In this paper two recent scientific proposals are introduced, the concepts of ‘capacities’ drawn by Amartya Sen and of ‘capabilities’ formulated by Nancy Cartwright. Sen’s capabilities move at an anthropological and political level and suppose a revolution in the way of appraising development and poverty. Cartwright’s capacities are at a metaphysical and epistemological level. Her proposal is applicable to all the sciences and entails a complete abandonment of the neo-positivist scientific method while adopting a neo-Aristotelian one. The election of these different proposals relies on the fact that they both stress the relevance of ‘a power to do’ as the key 1) to explanation in science, in the case of Cartwright, and 2) in Sen’s case, to achieve a fair economic policy. Both proposals might indirectly influence business management, improving its realism and effectiveness.
Amartya Sen is more known than Cartwright. Born in India in 1933, he is currently Emeritus Professor of Harvard University. He is still active in teaching and researching. Sen was always concerned with the problem of social justice, poverty and equality. This has led him to hold a broad notion and an ethical view of economics.

Nancy Cartwright is Professor of Philosophy in the Department of Philosophy, Logic and Scientific Method of the London School of Economics, since 1991; and she is Director of the LSE Centre for Philosophy of Natural and Social Science, since 1993. The Department, founded in 1946 by Karl Popper, is internationally recognized for its excellence in philosophy, especially in the philosophy of science and the social sciences. LSE became established as a relevant centre for methodology through the work of scholars as Popper and Imre Lakatos.

Sen speaks about “capabilities”, as freedoms or possibilities of the human persons, and Cartwright speaks about “capacities” as causes of the events. “Capability” and “capacity” are terms that are used interchangeably. Both Sen and Cartwright relate these terms to the Aristotelian concept of *dynamis*.

In this paper I will first explain Aristotle’s notion of *dynamis*, then Sen’s notion of capabilities and, finally, Cartwright’s concept of capacity. Sen’s human capabilities are his way of evaluating poverty, equality and development. It is interesting to find an evaluation criterion of traditional economic concepts that, going beyond quantitative measures, focuses on human capabilities. It seems highly applicable to the firm. Cartwright’s concept of capacity implies the consideration of causes of events, both as the real source of them and as the way of scientifically explaining. This search of real causes also seems to be highly applicable to the firm. In the conclusion the relevance of both concepts will be presented.
1. Aristotle’s dynameis

According to Aristotle, capacities or dynameis are “powers to do”. His definition in the *Metaphysics* is similar to his definition of nature: “a source of movement or change, which is in another thing that the thing moved or in the same thing *qua* other” (V, 12, 1019a 15-6). Aristotle states in the *Politics* (I, 2, 1253a 23) that “things are defined by their working and power” (*panta de to ergo oristai kai te dynamei*). Ergon and dynamis are then very relevant concepts for Aristotle. They are the core of things.

The Greek-English Lexicon of Lydell and Scott (1900: 213) provides these meanings of *dynamis*: power, might, ability to do a thing, faculty, capacity. In the context of Aristotle’s works *dynamis* is usually translated as “potentiality”. It means the tendency of things to be and to act in a specific way. *Dynamis* is an internal strength or capacity that “appears” when it is actualized by a formal cause; this formal cause acts thanks to the impulse of an agent that has an end. The end (*telos*) is, although the lastly mentioned, the first cause or reason of being and acting. As Guthrie affirms, Aristotle’s conception “demanded the actual existence of a *telos* or end, that is, a perfection under whose influence the activity of the natural world takes place” (1967: 130). “The nature of everything consists of an innate tendency to, or capacity for, change and development in a certain direction, and is therefore also called *dynamis*” (1967: 135). It is “an urge of nature to grow to maturity, to realize form, and to perform the due function” (1967: 140). Aristotle often uses the word *dynamis* in relation with *energeia*. They are the potentiality and actuality of beings and acts.

