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**Yet another concept?
Potentials and problems of the Capability Approach
for analysing social policy**

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INTRODUCTION: THE CAPABILITY APPROACH IN SOCIAL POLICY ANALYSIS

The Capability Approach (CA) is a set of ideas, concepts and methodological instructions which was developed mainly by Amartya Sen (see e.g. Sen 1992; Sen 1993; Sen 1999; Sen 2002), and subsequently other authors like Martha Nussbaum (see e.g. Nussbaum & Glover 1995; Nussbaum & Sen 1993; Nussbaum 2003). Sen, an economist who in his discussions of Rawls and Townsend intensively engaged with and criticised philosophical theories of justice as well as measures of inequality, created a body of literature which was originally used by development economists mainly. Not least, it influenced the conceptualisation of the Human Development Index. In recent years, however, the concept has travelled and was increasingly used for analysis of social policy in economically advanced societies. It inspired the foundation of CAPRIGHT, a European research network dedicated to analyse social policy through the lens of the capabilities approach, and to a number of related publications.

However, there is still some lack of clarity as regards the question what the CA actually is, how it should be interpreted and operationalised, and not least whether it is an adequate and useful concept for the analysis of European Social Policy. This paper will address these questions by examining some of the recent contributions, and conclude that the CA has indeed potential for analysing social policy in Europe. However, I will argue that the most interesting applications of the CA may not lie in policy evaluation, but rather in an analysis of policy outputs through the lens of concepts such as individualisation and diversity. In this sense, the CA may serve as inspiration for addressing the dependent variable problem in comparative welfare regime research. Most importantly, however, in order to play such a positive role, CA-applications will need to clearly differentiate between the potential and implications of the CA itself, and various external normative reference points which should by no means be identified with the CA (although they may be a necessary supplement).

The paper is structured as follows. In the next section, I will introduce the five conceptual building blocks of the CA. This is followed by a section investigating how normative reference points are being linked up with these building blocks, and how this may be problematic. Finally, I will suggest how the CA can be used to direct the attention to questions of individualisation and diversity, and how this could help addressing the dependent variable problem.

THE BUILDING BLOCKS OF THE CA

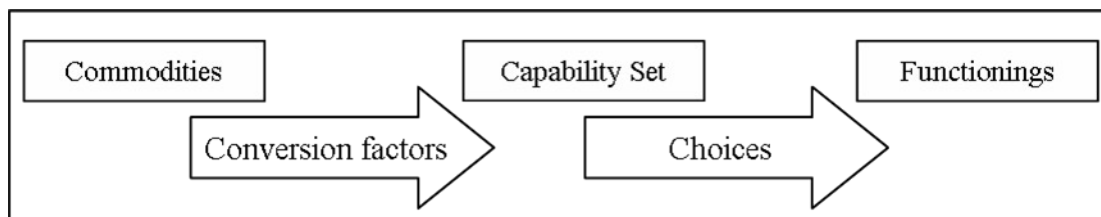
The CA is made up of five conceptual building blocks: Commodities, Conversion Factors, Capabilities, Choices, and Functionings (see Illustration 1).

COMMODITIES are the resources the individuals can dispose of. Examples are money, or other material goods – a bicycle, a television, etc. Less material goods such as skills or habitual behaviour could also be conceived of as commodities. Measuring possession and non-possession of commodities is the standard procedure of measurements of monetary poverty or of multiple deprivation (see for example Pantazis et al. 2006; Townsend 1993). The CA criticises the assessment of individual level outcomes based on *commodities* as “resourcist” and argues for measuring functionings instead of commodities.

FUNCTIONINGS are what people really “do and are” and are considered a concept superior to commodities. This insight is based on the view that individuals are fundamentally diverse, and that there are personal, environmental and social conditions which are the reason for the individuals' fundamental diversity. In other words: Because humans are not all the same, they require different (in terms of quantity as well as quality) commodities for achieving the same functionings. Measuring whether an individual is below 60% of median income, or whether an individual possesses a specific number of material items, does not necessarily allow to reach conclusions about

the individual well-being state.

