

Economic Growth and Development
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Lecture – 17
Utilitarianism, Basic Needs Approach and the Capability Approach

Hello and welcome to lecture 17 of the NPTEL MOOCs course on Economic Growth and Development. Today's lecture we will look at some of the contrasting evaluative approaches with respect to the human development and capabilities approach and so, I have titled this lecture as Utilitarianism Basic Needs Approach and the Capability Approach. Now, while there are various competing evaluative approaches or frameworks vis a vis the capabilities approach of a human development approach.

I have chosen to focus only on utilitarianism and the basic needs approach, because these are these have been dominant. These 2 approaches have been the dominant frameworks that have been used to evaluate economic policies and to make value judgments for over a very large period of time, and particularly in the period of the last 2 or 3 decades and a half.

In lectures 15 and 16 now we made an introduction to the human development approach, in lecture 15 we looked at 3 important evaluative frameworks within which human development approach can be posited. We looked at the normative approach, the positive approach. And the predictive approach and through the help of a case study from China with the case of environmental pollution we also looked at the interconnectedness of these 3 frameworks and how they can be used to carry out any human development analysis or use the capability approach to understand the process of development.

In lecture 15 we also looked at some of the assumptions, which has been made by growth theorists and how human development practitioners have very successfully and legitimately challenged these assumptions, and shown that how there is no straightforward relationship between growth and development.

In lecture 16 we got introduced to the concept of capabilities approach by looking at, how to define what is a successful development. We saw that there are different ways of defining development, there are different ways of looking at development, we saw the

development is multifaceted, and then we also went on to see the base the origins of capabilities approach as put forward by Sen.

And, we also saw; what are the basic components of the capabilities approach. We primarily looked at 2 concepts the concept of functionings, we also looked at the concept of agency and we also looked at the concept of freedoms, and how these 3 concepts are functionings, freedoms and agency are central to understanding the capabilities approach.

In today's class therefore, I have decided on looking at the competing approaches to capabilities approach or to put it differently how capabilities approach provided some sort of a challenge to the dominant frameworks that were; that have been in use in economic policy analysis to be able to make value judgments with respect to development.

Now, to be able to do that let me begin with an example which Sen has taken from and he has taken this example in his very celebrated book development as freedom and this example can be found in his chapter 3 which was titled freedom and the foundations of justice. In this example he talks about this lady named Annapurna who has to make a choice of workers between 3 unemployed workers who are available to her.

This lady Annapurna has a garden which has been unkempt for a very long period of time. And she has to make a choice between these 3 workers, and she knows that all the 3 workers will be able to produce the same level of output given the amount of wages that she is willing to give them. Sen has named these 3 workers as Dinnu, Bishanno and Rogini and Annapurna has to make a choice between these 3 workers.

To be able to make a choice between these 3 workers she has to have access to the information base regarding the capabilities of these 3 workers are regarding the social arrangements of these 3 workers. The information that she has regarding Dinnu and to which all of them agree is that Dinnu is the poorest amongst them all and he has been poor since a very long period of time. To which, both Bishanno and Rogini agree that Dinnu has been impoverished for a considerable period of time so much so that he has come to accept his state of poverty and Annapurna being a reflective person begins to

think that probably she should give the work to Dinnu, because he will gain the most out of the work which she has to give to the workers.

Now given a standard neoclassical economics framework if Annapurna only has to get her work done the work under consideration here is to keep the garden clean, then probably she will be indifferent between the 3 workers. But, the specific problem here is that she has access to the information about all the 3 workers.

The information regarding Bishanno that she has is that Bishanno has been recently impoverished and he has been psychologically depressed of late. And everybody agrees that among the 3 Bishanno is the unhappiest among them all. And she thinks that probably if she gives the work to Bishanno and he gets some wage out of it then he will come out of the psychological depression that he has gone into.

So, compared in with regard to the choice that she has to make between these 3 workers, she realizes that probably Bishanno is the one who should get the work. But the third set of information that she has is with regard to Rogini and she comes to she gets the information that Rogini has been suffering from a debilitating illness she has been chronically ill for a very long period of time she is poor, but she is relatively poor compared to Dinnu she is she is relatively not so poor compared to Dinnu, but she is poorer than Bshanno.

However, she has been suffering from a chronic illness for over a period of time and because she has been suffering from this illness for over a period of time she has come to accept the illness very stoically. So much so that she has come to accept the situation that she is in. And Annapurna begins to think that if she has to make a choice probably if she gives the wage work to Rogini, then she might be able to get rid of the illness that she is in. And therefore, be able to experience a better quality of life.

Now, this is a very interesting example that takes with respect to the choice that one needs to make with regard to whether to which what are the kinds of resources that needs to be made available to 3 different kinds of workers. Now in a strictly economic or ethical sense of the term in the literatures within the literature pertaining to economics and to ethics Dinnu's case would fall under the paradigm of what is known as income egalitarian approaches.

