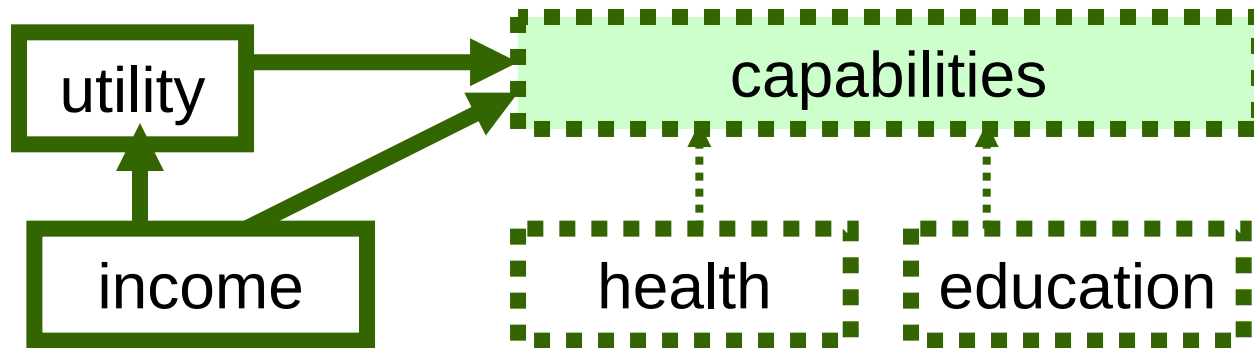
Amartya Sen

- **Income and wealth are not ends, but means to other goals.**
- **Poverty cannot be properly measured by income or utility**
- **Capability = what a person is, or can be, and does**

Development



Growth without development



**A person's
valuation**

- **Capabilities ?**
- **Social relationship ?**
- **Following religious value ?**

Three Core Values of Development

- **Sustenance**
- **Self-esteem**
- **Freedom**

1. Sustenance

- **Ability to meet basic needs**
- **Food, shelter, health, protection**
- **Economic development** (by leading to availability of basic needs) is a necessary condition for the **development** (improvement in the quality of life)
- **Economic development`:** income growth, greater employment, lessening income inequalities

2. Self-esteem

- **To be a person**
- **A sense of worth and self-respect, of not being-used as a tool by others**
- **Modernizing values** of developed nations, **LDCs** have had a profound sense of **their own worth** **suffer** from serious **cultural confusion** when they come in contact with economically and technologically **advanced societies**.
- This is because **national prosperity** has become an almost universal **measure of worth**. Material values, economic wealth and technological power → **developed**

Freedom

- **Human freedom: To be able to choose**
- **“The advantage of economic growth is not that wealth increases happiness, but that it increases the range of human choice”**

W. Arthur Lewis (1963)
- **Economic freedom, political freedom, equality of opportunity → human freedom index**