Wellbeing and the Capability Approach

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Below we outline some background to TNO's Early Research Program 'WISE Policy Making'. In this project, we developed methods tools to support policy makers in making policies that explicitly steer towards people's wellbeing. In the document below, we make explicit some of our underlying ideas. We understand wellbeing as **collective and sustainable** wellbeing ('beyond GDP') use the **Capability Approach** as a framework to explore, develop and evaluate policies to promote people's wellbeing.

Thinking about wellbeing

Our understanding of wellbeing builds on, and reacts to, various traditions that have grappled with understanding and promoting wellbeing: in philosophy, more specifically the tradition of virtue ethics; and in economics and political economy.

Drawing from philosophy

Western-European thought on wellbeing can be traced back to ancient Greece. In his *Ethica Nicomachea*, Aristotle (384–322 BCE) proposed that wellbeing entails the development of people's potential[1]. Aristotle understood wellbeing as *human flourishing*, as living a meaningful and fulfilling life, as a social, life-long, and creative activity. This view has informed positive psychology, a field of psychology that emerged around 2000, and which aims to understand and create conditions in which people can engage in positive activities and have positive experiences (Seligman and Csikszentmihályi 2000; Seligman 2011). Aristotle's concern was to enable citizens to live together in a polis, including the creation and maintenance of institutes that support people to live well together, e.g., via governance structures. Using Aristotle's virtue ethics view on wellbeing, policy makers could design policies that help to create conditions in which people can flourish and live well together.

This virtue ethics approach will be further discussed below, in the context of the Capability Approach. It is worth mentioning some other philosophy traditions that can also be useful for policy makers.

During the European Enlightenment two more traditions emerged that also look at wellbeing. Jeremy Bentham proposed to design policies that maximize people's happiness ('pleasure') and minimize people's suffering ('pain'); he proposed policies that aim for the greatest good for the greatest number—this is called *utilitarianism*: to aim for maximum *utility*. Another Enlightenment proponent was Immanuel Kant. His argument went against Bentham in that he advocated putting human dignity and autonomy centre stage—this is called duty ethics, which foregrounds people's duties and rights. If we apply Kant's ideas to policy making, this would entail creating policies that protect people's rights, especially in terms of dignity and autonomy. These ideas resonate in today's Self-Determination Theory (Ryan and Deci 2017), which highlights people's autonomy, competence and relatedness. It is worth mentioning relational ethics—also referred to as feminist ethics or ethics of care (Held 2006), which reacts against Enlightenment ideals of independence and objectivity, and draws attention to the need for policies that acknowledge that people are inherently relational and that enable people to communicate and collaborate; it highlights both justice and care.

[1] In the prevailing spirit of his time, Aristotle applied his ideas to free men—thereby excluding women and enslaved people; but these shortcomings have, fortunately, largely been repaired in the time since.

These modern and contemporary approaches – Bentham's utilitarianism, Kant's duty ethics, and relational ethics – can be added to a virtue ethics approach, in order to further analyse pros and cons of policy options, relevant duties and rights, and impacts on communication and collaboration.

Furthermore, our understanding of wellbeing is of *collective* wellbeing; it refers to policies that enable people to live well *together*, rather than promote wellbeing of isolated *individuals*, as a strict neo-liberal view would; and of *sustainable* wellbeing; it refers to policies that aim for people, planet and prosperity ('triple P'), rather than promote short-term, financial and unsustainable profits.

Drawing from economics

Wellbeing has also been a key theme in economics and a key concern for political economy. In the middle of the 20th century, it made sense to think of wellbeing in terms of production and growth. Countries and industries in Europe had to be rebuilt after the Second World War. Formerly colonized countries devised policies for development. In that context, it made sense to think about countries in terms of Domestic Product (GDP), i.e. the country's sum total of production and spending in a year. This view coincided with a dominant belief that wellbeing consists of owning or consuming material goods. This is view has some merit; there is a minimum of material goods needed for wellbeing. Every person needs housing, food, health care, education, employment, family life, and social life in order to flourish. Beyond some level of material welfare, however, these material goods begin to matter less. Moreover, since the publication of 'The Limits to Growth' (Meadows et al. 1972), 50 years ago, it has become increasingly clear that a political economy that focuses exclusively on growth leads to climate crisis and biodiversity collapse.