Aristotle employs this concept especially in his *Metaphysics* and in his Physical Treatises (such as *Physics*, *On the Heavens*, *On the Generation of Animals*, *Parts of Animals*, *History of Animals*, and *On the Soul*). The book where the word appears most times is the *Metaphysics*.¹ This book contains a Lexicon composed by Aristotle of the main concepts that he uses in his works, namely, the Book Delta (V) of *Metaphysics*. It is also the book in which the word *dynamis*, in its diverse forms, is explained. Chapter 12 defines ‘potency’:

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“Potency means (Dynamis legetai) (1) a source of movement or change, which is in another thing than the thing moved or in the same thing qua other. (…) (2) the source of a thing’s being moved by another thing or by itself qua other. For in virtue of that principle, in virtue in which a patient suffers anything, we call it ‘capable’ of suffering (…) (3) The capacity of performing this well or according to intention; for sometimes we say of those who merely can walk or speak but not well or not as they intend, that they cannot speak or walk. So too (4) in the case of passivity.- (5) The states in virtue of which things are absolutely impassive or unchangeable, or not easily changed for worse, are called potencies (…) Potency having this variety of meanings, so too the ‘potent’ or ‘capable’ in one sense will mean that which can begin a movement (or a change in general, for even that which can bring things to rest is a ‘potent’ thing) in another thing or in itself qua other; and in one sense that over which something else has such a potency; and in one sense that which has a potency of changing into something (…) Again all these are capable either merely because the thing might chance to happen or not to happen, or because it might do so well. This sort of potency is found even in lifeless things, e.g. in instruments; for we say one lyre can speak, and another cannot speak at all, if it has not a good tone” (Metaphysics V, 12, 1019a 15 to 1019b 14).

That is to say, potentiality or dynamis is a principle of being or acting in a right or adequate way, in accordance to the end or function of the thing considered. Aristotle comes back to this notion in the whole chapter 7, book IX of Metaphysics, developing the same ideas.

In his On the Generation of Animals, Aristotle uses the word dynamis to speak, for example of the generation power of semen (I, 21, 729b 5) or of the kind of generation power of the plants (I, 23, 731a 1). In On Generation and Corruption he explains the growth by a power immersed in matter (I, 6, 321a 28-32). In On the Heavens he speaks about bodies that possess a power of acting or being acted upon (275b 5), and he also uses the word dynamis as a synonym of principle (arche). In On the Soul he refers again to “plants possessing in themselves an originative power” (II, 2, 413a 26), to the power of perceiving of senses (II, 12, 424a 27), and to the power of thinking (II, 3, 414a 31). In the Physics dynamis appears together with actuality (energeia) to explain the being and acting of things (I, 8, 191b 29). It is a force that moves (VII, 5, 250a 2; VIII, 10, 266a 24-6 and b 25), a principle of being (I, 8, 191b 28: cf also On the Soul I, 1, 402a 26; II, 1, 412a 9-10; II, 2, 414a 16; III, 2, 427a 6). It is possible that thing moves (Physics VIII, 1,
251a 15). It is also possible that the mind knows (On the Soul III, 5, 430a 21 and III, 7, 431a 2).

Passing to the human realm, in the Categories, 8, 9a 15-28, 9b 35, 10b 2, Aristotle uses the word *dynamis* to mean a kind of quality, namely, the inborn capacities. He speaks, for example, of an inborn capacity for sports of some men or of some inborn capacity of other men to resist unhealthy influences.

*Politics* and *Nicomachean Ethics* are books of moral. Thus, as soon as *dynameis* appeared there, they are in an ethical context. Although the very meaning of *dynamis* may be neutral in some passages, the general character of these books embeds *dynamis* with a moral orientation to the Good Life, which is a life of virtues to achieve happiness (*eudaimonia*). This moral orientation is no more than the natural fulfillment of the end at which *dynamis* is oriented in the human realm. The word *dynamis* appears in the *Politics*, and only a few times in the *Nicomachean Ethics*. It is in this last book where Aristotle states:

> “Now life is defined in the case of animals by the power (*dynamei*) of perception, in that of man by the power of perception (*aistheseos*) or thought (*noeseos*); and a power (*dynamis*) is defined by reference to the corresponding activity (*energeia*), which is the essential thing; therefore life seems to be essentially (*kyrios*) the act of perceiving (*aisthanesthai*) or thinking (*noein*)” (*NE* IX, 9, 1170a 16-20).