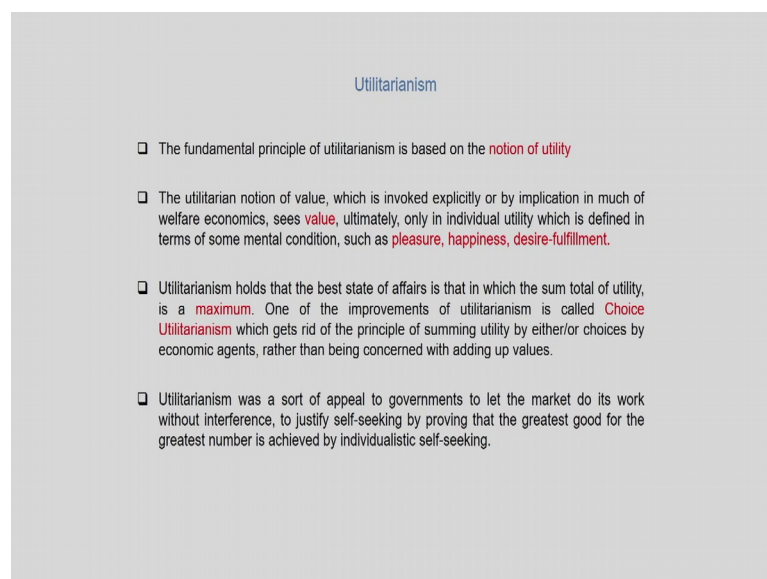
And Bishanno's case would fall under the classical utilitarian case which concentrates most mostly on the metric of pleasure and happiness as to what amount of happiness one derives out of a particular wage work or a particular good or a service. Whereas Rogini's case would fall under the paradigm of what is known as how to improve quality of life with regard to the situation that one is in.

Now the first 2 arguments with regard to income egalitarianism and utilitarianism or the situation pertaining to Dinnu and Bishanno are the one which has been discussed primarily in the economic and ethical literatures. Whereas, Rogini is stance of being able to provide her the opportunities of being able to take care of her impoverishment because of the ill health that she has been strictly falls within the paradigm of the human development approach.

Now, it is in this context that now let us try to connect and see how utilitarianism and basic needs approach are 2 different evaluative approaches, how we can distinguish these 2 approaches from the human development of the capabilities approach, what are the interconnections between the utilitarian approach and the basic needs approach, and how all of these 3 approaches together can inform us well with regard to policy making.

Now, what are the basic features of utilitarianism? Let us look at some of them.

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Utilitarianism

- ❑ The fundamental principle of utilitarianism is based on the **notion of utility**
- ❑ The utilitarian notion of value, which is invoked explicitly or by implication in much of welfare economics, sees **value**, ultimately, only in individual utility which is defined in terms of some mental condition, such as **pleasure, happiness, desire-fulfillment**.
- ❑ Utilitarianism holds that the best state of affairs is that in which the sum total of utility, is a **maximum**. One of the improvements of utilitarianism is called **Choice Utilitarianism** which gets rid of the principle of summing utility by either/or choices by economic agents, rather than being concerned with adding up values.
- ❑ Utilitarianism was a sort of appeal to governments to let the market do its work without interference, to justify self-seeking by proving that the greatest good for the greatest number is achieved by individualistic self-seeking.

The fundamental principle of utilitarianism is that it is based on the notion of utility. And this utilitarian notion of value, which is invoked explicitly or by implication in much of welfare economics; it sees value, ultimately only in individual utility which is defined in terms of some mental condition, such as pleasure or happiness or desire fulfillment.

Now one must understand here that human development and the capability approach arose in conversation with the various competing approaches. And these approaches of utilitarianism and basic needs approach had been existing before the capabilities approach made its appearance on the scene. And it is in this context that one needs to look at what are the limitations of the approach of utilitarianism or what are the limitations of focusing only on metric of pleasure and happiness, and how focusing on capabilities can give us a better lens or a better evaluative framework to be able to come up with better policy making or value judgments regarding the state of development.

So, utilitarianism holds that the best state of affairs is that in which the sum total of utility is a maximum and one of the improvements of utilitarianism is called a Choice Utilitarianism which gets rid of the principle of summing utility by either or choices by economic agents, rather than being concerned with adding up values. Utilitarianism is one of the basic premises of most of the neo classical approaches to economic policymaking. And it is here that it needs to be pointed that utilitarianism was a sort of appeal to governments to let the market do its work without interference to justify self seeking by proving that the greatest good for the greatest number is achieved by individualistic self seeking.

Therefore the basic premise of neoclassical economics is that the individual knows best, the individual is always working towards maximizing her utility maximizing and because in economics because there are practical limitations of being able to measure happiness or measure pleasure. In economics we provide numbers to utility in the form of utiles and therefore, the basic premise of neo classical economics is that consumers are always working towards utility maximization and utility maximization basically means that the consumer is working towards maximization of her satisfaction.

Now, let us look at some of the components of classical utilitarianism there have been various improvements or various extensions of the concept of utilitarianism.

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Components of Classical utilitarianism

There are three components of classical utilitarianism, these are

Consequentialism: Stands for the claim that all choices or actions, institutions and so on must be judged by their consequences, that is by the results they generate.

Welfarism: The judgment of the relative goodness of alternative states of affairs must be based exclusively on, and taken as an increasing function of, the respective collections of individual utilities in these states.

Sum-ranking: One collection of individual utilities is at least as good as another if and only if it has at least as large a sum total.

But here, let us consider only the concept of classical utilitarianism and some of the components of classical utilitarianism are as follows. There are primarily 3 they are consequentialism, welfarism, and some ranking the component of consequentialism says that it stands for the claim that all choices or actions institutions and so on must be judged by their consequences that is by the results that they generate.

So, what is this component saying? This component is saying that all actions or all choices that are made by individuals must be finally valued in terms of what are the consequences of their actions. So, let us take an example in the last class I had taken the example of reservation as a policy.

Now, if the reservation as a policy in terms of providing a preferential treatment or affirmative action to some of the marginalized groups of population creates some kind of a distortion within the society then probably going by the component of consequentialism of utilitarianism; it will not be looked at as a very as a potent tool for providing benefits or providing justice to people within the society.

Therefore, by the component of the component of consequentialism basically completely negates the idea that of social justice, which says that there are certain things which are inherently important or intrinsically important to be able to carry out to be able to be able to provide some form of social justice.

