

Bachelor Thesis

The primacy of capabilities and functionings

Double degree in economics and philosophy

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1. Introduction

A much-debated topic among economists is the question of how to measure wellbeing such that interpersonal evaluations can be made. How this is conceptualized matters a great deal in the context of giving policy recommendations and of making judgements about social welfare. There exist a plurality of views within the discussion, and a clear winner seems to be absent, but supporters of the capability approach argue that it can do more justice to the multiplicity of possibilities that deform people's choices than mainstream welfarist welfare economics, or welfarism, can. Welfarism traditionally adopts the preference-satisfaction theory, which leads it to amalgamate its conception of wellbeing with how well people's preferences are satisfied.¹ However, this can be problematic. In contrast, the capability approach strives to be a more reliable indicator of (social) justice, because it looks at what human beings *really* are. Moreover, it looks at what people are actually capable of doing and being, i.e., their *capabilities* as such. This research aims to examine the welfarist and capability approach, respectively, because both approaches are interested in the measurement and evaluation of wellbeing but differ in their methods. I argue that the capability approach offers a fresh perspective that allows for a rethinking of how wellbeing could be conceptualized.

Chapter 2 covers the welfarist approach for measuring wellbeing within welfare economics. Here, clarifications will be given of what welfarism entails and of what position it takes within the economic discipline (cf. section 2.1). Thereafter, objections that have been voiced against it will be discussed (cf. section 2.2). Firstly, welfarism allows the problem of adaptive preferences to emerge (cf. section 2.2.1). Secondly, the welfarist preference-based approach is unable to demarcate between what matters and what does not (cf. section 2.2.2). Chapter 3 proceeds by offering an alternative perspective, the capability approach. I hold that it can do more justice to the multiplicity of possibilities that can affect people's wellbeing, but only in particular instances and depending on how it is defined. Section 3.1 describes what the capability approach entails. And section 3.2 discusses whether the capability approach can overcome the problems that have been spelled out in section 2.2, adaptive preferences (cf. section 3.2.1), and the usage of the concept of preferences as such (cf. section 3.2.2), respectively.

¹ David Crocker, "Functioning and Capabilities: The Foundation of Sen's and Nussbaum's Development Ethic," *Political Theory*, 20, no. 4 (1992): 584-612. and David Clark, *Visions of Development: A Study of Human Values*, Cheltenham: Edward Elgar, 2002.

2. Welfarism and its critics

This chapter is dedicated towards the welfarist approach for measuring wellbeing within welfare economics. Here, clarifications will be given of what welfarism entails, of what position it takes within the economic discipline, and two points of critique that have been voiced against it. Section 2.1 sets out by examining what welfarism is. Afterwards, in section 2.2, a critique of welfarism is presented that addresses two specific problems of the welfarist approach for measuring wellbeing and how that can have implications in the context of policy making and of making judgments about social welfare. Firstly, welfarism allows the problem of adaptive preferences to emerge, and secondly, the welfarist preference-based approach is unable to demarcate between what matters and what does not. These objections are then the main points of discussion that will take place in section 3. They are important in the context of arguing for an alternative approach that is centered around the measurement and evaluation of human wellbeing.

2.1 Welfarism

Welfarism is principally concerned with matters that deal with the measurement and evaluation of states of affairs such that guidance can be given that can steer policy in the direction of improving the wellbeing and/or welfare of the entire society.² Here, and in the remainder of this thesis, the terms ‘wellbeing’ and ‘welfare’ will be used interchangeably, implying that they both refer to one and the same thing. It is furthermore assumed that the basic intuition that underlies welfarist thought is that what is good, is increasing the welfare of the individuals of a society such that the sum total welfare of the entire society also increases. And from now on that sum total is understood to be *social welfare*.

For the intuition that increasing social welfare is good necessarily involves making certain normative assumptions. Where one of the assumptions that welfarism essentially maintains is “that the goodness of a state of affairs depends ultimately on the set of individual utilities in that state, and - more demandingly - can be seen as an increasing function of that set.”³ An important remark is that this assumption equates individual welfare with *utility*, meaning that how well-off a person is, is represented by a *utility function*, which expresses the real value that person obtains in certain states of affairs. Thus, welfarism advocates that the more there is of the social good, i.e., utility, the better.

Amartya Sen (1977, 1539) defines welfarism as being: “the general approach for making no use of any information about the social states other than that of personal welfares generated in them may be called ‘welfarism’.” Therefore, Sen maintains that welfarism is an approach that evaluates social states where the informational basis or evaluative space is taken to consist solely of individual welfare. Throughout the entirety of this thesis, I follow Sen’s definition of welfarism. Thus, the welfarist approach for determining and evaluating welfare only considers utility information, thereby possibly leaving out other (potentially important) information.

² Roger Backhouse, Antoinette Baujard and Tamotsu Nishizawa, “Introduction: Revisiting the History of Welfare Economics,” in *Welfare Theory, Public Action, and Ethical Values* (Cambridge: Cambridge University Press, 2021), 1.

³ Amartya Sen, “Utilitarianism and Welfarism,” *The Journal of Philosophy* 76, no. 9 (1979a): 464.

However, the employed informational basis is not the only relevant aspect of welfarism. For a much-debated topic among economists is the question of how to measure individual welfare such that interpersonal evaluations can be made, and during the 1930s and 1940s, a paradigm shift took place within welfare economics, which consisted of a denial of the possibility of being able to make interpersonal evaluations based on utility that simultaneously meant a denial of utilitarianism.⁴ Here, I follow Jeremy Bentham's (1789) interpretation of utilitarianism, which can be seen as an approach for ranking several social alternatives. Each alternative is ranked according to its goodness and the goodness of a state of affairs is directly reflected by the total utility in that state and utility is considered to be a metric that reflects an individual's welfare, and that, moreover, asserts that state of the world x is better than state of the world y , if and only if the total utility in x is higher than in y .⁵

After rejecting the possibility of being able to make interpersonal evaluations based on utility, an alternative presented itself. Instead of requiring utility to be the measure of the good, welfare economists now required as inputs for the determination of the good *preferences*, or formally, *ordinal utilities* (Backhouse et al., 2021, 2).⁶ Moreover, this 'new' version of welfare economics adopts the Pareto principle to the extent that if one were to go from state of the world x to state of the world y , then that change can only be socially desirable if at least one individual is made better off while simultaneously not making anyone else worse off (Suzumura, 1999, 204). Welfarism then uses preferences as its informational basis, adopts the Paretian principle, and rejects the possibility of making interpersonal evaluations based on utility.

