

**DEVELOPMENT THEORIES AND DEVELOPMENT
AS SOCIAL CAPABILITY EXPANSION**

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Resumen

A reasonable social objective of some impartial observer could be providing people the possibility to achieve a better life. Achieving a better life depends, in its turn, on the personal living conditions. Hence, offering the best distribution of conditions from a set of possible distributions could be considered the mainstay of Development Theory. Experts on development rank the possible social states that a society could reach following different principles. These principles depend on different criteria of what a good life is, as well as on different principles of Justice. We will see three scenarios where the rankings of social states have been generally set. Linked to the third scenario, we offer a ranking, which considers that a good life is a ‘full human life’. We interpret living a full human life as the capability for self-sufficiency, self-respect and agency. These three capabilities may be in conflict, so that, we treat them lexicographically. Last but not least, this ranking supports the principle of equal opportunity for accessing a better life as a principle of justice.

1. Introduction.

Whatever people’s ideas of well-living are, rational human beings design their plans of life in order to achieve those ideas. Experts on development try to make easier the life in the regions of the world. One experts’ decision could be providing people the possibility to carry out their plans of life. However, this may not be an adequate end of development. What a person considers is ‘good’ for her life may depend on factors out of her own responsibility. For example, these ideas may depend on their living conditions.

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What people have learnt from experience has a considerable bearing on the way people understand life in general. And the way that people understand life is often an important input for the generation of the ideas of good. If somebody lives in terrible poverty, and everybody around lives in similar conditions, she will probably accept this life as a good one.

If certain basic real freedoms are not guaranteed, people could maintain ideas of good different to those that they would have if those freedoms would have been provided. This is one of the main reasons why we believe people are not always responsible of their ideas of good. Personal beliefs are so easily influenced by living conditions that they should not be an input of information neither for the application of distributive justice theories nor for the development ones. Even more, it is well known that preferences are sometimes manipulable, i.e. individuals not always have incentives to tell the truth.

A reasonable social objective ought to be providing people the possibility to achieve a better life, according to some impartial observer's idea of good. We will take one classical idea of what an impartial observer is, the one based on the 'veil of ignorance' assumption¹, also named 'the original position'. People do not know which position they will have in the society. In this situation, they choose (a finite number of) principles, by which society will be ruled. All things considered, there would be no reason to accept that the 'impartial observer' is not responsible for her beliefs and to accept that she will not declare her real beliefs.

Nevertheless, an important question is whether there are any dimensions, also named resources of information or informational bases, on which the features of good life should be set. Some of these dimensions have been proposed in several fields of thought, such as Economics and Philosophy. The common approaches to analyse the kind of life someone lives take three dimensions (or sets of them): the dimension of utility, the set of dimensions referred to resources and, nowadays, the set of dimensions referred to functionings. Next, some of the main features of these three dimensions or sets of dimensions are summarised.

Assuming utility quanta (word borrowed from Cohen (1993:9)) as a measure of utility, someone's life could be measured by a quantity of quanta. This quantity would show how a person's desire has been fulfilled or how happy she is or how her life is ranked according to her preferences, all depending on the utility definition we used. Therefore, an impartial observer would conclude that good lives are those linked to high quantities of utility

¹See Harsanyi (1953), Rawls (1971), Dworkin (1981).

quanta. The impartial observer would also conclude that life improves when there are gains in quanta.

Rawls, in his Theory of Justice, maintains a different approach and makes use of several dimensions to measure the quality of life. They are primary social goods dimensions, and can be summarised in five classes of dimensions: 'rights', 'liberties', 'opportunities', 'powers', and of 'income and wealth'. The life that someone can live depends on the access that she has to a certain set of primary goods. A measure of her access to these goods reveals the quality of life that she can achieved. Then, following these principles an impartial observer would conclude that life improves when the access to those primary goods is broadened.

Amartya Sen, going beyond Rawls' approach, proposes another multidimensional approach in order to analyse the quality of life. Instead of goods, he chooses as dimensions existential features of life, what he calls 'doings and beings'. These existential features, such as being well nourished, being disease-free, are generally called 'functionings'. The life that someone can lead depends not only on the access that she has to a certain set of primary goods, but on what she can do and be using those goods (the combinations of functionings that she can achieve using the goods). For instance, Sen uses as an example, a diseased person can not absorb as many nutrients as a healthy one from the same primary goods set. Consequently, life could be seen as a combination of functionings achieved. Under this approach, an impartial observer would conclude that a good life would be linked to a certain minimal set of functionings, and the way of improving life would be adding valuable functionings.

2. Development Theories: the Application of some Theories of Justice.

A plausible objective of an impartial observer could be that of enabling people to achieve a better. Achieving a better life depends, in its turn, on the personal living conditions. Hence, offering the best distribution of circumstances from a set of possible distributions ("social states" in the following) in order to enable people to achieve a better life can be considered the essence of Development Theory.