So, the component of consequentialism goes further than demanding only consequence sensitivity since it rules out that anything other than consequences can ultimately matter. So, how much of a restriction is imposed by consequentialism has to be judged further, but it is worth mentioning that this must partly depend on what is or is not included in the list of consequences. So, whether an action performed can be seen as one of the consequences of that action in an obvious sense it clearly is.

The second component of utilitarianism is welfarism and this component is referred to as the judgment of the relative goodness of alternative states of affairs which must be based exclusively on and taken as an increasing function of the respective collections of individual utilities in these states. Now the component of welfarism basically does not pay any direct attention to things such as fulfillment or violation of rights and duties and so on and when welfarism is combined with consequentialism we get the requirement that every choice must be judged by the respective utilities it generates.

So, for example, any action is judged by the consequent state of affairs and the consequent state of affairs is judged by utilities in that state, because of welfarism. So, in terms of welfarism we are basically looking at what are the total benefits derived out of a particular economic policy to a certain section or to the total population, without consideration to whether we are taking note of the violation of rights and duties, violation of human rights and duties within a policy framework.

The third component of classical utilitarianism is that of some ranking. And this basically says that the utilities of different people need to be simply summed up together to get their aggregate merit without paying attention to the distribution of the total over the individuals. And these all these 3 components are define utilitarianism and goes to show, how it can stand against the capabilities approach.

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Capabilities approach: An alternative to Utilitarianism

- ❑ The capability approach entails a critique of other evaluative approaches, mainly of the welfarism approaches in welfare economics and on utilitarian and income-based or resources-based theories.
- ❑ Amartya Sen makes criticism of utility as a measure of well-being. He points out that functioning is a more rational measure of well-being than opulence command over a mass of commodities, or utility, the value of desired objects.
- ❑ Sen (1999: 59) characterizes welfarist theories as those consequentialist theories that restrict "the judgments of states of affairs to the utilities in the respective states (paying no direct attention to such things as the fulfillment or violation of rights, duties, and so on)". He rejects such theories because, whatever their further specifications, they rely *exclusively* on utility and thus exclude non-utility information from our moral judgments (Sen 1999: 62).

And the capability approach entails a critique of other evaluative approaches mainly of the welfarism approaches in welfare economics and on utilitarian and income-based or resources - based theories.

So, Sen basically criticizes utility as a measure of well being and he points out that functioning is a more rational measure of well being than opulence or command over a mass of commodities or utility which is the value of desired objects. Now much of as I have already pointed out much of conventional economics is based on utilitarian approaches. And it is very difficult to come up with a metric of pleasure or happiness on a regular basis a Sen takes the example of a bicycle.

A bicycle by itself is a resource which may be able to provide utility to different people on different counts. Now somebody who loves to ride a bicycle for being mobile or from or for being able to move from one region to the other will be able to enjoy the resource which is which in this case here is a bicycle. However, if somebody is disabled or is differently abled; will not be able to use the resource bicycle very usefully so that it can provide her or him some kind of a utility.

So, you if the focus is largely on utilitarianism as an approach then there are there is a limitation of being able to translate or to be able to transform the utility transform the resource into specific forms of functionings. Now Sen in his paper that came out in the British medical journal in 2002 took the example of 2 states Kerala and Bihar to be able

to come up with a more relevant to be able to come up with a more relevant example of how utilitarianism can prove to be a limitation vis a vis the capabilities approach.

Now, in 2002 Kerala had some one of the highest literacy rate in India it had almost universal education and a life expectancy of 74 at that time whereas, Bihar had a life expectancy of about less than 60 years. And there was a test of there was a survey which was carried out in which the individuals were asked to report were asked to report on morbidity conditions. So, it was a self reporting of morbidity condition regarding how ill they have how ill individuals have been over a period of time and based upon this survey it was found out that the self reported morbidity in Kerala was much more higher than that in Bihar.

Now, the human development indicators have shown us or the information on infant mortality rate and under 5 mortality rate have shown us that Kerala is a much healthier state than Bihar is, but the individual metric of utility the individual metric of pleasure the individual metric of happiness of people how people is subjectively value that happiness is very different. So, while objectively Kerala was much more highly ranked in terms of morbidity status, the subjective valuation of well being by the people of Kerala showed that they have very high morbidity conditions. Whereas, the subjective valuation of morbidity in Bihar show that they have very low morbidity conditions.

Now, what does this mean? This means that the subjective valuation of people is largely determined by the social arrangements within which people exist. And the social arrangements within which people exist largely influences what they think about their state of happiness and therefore, the objective valuation the subjective valuation may be may be very different from each other and sometimes may also go in opposing directions.

So, then the question arises how do we evaluate this, if the subject evaluation and the object evaluation are very different from each other and subject evaluation is largely guided by the evaluative framework of utilitarianism. Then how do we evaluate a development policy or the how do we initiate a development policy how do we implement a different development policy. And that is where the capabilities approach has an answer where instead of trying to look at what is the how happy people are or what is the subjective valuation of happiness of people probably it will make more sense

to focus more on the capabilities of people or the opportunities that people have to be able to transform their utility into functionings.

So, in that sense the capability approach entails a critique of the utilitarian approach mainly the welfarism component of the utilitarian approach and Sen in his book development as freedom mentions that the judgments of states of affairs to the utilities in the respective states they ignore direct attention to such things as the fulfillment or violation of rights duties and so on. So, he rejects such theories because whatever their future further specifications they rely exclusively on utility and thus exclude non utility information from our moral judgments.

So, if you go back to the example that I began with in the beginning of this lesson regarding Annapurna being able to make a choice between Dinnu Bishanno and Rogini, if Annapoorna did not have information about the health conditions of Rogini or the current psychological predicament that Bishanno was in probably guided by the idea of income egalitarian approach the job would have gone to Dinnu. Similarly guided by the idea of giving the greatest happiness to the person who desires the job the job would have gone to Bishanno. However, to be able to when one is focusing on the idea of capabilities probably the idea the job would have gone to Rogini.

