

## **Indigenous Peoples, Human Development and the Capability Approach**

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### **Abstract:**

Both indigenous peoples and the capability approach (CA) take a holistic view on development and stress the multiple dimension of development as the expansion of people's well-being including social, cultural and spiritual elements. The paper investigates to what extent the capability approach can be applied to the analysis of indigenous peoples' sustainable human development.

First, the paper will discuss the aspects in which the two perspectives coincide. It will be argued that Sen's approach to not define a specific list of 'basic capabilities' but in fact to leave this open to be defined dependent on local context and people's priorities makes the capability approach especially suitable to the evaluation of indigenous peoples'. Second, the paper will discuss the issue of how indigenous peoples - through a participatory process- define their own 'list' of capabilities and set priorities for their own human development. The research will present a list of human and social capabilities which was generated through an extensive consultative process with indigenous communities in Peru and Bolivia and which reflects the communities own definition of well-being and human development. Based on these empirical results, the paper will highlight that while the CA provides an effective framework to analyze the individual well-being of people, it has important limitations in evaluating the collective well-being of groups, such as indigenous communities. Finally, the paper will introduce the concept of "instrumental" and "substantive" social capabilities and will demonstrate that there exist certain social capabilities which do not only have an instrumental value for enhancing the human capabilities of individuals, but in fact have a substantive character

on their own. It will be shown that this emphasis on social capabilities is particularly relevant to indigenous peoples, since based on their strong collective identity and worldview, they define their-well-being in collective and not only in individual terms.

## **1. Introduction**

Indigenous peoples have historically been the poorest and most excluded populations in many parts of the world. They have not only faced serious discrimination in terms of their basic rights to property, language, culture and citizenship but also in terms of access to basic services and essential material conditions for a satisfying life. In many countries of Latin America there exists a high correlation between poverty and being indigenous with the socio-economic conditions and access to basic social services significantly worse for the indigenous peoples than for the non-indigenous population (Davis, 2002, Partridge et al. 1998).

No universal definition of indigenous peoples exists and due to the history of political repression, discrimination and assimilation policies<sup>1</sup> by states, indigenous peoples usually reject to be defined by external agencies. In order to be able to identify rather than 'define' indigenous identities the paper uses the working definitions provided by the International Labor Organization (ILO) Convention 169 and the UN Special Rapporteur José Martínez Cobo<sup>2</sup>.: Both approaches emphasize the that self-identification as indigenous should be used as the main criteria; while underlying the following aspects as critical to indigenous identities: i) historical continuity with pre-colonial societies; ii) strong link to territories; iii) distinct social, economic and political systems; iv) distinct language, culture and beliefs; and v) self-identification as different from national society. From an indigenous perspective, the right to self-identification is essential to ensure that they are respected as peoples and communities with their own identities, cultures, languages, worldviews and religions.

Over the past decade there has been a strong reaffirmation of indigenous identity throughout Latin America and important advances in indigenous peoples' human

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<sup>1</sup> These assimilation policies applied by all nation states of Latin America were based on the rational of the need of a unique 'national identity' after the independence from the Spanish or Portuguese colonial powers. At the center of the policies was the attempt to 'assimilate' indigenous peoples into the dominant sectors of society. This policy has led to the systematic discrimination against indigenous peoples with the objective of undermining their cultures, identities and traditional subsistence economies.

<sup>2</sup> UN Doc.No.E/CN.4/Sub.2/1986/87

development. In particular, there has been an emergent trend of strong indigenous organizations and a new indigenous leadership as well as a growing awareness of the mestizo population about the multi-ethnic and pluricultural character of societies, such as in Peru and Bolivia. This new trend of the strengthening of the indigenous movement in Latin America forms the basis for indigenous peoples to define their own development priorities and to become the agents of their own human development.

Within this context the paper will investigate to what extent the CA is a suitable theoretical framework for the analysis of the well-being of indigenous peoples. The emphasis of the research will be hereby to provide an account of the views and perspectives of indigenous and to illustrate how communities themselves can become the agents for the improvement of their human and collective well-being.

## **2. The capability approach and the challenge of selecting human capabilities**

The capability approach (CA) developed by Amartya Sen views development as a process of expanding people's human capabilities or their ability to achieve things they have reason to value. Sen highlights the need to refocus development on 'people' and points out the necessity of viewing human beings as ends in themselves and never as only means to other ends (Sen, 1990,p.41). What matters to Sen is what people are capable of being or doing with goods to which they have access. The emphasis of the capability approach lies on the evaluations of people's functions (their beings and doings) and capabilities (their real or effective opportunities to achieve those functionings). Thus, the capability approach provides a broader informational base for conceptualizing development than more traditional approaches, which typically focus on resources or utility (Sen, 1984, 1999; Nussbaum, 2000). While Sen provides several examples of valuable capabilities (i.e. being well-nourished or being able to keep warm), he does not prescribe a specific list of capabilities or functionings nor does he give precise guidelines on how the selection of relevant capabilities should be done (Fukuda-Parr 2003, Robeyns 2003 and Sen 1993). For this reason the capability approach has been criticized as theoretically incomplete (Comim, 2001; Nussbaum, 1988p.152, Doyal and Gough, 1991, p.156) and Martha Nussbaum has advocated for the need to define a specific list of basic capabilities (Nussbaum, 1995, 2000). Sen has defended his approach by arguing that it is a general framework for the evaluation of human well-being and needs (i) to be combined

