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## Can People Survive on Carrots and Sticks? Enhancing Quality of Life Through Financial Tools of Foreign Policy Following Sen's Capabilities Approach

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## **Can People Survive on Carrots and Sticks?**

*Enhancing quality of life through financial tools of foreign policy following Sen's  
Capabilities Approach*

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## Introduction

The passing of the Universal Declaration of Human Rights (UDHR) in 1948 by the United Nations General Assembly marked the beginning of global collaboration on the issue of human dignity and freedom. Over the years, countries have been scrutinized over their ability to ensure all the rights listed in the UDHR; some have been very successful, some have been able to protect a few, and some have utterly failed.

A free global society makes for a more productive and equal one; human rights allow people to have safer housing, food, and education, which in turn allows them to pursue better opportunities and live free of tyranny. Where human dignity is protected and upheld, there are reduced civil unrest and extreme violence, as well as less spread of diseases caused by poor health and hygiene. Understanding the patterns that lead to abuses of human rights allows scholars to produce theoretical work that can be provided to global entities and policy makers who have the ability to pursue the interests of the oppressed, such as the United Nations.

The study of human rights often faces the issue of non-compliance. “Most governments swear to pursue, promote, and protect human rights. They make legally binding promises, which they break when convenient” (Hafner-Burton 2013). It used to be conventionally believed that economic development would lead to democratization and, in turn, a better protection of human rights (Streeten 1994). However, as history has shown through countries like China and Russia, this theory is faulty. As authoritarian regimes perpetuate and grow more powerful, it has become clear that economic wealth cannot be used as a measure of freedom. The question then becomes: if wealth does not necessarily lead to democracy, and the belief is that democracy is fundamental to global stability and peace, why do economists keep focusing on the financial development of Least Developed Countries (LDCs)?

This paper will break the question into several components. First of all, is wealth the way by which economic development should be measured? But most importantly, is development mainly an economic issue? Amartya Sen, recipient of the Nobel Prize in Economic Science in 1998, believes that development is not a matter of economic stability, but one of capability and opportunities. His view will be discussed in the first part of this paper. The second part will dispute the idea that democracy and human rights are an unbreakable duo by presenting the rhetoric of “interdependence and mutual reinforcement.” Furthermore, it will discuss the importance of databases such as Freedom House and Polity to track countries progresses in these two fields and how they relate to Sen’s *Capabilities Approach*. The third part will break down two financial tools of foreign policy, aid and sanctions, to analyze their impact on development and human rights protection; additionally, it will introduce Preferential Trade Agreements as the ideal tool to ensure protection of freedom. The fourth part will unite the concepts analyzed in the previous parts in a country-specific analysis of China, Russia, Venezuela, and Tunisia. The fifth and final part of this paper will offer a review and a conclusion.

## **Capabilities Approach**

Amartya Sen, in years of writing, developed a new approach to welfare economics. Before him, many believed that “welfarism” should center around the distribution of income (Dagsvik 2013). However, Sen argues that income does not determine one’s welfare. Most importantly, the studies of development should focus on welfare as well-being and economics should put more focus on people (Pressman and Summerfield 2000; Sen 1999; Vizard 2006). Originally from India, Sen spent his academic and professional life in England developing a framework that greatly contrasts traditional economics (Pressman and Summerfield 2000). His *Capabilities Approach*, from here on referred to as CA, was developed in collaboration with philosopher Martha Nussbaum and focuses on the development of human potential and the belief that the economy should aim at developing people’s capabilities and not at maximizing the utility of goods (Sen and Nussbaum 1993a).

“[I]n all corners of the world, the poor face structural challenges that keep them from getting even their first foot on the ladder of development” (Sachs 2005, 226). These structural challenges fall under Sen’s theory of capabilities, where one’s ability to pursue a better quality of life can be summarized by the three main components of Sen’s CA: functionings, capabilities, and agents. Functionings are the subject of the capabilities, the “beings and doings” (Sen 1992). Some examples of functionings are being healthy or having a good job. Capabilities are formed by functionings and opportunity freedom - the ability to achieve different combinations of functionings. Being able to obtain a good job because of non-discriminative policies is a capability. Agents are those who apply their capabilities. An agent is successful if they can pursue the whole of their goals. In Sen’s CA, they are the individuals who act on their capabilities by being members of a society; somebody who acts on their capability to apply for a job is an agent (Sen 1999, 1992; Pressman and Summerfield 2000). These components of the CA are fundamental to understand Sen’s idea of development. They identify what he believes should be the main focus of a regime aiming at the development of its population. Without a focus on functionings, capabilities, and agents, a government will fail to reach full development.

