



THE POLITICAL CAPABILITY STATE: DEVELOPING POLITICAL CAPABILITY THEORY FOR ECONOMIC JUSTICE AND SUSTAINABLE DEVELOPMENT

Deepa S

Research Scholar, Department of Political Science Desh Bhagat University, Mandi Gobindgarh, Punjab

Dr. Rajdeep Kaur

Assistant Professor, Department of Political Science Desh Bhagat University, Mandi Gobindgarh, Punjab

Paper Received On: 21 AUG 2026

Peer Reviewed On: 25 SEPT 2026

Published On: 01 OCT 2026

Abstract

Economic justice remains one of the most important challenges in achieving sustainable development. Although many countries have introduced economic reforms and governance policies, inequality, social exclusion, and unequal access to opportunities continue to affect development outcomes. Existing theories explain different aspects of economic justice. Rawls focuses on fair distribution, Sen and Nussbaum emphasize human capabilities, while institutional scholars highlight the role of political institutions. However, these perspectives are often studied separately, making it difficult to understand how political systems translate justice into sustainable development. This paper argues that sustainable development depends not only on economic policies but also on the political capacity of the state to create fair institutions, protect rights, promote participation, and expand human capabilities. To address this gap, the paper introduces the **Political Capability State (PCS) Framework**, a new theoretical model that integrates political institutions, economic justice, democratic governance, and capability development into a single framework. The study adopts a conceptual research approach based on a critical review and synthesis of political science, governance, and sustainable development literature. The proposed framework explains how capable political institutions can create an environment where justice, participation, accountability, and inclusive economic opportunities reinforce one another to achieve sustainable development. The paper contributes by identifying **political capability as the political mechanism linking economic justice and sustainable development**, while providing a conceptual framework for future empirical research. It also provides useful insights for policymakers seeking to strengthen governance systems that promote inclusive and sustainable development.

Keywords: Political Capability State, Economic Justice, Sustainable Development, Political Institutions, Governance, Capability Approach, Democratic Participation, Inclusive Development

1. Introduction

Economic justice has become a central concern in political science, public policy, and development studies. Although many countries have experienced economic growth over the past few decades, inequalities in income, education, healthcare, employment, and access to public services continue to limit sustainable development. These challenges have raised important questions about the role of political institutions in promoting fairness, reducing inequality, and improving people's quality of life. Sustainable development cannot be achieved through economic growth alone. It also requires political systems that create equal opportunities, protect citizens' rights, and ensure that development benefits all sections of society. Several scholars have attempted to explain the relationship between justice and development. Rawls argues that justice should be based on fairness and equal opportunities, particularly for the least advantaged members of society. Sen expands this perspective by emphasizing the importance of people's capabilities, arguing that development should increase individuals' freedom to achieve the lives they value. Nussbaum further develops the capability approach by identifying essential human capabilities that every person should enjoy. While these theories have made significant contributions to understanding economic justice, they primarily focus on distribution, individual freedoms, or human well-being. Political and institutional scholars have approached the issue from a different perspective. Acemoglu and Robinson argue that inclusive political and economic institutions create conditions for long-term prosperity, while North emphasizes the importance of institutions in shaping economic and political performance. Similarly, governance research highlights the roles of accountability, transparency, participation, and state capacity in improving development outcomes. These studies demonstrate that institutions matter, but they often examine governance and justice as separate issues rather than as interconnected processes. Although existing theories have significantly advanced the understanding of economic justice and sustainable development, an important theoretical gap remains. Rawls explains the principles of distributive justice, Sen and Nussbaum emphasizes capability expansion, while institutional and governance scholars examine the role of political institutions in development. However, these perspectives do not clearly explain **how political institutions transform the principles of justice into sustainable development outcomes**. In other words, the political mechanism that connects justice, governance, human capability, and sustainable development remains insufficiently developed. This limitation makes it difficult to explain why countries with similar economic policies often achieve different development outcomes. Addressing this gap requires a broader political framework that explains how political institutions create the conditions necessary for inclusive and sustainable development. This paper addresses this gap by proposing the **Political Capability State (PCS) Framework**. The framework argues that political capability is the missing link between economic justice and sustainable development. It explains that development depends not only on fair economic policies but also on the state's ability to build effective institutions, strengthen democratic participation, promote accountability, and expand human capabilities. By integrating these dimensions within a single political framework, the study offers a new perspective for understanding inclusive development. The proposed framework views the state not simply as an