Illustration 1: The five building blocks of the Capability Approach



A **CAPABILITY SET** contains an individual's capabilities. Whereas functionings, as has been noted, refer to what people really “do and are”, capabilities refer to what people really “can do and can be”. Functionings, then, are a subset of the capability set. They are the materialised options or life chances of an individual. This conceptual distinction is based on the assumption that certain functionings are mutually exclusive, and that individuals exert choice.

The potential transformation of commodities into functionings is mediated by the social structures in place. Within the CA, these structures are dealt with under the heading of **CONVERSION FACTORS**, and, occasionally, in discussions of **CHOICE / AGENCY**. Whereas the analysis of conversion factors usually refers either to external structures of the social world in general, or, sometimes, to the relevant policies that shape the conditions under which individuals can (not) capitalise on their commodities, the question of choice refers more to internal limitations and the question of agency. Sen himself notes that capabilities are both “the person's ability to do the things in question taking everything into account (including external restraints as well as internal limitations)”. (Sen 2002, p.586).

Conversion factors form the personal, environmental and social conditions of each individual existence. In the original approach as developed by Sen (see Sen 1993; Robeyns 2005b), conversion factors are basically social structures in the widest possible sense. Sen's standard example is the bicycle (commodity) which is useful only if accompanied by the respective infrastructure, e.g. a bikeway (conversion factor). Closer to the field of social policy, one could interpret certain acquired skills as a commodity, which are useful only if accompanied by respective labour market structures which help turn these skills into outcomes. Being qualified as typesetter was useful in 1960, but not any more in 2000 when computers have replaced the traditional way of typesetting. A nursing degree acquired in India may have been recognised by British authorities between 2001 and 2003, but not in 2009. How other personal characteristics such as intelligence or disability can be converted into functionings is also dependent on a set of institutional arrangements. Conversion factors are the place within the capability-approach to take into account all these structural effects which determine what and how commodities can be turned into functionings¹.

Whereas the conversion factors arguably address external restraints, internal restraints such as the lack of desire to attain certain functionings also need to be conceptualised. This problem is referred to as “adaptive preference formation” (cf. Nussbaum 2001; Teschl & Comim 2005) and basically means that individuals living in situations of deprivation or oppression often adjust their expectations and aspirations downwards.²

1 If conversion factors are the place in the CA to take into account all kinds of structural factors which lead to the development or the deprivation of capabilities (or functionings), this is also the place to locate the mechanisms which either alleviate or produce social inequalities. This is at odds with the interpretation of Dean (2009), who argues that the CA is structurally *not* able to conceptualise the production of inequalities in capitalism.

2 The discussion of adaptive preference formation often remains very abstract in the context of the CA. With reference

THE CA AND THE QUESTION OF NORMATIVE REFERENCE POINTS

These building block can and have been used in various ways to analyse individual level outcomes in relation to social and public policies. Generally, one could categorise them into two different camps: Evaluative analyses on the one hand and descriptive analyses on the other. This distinction may appear somewhat artificial, as many analyses will comprise both, a descriptive as well as an evaluational part. However, the distinction is still important and meaningful as evaluational analyses require the formulation of a normative standard – whereas purely descriptive ones do not.

Analyses with the CA in the field of social policy are usually evaluative: they analyse policies with regards to the question whether they have (not) led to a number of normatively predefined goals. In the terminology of the CA, this means that they show (or assume) that a number of functionings (or capabilities) are important and valuable outcomes in a specific policy field, and then judge the policies (interventions into the conversion factors) with regards to their effect on individuals' access to these functionings. For purpose of illustration, I will shortly describe three examples of recent social policy analyses which make use of the CA. As it shows clearly, researchers engaged in analysing diverse policy fields come up with a great diversity of normative underpinnings.

