INTRODUCTION

All of us want to enjoy richer, fuller lives. We may disagree as to exactly what richer and fuller is—it may involve becoming the next Nobel Prize winner in medicine or an Olympic gold medalist—but we all want to realize our dreams, whatever they may be. Our ability to make our dreams come true depends in part on raw talent. As much as we would like to find a cure for a deadly disease or be an athletic star, most of us are not smart or athletic enough, no matter how hard we try or how much we practice. But our potential is constrained not only by the limits of our innate talents but by the kind of society we live in. As President Lyndon Baines Johnson explained in a famous address he gave in the 1960s, ability is not simply “the product of birth,” but is “stretched or stunted by the family that you live with, and the neighborhood you live in—by the school you go to and the poverty or richness of your surroundings. It is the product of a hundred unseen forces playing upon the little infant, the child, and finally the man.”

According to Johnson, our ability to realize our potential is conditioned by the circumstances in which we live. For example, it would be hard to be a great scientist or outstanding athlete if we had to work six days a week making bricks, as some children do in Pakistan; if we had to subsist on one dollar a day, as 1.2 billion persons do throughout the world; or if we could not read or write, as is true for millions of the world’s women. People in such
circumstances find it exceedingly difficult to fulfill their potential, regardless of their natural gifts.

This book argues that some countries are better than others at creating conditions that permit citizens to realize their potential, whatever that may be. This issue is our entrance into the field of comparative politics. Comparative politics identifies and tries to explain political similarities and differences between countries, such as why some are better than others at creating conditions under which their citizens can thrive. We better understand political conditions in one country by comparing them to those in another. Comparison is valuable because we gain knowledge through it. It provides a standard, a point of reference by which we gain insight. Comparison helps us think more deeply about some political fact by looking at the same matter elsewhere.

Comparison not only gives us insight into countries’ political conditions, but it also helps us evaluate and form judgments about them. Those judgments may be empirical and objective, such as when we say that something is bigger or smaller than something else. Or they may be normative and moral, such as when we say
that something is better or worse than something else. Or we may do both at the same time and conclude that something is bigger and therefore better.

This book tries to combine both forms of comparison, the empirical and the normative, in order to probe more deeply into the political life around us. We are interested in how countries govern themselves not only because such knowledge gives us insight into our own circumstances, but also because it helps us make moral judgments about them. The question at the heart of our text is: what constitutes a good society and why are some countries better than others at creating one.²

This chapter asks what it means to be governed better. We develop some general criteria by which to examine and evaluate government performance in creating the good society. Our argument begins by suggesting that there are some kinds of behavior that are widely condemned throughout the world, whose presence would not meet most people’s criteria of a good society. We then offer some standards to compare the performance of countries, to evaluate the degree to which they create the conditions in which people can flourish. We discuss why wealth or high per capita income is inadequate to qualify as a basis to evaluate government performance. Next, the chapter anticipates and responds to critics who argue that it is a form of cultural domination for us to impose our standards of a good society on other countries or cultures. Finally, the chapter argues that societies are only as good as the institutions that comprise them: different institutional arrangements yield different results.

**WEALTH IS NOT ENOUGH**

Few people anywhere in the world would argue that a society based on slavery, where some individuals have no rights and can be bought and sold like cattle, is a good society, especially if one happened to be a slave. Few would agree that a society in which one group of people slaughters hundreds of thousands of fellow citizens from another ethnic or religious group is an example of good governance, especially if one happened to be part of the persecuted group. And few would say that a society in which thousands of children die each year of easily preventable diseases is an example of good political performance, especially if one of those children happened to be yours.

These are not hypothetical examples. If slavery is defined as “the total control of one person by another for the purpose of economic exploitation,”
there were an estimated 27 million persons in slavery in the world at the end of the twentieth century. These included girls as young as 15 who were held in brothels in Thailand, and children as young as six years old who made bricks all day in Pakistan. Likewise, ethnic killings are widespread in the world. One of the worst examples comes from the central African country of Rwanda. In 1994 members of the Hutu ethnic group killed approximately 800,000 members of the Tutsi ethnic group. Finally, in the less developed countries of the world some ten million children under five years old die each year. Most of these deaths could easily be prevented through the use of inexpensive medical treatments.

It would be relatively easy to get widespread agreement that these are undesirable and morally unacceptable situations in any country or culture. Our sense of moral outrage might be particularly acute if they were to happen to us. But is it possible to move beyond these specific examples to develop general criteria that can be used to decide what constitutes a good society? One possible measure of a good society and good governance might be a country’s wealth or level of economic development. It seems plausible to suggest that the higher a country’s level of economic development, the better off its citizens will be. Wealthier countries have relatively few citizens who must accept slave-like working conditions, few examples of large scale ethnic violence, and much lower levels of child mortality than poor countries. Economic development is often measured by increases in a country’s
The gross domestic product (GDP) per capita. By this criterion the United States was one of the most successful countries in the world in 2003, with a GDP of $34,320 per person. The least successful was the African country of Sierra Leone, with a per capita GDP of only $470.