So, it is a very difficult choice to make and the choice that is to be ultimately made depends upon the information base that the policy makers have access to. So, here Annapurna is a policymaker she has to make a choice of giving a work to 3 different kinds of workers who are all unemployed and who all require the work, who all will provide the same level of output given the same kinds of wages. However, the choice has to be very carefully made. And this is at the heart of most of the policy economic policies with respect to poverty and nutrition that or employment or social security that one has to make in the context of developing countries.

So, this is at the heart of most of the universal or targeted programs that the governments have to make a choice about for bringing about well being to different sections of the population. When we talk about the concepts of below poverty line and above poverty line or when we talk about malnourished children and how targeted interventions or supplemental nutrition feeding programs should be made to these malnourished children.

We are basically trying to make a choice with regard to the information base that we have with respect to the different groups of population within a society.

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Basic Needs Approach

- ❑ The **Basic Needs Approach (BN)** is one of the major approaches to the measurement of absolute poverty in developing countries.
- ❑ The 'basic needs' approach was introduced by the **International Labor Organization's** World Employment Conference in 1976.
- ❑ It is a practice and policy oriented approach "that gives priority to meeting people's basic needs — to ensuring that there are sufficiently, appropriately distributed basic need goods and services to sustain all human lives at a minimally decent level" (Stewart 2006, 14)
- ❑ BN embraces the components of previous strategies and approaches, such as rural development, urban poverty alleviation, employment creation through small-scale industries, "redistribution with growth", and other poverty, employment, and equity-oriented approaches.
- ❑ The new element is a shift of emphasis towards social services designed to help and mobilize the poor, and an extension of "new style" projects in nutrition, health and education.

The other competing approach is what is referred to as the basic needs approach and the basic needs approach is one of the major approaches to measurement of absolute poverty in developing countries it was introduced by the ILO in 1976. And it is a practice and policy oriented approach Frances Stewart to whom I have introduced to in the earlier classes on strategies of economic growth and development was one of the pioneering persons who spoke and wrote about the basic needs approach. In terms of the writings of Frances Stewart he says that basic needs approach basically gives priority to meeting peoples basic needs to ensuring that there are sufficiently appropriately distributed basic needs goods and services to sustain all human lives at a minimally decent level.

So, basic need embraces the components of previous strategies and approaches such as rural development, urban poverty alleviation, employment creation through small scale industries, redistribution with growth and other poverty, employment and equity oriented approaches. When the basic needs approach was introduced it was considered to be a new element, the new element is that there is a shift of emphasis towards social services designed to help and mobilize the poor and an extension of “new style” projects in nutrition, health and education.

Now the basic needs approach has also been referred to as providing resources to people, and the development discourse over the period of 1980s in the 1990s has focused a lot on distributing resources to people providing assets to people say in the form of you must have heard of various kinds of self employment programs of the 1990s.

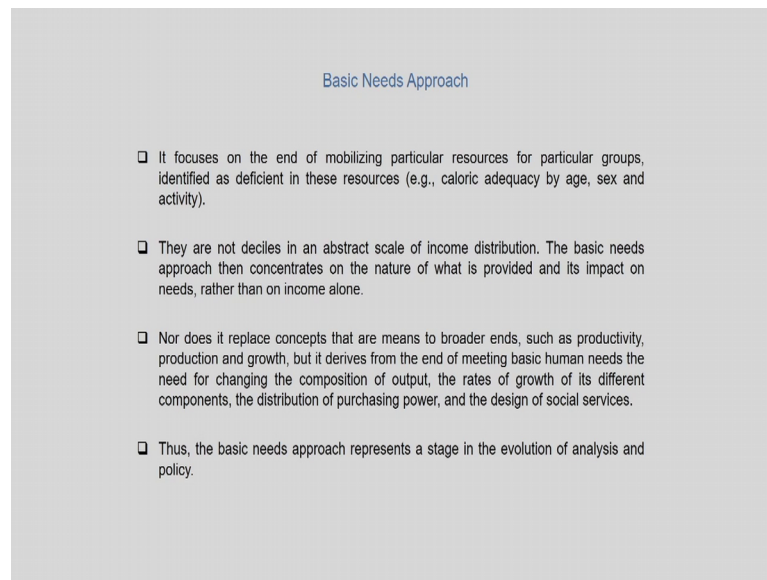
For example in India we had what is referred to as the integrated rural development program which was some form of a self employment program in which certain amenities were provided to people and to households. And they were supposed to create employ, they were supposed to generate wage generate incomes out of the assets that were provided to them.

So for example, if a tailoring machine has been provided to a household the tailoring machine is a resource that has been provided by the government to the household and the household is supposed to generate incomes out of the resource. However, the basic limitation of providing resource which has been referred to as resourcism in the larger discourse of development practice or development studies is that who should get the resources becomes the moot question (Refer Time: 28:24).

If we go back to the same example of Dinnu, Bishanno and Rogini if instead of providing a wage work to these 3 workers, some kind of a resource was provided to the 3 workers to be able to generate income, how does one make, how does one decide, how does one make a choice regarding who to give the resources to. And that is one of the basic limitations of the basic needs approach as well.

So, these approaches recognize the fundamental both the utilitarian approach and the basic needs approach recognize the fundamental importance of material goods and of resources that can help transform or that can help provide functionings to people and households.