A growing group of economists, politicians, and NGOs have advocated using alternative metrics and indicators of a country's status of affairs, to supplement or replace GDP, commonly referred to as 'beyond GDP'. In 1990, the United Nations launched their yearly Human Development Reports, based on the work of Amartya Sen (see below, in the section on the Capability Approach), with, for example, an Inequality-adjusted Human Development Index, which includes a range of factors that need to be in place in order to enable people to flourish, for example, employment, health care, and education. Similarly, and more recently, Scotland, New Zealand, Iceland, Wales, and Finland launched the *Wellbeing Economy Alliance* (https://weall.org/) to promote a focus on human wellbeing, understood broadly.

Promote people's wellbeing

It has been proposed that people's wellbeing (opportunities to promote people's flourishing) can be created by improving *external conditions* and *personal resource* (Abdallah et al. 2011); see Figure 1.

External conditions include income levels, stability of income, and social context, whereas personal resources include health, resilience, optimism, and self-esteem. Furthermore, flourishing can be conceptualized as comprising good functionings, which include people's acting in their daily lives with autonomy, with competency, in safety, and in connectedness, and good feelings, both day-to-day and overall feelings. In addition, dynamic relationships exist between these concepts: good functionings and good feelings enable people to positively influence their external conditions and their personal resources, thus creating virtuous feedback loops. Typically, there are multiple ways (mechanisms, entry points) that are needed in policies to enable people to flourish, e.g., policies that help to create external conditions that are conducive to wellbeing, and that enable people to build and maintain personal resources.

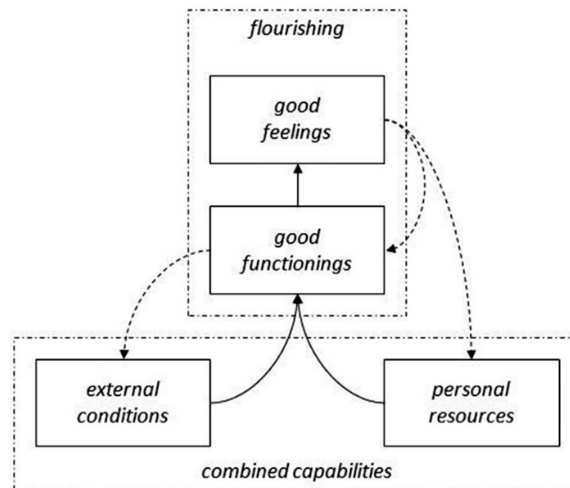

Figure 1: A dynamic model of wellbeing (adapted from: Abdallah et al. 2011)

The Capability Approach

If we want a framework to support policy makers to explore, develop and evaluate policies that aim to promote people's wellbeing ('living well together', from philosophy and virtue ethics; and 'Beyond GDP', from economics and pollical economy), we can turn to the Capability Approach (CA).

The CA was developed by economist Amartya Sen (Sen 1999) and philosopher Martha Nussbaum (Nussbaum 2011). In very general terms, the CA aims to make sure that people have all the relevant capabilities they need to 'lead the kind of lives they have reason to value' (Sen 1999, 10). The CA 'is generally understood as a conceptual framework for a range of normative exercises, including most prominently the following: (1) the assessment of individual well-being; (2) the evaluation and assessment of social arrangements; and (3) the design of policies and proposals about social change in society' (Robeyns and Byskov 2021). It is the latter that we will focus on here (Steen 2016).

The CA promotes the development of freedom, conceptualized as human capabilities. Examples of capabilities are: the capability to eat healthy food, the capability to maintain meaningful relationships, and the capability to engage in recreational activities. Moreover, capabilities often are 'combined capabilities' in that they link 'internal capabilities' ('personal resources' in Figure 1), such as one's bodily and mental capabilities and capabilities realized through training, as well as 'suitable external conditions' (Figure 1), such as the existence and accessibility of relevant institutions and infrastructures that enable people to exercise and expand their capabilities.

The basic structure of the CA can be visualized as three boxes connected by arrow—see Figure 2.