Martha Nussbaum worked closely with Sen to develop the CA. She focused most of her research on women, who are often denied capabilities and opportunities by their own families and contributed to the literacy with her list of Central Functioning Capabilities. The list offered ten capabilities fundamental for a person to reach their full freedom and, therefore, their development. These are listed and explained in Appendix A and are useful for a further analysis of a country’s advancement on the issue of individuals’ development. Nussbaum analyzes the aspects of quality of life that are not directly correlated with growth: “promoting growth does not automatically improve people’s health, education, opportunities for political participation, or the opportunities of women to protect themselves from rape and domestic violence” (Nussbaum 2009, 212). It is simply not enough

to have a kitchen sink if the water that comes out of it is rancid and full of bacteria. This approach by Nussbaum and Sen truly revolutionized developmental economy.

Additionally to developing the concept of capabilities, Sen identifies five freedoms to achieve for the full development of quality of life: political freedom, economic facilities, social opportunities, transparency guarantees, and protective security (Sen 1999). Although most studies in economic development recognize the contribution of economic facilities in the growth of a country, Sen believes that only when all these freedoms are fulfilled, individuals can truly pursue a better quality of life. These five freedoms encapsulate the human rights described in the UDHR; they are interdependent and strengthen one another. By using income to measure poverty, traditional economics fail to recognize that more income is not equal to greater well-being because it does not ensure all the freedoms an individual necessitates. Therefore, development is beyond individual wealth or Gross Domestic Product (GDP). The roles of wealth and income must be incorporated in a broader picture of success and deprivation where poverty represents the deprivation of basic capabilities and not merely low income (Sen 1999).

Sen's approach does not criticize solely LDCs. For instance, countries with high unemployment, which can be found on all spectrums of wealth, are problematic in the fact that they hamper individuals' freedom; as a matter of fact, he believes that deprivation in very rich countries can be comparable to that in LDCs (Sen 1999). A vivid example in developed countries is that of gender discrimination, where women might be allowed to work but often suffer pay gaps and are less likely to advance professionally.

It is important to note that Sen does not discard the importance of giving people monetary aid but he emphasizes that it should not be the sole focus (Sen and Nussbaum 1993b). Through his revolutionary approach, Sen rejects the belief that a country with poor regard for quality of life can be

successful in reaching its potential for full economic growth. When governments are free from the constraints of accountability, they can redistribute the wealth however they want, often enriching themselves and their small coalitions of support, and are less responsive to crisis since they do not impact their chances of re-election.

## **Democratization and Human Rights**

The connection between protection of human rights and democracy seems almost counterintuitive. Some would say you cannot have democracy without human rights and vice-versa and many often use the two terms interchangeably. After all, countries who demonstrate high regards for democracy often engage more in the protection of human rights. However, it can happen that a decision taken by a group democratically and by a majority, violates human rights. For example, in 2009, in Switzerland, a referendum was passed to allow a ban on the building of new minarets (Cumming-Bruce and Erlanger 2009), a type of tower typically found in a mosque from which Muslims are called to prayer. It was a democratic decision, using the most democratic tool there is; however, it impinged on the religious freedom of the Islamic community in Switzerland.

For this reason, several scholars and international organizations, such as United Nations High Commissioner Office for Human Rights (OHCHR), have subscribed to the notion that democracy and human rights are “interdependent and mutually reinforcing” (Effeh 2015). Political Scientist Donnelly argues that the struggle for human rights is much broader than the fight for democracy and the two actually “often point in significantly different directions” (Donnelly 1999, 619) as democracy aims at the empowerment of people, while human rights aim at the empowerment of the individual. Different types of democracies will protect human rights differently: liberal democracies will aim at protecting human rights because of their priority in protecting every citizen, “consociational democracies” focus on established social groups (i.e. Walloons and Flemish in Belgium), and electoral democracies tend

to focus on the rights of those represented by the majority or the party in power (Effe 2015). Indeed, “[a] recent study found that democracy [per definition] ...does *not* lower the probability of the most extreme violations of minority rights of all: state-sponsored mass killings (even genocide) of political or ethnic victims” (Easterly 2006, 120-121).