Actually, societies are continually going from a social state to another. Policy makers modify or even accelerate the step to another social state, designing adequate development strategies with that aim. All around the world people hope with some degree of certainty, that their policy makers

will take the view of an impartial observer when they decide to go to another social state.

Even if we assume that the policy maker acts as an impartial observer and that she has chosen the dimension to rank ideas of good life, the policy maker would still have to choose a rule in order to compile the information on how people can live in each social state. Thousands of people lead thousands of lifestyles in thousands different conditions. Trying to have full information over the different people conditions is an impossible mission in great part of the world. This is one of the reasons why a social state is often summarised taking into account only the information of a unique ‘representative person’ in the society. For example, sometimes the conditions of the ‘average’ person is considered or, in other cases, the information of the worse situated person is what is taken into account.

Now, the impartial observer, according to her ranking of life styles, and taking the representative person conditions on each social state (whatever representative is for her), will be able to rank different possible social states. After having defined the social states ranking, she should delve into Economic Theory to decide the best way of going from a social state to another (a strategy of development). This is not our concern in this work, we will concentrate on the design of rankings. Actually, the final output of this work is a proposal of a particular ranking social states.

There are at least two areas in Economics where experts propose rankings of social states. These two areas are the area of Justice and the area of Welfare. These rankings have some influence on the design of development rankings. In some sense, it could be said that Development is the topic which delves into human welfare and social justice. We assume, and I will show it through three examples, that aims and strategies of development are linked to the evolution of welfare and justice notions.

2.1. On the Utility Dimension: a Theory of Development based on the Need to Achieve an Industrial Social State.

The roots of the Welfare Theory come from a scenario settled on the dimension of utility. The welfare achieved by people can be measured by utility quanta, whatever the definition of utility is: just as desires satisfied, as preference or as happiness.

It was easily accepted that more money allows people to have more utility quanta and, therefore, to achieve more welfare. *An inquiry into the Nature and Causes of the Wealth of Nations* by Adam Smith (1776) was one of the first researches that treated on how to improve life in the regions.

At the end of eighteenth century, the goodness of life was related to the capability to consume. It was generally assumed that there are a resemblance between welfare and wealth (opulence). Maybe this general feeling made Smith write about wealth, one of the several means to improve life in regions. This is not to deny in any way that he was aware of the fact that wealth is only a mean for achieving welfare. This is more to say that his writings are a fundamental mainstay for the opulence-based criterion for judging development programmes. This criterion assumes that countries do better on development when their real incomes per head grow faster.

In his inquiry, Adam Smith maintains that a nation will be better or worse supplied 'with all the necessities and conveniences of life' according to the proportion between the income, which is produced by productive work, and 'the number of those who are consume of it', (p.1). Indeed, life of regions can improve when either productive workforce or productivity grow. In this sense, it was possible to approach the welfare enjoyed by a region only by inquiring how many people must live given a certain amount of wealth that productive workforce has accumulated.

Some of Smith's concerns are nowadays alive with the same essence; in fact , they have been somehow adapted. For example, nowadays one of the main concerns is related to the question of whether actual workforce will be able or not to support those who do not work. A second intuition that it is today alive as well is that regions offer more chances for a good life if they are wealthier. Actually, Gross National Income (GNI) is the indicator for classifying regions in the research works made by international organisations, such as World Bank and United Nations. For example, World Bank (2003:245) says that: 'GNI per capita in U.S dollars to classify economies for analytical purposes and to determine borrowing eligibility'.

Taking into account a resemblance between welfare and opulence, in the early 60s, experts on development delved into the best way of increasing the opulence of the region. Technological advances were assumed to be one of the main instruments for getting the wealth growth. Technological knowledge was, indeed, supposed to be a necessary condition for getting a spread of welfare. It was thought that countries had to invest in technology in order to get a better social state.

The lack of technological advances was supposed to be one of the reasons for backwardness of some regions of the world. In the words of Nurkse (1953): 'in all [poorer countries in the world today] their poverty is (...) attributable to some extent to the lack of adequate capital equipment'. At the same time, Buchanan (1964) addressed that, hopefully, poor countries would have a critical importance in the next years for the world affairs. He assumed that

‘its muted or passive role in world affairs has been due to its technological backwardness, and to the colonial control’. Poor countries could get over their backwardness, once both questions were overcome. Furthermore, he maintains that although people are often technologically underdeveloped in these areas, they are ‘capable of acquiring all the skills and the techniques to build great cities, convert bushland into farmland, to convert matter into energy’.

Considering the significance that capital and technology have for development, Lewis (1955) warns policy makers about wasting capital. According to Lewis, an adequate structure is necessary in order to use capital, in otherwise capital will be wasted in the region (p.219)². Following this idea, Rostow (1959) emphasises the necessity of living a previous stage, before introducing large amounts of technological advances. In this stage, the society in the region would adapt. In his words: ‘it is [necessary] a massive set of preconditions going to the heart of a society’s economic organisation and its effective scale of values’. Rostow warns industrial revolution economists about the importance of preparing the society ‘to respond actively to new possibilities’.

