Helpdesk Research Report: Literature and debates around ‘choice’ as a notion in development

01.03.2012

Query: What are the strongest groups of literature and main debates around ‘choice’ as a notion in development?

Enquirer: DFID

Author: Oliver Walton (oliver@gsdrc.org)

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1. Overview

The concept of choice has informed the development literature in a number of areas. It has been important in informing theoretical frameworks that underpin much development policy (through rational choice, public choice and social choice theory). From these theoretical foundations, the notion of choice has been central to defining key concepts such as human development and empowerment. The notion of choice has also been a prominent concept in a number of more practical policy debates, particularly in relation to public service delivery and cash transfers. This report highlights five main areas of literature that touch on the concept of choice:

1. The capability approach to development: Based on the work of Amartya Sen and social choice theory, the capability approach to development has informed the UN's understanding of human development, which is widely defined as a 'process of widening people’s choices'. Key debates in this area of literature relate to the possibility of democratic systems to generate optimal decisions in relation to social welfare, the issue of prioritising choices (whether or not to go beyond the three essential choices – to 'lead a long and healthy life, to acquire knowledge and to have access to the
resources needed for a decent standard of living’), and the potential tension between choice and participation.

2. **Empowerment**: This literature qualifies understandings of choice in a number of areas – including providing discussion of the conditions, consequences and transformational significance of choice. It also provides analysis of three components of choice: resources, agency and achievements. A key debate raised in this literature relates to the problem of internalisation or ‘false consciousness’ where people come to accept marginalisation and therefore reject the choice to transform their position.

3. **Rational Choice and Public Choice Theory**: These approaches have been highly influential in development policy, but have been criticised largely on the grounds that they are reductionist and underplay the potential for collective action. There have been some efforts to identify certain conditions under which rational choice theory may have greater relevance.

4. **Public Service Delivery**: Providing choice to service users has been claimed to increase effectiveness and cost-effectiveness of public service delivery, as well as empowering citizens. In developing countries, ‘choice’ reforms have been particularly prominent in the area of education. The efficacy of these approaches has been widely questioned, with some studies suggesting that introducing choice and competition in settings where there is high inequality can widen disparities.

5. **Cash Transfers**: Cash transfers have been seen by some as preferable to in-kind transfers on the basis that they provide beneficiaries with choice. Choice here is seen as both enhancing the efficiency of transfers and protecting the dignity of beneficiaries. This literature raises issues relating to the potential for aid agencies to influence beneficiaries’ choices and the potential for choice reforms to undermine collective action.

### 2. The Capability Approach to Development

The capability approach to development relies heavily on the notion of choice. Sen distinguishes between functionings (‘beings and doings’) and capabilities (‘the alternative combinations of functionings a person is feasibly able to achieve’). Functionings can be seen as people’s actual achievements (whether or not they are hungry or homeless), whereas capabilities represent their opportunity freedom – their freedom to choose between alternative functioning combinations. Capabilities therefore only arise when people have a choice over functionings (e.g. between eating and fasting). Sen (1970) argues that freedom of choice, in and of itself, is of direct importance to a person’s quality of life, and for this reason argues that simply assessing people’s functionings is an insufficient way of understanding poverty. Choosing a lifestyle is not the same as having that lifestyle – a person’s well being depends on how that lifestyle came to be.

The capability approach is built on social choice theory, which seeks to examine how individual interests can be aggregated towards collective decisions. Sen rejects the pessimism of earlier theorists such as Arrow (1950) who argued that no democratic electoral system could produce optimum results with regards to social welfare. Sen (2002) argues that this problem can be overcome by broadening the information base available to social choice, and by allowing individuals to resolve their divergent preferences via open discussion and public debate.

The notion of choice has been central to the UN’s concept of human development (which is based on Sen’s capability approach to development) and has been referenced in almost all of the UN’s
annual human development reports since their inception in 1990 (Alkire 2010). The UN has consistently defined human development as a ‘process of enlarging people’s choices’ or used very similar formulations. The UN has also consistently emphasised that the choices that people make are ‘neither static or finite’ and that they may relate closely to people’s values: ‘human development is about people, about expanding their choices to lead lives they value’ (UN 2000 cited in Alkire 2010, p.9).