Democracy and human rights are the perfect indicators of a country’s developmental process and are key to discussing development under Sen’s approach. Due to the nature described above, it would be wrong for this paper to determine the level of commitment to Sen’s CA by simply analyzing one of the two elements. Therefore, the two are measured separately. Because of their interdependence, countries with a better commitment to democracy will likely rank better in freedom, indicating that they better protect human rights, but the methods used to determine one will be different than those used to analyze the other. Thus, it is necessary to separate them.

Analyzing the Global Report by the Center for Systematic Peace, most commonly known as the Polity report, will help determine the democratic status of a country. The system used to measure democracy is based on the practical democracy, meaning the government’s actual actions and not simply their claims of democracy. The countries are scored on a scale from -10 to +10, with the latter representing a full democracy and the former representing a full autocracy. In 2017, only four countries were scored -10, those being Bahrain, Saudi Arabia, Qatar, and North Korea, all hereditary monarchies. Other forms of autocratic governments that scored above -10 in 2017 were “authoritarian rule of personalistic leaders, military juntas, or one-party structures” (Polity 2017). Countries like China, Iran, and Kuwait all scored low (-7) but usually have some form of restraint on executive power (although the report does not account for China’s removal of their constitutional presidential terms in 2018, which could result in the country scoring somewhat lower). Between an autocracy and a democracy is found Anocracy, which ranges from -5 to +5. It usually characterizes instable governments that do not have enough power to be deemed fully autocratic but do not represent a functioning democracy either.



Anocracy is often the state of transition several countries fall into when moving from an autocracy to a democracy or vice-versa. According to trends from 1946 to 2016, autocratic governments are at their lowest number in history, while democratic governments and anocracies keep rising (Polity 2017).

When looking at human rights levels around the world, the most common measure is the Freedom House scale, which scores countries on three levels of freedom – free, partly free, not free – and ranks their aggregate freedom on a scale from 1 to 7, with 7 being the worst. Each year they report on the global status of freedom and the improvements or declines by country in the year before. Their findings in 2018 showed a global decline in political rights and civil liberties. Therefore, while the number of democracies is rising, and the number of autocracies is decreasing, the same cannot be said of freedom in the world, which proves the theory that the two concepts do not fit one single mold.

The two scores will be used in the country-specific analysis in part four. Since the last complete list of Polity scores for all countries dates to 2013, for purpose of consistency, the report per country that will be used for Freedom House will be from 2013, which will mean that most of the analysis will focus on the status of the country up to the end of 2012. When analyzing abstract concepts, such as human rights and democracy, on a numerical scale, the results will almost never offer an exhaustive truth. However, for the purpose of this paper, the two systems will suffice in determining whether a country is in good developmental conditions.

In relation to Sen's CA, the Freedom House score is the most important, as it embodies the assessment of whether citizens of a country are given the ability to pursue a better quality of life. However, Sen pays attention to the democracy as "the way the opportunities are used by citizens" (Sen 1999, 155); a democratic society creates better opportunities for individuals to advocate for individual freedoms. He adds to the narrative of interdependence of the two functions by saying:

[W]hile we must acknowledge the importance of democratic institutions, they cannot be viewed as mechanical devices for development. Their use is

conditioned by our values and priorities, and by the use we make of the available opportunities of articulation and participation...Valuable as democracy is as a major source of social opportunity, there is also the need to examine ways and means of making it function well, to realize its potential. (Sen 1999, 158-159)

## **International Financial Tools of Foreign Policy**

It is assumed that democracies in the developed world benefit and care greatly about protecting human rights and ensuring the development of LDCs. Whether one believes in this assumption or not, this commitment is often shown through different economic transactions. This section will analyze the use of three common types of financial tools used by governments in the realm of foreign policy – foreign aid, sanctions, and Preferential Trade Agreements. Aid and sanctions are usually referred to as, respectively, “the carrot and the stick.” This analysis will determine their success in shaping freedom in the target country.

### **Foreign Aid**

In theory, there are four main types of aid usually given by a state: development aid, aid to establish security and stability, aid to influence internal politics or foreign policies, and humanitarian aid. Regardless of this distinction, aid is a multipurpose tool and very rarely does it fit into only one category (Nelson 1968). Political scientist Bueno de Mesquita and Smith acknowledge that very few donors of foreign aid ignore their own foreign interests. Some academics even consider it a form of bribery, more specifically a way for stronger nations to coerce weaker nations into favors (Montgomery 1967).