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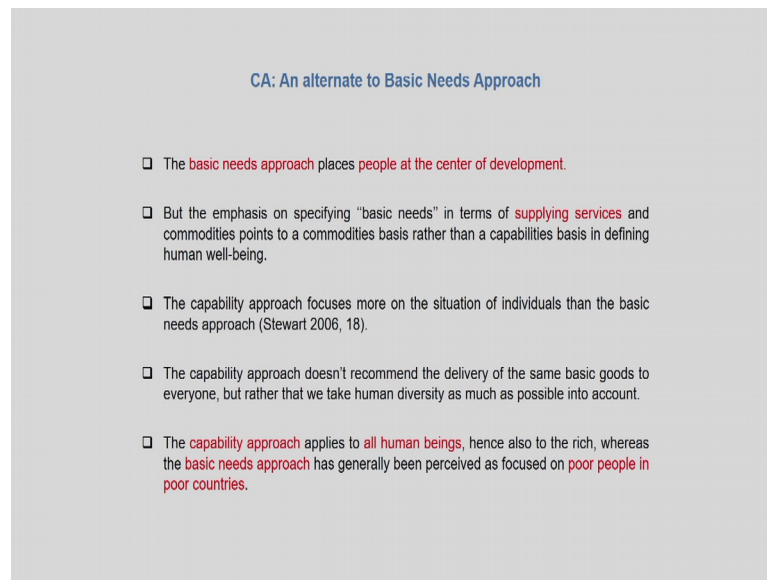
Basic Needs Approach

- ❑ It focuses on the end of mobilizing particular resources for particular groups, identified as deficient in these resources (e.g., caloric adequacy by age, sex and activity).
- ❑ They are not deciles in an abstract scale of income distribution. The basic needs approach then concentrates on the nature of what is provided and its impact on needs, rather than on income alone.
- ❑ Nor does it replace concepts that are means to broader ends, such as productivity, production and growth, but it derives from the end of meeting basic human needs the need for changing the composition of output, the rates of growth of its different components, the distribution of purchasing power, and the design of social services.
- ❑ Thus, the basic needs approach represents a stage in the evolution of analysis and policy.

So, as I have already just discussed. Now, to summarize the basic foundations of the basic needs approach the BNA focuses on the end of mobilizing particular resources for particular groups, identified as deficient in these resources example calorie adequacy by age, sex and activity. They are not just deciles in an abstract scale of income distribution, the basic needs approach concentrates on the nature of what is provided and it is impact on needs, rather than on income alone.

Nor does it replace concepts that are means to broader ends, such as productivity, production and growth, but it derives from the end of meeting basic human needs the need for changing the composition of output. The rate of growth of it is different components, distribution of purchasing power and design of social services. So, BNA represents a stage in the evolution of analysis and policy.

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CA: An alternate to Basic Needs Approach

- ❑ The **basic needs approach** places **people at the center of development**.
- ❑ But the emphasis on specifying "basic needs" in terms of **supplying services** and commodities points to a commodities basis rather than a capabilities basis in defining human well-being.
- ❑ The capability approach focuses more on the situation of individuals than the basic needs approach (Stewart 2006, 18).
- ❑ The capability approach doesn't recommend the delivery of the same basic goods to everyone, but rather that we take human diversity as much as possible into account.
- ❑ The **capability approach** applies to **all human beings**, hence also to the rich, whereas the **basic needs approach** has generally been perceived as focused on **poor people in poor countries**.

And how does the capabilities approach become an alternative to the basic needs approach. The BNA also places people at the center of development because the focus is on providing resources to people so that they can be best able to transform these resources into development.

But the emphasis is on specifying "basic needs" in terms of supplying services and commodities which points to a commodities basis rather than a capabilities basis in defining human well-being. So, if one has to simplify in terms of an example as to how the basic needs approach is different from the capabilities approach. The basic needs approach would suppose there is a child who is willing to go to school and does not have the institutional apparatus require the institutional support required to be able to complete her schooling.

Let us say there is a primary school in a certain village and there is a child who needs to go to the primary school, but she does not have a uniform, she does not have the resources of books, she does not have pencils on in which to write in. So, the basic needs approach would focus on providing the resources of uniform or bags or books so, that she can be able to go to school.

However, the capabilities approach would rather focus on ensuring that the government provides the institutional framework such as the schooling framework and ensuring that people the parents of the concerned child have enough capabilities to be able to send the

children to school. So, the focus with respect to basic needs approach is in supplying the commodities whereas, the capabilities approach is looking at enhancement of capabilities and that requires a much bigger emphasis compared to the basic needs approach, because that requires an institutional change that requires a change in the social arrangements within which the child functions.

So, capabilities approach focuses more on the situation of individuals than the basic needs approach. It does not recommend the delivery of the same basic goods to everyone, but rather that we take human diversity as much as possible into account and it applies to all human beings also hence also to the rich whereas, the BNA has generally been perceived as focused on poor people in poor countries.

In the last class I was taking the example of a boy and a girl both of whom need to go to school, a poor boy coming from a poorer family background, and because of impoverishment within the family not being able to go to school. Whereas, a girl child coming from a relatively not so poor household; however, because of cultural restraints because of social restraints not being allowed to go to school.

So, both these children face capability deprivation of being able to go to school and the basic needs approach would ensure that the concerned boy is provided with certain resources say a bicycle or books. So, that he can at least have some opportunity of being able to go to school. Similarly the girl child may be provided with some basic amenities or a benefits. So, that the parents are induced to send their girl child to school.

However, the capabilities approach focuses on challenging the notions of not sending the girl child to school. And therefore, requires a multi faceted approach of challenging the social arrangements within which the both the children are situated in. So, in the case of the boy child the institutional arrangements can be brought into place. So, that the parents of the concerned children or the adults within the family are provided enough support. So, that they are able to ultimately send their children to school and that is the basic difference between the basic needs approach and the CA.