The contributions by Lewis (2004) and Hobson et al. (2008) analyse well-being in relation to the field of work-family-balance. They propose that *caring* is an equally valuable functioning as *labour-market participation*, and therefore that care and the opportunity to freely choose between care and labour market participation are to be taken as a normative reference point.

The role of public employment services (PES) for the unemployed is the subject matter of the contributions by Bonvin and Farvaque (2006) and Bonvin (2008). The normative foundation of their analyses focusses on three functionings: *Voice*, i.e. the notion that benefit claimants are able to co-determine what services and benefits they can access. *Capacities*, i.e. the resources at hand for the employment service providers and which are crucial to enhance the claimants' well-being states. *Choice*, i.e. that unemployed benefit claimants have as much choice as possible with regards to the various options they are offered by the employment service providers. Bonvin's normative starting point is an idealistic liberal notion of “responsibility”. Only if claimants are equipped with sufficient resources (if employment service providers have sufficient capacities) and if they have real choices between various options, they can reach “responsible” decisions.

Salais (2003, p.327 ff.) in his account of the CA looks at the role of the state in labour market processes, and especially at the role of social assistance and unemployment benefits. He emphasises the *capability for work* and the development of a respective ideal-typical “capability world”. In this hypothetical ideal-type, *work* would be considered a collective agency (not an individual disutility), and the rationale for assistance would be to equip people with adequate means to achieve “freedoms” (not only to compensate for a loss).

The list of examples could easily be extended, but it is already evident that the diversity of normative reference points and definitions of what to consider a relevant and valuable functioning is immense. I would like to draw attention to another and more general question, which implicitly concerns most CA-applications: Once the valuable functionings are identified by whatever external normative point of reference – is the goal then *equality of capabilities*? Or, should the normative goal be rather to make sure that everybody is equipped with a number of *basic capabilities*? Many authors (including Sen) are unclear whether they are in favour of equal capabilities (which would require comprehensive regulation and redistribution) or in favour of basic capabilities (more in the vein of anti-poverty measures). Without going into further detail at this point, it should be noted that

to the *habitus*-concept as developed by Bourdieu, one could argue that *all* preferences are adjusted to the respective social context. This, however, would require a more elaborate theory of agency as the CA itself provides. See also the critique of Zimmermann (2006), who points out the underdeveloped conception of agency in Sen's work.

the question of equality vs. basic capabilities is another crucial normative decision, which, however, is rarely exposed in writings on the CA.

This short list of examples shows that despite some attempts to formulate comprehensive and authoritative capability lists (cf. Nussbaum 2003; Robeyns 2005a; Vizard & Burchardt 2007), most scholars come up with their own valuable functionings, depending on the specific policy field under investigation. And although I do not see much virtue in following authoritative capabilities lists, I would like to address the question whether the sheer diversity of normative reference points and definitions of valuable capabilities may constitute a problem for the theoretical unity of the approach. This problem may arise, as I will show, if scholars identify the CA itself with their (externally derived) normative standards.

Certainly each of the CA-applications can claim a number of good reasons and supporting background theories (e.g. Responsibility, Development, Work-family-balance, etc.) why *their respective functioning(s)* should be considered valuable (e.g. choices for the unemployed, the existence of democratic institutions, options for caring instead of labour-market participation, etc.).

However, I argue that applications of the CA often fail to clearly spell out the *external* normative background justification for their choice of valuable functionings. To be precise, the problem is less that the normative justifications are not stated at all, but rather that they are justified with reference to the CA itself and not to CA-external reasoning. This can lead to the crucial importance of the selection process of valuable functionings being downplayed. A common rhetoric is to present results or recommendations “from a capability perspective”, suggesting that the use of the CA (i.e. the terminology of the five building blocks) itself would make certain conclusions necessary – although the findings depend as much on the chosen normative reference point. My contention about this rhetoric is that a necessarily normative selection process of relevant functionings is presented as a merely neutral process of scientific reasoning. To consider fulfilment through work, for example, as a valuable functioning may make perfectly sense. It is the author's choice, however, to do so – and not an obvious choice from the perspective of the CA. On the contrary, I suggest that e.g. the contribution by Salais (2003) draws relatively little on the five conceptual tools of the CA and rather uses some of its terminology to put forward his own persuasion that work should be considered a utility, and that a specific type of work – fulfilling, qualified work – should be promoted. The CA terminology adds little value to the presentation of this persuasion.