De Mesquita and Smith theorize that aid allocation is linked with the survival of the political leader. Because autocratic governments have less incentives to accept money for the implementation of policies, the aid granted in exchange must be greater than for democratic countries, meaning that governments who might be less trustworthy would need more “convincing” to undertake policy changes.

Due to the rewarding nature of aid, in order to receive more, countries must show positive results. When receiving aid, the state will be the one reporting and it is in its interest to report optimistic results. The poorest people, who should be the ones receiving the aid, are mostly invisible and do not have the ability to report themselves whether that aid has actually been spent to improve their quality of life (Easterly 2006). If the aid is used to build a neo-natal center in a rural area, the government can demonstrate that they have used it to improve the quality of child-birth and reduce neo-natal mortality. However, the center becomes useless if a poor woman who lives in the province goes into labor and cannot get an ambulance in time because there are no roads to reach her.

Many scholars have agreed that foreign aid is not likely to alter social and political conditions in the receiving country (De Mesquita and Smith 2007; Lucena 2013), some believe this is due to aid's "soft" characteristics (Hafner-Burton 2005), other have also found that donor's interests often trumps the needs of the recipient, that the actual dispersion of aid does not influence the decision of giving again, and that giving often is driven by national security concerns (Hafner-Burton 2005; De Mesquita and Smith 2007). The overall agreement on the actual efficiency of foreign donations is that while aid allocation in itself is not associated with quality of life development, it can prove successful when, in the receiving country, there are clear policies in place that authorize the use of aid exclusively for humanitarian purposes (De Mesquita and Smith 2007).

## Sanctions

Sanctions are a very different kind of tool. While aid is the carrot, sanctions are the stick. They are the coercive measure that aims at forcing countries to change their behaviors. Historically, there has been a rise in the use of sanctions as a tool to coerce oppressive regimes into liberalization and reduced repression, which, on the positive side, often reduced the need for actual wars. However, many scholars have studied the effect of sanctions and the conclusion has mostly been the same: sanctions

do more damage than good to the receiving country (Peksen 2009; Peksen and Drury 2009; Wood 2008; Escribà-folch, Wright, and Escribà-folch 2016; Carneiro and Elden 2014). A study by Abel Escriba-Folch and Joseph Wright showed that personalist regimes and monarchies can be more heavily affected by sanctions, seeing as their political survival is often dependent on public approval, while military juntas (or regimes with a strong military support) and single-party regimes do not usually suffer severe damages (2016).

Many have also agreed that sanctions can cause additional weakening of human rights conditions in the target country, and that human rights continue to be undermined the longer the sanctions stay imposed (Peksen 2009). Oppressive governments would show weakness by giving in to the demands of foreign sanctions and, therefore, they are unlikely to follow, especially when sanctions are targeted to a country because of their abuse of human rights (Peksen and Drury 2009). The result is that oppressive policy is not changed yet the economy of the nation as a whole will be adversely affected, and in turn the population will have even less capabilities.

### Preferential Trade Agreements

The general agreement among scholars to be that countries who aim at the development of human rights should try a combination of both methods; both the carrot and the stick. Emile Hafner-Burton, international justice and human rights expert, stands in contrast, offering a new approach to developmental foreign financial policy. She argues in favor of preferential trade agreements (PTAs), widely used trade agreements that enforce conditions in exchange for benefits. PTAs must have “hard” clauses in order to work. They put together the tactics of persuasion and coercion, where one aims at drawing in members by offering a reward, and the other creates an environment of accountability by punishing those disobeying the conditions. For this to work, “the threat [must] represent a meaningful loss to the target country” (Lucena 2013, 153). Hafner-Burton suggests that developed countries engage

in trade agreements with developing countries to enforce conditions that promote human rights by making them an offer they cannot refuse (2005).