with a different social theory and (ii) to be adopted to diverse local and cultural contexts. Sen deliberately leaves the approach open for different interpretations and rejects the concept of endorsing one specific ‘list of capabilities’ being generated by academics (Sen, 1993). He stresses the role of agency and the freedom of people to make their own choices. He emphasizes the need for ‘democratic processes’ to define which capabilities are the most valuable within the context of a specific local and/or cultural context (Sen 1990). Thus in order to operationalize the approach, this implies the need for the effective involvement of people in their own development. The capability approach puts therefore the effective and meaningful participation of people in the center of development. A key issue however remains that Sen has not defined what constitutes a legitimate democratic process and one needs to complement his approach with theories of deliberative democracy and participation in order to be able to apply it to more empirical analysis (Chambers, 1997; Crocker, 2004). The following section will show several important reasons why the capability approach is compatible with the worldview of indigenous peoples. The paper fully acknowledges that the selection of valuable capabilities through a genuine participatory process is an important methodological challenge. The paper argues that indigenous peoples themselves are best suited to define their own human development and emphasizes that the process of defining the valuable capabilities is essential to provide legitimacy to any potential ‘list’ of capabilities or functionings.

### **3. Indigenous peoples and the capability approach**

The following section will show that the capability approach is very well suited for the analysis of the well-being of indigenous peoples.

First, both approaches take a holistic view on development and stress the multiple dimension of development as the expansion of people’s well-being including social, cultural and spiritual elements. Hereby exist important similarities between Sen’s criticism of utilitarianism (as claimed by welfare economics) and the primary good approach (as demanded by Rawls) in overemphasizing the material aspects of development and indigenous peoples’ view of the importance to base their development on their own cultural diversity, traditional knowledge and worldview. Thus similar to the indigenous peoples perspective on development, the capability approach provides a fuller recognition of the variety of ways in which lives can be enriched or impoverished not only based on real income, wealth, resources or primary goods.

Second, the capability approach focuses on the evaluation of peoples well-being directly (i.e. indicators of quality of life) and moves away from assessing development programs through measuring inputs or means (i.e. increase in incomes, or consumptions) This goes hand in hand with the indigenous peoples perspective, as it points out that conventional approaches to development have overemphasized material and other forms of deprivation (i.e. lack of income and low levels of literacy) without adequately taking into account their rich cultural identity and traditional knowledge. For Sen as well as indigenous peoples, these aspects of peoples' lives are crucial for determining their overall well-being.

Third, Sen strongly believes that value judgments about the priorities of development i) have to be performed by individuals and society by themselves and ii) have to be made explicit by the theoretical framework (Sen, 1999). He criticizes conventional economic theories implicitly for making strong value judgments by assuming an individualistic and rational profit maximization behavior in people. Furthermore, he highlights that conventional welfare economics focuses on finding solutions to the issue of the efficient allocation of resources, while the issue of the equitable distribution of resources is being frequently neglected<sup>3</sup>. In the capability approach, on the other hand, Sen does not exercise such a value-judgment himself, but proposes an “evaluative exercise” to be performed by individuals and society through a public discussion and democratic process in order to form these value judgments. This openness of the approach makes is particularly suitable for applying it to the issues related to enhancing the well-being of indigenous peoples. As described above, indigenous peoples frequently criticize development programs as being based on Western values and representing a continuation of the assimilation of indigenous peoples in to dominant society, thus undermining their cultural identities and worldviews (Healy, 2001; Albó, 1996).

Fourth, the CA stresses similar to indigenous peoples the crucial role the process itself is playing for development. Therefore Sen emphasizes the concept of capabilities which represents the potentials or opportunities of a person to achieve his/her valued functionings. In this sense capabilities are a kind of freedom for a person to reach the life she or he values. Thus Sen highlights the importance of the process in expanding the

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<sup>3</sup>A good example for this is for instance the Pareto optimum which will lead to the most efficient allocation of resources, however is not sensitive to the issue of equity. Hereby it has an implicit value judgment of confirming the 'status quo' even if this leads to a socially unacceptable disparity in the distribution of resources and wealth

capabilities of a person itself as essential for development and considers the analysis of the actual outcomes (functionings) of this process as secondary. Hereby the CA very much coincides with the perspective of indigenous peoples, who highlight the key role the process plays for their development. Indigenous peoples stress that they are frequently deprived from having opportunities in the economic, political or social spheres of their lives. There exist too many barriers which impede them from taking and realizing the life decisions they value. Similar to Sen's emphasis on human capabilities, indigenous leaders highlight indigenous peoples' need for more equal options and opportunities. At the same time they are aware that they need first to strengthen their capabilities in order to be able to take better advantage of opportunities they obtain.