This quotation is about what is the proper *dynamis* of the human being. Let us hear again from the *Nicomachean Ethics*:

> “Next we must consider what virtue is. Since things that are found in the soul are of three kinds –passions, faculties (*dynameis*), states of character (*exeis*), virtue must be one of these (…) by faculties (*dynameis*) the things in virtue of which we are said to be capable (*dynatoi*) of feeling these [passions]. (…) Virtues are states of character” (*NE* II, 5, 1105 19-29, 1106a 10).

That is, he distinguishes capacities from states of character or virtues. In *Nicomachean Ethics* II, 1, he says: “all the things that come to us by nature (*physei*) we first acquire the potentiality (*dynameis*) and later exhibit the activity (*energeias*)” (1103a 26-27). Instead, “we get [the virtues (*aretas*)] by exercising them” (ibid, 31). And this is what good
legislators try to foster within citizens (1103b 3-5). That is, the inborn character of potentiality remains. “It is not the capacity (dynæi) that makes the boaster, but the purpose”, affirms in the Nicomachean Ethics (NE IV, 7, 1127b 14).

Therefore, there are three elements that have to be aligned in order to get eudaimonia: the capacities (dynæis), the habits (aretæi, exeis) and the activities (ergæ, energæiai, præxis). “The form (taxin) of government is best (aristen) in which every man, whoever he is, can act best and live happily (arista prattoi kai zoie makarios)” (Politics VII, 2, 1324a 24-25). Capacities (dynæis) are defined by their ends (teloi) or functions (erga)(On the Soul II, 4, 415a 16-21).

Aristotle also uses the word dynamis to mean a power, or a possibility. Dynamis is also “a political power (politiken dynamin)” (Politics III, 13, 1283b 12, 1284 a 7-10; 14, 1285a 13, 18; 15, 1286b 6-7: IV, 4, 1289b 37: IV, 15, 1299b 39 –the power of the council–, 1300b9 –the power of magistrates–, V, 3, 1302b 15-16; IV, 1304a 34; II, 12, 1274a 16; V, 4, 1304a 24. “It is evident, again, what an influence honor exerts (dynatai) (V, 3, 1302b 11). Concerning possibility, he affirms in the Politics, “We should consider, not only what for of government is the best, but also what is possible (dynaten)” (Politics IV, 1, 1288a 38).

Other times dynamis means the very nature, and other times, it means the function. Another meaning conflates dynamis with sciences and arts. “Arts (dynameon) and sciences (epistemon)” illustrate errors (Politics III, 12, 1282b 31). “In all sciences (epistemais) and arts (technais) the end is a good, and the greatest good and in the highest degree a good in the most authoritative of all – this is the political science (politike dynamis)” (Politics III, 12, 1282b 15-18). He refers to “a science (episteme) or a faculty (dynamis) which is one and the same” (NE V, 1, 1129a 12).

Coming back to Guthrie to conclude, Aristotle’s dynamis is “an urge of nature to grow to maturity, to realize form, and to perform the due function” (1967: 140). Potentiality or dynamis is a principle of being or acting in a right or adequate way, in accordance to the end or function of the thing considered. In the human realm the main meaning of dynamis is a power, sometimes an inborn power, defined by the corresponding end (telos) and function (ergon). Sen’s concept of capability to Aristotle’s
human realm notion of *dynamis* and Cartwright’s concept of capacity corresponds more to Aristotle’s more general sense of *dynamis*.