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Key features of Capabilities approach and Basic need approach			
	Feature	Basic need approach	Capabilities approach
1	Conceptual basis	People must have minimum subsistence	People should have equal freedom to choose their valued ways of life
2	Poverty definition	Deprivation of consumption	Deprivations of opportunities
3	Poverty reduction	Ensure adequate access to consumption	Ensure equal opportunities so that people can make choice
4	Policy Objectives	subsistence	Empowerment
5	Power relationship	Paternalistic: little scope for voice of the poor	Deliberative: people share concerns and shape policies
6	Level of application	Generalized: but allowed regional diversities	Multiple levels, but emphasis on localisations.

So, if we have to summarize the key features of CA and the basic needs approach in terms of the conceptual basis basic needs approach looks at the fact that people must have minimum subsistence. So, they must have access to a food and shelter and clothing and drinking water and sanitation and so on. The capabilities approach focuses on the fact that people should have equal freedom to choose their valued ways of life.

So, in the example that I just took about the girl child facing a social constraint of not being able to go to school the basic needs approach the premise of the principle based on which the BNA is based upon will not be able to deal with the problem that the girl child that is facing in such a situation. However, the capabilities approach should be able to deal with the situation as it is trying to challenge the social arrangements within which the girl child is situated in. And therefore, is working towards providing equal freedom to choose their valued ways of life.

In terms of poverty definition the BNA is looking at deprivation of consumption. So, for example, the BNA would largely be concerned about what is the calorie deficiency of individuals within a household or certain households within a certain community. They are primarily looking at the outcome indicators of households by how much there is a deficiency with regard to consumption. However, the capabilities approach in terms of the poverty definition is looking at deprivations of opportunities.

Whether the individuals within a household or a community have the opportunity to be able to access the resources or access the benefits access different kinds of commodities within a given setup. So, to be able to give you an example again of the same kind where the poverty definition in terms of CA would be looking at whether there are sufficient policies in place, whether there is a law in place, that can take advantage. That can be taken advantage of in being able to send a girl child to school. And there will be a participation of civil society and NGO activists and educationists and the community at large to be able to send the girl child to into school.

In terms of the feature of poverty reduction the basic needs approach ensures adequate access to consumption, whereas the capabilities approach ensures equal opportunities. So, that people can make choice in terms of policy objectives the basic needs approach is focusing on subsistence. And therefore, the basic needs approach is a more targeted approach it is looking at a certain section of population within a country or within a community which are downtrodden who are deprived. And therefore, certain basic needs need to be provided to them.

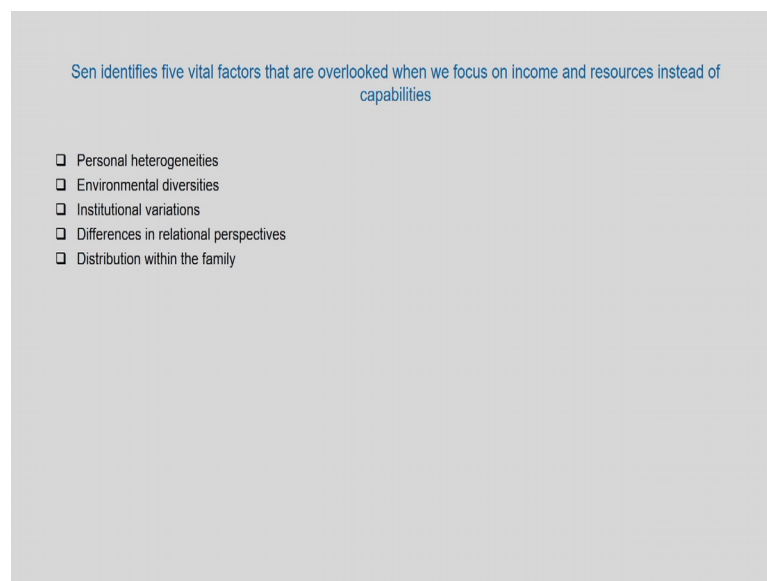
So, it is looking at only at a subsistence level whereas, capabilities approach which is trying to meet the needs of all sections of the community or the entire population looking at various facets of development of an individual is a more empowering has a more empowering policy objective. In terms of power relationship the basic needs approach is paternalistic it has little scope for voice of the poor whereas, the capabilities approach is deliberative people share concerns and shape policies.

Now the feature of paternalism is implicit in most of the economic policies that are guided by basic needs approach, because here the poorer people themselves do not have a voice or do not have a say with regard to what is it that they need. It is the government or it is the policymaker that decides on their behalf regarding what are the resources that need to be provided to them, and for a very long period of time they will the design, and the implementation of development policies has been such that it has been touted as being highly paternalistic in nature. And it is a one way relationship where it is the policy, where it is only the policymaker that has to decide, what is right or wrong for the people.

But the people themselves do not have a voice with regard to what is it that they require whereas, the capabilities approach brings about a shift in thinking in development policy and practice where the community interaction, where the community comes ahead and make makes the policymaker. And let us the policymaker know what is it that they require therefore, citizen participation is intrinsic to the power relationship of the capabilities approach.

In terms of the feature of the level of application basic needs approach is generalized and it does not allow regional diversity, whereas capabilities approach has multiple levels and it emphasizes on localizations and based upon these key features or distinguishing features of capabilities approach. And the basic needs approach Sen identified 5 vital factors that are overlooked when we focus on income and resources instead of capabilities they are referred to as the following.

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The first of them all is personal heterogeneities, that is when we are looking when we are trying to frame when a policymaker is trying to frame a development policy personal heterogeneities are not kept in mind. So for example: if there is a pregnant woman and an elderly woman and if certain women centric policies are being designed to be implemented one needs to keep in mind that the needs of different of women in different regions are different. So for example, the needs of a pregnant woman will be very

different from the needs of a girl child or the needs of a teenager or the needs of an elderly woman.