#### **4. An overview of the situation of indigenous peoples in Peru and Bolivia**

Throughout Latin America and the Caribbean important changes concerning indigenous peoples have been taken place. In particular, since the early 1990s, there has been a trend towards the revitalization of indigenous people's identity and culture. This revitalization includes (i) the constitutional recognition of the existence of the pluricultural and multi-ethnic character of many societies in national constitutions; (ii) the emergence of strong indigenous organizations at the regional, national and local level; (iii) the establishment of territorial spaces (protected areas) managed by indigenous peoples; (iv) the increased self-identification of many peoples as indigenous, and (v) the increased recognition of indigenous issues within international donor agencies, such as the World Bank and the Inter-American Development Bank. In spite of these important advances, the improvement in the living conditions of indigenous peoples has been minimal and most indigenous peoples remain excluded from such basic services as electricity, education and health.

In Peru, the population of indigenous peoples reaches approximately 40% if calculated with proxies to identify the bilingual or multilingual population and 27% or 6.5 million if a strict criteria of monolingualism is applied to the 1993 census data. The Amazon indigenous population is estimated as 237,000 speaking 12 different languages and several dialects— they are divided into more than 30 tribal groups and are spread over 60% of the nation's land area. The vast majority of indigenous peoples live in the rural highlands (Sierra region), while there has been a large-scale migration to the urban centers in the coastal region during the past two decades. Within Peruvian society,

indigenous peoples remain marginalized in political, social and economic terms due to the following structural issues, including: i) the lack of economic opportunities in the highland region; ii) a persistent disparity between urban/rural poverty and indigenous/non-indigenous poverty; iii) continuous poverty and social exclusion of indigenous migrants living in urban centers; iv) an inconsistent legal and institutional framework which fails to guarantee indigenous peoples secure access to their land and control over the use of natural resources and traditional knowledge; v) the lack of access to social services (education and health) in most indigenous communities; and vi) the continued discrimination and stereotyping against indigenous peoples perpetuated in the daily life of Peruvian society (Mayer, 2002; Plant, 1998; Varese, 1996; Stokes 1995; Degregori, 1993; Bourricaud, 1975).

An empirical study by Psacharopoulos and Patrinos has highlighted the strong correlation between poverty and being indigenous. In Peru, the study found that 79,0% of the indigenous population was poor compared to 49,7% of the non-indigenous population. This poverty statistic is correlated to a striking lack of access to social services, such as education and health. For instance, non-indigenous individuals have 20% more education than do indigenous peoples. The most recent World Bank national poverty assessment highlights that the poverty rates among indigenous peoples in Peru have even increased in recent years (World Bank, 1999). The study compared household survey data on income, consumption and access to human services among poor Peruvian families (both urban and rural and disaggregated by region) from 1994 and 1997 and showed a decline in poverty rates— especially of severe consumption poverty— from 19 to 15 percent. However, poverty among speakers of indigenous languages, and especially in the Sierra and Amazon regions, was found to have increased rather than decreased during this period. The assessment found that the native-language speaking, indigenous population was 29 percent more likely to be poor than the Spanish-speaking population in 1997 as compared to 24 percent in 1994.

In Bolivia, official figures estimate that approximately 4.6 million people (58 per cent of the total population) are indigenous, comprising 37 different indigenous and aboriginal peoples (Ministerio de Desarrollo Sostenible y Planeación, 2000:18). The Aymara, Quechua and Uru speakers living in the Andean highlands (Altiplano) and central valleys form the majority of the indigenous population (35% and 50% respectively). The other

15% is distributed among 34 other ethnic groups that inhabit the lowlands. Due to the strong migration to urban centers, it is estimated that 54% of the indigenous peoples live in urban areas. Indigenous peoples are marginalized in the economic, political and social spheres of their lives in Bolivia. In economic terms, there exists a high correlation between poverty and being indigenous. In 1999, 58% of the urban population that spoke a native language lived below the poverty line with 30% living below the extreme poverty line. For those speaking Spanish the figures were 46% and 18% respectively (World Bank, 2000). As Xavier Albó has illustrated, the economic marginalization of indigenous peoples within Bolivian society has been entrenched through deeper socio-political and historical factors (Albó, 1996). The systematic exploitation and discrimination of indigenous peoples, which can be traced back to the Spanish colonial period continues to be present in Bolivia's political, economic and social life today and is perpetuated through many development policies (Feiring et al., 2003; McNeish, 2002; Healy, 2001; Albó, 1996; Ströbele-Gregor, 1996; Klein, 1982).