Welfarists suppose that on a fundamental level, morality should revolve around making people better off.⁷ And what is considered to be morally good, is what increases an individual's welfare. The previous paragraph has illustrated that welfarism uses preferences as the input for the determination of people's welfare. Hence, welfarism equates individual welfare with preference-satisfaction in the sense that satisfying people's preferences is good because that contributes positively to their welfare.

But the abovementioned statement is rather obscure and does not answer the question 'what is wellbeing?', adequately. According to Anna Alexandrova (2013), there exists a plurality of views within the scholarly debate concerning wellbeing. She also holds that depending on the specific context in which the term wellbeing is used, its significance is prone to changes. Another important reason why the significance of the term 'wellbeing' is adaptable is because different people have different conceptions of what it means to live a 'good life.' Thus, in the context of defining the term 'wellbeing' it becomes clear that no univocal, definite answer could – or should, for that matter – exist. And therefore, if one wishes to fruitfully use a term such as 'wellbeing', one should always be aware of one's underlying conception of the 'good life' and the specific *purpose* for which the term will be used.

Though wellbeing can be understood in several ways, unclarity persists as to how a welfarist understands wellbeing. The philosophical debate revolving around the notion of wellbeing is largely indebted to Derek Parfit's (1984, 493) seminal work *Reasons and Persons*,

⁴ Backhouse et al., *Wellbeing, Public Action, and Ethical Values*, 2.

⁵ Charles Blackorby, Walter Bossert and David Donaldson. "Utilitarianism and the theory of justice," in *Handbook of social choice and welfare*, vol 1, 546.

⁶ Where ordinal refers to an ordering or ranking of preferences. Thus, no numerical values can be attached to these figures.

⁷ Simon Keller, "Welfarism," *Philosophy Compass* 4, no. 1 (2009): 82-3.

where he distinguishes three alternate types of wellbeing theories. Firstly, *Hedonistic Theories*, where a person's happiness is what determines his wellbeing, which are also known as 'happiness theories.' Secondly, *Desire-Fulfillment Theories*, where the fulfillment of a person's desires determine his wellbeing. And finally, *Objective List Theories*, where a person's wellbeing is evaluated by means of a predetermined list that enumerates what counts as either good or bad for him.

Following Robeyns (2017a, 204), it could be argued that if a welfarist would have to choose between those three possibilities, he would understand wellbeing either in a hedonistic, or else in a desire-fulfillment manner. However, it is because most welfarists favor the preference-satisfaction view that it is not necessary to commit oneself to subjectively determinable notions of wellbeing such as happiness or desire-fulfillment (Haybron and Tiberius, 2015, 715). Both views use preferences to determine people's wellbeing, which allows for different accounts of wellbeing to be used for different persons. Though this can only be concluded if the welfarist preference-based approach adheres to a crucial requirement: people's preferences should be consistent (Haybron and Tiberius, 2015, 728). Thus, what matters for welfarism is how well people's preferences are satisfied, and hence, not necessarily what conception of wellbeing underlies one's preferences (Haybron and Tiberius, 2015, 715).

Robeyns (2017a, 126-8) sets forth that hedonistic theories usually express wellbeing in terms of happiness, satisfaction, or utility; where happiness is taken to be the balance of pleasures over pains, satisfaction one's overall satisfaction with life, and utility a measure for how well our preferences in life have been realized. Be that as it may, one of welfarism's fundamental claims is that an individual's welfare is determined by that person's preference-satisfaction. Thus, if a welfarist were to adopt the hedonistic account of wellbeing, then the preference-satisfaction of the things that make him happy are what contributes to his wellbeing.

The desire-fulfillment account of wellbeing is more straightforward in the sense that it already contains within it the idea that one's wellbeing is determined through the fulfillment of one's desires. Where desire-fulfillment is analogous to preference-satisfaction (Brey, 2012, 17). Thus, even if a welfarist adopts this account of wellbeing, what matters ultimately for the determination of his wellbeing is the satisfaction of his preferences.

In sum, welfarism is concerned with matters that deal with the measurement and evaluation of states of affairs such that policy can be guided towards the direction of improving social welfare. It makes a number of assumptions; first, it solely uses an informational basis of preferences; second, it adopts the Paretian principle; third, assumes the non-comparability of interpersonal utilities. What is more, welfarists suppose that on a fundamental level, morality should revolve around making people better-off. Finally, welfarists can adopt several accounts of wellbeing, such as how satisfied, or happy, people are with their lives, or how well people can fulfill their desires. However, what ultimately determines a welfarist's wellbeing is the satisfaction of his preferences.

2.2 Criticism

Even though welfarism is an important position within the economic discipline, it is not entirely unproblematic. This section proceeds by making explicit two of the objections that can be raised against welfarism. Firstly, the phenomenon of adaptive preferences will be addressed, where a discrepancy exists between an individual's subjective assessment of his wellbeing and the

objective situation of that particular individual. Secondly, the problem of using a concept such as preferences as a proxy for wellbeing in public decision making, where it will be demonstrated that preferences as such are unable to differentiate between what people need and what people want – especially in times of need and scarcity.

2.2.1 Adaptive preferences

Following Robeyns (2017a, 204), a welfarist could understand wellbeing either in a desire-fulfillment, or else hedonistically, because both views use preference-satisfaction to determine people’s wellbeing. Though there are several interpretations possible, this does not imply that any such interpretation is free from dispute. In what follows, both views will be shown to be prone to the phenomenon of mental adaptation, which can thereafter lead to the problem of adaptive preferences, where a discrepancy exists between an individual’s subjective assessment of his wellbeing and the objective situation of that particular individual.

Consider the following, if a welfarist were to adopt the hedonistic view then even his “crazy, self-destructive, irrational, or immoral” (Keller, 2004, 29) preferences would contribute to the welfarist’s welfare, supposing that those preferences make him happy and that they are satisfied. But is that not a paradoxical, and perhaps problematic, statement? For instance, would someone who enjoys to self-harm himself increase his welfare? Well, if that someone is a welfarist who assumes that satisfying the preferences that make him happy contribute to his welfare, and self-harming himself would satisfy such a preference, then, yes, according to the hedonistic view, the welfarist would have increased his welfare. However, such a view sounds paradoxical and can prove to be problematic if public policies aim at realizing as much happiness as possible for as many people as possible.⁸ So, how can it be that following a certain morality leads to (seemingly) paradoxical consequences, i.e., people wanting to self-harm themselves because that makes them happy?

