Abstract

This study answers the question of “How can we better cope with the crisis in economic justice?” by applying Amartya Sen’s capability approach. The main theme in Sen’s work is the importance of developing human capability. He focused his attention more on people and less on goods. What was important is what people were able to do rather than what people could buy with their income. Economics should be about developing the “capabilities” of people by increasing the options available to them.

In Sen’s theoretical world, functioning is an achievement, whereas a capability is the ability to achieve. So functionings are more directly related to living conditions, since they are different aspects of living conditions. Capabilities, in contrast, are notions of freedom, in the positive sense: what real opportunities you have regarding the life you may lead. This capability perspective enhances the understanding of the nature and causes of poverty and deprivation by shifting our attention from means to ends that people have reason to pursue, and to the freedoms to be able to satisfy these ends.

This leads us to a new definition of development: provision of more positive freedoms to people. Capability refers to the alternative combinations of functionings from which a person can choose, and thus the notion of capability is essentially one of freedom – the range of options a person has in deciding what kind of a life to lead. In other words, capabilities are notions of freedom: what real opportunities you have regarding the life you may lead. If provided with sufficient social opportunities, individuals can effectively shape their own life and help each other. People need not and should not be seen as mere passive recipients of the benefits of development programs. In capability approach, there is a strong rationale for recognizing the positive role of free and sustainable agency. So from the capability approach, the goal of education is much broader than just developing the skills that can help to enhance economic growth.

Education matters in terms of the processes of critical reflection and also with respect to the connection with others that are intrinsically ethical. And most of all, capability approach maintains that education is important not because of the utility it produces now, but because of the different kind of person that one becomes when one is educated.

[Keywords] Crisis, Economic Justice, Amartya Sen, Capability Approach, Freedom, Republic of Korea

1. Introduction

As Korean economy finds nowhere its solution to aggravating economic recession, rapidly increasing number of people are thrown into economic difficulties. As we use the term ‘poverty’ in our daily lives as well as in scholarly contexts, it is signified and measured with monetary unit. This article is based on the critique of this mainstream approach to poverty, and other welfare economic concepts such as inequality and development. What exactly are poverty, inequality, and development? How can they be better defined and understood?

This is what this study tries to explore. Specifically, this study answers the question of...
“How can we better conceive of the concepts of poverty, inequality, and development?” by applying Amartya Sen’s capability approach.

2. Sen and Capability Approach

Amartya Sen is one of the greatest economists alive as of today[1]. As a Nobel Prize-winning economist and political philosopher, Sen is an influential contributor to identifying, detailing, and campaigning for the ‘capability approach.’ The capability approach is based on a critique of the other approaches to human well-being in mainstream welfare economics and political philosophy, which are preoccupied with commodities and a monetary standard of living. The capability approach challenges elements of these formulations and entails a consideration of evaluation, policy, and action that have had considerable impact on welfare economics, development theory, and many other fields of study such as education.

The main theme in Sen’s work is the importance of developing human capability. He focused his attention more on people and less on goods[2]. What was important is what people were able to do rather than what people could buy with their income. Economics should be about developing the “capabilities” of people by increasing the options available to them. To have a good sense of what his thoughts and theories regarding capability approach means, understanding on his concept of basic needs and entitlements will be an appropriate point to begin with.

2.1. Basic needs and entitlements

In his earliest challenges to utilitarian economics, he adopted the ‘basic needs’ perspective. This approach, pioneered by development economist Paul Streeten, draws attention to the kind of life people must live when their fundamental needs are failed to meet[3]. Thus it emphasizes the notion that people have to meet fundamental needs to achieve well-being. In other words: without food, people will starve; without healthcare and clean water, they will die young; without adequate shelter and clothing, life will be brutish; without satisfying these basic needs, people cannot lead a recognizably human life[2].

This basic needs approach proclaims that per capita income is neither useful nor desirable because it goes blind regarding distribution. Raising the incomes of poor people is never sufficient to increase the welfare. What matters is whether these incomes can and will be used to gain basic necessities. From basic needs approach, everyone should have “access” to the goods and services to satisfy their basic needs. This is the origin of the concept “basic entitlement”. Entitlement is defined as “the set of alternative commodity bundles that a person can command in a society using the totality of rights and opportunities that he or she faces”[4]. It needs to be noted that this is a descriptive rather than a normative concept, and that entitlements derive from legal rights rather than morality or human rights.

So, a person’s “entitlement set” is the full range of goods and services that he or she can acquire by converting his or her “endowments” – assets and resources including labor power – through “exchange entitlement mappings”. In Poverty and Famine, the entitlement approach describes all legal sources of food, which Sen reduces to four categories: Production-based entitlement(growing food), trade-based entitlement(buying food), own-labor entitlement(working for food) and inheritance and transfer entitlement[4].

Figure 1. E-mapping.