Yet there are clear problems with using GDP as the main measure of a good society and good governance. One problem is that it includes goods and services that most of us would consider desirable, but it also includes goods and services that most of us would not. For example, high crime rates in the United States lead people to purchase more locks for their doors and security systems for their homes. Such purchases contribute to economic growth, but few people, except sellers of locks and security systems would see them as indicators of societal health. Most of us would see them as signs of fear, insecurity, and lack of confidence in our neighbors. Similarly, major oil spills from ocean going tankers can contribute to economic growth, but few would say they contribute to making society better. Companies sell special chemicals and equipment to break up the spills and contain them so they don’t pollute beaches. If spills do reach beaches workers are paid to clean them up. The Valdez oil spill cost approximately $2 billion to clean up, contributing that much to economic growth, but it also ravaged the Alaskan coastline in the process. In summary, economic growth includes not only “goods” but also “bads.”

A second problem with using GDP as a standard is that it omits behavior many of us consider desirable. People who care for their children or aging parents out of love or feelings of obligation do not contribute to the GDP because they do not get paid. Thus, caring for children, the sick, or elderly without being paid, but doing so out of selfless devotion would not contribute to a good society, according to this standard. One would better contribute to economic growth by hiring and paying others who have no emotional investment in or attachment to those they care for. Their costs would increase the GDP, not only through the wages they earn, but through the costs of monitoring the quality of care they provide. For example, in some cases concerned parents have bought teddy bears with hidden video cameras to watch how live-in nannies treat their children. The purchases of these teddy bears add to the GDP, but few would consider such purchases indicators of a good society.

Finally, using GDP per capita as a measure of good governance hides considerable differences in income among a country’s citizens. A country’s average per capita income might be $10,000 dollars, but this average can be achieved in various ways. It could be achieved either by having most people make close to $10,000 each, or by having a few wealthy people in the country and a larger number of very poor people. GDP per capita can also hide other kinds of inequalities besides income. For example, the United States’
high average GDP per capita conceals considerable differences in life expectancy among its citizens. African-Americans in the United States have less of a chance of reaching advanced age than whites. This information would come as no surprise to most readers, but they might be stunned to learn that African-Americans have less of a chance of reaching advanced ages than citizens in the state of Kerala in southern India. Kerala has a per capita income approximately one-seventieth that of the United States.\textsuperscript{10}

We do not mean to suggest that economic development is unimportant. It is the only way to raise large numbers of people out of absolute poverty in very poor countries. Countries with high levels of economic development have substantial financial resources that can be used to improve citizens’ health care, safety, and educational opportunities. Countries with high GDP per person also tend to be democracies. Nevertheless, economic development is a means towards other ends, not an end in itself. We suggest that the most important of these ends is providing individuals with richer, fuller lives.\textsuperscript{11}

\section*{THE GOOD SOCIETY}

There is no shortage of visions of the good society. Utilitarians define the good society as one that satisfies the greatest good for the greatest number. Others have defined it as one that provides for equal opportunity among citizens, while still others envision the good society as one that provides for equality of results among citizens.

Nobel prize-winning economist Amartya Sen and philosopher Martha Nussbaum suggest an alternative approach for judging what constitutes a good society. Their starting point is to suggest that certain ways of functioning are essential for a good human life. We focus on four of them:\textsuperscript{12}

- Meeting physical needs
- Insuring physical safety
- Making informed decisions
- Having civil and political rights

Below, we discuss each of the conditions and illustrate them with specific examples in order to show what they mean for people’s lives, and how much variation there is among and within countries.

\section*{Physical Well-being}

Physical well-being includes adequate nourishment, health care, and housing sufficient to support a long life. People cannot enjoy rich, full lives if they are malnourished, sick a great deal of the time, or exposed to extreme heat or cold because they lack shelter. One of the most striking differences among
countries is in the number of infants who die during their first year of life. Some countries do a very good job of keeping infants alive and healthy, while others do not. In Sweden only 4 infants die in their first year of life for every 1,000 babies born. At the other extreme are countries such as Cambodia in Southeast Asia, where 201 infants die for every 1,000 born. The average infant mortality rate for the world’s low-income countries is 97 per 1,000, meaning that nearly 10 percent of the babies born in these countries die before they reach their first birthday. As is always the case with averages, these figures obscure different levels of infant death rates among different parts of the population in these countries. Not all families in Cambodia, for example, are equally likely to have their young children die. The health care provided to newborn babies of wealthy business families in the capital city of Phnom Penh is markedly higher than that provided to children of poor farmers in remote rural areas. The averages do point, however, to enormous discrepancies among countries.