According to Robeyns (2017a, 130) such consequences, e.g., people having unconventional preferences (such as wanting to self-harm), can be the result of processes of social comparisons and mental adaptation. Starting with the former, we as human beings generally have the tendency to compare our own situations with those of others, and whenever we do, it becomes possible for us to evaluate our own situations differently. Consequently, those new evaluations influence our happiness, be it negatively or positively (ibid.).⁹

Now, according to Robeyns (ibid.), this can prove to be problematic if public policies aim at maximizing social welfare. But how so? Let us start by illustrating the process of mental adaptation. Following Robeyns’ (ibid.) example, imagine that Noah experiences a disastrous car accident, causing him to be handicapped for the rest of his life. In the first instance this will cause strong, negative emotions that diminish his happiness and overall (life) satisfaction. However, in due time this negative effect will start to stagnate, the negative emotions will start to disappear, and Noah’s ‘pre-accident happiness’ will resurface again. This process, which emerges from him making social comparisons and that allows him to positively alter his happiness, is formally known as the phenomenon of *mental adaptation*.¹⁰

⁸ Robeyns, *Wellbeing, Freedom and Social Justice*, 130.

⁹ Though it is very well possible that there are individuals who’s happiness is not influenced after comparing themselves with others. However, that lies beyond the point I am trying to make here.

¹⁰ Robeyns, *Wellbeing, Freedom and Social Justice*, 130.

Mental adaptation thusly renders it possible for humans to lessen either the (severely) negative effects, or else the (extremely) positive effects to our subjective wellbeing that are caused by the events/circumstances of our lives. It should go without saying that insofar as we have the potential to make use of this process, it is good. Otherwise, people such as Noah would remain deeply unhappy for the rest of their lives because they would be unable to mentally adapt to their new circumstances. Processes of social comparisons and mental adaptation can thusly influence people's happiness, be it for better or for worse. But how can this phenomenon lead to the alleged problem of adaptive preferences?

Firstly, it is important to emphasize that mental adaptations and adaptive preferences, though closely related, are not one and the same. According to Robeyns (2017a, 131), adaptive preferences occur when people adapt to objectively disadvantageous circumstances that are not merely caused by (singular) external shocks, but that show "a more stable pattern." To illustrate the latter term of 'more stable', let us look at an example. Take, for instance, a Muslim woman who throughout her life has learned to accept that she cannot socialize with other males outside of her immediate family. Meaning that she has adapted to an objectively undesirable situation, due to her being continuously exposed to such circumstances. 'More stable' then refers to the fact that she has not been confronted with this situation only once but has been exposed to it rather her entire life. This 'stable', or else 'permanent' exposition to objectively undesirable circumstances has led her to believe that she indeed should not see other males outside her direct family, leading her to adapt her preferences such that she does not mind that this is her reality. This woman exemplifies the phenomenon of a person having adaptive preferences.

According to Robeyns (2017a, 131), it was Amartya Sen who called attention to this remarkable phenomenon, where the worst-off people of society, e.g., people that live under the poverty line, oppressed women, religious exiles, etc., adjust to their situations such that they do not have to suffer as much. In the literature this phenomenon is formally known as *adaptive preferences*, where a discrepancy exists between an individual's subjective assessment of his wellbeing and his objective situation.

Consider Robeyns' (ibid.) example of a racist society: if a particular society increasingly becomes less sympathetic towards ethnic minorities, thereby progressively adopting certain racist practices, e.g., punishing ethnic minorities harsher (than non-minorities) for the same crimes, then, after a while, these minorities become acclimatized to their racist environment. They might even adjust their behavior in order to avoid socializing with the non-minorities, i.e., the racist people. It is because these minorities alter their behavior and are always prepared for potential discrimination, that sooner or later the negative effect that the racist environment has on the wellbeing of these minorities will diminish. Meaning that in order to cope with the negative effects of living in a racist society, they adapt their preferences.

However, this consequence is highly problematic in the context of policy making and of making judgments about social welfare. Because it should go without saying that racism is unacceptable anywhere, even if the minorities evaluate their wellbeing positively themselves. If morality revolves around making people happy, implying a hedonistic account of wellbeing, and people, in particular circumstances, evaluate their wellbeing positively, their objective situations can still suggest the opposite, making social judgements *misrepresentative* of reality. Even though the minorities assess their wellbeing to be positive, that does not mean that their *objective*, or rather *real* situation can be assessed to be positive too. Thus, if a welfarist were to

adopt the happiness approach and would foresee such mental adaptations on behalf of the minorities, then the problem of adaptive preferences can become manifest, which is especially problematic in the context of policy making and of making judgements about social welfare.

In sum, the welfarist desire-fulfillment account of wellbeing, as well as the hedonistic account, is prone to the phenomenon of mental adaptation, which can thereafter lead to the problem of adaptive preferences, where a discrepancy exists between an individual's subjective assessment of his wellbeing and the objective situation of that particular individual. This is due to the fact that both views take preference-satisfaction to be what determines people's wellbeing.

2.2.2 Preferences as such

It can be said that the usage of the concept of *preferences* is dominant in public decision making, but that the concept itself cannot differentiate between having preferences for minimal thresholds of amounts of basic necessities such as water and food vis-à-vis preferences for luxury goods such as champagne and jet skis.¹¹ This can be problematic because it can give rise to biases that lead to undesirable consequences, e.g., favoring the best-off of society, and as a consequence negatively influencing the worst-off. For example, if a hedonist welfarist aims at maximizing social welfare, he favors those preferences that produce the most utility because they contribute most to social welfare. And if the best-off produce the most utility, then those people's preferences will be favored.

Recall that the informational basis of welfarism - in practice - is composed solely of preferences (cf. section 2.1) such that welfarist policy design assumes that social welfare can be measured and evaluated by means of how well people's preferences are satisfied. However, the preferences-based approach is not equipped with the theoretical apparatus to make distinctions between what people need and what they want.¹² Though intuitively speaking such an approach should be able to demarcate between what matters and what does not. How can that be?