The United States and the European Union have entered clauses to *encourage* protection of human rights, exemplifying her approach. The US tends to center their PTAs around labor rights (labor standards and the prohibition of child labor), while the European Union focuses more on protecting civil liberties and ensuring a fair electoral process (Lucena 2013). Nevertheless, these PTAs might not yield the expected results in human rights, and that is most likely due to the “soft” nature of encouragement. Hafner-Burton, after an empirical analysis covering 176 countries from 1976 to 2001, finds no evidence that PTAs with a “soft” human rights clause have an impact on the protection of human rights, while those with a “hard” human rights clause tend to raise the probability of better protection (Hafner-Burton 2005). An example of a PTA that successfully promotes the protection of human rights is the Euro-Mediterranean Association Agreement, where agreement benefits are reliant on the upholding of certain human rights principles (Hafner-Burton 2005). The agreement, indeed, states that “[a]dherence to democratic principles and fundamental rights are an essential element of the association agreements” (Eur-Lex).

Through PTAs, individuals would be better equipped to pursue an improved quality of life. The conditions of PTAs, and the economic development produced by them, could create more jobs and higher chances of social-mobility. Under the perspective of Sen’s CA, PTAs not only offer economic facilities, but have the potential to strengthen all five freedoms. Indeed, Sen recognizes trade as a valuable tool to reach independence. He believes that the labor market can foster the development of economic freedom, especially freedom of transaction, regardless of the economic achievements. However, it is important to consider the nature of trade, for example whether it happens in a competitive market or a monopolistic one. According to him, “the nature of factual circumstances may influence the actual possibilities and impose real limitations on what can be achieved through various institutional

forms of the market mechanism” (Sen 1999, 117). Indeed, it is fundamental to notice the opportunities that trade gives the people of a country, as their freedom to engage in economic activity must be matched with the freedom to work freely. This idea of the necessary entanglement of trade and government responsibility is where Sen and Hefner-Burton meet. “Combining extensive use of markets with the developments of social opportunities must be seen as a part of a still broader comprehensive approach that also emphasizes freedoms of other kinds” (127). In other words, the benefits of trade can only be fully appreciated when they are balanced by a reliable government that cares about its people.

## **Country-Specific Analysis**

Following Sen’s emphasis on complementarity, the concepts discussed in the previous chapter will be combined and applied to four countries which are geographically and socially diverse: China, Russia, Tunisia, and Venezuela. These countries will undergo an analysis that can be broadened and applied to any country to determine whether governments and international financial relations come together to protect and promote individuals’ rights. Most of the descriptions will use verbs in the past tense because of the period when the data was collected. However, the past tense will not be used to indicate that the situation analyzed is not accurate anymore today; it might, or it might not be. Furthermore, it is important to note that the analysis looks at GDP not as a key element to determine the rate of development but solely as a comparison tool for the different countries. The data used is from 2013 merely for consistency purposes. However, for lack of resources over certain specific aspects of foreign financial tools in the countries, some analysis might touch on the state’s current status or look further back in history, as well as make limited speculations.

### **The People’s Republic of China**

In 2013, China’s GDP was \$9.607 trillion (World Bank 2013), making it the second biggest economy in the world after the United States. However, China recorded a score of -7 in the Polity scale

and was deemed Not Free by Freedom House, with a Freedom Rating of 6.5. In 2013, the Chinese Communist Party (CCP) held a monopoly on political power and had the authority to set all the government and party regulations. Based on Sen's factors, individuals had the functionings but lacked the capabilities, and their five freedoms were not being developed.

First, Chinese people lacked political freedom, seeing as the country was a one-party leadership not democratically elected, any opposition was met with imprisonment and petitioners to the government were often beaten, abused, and sent to labor camps without trial (Freedom House 2013a). The economic facilities were limited due to the nationalization of many enterprises (or at least to the limited ownership by the members of the main political party) and the inability to fully own land (Clarke 2017). People in the western provinces had an even harder time because most of the development was redirected towards coastal cities (Sachs 2005). Social opportunities were almost inexistent. Religious and ethnic minorities, as well as the disabled and people with HIV/AIDS, constantly faced persecution and discrimination; assemblies required the approval of the government and couples would need to receive permission to conceive their only allowed child. Transparency guarantees were lacking due to high corruption and extreme censorship. China had the world's largest population of internet users, but all media was controlled and censored by the CCP, which also made sure that criticism to the government would never be aired. Protective security was in reality surveillance, torture was still wide-spread, and access to legal representation for cases of civil rights was restricted (Freedom House 2013a).