Similarly, there are also major differences in life expectancy among countries. In the United States people can expect to live into their late 70s. In Japan they can expect to live more than 80 years. But in Angola in sub-Saharan Africa, men’s life expectancy at birth in 1997 was only 48 years and in Rwanda stood at only 39 years. Even more depressing is the fact that as the AIDS epidemic sweeps through the African continent, life expectancy in many countries is expected to decline below these already low numbers.

**Safety**

People cannot lead a good life if they are in constant fear of being beaten, shot, raped, or tortured. Even if they are not direct victims of assault, living in a place where the probability of assault is very high means they must be constantly aware of such threats. Just as there are substantial differences in life expectancies from country to country, there are also substantial differences in levels of homicide and violent crime. Residents of Canadian, European, and Japanese cities are less likely to be victims of homicide than residents of cities in the U.S. The differences between Canada and the United States are particularly dramatic because these countries are so similar in many other respects. Both are former British colonies that have become wealthy economically and have strong democracies. Yet Ottawa, Canada’s capital city, had only 0.9 homicides for every 100,000 citizens in 2000, while Washington, D.C., had 41.7. These two cities represent extreme differences in homicide rates between the two countries, but the average Canadian homicide rate for all cities is significantly lower than the U.S. average.

Safety involves not only freedom from crime, but freedom from violent political turmoil, especially civil war. Millions of people have died in civil wars in recent decades, in places ranging from Bosnia in Europe to the Democratic
Republic of the Congo in central Africa. Tens of thousands have died in the fighting in the Democratic Republic of the Congo, and the war’s devastating effects on the economy and health system have led to the deaths of many more through hunger and disease. The International Rescue Committee estimates that by 2003 as many as 3.3 million people may have died as a result of this conflict.

Finally, there are also important gender dimensions to violence. Women are much less safe from attack in some countries than others. In a number of countries women can be killed or disfigured with impunity by male relatives for violating social customs. In Pakistan, for example, thousands of “women and girls are stabbed, burned or maimed every year by husbands, fathers or brothers who believe they have brought them dishonor by being unfaithful, seeking a divorce, eloping with a boyfriend or refusing to marry a man chosen by the family.”

Informed Decision-making

In the modern world being able to make good choices depends upon having access to education that makes one literate and numerate. Literacy empowers people so they can negotiate their lives more effectively by making more information available to them. People who are illiterate are said to be “blind.” They cannot decipher street signs, understand medical prescriptions, and are handicapped in trying to provide for their families. Without literacy and the ability to make mathematical calculations, individuals are excluded from many occupational choices. Their awareness of the ways in which their lives could be improved is limited, and they are vulnerable to others who can take advantage of these limitations. By contrast, citizens’ ability to use their senses, imagination, and make thoughtful choices about their lives can be dramatically improved by access to education. For example, in her book, *A Quiet Revolution*, Martha Chen tells the story of how learning to read and developing math skills changed the lives of poor, illiterate women in a village in Bangladesh. The change began when volunteers working for the Bangladesh Rural Advancement Committee came to the village to help poor women learn to read. Most of the women said they didn’t need to learn to read, and saw no reason to spend the time studying. However, through the efforts of the volunteers they realized that literacy and math skills could help them earn money they could use to provide health care, clothes, and food for their children. The new skills coupled with new women’s organizations, also provided them with much greater confidence in themselves, even to the point of defying local religious leaders who threatened to break their legs if they began doing kinds of work that had been traditionally reserved for men. Becoming literate not only helped these women earn more income, but substantially enhanced their ability to make choices about their lives. None of them would ever be satisfied going back to their previous status.
Throughout the world, sex, race, and social class affect people’s chances to receive an education. Educational access for women is often much lower than for men. In Pakistan, for example, the literacy rate for women in 2003 was only 57 percent that of men. Race also affects one’s chances for an education. In South Africa nearly 100 percent of whites have had at least seven years of schooling, but less than 60 percent of blacks have advanced so far in school. This lack of schooling severely limits blacks’ capacity to make informed choices about their lives.

Civil and Political Rights
The ability “to participate effectively in political choices that govern one’s life; ... the right of political participation; protections of free speech and association” underpin the other three conditions for a good society. If people cannot participate effectively in making political choices, they cannot defend or press for improvements in conditions affecting their physical well-being, safety, and education.

There have been striking improvements in people’s ability to participate in political choices in the last hundred years. In 1900 “a scant 10% of the world’s people lived in independent nations.” Most countries in the world were colonies or dependencies of European powers, and even within Europe itself, not a single country had universal adult suffrage. By the year 2000, in contrast, almost all of the world’s people lived in independent nations, and the majority of countries had universal suffrage and multiparty elections.

However, these positive trends hide considerable differences among people’s ability to exercise their civil and political rights. The former Soviet Union’s constitution guaranteed citizens considerable freedom, but their ability to actually exercise that freedom was severely limited. These limits gave rise to the joke in the Soviet Union that Americans didn’t really understand freedom of speech: “What’s important is not freedom of speech, but rather freedom after speech.” If the ability of adult citizens to exercise voting rights is considered a minimal requirement for democratic politics, even the United States did not become a full democracy until the 1960s when African-Americans finally won voting rights in the South.