### **5. Indigenous peoples and human development**

It is important to highlight that the above described socio-economic situation of indigenous peoples strongly emphasizes their material deprivation and high poverty levels. In contrast to the 'outsider view' of researchers and development professionals, indigenous peoples themselves emphasize the non-income dimensions of well-being. Instead they stress their richness in cultural identities, traditional knowledge, worldviews and the strength of their customary social and political institutions. This view underlines the multiple dimension of well-being underscoring the social and cultural aspects of life and the need for a fundamental change in the relationship between the state, international donor agencies and indigenous communities. Indigenous peoples contend that most conventional 'development strategies' have been designed in a top-down, paternalistic way and that culturally these fostered their assimilation into dominant western culture. Such programs have frequently overemphasized the material and economic aspects of development, while having a poor understanding of the social, political, economic and ecological context of indigenous communities. The result of such a conventional approach to development has been a significant transfer of financial resources to those areas populated by indigenous peoples without a demonstrable and sustainable impact on their well-being (Butz, et al. 1991). In contrast to these traditional development

approaches to indigenous peoples development, the main objective of this paper is to present the results of a 'participatory process' that enabled indigenous peoples to voice their own needs and aspirations, as well as to define their own human development. The emphasis of the following findings is to provide an accurate description as possible of the views and perspectives of indigenous peoples and of the process through which they have defined their own 'list' of valued individual and collective human capabilities.

## **6. The fieldwork-the use of participatory methodologies**

The main objective for using the 'participatory' research methods has been to provide indigenous peoples with a space to make their voices heard and to enable them to define their own vision of development. This methodology requires taking a more holistic approach to development and involves a switch in power relationships away from those who traditionally define the development priorities (government, outside donor agencies) to indigenous peoples themselves who directly experience in their daily lives the consequences of severe poverty and social exclusion. The following findings of the research are based on the results of two 'participatory' consultation workshops and several focus groups organized by the Instituto Atinchik—a Peruvian indigenous consultant group specializing on facilitating participatory consultations. The workshops were financed by the World Bank within the context of the development of a National Indigenous Peoples Profile and coordinated by the Peruvian Ministry of Women and Human Development (PROMUDEH). The workshops were held in Cuzco in January 1998 with representatives of Andean and coastal indigenous communities and in Iquitos in June 1998 with representatives of Amazonian indigenous communities. In Bolivia, the workshops were organized from June to September 1999 in the four main regions, including the highlands, central valleys, the Chaco and the Amazon region. Similar to Peru, the workshops were financed by the World Bank within the context of the development of a National Indigenous Peoples Profile and coordinated by the Vice-Ministry of Indigenous Affairs (VAIPO).

The methodology (developed by the Instituto Atinchik) and used in the consultation workshops included the following aspects: (i) *Vision for the future*: Rather than focus on past and current problems, indigenous peoples developed a vision of their own future; (ii) *Participatory Action*: Participation implies having power to participate in the decision-making process. The methodology aimed at establishing new power relations with outside entities, whereby indigenous people become the main agents of their own

development and not mere subjects of external development policies; (iii) *Creative Production*: This concept calls for the capacity to think innovatively, to stimulate and apply artistic, creative power to the process of problem-solving and creating a new future; (iv) *Motivational Attitudes*: Approaches and techniques that excite and encourage people to participate and that offer help; (v) *Critical Thinking*: This element stresses the need for and capacity to look critically at oneself and one's environment, and to understand the reality of a situation before trying to change it; and (vi) *Life-force*: In addition to the techniques which are purely based on reason and rational thought, this methodology also includes techniques to listen to people's feelings—this acknowledges that emotions and feeling or affection and caring are part of what makes a decision or an effort sustainable.

## **7. An indigenous peoples' perspective on human development and well-being**

The following section describes the main findings of the participatory consultations with indigenous peoples in Peru and Bolivia. First, the paper will present a 'list' of the identified social or collective capabilities and second their priorities in terms of individual human capabilities. Hereby, indigenous peoples have also identified concrete steps necessary to enable them to expand those capabilities in order to improve their individual and collective well-being.

### **7.1. Social Capabilities**

Based on the strong collective indigenous identity and worldview—indigenous peoples have placed a strong emphasis on the need to strengthen the social capabilities of their communities. The identified aspects of social capabilities include: (i) organizational capacity; (ii) environmental protection and adequate natural resource management, and (iii) the strengthening of indigenous cultural identity.

#### **71.1. Strengthening indigenous organizations**

Traditional indigenous structures, such as general assemblies, ayllus and councils of elders represent the center of community life for indigenous peoples. Thus, it can be said that the indigenous organizational structure represents the basis for community life since it is embedded on a collective decision making process and on the principle of consensus. However, the Andean highland indigenous organizations have been fragmented by syndicalismo, political violence and the overemphasis on a sectorial approach of many development projects, which have focused their interventions on the provision of a specific

basic service, such as rural sanitation and water. Thus lacking a holistic approach and failing to incorporate indigenous perspectives and world views into project design and implementation. Considering the above, one important dimension of their collective well-being is the strengthening and capacity-building of indigenous organizations. This would in turn enhance indigenous peoples' social capabilities to create their own vision of the future through an autonomous development process based on their own identity and worldview. Thus the recuperation and strengthening of traditional indigenous governance is given a high priority among indigenous communities, this being particularly the case among the indigenous peoples of the highlands.