Alkire’s analysis highlights two key debates that relate to the notion of choice in the UN’s understanding of human development:

**Prioritising choices:** The human development reports emphasise different kinds of choices. The UN has emphasised three essential choices, which are relevant regardless of people’s level of development – the choice to ‘lead a long and healthy life, to acquire knowledge and to have access to the resources needed for a decent standard of living’. The 2004 Human Development Report explains that these three areas should be targeted since they are universal and their absence would foreclose many other choices (UNDP 2004). Other choices – such as the choice to express political, economic, and social freedom, having opportunities to be creative and productive or to enjoy self-respect and human rights – are highlighted in some human development reports, but not others. Alkire notes that there is some debate about whether an expanded ‘canonical’ list of capabilities should be promoted. Sen argues against this, asserting that fixed lists can deny the possibility of progress in social understanding and therefore ‘go against the productive role of public discussion, social agitation and open debates’ (Alkire 2010, p.31).

**Choice and participation:** In her analysis of human development reports since 1990, Alkire notes that choice only constitutes one part of the UNDP’s concern for freedom – freedom can involve both ‘opportunity freedom’ or choice, and ‘process freedom’ (development as a participatory and dynamic process). As has been highlighted by analysts of empowerment and as will be discussed in the next section, these two forms of freedom sometimes come into tension and can pose dilemmas for development practitioners.

### 3. Empowerment

Many of the concepts of empowerment are based on Sen’s work on capabilities, freedom and development. The empowerment literature (and particularly the literature on gender empowerment) provides some of the strongest conceptual analysis of choice in the field of development.

The notion of choice is central to most definitions of empowerment. For example, POVNET (2008 cited in Eyben et al 2008, p.5) adopts the following definition:

‘Empowerment broadens poor people’s freedom of choice and action, expanding their assets and capabilities and enabling them… to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives’

Eyben et al (2008, p.6) use the following definition, which is designed to capture how freedom of choice is constrained by power, which shapes imagination and thus the potential for achieving desired change:
‘Empowerment happens when individuals and organised groups are able to imagine their world differently and to realise that vision by changing the relations of power that have been keeping them in poverty’.

Kabeer (1999, p.2) argues that ‘the notion of choice has been qualified in a number of ways to make it relevant to the analysis of empowerment’:

- **Conditions of choice**: ‘in order to distinguish between choices made from the vantage point of alternatives and those reflecting the absence, or punishingly high cost, of alternatives’ (p.10).

- **Consequences of choice** (first and second order choices). Strategic life choices (including where to live, whether and whom to marry, whether to have children, how many children to have, freedom of movement and association) help to frame other choices that may be important for everyday quality of life but do not constitute its defining parameters. This issue relates to debates about prioritising choices raised in the last section.

- **Transformatory significance of choice**: ‘distinguishing between choices with the potential for challenging and destabilizing social inequalities and those that essentially express and reproduce these inequalities’ (p.10).

Kabeer’s (1999) understanding of ‘choice’ consists of three inter-related components: ‘resources, which form the conditions under which choices are made; agency, which is at the heart of the process through which choices are made, and achievements, which are the outcomes of choices’ (Malhotra et al 2002).

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resources (pre-conditions) > agency (process) > achievements (outcomes)
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- **Resources**: A range of economic, human and social resources that enhance the ability to exercise choice. Key resources include social relationships and can include not only actual allocations, but also future claims and expectations.

- **Agency**: The ability to define one’s goals and act upon them. Agency is about ‘more than observable action; it also encompasses the meaning, motivation and purpose that individuals bring to their activity’ (Kabeer 1999, p.3).