For one, the preference-based approach in itself is unable to differentiate between what the philosophical needs theory has spelled out to be the distinction between contingent and non-contingent needs.¹³ Where non-contingent needs are those that "the needing being simply cannot go on unless its need is met" (Reader and Brock, 2004, 252). Making contingent needs analogous to desires or wants, or things that the wanting being desires to have, but does not 'need' in the sense that it could go without having his desires being met. Thus, the distinction can best be summarized as non-contingent *needs* on the one hand, and contingent *desires* on the other.

Being able to demarcate what should count as needs or as desires is extremely important in the context of policy making and of making normative judgements about social welfare. Let us look an example to drive this point home. Imagine that the dikes in the Netherlands would collapse. This event would be catastrophic in the sense that for the largest part, the country would be submersed under water. This event would not only provoke lively ethical debate, but also would require new, effective policy that deals with this extraordinary emergency situation.

¹¹ Robeyns, *Wellbeing, Freedom and Social Justice*, 178.

¹² (Ibid.)

¹³ (Ibid.)

The question would arise what people would actually need, and simultaneously what people would actually desire. What would a welfarist who adopts the preference-based approach do if he were given the task of designing effective policy for this remarkable event?

The welfarist would essentially attempt to design policy such that people's preferences would be satisfied as best as possible, or that would maximize aggregate utility. However, what if it is impossible to distinguish between having preferences for non-contingent needs vis-à-vis preferences for contingent desires? Which - and perhaps more importantly - whose preferences should be prioritized? Would these questions not make the welfarist's task of designing effective policy difficult, and perhaps even near to impossible?

Not being able to choose whose preferences should be prioritized can lead to biases towards the best-off that produce the most utility, such that the worst-off suffer more than they should, which is problematic. In this scenario, the welfarist's task of designing effective policy that can combat the natural disaster of the hypothetical massive flood should not only be concerned with saving human beings, but also with saving the land. Because – intuitively speaking - our collective worldwide ecosystem matters a great deal in the determination of our wellbeing, and hence, preserving the world as we know it is extremely important if we aim at living good lives.¹⁴ And in the case of the hypothetical flood, the welfarist's informational basis of preferences can prove to be problematic because it is unable to differentiate between what *really* matters and what does not.

Even though I do not wish to claim that I have the authority of spelling out what really matters, and what does not – intuitively speaking - the state of our world is an important factor in the determination of our wellbeing, and hence social welfare. And of course, different people can differ in the preferences they have, where some might prefer to save the world, while others might prefer to destroy it. Should the policy maker give priority to the world or to the people? And in the case of the latter, to those that favor the destruction of the world or to those that prefer to save it? Thus, if I express this idea in more general terms, I conclude that the determination of a society's wellbeing should be balanced with fundamental principles of ecological justice.¹⁵ For if a welfarist aims at maximizing social welfare in case of such an ecological disaster, he should consider how to design policy that can simultaneously save people's lives as well as the world. However, the welfarist preference-satisfaction view is inapt for considering such a principle in the determination of social welfare? But why?

According to Robeyns (2017b, 1) a common view that a welfarist could maintain is that there exists an inevitable trade-off between us being able to live with high levels of welfare on the one hand, and us living ecologically sustainable on the other. Thus, if the welfarist would attempt to salvage the land after the catastrophic flood, he would lower social welfare because people would have to make concessions such that people's collective efforts would contribute towards the goal of saving the land, which leads to them being less able to satisfy their

¹⁴ Though some academics have expressed the idea that a healthy, sustainable world is actually a precondition for our being able to flourish, and hence a prerequisite for us to live good and meaningful lives, I do adopt these presuppositions. For more information on how ecological sustainability has been studied from the perspective of the capabilities approach, see: (Anand and Sen, 1994), (Robeyns and Van der Veen, 2007), (Lessmann and Rauschmayer, 2013), (Crabtree, 2013), and (Sen, 2013).

¹⁵ And of course, there exists a plurality of other principles that could likewise be used, e.g., the principle of autonomy. However, because I am talking about a scenario where a natural disaster takes place, it seemed appropriate to choose a principle that was in line with nature, hence the choice for ecological sustainability.

preferences. Whereas if the welfarist would instead attempt to save the people in order to increase social welfare, he would do so at the expense of the land. Both outcomes are unsatisfactory and therefore not unproblematic. The former can lead to humane injustices, where policies can be biased towards favoring certain groups of people, thereby misrepresenting the preferences of those it does not favor. Whereas the latter can lead to ecological injustices, i.e., harming nature more than we should in order to increase society's wellbeing. Thus, in order to resolve this issue, it would be best that welfarism would take into account the fundamental principle of ecological justice in the determination of social welfare. However, the welfarist preference-based approach does not allow for such an exercise.

Is there not a way of resolving this issue such that people can live good lives while simultaneously living ecologically sustainable? Is there not a way to resolve the welfarist problem of being unable to differentiate between what matters and what does not in the context of policy making and of making judgements about social welfare? I argue that this is possible if one adopts a capability approach that differs from that of the welfarist, which I shall discuss in section 3.2.2.

Thus, the welfarist preference-based approach, and more generally using *preferences as such* in the determination of social welfare can prove to be problematic, because preferences as such are unable to differentiate between what matters and what does not. Summarizing, after having discussed the problem of adaptive preferences in section 2.2.1 and the problem of preferences as such in this section (2.2.2), the next chapter will be dedicated towards the capability approach. Section 3.1 describes what the capability approach entails. And section 3.2, examines whether the capability approach can overcome the problem of adaptive preferences (cf. 2.2.1) and the problem of using preferences as such (cf. 2.2.2), respectively.

3. Capability approach; an alternative to welfarism?

After having discussed welfarism extensively and having made explicit two of the objections that have been pressed against it, this section proceeds by offering an alternative perspective, the capability approach. I hold that it can do more justice to the multiplicity of possibilities that can affect people's wellbeing, however, only in particular instances and depending on how it is defined. The approach offers a fresh perspective that allows for a rethinking of how wellbeing could be conceptualized and how that could have benefits in the context of policy making and of making judgements about social welfare. It is essentially an interdisciplinary normative theoretical framework that prioritizes people's capabilities, which are the things people can potentially do and be. In section 3.1, I will firstly describe what the capability approach entails and how one should be aware of the distinction between the general capability approach on the one hand, and specific capability theories on the other. Afterwards, in section 3.2 I continue by discussing whether the capability approach can overcome the problems that have been spelled out in section 2.2, adaptive preferences, and the usage of the concept of preferences as such, respectively.