### **7.1.2. Environmental protection and the adequate management of natural resources**

Indigenous peoples have a close attachment to their land and environment, these being the basis for the economic, social and cultural aspects of their community life. Indigenous representatives expressed that securing land titles is central for their economic and socio-cultural existence. They highlighted the spiritual and religious significance of lands for their communities. In contrast to western thinking they do not view land exclusively as an economic "*commodity*", which can be traded in the markets, however they consider a secure land base as essential for their economic existence and crucial for the preservation of their cultural identity. They view land as a "*guarantee for the dignity, liberty, security and justice of their communities*". Based on their preoccupation about the progress of land regularization, indigenous representatives expressed their concerns on the development process and its ability to combine economic development along with the effective protection of environmental and natural resources. They highlighted the urgent need to incorporate traditional indigenous knowledge and resource management practices in an effort towards environmental protection and biodiversity conservation. Indigenous peoples argued that in their own communal lands they have developed an effective strategy that protects the environment and ensures an environmentally sustainable resource management. At the same time, indigenous representatives expressed their concerns about the rapid degradation of the environment. They were particularly concerned about the increased exploitation of their natural resources by multinational corporations (i.e. the oil and pharmaceutical industries). They stressed concerns that within the international global system no international property rights exist for traditional indigenous knowledge. Indigenous representatives proposed the

following steps to better ensure the process of an environmentally sustainable resource management:

- i) to establish clear and succinct procedures that facilitate the process of indigenous land regularization;
- ii) to forge a concerted effort between the government, indigenous communities, multinational agencies and NGOs towards a program that establishes a series of Community Protected Areas on indigenous lands;
- iii) to promote capacity-building efforts in indigenous communities aiming at the protection and management of natural resources in a sustainable manner. This will be accomplished through the following:
  - by initiating a joint effort between the government, indigenous communities, universities and research institutes in the design and implementation of regional environmental management plans that aim at protecting wild flora and fauna—these should be based on systematic environmental baseline studies; and
  - by creating a forum for the exchange of experiences between indigenous communities that have experienced success in combining economic development with biodiversity conservation and the many other communities wanting to know more about the process.

### **7.1.3. Recognition and strengthening of indigenous cultural identity**

Indigenous peoples expressed their vision of a “*development with identity*” which is based on the distinct cultural identities of each indigenous group. They feel that a shift in the mindset of society is necessary to achieve this goal. They stressed that it is fundamental for a successful indigenous development that civil society accepts the multi-ethnic and pluricultural nature of their societies. Indigenous peoples proposed to carry out a public awareness campaign through which the following two aspects are emphasized: i) indigenous culture is distinct from the majority of the Peruvian or Bolivian population; and ii) the cultural richness of indigenous peoples should be highly valued, instead of continuing to “*modernize*” and thus undermine their world views and cultural values. Indigenous peoples underscored the importance of the formal education system in the preservation and revitalization of indigenous cultures. Furthermore, they emphasized the important role that the media can play in supporting the expression of indigenous culture. Specifically,

indigenous representatives suggested the following to preserve and revitalize their cultural identity:

- i) to include as part of the nationwide school curricula Andean and Amazonian ethno-history;
- ii) to support initiatives of informal education based on traditional forms of indigenous culture—for example, story telling meetings revitalizing oral traditions;
- iii) to promote the operation of media, such as radio and TV stations in indigenous languages addressing self-identified problems and critical issues; and
- iv) to carry out a series of community-based cultural development projects which place indigenous cultural patrimony at the center—this can be accomplished by coordinating activities that focus on the revitalization of traditional indigenous handicrafts, festivals, theaters or music.

Indigenous peoples emphasized the argument that their culture represents an important strength and social capability for development instead of being an obstacle, as it has been frequently perceived by the national government, international donors and other development agencies.

## **7.2 Human Capabilities**

In terms of individual human capabilities, indigenous peoples identified the following key dimensions to well-being: (i) political participation; (ii) indigenous rights; (iii) access to basic social services; and (iv) sustainable economic development.

### **7.2.1. Participation and leadership in national and regional political life**

Indigenous representatives expressed the importance of equitable indigenous political participation in the political system at the local, regional and national level. Indigenous representatives emphasized that for centuries political life has been dominated by the urban elites and that indigenous peoples have suffered and continue to endure systematic political exclusion. Within the indigenous vision of the future an improved participation of indigenous leaders in the national political arena is key. In particular indigenous women face serious obstacles when attempting to participate in the political arena, due to their lack of formal education which is a direct result from past discrimination.