Although the above made comment may sound obvious to some, my observation is, however, that a number of studies indeed use the CA-terminology merely to put forward a particular normative stance. It is not always clear, then, whether the terminology of the CA is not rather complicating things than helping clarify matters. The significance of this point is underscored by the fact that also critics of the CA see it merely as a tool for framing normative positions. Dean (2009) for example critiques the CA for not being able to address the exploitative power relations of capitalism³. He identifies the normative content of a number of CA-applications (admittedly important ones, e.g. by Sen and Nussbaum) to be the restatement of the liberal ideal. Certainly the CA is being used to analyse outcomes on an *individual* level, but this individualism does by no means obliges the researcher to remain confined to abstract concepts of the individual (as an “abstract bearer of freedoms”, Dean 2009: 273). Otherwise, the CA would have hardly proven attractive for researchers interested in analysing gender inequalities (which couldn't be explained without going beyond a liberal abstraction of humans).

The question, however, should not be whether the CA embraces the “right” normative positions – the few above mentioned examples indicate that the CA can and is (rightly) being used in conjuncture with various goals and normative underpinnings. The question should rather be whether

3 See footnote 1

the CA serves any purpose *beyond* the reformulation of normative positions.

This leads me back to the above raised question: Does the diversity of normative underpinnings used in CA-analyses constitute a problem from the point of the CA? I don't think so – but only as long as the terminology of the CA is used for more than just for paraphrasing (in a rather complicated way) the researchers own normative reference points. However, if the CA is not merely a new terminology for saying what we deem good and desirable, what is it then? This question will lead me to reconsider the meaning of the CA's five building blocks described above.

INVESTIGATING DIVERSITY AND INDIVIDUALISATION

In the following I attempt at relating various research questions explicitly to the distinction of the five building blocks which are at the heart of the CA. By doing so, it becomes apparent that the use of the CA-terminology can indeed serve a useful purpose, as it addressing crucial, but often neglected questions. These questions circle around the concepts of Diversity on the one hand, and Individualisation on the other.

INDIVIDUALISATION AND DIVERSITY OF NEEDS. The CA's stress on the distinction between commodities on the one hand and capabilities and functionings on the other is an explicit reminder that distribution of resources is not a good indicator for assessing individual well-being states (or policies directed at influencing them). People who are different will require different amounts of resources in order to reach the same goal (regardless of how this goal is normatively derived). Policies directed at changing conversion factors equally should not be expected to be effective if they are designed in one-size-fits-all fashion. One could therefore argue that the CA, by upholding the stress on human diversity, directs the attention to analysing policies *in terms of individualisation*. The CA is not primarily interested in investigating the question of how much resources are being spent in total but rather whether the resources are directed appropriately, taking the needs of the individual adequately into account.

DIVERSITY AND PLURALITY OF CHOICES. The second important distinction which is established in the five building blocks is between capabilities and functionings. This distinction directs the attention to the fact that there is often more than one approach to deal with problems, and more than one functioning which potentially could be attained. This could eventually leads to address question agency, in other words, whether there are impediments to substantively free choices between different options. First and foremost, however, this requires to establish the *diversity of options* available itself.

In the following I will outline on a formal level how the questions of individualisation and diversity could be applied in social policy research. Four approaches could be conceived of, all of which are listed in table Table 1.

Additionally to the distinction between descriptive and evaluational analyses which was already introduced earlier, the alternatives in the table are also distinguished by the criterion whether the purpose of analysis is to investigate processes or outcomes. In the following I will list some hypothetical research questions, along with examples found in the CA-literature.