- **Achievements**: It is not always possible to know what people wanted to achieve by looking at what they have achieved. ‘Inequality in functioning achievements cannot be automatically interpreted as evidence of power inequalities, because it is highly unlikely that all members of a given society will give equal value to different possible ways of being and doing’ (Kabeer 1999, p.4).

The literature on gender empowerment also raises the issue of **internalisation or ‘false consciousness’**, where marginalised groups such as women internalise the lesser social value ascribed to them by the wider society and therefore reject the choice to transform their position (Kabeer 1999). Kabeer’s research in Bangladesh has highlighted great diversity in how women explain their choices – some actively reject patriarchal authority, while others believed it to be justified on the grounds of biological inferiority. This poses a potential dilemma for development agencies that
seek to expand choices – what if people’s choices appear to have a negative effect on their
development? Cornwall (2003) notes that the concept of ‘false consciousness’ is unhelpful, and
argues that compliance with social norms may in fact reflect a deliberate strategy designed to provide
subordinates with room for manoeuvre.

4. Rational Choice and Public Choice Theory

Rational choice theory asserts that each ‘individual agent acts rationally so to maximise his/her utility’ (Kjosavik, p.205). Rational choice theory has been applied to the development field in a number of ways. Most fundamentally, it has informed a ‘new institutionalism’ or ‘new political economy’ approach that assumes that ‘what makes sense for an efficient economy is a set of institutions that permit individuals to benefit personally from doing what will also serve the (material) interests of society as a whole. Thus, for instance, a system of land tenure that allows tenants to keep themselves a significant part of any expanded output…is more economically efficient than one that does not’ (Leys 1996, p. 121).

This approach has been criticised on the grounds that:

- social change can only be understood in historically-rooted and contextually-informed analysis, not in universal models;
- it is reductionist;
- it tends to privilege certain factors because they can be easily modelled, not because they are key factors (Leys 1996);
- it is based on the spurious assumption that there is no possibility that policy can be shaped by leadership or government motivated by a long-term appreciation of the general interest (Harris 2002). Harris (2002) argues that rational choice approaches tend to exaggerate the conflict and polarization that redistribution is likely to generate.

Ostrom (1998, p.17) has advocated a broader theory of rationality, which assumes that ‘individuals can draw on heuristics and norms to solve some problems and create new structural arrangements to solve others’. Ostrom has argued that rational choice approaches hold under very particular conditions: where independently acting individuals have ‘high discount rates and little mutual trust, no capacity to communicate or to enter into binding agreements, and when they do not arrange for monitoring and enforcing mechanisms to avoid overinvestment and overuse’ (London 1998 citing Ostrom 1990, no page number).

The closely related field of public choice theory applies the logic of rational choice to politics to understand political decision making. Analysts from the public choice school tend to take a pessimistic view of the behaviour of politicians and public officials. This approach has relevance for development in a number of areas, but particularly in its analysis of rent seeking. Public choice theorists tend to argue that rent-seeking leads to a waste of resources, a view challenged by institutional economists such as Mustaq Khan (Khan & Jomo 2000). Green and Shapiro (1994, p.6) assess the contribution of rational choice to political science and argue that ‘the case has yet to be made that these models have advanced our understanding of how politics works in the real world’. They note that the rational choice approach has difficulty in dealing with governments and states, arguing that ‘[i]n practice, the rational choice paradigm copes much better with the political pressures on states emanating from societies than it deals with the (quasi-) autonomous capacities of states to set political agendas and make policies’ (p.15)
5. Public Service Delivery

Since 2000, two approaches to public service reform have dominated. A market-based or New Public Management (NPM) approach that emphasises choice as a basis for improvement, and a co-governance approach that views increased voice as a basis for improving services. Providing choice in public services is claimed by some to improve the effectiveness (and cost-effectiveness) of service provision by providing market incentives to good performers and eliminating poor performers (UNECA 2003, Dessy 2007). Providing choice in public service provision can also be said to empower citizens when they are provided with adequate information about the level and quality of services they will receive (UNECA 2003). The World Bank’s 2004 World Development Report emphasised the importance of strengthening direct accountability of service providers to users through arrangements such as computerised complaints systems and citizens’ charters, which can facilitate well-informed choices (Unsworth 2010). Dessy (2007) describes how providing choice to service users can improve efficiency, whilst also creating ‘public bads’, for example, by discouraging investment in certain sectors and therefore pushing up costs. Voucher schemes can provide one way around such problems by allowing governments to support particular sectors but without disrupting the market mechanism.