2. Sen’s capabilities

Driven by his concerns on the problem of social justice, poverty and equality, Sen tackled the topics of inequality and quality of life, and during the 1980s he formulated his capability approach. This is a broad framework for the evaluation and assessment of individual well-being, as well as development of countries, present socio-economic situation and social arrangements in order to implement correct policies.

We cannot speak of the concept of “capability” without introducing other three concepts related use by Sen: Functionings, Agency and Freedom

I will begin by the concept of functionings and I will pass on then to capabilities. Chronologically the order is the inverse because Sen first adopted the word “capability” for the Tanner Lecture, “Equality of What?” of May 1979 (Sen: 1980) and then spoke about “functionings”. The order adopted then by Sen was the inverse, because capabilities are possibilities or opportunities of performing some functionings.

2.1. Functionings

Let us hear from Sen:

“The primary feature of well-being can be seen in terms of how a person “functions,” taking the term in a broad sense. I shall refer to various doings and beings that come into this assessment as *functionings*” (1985: 197 –from de Dewey Lectures of 1984). In 1987, he affirmed that “a functioning is an achievement of a person: what he or she manages to do or to be” (1999a: 7). “The claim is that they are *constitutive* of a person’s being, and the evaluation of well-being has to take the form of an assessment of those constituent elements (1992: 39). “*Functionings* represent parts of the state of a person –in particular the various things that he or she manages to do or to be in leading a life” (Sen 1993: 31).
Sen distinguishes different kinds of functionings: “Some functionings are very elementary, such as being adequately nourished, being in good health, etc., and these may be strongly valued by all, for obvious reasons. Other may be more complex, but still widely valued, such as achieving self-respect or being socially integrated. Individuals may, however, differ a good deal from each other in the weights they attach to these different functionings – valuable though they may all be – and the assessment of individual and social advantages must be alive to these variations” (…). “The functionings relevant for well-being vary from such elementary ones as escaping morbidity and mortality, being adequately nourished, having mobility, etc., to complex ones such as being happy, achieving self-respect, taking part in the life of a community, appearing in public without shame (…). The claim is that the functionings make up a person’s being” (1993: 31 and 36-7).

This obviously means that for Sen the concept of well-being goes beyond material wealth or opulence (1999a: 19). Functioning is an overarching concept that includes what a person is, does and has. We can ask, is something out of “functionings” in a person? Probably, the very fact of being a person, i.e., his identity. Functioning is a fact, not a possibility. But it includes even the fact of freedom as part of the state of the person (e.g., 1999a: 44-45).

The plurality of functionings depends not only on the different possible kinds of them but also on the differences between persons. For Sen, each person is unique and has his personal set of functioning. Causal relations are person-specific (1985: 196). This is one of his most important points of departure, namely the basic heterogeneity of human beings: “Human beings are thoroughly diverse” (1992: 1). This diversity is both external and internal. “The selection and weighting of different functions influence the assessment of the capability to achieve various alternative functioning bundles.” And he adds: “the roots of this approach can be traced to Aristotelian distinctions” (1992: 5). This centrality of the human person speaks us of a highly humanistic approach.

We can observe a nuance in the definition of Foster and Sen (1997) and in Sen’s Development as Freedom (1999b). In my opinion, he is introducing in even a more active role for the person: “the concept of functionings which has distinctly Aristotelian roots,
reflects the various things *a person may value* doing or being” (1999b: 75, my emphasis). Actual functionings includes things that are given, but also things that are evaluated and chosen.

2.2. Capabilities

Sen explains: “While the combination of a person’s functionings reflects her actual achievements, the capability set represents the freedom to achieve: the alternative functioning combinations from which this person can choose” (1999b: 75).

