

Development as Freedom

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- Development can be seen as a process of expanding the freedoms that people enjoy.
- If freedom is what development is about then it makes sense to concentrate on that rather than on some of the means or instruments of achieving it.
- This approach contrasts with others such as identifying development with the growth of GNP, rise in personal incomes, or with industrialisation, technological advance, or social modernisation.
- These are all important but are means and not ends.

- Freedoms depend also on other determinants e.g. social and economic arrangements (e.g. education and health facilities), political and civil rights
- Freedoms are not only the primary ends of development, they are also among its principal means.

The perspective of freedom

- The usefulness of wealth lies in the things it allows us to do – the substantive freedoms it helps us to achieve.
- This relation is neither exclusive (there are other influences on us than wealth) nor uniform (since the impact of wealth on our lives varies with other influences).

Poverty and inequality

- Income deprivations and capability deprivations often appear correlated
- But the connections are not that tight, and the departures are often more important from a policy point of view
- If we shift our attention from income to capability deprivation we can better understand the poverty of human lives

Markets and Freedoms

- There are two arguments in favour of the market mechanism, and they need to be separated out.
 1. People have a right to undertake transactions and exchange. Restricting this is a direct reduction in freedom.
 2. Markets typically work to expand income and wealth and economic opportunities and so restricting market mechanisms leads to a reduction in freedoms as a result.
- The discipline of economics has moved away from focusing on the value of freedoms to that of utilities, incomes and wealth.

Markets and Freedoms

- Participation is central here.
- Economic development of a nation may lead to loss of traditions and cultural heritage. Others may say it is better to be rich and happy than impoverished and traditional.
- But where is the source of authority and legitimacy – it is a choice the people involved have to face and assess

The ends and the means of development

- Two general attitudes to the process of development
 1. It is a fierce process with much blood sweat and tears, where wisdom demands toughness, and a calculated neglect of 'soft-headed' concerns such as social safety nets, social services, 'too early' political rights, civil rights and the luxury of democracy.
 2. It is a friendly process exemplified by such things as mutually beneficial exchanges (Adam Smith), social safety nets, political liberties, social development etc .

This book supports the latter, seeing freedom as both the primary end and the principal means of development

The ends and the means of development

- “Is political participation and dissent conducive to development?”
 - development includes that freedom of political participation.
- So freedom is intrinsic and instrumental to development.
- Different kinds of freedom interrelate with one another, and freedom of one type may greatly help in advancing freedom of other types

Instrumental Freedoms

- **Political freedoms**

- i.e. Civil rights – the opportunities people have to determine who should govern and on what principles, the possibility to scrutinise and criticise authorities, freedom of political expression and uncensored press, choose between political parties etc

- **Economic facilities**

- i.e. utilization of resources for consumption, production, exchange. Availability and access to finance important here

- **Social opportunities**

- i.e. arrangements society makes for education, health care etc – to help people to live better – this helps them to participate in economic and political activities as well as being a good thing in its own right

Instrumental Freedoms (cont.)

- **Transparency guarantees**
 - i.e. openness & freedom to deal with one another, guarantees of disclosure
- **Protective security**
 - to prevent people on the verge of vulnerability from succumbing to deprivation – e.g. fixed institutional arrangements such as unemployment benefits, and ad hoc arrangements such as famine relief

Interconnections and complementarity

Freedoms are linked together and can strengthen one another.

- i.e. political freedoms (free speech, elections) promote economic security
- i.e. social freedoms (education, health facilities) promote economic participation

China-India contrast

- Both making efforts to move towards a more open and internationally active market economy – India since 1979, China since 1991.
- China previously very sceptical about markets but very pro education and health care. so literate population.
- India had a half-illiterate population and neglect of basic health care for a large proportion of its population.
- China lacks political freedoms – and that is manifest in lack of flexibility of economic policy –leading to famine – the largest in recorded history (30m in the wake of the Great Leap Forward 1958-61).
- India has not had a famine since independence – the protective power of democracy

- African Americans are more wealthy than people in much poorer regions such as China, Kerala and Sri Lanka, Jamaica , Costa Rica.
- But their life expectancy is shorter.
- The causal influences on these contrasts include social arrangements and community relations such as medical coverage, public health care, school education, law and order, prevalence of violence etc

Growth mediated social arrangements

- On the basis of intercountry comparisons it is possible to say that life expectancy is correlated with GNP per head, but this relationship works through the impact of GNP on
 - 1. the incomes specifically of the poor
 - 2. public expenditure on health care
- Indeed if these two variables are included on their own little extra explanation is obtained by adding gnp per head

- Countries with high economic growth – contrast between a. those with success in raising length and quality of life (S.Korea and Taiwan) and b. those with less success (Brazil)
- For economies with success in raising length and quality of life the contrast between a. those with great success in high economic growth (S>Korea and Taiwan) and b. those without much success in high economic growth (Sri Lanka, pre reform China, Indian state of Kerala).
- Here this is not growth led but support led – through education, health care and other social arrangements.

- Utilitarian approaches must focus on utilities only – i.e. pleasure or happiness or satisfaction (mental achievements)
- Libertarianism assesses situation through info on compliance with certain rules of liberty and propriety

Capabilities Approaches

- These approaches are based on the idea that certain capabilities (or functions) are central to human lives and distinctively make us human.
- These approaches involve developing lists of human capabilities and creating social, political, economic, legal, and moral conditions for people to develop and exercise the capabilities.

Distributive Justice

What ought to be distributed are:

1. Elementary functions: “doings” and “beings” such as having access to adequate food and shelter that can be secured by personal liberty, income, and wealth.
2. Complex functions: “doings” and “beings” such as having self-respect and being able to take part in political communities that depend on factors independent of possessing resources.

Capabilities Approaches

- For Sen, a person who cannot exercise elementary and complex functions falls short of living a decent human life;
- Capabilities approaches are based on hybrids of equality and sufficiency
- Capabilities approaches distribute opportunities to exercise what it fundamentally means to be human (central functions or capabilities).
- Political and economic institutions ought to facilitate and/or provide opportunities for people to exercise functions

Importance of democracy

- Political rights makes it more likely that there will be a policy response to economic needs and that the conceptualisation (including comprehension) of economic needs may need the exercise of these rights.
- A proper understanding of what economic needs are requires discussion, debate, criticism, interchange