So, personal heterogeneities are generally overlooked when we are focusing more on income, to make it more simpler. Let us say that there is a development policy which is to be implemented and the overwhelming objective of the development policy is to increase incomes of households. But, one needs to understand that households have different members and there are the members belonging to different gender and they have different needs there are different needs within the families and because intra household distribution of resources are not equal. Therefore, there are personal heterogeneities and while designing and implementing development policies one needs to keep in mind the personal heterogeneities. However, these are generally overlooked when the focus is largely on income and resources.

Similarly environmental diversities suppose there is a pensioner in Scotland and there is a pensioner in India the needs and the social arrangements within which these people exist are very different. And therefore, environmental diversities also needs to be kept in mind when we are looking at evaluative frameworks.

Thirdly Sen identifies institutional radiations as something which is very important when we are looking at development frameworks. So, for example, there are parents in a country which has a free public education in place, where there is a lot of institutional support with regard to education of their children. And there are parents in a country where there is no public education is completely privatized.

Then the responses of the parents to providing a good quality of education to the children will be very different in these 2 sets of countries. And therefore, there are so, it needs to be kept in mind the different countries or different regions have different institutional variations and therefore, the capabilities of individuals are also very different.

So, for example, if you have a country which has a completely free healthcare system and you have a country which has a very privatized healthcare system then the basic standards of living of these 2 countries will be very different, because then if a person falls ill in the first country and the there is a lot of support there is a lot of institutional support in helping the in being able to provide a well being condition for the individual in the first country.

But in the second country, in a highly privatized system and if the numbers of people; if the overall population is poor then there is a very less chance of well being in the second country; so these institutional variations need to be kept in mind before coming up or designing a public policy or designing a development policy and this is also something which is generally overlooked when income. And resources are the overwhelming evaluative frameworks or development frameworks to which guides development policies.

Similarly, he is also talking about differences in relational perspectives. And this is something very important which the capabilities approach hops on the relational perspectives basically refers to the cultural the cultural set up within which individuals function.

So, for example, in a country which is highly regressive in terms of providing opportunities to women will have a different setup than a country which is highly progressive in terms of providing opportunities to women. And these relational perspectives will provide a different sense of well being to women in both of these countries. And therefore, the difference in relational perspectives needs to be kept in mind with regard to development policy.

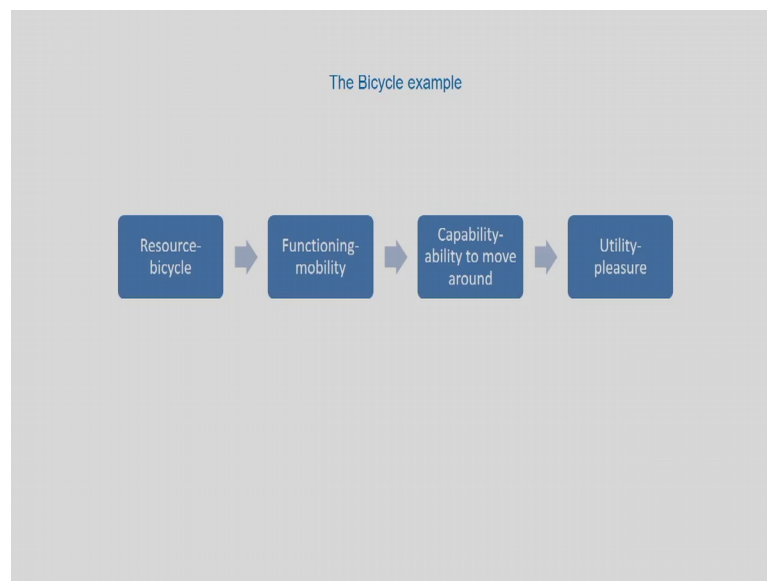
And lastly distribution within the family is very important this is something that human development practitioners have been talking about for a considerably long period of time it has been proved from empirical exercises that simply increasing incomes of a family is not enough, because while a family incomes might have rise in over a period of time the distribution of resources within the family might be highly unequal.

As a result of which and this shows up in some of the indicators with regard to child health and particularly women's health within the households, where it has been seen that women seeking treatment for their health is considerably low, because there is unequal distribution of resources within the family. And also because the importance given to women and children's health is very low compared to the adult healthy to the male adult within the family who is the, who is or is the breadwinner or is a potential breadwinner.

So, in order to assess peoples well being further information is needed on other aspects of people's lives, their health, education, nutritional status, dignity autonomy and so on.

And therefore, when we are looking at an evaluative framework to be able to come up with a development policy one needs to understand where the focus should be on, whether the focus should be on resources, whether the focus should be on incomes, or whether the focus should be on opportunities of being able to generate these incomes and resources. And the capabilities approach has been unequivocal in saying that in pointing out that the focus should be on opportunities or capabilities.

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Let me end this lesson by taking the famous bicycle example again of Sen the a bicycle provides a good example of how these different concepts can be related utilitarianism, basic needs approach or resourcesism and capabilities approach. So, a person may own or a be able to use a bicycle which is our a resource here, by riding the bicycle the person becomes mobile moves from one place to the other. However, if the person is unable to ride the bicycle then having a bicycle would not in fact, result in this functioning.

So, bicycle as a resource provides a functioning, the functioning here is mobility and this functioning provides the capability to be able to move around maybe in search of wages or being able to enter into various kinds of association with different kinds of people creating social networks and so on, which will ultimately provide utility or pleasure. But if the person is unable to ride the bicycle then having a bicycle would not in fact, result in this functioning.