Effective exercise of civil and political rights matters because longevity, safety and education depend “on one’s not being subject to arrest, imprisonment, torture, and execution; civil rights matter because they can promote the capability of being involved in making decisions about one’s community.” Afghanistan provides a dramatic example of the importance of civil and political rights. Under the government formed by the Taliban in the late 1990s women were “barely counted as human.” They were banned from going out of their homes without clothing that covered them from head to toe, banned from nearly all occupations, forbidden to wear make-up or high-heeled shoes, and to allow their shoes to make noise when they hit the
ground. Women who violated the regulations could be whipped in public or arrested by the Taliban’s religious police. Less than a year after the overthrow of the Taliban, the situation had changed dramatically. In June 2002, a group of female schoolteachers walked into the main mosque in the remote desert town of Ghurian where 800 men were meeting to choose the district’s delegates in the first phase of elections to form the new government of Afghanistan. The women made an astonishing demand:

“You have 56 seats for delegates. We have only four seats, but we want four more. So either the Loya Jirga Commission gives us the extra seats or you yield us the extra seats from your own list,” the women told the stunned men in the mosque. Hundreds of illiterate peasant women backed the teachers’ demands.

Women have a long way to go in achieving full rights in Afghanistan. There are frequent death threats against women civil servants who work to improve the rights of women. One official was shot to death in September 2006. Some of them who work for the Women’s Affairs Ministry are afraid to go to work. Others are afraid to sleep in the same house every night because their enemies might find them. Despite all these difficulties, improvements in civil and political rights have given women the opportunity to make some improvements in their lives.
THE CAPABILITY APPROACH

The four categories we have described represent the minimum that people need in order to function well and begin to fulfill their potential. For example, a person can have freedom to participate extensively in making political choices, or can have no freedom to do so at all. Sen uses the term “capability” to refer to the different combinations of functioning each individual has. A person with low capability is someone with very low levels of functioning in all four categories. That individual lacks food, shelter and health care; is subject to violence and repression; is illiterate; and is unable to influence public policies. This is the plight of hundreds of thousands of adults and children who are refugees from various civil wars in Africa. In contrast, a person who enjoys high capability is someone with high levels of functioning across the board in all four categories. In summary, “the capability of a person stands for the different combinations of functionings the person can achieve.”

This focus on the importance of each individual’s capability is why it is called the capability approach.

Several points must be stressed here before we respond to criticisms of this definition of the good society. First, the goal of a good society is to make it possible for each individual in a country to have a high level of capability, not just for there to be a high average level of capability. Second, the capability approach does not specify a particular set of economic, political, or social institutions that are necessary for a good society. Some argue that good societies can be created only by relying on free markets, private property rights, and a minimal role for states. Others argue that a good society requires an active state capable of restraining the excesses of unrestricted markets. We will explore this debate between supporters and defenders of markets later in the book. Third, neither Sen nor Nussbaum asserts that it is the state’s responsibility to ensure that each individual has a high level of capability. It is, however, the role of the state to create conditions in which persons can choose a high level of capability. One way of thinking about the difference is to distinguish between dieting and starving. A person may choose to go on a diet, even if the diet severely restricts his intake of food. By contrast, starvation is not a choice. It is the role of states to provide the circumstances in which persons are able to choose to diet if they so desire, but also to ensure that adequate supplies of food are available so that people do not starve. A state can help create conditions in which persons can lead long healthy lives, but citizens who choose to smoke cigarettes, drink large amounts of alcohol, and subsist on fast food are unlikely to do so.

Finally, there are debates over whether it is necessary to make tradeoffs among physical well-being, safety, education, and democracy. Some scholars and political leaders believe “these good things do not necessarily go
together.”

One main debate centers on the compatibility between democracy and the other three. Lee Kuan Yew, the former prime minister of Singapore, argues they are not compatible in less developed countries. Attempts to implement democratic politics undermine the economic growth these countries need to improve the welfare of their citizens. Furthermore, in very-low-income countries, poor people are much more concerned about obtaining food and shelter than democratic rights. These rights are luxuries that can only come later after basic needs are met. On the other hand, authors such as Amartya Sen suggest that there is no incompatibility between democratic politics and improving people’s physical well-being, safety, and education. To the contrary, there are several ways in which democracy contributes to the welfare of poor people in less developed countries.