Sanctions on China for the purpose of rectifying human rights abuses have been limited. The most notable example dates back to 1989, when the US Congress imposed sanctions on the country in reaction to the massacréd in Tiananmen Square. The government of China reacted minimally to these sanctions; they did release a few protesters after eleven months, but it is hard to determine whether it was done because of the pressure of sanctions. Eventually, the United States lifted the sanctions for

fear that they could be too damaging to the diplomatic relations they had carefully crafted with China over the years (History.com 2009). Today, with such a strong economy, China mostly plays the role of major global donor rather than that of recipient. “In 2014, China received a net negative \$947 million in assistance” (Jennings 2017), meaning it gave more than it received. However, the United States and Japan both reportedly still gave aid to China as of 2013. The United States did so with the aim of supporting human rights and democracy initiatives through NGOs, which, however, are still tightly regulated by the government (Brant 2013). This goes to show that the use of foreign aid in China has failed in promoting the protection of individuals’ freedoms. Enforcing the protection of human rights through PTAs has not really been fully attempted in China. Although the draft version of the Trans-Pacific Partnership was highly criticized for its lack of focus on human rights (de Zayas 2016), the TPP could have been one outlet for the United States to press for freer Asian citizens. With the United States now out of the agreement, it is hard to imagine a near future in which other countries will be able to hold China accountable for her human rights abuses.

### The Russian Federation

In 2013, Russia had a GDP of \$2.297 trillion (World Bank 2013), ranking as the eight strongest national economy. In the last Polity report, Russia scored a 4, and Freedom House ranked the country Not Free, with a Freedom Rating of 5.5. Vladimir Putin had just been reelected president of the Russian Federation, after serving as Prime Minister for four years, in what many believed to be a fraudulent election.

His plans did not include human development and Sen’s five freedoms, to this day, have not been met. In terms of political freedom, Russians were given the illusion of democracy. Elections were often plagued with irregularities and those who ran in opposition often faced imprisonment. Economic facilities were lacking due to the Oligarchical system of ownership by the few. Social opportunities



were constantly removed. Individuals who protested were usually met with police response, use of force and arrests. Immigrants and minorities faced governmental and societal discrimination, and religious freedom was uneven. Transparency guarantees were skewed by high level of corruption, both in the government and in business, and by the manipulation of national television networks and online information. Journalist who spoke against the government would be arrested or killed. Protective security was not guaranteed to dissidents, foreigners and minorities and the judiciary responded directly to the government (Freedom House 2013b).

In 2013, the Obama administration imposed sanctions on 18 Russians who were accused of human rights violations. The Russian government vowed to retaliate and did so by forbidding American adoptions of Russian orphans. The sanctions clearly did not work, as the Russian government was not threatened with a matter of national importance and had the ability to strike back right away (Baker and Barry 2013). The same year, *The Telegraph* (Watts 2013) reported that, in England, the Department for International Development (DfID) donated £4.5 million to Russia to encourage the government to be more “efficient, effective and transparent.” The hope was to develop the Russian economy to the point where they would become major donors to LDCs, but there are still no reports on the success of this operation. Today, Russia has a PTA with almost all countries, except for Canada, United States, countries in the European Union, Australia, New Zealand, and Japan. None of these PTAs has conditions related to human rights and freedom (The World Bank 2018). With a worsening economy (Elliott 2014), stronger PTAs with clauses on human rights and democracy could result in some success.

## The Republic of Tunisia

In 2013, Tunisia had a GDP of \$46.25 billion, ranking 91<sup>st</sup> in the global spectrum. Its Polity score was 7 and Freedom House deemed it Partly Free, with a score of 3.5. The previous year, Tunisia’s

Polity score was -4, but 2013 revealed itself to be a year of strong democratization in the Northern African country, which hosted the beginning of the Arab Spring in 2011, when a fruit vendor set himself on fire to protest police harassment and harsh economic conditions. In 2011, the country held its first orderly, free, and fair elections in its history, and elected an assembly which was mandated to draft a new constitution over the year.

In terms of political freedom, Tunisia was holding elections and multiple parties were controlling the government. Economic facilities had seen an improvement in the realm of youth unemployment. Social opportunities were progressing efficiently, with freedom of expression and information deemed fundamental. The country was one of the leading governments in gender-progressiveness. The main social struggle was religion, due to the many factions of Islam and the other smaller religions fighting for legitimacy. The new government forbade non-Muslims from running for presidency. Transparency guarantees were developing, and the new government had announced a commitment to transparency and anti-corruption measure. Protective measures were emphasized. However, although freedom of assembly had been recognized, police still reacted to protests with violence (Freedom House 2013c).