Now, in this case the access to the resource coupled with the persons, own characteristics creates the capability for the person to move around from one place to the other. Now let us suppose that the person enjoys having this capability to leap upon a bicycle and pedal over to a friends' house for lunch. Thus having this capability contributes to happiness or utility.

Now there is bicycle example illustrates how the various concepts are all related to one another when they coincide nicely, the question is which concept do we focus on which will be distorted more or less often. And the capability approach argues that utility can be distorted by personality or adaptive preferences functionings can be enjoyed in a prison or stifled environment and a bicycle can be useless if you cannot balance so, capability represents the most accurate space in which to investigate and advance the various forms of human well being.

So, the capabilities approach invariably focuses on the capabilities to be able to transform the functionings into different forms of utility. In the next class we will look at we will go into a more I will simplify much of these terms for you.

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A List of Central Human Capabilities, (Nussbaum, 2000)	
Life	Being able to live to the end of a human life of normal length
Bodily health	Being able to have good health
Bodily integrity	Being able to move freely from place to place
Senses, imagination and thought	Being able to imagine, think and reason
Emotions	Being able to love, to grieve, to experience longing
Practical reason	Being able to form a conception of the good
Affiliation	Being able to recognize and show concern for others
Other species	Being able to live with concern for and in relation to animals, plants, and the world of nature
Play	Being able to laugh, to play, and enjoy recreational activities
Control over one's environment	(A) Political: participate effectively in political choices, protection of free speech and association (B) Material: Property rights on an equal basis, right to seek employment on an equal basis

However, I will end this class with some of the with a list of central human capabilities that Martha Nussbaum has come up with professor Amartya Sen never came up with a list of capabilities that are central to human development whereas, Nussbaum came up with a list of central human capabilities which will add to a human development and they

are as follows as is being shown on your slide. They are first one is life which is that one should be able to live to the end of a human life of normal length or in other words not die prematurely.

So, there is one of the central human capabilities of being able to lead a good life or healthy life and not facing a premature death one should be able to escape morbidity conditions and that is one of the central human capabilities. And that also means and that is possible only when there are good institutional arrangements in a society that can help one to escape morbidity conditions.

Second is bodily health related the bodily health this means that one should be able to have good health including reproductive health to be adequately nourished to have adequate shelter. And this is very important in the context of reproductive rights with respect to women and this is one of the central human capabilities mentioned by Nussbaum. Third is bodily integrity which means that one should be able to move freely from one place to the other to secure against violent assault including sexual assault and domestic violence having opportunities for sexual satisfaction and for choice in matters of reproduction.

The third is senses imagination and thought that is one should be able to use the senses to imagine think and reason be able to use imagination and thought be able to use one's mind in ways protected by guarantees of freedom of expression and so on. Third is emotions that is one should be able to love to grieve to experience longing gratitude and justified anger not having ones emotional development blighted by fear and anxiety.

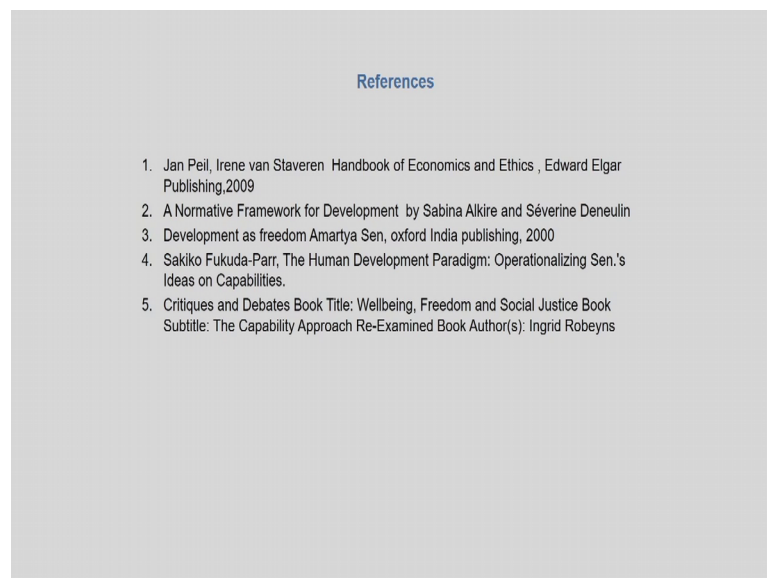
Practical reason that is one should be able to form a conception of the good and to engage in critical reflection about planning of one's life. Third is then next is affiliation that is one should be able to live with and towards others to recognize and show concern for the human beings, one should have the social basis of self respect and non humiliation. Then other species one should be able to live with concern for and in relation to animals plants in the world of nature.

One should be able to laugh to play and enjoy recreational activities control over ones environment there should be political, security and material security. One should be able to participate effectively in political choices protection of free speech and association and

there should be property rights on an equal basis right to seek employment and an equal basis and so on.

So, what do these all of these lists of central human capabilities, what is the point that this is driving home it is driving home the point that income or richness of income cannot be the overwhelming objective of what is referred to a successful development. Successful development can take place only when capabilities have been improved and when the opportunities of being able to secure freedoms by the individuals have been secured. And that is where a working list of central human capabilities has been worked out by Professor Martha Nussbaum.

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These are some of the references which I have used to make comparison and contrast between the capabilities approach the BNA and the utilitarian approach.

In the next class I will simplify this entire lecture for you by bringing in more examples of how these approaches are competing and contrasting with each other. And I will also look at the human development indices that have been constructed and worked out to be able to come up with country comparisons of levels of development. So, we will look at the human development index and the gender development index and some of the other indices if time permits, else we will continue with the construction of indices in the following classes.

Thank you very much.