The introduction of technological knowledge and capital was one of the most important pushes for the regional industrialisation. Moreover, the results, which came from the first industrial revolution, showed the world that industrial regions became the richest regions too. For this reason, industrialisation process comes to be the first strategy for development. In this sense, Rosenstein-Rodan (1943) maintains that industrialisation brings about a boost of economy.

In fact, there are different ways of industrialisation. And, during the first half of the twentieth century, economics of development were occupied on designing different strategies for industrialisation; this is why it is called economics of industrial revolution. Rosenstein-Rodan, Scitowsky, Nurkse and Hirschman, on the one hand, and the structuralist line on the other, proposed the main industrialisation thesis. From the first point of view, the best way to achieve industrialisation is by means of the international market institution. Market was considered the adequate institution for achieving regional industrialisation. However, they accepted the help of government intervention. This support should target strategically the national and international investment. Differences among authors come from the way in which they consider that government’s behaviour ought to be. From the second point of view, it would better to achieve industrialisation on its own, and not through the market or by international investment. United Nations

²page from Spanish edition: *Teoría del desarrollo económico*, Fondo de Cultura Económica, México (1958)

Economic Commission for Latin America (CEPAL) and Raúl Prebisch especially, played a fundamental role in the origins of this line. During the Havana Conference celebrated in 1947, it was said that countries should produce what they were importing. Only governments should control the industrialisation process.

In short, during the first half of the twentieth century, the thesis that industrialisation and capital accumulation improve life in regions was accepted. Also, the following ideas were accepted by all of them, the most suitable strategy is that which gets the highest growth of wealth. The Gross National Income (GNI) per capita was chosen as a natural index of the evolution of wealth.

Some researches into the growth of GNI per capita were published during the 80s. They shared the same conclusions. In terms of product growth and stability of industries, market strategies do better than no-market strategies³. We can consider that these kinds of results made the CEPAL, at least, reconsider their early arguments for protection and advised market strategies in what followed. As a consequence, many countries changed their strategies, and they left market protection in order to have free market participation.

Jagdish Bhagwati (1999) expresses his feeling about free traders having won the war against the protectionist. Speaking in a broad sense, it could be said that, 'except for a few diehards, few today oppose free trade'. Nevertheless, Bhagwati (1996,1999) declares that we are living an 'ironic reversal'. Protectionist countries have become free trader countries today. At the same time and in the rich countries, it seems that a feeling against free trade and other forms of globalisation is raising. The ironic reversal comes from the fact that countries with less trade protection are those that opted against free trade in the past, and the countries with high trade protection are those that opted for free trade in the past. Two clear examples are the European Union policies to protect the agricultural products (CAP) and the United States Farm Bill.

2.2. On the Primary Goods Dimension: a Theory of Development based on the Need of Meeting Human Needs.

Drèze and Sen (2002:34) write: 'when development economics emerged as a distinct field of study, the subject had the appearance of being a bastard child of growth economics'. As we have noted, an idea was baked during the

³For a deep research on this topic, see Chenery, et. Alt. (1986:358) and World Bank (1987).

first half of the twentieth century: the ranking of social states was based on the income that they offer to the representative individual in the society, which is supposed to be the average person. This idea has a fair justification. In box n. one, we have compiled some results about longevity, premature mortality and illiteracy from World Bank's (2003) data. According to the data, obviously, high-income countries show better results than low-income countries on average.

| Box 1 Regions | GNI p.capita PPP*,2001 | Life expectancy rate at birth, years 2002 |
|-------------------------|--|--|
| Low Income | 2,040 | 59 |
| Low and Middle Income | 3,930 | 64 |
| Middle Income | 5,710 | 69 |
| High Income | 27,680 | 78 |
| Regions | Under-5 mortality rate per 1000 people,2000 | Adult illiteracy rate of people 15 and above,2000 |
| Low Income | 115 | 37 |
| Low and Middle Income | 85 | 25 |
| Middle Income | 39 | 14 |
| High Income | 7 | ... |

*Note: *Purchasing power parity in USA dollars*

Source: data from the World Bank (2003)

It seems clearly that it is better having more income than less. However is it clear that grow income implies an improvement in terms of quality of life?

Remembering Lewis' warning, an adequate structure is needed to use capital in order to avoid a capital waste. The same idea could be addressed for wealth. A waste of wealth could easily happen in a socially handicapped country, in which there was an overwhelming illiteracy and an extreme social inequality, for example. In any case, the expression 'waste of wealth' can be interpreted in different ways, we will interpret it as an increasing in the wealth without improving the representative individual living conditions.