Another major debate centers on whether attempts to achieve high levels of physical well-being, safety, and education for all citizens comes at the expense of individual freedom. Some scholars suggest that efforts to provide physical well-being, safety, and education for everyone might require levels of state authority and taxation so high they would substantially limit personal freedom. Other scholars suggest that individual freedom and higher levels of human functioning for all citizens reinforce one another, and do not require tradeoffs. This is an ongoing debate between supporters of European social democracies, such as Denmark and Sweden, and supporters of limited welfare states such as the United States. We will return to these debates on whether there must be tradeoffs in later chapters. In the next section we respond to criticisms that might be made of the capability approach.

RESPONDING TO CRITICISMS OF THE CAPABILITY APPROACH

The capability approach has won widespread support in recent years. The United Nations Development Programme adopted large parts of the approach in its annual Human Development Reports. Its influence is clear in the Human Development Report for 2002: “Fundamental to enlarging human choices is building capability: the range of things that people can do or be.” Included in the list of capability are “leading a long and healthy life,” “being educated,” and “being able to participate in the life of one’s community.” Despite this support from an organization representing many countries, the capability approach still has its critics. A skeptic might say that this approach is too idealistic: “No country can provide enabling conditions in which every single citizen can have the freedom to choose a high level of capability. It is impossible for governments to create conditions in which all persons can be adequately nourished or secure from various kinds
of assault. In fact, not even the wealthiest, most democratic countries in the world have delivered those goods, much less poor countries in Africa, Asia, and Latin America.”

However, achieving the goals of the capability approach is not as difficult to attain as critics suggest. Some countries already do a much better job than others of providing health care to their citizens. Some are safer than others, with much lower rates of homicide and violent crime. Some have better guarantees of civil and political rights. Many less developed countries have increased educational opportunities for their citizens in recent decades. It is clearly idealistic to look forward to a time when every citizen in every country enjoys a high level of capability, especially because some countries face daunting obstacles. It is not idealistic, however, to believe that many countries can do a much better job than they currently do.

Other readers will argue that the approach is contrary to “human nature.” Some of these critics may be sympathetic to the goals of the capability approach, but believe that it could never work because humans are too competitive, greedy, and selfish to create the kind of good society envisioned by this approach. There are two ways of responding to this criticism. The first is to point out that humans are capable of a wide range of behavior, from the most greedy and selfish to the most altruistic and cooperative. It is easy to find examples of altruistic behavior. Parents sometimes make extraordinary sacrifices for their children and strangers sometimes risk their own lives to save others from burning buildings. Examples of altruistic and cooperative behavior, which are just as common as their opposites, are one way of responding to those who say that humans are too greedy and selfish to make good societies possible.

An even more effective way of responding to the criticism that the capability approach is contrary to human nature is to point out that there are dramatic differences in citizens’ capability from country to country. Clearly, there is nothing in human nature that prevents some societies from doing a much better job than others. Those who insist on flaws in human nature to criticize the capability approach cannot explain why Americans kill each other much more frequently than Canadians. They cannot explain why Denmark has remarkably little government corruption while in Nigeria levels of corruption are so high that dishonest behavior by public officials is expected. Nor can they explain why South Korea has achieved extraordinary economic growth and substantial improvements in its citizens’ capability since 1960, while North Korea has plunged into poverty and famine. Human nature is clearly not an overwhelming obstacle to achieving high levels of capability. People behave differently in different institutional settings. When institutions work well, they enable people to act cooperatively to achieve their goals. But when institutions “are weak or unjust, the result is mistrust and uncertainty.”37
Another group of critics advances a different line of argument. For them, humans are clearly selfish, but this is seen as a desirable trait rather than a flaw. Perhaps the best known statement of this viewpoint occurred in the 1987 movie *Wall Street*, in which an aggressive corporate raider asserted, “The point is, ladies and gentlemen, greed is good. Greed works, greed is right . . . and greed, mark my words, will save not only Teldar Paper but the other malfunctioning corporation called the U.S.A.”

This point of view is not limited to movies. A nationally syndicated columnist argues, “You can call it greed, selfishness, or enlightened self-interest; but the bottom line is that it’s these human motivations that get wonderful things done.”

Yet, there are problems with this assertion. The first is that even persons who argue that greed has beneficial effects do not claim that it works to achieve wonderful results under all circumstances. Unrestrained greed and selfishness would leave the advocates of greed themselves vulnerable to being cheated, robbed, or even killed. Whether the pursuit of self-interest leads to good results for individuals depends a great deal on the institutional setting in which people pursue their self-interest. In the Nigerian setting, institutions create incentives for people to pursue their self-interests in ways that lead to high levels of corruption, poor health, illiteracy, and limited political rights for most citizens. In the Swedish setting, people pursue their own interests in ways that yield the opposite outcomes. One of the major goals of this book will be to examine why some societies do a much better job than others of creating conditions in which an individual’s self interest can be aligned with the self interest of others to create a good society.