As affirmed above, Sen used this concept for the first time in 1979. He introduced this concept in the Tanner Lecture “Equality of What?” in order to present an alternative of evaluation of equality distinct from the Utilitarian and the Rawlsian views. In that lecture he spoke of “basic capability equality”, “a person being able to do certain things” (1980: 217) –he recalls it in 1993 (1993: 30, footnote 1).² He then considered basic capabilities as a refinement of Rawls’ concentration on primary goods to evaluate equality (an element of “goods fetishism”). His aim was to do the most possible complete evaluation. We have to pay attention to what a person *can* do rather than what a person *does* (1980-1: 209). When he added the concept of functionings he defined the capabilities of a person in relation to them as the “set of functioning vectors within his or her reach” (1985: 201). He realized that both concepts were intimately related, because the extent of the capability set is relevant to the significance of functionings (1985: 202). He provided of a more formal treatment to these concepts in *Commodities and Capabilities* of 1985 (1999a: 6-11).

In my opinion, a growing awareness of the role of agency and freedom appears in further definitions. For example: “The capability of a person refers to the various alternative combinations of functionings, any one of which (any combination, that is) the person can choose to have. In this sense, the capability of a person corresponds to the freedom that a person has to lead one kind of life or another” (Nussbaum and Sen 1993: 3, italics in the original). And “The capability of a person reflects the alternative

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² “I tried to explore a particular approach to well-being and advantage in terms of a person’s ability to do valuable acts or reach valuable states of being” (Sen 1993: 30).
combination of functionings the person can achieve, and from which he or she can choose one collection” (Sen 1993: 31, my emphasis).

This increasing role of the agent is clear also in his *Inequality Reexamined* where he speaks of “a person’s capability to achieve functionings that he or she has reason to value” (1992: 4-5, my emphasis). Sen seems to state that we have freedom, but we also have reasons to value the things we choose. This reflects the person’s freedom to choose from different possible lives and the real opportunities that the person has (1992: 40 and 83). The idea is even more refined in *Development as Freedom* where he refers to “the freedom to achieve actual livings that one can have reason to value” (1999b: 73).

An interesting trait of capabilities is their ambiguity both in their definition and in their election, given the particularities of persons and situations. Sen appraises positively this feature because it reflects and respects the freedom and the differences of the persons (1993: 33-34). For Sen, asserting ambiguity and fuzziness (and, then, the use of partial orderings to evaluate the functionings and capabilities) is not a weakness but a strength. He calls this “the fundamental reason for incompleteness” (1992: 49). This lack of exactness is highly Aristotelian, because for Aristotle rigor in the practical realm does not entail precision given the free and singular character of the subject-matter (*Nicomachean Ethics* I, 3 and II, 2).

2.3. Freedom

The valuable functionings achieved, constitutive of a life, only pertain to each particular person. There is, thus, a triple heterogeneity within society: singular diverse persons contribute to well-being performing their proper ends thanks to the resources that they have. We have a plurality of person, of ends of these persons and of means. Thus, well-being supposes choices and consequently, freedom.

In the Dewey Lectures of 1984 (1985) Sen introduced the concept of “agency freedom”: “a person’s ‘agency freedom’ refers to what the person is free to do and to achieve in pursuit of whatever goals or values he or she regard as important” (1985: 203). This concept goes beyond a concept of “well-being-freedom”, the freedom to achieve
that what the person evaluates as convenient for her well-being; it is open to other values, proper or of the others.³

Sen, following the line of Isaiah Berlin (cf. e.g. Sen 1992: 41), distinguishes between negative (to not be interfered with) and positive (to pursue a goal) freedom and he claims the necessity of both.⁴ Within the realm of positive freedom, Sen highlights two distinct elements of freedom that he calls “power” (to achieve the chosen results) and “control” over the process of choice (1985: 208-9).