Coming back to our example of a socially handicapped country, it is needless to say that everybody might not participate of an income per head expansion. It could even happen that the representative person does not participate of it. The growth of income per head does not guarantee everybody to be well nourished, disease-free or not having her life expectancy increased. According to the World Development Report 2003, gross domestic product

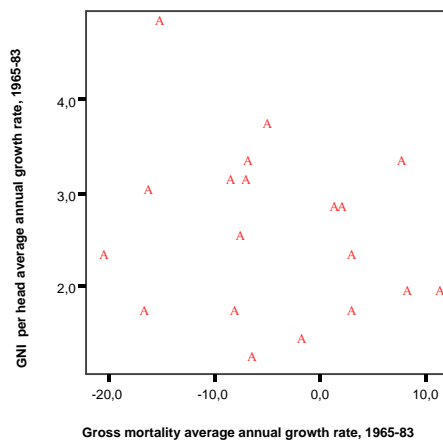
(GDP) average annual growth rate was 7.5 per cent between 1990 and 2001 in Mozambique (p.239)⁴. Let us note that the ‘average annual population growth rate’ was 2.2 per cent for the same period (p.235). However, the medium inhabitant enjoys less hospital beds per 1000 people than in 1980, according to the 2002 World Development Indicators, (p.103). At the same time, her access to primary education decreased. The World Development Indicators show that the net primary enrolment ratio decreased from 47 per cent in 1990 to 41 per cent in 1998 in Mozambique, (p.22).

The lack of correlation between the income growth and the longevity growth is displayed in the following graphs.

Graphic .1.

Income growth-mortality decrease

Industrialised regions with market economies

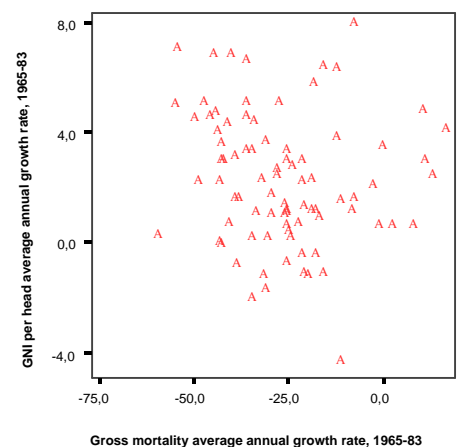


Note: data for 19 regions
Source: data from the World Bank (1985:199)

Graphic .2.

Income growth-mortality decrease

Rest of the world



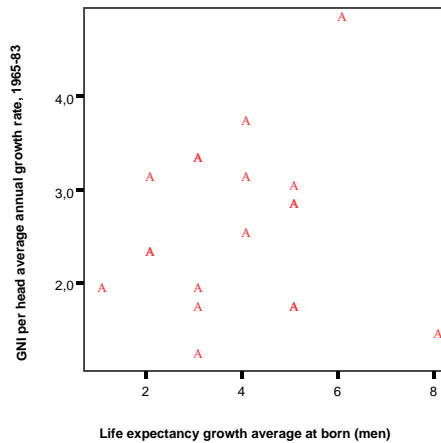
Note: data for 100 regions
Resorce: data from the World Bank (1985:198-9)

⁴ According to the World Development Report 2003, ‘GDP average annual growth rate is calculated from constant price GDP data in local currency’, (p.22).

Graphic .3.

**Income growth-
life expectancy increase
(men)**

Industrialised regions
with market economies

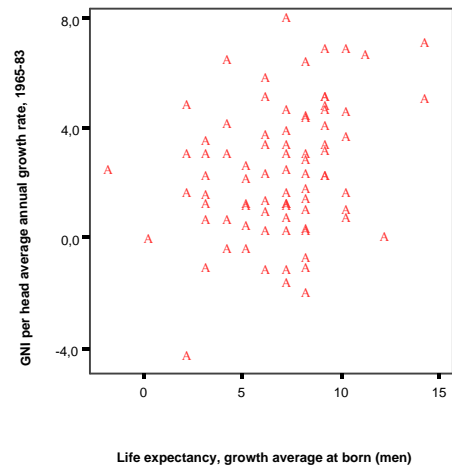


Note: data for 19 regions
Resources: data from the World Bank (1985:243)

Graphic .4.

**Income Growth-
life expectancy increase
(men)**

Rest of the world



Note: data for 100 regions
Resources: data from the World Bank (1985:242-3)

The first and second graphs show the relationship between Gross National Income (GNI)⁵ per head average annual growth rate (from 1965 to 1983) and gross mortality average annual growth rate for the same period. In the third and fourth, the relationship between the GNI per head average annual growth (from 1965 to 1983) and the growth of the life expectancy at born for the same period is displayed. Graphs n. one and three refer to industrialised countries with market economies. Graphs n. two and four refer to the rest of the regions of the world.

Let us note that the data used belong to the World Development Report 1985. In this report, the World Bank warns about the problems and mistakes that these data could have. Hence, we will only use them as an indication of the true relation. Just with these data only, we cannot conclude that there exists a relationship between the variables that we analyse.

The assumption that growth and development go together could cause serious problems for the aim of improving people's conditions. The problems come from the fact that they do not share the same target. The target of

⁵Gross National Income (GNI) was called Gross National Product (GNP) before the World Development Report 2002. World Bank replaced this name in order to fit with the name used by the 1993 System of National Accounts (SNA), without any modification in the meaning.

development is to offer a better life, whereas the target of growth is to offer more wealth. Even though people generally lead their lives in better conditions in richer countries, there are not enough reasons to ensure that income growth usually spreads the conditions that are generally accepted as good for living.