2.2. Functionings and capabilities

Sen focuses on what is of intrinsic value in life, rather than on the goods that provide instrumental value or utility. Therefore Sen’s capabilities comprise what a person is able to do or able to be: the ability to be well nourished, to avoid escapable morbidity or mortality, to read and write and communicate, to take part in the life of the community, to appear in public without shame[5]. Basic needs that we discussed above constitute part of
this, but capabilities refer to a broader space. To understand this capability approach, the notion of functioning and capability is crucial.

The concept of “functionings,” reflects the various things a person may value doing or being. The valued functionings may vary from elementary ones, such as being adequately nourished and being free from avoidable disease, to very complex activities or personal states, such as being able to take part in the life of the community and having self-respect. Then a person’s “capability” refers to the alternative combinations of these functionings that are ‘possible’ for her to achieve. Therefore in a sense, we can say that capability is a kind of freedom. It is an actual freedom to achieve alternative functioning combinations or a freedom to achieve various lifestyles. Sen gives an example of an affluent person who fasts and a poor person who are forced to starve[6]. The rich person may have the same functioning achievement in terms of eating or nourishment with the poor person. But the former does have a different “capability set” than the latter, so a greater freedom. In other words, the former can choose between to eat well and to fast, but the latter has no options but to starve.

The amount or the extent of each functioning actually achieved by a person can be expressed in a real number. Then a person’s actual achievement can be seen as functioning vector. The “capability set” would be composed of these alternative functioning vectors from which the person can choose. Thus it can be said in other words that the combination of a person’s functionings reflects her actual achievements, and the capability set represents the freedom to achieve: the alternative functioning combinations from which the person can choose. In short, a functioning is an achievement, whereas a capability is the ability to achieve. So functionings are more directly related to living conditions, since they are different aspects of living conditions. Capabilities, in contrast, are notions of freedom, in the positive sense: what real opportunities you have regarding the life you may lead[7].

What Sen claims is that a person’s well-being must be evaluated in the light of a form of assessment of the functionings achieved by that person[8]. And capability to achieve functionings reflects the person’s real opportunities or freedom of choice between possible lifestyles[9]. So this capability set – the number of options that people have, and their freedom to choose among these options – significantly influences the human well-being[5].

3. Reexamining Poverty, Inequality, and Development

Capabilities that a person has is the substantive freedoms he or she enjoys to lead the kind of life he or she has reason to value[10]. In this perspective, therefore, poverty must be seen as the deprivation of basic capabilities rather than merely as lowness of incomes, the standard criterion of identifying poverty. But it is also important to know that this capability approach to poverty does not deny that low income is one of the major causes of poverty. Instead, lowness of income can be a principal reason for a person’s capability deprivation, and therefore, inadequate income is a strong predisposing condition for an impoverished life.

3.1. From lowness of income to capability deprivation

However, it is also obvious that Sen claims in favor of his capability approach to poverty over the income approach. He suggests a few reasons for his approval of capability approach[10]. First, poverty can be sensibly identified in terms of capability deprivation: the approach concentrates on deprivations that are intrinsically important. Second, there are influences on capability deprivation and thus on real poverty-other than lowness of income. Third, the instrumental relation between low income and low capability is variable between different communities and even between different families and different individuals. So the impact of income on capabilities is contingent and conditional. Therefore, the reduction of income poverty alone cannot be the ultimate solution to end poverty. There is a danger in seeing poverty as a mere income deprivation, and then justifying investment in education, health care and so
forth on the ground that they are good means to the end of reducing income poverty.

This capability perspective enhances the understanding of the nature and causes of poverty and deprivation by shifting our attention from means to ends that people have reason to pursue, and to the freedoms to be able to satisfy these ends. From this approach, deprivations are seen at a more fundamental level, which is closer to the demands of social justice. Therefore, capability approach encourages us to understand poverty in terms of lives people can actually lead and the freedoms they actually have. Also, the enhancement of human capabilities goes with an expansion of productivities and earning power. This connection establishes an important linkage through which capability improvement helps to enrich human lives and to make human deprivations more rare and less acute.

The concept of poverty cannot be detached from that of inequality. Sen is also reexamining the issue of inequality in his book ‘Inequality reexamined’. The overemphasis on income inequality contributed to the neglect of other ways of seeing inequality, to the neglect of deprivations that relate to other variables, such as unemployment, ill health, lack of education, and social exclusion. However, despite the crucial role of incomes in the advantages enjoyed by different persons, the relationship between income and individual achievements and freedoms is neither constant nor in any sense automatic and irresistible. Different types of contingencies lead to systematic variations in the “conversion” of incomes into the distinct “functionings” we can achieve, and that affects the lifestyles we can enjoy.