3.1 Capability approach

Amartya Sen, in his endeavor to provide a formal and well-grounded critique of welfare economics, has brought into existence the emergence of a multi-disciplinary normative theoretical framework that is formally known as the capability approach. The approach combines perspectives of several disciplines, which makes it inherently interdisciplinary. According to Robeyns and Byskov (2020, 1), the framework can be understood to address a number of normative claims, where particularly two of these claims stand at the forefront. The first maintains that "the freedom to achieve well-being is of primary moral importance" (ibid.). Seen in this light, what is good, is having the opportunities available such that thereafter well-being can be realized. However, an exact conception of well-being itself needs to be specified first, before one can speak of having the opportunity to achieve it. The approach's second claim maintains that wellbeing is generally understood in terms of people's capabilities, i.e., the opportunities people have to do and be what they reasonably value (ibid.)

The framework can be used in a range of normative exercises due to its interdisciplinary nature, where three are of especial relevance here; first, how to address and assess (individual) well-being, second, how to evaluate social arrangements, and third, how to design policies that can effectuate social change. Whatever the exercise, the approach (almost) always prioritizes people's capabilities, that is their doings and beings such that they have the opportunities to realize whatever they want to do and whomever they want to be. For example, a capability approach would hold that having the capability/opportunity to enjoy education is what contributes to a person's wellbeing, and hence not necessarily actually going to school. It is rather about *having the opportunity* of going to school that matters.

The framework thus opposes other theories of wellbeing, which either concentrate on qualitative, subjective categories like happiness (utilitarianism), or on material resources (such as income) that contribute to achieving wellbeing. It is thusly here where the capability approach starts to depart from welfarism, for they both interpret (achieving) wellbeing

differently. Though welfarism and the capability approach differ in other respects as well, I refrain from going into detail about (all of) these other differences.¹⁶

In what follows, Sen's interpretation of the capability approach will be investigated more thoroughly. Moreover, the capability approach's conception of the good will be explored. Furthermore, the crucial distinction between the general capability approach on the one hand, and specific capability theories on the other, will be made explicit.

Let us first examine Sen's interpretation of the capability approach. He advocates that we should concentrate on the capabilities people actually have when making normative judgments about (social) welfare and – more generally – (social) justice. Capabilities are to be understood as *potential functionings*, i.e., things humans can possibly be or do (Robeyns, 2003, 62-3). For Sen, the focus lies in the freedom to achieve outcomes (cf. capabilities), instead of actually achieving those outcomes (cf. functionings). This is a view that is not shared by all capability theoreticians.¹⁷ His view maintains that what is good, is having enough opportunities and freedoms to achieve valuable functionings such that thenceforth one is able to enjoy a decent and meaningful life.

However, consensus regarding what it actually means to lead a decent and meaningful life seems to be absent. Basic needs such as being well nourished, having the opportunity to enjoy education, and having access to shelter, are all examples of functionings that lie at the heart of the capability approach. However, there are some capability scholars that take this a step further. This is the case with Martha Nussbaum (2000) who holds that a decent and meaningful human life can be determined by means of an objective list, which is remindful of the taxonomy of theories of wellbeing, where *objective-list theories* evaluate a person's wellbeing by means of a predetermined list that enumerates what counts as either good or bad for him (Parfit, 1984). Again, this contrasts with welfarism because wellbeing is conceived of in an entirely different manner there. Whether that is problematic or not will be discussed in section 3.2. Also, it is important to emphasize that Nussbaum's interpretation of wellbeing need not necessarily coincide with Sen's, and at the end of this section I demonstrate that there exists a difference between the general capability approach and specific capability theories.

Even though the approach's interdisciplinary nature has a lot of attractive features - because it allows for differences qua interpretation and qua application - critics have alleged that the approach is rather open-ended and therefore underspecified (Robeyns, 2017a, 29). Obviously, that raises a number of questions. In what follows, I focus only on two of these questions.

First, can the capability approach overcome the problem of adaptive preferences (cf. section 3.2.1)? And second, can the capability approach overcome the welfarist problem of using a concept such as preferences as a proxy for people's wellbeing (cf. section 3.2.2)? But before entering the discussion, an extra remark needs to be made about the general capability approach on the one hand, and specific capability theories on the other.

¹⁶ Which is due to the simple fact that all of these other differences lie beyond the scope of this thesis. I restate that I am interested in the measurement and evaluation of wellbeing and how that can have implications for policy making and for making judgements about social welfare.

¹⁷ There are capability theoreticians who argue that focusing on capabilities is not necessarily a core aspect of the capability approach. They propose that in some situations it is better to focus on functionings. For more on this see Robeyns (2011; 2016) and Claassen (2014).

Ingrid Robeyns (2017a) has proposed to make a distinction between the general ‘capability approach’ and ‘a capability theory’. According to her, this distinction is critical because it can help rebutting critics who fail to acknowledge this distinction.¹⁸ As has been said, the capability framework is underspecified and open-ended, allowing it to be used for multiple purposes. *Underspecified* in the sense that one needs to add extra conditions before it can be effectively used for a specific purpose, and *open-ended* in the sense that the general capability approach can be used in a variety of directions with a variety of aims or purposes.¹⁹ Therefore, when one speaks of the capability approach, it is important to bear in mind that it is in itself an open notion that requires specification dependent on what the approach will be used for. Thus, hereafter whenever I use the term ‘capability approach’, I am referring to the general underspecified approach, and whenever I use the term ‘capability theory’, I am referring to the approach being used for a specific purpose (Robeyns, 2016b, 389).

In sum, the capability approach is a multi-disciplinary normative theoretical framework that understands wellbeing in terms of people’s capabilities and/or functionings as opposed to other theories of well-being such as welfarism that concentrates on subjective categories like preference-satisfaction. Following Sen’s interpretation, the approach focusses on capabilities which are the things humans can potentially be or do (Robeyns, 2003, 62-3). Furthermore, it is important to be aware of the crucial distinction between the general capability approach on the one hand, which is inherently underspecified and open-ended, and specific capability theories on the other. What is next is the discussion as to whether and how the capability approach can overcome the problem of adaptive preferences (cf. section 2.2.1) and of using a concept such as ‘preferences’ as a proxy for wellbeing (cf. section 2.2.2), respectively.