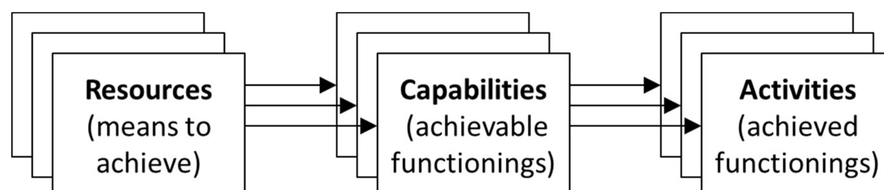

Figure 2: Resources, Capabilities, and Activities (adapted from: Robeyns 2005)

On the left are technologies (“means to achieve” in the CA vocabulary); in the centre are human capabilities (‘achievable functionings’); and on the right are activities or ways of living that people value (‘achieved functionings’).

Avoiding two pitfalls

In the context of policy making, the CA can help to steer clear of two pitfalls that can arise all too easily. First is the pitfall of focusing too much on means, e.g., technologies, and forgetting the broader context in which technologies are used. The CA draws attention to all sorts of *conversion factors* that need to be in place ‘before a certain artifact (merely a means) can truly contribute to the expansion of valuable human capabilities (its ultimate end)’ (Oosterlaken 2013, 91). These conversion factors can be personal, social, or environmental. A project involving the development of a podcasting service for information on health and cattle management in a rural area of Zimbabwe can help to illustrate these conversion factors. A voice-based technology was chosen in response to ‘the illiteracy of a significant proportion of the inhabitants in that area’ (a personal conversion factor); the system used speakers rather than headphones to match the prevalent social practice of “sitting and sharing under a village tree” (a social conversion factor); and its batteries were re-charged using solar panels, in response to “local infrastructural problems” with the electrical grid (an environmental conversion factor) (*op.cit.*, 92). The CA can help to understand people’s daily life contexts and conversion factors and how they help or hinder in the expansion of relevant human capabilities—instead of step into the pitfall of focusing too narrowly on technology.

The second pitfall is the endorsement or privileging of only specific behaviours. The ambitions of policy makers can all too easily create a bias toward the development and application of technologies that enable only specific behaviours, and such limitations can hamper people’s freedom and thus their wellbeing, often unintentionally. In the example of the podcasting service, developers and designers can promote flexibility and freedom by enabling people to use the system also for other types of information. Another example would be the provision of Internet access in a community facility, where people can pursue diverse goals and use the Internet for various purposes, such as recreation, learning, or commerce. In addition, measures often also are needed to protect people’s freedom, to ensure that they can indeed choose freely. The CA can help to ensure that people can indeed exercise a level of autonomy and choose to live their particular version of the good life—instead of step into the pitfall of endorsing one specific version and thus limit freedom.

Organizing a participative, iterative and transdisciplinary process

Ideally, policy makers organize a *participative*, *iterative* and *transdisciplinary* process in which they can explore, develop and evaluate different policy options.

- *Participative* refers to inviting citizens or other stakeholders to participate in policy making. This can enable the policy makers and other actors involved in better understanding and better taking into account citizens’ perspectives, experiences, motivations, abilities, needs, and preferences. Practically, policy makers can draw from traditions such as Participatory Design, Human-Centred Design or Service Design to make their policy process more participative and inclusive.
- *Iterative* refers to organizing a process in which participants can collaborate and explore, develop and evaluate different policy options. The organization of iterations is an effective way to deal with the Collingridge Dilemma: the dilemma that you can only evaluate options if you have first developed them, but you do not want to invest too much effort in developing options that will not work, so you would want to evaluate them first. Organizing *iterations*—e.g., of exploration,

prototyping, experiments, evaluation and further development—allow participants to develop prototype options and evaluate these in small experiments (rather than spend too much time in options that will prove to be ineffective later on).

- *Transdisciplinary* refers to involving people with different backgrounds, different domains of expertise and different roles. Ideally, there are participants from the application domain, e.g., mobility, urban development or health care, from policy making. In first stages of exploration and development, this can be a handful of participants. Possibly, in later stages of development and evaluation, it can be worthwhile to organize collaborative innovation, e.g., in Quadruple Helix innovation eco-systems , which involves partners from government, academia, industry, and society (Carayannis and Campbell 2009).

The crux of such an approach to policy making is that citizens are viewed as active and creative participants in policy making, with the goal to enable them to participate in creating policies that enable them to flourish.

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