administrator of public policies but as an institution that actively creates the political conditions necessary for economic justice. When political institutions are transparent, accountable, and inclusive, they create an environment where citizens can access opportunities, participate in decision-making, and benefit from development. Conversely, weak institutions, limited participation, and ineffective governance reduce the state's ability to promote justice and sustainable development. The objective of this paper is to develop a new theoretical framework that integrates political institutions, economic justice, governance, and capability development into a unified political science perspective. By synthesizing insights from political theory, institutional analysis, governance studies, and sustainable development literature, the paper proposes a broader understanding of how political systems contribute to inclusive development. The paper is organized into three main sections. The next section introduces the Political Capability State Framework and explains its key dimensions. This is followed by a comparative theoretical discussion that highlights how the proposed framework extends existing theories of justice, governance, and development. The final section summarizes the major arguments, discusses the theoretical contribution of the framework, and identifies directions for future research. This study adopts a conceptual research design based on a critical review and synthesis of literature in political theory, governance, institutional analysis, and sustainable development. Rather than collecting primary empirical data, the study develops Political Capability Theory by integrating insights from established theoretical perspectives and identifying the political mechanisms linking economic justice and sustainable development. The proposed framework and theoretical propositions are intended to provide a foundation for future empirical research.

2. Political Capability Theory

Existing theories have made important contributions to understanding economic justice and sustainable development. Rawls explains justice as fairness, Sen emphasizes the expansion of human capabilities, and Nussbaum highlights the minimum capabilities necessary for a dignified life. Institutional scholars such as North and Acemoglu and Robinson demonstrate the importance of political institutions in shaping economic and social development. While these perspectives have advanced the literature, they mainly explain individual dimensions of development and are often examined independently. Political capability refers to the capacity of political institutions to create, implement, and sustain inclusive governance arrangements that transform principles of justice into equitable and sustainable development outcomes through accountable institutions, democratic participation, and capability expansion. This understanding draws on institutional theory, governance research, and the capability approach, which collectively emphasizes that effective political institutions, democratic participation, and human development are mutually reinforcing components of inclusive development (North, 1990; Sen, 1999; Acemoglu & Robinson, 2012).

Political capability is a multidimensional concept that builds on insights from institutional theory, governance research, and the capability approach (North, 1990; Sen, 1999; Acemoglu & Robinson, 2012). It requires the interaction of several institutional and governance processes that together support inclusive development. Previous studies have examined institutional quality, democratic

governance, capability expansion, and inclusive development as separate dimensions of political and economic development (North, 1990; Ostrom, 1990; Sen, 1999; Fukuyama, 2013; United Nations, 2015). Building on these contributions, this study integrates these dimensions into a single concept of political capability.

This study identifies **five core dimensions of political capability**: institutional justice, democratic participation, capability expansion, inclusive economic opportunity, and sustainable development outcomes. These dimensions were selected because they represent the essential political conditions through which justice is translated into development. Institutional justice provides the legal and institutional foundation for fairness. Democratic participation strengthens accountability and public trust. Capability expansion enables individuals to improve their quality of life. Inclusive economic opportunity ensures that development benefits are shared across society. Sustainable development outcomes represent the long-term result of these interconnected political processes. This paper proposes Political Capability Theory (PCT) to explain the political process through which justice is transformed into sustainable development. The theory is informed by political philosophy, institutional economics, governance studies, and sustainable development research, but extends these perspectives by identifying political capability as the mechanism linking justice and development. The theory argues that economic justice does not automatically produce development outcomes. Instead, development depends on the political capability of the state to create fair institutions, promote democratic participation, ensure accountable governance, and expand opportunities for all citizens. Political capability therefore acts as the connecting mechanism between the principles of justice and the practical achievement of sustainable development. Unlike existing approaches, Political Capability Theory places political capability—not institutions alone—at the center of the development process. It argues that institutions contribute to sustainable development only when they possess the political capability to implement justice, promote participation, and expand human capabilities. Political Capability Theory does not replace existing theories of justice or governance. Instead, it brings them together within a single political framework. By explaining how political institutions convert the principles of justice into sustainable development outcomes, the theory provides a broader understanding of inclusive development and offers a new perspective for political science research. Political capability is therefore different from state capacity, governance quality, or institutional effectiveness because it focuses specifically on the political processes that transform justice into sustainable development.