(A) – PROCESS QUESTIONS. Process questions look at outputs of policies (A1) and investigate outputs as potential causes for outcomes such as functionings or capabilities (A2). There are two ways how to conceptualise policy intervention and its success or failure. First, policy can be thought of as *raising the amount of commodities* an individual can dispose of. For example, making counselling or training available for the unemployed raises their commodity level. Success or failure of policies will, within the terminology provided by the CA, be framed as being dependent primarily on two conditions: On the one hand, it depends on whether the additional commodities match the conversion factors in place, for example the structures of the labour market field. If the

new skills are not sought after at the labour market, or if the labour market is generally contracted and not able to absorb new (and now: better qualified) labour, then such supply side policy may be doomed to fail despite good intentions. On the other hand, success or failure depend on the degree of individualisation, i.e. how well the individual is assessed in terms of the needs and potentials for achieving certain functionings (or capabilities). If the assessment is bad, the commodity-upgrade is likely to be doomed as well.

Second, policy can also be thought of as *changing the conversion factors* in place. The stimulation of demand side factors in the labour market or the introduction of a National Minimum Wage are two examples where policy addresses directly the mechanisms which determine how individuals can transform their commodities into functionings or capabilities. Success or failure of this kind of policies, again, will be framed in terms of individualisation (whether the needs and potentials of the potential beneficiaries of the policy intervention are correctly assessed). Increasing demand for low skilled work may not serve the capabilities and functionings of the concerned individuals – given that one applies a more ambitious set of functionings which include not only “having a job”, but also “job quality”, etc. Whereas conversion factors often refer only to external constraints, one should also take into account how social structures are linked to internal limitations and how they form individual agency (cf. Zimmermann 2006, p.473 f.).

	(1) Descriptive Purpose (no normative foundation required)	(2) Evaluational Purpose (normative foundation required)
(A) Analysis of processes	(A1) Output questions	(A2) Effectiveness questions
	Examples: Do policies take diversity of needs into account? Access to what kinds of (alternative) functionings do policies promote? How much choice do individuals have between alternative functionings?	Examples: Do outputs translate into outcomes? Have policies promoted access to specific functionings? → Likely explanation: did they take into account diversity of needs and existent conversion factors?
(B) Analysis of outcomes	(B1) Description of capabilities or functionings of individuals	(B2) Description of <i>selected</i> capabilities or functionings of individuals
	Example: What is the set of alternative functionings an individual does (or potentially can) attain?	Example: What is the range and quality of attained (or potentially attainable) <i>valued</i> functionings?

Table 1: Schematic representation of different possible CA-applications

(A1) – All these questions can, first, be addresses in a purely descriptive manner. The CA, then, can be seen as an inspiration for framing research questions about what is interesting, important or distinctive about policies and possibly even configurations of policies (regimes). Guided by the CA, one should ask whether the provision of state services is *individualised*, how much scope exists to take *diversity of needs* into consideration, access to what kinds of (*alternative*) *functionings* is being promoted, and possibly also how much *choice* individual have between those alternative functionings. All these questions relate, strictly speaking, to social and public policy *outputs*. I suggest that the CA may be most useful if applied in this way, and will come back to this point later.

(A2) – Second, by specifying a desirable *outcome* (in terms of functionings attained by individuals), processes can also be subjected to an evaluative analysis: Have certain measures actually promoted access to specific functionings? The latter question requires the analysis of outcomes (which has been a goal of CA-applications in itself). The way how individual level outcomes are being addressed by the CA has already been touched upon. Basically two types of outcomes could be addressed: Actual outcomes (functionings) and choices for potential and alternative / mutually exclusive functionings (capability sets).