3.2 Can the capability approach overcome welfarism’s problems?

This section discusses whether the capability approach can overcome two of the problems of welfarism that have been recognized in section 2.2. The first being the problem of adaptive preferences, where a discrepancy exists between an individual’s subjective assessment of his wellbeing and the objective situation of that particular individual; the second, the problem of using a concept such as ‘preferences’ as a proxy for wellbeing and how that can have implications in the context of policy making and of making judgements about social welfare. Both of these problems will be examined from a capabilitarian perspective.

3.2.1 Adaptive preferences from a capabilitarian perspective

Before entering the discussion and delving into the subject that is at stake, I restate that I follow Sen’s interpretation of the approach in the sense that wellbeing is understood in terms of the opportunities and freedoms people have to achieve the functionings they have reason to value (Robeyns and Byskov, 2020, 1). Wellbeing is expressed in terms of people’s capabilities, such that what matters for instance is having the *freedom to enjoy education*, instead of actually enjoying education (Robeyns and Byskov, 2020, 2).

Additionally, recall that section 2.2.1 demonstrates that welfarism uses preference-satisfaction to determine people’s wellbeing, making the problem of adaptive preferences

¹⁸ Robeyns, *Wellbeing, Freedom and Social Justice*, 22.

¹⁹ Robeyns, *Wellbeing, Freedom and Social Justice*, 29.

possible. For some capability approach scholars – most notably Amartya Sen – this problem of adaptive preferences, or *adaptation* for short, has been a reason to favor the capability approach and its conception of wellbeing over the more economic concepts of wellbeing such as welfarism’s utility (Clark, 2009, 22). Where this problem can be summarized as the discrepancy that exists between an individual’s subjective assessment of his wellbeing and the objective situation of that particular individual.

Take as an example of that problem two very different persons, Emil, and Manuel, who happen to live in the exact same, though objectively poor, circumstances. If both were asked to assess their happiness, different answers would (most likely) be submitted. Where, for example, Manuel would say that he is happy, because he does not need a lot of “objective goods”, and Emil would say that he is unhappy because he feels like he deserves more. Now, what is problematic is when impoverished people over time adapt to their objectively bad situations such that those people communicate a much higher level of subjective wellbeing than their situations should authorize. It is precisely this self-determined subjective level of wellbeing that has been scrutinized by capability scholars in their critiques of welfarism (e.g. Sen, 1985b).

Though such critiques have clear consequences for the acceptance of welfarism, the remainder of this section will explore whether these adaptation processes can also have consequences for the capability approach and whether or not the capability approach can overcome them (Clark, 2009, 22). But before that endeavor can be completed, let us look at how the capability literature understands such adaptation processes. According to Qizilbash (2006, 83) the adaptation problem refers to the idea that the preferences, aspirations, and desires people have are transformable and “can ‘adapt’ in various ways to the straitened circumstances in which they live.” For the process of adapting one’s preferences to one’s circumstances can happen in a twofold manner. First, one can adjust one’s desires in a *downward* manner, in order to “reflect disadvantaged circumstances and hardship” (Clark, 2009, 23). And second, one can adjust one’s desires *upwards* to indicate one’s new favorable circumstances (Qizilbash, 2006).²⁰

In the capability literature, the general concern is with people like Manuel because his answers are not representative of his reality (Robeyns, 2017a, 137). According to Sen, “considerations of ‘feasibility’ and of ‘practical possibility’ enter into what we dare to desire and what we are pained not to get” (Sen 1985b, 15). Which has led Sen to reject subjectively determinable measures such as preferences and happiness, because it is very well possible that a person who finds himself in an objectively poor situation has adapted to his situation, such that he has learned to be happy with very little. Sen adds that “a person who is ill-fed, undernourished, unsheltered and ill can still be high up in the scale of happiness or desire-fulfillment if he or she has learned to have ‘realistic’ desires and to take pleasure in small mercies” (Sen, 1985c, 21). This rejection of happiness or desire-fulfillment as the account of wellbeing is intuitive to follow, because, as section 2.2.1 has shown, it allows mental adaptation and adaptive preferences to emerge, which can then prove to be problematic. But what does this mean for the capability approach? Two questions remain unanswered. Firstly, can adaptive preferences be problematic for capability theories? And, secondly, can the capability approach overcome those problems?

²⁰ Adaptation can thus occur both ways. It is a mechanism that operates in varying degrees and that happens as a consequence of people becoming better or worse off.

Ironically, it could be argued that Sen's interpretation of the capability approach - which is the one I am following - is as susceptible to the adaptation problem as is the economic concept of utility (Nussbaum, 1988, 175; Qizilbash, 1997, 253; Sumner, 1996, 60-80). The approach's susceptibility to adaptation processes is due to the fact that Sen's interpretation of the approach demands to make use of democratic principles (Sen 2004, 2005a). For Sen maintains that "it is the people directly involved who must have the opportunity to participate in deciding what should be chosen" (Sen, 1999, 31-2). It is important to clarify that these democratic discussions then revolve around the establishment of human values and capabilities, instead of merely identifying preferences, desires, or even subjective wellbeing (Clark, 2009, 26). What is more, there is no "*prima facie* reason to suppose that human values are any less malleable than preferences, wants, or satisfaction" (ibid.). This leads to the conclusion that the freedoms people reasonably value might just as well be "suppressed and muffled by the same psychological processes that make utility an unreliable guide to poverty, inequality and wellbeing" (ibid.). Thus, even the capability approach can be prone to the problem of adaptive preferences.

But how can these adaptation processes be problematic for the capability approach? According to Ingrid Robeyns (2017a, 139) there are two reasons. The first has to do with the selection of relevant dimensions. Where dimensions are interpreted as the elements that determine which capabilities are considered to be relevant, and which are not. Suppose that a group of capability scholars are selecting the relevant dimensions of valuable functionings for a certain capability theory. If they decide to select these dimensions democratically, then that capability theory becomes vulnerable to the problem of adaptive preferences. But how? Imagine that a small part of that group is "systematically socialized to have low aspirations and ambitions" such that the people pertaining to the smaller group refrain from putting certain capabilities on their list (Robeyns, 2017a, 139). They refrain from doing so because they feel that those capabilities are unachievable anyway - even if their objective situations would state the opposite. Meaning that if the relevant dimensions of a capability theory are chosen democratically, then it is possible that certain members of society are misrepresented because they have been systematically disciplined not to believe in themselves. Their preferences do not correspond with what they are actually able to do and be. It should go without saying that this can be problematic.