Figure 1. Political Capability State (PCS) Framework

Building on the concept of political capability, this paper introduces the Political Capability State (PCS) Framework. A Political Capability State is a state that possesses the institutional, democratic, and governance capacity to translate the principles of economic justice into sustainable development outcomes. This perspective builds on previous discussions of capable states, inclusive institutions, and governance capacity while extending them beyond administrative effectiveness to include justice, democratic participation, and capability expansion. Rather than focusing only on economic redistribution, the Political Capability State creates political conditions

that enable citizens to participate, develop their capabilities, and benefit from inclusive development.

The Political Capability State Framework presents political capability as the central driving force of inclusive development. Institutional justice, democratic participation, and capability expansion represent the core dimensions through which political capability operates. Together, these dimensions create inclusive economic opportunities that improve social and economic well-being. These improvements contribute to sustainable development outcomes while also strengthening public trust and institutional learning. In turn, increased public trust enhances political capability, creating a continuous cycle of institutional improvement and inclusive development.

Theoretical Propositions

This conceptual model provides a conceptual explanation of how political institutions contribute to economic justice and sustainable development. Based on the proposed framework, the following theoretical propositions are developed to guide future empirical research.

Proposition 1

Higher levels of political capability strengthen institutional justice by improving fairness, transparency, and accountability within public institutions.

This proposition is based on the argument that politically capable institutions are better able to implement laws fairly, maintain transparency, and respond effectively to public needs. As institutional capability improves, governments become more capable of reducing discrimination, strengthening accountability, and promoting equal treatment under the law.

Proposition 2

Citizens are more likely to participate in political processes when they trust public institutions and believe that decision-making is fair. Institutional justice therefore strengthens democratic participation by encouraging public confidence and civic engagement.

Proposition 3

Democratic participation allows citizens to influence public policies related to education, healthcare, employment, and social welfare. Greater participation therefore supports the expansion of individual capabilities by ensuring that development policies respond to public needs.

Proposition 4

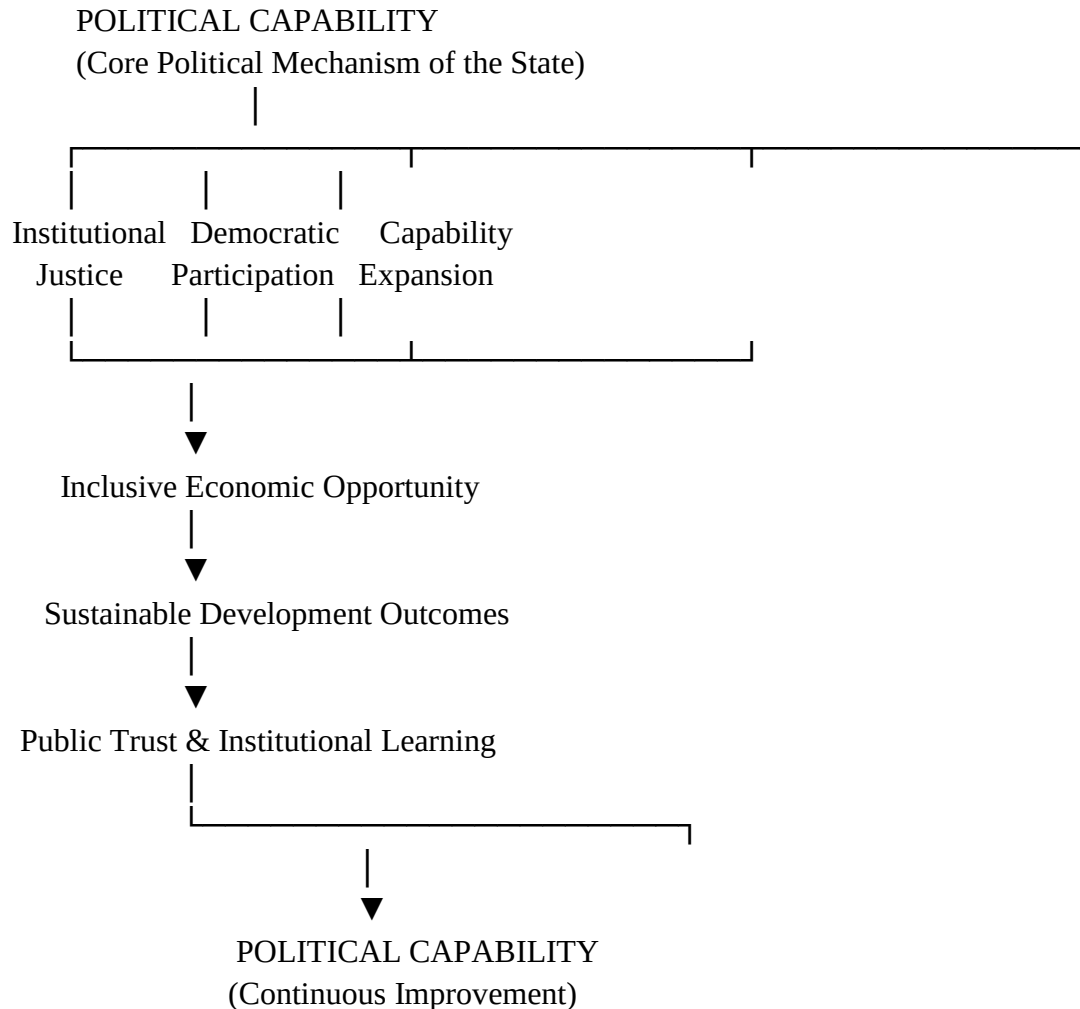
Individuals with improved education, health, and skills are better positioned to participate in economic activities. Capability expansion therefore increases access to employment, entrepreneurship, and income-generating opportunities.

