Capabilities at Term Sheet Time: Rethinking Venture as Development

Venture capital is often described in numbers: funding rounds, deal sizes, return multiples. Yet during my internship at Thomson Reuters Ventures, it became clear that its deepest impacts are not easily quantified. Sitting with founders trying to build tools for legal access, compliance, and financial inclusion, I began to see investing as a quiet form of power. It decides which problems become solvable, whose ideas are amplified, and which futures are treated as worth building. Reading Amartya Sen alongside this experience transformed my understanding of what is at stake when capital moves. It reframed venture capital in terms of freedom, agency, and the ethics of who gets to participate in innovation.

Sen's work in *Development as Freedom* is disarmingly simple in its central claim: development is not primarily about economic growth but about expanding people's real freedoms to live the lives they have reason to value. He asks us to look past aggregate indicators like GDP and turn our attention to what individuals are actually able to do and be. Poverty, illiteracy, poor health, exclusion from decision making, and systemic discrimination are, in his words, "unfreedoms" that restrict agency and diminish human dignity (Sen, 1999). What matters is not only the resources people possess, but whether they can convert those resources into meaningful choices. This emphasis on capabilities rather than just income shifts the questions we ask about progress. Instead of "How fast is the economy growing?" Sen invites us to ask "Whose freedom is expanding, and whose is not?"

Encountering this framework while working in venture capital was both clarifying and unsettling. In theory, startup investing often presents itself as a positive sum game: capital flows into innovation, innovation creates value, and value improves lives. Sen's ideas nudged me to probe that narrative more carefully. When TRV evaluated a legal tech startup building tools to help small firms navigate complex regulations, the financial story was only one layer. The deeper question was about capability. Would this technology genuinely expand access to justice and economic participation, or would it mainly streamline processes for actors who were already well-positioned? Sen's lens pushed me to see that each investment decision is also a decision about which capabilities are nurtured and which remain neglected.

Thomson Reuters Ventures focuses on sectors like tax tech, legal tech, fraud and risk and compliance, news and media, fintech, and insurtech. From the outside, this might sound like a narrow slice of the technology world. From the inside, I came to appreciate how central these domains are to questions of fairness and access. My work ranged from market research and competitive landscape mapping to preparing materials that made complex venture dynamics legible to non-specialists. I read pitch decks and diligence notes, identified emerging patterns in frontier tech, and tried to articulate how each company might fit both the strategic priorities of Thomson Reuters and the changing needs of professionals. Over time, I realized that this was not just an intellectual exercise. It was a way of asking: which infrastructures of society are we choosing to improve?

Some of the questions I have been grappling with are: "But who?" and "Who gets to participate in innovation?" That question kept resurfacing in my day-to-day work. The founders who made it to our pipeline already occupied a particular slice of the world: connected, fluent in the language of venture, often operating in familiar geographies. Even among socially minded companies, there were visible patterns in whose ideas got serious consideration. Sen's attention to unfreedoms helped me name what I was seeing. The absence of certain types of founders or problem spaces from our deal flow was not random. It reflected inequalities in education, networks, and prior access to capital. Innovation, in other words, is not a neutral playground but a terrain shaped by structural constraints.

This raised ethical tensions that my presentation tried to capture: access versus exclusion, profit versus purpose, speed versus responsibility. On the surface, access versus exclusion might seem like a pipeline problem that can be solved with better outreach. Sen's framework complicates that. If unfreedoms are embedded in the social, economic, and political structures that shape people's lives, then access is not simply about opening a door. It is about questioning why some people never even make it to the hallway. In a venture context, this means asking whose problems we are primed to recognize as "venture scale," whose risks we are willing to underwrite, and whose creativity we quietly discount.

Profit versus purpose is another tension that rarely presents itself in pure form. TRV is a financially driven, Series A-focused fund that cares about returns. At the same time, its strategic alignment with Thomson Reuters means that there is ongoing attention to how portfolio companies will affect professionals, institutions, and systems in the long run. In my work supporting diligence, I watched teams push beyond a simple "does this make money" question toward a more layered conversation: what behaviors will this technology normalize, and what worlds does it make easier to imagine? Sen's insistence that freedom is both the means and the end of development helped me see why that kind of questioning matters. If an investment amplifies capabilities for some while constraining them for others, can it really be called developmental?

