

Sen on Resources

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Re-Cap: What Is the Capability Approach?

1. What question does it seek to answer?

The Capabilities Approach provides a framework for thinking about *the ultimate good* about which a theory of economic justice is concerned about.

If there is an unjust inequality, there's an unjust inequality of *what*? Different Possible Answers: wealth, utility, resources, puppies, money, happiness, desire-satisfaction, ...?

2. What is this Ultimate Good?

In judging the advantages that the different people have compared with each other, we have to look at the overall capabilities they manage to enjoy.

Sen, pg. 253

How well off you are, according to Sen, is a function your *actual* abilities to do the various things that you value doing.

3. Capabilities and Freedom.

There is a direct link between the overall capabilities you manage to enjoy and *substantive* freedom.

Is this the same notion of 'freedom' that Nozick, Friedman, et al had in mind?

4. Capabilities and Resources.

Often, the amount and quality of resources available to you provide you with more capabilities. But, according to Sen, resources are merely *means* to the ultimate end: the *actual opportunities* afforded to you.

The Relationship Between Resources and Capabilities

Different people can have different abilities for converting their *resources* into "the kind of freedom valued in human life."

Sources of Variation in Conversion of Resources to Capabilities:

- (1) *Personal Heterogeneities*
- (2) *Diversities in the Physical Environment*
- (3) *Variations in Social Climate*
- (4) *Differences in Relational Perspectives*

On the Capabilities Approach, we can think of **poverty** in terms of capabilities deprivation (and thus an infringement on people's substantive freedom to pursue the things they value), and **disability** in terms of a 'conversion handicap'.

Sen's Criticism of Rawls

1. Rawls Re-Cap: the Difference Principle.

Recall, the Difference Principle says:

Social and economic inequalities are to be arranged so that they are to the greatest benefit to least-advantaged members of society.

Inequalities of *what*? Rawls has in mind (what he called) "primary goods," which are resources of a special kind.

The principle is concerned with the distribution of *resources*, not capabilities.

2. **Problem:** People convert primary goods into capabilities in different ways, and to varying extents. So, Rawls is focusing on a just distribution of *means*, not *ends*.
3. **Sen's Beef with Rawls, in a Nutshell?**

[B]y founding his principles of justice on the informational perspective of primary goods in the difference principle, he leaves the determination of 'just institutions' for distributional fairness exclusively on the slender shoulder of primary goods to provide the basic institutional guidance.

Sen Vs Dworkin

1. **What is Dworkin's view?**

Dworkin's approach is similar to Rawls': he imagines a hypothetical scenario in which everyone is behind a veil of ignorance and tasked with making certain decisions. Instead of deciding on how to distribute primary goods, as it is in Rawls' thought experiment, people are tasked with buying "insurance against possible adversities."

Because everyone (insofar as they're rational) would buy such insurance in such a situation, those who actually do now face those adversities are justified in being compensated.

2. **How does Sen's view differ from Dworkin's?**

Dworkin thinks that his view, probably, comes to the same thing as the Capability Approach (depending on how one thinks about it).

3. **Sen's Beef with Dworkin:** Dworkin makes a lot of controversial assumptions about how his Hypothetical Insurance Market will behave. And, if it does ultimately agree with the verdicts of the Capability Approach, why jump through all of these unnecessary hoops?

Dworkin, too, focuses on the distribution of *resources*. But, notes Sen:

"Dworkin's use of the resource perspective is to make room explicitly for taking note of these variations through artful market-oriented thinking, in particular by the use of an imagined primordial market for insurance against conversion handicaps."