As we have noted, in socially handicapped countries, not everybody might participate of an income per head expansion. Buchanan (1964) shows the following example. 'Malaya's per capita income was dollars U.S. 275 in 1957, which was among the highest in Asia. The country's wealth, however, is highly concentrated in the hands of a relatively small and in part non-resident group', (p.21). For these reasons, and in order to achieve a structural change, policy makers often introduce, among others, some distributive income policies. The distribution of income is frequently done through the expansion of the access to some services, such as medical services, education and security. This recognition does not entail that improvements in the quality of life cannot be realised through market forces. What this recognition entails is that there are some circumstances which could require the government intervention in order to avoid a waste of wealth, even if that wealth has been produced through market forces.

Summing up, mixing the notions of development and income growth may have the perverse effect of worsening of the general conditions of living. This problem is shared by all the one-dimension approaches because while a feature of the life conditions improves, another can get worse.

One of the steps in multidimensional approaches comes from the desire of giving an increasing importance to the social features of the living conditions. Although the importance of social features could be in the first development economists' minds, it can be said that these features conformed mainlines for development strategies just after 1969. During the Society for International Development (SID) World Conference celebrated that year, it was promoted the need of ensuring the capability for meeting human needs.

At the same time, the International Labour Organisation (ILO) was trying to boost the basic human needs theory. It consists on defending that can talk about regional development when people are better supplied in terms of nutrition, access to an improved water source, basic education, primary medical facilities and in terms of access to employment. Later on time, the World Bank advised that people's health (1994), work (1996) and knowledge (1996) should be taken into account.

Each of these human needs can be seen as an informational dimension. They form the scenario where the impartial observer will decide the ranking of the possible social states. All in all, it seems that there is an agreement

on the way of going from one social state to another. For doing well on development, poverty, inequality and unemployment should be reduced. It seems that policy makers wish rules of development based on some social principles of Justice.

John Rawls, in his Theory of Justice, maintained that a society which acts according to general social justice principles, should provide people with the broadest access to the primary social goods. Providing primary goods goes beyond the meeting of the quoted human needs. Primary social goods are income and wealth, but they are also rights, liberties, opportunities and powers. Hence, primary social goods are basic necessary means for achieving whatever people's rational plans. 'With more of these goods men can generally be assured of greater success in carrying out their intentions and in advancing their ends, whatever these end maybe' (p.92).

Rawls mentions that primary social good dimensions could be summarised in only one, using an index of them. Again, an index can conceal important information that the primary goods could have given. An analysis of the information that they provide makes policy maker easier the role of finding where the lack of the society is. It may be that a handicapped society lacks of only one primary good, but, may be an important one.

Of course, Rawls' proposal distinguishes between rights and liberties and the rest of primary goods. An index could be done for goods with similar social importance, but liberties have priority over that index in order to agree a ranking for the social states.

Moreover, in Rawls' theory, the multidimensional approach comes together with choosing the worse situated person in the society as the representative one. The underlying idea is the consideration of the need of universal access to the primary social goods, or to certain goods needed for meeting human needs, such as an employment, a minimum income or primary medical facilities.

2.3. On the Functionings Dimensions: a Theory of Development based on the Human Need of Freedom.

Even in the beginnings of Development Theory, the importance of freedom was present in the economists' minds. For example, one of Lewis' motivations for writing his *Theory of Economic Growth* is the expansion of freedom for choosing the own life. Lewis wonders about the desirability of income growth in the appendix. In his opinion, one of the main advantages of growth comes up from the expansion of freedom of choice. Growth of income will increase 'the range of human choice', that is their freedom

(p.420). Maybe income is not a source of happiness; however, income ‘gives man greater control over his environment’.

But, does income growth really spread the range of human choice? Even though the growth of income allows society to promote social services, have more free time and reach another necessities and conveniences of life, it does not usually expand some other freedoms, such as political freedoms. Depending on circumstances, it might be that they were dismissed as even Lewis admits.

Clearly, it is difficult to imagine a sustainable process of increasing the freedom of choice in a context of political and civil rights reduction. The income growth does not necessarily entail the expansion of democracy’s principles. And quoting Sen’s clear words (1999:52) ‘the rulers have the incentive to listen to what people want if they have to face their criticism’. The way of ensuring that people can make rulers face their criticism is to guarantee political and social rights (especially those related to the guarantee of open discussion, debate, criticism, and dissent). It may be that income growth increase the set of things that can be done. But an expansion in the range of human choice makes sense, indeed, when that expansion allows people to achieve what they have reasons for wanting to have in an easier way.