Proposition 5

When economic opportunities are distributed more fairly, societies experience lower inequality, greater social cohesion, and more balanced economic growth. These outcomes strengthen the social and economic foundations of sustainable development.

Proposition 6

Successful development outcomes increase public trust in political institutions and improve governments' ability to design and implement future policies. Political capability therefore develops through a continuous process of institutional learning and public confidence.



The propositions presented in this study provide a foundation for future empirical research. Researchers may examine these relationships using comparative case studies, cross-national analyses, or quantitative methods to assess how political capability influences economic justice and sustainable development in different political contexts.

Theoretical Contribution of Political Capability Theory

The proposed theory extends existing theories of economic justice, governance, and institutional development by explaining the political process through which justice is transformed into sustainable development. While earlier theories have provided valuable insights into distributive justice, capability expansion, and institutional quality, they generally examine these concepts independently. Political Capability Theory integrates these perspectives within a single political framework and identifies political capability as the mechanism that connects them.

The originality of the theory lies not in introducing a new concept of justice or governance, but in explaining how political institutions actively convert principles of justice into practical development outcomes. Existing theories explain what justice requires, what capabilities individuals should possess, or why institutions matter. Political Capability Theory explains how

these elements interact through political institutions to produce inclusive and sustainable development.

The theory therefore makes three contributions to political science. First, it introduces political capability as a distinct analytical concept that links justice, governance, and human development. Second, it provides an integrated framework that explains the relationship between political institutions and sustainable development. Third, it offers a set of theoretical propositions that can be tested in future empirical studies across different political and institutional contexts.

Rather than replacing existing theories, Political Capability Theory complements them by providing the political mechanism that has received comparatively less attention in previous studies. This broader perspective contributes to current debates on economic justice and sustainable development by demonstrating that effective political institutions are essential for translating normative principles into practical development outcomes.

Analytical Insight

Political Capability Theory builds on existing theories of justice, governance, and development while offering a broader political explanation for sustainable development. Rather than replacing these theories, it explains how they can be understood within a single political framework.

Rawls argues that justice should be based on fairness and equal opportunities, particularly for disadvantaged groups. His theory provides important principles for distributive justice but gives limited attention to the political processes through which these principles are implemented. Political Capability Theory extends this perspective by explaining how political institutions transform the principles of justice into practical development outcomes.

Sen's Capability Approach shifts attention from the distribution of resources to people's freedom and capabilities. Political Capability Theory agrees that expanding human capabilities is essential but argues that capability expansion depends on the quality of political institutions, democratic participation, and accountable governance.

Nussbaum identifies the minimum capabilities necessary for human dignity and well-being. Political Capability Theory complements this perspective by explaining the political conditions that enable governments to protect and expand these capabilities through effective institutions and public policies.

Institutional scholars such as North and Acemoglu and Robinson demonstrate that inclusive institutions promote long-term development. Political Capability Theory builds on this argument by explaining that institutional quality alone is not sufficient. Political institutions must also possess the political capability to promote justice, encourage participation, expand opportunities, and sustain public trust.

The main contribution of Political Capability Theory is therefore not the introduction of new concepts of justice or governance, but the explanation of the political mechanism that connects justice, institutions, capability expansion, and sustainable development within a single theoretical framework. This integrated perspective provides a clearer understanding of why similar economic policies often produce different development outcomes across countries.