Freedom is thus present everywhere. Sen conceives development as a process of expanding the real freedoms (1999b: 3, 37, 53 and 297). Human capability is an expression of freedom (Sen 1999b: 292). As Crocker points out, “capabilities add something intrinsically and not merely instrumentally valuable to human life, namely, positive freedom” (Crocker 1995: 159; see also 183). Positive freedom is what people are actually able to do or to be, “to choose to live as they desire” (Berlin quoted by Sen 1992: 67). In a further section I will analyze some criticisms that Sen received for a supposedly overestimated and under-elaborated notion of freedom. In any case, his notion of freedom goes beyond the classical liberal conception of freedom, namely, negative freedom. Chapter 12 of *Development as Freedom* is entitled “Individual freedom as commitment” and there he really conditions freedom with a conscious commitment to, among other objectives, disinterested actions. He also speaks about substantive or constitutive freedom (1999b: 33 and 36) and he relates freedom to responsibility. This notion of freedom, richer than the ones usual nowadays, corresponds to an also richer notion of agency. Sen would possibly agree with Crocker’s suggestion of joining Nussbaum in considering choice as a sort of super capability that enhances the value, and thereby humanizes other valuable functionings (Crocker 1995: 185). I think that this is the spirit of Sen’s concept of freedom.

³ “The freedom to lead different types of life is reflected in the person’s capability set. The capability of a person depends on a variety of factors, including personal characteristics. A full accounting of individual freedom must, of course, go beyond the capabilities of personal living and pay attention to the person’s other objectives (e.g. social goals not directly related to one’s own life), but human capabilities constitute an important part of individual freedom” (1993: 33).

Sen also develops the case for some basic freedoms, in the sense of rights. Their justification relies not only in their intrinsic importance, but also in their consequential role in providing political incentives for economic security and in their constructive role in the genesis of values and priorities (1999b: 246, emphasis in the original).

He considers another aspect of freedom, namely its instrumentality. There are some freedoms that enhance capabilities and are means to achieve a set of valuable functionings. In *Development as Freedom* Sen states that “the intrinsic importance of human freedom as the preeminent objective of development has to be distinguished from the instrumental effectiveness of freedom of different kinds to promote human freedom” (1999b: 37). In this book he mentions political freedoms, economic facilities, social opportunities, transparence guarantees and protective security (1999b: 38).

2.4. Agency

As Sen remarks, positive freedom entails taking into account the person’s concept of the good (1985: 203). It is freedom to achieve whatever the person, as responsible agent, decides (1985: 204). Hence, this conception of freedom entails a responsible agent with a concept of the good, who has the intellectual capacity to value and to choose it. In his Dewey Lectures of 1984, he stated that “the moral foundation of well-being is informationally extremely restrictive, and the agency aspect is much too crucial to leading a life for it to be intrinsically of no moral importance” (1985: 186). And he adds:

“This open conditionality [of the responsible agent] does not imply that the person’s view of his agency has not need for discipline, and that anything that appeals to him must, for that reason, come into the accounting of his agency freedom. The need for careful assessment of aims, objectives, allegiances, etc., and of the conception of the good, may be important and exacting” (1985: 204).

Well-being is only one of the motives that guide persons’ choices. “Moral considerations may, inter alia, influence a person’s ‘commitment’” (1985: 188). Agency means a responsible autonomy, an others-regarding way of deciding and acting. It may even lead to acts that decrease our well-being to the benefit of other persons. Possible
deontological requirements may lead to a non maximizing conduct (1999a: 9). As John Davis (2002: 483-4) has highlighted, Sen recognizes the role of community and groups influencing personal behavior and even individual identity: “there are strong influences of the community, and of the people with whom we identify and associate, in shaping our knowledge and comprehension as well as our ethics and norms. In this sense, social identity cannot but be central to human life” (1999c: 5). Let me quote another formulation of Sen’s rich concept of agency:

“I am using the term agent (…) in its older –and “grander”– sense as someone who acts and brings about change, and whose achievements can be judged in terms of her own values and objectives” (1999a: 19). “The people have to be seen (…) as being actively involved –given the opportunity– in shaping their own destiny, and not just as passive recipients of the fruits of cunning development programs” (1999b: 53).