Furthermore, indigenous representatives raised their demand to assume more responsibilities in the management and implementation of development projects funded by

the national government, multinational agencies and NGOs. They expressed the need to have indigenous communities directly involved in the design and implementation of projects and thus have the opportunities to determine their own development.

In order to overcome these bottlenecks currently undermining indigenous participation in political life and in order to achieve their vision towards an equitable political representation, indigenous peoples suggested the following concrete steps:

- i) to launch a participatory training program at the community level for community leaders in which they could acquire technical skills in management, negotiations and legal aspects in order to have the capacity to fully participate at all levels of the political spectrum;
- ii) to establish a special capacity building program for indigenous women, who are particularly disadvantaged due to past discrimination.
- iii) to establish a political space for an ongoing dialogue between the government, indigenous communities, multi-national corporations, NGOs and multilateral agencies;
- iv) to promote the establishment of an “*Indigenous Representation*” within parliament to further the interest of indigenous peoples;
- v) to incorporate indigenous rights into the constitution;
- vii) to strengthen the capacity of indigenous organizations to design, administrate and implement their own development projects.

### **7.2.2. Indigenous Rights**

The lack of a legal framework securing indigenous rights presents a severe obstacle for indigenous self-development. Indigenous communities have suffered from political instability and violence and have been repressed due to the lack of full recognition of their human rights. Many indigenous leaders expressed that Peruvian and Bolivian societies persists in disrespecting indigenous rights and that indigenous peoples are being treated as “*second-class citizens.*” They highlighted that the establishment of a legal framework guaranteeing basic human rights, human dignity and the secure access to land and other natural resources is an essential requirement for successful indigenous development. Furthermore, in addition to establishing indigenous rights, the enforcement of these rights is crucial for the improvement of their living conditions. Specifically, indigenous

representatives suggested an adequate legal framework for indigenous peoples, which can be achieved through the following:

- ii) to draft, in cooperation with indigenous communities, an “Indigenous Law” that ensures the establishment of a secure national legal framework for indigenous peoples;
- iii) to enforce a legal recognition of indigenous lands, territories and community managed protected areas, through a joint effort incorporating the government and indigenous communities. For this purpose indigenous leaders suggested to establishing a multisectorial commission that defines and implements the legal procedures of land regularization;
- iv) to implement mechanisms that guarantee full respect for indigenous human rights—such measures could include an awareness campaign about indigenous peoples rights addressing the prevailing prejudices against indigenous peoples;
- v) to recognize and apply indigenous customary law; and
- vi) to guarantee the establishment of intellectual property rights for traditional indigenous knowledge.

### **7.2.3. Access to Basic and Social Services**

The main social indicators (such as illiteracy rate, access to health care, drinking water and sanitation) reveal that the living conditions of indigenous people are significantly worse than the ones for the non-indigenous population. In spite of the abysmal living conditions of indigenous peoples, many indigenous representatives expressed a positive outlook for the future. Their perspectives are frequently based on a long-term view of how to improve their living conditions, with a strong emphasis on the importance of education and the long-term development of indigenous communities. They expressed the need for a bilingual and intercultural education which fully incorporates the cultural and local realities of indigenous communities. On this subject, they expressed their preference for combining traditional knowledge with modern thinking. An important aspect of education and schooling is that it must be embedded in the cultural context of indigenous communities. Language plays a particularly key role as it is a major component of indigenous culture and self-identification. Bilingual education presents the basis of a greater goal—equitable access to higher education programs. In order to achieve this goal, indigenous peoples propose to establish a scholarship program that enables more indigenous youth to attend universities and to pursue a professional career. Within the consultation workshops indigenous representatives

expressed the need for a concerted program between indigenous communities, the Ministry of Education, universities and international donors in order to achieve this vision. In the short-run indigenous peoples suggested the following steps towards the improvement of their living conditions:

- i) to include indigenous communities in the provision of basic government services by incorporating them in the design and implementation process. The participation of indigenous peoples should ensure that the provided services also reflect the local needs and priorities;
- ii) to set up a network between regional and national government, project executing agencies, local authorities and indigenous organizations to exchange information and to carry out public works in basic infrastructure projects such as related to energy and basic sanitation;
- iii) to establish National Bilingual Intercultural Education Programs;
- iv) to acknowledge the important contribution of traditional medicine and to launch pilot projects combining modern health care services with traditional medicine;
- v) to establish a health education program jointly between health professionals and indigenous women's organizations to improve the health situation of indigenous women
- vi) to initiate a Program for the "Prevention and Eradication of Alcoholism and Domestic Violence". A focal point of this program should center on attempting to control the alcohol smuggling and illegal sale of alcohol to indigenous communities in the Amazon.