Finally, some readers might feel that it is inappropriate for Nussbaum and Sen to use the capability approach to try to establish “basic political principles to which all nations should be held by their citizens.” These readers might believe that each country should be able to establish its own preferred ways of doing things. If some countries choose not to practice democratic politics, that is up to them. If some countries do not want female children to have equal rights to education, that is their prerogative. These are not things most Americans would approve of, but other countries and cultures have a right to decide upon their own rules, just as we do. This stance is known as cultural relativism. Cultural relativists believe “that it is always inappropriate to criticize the practices of another culture, and that cultures should be judged only by their internal norms.” The inclination to support cultural relativism is understandable. This approach appeals to our desire to be tolerant and open-minded towards people who have different beliefs from our own. It is certainly desirable to withhold one’s judgment about another culture until one has a thoughtful understanding of why people in that culture hold different views.

Nevertheless, it is difficult to apply cultural relativism to entire countries and cultures. First, cultures are seldom, if ever, homogenous with every single...
member agreeing on the same set of norms. In nearly all cultures and societies there are different, and sometimes conflicting, views of culture. The Taliban government in Afghanistan banned education for girls from 1996 until 2001. But this policy was clearly not supported by female teachers or by all women in Afghanistan. Even some fundamentalist Islamic political parties in Afghanistan and their male leaders supported education for girls. This is a particularly clear case where one group was able to impose its views on others. In other words, cultural relativism is not as impartial as it first appears. Where many different interpretations of cultural practices exist, it sides with those who are able to enforce their values on others. To say that Afghan culture should not be condemned for prohibiting girls from being educated legitimizes the claim of those who successfully opposed girls’ education to represent the national culture over those who supported it.

Second, cultures change and evolve. The practice of binding young girls’ feet in China so that grown women had tiny, crippled feet came into being at a particular time and disappeared later. Its disappearance did not destroy Chinese culture any more than providing education for girls in Afghanistan destroys Afghan culture. One of the reasons cultural practices change is because people who find them repugnant struggle to change them.

Cultural relativism is difficult to apply with consistency. The capability approach, on the other hand, offers a reasoned way to establish standards by which to compare and evaluate societies. It provides general criteria for evaluation and comparison, but does not specify a particular institutional arrangement that best provides the circumstances in which persons can exercise their freedoms.

**INSTITUTIONS AND THE GOOD SOCIETY**

The degree to which countries exemplify a good society, or enhance their citizens’ capability, depends upon their institutional arrangements. People’s abilities to thrive depend upon the economic, social and political institutions that affect them. Different institutional arrangements—different ways of organizing economic, social and political life—yield different results.

**Institutions** are formal and informal rules that structure the relationship among individuals. Rules may be as formal as written laws or as informal as cultural norms. Both formal and informal rules are the bedrock of society because they constrain individuals’ behavior. They create a degree of regularity and predictability in the way people behave without which our lives together would be chaotic and fraught with anxiety. Institutions make a social life together possible. They give structure and meaning to our lives, just as grammar gives structure and meaning to what we write. Just as individual words in a paragraph would sound like gibberish if we did not use them
within the context of established rules, institutions provide the grammar of our lives.

Constitutions are institutions because they are written rules that govern relations among citizens and between citizens and rulers. Similarly, norms are institutions in so far as “they can constrain relationships between different individuals” or groups. There are norms for leaving a class room after a lecture for example. Each student follows unspoken rules for enabling everyone to leave the class room in an orderly manner. The biggest, strongest students do not push other students out of the way. They are constrained from doing so because it is just not acceptable behavior. They would be considered jerks if they did so.

One way of appreciating how important institutions are is to imagine how dangerous the simple act of driving a car would be if there were no traffic laws. We could not be sure that incoming traffic would stop at red lights, that cars on our side of the road would go in the same direction, or that drivers would operate at safe speeds. The result would be chaos and danger. This is precisely what happened in Baghdad, Iraq “when the rules vanished in the chaos of the American invasion, when there was no electricity for stoplights, and no police officers to enforce the law.” According to New York Times reporter John Tierney, “Every intersection became a perpetual game of chicken among cars, trucks, buses and carts drawn by horses and donkeys. Every lane became potentially two-way, even on expressways, where there quickly became no distinction between entrance and exit ramps.”

In order to make traffic flow smoothly, in order to create the order and predictability that makes daily life tolerable, institutions must constrain people’s conduct. They must exert power. Some people make and enforce the traffic rules that drivers must follow so that there can be a safe and predictable flow of traffic. Investing institutions with power over our behavior is the price we pay in order to enjoy the benefits of a social life together, of keeping traffic moving safely and smoothly. Institutions, one might say, are “the ground of both our freedoms and unfreedoms.” They make it possible for drivers to get from place to place safely, but only by exerting power, imposing rules on them.