This previous emphasis on agency does not mean a neglect of consideration of well-being. This aspect is particularly important in, e.g., matters of public policy. However, in issues of personal behavior, the agency aspect is central (1985: 208).

3. Cartwright’s capacities

According to Cartwright, capacities, natures, or “powers to do” are real causes (cf., e.g., 1989: 182). They have three elements: 1. potentiality: what a factor can or tends to do in abstract; 2. causality: they are not mere claims about co-association; 3. stability (Cartwright 1998: 45). She calls them “natures” (1992) and quotes Aristotle’s definition of nature as “the cause and principle of change and stasis in which it primarily subsists in virtue of itself” (Physics II 1 192b 22-3). She then clarified that this is what he want to mean by capacity (1992: 71, nt. 7). Capacities, then, are internal forces, ‘inner causes’.

5 “It is sometimes desirable”, affirms Severine Deneulin, “that functionings and not capabilities constitute the goal of public policy. In some areas, it is sometimes more important to have people function in a certain way than it is to give them the opportunity to function in a certain way. It is sometimes more important to focus on the human good (functionings), rather than on the freedom and opportunities to realize that human good (capabilities)” (Deneulin 2002: 506). It sounds sensible.
Within causes, Aristotle uses the idea of potentiality in reference to the material cause. However, for Cartwright (and also for Aristotle), the causal structure of a nature (formal cause) is the most relevant in the scientific explanation of a concrete phenomenon. Causes, however, are the four causes considered by Aristotle, material and formal, efficient and final.

In a metaphysical commitment through which she refers to capacities’ stability and applicability (1989: 146; see also 1992: 51), Cartwright states that “capacities are much like essences”. In this regard, she affirms that her conception of capacities has Aristotelian resonances (1992: 45-8, 69, 1999: 72; 2001: 277, 290). Among the Aristotelian causes, she assigns priority to the form, which is similar to the causal structure (1989: 223).

According to Cartwright, there are different kinds of causes: “causation is not one monolithic concept” (2007b: 44). This is also maintained by Aristotle (Physics II, 3). However, Cartwright maintains that there is a common characteristic of the plurality of causes: “the idea that causes allow us to affect the world” (2007b: 46).

Cartwright opposes Hume’s reduction of causality to regularity of mere associations: “The generic causal claims of science are not reports of regularities but rather ascriptions of capacities, capacities to make things happen, case by case” (1989: 2-3), she states. Cartwright also opposes covering-law supporters because they do not admit causes; they merely include the so-“probed” singular case within a general covering law. Cartwright also agrees with Mill’s proposal of “tendencies” which she identifies with her “capacities”. According to Cartwright, Mill’s tendencies are not tendencies of events but tendency factors or stable causes.

What are the reasons why Cartwright opposes Hume, on the one hand, and Russell-Hempel-Nagel, on the other hand? Against Hume, she believes that causes are real and that what Hume calls causes are not causes but just what he thinks they are: mere spatio-temporal regularities of events that may or may not have to do with real singular causes. In any event, we often have a lot of causes combined in a not necessarily stable way; consequently, the law-like regularity does not ensure anything about real causes: the law may be a good description of the concrete event but not an explanation of it. There is
something deeper than the surface regularity of events: the – sometimes hidden – power of causes.

Against the covering-law account, Cartwright asserts even though it is correct, it is not sufficient (1989: 8-9). To reduce scientific explanation to conformity with laws while leaving out causes is comparable to putting the cart before the horses: we have laws because there are stable causes.

As for Mill, his tendencies are real; they may manifest or not through events, but they are really there, as converging or diverging forces. Since they are the real explanation of events, these “forces” are those relevant to be known. Thus, these capacities may give rise to Cartwright’s so called “nomological machines”, “stable configurations of components with determinate capacities properly shielded and repeatedly running” (2001: 292; see also 1999: Chapter 3).