Speed versus responsibility was perhaps the most visceral tension I felt, more so in today's world. Venture capital operates on compressed timelines. There is pressure to identify promising companies, move through diligence, and make decisions quickly. TRV's process seeks to balance thoroughness with that need for speed, and there was a genuine willingness to explain how and why conclusions were reached. However, Sen's thought lingers in the background when decisions are made under time pressure. Rapid innovation can obscure slow harms. A compliance tool that increases efficiency for a large institution might reduce friction in ways that inadvertently sideline small actors. A data-driven product might improve risk assessment but raise questions about surveillance and privacy. Innovating ethically in fast-moving sectors requires a kind of double vision: the ability to see immediate benefits and the discipline to imagine long-term consequences.

In this context, the role of the investor is not simply to allocate capital but to shape human futures. When an investor says yes, they are not just endorsing a business model. They are helping to set the direction for how people will access courts, manage taxes, combat fraud, and consume information. When they say no, they are also making a choice about which experiments in reimagining those systems will not be tried at scale, at least not with their support. Sen would likely remind us that this is a question of public reasoning, not just private strategy. Development, in his view, is a process that must be open to scrutiny, justification, and contestation (Sen, 1999). Translating that into venture capital suggests that investors have a responsibility to articulate the values implicit in their choices.

The more time I spent at TRV, the more I found myself reflecting on my own emerging ethos as a future investor. It became harder to see returns and impact as distinct categories. When a legal tech startup created tools that allowed overburdened public interest organizations to serve more clients, the "benefit" could not be captured solely by the valuation uptick. It showed up in the expanded capability of people who could now access representation they previously lacked. Sen's language of capabilities gave me a way to connect those dots. It made me ask harder questions of myself: if I continue in this field, will I be satisfied simply maximizing financial outcomes, or do I want to be accountable for the kinds of freedom my decisions foster?

There is also a personal dimension to this reflection. As someone who did not initially see finance or venture capital as "for me," entering TRV felt like crossing an invisible threshold. I had to learn the vocabulary of the field and the unspoken norms that govern how credibility is established. That experience made me more sensitive to the small ways in which access is negotiated. It also reinforced something Sen emphasizes repeatedly: that agency matters. People are not just recipients of development but active agents in shaping it. My work on content and communication at TRV was one attempt to make the world of venture more legible to those outside it, to demystify a system that often feels opaque. In a small way, that too felt like capability building.

Looking back, what stands out most is not a single deal or memo but the ongoing effort to sit with complexity. Venture capital can easily fall into the trap of telling simple stories: this company is "good," that founder is "exceptional," this problem is "solved." Sen's work resists such simplifications. It insists that we keep asking who benefits, who is left out, and what trade offs are being made. Bringing that sensibility into investment practice does not remove ambiguity, but it changes the quality of the questions we are willing to ask.

What makes Sen's thesis from 1999 feel urgent today is exactly this insistence on asking harder questions of systems that appear efficient on the surface. The venture ecosystem has grown faster than he could have predicted, yet the core issue he identified remains the same: development that does not expand real freedoms, especially for those most constrained, is incomplete. In a world where capital can cross borders in seconds while many people cannot safely cross the street in their own neighborhoods, the gap between financial velocity and human security is stark. Venture capital sits right at that fault line. It channels immense resources into particular visions of the future.

An exceptional ending for this story is not a claim that TRV or any single fund has resolved these tensions. It is the recognition that investing can be practiced as a form of ethical inquiry rather than mere optimization. Sen gives us the vocabulary and the moral imagination to see each term sheet as more than a contract. It is a hypothesis about whose lives will open up and whose will remain constrained. My internship did not answer all of these questions, but it changed the ones I am willing to live with. If development is freedom, then the task for investors is not only to pick winners, but to widen the circle of those who get to win at all.

That, for me, is the standard by which venture capital should ultimately be judged. Not only by the unicorns it creates, but by the quiet expansions of choice that ripple outward from each investment: the tenant who gets legal support, the small business that can finally navigate compliance, the community that sees itself reflected in innovation. Sen's work makes it impossible to treat those outcomes as incidental. They are the point. And any future I build in this industry will be measured against that simple, demanding idea.