#### **7.2.4. Sustainable Economic Development**

Indigenous representatives expressed their frustrations about the severe socio-economic conditions they live in and the continuously high rates of poverty among indigenous communities. They highlighted that their economic, political and social exclusion in Peruvian society has led to the impoverishment of many communities. A major concern raised was the concentration of economic activity in the urban centers. Community leaders stressed that their communities do not have the same economic opportunity as the rest of society. They felt that their opportunities for economic development are very limited and that many government programs do not reach indigenous communities in the remote

rural areas. A result from such inequalities and discrimination has been the continuously high number of migration by indigenous peoples to the urban centers.

Another problem mentioned is the market prejudice which must be endured—where indigenous goods lack a place in the market, an economic reality which is compounded with the high price level for many basic goods that they do not produce. Furthermore, the exploitation of indigenous labor is being considered by many indigenous peoples as unjust. In particular younger indigenous leaders underlined that the only way to overcome this systematic problem is by establishing indigenous enterprises. Specifically, indigenous representatives suggested the following activities to improve their living conditions:

- i) to set up an “*National Indigenous Funds*“ which exclusively promote social investment in indigenous communities. These funds should be designed and implemented jointly between the government, indigenous communities and NGOs.
- ii) to establish a public-private partnership between the private sector, the government, NGOs and indigenous organizations, in order to initiate regional development plans and coordinate specific economic development projects.
- iii) to promote the establishment of indigenous businesses; for this purpose it is suggested that a comprehensive training program for indigenous peoples in business and management skills be launched, thus enabling them to found and effectively run their own businesses
- iv) to improve the economic opportunities for indigenous peoples in remote areas by enabling indigenous people to have access to modern technologies, such as for example modern telecommunication technologies, computers and online services.
- v) to promote the development of alternative sources of income, such as for example community-based ecotourism, or indigenous handicrafts. These activities have to be based in the social structures of the communities and should be managed and controlled by indigenous communities.

## **8. The need to go beyond the Capability Approach**

The fieldwork has highlighted that the CA has several limitations when applied to indigenous peoples. Therefore it is necessary to go beyond the CA and to expand its theoretical framework in order to apply it to the analysis the well-being of indigenous peoples.

First, while the CA provides an effective framework to move the analysis of human well-being beyond the conventional approaches, it shares the individualistic orientation of the utilitarian approach (Stewart and Deneulin, 2002:66). As such, it is argued that although Sen mentions the importance of ‘social influences’ and has significantly developed the concept of public policy making important contributions to ‘social choice’ theory, he stresses individualism considering his view that ‘*societal arrangements are investigated in terms of their contributions to enhancing and guaranteeing the substantive freedoms of individuals.*’ (Sen 2000, xii). The approach is thus an example of methodological individualism, “according to which all societal phenomena must be accountable for in terms of what individuals think, choose and do” (Bhargava 1992:1, Stewart and Deneulin 2002:67).

This argument is best illustrated by the issue of social or collective capabilities. While Sen gives numerous examples on how the expansion of individual human capabilities can expand the well-being of people, he does not provide any concrete cases on how people can expand their capabilities through collective action. It seems that while he mentions that the CA can also be applied to groups he has not fully developed the concept of social capabilities. Thus the CA is theoretically underspecified when it comes to groups and the role collective action plays for expanding not only the individual but the social capabilities of the poor. This point is particularly relevant for indigenous peoples, since based on their strong collective identity and worldview, they define their well-being in collective and not only in individual terms. Based on the work of Frances Stewart (2001) on horizontal inequalities and the applicability of the CA to groups, the research suggests expand the CA by developing the concept of ‘social capabilities’ further.

### **8.1 Instrumental and Substantive Social Capabilities**

The results from the fieldwork have demonstrated the critical role social capabilities play in indigenous peoples’ worldview. Hereby one can distinguish between the following two types of social capabilities. The first type of social capabilities is ‘instrumental’ in nature and serves as catalysts in the enhancement of individual human capabilities. An example of this type of social capability is a women’s savings group, where women come together and act collectively in order to be able to receive access to credit. This example, illustrates how the participants of a group have enhanced their capabilities, in a way which would have not been possible to accomplish alone. At the same time, however the incentives for the formation of the group are

based on the individual need to access credit and thus this type of ‘group or social capability’ has an ‘instrumental character.’

The second type of social capabilities does not only play an instrumental role in enhancing the human capabilities of individuals, but rather a more substantive one of their own. These are especially relevant for indigenous peoples, who frequently define their own well-being through the well-being of their community. Thus, these ‘substantive social capabilities’ are essential for better understanding their vision of an autonomous indigenous development based on their identity and worldview. For instance, the importance of cultural and religious rituals and festivities represents an example of a social capability which is ‘substantive’ rather than ‘instrumental’ in nature. As such, festivities serve to strengthen the communities’ identity and traditional institutions, and thus are ‘substantive’ for the community, rather than having the objective of enhancing the human capability of any one of its members. In fact they can often be detrimental to the well-being of the individual.<sup>4</sup>

Another example of a substantive social capability can be found in the traditional information systems of indigenous communities, based on the notion of indigenous knowledge as ‘collective good.’ While there are in each community individuals (frequently elders) who are preserving and passing on the community’s indigenous knowledge, the way the knowledge is passed on and applied is purely ‘collective’ in nature. Due to their oral tradition, the preservation and passing on of knowledge is a process that can only be enacted through the very nature of a group. In addition a large part of traditional knowledge is applied through collective action. For instance, the traditional Andean agricultural technique of ‘raised fields’ is only possible through collective work (‘minka’) and the benefits of applying this traditional knowledge are shared by the community. In this sense, indigenous knowledge represents an important ‘social capability’ for indigenous communities and its substantive character allows for more than just the instrumental enhancement of individual human capabilities.