Collectively, these theoretical traditions provide the foundation from which Political Capability Theory is developed, while the present study contributes a new explanation of the political mechanism connecting justice and sustainable development.

This study is conceptual in nature and therefore does not empirically test the proposed framework. Future research should examine the applicability of Political Capability Theory across different political and institutional settings using qualitative, quantitative, or mixed-method approaches.

3. Conclusion

Economic justice continues to be one of the greatest challenges to sustainable development. Although governments have introduced various economic reforms and social welfare programmes, inequality and unequal access to opportunities remain major concerns in many countries. This suggests that economic policies alone are not sufficient to achieve inclusive and sustainable development.

This paper introduced the **Political Capability State (PCS) Framework** as a new theoretical approach to understanding the relationship between political institutions, economic justice, and sustainable development. The framework argues that development depends on the state's ability to build fair institutions, strengthen democratic participation, expand human capabilities, and create inclusive economic opportunities. These elements work together to improve people's quality of life and support long-term development.

Unlike existing theories that examine justice, governance, or capability development separately, the PCS Framework brings these ideas together within a single political perspective. It explains that political institutions are not simply administrative structures but active agents that shape development outcomes through policy implementation, accountability, and citizen participation. A politically capable state therefore creates the conditions necessary for both economic justice and sustainable development.

The paper also highlights that the quality of political institutions influences how development benefits are distributed across society. Countries with transparent, accountable, and inclusive institutions are better positioned to reduce inequality and expand opportunities for all citizens. In contrast, weak institutions, limited participation, and poor governance often prevent development policies from achieving their intended outcomes.

The theoretical contribution of this study lies in proposing political capability as a central concept linking justice and sustainable development. The framework offers a broader understanding of development by recognizing that political institutions are as important as economic resources in creating inclusive societies. This perspective expands existing debates in political science and provides a new direction for research on governance and development.

The proposed framework also has practical relevance for policymakers. Strengthening institutional quality, promoting democratic participation, improving accountability, and investing in human capabilities can help governments build more inclusive and sustainable development strategies. Rather than treating justice and development as separate policy goals, governments should recognize that both depend on the strength and effectiveness of political institutions. Future research can build on this framework by testing its application in different political systems and

development contexts. Comparative studies, empirical analysis, and the development of measurable indicators can further examine how political capability influences economic justice and sustainable development across countries. In conclusion, sustainable development cannot be sustained through economic policies alone. It depends on the political capability of the state to translate the principles of justice into practical development outcomes. By introducing Political Capability Theory and the Political Capability State Framework, this study provides a new conceptual perspective on the relationship between political institutions, economic justice, and sustainable development. The principal contribution of this study is the development of Political Capability Theory as a political science framework that explains the institutional process through which economic justice contributes to sustainable development. While previous studies have examined justice, capabilities, governance, and institutions separately, this study integrates these perspectives by identifying political capability as the mechanism that connects them. This integrated approach offers a broader understanding of how political institutions shape inclusive development and provides a conceptual foundation for future research in political science and development studies. The framework also provides practical value for policymakers. Governments seeking to achieve sustainable development should not focus only on economic growth or redistributive policies. Equal attention should be given to strengthening political institutions, improving democratic participation, enhancing accountability, and expanding human capabilities. These political conditions enable development policies to become more inclusive, equitable, and sustainable over time. The framework offers a foundation for future theoretical refinement and empirical investigation while encouraging policymakers to recognize political capability as a key driver of inclusive and sustainable development.

REFERENCES

- Acemoglu, D., & Robinson, J. A. (2012). *Why nations fail: The origins of power, prosperity, and poverty*. New York, NY: Crown Publishers.
- Fukuyama, F. (2013). What is governance? *Governance*, 26(3), 347–368.
- North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge, England: Cambridge University Press.
- Nussbaum, M. C. (2011). *Creating capabilities: The human development approach*. Cambridge, MA: Harvard University Press.
- Ostrom, E. (1990). *Governing the commons: The evolution of institutions for collective action*. Cambridge, England: Cambridge University Press.
- Rawls, J. (1971). *A theory of justice*. Cambridge, MA: Harvard University Press.
- Sen, A. (1999). *Development as freedom*. New York, NY: Alfred A. Knopf.
- United Nations. (2015). *transforming our world: The 2030 Agenda for Sustainable Development*. New York, NY: United Nations.