Since 2013, the country has not been under the scrutiny of sanction-imposers. A few individuals connected with the previous government were sanctioned for prior human rights abuses, but their individuality makes it hard to analyze their effects on development in Tunisia. In 2011, amidst the results of the Arab Spring, a few countries raised their financial donations to Tunisia. France, for example, donated €229 million, €49 million more than the previous year (Kausch 2011). The aid was effectively spent for development, which demonstrates the theory mentioned in the previous chapter that aid can be effective, as long as it is paired with existing plans for development. Tunisia has been a member of the Euro-Mediterranean Association Agreements, the PTA discussed in the previous

chapter since 1998. Although its membership was at times unsure, the country is now on the path to development and has made of the European Union its main trading partner (Eur-Lex, n.d.).

### The Bolivarian Republic of Venezuela

In 2013, Venezuela had a GDP of \$371.005 billion, ranking 32<sup>nd</sup>. The Polity score was -3, compared to 3 in 2011, and Freedom House scored her Partly Free, with a score of 5. The country, in 2013, was at the very beginning of what is now one of the greatest humanitarian crises in the world. President Hugo Chavez had just won a reelection, after a year of increased government spending to boost public image, when his cancer forced him to seek treatment in Cuba. He anointed his Vice President Nicolas Maduro as his successor and passed away in March of that year. 2013 represented that year of transition from the positive side of the Polity score to the negative one. A prelude to Maduro's ascent to a brutal dictator who lets his citizens starve and die daily (Bonicelli 2016).

Being in that state of transition, the citizens of Venezuela in 2013 were still able to enjoy some of Sen's freedoms. Political freedom was somewhat present; the act of voting was relatively free but government-backed candidates were favored and were more likely to be elected. Economic facilities were unstable, as part of the countries were experiencing constant black outs and industrial stagnation; however, Chavez campaign for reelection boosted the economy and many experienced a substantial increase in raises. Social opportunities were mostly maintained, with freedom of religion rather ensured and socialist-based academic curricula. Transparency guarantees were not prioritized. Corruption was extremely high, the media was controlled by the government and internet was nationalized. Protective security was inexistent due to the extremely high murder rates and the corruption of police and military, which engaged in arbitrary detention and torture of suspects (Freedom House 2013d).

In 2014, the Obama administration imposed sanctions on Maduro for his abuse of human rights, but the persistency of the crisis demonstrates their inefficacy (Bonicelli 2016). Venezuela is the perfect

example to demonstrate that dictators are not likely to give in to sanctions. The country has not really been a recipient of aid in the past, due to its former status as an OPEC member. Even as the situation is now currently critical, Maduro refuses to accept any aid and insists on the country's stability (Carr 2017). In August, Venezuela was expelled from the regional trade bloc Mercosur indefinitely because of the current instability of the constitutional order (Human Rights Watch 2017). Currently, similarly to Russia, the country has a few PTAs active but none of them mentions the protection of human rights.

## **Conclusion**

Amartya Sen and Martha Nussbaum's *Capabilities Approach* offered a new perspective to developmental economics. When people in the world are restrained from pursuing opportunities and freedoms, economic growth moves into the background of the conversation. While it is still important that individuals pursue economic growth, the focus should be on their ability to do so, as well as to pursue other opportunities, such as political freedom. Sen and Nussbaum have switched the attention of the world from low income to capability deprivation. Through Sen's development of the concept of capabilities and the five freedoms, and Nussbaum's list of Central Functioning Capabilities, the economists have provided the tools to produce effective development policies that focus on the complementarity of social, political, and economic factors.

The characteristics of interdependence of democracy and human rights add to the disruption of previous developmental theory, which claimed that the rights of the individual would be automatically protected under the rights of the majority. In reality, ethnic and religious minorities, the disabled, or members of the LGBT community are usually the ones that are left uncovered in democracies. This lack of protection is exactly what Sen aims at addressing with his CA. The rights of the individuals should be the real focus of development. Once individual's freedoms are ensured, society as a whole will benefit from it.

The tools of foreign financial policy commonly believed to be effective in developing a country are not effective anymore under this new approach. Both aid and sanctions fail in advancing individuals' quality of life everywhere, with very few exceptions. The carrot and the stick are not efficient in developing better quality of life. PTAs, on the other hand, have immense potential for human advancement. With the majority of countries depending on trade today, PTAs could bring all parties involved vast benefits while also advancing the agenda of human development and protection of human rights to LDCs and autocracies. However, Hafner-Burton, while advancing PTAs as a general measure, is vocal about the need to address each country individually; there are no one-size-fits-all measures when it comes to quality of life.