The power that institutions exert over our lives is evident in their ability to shape our expectations, preferences, and behavior. A simple example would be a college classroom. Both faculty and students arrive in class with an expectation that certain rules of conduct apply. Both tend to behave very differently in the classroom from the way they would in other settings. Normally talkative, boisterous students outside the classroom suddenly become quiet with nothing to say inside it. Students who normally would not tolerate two minutes of a boring television show sit quietly through an hour of a painfully tedious lecture. Faculty members, who might have been engaged in silly banter with colleagues just two minutes before, suddenly become serious and professorial once they step into the classroom.
Some forms of behavior make more sense under one set of rules than under a different set of rules. For example, one way that political scientists have examined the impact of institutions on behavior is by studying the effect different electoral rules have on voting. Given the same set of preferences among voters, different electoral rules produce different results. What is called “Duverger’s Law” holds that a ballot system in which the candidate receiving the most votes wins, such as in the U.S., “favors the two-party system.”46 Voters fear wasting their vote on candidates from fringe parties that cannot win and tend to coalesce around candidates from the two largest parties. Consequently, third parties find it difficult to compete in countries such as the U.S. because voters respond strategically to the electoral rules. But when the electoral rules change, voters strategically recalculate how to cast their ballot. They behave differently. Under proportional representation electoral systems, where parties are accorded legislative seats according to the proportion of the vote they receive, multi-party systems flourish. Under these electoral rules, losers are rewarded with some legislative seats and with some political power. Voters can follow their consciences: They can vote for the party more nearly reflecting their preferences, without fear that they are throwing their vote away. Changing the rules changes the results.

Or take the example of the 2000 presidential election in the U.S. in which Albert Gore won the popular vote but lost in the electoral college. His opponent George W. Bush brushed off suggestions that his victory was tainted by losing the popular vote, claiming that he would have behaved differently, followed a different strategy, if it had been the popular vote and not the electoral college vote that counted.47 Not only voters, but politicians think strategically and behave differently depending upon what the rules are.

Groups struggle for influence over institutions because their impact on our lives, the power they exert over us, is so substantial. Some groups find that institutions do not promote their interests. Opposition intent on changing existing institutions develops. At the same time, groups that find institutions congenial emerge to defend them from challenge. They benefit from and are empowered by existing arrangements and want to preserve them. In this sense, institutions organize politics, the struggle for power in groups, organizations, and the state.

Political conflict pivots on institutions and who controls them. Much is at stake in this conflict because institutions tend to be enduring. According to the political scientist Paul Pierson, “Established institutions generate powerful inducements that reinforce their own stability and further development.”48 Once institutions are in place, people adjust their expectations and behavior. People develop a stake in maintaining existing institutions because they have constructed their routines and interests around them. The more routines and interests are defined by existing institutions, the greater the cost of changing them. In addition, existing institutions have the great benefit of
being familiar to people. The dull compulsion of everyday life that institutions impose reinforces itself. While institutional arrangements are enduring, they are by no means permanent—just ask the leaders of the National Party in South Africa who once maintained the vicious system of apartheid or the Communist Party leaders in what was once the Soviet Union. Beneath the surface of history, when people are apparently acquiescent and institutional power beyond reproach, challenges take shape. Sometimes such challenges are furtive and underground, such as when college students complain about the unresponsiveness of the school administration. At other times, they are open and direct, which is when students stop grumbling and instead occupy the college president’s office.

Much is at stake not only because institutions tend to be durable, but because they are never neutral. As we have observed, institutions benefit some groups more than others. They affect the struggle for power by foreclosing some options, making others unlikely, and making still others possible and attractive. Thus, the institutional arrangements, the policies and procedures that result from political struggle are not innocent. They create winners and losers and reflect the larger distribution of power at the same time they help to shape it. Those with power design institutions to preserve and enhance their advantage and thus the playing field on which actors contend for power is not equal. This is one of the reasons why institutions are so durable, and why trajectories once set are so difficult to dislodge and alter. Reflecting existing power relations, institutions create powerful self-reinforcing or “positive feedback” processes that strengthen existing political arrangements. Groups in control of the state pass policies that, in turn, reinforce their rule. Power tends to beget power; it reproduces itself.

For example, sociologist Gosta Esping-Andersen found that the Social Democratic Party in Sweden used its political power to create a universal welfare state, which included all citizens and not simply the poor. Appreciating the benefits they now received, middle-class voters rewarded the Social Democrats with their votes, thereby contributing to that party’s continuing electoral success. The party’s policy reinforced its power. Not only did the welfare state permit the Social Democrats to extend their appeal beyond their traditional working-class base, but the welfare state they created was durable and hard for opposition parties to reverse. So many citizens had a stake in the new system that opposition parties reluctantly had to come to terms with it. Thus, Sweden’s Social Democratic Party used its power to change the field of play in a way that reinforced its advantage by creating a universal welfare state. Vested interests developed around the universal welfare state in the form of widespread voter support for it. This shift in the institutional terrain then altered and delimited the options available to the opposition parties, forcing them to adjust their program and strategy. With support for the welfare state
at a higher level than when it was first introduced, opposition parties found that they could not roll it back. Policies may be the result of voter preferences, but policies once in place also shape the preferences of voters.