Given that freedom is so important for human beings, Sen often wonders why not focusing on the expansion of freedom instead of on one or a set of means for the spread of freedom. We have seen that income can grow while political freedoms decrease. In the same way, having the possibility of meeting human needs⁶ does not entail having political freedoms guaranteed. We could have a lack of real freedom in a region where basic needs are met: a dictatorship where everybody were told what to do or be. For the design of an approach where freedoms are the mainstays, Sen has researched into people’s ‘agency freedom’. He wonders about the real freedom that a person has to be an agent; that is, to act according to the ideas of the good that she has reasons to promote.

The agency joined by an individual can be approached delving into her capability for having access to valuable existential features (doings and beings). These features are named functionings in Sen’s terminology as we noted in the introduction. An expansion in the personal agency can bring about not only an expansion in the freedom that a person has to achieve well being⁷, but it also generates an expansion in the personal responsibility over

⁶We refer to ILO’s human needs definition and not Rawls’ primary social good notion which included liberties.

⁷Let us take into account that it is also possible that an expansion in the agency freedom does not cause an expansion in well being. Well being is referred to how well

the own beliefs of good. Real freedoms allow people to gain responsibility over their own ideas.

Consider that quality of life improves when people gain responsibility over their lives (over their own ideas of good and also over their plans of life chosen). In this case, an improvement of the quality of life could be provoked by a modification in the person's living conditions. Her living conditions would have less influence on making up her ideas of good and also on her choices. This point is also maintained by Marx. One of the features of Marx's ideal state consists on 'replacing the domination of circumstances and chance over individuals by the domination of individuals over circumstances', (1846:190).

All in all, assuming that quality of life improves due to gains in responsibility, agency freedom expansion could be seen as one of the objectives of development. Agency freedom expansion, among others, can be achieved due to the expansion on the set of achievable combinations of functionings. Sen names this set individual capabilities. Needless to say, Sen's proposal consists on the expansion of the achievable combinations of functionings, the capabilities expansion.⁸

3. Three Capabilities of a Full Human Life and three Conditions for Ranking Social States.

We add two small contributions to the capabilities expansion line of thought. On the one hand, we define three abilities that an impartial observer would demand for characterising a full human life in the functionings dimension. They are the capability for self-sufficiency, the capability for self-respect and the capability for agency. On the other hand, we propose a way of ranking social states based on the capability that people have to live a full human life in them. The ranking is also based on equal opportunity principles of Justice.

The first contribution has been explored in a previous paper [Echávarri (2003)]. In this paper, we assumed that a full human life could be portrayed through the access to three abilities: the capability for being self sufficient (self-sufficiency), the capability for being self respected (self-respect) and the capability for being an agent (agency).

someone feels. Being an agent could make someone do or be something, which could decrease her happiness, her pleasure, even her freedom to choose a personally more valued option. This happens when someone acquires the freedom to accept a compromise which decreases her freedom to choose other preferred option.

⁸Let's see. among other works, Sen 1984a, 1984b, 1988, 1990, 1999

When human beings suffer a lack of self-sufficiency, they can not get the necessities and conveniences of life. They can only live in abject poverty, they suffer from, for example, a lack in meeting either material needs (food, dress) or immaterial needs (health, education). In situations like this, individuals can not choose their plans of life. This reason makes them no responsible over their plans of life. But even more, individuals sometimes can be no responsible over their ideas of good life either. John Stuart Mill (1859:130) wrote about the human need of choice for acquiring some human skills like perception, judgement, discernment, mental activity and moral preference. They are necessary skills for assuming the responsibility over the own beliefs.

Hence, it is a reasonable assumption that, for acquiring the responsibility over ideas of good life and for leading a full human life, people should be guaranteed self-sufficiency. In other words, people should be guaranteed capability for avoiding living in absolute poverty.

International organisations have established some criteria to evaluate when people live outside the absolute income poverty range, which is a particular area in the absolute poverty. They choose a particular poverty line, set at 1 dollar a day ⁹ as the income with which people should have access to live outside the absolute income poverty range.

Adam Smith referred to the relevance of not only surviving, but also living with dignity. Quoting Smith (1776),

‘by necessities I understand, not only the commodities which are indispensably necessary for the support of life, by whatever the custom of the country renders it indecent for creditable people, even of the lowest order, to be without’ (p.399 of the book V).

The food leftovers or the clothes leftovers of some families could allow other families survival. Nevertheless, for leading dignity lives, the access to the market, the capability for acquiring those necessities of life by themselves and not only from charity, are needed. A lack of this capability would make people appearing in public feeling ashamed. Smith(1776) explains that somebody is ashamed when she lives on a poverty level that nobody could fall into unless an extremely bad conduct carried out. We call self-respect, as Smith did, at the capability for appearing in public without feeling ashamed.

Self-respect requires that individual capabilities are not far from the capabilities that everybody in that society would consider as common ones.

⁹The World Bank (2003:246) declares that ‘the international poverty line, set at one dollar a day in 1985 PPP [Purchasing power parity terms, has been recalculated in 1993 PPP terms at about 1,08 dollars.

In other words, self-respect requires the access to certain combinations of functionings; not having them would be considered as an example of an extremely bad conduct.