Of the four countries analyzed, all but one demonstrated the inefficiency of aid and none introduced new development policies due to sanctions. One of the countries, Tunisia, demonstrated to have benefitted from its membership in the Euro-Mediterranean Alliance Associations; the others were either unable to provide actual results at the moment (China), or not engaging in any PTA with human rights clauses (Russia and Venezuela). China and Russia also served as the main example to discredit the theory of economic growth as development. The two countries' economies were doing extremely well in 2013, but both governments were extremely corrupted and constantly abused the human rights of their citizens. Tunisia showed successful human development despite falling way further behind than China and Russia in the global scale of GDP. Venezuela, instead, whose economy is much better than Tunisia, is facing one of the most brutal dictatorships in the history of South America, with individuals dying and starving. At the inception of the crisis, the Venezuelan government still had a fairly solid economy, but human freedoms have been slowly stripped away. Supposedly, if the focus had shifted earlier on developing people rather than the economy, maybe the world would have intervened in Venezuela in time to stop Maduro.

The time has come for the developed, wealthy countries to realize that just because they do not see the people in poverty, it does not mean that their needs can be ignored. Of course, economic development must continue; freedom will be even much harder to pursue if global inequality worsens. However, poor people do not need money if they have no ability to spend it. Logically, a micro-approach to address these issues of capability must be used first; only then can the studies move to the macro-level goal of a developed, free global society.

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## **Appendix A: Martha Nussbaum's list of Central Functioning Capabilities**

(As published in 2007 in the *Harvard Human Rights Journal*, Vol. 20)

1. **Life.** Being able to live to the end of a human life of normal length; not dying prematurely, or before one's life is so reduced as to be not worth living.
2. **Bodily Health.** Being able to have good health, including reproductive health; to be adequately nourished; to have adequate shelter.
3. **Bodily Integrity.** Being able to move freely from place to place; to be secure against violent assault, including sexual assault and domestic violence; having opportunities for sexual satisfaction and for choice in matters of reproduction.
4. **Senses, Imagination, and Thought.** Being able to use the senses, to imagine, think, and to reason—and to do these things in a “truly human” way, a way informed and cultivated by an adequate education, including, but by no means limited to, literacy and basic mathematical and scientific training. Being able to use imagination and thought in connection with experiencing and producing works and events of one's own choice, religious, literary, musical, and so forth. Being able to use one's mind in ways protected by guarantees of freedom of expression with respect to both political and artistic speech, and freedom of religious exercise. Being able to have pleasurable experiences and to avoid non-beneficial pain.
5. **Emotions.** Being able to have attachments to things and people outside ourselves; to love those who love and care for us, to grieve at their absence; in general, to love, to grieve, to experience longing, gratitude, and justified anger. Not having one's emotional development blighted by fear and anxiety. (Supporting this capability means supporting forms of human association that can be shown to be crucial in their development.)

6. Practical Reason. Being able to form a conception of the good and to engage in critical reflection about the planning of one's life. (This entails protection for the liberty of conscience and religious observance.)
7. Affiliation.
  - a. Being able to live with and toward others, to recognize and show concern for other human beings, to engage in various forms of social interaction; to be able to imagine the situation of another. (Protecting this capability means protecting institutions that constitute and nourish such forms of affiliation, and also protecting the freedom of assembly and political speech.)
  - b. Having the social bases of self-respect and non-humiliation; being able to be treated as a dignified being whose worth is equal to that of others. This entails provisions of non-discrimination on the basis of race, sex, sexual orientation, ethnicity, caste, religion, national origin.
8. Other Species. Being able to live with concern for and in relation to animals, plants, and the world of nature.
9. Play. Being able to laugh, to play, to enjoy recreational activities.
10. Control over One's Environment.
  - a. Political. Being able to participate effectively in political choices that govern one's life; having the right of political participation and protections of free speech and association.
  - b. Material. Being able to hold property (both land and movable goods), and having property rights on an equal basis with others; having the right to seek employment on an equal basis with others; having the freedom from unwarranted search and seizure.

In work, being able to work as a human being, exercising practical reason and entering into meaningful relationships of mutual recognition with other workers.