## **8.2 A-political nature of the capability approach**

A second fundamental issue of the capability approach is its apolitical nature. While Sen emphasizes the importance of political freedoms as substantive to the development process itself, he does not analyze the political processes which are being involved with the expansion of the freedoms that people can enjoy as such. Cordbridge argues that

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<sup>4</sup>For instance the Cargo system in the Andean highland require the individual to spent his/her life-saving for the community (Allen, 1988)

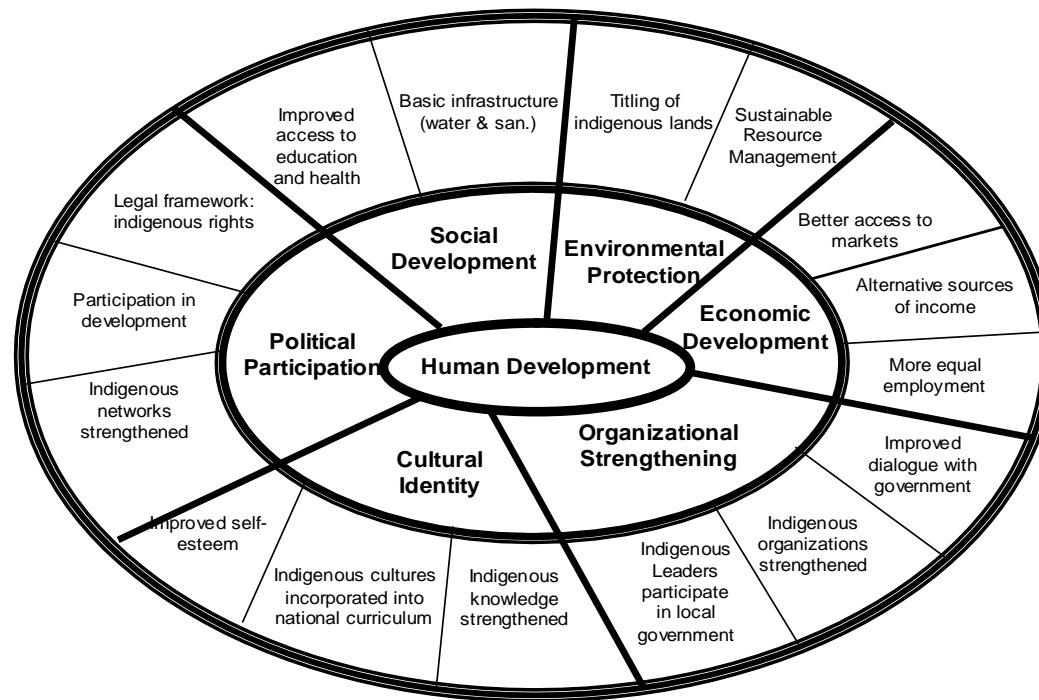
Sen's vision has limited force as a political tool because it fails to address problems of entrenched power and symbolic violence that operate within cultures. (Corbridge 2002). Furthermore it fails to recognize the significance of social struggles and contestational politics that have been historically necessary for people in most countries to achieve the redistribution of resources that are crucial ingredient to freedom.

As the empirical findings have shown, indigenous peoples are phasing severe constraints and social struggles in their own development due to their institutionalized political, social and economic exclusion within Peruvian and Bolivian society.

## **9. Conclusions**

The paper has shown that Sen's approach to deliberately leaving open the capability-approach for different interpretations dependent on the local and cultural context is an important strength, rather than a weakness of the approach. The experience from the consultations process with indigenous peoples demonstrates that participatory processes can provide people with the freedom to define for themselves which human and social capabilities are most valuable to their development. The paper highlights that such an approach allows us to overcome the challenge of how to select a valuable list of capabilities. Instead of drawing up a universal list of capabilities it is possible to enable people to define their own priorities for their human development. At the same time, the research demonstrates that the capability approach has a strong bias towards human capabilities and views well-being primarily in individualistic terms. The application of the CA to indigenous peoples strongly suggests that the concept of social or collective capabilities needs to be further developed in order to adequately reflect the worldviews and priorities of social groups with a diverse cultural background and identity, such as indigenous peoples.

## Annex 1: Indigenous Peoples Definition of Human Development



**Source: Consultations with indigenous peoples in Peru and Bolivia in 1998 and 1999 carried out by Instituto Atinchik**

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