Most references to choice in the service delivery literature relate to developed country contexts. This is probably because there has historically been a greater ideological commitment to market principles in these contexts and the state has played a leading role in delivering services. In many developing countries, by contrast, the state has never been the dominant service provider and therefore breaking state control over service delivery is less likely to be a relevant strategy for improving public service provision (expert comments). In some developing countries such as those in South Asia and West Africa, at least some people have more choice between alternative providers (state, private, NGO, community and household provision). Choice has emerged in these contexts because of failure of the state to provide services. The poor performance of these cases indicates that choice may be an inadequate response to poor state provision (expert comments).

One sector where the notion of choice has been operationalised in the developing world context is education (expert comments). Chile, for example, has undertaken education governance reforms aimed at increasing choice for over twenty years (EFA 2009). Other countries, such as India and Pakistan have come under pressure from the World Bank to promote private education so as to subject the public sector to competition by giving parents choice, but these initiatives have not been taken very far (expert comments). Advocates of choice and competition have had an increasing influence on debates about education reform in the developing world (EFA 2009).

A 2009 global report on inequality in education (EFA 2009, p.4) emphasised that it was important to recognise that ‘school competition and choice, and private-public partnerships have their limits’. It notes that ‘Parental participation is important and, under the right conditions, choice and competition can help raise standards and equalize opportunity. But the overwhelming priority, especially in the poorest countries, is to ensure that a properly financed public education system is available to all citizens’ (EFA 2009, p.16). The report notes that for people living in poverty, ‘choice is often constrained by a lack of purchasing power, limited access to information and in many contexts by an absence of responsive providers’ (EFA 2009, p.152). Introducing choice and competition in contexts where there are high levels of inequality without provisions to equalise opportunity is ‘a prescription for widening disparities’ (EFA 2009, p.162).
6. Cash Transfers

There is considerable debate in the literature on social protection around the issue of cash transfers. Cash transfers are favoured by some partly on the grounds that they provide beneficiaries with choice, which is seen as providing a better mechanism for meeting beneficiaries’ actual needs, and as providing a more dignified alternative to in-kind transfers (Lor-Mehdiabadi & Adams 2007). Providing choice may help to enhance dignity because it allows beneficiaries to avoid queuing for food assistance (Harvey 2005). Some authors argue that cash transfers constitute a ‘fundamental step towards empowerment’ (Mitchell & Peppiat 2001, cited in Harvey 2005, p. 43).

The issue of social conditioning and choice emerges in this literature on cash transfers, with some arguing that misinformation and assumptions may surround cash transfers, which make beneficiaries believe that they are only allowed to spend cash transfers on particular items (Lor-Mehdiabadi & Adams 2007). Some humanitarian agencies, such as the International Committee of the Red Cross (ICRC), rate choice and dignity high on their criteria for response (ibid.). Other humanitarian agencies have been reluctant to provide cash transfers since they represent a loss of control and there are fears that people will misuse cash (Harvey 2005). Harvey (2005) notes that these issues are rarely discussed openly. The experience of cash transfer programmes in Brazil and Mexico shows that ‘choice’ reforms may undermine opportunities for collective action (Unsworth 2010).

6. References


http://www.gsdrc.org/go/topic-guides/service-delivery

http://www.utsc.utoronto.ca/~kmacd/IDSC10/Readings/research%20design/inter-d.pdf


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### 4. Additional information

**Experts Consulted:**

Richard Batley, University of Birmingham

**Key websites:**

ALNAP, GSDRC, ODI Humanitarian Policy Group, UNDP, UNECA, UNESCO, World Bank

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