In the policy field of work-family-balance, Lewis (2004) and Hobson et al. (2008) demonstrate that the investigation of individual capabilities (i.e. *choice* between mutually exclusive functionings) adds another layer of questions to the evaluation of individual level outcomes. While both wage-labour and care work may give access to a number of functionings, it is not possible to have them all. Individuals who, in this situation, have a real choice which functionings they prefer, have both functionings in their capability set, although they cannot realise them at the same time. The capability set contains, in other words, the “substantive freedoms” or the potential functionings an individual has, and which cannot be enjoyed at the same time. Investigating how much real choices (substantive freedoms) individuals have, requires an analysis of the conditions under which decisions have been made: It could be expected, for example, that often choices are taken in situations where the two or more options are not equally viable. In the work-family-balance example, choosing caring is found to go with a number of disadvantages such as restrictions of incomes, or difficulties for labour-market re-entry. Investigating choices, just as investigating conversion factors, addresses the conditions of access or non-access to functionings.

(B) – OUTCOME QUESTIONS. As has been shown above, the emphasis on human diversity is at the root of the concept of *functionings*. If everybody had the same opportunities to capitalise on the possession of a certain number of material items, one could instead stick with the concept of commodities. In practice, the measurement of functionings will distinguish itself from the measurement of commodities by using more refined or complex indicators: For example, investigating job satisfaction is likely to be more important in this context than investigating employment status only.

The second type of individual level outcome assessment which can be accommodated by the conceptual tools of the CA is the evaluation of capability sets (available choices), given a number of alternative functionings. This entails, strictly speaking, two questions: First of all, what kinds of alternative functionings are potentially attainable? (This question is at the level of a descriptive process analysis (outputs, see A1) – but is a precondition for the following.) Second: how much (real) choices do individuals have? Such analysis of capability sets can be a strategy for investigating situations where the assessment in terms of functionings does not tell the whole story. The investigation of capabilities is, however, more difficult than the assessment of functionings, as capabilities (the whole array of potential choices) is in principle unobservable. Whereas functionings are often analysed by means of quantitative data, it is therefore debatable whether the same is possible for the analysis of capabilities. The contribution by Hobson et al. (2008) approaches the question by making use of quantitative data, relying on the European Social Survey. To tackle the problem of unobservability, they analyse not only what choices people have taken, but also their aspirations (such as their preferred working hours, as opposed to their real working hours). The contribution of Zimmermann (2006), on the other hand, questions the potential of quantitative data and suggests making more use of qualitative data for assessing the question of capabilities (a suggestion which yet has to be taken up).

(B1) vs. (B2): The difference between these two approaches may not bear much practical or empirical implications, as studies which make use of the CA usually define a number of valuable functionings (B2), rather than giving a purely descriptive account of all the potential functionings (or choices or capabilities or life chances) an individual has (B1). The distinction may, however,

help to highlight that a descriptive analysis of capabilities is theoretically possible. For example, one not necessarily needs to consider more *choice* per se better in all social policy fields, and yet the question of available choices can constitute a valuable object of analysis.

NORMATIVE IMPLICATIONS. In this paper I have tried to uphold that the implications which unfold directly from the five building blocks of the CA should not be confused with those normative underpinnings which are derived from CA-external reasoning (and which may well be necessary, depending on the object of analysis and research strategy). However, as can be concluded from the above discussion, the five building blocks of the CA come with an implicitly normative stance: The stress on human diversity, and the related emphasis on the concepts diversity and individualisation, result in the implicit normative position that more individualisation and less standardisation is always better from the perspective of the CA. However, this relates to the description and evaluation of processes (policies) only (A1), and it doesn't substitute for an explicit definition of the functionings of capabilities, be it in the context of a study of functionings and capabilities itself (B2) or in the context of policy evaluation (A2). These approaches need an external and explicit normative reference point.