Last but not least, we consider that individuals do not lead full human lives if they suffer from a lack in agency. Let us remember that agency is referred to the freedom of acting according to ideas of good that someone is responsible for. Moreover, when a person is ensured her agency, '[their] achievements can be judged in terms of her own values objectives', quoting Sen (1999:19).

In our minds these three abilities are needed to lead a full human life. Leading a full human life entails the capability for assuming the responsibility for that life. People always can be no responsible either for their ideas of good or for their plans of life, if they suffer from a lack of self-sufficiency, self-respect and agency.

Conditions for ranking social states.

Let's introduce some basic notation and definitions.

Consider a society consisting of n ($\infty > n > 0$) individuals. In what follows we consider n as fixed. This society can reach a set of social states, denoted by E with $\infty > |E| > 0$. A social state, $X \in E$, is a distribution of living conditions, with one and only one for individual. Let $x_i \in X$ denote the individual i 's living conditions when X happen. Permutations in the individual's conditions does not entail being in another social state.

Let \mathbf{L} be a set of essential functionings for the human life with $|\mathbf{L}| = l$ ($\infty > l > 0$).

Let $[0,1]$ be an interval in the real line and $[0,1]^l$ be the $[0,1]$ intervals in the l -dimensional Euclidean Space. Let assume that there are a logic rule, denoted \mathbf{Es} , that assigns to each object in X one or several objects in $[0,1]^l$. The interpretation of this correspondence is what follows:

Given a individual living conditions x_i , the logic rule (an expert system correspondence¹⁰) says what combinations of probabilities of joining the functionings in \mathbf{L} could be achieved by the person i .

¹⁰Chiappero-Martinetti(1996), among others, approaches the capability that people has of achieving a functioning using functionings based on the information from expert systems. She designs logic rules that demand information over personal circumstances (for example: income, health, familiar structure, medical expenditure) to see whether she can, or not, achieve certain functioning (for example: living a healthy life). We use the expert system for a broader purpose.

Depending on how she makes use of her conditions, it will be easier to have more probability of achieving more of some of them and less of others. The combination, or the set of combinations, that the rule **Es** links to x_i will be denoted by C_i . Remembering the Sen's notion of individual capabilities, we call 'individual capability' to the set, C_i . Note that we do not use the Sen's notion of capabilities to designate the set of achievable combinations of functioning such as he does it. But we have borrowed it to designate a set which share with it the same objective. Both approaches the capability that people have for doing and being valuable things in life. In short,

$$\begin{aligned} \mathbf{Es}: \mathbf{E} &\rightarrow [0, 1]^{l \times n} \\ \mathbf{X} &\rightarrow \mathbf{C} \in [0, 1]^{l \times n} \\ x_i &\rightarrow C_i \in [0, 1]^l \end{aligned}$$

Let us present an example in order to clarify some of these basic notation and definitions. There are two relevant functionings: $\mathbf{L}=\{\text{have access to an improved water source, be well nourished}\}$. A society consisting of three individuals, 1,2 and 3, can achieve two social states $\mathbf{E}=\{\mathbf{X},\mathbf{Y}\}$, where $\mathbf{X}=\{x_1,x_2,x_3\}$ and where $\mathbf{Y}=\{y_1,y_2,y_3\}$. The expert system correspondence, **Es**, says that having for example the living conditions x_1 , the first individual's access to an improved water source is 0.7 and to a well nourishment is 0.6. She can use in other way her living conditions, x_1 ; so, her access to an improved water source can be 0.3 and to a well nourishment can be 0.7. That is, when \mathbf{X} happen, the first individual's living conditions lets her have a capability $C_1=\{(0.7,0.6),(0.3,0.7)\}$. Let C_2 and C_3 be what follow: $C_2=\{(0.6,0.8)\}$, $C_3=\{(0.2,0.7),(0.7,0.6)\}$. And, finally, we would have the same information for the social state \mathbf{Y} .

Thus, we have a set \mathbf{E} of social states and we wish them to be ordered over principles of real freedom expansion. The common rankings of social states, which are based on the capabilities expansion principle are set in equity principles of justice. Indeed, the Sen's proposal makes up of the *school of egalitarian writers* (as they have been named by Sugden(1998), among others). Kranich's (1995) proposal is the first of this type of rankings. He ranks a set of opportunities (which could be capabilities) taking into account the difference between the highest individual capability and the smallest one on each social state. Little differences between these capabilities are preferred to big ones from the Kranich point of view.

However, this may not be an adequate development strategy, at least, if we interpret the Kranich's principle in an extreme. May take the following example: there is an strategy that improves the everybody's probability of achieving certain valuable functioning. Everything without alteration, this strategy could be desirable, even though it would make the best situated people get a bit more benefits than the rest of the people. The Kranich's rule would not see desirable this strategy.

Our intuition tells us that we should delve into the capabilities expansion first and then into the inequality capabilities reduction, at least, in the area of Development Theory.