Robeyns' second reason is more direct in the sense that it has to do with people that already have adaptive preferences. In this scenario, people are unaware of the fact that from an objective point of view, they have the capability of, say, going to the dentist, such that going to the dentist pertains to their capability sets. However, due to their having adaptive preferences, they do not believe that they actually have this capability. Even if they would believe that they have the capability of going to the dentist, they would still be under the impression that they should choose not to. (They have adaptive preferences, meaning that going to the dentist does not even pertain to their desires nor to their preferences.) Thus, they would choose a suboptimal combination of functionings from their capability sets. Now, if it is then *assumed* that these same people *do not have* adaptive preferences, one would wrongfully understand their decisions as a matter of individual choice - which any capability theory that focalizes on capabilities, in place of functionings, is expected to recognize. And because - generally speaking - the

capability approach views humans as being responsible for their own agency, such an inability to recognize adaptive preferences can become problematic.²¹ But how so?

In light of giving policy recommendations, capability theories generally choose those dimensions that represent the capabilities that correspond to the functionings people reasonably value (Robeyns and Byskov, 2020, 1). However, if people make suboptimal choices, due to their having adaptive preferences, then a capability theory that gives policy recommendations wrongfully assumes that the choices people make are a matter of individual choice, instead of seeing the real reason behind the suboptimal choices, i.e., adaptive preferences. Therefore, if people's choices are influenced by their having adaptive preferences, this can lead to misguided interpretations and possibly policy advice that misrepresents what people really value, which can also lead to wrongful judgements about social welfare.

So, it can be concluded that even for capability theories, the phenomenon of adaptive preferences can prove to be problematic if either the choice of relevant dimensions is chosen democratically, or else if capability scholars focus solely on capabilities instead of functionings.²² Which necessarily brings me to the second question: can the capability approach overcome these problems?

Perhaps the most important strategy for combatting the aforementioned problems of adaptive preferences is *deliberating* and *interacting* with the people of whom one might be worried that they have adaptive preferences. Which applies also to those people of which one does not worry whether they have adaptive preferences. This strategy is most effective in smaller-scale projects, e.g., action research and grassroots strategies.²³ I interpret action research as “a form of collective, self-reflective inquiry that participants in social situations undertake to improve: (1) the rationality and justice of their own social or education practices; (2) the participants' understanding of these practices and the situations in which they carry out these practices” (Kemmis and McTaggart, 1988, 5). Grassroots strategies are determined by their size, usually pertaining to smaller, local groups of people that want to tackle a certain issue. They are often associated with environmental justice movements (Towers, 2000, 23).

These types of smaller-scale projects are exemplified by Ina Conradie who led a 5-year action research project in a South African township called Khayelitsha in 2013, where she examined whether the (capability) dimension of ‘aspirations’ could be used as the crucial element to unlock marginalized people's potential, such that their capabilities could be increased (Conradie, 2013). Additionally, Khader (2011) has similarly developed a “deliberative perfectionist approach to adaptive preference intervention.” Her approach demands that researchers that work with people of whom they are worried of having adaptive preferences should try to understand how those “suspected preferences affect their basic flourishing” (Robeyns, 2017a, 141). Where the recurring element of both Conradie's and Khader's work is *deliberation*. The take-away is the following: if capability scholars suspect to have found adaptive preferences - and want to be sure that they actually have - they should always openly communicate and discuss with the people of whom they suspect having adaptive preferences, such that both groups reach mutual understanding.

²¹ Robeyns, *Wellbeing, Freedom and Social Justice*, 139.

²² Which, as I have stated in note (21), is not something that all capability scholars do. Some say that it is better to focus on functionings in particular circumstances.

²³ Robeyns, *Wellbeing, Freedom and Social Justice*, 139.

But what if a capability theory and its application is rather involved with a large-scale project containing large datasets? Intuitively speaking, requiring empirical analysts or otherwise capability scholars to openly deliberate with thousands of individuals - because they are included in the dataset - is near to impossible. Is there a way for capability applications to deal with the phenomenon of adaptation on a (very) large scale? Yes, but only if the capability approach uses insights from other fields of study, particularly social sciences, e.g., sociology, political science, economics, etc., which over the years have developed expertise in tackling adaptation processes over large datasets (Robeyns, 2017a, 142). Because such disciplines have found that some dimensions of adaptation are more likely than others, e.g., gender, ethnicity, or social class, their insights can be extremely useful for capability applications with large datasets. However, such insights will only facilitate the process of recognizing and identifying adaptive preferences (Robeyns, 2017a, 141).

In sum, even though capability scholars have scrutinized welfarism and its conception of wellbeing for being susceptible to the problem of adaptive preferences, the capability approach itself is unable to fully evade adaptive preferences and its consequences because Sen's interpretation demands to make use of democratic principles. This can prove to be problematic if either the choice of relevant dimensions of a capability theory is chosen democratically, or else if capability scholars focus solely on capabilities instead of functionings. However, these problems can be overcome if scholars communicate and discuss openly with the people of whom they suspect having adaptive preferences. And in case of a large-scale project that contains large datasets, it is advised to use insights from other fields of study, particularly social sciences, e.g., sociology, political science, economics, etc. The next section discusses whether a capabilitarian perspective is able to distinguish between what matters and what does not.

3.2.2 Examining preferences as such from a capabilitarian perspective

Section 2.2.2 concluded that in the context of policy making and of evaluating social welfare, the welfarist preference-based approach can prove to be problematic because it is unable to differentiate between what matters and what does not. This section proceeds by arguing that in order to resolve this issue, a capabilitarian perspective is required. If wellbeing is understood in terms of people's capabilities - rather than in terms of preference-satisfaction - then it will be possible to differentiate between what matters and what does not.

But how will this capabilitarian perspective be interpreted then? Recall that section 3.1 has illustrated that the capability approach understands wellbeing in terms of people's capabilities, i.e., what determines a person's wellbeing is that there are enough opportunities available for him such that he can achieve the doings and beings he reasonably values (Robeyns and Byskov, 2020, 1).