EXAMPLES. Most applications of the CA in the field of social policy are evaluations and can therefore be localised in the cells A2 and B2 of Table 1. An example for the attempt to analyse functionings (without *direct* relation to policies) are the contributions by Tania Burchard and Polly Vizard (cf Burchardt & Vizard 2007; Vizard & Burchardt 2007). While the empirical investigation remains yet to be carried out, their work gives an overview of the methodological challenges and potentials of using the CA for investigating inequality in the UK. Their main aim is to develop an authoritative list of functionings based on the human rights framework. While they are mainly concerned with measuring functionings in a very comprehensive way (B2), most other CA-applications surveyed for this paper focus on a small number of functionings (or capabilities) deemed relevant and important in their respective policy area, and use it to evaluate policies (A2). This is true for all of the contributions already mentioned above (Lewis 2004; Hobson et al. 2008; Bonvin & Farvaque 2007; Bonvin 2008; Salais 2003), and likewise for the various contributions in the volume edited by Salais and Villeneuve (cf. Salais & Villeneuve 2004).

OUTPUTS AND THE DEPENDENT VARIABLE PROBLEM. While most applications of the CA address effectiveness questions (A2) or attempt at describing *selected* capabilities or functionings of individuals (B2), the more descriptive approaches mentioned above (A1 and B1) have not been followed yet. I would like to suggest that the CA may be especially useful to address output questions (A1), in other words, questions of Individualisation and Diversity of policies.

The various contributions in the volume edited by Clasen and Siegel (2007) centre on the question how changing welfare state outputs should be measured, and substantiate the claim that traditional analyses of aggregate spending may not reveal those dimensions of the welfare state which are changing the most. In response to this observation, a number of answers are presented, which do not want to be understood as best or definite solutions to this “dependent variable problem”, but rather as suggestions for a plurality of new and possibly complementary indicators. Clasen & Clegg (2007) for example come up with the notion of conditionality, whereas Kvist (2007) constructs a multidimensional indicator for social citizenship. I suggest that these contributions could be valuably complemented by the insight which is at the heart of the CA, that individuals are diverse, have diverse needs and aspirations. This would lead away from the measurement of averages, “common” or generally accessed benefits or services. Quite on the contrary, it would require breaking down the recipients of public services and benefits into sub-categories according to their different needs and risks, and address the question whether their different needs are met with differentiated, individualised policy responses – or whether standardisation and moves towards (cheaper) one-size-fits-all programmes are dominant traits of social policy fields.

This strategy can be expected to be especially useful either in areas where several groups with different risks find themselves in the same category, or, on the contrary, where a heterogeneous group of people with nevertheless similar risks are split up into different programmes and categories. Both situations apply for example to the way non-employed (as opposed to unemployed) people are categorised and treated by welfare states. Whereas a high degree of fragmentation (e.g. into incapacity benefit recipients, “normal” long-term unemployed and people in early retirement) often leads to very different policy responses for the different categories (despite of often similar problems), the contrary is also often true: Within one category (e.g. the “normal” long-term unemployed) programmes are often standardised and not able to address the considerable degree of diversity of needs.

CONCLUSION

In this paper I have suggested that the CA can serve a useful purpose for social policy analysis. Some contributions already make use of the CA's terminology for assessing policies in terms of their effects on the functionings or capabilities of individuals. While this approach certainly has its merits and potential, I suggested that yet another road may be even more interesting for future uses of the CA. I tried to show that the building blocks of the CA with their crucial distinction between commodities and capabilities on the one hand, and between capabilities and functionings on the other, put much emphasis on human diversity, i.e. the diversity of needs and plurality of choices. This emphasis can serve as the starting point for a (descriptive) analyses of policy outputs, focussing especially on the concepts individualisation and diversity.

Investigating outputs in this way may furthermore be an inspiration for addressing the dependent variable problem, directing the attention away from the measurement of averages and common regulations, and more towards questions like how diverse needs and risks are being addressed by social policies with their inherent need of standardisation through categorisation.

In this way, I deem the CA a concept *especially* useful for the analysis of mature welfare states, although it arguably was developed with economically developing countries in mind, and first applied in these contexts. The questions of individualisation of policies and programmes, however, may become more relevant particularly in countries in which social policy programmes and spending have become bigger as they take an ever more important role for the regulation of advanced capitalist economies.

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