There are another proposals in which social states rankings are based on the common capabilities expansion. Herrero, Iturbe-Ormaetxe and Nieto (1997) characterise some rules for it. We follow the same intuition. Hence, we assume that the representative individual's capability is the common capabilities in each social state. Let us define this set in the next.

Being $\{C_1, \dots, C_n\}$ the n individual capabilities when X happen, we will consider the representative person's capability as the intersection of the individual capabilities. Let \mathbf{Cs} denote this capability and let us call it 'social capability'.

$\mathbf{Cs}(X) = \{c \in [0, 1]^l / \exists c_i \in C_i \text{ where } i=1, \dots, n \text{ and where } c_i \mathbf{D} c\}$, being \mathbf{D} the domination rule in the $[0, 1]^l$ space.

According to our example, the social capability in X would be the following: $\mathbf{Cs}(X) = \{(0.2, 0.7), (0.6, 0.6)\}$. There would be another social capability, $\mathbf{Cs}(Y)$, for the Y social state.

At this point, let us characterise the three reasonable capabilities demanded for accepting that a life is a full human life. They will be used as conditions for ranking the social states in \mathbf{E} .

Self-Sufficiency Condition: Let $\alpha \in [0, 1]^l$ be a vector. Each element in this vector symbolizes a probability of achieving each functioning in \mathbf{L} . Consider an impartial observer assume this vector as a line for sufficiency. Dominated vectors in some of their elements would not guarantee sufficiency from the impartial observer's point of view. Everybody is supposed to have capacity for self-sufficiency in a social state X when $\alpha \in \mathbf{Cs}(X)$.

Self-Respect Condition: Let $\beta \in [0, 1]$ be a rate. The impartial observer considers that people ought to have access to a β rate of the others' life for living with dignity. Everybody has capacity for self-respect in X when for all $c_i \in C_i$ where $i=1, \dots, n$; $\beta c_i \in \mathbf{Cs}(X)$.

Agency Condition: Let assume that the agency joined by an individual can be approached delving into their capability to access to valuable functionings. Let assume as well that the capacity for agency is proportional to the capability area, where \hat{C} denotes it. Everybody has at least the capacity for agency that the areas of the social capability, $\hat{C}s$, shows.

Consider these abilities as conditions for ranking social states. Let note first of all that the three conditions may conflict each other; hence, we treat

them lexicographically in the next. Take into account for it that \mathbf{R} denotes a preordering in \mathbf{E} with its asymmetric and symmetric parts of it denoted with \mathbf{P} and \mathbf{I} , respectively. Let us suppose that there are two social states $X, Y \in \mathbf{E}$:

$$XPY \Leftrightarrow \alpha \in \mathbf{Cs}(X) \text{ and } \alpha \notin \mathbf{Cs}(Y).$$

$$\text{If } \alpha \in \mathbf{Cs}(X) \text{ and } \alpha \in \mathbf{Cs}(Y), XPY \Leftrightarrow \hat{C}(X) > \hat{C}(Y).$$

If $\alpha \in \mathbf{Cs}(X)$ and $\alpha \in \mathbf{Cs}(Y)$ and $\hat{C}(X) = \hat{C}(Y)$, $XPY \Leftrightarrow$ for all $c_i \in C_i$ where $i=1, \dots, n$; $\beta c_i \in Cs(X)$ and $\exists c'_i \in C'_i$ where $i=1, \dots, n$; $\beta c'_i \notin Cs(Y)$;

in this case, $XIY \Leftrightarrow$ for all $c_i \in C_i$ where $i=1, \dots, n$; $\beta c_i \in Cs(X)$ and for all $c'_i \in C'_i$ where $i=1, \dots, n$; $\beta c'_i \in Cs(Y)$.

Note we demand guaranteeing self-sufficiency condition in the first place. The reason why we do it comes from the importance of accessing to some basic functionings for conforming the own beliefs (the individual's ideas of good, and of good life in particular). Self-sufficiency is a needed condition for being responsible over the own ideas.

We demand capacity for agency in second place. The cause for it is that we support the idea that development ought make people responsible not only over their beliefs, but also over their acts. Agency is a needed condition for being responsible over the plans of life chosen.

And last, the fact that self-respect is considered in third place does not necessarily imply that it is less important for living a full human life. Capacity for self-respect, or living with dignity, is one of the needed conditions of a full human life.

4. Conclusion

A reasonable social objective of some impartial observer is providing people the possibility to achieve a better life. Hence, offering the best social state from a set of possible social states with this purpose could be considered the mainstay of Development Theory. Experts on development rank the possible social states that a society could reach following different principles. These principles depend on the supported idea of what a good life is and as well on principles of Justice. We have seen three scenarios where the rankings of social states have commonly set. Linked to the third scenario, we have offered a ranking, which considers a good life is a full human one. Living a full human life requires the capability for self-sufficiency, self-respect

and agency from our point of view. Because demanding these three abilities as conditions for ranking social states conflict each other, we have demanded them lexicographically. Last but not least, this ranking supports the principle of equal opportunity to access a better life as principle of justice.

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