Though there are some capabilities that are more associated with material non-contingent needs like being well-nourished and having access to shelter; other capabilities apply more to the nonmaterial dimensions of what determines the quality of our lives, such as being in loving relationships with friends and family or being able to participate with local communities. The paramount difference between the welfarist and the capabilitarian approach to understanding wellbeing is that the latter is better able to shift the way we think about wellbeing towards those nonmaterial dimensions.²⁴ And the objective list account of wellbeing

²⁴ Ingrid Robeyns, "Freedom and Responsibility," 2.

(Parfit, 1984, 493) exemplifies this, where, for example, Nussbaum (2000, 79) lists as one of her capabilities the capability of “emotions,” which claims that having “attachments to things and people outside ourselves” is a valuable functioning. Thus, the capability approach can include nonmaterial dimensions in the determination of a person’s wellbeing - especially if that perspective adopts an objective list as its account of wellbeing, for example, Nussbaum’s (2000, 78-80) list of ten “central capabilities.”

But what about the aforementioned welfarist view that there exists an inevitable trade-off between us being able to live with high levels of wellbeing on the one hand, and us living ecologically sustainable (cf. section 2.2.2)? Would the collective decision of us living ecologically sustainable really mean a decline in our total wellbeing? If one adopts the welfarist preference-based approach, then yes. I refer to section 2.2.2 for an explication for this. It should be intuitive to follow that this outcome is problematic because it does not incentivize people to live ecologically sustainable. (No one would want to willingly decrease their wellbeing now, would they?) Therefore, what is needed is a change in perspective, and I hold that the capability approach’s view is apt for this alteration.

It is implied that in the balancing one does between lowering one’s welfare on the one hand, and living more ecologically sustainable on the other, a notion of what wellbeing entails is presupposed. What is more, a notion of what our quality-of-life as well as our welfare and living standard is, is also presupposed in such an act.²⁵ But what do these terms mean?

Following Robeyns (2017b, 9), I make use of a twofold distinction that will facilitate that (needed) shift in perspective. Where *standard-of-living* will be referring to “the level of material goods we can enjoy” and *quality-of-life* will be referring to a standard-of-living that includes nonmaterial dimensions. Here, material goods can range from what kinds of foods we consume to what kinds of clothes we wear; and nonmaterial dimensions can range from the states of our mental health to the quality of our relationships.²⁶ So how can the capability approach help us with altering our perspectives so that we can live the good life and live ecologically sustainable lives in concert?

What the capability approach as opposed to the welfarist preference-based approach can do, is to bring the material as well as the nonmaterial dimensions of the quality of our lives together; it is equipped with the theoretical apparatus to “stop the vicious circle of present-day capitalist consumer societies to narrow down well-being to the material side of life.” (Robeyns, 2017b, 9). This is due to the fact that the capability approach focalizes around questions such as ‘how can we *really* improve the lives of people?’, where what matters is people’s capabilities. Indeed, according to Amartya Sen (1985b;1993) people should be given the freedom to be able to do and be what they reasonably value. Just to give an example of how the approach can include these valuable nonmaterial dimensions in the determination of our wellbeing, I make use of Nussbaum’s (2000, 78-80) list of “central human capabilities,”. Where she includes the capability of “other species” on her list, which signals that living with other creatures such as animals – or more generally – nature, contribute to a person’s wellbeing (Nussbaum, 2000, 80).

²⁵ Ingrid Robeyns, “Freedom and Responsibility,” 8-9.

²⁶ Of course, there are many other conceptions of wellbeing, welfare, quality-of-life, and standard-of-living possible. The ones I use here are merely one of the several possibilities available.

Thus, the approach does not merely focus on materialistic values, which is more proper to welfarism and which, as we by now can all safely conclude, is (highly) ecologically unsustainable, it also takes into account the nonmaterial dimensions that determine the quality of our lives, and hence, our wellbeing (Robeyns, 2017b, 9). That change in perspective will render it possible for the capability approach to distinguish between what matters and what does not - in contrast to the welfarist preference-based approach that is unable to perform this exercise. And in the end, such a shift in perspective is not only desirable, but also highly necessary if we aim at living good lives while simultaneously living ecologically sustainable.

Summarizing, this chapter set out to discuss what the capability approach entails and if it could overcome the problems of welfarism that been recognized in section 2.2, the problem of adaptive preferences and the problem of using a concept such as ‘preferences’ as a proxy for wellbeing, respectively. It can be concluded that if capability scholars suspect to have found adaptive preferences (cf. section 2.2.1) - and want to be sure that they actually have - they should always openly communicate and discuss with the people of whom they suspect having adaptive preferences, such that both groups reach mutual understanding and such that ill-founded policy advice and wrongful judgements about social welfare can be avoided. Furthermore, the capability approach does not merely focus on preference-satisfaction and on material values, which is more proper to welfarism, but also takes into account the nonmaterial dimensions that determine the quality of our lives, and hence, our wellbeing. Which renders it possible for the capability approach to distinguish between non-contingent needs and contingent desires.

4. Conclusion

While welfarism and the capability approach are both interested in the measurement and evaluation of human wellbeing, they differ in their methods. Chapter 2 illustrates that welfarism is essentially concerned with how to measure and evaluate states of affairs such that policy can be guided towards the direction of improving social welfare, where what ultimately determines a welfarist's welfare is the satisfaction of his preferences (cf. section 2.1). However, this conception of welfare makes welfarism prone to the phenomenon of mental adaptation, which can thereafter lead to the problem of adaptive preferences, where a discrepancy exists between an individual's subjective assessment of his welfare and the objective situation of that particular individual (cf. section 2.2.1). The welfarist preference-based approach is also problematic in the sense that it is unable to distinguish between what matters and what does not (cf. section 2.2.2). Chapter 3 proceeds by offering an alternative perspective, the capability approach, which is a multi-disciplinary normative theoretical framework that understands wellbeing in terms of people's capabilities and/or functionings (cf. section 3.1). The capability approach can resolve the problem of adaptive preferences if capability scholars openly communicate and discuss with the people whom they suspect to have adaptive preferences (cf. section 3.2.1). The welfarist problem of using preferences as such as a proxy for wellbeing can be resolved if one adopt a capabilitarian perspective, such that the nonmaterial dimensions that determine the quality of our lives, and hence, our wellbeing, are also taken into account (cf. section 3.2.2). In the end, the capability approach offers a fresh perspective that allows for a rethinking of how wellbeing could be conceptualized.

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