We can deepen our understanding about capability poverty and inequality by employing Sen’s own explanation on unemployment [10]. If income loss were all that were involved in unemployment, then that loss could be to a great extent erased-for the individuals involved-by income support. If, however, unemployment has other serious effects on the lives of the individuals, causing deprivation of other kinds, then the amelioration through income support would be to that extent limited. There is plenty of evidence that unemployment has many far-reaching effects other than loss of income, including psychological harm, loss of work motivation, skill and self-confidence, increase in ailments and morbidity, disruption of family relations and social life, hardening of social exclusion and accentuation of racial tensions and gender asymmetries.

3.2. From economic growth to development as freedom

The capabilities approach leads to fundamental changes within the field of economic development. It has helped change the development paradigm from promoting economic growth to promoting human well-being. Growth means producing more things regardless of what happens to the people producing and consuming these goods. On the contrary, according to Sen[11], human well-being involves “expanding the capabilities of people.” And from the capability approach, development occurs when people can do more things, not when they buy more things (Pressman & Summerfield, 2000). In other words, economic development is equivalent to the expansion of people’s capabilities, or easily put, more people can do more things than before. For example, when more people can read, more people can participate in democratic decision making, more people are educated, and more people can live longer than before, it can be called as ‘development’. Therefore the goal of economic development is converted from monetary growth to the expansion of individual choices or opportunities[12].

This leads us to a new definition of development: provision of more positive freedoms to people[12]. As is mentioned, capability refers to the alternative combinations of functionings from which a person can choose, and thus the notion of capability is essentially one of freedom – the range of options a person has in deciding what kind of a life to lead[13]. In other words, capabilities are notions of freedom: what real opportunities you have regarding the life you may lead[7]. But we need to be cautious in understanding freedom used here: It need to be understood not
in a negative sense, but in a positive sense. It is a ‘freedom to do something’, not a ‘freedom from something’. Positive freedom is a good in its own right: being free to choose how to live one’s own life is one of the good things of life. Thus freedom is one of the dimensions of well-being[14]. Therefore, from the capability approach, development can be seen as a process of expanding the real freedoms that people enjoy.

Focusing on human freedoms contrasts with narrower views of development, such as identifying development with the growth of gross national product, or with the rise in personal incomes, or with industrialization, or with technological advance, or with social modernization[10].

4. Educational Implication of Capability Approach

From a capability approach, education ‘focuses on the ability of human beings to lead lives they have reason to value and to enhance the substantive choices they have’[9]. Education contributes to the expansion of valuable capabilities. And this is made possible because the person benefits from education ‘in reading, communicating, arguing, in being able to choose in a more informed way, in being taken more seriously by others and so on’[6].

Education has an empowering and distributive role in facilitating the ability of disadvantaged, marginalized and excluded groups to organize politically since, without education, these groups would be unable to gain access to centers of power and make a case for redistribution to begin with. Indeed, education has redistributive effects between social groups, households and within families[8]. Overall, education has an interpersonal impact because people are able to use the benefits of education to help others as well as themselves and can therefore contribute to democratic freedoms and the overall good of society as a whole. In short, education in the capability approach is an unqualified good for human development freedom[15].

By emphasizing education as a way of enabling people to live more freely and fully, the approach still makes a significant contribution to the field of education. Namely, it stresses the importance of the ability to exercise critical reasoning about their lives and the societies in which they live. In two recent works, Sen emphasizes the importance of education that specifically encourages critical reflection, the ability to debate, public reasoning and the inclusion of traditionally excluded voices[16]. What is important in education is not just developing particular skills that have economic value, but the reflective capacities that would lead to examined lives.

Here, we can find a potential link of capability approach to citizenship education. Martha Nussbaum is one of the most well-known scholars in this conceptualization. Nussbaum argues that education is crucial to the health of democracy itself[16][17]. She criticizes an education narrowly focused on science and technology at the expense of the arts and humanities. Following Sen, Nussbaum emphasizes the role of education in forming the student’s critical and imaginative capacities. She points out the importance not just of marshalling facts, but of understanding the worlds of others and critically reflecting on the appearances of things, including one’s own experience.

Nussbaum also emphasizes a compassion for people in other cultures, implying the role of education in expanding the notion of social justice beyond national boundaries[17]. By shedding lights on the important content for higher education, she argues how it can help to develop global understanding, critical perspectives on one’s own society and the capacity to see the world with the eyes of others. This is a particular attention to the complexities of cultural discussion and the educational processes that result from it.

If provided with sufficient social opportunities, individuals can effectively shape their own life and help each other. People need not and should not be seen as mere passive recipients of the benefits of development programs. In capability approach, there is a strong rationale for recognizing the positive role of free and sustainable agency. So from
the capability approach, the goal of education is much broader than just developing the skills that can help to enhance economic growth. Education matters in terms of the processes of critical reflection and also with respect to the connection with others that are intrinsically ethical. And most of all, capability approach maintains that education is important not because of the utility it produces now, but because of the different kind of person that one becomes when one is educated. Education expands the horizons of life opportunities and possibilities of us.

5. References

5.1. Journal articles


5.2. Books


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