The relevance of the adoption of a notion of a real cause is astounding. It means a break of a firm and compact secular line of thought in the field of philosophy of sciences which limited scientific explanation to the ascertainment of regular associations. This line may be empiricist and agnostic about deeper reality or may sustain causality as a mind’ phenomenon. Speaking about explanation by real causes as the task of sciences actually means a reinforcement of Metaphysics in sciences. This metaphysical concern will imply a deeper effort of knowledge of all realities, the firm included.

4. Conclusion

Sen’s capabilities are at an anthropological and political level and suppose a revolution in the way of appraising development and poverty. Cartwright’s capacities move at a metaphysical and epistemological level. Her proposal is applicable to all the sciences and entails a complete abandonment of the neo-positivist scientific method while adopting a neo-Aristotelian one.

By focusing on capabilities, Sen reinserts the notion of ends into economics and economics into the practical area: capabilities are themselves ends.
For Sen, a crucial element of human well-being—understood in a broad sense that goes beyond utility—is human “agency”. Agency is related to the quality of life, but it also includes others’ goals and a deep commitment to actions that do not benefit the very agent himself. Human agency entails freedom: Freedoms are “capabilities” of performing some actions which Sen calls “functionings”. These capabilities and functionings compose a good life. Capabilities, for Sen, are a better way of assessing well-being than utility or income.

Sen’s capability approach is a broad perspective that considers the person in its individuality, as a unique and free agent that has a specific conception of the good (considering different personal and social areas), and that should act according to it. This leads to an enriching evaluation of well-being, of equality, of development and of all the fields in which it may be applied. The focus is not on the means (for example, income), but on the ends (e.g., the satisfaction of the aspirations and final goals of different people). This acknowledging of human heterogeneity and also of the heterogeneity of objectives implies a broadening of the informational basis of evaluation and a consideration of the plurality of different human situations. Notwithstanding, to allow this plurality does not mean that we accept capricious ambitions, desires and behaviors. The free agent should be responsible and should consider not only his concerns but also others’ concerns and necessities.

As John Davis (2003) has shown the individual of the economic theory is not a human person; there is neither choice nor freedom in the rational choice and in the revealed preference theories (2003: 48-9). For Davis, the abstract individual conception of economics “shares much the same philosophy of mind underlying an important strand of cognitive science, namely, computational functionalism, or the view that the mind is a computer and the individual a symbol-processing system” (2003: 82). With Sen, instead, the economics’ individual becomes human.

Capabilities according to Sen are heterogeneous and incommensurable. Decisions about capabilities are then prudential going beyond calculations. This approach is thus interesting for the firm where the reason for an “agency theory” is just the opposite.
Cartwright contribution means, as affirmed, the reinsertion of Metaphysics in science. Although she thinks that real causes are the real springs of events and the way of explaining them, she is cautious about the possibility of knowing these causes. She is especially skeptical concerning Economics:

“The natural thought about the difference between the most fundamental capacities studied in physics and the capacities studied in economics is that the economic capacities are derived whereas those of fundamental physics are basic. Economic features have the capacities they do because of some underlying social, institutional, legal and psychological arrangements that give rise to them. So the strengths of economic capacities can be changed, unlike many in physics, because the underlying structures from which they derive can be altered” (2007a: 54).

Economic models need to do a lot of unrealistic assumptions in a wrong way given the paucity of economic principles with serious empirical content. As a result, their conclusions are not applicable to real situations (2007a: V, passim). She finally suggests that we should try to understand how structure affects the outcomes (2007a: 79). This simultaneous reference to causes, skepticism about their knowledge and focus on the underlying structures seems of high interest and possibility of application to the firm.

In sum, the introduction of capacities and capabilities would mean a revision of the epistemological and anthropological assumptions of current economics and this would eventually lead and contribute to the development of new paradigms of the firm. The capabilities of Sen are the capacities of Cartwright for the firm, i.e., human capabilities are the real causes of the events in the firm and way of explaining them.
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