What we have just described is referred to as the “institutional approach” to politics. This is the approach we will take to compare societies and examine which ones are best able to provide citizens with the conditions in which they can flourish. Its assumption is that the ways in which countries’ economic, social, and political institutions are arranged in large part determine how well they meet the standard of a good society. One set of institutional arrangements will encourage one set of options, actions, and results, while a different set of institutions will encourage a different set of options, actions, and results. That is, different institutional arrangements will give some people much greater chances to live well than others. And the impact of different institutional arrangements tends to be enduring and distinctive.

BEYOND THE INSTITUTIONAL APPROACH

One of the problems with the institutional approach is that institutions appear as iron cages, as if people had to submit to their channeling effects. The institutional approach can sometimes be guilty of depriving political actors of choice, as if all the other options except the one adopted had been foreclosed by institutional constraints. It can exaggerate the degree of order and coherence in a political system and, correspondingly, has trouble accounting for political change, except that which is introduced from the outside.50

Supporters of the institutional approach respond that institutions are not like mountains that are hard and fixed, but more resemble sand dunes that shift and change because the political coalitions that brought them into existence and support them are constantly changing.51 New, powerful groups that were not present when institutions were first created may now exert influence upon them. These groups have their own agendas that they want institutions to reflect. Thus, institutions are constantly adapting to new imperatives in order to accommodate powerful new actors.52

In addition, institutions change because culture and ideology also influence political behavior. People are subject not only to the power of institutions, but to the power of ideas. For example, institutional forces may indicate in which direction people’s interests lie, but not the best path for getting there or what set of institutional arrangements will best meet their needs once they arrive. All of this remains contingent and cannot be read off automatically from people’s location in an institutional force field. Ideas and values guide how people respond to the openings left by institutions.
Moreover, people are subject to a variety of influences from institutions, some of which may conflict with each other. Most societies are not neat, but messy, with different institutions pointing political actors in different, even conflicting directions. For example, private enterprise systems may extol the virtues of individualism and competition, while labor unions within them tout the virtues of cooperation and solidarity. People manage this dissonance by using their values to decide among the existing choices and alternatives. To conclude, the values that people hold and the meanings they give to the facts they perceive intrude between the hard logic of institutions and how people construct their interests and act on them. Inspired by ideas and their cultural and moral values, people make their own history, which—in turn—weakens, alters, or strengthens institutions. Thus, institutions shape our actions and, just as important, are shaped by them.

The power of ideas to shape political action is especially significant during periods of crisis and uncertainty, when actors are confused and institutional direction is weak. According to the political scientist Mark Blyth, “under such conditions it [is] not obvious where agents’ best interests may actually lie and therefore what type of institutions would best serve those interests.” Ideas are particularly valuable weapons at such moments because they help people interpret what has gone wrong and what should be done about it. Of course, which interpretation prevails among the many offered is itself up for grabs and is the object of intense ideological struggle. In such struggles, groups bring to bear whatever resources they have—money, organization, and manpower—to ensure that their definition of the problem and solution will prevail. For example, in the 1970s, the failure of the old model of economic management based upon extensive government intervention created a sense of uncertainty. People’s interests in existing institutional arrangements were loosened when those institutions could no longer deliver the goods. Business groups seized this opportunity to wage an ideological offensive against the old economic model of state intervention. They funded think tanks, academic research, and grass-roots organizations that articulated a new economic paradigm based on freeing markets and business from state intervention.

CONCLUSION

In this chapter we have used the capability approach to sketch out the portrait of a good society. According to the capability approach, a good society is one in which certain minimal conditions exist that permit people to flourish. These conditions include physical well-being, safety from violence, the ability to make thoughtful choices about one’s life, and political and civil rights.
The ability of societies to meet these conditions is heavily conditioned by their institutional arrangements. Institutions influence our behavior and expectations by exerting power. Their exercise of power constrains us at the same time that it creates predictability, reducing insecurity and anxiety in social life. Institutions limit freedom and simultaneously make its enjoyment possible.

Institutions tend to be enduring. As vested interests develop around them, they become hard to dislodge. Dramatic institutional change is exciting and receives disproportionate attention from historians precisely because it is so infrequent. In addition, institutions are never neutral. Institutional arrangements tend to benefit some groups at the expense of others. Consequently, political conflict is often organized around institutions, with people trying to change what the rules are and how they are made.

Finally, societies are only as good as the institutions that comprise them. Different ways of organizing economic, social and political life will yield different results. Whether a society meets our criteria for a good society is determined by its institutional arrangements.

**KEY TERMS**

- capability, p. •••
- capability approach, p. •••
- cultural relativism, p. •••
- gross domestic product (GDP), p. •••
- good society, p. •••
- institutions, p. •••
- institutional approach, p. •••
- politics, p. •••

**SUGGESTED READINGS**

